



**CONTINENTAL  
HOLDINGS**

## Continental Holdings PLC Prospectus Initial Public Offer

Offer for Sale of 753,308,604 Ordinary Shares at an Offer Price of MWK195.00 per Share  
and admission to trade on the Malawi Stock Exchange  
Date of issue: 30 June 2026

A copy of this prospectus has been delivered to the Registrar of Companies ('RoC') and the Registrar of Financial Institutions ('RoFI') for registration. The RoC and RoFI have not checked and will not check the accuracy of any statements made and accept no responsibility for the financial soundness of Continental Holdings PLC (formerly Continental Holdings Limited) ('CHL' or 'the Group') or the value of the securities concerned. The RoC registered this Prospectus on 29 June 2026.

An application has been made to the Malawi Stock Exchange ('MSE') for permission to list all CHL securities already issued. Such permission will be granted when CHL has been admitted to List. Acceptance of applications will be conditional upon issue of the securities and upon permission being granted to list all the issued securities of CHL. Monies paid in respect of any application accepted will be refunded if the said permission is not granted.

This document has been prepared in accordance with provisions of the Companies Act, Cap 46:03, Laws of Malawi ('the Act') and the MSE's Listing Requirements (2023 edition). Copies of the Prospectus can be obtained from the registered offices of CHL, the Authorized Broker and the Receiving Banks whose addresses are set out in the Corporate Information and Advisors' section, as well as in electronic form from the Company's website (<https://continentalholdings.mw>) from 30 June 2026 up to and including 20 July 2026. The Directors of CHL accept no responsibility for any applications that are, or may be, misdirected.

Investors are encouraged to read through the Salient Features section which incorporates the details of the offering by the Group. The Offer does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, securities in any jurisdiction in which such an offer or solicitation would be unlawful.

The Directors of CHL, whose names appear on page 23 of this Prospectus (the 'Directors'), collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Prospective investors should read this Prospectus in its entirety. See 'Risk Factors' in Part 6 for a discussion of certain risks and other factors that should be considered prior to any investment in the Offer.

#### **Excluded Jurisdictions**

The Offer and the distribution of this Prospectus in jurisdictions other than Malawi may be restricted by law, and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Prospectus and the Offer do not constitute an offer to issue or sell, or an invitation to purchase, or the solicitation of an offer to buy, any securities in, into or from any jurisdiction in which such offer or solicitation would be unlawful or would require further action in order to be lawful, including, without limitation, in, into or from any Excluded Jurisdiction (as defined below). To the extent that this Prospectus be sent to any Excluded Jurisdiction, it is provided for information purposes only. Persons in Excluded Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Excluded Jurisdiction nor any other means, instrumentality or facility in such Excluded Jurisdiction for any purpose, directly or indirectly, relating to the Offer. Persons into whose possession this Prospectus comes must inform themselves about and observe any such restrictions. No actions have been taken, or will be taken, that would permit an offering of Offer Shares to occur outside Malawi.

#### **Forward-looking statements**

This Prospectus and any document incorporated herein by reference contains statements about the Group that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the banking industry; cash costs; operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as 'believe', 'aim', 'expect', 'anticipate', 'intend', 'foresee', 'forecast', 'likely', 'should', 'planned', 'may', 'will,' 'estimated', 'potential,' 'target,' or similar words and phrases or other variations or comparable terminology. Examples of forward-looking statements include statements regarding the Group's objectives, future financial position or future profits, results of operations, cash flows, corporate strategy, estimates of capital expenditures, dividends, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Group cautions that forward-looking statements are not guarantees of future performance. The Group's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document and any documents incorporated by reference herein. Actual results, financial and operating conditions, liquidity and the developments within the banking industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus.

Furthermore, potential investors should keep in mind that any forward-looking statement made in this Prospectus or elsewhere is applicable only at the date of this document. New factors or other matters to which such forward-looking statements relate, not to develop as expected, may emerge from time to time, that could adversely affect the business of the Group and it is not possible to predict all of them. The Group has no duty, and does not intend, to update or revise the forward-looking statements contained in this Prospectus after the date of this Prospectus, except as may be required by law or regulation.



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## Corporate information



### Applicant

Continental Holdings PLC  
**(formerly Continental Holdings Limited)**  
Registration Number: COYR-RE71KO  
Date of Incorporation: 18 May 2009  
Place of Incorporation: Malawi  
Conversion to Public Company: 26 June 2026

### Registered Office For Continental Holdings Plc And Subsidiaries

1st Floor Ulimi House  
Corner Glyn Jones Road & Sharpe Road  
P.O. Box 1444  
Blantyre, Malawi  
Tel +265 (0) 111 828 363  
info@continental.mw

### Company Secretary

Arthur Alick Msowoya  
BA (LLB Honours) (University of Malawi)  
1st Floor Ulimi House  
Corner Glyn Jones Road & Sharpe Road  
P.O. Box 1444  
Blantyre, Malawi

### Lead Corporate Advisor



Cedar Capital Limited,  
4th Floor, Livingstone Towers  
Glyn Jones Road. P.O. Box 3340,  
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Tel : +265 (0)111 831 995  
[kamphonia@cedarcapital.mw](mailto:kamphonia@cedarcapital.mw)

### Legal Advisor



Singano Purshotam Law Consultants  
NBS Building, 4th Floor Unit #1  
Corner Chilembwe Rd / Victoria Ave  
P.O. Box 2039, Blantyre, MALAWI  
Tel: +265 (0) 888 840 720  
[SPLaw@SPLaw.mw](mailto:SPLaw@SPLaw.mw)

### Reporting Accountant and Auditor



Ernst & Young  
Chartered Accountants Malawi  
Registered with the Institute of Chartered Accountants in Malawi (ICAM) and Malawi Accountants Board  
Apex House, Kidney Crescent  
P.O. Box 530, Blantyre, Malawi  
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[admin.malawi@mw.ey.com](mailto:admin.malawi@mw.ey.com)

### Transfer Secretary



National Bank of Malawi plc  
NBM Towers  
7 Henderson Street  
P.O. Box 945, Blantyre, Malawi  
Tel: +265 (0) 111 820 622  
[ekhulamba@natbankmw.com](mailto:ekhulamba@natbankmw.com)

### Sponsoring Broker



Stockbrokers Malawi Limited  
NBM Towers  
7 Henderson Street  
P.O. Box 31180, Blantyre, Malawi  
Tel: +265 (0) 1 820 811  
[info@stockbrokersmw.com](mailto:info@stockbrokersmw.com)

### Media and Communications



Corporate Graphics Malawi Limited  
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P.O. Box 2455,  
Blantyre, Malawi  
Tel: +265 (0) 888 99 06 40  
[lesandra@corporategraphicsmw.com](mailto:lesandra@corporategraphicsmw.com)

### Receiving Bank



INVESTMENT BANK  
CDH Investment Bank Limited  
CDH House  
5 Independence Drive  
P.O. Box 1444, Blantyre, Malawi  
Tel +265 (0) 111 821 300  
[info@cdh-malawi.com](mailto:info@cdh-malawi.com)

### Receiving Bank



National Bank of Malawi plc  
NBM Towers  
7 Henderson Street  
P.O. Box 945, Blantyre, Malawi  
Tel: +265 (0) 111 820 622  
[chiefexec@natbankmw.com](mailto:chiefexec@natbankmw.com)

### Receiving Bank



FDH Bank PLC  
First Floor, Umoyo House,  
No. 8 Victoria Avenue North  
P.O. Box 512, Blantyre, Malawi  
Tel : +265 (0) 111 820 219  
[callcentre@fdh.co.mw](mailto:callcentre@fdh.co.mw)

### Receiving Bank



First Capital Bank Plc  
Livingstone Towers  
Glyn Jones Road  
P.O. Box 3340, Blantyre, Malawi  
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### Receiving Bank



NBS Bank Plc  
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Corner Chipembere Highway & Johnstone Roads,  
Ginnyer Corner, P.O. Box 32251, Blantyre, Malawi  
Tel : +265(0) 111 812 222  
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### Receiving Bank



Standard Bank Plc  
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P.O. Box 30380, Lilongwe 3, Malawi  
+265 (0) 1 820 222  
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### Underwriter



National Bank of Malawi plc  
NBM Towers, 7 Henderson Street, P.O. Box 945, Blantyre, Malawi  
Tel: +265 (0) 111 820 622. [chiefexec@natbankmw.com](mailto:chiefexec@natbankmw.com)



## Summary of salient features of the Offer

The information set out in this Salient Features section of the Prospectus is not intended to be comprehensive. To gain a more extensive understanding of the subject matter and information of the Initial Public Offer ('IPO'), this Prospectus should be read in its entirety. In making an investment decision, investors must rely on their own or their advisors' examination of CHL and the terms of the Offer, including the merits and risks involved. Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisors concerning the acquisition, holding or disposal of CHL Shares.

### 1. Nature of the business

CHL is a group of fast-growing financial services companies primarily involved in investment and commercial banking, stockbroking, commodities broking, fund management, property management and development, and pension administration. Banking, asset management, stockbroking are licensed by the Registrar of Financial Institutions ('RoFI') and represent the core of the Group's activities.

CHL's history dates back to 1995 with the establishment of Continental Discount House Limited. In 2002, CDH Asset Management Limited and CDH Asset Management Nominees Limited were incorporated to manage the investment management business of the Group. CDH Holdings Limited was incorporated on 18th May 2009 and commenced operations on 2nd April 2012, with Continental Discount House transferring all its subsidiaries to CDH Holdings Limited and thereafter converting into a bank (CDH Investment Bank (CDHIB)) as a subsidiary of the holding company. The subsidiaries, excluding CDHIB, were renamed Continental Asset Management (CAM), Continental Capital Limited (CCL), Continental Properties Limited (CPL) and Continental Pension Services Limited (CPSL). The Company changed its name to Continental Holdings Limited on 1st August 2015 in line with its growth strategy and was converted to a public company on 26 June 2026 when it changed its name to Continental Holdings PLC.

Continental Holdings PLC has 82.46% shareholding in CDHIB. Its wholly owned subsidiaries include CAM, CCL, CPL, CPSL, CDH Commodities Limited ('CDHC') and Continental Asset Management Nominees Limited ('CAMN'). All the subsidiaries are registered in Malawi.

CHL provides all the subsidiary units with the support required to enhance service delivery, strengthen operational processes and controls and effectively manage Group risk exposure to ensure long term stability. CHL facilitates a culture of competitiveness underpinned by the highest level of integrity to enhance client service delivery throughout the Group.

### 2. Summary of financial information

CHL's earnings record over the last five years is set out in the table below. Full financial information is provided in the Reporting Accountants' Report in Appendix 2 of this Prospectus:

Based on Historical Number of Shares	FY21	FY22	FY23	FY24	FY25
Profit before tax (MWK mn)	8,098	12,968	18,252	34,461	72,638
Profit after tax (MWK mn)	5,386	8,366	11,449	24,538	47,855
Profit after Tax attributable to shareholders of CHL (MWKmn)	4,533	7,045	9,494	20,410	40,274
Dividends to shareholders of CHL (MWK mn)	1,690	1,886	4,021	4,539	10,748
Earnings per share before tax (MWK)	48.37	77.47	109.03	205.86	433.91
Earnings per share after tax (MWK) [a]	27.08	42.08	56.72	121.92	240.59
Dividends per share (MWK) [b]	10.10	11.27	24.02	27.12	64.20
Dividend cover (Times) [a/b]	2.68	3.73	2.36	4.50	3.75

Notes: Earnings per Share (after tax) and Dividends per Share are as attributable to shareholders of CHL and stated assuming the share capital as at 31 Dec 2021, 2022, 2023, 2024 or 2025.

Based on Current Number of Shares	FY21	FY22	FY23	FY24	FY25
Earnings per share before tax (MWK)	2.69	4.30	6.06	11.44	24.11
Earnings per share after tax (MWK) [a]	1.50	2.34	3.15	6.77	13.37
Dividends per share (MWK) [b]	0.56	0.63	1.33	1.51	3.57
Dividend cover (Times) [a/b]	2.68	3.73	2.36	4.50	3.75

Notes: Earnings per Share (after tax) and Dividends per Share are as attributable to shareholders of CHL and stated assuming the current share capital.

### 3. Investment considerations

The following are the key investment considerations in relation to the Offer and Listing on the MSE:

#### a. CHL is a fast-growing, diversified financial services group with a dynamic culture

In its 28-year history, the Group has expanded its business and service offering and now encompasses seven separate subsidiaries and businesses. The Group is involved in banking, stockbroking, commodities broking, asset and fund management, property management and development and pension administration. The Group focuses on innovation and creativity while managing risks to offer unique financial solutions to clients. CHL prides itself as being a dynamic and fast-growing technology-driven financial services group with a commitment to excellence and innovation.

#### b. Sound performance on key financial metrics

The Group has delivered a strong financial performance over the last five years, primarily driven by the performance of CDHIB. The Group's operating income in the last two financial years has increased by over 75% per annum, with a 5-year CAGR of 61%. The Group's profit after tax has had an average annual increase of over 100% over the last two financial years, with a 5-year CAGR of 194%. These demonstrate the Group's resilience and strong performance amid a challenging operating environment over the last five years.

CDHIB, the largest subsidiary, has strong performance metrics as at 31 December 2025 as follows:

- Return on Assets: 4.4%
- Return on Equity: 64.2%
- Non-Performing Loans: 3.4%

#### c. Current trading and future prospects

CHL has had a strong performance in the first quarter of 2026 and is forecasting net operating income for the 12 months to 31 December 2026 to increase by 61% (from MWK111 billion in 2025 to MWK179 billion) and profit after tax to increase by over 70% to MWK82 billion (from MWK48 billion in 2025). The Group has continued to deliver a strong operational and financial performance during the current financial year, supported by resilient business fundamentals, diversified revenue streams and disciplined execution of its strategic objectives. Performance across the Group's principal operating subsidiaries has generally been in line with or ahead of management expectations, reflecting sustained growth in core business activities, prudent risk management and effective cost control.

#### d. Strong corporate governance structures

The Group and its subsidiaries have implemented strong corporate governance structures and meet the highest standards according to the Code of Best Practice for Corporate Governance in Malawi – The Malawi Code II, the Companies Act (Corporate Governance) Regulations 2016 and Directives of the RoFI.

This includes separate Boards and subcommittees, with the right mix of independent and non-executive Directors, for each subsidiary which ensure effective risk management, operational efficiency and regulatory compliance. Board members comprise individuals with the appropriate and diverse skill set. The Group is dedicated to strong governance practices, transparency and accountability to stakeholders.

#### e. Experienced management team and staff

The management teams of CHL and its subsidiaries bring together decades of specialized expertise in investment and commercial banking, stockbroking, fund management, property management and pension administration, providing the Group with strong strategic and operational leadership. Having navigated multiple challenging market cycles, these seasoned executives possess the foresight to identify emerging opportunities while maintaining a disciplined approach to capital preservation and effective risk management. Their collective track record is defined by a commitment to operational excellence and a client-first philosophy that fosters long-term stability and growth. By blending deep industry knowledge with innovative problem-solving capabilities, the team ensures the Group remains resilient and agile in an ever-evolving financial landscape.

The Group recognises the critical role of its human capital and prioritises a continuous investment in capacity building at all levels. Employees are encouraged to broaden their knowledge base through training, education, professional membership and constant engagement with industry peers.

#### f. Forward thinking and agile group of financial services companies

As a smaller and more agile group of companies within the financial services sector, CHL and its subsidiaries are well positioned to adapt to market changes and demands. The Group's strategy for long term growth is centred on enhancing operational efficiency through strategic investments in technology and fintech solutions while delivering innovative, tailored financial solutions to clients. The Group undertakes market research and invests in attractive financial services segments to diversify its risk profile and support sustained growth across its subsidiaries.



#### **g. Supportive shareholders**

TransAfrica Holdings Limited (TAH), incorporated in Mauritius, is the majority shareholder in CHL. TAH has been a supportive and active shareholder of CHL since inception. The company comprises of individuals with extensive international banking experience who have been actively involved in the growth strategy of the Group over the last twenty-five years. While TAH plans to reduce its shareholding in CHL, its enduring influence on the Group's culture, values and strategic foundations will continue to be evident into the future of the Group.

Press Trust, which represents all the people of Malawi, has been a strategic partner of TAH since the inception of the Group and remains committed to its growth.

#### **h. Strong dividend payout**

The Group intends to maintain a dividend pay-out policy of between 30% and 50% of distributable profits after tax, adjusted to exclude revaluation surplus retained in non-distributable reserves. The declaration and payment of dividends will remain subject to the Group satisfying all applicable regulatory, capital, liquidity and prudential requirements. Annual dividends are paid in two splits, interim dividend, and final dividend. Both payments are based on the Group's interim performance and final audited accounts. Shareholders will therefore be expected to receive an interim dividend in October 2026 and a final dividend in May 2027 as assessed by the Board.

#### **i. Relationships and partnerships with key institutions**

The Group, through CDHIB, has developed strategic relationships with international banks and regional development finance institutions. Some of the key ones include:-

- Crown Agents Bank
- ODDO BHF Bank
- Ecobank Paris
- Afreximbank
- The Eastern and Southern African Trade and Development Bank ("TDB")

These relationships are beneficial to CHL in terms of access to capital and networking to provide additional capacity to support the growing needs of the Group's clients. Locally, the Group has through CDHIB, entered into master risk participation agreements with other banks and non-bank financial institutions, giving it capacity to underwrite large transactions.

## **4. Purpose and rationale of the Offer and Listing**

CHL has applied for a Listing on the Main Board of the MSE by way of an offer for sale as prescribed in the Listings Requirements. The Listing will raise the corporate profile and status of the Group, creating an opportunity for the introduction of new investors with TAH disposing off a portion of their shareholding in the Group. TAH has been an active shareholder for over twenty-five years and is now seeking to realise only a portion of its investment, in line with its investment mandate. TAH will continue to hold a majority stake in the Group post the IPO.

There will be no issue of new shares in CHL as part of the Listing. Furthermore, this IPO does not coincide with the acquisition by CHL of securities in the business of another company in consequence of which that company will become a subsidiary of CHL.

## 5. The Offer

The Offer comprises an Initial Public Offer ('IPO') for shares whereby TransAfrica Holdings Limited (the 'Selling Shareholder'), who currently owns 57.64% of the issued ordinary share capital of the Group, is offering 753,308,604 shares for sale (the 'Offer for Sale') to members of the public (hereinafter referred to as the 'Offer') upon the terms and conditions set out in this Prospectus and the Application Form. This constitutes a 25% stake in the Ordinary Share capital of the Group.

All the Offer Shares will be freely transferable and will rank pari passu in all respects with the shares in issue as at the date hereof.

Initial Public Offer of MWK146,895,177,780 in the Ordinary Share capital of CHL as follows:

	No. of shares	
Offer for Sale	753,308,604	
Offer Price		MWK195
Total IPO		MWK146,895,177,780
Authorised number of shares at no par value	3,013,234,416	
Existing shares in issue and fully paid for	3,013,234,416	
Number of shares at IPO	3,013,234,416	
Market capitalisation at IPO		MWK587,580,711,120
Price to Earnings (based on earnings at at 31 December 2025)		12.28x
Price to Book (based on book value as at 31 December 2025)		7.73x

## 6. Dividends

The Group has a policy of paying a dividend of between 30% and 50% of distributable profits after tax, adjusting for any revaluation surplus which are retained as part of a non-distributable reserves and subject to meeting all applicable regulatory, capital, liquidity and prudential requirements. This profit retention policy strengthens its capital base and supports organic growth allowing it to fund expansion opportunities while maintaining appropriate capital levels. Annual dividends are paid in two splits, interim dividend, and final dividend. Both payments are based on the Group's interim performance and final audited accounts reported.

The Directors may by ordinary resolution declare interim dividends, final dividends are approved by shareholders at the AGM. Directors may decide whether or not to pay interim dividends or not recommend final dividend to shareholders, in what amounts and the timing thereof based on results from operations, cash flows, financial condition, capital adequacy ratios, future expansion plans, statutory, regulatory and internal restrictions on the payment of dividends and other relevant factors at any point in time.

Dividend type	Event	Period
Interim dividend	Declaration	September
	Closing shareholder register	October
	Payment	October
Final dividend	Declaration	April
	Closing shareholder register	May
	Payment	May

## 7. Minimum subscription requirement

The minimum subscription for the Offer is 300 Offer Shares, with subscriptions to be in multiples of 100 Offer Shares thereafter. The offer for sale comprises 25% of the stake of the Group – which meets the minimum requirement for a public float on the MSE. A minimum spread of 300 shareholders is required in order for the Offer to qualify to list on the main Board of the MSE.



## 8. Application for Offer Shares

Applications for the IPO may be made on the Application Forms enclosed in this Prospectus. Soft copies of the Application Forms which are made available by the Transfer Secretary and can be downloaded from CHL's and MSE's websites will also be accepted for submission. Applications must be made in accordance with the terms and conditions set out in the Application Forms. Notwithstanding that the terminology used in this Prospectus is that of an offer to contract, applications completed by the applicants shall constitute an offer to CHL for the Offer Shares, and shall not constitute an acceptance of the Offer contained in this Prospectus.

## 9. Preferential allocation and oversubscription allotment policy

Prior to the Offer, Press Trust - one of the existing shareholders; received regulatory approval to acquire additional shares from the Selling Shareholder representing approximately 3.3% of the issued share capital of the Group. The acquisition will be completed prior to implementation of the IPO.

Accordingly, in order to promote equitable treatment among existing shareholders, a portion of the Offer Shares representing up to a maximum of 3.39% of the Offer has been reserved for preferential allocation to eligible existing shareholders under the IPO (the "Existing Shareholder Allocation"). The 3.39% reservation reflects the proportional entitlement calculated by reference to the approved pre-IPO transaction.

In the event of an oversubscription, allocations within the Existing Shareholder Allocation shall be prioritised and made on a pro rata basis by reference to existing shareholdings as at the prescribed record date and in accordance with the allocation procedures set out in this Prospectus.

In this instance, all other subscriptions will be allotted Offer Shares after the Existing Shareholder Allocation as determined by the Directors of CHL, taking into consideration the following factors:

- a. Achieving an appropriate spread and diversity of public shareholders as per the MSE Listing Requirement for at least 300 public shareholders and to promote liquidity, tradability and an orderly after-market;
- b. MSE Listing guidance which states that the formula for the basis of allotment must be calculated in such a way that an investor will not, in respect of their application, receive an allocation of a lesser number of securities than any subscriber who applied for a lesser amount.

The Group reserves the right to accept or refuse any application, either in whole or in part, or to accept some applications in full and others in part in such manner as it may, in its sole and absolute discretion, determine whether the Offer is over or undersubscribed.

## 10. Partial Underwriting and indicative interest in the Offer

The Offer has been partially underwritten in the amount of MWK14 billion, subject to the terms of the Underwriting Agreement set out in paragraph 1.7 of Part 7 of this Prospectus. Certain pension and life insurance funds have expressed indicative interest to participate in the IPO, with preliminary indications of demand amounting to approximately MWK130 billion, subject to obtaining internal investment mandates and all necessary approvals, including any required no-objection or clearance from the relevant regulatory authorities in accordance with applicable investment limits and thresholds under the Pensions Directive and other applicable regulations.

Applications submitted by such funds will be processed alongside all other applications; however, any allocation of shares to those funds will remain subject to receipt of the requisite regulatory approvals and clearances.

## 11. Important dates and times

Event	Date
Publication of Prospectus and Pre-Listing Statement in local press	30 June 2026
Offer opens at 09:00 on	30 June 2026
Offer closes at 17:00 on	20 July 2026
Results of offer to MSE	22 July 2026
Allotment announcement to public	24 July 2026
Latest date for refund cheques and documents of title to be posted	31 July 2026
Listing of CHL on MSE	3 August 2026

## 12. Jurisdiction

This Prospectus and the Offer do not constitute an offer to issue or sell, or an invitation to purchase, or the solicitation of an offer to buy, any securities in, into or from any jurisdiction in which such offer or solicitation would be unlawful or would require further action in order to be lawful, including, without limitation, in, into or from any Excluded Jurisdiction.

## Definitions and Interpretations

### Definitions

The following definitions apply throughout this document unless the context requires otherwise:

Term	Meaning	Term	Meaning
'the Act'	The Companies Act, Cap 46:03 of the Laws of Malawi;	'Existing Shareholder Allocation'	The preferential allocation to existing shareholders of CHL as part of the Offer, representing up to a maximum of 3.39% of the Offer;
'Applicant' or 'Subscriber'	A person, including juristic persons, applying for CHL's shares pursuant to the Offer, on the terms and conditions set out in this Prospectus;	'Financial Crimes Act'	Financial Crimes Act, Cap. 7:07, of the Laws of Malawi;
'Application Forms'	The forms of application attached to this Prospectus relating to the Offer, being the only method of application to be used by Applicants in connection with the Offer, including the Online Application;	'Financial Services Act'	Financial Services Act, Cap. 44:05, of the Laws of Malawi;
'Articles'	The articles of association of CHL and its subsidiary companies, where relevant;	'IPO'	The initial public offering of CHL by way of an offer for sale of shares by the Selling Shareholder and the Listing on the MSE;
'Auditors' or 'Independent Reporting Accountants'	Ernst & Young, registered public accountants, external auditors to CHL and Reporting Accountants to the Offer and IPO;	'Lead Corporate Advisors'	Cedar Capital Limited;
'Automated Trading System' or 'ATS'	The software, hardware, communications and network systems, which are used to carry out transactions or other operations related to transactions on MSE;	'Legal Advisors'	Singano Purshotam Law Consultants, legal advisors to CHL and the Listing;
'Banking Act'	The Banking Act, Cap 44:01 of the Laws of Malawi;	'Listing'	The proposed listing of 100% of the issued shares of CHL on the MSE;
'Bills of Control Act'	Bills of Control Act, Cap. 48:02, of the Laws off Malawi;	'Listings Requirements'	The Listing Requirements of the MSE for the listing of a company on the MSE, as amended from time to time;
'Business day'	Any day of the week, excluding Saturdays, Sundays and any official Malawi public holidays;	'Loans Recovery Act'	Loans Recovery Act, Cap. 6:04, Laws of Malawi;
'Board' or 'Director(s)'	The Board of Directors of CHL or any members or member thereof as the case may be;	'Malawi'	The Republic of Malawi;
'CAM'	Continental Asset Management Limited, 100% subsidiary of CHL;	'Memorandum'	The memorandum of association of CHL, or its subsidiaries, as relevant;
'CAMN'	Continental Asset Management Nominees Limited, a 100% subsidiary of CHL;	'the Offer'	The proposed offer for sale of ordinary shares in CHL currently held by the Selling Shareholder that is the subject of this Prospectus;
'CCL'	Continental Capital Limited, a 100% subsidiary of CHL;	'Offer Price'	The offer price of MWK195 per share in terms of the IPO;
'CDHC'	CDH Commodities Limited, a 100% subsidiary of CHL;	'Online Application'	means an application for Offer Shares completed and submitted online on the Offer Website or via CHL's digital platform;
'CDHIB'	CDH Investment Bank Limited, an 82.46% subsidiary of CHL;	'Offer Shares'	753,308,604 shares of CHL collectively being offered in terms of the IPO by the Selling Shareholder at the Offer Price of MWK195 per Share;
'CHL' or the 'Group'	Continental Holdings PLC, a public company incorporated in terms of the laws of the Republic of Malawi (formerly Continental Holdings Limited);	'Ordinary Shares' or 'Shares'	Ordinary shares in the share capital of CHL;
'Consumer Protection Act'	Consumer Protection Act, Cap.48:10, of the Laws of Malawi;	'Pensions Directive'	Financial Services (Investment Management of Life Insurers and Pensions Funds) Directive, 2025;
'CPL'	Continental Properties Limited, 100% subsidiary of CHL;	'Prospectus' or 'Document'	This Prospectus containing the terms and conditions of the Offer as well as the requisite statutory, regulatory and general information relating to CHL, inclusive of the appendices and attached Application Forms;
'CPSL'	Continental Pensions Company Limited, a 100% subsidiary of CHL;	'Reserve Bank of Malawi'	Reserve Bank of Malawi Act, Cap. 44:02, of the Laws of Malawi;
'Credit Reference Bureau Act'	Credit Reference Bureau Act, Cap. 46:09, of the Laws of Malawi;	'Securities Act'	Securities Act, Cap. 46:06, of the Laws of Malawi;
'Dematerialise' or 'dematerialisation'	The process by which physical certificated shares are converted and held in electronic form in the Central Securities Depository;	'Sponsoring Broker'	Stockbrokers Malawi, Sponsoring Broker to CHL in connection with the Offer and Listing;
'Dematerialised shares' or 'ESOP'	Shares that are held in electronic form; Employee Share Ownership Programme which currently holds 9.98% of CHL;	'TAH' or 'Selling Shareholder' or 'Controlling Shareholder'	TransAfrica Holdings Limited who currently owns 57.64% of the issued ordinary share capital of CHL and are offering 25% for sale by way of the Offer to achieve the Listing;
'Exchange Control Act'	Exchange Control Act, Cap. 45:01, of the Laws of Malawi;	'Transfer Secretary'	National Bank of Malawi plc, Transfer Secretary in connection with the Offer and Listing;
'Excluded Jurisdiction'	A jurisdiction where the dissemination of this Prospectus or the making of the Offer may be illegal or fails to conform to the laws of such jurisdiction or requires any type of registration or the like, with any regulator or public body or the like;	'Underwriter'	National Bank of Malawi plc;
		'Underwriting Agreement'	The agreements between CHL and the Underwriter regarding the provision of underwriting services in the amount of MWK14 billion by the Underwriter to the Group pursuant to the IPO.



## Glossary

The following terms have the meanings provided below unless the context required otherwise:

Abbreviation	Definition
ALCO	Asset and Liability Management Committee
ATS	Automated Trading System
BAM	The Bankers Association of Malawi
BARC	Board Audit Risk and Compliance Committee
CAGR	Compounded Annual Growth Rate
CIMA	Chartered Institute of Management Accountants
CR	Credit Risk Committee
CSD	Central Securities Depository
CSR	Corporate Social Responsibility
ESOP	Employee Share Ownership Programme
F&A	Finance & Audit Committee
FCCA	Fellow of the Association of Chartered Certified Accountants
FCDA	Foreign Currency Denominated Accounts
FSA	Financial Services Act
GDP	Gross Domestic Product
GIO	Government and International Organisations
GoM	Government of Malawi
ICAM	The Institute of Chartered Accountants in Malawi
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPO	Initial Public Offer
ISACA	Information Systems Audit and Control Association
IT	Information Technology
KPI	Key Performance Indicator
MAB	Malawi Accountant's Board
MARDEF	Malawi Rural Development Fund
MASI	The Malawi All Share Index
MGDS III	Malawi Growth and Development Strategy 3
MWK	Malawian Kwacha
MNOs	Mobile Network Operators
MSE	Malawi Stock Exchange
MSELR	MSE Listings Requirements
NPLs	Non-performing loans
OMO	Open Market Operations
PBB	Personal and Business Banking
PPE	Property, Plant and Equipment
RBM	Reserve Bank of Malawi
RCM	Risk and Capital Management Committee
ROA	Return on Assets
RoFI	Registrar of Financial Institution's
RoC	Registrar of Companies
ROE	Return on Equity
SME	Small and Medium Size Enterprises
USD	United States Dollars





# Part 1

# Group overview



## 1. Overview of the business

Investors should read this Part 1 'Company overview' in conjunction with the financial and other information appearing in Part 5 'Selected financial information' and Part 4 'Management discussion and analysis, future prospects and investment conditions'. Where stated, financial information in this section has been extracted from Appendix 2.

### a. Profile of the Group

CHL is a fast-growing financial services group primarily involved in banking, stockbroking, commodities broking, asset and fund management, property management and development and pension administration. Banking, asset management and stockbroking activities of the Group are licenced by the RoFI and represent the core of the Group's activities

The Group's history began in 1995 with the incorporation of Continental Discount House Limited. In 2002, CDH Asset Management Limited and CDH Asset Management Nominees Limited were incorporated as subsidiaries to undertake the Group's asset and investment management activities.

CHL was established as a group holding company as a necessity to address the RoFI's preference for separation of core banking activities from other businesses so as to avoid the misallocation of resources and an increase in the risk level of Continental Discount House. Continental Discount House transferred all of its subsidiaries to CHL (then called CDH Holdings Limited) and thereafter was itself converted into a bank - CDH Investment Bank (CDHIB) as a subsidiary of the holding company. Additionally, other group companies / subsidiaries had reached a stage that required greater focus and support to ensure superior performance for the Group as a whole. The subsidiaries excluding CDHIB were renamed Continental Asset Management Limited (CAM), Continental Capital Limited (CCL) Continental Properties Limited (CPL) and Continental Pension Services limited (CPSL).

CHL was incorporated under company registration number 9985 on 18th May 2009 as CDH Holdings Limited and commenced operations on 2nd April 2012. The Company changed its name to Continental Holdings Limited on 1st August 2015 in line with its growth strategy. The company converted to a public company on 26 June 2026 as Continental Holdings PLC. The Group has no further plans to change its name post IPO.

The registered office is 1st Floor Ulimi House, Corner Glyn Jones Road & Sharpe Road, P.O. Box 1444, Blantyre, Malawi. All the Group's operations are in Malawi and the Group does not hold any significant assets outside Malawi.

CHL has 100% shareholding in six subsidiaries- CAM, CAMN, CCL, CDHC, CPL, and CPSL has and has an 82.46% shareholding in CDHIB. As at 31 December 2025, there were a total of 155 employees in the Group. The majority of these employees are employed by CDHIB (104), the largest subsidiary. There are 23 employees in CAM, 16 in CHL (Group company), 8 in CCL and 4 in CPSL.

As the holding company, CHL provides all the subsidiary units with the support required to enhance service delivery, strengthen operational processes and controls and effectively manage Group risk exposure to ensure long term stability. CHL facilitates a culture of competitiveness underpinned by the highest level of integrity to enhance client service delivery throughout the Group. The Group does not benefit from any government protection in Malawi or investment encouragement laws. Over the last ten years there have been no changes to the Group or any of its subsidiaries' businesses and none are contemplated post the IPO. The Group is not implementing any new changes to the trading of the underlying businesses of the subsidiaries, although there are no restrictions on the Group's business in the Articles, nor is there any research being undertaken to significantly change or amend the Group's products or services.

### b. CHL subsidiaries

#### i. CDH Investment Bank (CDHIB)

i. CDHIB is the largest subsidiary in the Group and a leading investment bank in Malawi and was incorporated on 7th September 2009 and commenced operations on 2nd April 2012 following the successful conversion from Continental Discount House Limited (CDH) which had operated in the financial sector for 14 years since August 1998. The company's registration number is 10041 and the company has an issued share capital of 327,715,474 shares, 82.46% of which is owned by CHL, with the remaining being held by Investment Alliance Limited (10.18%), Kesaart Capital Limited (4.84%) and Savannah Investments Limited (2.52%).

CDHIB is a licensed banking institution regulated by the RBM. The Bank operates in compliance with the Financial Services Act and the Banking Act and is a member of the Deposit Insurance Corporation. The minimum regulatory stated capital for CDHIB is MWK10 billion and as at 30 April 2026, the company had an unaudited share capital of MWK83 billion (31 December 2025: MWK67 billion).

CDH Investment Bank's unique service proposition is investment banking services. It is a hybrid bank which offers tailor-



made financial services to clients who wish to grow their business. The bank is also an originator of tradable financial securities. CDHIB differentiates itself through its integrated investment and corporate banking services, enhanced digital capabilities, and a relationship client-adviser model. It is focused on building a sustainable and profitable corporate banking business by maintaining a customer-centric approach, offering tailor-made solutions, and positioning itself as the transactional bank of choice.

CDHIB investment banking products and services include:

Capital reorganization

- Company valuation
- Demergers and divestitures
- Financial planning
- Financial restructuring
- Initial public offers and stock exchange listings
- Management buyouts
- Mergers and acquisitions
- Project and structured finance
- Debt or equity capital raising
- Treasury management solutions
- Trading of financial instruments

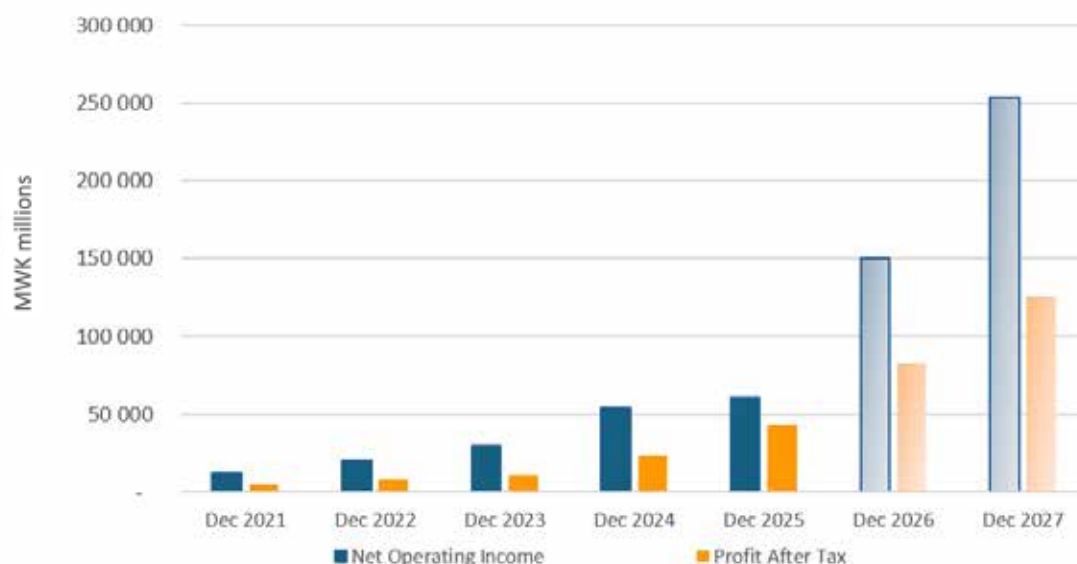
CDHIB has concluded high-value, high impact investment banking transactions in Malawi. Its experience cuts across project finance, equity capital raising and restructurings, debt raising and facilitation of trade.

CDHIB has acted as advisor and lead arranger in various large-scale projects in Malawi, including the following:

- Lead arranger for the Salima Lilongwe water project debt issuance programme (2024)
- Lead arranger for the Malawi Government backed term note (2024)
- Equity valuation of Pinnacle Financial Services Limited (2024)
- Financial advisory services to NICO Holdings PLC (2023)
- Lead arranger for an acquisition by Santam (2023)
- Lead arranger in the establishment of a national development finance institution in Malawi (Malawi Agricultural and Industrial Investment Corporation Plc) in 2019.

CDHIB contributed approximately 90% of the Group's profits for the year ended 31 December 2025. CDHIB has demonstrated significant growth in profitability over the last five years with average profit growth of 97% in the last two financial years. The strong performance has continued in the current financial year further reinforcing the Bank's position as the Group's primary earnings' driver.

CDHIB is expected to contribute significantly to the Group's financial performance in 2026 and is well positioned to deliver budgeted profits after tax of MWK83 billion for the 12 months to 31 December 2026.



CDHIB Historic and Forecast Financial Performance

**ii. Continental Asset Management Limited (CAM)**

CAM was incorporated on 21st March 2003. It is licensed by the RBM as portfolio managers and investment advisors under the Financial Services Act, 2010. The company's registration number is 6680 and the company had a share capital of MWK7.4 billion as at 31 December 2025, well above the minimum regulatory requirement of MWK50 million. CAM is a 100% subsidiary of CHL. The company provides personalized and specialized fund and wealth management services, investment advisory services to corporate, institutional, and individual investors. CAM has an experienced team of professionals that focus on long term perspectives, with clients' best interests at the forefront. The unique value proposition which CAM offers the market has underpinned its steady growth over the years.

CAM is the third largest asset management company in Malawi with funds under management of MWK1,123 trillion as at 31 December 2025. For the year ended 31 December 2025, CAM recorded operating income of MWK10,337 million, total comprehensive income of MWK5,968million and profit after tax of MWK3,908 million.

**iii. Continental Asset Management Nominees Limited (CAMN)**

CAMN was incorporated on 8<sup>th</sup> November 2002. The company's registration number is 6495 and the company has stated share capital of MWK20,000 (inline with regulatory requirements), and it is 100% owned by CHL. It is a vehicle which holds third party assets in trust on behalf of various clients of CAM for investment purposes. CAMN is bankruptcy remote, and the management company's performance has no impact on that of its nominees' entity.

**iv. Continental Capital Limited (CCL)**

CCL was incorporated on 28th March 2008 and commenced operations as a licensed stockbroker on 1st October 2008 with a focus on fixed income securities and equities trading. The company's registration number is 8882 and is 100% owned by CHL. CCL is licensed by the RBM as a broker/dealer under the Financial Services Act 2010 and had a stated share capital of MWK1.5 billion as at 31 December 2025, well above the minimum regulatory capital of MWK100 million. The company is a member of the MSE.

CCL has delivered significant increases in income over the last two financial years, driven by increased business volumes, particularly from margin trade facilities and its market making activities resulting in higher trading revenues on the MSE. For the year ended 31 December 2025, total operating income was MWK8,817 million and profit after tax was MWK1,299 million, up from MWK593 million in 2024.

The company remains focused on delivering exceptional client service and leveraging group synergies to support market development and create a more sustainable flow of income at minimal cost and risk.

**v. CDH Commodities Limited (CDHC)**

CDHC was incorporated on 22 March 2010 to carry on business as a commodity broker. The company's assets are currently held in money market investments while it actively searches for opportunities within the commodities sector. The company's registration number is 10409 and it is a 100% subsidiary of CHL.

**vi. Continental Properties Limited (CPL)**

CPL was incorporated on 24th September 2009 under company registration number 10084. The company is a 100% subsidiary of CHL, with a stated share capital of MWK2.4 billion as at 31 December 2025. The company was set up to facilitate creation of assets for the financial market as well as retail and commercial property development and management. CPL develops investable assets for financial institutions and offers property management and asset leasing services. The company is registering significant growth in profits mainly from the asset leasing service driven by effective cost containment measures and robust fleet management, despite rising maintenance costs.

For the year ended 31 December 2025, the company recorded total operating income of MWK4,448 million and profit after tax of MWK1,321 million.

**vii. Continental Pension Services Limited (CPSL)**

CPSL was incorporated on 16 July 2015 and started operations in January 2018. The company's registration number is 1001351 and the company had share capital of MWK644 million as at 31 December 2025. The company is a 100% subsidiary of CHL. It is licensed under the Financial Services Act 2010 and the Pension Services Act 2011 to operate as a pension's administrator for standalone restricted pension funds as well as unrestricted pension funds. It is a Corporate Trustee that complements CAM's service offering and remains focused on delivering superior service and value-added pension solutions. It has recorded growth in performance attributed to a growing client base and expanded services, especially the Programmed Withdrawal Service and the Voluntary Pension Contribution Service.



### c. History of the Group

The following table sets out key milestones in the history of CHL:

Date	Event
1998	<ul style="list-style-type: none"> <li>August 1998 Continental Discount House Limited (CDH) commences operations</li> </ul>
2002	<ul style="list-style-type: none"> <li>Continental Asset Management Nominees Limited (CAMN) was incorporated on 8th November 2002</li> </ul>
2003	<ul style="list-style-type: none"> <li>Continental Asset Management Limited (CAM) was incorporated as a portfolio management and investment advisory firm</li> </ul>
2008	<ul style="list-style-type: none"> <li>Continental Capital Limited (CCL) was incorporated on 28th March 2008 and commenced operations as a licensed stockbroker on 1st October 2008</li> </ul>
2009	<ul style="list-style-type: none"> <li>On 18 May 2009, CDH Holdings Limited was incorporated</li> <li>On 7 September 2009 CDH Investment Bank (CDHIB) was Incorporated.</li> <li>Continental Properties Limited (CPL) incorporated on 24th September 2009 facilitate commercial and residential property development, investment, and property management</li> </ul>
2010	<ul style="list-style-type: none"> <li>CDH Commodities Limited (CDHC) was incorporated on 22 March 2010</li> </ul>
2012	<ul style="list-style-type: none"> <li>April 2012 CDH Holdings Limited commenced operations</li> <li>CDH Investment Bank (CDHIB) commenced operations as an investment and corporate bank on 2nd April 2012 following the successful conversion from Continental Discount House.</li> </ul>
2015	<ul style="list-style-type: none"> <li>CDH Holdings Limited changed its name to Continental Holdings Limited</li> <li>Continental Pension Services Limited (CPSL) was incorporated on 16 July 2015 and started operations in January 2018 as a pension's administrator</li> </ul>
2022	<ul style="list-style-type: none"> <li>TAH offers shares to new and existing investors/shareholders by way of private placement</li> </ul>
2026	<ul style="list-style-type: none"> <li>Conversion to a public company and changing of name to Continental Holdings PLC</li> <li>IPO on MSE</li> </ul>

### d. Corporate social responsibility

Corporate Social Responsibility (CSR) at CHL is grounded in the Group's values and aligned with the commitment to responsible and sustainable growth. In 2025, CHL delivered initiatives that create shared value for shareholders, clients, employees, and the communities in which the Group operates.

CHL's CSR approach is strategic and impact-focused, prioritising long-term outcomes, inclusive development, and responsible corporate citizenship. Through targeted partnerships and purposeful interventions, CHL sought to contribute meaningfully to national development and community wellbeing.

During the 2025 financial year, key CSR initiatives included:

- i. Financial inclusion and literacy:** Enhancing access to financial services and empowering communities through targeted financial education initiatives  
This included hosting Financial Inclusion Webinar as well as Financial Literacy Sessions at institutions such as Nchalo Community Day Secondary School, Competition and Fair-Trading Commission and PIM Community Day Secondary School and Bvumbwe Community Day Secondary School
- ii. Environmental sustainability:** Advancing sustainable practices that minimize environmental impact and promote long-term ecological resilience.  
CDHIB donated MWK 5.9 million to the Lilongwe University of Agriculture and Natural Resources (LUANAR) to support the university in the tree-planting day which took place on 22nd January 2025 at Bindula Primary School in Bunda, Lilongwe.
- iii. Education:** Investing in education programs that strengthen knowledge, skills, and lifelong learning opportunities  
The Group supported the Malawi University of Business and Applied Sciences (MUBAS) Endowment Fund with a MWK50 million contribution aimed at expanding access to higher education for financially disadvantaged but academically deserving students. The Endowment Fund addresses growing financial vulnerability among students, with nearly 60% of MUBAS' students requiring financial support. At the time of contribution, the Fund stood at MWK 800 million, with a strategic target to grow it to MWK 5 billion within three years.  
Beyond financial support, the Group committed to providing advisory services to strengthen governance, investment management, and long-term sustainability of the Fund—reinforcing the Group's focus on inclusive growth and long-term social impact.  
CPSL contributed MWK2 million to the Jacaranda Foundation, which operates the Jacaranda School for Orphans, in support of free education and holistic care for orphans and vulnerable children in Malawi.

**iv. Employee engagement:** Driving a culture of high performance and well-being through structured engagement and development programs.

The Group concluded the year 2025 with a Great Gatsby-themed end of year parties held in Blantyre and Lilongwe, celebrating a bold vision, progress, and transformation; values that closely align with the development of capital markets. Just as the Gatsby era reflected ambition and economic expansion, our Group remains committed to building disciplined, transparent financial markets that drive long-term wealth creation in Malawi.

A highlight at the Blantyre event was the presentation of long service awards to dedicated team members whose leadership and expertise continue to strengthen our organization.

Innovate+ is an internal staff campaign that was launched in 2025 designed to encourage employees across the Group to submit practical ideas that enhance client experience, improve operational efficiency, and strengthen digital transformation. The initiative creates a structured platform for bottom-up innovation, reinforcing our commitment to growth, bold thinking, and continuous improvement

During 2025, the Group held several sessions for staff across the Group. These training sessions were designed to align teams around a shared vision of delivering a seamless and desirable client journey across the Group. Through practical discussions and service-mapping exercises, participants explored how to enhance consistency, responsiveness, and professionalism at every client touchpoint. By investing in service capability, the Group reinforces its commitment to client-centricity, operational excellence, and sustainable growth driven by exceptional client experiences across all of its companies.

**v. Stakeholder engagement:** Cultivating transparent, collaborative relationships that align business objectives with stakeholder expectations.

CDHIB hosted a cocktail party for the newly elected Members of Parliament in October 2025. The event provided a platform to share updates on the bank's initiatives and investment services, while reaffirming its commitment to ongoing dialogue with government stakeholders in support of national development. The cocktail also offered an opportunity for networking and showcasing partnership prospects.

The Group, through CAM, sponsored the Economics Association of Malawi (ECAMA) Annual Conference, enabling meaningful dialogue and engagement among policymakers, economists, private sector leaders, and academia.

The sponsorship supported evidence-based discussions on economic policy and national development, reinforcing the Group's commitment to responsible governance, stakeholder collaboration, and inclusive economic growth.

**vi. Health:** Promoting initiatives that safeguard physical and mental well-being across communities and employees.

During 2025, CDHIB:

- donated MWK3 million to Beit Cure International Hospital, directly supporting life-changing reconstructive and orthopaedic surgeries for children.
- sponsored Nation Publications Limited's annual Mothers' Fun Run safe motherhood campaign.
- sponsored the African Water and Sanitation Association (AfWASA) Scientific and Technical Council Meeting

These contributions underscore the bank's dedication to health, well-being, and community development.

**vii. Sponsorship:** Strategically supporting events and initiatives that align with corporate objectives and social responsibility goals.

- CAM sponsored the 2025 SACCO Annual Lakeshore Conference with a MWK5 million contribution. The sponsorship underscores CAM's commitment to financial inclusion and SACCO sustainability through tailored investment solutions.
- CDHIB donated MWK5 million towards the 10th Bankers' Annual Conference, held in August 2025. The event brought together banking professionals and stakeholders to share insights, address industry challenges, and explore growth opportunities. The sponsorship underscores CDHIB's commitment to collaboration, innovation, and the development of Malawi's financial sector.
- CDHIB made a contribution towards the 2025 Financial Markets Dealers Association of Malawi (FIMDA) Annual Conference, held in October 2025. The conference brought together key financial sector stakeholders to explore strategies for building a more inclusive financial market in Malawi.

**viii. Sports:** Fostering talent, participation, and community development through structured sports programs.

CDHIB sponsored MWK44 million for the BASMAL 2024/2025 national club basketball tournament, held in June. The event showcased Malawi's basketball talent while promoting teamwork, resilience, and community engagement. Through this sponsorship, the bank reaffirmed its commitment to wellness, camaraderie, and excellence, supporting the growth of basketball in Malawi.

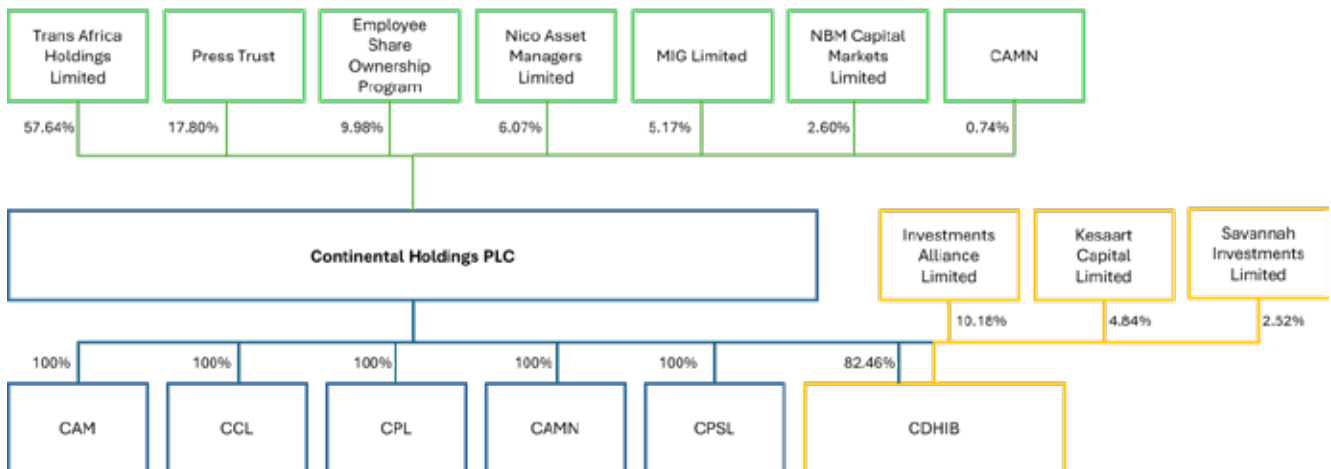


## 2. Shareholders

### a. Current shareholding

The shareholders of CHL, in addition to TAH, include a number of well recognised investment funds in Malawi, all of which are supportive of the Offer and Listing.

The current shareholding structure of CHL is set out below:



- **TransAfrica Holdings Limited (TAH), Mauritius**

Incorporated on 23rd September 1996 in Mauritius as an investment holding company with the objective of building an Africa-wide network of specialized financial service institutions. The company is governed by the Companies Act 2001 (of Mauritius) and the Financial Services Act 2007 (of Mauritius) as a Category 1 Global Business Licensed Company. TAH's registered address is 33, Edith Cavell Street, Port-Louis, Mauritius

- **Press Trust**

This is a public trust incorporated under the Trustees Incorporation Act and governed by the Press Trust Reconstruction Act of 1995. Press Trust is a sovereign fund with investments across various sectors in Malawi. Its objective is to support socio-economic development efforts in Malawi. It is governed by a Board of Trustees comprising seven individuals.

- **Employee Share Ownership Programme (CHL-ESOP)**

The ESOP was established pursuant to a resolution of CHL's Board of Directors to enable the employees of the Group and its subsidiaries to acquire shares in the Group on the terms and conditions consistent with the ESOP Trust Deed and the applicable staff remuneration policies of CHL and its subsidiaries.

- **NICO Asset Managers Limited (NAML)**

NAML is a specialist investment management and financial advisory firm headquartered in Blantyre, Malawi. Founded in 2009, the firm operates as a major subsidiary of NICO Holdings Plc, Malawi's largest diversified financial services group. NAML manages significant investment assets on behalf of specific funds and individuals. It serves a diverse clientele that spans large institutional investors, pension funds, and private individuals.

- **Continental Asset Management Nominees Limited (CAMN)**

CAMN is a Nominee Company specifically incorporated to hold third party assets in trust on behalf of various funds and clients of CAM for investment purposes.

- **NBM Capital Markets Limited**

NBM Capital Markets Limited (commonly known as NBM Capital) is an established investment management and financial advisory firm based in Malawi. Operating from its headquarters in Blantyre, the firm functions as a wholly-owned subsidiary of National Bank of Malawi Plc (NBM). The firm is licensed as an Investment/Fund Manager and Financial Advisor under the Financial Services Act, 2010. NBM Capital holds investments on behalf of specific funds and clients.

- **MIG Limited**

MIG Limited was incorporated on 11th November 2021 under Company Registration Number TMBRS 10140140. The company is constituted by a consortium of three investors namely Kesaart Capital Limited, Investments Alliance Limited and Savannah Investments Limited who also hold a direct shareholding in CDHIB.

The three companies were individually approved as fit and proper shareholders of CDHIB, by the RoFI during inception of the bank. CHL owns 82.46% of CDHIB and the shareholding of the three Companies in CDHIB is as follows:

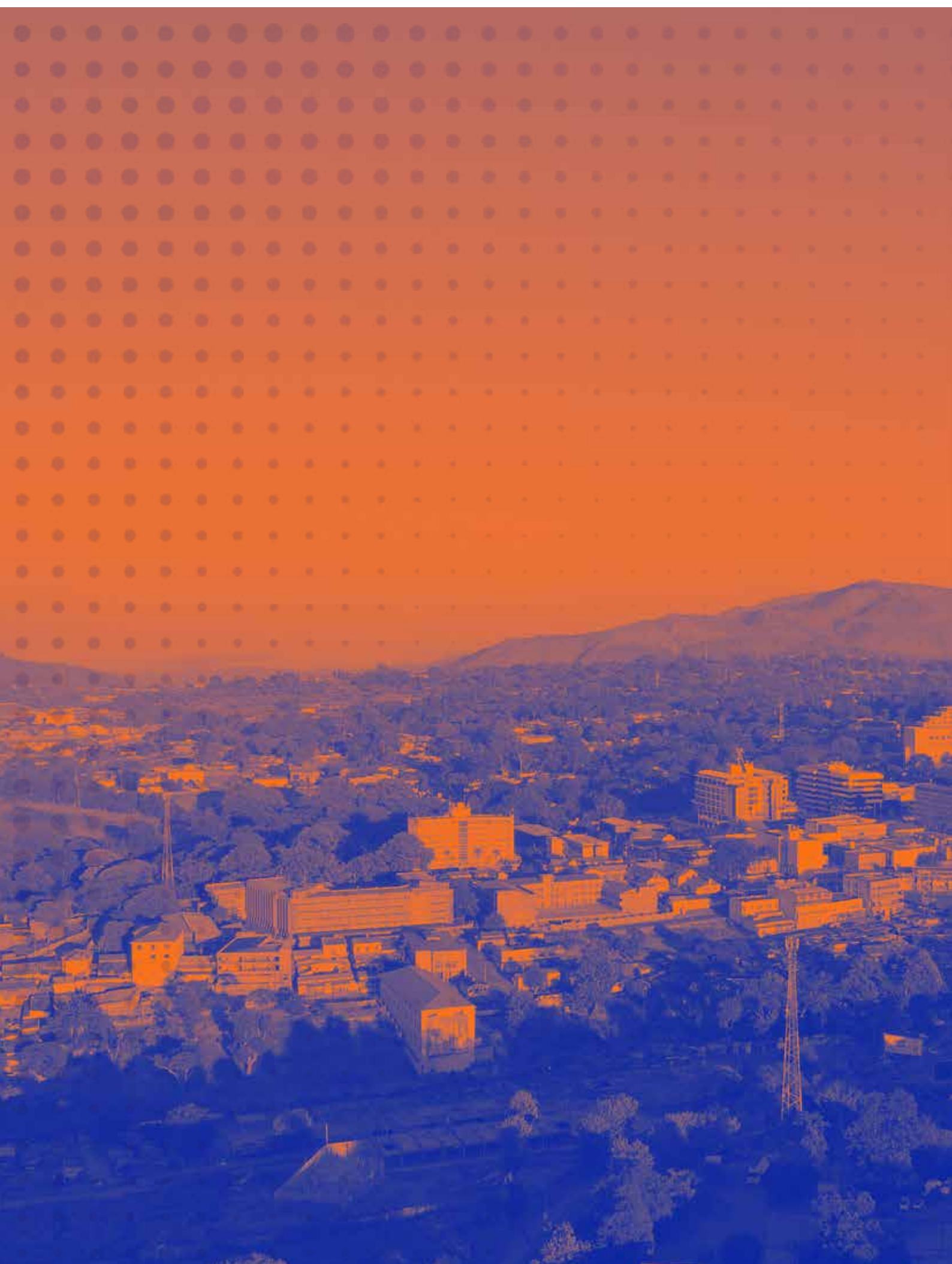
- *Investments Alliance Limited* (10.18% shareholding in CDHIB and 14.28% shareholding in MIG Limited): An economic empowerment company that jointly with strategic partners focuses its operations in investing in a few selected sectors of the Malawi economy. The company actively participates on the local stock market and has investments in the short-term money market. It has equity investments in CDH Investment Bank, Masomphenya Holdings Limited, Telekom Networks Limited, Kang’ombe Investments Limited, Telecom Holdings Limited, ICON Properties Limited, CRB Malawi Limited, Open Connect Limited and other listed stocks on the local Malawi Stock Exchange. The shareholders of IAL are all Malawian high profile business captains and entrepreneurs with diverse backgrounds.
- *Kesaart Capital Limited* (4.84% shareholding in CDHIB and 42.90% shareholding in MIG Limited): Incorporated in December 2010 under company registration number 11003. The company invests in various sectors of the economy including the Malawi Stock Exchange. The company has three shareholders who are all Malawian high profile business captains and entrepreneurs with diverse backgrounds.
- *Savannah Investments Limited* (2.52% shareholding in CDHIB and 42.83% shareholding in MIG Limited): A private limited liability company duly incorporated and registered in Malawi with its registered office at Anderson House, Plot Number 43/2/422, Ufulu Road , Area 43, Lilongwe, otherwise of PO Box 31394, Lilongwe 3. The company invests in various sectors of the economy including the Malawi Stock Exchange. The company’s shareholders are all Malawian high profile business captains and entrepreneurs with diverse backgrounds.

## b. Shareholding post Offer and Listing

Following the Offer and Listing on the MSE, TAH shareholding will be reduced from 57.64% to 32.64%. The table below sets out the indicative shareholding following the Offer and Listing, subject to minority shareholders that acquire additional shares from the Offer.

Shareholder Name	Number of Shares Pre Offer and Listing	%	Number of Shares Post Offer and Listing	%
TransAfrica Holdings Limited	1,736,918,712	57.64%	983,610,108	32.64%
Press Trust	536,355,720	17.80%	536,355,720	17.80%
Employee Share Ownership Program	300,746,664	9.98%	300,746,664	9.98%
NICO Asset Managers Limited	183,021,120	6.07%	183,021,120	6.07%
MIG Limited	155,669,976	5.17%	155,669,976	5.17%
NBM Capital Markets Limited	78,300,000	2.60%	78,300,000	2.60%
Continental Asset Management Nominees Limited	22,222,224	0.74%	22,222,224	0.74%
New shareholders			753,308,604	25.00%
<b>TOTAL</b>	<b>3,013,234,416</b>	<b>100%</b>	<b>3,013,234,416</b>	<b>100%</b>







## Part 2

# Directors, senior management and corporate governance



## 1. Corporate governance overview

CHL recognizes that good corporate governance is fundamental to the achievement of its strategic objectives, the protection of its shareholders' interest and the creation of sustainable long-term value for all other stakeholders. The Group is committed to the highest level of corporate governance and the implementation of effective governance structures, policies and practices that promote accountability, transparency, integrity and responsible business conduct.

CHL has an overarching governance framework that incorporates the principles of the Malawi Code II: Code of Best Practice to Corporate Governance in Malawi and is designed to facilitate effective oversight of the Group's operations and strategic direction. In addition, CHL complies with the Companies Act (Corporate Governance) Regulations, 2016, the Financial Services Act, applicable Reserve Bank of Malawi directives and other relevant legal and regulatory requirements.

The Board of Directors is responsible for the overall governance of the Group and provides entrepreneurial leadership within a framework of prudent and effective controls. The Board is collectively responsible for the long-term success of the Group and for delivering sustainable value to shareholders. Its responsibilities include approving the Group's strategy, risk appetite, capital and operating plans, overseeing risk management and internal controls, monitoring management performance, ensuring compliance with applicable laws and regulations, and promoting high standards of corporate governance throughout the Group.

While the Board retains responsibility for strategy formulation, governance and oversight, the implementation of approved strategies and the day-to-day management of the Group are delegated to executive management, led by the Group Chief Executive Officer. The respective boards of subsidiary companies provide oversight of their operations in accordance with approved governance frameworks and delegated authorities.

The Board comprises a balanced mix of executive, non-executive and independent Directors with the skills, experience and expertise necessary to discharge their duties effectively. A majority of the Board consists of independent or non-executive Directors, ensuring objective oversight and independent judgement. The roles of Chairperson and Group Chief Executive Officer are separated to ensure an appropriate balance of authority and responsibility and to prevent the concentration of decision-making powers.

To support the discharge of its responsibilities, the Board has established specialised committees operating under approved charters. These committees assist the Board in overseeing key areas of governance, risk management, internal controls, financial reporting, compliance and audit matters. The Board Audit, Risk and Compliance Committee (BARC) plays a central role in reviewing the effectiveness of the Group's internal control environment, risk management framework and regulatory compliance processes.

The Board meets at least quarterly, with additional meetings convened as required. Established reporting and communication systems ensure that Directors receive timely, accurate and relevant information to support informed decision-making. Directors are required to disclose potential conflicts of interest and are expected to uphold the highest standards of integrity and fiduciary responsibility in the execution of their duties.

The Group is committed to the continuous enhancement of its governance practices through regular reviews of its governance framework, benchmarking against evolving regulatory requirements and internationally recognised best practices, and ongoing training and development programmes for Directors and senior management. The Board, its committees and individual Directors are subject to periodic performance evaluations to ensure continued effectiveness in the discharge of their responsibilities.

## 2. CHL Board

The CHL Group is governed by a unitary Board of Directors, comprising a chairman, three non-executive Directors and two executive Directors. In line with best practice and the principles outlined in King IV, the Board is predominantly made up of independent non-executive Directors. The Group Board is responsible for setting and reviewing the Group's strategic direction and monitoring the implementation of these strategies by the subsidiaries' Boards and management team. CHL is currently in the process of strengthening its governance and board structure and as such is appointing new Directors to the Board as part of the IPO process.

The Directors have confirmed that, save as disclosed in this Prospectus, none of them has, at any time, been subject to any bankruptcy, insolvency, individual voluntary arrangement, compromise or arrangement with creditors, business rescue proceedings, receivership, liquidation, administration, partnership voluntary arrangement or similar insolvency-related proceedings. Furthermore, none of the Directors has been the subject of any public criticism by any statutory or regulatory authority or recognised professional body, been disqualified by a court from acting as a director or from participating in the management of a company, been convicted of any offence involving dishonesty, been removed from an office of trust on grounds of misconduct involving dishonesty, or been declared delinquent, placed under probation or otherwise disqualified from acting as a director under applicable company law.



## a. Profiles of current Directors

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**Mr Gibson Ngalamila – Malawian, 45,**  
Non-Executive Chairman  
**ACIS, BAcc, FCCA, CA (M)**

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Mr Ngalamila is the Executive Director of Press Trust and has been in that role for the past nine years. In total, Mr Ngalamila has managed the strategic interests of Press Trust for close to 24 years. He has served as a Non-Executive Director on the boards of a number of companies and organizations. Currently, he is a Non-Executive Director representing the interests of Press Trust on the boards of Press Agriculture Limited (PAL), Press Corporation Plc (PCL) and CHL where he is the current Chairman. Mr Ngalamila also serves on the board of the Malawi Agricultural and Industrial Investment Corporation (MAIIC). He is a seasoned development practitioner. Mr Ngalamila's residential and postal address is Area 47/4/725, Lilongwe, Malawi

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**Mr Kofi Sekyere - Ghanaian, 66,**  
Non-Executive Director  
**B.Sc, MBA, MSc**

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Mr Sekyere is the Chief Executive Officer of TAH Capital (Pty). He has a distinguished career in banking built over 35 years. Before joining TAH Capital he was Chief Marketing Officer for HSBC Equator Bank Plc (UK) based in Johannesburg South Africa. Prior to this, he served as Vice President and Regional Director for HSBC Equator Bank Plc based in Accra, Ghana. Between 1993 and 2000. Mr Sekyere held positions of Assistant Vice President, Vice President, Regional Team Leader, and Senior Vice President and Regional Director with HSBC Equator Bank Plc based in Lusaka, Zambia. He also worked with Citibank Zambia Limited. Prior to his illustrious career in banking, he also worked with AT&T Bell Laboratories Holmdel (USA) and Motorola Incorporated (USA). He has a Master of Business Administration degree (MBA) and Master of Science, Transport Studies (USA) from Massachusetts Institute of Technology (MIT), USA. He also holds a Master of Science in Materials Science and Engineering (University of Virginia, USA), and Bachelor of Science in Physics from Bates College (USA). Mr Sekyere's residential and postal address is 28 Jutland Place, Sandhurst, Johannesburg, South Africa.

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**Mr Eric Chinkanda – Malawian, 75,**  
Non-Executive Director  
**MBA**

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Mr. Chinkanda, with 44 years of experience in banking, operations, and project management, is currently consulting on digital payment product development for banks. He started his career with the National Bank of Malawi (NBM) in 1971 and rose to Branch Operations Manager in 1985. He has also contributed to the conversion of two other financial institutions to commercial banks, FINCOM and INDEBank. Mr. Chinkanda has held positions such as Chief Operations Officer at CDH Investment Bank, Project Manager at Continental Discount Limited, Chief Operating Officer at Capital Bank Limited, Botswana, and Head of Operations at NEDBank. Mr Chinkanda's residential and postal address is Plot No. LK251, 20 Magasa Avenue, Namiwawa, Blantyre, Malawi.

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**Mr Arthur Msowoya – Malawian, 53,**  
Independent Non-Executive Director and  
Company Secretary  
**BA LLB (Hons)**

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Mr. Msowoya is Managing Partner of Wilson and Morgan, a law firm based in Blantyre, Malawi. Mr. Msowoya is a legal practitioner with over 29 years' experience. He has been legal advisor to clients on privatizations, mergers, takeovers, and other financial transactions. In the process he has acquired tremendous knowledge in corporate law, commercial and contract law and practice and has evolved into an adept draftsman of commercial agreements and legal documents. Mr. Msowoya has worked on high profile transactions like the NBS Bank Limited rights issue, bonus issue and issue of shares to the International Finance Corporation (IFC) for cash transactions. He played key roles in drafting legal and transaction documents during negotiations between IFC and NBS Bank Limited. His knowledge of company law and the Malawi Stock Exchange (MSE) Listings Requirements is excellent. Mr. Msowoya holds a Bachelor of Laws Honours Degree (LLB Honours) from the University of Malawi. Mr Msowoya's residential and postal address is 5 Chipita Drive, Namiwawa, Blantyre, Malawi.

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**Mr Robert Abbey – Ghanaian, 73,**  
Executive Director (Group Chief Executive Officer)  
**FCCA, MBA**

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Mr Robert Abbey is Director and Chief Executive Officer of CHL. He has a strong professional accounting and financial services background spanning over 40 years in a number of African countries, namely: Zambia, Ghana, Malawi, Kenya, Rwanda and Liberia. In 1999, he was appointed Chief Operating Officer and Director of TransAfrica Holdings Limited (Mauritius). Mr Abbey is the current Chairman of CAM and serves as a Non-Executive Director on the boards of CCL, CPL, CAMN, CPSC, CDHCL, SDC Finance and Leasing Company Limited (Ghana) and CDH Capital (Rwanda) and TAH Capital (South Africa). Mr. Robert Abbey is a Fellow of the Chartered Association of Certified Accountants (England). He also holds a Master of Business Administration (MBA) Degree from Brunel University/Henley Management Centre (England). Mr Abbey's residential and postal address is Mandala, Plot No. BE 2/837, Blantyre, Malawi.

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**Mr Kingsley Zulu – Malawian, 52,**  
Executive Director (Group Financial Controller)  
**FCCA, CA(M), MSc, BAcc**

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Mr Zulu has been the Group Financial Controller for the Company since 2012. He also serves as an Executive Director on the Board of the following Group Companies: Continental Holdings PLC, CDH Investment Bank, Continental Pension Services Company Limited and Continental Asset Management Nominees Limited. He previously held the position of Head of Finance, Administration, and IT for Continental Discount house Limited (CDH) from 2007, a predecessor of CDH Investment Bank. Prior to joining CDH, Kingsley worked for the Malawi Institute of Management (MIM) as Director of Finance from 2004 to 2007. Mr. Zulu launched his accounting career with the International Accounting and Auditing firm, Messrs. PricewaterhouseCoopers (PWC) in 1999. Mr Zulu's residential and postal address is Nancholi 84, Nancholi, Blantyre, Malawi.

## b. Profiles of Directors to be appointed as part of the IPO

CHL is appointing new independent non-executive Directors to enhance the governance structure of the Board and comply with the Financial Services (Risk and Governance requirements for Banks and Bank Holding Companies) Directive, 2024. The two Directors highlighted below have been identified and their appointment is pending the approval of the RBM. The Group is looking at the appointment of a further two Directors who are suitably qualified to sit on the CHL Board in terms of regulatory requirements.

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### Mr Bryson Mkhomaanthu – Malawian, 51,

Independent Non-Executive Director

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**BSc, MSc**

Mr Bryson Mkhomaanthu has over 20 years of senior leadership experience and is currently the Chief Executive of Press Cane Limited. He has strong expertise in corporate governance, strategic planning, ESG integrations and leading high-impact projects. Mr Bryson Mkhomaanthu's residential and postal address is No.4 Chapima Drive, Chapima Heights, Blantyre, Malawi.

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### Mrs Mercy Kanyuka – Malawian, 64,

Independent Non-Executive Director

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**BSocSci, MSc**

Mrs Kanyuka is a seasoned Statistician with over 30 years leadership experience in national statistics systems, surveys, national accounts and strategic planning. She retired in 2022 after serving as the Commissioner of Statistics at the National Statistics Office (NSO) from 2014. She worked for NSO for over 25 years having joined in 1997. Mrs Kanyuka's residential and postal address is Mulunguzi, 14<sup>th</sup> Avenue, Zomba, Malawi.

## c. Term of office

Name	Date of Appointment
Mr Gibson Ngalamila	01 January 2018
Mr Kofi Sekyere	02 April 2012
Mr Eric Chinkanda	24 April 2020
Mr Arthur Msowoya	02 April 2012
Mr Robert Abbey	02 April 2012
Mr Kingsley Zulu	05 May 2020
Mr Bryson Mkhomaanthu	TBA
Mrs Mercy Kanyuka	TBA

## d. Board committees

The Board of Directors has overall responsibility for establishing and overseeing the Group's financial risk management framework and ensuring the integrity of the Group's financial reporting and internal control systems. To support the discharge of this responsibility, the Board has established the Board Audit, Risk and Compliance Committee (BARC), which oversees the development, implementation and monitoring of the Group's financial risk management policies and controls. The BARC reviews the effectiveness of the Group's financial reporting processes, internal control environment and financial risk management arrangements as presented by management. The Committee reports to the Board on a regular basis and issues an annual report to shareholders on the discharge of its responsibilities and activities undertaken during the year. The Committee meets quarterly.

The committee's composition is shown below:

Board, Audit, Risk and Compliance Committee	Position
Mr Eric Chinkanda	Chairperson
Mr Arthur Msowoya	Member
New Independent Non-Executive Director- TBC	Member

Following the appointment of the new Directors to the Board, CHL will be establishing a new Remuneration Committee and will assess the members of both this new committee and BARC to ensure compliance with all regulatory requirements and in line with best practice and the principles outlined in King IV.

## e. Directors remuneration

The remuneration paid to the Board of Directors is approved by shareholders. In line with the CHL's Governance policy, there are no fees paid to Executive Directors. The remuneration payable to each Director in the financial year 2025, 2024 and 2023 is detailed as part of Statutory Disclosures. There will be no variations in the remuneration being paid to the Directors of CHL as a consequence of the IPO.

## f. Provisions of Articles of Association of CHL concerning the Directors

The relevant provisions of the articles of association of CHL concerning remuneration, power of Directors to vote, borrowing powers, appointment and remuneration of the Directors are set out in detail in Appendix 1 of this Prospectus. The qualification of Directors and retirement or non-retirement of Directors under an age limit is determined by the Act and the approval of the dividend payments is set out in paragraph 2.4 of Part 7 of this Prospectus.



### 3. CDHIB Board

CDHIB's board has a mix of Executive, Non-Executive and Independent Directors. The board continues to ensure that governance structures and processes are effective, to ensure proper discharge of its oversight role. The board recognizes its responsibility in creating value by providing ethical leadership, promoting the Bank's vision and upholding its values. The board members act in the best interest of the Bank and its stakeholders at all times and has adopted, without modification, the major principles of modern corporate governance as contained in the reports of Cadbury and King II, and the Basel Committee on Banking Supervision

The CDHIB board regards risk management as a key discipline within the Bank's operations. The day-to-day responsibility for identifying, managing, and mitigating emerging risks lies with management. Management is accountable to the board for designing, implementing and monitoring the system and processes of risk management and compliance. The Bank maintains separate risk and compliance functions to ensure adherence to the law, its policies and standards. The risk management process is aligned with our strategic business planning process and is embedded throughout the management reporting and performance management systems. The Bank ensures periodic review of risk reports and constantly mitigates emerging risks to manage the Banks' exposure.

The Board meets at least four times a year. There are adequate and efficient communication and monitoring systems in place to ensure that the Directors receive all relevant, accurate information to guide them in making necessary strategic decisions, and providing effective leadership, control, and strategic direction over the Bank's operations, and in ensuring that the Bank fully complies with relevant legal, ethical and regulatory requirements.

#### a. Profiles of Directors

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##### **Mr Franklin Kennedy - Canadian, 80**

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Non-Executive Chairman

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**BA (Hons)**

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Mr Kennedy has extensive experience in international banking with a career spanning over 45 years. He is currently Non-Executive Chairman of TransAfrica Holdings Limited (Mauritius) and served as a Non-Executive Director of the African Export-Import Bank (AFREXIMBANK). Mr Kennedy is President of Equator Capital Partners, a private equity fund management company investing in regulated financial institutions supporting the micro and small business sectors in emerging markets. He serves on the boards of the funds being managed by Equator and chairs the respective investment committees. Mr Kennedy served as Chief Executive Officer of HSBC Equator Bank plc, a UK registered, and regulated merchant and investment bank focused on sub-Saharan Africa from 1988-2002. He joined Equator Bank, a predecessor of HSBC Equator Bank Limited plc, in 1976. Between 1968 and 1976, Franklin held various positions with the Royal Bank of Canada. Mr Kennedy was also a Private Sector Advisor to the Canadian Government for the structuring and selection of the management of \$100million Canadian Investment Fund for Africa and served several terms as a member of the African Advisory Committee of the US Export-Import Bank. He was also a Director of Corporate Council on Africa in Washington DC. Mr Kennedy is a Canadian citizen and holds a Business Administration Degree (Honours) from the Richard Ivey School of Business at the University of Western Ontario, Ontario, Canada. He is currently a resident of the United States. Mr Kennedy's residential and postal address is 550 SE Mizner Blvd, Unit B911, Boca Raton, FL 33432, United States of America.

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##### **Mr Kofi Sekyere - Ghanaian, 66** Provided above

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Non-Executive Director

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**B.Sc, MBA, MSc**

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##### **Mr Robert Abbey – Ghanaian, 73** Provided above

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Non- Executive Director

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**FCCA, MBA**

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##### **Mr Charles Asare – American, 67**

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Independent Non-Executive Director

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**BA, MBA**

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Charles has strong experience in investment management, investment and commercial banking and financial advisory which spans over a period of over 28 years. Charles is a Financial Management Consultant, consulting on various transactions in Ghana. Charles started his banking career with the Bank of Boston, USA, in 1985. In 1990, he was appointed Vice President of Ecobank Ghana Limited. He also served as Vice President of HSBC Equator Bank, Connecticut, USA between 1994 and 1998. In 1998, Charles joined the Social Security and National Insurance Trust (SSNIT) as General Manager for its investment division. He was later appointed Director General, a position he held until 2001. Between 2003 and 2006, Charles was Chief Operating Officer of Greater Philadelphia Health Action Plc, USA. Charles holds a Bachelor of Arts degree, Economics, and a Master of Business Administration degree (MBA) from Tuck Business School, Dartmouth College, USA. Mr Asare's residential and postal address is No 6. 6 Ringway Close, Osu, Accra, Ghana.

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##### **Mr John McGrath – British, 69**

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Independent Non- Executive Director

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**B.Sc (Hons)**

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John McGrath is a highly skilled executive with extensive experience in business development, economic consulting, and private sector growth across sub-Saharan Africa. He is the Managing Director of Imani Development Limited (Malawi) and a Director and shareholder of Imani Development International in Cape Town, where he oversees operations across Malawi, East, Central, and Southern Africa (excluding South Africa). With a career spanning over three decades, John has played a significant role in advancing regional trade, enterprise development, and infrastructure initiatives. His leadership includes tenures as Managing Director of Financial Services Limited and Sasfin Central Africa Limited, as well as Director of Business Development Africa Limited in both Malawi and South Africa. He has also advised public and private sector institutions through his work with African Management Services Company (AMSCO), where he served as Malawi Representative from 1989 to 1991. John's entrepreneurial track record is equally

distinguished. He was Director and shareholder of Mountain Ridge Limited, a commercial coffee farming venture, and has chaired a range of enterprises including Business Consult Africa, Industrial Development Group, GHC Haulage Trucking and Haulage Limited, and Stephanos Children's Home. He is also Chairman and shareholder of the Kwikfit franchise group, operating tyre and motor services businesses in Malawi and Zambia. John holds a Bachelor of Social Science in Business Studies and a Bachelor of Social Science (Honours) in Economics from the University of Cape Town. His depth of knowledge in economic policy, commercial strategy, and regional development has made him a trusted advisor and leader across diverse sectors. Mr McGrath's residential and postal address is Plot No. BC343, Mandala, and P.O. Box 2873, Blantyre, Malawi.

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**Mr Kingsley Zulu – Malawian, 52** Provided above

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Non- Executive Director

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**FCCA, CA(M), MSc, BAcc**

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**Mrs Joyce Gundani – Malawian, 66**

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Independent Non- Executive Director

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**MBA**

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Mrs Joyce Gundani is a Malawian with over 35 years professional experience as a central banker. She has extensive experience in regulation and supervising Authorized Foreign Exchange Dealers, compliance monitoring, internal auditing, development and management of regulations, policies, procedures, and strategic human resource management. Her other areas of expertise include strategic planning and management of cross-function teams. She held various managerial positions at the Reserve Bank of Malawi (RBM) and as a Director of Human Resources, and a Director of Exchange Control. In her last post as a Director of Foreign Flows Monitoring at RBM, she was responsible for administration of Exchange Control policies and procedures, enforcing Exchange Control, compliance, monitoring foreign exchange market operations and oversight functions on investigations on forex use and externalization. Mrs Gundani also served as a key member in several government committees on trade, doing business and investment as a representative of both the Central Bank and the Malawi Government. Mrs Gundani holds a Master of Business Administration (MBA) with a bias in Banking and Finance which she obtained from the University of Edinburgh. She also holds a Diploma in Business Studies from the Malawi University of Business and Science, Polytechnic College; and certificates in Advanced Human Resource Management (ESAMII) and Project Management (ESAMII). She has also attended various international professional training programs and courses on trade, exchange control, fraud prevention, monetary policy, pension fund management and leadership. Mrs Gundani's residential and postal address is Plot No. 43/1/1/04, Area 43, and P.O. Box 30063, Lilongwe, Malawi.

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**Mr Thoko Mkavea – Malawian, 49**

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Executive Director

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**MBA, FCMA, CGMA, BAcc**

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Mr Thoko Mkavea is Chief Executive Officer of CDHIB, a position he assumed after serving as Deputy Chief Executive Officer and Executive Director from October 2020. He played a foundational role in the establishment of the bank and previously held the position of Chief Investment Banking Officer from 2012, where he was instrumental in building the institution's investment banking and corporate advisory capabilities. With over 24 years of experience across banking, finance, investment management, and corporate strategy, Thoko has built a career defined by leadership, innovation, and results. He began his professional journey as a management trainee at Press Corporation Plc and went on to serve in senior finance roles at Henred Fruehauf Limited. He later became Deputy General Manager and Head of Finance

and Administration at The Leasing and Finance Company of Malawi Limited (LFC), a subsidiary of First Capital Bank, where he oversaw the company's financial operations and governance structures. In 2007, Thoko was appointed Head of Asset Management at Continental Asset Management Limited, where he led fund strategy, portfolio management, and institutional investment growth. His extensive leadership in financial services and investment banking culminated in his current role, where he leads CDH Investment Bank's strategic direction, operational oversight, and market expansion. Thoko is a Fellow of the Chartered Institute of Management Accountants (FCMA) and a Chartered Global Management Accountant (CGMA). He holds a Master of Business Administration from the University of Derby (UK) and a Bachelor of Accountancy Degree from the University of Malawi. His blend of technical expertise and executive vision continues to shape the bank's role as a leader in Malawi's financial services sector. Mr Thoko Mkavea's residential and postal address is Plot No LK93, 9 Namiwawa Avenue, Namiwawa and P.O Box 1444, Blantyre, Malawi.

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**Elias Malion – Malawian, 52**

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Non-Executive Director

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**FCCA, BAcc**

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Elias was appointed as CDH Investment Bank Director in 2018 and is currently the Head of Finance and Administration for Press Trust Limited. Elias is an experienced business and finance executive with a strong focus on financial reporting and human resource management. He is an accountant by profession and a fellow of the Association of Chartered Certified Accountants (FCCA), a chartered accountant (CA, MW) and a member of the Institute of Chartered accountants in Malawi (ICAM). Elias has over 19-year experience in financial reporting and treasury management. Before joining Press Trust, he previously held senior positions at Malawi Post Corporation (MPC) and Delloite. Mr Malion's residential and postal address is Area 47/5/186, Nkuyu Road, Capital City, Lilongwe, Malawi.

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**Mr Sydney Chikoti – Malawian, 68,**

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Non- Executive Director

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**MBA**

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Sydney Chikoti was appointed as a Non-Executive Director of CDH Investment Bank in 2021. A well established executive with cross-sector experience, he brings strong leadership, governance, and strategic oversight to the board, underpinned by a career spanning health insurance, finance, and organisational management. Sydney previously served as Chief Executive Officer of the Medical Aid Society of Malawi (MASM), one of the country's leading health insurance providers. Under his leadership, MASM underwent a period of transformation, marked by improved operational efficiency, policy reform, and enhanced stakeholder engagement. His tenure strengthened the institution's position as a trusted provider of healthcare funding solutions across Malawi. In addition to his executive experience, Sydney brings valuable knowledge in finance, audit, and risk, with a career that also includes previous roles in financial services, business advisory, and institutional development. He is known for his analytical approach, people-first leadership style, and commitment to responsible corporate governance. Sydney holds a Master of Business Administration (MBA) and has undertaken further training in financial strategy, leadership, and health systems management. He is widely respected in both private and public sector circles for his integrity and pragmatic leadership. Mr Chikoti's residential and postal address is Newlands, Chigumula, Blantyre, Malawi.



## b. CDHIB Board committees

The CDHIB Board has the following subcommittees:

Name of subcommittee	Chairperson	Members
Finance, Business and Information Technology	Kofi Sekyere	Robert Abbey Thoko Mkavea
Human Resources and Remuneration	John McGrath	Kofi Sekyere Robert Abbey
Risk and Compliance	Joyce Gundani	John McGrath Charles Asare
Audit	Sydney Chikoti	Elias Malion Kingsley Zulu

### Board Audit Committee

The Committee assists the Board in discharging its duties in relation to financial reporting, asset management, risk management, internal control systems, processes, and procedures, and monitors the quality of both the external and internal audit functions. The Bank's external and internal auditors report to the Committee in independent, private meetings to discuss areas of risk exposure. Where the Committee's monitoring and review activities reveal causes for concern or a scope for improvement, it makes recommendations to the Board on required remedial actions. This committee considers, on an annual basis, and satisfies itself on the appropriateness of the expertise and experience of the Financial Officer.

The Board Audit Committee comprises three Non-Executive Directors, one of whom acts as chairperson. The Committee meets five times a year.

### Risk and Compliance Committee

The Risk and Compliance Committee assists the Board in discharging its duties in relation to the Bank's risk management and compliance. The Committee has the following responsibilities:

- i. To ensure the on-going appropriateness of risk management, compliance, internal control systems and management reporting framework, because of which the Board makes decisions affecting the activities of the Bank.
- ii. To oversee and evaluate the quality of performance of the Risk Management and Compliance functions.
- iii. To ensure that systems are in place, that the affairs of the Bank are being conducted by management in conformity with policy, regulatory and legal requirements and that the reputation of the Bank is always protected from adverse risk management events.

The Committee comprises three Non-Executive Directors, one of whom acts as chairperson. The Committee meets four times a year.

### Finance, Business and Information Technology Committee

The Committee comprises three Directors (two Non-Executives and one Executive) with a good knowledge of the Malawi economy and business environment. Its overall responsibility is to ensure the soundness of the CDH Investment Bank's credit portfolio (including advances, guarantees and other facilities). Specific responsibilities include:

- i. Assessing the annual plans, budgets and strategy and corporate governance schedules of activities of the Bank.
- ii. Review of management reports on business operations and making recommendations to the Board; and ratification of terms and conditions of all credit facilities granted by management under its discretionary powers.
- iii. Review of management reports on information technology and all bank's projects and making recommendations to the Board.
- iv. Approval of all credit facilities above the discretionary limits set for management save for those facilities requiring full board approval in accordance with Reserve Bank of Malawi directives; and
- v. Review of non-performing assets and recovery procedures initiated in respect thereof and establishment of appropriate levels of provisioning where required.

The Committee meets four times a year and on an ad hoc basis when necessary.

### Human Resources and Remuneration Committee

Human Resources and Remuneration Committee nominates persons to be appointed as Directors (subject to shareholders' approval) and recommends to the Board, Executive and Non-Executive Directors, and senior management remuneration.

The Committee also approves overall human resources and remuneration policies and strategies. The Human Resources and Remuneration Committee meets quarterly and on an ad hoc basis when necessary.

## 4. CAM Board

### a. Profiles of Directors

<b>Mr Robert Abbey – Ghanaian, 73</b> Provided above
Non- Executive Chairman
<b>FCCA, MBA</b>
<b>Mr Kofi Sekyere - Ghanaian, 66</b> Provided above
Non-Executive Director
<b>B.Sc, MBA, MSc</b>

<b>Mr Gibson Ngalamila – Malawian, 45</b> Provided above
Non-Executive Director
<b>ACIS, BAcc, FCCA, CA (M)</b>
<b>Mr Arthur Msowoya – Malawian, 53</b> Provided above
Company Secretary
<b>LLB (Honours)</b>

### b. Board Committees

The CAM Board has the following subcommittees:

Name of subcommittee	Chairperson	Members
Board Audit and Risk Committee	Kofi Sekyere	Arthur Msowoya Gibson Ngalamila
Investment Committee	Kingsley Zulu	Kofi Sekyere Arthur Msowoya Gibson Ngalamila

## 5. CAMN Board

### a. Profiles of Directors

<b>Mr Arthur Msowoya – Malawian, 53</b> Provided above
Chairman
<b>LLB (Honours)</b>
<b>Mr Robert Renshaw – British, 80,</b>
Non-Executive Director
<b>MBA</b>

Mr Renshaw is a Business Administration and Marketing graduate and has lived in Malawi since 1974. He served as Marketing Manager and Training Manager for the Import and Export Company of Malawi Limited for 5 years before joining Guthrie Malawi as Chief Executive of their Sales Services Company and their Goodyear Tyres Division. He held this position for 10 years. In 1989 he set up his own Company and with a partner, bought Farmers Organization Limited in 1991, where he was a major shareholder responsible for running the company in Malawi. He grew the business from a small enterprise to the largest supplier of agricultural inputs in Malawi. Mr. Renshaw sold the company to a South African public Company; AECL in 2015 and stayed on as Managing Director for three years as part of the sale agreement, before retiring at the end of 2018. He serves on the Board of African Parks Majete since 2003 and has held the position of Chairman since 2010. Mr Robert Renshaw's residential and postal address is Plot CG 96, Thyolo Road, Chigumula, Blantyre, Malawi.

<b>Mr Rickey White - Malawian, 63</b>
Non-Executive Director
<b>FCCA, CA(M), BAcc</b>

Mr White worked as the Finance Director for ten years and then Managing Director for fifteen years at Macsteel Malawi, a major steel merchant. He is a professional accountant and a fellow of the Association of Chartered Certified Accountants (FCCA). Before joining Macsteel Malawi in 1996, he worked for David Whitehead and Sons, as the Chief Accountant. Mr Rickey White's residential and postal address is 17 Mombo Road, Namiwawa, Blantyre, Malawi.

<b>Mr Robert Abbey – Ghanaian, 73</b> Provided above
Non- Executive Director
<b>FCCA, MBA</b>

<b>Mr Kingsley Zulu – Malawian, 52</b> Provided above
Non- Executive Director
<b>FCCA, CA(M), MSc, BAcc</b>



## 6. CCL Board

### a. Profiles of Directors

**Mr Gibson Ngalamila – Malawian, 45** Provided above  
Non-Executive Chairman  
**ACIS, Bcc, FCCA, CA (M)**

**Mr Robert Abbey – Ghanaian, 73** Provided above  
Non- Executive Director  
**FCCA, MBA**

**Mr Kofi Sekyere - Ghanaian, 66** Provided above  
Non-Executive Director  
**B.Sc, MBA, MSc**

**Mr Arthur Msowoya – Malawian, 53** Provided above  
Non-Executive Director  
**BA, LLB (Honours)**

### b. Board Committees

The CCL Board has the following subcommittee:

Name of subcommittee	Chairperson	Members
Board Audit and Risk Committee	Robert Abbey	Kofi Sekyere Gibson Ngalamila

## 7. CPSL Board

### a. Profiles of Directors

**Mr Arthur Msowoya – Malawian, 53** Provided above  
Chairman  
**LLB (Honours)**

**Mr Robert Renshaw – British, 80** Provided above  
Non-Executive Director  
**MBA**

**Mr Rickey White - Malawian, 63** Provided above  
Non-Executive Director  
**FCCA, CA(M), BAcc**

**Mr Robert Abbey – Ghanaian, 73** Provided above  
Non- Executive Director  
**FCCA, MBA**

**Mr Kingsley Zulu – Malawian, 52** Provided above  
Non- Executive Director  
**FCCA, CA(M), MSc, BAcc**

## 8. CPL Board

### a. Profiles of Directors

**Mr Kofi Sekyere - Ghanaian, 66** Provided above  
Non-Executive Chairman  
**B.Sc, MBA, MSc**

**Mr Robert Abbey – Ghanaian, 73** Provided above  
Non- Executive Director  
**FCCA, MBA**

**Mr Gibson Ngalamila – Malawian, 45** Provided above  
Non-Executive Director  
**ACIS, Bcc, FCCA, CA (M)**

**Mr Arthur Msowoya – Malawian, 53** Provided above  
Non-Executive Director  
**BA, LLB (Honours)**

### b. Board Committees

The CPL Board has the following subcommittee:

Name of subcommittee	Chairperson	Members
Board Audit and Risk Committee	Robert Abbey	Kofi Sekyere Gibson Ngalamila

## 9. CHL Senior Management

### a. Management structure

The management teams of CHL and its subsidiaries bring together decades of specialized expertise in investment and commercial banking, stockbroking, fund management, property management and pension administration, forming a powerhouse of strategic leadership. Having navigated multiple market cycles, these seasoned executives possess the foresight to identify emerging opportunities while maintaining a disciplined approach to capital preservation. Their collective track record is defined by a commitment to operational excellence and a client-first philosophy that fosters long-term stability and growth. By blending deep industry knowledge with innovative problem-solving, the team ensures the Group remains resilient and agile in an ever-evolving financial landscape.

The Group recognises the importance of its employees and prioritise a continuous investment in intellectual capital. Employees are encouraged to broaden their knowledge base through training, education, professional membership and constant engagement with industry peers.

### b. Profiles of CHL senior management

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**Mr Robert Abbey – Ghanaian, 73** Provided above

**Managing Director/Group Chief Executive Officer**

**FCCA, MBA**

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**Mr Kingsley Zulu – Malawian, 52** Provided above

**Executive Director (Group Financial Controller)**

**FCCA, CA(M), MSc, BAcc**

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**Mr Hollen Kamanga – Malawian, 40**

**Finance and Risk Manager**

**FCCA, BAcc, CA (M)**

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Mr Kamanga joined Continental Holdings PLC (CHL) in 2022 as Finance and Risk Manager. He has over 10 years' experience in external auditing having worked for Grant Thornton formerly KPMG Malawi. He is a Fellow of Association of Chartered Certified Accountants (FCCA) and holds the Degree of Bachelor of Accountancy obtained from the Malawi University of Business and Applied Sciences (MUBAS) formerly the Polytechnic. Mr Kamanga's residential and postal address is Plot no. CW581, Chitawira, P.O. Box 1444, Blantyre, Malawi.

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**Mr Gift Chisale – Malawian, 45**

**Internal Audit Manager**

**CIA, FCCA, CA(M) BAcc**

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Mr Chisale is a Certified Internal Auditor (CIA) and a Fellow of the Association of Chartered Certified Accountants (FCCA). He is a member of Institute of Certified Accountants in Malawi (ICAM) and holds a Bachelor of Accountancy Degree (BAcc) from The University of Malawi. He has over 15 years' experience in external and internal auditing having worked with KPMG for 8 years from 2006 to 2014 prior to joining the Continental Group in 2014. Mr Chisale's residential and postal address is NC449, Nancholi, P.O. Box 1444, Blantyre, Malawi.

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**Mr Reuben Kumwenda – Malawian, 35**

**Legal and Compliance Manager**

**LLB (Hons) RSA**

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Mr Kumwenda is a Legal Practitioner with over 7 years' experience in Commercial Law and Transactions. He has handled an assortment of corporate and commercial matters for both domestic and international clients ranging from financial services, due diligences and matters concerning company law to employment, public procurement and PPP transactions, competition law, financial services laws, energy, insurance law, and land transactions among others. He has worked for international Law firms in South Africa and before joining Continental Group in 2022 he was Principal Associate at Savjani & Co. Mr Kumwenda's residential and postal address is BC 455, New Naperi, P.O. Box 1444, Blantyre, Malawi.

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**Ms Asante Mazulu – Malawian, 38**

**Human Capital Development Manager**

**MA, BA**

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Asante Mazulu has been the Group Human Capital Development Manager for CHL since May 2025. She previously served as Employee and Industrial Relations Manager at the Malawi Revenue Authority, where she worked in various capacities within the Human Resources Division from 2012. She is the Board Chair for Green Girls Initiative and a Mandela Washington Fellowship alumna under the Young African Leaders Initiative (YALI). She holds a Master's degree in Human Resource and Industrial Relations and has extensive experience in talent management, policy development, and performance management in both public and private sector environments. Ms Asante Mazulu's residential and postal address is LK 1906, Namiwawa Avenue, P.O. Box 1444, Blantyre, Malawi.




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**Ms Isabel Masi-Kachinjika – Malawian, 48**


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 Brand and Innovations Manager
 

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**BAH, MCIM, MSc**


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Ms. Masi-Kachinjika has been the Brand and Innovations Manager for Continental Holdings Limited since 2023. From 2020 to 2023, she served as Business Development Manager at Continental Asset Management, where she drove client growth strategies and product innovation. Between 2018 and 2020, Isabel undertook Strategic Marketing Consulting across multiple industries, delivering transformative solutions for corporate clients. A highlight of her career was leading the landmark rebranding of Zain to Airtel in 2010, a project that reshaped Malawi's telecommunications sector. Her leadership extends beyond corporate roles: Isabel was the founding President of the Institute of Marketing in Malawi in 2020, establishing a professional platform to advance marketing standards nationally. She is also a certified coach under the International Coaching Federation, supporting individuals and organizations in leadership development and personal growth. Ms. Masi-Kachinjika's residential and postal address is Area 44/102A, Kumbali Road, P.O. Box 1444, Lilongwe, Malawi.

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**Mr Exile Njoka – Malawian, 34**


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 ICT Manager
 

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**MBA, BSc Mathematics & Computer Science, CISSP, ISO 27001 Lead Implementer/Senior Lead Auditor, CDPO.**


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Mr Njoka has served as Group ICT Manager for Continental Holdings Limited since 2020, overseeing ICT function across the Group's subsidiaries. Prior to his current role, Mr Njoka served at CDH Investment Bank, a Continental Holdings Group subsidiary, from 2014 to 2018, progressing through Support Services Analyst, Banking Application Analyst, and ICT Infrastructure Analyst positions covering systems support, ICT project implementation, Innovation Management and network and infrastructure security. He also served as Information Security Administrator at Telekom Networks Malawi Plc (TNM) from 2018 to 2020 where he was in charge of implementing, maintaining and monitoring the information security posture of the organisation. Mr Njoka currently serves as Secretary General of the ICT Association of Malawi (ICTAM), a Council of Directors position, since 2024, providing national leadership on ICT policy, industry development and digital skills initiatives. Mr Njoka's residential and postal address is Sunnyside BW702, P.O. Box 1444, Blantyre, Malawi.

## 10. CDHIB Senior Management

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**Mr Thoko Mkavea – Malawian, 49** Provided above
 

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 Managing Director / Chief Executive Officer
 

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**MBA, FCMA, CGMA, BAcc**


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**Mr Kelvin Mkulichi – Malawian, 53**


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 Chief Finance Officer (Acting Deputy CEO)
 

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**FCCA**


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Mr Mkulichi is responsible for overseeing the bank's financial management, reporting, and regulatory compliance. He joined the bank in February 2017 and brings with him over 14 years of experience in finance, accounting, administration, and risk management within the banking and corporate sectors. Kelvin's career spans a number of well-renowned institutions. Prior to joining CDH Investment Bank, he served as Administration and Finance Manager at LornAgro Malawi Limited. From 2009 to 2016, he held senior roles at Malawi Savings Bank, including Financial Reporting Manager and Risk Manager, where he contributed to enhancing the bank's financial controls and risk frameworks. Mr Kelvin Mkulichi's residential and postal address is Namalowe Estate, Lot 530, Chigumula, P.O. Box 1444, Blantyre, Malawi.

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**Mr Zondwayo Mafuleka – Malawian, 38**


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 Chief Treasury Officer
 

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**MBA, ACCA**


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Mr Zondwayo Mafuleka is the Chief Treasury Officer at CDH Investment Bank, responsible for the strategic management of the bank's liquidity, capital, and market risk. Since joining CDH Investment Bank in 2018, Zondwayo has held key leadership roles within the organisation, including serving as Chief Risk and Compliance Officer for four years prior to his current position. With over 12 years of experience in financial services, Zondwayo brings a strong background in risk management, internal controls, and treasury operations. His career began at Deloitte Malawi, where he served as Audit Senior before moving to National Bank of Malawi as Internal Audit Manager, a role he held from 2012 to 2018. His expertise spans enterprise risk, regulatory compliance, treasury policy, and control framework implementation, positioning him as a trusted steward of the bank's financial resilience. Zondwayo holds a Master of Business Administration (Merit) from Heriot-Watt University and a Bachelor of Accountancy (Distinction) from the University of Malawi. He also earned an International Diploma in Computer Science

with Distinction. He is a Certified Anti-Money Laundering Specialist (CAMS), a Certified Information Systems Auditor (CISA), and a holder of the ACI Dealing Certificate. He is also a member of the Association of Chartered Certified Accountants (ACCA-UK). With his multidisciplinary qualifications and deep operational insight, Zondwayo plays a pivotal role in safeguarding CDH Investment Bank's treasury functions while ensuring alignment with international best practices and regulatory expectations. Mr Zondwayo Mafuleka's residential and postal address is House No. 146, Mpemba Newlines, Off M1 road, P.O. Box 1444, Blantyre, Malawi.

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**Mr Jamal Kamoto – Malawian, 38**


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 Chief Business Development Officer
 

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**MBA, BBA**


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Mr Jamal Kamoto is the Chief Business Development Officer at CDH Investment Bank. He leads the bank's Commercial Banking and Marketing divisions. He is responsible for driving strategic growth across the bank's corporate client base, overseeing customer relationship management, and executing sales and marketing strategies that position CDH Investment Bank as a market leader in financial innovation and client service. With over 15 years of experience in banking, strategy, and business development, Jamal has built a strong track record of leading high-performance teams, structuring high-impact trade finance transactions, and delivering tailored financial solutions across the corporate and high-net-worth client segments. He joined CDH Investment Bank in 2020 as Business Development Manager and has since held progressively senior roles, before being appointed to executive management in January 2024. Prior to joining CDH Investment Bank, Jamal held senior roles in business and corporate banking at Nedbank Malawi Limited and Malawi Savings Bank. He has extensive experience in structured finance, project appraisal, client segmentation, and the execution of corporate advisory and treasury transactions. Jamal holds a Master of Business Administration degree from the Eastern and Southern African Management Institute (ESAMI) and a Bachelor of Business Administration from the University of Malawi. He served as a board Member of the Malawi Investment and Trade Centre (MITC), where he chaired the Finance, Audit and Risk Management Committee. Mr Jamal Kamoto's residential and postal address is Ngumbe House, No. 14, Chileka, P.O. Box 1444, Blantyre, Malawi.

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**Mr James Chikoti – Malawian, 52**

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Chief Operating Officer

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**MBA, BSoc**

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James Chikoti is the Chief Operating Officer of CDH Investment Bank, a role he has held since 2019. He is responsible for the bank's operational strategy, service delivery, trade finance operations, and the integration of digital banking and information systems. With a career spanning more than 18 years in the financial sector, James brings deep expertise in banking operations, project management, international payments, and systems implementation. James joined CDH Investment Bank in 2013 as Operations Manager and has since been instrumental in transforming the bank's operational infrastructure. He has overseen the rollout of automation systems, enhanced customer service delivery across banking centres, and served as a key liaison with correspondent banks and industry bodies. He currently serves on several national and regional committees related to payments, digital transformation, and banking standards—including the National Payments Council, SADC RTGS Projects, COMESA Payments Project, and the SIRESS Users Group, where he has held chairmanship roles. Before joining CDH Investment Bank, James spent five years at FDH Bank Limited, playing a leading role in the establishment of its operations department and branch network. He also served for over seven years at National Bank of Malawi in various roles across IT and retail banking, contributing to the implementation of core banking systems and customer service innovation. James holds a Master of Business Administration (MBA) from the Eastern and Southern Africa Management Institute (ESAMI) and a Bachelor of Social Science in Economics and Computer Science from the University of Malawi. His strategic foresight and operational leadership continue to drive efficiency, innovation, and resilience within the bank's core infrastructure. Mr Chikoti's residential and postal address is Plot No. NW 140, Nyambadwe, Magalasi, P.O. Box 1444, Blantyre, Malawi.

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**Mr Sungani Mkandawire – Malawian, 50**

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Chief Credit Officer

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**MBA, CIB**

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Appointed to the role in April 2020, Sungani has been a central figure in the bank's credit leadership since 2015. With over 18 years of experience in banking, he brings extensive expertise in credit risk, credit operations, and portfolio management. His earlier roles at CDH Investment Bank include Credit Manager and Credit Administration Manager, positions in which he played a pivotal role in strengthening the bank's risk culture, refining credit processes, and aligning lending practices with regulatory expectations and strategic business objectives. Sungani holds a Master of Business Administration (MBA) from the Eastern and Southern African Management Institute (ESAMI), and a degree in Banking and Financial Services Management from the Malawi College of Accountancy (MCA). He is also a Chartered Banker with the Institute of Bankers South Africa (SA). Through his blend of technical proficiency and strong risk governance capabilities, Sungani continues to support the bank's prudent growth and reinforce sound, sustainable credit decision-making. Mr Sungani Mkandawire's residential and postal address is Plot No. CM 2216, Off Chimwankhunda Road, P.O. Box 1444, Blantyre, Malawi.

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**Mr Robert Malipa – Malawian, 37**

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Chief Risk and Compliance Officer

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**BAcc, FCCA, CIA, CFE, CRMA, CERM**

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Robert Malipa is the Chief Risk and Compliance Officer at CDHIB, overseeing the institution's enterprise risk management, compliance, and anti-money laundering functions. He brings over 14 years of specialised experience in assurance, audit and risk-based governance across the financial services sector. Appointed to executive management in 2022, Robert is responsible for developing and maintaining the bank's integrated risk management and compliance infrastructure in line with regulators and industry best practices. He plays a key advisory role to the board and executive committees, delivering strategic insight on emerging risks, control environment enhancements, and compliance trends. His leadership ensures that the bank upholds a culture of accountability, ethical conduct, and regulatory adherence across all functions. Prior to his current role, Robert served as Internal Audit Manager at CDHIB from 2017 to 2022, where he designed and executed risk-based audit plans, led assurance engagements, and strengthened internal control systems. He began his career at Deloitte Malawi, where he served as Audit Supervisor, managing audit portfolios and building capacity within teams while ensuring strict adherence to IFRS and other regulatory requirements. Robert holds a Bachelor of Accountancy degree from the University of Malawi. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a Certified Internal Auditor (CIA), a Certified Fraud Examiner (CFE), and a Certified Anti-Money Laundering Specialist (ACAMS). He also holds the Certification in Risk Management Assurance (CRMA) and is a Certified Expert in Risk Management (CERM) from the Frankfurt School of Finance. Mr Robert Malipa's residential and postal address is BW 385/2, Sunnyside, P.O. Box 1444, Blantyre, Malawi.

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**Mr Chris Chirwa – Malawian, 45**

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Chief Information Officer

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**BSc, MBA**

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Chris Chirwa is a technology executive with expertise in ICT service management, digital transformation and banking innovation. He was appointed Chief Information Officer at CDHIB in 2014, where he is responsible for the strategic direction, planning, and operations of the bank's information technology function. With over 15 years of experience across the financial services sector, Chris brings strong technical acumen and leadership to his role. He has led the design and rollout of mission critical platforms including core and mobile banking systems, payment gateways, asset and liability management systems, credit scoring tools, electronic tax integrations, and customer self-service portals. His ability to align IT strategy with business growth has enabled CDHIB to deliver on its innovation agenda. Prior to joining CDHIB, Chris served as Head of Information Technology at Opportunity Bank Malawi from 2012 to 2014. He previously held leadership roles at Indebank Limited and Malawi Savings Bank, with earlier technical experience at Burco and ICL Limited. Chris holds a Master of Business Administration and a Bachelor of Science in Computer Science and Mathematics from the University of Malawi. He is a certified PRINCE Practitioner and holds the ITIL Foundation Certification. He has furthered his executive education through programs in strategy development, corporate governance, and digital transformation with the Gordon Institute of Business Science (GIBS). Beyond his professional work, Chris is



a committed Rotarian, having served as President of the Rotary Club of Blantyre. He is also a contributing writer for Malawi Banker and ICAM magazines, where he regularly shares insights on the role of technology in modern finance. Mr Chris Chirwa's residential and postal address is Plot. No. NY 210, Barnes Rd, Nyambadwe, P.O. Box 1444, Blantyre, Malawi.

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**Mr Chrispin Chikwama – Malawian, 50**

Chief Human Capital Development Officer

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**MBA, BA**

With over 9 years of senior human capital management experience in Malawi's financial services sector, Chrispin brings a strong track record in workforce strategy, learning and development, and organisational change. Prior to joining CDH Investment Bank, he served as Group Head of Human Resources for FDH Financial Holdings Limited from 2016 to 2025. Prior to this role, he was the Human Resources Manager at Illovo Sugar plc. Chrispin holds a Master of Business Administration Degree from Malawi School of Government and a Bachelor of Arts (Public Administration) degree from the University of Malawi. He is a graduate of the Executive Development Leadership Programme of the Stellenbosch University's Business School. With his people-centric approach and deep industry knowledge, Chrispin is committed to cultivating a high-performance culture which supports CDH Investment Bank's growth and resilience. Mr Chrispin Chikwama's residential and postal address is CG 443/361, Likhubula Street, Chigumula, P.O. Box 1444, Blantyre, Malawi.

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**Mr Christopher Ngwira – Malawian, 55**

Chief Internal Auditor

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**BSc, MBA, FCCA, CIA**

Christopher Ngwira is the Chief Internal Auditor at CDHIB, a position he has held since July 2016. He leads the bank's internal audit function, overseeing the evaluation and enhancement of internal controls, governance processes and risk management systems. With over 24 years of professional experience spanning audit, finance, and information technology, Christopher brings deep cross-functional insight to his role. His expertise ensures that the bank maintains the highest standards of accountability, operational integrity, and regulatory compliance. Before joining CDHIB, Christopher spent nine years with KPMG, where he advanced to the role of Manager in its Malawi practice. During his tenure, he led audit and advisory engagements for a broad range of clients, strengthening his command of risk-based auditing, financial reporting, and systems assurance. Christopher holds a Master of Business Administration (MBA) from the University of Derby (England) and a Bachelor of Science in Computer Science and Statistics from the University of Malawi. He is also a Fellow of the Association of Chartered Certified Accountants (FCCA) and a certified Internal Auditor (CIA). With a unique blend of technical acumen and strategic audit leadership, Christopher plays a critical role in reinforcing the governance, transparency, and risk resilience of CDHIB. Mr Christopher Ngwira's residential and postal address is Plot No. CC 192, Tsiranana, Mudi, Limbe, P.O. Box 1444, Blantyre, Malawi.

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**Mr Daniel Mwangwela – Malawian, 47,**

Chief Legal Officer and Company Secretary

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**LLB (Hons), LLM**

Daniel Mwangwela is Chief Legal Officer and Company Secretary at CDHIB. Since joining the bank in December 2016, he has been responsible for overseeing all legal, regulatory, and governance matters, while serving as principal advisor to the Board and Management on compliance and statutory obligations. With over a decade of legal experience spanning banking, housing, and private practice, Daniel has built a strong reputation for providing strategic legal counsel and ensuring institutional compliance in complex regulatory environments. Prior to joining CDHIB, he served as Legal Counsel and Company Secretary at First Merchant Bank and held the role of Legal Services Manager at Malawi Housing Corporation. He began his career in private legal practice with Chisanga & Tomoka, and Mvalo & Company. Daniel holds a Master of Laws (LL.M) in Corporate Finance Law from the University of Westminster (UK) and a Bachelor of Laws (LL.B Hons) from the University of Malawi. He is a licensed legal practitioner, a Notary Public, and a member of the Malawi Law Society. He is also a recipient of the distinguished British Chevening Scholarship. Daniel brings depth, integrity, and legal precision to his role, ensuring that CDHIB operates within a sound legal and ethical framework. Mr Daniel Mwangwela's residential and postal address is CG 443/439, Likhubula Street, Chigumula, P.O. Box 1444, Blantyre, Malawi.

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**Mr John ChimaniKire – Zimbabwean, 61**

Chief Investment Banking Officer

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**EMBA, BSc**

With over 34 years of experience in regional and multinational financial institutions, John brings extensive expertise in investment banking, treasury and financial markets, corporate portfolio management, and banking operations. At CDH Investment Bank, John is responsible for structuring and executing securitisations, listings, government debt securities and project finance solutions. Prior to joining CDH Investment Bank, John served as Corporate Banker and Head of Advisory Services at Nedbank Zimbabwe. He also held the role of Head of Corporate Finance at Kingdom Bank Limited and represented Zimbabwe on the Southern African Development Community (SADC) Water Demand Management Programme, hosted by the Development Bank of Southern Africa. John holds an Executive Master of Business Administration (EMBA) from the National University of Science and Technology, with a focus on Business Administration, Strategy, and International Trade. He also holds a BSc Honours degree in Economics from the University of Zimbabwe, majoring in Monetary Economics and Economic Planning. Mr John ChimaniKire's residential and postal address is Plot. LK 3187, Mwavi Road, Namiwawa, P.O. Box 1444, Blantyre, Malawi.

## 11. CAM Senior Management

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**Mrs Gillian Kachikondo – Malawian, 47**

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Chief Executive Officer

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**FCCA, BAcc**

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Mrs Kachikondo boasts a distinguished career spanning over 18 years covering operations, finance, internal audit, project management and treasury. She joined the Continental Group as Head of Internal Audit for Continental Discount House in 2008. In October 2015, she was appointed Chief Operating Officer for CDH Investment Bank, a position she has held until her appointment as CEO of Continental Asset Management in August 2018. Mrs Gillian Kachikondo's residential and postal address is Plot No. NY 53, Nyambadwe, P.O. Box 1444, Blantyre, Malawi.

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**Mr Watson Kanyenda – Malawian, 45**

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Head of Finance and Operations

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**FCCA, CA(M), BAcc**

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With over 20 years of experience in finance, audit, and advisory, Watson is a seasoned finance executive. He is currently Head of Finance and Operations at Continental Asset Management Limited. Prior to this, he served as Associate Director at PricewaterhouseCoopers (PwC), where he led high-profile assurance and advisory engagements in both Malawi and the United States. He holds a Bachelor of Accountancy from the University of Malawi, is a Fellow of the Association of Chartered Certified Accountants (FCCA), and a member of the Malawi Accountants Board. Mr Watson Kanyenda's residential and postal address is Plot No. 13, Kathyete Street, New Naperi, P.O. Box 1444, Blantyre, Malawi.

## 12. CAMN Senior Management

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**Mrs Gillian Kachikondo – Malawian, 47** Provided above

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Chief Executive Officer

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**FCCA, BACC**

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**Mr Watson Kanyenda – Malawian, 45** Provided above

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Head of Finance and Operations

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**FCCA, CA(M), BAcc**

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**Mr Lovemore Kambani – Malawian, 47**

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Head of Business Development and Marketing

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**MBA, BSoc**

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Lovemore is Head of Business Development and Marketing for Continental Asset Management Limited. He has over 10 years' experience in fund management, client relationship management, client advisory, treasury, fund and general management. He is an economist and brings in-depth economic analysis expertise to the team. He is responsible for evaluating existing and potential markets, determining options for growth in specific markets, and guiding in the formulation and implementation of business strategies. In the Continental Group, he also worked for CDH Commodities Limited as Business Development Manager and CDH Limited as a Manager, Business Development (South). Mr Lovemore Kambani's residential and postal address is Plot No. 46/306, Area 46, Lilongwe City, P.O. Box 1444, Blantyre, Malawi.



### 13. CCL Senior Management

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#### Mr Kenneth M'madi – Malawian, 44

Continental Capital General Manager

**MBA, ACCA, BAcc**

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Mr. M'madi has been with the Company since 2013. He also served as Business Analyst and Dealer for Continental Capital Limited from 2013 to 2019. Prior to joining Continental Capital Limited, Kenneth worked for the International Accounting and Auditing firm, Messrs. PricewaterhouseCoopers (PWC) from 2010 to 2013. Mr Kenneth M'madi's residential and postal address is Plot No. BW 384/2 Sunnyside, P.O. Box 1444, Blantyre, Malawi.

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#### Ms Tadala Malimba – Malawian, 39

Finance and Operations Manager

**FCCA, CA (M)**

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Tadala is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Certified Accountant (Malawi). She is a member of the Institute of Chartered Accountants in Malawi (ICAM). With over 10 years of experience in external auditing, Tadala has built a strong professional foundation working with leading international accounting and auditing firms. She served at Deloitte for 8 years and 9 months, followed by 1 year and 10 months at Ernst & Young (EY), where she gained extensive expertise in audit, compliance, and financial management. In July 2025, she joined Continental Capital Limited (CCL) as Finance and Operations Manager. Ms Tadala Malimba's residential and postal address is House No. SW 8/522/10, Kamba, P.O. Box 1444, Blantyre, Malawi.

### 14. CPSL Senior Management

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#### Ms Makhumbo Chikaonda – Malawian, 36

Continental Pension Services Manager

**ACCA, BAcc**

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Ms. Makhumbo Chikaonda is the Pension Services Manager for Continental Pension Services Company Limited, a position she has held for over three years. She has a Postgraduate Diploma in Financial Planning and Services from Stellenbosch University and Bachelors Degree in Accountancy from Malawi Polytechnic Ms Makhumbo Chikaonda's residential and postal address is Plot No. KJ 466, Kanjedza, P.O. Box 1444, Blantyre, Malawi.

### 15. CPL Senior Management

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#### Mr Robert Abbey – Ghanaian, 73

Provided above  
Executive Director (Group Chief Executive Officer)

**FCCA, MBA**

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#### Mr Kingsley Zulu – Malawian, 52

Provided above  
Executive Director (Group Financial Controller)

**FCCA, CA(M), MSc, BAcc**

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#### Ms Tafadzwa Mwawa – Malawian, 39

Trading Manager

**MBA**

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Tafadzwa is a certified Broker with South Africa Institute of Financial Markets (SAIFM). She has over 7 years' experience in the Capital Markets, specializing in equity trading, fixed income, client relationship management, and strategic business growth. She plays a pivotal role in developing, pitching tailored investment solutions to institutional and retail clients and driving client acquisition through targeted outreach, relationship-building. With extensive experience across trading platforms and investor engagement, she is also actively involved in market development initiatives and financial literacy programmes in collaboration with key stakeholders. She worked as a sponsoring broker for Standard Bank share split (2025), BHL Rights Issue (2024) and FDHB IPO (2020). She holds a Masters in Business Administration (Distinction) with ESAMI. Ms Tafadzwa Mwawa's residential and postal address is Plot No. LW 842/843, Kanjedza Forest, P.O. Box 1444, Blantyre, Malawi

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#### Ms Lusizi Mhango – Malawian, 47

Finance and Operations Manager

**MBA, ACCA, CA (M), BAcc**

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Ms. Lusizi Mhango is the Finance and Operations Manager for Continental Pension Services Company Limited, before that she worked in the finance department of Continental Holdings Limited for over eight years. She has over 15 years' experience having launched her accounting career with Malawi Social Action Fund (MASAF III) as a Justification Assistant. She also worked for Hunger Project Malawi and Mwaiwathu Private Hospital. She has a strong track record in financial planning, accounting, reporting, compliance, and operational efficiency across both public and private sectors. Ms Lusizi Mhango's residential and postal address is House No. 186, Ngumbe, MHC Fargo Lines, P.O. Box 1444, Blantyre, Malawi.

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#### Mr Hollen Kamanga – Malawian, 40

Provided above  
Finance and Risk Manager

**FCCA, BAcc, CA (M)**

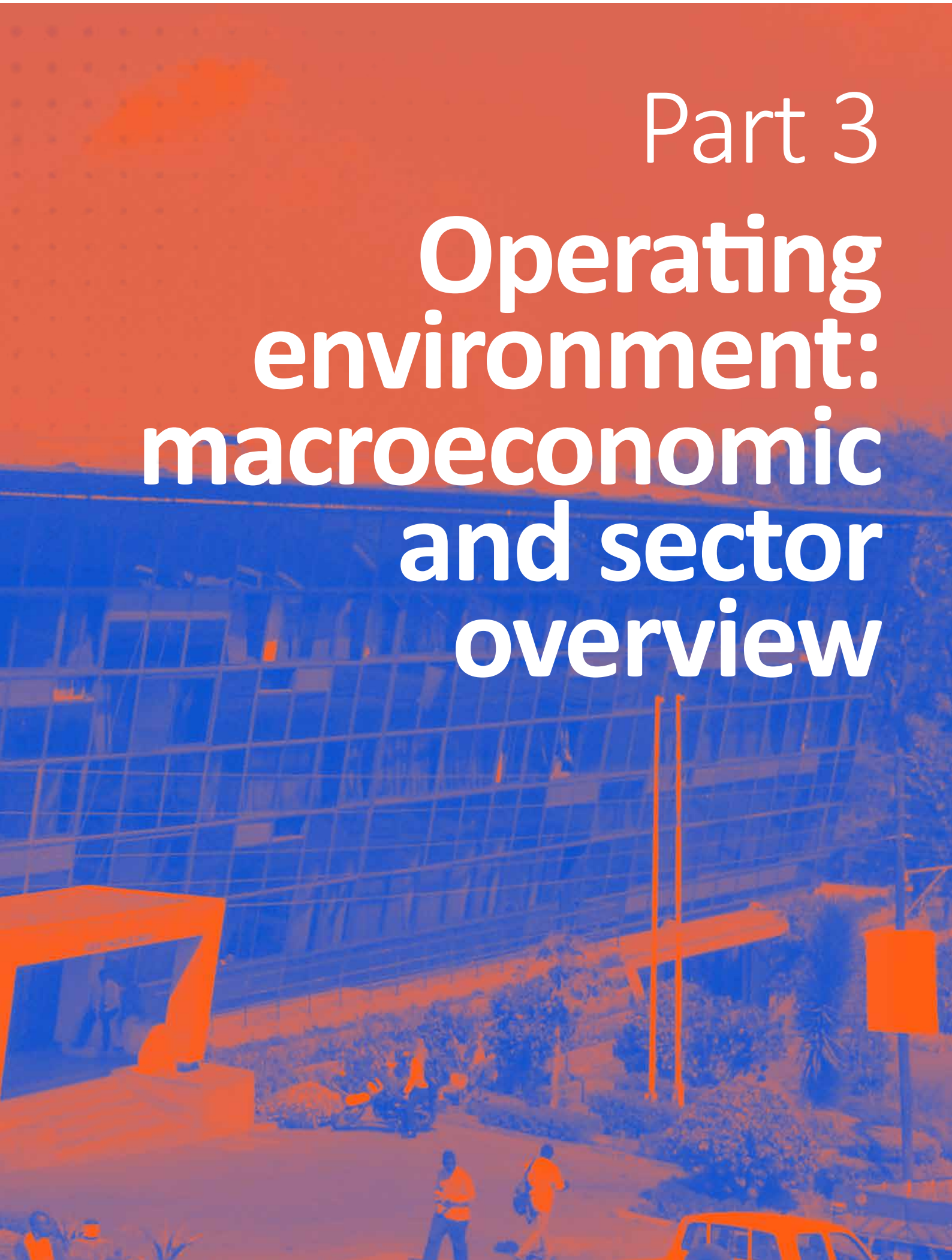
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## Part 3

# Operating environment: macroeconomic and sector overview



## 1. Country overview

Statistics	2025
Land size (including lake Malawi)	11.8mn ha
Population	23mn
Unemployment rate	19.7%
Life expectancy	67 yrs
Median age	18 yrs
Mobile penetration	74.04%
Adults with a bank account	23%
GDP (nominal)	USD13bn
GDP growth rate	2.7%
Bank policy rate (May 2026)	24.0%
Lending rate (May 2026)	23.7%
Inflation rate (April 2026)	24.3%
Current account deficit	USD2.3bn

Source: World Bank, Reserve Bank of Malawi

### a. Demographics

Malawi's population was estimated to be 22,7 million in 2026. The southern region with 44% of total population is the most populated region followed by the central region (43%) and lastly the northern region (13%). The country has one of the highest population growth rates in Africa, averaging 2.6% annually. Malawi's population is expected to increase to 33 million by 2043.

Malawi has a low urbanization rate with 80% of the population in Malawi living in the rural areas. The population in the rural areas is primarily involved in agricultural activities, the mainstay of Malawi's economy.

In 2026 Malawi had a predominantly young population with a median age of 18 years, meaning half of the population is younger than 18, and half older – making it one of the most youthful countries in the world.

Approximately 12% of Malawi's adult population are financially excluded, a significant increase from 2014 when it was approx. 51%.

Despite high overall inclusion, only 23% of adults own a formal bank account. The majority of inclusion is driven by mobile money, with 61% of adults using formal non-bank products.

### b. Macro-economic overview

Malawi's economy is predominantly reliant on agriculture which currently contributes 24% to GDP and employs about 75% of the working population directly and indirectly. The agriculture sector is supported by the Financial and Insurance sector, which is the most resilient and fast-growing components of Malawi's economy and contributes 7% to GDP. While it is a relatively small portion of the overall economy compared to agriculture, it is one of the most consistent growth drivers, particularly through the expansion of digital banking and mobile money. Real economic growth is estimated to be 1.9% for 2025 period with projections for 2026 ranging between 2.2% and 3.8%. For the 4th consecutive year, the economy did not keep pace with population growth (2.6%).

The Malawi economy operated within a challenging macroeconomic environment during 2025, characterized by elevated inflation, constrained foreign exchange availability, tight monetary conditions and continued fiscal pressures. Despite these headwinds, economic activity demonstrated resilience supported by gradual recovery in agricultural output, relative exchange rate stability and sustained activity within selected service sectors.

Economic growth remained moderate and below long-term development requirements, reflecting structural constraints including limited foreign exchange availability, high financing costs, supply-side bottlenecks and subdued private sector investment. The 2025 General Elections formed part of the broader operating environment, contributing to periods of heightened policy uncertainty, cautious investor sentiment and temporary moderation in private sector investment activity as market participants awaited post-election policy clarity and continuity of economic reforms.

The Reserve Bank of Malawi (RBM) took a cautious approach to monetary policy in 2025 and held the Policy rate at 26.0% throughout the year. With a stable Policy rate, market interest rates and yields on Government securities were generally stable during the year.

The level of liquidity on the interbank market was slightly higher in 2025 compared to 2024, with banks' excess reserves held with the RBM averaging K123.69 billion per day during the year compared to an average of K117.01 billion per day in 2024, representing an increase of 5.71%.



The Kwacha was relatively stable against the United States Dollar (USD) in 2025, with the USD/MWK exchange rate for Telegraphic Transfers (TT) averaging K1750.21 per USD during the year, representing a marginal depreciation of the Kwacha of 0.68%.

Foreign exchange supply remained subdued relative to demand during 2025. Total forex reserves stood at USD530.00 million (2.10 months of import cover) as of 30th November 2025.

Inflationary pressures remained elevated but started to ease during the year. Headline inflation rate decreased to an average of 28.4% in 2025 from an average of 32.2% in 2024 and closed the year at 26.0%. The Government expects inflation rate to decelerate further in 2026 to below 21.0%.

The Government projected a real GDP growth rate of 2.8% for 2025, higher than 1.7% in 2024. Growth in 2025 was largely supported by better agricultural harvest during the 2024/2025 season than the previous season and scaling up of infrastructure activities. In 2026, the Government expects the country’s economic growth to improve further to 3.8%, while the World Bank and the Economist Intelligence Unit (EIU) project growth rates of 2.6% and 2.0%, respectively.

The Government introduced new tax measures which became effective on 30th December 2025.

**c. Interbank market**

Liquidity conditions in the banking system were higher in 2025 compared to the level registered in 2024. Banks’ excess reserves held with the Reserve Bank of Malawi (RBM) averaged K123.69 billion per day in 2025, compared to the average of K117.01 billion per day in 2024, representing an increase of 5.71%. Liquidity conditions were highest in the first quarter of 2025 when banks’ excess reserves averaged K211.32 billion per day and were lowest in the second quarter when excess reserves averaged K69.01 billion per day.

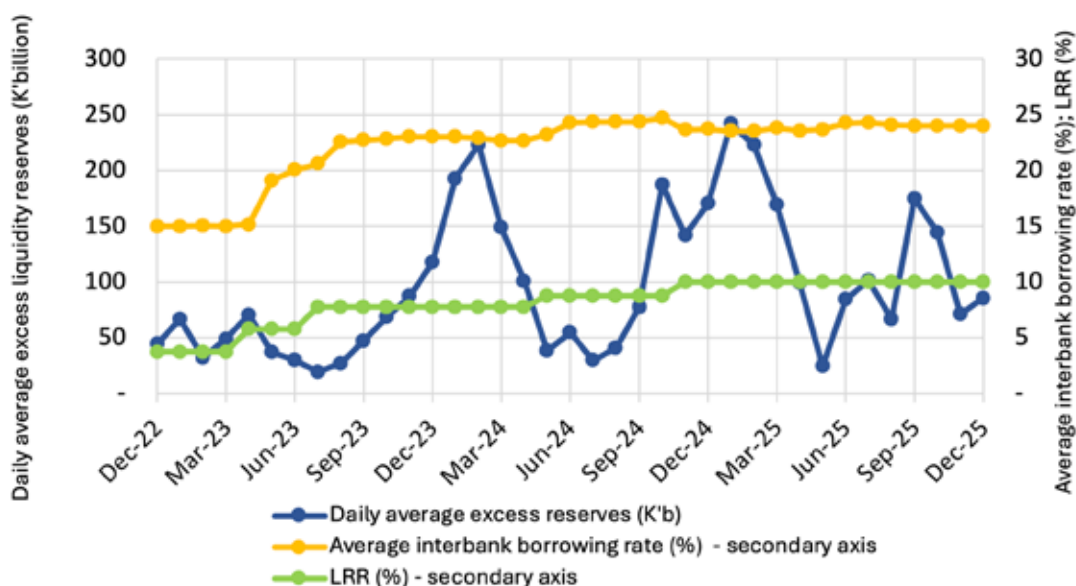
The volume of borrowing among banks on the interbank market increased by 71.31% in nominal terms to a total of K23.74 trillion in 2025 from K13.86 trillion in 2024. Funds accessed through the Lombard Facility of the RBM increased by 50.22% in nominal terms to K12.88 trillion in 2025 compared to K8.57 trillion in 2024.

The interbank borrowing rate was generally stable, increasing slightly to an average of 23.89% during the year from an average of 23.65% in 2024. The Lombard rate was also stable at 26.20% throughout the year 2025 from an average of 25.87% in 2024. The stability in market interbank rates followed a stable Policy rate which was last adjusted in February 2024 from 24.0% to 26.0%.

To manage liquidity in the banking system, the RBM injected funds through issuance of OMO reverse repos which amounted to K273.50 billion in 2025 (K180.00 billion in 2024) and through the Rediscounting Standing Facility on which K228.94 billion was accessed (K189.01 billion in 2024). To mop up liquidity, the RBM issued OMO repos that amounted to K225.00 billion during the year (K164.60 billion in 2024).

Chart 1 provides a summary of excess liquidity reserves and interbank rate movements over the immediate past three years. The Chart shows slightly higher liquidity levels in 2025 relative to 2024 and the stability in the interbank borrowing rate in 2025.

**Chart 1: Daily average excess liquidity reserves and interbank borrowing rate**



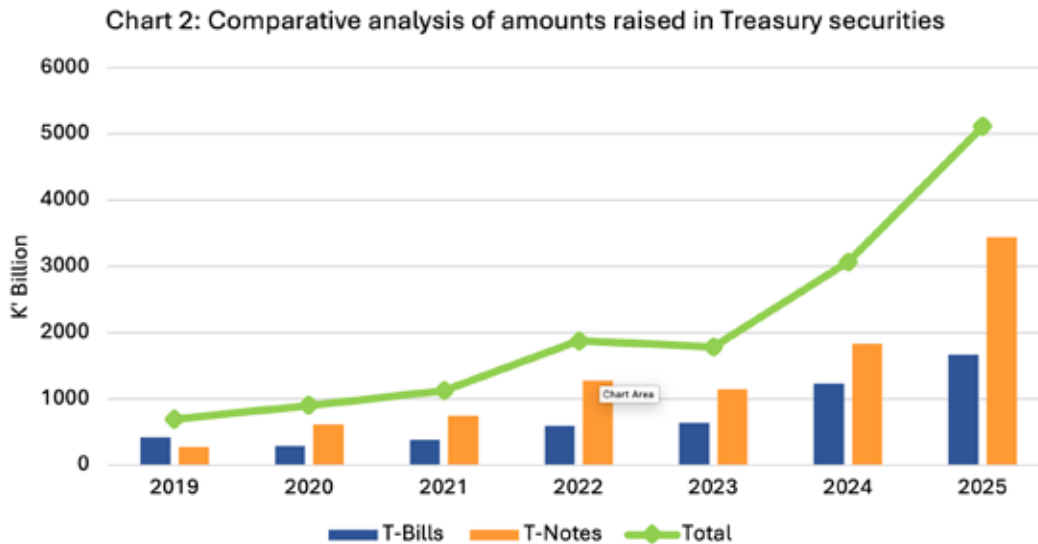
(Data source: Reserve Bank of Malawi)

#### d. Government securities

The Government raised K1,668.64 billion in auctions of Treasury Bills (TB) in 2025, representing an increase of 35.56% from K1,230.95 billion raised in 2024. The rejection rate was at 9.75% in 2025 compared to 0.44% in 2024.

K3,441.61 billion was raised in auctions of Treasury Notes (TNs) during 2025, compared to K1,832.17 billion raised in 2024, representing a nominal increase of 87.84%. Rejection rate for TNs was at 0.62% in 2025 compared to 0.10% in 2024.

Overall, the total amount raised by Government in the domestic market through issuance of Treasury securities (TBs and TNs combined) increased by 66.83% in nominal terms in 2025 (K5,110.25 billion) relative to 2024 (K3,063.12 billion) as shown in Chart 2:



(Data source: Reserve Bank of Malawi)

Yields on Government securities were stable in 2025, reflecting a stable Policy rate. The 91-day, 182-day and 364-day TB yields were at 16.00%, 20.00% and 26.00%, respectively, throughout the year 2025, increasing from an average of 15.84%, 19.83% and 25.83%, respectively, in 2024. The average all-type TB yield was at 20.67% in 2025 from an average of 20.50% in 2024. Yields for TNs were also stable throughout the year 2025, although annual averages indicate an increase in 2025 compared to 2024, as shown in Table 1 below:

**Table 1: Annual average and year-end yields of Treasury Bills and Notes**

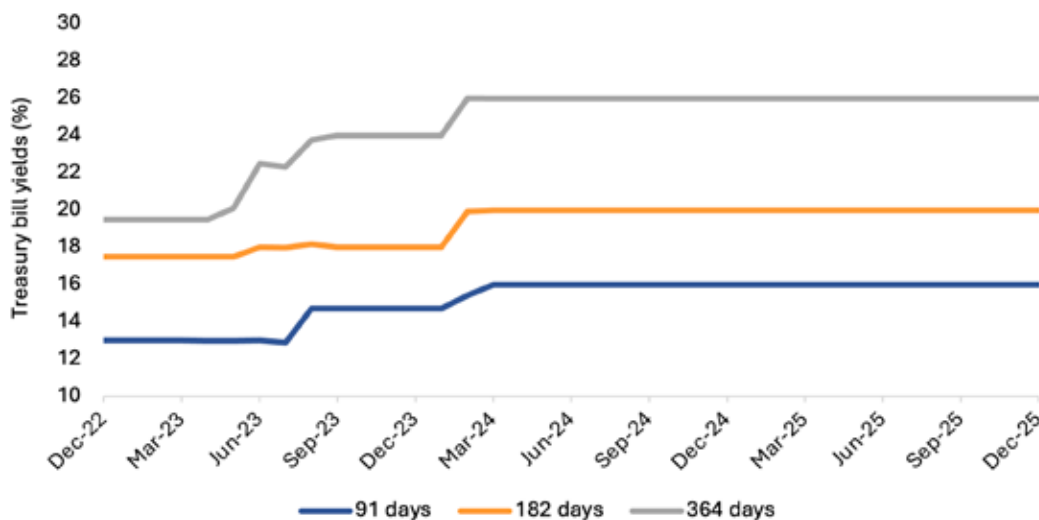
Tenor	Year-end yields			Annual average yields		
	As at 31 December 2025	% points change	As at 31 December 2024	2025 Average	% points change	2024 Average
91-days	16.00%	→ 0.00	16.00%	16.00%	↑ 0.16	15.84%
182-days	20.00%	→ 0.00	20.00%	20.00%	↑ 0.17	19.83%
364-days	26.00%	→ 0.00	26.00%	26.00%	↑ 0.17	25.83%
2- years	28.75%	→ 0.00	28.75%	28.75%	↑ 0.17	28.58%
3-years	30.00%	→ 0.00	30.00%	30.00%	↑ 0.17	29.83%
5-years	32.00%	→ 0.00	32.00%	32.00%	↑ 0.17	31.83%
7-years	34.00%	→ 0.00	34.00%	34.00%	↑ 0.17	33.83%
10-years	35.00%	→ 0.00	35.00%	35.00%	↑ 0.25	34.75%

(Data source: Reserve Bank of Malawi)



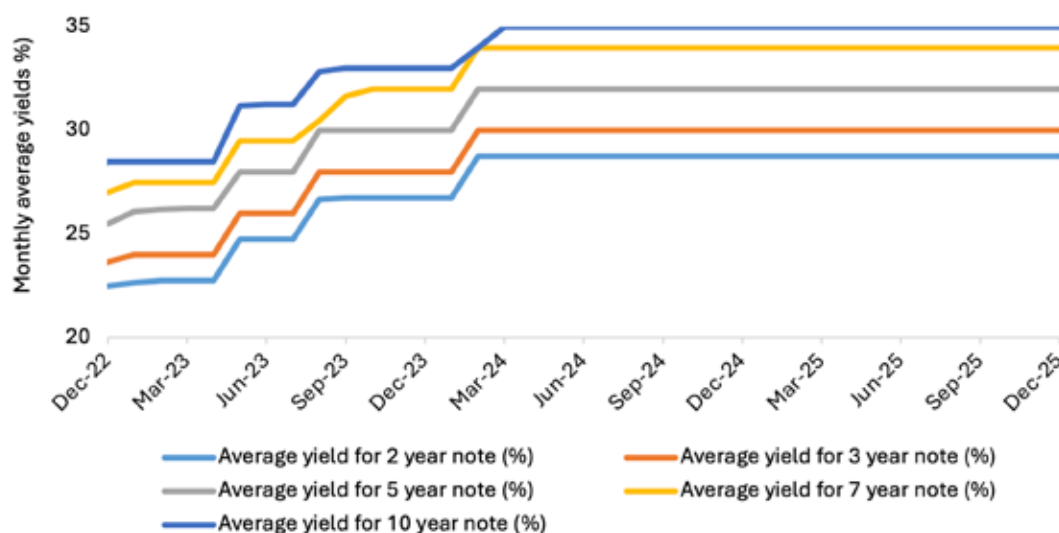
Chart 3a and 3b below depict the stability in Government securities yields across all tenors in 2025.

**Chart 3a: Monthly average Treasury bill yields**



(Data source: Reserve Bank of Malawi)

**Chart 3b: Monthly Average Treasury Note Yields**



(Data source: Reserve Bank of Malawi)

**e. Foreign exchange market**

In the year 2025, the Malawi Kwacha was generally stable against the United States Dollar (USD) but continued to weaken against other major trading currencies as the imbalance between supply and demand of foreign currencies remained high.

The Malawi Kwacha to USD TT middle exchange rate averaged K1,750.21 per USD in 2025, from an average of K1,738.34 per USD in 2024, representing a depreciation of 0.68% of the Kwacha. The Malawi Kwacha to GBP TT average middle exchange rate increased by 3.83% to K2,373.08 per GBP from K2,285.61 per GBP; the Malawi Kwacha to EUR TT average middle exchange rate increased by 5.16% to K2,035.03 per EUR from K1,935.22 per EUR; and the Malawi Kwacha to ZAR TT average middle exchange rate increased by 3.90% to K100.45 per ZAR from K96.68 per ZAR.

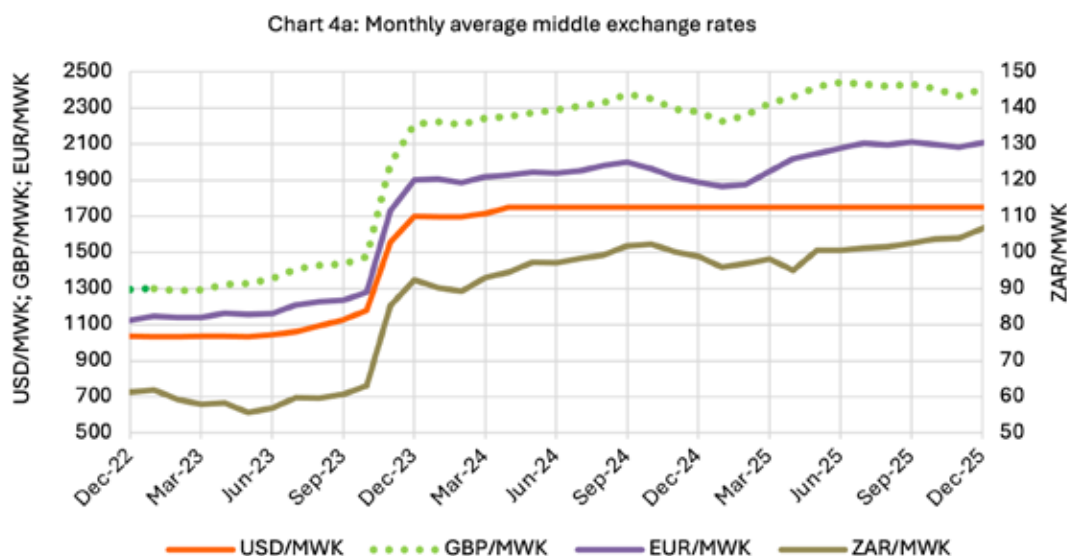
A comparison of end-of-year TT exchange rates indicates that the Kwacha marginally appreciated against the USD by 0.05%, but depreciated against the GBP, EUR and ZAR by 7.37%, 12.72% and 12.49%, respectively. The USD/MWK TT middle exchange rate closed the year at K1,749.00 per USD.

Table 2a and Chart 4a depict the depreciation of the Kwacha in 2025 compared to 2024. (Note: downward arrows represent depreciation of the Kwacha and the upward arrow represents appreciation of the Kwacha).

Currency	Table 2a: TT middle exchange rates					
	Annual averages			End-year		
	2025	Change	2024	31-Dec-25	Change	31-Dec-24
USD/MWK	1750.21 ▼	0.68%	1738.34	1749.00 ▲	-0.05%	1749.93
GBP/MWK	2373.08 ▼	3.83%	2285.61	2416.04 ▼	7.37%	2250.25
EUR/MWK	2035.03 ▼	5.16%	1935.22	2107.54 ▼	12.72%	1869.77
ZAR/MWK	100.45 ▼	3.90%	96.68	107.87 ▼	12.49%	95.89

Upward arrow represents appreciation and downward arrows represent depreciation of the Kwacha

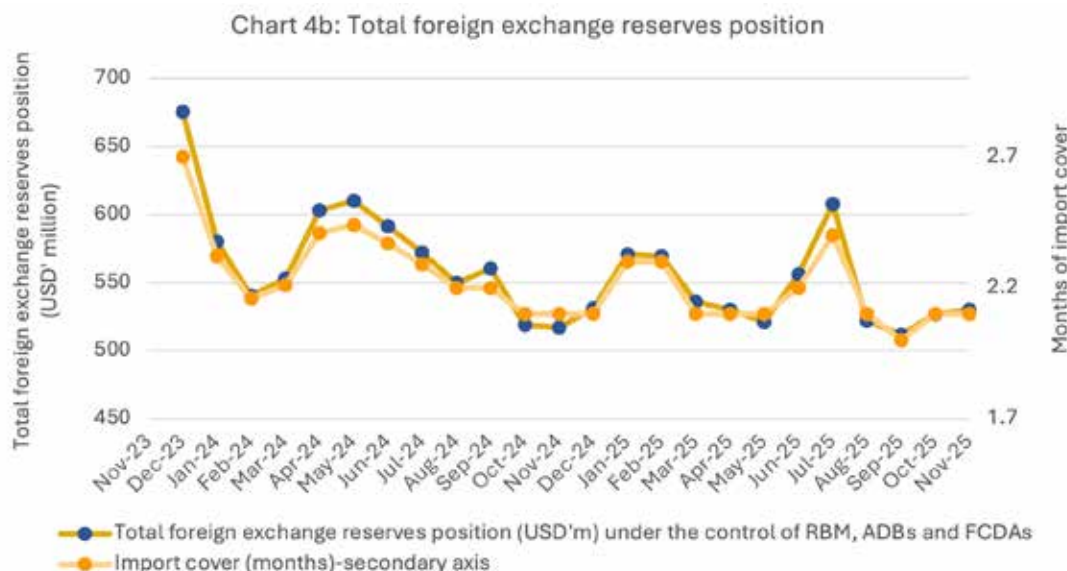
(Data source: Reserve Bank of Malawi)



(Data source: Reserve Bank of Malawi)

Month-end balances of total foreign exchange reserves averaged USD543.75 million (2.16 months import cover) in 2025, down from an average of USD560.58 million (2.24 months import cover) in 2024. As of 30th November 2025, the total reserves were at USD530.00 million (2.10 months of import cover), compared to USD530.90 million (2.10 months of import cover) as of 31st December 2024 and USD516.90 million (2.10 months import cover) as of 30th November 2024.

The persistent foreign currency shortages continued to constrain the importation of essential goods, including fuel, thereby affecting business operations.



(Data source: Reserve Bank of Malawi)

The country's earnings from tobacco sales, the country's largest forex earner, increased by 36.62% in 2025 compared to 2024 due to an increase of 65.90% in sales volume, while the average price decreased by 17.79% as shown in Table 2b below:

	2025	%change (2025 - 2024)	2024	%change (2024 - 2023)	2023	%change (2023 - 2022)	2022	%change (2022-2021)	2021
Volume (million kg)	221.27	↑ 65.90%	133.38	↑ 10.66%	120.53	↑ 41.67%	85.07	↓ -31.20%	123.65
Average price (USD/kg)	2.45	↓ -17.79%	2.98	↑ 26.81%	2.35	↑ 9.81%	2.14	↑ 34.59%	1.59
Value (USD 'million)	542.31	↑ 36.62%	396.94	↑ 39.88%	283.76	↑ 55.88%	182.04	↓ -7.62%	197.05

(Data source: Tobacco Commission (TC))

Looking forward, in 2026 depreciation pressures on the Kwacha are expected to remain prevalent as the imbalance between demand and supply of forex remains high due to exports remaining weak relative to imports, and as support from development partners remains unstable.

The EIU expects the USD/MWK exchange rate to remain broadly stable in 2026 but gradually increase to an average of K1,853 per USD in 2027 and K2,792 per USD in 2030.

Year	2024	2025	2026	2027	2028	2029	2030
USD/MWK annual average	1734	1734	1734	1853	2127	2514	2792
USD/MWK end-period	1734	1734	1734	2007	2324	2690	2213

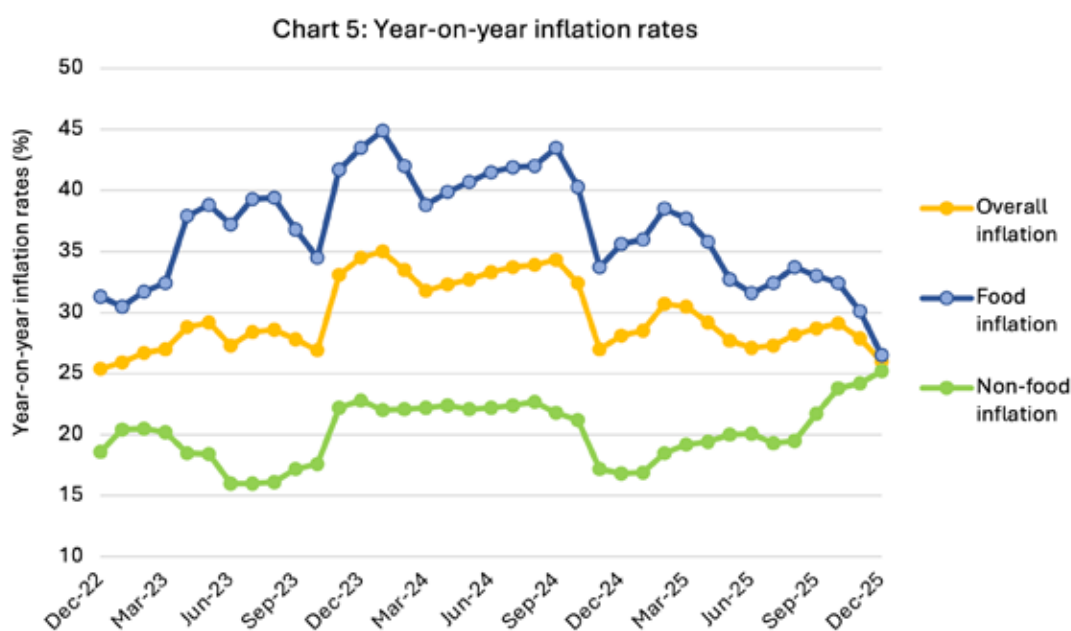
Source: EIU One-click report: Malawi - December 2025

## f. Inflation

Inflationary pressures remained high in 2025, with headline inflation rate averaging 28.4% in 2025, but down from 32.2% in 2024. The rate closed the year at 26.0% compared to a rate of 28.1% at the end of 2024.

The easing inflationary pressures emanated from both food and non-food factors. Food inflation rate decreased to an average of 33.4% in 2025 from 40.4% in 2024 and non-food inflation rate decreased to an average of 20.65% in 2025 compared to 21.2% in 2024, despite rising prices of utilities.

The chart below depicts the trend of inflation rate in the past three years.



(Data source: National Statistical Office)

Looking ahead, Inflation is expected to relatively decline in 2026, supported by a strong will and efforts of the Government to lower inflation, including ensuring the availability of maize at low prices. Risks to the outlook include effects of the upward adjustment in fuel prices and the new tax measures.

The Government expects inflation to fall below 21.0% in 2026. The IMF projects an annual average inflation rate of 23.3% while the EIU projects an annual average of 29.0% in 2026.

**Table 3: Projected annual average inflation rates**

	2024	2025	2026f	2027f	2028f	2029f	2030f
Government	32.2%	28.4%	21.0%				
International Monetary Fund (IMF)			23.3%				
Economist Intelligence Unit (EIU)			29.0%	27.0%	26.0%	25.0%	24.0%

Sources:

*Government: National Statistical Office (NSO) for actual 2024 and 2025 statistics and State of the Nation Address (SONA) for the 2026 projection.*

*IMF: World Economic Outlook - October 2025*

*EIU: One-click report: Malawi - December 2025*

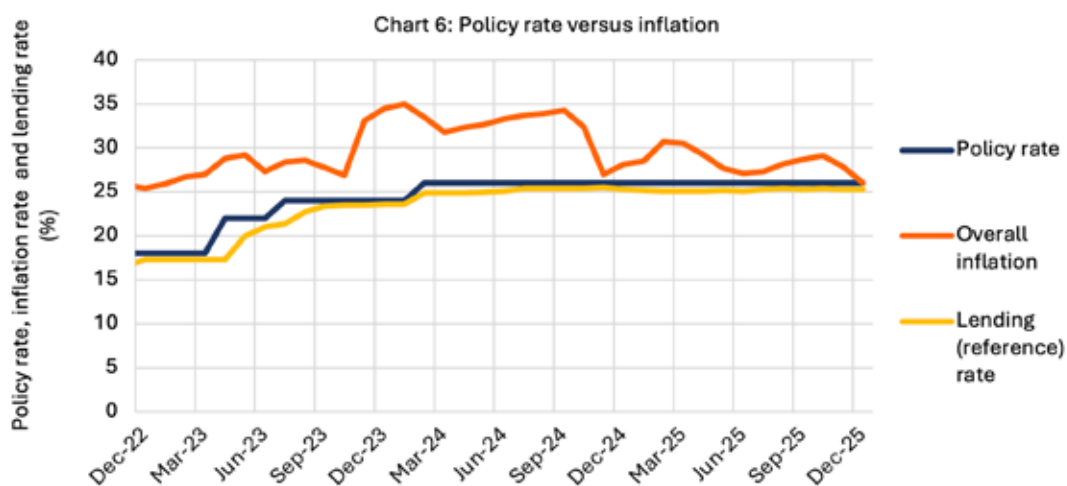
### g. Monetary policy

The RBM held the Policy rate at 26.0% throughout the year 2025. The Policy rate was last adjusted on 1st February 2024 from 24.0% to 26.0%.

The Lombard rate was maintained at 0.2 percentage points above the Policy rate (26.2%) in 2025.

The Liquidity Reserve Requirement (LRR) ratio on domestic currency deposits was maintained at 10.00% throughout the year. In 2024, the LRR was adjusted twice, from 7.75% to 8.75% on 3rd May 2024 and to 10.0% on 4th November 2024. The LRR on foreign currency deposits was also held constant at 3.75% in 2025.

The chart below depicts the trend of the Policy rate relative to inflation rate over the past three years. The chart shows that although inflation was above the Policy rate most of the year, the gap closed by December 2025, as both inflation rate and Policy rate were at 26.0% in December 2025.



(Data source: Reserve Bank of Malawi, National Statistical Office)

With a stable Policy rate, most market interest rates were stable during the year. The Market Reference Rate (MRR) for commercial banks slightly increased from an average of 25.1% in 2024 to an average of 25.2% in 2025 and closed the year at 25.3%, the same rate as of December 2024.

Looking ahead, market interest rates are expected to decline in 2026 as inflation pressures subside. Government has indicated determination to reduce inflation and interest rates.

### h. Economic growth

According to the International Monetary Fund's (IMF) January 2026 World Economic Outlook, global growth is projected



to remain resilient at 3.3% in 2026 and at 3.2% in 2027: rates similar to the estimated 3.3% outturn in 2025. The steady performance is resulting from the balancing of divergent forces; headwinds from shifting trade policies are offset by tailwinds from surging investment related to technology, fiscal and monetary support, broadly accommodative financial conditions, and adaptability of the private sector.

Growth in advanced economies is estimated to have moderated to 1.7% in 2025 from 1.8% in 2024 and is projected at 1.8% in 2026 and 1.7% in 2027.

In emerging markets and developing economies, growth is estimated to have slightly picked up to 4.4% in 2025 from 4.3% in 2024 and is projected at 4.2% in 2026 and 4.1% in 2027.

In sub-Saharan Africa growth is estimated to have increased to 4.4% in 2025 from 4.1% in 2024 and is projected to be at 4.6% in 2026 and 2027.

For the domestic economy, in the 3rd Monetary Policy Statement published in October 2025, the RBM projected a GDP growth rate of 2.8% for 2025, compared to 1.7% registered in 2024. The EIU and the World Bank projected a growth rate of 1.6% and 1.9%, respectively, for 2025. Growth in 2025 was supported by a relatively better agricultural harvest in the 2024/25 season and scaling up of infrastructure activities in the construction sector.

For 2026, the Government expects growth to pick up to 3.8%. The EIU projects 2.0% and the World Bank projects a 2.6% growth rate. The improvement in growth from 2026 is expected to be mainly supported by improving macroeconomic conditions, an improvement in agricultural output and development of the mining sector. Major constraints to growth are expected to remain foreign exchange shortages and related external pressures, and low access to electricity.

**Table 4a: World Bank Projections**

	2023	2024	2025e	2026f	2027f
GDP at constant market prices (% change)	1.9	1.7	1.9	2.6	3.1

Source: *Global Economic Prospects - January 2026*

**Table 4b: IMF projections**

	2023	2024	2025f	2026f
Real GDP growth	1.9	1.8	2.4	2.7

Source: *IMF World Economic Outlook - October 2025*

**Table 4c: Projections by the Economist Intelligence Unit**

	2024e	2025f	2026f	2027f	2028f	2029f	2030f
Real GDP growth	1.3	1.6	2.0	1.8	2.6	2.9	2.9
Agriculture	-1.0	1.3	1.6	1.6	2.3	2.8	3.3
Industry	2.2	2.0	2.2	2.7	2.9	2.9	3.0
Services	2.2	1.6	2.6	2.9	3.0	3.2	2.7

Source: *Malawi One-click Report - December 2025*

## i. Social and political environment

Malawi held its presidential, parliamentary, and local government elections on 16th September 2025. President Professor Arthur Peter Mutharika of the Democratic Progressive Party (DPP) won the presidential vote, ushering in a change in government administration.

The DPP 2025 – 2030 Manifesto highlights the following:

- Vision: To make Malawi a self-reliant, inclusive, and industrialised upper-middle-income country by the year 2063
- Development pillars:
  - Agricultural productivity & commercialization
  - Industrialisation: 5 special economic zones, agro-processing, textiles, mining, technology & renewable energy
  - Urbanisation: development of secondary cities and rural growth centres, improved housing, water, digital infrastructure
  - Decentralisation: K5 billion per constituency annually

- Economic strategy:
  - Reduce inflation
  - Achieve high GDP growth rates
  - Cut excessive borrowing
  - Mobilise domestic resources and control public debt.

## j. Fiscal policy

Government introduced new tax measures which became effective on 30th December 2025. They include the following:

- Money transfer levy of 0.05% on all electronic bank transfers within or across banks, paid by the sender.
- E-money transfer levy of 0.05% applied on the transaction amount on money transfers of above MWK100,000 done using a system operated by an e-money service provider, paid by the sender.

Employment income tax (Pay As You Earn (PAYE)) structure was adjusted as follows:

**Table 5: Income tax rates on employment income**

Annual taxable income	Rate
First MWK2, 040, 000	0%
Next MWK16, 800, 000	30%
Next MWK101, 160, 000	35%
Excess of MWK120, 000, 000	40%

- The threshold for supernormal profit tax for companies was reduced from MWK10 billion to MWK5 billion, meaning company profits below MWK5 billion will continue to be taxed at the standard rate of 30%, while profits of MWK5 billion and above will be taxed at 40%.
- A Minimum Alternate Tax (MAT) of 0.5% on turnover to apply to companies with turnover of more than MWK5 billion that have been operating for more than three years. Companies to pay, either normal corporate income tax levied at 30% on profit, or 0.5% of turnover, whichever is higher.
- The introduction of capital gains tax to be applied to all share disposals, regardless of how long they have been held. However, in the first quarter of 2026, Government removed the capital gains tax and replaced it with a final withholding tax of 2% on the gross proceeds from the sale of shares.
- The Value added tax (VAT) rate was adjusted from 16.5% to 17.5%.

## k. Malawi economic outlook

The outlook for the economy of Malawi remains cautiously positive, underpinned by expectations of improved agricultural output, recovery in tourism activity, increased mining sector investment, and implementation of the Government's Economic Recovery Plan ("ERP"). Real GDP growth is projected to increase to 3.8 percent in 2026, with medium-term growth expected to strengthen further as fiscal consolidation measures take effect and economic activity normalises following the 2025 general elections.

Economic growth in the medium term is expected to be supported by recovery in climate-sensitive sectors, particularly agriculture, aided by increased adoption of irrigation and climate-smart agricultural technologies. Additional support is expected from ongoing public and private sector investments in infrastructure, including roads, ICT and energy. The mining sector is also anticipated to play an increasingly important role in supporting growth and foreign exchange generation following reforms aimed at strengthening governance, transparency and investment coordination within the sector. These reforms include the operationalisation of the Mining and Minerals Regulatory Authority and establishment of the Malawi Mining Investment Company.

Inflationary pressures are projected to moderate gradually during 2026, mainly reflecting improved food supply conditions associated with anticipated recovery in agricultural production and seasonal harvest effects. Headline inflation is projected to average approximately 22.0 percent in 2026, compared to an average of 28.4 percent in 2025. Food inflation is expected to decline significantly, although non-food inflation is projected to remain elevated due to exchange rate pass-through effects, fuel-related costs, and possible adjustments in administered prices, including utilities and transport charges.

The external sector is expected to improve modestly over the medium term, supported by higher export earnings from agriculture, mining and tourism. Government initiatives to review commodity value chains and promote export-oriented production are also expected to support foreign exchange generation. Although stronger domestic demand may increase import requirements, the current account deficit is projected to narrow gradually as export performance improves.

Despite the improving outlook, downside risks remain significant. These include vulnerability to adverse weather conditions and climate-related shocks, volatility in global fuel and commodity prices, exchange rate pressures, fiscal constraints, and the possibility of further adjustments in utility tariffs. Accordingly, while macroeconomic conditions are expected to improve gradually, the operating environment is likely to remain challenging in the near term.



## 2. Stock market performance

The Malawi Stock Exchange (MSE) was established in 1994 and provides an automated trading system ('ATS') for both equity and GoM securities trading. The MSE has three platforms namely, the Main Board, Enterprise Development and Growth Exchange, (EDGE.) and Debt Market.

The quoted prices for the sixteen listed public companies as at 12<sup>th</sup> May 2026 are as follows:

Company	Sector	Current price (MWK)	Price to earnings ratio
AIRTEL	Telecommunications	112,49	24,15
BHL	Hospitality	15,10	16,13
FDHB	Banking	568,82	26,56
FMBCH	Banking	1 621,97	20,38
ICON	Property	15,99	3,27
ILLOVO	Agriculture	2 948,66	27,24
MPICO	Property	19,52	3,30
NBM	Banking	10 999,35	25,32
NBS	Banking	762,74	14,76
NICO	Financial Services	1 643,70	10,22
NITL	Investment vehicle	3 930,71	2,63
OMU	Financial Services	5 300,01	30,53
PCL	Conglomerate	8 500,00	7,04
STANDARD	Banking	4 143,34	39,95
SUNBIRD	Hospitality	2 585,26	54,19
TNM	Telecommunications	29,93	16,24
Weighted average			18,14

The Malawi equity market experienced a strong rally during 2025, with the Malawi All Share Index (MASI) recording substantial gains over the period. The appreciation in equity prices was largely driven by sustained participation from retail investors against relatively moderate trading volumes, creating strong upward price momentum despite limited liquidity depth in the market. As demand for listed securities exceeded available supply, market valuations expanded significantly and, in several instances, moved ahead of underlying earnings growth and fundamental company performance.

The strong market performance resulted in elevated portfolio allocations to listed equities among institutional investors, particularly pension funds and life insurers. As these investors sought to rebalance portfolios in response to portfolio concentration considerations and regulatory requirements, secondary market trading volumes increased during the period. However, the pace of rebalancing has been constrained by the structure of the market, where the domestic retail investor base remains relatively small and has limited capacity to absorb sizeable institutional disposals without exerting downward pressure on prices.

Consequently, the market correction observed in 2026 has been gradual rather than abrupt. As reflected in recent MASI performance, the index has moderated from peak levels reached following the 2025 rally, reflecting measured profit-taking, institutional portfolio rebalancing and a broader reassessment of market valuations. The limited liquidity available to facilitate rapid repositioning by institutional investors has contributed to an orderly adjustment process rather than a sharp market repricing.

While valuations across certain counters remain elevated relative to historical norms, current market dynamics suggest that further normalisation is likely to continue selectively across stocks trading above fundamental value. Accordingly, the prevailing outlook is for either continued gradual correction in overvalued counters or extended periods of price stagnation as company earnings progressively catch up with market valuations.

Against this backdrop, the CHL IPO presents a timely opportunity for both retail and institutional investors to deploy capital into a new listed security at an entry valuation that is more closely aligned with underlying fundamentals. For retail investors, the IPO provides access to primary issuance pricing without exposure to elevated secondary market valuations. For institutional investors, the offering creates an opportunity to rebalance portfolios and increase equity exposure through acquisition of new shares rather than competing for limited free float in the secondary market. In the current environment of valuation normalisation and constrained market liquidity, the IPO may therefore represent an attractive avenue for capital allocation and long-term value creation.

	2024	2025
Volume of shares traded (million)	1,249.74	623.69
Value of shares traded (MWK' billion)	124.67	344.91
Market Capitalisation (MWK' billion)	9,376.93	32,562.58
Malawi All Share Index	172,039.93	598,062.80
Domestic Share Index	131,362.56	405,749.03
Foreign Share Index	27,738.47	158,350.47

Source: MSE Annual Market Performance Report,

The CHL IPO will be listed on the Main Board and issued in electronic form and registered in Central Securities Depository ('CSD') which will also be used for settlement and subsequent trading will be through the ATS.

The MSE has three licensed brokers and the investing public will need to open securities accounts through one of these brokers in line with the instructions outlined in the Application Form enclosed in Appendix 6 of this Prospectus. To trade these shares investors should ensure that they have a CSD account.

### 3. Banking and financial services sector overview

The Malawi financial services sector remains relatively concentrated and bank-dominated, comprising a small number of commercial banks alongside niche investment banking, asset management, pension administration and capital markets intermediaries.

The sector is underpinned by a strong regulatory framework supervised by the Reserve Bank of Malawi and related authorities. Prudential regulation covering capital adequacy, liquidity management, governance and foreign exchange exposure has contributed to overall sector stability and resilience, even in periods of macroeconomic stress.

Within this environment, CHL operates as a financial services holding company, with a diversified but integrated model across investment banking, asset management, brokerage, pension administration and property activities.

#### a. CHL group structure and strategic positioning

The Group's structure is anchored by CDHIB- a flagship investment banking subsidiary, which contributes more than 85% of Group revenue and earnings. This subsidiary is the primary engine of deal origination, structuring capability and institutional client engagement.

The remaining subsidiaries provide complementary financial services and enhance the Group's integrated ecosystem:

- Asset Management – institutional and fund management services leveraging Group deal flow and client relationships;
- Brokerage – market access, trade execution and capital markets intermediation;
- Pension Administration – long-term institutional capital base and stable funding relationships;
- Property – real estate exposure and asset leasing linked to investment structuring and co-investment opportunities.

This structure enables the Group to operate as an integrated financial services platform enhancing revenue diversification and client lifecycle coverage.

#### b. Investment banking subsidiary – flagship business and syndication capability

The investment banking subsidiary operates in a niche but strategically important segment of the market focused on corporate finance advisory, structured finance, capital raising and transaction execution.

A key competitive advantage of the subsidiary is its ability to originate, structure and coordinate syndicated transactions across multiple commercial banks and institutional investors. In Malawi's constrained liquidity environment, large transactions frequently require multi-bank participation to achieve funding scale and risk distribution.

Accordingly, the subsidiary plays a central role in:

- Structuring syndicated lending and financing arrangements;
- Acting as arranger or lead coordinator in multi-bank facilities;
- Aligning corporate financing requirements with banking sector balance sheet capacity;
- Facilitating risk-sharing among participating financial institutions;
- Enhancing execution efficiency in complex transactions.

This syndication function positions the Group as an important intermediary within the financial system, bridging corporates, institutional investors and commercial banks.



### c. Synergies across group subsidiaries

The Group's integrated structure creates meaningful operational and financial synergies across its subsidiaries, including:

- Deal Flow Integration: Investment banking mandates generate opportunities for asset management products, brokerage execution and pension fund investment allocation.
- Institutional Funding Linkages: Pension administration provides a stable base of long-term institutional capital aligned with Group investment and structured finance activities.
- Cross-Selling Opportunities: Corporate advisory clients are naturally transitioned into asset management, brokerage and structured investment solutions.
- Balance Sheet Efficiency: Wholesale deposits and institutional relationships support liquidity for transaction execution and structured deal funding.
- Real Estate Structuring: The property subsidiary supports investment structuring, collateralisation and co-investment opportunities arising from corporate finance mandates.

### d. Competitive landscape and sector outlook

Within the broader financial services sector, competition is segmented across commercial banks, investment banks, asset managers and capital markets intermediaries. Competition is primarily driven by structuring capability, institutional relationships, execution efficiency and regulatory expertise.

Looking forward, the sector outlook remains closely tied to macroeconomic stabilisation, including inflation moderation, improved foreign exchange availability and fiscal consolidation.

While traditional retail banking growth is expected to remain constrained by high interest rates and limited credit expansion, demand for the following is expected to remain relatively resilient:

- structured finance,
- syndicated lending,
- advisory services, and
- institutional investment solutions.

The Group is therefore well positioned within a niche, high-value segment of the financial services market, supported by its integrated structure, flagship investment banking capability and strong coordination role within Malawi's syndicated and institutional financing ecosystem.

## 4. Regulatory environment

### a. Overview

CHL is a holding company of various institutions including a bank, stock brokerage firm, and a Portfolio Manager. As such it is subject but not limited to the following regulatory acts: (i) the Financial Services Act, (ii) the Banking Act, (iii) the Securities Act, (iv) the Companies Act, (v) the Exchange Control Act, (vi) Bills of Exchange Act, (vii) the Reserve Bank of Malawi Act, (viii) Credit Reference Bureau Act, (ix) Financial Crimes Act, (x) Consumer Protection Act and (xi) the Loans Recovery Act.

### b. The Companies Act

Subject to obtaining approval of the RoFI the amendment of the Company's memorandum of association, requires a special resolution of the shareholders – section 35(1)(b) of the Companies Act. If an amendment includes the change of the Company's name section 19 of the Companies Act has to be complied with and the Registrar of Companies has power reject a name that he thinks is misleading or undesirable. An amendment involving reduction of capital will require compliance with section 100 of the Companies Act and publication of public notices. Where the amendment involves the alterations of rights attaching to any class of shares, the amendment requires the consent of the members, or the sanction of the High Court, if the alteration is pursuant to a scheme of arrangement.

Alteration of a company's articles of association can only be done with a special resolution of the shareholders.

Part VIII (*Share Certificate and Transfers*) (i.e., sections 135 to 157) of the Companies Act regulates share certification and share transfers. Division I (*Securities by Written Instrument*) cover securities by written instrument. Division II covers securities without written instrument.

Part IX (*The officers of a Company*) (i.e., sections 158 to 228) of the Companies Act regulates officers of a company. Division I (*Directors and the Board of Directors*) and III (*Core Duties of Directors*) defines directors and the board of directors. It also prescribes powers of directors as to management of the company, substantial transactions, and delegation of powers. Division II (*Appointment and Removal of Directors*) regulates appointments and removal of directors. Division IV (*Core Disclosure Obligations in Transactions involving Self-Interest*) and V (*Transaction Self-Interest which Require the Disclosure and Approval*)

of Shareholders) prescribe standards for disclosure obligations in transactions involving directors' self interests. Division VII (*Directors Liabilities*) prescribes directors liabilities and Division VIII (*Company Secretaries*) deals with appointment and qualifications for secretaries for public companies.

Part X (*Accounting Requirements*) (i.e., sections 229 to 255) of the Companies Act deals with accounting requirements for companies. The sections cover (i) requirements to keep accurate and complete records, (ii) place where accounting records shall be kept, (iii) appointment of auditors, (iv) auditor's fees and expenses, (v) appointment of a partnership as auditors, (vi) qualifications of auditors, (vii) approval of auditors, (viii) automatic reappointment of auditors, (ix) appointment of first auditor, (x) replacement of auditors, (xi) auditor not seeking reappointment or giving notice of resignation, (xii) conflict of interest regarding auditors, (xiii) auditor's report, (xiv) auditor's access to information, (xv) auditor's attendance at shareholders' meetings (xvi) content and form of financial statements, (xvii) financial statements to be presented, (xxviii) presentation of group financial statements, (xix) content and form of group financial statements, (xx) right of debenture holder of a public company to copies of financial statements and reports, (xxi) obligation to prepare an annual report and accounts, and (xxii) sending to shareholders, (xxiii) consequences of failure to send an annual report and accounts and (xxiv) filing of annual report and accounts. Further section 252 of the Companies Act provides that a director's report is required for all public companies. The report must be in writing and should set out so far as the board reasonably believes is material for the shareholders to have an appreciation of the state of the company's affairs and is not harmful to the business of the company or of any of its subsidiaries, any change during the accounting period in the nature of the business of the company or any of its subsidiaries; or the classes of business in which the company has an interest, whether as a shareholder of another company or otherwise; and the names of the persons who, at any time during the financial year, were directors of the company (including term of service contract, expiry date, period of notice of termination and any provisions regarding pre-determined compensations); particulars of entries in the register of interests made during the accounting period: with respect to the accounting period, the amount which represents the total of the remuneration and benefits received, or due and receivable, from the company by (a) executive directors engaged in full or part-time employment of the Company; (b) non-executive directors; and (c) executive directors and non-executive directors of the parent company. The Directors' report must also disclose (i) the total amount of donations made by the group; (ii) fees paid/payable to the auditors.

Part XI (*Public Offering of Securities*) (i.e., sections 257 to 260) of the Companies Act deals with public offering of securities. Section 260 requires a prospectus to contain all such necessary information as investors and their professional advisors would reasonably require and reasonably expect to find there, for the purpose of making an informed assessment of (a) the assets and liabilities, financial position, profits and losses, and prospectus of the issuer of the securities; and (b) the rights attaching to the securities, and "necessary information" means information which a person considering acquiring the securities of the kind in question would be likely to need in order not to be misled about any material facts which it is essential for him to know to make an informed assessment. The prospectus has to contain information or documents as may be necessary in respect of: (i) the terms of the offer including, the identity of any underwriter and the method of the offer, (ii) information about the business and operations of the issuer, (iii) the identity of directors, senior management, promoters and auditors, (iv) capitalization and indebtedness of the issuer, (v) risk factors, (vi) securities market data regarding any trading history of the issuer's shares; (vii) use of the proceeds of the offer; (viii) details of pending litigation; (ix) management discussion and analysis of the financial condition and results of the company's business operations, (x) a forecast of estimated profit or loss for the year ending immediately after the date of the Information Memorandum; (xi) a certificate from the issuer's auditor stating any changes in directors and auditors during the last three years indicating the reasons for any changes; and (xii) audited financial statements for the years and periods as required by the RoFI. It also requires that the prospectus is signed by the company's senior management or persons permitted similar functions accompanied by a duly verified resolution on the board of directors. Any written consent of an expert named as having certified any part of the prospectus or any document used in that connection must also be delivered to the Registrar of Financial Institutions.

Part XII (*Arrangement, Compromise and Reconstructions, Mergers and Divisions and take-Overs*) (i.e., sections 261 to 328) of the Companies Act deals with arrangements, compromises and reconstructions, and mergers and takeovers.

Part XIII (*Winding-Up and Liquidation*) (i.e., sections 329 and 330) of the Companies Act deals with winding up of companies. Part XIV (*Remedies and Enforcement*) (i.e., sections 331 to 356) of the Companies Act deals with remedies and enforcement. Part XV (*Foreign Companies*) (i.e., sections 357 to 371) of the Companies Act deals with foreign companies.

Part XVI (*Service of Documents*) (i.e., sections 372 to 377) of the Companies Act deals with service of documents. Part XVI (*Miscellaneous*) (i.e., sections 378 to 383) of the Companies Act has miscellaneous provisions.

### **c. Summary of regulations for banks**

Banks operate in a highly regulated environment. This means that compliance with regulations is essential. The regulations set the framework within which the Company's business is carried out. The legislation that regulates the Company's business includes (i) the Financial Services Act, (ii) the Banking Act, (iii) the Securities Act, (iv) the Companies Act, (v) the Exchange Control Act, (vi) Bills of Exchange Act, (vii) the Reserve Bank of Malawi Act, (viii) Consumer Credit Act, (ix) Financial Crimes Act (x) the Loans Recovery Act and (xi) Consumer Protection Act.



#### **d. Regulations under the Financial Services Act, the Banking Act and the Reserve Bank of Malawi Act**

Banking and other financial services institutions are primarily regulated by the Financial Services Act, the Banking Act and the Reserve Bank of Malawi Act.

Carrying on banking business needs a license – see section 4 of the Banking Act and section 4 of Financial Services Act. Matters to be taken into account by the RoFI when considering whether or not to grant a banking license are stipulated in section 5 of the Banking Act. The freedom to hold shares in a bank is limited. Only fit and proper persons can hold more than 10% of shares in a bank – section 6 of the Banking Act and section 53 of the Financial Services Act. Further, save with the prior permission of the RoFI no one shareholder can hold more than 49% of the issued share capital of a bank – section 53(4) of the Financial Services Act. Holders of more than 10% shareholding in a bank cannot transfer their shareholding without the prior permission of the RoFI. The Registrar of Companies is enjoined not to register a transfer of shares constituting more than 10% of a bank's shareholding without first receiving a notice of no objection from the RoFI – section 6(3) of the Banking Act.

In terms of section 7 of the Banking Act a bank must always have at least two (2) executive officers and it is not allowed to engage in any business other than that designated in its license.

A bank is subject to both prudential and monetary supervision. Prudential supervision is covered by Part III of the Banking Act as read with the Financial Services Act. Monetary supervision is covered in Part V of the Banking Act as read with the Financial Services Act.

Prudential supervision includes stipulations of continuing obligations for a bank, structural matters and limitations for a bank as well as, enforcement and remedial measures. Thus, Part III of the Banking Act requires a bank to maintain adequate capital for the conduct of its business and gives the RoFI power to prescribe higher on-going capital requirements for a specific bank should existing risks in such a bank warrant such a measure – section 10 of the Banking Act. The part also empowers the RoFI to issue directives with respect to (i) valuation of assets and liabilities, (ii) depreciation of assets, (iii) impairment of assets, (iv) provision for contingent losses and litigation, (v) provision for tax payable, (vi) amortization of goodwill, (vii) net positions on foreign currencies, (viii) foreign currency loans, (ix) recognition of income and expenses, (x) amortization of pre incorporation expenses, among other things – section 11 of the Banking Act.

Further areas in which the RoFI is empowered to issue directives are stipulated in section 34 of the Financial Service Act.

Prudential supervision also entails that a bank is to submit periodic returns about itself and its qualifying subsidiaries, affiliates, associates and holding companies to the RoFI over and above being subjected to periodic physical inspection and supervision by the RoFI – section 13 of the Banking Act as read with section 36(2) of the Financial Services Act.

Under prudential requirements a bank is required to have an external auditor who has extra statutory responsibility to the RoFI and to the directors of the bank – section 16 and 17 of the Banking Act as read with Part VI (*Auditors*) of the Financial Services Act. The records and books of accounts for the bank are to be kept for at least 7 years.

On structural matters and limitations Part III (*Prudential Supervisions*) of the Banking Act prohibits a bank from (i) purchasing its own shares or using its own shares as security for advances or loans it has made, and (ii) holding shares in a company that is a controlling party of the bank irrespective of whether the shares are to be held for trading or equity investment – section 20 of the Banking Act. Except with the prior special approval of the RoFI, a bank cannot (i) engage on its own account in wholesale or retail trading including import and export trading except in so far as may be necessary in the course of recovering a debt due to it, (ii) purchase, acquire or hold immovable property other than for the purpose for conducting its business or providing housing or amenities for its staff, (iii) have investments in land, buildings and other immovable property which in the aggregate exceeds the sum of its capital and reserves (except while realizing its security and in that case the property is to be disposed of within 2 years), and (iv) own shares in the capital of any company, firm or enterprise the aggregate value of which is more than the percentage of the bank's core capital specified in the RoFI's directives – section 22 of the Banking Act. With a view to ensuring that a bank maintains a sound financial position and does not cause or promote instability in the financial system Part III (*Prudential Supervisions*) also empowers the RoFI to issue directives with respect to any of the following matters, namely, (i) the solvency, liquidity and sound operating practices of banks (including minimum liquidity requirements, minimum capital requirements, minimum and maximum ratios to be maintained between specified classes of assets and liabilities as well as commitments to provide loans, advances and credit facilities), and (ii) prohibiting or restricting (a) specified classes of loans, advances, credit facilities, investments and risk bearing commitments, (b) uncovered positions in foreign currency and (c) other specified positions that may affect insolvency or liquidity of the bank – section 23 of the Banking Act as read with section 34 of the Financial Services Act.

Also, with respect to structural matters and limitations, a bank is prohibited from granting or permitting to be outstanding a loan or credit accommodation to any of its shareholders, directors, executive officers, employees or to any related parties except on terms which are non-preferential in all respects including creditworthiness, term, interest rate and the value of the collateral. Further, in every situation where such a loan or credit accommodation is to be granted by a bank to the above-

mentioned persons unanimous approval of the board shall be required – section 24 of the Banking Act as read with section 32 of the Financial Services Act.

In terms of section 25 of the Banking Act a bank needs the prior written approval of the RoFI in order to (i) grant a loan credit facility in excess of 25% of its core capital, (ii) reduce its capital base by repayment of capital or distribution of reserves; (iii) open and close branches and static or mobile agencies; (iv) open an establishment outside Malawi; (v) introduce a new product; (vi) participate as a controlling shareholder in any company; (vii) go into restructuring, (viii) go into liquidation, (ix) arrange for transfer or sale or disposal of its shares or business, (x) enter into a management agreement with any party, or (xi) amalgamate or merge with any other institution.

As part of prudential supervision of banks the RoFI is given power by sections 26 to 28 of the Banking Act to institute enforcement actions and take remedial measures against a bank once he determines that the bank or its affiliate has violated any law, prudential rules, or the Registrar's directives applicable to the bank or has engaged in a practice that is unsafe or unsound or threatens the interest of the bank, its depositors, or its creditors, or the public, or when the bank is significantly under-capitalized or is insolvent. The type of enforcement and remedial measures include (i) an order to close and desist; (ii) an order severing affiliation; (iii) an order requiring the payment of a monetary penalty; (iv) placing a bank under statutory management; and (v) closing a bank.

As regards monetary supervision, section 38 of the Banking Act as read with the Reserve Bank of Malawi Act, with a view to protect the external value of the national currency, the monetary equilibrium, and other economic objectives, gives the RoFI power to issue and amend directives and regulations to banks regarding:-

- i. Liquidity reserve requirements to be met by banks.
- ii. Minimum liquidity requirements as a percentage of the liabilities to the public to be maintained at all times.
- iii. Ceilings for loans and advances and other restrictions and conditions for specific categories of loans, guarantees and other commitments to banks.
- iv. Foreign assets and foreign liabilities of banks; and
- v. Interest rates, charges, commissions, and other conditions to be observed by banks in relation to customers.

With regard to governance the directors of a bank can only be appointed with the approval of the RoFI and the RoFI can for sufficient cause shown, remove a director of a bank or the whole board of directors of a bank- section 29 of the Financial Services Act as read with section 48 of the Banking Act. In terms of section 48 of the Banking Act directors of a bank have additional reporting duties to the RoFI anytime they collectively or individually have reason to believe that the bank may not be able to properly conduct its business as a going concern or does not or may not be able to meet its capital requirements prescribed by the Banking Act.

#### **Directives under Financial Services Act**

Pursuant to the power given to him by section 34 of the Financial Services Act the RoFI has issued a number of directives and regulations including: (i) Financial Services (Capital Adequacy for Banks) Directive; (ii) Financial Services (Financial Asset Classification for Banks) Directive; (iii) Financial Services (Fit and Proper Requirements for Shareholders, Directors and Senior Management Officials of Banks) Directive; (iv) Financial Services (Large Exposures and Credit Concentration Limits for Banks) Directive; (v) Financial Services (Licensing of Banks) Directive; (vi) Financial Services (Transaction of Banks with Related Parties) Directive; (vii) Banking (Foreign Currency Exposure Limits) Directive; (viii) Liquidity Reserve Requirements Directive; (ix) Banking (Premises Inspection) Directive; (x) Financial Services (Agent Banking) Regulation; (xi) Financial Services (Annual Audits of Banks) Directive; and (xii) Financial Services (Prompt Corrective Action for Banks) Directive. Of particular relevance to the present transaction are the Financial Services (Capital Adequacy for Banks) Directive, the Financial Services (Prompt Corrective Action for Banks) Directive and the Financial Services (Risk and Governance Requirements for Banks and Bank Holding Companies) Directive.

#### **Financial Services (Capital Adequacy for Banks) Directive**

The objectives of this directive are to – (a) ensure that banks have an adequate cushion of capital to absorb losses; (b) protect the interests of depositors, creditors, and the general public; (c) ensure that banks maintain internationally recognized prudent capital requirements; and (d) promote self-discipline in the management of banks.

Paragraph 4 of the directive prescribes the board of directors the following responsibilities for the board of directors – (a) ensure that a bank is well capitalized and meets the regulatory requirements prescribed in the directive at all times, (b) adopt a capital plan that outlines, among other things, the bank's dividend policy, bonus and incentives policy, sources of capital augmentation, capital allocation and expansion strategy; and (c) develop a comprehensive Internal Capital Adequacy Assessment Process commensurate with the risk profile of the bank.

Paragraph 5(1) of the directive requires a bank to maintain a minimum capital of Malawi Kwacha equivalent of five million United States Dollars (USD5,000,000) at all times, in form of paid-up capital and share premium. Paragraph 5(3) requires a



bank to maintain a minimum core capital ratio of 10% of the Capital Requirement Basis and paragraph 5(4) requires a bank to maintain a minimum total capital of 15% of the Capital Requirement Basis.

In terms of paragraph 9(1) of the directives where the capital ratios of a bank fall below prescribed ratios, shareholders shall inject additional capital in the amounts prescribed by the RoFI within the prescribed time. Failure to comply with the capital requirements prescribed by the directive renders the bank liable to administrative penalties and enforcement action as provided for under the Financial Services Act and the Banking Act.

### **Financial Services (Prompt Corrective Action for Banks) Directive**

The objectives of this directive are to:-

- i. Establish corrective actions that the RoFI may take or impose on banks (while the bank is still under the control of its owners) and the circumstances under which such actions may be taken; and to
- ii. Prescribe the circumstances under which the RoFI or his agent may exercise powers under existing legal framework to resolve banks (while suspending the rights of the owners and management) before a bank reaches actual insolvency.

Under this directive, the RoFI has power to take prompt corrective actions against the following categories of banks:-

- i. Undercapitalized banks: these are banks with core capital ratio of greater than 8.0% but less than 10.0% in any one quarter, or banks who, given their financial developments (e.g., worsening asset quality) are expected to breach the minimum requirement on a short horizon.
- ii. Significantly undercapitalized banks: these are banks with core capital ratio of equal to or greater than 5% but less than 8.0%.
- iii. Critically undercapitalized banks: these are banks with a core capital ratio of more than 2.0% but less than 5.0%.
- iv. Failed bank: this is a bank with a Core Capital Ratio of less than or equal to 2.0%. The mandatory supervisory action is to revoke a banking license. The Registrar is also empowered to immediately initiate procedures for liquidation of the bank in accordance with the provisions of the Financial Services Act and the Banking Act.

The same directive also gives power to the RoFI to take prompt corrective actions against illiquid banks. These are:-

- i. A bank with a liquidity ratio of between 22.5% and 30.0% (bank with weak liquidity).
- ii. A bank that records a liquidity ratio of between 15.5% and 22.5% (significantly illiquid banks); and
- iii. A bank that records a liquidity of below 15.0% (critically illiquid banks).

The mandatory supervisory action for a critically illiquid bank is change of management or directors. The RoFI is also empowered to immediately place the bank under statutory management if the bank is unable or unlikely to meet maturing obligations for 5 days.

### **Financial Services and Governance Requirements for Banks and Bank Holding Companies) Directives**

The Financial Services (Risk and Governance Requirements for Banks and Bank Holding Companies) Directive established strict corporate governance, risk management, and oversight standards to ensure the safety, soundness, and stability of the Malawi banking.

Key requirements are:

#### **a. Board and management governance**

- i. **Oversight accountability:** The Board of Directors retains ultimate responsibility for the institution's strategic direction, risk appetite, and financial soundness.
- ii. **Competency requirements:** Directors and senior management must meet strict "fit and proper" standards, specifically possessing required knowledge, skills and banking/finance.

#### **b. Shareholder and ownership restrictions**

- i. **Independence rules:** Significant shareholders and their affiliates are strictly prohibited from holding the position of Board Chairperson or serving on the Board's Audit or Risk Committees.
- ii. **Shareholder loans:** Any loans granted to shareholders must be conducted on a strictly non-preferential, arm's length basis.

#### **c. Risk management framework**

- i. **Risk oversight:** Banks must establish dedicated, independent Risk and Audit committees and employ qualified Compliance Officers.
- ii. **Risk categories:** Boards are required to identify, quantify, and mitigate material risks to institution, including credit, liquidity, and operational risk.

## **Regulation under the Consumer Protection Act and the Loans Recovery Act**

These Acts outlaw harsh and unconscionable interest rate and other contractual terms between banks and their customers. Under the Loans Recovery Act the High Court has power to reopen an agreement between a bank and a customer in a money lending transaction to relieve the customer from harsh terms including interest rates. Similarly, a contract with harsh terms can be challenged under the Consumer Protection Act.

### **Consumer Protection Act**

The Consumer Protection Act protects consumer rights. Of relevance to banks, section 28 (1) provides for a consumer's access to banking and financial services including opening and operating accounts, loans, mortgages and other services at affordable or lowest possible rates. Section 28 (2) provides that contracts governing financial transactions shall be interpreted, implemented and enforced: (i) in good faith; (ii) consistent with the instrument embodying the contract between the parties; and (iii) in a manner consistent with the laws governing or regulating financial transactions.

Further, section 26(1) of the Consumer Protection Act requires standard form contracts: (i) to be drafted in terms which are clear and understandable to a consumer; (ii) documents referred to in the contract must be made available to the consumer prior to execution of the contract; (iii) to be in the official language (English) and in characters readable at single sight by any normal sighted person; (iv) to be translated into the national local language (Chichewa) if entered into in Malawi; and (v) to be read out and explained to any illiterate, blind, mute and similarly disabled consumer in a language he understands.

### **Loans Recovery Act**

The Loans Recovery Act gives the High Court and any court subordinate thereto jurisdiction to reopen a money lending transaction in order to relieve a borrower from harsh, unconscionable and excessive terms. Section 3(1) and (2) of the Loans Recovery Act provides:-

- i. Where proceedings are taken in any court for the recovery of any money lent after the commencement of this Act, or the enforcement of any agreement or security made or taken after the commencement of this Act, in respect of money lent either before or after the commencement of this Act, and there is evidence which satisfies the court that the interest charged in respect of the sum actually lent is excessive, or that the amounts charged for expenses, inquiries, fines, bonus, premium, renewals or any other charges, are excessive, and that, in either case, the transaction is harsh and unconscionable, or is otherwise such that a court of equity would give relief, the court may reopen the transaction, and take an account between the lender and the person sued, and may, notwithstanding any statement or settlement of the account or any agreement purporting to close previous dealings and create a new obligation, reopen any account already taken between them, and relieve the person sued from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of such principal, interest, and charges, as the court having regard to the risk and all the circumstances, may adjudge to be reasonable; and, if any such excess has been paid, or allowed in account, by the debtor, may order the creditor to repay it; and may set aside, either wholly or in part, or revise, or alter, any security given or agreement made in respect of money lent by the lender, and if the lender has parted with the security may order him to indemnify the borrower or other person sued.
- ii. Any court in which proceedings might be taken for the recovery of money lent by a lender shall have and may, at the instance of the borrower or surety or other person liable, exercise the like powers as may be exercised under this section where proceedings are taken for the recovery of money lent; and the court shall have power, notwithstanding any provision or agreement to the contrary, to entertain any application under this Act by the borrower or surety, or other person liable, notwithstanding that the time for repayment of the loan, or any instalments thereof, may not have arrived.

### **Other**

The other legislation that applies to banking business are the Financial Crimes Act, Competition and Fair-Trading Act, Building Societies Act, Registered Land Act, Personal Property Security Act, Bills of Exchange Act, Exchange Control Act, Taxation Act, Stamp Duties Act and Value Added Tax Act.

## **e. Regulatory environment for portfolio managers and investment advisors**

Asset management firms are licenced and regulated by the RoFI. This means that compliance with regulations is essential. The regulations set the framework within which the asset management company's businesses are carried out. The legislation that regulates the Company's business includes (i) the Financial Services Act, the Securities Act, and the Companies Act.

### **Financial Services Act**

In terms of section 222 of the Financial Services Act on Licensing and Registration, a company shall not operate, as a business, a financial institution unless (i) the financial institution is licensed or registered under this Act (ii) the financial institution is complying with the terms of the license including any conditions to which the license is subject.

In terms of section 34 (i) of the Financial Services Act, the Registrar may issue directives with respect to : (a) the conduct of the affairs of the financial institutions, or to the affairs of the financial groups, with a view to ensuring that the financial institutions and groups maintain a sound financial position and do not cause or promote instability in the financial system; or (b) the conduct of the affairs of the financial institutions and financial groups with integrity, prudence, and professional skill.

**Financial Services (Establishment and operations of portfolio managers) Directive**

The objectives of this Directive are to –

- i. Ensure that portfolio managers comply with the provisions of the Act.
- ii. Protect interests of customers, creditors, and the public in general, from loss of their funds.
- iii. Ensure that providers of portfolio management services have adequate capital to absorb losses; and
- iv. Promote professional standards in the provision of portfolio management services.

In terms of section 4 of the Financial Services (Establishment and operations of portfolio managers) Directive, a portfolio manager shall be a prudentially regulated financial institution within the meaning of the term as provided by the Financial Services (Establishment and operations of portfolio managers).

As regards to minimum capital requirements in section 10 of the Financial Services (Establishment and operations of portfolio managers) Directive, (1) a licensed portfolio manager shall, at all times, maintain a net capital of fifty million Kwacha (K50,000,000.00) (2) Net capital means shareholders' funds adjusted as follows: - (a) deducting the value of all unsecured loans; (b) deducting the value of all loans and amounts due from each director and member of the immediate family, group and associated companies and employees; (c) deducting all debts doubtful of collection; (d) deducting all deferred expenses and intangible assets; and (e) deducting all contingent liabilities.

**Securities Act**

The Securities Act provides for the regulation of capital and securities markets and persons transacting business in or through the capital and securities markets. Section 28 (1) of the Act states that no person shall sell, offer to sell or enter into a contract to sell any security required to be registered under section 27 unless such sale, offer or contract is preceded or accompanied by an Information Memorandum, containing the information required to be contained in an Information Memorandum.





# Part 4 CHL Management discussion and analysis, future prospects and investment considerations

This Part 4 ‘Management discussion and analysis, future prospects and investment conditions’ should be read in conjunction with Part 3 ‘Industry overview’, Part 1 ‘Business overview’ and Part 5 ‘Financial information’ as required by Section 260 of the Companies Act. Prospective investors should read the entire document and not just rely on the summary set out below.

## 1. Recent trading and financial performance

The Group has continued to deliver a strong operational and financial performance during the current financial year, supported by resilient business fundamentals, diversified revenue streams and disciplined execution of its strategic objectives. Performance across the Group’s principal operating subsidiaries has generally been in line with or ahead of management expectations, reflecting sustained growth in core business activities, prudent risk management and effective cost control.

The Directors are satisfied with the Group’s financial position, profitability, liquidity and capitalisation and believe that the Group remains well positioned to capitalise on growth opportunities within the financial services sector. The Group continues to benefit from its diversified business model, established market presence, strong governance framework and experienced management team.

Looking ahead, the Directors expect the Group to maintain its positive performance trajectory, supported by continued growth across its banking, asset management, stockbroking and investment businesses, together with an ongoing focus on operational efficiency, customer service, innovation and risk management.

The Directors are not aware of any material adverse change in the financial or trading position of the Group since the date of the latest audited financial statements included in this Prospectus.

## 2. Future prospects and outlook

While economic headwinds experienced in 2025 are expected to persist into 2026, GDP growth is projected to improve to 3.8%. The operating environment is expected to remain challenging, reflecting foreign exchange constraints and ongoing global economic and geo-political uncertainty.

The Group is well positioned for sustained growth, with a clear strategy focused on continued investment in technology, operational efficiency, deeper collaboration across business units and delivering differentiated client solutions. Management remains confident in the Group’s ability to navigate macroeconomic volatility while creating longterm shareholder value.

Appendix 3 sets out the Reporting Accountants’ Report on the profit forecast for the Group for the years ending 31 December 2026 and 31 December 2027, summarised in the table below.

MWK millions	31-Dec-25 Actual	31-Dec-26 Projection	31-Dec-27 Projection	2025 – 2026 FY movement and ratios	2026- 2027 FY movement and ratios
Profit after tax	47,855	80,746	130,106	68.70%	61.10%
Interest income	66,687	79,914	113,331	19.80%	41.80%
Interest expense	(36,626)	(37,095)	(39,691)	1.30%	7.00%
<b>Net interest income</b>	<b>30,061</b>	<b>42,819</b>	<b>73,640</b>	<b>42.40%</b>	<b>72.00%</b>
Non-interest income	81,905	136,960	215,970	67.20%	57.70%
Operating expenses	(32,346)	(51,089)	(68,152)	57.90%	33.40%
Total assets	1,015,100	1,391,057	1,887,809	37.00%	35.70%
Trading assets	770,551	1,001,370	1,398,574	30.00%	39.70%
Loans and advances	164,032	276,306	338,513	68.40%	22.50%
Deposits	307,884	324,521	392,231	5.40%	20.90%
Trading liabilities	575,247	828,018	1,137,900	43.90%	37.40%
Shareholder Funds	82,293	144,791	245,107	62.20%	69.30%
Non-Performing Loans	0.50%	0.57%	1.28%		
Cost: Income Ratio	29%	28%	24%		
Return on Assets (ROA)	5%	6%	7%		
Return on Equity (ROE)	63%	65%	62%		



The Group's profitability is projected to increase on average by 65% year on year driven by the following factors and initiatives:

1. Growth in customer deposits will be driven by acquisition of new top-tier corporates and leveraging on value-chain relationships by harnessing and financing linked suppliers and customers, low-cost deposit mobilization and issuing of Letters of Credit (LCs) on strategic commodities. This growth will influence interest expense to increase.
2. The loan book is expected to grow by an average of 45.5% year on year with highest increase of 68% in 2026, which will be funded by the projected strong growth in customer deposits and this will in turn increase interest income by an average of 30.8% year on year.
3. Trading liabilities (Investment funds) are expected to grow by an average of 41% during the period to 2027 which will drive Trading Income (Non-interest income). The projected growth will be funded from expansion of the investor base and increased trading assets arising from Investment Banking transactions.
4. The combined projected new corporate bonds will increase from K51 billion in 2026 to above MWK68 billion by 2027 which will also create funding for margin trade facilities offered by CCL as well as funding the motor vehicle operating lease service offered by CPL.
5. Net interest income (NII) is projected to remain robust, driven by strategic repricing of deposits to take advantage of an expected decline in interest rates.
6. Non-interest income is projected to increase on average by 62.5% year on year boosted by arrangement fees from issuing of Letters of Credit (LCs) and the growth of the loan book, increase in trading income from the trading book and an increase in investment banking fees on the back of a strong pipeline of Investment Banking deals.
7. Operating costs are projected to increase by 45.7% on average fuelled by macroeconomic factors including inflation which is expected to remain elevated, anticipated fuel price increases, and risks of the exchange rate pressure on account of the continued low forex supply.
8. The Non-performing Loans (NPL) ratio is project to be around 2% and the increase for the years 2026 and 2027 is on account of projected increase in the loan book.
9. The Group shall strive to remain efficient through cost containment measure aimed at maintaining the Cost:Income ratio below 30%, achieving a Return on Assets (ROA) of at least 5% and a Return on Equity (ROE) above 60% over the projected period.

### 3. Strategic focus

The Group shall focus on the following areas over the next three years:

1. Group strategy, capital and portfolio management
2. Group synergy creation, shared services and operational efficiency
3. Financial performance monitoring and reporting
4. Enterprise Risk management
5. Technology and digital transformation
6. Talent management and leadership development
7. Governance and corporate oversight
8. Stakeholder relationship management
9. Sustainability, ESG and Corporate responsibility.

## 4. Enterprise risk management

The Group shall manage its exposure to risk as follows:

1. Developing a unified risk framework covering credit, market, liquidity, operational, compliance, reputational etc.
2. Overseeing risk appetite statements for each subsidiary.
3. Ensuring all Group companies comply with sector- specific regulatory requirements.
4. Strengthening AML/CFT Frameworks and reporting for all regulated Group companies.
5. Enhancing cyber security, data privacy and operational resilience across the group.
6. Developing and monitor implementation of Business Continuity Programs (BCP) across all group companies.
7. Conducting regular group-wide stress testing and scenario analysis.

## 5. Investment considerations

The following are the key investment considerations:

### a. CHL is a fast-growing, diversified financial services group with a dynamic culture

In its 28-year history, the Group has expanded its business and service offering and now encompasses seven separate subsidiaries and businesses. The Group is involved in banking, stockbroking, commodities broking, asset and fund management, property management and development and pension administration. The Group focuses on innovation and creativity while managing risks to offer unique financial solutions to clients. CHL prides itself as being a dynamic and fast-growing technology-driven financial services group with a commitment to excellence and innovation.

### b. Sound performance on key financial metrics

The Group has delivered a strong financial performance over the last five years, primarily driven by the performance of CDHIB. The Group's operating income in the last two financial years has increased by over 75% per annum, with a 5-year CAGR of 61%. The Group's profit after tax has had an average annual increase of over 100% over the last two financial years, with a 5-year CAGR of 194%. These demonstrate the Group's resilience and strong performance amid a challenging operating environment over the last five years.

CDHIB, the largest subsidiary, has strong performance metrics as at 31 December 2025 as follows:

- Return on Assets: 4.4%
- Return on Equity: 64.2%
- Non-Performing Loans: 3.4%

### c. Current trading and future prospects

CHL has had a strong performance in the first quarter of 2026 and is forecasting net operating income for the 12 months to 31 December 2026 to increase by 61% (from MWK111 billion in 2025 to MWK179 billion) and profit after tax to increase by over 70% to MWK82 billion (from MWK48 billion in 2025). The Group has continued to deliver a strong operational and financial performance during the current financial year, supported by resilient business fundamentals, diversified revenue streams and disciplined execution of its strategic objectives. Performance across the Group's principal operating subsidiaries has generally been in line with or ahead of management expectations, reflecting sustained growth in core business activities, prudent risk management and effective cost control.

### d. Strong corporate governance structures

The Group and its subsidiaries have implemented strong corporate governance structures and meet the highest standards according to the Code of Best Practice for Corporate Governance in Malawi – The Malawi Code II, the Companies Act (Corporate Governance) Regulations 2016 and Directives of the RoFI.

This includes separate Boards and subcommittees, with the right mix of independent and non-executive Directors, for each subsidiary which ensure effective risk management, operational efficiency and regulatory compliance. Board members comprise individuals with the appropriate and diverse skill set. The Group is dedicated to strong governance practices, transparency and accountability to stakeholders.

### e. Experienced management team and staff

The management teams of CHL and its subsidiaries bring together decades of specialized expertise in investment and



commercial banking, stockbroking, fund management, property management and pension administration, providing the Group with strong strategic and operational leadership. Having navigated multiple challenging market cycles, these seasoned executives possess the foresight to identify emerging opportunities while maintaining a disciplined approach to capital preservation and effective risk management. Their collective track record is defined by a commitment to operational excellence and a client-first philosophy that fosters long-term stability and growth. By blending deep industry knowledge with innovative problem-solving capabilities, the team ensures the Group remains resilient and agile in an ever-evolving financial landscape.

The Group recognises the critical role of its human capital and prioritises a continuous investment in capacity building at all levels. Employees are encouraged to broaden their knowledge base through training, education, professional membership and constant engagement with industry peers.

#### **f. Forward thinking and agile group of financial services companies**

As a smaller and more agile group of companies within the financial services sector, CHL and its subsidiaries are well positioned to adapt to market changes and demands. The Group's strategy for long term growth is centred on enhancing operational efficiency through strategic investments in technology and fintech solutions while delivering innovative, tailored financial solutions to clients. The Group undertakes market research and invests in attractive financial services segments to diversify its risk profile and support sustained growth across its subsidiaries.

#### **g. Supportive shareholders**

TransAfrica Holdings Limited (TAH), incorporated in Mauritius, is the majority shareholder in CHL. TAH has been a supportive and active shareholder of CHL since inception. The company comprises individuals with extensive international banking experience who have been actively involved in the growth strategy of the Group over the last twenty-five years. While TAH plans to reduce its shareholding in CHL, its enduring influence on the Group's culture, values and strategic foundations will continue to be evident into the future of the Group.

Press Trust, which represents all the people of Malawi, has been a strategic partner of TAH since the inception of the Group and remains committed to its growth.

#### **h. Strong dividend payout**

The Group intends to maintain a dividend pay-out of between 30% and 50% of distributable profits after tax, adjusted to exclude revaluation surplus retained in non-distributable reserves. The declaration and payment of dividends will remain subject to the Group satisfying all applicable regulatory, capital, liquidity and prudential requirements. Annual dividends are paid in two splits, interim dividend, and final dividend. Both payments are based on the Group's interim performance and final audited accounts reported. Shareholders will therefore be expected to receive an interim dividend in October 2026 and a final dividend in May 2027 as assessed by the Board.

#### **i. Relationships and partnerships with key institutions**

The Group, through CDHIB, has developed strategic relationships with international banks and regional development finance institutions. Some of the key ones include:-

- Crown Agents Bank
- ODDO BHF Bank
- Ecobank Paris
- Afreximbank
- The Eastern and Southern African Trade and Development Bank ("TDB")

These relationships are beneficial to CHL in terms of access to capital and networking to provide additional capacity to support the growing needs of the Group's clients. Locally, the Group has through CDHIB, entered into master risk participation agreements with other banks and non-bank financial institutions, giving it capacity to underwrite large transactions.

## **6. Prospects of the business of CHL**

Taking into consideration the information set out above, the Directors of CHL are of the opinion that Group is well positioned in the current environment and there are significant opportunities for the Group and its subsidiaries to deploy capital, structure transactions, and provide advisory services. With a highly capable management team, a clearly defined growth strategy, and a strong pipeline of mandates, the Directors are confident that the subsidiaries of CHL are well-positioned to deliver sustainable value to its shareholders and to play a meaningful role in the broader development of Malawi's capital markets





# Part 5 Selected financial information



This Part 5 ‘Selected financial information’ should be read in conjunction with Part 4 ‘Management discussion and analysis, future prospects and investment conditions’. Prospective investors should read the entire document and not just rely on the summary set out below.

## 1. Presentation of financial information

The financial information in this document has been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as promulgated by the International Accounting Standards Board (‘IASB’). The financial information has been sourced from the Reporting Accountants Reports set out in Appendix 2 and Appendix 3 of this Prospectus which details the auditor’s report and historical financial information on CHL. The significant IFRS accounting policies applied in the financial information of the Group are applied consistently in the financial information in this document.

The Group’s financial year end has been 31 December for the last three years and there has been no change in the financial reporting period.

### a. CHL historical earnings record

Based on Historical Number of Shares	FY21	FY22	FY23	FY24	FY25
Profit before tax (MWK mn)	8,098	12,968	18,252	34,461	72,638
Profit after tax (MWK mn)	5,386	8,366	11,449	24,538	47,855
Profit after Tax attributable to shareholders of CHL (MWKmn)	4,533	7,045	9,494	20,410	40,274
Dividends to shareholders of CHL (MWK mn)	1,690	1,886	4,021	4,539	10,748
Earnings per share before tax (MWK)	48.37	77.47	109.03	205.86	433.91
Earnings per share after tax (MWK) [a]	27.08	42.08	56.72	121.92	240.59
Dividends per share (MWK) [b]	10.10	11.27	24.02	27.12	64.20
Dividend cover (Times) [a/b]	2.68	3.73	2.36	4.50	3.75

Notes:

*Earnings per Share (after tax) and Dividends per Share are as attributable to shareholders of CHL and stated assuming the share capital as at 31 Dec 2021, 2022, 2023, 2024 or 2025.*

Based on Current Number of Shares	FY21	FY22	FY23	FY24	FY25
Earnings per share before tax (MWK)	2.69	4.30	6.06	11.44	24.11
Earnings per share after tax (MWK) [a]	1.50	2.34	3.15	6.77	13.37
Dividends per share (MWK) [b]	0.56	0.63	1.33	1.51	3.57
Dividend cover (Times) [a/b]	2.68	3.73	2.36	4.50	3.75

Notes:

*Earnings per Share (after tax) and Dividends per Share are as attributable to shareholders of CHL and stated assuming the current share capital.*



## 2. General historical financial information

### a. Summary income statement

Actual MWK mn	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
Gross interest income	22,761	33,240	49,895	40,607	66,687
Interest expense	(14,586)	(18,876)	(31,261)	(21,161)	(36,626)
<b>Net interest income</b>	<b>8,175</b>	<b>14,365</b>	<b>18,634</b>	<b>19,446</b>	<b>30,061</b>
Fees and Commissions	4,765	6,132	5,753	6,545	11,405
Investment and other income	346	142	98	201	1,065
Net Trading Income	2,178	4,017	11,253	36,291	69,434
<b>Total income</b>	<b>15,464</b>	<b>24,656</b>	<b>35,738</b>	<b>62,484</b>	<b>111,966</b>
Impairment (losses) / reversals on loans	881	(15)	(1,374)	(4,443)	(832)
Operating expenses	(7,870)	(11,222)	(14,144)	(20,336)	(32,346)
Financing Costs	(378)	(451)	(1,968)	(3,245)	(6,150)
<b>Profit before income tax</b>	<b>8,098</b>	<b>12,968</b>	<b>18,252</b>	<b>34,461</b>	<b>72,638</b>
Income Tax Expense	(2,712)	(4,602)	(6,803)	(9,923)	(24,783)
<b>Profit after tax</b>	<b>5,386</b>	<b>8,366</b>	<b>11,449</b>	<b>24,538</b>	<b>47,855</b>

### b. Balance sheet

Actual MWK mn	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
Cash and cash equivalents	5,113	10,868	19,864	11,135	51,036
Money market investments	115,249	119,788	172,026	404,920	770,551
Interbank placements	5,767	25,089	32,649	11,624	8,764
Loans and advances to customers	54,975	62,331	83,682	106,134	155,268
Income tax recoverable	-	-	813	1,644	2,179
Other receivables	1,934	2,545	2,924	4,948	6,095
Deferred tax assets	200	250	743	526	917
Investment in listed equity	1,843	713	597	906	3,574
Investment in unlisted equity	371	371	848	848	848
Investment properties	782	905	992	1,261	2,307
Intangible assets	28	30	13	8	46
Right of use assets	586	479	327	424	467
Property and equipment	1,495	1,895	8,078	9,781	13,047
<b>Total assets</b>	<b>188,343</b>	<b>225,265</b>	<b>322,527</b>	<b>554,161</b>	<b>1,015,100</b>
Income tax payable	12	1,113	1,628	460	834
Deposits from customers	62,451	92,592	133,088	168,324	307,884
Deposits from financial institutions	6,349	13,061	20,353	-	-
Trade and other payables	1,463	2,086	3,393	4,704	11,209
Provisions	-	-	208	-	-
Customer investment funds	93,641	84,688	120,257	314,345	575,247
Client and other third party funds	315	-	-	90	2,522
Lease liabilities	346	244	97	164	428
Loans and borrowings	2,383	3,625	9,461	12,927	24,128
Deferred tax liabilities	-	-	217	660	3,555
Subordinated liability	1,600	1,600	1,600	-	-
<b>Total liabilities</b>	<b>168,460</b>	<b>199,010</b>	<b>290,304</b>	<b>501,673</b>	<b>925,806</b>
Non controlling Interest	2,839	3,728	5,021	8,076	13,294
<b>Equity Attributable to owners of Parent Company (Net asset value)</b>	<b>17,044</b>	<b>22,528</b>	<b>28,232</b>	<b>44,413</b>	<b>75,999</b>

The IPO and Offer does not result in any new securities being issued and as a result there is no requirement for a Pro Forma Balance Sheet and the effect on net asset value per share.

### c. Summary cash flow statement

Actual MWK mn	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
Cash generated from operations	42,393	15,348	73,101	243,790	440,287
Taxation claimed/(paid)	(3,130)	(3,552)	(7,376)	(11,262)	(21,883)
<b>Cash flows from operating activities</b>	<b>39,263</b>	<b>11,796</b>	<b>65,725</b>	<b>232,527</b>	<b>418,404</b>
Cash flows used in investing activities	(38,463)	(4,380)	(59,177)	(235,654)	(370,312)
Cash flows from/(used in) financing activities	(2,892)	(1,660)	(1,033)	(5,826)	(8,191)
<b>Cash and cash equivalents for period</b>	<b>(2,093)</b>	<b>5,755</b>	<b>5,515</b>	<b>(8,952)</b>	<b>39,901</b>
Beginning cash and cash equivalents	7,206	5,113	10,868	19,864	11,135
<b>Effects of exchange rate fluctuations</b>			<b>3,481</b>	<b>224</b>	
<b>Closing cash and cash equivalents</b>	<b>5,113</b>	<b>10,868</b>	<b>19,864</b>	<b>11,135</b>	<b>51,036</b>

### d. Significant notes to the financial statements

Significant notes to the financial statements are included in the Reporting Accountants report in Appendix 2.

### e. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

### f. Basis of preparation

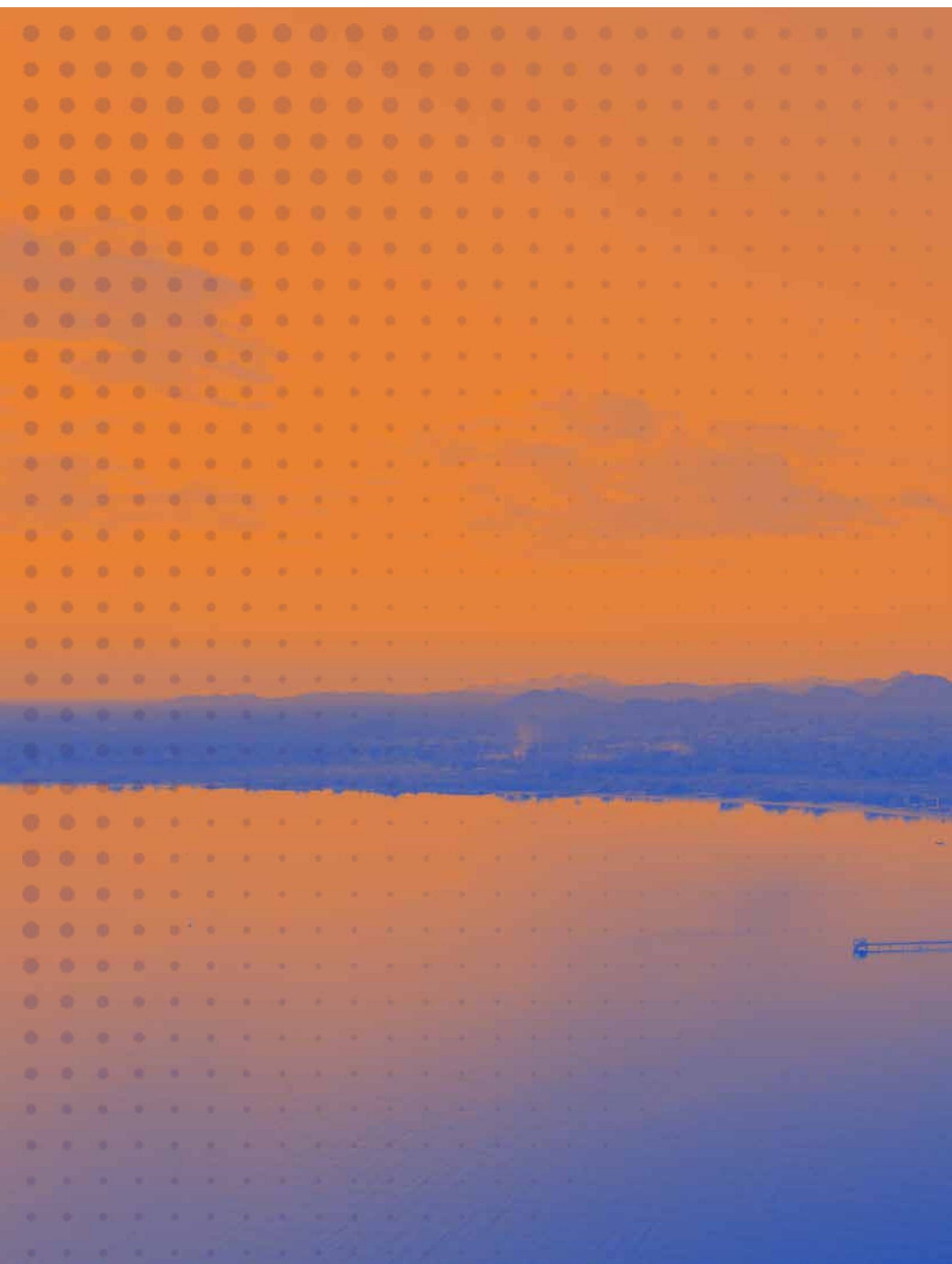
The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at revalued amount or fair value at the end of the reporting period. No other procedures are adopted to reflect the impact on the financial statements of specific price changes or changes in the general level of prices.

## 3. Forecast Financial Information

### a. Summary income statement

Forecast MWK mn	31 Dec 26	31 Dec 27
Gross interest income	79,914	113,331
Interest expense	(37,095)	(39,691)
<b>Net interest income</b>	<b>42,819</b>	<b>73,640</b>
Fees and Commissions	25,454	34,810
Investment and other income	725	673
Net Trading Income	110,781	180,486
<b>Total income</b>	<b>179,780</b>	<b>289,610</b>
Impairment (losses) / reversals on loans	(1,590)	(4,352)
Operating expenses	(51,089)	(68,152)
Financing Costs	(1,507)	(1,055)
<b>Profit before income tax</b>	<b>125,593</b>	<b>216,050</b>
Income Tax Expense	(44,847)	(85,944)
<b>Profit after tax</b>	<b>80,746</b>	<b>130,106</b>







# Part 6

# Risk factors



Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider risk factors associated with any investment in the Shares, CHL, CHL's subsidiaries and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to CHL, its industry and the Shares summarised in the section of this Prospectus headed 'Salient Features' are the risks that the Directors and the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which CHL faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed 'Salient Features' but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to CHL that are not currently known to CHL, or that CHL currently deems immaterial, may individually or cumulatively also have a material adverse effect on CHL's business, results of operations, financial condition and/or prospects and, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

## 1. Risks relating to CHL's business and industry

### a. Changes in the regulatory environment

Changes in law or regulations and decisions by the RoFI and other governmental and regulatory bodies could have a material adverse effect on the Group's results.

All of the Group's business and that of its subsidiaries are subject to the financial services law and regulation by the RoFI and other authorities. Consequently, changes in the Financial Services Law or regulations or regulatory policies could materially adversely affect the Company and its Subsidiaries.

Decisions or rulings concerning approvals or agreements to carry out certain transactions and the time it takes to receive such approvals could have a material adverse impact on the Group and its subsidiaries.

#### Mitigation

The management of compliance risk has become a distinct discipline within the Group's management framework, particularly for its largest subsidiary, CDHIB. Ultimate responsibility for this risk lies with the Board of Directors. A combination of key activities is undertaken to manage the risk such as developing compliance management plans, training staff and other stakeholders on relevant regulatory requirements, and monitoring compliance. Compliance with the Know-Your-Customer and anti-money laundering procedures and legislation became an area of major focus for the Group. CDHIB has a Chief Legal and Compliance Officer who consults the country's Financial Intelligence Authority on money laundering and anti-terrorist financing matters.

The Board of CHL and the subsidiaries, as well as the management teams ensure that they are regularly updated on any changes in the regulatory environment and engage frequently with the regulators.

### b. Credit risk

Credit risk is the risk of financial loss to the Group and its subsidiaries if a counterparty to a financial instrument fails to meet their contractual obligations and arises principally from the Group's loans and advances to customers and intercompany placements. For risk management reporting purposes, the Group, and especially CDHIB, considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

CDHIB measures credit risk using data that is predictive of the credit loss. Such data includes available Gross Domestic product projections, industry outlook data, press information, client audited financial statements, cashflow projections and external credit ratings among other variables. CDHIB also applies experienced credit judgement. The company assesses evidence of credit-impairment including observable data about the following events:

- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default or past due event.
- the disappearance of an active market for security because of financial difficulties.



## Mitigation

The Boards of Directors of the Group have delegated responsibility for the management of credit risk to the relevant subsidiary committees to which separate Credit Department's report. The Credit Committees are responsible for oversight of credit risk, including:-

- Formulating credit policies, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. All credit facilities are authorized by Head Office management. Larger facilities require approval by The Credit Committee or the Board of Directors as appropriate.
- Reviewing and assessing credit risk. The Credit Department assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the branches concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).
- Reviewing compliance of business units with agreed exposure limits.

The risk that counterparties to trading instruments might default on their obligations is monitored on an on-going basis. When monitoring credit risk exposure, consideration is given to trading securities with a positive fair value and the volatility of the fair value of trading instruments.

To manage the level of credit risk, the Company deals with counterparties of good credit standing, enters into master netting agreements whenever possible, and when appropriate, obtains collateral. Master netting agreements provide for the net settlement of contracts with the same counterparty in the event of default.

## c. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations arising from its financial liabilities.

## Mitigation

The Group and its subsidiaries approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, both under stressed and normal conditions, without causing damage to the Group's reputation.

The daily liquidity position is monitored. It is assumed that under normal circumstances customer demand deposits will remain stable or increase in value and unrecognised loan/ overdraft commitments are not expected to be immediately drawn down in their entirety. Regular stress testing is done under normal and severe market conditions and the results are discussed with the Asset and Liability Committee (ALCO) of CDHIB and the Board Risk and Compliance Committee (BRC).

All liquidity policies and procedures are subject to review and approval by ALCO. These are management committees which meet once a month or more often if necessary. The daily monitoring of liquidity is the responsibility of an integrated treasury department which monitors the level of mismatches in the maturity positions of assets and liabilities.

### *Asset and Liability Management Committee (ALCO) of CDHIB*

The primary objective of ALCO is to ensure a proper balance in terms of maturity profile, cost and yield, risk exposure etc. between funds mobilized and funds deployed. ALCO seeks to manage risks to minimize the volatility of net interest income and protect the long-term economic value of the Company. The committee also monitors the capital adequacy of the Company.

Key functions of ALCO include setting pricing guidelines for assets and liabilities, setting limits and managing liquidity risk and interest rate risk and ensuring that contingency funding plans are in place to avert funding crises.

The company's customer placement patterns are different from the contractual maturities resulting in different liquidity gaps with those that are arrived at using the contractual terms, and those based on the actual customer placement patterns. The company therefore developed a customer placement patterns model to monitor the actual liquidity risk. The model was developed by establishing past customer placement patterns and adding an element of concentration risk under each category of deposits. The company monitors the customer placement patterns gaps through its monthly ALCO committee meetings. The customer placement patterns model shows that the actual liquidity risk, based on the customer placement patterns, is lower than the liquidity risk based on contractual maturities. The bank also monitors its liquidity risk using the net stable funding ratio and liquidity coverage ratio.

#### **d. Foreign exchange risk**

Foreign exchange rate risk is the potential impact of adverse currency rates movements on earnings and economic value. It arises from the change in value of local currency against foreign currencies.

##### **Mitigation**

Foreign currency transactions and positions are monitored by CDHIB Treasury Department and ALCO whose responsibilities are described below.

The responsibilities of the Treasury Department include monitoring foreign exchange risk. This involves the risks of the Company incurring financial loss on settlement of foreign exchange positions taken in both the trading and banking books. The foreign exchange positions arise from the following activities:-

- Trading in foreign currencies through spot, forward and option transactions as a market maker or position taker, including the unhedged position arising from customer driven foreign exchange transactions.
- Holding foreign currency position in the bank books (e.g. in the form of loans, deposits, cross-border investments, etc.).

The treasury department of CDHIB is responsible for:-

- Setting the foreign exchange risk management strategy and tolerance levels.
- Ensuring that effective risk management systems and internal controls are in place.
- Monitoring significant foreign exchange exposure.
- Ensuring that foreign exchange operations are supported by adequate management information systems which complement the risk management strategy.
- Reviewing the policies, procedures and currency limits regularly in line with changes in the economic environment.

The ALCO regularly monitors the controls put in place by the treasury department, which are approved and reviewed by the CHL Board from time to time.

#### **e. Interest rate risk**

Interest rate risk is the exposure of Group and its subsidiaries to the financial condition to adverse movements in interest rates. It arises from timing differences in the maturity of re-pricing of the assets and liabilities. Changes in interest rates can have adverse effects on the all the subsidiaries' earnings and its economic value. CDHIB ALCO monitors interest rate risk in the company.

##### **Mitigation**

ALCO uses two techniques to manage the interest rate gap. The first technique employed is by migrating more assets into the floating rate category and more liabilities into the fixed rate category in times of increasing interest rates. This brings more flexibility to the repricing of the assets. The second approach is to ensure that there is a proper match between asset and liability maturity tenors. The Board and ALCO also determines an appropriate asset and liability mix to manage its margins.

Stress testing on the three elements of interest rate risk is done by an independent risk function. The results are discussed with ALCO and the Risk Committee and appropriate risk mitigation measures and contingency plans are implemented.

#### **f. Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group and its subsidiaries' processes, personnel, technology and infrastructure and from external factors other than credit, liquidity, interest rate and market risks such as those arising from legal and regulatory requirements and the requirement to observe generally accepted standards of corporate behaviour. Operational risks arise from all the Group's operations

##### **Mitigation**

The objective of the Group is to manage operational risks to balance the avoidance of financial losses and damage to the Group's and its subsidiaries' reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned by the BARC Committee of the Group Board to the relevant committees of the subsidiary boards and the senior management within all operating units. The responsibility is supported by the development of overall standards in the Group for the management of operational risks in the following areas:-

- requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures.
- requirements for the yearly assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.



- requirements for the reporting of operational losses and proposed remedial action.
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where it is cost effective.
- implementation of an anonymous hotline for reporting fraud and other inappropriate conduct as per fraud risk policy.

Compliance with the Group's standards is supported by a program of yearly reviews undertaken by the Group and each subsidiary Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the relevant Boards and committees.

Risk management function also assesses operational risks and discusses the results with senior management and the risk committee.

## 2. Risks relating to the Offer and the Shares

### a. Share market liquidity

There is no existing public market for the Offer Shares and an active trading market for the Offer Shares may not develop or be sustained after the Listing. If no active trading in the Offer Shares develops or continues after the Offer, this could have a material adverse effect on the liquidity and the market price of the Offer Shares.

#### Mitigation

CHL intends to mitigate the liquidity risk by ensuring a wide free float and marketing the Offer Shares to a diverse range of investors, to increase the potential liquidity of shares after the IPO.

### b. Share price volatility

An investment in the share market has no guarantee, the Offer Price of the Shares may not be indicative of the prices that will prevail in the secondary market.

The market price of the Shares could be volatile and subject to significant fluctuations due to a number of factors such as changes in general market conditions, the general performance of the exchange, changes in sentiment in the market regarding the Shares (or securities similar to them), regulatory changes affecting CHL's operations, variations in its operating results, business developments relating to it or its competitors, the operating and share price performance of other companies in the industries and markets in which CHL operates.

#### Mitigation

CHL closely monitors any changes in its operating environment which could impact its performance and takes appropriate actions to address and minimize the impact such changes may have on its operations.

### c. Conflict of interest risk

After the IPO, TAH will continue to be a majority shareholder in the Group. As a result, following the completion of the Offer, the Controlling Shareholder is expected to continue to be able to exercise control or influence over the Group's management and affairs.

If the Controlling Shareholder's interests conflict with the interests of the Group's other shareholders, those other shareholders could be disadvantaged by the actions that the Controlling Shareholder may choose to pursue. In addition, if the Controlling Shareholder sells its controlling stake in the Group to another investor, the buyer may have different objectives and pursue a different strategy with respect to the Group's business.

#### Mitigation

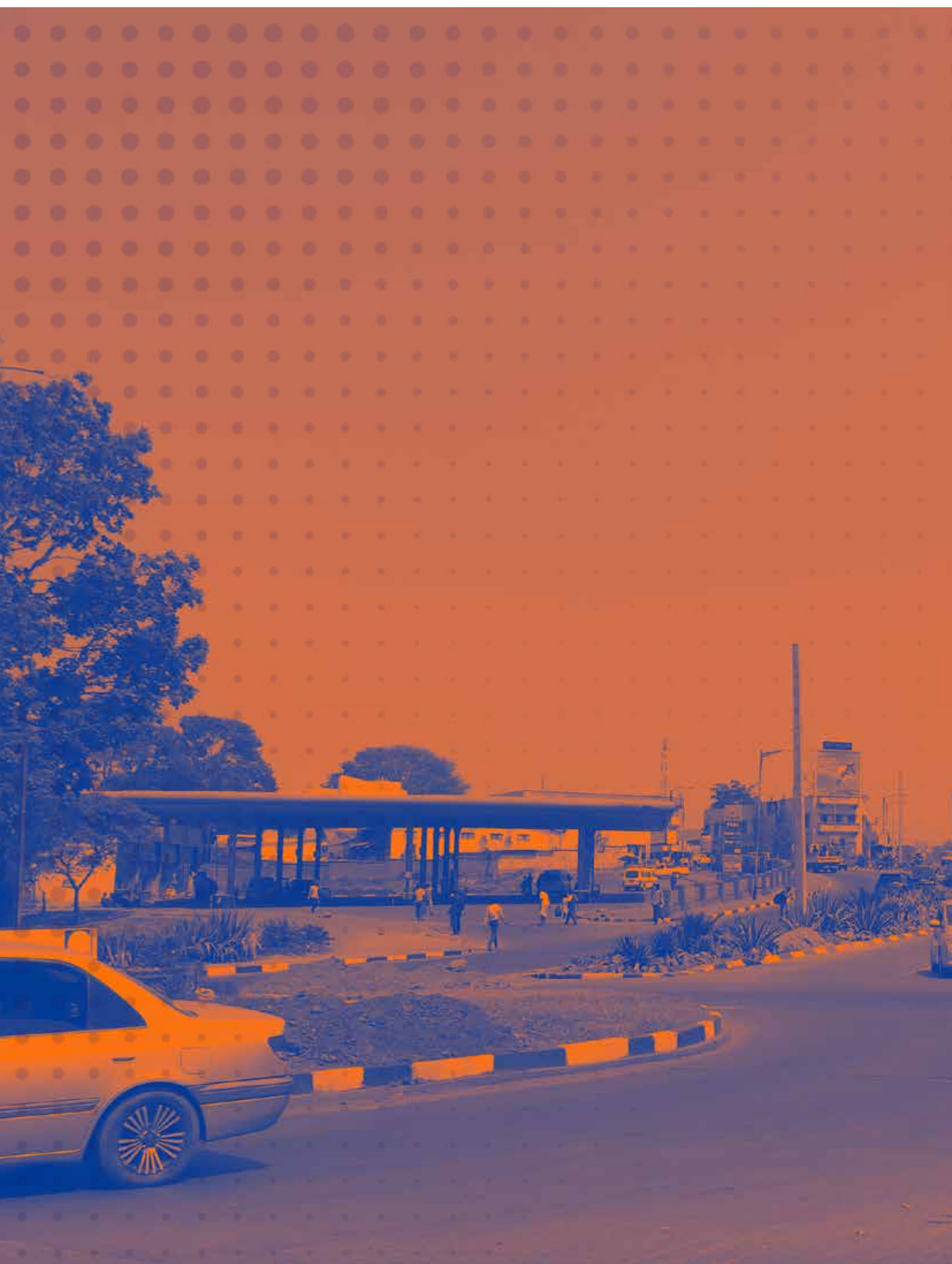
Governance standards have been established as key components of good corporate governance and business practice in the Group to minimise conflicts of interest

### d. Dividend risk

The Group's ability to pay dividends in the future depends, among other things, on financial performance and capital requirements and is therefore not guaranteed. There can be no guarantee that the Group's historic performance will be repeated in the future and its income, profits and cash flow may not meet market expectations.

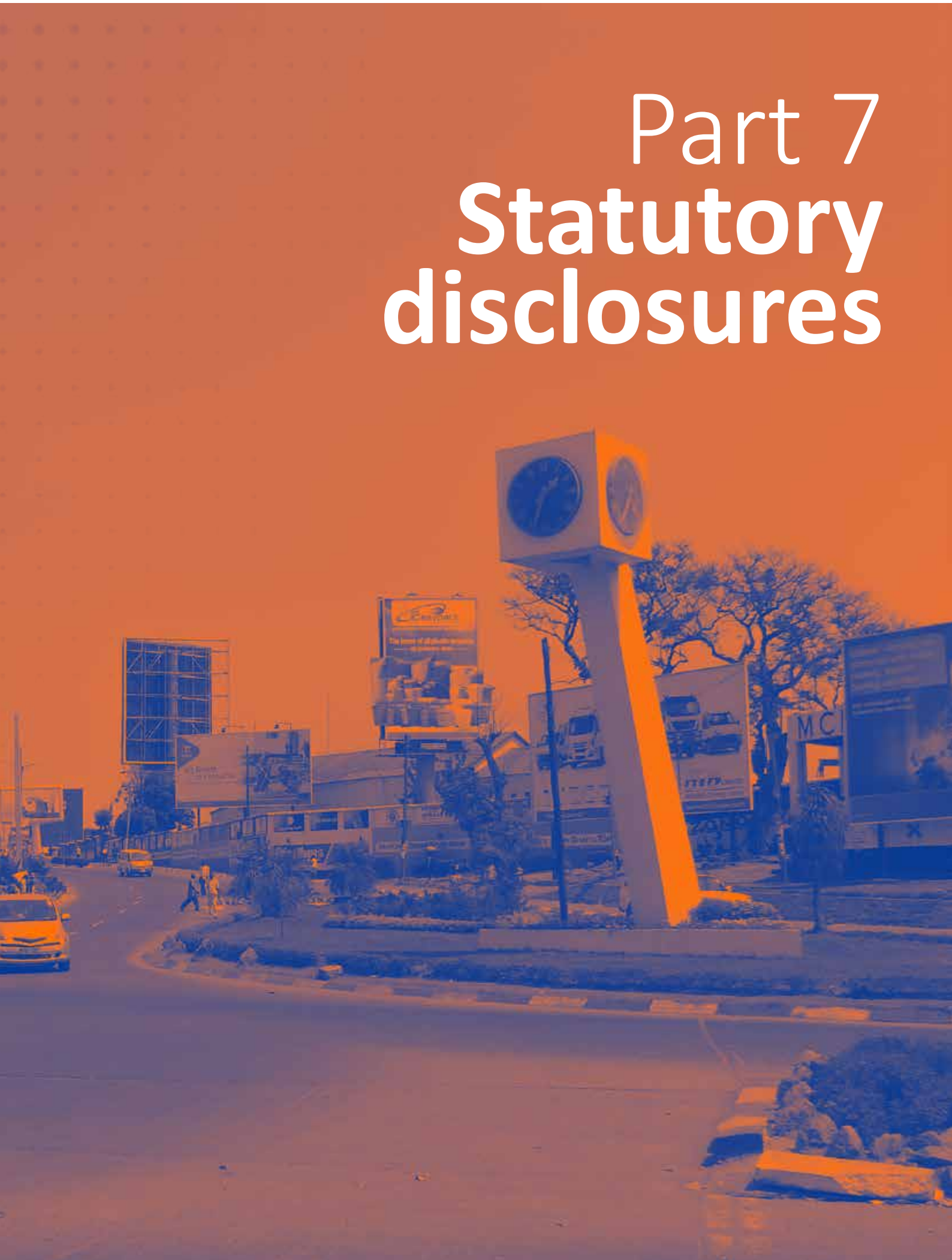
#### Mitigation

In order to address this risk the Group has a strategic plan which it closely monitors and takes appropriate and timely action to minimise any negative impact on its financial performance and its ability to pay dividends to shareholders.





# Part 7 Statutory disclosures



## 1. Disclosures relating to the Offer

### 1.1 Authorisations for IPO

The following resolutions and approvals have been obtained in relation to the issue of the Offer:

Authorization	Date
Written Resolutions of the Members passed at an extraordinary general meeting	19 June 2026
Directors Resolutions passed by round robin	19 June 2026
Listing approval from MSE	26 June 2026
Listing approval from RBM	29 June 2026
Lodgement and filing of Prospectus with the Registrar of Companies	30 June 2026

The Members' and Directors' resolutions form part of the Documents available for inspection as set out in paragraph 1.18 of this Part 7.

### 1.2 The Offer

As part of the Listing, the Controlling Shareholders is offering the Offer Shares to the public as follows:

	No. of shares	
Offer for Sale	753,308,604	
Offer Price		MWK195
<b>Total IPO</b>		<b>MWK146,895,177,780</b>
Authorised number of shares at no par value	3,013,234,416	
Existing shares in issue and fully paid for	3,013,234,416	
Number of shares at IPO	3,013,234,416	
Market capitalisation at IPO		<b>MWK587,580,711,120</b>
Price to Earnings (based on earnings at at 31 December 2025)		<b>12.28x</b>
Price to Book (based on book value as at 31 December 2025)		<b>7.73x</b>

The Offer will constitute 25% of the Ordinary Share capital of the Group.

### 1.3 Offer price and premium

The Offer Price of MWK195 will not carry a share premium as the shares have been issued at no par value.

### 1.4 Purpose and rationale of the Offer and for Listing

Application for a listing on the Main Board of the MSE of 25% of the issued ordinary shares of CHL by way of an offer for sale as prescribed in the Listings Requirements to:

- Raise the status and perception of the Group
- Introduce new investors to the Group
- Allow the Controlling Shareholder to realise a part of their investment in CHL.

The Controlling Shareholder will not sell any additional shares in the Group than those that form part of the Offer. There are no new shares in CHL to be issued as part of the IPO and Listing and the IPO does not coincide with the acquisition by CHL of securities in the business of another company in consequence of which that company will become a subsidiary of CHL.

### 1.5 Capital under option

There is no capital which is under option or that has been agreed conditionally to be put under option.

### 1.6 Preferential allocation and oversubscription allotment policy

Prior to the Offer, Press Trust- one of the existing shareholders; received regulatory approval to acquire additional shares from the Selling Shareholder representing approximately 3.3% of the issued share capital of the Group. The acquisition will be completed prior to implementation of the IPO.



Accordingly, in order to promote equitable treatment among existing shareholders, a portion of the Offer Shares representing up to a maximum of 3.39% of the Offer has been reserved for preferential allocation to eligible existing shareholders under the IPO (the “Existing Shareholder Allocation”). The 3.39% reservation reflects the proportional entitlement calculated by reference to the approved pre-IPO transaction.

In the event of an oversubscription, allocations within the Existing Shareholder Allocation shall be prioritised and made on a pro rata basis by reference to existing shareholdings as at the prescribed record date and in accordance with the allocation procedures set out in this Prospectus.

In this instance, all other subscriptions will be allotted Offer Shares after the Existing Shareholder Allocation as determined by the Directors of CHL, taking into consideration the following factors:

- a. Achieving an appropriate spread and diversity of public Shareholders as per the MSE Listing Requirement for at least 300 public shareholders and to promote liquidity, tradability and an orderly after-market;
- b. MSE Listing guidance which states that the formula for the basis of allotment must be calculated in such a way that an investor will not, in respect of their application, receive an allocation of a lesser number of securities than any subscriber who applied for a lesser amount.

The Group reserves the right to accept or refuse any application, either in whole or in part, or to accept some applications in full and others in part in such manner as it may, in its sole and absolute discretion, determine whether the Offer is over or undersubscribed.

Aside from the Existing Shareholder Allocation, there are no other options or preferential rights in respect of securities or shares in CHL.

### 1.7 Partial underwriting and indicative interest in the Offer

The Offer has been partially underwritten in the amount of MWK14 billion, subject to the terms of the Underwriting Agreement set out below. Certain pension and life insurance funds have expressed indicative interest to participate in the IPO, with preliminary indications of demand amounting to approximately MWK130 billion, subject to obtaining internal investment mandates and all necessary approvals, including any required no-objection or clearance from the relevant regulatory authorities in accordance with applicable investment limits and thresholds under the Pensions Directive and other applicable regulations.

Applications submitted by such funds will be processed alongside all other applications; however, any allocation of shares to those funds will remain subject to receipt of the requisite regulatory approvals and clearances.

National Bank of Malawi plc													
<b>Address</b>	NBM Towers, 7 Henderson Street, Blantyre, Malawi												
<b>Date of Incorporation</b>	11 June 1971												
<b>Directors</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Jimmy Lipunga</td> <td style="width: 50%;">James Mhura</td> </tr> <tr> <td>Harold Jiya</td> <td>Moureen Mbeye</td> </tr> <tr> <td>Macleod Nkhoma</td> <td>Crispin Mzengereza</td> </tr> <tr> <td>Jim Nsomba</td> <td>Dr. Lyton Chithambo</td> </tr> <tr> <td>Raymond Banda</td> <td>Bessy Nyirenda</td> </tr> <tr> <td>Zunzo E. Mitole</td> <td></td> </tr> </table>	Jimmy Lipunga	James Mhura	Harold Jiya	Moureen Mbeye	Macleod Nkhoma	Crispin Mzengereza	Jim Nsomba	Dr. Lyton Chithambo	Raymond Banda	Bessy Nyirenda	Zunzo E. Mitole	
Jimmy Lipunga	James Mhura												
Harold Jiya	Moureen Mbeye												
Macleod Nkhoma	Crispin Mzengereza												
Jim Nsomba	Dr. Lyton Chithambo												
Raymond Banda	Bessy Nyirenda												
Zunzo E. Mitole													
<b>Auditors</b>	Ernst & Young												
<b>Bankers</b>	National Bank of Malawi plc												
<b>Issued Share Capital</b>	MWK467 million												
<b>Amount underwritten</b>	MWK14,000,000,040												
<b>Number of shares</b>	71,794,872												
<b>% of IPO shares offered to the public</b>	10%												
<b>Underwriting fee</b>	1.5% of amount underwritten												
<b>Shareholding in CHL prior to the Offer and IPO</b>	2.60% held by NBM Capital Markets Limited on behalf of clients												

The Group has not had a previous IPO and therefore has not entered into any underwriter agreement, for any commission payable to any person for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any securities of CHL.

## 1.8 Commissions paid

No commission or fees were paid, or discounts and/or rebates offered to acquire any shares in CHL within the three years preceding the date of this Prospectus.

## 1.9 Minimum subscription

The minimum subscription for the Offer is 300 Offer Shares, with subscriptions to be in multiples of 100 Offer Shares thereafter. The minimum subscription required to satisfy the minimum listing criteria as prescribed by the MSE is 30 million shares bearing an offer value of not less than MWK500mn and a minimum of 300 public shareholders.

## 1.10 Listing fees

The expenses of the Listing are estimated at approximately MWK2,815 million and include the following:

Advisor	Role	Description of fee	MWK million
<b>Professional Fees</b>			<b>2,755</b>
Cedar Capital	Lead advisor	Fixed fee plus variable fee based on 1% of the Offer	1,469
Singano Purshotam	Legal advisor	Fixed fee	160
Ernst & Young	Reporting accountant	Fixed fee	55
Stockbrokers Malawi	Sponsoring broker	Fixed fee	60
National Bank of Malawi	Transfer secretaries	Variable fee based on 0.3% of the Offer	441
Refer to corporate information	Underwriters	Variable fee based on 1.5% of the amount underwritten	210
Refer to corporate information	Receiving banks	Fixed fee	300
Refer to corporate information	PR, marketing, typesetting and printing	Fixed fee	52
Contingencies			8
<b>Other Fees</b>			
MSE listing expenses	-		60
<b>Total</b>			<b>2,815</b>

*Note: All fees shown above exclude relevant taxes.*

No commissions, discounts, brokerages or other special terms have been paid or granted during the three years preceding the date of this Prospectus in connection with the issue or sale of any securities, stock or debentures in the capital of CHL.

## 1.11 Offer timelines

Event	Date
Publication of Prospectus and Pre-Listing Statement in local press	30 June 2026
Offer opens at 09:00 on	30 June 2026
Offer closes at 17:00 on	20 July 2026
Results of offer to MSE	22 July 2026
Allotment announcement to public	24 July 2026
Latest date for refund cheques and documents of title to be posted	31 July 2026
Listing of CHL on MSE	3 August 2026

## 1.12 Jurisdiction

The Offer does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, securities in any jurisdiction in which such an offer or solicitation would be unlawful.

## 1.13 Application for shares

Applications for the Offer Shares may be made on the Application Forms enclosed in this Prospectus in Appendix 7. Soft copies of the Application Forms which are made available by the Transfer Secretary will also be accepted for submission. Applications must be made in accordance with the terms and instructions set out in the Application Forms. Notwithstanding that the terminology used in this Prospectus is that of an offer to contract, the applications completed by the applicants shall constitute an offer to CHL for IPO shares, and shall not constitute an acceptance of the Offer contained in this Prospectus.



### 1.14 Public offer

For the purpose of the IPO, copies of this Prospectus may be collected from selected CDHIB, FDH, FCB, NBM, NBS and Standard Bank branches in Malawi as indicated in Appendix 4 of this Prospectus or from offices of the Transfer Secretary or the Sponsoring Broker as indicated in the Corporate Information on page iii of this Prospectus

### 1.15 Terms and conditions of the Offer

The terms and conditions of the Offer including multiple applications, procedures for acceptance, payment and document title are included in Appendix 6 of this Prospectus.

### 1.16 Consents

All advisors and consultants named in the Corporate Information, namely, the Lead Corporate Advisor, Legal Advisors, Reporting Accountant, Sponsoring Broker, Transfer Secretaries, Media and Communications Agency have given and have not withdrawn their consents to the issue of this Prospectus with the inclusion herein, where applicable, of their reports, references to those reports, their names and references to their names, in the form and context in which these appear. In addition, the independent property valuers referred to in note 15 of the Reporting Accountants Report (Appendix 2) have given and have not withdrawn their consents to the issue of this Prospectus with the inclusion herein, of their reports, references to those reports, their names and references to their names, in the form and context in which these appear

### 1.17 Investor relations

The Company has undertaken to provide fair access to information to its shareholders. Investors are invited to visit CHL's website <https://continentalholdings.mw/> for all corporate communications, regulatory announcements, annual reports, and other investment related information in accordance with the MSE Listing Requirements.

The contents of the CHL website does not form part of the Prospectus, and prospective investors should not rely on them.

### 1.18 Documents available for inspection

Copies of the following documents may be inspected at the head office of CHL by arrangement with the Company Secretary during normal business hours on any Business Day for 28 days from the date of this Prospectus:

- a. The Group's Memorandum and Articles of Association;
- b. Certificate of incorporation and registration;
- c. Material contracts: Underwriting Agreement and those set out in paragraph 3.8 of this Prospectus ;
- d. The Reporting Accountant's Report on the audited financial statements of CHL for the financial years ended 31 December 2023, 31 December 2024 and 31 December 2025 and the auditors' reports thereon;
- e. The Reporting Accountant's Report on the profit forecast for CHL;
- f. Annual Reports for CHL and each of CHL's subsidiaries for the years ended 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025;
- g. Copies of all Members' and Directors' Resolutions in terms of authorisations for the Listing and Offer as set out in paragraph 1.1 of this Part 7;
- h. Summaries of Service Agreements and Appointment Letters for Directors, managers and secretary;
- i. Statement of legal compliance; and
- j. Written consents from all the advisors and experts as set out in paragraph 1.16 of this Part 7.

## 2. Disclosures relating to CHL shareholders and the share capital

### 2.1 Share capital

As at 31 December 2025, the share capital of CHL was as detailed below:

	31 December 2025
Authorized share capital 167,401,912 ordinary shares of K1 each	MWK167,401,912
Issued and fully paid share capital 167,401,912 ordinary shares of K1 each	MWK167,401,912

Following a share split of eighteen shares to one issued share on 19 June 2026, the current share capital of the Group is detailed below:

	19 June 2026
Stated Capital	MWK3,013,234,416
Issued and fully paid shares	3,013,234,416 ordinary shares

Other than disclosed above, the Group has not had any reconstruction or reduction in capital over the last ten years.

CHL converted into a public company on 26 June 2026.

After the Offer and Listing, there will be no change to the share capital of the Group.

The Group's share capital is at no par value. Furthermore:

- There are no other classes of shares.
- There are no CHL shares with options or preferred rights in respect of the Group's share capital.
- CHL shares are currently not listed on any stock exchange.
- Partly paid shares will not be listed.
- There has not been any issues, or offers of the securities of CHL and its subsidiaries during the preceding five years, other than what has been disclosed in this Prospectus.
- Other than as disclosed in terms of this Prospectus, there have been no alterations to CHL's share capital since its incorporation.
- The Group does not have any outstanding debenture capital and has not entered into any contract or agreement to issue any debenture capital.
- As the share capital is at no par value, there are no authorized but unissued shares.

## 2.2 Provisions in the articles of association relevant to the share capital of CHL

General extracts from the CHL Articles of Association are provided below:

### Article 73.3: Quorum for a General Meeting: consents necessary for the variation of rights

The quorum for a separate meeting of the holders of any class of shares convened to consider a variation of the rights attached to that class shall, unless the meeting is an adjourned meeting, be holders representing not less than one-third of the issued shares of that class.

### Article 77: Voting rights

A resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Subject to any special rights or restrictions as to voting attached to any special class of shares, on a show of hands every individual present and entitled to vote shall have one vote and on a poll every shareholder present or represented by proxy shall have one vote for each share of which he is the holder.

### Article 2: Share capital

The share capital of the Company shall consist of ordinary shares of no par value and such other classes of shares as may be created in accordance with these articles and the Companies Act. All ordinary shares shall rank equally in all respects and shall confer upon their holders equal rights to participate in dividends and other distributions declared or made by the Company. The rights attaching to any other class of shares shall be as determined at the time of their creation or issue.

All ordinary shares shall confer upon their holders equal and unrestricted rights to vote at general meetings of the Company.



## 2.3 Current major shareholders and indicative shareholding

As at the date of this Prospectus shareholders with an interest of more than 5% are as follows:

Shareholder Name	Number of Shares Pre Offer and Listing	%
TransAfrica Holdings Limited	1,736,918,712	57.64%
Press Trust	536,355,720	17.80%
Employee Share Ownership Program	300,746,664	9.98%
NICO Asset Managers Limited	183,021,120	6.07%
MIG Limited	155,669,976	5.17%
Others	100,522,224	3.34%
<b>TOTAL</b>	<b>3,013,234,416</b>	<b>100%</b>

The shareholdings after the Offer and Listing will be dependent on the Underwriter's subscription, but is expected to be as set out below. There will be no change in controlling shareholders of CHL after the IPO.

Shareholder Name	Number of Shares Post Offer and Listing	%
Trans Africa Holdings Limited	983,610,108	32.64%
Press Trust	536,355,720	17.80%
Employee Share Ownership Program	300,746,664	9.98%
NICO Asset Managers Limited	183,021,120	6.07%
MIG Limited	155,669,976	5.17%
Others	100,522,224	3.34%
Public	753,308,604	25.00%
<b>TOTAL</b>	<b>3,013,234,416</b>	<b>100%</b>

## 2.4 Dividends

### Dividend policy:

The Group has a policy of paying a dividend of between 30% and 50% of distributable profits after tax, adjusting for any revaluation surplus which are retained as part of a non-distributable reserves and subject to meeting all applicable regulatory, capital, liquidity and prudential requirements. This profit retention policy strengthens its capital base and supports organic growth allowing it to fund expansion opportunities while maintaining appropriate capital levels. Annual dividends are paid in two splits, interim dividend, and final dividend. Both payments are based on the Group's interim performance and final audited accounts reported.

The Directors may by ordinary resolution declare interim dividends, final dividends are approved by shareholders at the AGM. Directors may decide whether or not to pay interim dividends or not recommend final dividend to shareholders, in what amounts and the timing thereof based on results from operations, cash flows, financial condition, capital adequacy ratios, future expansion plans, statutory, regulatory and internal restrictions on the payment of dividends and other relevant factors at any point in time.

Dividend type	Event	Period
Interim dividend	Declaration	September
	Closing transfer register	October
	Payment	October
Final dividend	Declaration	April
	Closing transfer register	May
	Payment	May

Dividends shall be payable to shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend whichever is the later. A period of at least fourteen days shall be allowed between the date of declaration or confirmation of the dividend, whichever is that later, and the date of the closing of the transfer registers in respect of such dividend.

### Unclaimed dividends:

Any dividend which remains unclaimed for a period of 6 years or more after the time it became payable shall be credited to the consolidated fund in line with the provisions of Part VII (Trust Moneys and Unclaimed Money) of the Public Finance Management Act, 2022, sections 60-69.

### Waiver of future dividends:

The Group does not have an existing arrangement in which future dividends may be waived.

### 2.5 Provisions relating to share capital in the articles of association

All issued and outstanding shares are fully paid-up, not subject to calls for additional payment of any kind and are in definitive registered physical form. General extracts from the Group's Articles of Association are provided in Appendix 1 of this Prospectus.

## 3. Disclosures relating to CHL

### 3.1 Authorised business

The Group is authorised to provide services in banking, asset and fund management, stockbroking, financial advisory, commodity broking, property development and pension administration.

### 3.2 Litigation

CHL has not been in any legal or arbitration proceedings over the last twelve months (including any such proceedings which are pending or threatened of which CHL is aware) which may have or have had a material effect on the Group's financial position.

Neither of the CHL's subsidiaries has any legal or arbitration proceedings over the last twelve months (including any such proceedings which are pending or threatened of which CHL is aware) which may have or have had a material effect on the Group's financial position.

### 3.3 Borrowings

The Group had the following borrowings as on 31 December 2025 as highlighted in the Reporting Accountants' Report in Appendix 2.

Borrower	Subscribers	Facility type	Currency MWK'000s	Security	Tenor	Pricing	Purpose
CPL	Nico Asset Manager	Motor Vehicle Backed Corporate Bond	2,574,958	Asset Undertaking and Negative Pledge issued by CPL	Matures in 2030	364-day T-Bill plus a margin of 450 basis points	Purchase of additional motor vehicles
CCL	Continental Asset Management Nominees Limited, Nico Asset Management Nominees	Listed equity backed corporate bond	21,553,442	Listed shares valued at K290billion	Matures 31 Dec 2026	floating rate pegged to the average 182 days TB rate plus a margin of 380 basis points and re-price every six months	Fund investments in Margin Trade Facilities

CHL does not have any loan capital, debentures or debenture stock issued or any off-balance sheet financing.

### 3.4 Loans receivable

CHL and its subsidiaries do not have any material loans. In addition, the Group has not made any loans or provided security for any of its Directors or members of management.

### 3.5 Contingent liabilities

The Directors confirm that, other than as disclosed in the Reporting Accountants' Report, there are no outstanding contingent liabilities which the Directors are aware of and which may have a material effect on the Group's financial position.

### 3.6 Material property leases

CHL does not have any material real and moveable property leases.



### 3.7 Material changes

The Directors' report that to their best knowledge there have been no material changes in the financial or trading position of the Group since the date of the last financial statements, 31 December 2025, other than in the ordinary course of business, or as set out in this Prospectus.

### 3.8 Significant contracts

As at the date of this Prospectus, the material contracts entered into by the Group outside of the ordinary course of business and/or which require disclosure to the MSE are the Underwriting Agreement, summary of which is included in this Prospectus.

There are no other material contracts outside the ordinary course of business currently in force for CHL or its subsidiaries.

In addition, there are no trademarks, patents or industrial property rights which are significant in relation to the Group's business and the Group has no obligations to pay royalties payable or items of a similar nature.

### 3.9 Disposal of property

The Group has not disposed of any properties in the three years prior to the Listing.

### 3.10 Vendors

No purchases in excess of 15% of shareholder funds at the time of the transaction have been made by CHL in the last three years prior to the date of this Prospectus.

### 3.11 Restrictions

CHL's Memorandum and Articles of Association does not have any restrictions on the business which the Group is authorized to carry on.

### 3.12 Disclosures

Other than set out in this paragraph 3 of Part 7, there are no other disclosures of material information necessary for an investor to make an informed investment decision

## 4. Declarations of Directors

### 4.1 Directors' remuneration

The remuneration paid to the Board of Directors is approved by the Group in a general meeting. The remuneration payable to each Director in the financial year 2023, 2024 and 2025 as well as the estimated remuneration for the current financial year is set out in the table below.

Currency: MWK 000	FY 23	FY 24	FY 25	FY 26 (estimate)
Directors' Remuneration	382,794	486,645	872,866	1,073,916

Other than the CEO and Group Financial Controller, no other Directors are employed by CHL on a fixed term or permanent contract basis

There are no sums which have been paid or agreed to be paid to any Director to either induce him to become a director or in connection with the promotion of CHL.

There will be no variations in the remuneration being paid to the Directors of CHL as a consequence of the IPO.

### 4.25 Directors' interest in securities

As at the date of this Prospectus, the Directors hold the following direct and indirect interest in Shares of CHL:

Mr Kofi Sekyere has an indirect beneficial interest of 519,272,962 shares in the Group as he is a shareholder in TransAfrica Holdings Limited.

Mr Robert Abbey has an indirect beneficial interest of 138,411,252 shares in the Group as he is a shareholder in Trans Africa Holdings Limited.

Mr Kingsley Zulu has an indirect beneficial interest of 55,737,324 shares in the Group through his membership of the ESOP.

### **4.3 Directors' interest in transactions**

No Director has an interest in any contract, arrangement or transaction entered into by CHL which is or was unusual in its nature or conditions or significant in relation to the business of CHL as a whole and which was effected during the current or immediately preceding financial year or was effected during an earlier financial year and remains in any respect outstanding or unperformed.

### **4.4 Loans to Directors**

There are no material loans or guarantees outstanding to any Director of CHL or its subsidiaries as at the end of the financial period 31 December 2025.

### **4.5 Directors borrowing powers**

Article 29 of the Articles of Association of CHL detail the borrowing powers of the Directors as follows:

*The Directors may, from time to time at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company, save that the Directors shall procure that the aggregate amount for the time being remaining undischarged of monies borrowed by the Company and its subsidiaries (exclusive of inter-Company borrowing and apart from temporary loans obtained from the Company's bankers) shall not, without the sanction of the Company in a general meeting by ordinary resolution, exceed a reasonable fixed amount or percentage of the paid share capital of the Company for the time being issued and reserves, and the Directors will procure that the aggregate amount at any time owing in respect of monies borrowed by the Company will not, without such sanction, exceed the said limit, but nevertheless, the lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed.*

Over the last three years, the borrowing powers of the Directors have not been exceeded and there are no exchange control or other restrictions on the borrowing powers of CHL or its subsidiaries.

### **4.6 Working capital and capital adequacy**

The Directors of the Company are of the opinion that:

- a. The working capital available for the Group and its subsidiaries is sufficient and the cashflow requirements are adequately satisfied for the next 18 months; and
- b. The issued share capital of the Group is adequate for the purposes of businesses of the Group and its subsidiaries for the foreseeable future

### **4.7 Adequacy of internal controls**

In the opinion of the Board and the BARC Committee, which is responsible for developing and monitoring the Group's financial risk management policies and procedures, there are adequate internal controls to address financial, operational and compliance risks.

The ALCO is responsible for ensuring an equitable balance between the Group's assets and liabilities and reports regularly to BARC. The risk management frameworks are established to identify and analyse the risks faced by the Group, to set appropriate risk management limits and controls and to monitor risks and adherence to limits. Review of the policies and systems are done regularly to reflect changes in market conditions and activities.

The Internal audit department plays a major role assisting the BARC Committee of the Board in overseeing how management monitors compliance with risk management policies and procedures. The Internal audit department is an independent body that reports directly to the board and undertakes both regular and ad hoc reviews of risk management controls. CDHIB has a risk management department which is independent of those who accept risks in the Bank.

### **4.8 Capital commitments**

The only material acquisition within the Group over the last three years is the acquisition by CDHIB of the property Title No. Blantyre West 1249 from CAMN for a consideration of MWK4.258 billion which was concluded on 12 December 2023. The property was valued at MWK4billion.

There were no outstanding capital commitments as at 31 December 2025.



#### 4.9 Directors' responsibility statement

This Prospectus is not an invitation to the public to subscribe for shares but is issued in compliance with the rules and requirements of the MSE for the purpose of giving information to the public with regard to the Group. The Directors, whose names are set out in Part 2 of this Prospectus collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the Prospectus contains all information required by the Act, the MSE Listing Requirements and the Securities Act.

Furthermore, the Directors confirm that the listing particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of CHL and of the rights attaching to the securities to which the listing particulars relate.

Signed in Blantyre, on 30th June 2026, by or on behalf of all Directors of Continental Holdings PLC.

Director's name	Signature
Mr Gibson Ngalamila	
Mr Kofi Sekyere	<i>Kofi Sekyere</i>
Mr Eric Chinkanda	
Mr Arthur Msowoya	
Mr Robert Abbey	
Mr Kingsley Zulu	

**\* Signed in the original**





# Appendix 1

# Extracts of

# the Articles of

# Association

Article	Article extract
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<b>Capital Structure</b>	
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2.1	The share capital of the Company shall consist of ordinary shares of no par value and such other classes of shares as may be created in accordance with these articles and the Companies Act. All ordinary shares shall rank equally in all respects and shall confer upon their holders equal rights to participate in dividends and other distributions declared or made by the Company. The rights attaching to any other class of shares shall be as determined at the time of their creation or issue.
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2.2	All ordinary shares shall confer upon their holders equal and unrestricted rights to vote at general meetings of the Company.
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<b>Directors General Authority</b>	
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4.1	Subject to these articles, the directors shall be responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
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4.2	The directors may enter into a provisional agreement for the sale of assets and/or alienation of all or a major portion of the assets, provided that such provisional agreement shall be ratified by the shareholders before it is implemented.
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<b>Voting at Board Meetings</b>	
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14.1	Subject to these articles, matters for decision by the board shall be decided by simple majority vote.
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14.2	Subject to these articles, each director participating in a directors' meeting shall have one (1) vote.
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Subject to these articles, if a director has an interest in an actual or proposed transaction or arrangement with the company—	
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14.3	a. the director and the director's alternate may not vote on any proposal relating to it; b. provided that this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointor who does not have such an interest.
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<b>Casting Vote</b>	
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15.1	If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting shall have a casting vote provided that where the quorum for a meeting of directors is two directors, the chairman or other director chairing the meeting shall not be entitled to exercise a casting vote at any meeting at which only two directors are present.
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15.2	Article 15.1 shall not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.
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<b>Conflict of Interest</b>	
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17.1	Subject to article 17.2, where a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director shall notify all the other directors of the conflict at least five (5) business days before the proposed decision. The director that is conflicted shall not be counted as participating in the decision-making process for quorum or voting purposes: Provided that this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another appointer who does not have such an interest.
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A director who is interested in an actual or proposed transaction or arrangement with the Company shall be counted as participating in the decision-making process for quorum and voting purposes when:	
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17.2	a. the Company, by an ordinary resolution, excludes the application of the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process; b. the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or c. the director's conflict of interest arises from a permitted cause.
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For the purpose of this article, the following are permitted causes in relation to the Company's business: a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;	
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17.3	subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.
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<b>Number and Appointment of Directors</b>	
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21.1	The board shall have a minimum of eleven (11) directors and a maximum of twelve (12) directors. A majority of the directors shall be independent directors, and a majority of the directors shall be ordinarily resident in Malawi. If the number of directors falls below the minimum provided in these articles, the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of shareholders.
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Article	Article extract
21.2	Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by ordinary resolution.
21.3	A politically exposed person, as defined in the Financial Crimes Act, shall not be appointed or hold office as a director of the Company.
21.4	A director of a listed company is entitled to hold the position of director in not more than two listed companies and the position of Chairperson in only one listed company
21.5	Notice to the Company of the intention to propose a person for election as a director, and notice to the Company by such person of his willingness to be elected, may be given during a period of at least seven (7) days ending not more than seven (7) days before the date of the meeting appointed for such election
21.6	The period allowed for nominations shall be such as to give sufficient time after the giving of notice of the meeting for nominations to reach the Company from any part of southern Africa. Nominations received by fax shall also be acceptable
21.7	Subject to article 21.8, the directors may at any time appoint any person who is willing to act as a director and is permitted by law to do so, either to fill a casual vacancy or as an addition to the existing directors, provided that the total number of directors does not exceed the maximum number permitted by these articles. Any director so appointed shall be confirmed at the next general meeting and shall hold office only until that next annual general meeting and shall then be eligible for election by the shareholders.
21.8	The directors may appoint one or more directors to executive office and may enter into contracts of service with such directors for periods not exceeding five years at any one time. Executive directors shall be subject to retirement by rotation in the same manner as other directors, except during the period of such contract, and article 21.6 shall not apply to any executive director appointed under this article provided that an executive director's remuneration, including pension contributions, shall be confirmed by the Company in general meeting. The provisions of this article shall apply to all executive directors appointed by the Company.

#### **Retirement of Directors by Rotation**

22.1	At the first annual general meeting of a company, all directors shall retire from office.
22.2	At every subsequent annual general meeting at least one third of the directors— a. who have been appointed by the directors since the last annual general meeting; or b. who were not appointed or reappointed at one of the preceding two annual general meetings, shall retire from office and may offer themselves for reappointment by the shareholders.

#### **Remuneration of Directors**

27.2	Directors are entitled to such remuneration as the shareholders may, in general meeting, determine: a. for their services to the Company as directors; and b. for any other service which they undertake for the Company.
27.3	A director's remuneration may take any form and may include any arrangements in connection with the payment of pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

#### **Borrowing Powers**

29	The directors may, from time to time at their discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company, save that the directors shall procure that the aggregate amount for the time being remaining undischarged of monies borrowed by the Company and its subsidiaries (exclusive of inter-Company borrowing and apart from temporary loans obtained from the Company's bankers) shall not, without the sanction of the Company in a general meeting by ordinary resolution, exceed a reasonable fixed amount or percentage of the paid share capital of the Company for the time being issued and reserves, and the directors will procure that the aggregate amount at any time owing in respect of monies borrowed by the Company will not, without such sanction, exceed the said limit, but nevertheless, the lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed.
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#### **Consents for Variation of Rights (Quorum for a General Meeting)**

73.3	The quorum for a separate meeting of the holders of any class of shares convened to consider a variation of the rights attached to that class shall, unless the meeting is an adjourned meeting, be holders representing not less than one-third of the issued shares of that class.
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#### **Voting rights**

77.1	A resolution put to the vote of a general meeting shall be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
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Article	Article extract
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77.2	Subject to any special rights or restrictions as to voting attached to any special class of shares, on a show of hands every individual present and entitled to vote shall have one vote and on a poll every shareholder present or represented by proxy shall have one vote for each share of which he is the holder.
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**Procedure for Declaring Dividends**

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60.1	The Company may, by ordinary resolution passed in a general meeting, declare final dividends. The directors shall have no authority to declare a final dividend, but may, from time to time, declare and pay such interim dividends as they consider appropriate.
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60.2	A dividend shall not be declared unless the directors have made a recommendation as to its amount. Such a dividend shall not exceed the amount recommended by the directors.
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60.3	No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
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**Transfer of Certified Shares**

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51.1	Certificated shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of; (a) the transferor; and (b) if any of the shares is partly paid, the transferee.
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51.2	Where an instrument of transfer is executed by a person acting under a power of attorney, the Company may accept and act upon such instrument upon production of the relevant power of attorney or a certified copy thereof. The Company shall be entitled to treat the attorney as duly authorised to execute the transfer on behalf of the transferor until written notice of the revocation of the power of attorney has been received and lodged with the Company.
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51.3	Even after the giving and lodging of a notice of revocation of a power of attorney, the Company shall be entitled to give effect to any instrument signed under such power of attorney and certified by any officer of the Company as having been in order before the giving and lodging of such notice.
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**Director Qualification and Appointment Criteria**

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A director shall qualify for appointment if he or she meets the requirements of the Companies Act, 2013 (as amended) and satisfies applicable fit and proper requirements under financial services laws. In selecting directors, the Board considers relevant experience, contributions to Board deliberations, sound judgement, strategic thinking, leadership ability, professional competence, integrity and other appropriate personal qualities.



# Appendix 2

# Reporting

# Accountants

# Report on

# historical

# financial

# information



Shape the future  
with confidence

Chartered Accountants (Malawi)  
Apex House  
Kidney Crescent  
PO Box 530  
Blantyre, Malawi

Tel: +265 999 888 684 / 991 971 035  
ey.com

## MEMBERS OF THE BOARD

### INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE PROSPECTUS OF CONTINENTAL HOLDINGS Plc (formerly Continental Holdings Limited)

We have compiled the accompanying historical financial information of Continental Holdings Plc based on information you have provided. The historical financial information comprises the consolidated statements of financial position as at 31 December 2025, 31 December 2024 and 31 December 2023 and the consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2025, 31 December 2024 and 31 December 2023, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended and, a summary of material accounting policy information.

Ernst & Young, Chartered Accountants (Malawi) of PO. Box 530, Blantyre were the external auditors of Continental Holdings Plc for the years ended 31 December 2025, 31 December 2024 and 31 December 2023; and reported on the consolidated historical financial information for all the three years without modification.

The full financial statements from which the consolidated historical financial information has been derived are available for inspection at Continental Holdings Plc registered office at Ulimi House, P.O. Box 1444, Blantyre, Malawi

No financial statements have been made up since the last financial period.

### RESPONSIBILITIES OF THE REPORTING ACCOUNTANT

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), *Compilation Engagements* and in compliance with Malawi Stock Exchange Listing requirements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the historical financial information in compliance with the Malawi Stock Exchange Listing requirements. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

A compilation engagement does not include the application of audit or review procedures. Accordingly, we do not express an audit opinion or a review conclusion on the historical financial information. Furthermore, as this engagement does not constitute an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile this historical financial information.

### RESPONSIBILITIES OF DIRECTORS

The Directors of Continental Holdings Plc are responsible for the preparation of the historical financial information from which the Reporting Accountant's Report has been prepared. The directors are also responsible for the preparation of the prospectus to which this report relates and the information contained therein.

We consent to the inclusion of this report which forms part of the prospectus to be issued on 30 June 2026 in the form and content in which it appears.

Ernst & Young  
Chartered Accountants (Malawi)

Chiwemi Chihana - Registered Practicing Accountant  
30 June 2026



	Note	As at 31 December 2025	As at 31 December 2024	As at 31 December 2023
<b>Assets</b>				
Cash and cash equivalents	5	51,035,972	11,135,330	19,864,021
Money market investments	6	770,550,743	404,920,030	172,025,981
Interbank placements	7	8,764,418	11,624,477	32,649,060
Loans and advances to customers	8	155,267,608	106,134,163	83,682,438
Income tax recoverable	9(a)	2,179,010	1,644,209	813,272
Other receivables	10	6,094,965	4,948,304	2,924,456
Deferred tax assets	11	917,270	525,909	742,802
Investment in listed equity	13	3,573,370	906,364	596,762
Investment in unlisted equity	14	848,270	848,270	848,270
Investment properties	15	2,307,487	1,261,287	991,770
Intangible assets	16	46,034	7,973	13,177
Right of use assets	17	467,402	423,960	327,269
Property and Equipment	18	13,047,283	9,781,180	8,078,217
<b>Total assets</b>		<b>1,015,099,832</b>	<b>554,161,456</b>	<b>323,557,495</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	19	167,402	167,402	167,402
Share premium	19	1,000,673	1,000,673	1,000,673
Fair value reserve	19	2,556,917	1,002,220	559,880
Retained earnings		72,273,904	42,242,215	26,504,499
<b>Equity attributable to owners of the parent Company</b>		<b>75,998,896</b>	<b>44,412,510</b>	<b>28,232,454</b>
Non-controlling interest	19	13,294,401	8,076,309	5,021,227
<b>Total equity</b>		<b>89,293,297</b>	<b>52,488,819</b>	<b>33,253,681</b>
<b>Liabilities</b>				
Income tax payable	9(b)	834,117	460,002	1,628,380
Deposits from customers	20	307,883,501	168,323,770	133,088,383
Deposits from financial institutions		-	-	20,353,052
Trade and other payables	22	11,209,128	4,703,538	3,392,595
Provisions		-	-	208,150
Customer investment funds	23	575,246,654	314,344,540	120,257,083
Client and other third-party funds	24	2,521,662	90,354	-
Lease liabilities	25	428,269	163,626	97,493
Loans and borrowings	26	24,128,399	12,926,644	9,461,632
Deferred tax liabilities	11	3,554,805	660,163	217,046
Subordinated liability	27	-	-	1,600,000
<b>Total liabilities</b>		<b>925,806,535</b>	<b>501,672,637</b>	<b>290,303,814</b>
<b>Total equity and liabilities</b>		<b>1,015,099,832</b>	<b>554,161,456</b>	<b>323,557,495</b>

	Note	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Interest income	28	66,687,005	40,607,144	49,894,915
Interest expenses	29	(36,626,464)	(21,160,857)	(31,261,122)
<b>Net interest income*</b>		<b>30,060,541</b>	<b>19,446,287</b>	<b>18,633,793</b>
Fees and commissions	30	11,405,287	6,545,246	5,753,141
Investment income	34	1,065,306	201,171	98,173
Trading income*	31	69,445,716	36,372,502	11,171,035
Trading expenses	32	(656,137)	(285,877)	(116,951)
<b>Net operating income</b>		<b>111,320,713</b>	<b>62,279,329</b>	<b>35,539,191</b>
Other income	33	644,971	204,861	199,012
<b>Total income</b>		<b>111,965,684</b>	<b>62,484,190</b>	<b>35,738,203</b>
Impairment (losses) /reversals on loans	37	(831,637)	(4,442,710)	(1,374,395)
<b>Income after impairment losses</b>		<b>111,134,047</b>	<b>58,041,480</b>	<b>34,363,808</b>
Operating expenses	35	(32,345,723)	(20,336,267)	(14,144,260)
<b>Profit before finance cost</b>		<b>78,788,324</b>	<b>37,705,213</b>	<b>20,219,548</b>
Financing costs	36	(6,150,192)	(3,244,555)	(1,967,871)
<b>Profit before income tax</b>		<b>72,638,132</b>	<b>34,460,658</b>	<b>18,251,677</b>
Income tax expense	38(a)	(24,782,812)	(9,923,151)	(6,803,144)
<b>Profit for the year</b>		<b>47,855,320</b>	<b>24,537,507</b>	<b>11,448,533</b>
Other comprehensive income <b>Items that will not be reclassified subsequently to profit or loss</b>				
Net fair value gains on listed equity	13	2,059,534	309,602	230,914
<b>Other comprehensive income for the year net of tax</b>		<b>2,059,534</b>	<b>309,602</b>	<b>230,914</b>
<b>Total comprehensive income for the year</b>		<b>49,914,854</b>	<b>24,847,109</b>	<b>11,679,447</b>
<b>Profit attributable to:</b>				
Owners of the parent Company		40,274,404	20,409,622	9,494,464
Non-controlling interest		7,580,916	4,127,885	1,954,069
		<b>47,855,320</b>	<b>24,537,507</b>	<b>11,448,533</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent Company		42,333,938	20,719,224	9,725,378
Non-controlling interest		7,580,916	4,127,885	1,954,069
		<b>49,914,854</b>	<b>24,847,109</b>	<b>11,679,447</b>
<b>Basic and diluted earnings per share (Kwacha/share)</b>	39	<b>240.59</b>	<b>121.92</b>	<b>56.71</b>

\*Trading income of K19,523,365 was reclassified from net interest income in 2024. (refer to Note 3(iii) *Impact of reclassification*)



	Share capital	Share premium	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>2025</b>							
<b>Balance at 1 January</b>	167,402	1,000,673	1,002,220	42,242,215	44,412,510	8,076,309	52,488,819
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	40,274,404	40,274,404	7,580,916	47,855,320
<b>Other comprehensive income</b>							
Current year fair value gains on equity instruments	-	-	2,059,534	-	2,059,534	-	2,059,534
<b>Total comprehensive income for the year</b>	-	-	<b>2,059,534</b>	<b>40,274,404</b>	<b>42,333,938</b>	<b>7,580,916</b>	<b>49,914,854</b>
Transfers within reserves							
Reversal of accumulated unrealised fair value gains on investment property*	-	-	(504,837)	504,837	-	-	-
Total transfers within reserves	-	-	<b>(504,837)</b>	<b>504,837</b>	-	-	-
<b>Transactions with owners of the Company</b>							
Dividends	-	-	-	(10,747,552)	(10,747,552)	(2,362,824)	(13,110,376)
<b>Total transactions with owners of the Company</b>	-	-	-	<b>(10,747,552)</b>	<b>(10,747,552)</b>	<b>(2,362,824)</b>	<b>(13,110,376)</b>
<b>Balance at 31 December 2025</b>	<b>167,402</b>	<b>1,000,673</b>	<b>2,556,917</b>	<b>72,273,904</b>	<b>75,998,896</b>	<b>13,294,401</b>	<b>89,293,297</b>

\*The transfer within reserves relates to the reversal of accumulated fair value gains on investment property measured at fair value as per IAS 40. The related fair value gains are recognised in profit or loss and forms part of retained earnings. The accumulated fair value gains are not distributable until the underlying asset is disposed of.

Continental Holdings PLC (formerly Continental Holdings Limited)  
 Consolidated statements of Changes In Equity  
 In thousands of Malawi Kwacha

	Share capital	Share premium	Fair value reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>2024</b>							
<b>Balance at 1 January</b>	167,402	1,000,673	559,880	26,504,499	28,232,454	5,021,227	33,253,681
Comprehensive income for the year							
Profit for the year	-	-	-	20,409,622	20,409,622	4,127,885	24,537,507
Other comprehensive income							
Current year fair value gains on equity instruments, net of tax	-	-	309,602	-	309,602	-	309,602
<b>Total comprehensive income for the year</b>	-	-	<b>309,602</b>	<b>20,409,622</b>	<b>20,719,224</b>	<b>4,127,885</b>	<b>24,847,109</b>
Transfers within reserves							
Fair value gains/ (losses) on investment properties	-	-	132,738	(132,738)	-	-	-
<b>Total transfers within reserves</b>	-	-	<b>132,738</b>	<b>(132,738)</b>	-	-	-
Transactions with owners of the Company							
Dividends	-	-	-	(4,539,168)	(4,539,168)	(1,072,803)	(5,611,971)
<b>Total transactions with owners of the Company</b>	-	-	-	<b>(4,539,168)</b>	<b>(4,539,168)</b>	<b>(1,072,803)</b>	<b>(5,611,971)</b>
<b>Balance at 31 December 2024</b>	<b>167,402</b>	<b>1,000,673</b>	<b>1,002,220</b>	<b>42,242,215</b>	<b>44,412,510</b>	<b>8,076,309</b>	<b>52,488,819</b>



	Share capital	Share premium	Fair value reserves	Retained earnings	Total	Non-controlling interest	Total equity
<b>2023</b>							
<b>Balance at 1 January</b>	167,402	1,000,673	739,078	20,620,518	22,527,671	3,727,879	26,255,550
Comprehensive income for the year	-	-	-	9,494,464	9,494,464	1,954,069	11,448,533
Profit for the year	-	-	-	9,494,464	9,494,464	1,954,069	11,448,533
Other comprehensive income	-	-	230,914	-	230,914	-	230,914
Current year fair value gains on equity instruments, net of tax	-	-	230,914	9,494,464	9,725,378	1,954,069	11,679,447
Total comprehensive income for the year	-	-	230,914	9,494,464	9,725,378	1,954,069	11,679,447
Transfers within reserves	-	-	56,489	(56,489)	-	-	-
Fair value gains/ (losses) on investment properties	-	-	56,489	(56,489)	-	-	-
Equity fair value gains/ (losses) transferred to retained earnings at disposal	-	-	(466,601)	466,601	-	-	-
Total transfers within reserves	-	-	(410,112)	410,112	-	-	-
Transactions with owners of the Company	-	-	-	(4,020,595)	(4,020,595)	(660,721)	(4,681,316)
Dividends	-	-	-	(4,020,595)	(4,020,595)	(660,721)	(4,681,315)
Total transactions with owners of the Company	-	-	-	(4,020,595)	(4,020,595)	(660,721)	(4,681,315)
<b>Balance at 31 December 2023</b>	<b>167,402</b>	<b>1,000,673</b>	<b>559,880</b>	<b>26,504,499</b>	<b>28,232,454</b>	<b>5,021,227</b>	<b>33,253,681</b>

<b>Cash flows from operating activities</b>	<b>Note</b>	<b>Year ended 31 December 2025</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2023</b>
Profit before tax		72,638,132	34,460,658	18,251,677
<i>Adjustments for:</i>				
Depreciation and amortisation	35	1,762,794	1,231,261	1,183,772
Fair value loss/ (gain) on financial instruments	28	(3,285,834)	(1,056,648)	114,059
Loss/ (profit) on disposal of assets	33,35	200,252	(15,805)	(65,585)
Net impairment on loans and advances	37	831,637	4,442,710	1,374,395
Interest on lease liabilities	25	101,330	96,007	231,115
Interest on loans and borrowings	26	6,048,862	3,148,548	1,736,757
Fair value gain on investment property	34	(1,046,200)	(190,852)	(80,698)
Effects of exchange rate fluctuations		-	(223,595)	(3,480,901)
Impact of lease remeasurements and modifications		1,990,403	(371,613)	(369,627)
		<b>79,241,376</b>	<b>41,520,671</b>	<b>18,894,964</b>
<b>Changes in:</b>				
Loans and advances to customers	8	(49,965,082)	(26,894,435)	(22,726,054)
Interbank placements	7	2,860,059	21,024,583	(7,560,390)
Other receivables	10	(1,146,661)	(2,023,848)	(379,192)
Amount due from related parties	21	-	-	-
Receipts from client funds	24	2,431,308	90,354	-
Investment funds	23	260,902,114	194,087,457	35,568,687
Deposits from customers	20	139,559,731	35,235,387	40,495,904
Deposits from other financial institutions		-	(20,353,052)	7,292,311
Trade and other payables	22	6,505,590	1,102,793	1,514,620
Amounts due to related parties	21	-	-	-
<b>Cash generated from operating activities</b>		<b>440,388,435</b>	<b>243,789,910</b>	<b>73,100,850</b>
Interest paid on lease liabilities	25	(101,330)	-	-
Income tax paid	9	(21,882,966)	(11,262,456)	(7,375,988)
<b>Net cashflows generated from operating activities</b>		<b>418,404,139</b>	<b>232,527,454</b>	<b>65,724,862</b>
<b>Investing activities</b>				
Proceeds from sale of property and equipment	18,33,35	130,346	42,546	309,704
Proceeds from disposal of equity investments	13	301,282	-	574,932
Net investment in money market	6	(365,630,713)	(232,894,049)	(52,237,935)
Purchase of property, equipment and intangible assets	16,18	(5,113,234)	(2,723,436)	(7,112,122)
Purchase of equity investments	13,14	-	-	(705,251)
Additions to investment property	15	-	(78,665)	(6,550)
<b>Net cashflows utilised in investing activities</b>		<b>(370,312,319)</b>	<b>(235,653,604)</b>	<b>(59,177,222)</b>
<b>Financing activities</b>				
Proceeds from loans and borrowings	26	25,230,635	7,267,086	7,744,264
Repayment of loans and borrowings	26	(20,077,742)	(6,950,621)	(3,644,650)
Lease payments	25	(233,695)	(530,630)	(451,284)
Dividends paid		(13,110,376)	(5,611,971)	(4,681,316)
<b>Net cashflows utilised in financing activities</b>		<b>(8,191,178)</b>	<b>(5,826,136)</b>	<b>(1,032,986)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>39,900,642</b>	<b>(8,952,286)</b>	<b>5,514,654</b>
Cash and cash equivalents at the beginning of the year	5	<b>11,135,330</b>	<b>19,864,021</b>	<b>10,868,466</b>
Effects of exchange rate fluctuations	31	-	223,595	3,480,901
<b>Cash and cash equivalents at the end of the year</b>	5	<b>51,035,972</b>	<b>11,135,330</b>	<b>19,864,021</b>



## 1. Reporting entity

Continental Holdings Plc (formerly Continental Holdings Limited) is a public company domiciled and incorporated in Malawi under the Companies Act, 2013 of Malawi. These consolidated historical financial information comprise the Company and its subsidiaries (collectively the “Group”). The Group is primarily involved in banking, stockbroking, commodities broking, portfolio management, property management and development and pension administration and services.

The physical address of the Company's registered office is, 1st Floor Ulimi House, Corner Glyn Jones Road & Sharpe Road, PO Box 1444, Blantyre, Malawi.

## 2. Basis of preparation

The consolidated historical financial information of the Group is for the years ended 31 December 2023, 31 December 2024 and 31 December 2025, and has been prepared for the purposes of this Prospectus.

### (a) Statement of compliance

The consolidated historical financial information have been prepared in accordance with the International Financial Reporting Standards (IFRS) 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.

### (b) Going concern basis of accounting

The consolidated historical financial information have been prepared on a going concern basis, which assumes that the Group will be able to meet its obligations as they fall due. An evaluation of whether there are conditions or events, considered in aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the consolidated historical financial information are issued (or within one year after the date that the consolidated historical financial information are available to be issued when applicable) is made. Management's evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the consolidated historical financial information are issued (or at the date that the consolidated historical financial information are available to be issued when applicable). When management identifies conditions or events that raise substantial doubt about an entity's ability to continue as a going concern, management reviews the business plans that are intended to mitigate those relevant conditions or events to alleviate the substantial doubt. Appropriate disclosures on the going concern status of the business are made.

### (c) Basis of measurement

The consolidated historical financial information are prepared on the historical cost basis, except for the following:

- Other financial assets and financial liabilities designated at fair value through profit or loss which are measured at fair value.
- Equity investments designated at fair value through other comprehensive income.
- Investment properties which are measured at fair value through profit or loss.

### (d) Functional and presentation currency

These consolidated historical financial information are presented in Malawi Kwacha which is the functional and presentation currency of the Group and Company. Except as indicated, the historical financial information presented in Malawi Kwacha has been rounded to the nearest thousand.

### (e) Use of estimates and judgements

The preparation of consolidated historical financial information in conformity with IFRSs, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements on the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effect on the amounts recognized in the consolidated historical financial information can be found in the following notes:-

#### **Note 8: Loans and advances to customers – impairment.**

The individual component of the total allowance for impairment applies to financial assets evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. In assessing collective impairment, the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred.

## 2. Basis of preparation (continued)

### (e) Use of estimates and judgements (continued)

Note 40: Fair value measurement. A number of Group's accounting policies and disclosures require the measurement of fair values, both of financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes the Finance Managers within the group who gets inputs from the Chief Treasury Officer and investment analysts who oversees all significant fair value measurements, including Level 3 fair values, and reports directly to the Group Financial Controller.

### (f) Basis of consolidation

#### (i) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an investee if it is exposed to, or, has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The historical Financial Statements of subsidiaries are included in the consolidated historical financial information from the date that control commences until the date that control ceases. Uniform accounting policies have been applied throughout the Group. In the Company's separate historical Financial Statements, investments in subsidiaries are carried at cost less impairment losses.

#### (ii) *Other equity Investments*

Equity investments in entities not controlled by the Group are recognised in the historical financial statements at cost and subsequently assessed for impairment losses which is booked through Profit or loss.

#### (iii) *Non-controlling interest*

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's interest therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests are allocated to non-controlling interests even if this results in the non-controlling interests having a deficit balance. Non-controlling interest are measured as the present ownership proportionate share in the recognised amounts of the acquirees' net assets.

#### (iv) *Loss of control*

When the group loses control over a subsidiary, it recognises the assets and liabilities of the subsidiary, and any related non-controlling Interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### (v) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (g) Comparative information

Certain comparative information has been reclassified to be in line with current year's presentation. The impact of the reclassification has been reported under note 3 (iii).

### (h) Changes in accounting policies

Unless stated otherwise, the Group has consistently applied the accounting policies as set out in note 3 to all periods presented in these consolidated historical financial information.

## 3. (i) New accounting standards and interpretations adopted as at 1 January 2025

The Group adopted the new accounting pronouncements which have become effective in 2025.

### **Amendments to IAS 21: Lack of Exchangeability**

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.



**3. (ii) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group**

At the date of authorisation of these consolidated historical financial information, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB.

None of these Standards or amendments to existing Standards have been adopted early by the Company.

**Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments**

The Amendments include:

- A clarification that financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social, and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The financial liabilities are currently being derecognised on the settlement date.

The group has assessed the impact of the amendments to the standard has on the primary consolidated historical financial information and notes to the consolidated historical financial information with a focus on timing of derecognition for financial liabilities settled through electronic payment systems across all material jurisdictions of operation. While the majority of the group's electronic settlement systems operate on a real-time basis, a limited number of systems involve a lag between instruction and settlement.

Given the low volume and value of transactions processed through non-real-time systems, this change in timing is not expected to have a material impact on the group's primary consolidated historical financial information or related notes. The group has therefore elected not to apply the accounting policy option to derecognise financial liabilities prior to the settlement date for qualifying electronic payment systems.

A review of other payment methods (including cheques, and debit cards) confirmed that existing recognition and derecognition policies already align with the requirements of the amendments.

**Amendments to IFRS 7 and IFRS 9- Contracts Referencing Nature-dependent Electricity**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity.

The amendments;

- ▶ Clarify the application of the 'own-use' requirements for in-scope contracts
- ▶ Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- ▶ Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The group does not expect that the amendments will have a material impact on its consolidated historical financial information.

**3. (ii) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group (continued)**

**Annual Improvements to IFRS Accounting Standards-Volume 11**

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026 and are not expected to have a material impact on the group's financial statements.

**IFRS 18: Presentation and Disclosure in Financial Statements**

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- ▶ present specified categories and defined subtotals in the statement of profit or loss
- ▶ provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- ▶ improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors anticipate that the application of IFRS 18 may have an impact on the company's financial statements once adopted.

**3. (iii) Impact of reclassification**

An amount of K72,527,938,000 relating to net trading income which was reflected as interest income in prior year has been reclassified to trading income; and similarly, a corresponding expense of K53,004,572,000 which was reflected as interest expense in prior year has been reclassified to trading income as well. The two amounts have been netted to K19,523,366,000 disclosed as net trading income.

The restatement has no impact on the Statement of Financial Position. It is a reclassification on the face of the Statement of Profit or Loss and Other Comprehensive income. The following is the effect of the reclassification on profit or loss for the year ended 31 December 2024.

<b>Classification</b>	<b>Note</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>Restated*</b>
Interest income	28	113,135,082	(72,527,938)	40,607,144
Interest expense	29	(74,165,430)	53,004,573	(21,160,857)
<b>Net interest income</b>		<b>38,969,652</b>	<b>(19,523,365)</b>	<b>19,446,287</b>
Fees and commissions	30	6,545,246	-	6,545,246
Investment income	34	201,171	-	201,171
Trading income	31	16,849,137	19,523,365	36,372,502
Trading expenses	32	(285,877)	-	(285,877)
<b>Net operating income</b>		<b>62,279,329</b>	<b>-</b>	<b>62,279,329</b>

\*Net income from financial assets at fair value through profit or loss is the difference between the ask and bid prices of the underlying asset. The spread being net of interest income and interest expense previously reported under notes 28 and 29 respectively has been reported under note 31. This change provides a more representative view of the trading book's economic impact and ensures alignment with the disclosure requirements of IFRS 7 Financial Instruments: Disclosures.

The above reclassification has no impact on income tax and capital ratios or liquidity for the group.



#### 4. Material accounting policies

(a) The accounting policies set out below have been applied consistently to all periods presented in these consolidated historical financial information and have been applied consistently by the Group.

#### (b) Foreign currency

##### **Foreign currency transactions**

Transactions in foreign currencies during the year are translated into Malawi Kwacha at spot exchange rates at the date of the transactions. Monetary assets and liabilities at the reporting date, which are expressed in foreign currencies, are translated into Malawi Kwacha at rates ruling at that date. The resulting differences from translation are recognised in the profit or loss in the year in which they arise.

#### (c) Property and Equipment

##### **(i) Measurement at recognition**

Property and equipment items are initially measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items of equipment.

The gain or loss on disposal of an item of equipment is determined by comparing the proceeds from disposal with the carrying amount of the equipment and is recognised in profit or loss. When revalued assets are sold, any related amount included in revaluation reserve is transferred to retained earnings.

##### **(ii) Subsequent expenditure**

The cost of replacing a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of equipment. All other expenditure is recognised in the profit or loss as an expense as incurred.

##### **(iii) Subsequent measurement**

After initial recognition, furniture and equipment is measured using the cost model of IAS 16.

##### **(iv) Depreciation**

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of items of equipment, and major components are accounted for separately.

The estimated useful economic lives are as follows:-

▶ Computers	2-3 years
▶ Equipment	4 years
▶ Furniture and fittings	5 years
▶ Motor vehicles	5 years
▶ Leasehold property	20 years

Depreciation methods, economic useful lives and residual values are re-assessed at each reporting date and if expectations differ from previous estimates, adjustments are made.

#### 4. Material accounting policies (continued)

##### (d) Investment property

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes. Investment property is measured at cost on initial recognition.

Subsequently, investment property is measured at fair value as determined by an independent registered valuer. Fair value is the price that would be received to sell or paid to transfer a liability in an orderly transaction.

Any gain or loss arising from a change in fair value is recognised in profit or loss.

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property and equipment is sold, any related amount included in revaluation reserve is transferred to retained earnings.

When the use of property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

##### ***Reclassification to investment property***

When the use of a property changes from owner-occupied to investment property, the property is remeasured at fair value and reclassified as investment property. Any gain on this re-measurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is recognised in other comprehensive income and reduces the revaluation surplus within equity.

##### (e) Intangible assets

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software is capitalised only if it is probable that the expected future economic benefits that are attributable to the asset flow to the group and the cost of the asset can be measured reliably. All other expenditure is expensed as it is incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date it is available for use.

The estimated useful life of software is 4-8 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### (f) Other receivables

Other financial receivables are measured at amortised cost using the effective interest method less impairment losses.

Other receivables comprise inter-branch accounts, interest receivables, prepayments and staff advances including debtors.

##### (g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are measured at amortised cost in the statement of financial position. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.



#### 4. Material accounting policies (continued)

##### (h) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the units on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss is recognised in profit or loss unless it concerns property carried at revalued amount in which case it is treated as a revaluation decrease. If the impairment loss exceeds the revaluation reserve in respect of the impaired asset, the excess is recognised in profit or loss.

A reversal of an impairment loss is recognised in profit or loss, unless it relates to property carried at revalued amounts, in which case the excess of the reversal over the amount recognised in profit or loss is treated as a revaluation increase.

##### (i) Employee benefits

###### (i) *Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due. The Group's pension fund is administered by Continental Pension Services Company Limited.

###### (ii) *Performance-related compensation benefits*

Bonuses received by employees are based on achieving budgeted profit for the year. The estimated amount of the bonus is recognised as an expense over the year that the bonus is earned.

###### (iii) *Employee share option scheme*

Senior management are entitled to participate in Employee share option scheme.

##### (j) Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

##### (k) Trade and other payables

Trade and other payables are initially measured at fair value less any directly attributable transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

##### (l) Investments in subsidiaries

Investments in subsidiaries are recognised in the consolidated historical financial information at cost less impairment losses

#### 4. Material accounting policies (continued)

##### (m) Liabilities to customers and other banks

When the group sells a financial asset and simultaneously enters into a “repo” or “stock lending” agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group’s consolidated historical financial information.

Deposits are initially measured at fair value plus directly attributable transaction costs. Subsequently, deposits are measured at their amortised cost using the effective interest method, except where the group chooses to account for the financial liabilities at fair value through profit or loss.

##### (n) Clients’ funds

Amounts credited in this client funds account represent receipt of funds from various clients for investment and other purposes. The interest and other income arising on the investment of such funds are also credited to the client funds account net of any related expenses.

##### (o) Financial instruments

###### Non-derivative financial assets and financial liabilities

###### Recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

###### Classification and initial measurement of financial assets

On initial recognition, financial assets are measured at fair value plus directly attributable transaction costs, unless the instrument is classified as at fair value through profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- ▶ amortised cost
- ▶ fair value through profit or loss (FVTPL)
- ▶ fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- ▶ the entity’s business model for managing the financial asset
- ▶ the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

###### Subsequent measurement of financial assets

###### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- ▶ they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- ▶ the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

###### Financial assets at FVTPL

###### Financial assets at FVTPL are:

- ▶ assets with contractual cash flows that are not SPPI; or/and
- ▶ assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- ▶ assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.



#### 4. Material accounting policies (continued)

##### (o) Financial instruments (continued)

###### **Classification and measurement of financial liabilities**

The Group's financial liabilities include borrowings, trade and other payables and other financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

###### **Derecognition**

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

###### **Offsetting**

Financial assets and liabilities are set off and the net amount presented in the statements of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

The Group has the following financial assets which are all classified as loans and receivables:

###### **Loans and Advances**

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the group does not intend to sell immediately or in the near term.

When the group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the arrangement is accounted for as a loan to the other party, and the underlying asset is not recognised in the Group's consolidated historical financial information.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method

###### **Cash and cash equivalents**

*Refer to policy note 4(g)*

The Group has the following financial liabilities:

###### **Loans and borrowings**

Loans and borrowings are initially measured at fair value less any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of the bond is recognised over the term of the bond in accordance with the effective interest method.

###### **Trade payables and accruals**

Trade payables are initially measured at fair value, being the amount expected to be incurred on settlement plus directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

###### **Amounts due to related parties**

Amounts due to related parties are initially measured at fair value, being the amount expected to be incurred on settlement plus directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

#### 4. Material accounting policies (continued)

##### (p) Leases

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (underlying asset) for a period in exchange of a consideration. The Group assesses the following three evaluations to determine whether the contracts above meet the definition of a lease contract:

- ▶ The contract should contain an identifiable asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- ▶ The Group obtains substantially all the economic benefits from the use of the asset throughout the period of use and within the scope of the agreed contracts.
- ▶ The Group has the right to direct the use of the identified asset throughout the period of use.

##### Measurement and recognition of right-of-use lease asset and lease liability

The Group as the Lessee recognizes the right-of-use asset and lease liability on the balance sheet at the lease commencement date. The right-of-use asset is measured at cost, being made up of the initial measurement of the lease liability, any indirect costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of lease, and any lease payments made in advance of the lease commencement date.

The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to earlier of the end of the useful life of the asset or at the end of lease term. It also assesses the asset for impairment if the indicators arise.

Lease liability at the lease commencement date, is measured at present value of the lease payments unpaid at that date, discounted using the incremental borrowing rate of the Group. The lease payments include the fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments.

##### Subsequent measurement

Lease liability is reduced by lease payments and increased by interest charges. It is also remeasured to reflect changes in fixed payments or any reassessment or modification. Such remeasurement of the lease liability results into corresponding adjustments in the right-of-use asset or in profit or loss if the asset is already at nil balance.

For all contracts of low value and less than 12 months, the Group elects to recognize the payments in relation to these as an expense in profit or loss on straight line basis over the lease term.

On the statement of financial position, the right-of-use asset and lease liability is disclosed separately from property and equipment; and other liabilities respectively.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

##### (q) Impairment of financial assets

##### Financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.



#### 4. Material accounting policies (continued)

##### (q) Impairment of financial assets (continued)

In applying this forward-looking approach, a distinction is made between:

- ▶ financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- ▶ financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- ▶ 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

##### Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

##### (r) Finance income and finance cost

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter year) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the group estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the profit or loss include:

- ▶ interest on financial assets and liabilities at amortised cost on an effective interest rate basis
- ▶ interest on available-for-sale investment securities on an effective interest rate basis.
- ▶ Interest expense on leases using an incremental borrowing cost

Interest income is suspended and hence not included in net interest income when the collection of loans becomes doubtful.

##### (s) Fees and commissions income

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, account service fees, investment management fees, sales commission, placement fees and syndication fees are recognised as the related services are performed.

##### (t) Income from investments

Income from investments includes dividend income, interest income and increase in fair value of investments.

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for available for sale securities.

Increase in fair value of investments designated at fair value through profit or loss includes all realised and unrealised fair value changes.

##### (u) Trading income

Trading income includes gains and losses from foreign exchange differences and gains and losses on trading assets and liabilities. Interest rate instruments include the results of making markets in government securities, corporate debt securities, money market instruments, interest rate and currency swaps, options and other derivatives. Trading income also includes gains from the trading of equity securities, equity derivatives such as swaps, options, futures and forward contracts. Trading income is recognised in the statement of comprehensive income on an accruals basis.

#### 4. Material accounting policies (continued)

##### (v) Other income

Other operating income includes gains or losses arising on translation of foreign exchange transactions and net gains on the sale of assets and is recognised on the accruals basis.

##### (w) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

##### **Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### **Deferred tax**

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- ▶ the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither the accounting or taxable profit or loss;
- ▶ differences relating to investments in subsidiaries and associates to the extent that it is probable that the group is able to control the timing of the reversal of the temporary differences and it is probable they will not reverse in the foreseeable future; and
- ▶ taxable temporary differences arising on the initial recognition of goodwill.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax jurisdiction on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

##### (x) Share capital

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity net of any tax effects.

##### (y) Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Where new equity shares have been issued by way of capitalisation or subdivision, the profit is apportioned over the shares in issue after the capitalisation or subdivision and the corresponding figures for all earlier periods are adjusted accordingly.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

##### (z) Financial guarantees

Financial guarantees, acceptances and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities, unless it is probable that the Group will be required to make payments under these instruments, in which case they are recognised as provisions.



#### 4. Material accounting policies (continued)

##### (aa) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continued use. Such assets, or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.

##### (ab) Investment funds

These are customer deposits which have been used to purchase money market investments by the Bank (CDH Investment Bank Limited) and they are held in safe custody on behalf of customers until they mature.

##### (ac) Trading and operating expenses

Trading and operating expenses are recognised in profit or loss on an accrual basis.

##### (ad) Subordinated liabilities

Subordinated liabilities are the group's sources of debt funding. These liabilities are initially measured at fair value less incremental direct transaction costs and are subsequently at amortised cost using the effective interest rate method except where the group designates liabilities at fair value through profit or loss.

#### 5. Cash and cash equivalents

See accounting policy note 4(g)

	Consolidated		
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Liquidity reserve deposit with Reserve Bank of Malawi	14,461,286	7,165,583	10,352,486
Cash balance with local banks	2,471	2,665	49,453
Cash balance with banks abroad	35,756,812	3,210,637	8,805,263
Cash balances	815,403	756,445	656,819
	<b>51,035,972</b>	<b>11,135,330</b>	<b>19,864,021</b>

#### Cash and cash equivalents

See accounting policy note 4(g)

	Company		
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
Liquidity reserve deposit with Reserve Bank of Malawi	-	-	-
Cash balance with local banks	336,197	42,173	4,979
Cash balance with banks abroad	-	-	-
Cash balances	50	50	50
	<b>336,247</b>	<b>42,223</b>	<b>5,029</b>

Funds with Reserve Bank of Malawi relate to CDH Investment Bank Ltd and includes funds held to meet the minimum Liquidity Reserve Requirement (LRR) of 10% (2024: 10%; 2023: 7.75%) of deposits. These funds are available for operations and they are monitored on a weekly basis to ensure that the balances do not fall below the LRR. Balances with foreign banks earn interest at negotiated rates between **+4% to +6%** (2024: +4% to +5%; 2023: +4% to +5%) whilst balances with local banks earn interest at bank rate **+6% to +23%** (2024: +6% to +23%; 2023: +6% to +23%).

#### 6. Money markets investments

Money market investments are in 2 categories;

- I. Money market investments measured at amortised cost
- II. Money market investments measured at fair value through profit or loss

These are analysed below

	Measured at <u>cost</u>	Measured <u>at fair value</u>	Total <u>Consolidated</u>
<b>Year ended 31 December 2025</b>	118,760,402	651,790,341	770,550,743
<b>Year ended 31 December 2024</b>	54,253,657	350,666,373	404,920,030
<b>Year ended 31 December 2023</b>	36,935,800	135,090,181	172,025,981

## 6. Money markets investments (continued)

6.1 Money markets investments measured at amortised cost	Consolidated		
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
<i>See accounting policy 4(o)</i>			
Margin trade facilities*	28,638,948	13,573,355	8,392,259
Government of Malawi Treasury Bills & Treasury Notes	88,315,336	40,368,931	28,386,531
Term deposit investments	3,337,743	311,371	157,010
Gross carrying amount	<b>120,292,027</b>	<b>54,253,657</b>	<b>36,935,800</b>
Allowance for impairment	<b>(1,531,625)</b>	-	-
<b>Total money market investments</b>	<b>118,760,402</b>	<b>54,253,657</b>	<b>36,935,800</b>
External Funding	-	-	-
Internal funding	118,760,402	54,253,657	36,935,800
	<b>118,760,402</b>	<b>54,253,657</b>	<b>36,935,800</b>

6.1 Money markets investments measured at amortised cost	Company		
	2025	2024	2023
<i>See accounting policy 4(o)</i>			
Margin trade facilities*	-	-	-
Government of Malawi Treasury Bills & Treasury Notes	-	-	-
Term deposit investments	264,924	308	8,579
<b>Total money market investments</b>	<b>264,924</b>	<b>308</b>	<b>8,579</b>
External Funding	-	-	-
Internal funding	264,924	308	8,579
	<b>264,924</b>	<b>308</b>	<b>8,579</b>

Part of the money market investments are held to maturity at amortised cost less impairment losses.

\*Margin trade facilities are advances to customers which are offered against collateral of listed equity or government issued paper. The facilities are running at the average rate of 33%.

6.2 Money markets investments measured at fair value through profit and loss	Consolidated		
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
<i>See accounting policy (4o)</i>			
Commercial papers	75,047,127	63,889,904	23,382,374
Medium- and short-term notes	576,743,214	286,776,469	111,707,807
<b>Total money market investments</b>	<b>651,790,341</b>	<b>350,666,373</b>	<b>135,090,181</b>
External Funding	575,246,654	312,162,696	120,257,083
Internal funding	76,543,687	38,503,677	14,833,098
	<b>651,790,341</b>	<b>350,666,373</b>	<b>135,090,181</b>

Part of the Money market investments are held for trading and designated to be measured at fair value through profit or loss.

7. Interbank placements	Consolidated		
	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2023
<i>See accounting policy note 4(o)</i>			
Interbank placements	<b>8,764,418</b>	<b>11,624,477</b>	<b>32,649,060</b>

Interbank placements include contracts with foreign and local banks and earn 5% to 8% (2024: 5%-7%: 2023: 5%-7%) in foreign currency and **6% to 23%**(2024: 6% to 23%: 2023: 6% to 23%) in local currency. The Directors consider that the carrying amount of interbank placements approximates their fair value. The balance of **MK8.8 billion** is due from NBS Bank Plc (2024: MK10.744 billion was due from the Reserve Bank of Malawi while MK0.880 billion was due from Afrexim Bank: 2023: MK15.6 billion was due from the Reserve Bank of Malawi while MK17 Billion was due from Ecobank Limited).



8. Loans and advances to customers	Consolidated		
	Year ended 31 December <u>2025</u>	Year ended 31 December <u>2024</u>	Year ended 31 December <u>2023</u>
<i>See accounting policy note 4(o)</i>			
<b>(i) Loans and advances</b>			
Personal and business loans	9,546,147	13,588,740	16,889,491
Corporate and investment loans	139,402,130	93,924,732	66,398,095
<b>Total gross loans and advances</b>	<b>148,948,277</b>	<b>107,513,472</b>	<b>83,287,586</b>
Interest receivable	11,870,620	4,871,968	2,191,720
Allowance for impairment	(5,551,289)	(6,251,277)	(1,796,868)
<b>Net loans and advances</b>	<b>155,267,608</b>	<b>106,134,163</b>	<b>83,682,438</b>
<b>(ii) Allowances for impairment</b>			
<b>Specific allowances for impairment:</b>			
Balance at the beginning of the year	(5,828,957)	(1,316,786)	(49,904)
charge for the year	346,841	(4,512,171)	(1,316,786)
Bad debts written off	-	-	49,904
<b>Balance as at 31 December</b>	<b>(5,482,116)</b>	<b>(5,828,957)</b>	<b>(1,316,786)</b>
<b>Collective allowances for impairment:</b>			
Balance at beginning of the year	(422,320)	(480,082)	(344,045)
Charge/reversal for the year	353,147	57,762	(136,342)
Restored to accrual	-	-	305
<b>Balance as at 31 December</b>	<b>(69,173)</b>	<b>(422,320)</b>	<b>(480,082)</b>
<b>Total allowance for impairment</b>	<b>(5,551,289)</b>	<b>(6,251,277)</b>	<b>(1,796,868)</b>

No Loans and advances to customers at Company/Separate level.

Loans and advances to customers earn interest at a range of the Malawi reference rate **+0.9% to +10.9%**. (2024 Malawi reference rate: **+0.9% to +10.9%**; 2023 Malawi reference rate: **+0.9% to +10.9%**). The net carrying value of loans and advances is considered a reasonable approximation of fair value.

The Malawi Reference Rate was introduced by the Reserve Bank of Malawi on 3<sup>rd</sup> May 2019 requiring all banks in Malawi to use it as the lending rate. The Rate is calculated based on the weighted average rates of the Lombard rate, 91-day Treasury Bill rate, interbank rate and savings accounts rate.

Information on financial risk management is included in note 40.

9. a) <b>Income tax recoverable</b>	Consolidated				Company	
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023
<i>See accounting policy note 4(w)</i>						
<b>Balance at 1 January</b>	(1,644,209)	(813,272)	(525,263)	(897,344)	(677,160)	(459,255)
Corporate tax charge for the year	19,557,582	56,149	189,887	-	-	-
Dividend tax	1,340,824	504,352	435,622	1,340,824	504,352	435,622
Transfers to/(from) tax payable	-	(543,417)	(95,781)	-	-	-
Tax paid during the year	(21,433,207)	(848,021)	(817,737)	(1,866,888)	(724,536)	(653,527)
<b>Balance at 31 December</b>	<b>(2,179,010)</b>	<b>(1,644,209)</b>	<b>(813,272)</b>	<b>(1,423,408)</b>	<b>(897,344)</b>	<b>(677,160)</b>
<b>b) Income tax payable</b>						
<i>See accounting policy note 4(w)</i>						
<b>Balance at 1 January</b>	460,002	1,628,380	1,637,768	-	-	-
Prior year adjustments	(1,466,005)	-	6,453,082	-	-	-
Corporate tax charge for the year	2,289,879	8,702,640	95,781	-	-	-
Transfers (to)/from tax receivable	-	543,417	(6,558,251)	-	-	-
Tax paid during the year	(449,759)	(10,414,435)	1,628,380	-	-	-
<b>Balance at 31 December</b>	<b>834,117</b>	<b>460,002</b>	<b>1,637,768</b>	<b>-</b>	<b>-</b>	<b>-</b>

The subsidiaries recognise income tax balances on net basis. However, Malawi does not have a group tax registration as such there is no legal right to offset liability from one subsidiary and asset from another as such tax assets and liabilities have been presently separately in consolidated historical financial information in consideration of the tax positions in the subsidiaries' respective historical financial information.

10. Other receivables	Consolidated			Company/Separate		
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023
<i>See accounting policy note 4(f)</i>						
Staff loans	673,761	359,030	387,416	53,580	35,445	47,786
Prepayments*	1,992,878	1,539,684	1,679,080	28,001	18,542	11,060
Accounts receivables	3,151,294	3,025,699	827,919	-	-	-
VAT Claimable	220,729	-	-	-	-	2,802
Sundry debtors	56,303	23,891	30,041	236	99	61,648
<b>Total other receivables</b>	<b>6,094,965</b>	<b>4,948,304</b>	<b>2,924,456</b>	<b>81,817</b>	<b>54,086</b>	<b>47,786</b>

\*Not a financial asset

The financial assets have been reported net of residual allowance for credit losses. Staff loans were advanced to staff members at interest rates in the range of 10.77% – 14.15% (2024: 9.96% – 14.07% : 2023: 11% -14%).

11. **Deferred tax (assets)/liabilities**  
*See accounting policy note 4(w)*

**Recognised deferred tax**

Deferred tax (assets) and liabilities are attributable to the following:

Consolidated	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Property and equipment	-	-	585,893	206,934	585,893	206,934
Tax losses	(243,058)	(67,477)	-	-	(243,058)	(67,477)
Unrealised fair value adjustment	-	-	2,223,088	422,659	2,223,088	422,659
Unrealised property fair value gains	-	-	262,774	30,570	262,774	30,570
Leases	-	(254,511)	483,050	-	483,050	(254,511)
General provisions	(674,212)	(203,921)	-	-	(674,212)	(203,921)
<b>Deferred tax (assets)/liabilities</b>	<b>(917,270)</b>	<b>(525,909)</b>	<b>3,554,805</b>	<b>660,163</b>	<b>2,637,535</b>	<b>134,254</b>

Consolidated	Assets		Liabilities		Net	
	2023	2023	2023	2023	2023	2023
Property and equipment	-	-	-	56,411	-	56,411
Tax losses	(302,136)	-	-	-	(302,136)	(302,136)
Unrealised fair value adjustment	(34,218)	-	-	-	(34,218)	(34,218)
Unrealised property fair value gains	-	-	-	160,635	-	160,635
Leases	(255,390)	-	-	-	(255,390)	(255,390)
General provisions	(151,058)	-	-	-	(151,058)	(151,058)
<b>Deferred tax (assets)/liabilities</b>	<b>(742,802)</b>	<b>-</b>	<b>-</b>	<b>217,046</b>	<b>(525,756)</b>	<b>(525,756)</b>

Company/Separate	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
Equipment	-	-	11,886	2,584	11,886	2,584
Tax losses	(212,344)	(67,477)	-	-	(212,344)	(67,477)
Leases	(9,930)	(95,170)	-	-	(9,930)	(95,170)
<b>Deferred tax (asset)/liability</b>	<b>(222,274)</b>	<b>(162,647)</b>	<b>11,886</b>	<b>2,584</b>	<b>(210,388)</b>	<b>(160,063)</b>

Company/Separate	Assets		Liabilities		Net	
	2023	2023	2023	2023	2023	2023
Equipment	-	-	-	743	-	743
Tax losses	(304,286)	-	-	-	(304,286)	(304,286)
Leases	(29,698)	-	-	-	(29,698)	(29,698)
<b>Deferred tax (asset)/liability</b>	<b>(333,984)</b>	<b>-</b>	<b>-</b>	<b>743</b>	<b>(333,241)</b>	<b>(333,241)</b>

Deferred tax balances within each subsidiary are presented on net basis. However, Malawi does not have a group tax legislation as such there is no legal right to offset tax liabilities and tax assets among group companies.



**11. Deferred tax (assets)/liabilities (continued)**

See accounting policy note 4(y)

**Year ended 31 December 2025**

<u>Movement during the year</u>	<u>Balance as at 01-Jan-</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Balance as at 31-Dec</u>
Property and equipment	206,934	378,959	-	585,893
Tax losses	(67,477)	(175,581)	-	(243,058)
Unrealised fair value adjustment	422,659	891,675	908,754	2,223,088
Unrealised asset revaluation gains	30,570	232,204	-	262,774
Leases	(254,511)	737,561	-	483,050
General provisions	(203,921)	(470,291)	-	(674,212)
<b>Deferred tax (liabilities)/assets</b>	<b>134,254</b>	<b>1,594,527</b>	<b>908,754</b>	<b>2,637,535</b>

**Year ended 31 December 2024**

<u>Movement during the year</u>	<u>Balance as at 01-Jan-</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Balance as at 31-Dec</u>
Property and equipment	56,411	150,523	-	206,934
Tax losses	(302,136)	234,659	-	(67,477)
Unrealised fair value adjustment	(34,218)	456,877	-	422,659
Unrealised asset revaluation gains	160,635	(130,065)	-	30,570
Leases	(255,390)	879	-	(254,511)
General provisions	(151,058)	(52,863)	-	(203,921)
<b>Deferred tax (liabilities)/assets</b>	<b>(525,756)</b>	<b>660,010</b>	<b>-</b>	<b>134,254</b>

**Year ended 31 December 2023**

<u>Movement during the year</u>	<u>Balance as at 01-Jan-</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Balance as at 31-Dec</u>
Property and equipment	37,410	19,001	-	56,411
Tax losses	(314,131)	11,995	-	(302,136)
Unrealised fair value adjustment	141,159	(175,377)	-	(34,218)
Unrealised asset revaluation gains	136,426	24,209	-	160,635
Leases	(114,767)	(140,623)	-	(255,390)
General provisions	(136,408)	(14,650)	-	(151,058)
<b>Deferred tax (liabilities)/assets</b>	<b>(250,311)</b>	<b>(275,445)</b>	<b>-</b>	<b>(525,756)</b>

**Company/Separate 2025**

<u>Movement during the year</u>	<u>Balance as at 01-Jan</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Balance as at 31-Dec</u>
Equipment	2,584	9,302	-	11,886
Tax losses	(67,477)	(144,867)	-	(212,344)
Leases	(95,170)	85,240	-	(9,930)
<b>Deferred tax (liability)/asset</b>	<b>(160,063)</b>	<b>(50,325)</b>	<b>-</b>	<b>(210,388)</b>

**Company/Separate 2024**

<u>Movement during the year</u>	<u>Balance as at 01-Jan-</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>Balance as at 31-Dec</u>
Property and equipment	56,411	150,523	-	206,934
Tax losses	(302,136)	234,659	-	(67,477)
Unrealised fair value adjustment	(34,218)	456,877	-	422,659
Unrealised asset revaluation gains	160,635	(130,065)	-	30,570
Leases	(255,390)	879	-	(254,511)
General provisions	(151,058)	(52,863)	-	(203,921)
<b>Deferred tax (liabilities)/assets</b>	<b>(525,756)</b>	<b>660,010</b>	<b>-</b>	<b>134,254</b>

**11. Deferred tax (assets)/liabilities (continued)**

See accounting policy note 4(y)

**Company/Separate**

**2023**

Movement during the year

Equipment	(994)	1,737	-	743
Tax losses	(306,554)	2,268	-	(304,286)
Leases	(33,808)	4,110	-	(29,698)
Unrealised scrip dividend	19,000	(19,000)	-	-
Deferred tax (liability)/asset	(322,356)	(10,885)	-	(333,241)

**12. Investments in subsidiaries**

See accounting policy note 4(l)

Set out below are the details of the subsidiaries held directly by Continental Holdings Plc:

Name of subsidiary	Proportion of ownership held by the Company at year end			Amount (at cost)		
	2025	2024	2023	2025	2024	2023
CDH Investment Bank Limited*	82.46%	82.46%	82.46%	3,975,245	3,975,245	3,975,245
Continental Asset Management Limited	100%	100%	100%	250,000	250,000	250,000
Continental Asset Management Nominees Limited	100%	100%	100%	20	20	20
Continental Capital Limited	100%	100%	100%	49,000	49,000	49,000
CDH Commodities Limited	100%	100%	100%	10,000	10,000	10,000
Continental Properties Limited	100%	100%	100%	10,000	10,000	10,000
Continental Pension Services Company Limited	100%	100%	100%	250,000	250,000	250,000
<b>Balance as at 31 December</b>				<b>4,544,265</b>	<b>4,544,265</b>	<b>4,544,265</b>

The investments in subsidiaries have been assessed for impairment and no loss has been recognised.

Summarised financial information for the subsidiaries before intragroup eliminations is set out below:

Subsidiary	2025		2024		2023	
	Profit before tax	Net assets	Profit before tax	Net assets	Profit before tax	Net assets
CDH Investment Bank Limited	63,780,402	75,794,758	32,267,575	46,045,090	17,187,672	28,627,289
Continental Asset Management Limited	5,680,837	7,389,871	1,038,737	2,921,711	693,688	1,898,182
Continental Properties Limited	1,772,883	2,439,859	279,233	1,118,730	176,781	735,871
Continental Capital Limited	1,866,024	1,463,175	849,429	965,570	169,891	370,589
Continental Pension Services Company	462,256	643,785	124,669	323,675	20,980	237,702

**13. Investment in listed equity**

See accounting policy note 2f(ii)

**Consolidated**

	Opening balance	Additions during the year	Disposals during the year	Net fair value gain	Balance as at 31-Dec
<b>As at 31 December 2025</b>					
Investment in listed shares (at fair value)	906,364	-	(301,282)	2,968,288	3,573,370
<b>As at 31 December 2024</b>					
Investment in listed shares (at fair value)	596,762	-	-	309,602	906,364
<b>As at 31 December 2023</b>					
Investment in listed shares (at fair value)	712,779	228,001	(574,932)	230,914	596,762



### 13. Investment in listed equity (continued)

See accounting policy note 2f(ii)

#### Listed equity investments per counter

##### Consolidated

Listed equity investment counter	Year ended 31 December 2025			Year ended 31 December 2024		
	Number of shares	Market price/share	Total Fair value	Number of shares	Market price/share	Total Fair value
Airtel Malawi plc	989,762	120.77	119,534	989,762	90.00	89,079
FMB Capital Holdings plc	404,973	3,197.86	1,295,046	421,750	555.00	234,071
National Bank of Malawi plc	63,822	11,995.63	765,585	79,976	3,462.17	276,891
NBS Bank Plc	1,142,606	913.76	1,044,068	1,185,295	174.07	206,324
Press Corporation Plc	40,000	8,728.43	349,137	40,000	2499.79	99,992
TNM Plc	-	-	-	300	24.99	7
<b>Total</b>			<b>3,573,370</b>			<b>906,364</b>

Listed equity investment counter	Year ended 31 December 2023		
	Number of shares	Market price/share	Total Fair value
Airtel Malawi plc	989,762	60.00	59,386
FMB Capital Holdings plc	421,750	315.00	132,851
National Bank of Malawi plc	79,976	2101.25	168,049
NBS Bank Plc	1,185,295	114.90	136,190
Press Corporation Plc	40,000	2506.99	100,280
TNM Plc	300	18.70	6
<b>Total</b>			<b>596,762</b>

### 14. Investment in unlisted equity

See accounting policy note 2f(ii)

Name of entity	Investing Group Company	2025	2024	2023
		Continental Asset Management Nominees Ltd (CAM Nominees Ltd)	Continental Holdings Ltd*	20
Investment in CDH Commodities Ltd	Continental Holdings Ltd**	10,000	10,000	10,000
Investment in Malawi Agricultural and Industrial Investment Corporation (MAIIC-80%)	CDH Investment Bank***	727,250	727,250	727,250
Investment in National Switch Limited (9% shareholding)	CDH Investment Bank****	111,000	111,000	111,000
<b>Balance as at 31 December</b>		<b>848,270</b>	<b>848,270</b>	<b>848,270</b>

The investments in unlisted entities are measured at cost and subsequently assessed for impairment.

These non-listed equity investments have been assessed for impairment and no impairment loss has been recognised on any of them.

#### \* Continental Asset Management Nominees Limited

In 2017 it was determined that assets and liabilities pertaining to Continental Asset Management Nominees Limited, which is 100% owned by Continental Holdings Plc should no longer be part of the consolidated historical financial information as Continental Asset Management Nominees Limited holds third party funds on trust for investment purposes. As at 31st December 2025, the net clients' funds were K1,114.1billion (2024: K436.3 billion: 2023: K303.8 billion).

#### \*\* CDH Commodities Ltd

The company which is 100% owned by Continental Holdings Plc was established to carry on business as a commodity broker; however, a resolution was passed effective 1 January 2014 to cease commodity brokerage operations and invest its capital in money market instruments while the company's strategic direction is reviewed.

The company has not actively traded since January 2014, has no staff members and its transactions are no longer significant to be subjected to a full external audit exercise and its attendant costs, consequently the Board resolved to exclude the financial statements of the company from the audit of the Group consolidated historical financial information and this resolution was with effect from the year ended 31st December 2021.

#### 14. Investment in unlisted equity (continued)

See accounting policy note 2f(ii)

##### \*\*\*Malawi Agricultural and Industrial Investment Corporation

CDHIB is a co-sponsor of the Government of Malawi initiated project to establish a National Development Financial Institution (DFI), which is the Malawi Agricultural and Industrial Corporation Plc (MAIIC). In line with the Memorandum of Agreement signed with the Government of Malawi, CDHIB made an initial investment of K250million into the ordinary share capital of MAIIC in 2022. In 2023 CDHIB injected an additional K477million to achieve its committed USD1million (K727.25million) capital injection into the ordinary share capital of MAIIC. The Government of Malawi will dilute its shareholding in MAIIC as more private investors come on board through the ongoing capital raising exercise by MAIIC.

##### \*\*\*\*National Switch Limited.

This represents CDH Investment Bank's portion of the investment in National Switch Limited following its establishment as required by the Reserve Bank of Malawi.

#### 15. Investment properties

See accounting policy 4(d)

Year ended 31 December 2025	Leasehold land	Buildings	Work in progress*	Total
<b>At valuation</b>				
Balance at 1 January	348,000	800,000	113,287	1,261,287
Additions during the year	-	-	-	-
Fair value gain	514,200	532,000	-	1,046,200
<b>Balance at 31 December</b>	<b>862,200</b>	<b>1,332,000</b>	<b>113,287</b>	<b>2,307,487</b>
<b>Analysed as follows:</b>				
Cost	6,599	407,126	113,287	527,012
Valuation gains	855,601	924,874	-	1,780,475
<b>Total</b>	<b>862,200</b>	<b>1,332,000</b>	<b>113,287</b>	<b>2,307,487</b>
<b>Year ended 31 December 2024</b>				
Balance at 1 January	295,000	662,148	34,622	991,770
Additions during the year	-	-	78,665	78,665
Fair value gain	53,000	137,852	-	190,852
<b>Balance at 31 December</b>	<b>348,000</b>	<b>800,000</b>	<b>113,287</b>	<b>1,261,287</b>
<b>Analysed as follows:</b>				
Cost	6,599	407,126	113,287	527,012
Valuation gains	341,401	392,874	-	734,275
<b>Total</b>	<b>348,000</b>	<b>800,000</b>	<b>113,287</b>	<b>1,261,287</b>
<b>Year ended 31 December 2023</b>				
Balance at 1 January	283,700	586,200	34,622	904,522
Additions during the year	-	6,550	-	6,550
Fair value gain	11,300	69,398	-	80,698
<b>Balance at 31 December</b>	<b>295,000</b>	<b>662,148</b>	<b>34,622</b>	<b>991,770</b>
<b>Analysed as follows:</b>				
Cost	6,599	407,126	34,622	448,347
Valuation gains	288,401	255,022	-	543,423
<b>Total</b>	<b>295,000</b>	<b>662,148</b>	<b>34,622</b>	<b>991,770</b>

\*Work in progress relates to the expenditure incurred on the preliminary works towards the development of plot Title Number Bwaila 16/13.

The fair value measurement of the investment properties at **MK2,307.5million** (2024: MK1,261.3million; 2023: MK991.8 million) has been categorised as Level 3 fair value based on inputs to the valuation techniques used.



**15. Investment properties (continued)**

*See accounting policy 4(d)*

The investment properties were valued in December 2025 on an open market value basis by Benard J. Mughogho MBA (Inst. & Corp. Gov.), BSc (Est. Mgmt.) a SIM Registered and Licensed Valuation Surveyor of Knight Frank, an independent valuer with no connection to the Company. The carrying values of the properties have been adjusted with the fair value gain and the resultant fair value gain net of tax has been credited in fair value reserve, which is not available for distribution until realised. .

The investment properties were valued in December 2024 on an open market value basis by Nickson S. C. Mwanyali BSc (Est. Man), Adv. Dip (Bus Mngt), MSIM a professional valuer of Garden City Properties, an independent valuer with no connection to the Company. The carrying values of the properties have been adjusted with the fair value gain and the resultant fair value gain net of tax has been credited in fair value reserve, which is not available for distribution until realised

The investment property was valued in December 2023 on an open market value basis by Rhemont S. Ngwira Bsc (Hons) Property Management, Dip (Real Estate) MSIM a professional valuer of MPICO, an independent valuer with no connection to the Company. The carrying values of the property have been adjusted with the fair value gain and the resultant fair value gain net of tax has been credited in fair value reserve, which is not available for distribution until realised.

**Valuation techniques and significant unobservable inputs**

The table below shows the valuation technique used in arriving at the fair values of the investment properties as well as the significant unobservable inputs used. The valuation experts adopted an open market value approach using comparative and investments methods.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between Key unobservable inputs and fair value measurement</b>
<p><b>Investment method</b>                      The valuation has been carried out using the open market value basis. In undertaking the valuation of the subject property, the valuation experts made their assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions coupled with evidence of demand within the vicinity of each respective property. The valuation experts have also taken into account size, location and other material factors.</p>	<ul style="list-style-type: none"> <li>• Expected market rental growth.</li> <li>• Occupancy rate.</li> <li>• Rent-free periods.</li> <li>• Risk-adjusted discount rates.</li> </ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• expected market rental growth were higher (lower);</li> <li>• the occupancy rates were higher (lower);</li> <li>• rent-free periods were shorter (longer);</li> </ul>

**16. Intangible assets**

See accounting policy note 4 (e)

	2025	Consolidated		Company/separate		2023
		2024	2024	2025	2024	
<b>Cost</b>						
At 1 January	455,944	469,386	467,756	-	830	830
Additions during the year	48,180	1,000	-	-	-	-
Disposals during the year	-	(14,442)	1,630	-	(830)	-
<b>Balance at 31 December</b>	<b>504,124</b>	<b>455,944</b>	<b>469,386</b>	<b>-</b>	<b>-</b>	<b>830</b>
<b>Amortisation and impairment losses</b>						
At 1 January	447,971	456,209	437,311	-	-	-
Charge for the year	10,119	5,374	18,898	-	-	-
Eliminated on disposal	-	(13,612)	-	-	-	-
<b>Balance at 31 December</b>	<b>458,090</b>	<b>447,971</b>	<b>456,209</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying amount</b>	<b>46,034</b>	<b>7,973</b>	<b>13,177</b>	<b>-</b>	<b>-</b>	<b>830</b>

Intangible assets relate to computer software and are recognised at cost less accumulated amortisation.

**17. Right of use assets**

See accounting policy note 4(p)

Consolidated	Right of Use Property	Right of use Equipment	Total
<b>Year ended 31 December 2025</b>			
<b>Cost</b>			
Balance as at 1 January	806,553	48,300	854,853
Lease remeasurements and modifications	307,477	17,191	324,668
Additions	2,575	-	2,575
Disposals during the year	(80,126)	(1,034)	(81,160)
<b>Balance at 31 December</b>	<b>1,036,479</b>	<b>64,457</b>	<b>1,100,936</b>
<b>Year ended 31 December 2024</b>			
<b>Cost</b>			
Balance as at 1 January	574,399	18,409	592,808
Lease remeasurements and modifications	187,027	(2,042)	184,986
Additions during the year	112,097	31,933	144,030
Disposals during the year	(66,970)	-	(66,970)
<b>Balance at 31 December</b>	<b>806,553</b>	<b>48,300</b>	<b>854,853</b>
<b>Year ended 31 December 2023</b>			
<b>Cost</b>			
Balance as at 1 January	1,120,761	14,748	1,135,509
Lease remeasurements and modifications	344,202	3,661	347,863
Additions during the year	-	-	-
Disposals during the year	(890,564)	-	(890,564)
<b>Balance at 31 December</b>	<b>574,399</b>	<b>18,409</b>	<b>592,808</b>
<b>Year ended 31 December 2025</b>			
<b>Accumulated Depreciation and impairment</b>			
Balance as at 1 January	410,185	20,708	430,893
Charge for the year	272,685	11,637	284,322
Eliminated on disposal	(80,647)	(1,034)	(81,681)
<b>Balance at 31 December</b>	<b>602,223</b>	<b>31,311</b>	<b>633,534</b>
<b>Year ended 31 December 2024</b>			
<b>Accumulated Depreciation and impairment</b>			
Balance as at 1 January	251,333	14,206	265,539
Charge for the year	225,188	6,502	231,690
Eliminated on disposal	(66,336)	-	(66,336)
<b>Balance at 31 December</b>	<b>410,185</b>	<b>20,708</b>	<b>430,893</b>
<b>Year ended 31 December 2023</b>			
<b>Accumulated Depreciation and impairment</b>			
Balance as at 1 January	648,007	8,232	656,239
Charge for the year	369,035	5,974	375,009
Eliminated on disposal	(765,709)	-	(765,709)
<b>Balance at 31 December</b>	<b>251,333</b>	<b>14,206</b>	<b>265,539</b>
<b>Carrying Amounts</b>			
At 31 December 2025	<b>434,256</b>	<b>33,146</b>	<b>467,402</b>
At 31 December 2024	<b>396,368</b>	<b>27,592</b>	<b>423,960</b>
At 31 December 2023	<b>323,066</b>	<b>4,203</b>	<b>327,269</b>



17. **Right of use assets (continued)**  
*See accounting policy note 4(p)*

**Company/Separate**

<b>2025</b>	<b>Right of use</b>	<b>Right of use</b>	<b>Right of use</b>	<b>Total</b>
<b>Cost</b>	<b>asset property</b>	<b>asset vehicles</b>	<b>equipment</b>	
Balance as at 1 January	149,696	696,280	14,613	860,589
Lease remeasurements and modifications	95,910	-	-	95,910
Additions during the year	-	1,204,206	-	1,204,206
<b>Balance at 31 December</b>	<b>245,606</b>	<b>1,900,486</b>	<b>14,613</b>	<b>2,160,705</b>

**2024**  
**Cost**

Balance as at 1 January	101,758	486,313	3,076	591,147
Lease remeasurements and modifications	-	209,967	-	209,967
Additions during the year	47,938	-	11,537	59,475
<b>Balance at 31 December</b>	<b>149,696</b>	<b>696,280</b>	<b>14,613</b>	<b>860,589</b>

**2023**  
**Cost**

Balance as at 1 January	82,684	451,954	3,076	537,714
Lease remeasurements and modifications	19,074	34,359	-	53,433
Additions during the year	-	-	-	-
<b>Balance at 31 December</b>	<b>101,758</b>	<b>486,313</b>	<b>3,076</b>	<b>591,147</b>

**Company/Separate**

**2025**

Accumulated depreciation and impairment				
Balance as at 1 January	91,274	661,287	4,614	757,175
Lease remeasurements and modifications	-	-	-	-
Charge for the year	48,870	235,696	3,077	287,642
<b>Balance at 31 December</b>	<b>140,144</b>	<b>896,983</b>	<b>7,691</b>	<b>1,044,818</b>

**2024**

Accumulated depreciation and impairment				
Balance as at 1 January	68,627	445,029	3,076	516,732
Lease remeasurements and modifications	-	-	-	-
Charge for the year	22,647	216,258	1,538	240,443
<b>Balance at 31 December</b>	<b>91,274</b>	<b>661,287</b>	<b>4,614</b>	<b>757,175</b>

**2023**

Accumulated depreciation and impairment				
Balance as at 1 January	39,414	205,365	2,344	247,123
Lease remeasurements and modifications	-	-	-	-
Charge for the year	29,213	239,664	732	269,609
<b>Balance at 31 December</b>	<b>68,627</b>	<b>445,029</b>	<b>3,076</b>	<b>516,732</b>

**Carrying amount**

<b>As 31 December 2025</b>	<b>105,462</b>	<b>1,003,503</b>	<b>6,922</b>	<b>1,115,887</b>
<b>At 31 December 2024</b>	<b>58,422</b>	<b>34,993</b>	<b>9,999</b>	<b>103,414</b>
<b>At 31 December 2023</b>	<b>33,131</b>	<b>41,284</b>	<b>-</b>	<b>74,415</b>

## 18. Property and Equipment

See accounting policy note 4(c)

Consolidated	Capital work in progress*	Computers	Leasehold property	Motor Vehicles**	Other equipment	Furniture & fittings	Total
<b>Year ended 31 December 2025</b>							
<b>Cost</b>							
Balance as at 1 January	2,039,071	1,478,161	5,088,310	2,679,568	898,708	764,379	12,948,197
Additions during the year	772,040	637,212	302,500	2,720,445	136,582	496,275	5,065,054
Disposals during the year	-	(53,522)	-	(727,058)	(8,371)	(81,570)	(870,521)
<b>Balance at 31 December</b>	<b>2,811,111</b>	<b>2,061,851</b>	<b>5,390,810</b>	<b>4,672,955</b>	<b>1,026,919</b>	<b>1,179,084</b>	<b>17,142,730</b>
<b>Year ended 31 December 2024</b>							
<b>Cost</b>							
Balance as at 1 January	823,133	496,117	5,088,310	2,694,118	659,161	805,073	10,565,912
Additions during the year	1,264,257	1,032,494	-	77,253	236,816	111,616	2,722,436
Transfers	(48,319)	-	-	-	48,319	-	-
Disposals during the year	-	(50,450)	-	(91,803)	(45,587)	(152,311)	(340,151)
<b>Balance at 31 December</b>	<b>2,039,071</b>	<b>1,478,161</b>	<b>5,088,310</b>	<b>2,679,568</b>	<b>898,708</b>	<b>764,379</b>	<b>12,948,197</b>
<b>Year ended 31 December 2023</b>							
<b>Cost</b>							
Balance as at 1 January	109,519	272,298	-	2,152,095	529,529	820,207	3,883,648
Additions during the year	713,614	317,266	5,088,310	805,871	169,761	15,670	7,110,492
Disposals during the year	-	(93,447)	-	(263,848)	(40,129)	(30,804)	(428,228)
<b>Balance at 31 December</b>	<b>823,133</b>	<b>496,117</b>	<b>5,088,310</b>	<b>2,694,118</b>	<b>659,161</b>	<b>805,073</b>	<b>10,565,912</b>
<b>Year ended 31 December 2025</b>							
	Capital work in progress	Computers	Leasehold property	Motor Vehicles	Other equipment	Furniture & fittings	Total
<b>Accumulated Depreciation and impairment</b>							
Balance as at 1 January	-	442,738	211,104	1,492,292	468,635	552,248	3,167,017
Charge for the year	-	502,345	159,041	550,738	153,455	102,774	1,468,353
Eliminated on disposal	-	(42,395)	(28,161)	(386,023)	(6,151)	(77,193)	(539,923)
<b>Balance at 31 December</b>	<b>-</b>	<b>902,688</b>	<b>341,984</b>	<b>1,657,007</b>	<b>615,939</b>	<b>577,829</b>	<b>4,095,447</b>
<b>Year ended 31 December 2024</b>							
<b>Accumulated Depreciation and impairment</b>							
Balance as at 1 January	-	249,937	21,201	1,211,710	378,525	626,322	2,487,695
Charge for the year	-	239,214	189,903	363,205	128,759	73,116	994,197
Eliminated on disposal	-	(46,413)	-	(82,623)	(38,649)	(147,190)	(314,875)
<b>Balance at 31 December</b>	<b>-</b>	<b>442,738</b>	<b>211,104</b>	<b>1,492,292</b>	<b>468,635</b>	<b>552,248</b>	<b>3,167,017</b>
<b>Year ended 31 December 2023</b>							
<b>Accumulated Depreciation and impairment</b>							
Balance as at 1 January	-	142,908	-	870,288	369,498	605,877	1,988,571
Charge for the year	-	185,755	21,201	508,653	42,652	49,827	808,088
Eliminated on disposal	-	(78,726)	-	(167,231)	(33,625)	(29,382)	(308,964)
<b>Balance at 31 December</b>	<b>-</b>	<b>249,937</b>	<b>21,201</b>	<b>1,211,710</b>	<b>378,525</b>	<b>626,322</b>	<b>2,487,695</b>
<b>Carrying Amounts</b>							
<b>At 31 December 2025</b>	<b>2,811,111</b>	<b>1,159,163</b>	<b>5,048,826</b>	<b>3,015,948</b>	<b>410,980</b>	<b>601,255</b>	<b>13,047,283</b>
<b>At 31 December 2024</b>	<b>2,039,071</b>	<b>1,035,423</b>	<b>4,877,206</b>	<b>1,187,276</b>	<b>430,074</b>	<b>212,130</b>	<b>9,781,180</b>
<b>At 31 December 2023</b>	<b>823,133</b>	<b>246,180</b>	<b>5,067,109</b>	<b>1,482,408</b>	<b>280,636</b>	<b>178,751</b>	<b>8,078,217</b>

\*The work in progress relates to an ICT project which the Bank is undertaking.

\*\*The estimated useful life of motor vehicles was re-assessed to five (5) years from the initial four (4) years as at 1 January 2024. The effect of this change has been applied prospectively as a change in accounting estimate in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.



**18. Equipment (continued)**  
**See accounting policy note 4(c)**

**Company/Separate**

<b>2025</b>	<b>Furniture &amp; fittings</b>	<b>Computers</b>	<b>Other equipment</b>	<b>Total</b>
<b>Cost</b>				
Balance as at 1 January	1,734	70,568	7,863	80,165
Additions during the year	-	89,676	-	89,676
Disposals	(405)	(23,539)	-	(23,944)
<b>Balance at 31 December</b>	<b>1,329</b>	<b>136,705</b>	<b>7,863</b>	<b>145,897</b>

**2024**

<b>Cost</b>				
Balance as at 1 January	1,734	54,036	7,313	63,083
Additions during the year	-	21,659	550	22,209
Disposals	-	(5,127)	-	(5,127)
<b>Balance at 31 December</b>	<b>1,734</b>	<b>70,568</b>	<b>7,863</b>	<b>80,165</b>

**2023**

<b>Cost</b>				
Balance as at 1 January	1,845	47,468	6,054	55,367
Additions during the year	1,328	22,083	1,400	24,811
Disposals	(1,439)	(15,515)	(141)	(17,095)
<b>Balance at 31 December</b>	<b>1,734</b>	<b>54,036</b>	<b>7,313</b>	<b>63,083</b>

**Company/Separate**

**2025**

**Accumulated depreciation and impairment**

Balance as at 1 January	848	43,301	6,454	50,603
Charge for the year	266	32,792	660	33,718
Eliminated on disposal	(405)	(20,158)	-	(20,563)
<b>Balance at 31 December</b>	<b>709</b>	<b>55,935</b>	<b>7,114</b>	<b>63,758</b>

**2024**

**Accumulated depreciation and impairment**

Balance as at 1 January	501	29,606	5,713	35,820
Charge for the year	347	16,032	741	17,120
Eliminated on disposal	-	(2,337)	-	(2,337)
<b>Balance at 31 December</b>	<b>848</b>	<b>43,301</b>	<b>6,454</b>	<b>50,603</b>

**2023**

**Accumulated depreciation and impairment**

Balance as at 1 January	1,641	28,878	5,041	35,560
Charge for the year	258	14,840	813	15,911
Eliminated on disposal	(1,398)	(14,112)	(141)	(15,651)
<b>Balance at 31 December</b>	<b>501</b>	<b>29,606</b>	<b>5,713</b>	<b>35,820</b>

**Carrying amount**

<b>At 31 December 2025</b>	<b>620</b>	<b>80,770</b>	<b>749</b>	<b>82,139</b>
At 31 December 2024	886	27,267	1,409	29,562
At 31 December 2023	1,233	24,430	1,600	27,263

19. Share capital and reserves	Consolidated and Separate/company		
	2025	2024	2023
<b>Authorised share capital</b>			
<i>See accounting policy note 4(x)</i>			
Opening balance at 1 January	200,000	200,000	200,000
<b>Closing balance at 31 December</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Issued and fully paid</b>			
Opening balance	167,402	167,402	167,402
Shared issues in the year	-	-	-
<b>Closing balance at 31 December</b>	<b>167,402</b>	<b>167,402</b>	<b>167,402</b>
167,401,912 ordinary shares of K1 each	167,402	167,402	167,402
<b>Share premium</b>			
Opening balance at 1 January	1,000,673	1,000,673	1,000,673
Shares issued in the year	-	-	-
Closing balance at 31 December	1,000,673	1,000,673	1,000,673
167,401,912 ordinary shares at K5.98 each	1,000,673	1,000,673	1,000,673
<b>Non-controlling interest</b>		<b>Consolidated</b>	
Opening balance	8,076,309	5,021,227	3,727,879
Profit for the year	7,580,916	4,127,885	1,954,069
Dividend paid	(2,362,824)	(1,072,803)	(660,721)
<b>Closing balance at 31 December</b>	<b>13,294,401</b>	<b>8,076,309</b>	<b>5,021,227</b>
<b>Fair value reserve- listed shares</b>		<b>Consolidated</b>	
Balance at 1 January (As previously stated)	1,002,220	559,880	739,078
Fair value gain on equity investments, net of tax	2,059,534	309,602	230,914
Fair value gain on investment properties	-	133,596	56,489
Transfer within reserves- listed shares	-	(858)	(466,601)
Transfer to retained earnings *	(504,837)	-	-
<b>Closing balance at 31 December</b>	<b>2,556,917</b>	<b>1,002,220</b>	<b>559,880</b>
<b>Retained earnings</b>			
	<b>Realised</b>	<b>Unrealised*</b>	<b>Total</b>
Balance at 1 January 2025	42,242,215	-	42,242,215
Transfer from Fair value reserve	-	504,837	504,837
Profit for the year	39,460,407	813,997	40,274,404
Dividend paid	(10,747,552)	-	(10,747,552)
<b>Balance at 31 December 2025</b>	<b>70,955,070</b>	<b>1,318,834</b>	<b>72,273,904</b>

\*The unrealized fair value reserve relates to investment property measured at fair value as per IAS 40. The related fair value gains are recognised in profit or loss and forms part of retained earnings. The accumulated fair value gains are not distributable until the underlying assets are disposed of.

#### Reconciliation of dividend declared and paid

	Consolidated			Company/Separate		
	2025	2024	2023	2025	2024	2023
<b>Balance at 1 January</b>	-	-	-	-	-	-
<b>Dividend declared</b>	13,110,376	5,611,971	4,681,315	-	4,539,168	4,020,595
<b>Dividend paid</b>	(13,110,376)	(5,611,971)	(4,681,315)	-	(4,539,168)	(4,020,595)
<b>Balance at 31 December</b>	-	-	-	-	-	-



## 20. Deposits from customers

See accounting policy note 4(n)

	Consolidated		
	2025	2024	2023
Term deposits	97,272,803	90,598,649	72,073,246
Foreign currency accounts	73,068,982	31,222,032	29,087,861
Current accounts	137,541,716	46,503,089	31,927,276
	<b>307,883,501</b>	<b>168,323,770</b>	<b>133,088,383</b>
Payable as follows:			
Maturing within 3 months	299,068,745	92,993,167	80,135,303
Maturing after 3 months but less than 12 months	8,814,756	75,330,603	52,953,080
	<b>307,883,501</b>	<b>168,323,770</b>	<b>133,088,383</b>

Interest on customer deposit balances ranged from **+0.1% to +26%** (2024: 0.25% to 23.5%; 2023: 0.25% to 13.5%)

There are no Deposits from customers at Company/Separate level.

## 21. Related party disclosures

The ultimate parent Company of the group is Continental Holdings Ltd incorporated in Malawi. Continental Asset Management Limited, Continental Capital Limited, CDH Investment Bank Limited, Continental Asset Management Nominees Limited, CDH Commodities Limited, Continental Pension Services Company and Continental Properties Limited are other related companies to Continental Holdings Plc through common shareholding.

In the normal course of business, a number of transactions are entered into with related parties and these include repurchase agreements, loans and provision of professional services charged at market rates.

Outstanding related party balances including related income and expenses for the year are as follows:

	Company/Separate		
	2025	2024	2023
<b>Amounts due to related parties</b>			
Continental Capital Limited	-	8,388	-
Continental Asset Management Limited	-	198,152	7,430
	<b>-</b>	<b>206,540</b>	<b>7,430</b>
<b>Amounts due from related parties</b>			
Continental Capital Limited	21,176	-	7,340
Continental Pension Services Company Limited	10,770	5,360	6,103
Continental Properties Limited	61,607	598,106	463,933
Continental Asset Management Ltd	33,279	-	-
Allowance for credit losses	(682)	(682)	(682)
	<b>126,150</b>	<b>602,784</b>	<b>476,694</b>

### Transactions with related parties

- Continental Pension Services Company manages the pension fund for the Group. Total administration fees on pension contributions were **K45.6million** in the year (2024: K32.4 million; 2023: K22.4 million). All levied fees were fully settled in the year.
- Continental Properties Limited provides vehicle leasing and property management services to Group companies. During the year the services offered and their fees were follows:

Year ended 31 December 2025	Motor vehicle	Property management	Total Fees
Related party	<u>Operating service</u>	<u>service</u>	<u>charged</u>
Continental Holdings Ltd	351,612	16,436	368,048
CDH Investment Bank	2,307,170	1,811	2,308,981
Continental Asset Management Ltd	356,207	59,895	416,102
Continental Capital Ltd	50,449	21,584	72,033
Continental Pension Services Company	31,882	4,549	36,431
<b>Total</b>	<b>3,097,320</b>	<b>104,275</b>	<b>3,201,595</b>
<b>Year ended 31 December 2024</b>			
<b>Related party</b>	<u>Motor vehicle</u>	<u>Property management</u>	<u>Total Fees</u>
	<u>Operating service</u>	<u>service</u>	<u>charged</u>
Continental Holdings Ltd	208,703	14,802	223,505
CDH Investment Bank	1,319,689	1,339	1,321,028
Continental Asset Management Ltd	223,541	35,428	258,969
Continental Capital Ltd	11,985	11,150	23,135
Continental Pension Services Company	23,216	3,511	26,727
<b>Total</b>	<b>1,787,134</b>	<b>66,230</b>	<b>1,853,364</b>

## 21. Related party disclosures (continued)

### Transactions with related parties (continued)

Year ended 31 December 2023	Motor vehicle <u>Operating service</u>	Property management <u>service</u>	Total Fees <u>charged</u>
Continental Holdings Ltd	226,808	14,735	241,543
CDH Investment Bank	1,112,938	1,355	1,114,293
Continental Asset Management Ltd	242,031	25,566	267,597
Continental Capital Ltd	17,915	7,721	25,636
Continental Pension Services Company	22,762	3,834	26,596
<b>Total</b>	<b>1,622,454</b>	<b>53,211</b>	<b>1,675,665</b>

Continental Holdings Plc charges management fees to its subsidiaries for technical support service rendered in assisting the group companies to implement their strategic plans. During the year management fees were charged as follows:

As at 31 December 2025	Opening <u>balance</u>	Fees <u>charged</u>	Amount <u>received</u>	<u>Balance</u>
Continental Asset Management Limited	-	883,347	(850,068)	33,279
Continental Capital Limited	-	477,485	(456,309)	21,176
Continental Pensions Services Company	5,360	23,874	(18,464)	10,770
Continental Properties Limited	598,106	541,975	(1,079,156)	60,925
<b>Total</b>	<b>603,466</b>	<b>1,926,681</b>	<b>(2,403,997)</b>	<b>126,150</b>

As at 31 December 2024	Opening <u>balance</u>	Fees <u>charged</u>	Amount <u>received</u>	<u>Balance</u>
Continental Asset Management Limited	-	675,187	(675,187)	-
Continental Capital Limited	7,340	364,966	(372,306)	-
Continental Pensions Services Company	6,103	18,248	(18,991)	5,360
Continental Properties Limited	463,933	492,704	(358,531)	598,106
<b>Total</b>	<b>477,376</b>	<b>1,551,106</b>	<b>(1,425,016)</b>	<b>603,466</b>

As at 31 December 2023	Opening <u>balance</u>	Fees <u>charged</u>	Amount <u>received</u>	<u>Balance</u>
Continental Asset Management Limited	-	589,777	(589,777)	-
Continental Capital Limited	7,413	291,050	(291,123)	7,340
Continental Pensions Services Company	1,114	15,939	(10,950)	6,103
Continental Properties Limited	24,543	430,378	9,012	463,933
<b>Total</b>	<b>33,070</b>	<b>1,327,144</b>	<b>882,838</b>	<b>477,376</b>

Related party balances and values of all direct transactions amongst related parties are eliminated on consolidation of the Group historical financial information.

Consolidated compensation to key management and directors remuneration

	Compensation to key management			Directors' remuneration		
	2025	2024	2023	2025	2024	2023
Short term employee benefits	3,226,591	2,415,684	1,881,578	-	-	-
Post-employment benefits	289,185	272,354	158,390	-	-	-
Directors' remuneration	-	-	-	872,866	486,645	382,794
	<b>3,515,776</b>	<b>2,688,038</b>	<b>1,603,730</b>	<b>872,866</b>	<b>486,645</b>	<b>382,794</b>

Advances to executive management include **MK921.01million** (2024: MK921.4million; 2023: MK 790.4million), which carry interest at about 50% (2024: 50%; 2023: 50%) of the prevailing prime lending rate of the bank and therefore is assessable to Fringe Benefit Tax. Interest bearing advances have been reported under loans and advances. All other transactions with related parties are carried out on an arm's length basis on normal commercial terms.



## 21. Related party disclosures (continued)

### (a) List of significant subsidiaries

The table below provides details of the significant subsidiaries of the Group.

	Principal place of business	Ownership interest		
		2025	2024	2023
CDH Investment Bank Limited	Malawi	82.46%	82.46%	82.46%
Continental Asset Management Limited	Malawi	100%	100%	100%
Continental Asset Management Nominees Limited	Malawi	100%	100%	100%
Continental Capital Limited	Malawi	100%	100%	100%
CDH Commodities Limited	Malawi	100%	100%	100%
Continental Properties Limited	Malawi	100%	100%	100%
Continental Pension Services Company	Malawi	100%	100%	100%

### (b) Non-Controlling Interest (NCI) in subsidiaries

The following table summarises the information relating to the Group's subsidiaries that have material non-controlling interest (NCI) before any intra-Consolidated eliminations.

	CDH Investment Bank Limited 2025	CDH Investment Bank Limited 2024	CDH Investment Bank Limited 2023
NCI percentage	17.54%	17.54%	17.54%
Total assets	974,234,095	535,766,357	310,706,518
Total liabilities	(898,439,337)	(489,721,267)	(282,079,230)
<b>Net assets</b>	<b>75,794,758</b>	<b>46,045,090</b>	<b>28,627,288</b>
Carrying amount of NCI	<b>13,294,401</b>	<b>8,076,309</b>	<b>5,021,226</b>

#### Reconciliation of NCI

	CDH Investment Bank Limited 2025	CDH Investment Bank Limited 2024	CDH Investment Bank Limited 2023
NCI percentage	17.54%	17.54%	17.54%
Opening balance	8,076,309	5,021,227	3,727,879
New capital investment adjustments	-	-	-
CDH Investment Bank Limited's Profit attributable to NCI	7,580,916	4,127,885	1,954,069
Dividend declared and paid to NCI	(2,362,824)	(1,072,803)	(660,721)
<b>Closing balance at 31 December</b>	<b>13,294,401</b>	<b>8,076,309</b>	<b>5,021,227</b>

## 22. Trade and other payables

See accounting policy note 4(k)	Consolidated			Company/separate		
	2025	2024	2023	2025	2024	2023
Audit fees	89,099	83,660	62,139	16,734	14,231	9,633
Bankers cheques issued but not cleared	129,083	84,631	634,004	-	-	-
Other payables	2,207,447	159,274	518,157	793,236	15,239	18,089
Pay As You Earn	75,819	100,744	107,795	54,486	52,235	46,034
Trade payables and accruals	8,282,724	4,145,681	1,954,252	5,861	53,412	31,738
Unclaimed customer balances	9,744	9,725	8,565	-	-	-
VAT Payable	287,476	78,864	37,568	21,965	18,004	-
Withholding tax payable	127,736	40,959	70,115	49,754	5,457	2,343
<b>Total</b>	<b>11,209,128</b>	<b>4,703,538</b>	<b>3,392,595</b>	<b>942,036</b>	<b>158,578</b>	<b>107,837</b>

Trade payables and accruals include pension contributions, Fringe Benefit Tax, TEVET levy, accrued Incentive pay and payments due to suppliers. All balances are short term and payable within 12 months.

The carrying amounts of these balances are considered a reasonable approximation of their fair value.

### b) Provisions

See accounting policy note 4(k)

	Consolidated	
	2024*	2023
At 1 January	208,150	144,149
Additions	168,888	140,686
Utilised during the year	(135,584)	(76,685)
<b>Balance at 31 December</b>	<b>241,454</b>	<b>208,150</b>

\*2024 Provisions, in 2025 were combined with Trade and other payables.

**23. Customer investment funds**  
See accounting policy note 4(n)

	Consolidated		
	2025	2024	2023
	575,246,654	314,344,540	120,257,083

This represents customer deposits for funding money market investments (financial asset investments) under Note 6. Interest on these deposits in the year ranged from **+1% to +24%** (2024: 1% to 24%; 2023: 1% to 24%). All are due for repayment within the next 12 months.

There are no Customer Investment Funds at Company/Separate level.

**24. Client and other third-party funds**  
See accounting policy note 4(o)

	Consolidated		
	2025	2024	2023
Opening balance 1 January	90,354	-	-
Additions	2,431,308	90,354	-
<b>Closing balance at 31 December</b>	<b>2,521,662</b>	<b>90,354</b>	<b>-</b>

These are funds payable on brokerage transactions that occurred before year end and were settled after year end. The balance mainly consists of transactions done with Fund managers.

**25. Lease liabilities**

See accounting policy note 4(p)

	Consolidated			Company/Separate		
	2025	2024	2023	2025	2024	2023
Balance at 1 January	163,626	97,493	243,591	420,646	173,409	403,284
Additions	366,007	500,500	-	1,204,206	59,475	-
Lease remeasurements and modifications	132,331	255	74,071	109,865	209,968	35,000
Interest charged during the year	101,330	96,008	231,115	280,994	27,007	16,942
Repayment	(335,025)	(530,630)	(451,284)	(866,723)	(49,213)	(281,817)
<b>Balance at 31 December</b>	<b>428,269</b>	<b>163,626</b>	<b>97,493</b>	<b>1,148,988</b>	<b>420,646</b>	<b>173,409</b>

The consolidated lease liabilities mainly relate to various leases for office and banking premises and residences for executive management. The lease periods range from 3 to 10 years. The Group uses the incremental borrowing rates when determining the lease liabilities.

The separate lease balance includes a balance of **K1,034.2 million** (2024: K359.6million: 2023: K130.4 million) relating to the motor vehicle operating lease agreement with Continental Properties Limited (a related company)

**26. Loans and borrowings**

See accounting policy note 4(o)

**Consolidated  
2025**

Description	Balance at 1 January	Addition	Interest charged	Amount Repaid	Balance at 31 December
Motor vehicle backed corporate bond	1,416,310	2,946,715	694,734	(2,482,802)	2,574,958
Listed equity backed corporate bonds	11,510,334	22,283,920	5,354,128	(17,594,940)	21,553,442
<b>Total</b>	<b>12,926,644</b>	<b>25,230,635</b>	<b>6,048,862</b>	<b>(20,077,742)</b>	<b>24,128,399</b>

**2024**

Description	Balance at 1 January	Addition	Interest charged	Amount Repaid	Balance at 31 December
Motor vehicle backed corporate bond	1,140,553	90,000	413,449	(227,692)	1,416,310
Listed equity backed corporate bond	8,321,079	7,177,086	2,735,098	(6,722,929)	11,510,334
<b>Total</b>	<b>9,461,632</b>	<b>7,267,086</b>	<b>3,148,547</b>	<b>(6,950,621)</b>	<b>12,926,644</b>

**2023**

Description	Balance at 1 January	Addition	Interest charged	Amount repaid	Balance at 31 December
Motor vehicle backed corporate bond	1,382,566	100,000	362,424	(704,437)	1,140,553
Listed equity backed corporate bond	2,242,695	7,644,264	1,374,333	(2,940,213)	8,321,079
<b>Total</b>	<b>3,625,261</b>	<b>7,744,264</b>	<b>1,736,757</b>	<b>(3,644,650)</b>	<b>9,461,632</b>



## 26 Loans and borrowings (continued)

Motor vehicle backed bonds relate to a five-year K5.5 billion corporate bond issued at par by Continental Properties Limited in June 2025 and arranged by Continental Capital Ltd to fund the purchase of additional motor vehicles for the operating lease service. This follows the full redemption of the existing corporate bonds as at 1 January 2025. Continental Asset Management Nominees Ltd were the initial 100% off-takers of the K5.5 billion bond. CAM Nominees Ltd subsequently sold all the rights and risks associated with the bond to Nico Asset Managers Limited. The coupon rate for this bond re-prices semi-annually with reference to the 364-day T-Bill plus a margin of 450 basis points. The rate is subject to a ceiling of the most recent inflation plus a margin of 300 basis points and a floor of the average 364 T-Bill for the recent six months. The bond is set to mature in 2030 and is secured by an Asset Undertaking and Negative Pledge issued by Continental Properties Limited. The Bond was initially recognised at fair value and is subsequently measured at amortised cost.

The listed equity backed bonds relate to three corporate bonds issued by Continental Capital Limited and backed by listed shares. The Bonds were issued in 2023 and 2024 and the proceeds were used to fund investments in Margin Trade Facilities to CCL's clients. Continental Asset Management Nominees Limited, NICO Asset Management Nominees and CDH Investment Bank are the off takers of these Corporate Bonds. The Corporate Bonds have a floating rate pegged to the average 182 days TB rate plus a margin of 380 basis points and re-price every six months. During the year the coupon on the bond averaged **30.8%** (2024: 32%: 2023: 25%). The facilities are secured by listed equity valued at **K290 billion** (2024: K31.1 billion: 2023: K16 Billion). The balance of **K4,425 million** and related interest income of **K219.6 million** (2024: K930.961 million and K126.335 million: 2023: Nil) relating to CDH Investment Bank has been eliminated on consolidation.

## 27. Contingencies

CDH Investment Bank (the Bank) conducts business involving acceptances, guarantees, performance bonds and indemnities, the majority of which are offset by corresponding obligations of third parties.

The contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers are as follows:

Contingent liabilities	2025	2024	2023
Financial guarantees	<u>2,694,079</u>	<u>14,087,982</u>	<u>749,428</u>

Contingencies in respect of guarantees and performance bonds issued will only crystallise into an asset and a liability in the event of default by the relevant counterparty.

Contingencies in respect of civil litigation and labour matters will crystallise into a liability only in the unlikely event of an unfavourable judgement in which case it is estimated that claims and litigation costs could amount to **MK135 million** (MK2024: K135 million: MK2023: K185 million).

## 28. Interest income

See accounting policy note 4(t)	Consolidated			Company/Separate		
	2025	2024	2023	2025	2024	2023
Loans and advances to banks	26,214,360	12,238,399	5,804,089	-	-	-
Loans and advances to customers	36,807,547	27,220,568	44,081,520	-	-	-
Money market investments	366,587	82,912	115,934	166,767	21,163	77,034
<b>Other interest income</b>	<b>12,677</b>	<b>8,617</b>	<b>7,431</b>	<b>6,122</b>	<b>6,506</b>	<b>5,483</b>
Total interest income before changes in fair value of financial assets	63,401,171	39,550,496	50,008,974	172,889	27,669	82,517
Changes in fair values	3,285,834	1,056,648	(114,059)	-	-	-
<b>Total interest income after changes in fair value of financial assets</b>	<b>66,687,005</b>	<b>40,607,144*</b>	<b>49,894,915</b>	<b>172,889</b>	<b>27,669</b>	<b>82,517</b>

Refer to Note 3. (iii) Impact of reclassification

## 29. Interest expenses

See accounting policy note 4(t)	Consolidated		
	2025	2024	2025
Deposits from other banks	5,092,408	2,784,142	1,802,653
Deposits from customers	31,534,056	18,376,715	12,767,872
Investment funds	-	-	16,690,597
<b>Total interest expense</b>	<b>36,626,464</b>	<b>21,160,857*</b>	<b>31,261,122</b>

\*Refer to Note 3. (iii) Impact of reclassification

There is no **Interest expenses** at company/separate level.

30 Fees and commissions <i>See accounting policy note 4(s)</i>	Consolidated			Company/Separate		
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Fund management fees	4,596,347	1,660,457	1,557,504	-	-	-
Commissions	3,483,896	1,546,945	2,132,605	-	-	-
Investment banking and advisory fees	3,273,084	3,291,194	2,002,232	-	-	-
Property management fees and rental income	51,960	46,650	60,800	-	-	-
Technical support fees	-	-	-	1,926,681	1,551,106	1,327,144
	<b>11,405,287</b>	<b>6,545,246</b>	<b>5,753,141</b>	<b>1,926,681</b>	<b>1,551,106</b>	<b>1,327,144</b>

31 Trading income <i>See accounting policy note 4(u)</i>						
Income from money market instruments	28,203,416	13,906,865	5,622,604	-	-	-
Net income trading spread**	32,248,028	19,523,365	-	-	-	-
Foreign exchange gains – forex trading and others	8,773,270	2,718,677	2,067,530	-	-	-
Foreign exchange gains – revaluation of nostros accounts	221,002	223,595	3,480,901	-	-	-
	<b>69,445,716</b>	<b>36,372,502</b>	<b>11,171,035</b>	-	-	-

Income from money market instruments represents gains on promissory notes, treasury bills, medium term and short-term notes.

Net income trading spread is the difference between the ask and bid prices of underlying traded assets and represents the compensation which Group received for executing fixed income trades during the year.

\*\*Net income from financial assets at fair value through profit or loss is presented net of directly attributable costs in the current year. This change provides a more representative view of the trading book's economic impact and ensures alignment with the disclosure requirements of IFRS 7 Financial Instruments: Disclosures

32 Trading expenses <i>See accounting policy note 4(ac)</i>	Consolidated			Company/Separate		
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023
Commissions and trading fees	656,137	285,877	116,951	-	-	-

33. Other income <i>See accounting policy note 4(v)</i>						
Sundry income	644,971	189,056	133,427	-	-	-
Profit/ (loss) on disposal of equipment	-	15,805	65,585	-	604	3,590
	<b>644,971</b>	<b>204,861</b>	<b>199,012</b>	-	<b>604</b>	<b>3,590</b>

34. Investment income <i>See accounting policy note 4(t)</i>						
Dividend income	19,106	10,319	17,475	13,408,238	5,043,520	4,356,217
Fair value gain on investment properties (Note 15)	1,046,200	190,852	80,698	-	-	-
<b>Total investment income</b>	<b>1,065,306</b>	<b>201,171</b>	<b>98,173</b>	<b>13,408,238</b>	<b>5,043,520</b>	<b>4,356,217</b>



35 Operating expenses See accounting policy note 4(ac)	Consolidated			Company/Separate		
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023
<b>(a) Administrative expenses</b>						
Auditor's remuneration - Audit fees	219,544	192,904	152,180	29,055	23,718	18,975
- Other expenses	15,410	16,097	9,737	-	3,132	1,358
- Non-claimable VAT	16,179	14,913	9,962	-	-	-
Annual General Meeting expenses	123,246	49,689	-	24,187	-	-
Bank charges	214,872	243,756	190,020	5,622	3,192	4,426
Business travel expenses	775,366	391,901	235,593	13,121	14,604	18,374
Communication costs	92,444	85,202	66,995	18,881	19,803	17,476
Consultancy fees	7,450	85,926	26,210	-	-	-
Depreciation and amortisation	1,762,794	1,231,261	1,183,772	321,360	257,563	267,296
Directors fees and expenses	872,866	486,645	382,794	31,104	28,148	55,694
FBT on staff loans	87,883	73,854	59,882	33,103	29,573	24,619
Insurance premiums	550,982	382,211	240,932	22,031	4,146	2,370
Loss on disposal	200,252	-	-	1,571	-	-
Legal fees	-	51,866	57,223	-	-	-
Marketing costs	1,118,748	578,361	408,494	38,394	24,751	24,179
Motor vehicles expenses	705,879	908,971	858,686	47,577	38,135	26,346
Office expenses	1,081,719	599,092	348,396	39,518	30,554	15,429
Office occupancy	716,216	489,035	420,896	44,918	36,826	31,040
Other expenses	100,808	775,139	35,522	13,955	-	-
Penalties	-	-	286,191	-	-	-
Software and IT expenses	3,214,972	2,264,455	1,225,682	25,144	8,382	4,744
Supervisory fees	410,797	88,820	-	-	-	-
Training expenses	655,204	300,680	190,069	99,778	38,040	22,360
	<b>12,943,631</b>	<b>9,310,778</b>	<b>6,389,236</b>	<b>809,319</b>	<b>560,567</b>	<b>534,686</b>
<b>(b) Personnel expenses</b>						
Contributions to defined contribution plan	1,557,780	584,898	417,737	75,716	58,326	43,295
Group life insurance premiums	733,258	232,320	133,415	131,617	88,044	64,365
Incentive bonus	8,496,696	3,395,715	1,827,494	690,363	129,429	86,711
Recruitment expenses	199,109	13,062	12,452	45	65	145
Salaries and wages	8,086,093	5,842,980	4,662,889	971,662	785,050	639,887
Staff allowances	67,899	145,909	67,726	26,215	8,389	7,651
Staff benefits	233,677	789,708	617,872	26,745	13,059	10,505
Tevet levy	27,580	20,897	15,439	11,165	8,428	6,399
	<b>19,402,092</b>	<b>11,025,489</b>	<b>7,755,024</b>	<b>1,933,528</b>	<b>1,090,790</b>	<b>858,958</b>
<b>Total operating expenses</b>	<b>32,345,723</b>	<b>20,336,267</b>	<b>14,144,260</b>	<b>2,742,847</b>	<b>1,651,357</b>	<b>1,393,644</b>

	Consolidated			Company/Separate		
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2023
<b>36 Financing cost</b>						
<i>See accounting policy note 4(r)</i>						
Finance costs originating from:						
Corporate bonds (Note 26)	694,734	413,449	362,424	-	-	-
Revolving loan (Note 26)	5,354,128	2,735,099	1,374,332	-	-	-
Interest on lease liabilities (Note 25)	101,330	96,007	231,115	280,994	27,007	16,942
	<b>6,150,192</b>	<b>3,244,555</b>	<b>1,967,871</b>	<b>280,994</b>	<b>27,007</b>	<b>16,942</b>
<b>37 Impairment reversals</b>						
<i>See accounting policy note 4(o)</i>						
Impairment recoveries/ (losses) on loans and advances (Note 8)	699,988	(4,454,409)	(1,453,128)	-	-	-
Impairment losses on government securities (Note 6.1)	(1,531,625)	-	(1,267)	-	-	-
Recoveries on non-loan receivables	-	11,699	80,000	-	-	-
	<b>(831,637)</b>	<b>(4,442,710)</b>	<b>(1,374,395)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>38. Income tax expenses</b>						
<i>See accounting policy note 4(w)</i>						
<b>(a) Recognised in profit or loss</b>						
<b>Current tax expense</b>						
Current year @ 30% (2024: 30%: 2023: 30%)	21,847,461	8,758,789	6,641,972	-	-	-
Dividend tax	1,340,824	504,352	436,617	1,340,824	504,352	435,622
<b>Deferred tax credit</b>						
Origination and reversal of temporary differences (Note 11)	1,594,527	660,010	(275,445)	(50,325)	173,178	(10,885)
<b>Total income tax expense</b>	<b>24,782,812</b>	<b>9,923,151</b>	<b>6,803,144</b>	<b>1,290,499</b>	<b>677,530</b>	<b>424,737</b>
<b>(b) Reconciliation of effective tax rate</b>						
Profit before income tax	<b>72,638,132</b>	<b>34,460,658</b>	<b>18,251,677</b>	<b>12,483,967</b>	<b>4,944,535</b>	<b>4,358,882</b>
Income tax using the income tax rate of 30% for the 1 <sup>st</sup> K5 billion and 40% on excess (2024: 1 <sup>st</sup> K10 billion and 40% on excess: 2023: 1 <sup>st</sup> K10 billion and 40% on excess)	21,791,439	10,338,197	5,475,503	3,745,190	1,483,361	1,307,664
Reduction in tax rate on dividend income	-	-	-	(2,681,648)	(1,008,704)	(871,243)
Increase in tax rate- tax on supernormal profits	5,944,213	2,226,757	718,767	-	-	-
<i>Tax effect of:</i>						
Non-deductible expenses	7,211,858	1,855,043	221,205	198,373	157,536	7,315
Tax-exempt income	(12,096,764)	(4,834,178)	(104,090)	-	-	-
Derecognition of previously recognised deductible/ (taxable) temporary differences	-	(142,198)	(19,000)	-	45,337	(19,000)
Other permanent differences	1,932,066	479,530	510,759	28,584	-	-
<b>Total income tax expense in statement of comprehensive income</b>	<b>24,782,812</b>	<b>9,923,151</b>	<b>6,803,144</b>	<b>1,290,499</b>	<b>677,530</b>	<b>424,737</b>



### 39. Basic and diluted earnings per share

The calculation of basic earnings per share was based on profit attributable to ordinary shareholders of the parent company of **MK40.27 billion** (2024: MK20.41billion: 2023: MK9.49 billion) and a weighted average number of ordinary shares **167,401,912** (2024:167,401,912: 2023: 167,401,912).

	Year ended 31 December 2025	Consolidated Year ended 31 December 2024	Year ended 31 December 2023
Profit for the year	47,855,320	24,537,507	11,448,533
Non-controlling interest	(7,580,916)	(4,127,885)	(1,954,069)
Profit attributable to owners of the parent company	<u>40,274,404</u>	<u>20,409,622</u>	<u>9,494,464</u>
Weighted average number of ordinary shares in issue (thousands)	167,402	167,402	167,402
Basic and diluted earnings per share (Kwacha/share)	<u><u>240.59</u></u>	<u><u>121.92</u></u>	<u><u>56.71</u></u>

### 40 Financial risk management

In compliance with IFRS 7- Financial Instruments disclosure. The Group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

#### **Risk Management Approach**

It is the Group's Boards of Directors ultimate responsibility for the establishment and monitoring of risk management framework through risk management committees of the board. The committees report regularly to the Board of Directors on its activities.

The asset and liability management committee (ALCO) is responsible for ensuring an equitable balance between the Group's assets and liabilities. These management committees meet regularly and reports to the Board Audit Risk and Compliance Committees (BARC)

The risk management frameworks are established to identify and analyse the risks faced by the Consolidated, to set appropriate risk management limits and controls and to monitor risks and adherence to limits. Review of the policies and systems are done regularly to reflect changes in market conditions and activities.

The Internal audit department plays a major role assisting the Board Audit Risk committees (BARC) of the Board in overseeing how management monitors compliance with risk management policies and procedures. The Internal audit department is an independent body that reports directly to the board and undertakes both regular and ad hoc reviews of risk management controls. CDH Investment Bank has a risk management department which is independent of those who accept risks in the Bank.

#### 40.1. Credit risk

The risk of a financial loss to the Group if a counterparty to a financial contract or transaction fails to fulfill their contractual obligation.

The Boards of Directors have policies put in place to monitor, on an ongoing basis, the management of credit risk. The Board has delegated responsibility for the management of credit risk to the credit committees which have oversight of the credit risk which includes:

Formulation of policies on an ongoing basis covering security requirements, credit assessment, risk grading and reporting compliance with regulatory and statutory requirements.

Reviewing and assessing credit risk by assessing all credit exposures and producing a credit risk report indicating the credit exposures of all clients including those who have exceeded their limits and repayments in arrears.

Establishing the authorization structure for approvals and renewal of credit facilities with authorization limits given to the head of the credit committee and larger credit limits requiring board approval.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is presented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position.

#### 40. Financial risk management (continued)

##### 40.1. Credit risk (continued)

###### **Maximum exposure to credit risk**

The table below shows the maximum exposure to credit risk by class of financial instrument. Financial instruments include those defined under IFRS 9 as well as other financial instruments not recognised. The Group's maximum exposure to credit risk in the table below is shown gross before the effect of master netting and collateral agreements.

	Note	Consolidated		
		As at 31 Dec-2025	As at 31 Dec-2024	As at 31 Dec-2023
Other receivables	10	4,102,087	3,408,620	1,245,376
Money market investments	6	772,082,368	404,920,030	172,025,981
Interbank placements	7	8,764,418	11,624,477	32,649,060
Loans and advances to customers	8	160,818,897	112,385,440	85,479,306
Amounts due from related parties	47	-	-	-
Cash and cash equivalents	5	51,035,972	11,135,330	19,864,021
<b>Total recognised financial instruments</b>		<b>996,803,742</b>	<b>543,473,897</b>	<b>311,263,744</b>

###### **Net exposure to credit risk without taking into account any collateral or other credit enhancements**

For certain financial assets, the Group has legally enforceable rights to offset them with financial liabilities. However, under normal circumstances there would be no intention of settling net or of realising the financial assets and settling the financial liabilities simultaneously. Consequently, the financial assets are not offset against the financial liabilities for financial reporting purposes. However, the exposure to credit risk relating to the respective financial instruments is mitigated as follows:

###### **Consolidated**

###### **At 31 December 2025**

	Note	Carrying amount	Offset	Net exposure to credit risk
Other receivables	10	4,102,087	-	4,102,087
Money market investments	6	770,550,743	-	770,550,743
Interbank placements	7	8,764,418	-	8,764,418
Net Loans and advances to customers	8	155,267,608	-	155,267,608
<b>Cash and cash equivalents</b>	<b>5</b>	<b>51,035,972</b>	<b>-</b>	<b>51,035,972</b>

###### **At 31 December 2024**

	Note	Carrying amount	Offset	Net exposure to credit risk
Other receivables	10	3,408,620	-	3,408,620
Money market investments	6	404,920,030	-	404,920,030
Interbank placements	7	11,624,477	-	11,624,477
Net Loans and advances to customers	8	106,134,163	-	107,065,124
<b>Cash and cash equivalents</b>	<b>5</b>	<b>11,135,330</b>	<b>-</b>	<b>11,135,330</b>

###### **At 31 December 2023**

	Note	Carrying amount	Offset	Net exposure to credit risk
Other receivables	10	1,245,376	-	1,245,376
Money market investments	6	172,025,981	-	172,025,981
Interbank placements	7	32,649,060	-	32,649,060
Net Loans and advances to customers	8	83,682,438	-	83,682,438
Cash and cash equivalents	5	19,864,021	-	19,864,021



#### 40. Financial risk management (continued)

##### 40.1. Credit risk (continued)

The Group's exposure to credit risk principally comprises Investment in securities, Interbank placements and loans and advances to customers analysed as follows:

##### Consolidated

<b>31 December 2025</b>	<b>Investment securities</b>	<b>Loans and advances to customers</b>	<b>Interbank placements</b>
<b>Classification of assets</b>	<b>As at 31 Dec-2025</b>	<b>As at 31 Dec-2025</b>	<b>As at 31 Dec-2025</b>
Stage 1 (12-month ECL)	772,082,368	123,323,686	8,764,418
Stage 2 (Lifetime ECL)	-	31,985,464	-
Stage 3 (Lifetime ECL)	-	5,509,747	-
Gross exposure to credit risk	772,082,368	160,818,897	8,764,418
Less: Allowance for impairment (notes 6 & 8)	(1,531,625)	(5,551,289)	-
<b>Balance</b>	<b>770,550,743</b>	<b>155,267,608</b>	<b>8,764,418</b>
<b>31 December 2024</b>	<b>Investment securities</b>	<b>Loans and advances to customers</b>	<b>Interbank placements</b>
<b>Classification of assets</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Stage 1 (12-month ECL)	404,920,030	95,464,135	11,624,477
Stage 2 (Lifetime ECL)	-	11,090,555	-
Stage 3 (Lifetime ECL)	-	5,830,750	-
Gross exposure to credit risk	404,920,030	113,316,401	11,624,477
Less: Allowance for impairment (notes 6 & 8)	-	(6,251,277)	-
<b>Balance</b>	<b>404,920,030</b>	<b>106,134,163</b>	<b>11,624,477</b>
<b>31 December 2023</b>	<b>Investment securities</b>	<b>Loans and advances to customers</b>	<b>Interbank placements</b>
<b>Classification of assets</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
Stage 1 (12-month ECL)	172,025,981	79,430,755	32,649,060
Stage 2 (Lifetime ECL)	-	-	-
Stage 3 (Lifetime ECL)	-	6,048,551	-
Gross exposure to credit risk	172,025,981	85,479,306	32,649,060
Less: Allowance for impairment (note 8)	-	(1,796,868)	-
<b>Balance</b>	<b>172,025,981</b>	<b>83,682,438</b>	<b>32,649,060</b>

Loans and advances in stage 2 and 3 comprise:

	<u>Consolidated</u>		
	<u>As at 31 Dec-2025</u>	<u>As at 31 Dec-2024</u>	<u>As at 31 Dec-2023</u>
30-60 days	25,502,515	-	-
>90 days	11,992,696	16,921,305	6,048,551
	<b>37,495,211</b>	<b>16,921,305</b>	<b>6,048,551</b>

#### 40. Financial risk management (continued)

##### 40.1. Credit risk (continued)

The table below shows movements in loss allowance for ECL:

<b>As at 31 Dec-2025</b>	<b>Stage 1 12-month ECL</b>	<b>Stage 2 Lifetime ECL</b>	<b>Stage 3 Lifetime ECL</b>
Opening balance as at 1 January	412,738	9,582	5,828,957
Movement due to increase in portfolio	-	-	-
Movement due to increase/(decrease) in credit risk	(352,153)	(994)	-
Movement due to write offs	-	-	-
(Movement due to recoveries	-	-	(346,841)
Closing balance as at 31 December 2025 (Loans)	<u>60,585</u>	<u>8,588</u>	<u>5,482,116</u>
Opening balance as at 1 January 2025	-	-	-
Movement due to decrease/increase in credit risk (Securities)	1,531,625	-	-
Closing balance as at 31 December 2025 (Securities)	<u>1,531,625</u>	<u>-</u>	<u>-</u>
<b>As at 31 Dec-2024</b>	<b>Stage 1 12-month ECL</b>	<b>Stage 2 Lifetime ECL</b>	<b>Stage 3 Lifetime ECL</b>
Opening balance as at 1 January	480,689	-	1,316,179
Movement due to increase in portfolio	-	-	-
Movement due to increase/(decrease) in credit risk	-	9,582	4,512,778
Movement due to write offs	-	-	-
Movement due to recoveries	(67,951)	-	-
<b>Closing balance as at 31 December</b>	<b><u>412,738</u></b>	<b><u>9,582</u></b>	<b><u>5,828,957</u></b>
<b>As at 31 Dec-2023</b>	<b>Stage 1 12-month ECL</b>	<b>Stage 2 Lifetime ECL</b>	<b>Stage 3 Lifetime ECL</b>
Opening balance as at 1 January	335,215	8,830	49,904
Movement due to increase in portfolio	145,474	-	1,316,179
Movement due to increase/(decrease) in credit risk	-	-	(49,904)
Movement due to write offs	-	-	-
Movement due to recoveries	-	(8,830)	-
<b>Closing balance as at 31 December</b>	<b><u>480,689</u></b>	<b><u>-</u></b>	<b><u>1,316,179</u></b>

An estimate of the fair value of collateral held against loans and advances to customers is shown below:

<b>Against neither past due nor impaired</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Property	8,531,860	8,195,170	13,542,613
Motor vehicles	5,822,743	759,734	2,529,176
Guarantees	94,062,065	83,249,454	51,155,719
Cash	5,155,105	4,276,503	4,205,804
Stocks	44,530,202	12,755,263	5,080,347
	<b><u>158,101,975</u></b>	<b><u>109,236,124</u></b>	<b><u>76,513,659</u></b>

The Group's policy is to pursue the timely realisation of the collateral in an orderly manner. The Group generally does not use the non-cash collateral for its own operations. The Group has not taken possession of any of the collateral.

##### Stage 3 - Impaired loans and securities

Impaired loans and securities are those in which there has been a significant increase in credit risk and default has occurred. The Group determines that it is probable that it will be unable to collect all principal and/or interest due according to the contractual terms of the loan / securities agreements.



#### 40. Financial risk management (continued)

##### 40.1. Credit risk (continued)

###### Stage 2 - Past due but not impaired loans

These are loans and securities where there has been a significant increase in credit risk to collect contractual interest or principal payments, but the Group believes that impairment is not appropriate either because there is adequate collateral, or the risk of default is remote.

###### Allowances for impairment

The Group establishes an allowance for impairment losses that represents its estimate of expected credit losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures.

###### Impairment policy

The Group writes off a loan/security balance (and any related allowances for impairment losses) when the Credit committee determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

The Group monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

Economic sector risk concentrations within the customer loan portfolio were as follows:

<b>Sector</b>	<b>Maximum Limit %</b>	<b>2025 % Limit</b>	<b>2024 % Limit</b>	<b>2023 % Limit</b>	<b>As at 31 Dec-2025</b>	<b>As at 31 Dec-2024</b>	<b>As at 31 Dec-2023</b>
Agriculture	20%	13%	15%	12%	22,262,231	16,478,205	10,639,705
Construction	5%	1%	2%	2%	1,050,046	1,882,909	1,505,060
Manufacturing	30%	24%	13%	6%	40,070,088	14,691,177	5,068,594
Wholesale and retail	55%	30%	34%	46%	45,064,256	38,514,398	39,344,913
Tourism and leisure	10%	3%	5%	8%	5,700,252	5,793,604	6,727,916
Transport	10%	0%	0%	1%	111,206	164,092	634,639
Community, social and personal services	30%	3%	9%	22%	4,832,408	8,821,196	18,903,330
Electricity, Gas, Water and Energy	35%	15%	17%	-	24,443,433	19,947,973	-
Others	10%	11%	5%	3%	17,284,977	6,091,886	2,655,149
		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>160,818,897</b>	<b>112,385,440</b>	<b>85,479,306</b>

#### 40. Financial risk management (continued)

##### 40.1 Credit risk (continued)

The risk that counterparties to trading instruments might default on their obligations is monitored on an on-going basis. When monitoring credit risk exposure, consideration is given to trading instruments with a positive fair value and the volatility of the fair value of trading instruments.

To manage the level of credit risk, the Group deals with counterparties of good credit standing, enters into master netting agreements whenever possible, and when appropriate, obtains collateral. Master netting agreements provide for the net settlement of contracts with the same counterparty in the event of default.

The Economical sector classifications were as follows:

<b>As at 31 Dec-2025</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Agriculture	22,262,231		
Construction	1,047,534	2,512	-
Manufacturing	28,602,943	11,467,145	-
Wholesale and retail	15,094,700	29,969,556	-
Tourism and leisure	226,818	23	5,473,411
Transport	111,183	23	-
Community, social and personal services	4,769,670	26,358	36,380
Electricity, Gas, Water and Energy	24,443,433	-	-
Others	17,284,532	445	-
Less: Allowance for impairment	(60,585)	(8,588)	(5,482,116)
	<u>113,782,459</u>	<u>41,457,474</u>	<u>27,675</u>

<b>As at 31 Dec-2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Agriculture	16,478,205	-	-
Construction	1,882,739	170	-
Manufacturing	3,635,672	11,055,505	-
Wholesale and retail	38,513,697	701	-
Tourism and leisure	-	270	5,793,364
Transport	164,043	49	-
Community, social and personal services	8,776,790	3,519	40,887
Electricity, Gas, Water and Energy	19,947,973	-	-
Others	6,086,285	5,571	-
Less: Allowance for impairment	(412,738)	(9,582)	(5,828,957)
	<u>95,072,666</u>	<u>11,056,203</u>	<u>5,294</u>

<b>As at 31 Dec-2023</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Agriculture	10,639,705	-	-
Construction	1,505,060	-	-
Manufacturing	5,068,594	-	-
Wholesale and retail	39,344,913	-	-
Tourism and leisure	679,365	-	6,048,551
Transport	634,639	-	-
Community, social and personal services	18,903,330	-	-
Others	2,655,149	-	-
Less: Allowance for impairment	(480,689)	-	(1,316,179)
	<u>78,950,066</u>	<u>-</u>	<u>4,732,372</u>

The geographic distribution of credit exposures was as follows

	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Concentration by region</b>			
South	82,001,255	48,555,102	40,823,889
Centre	78,817,642	63,830,338	44,655,417
<b>Total</b>	<u>160,818,897</u>	<u>112,385,440</u>	<u>85,479,306</u>

<b>Concentration by counterparty type</b>			
Corporate	146,782,310	94,626,653	65,463,495
Retail	14,036,587	17,758,787	20,015,811
<b>Total</b>	<u>160,818,897</u>	<u>112,385,440</u>	<u>85,479,306</u>



40. Financial risk management

40.1 Credit risk (continued)

**Credit quality per class of financial assets**

The credit quality of financial assets is managed by the Group. The table below shows the credit quality by class of financial asset for credit risk related items.

Consolidated	Note	Stage 1 12- Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Security against impaired loans	Net impairment
<b>As at 31 Dec-2025</b>							
<b>Credit quality</b>							
Money market investments	6	772,082,368	-	-	772,082,368	-	1,531,625
Interbank placements	7	8,764,418	-	-	8,764,418	-	-
Loans and advances to customers	8	123,323,686	31,985,464	5,509,747	160,818,897	9,224,731	5,551,289
<b>Total recognised financial instruments</b>		<b>904,170,472</b>	<b>31,985,464</b>	<b>5,509,747</b>	<b>941,665,683</b>	<b>9,224,731</b>	<b>7,082,914</b>
<b>As at 31 Dec-2024</b>							
<b>Credit quality</b>							
Money market investments	6	404,920,030	-	-	404,920,030	-	-
Interbank placements	7	11,624,477	-	-	11,624,477	-	-
Loans and advances to customers	8	95,459,842	11,091,347	5,834,251	112,385,440	9,224,731	6,251,277
<b>Total recognised financial instruments</b>		<b>512,004,349</b>	<b>11,091,347</b>	<b>5,834,251</b>	<b>528,929,947</b>	<b>9,224,731</b>	<b>6,251,277</b>
<b>As at 31 Dec-2023</b>							
<b>Credit quality</b>							
Money market investments	6	172,025,981	-	-	172,025,981	-	-
Interbank placements	7	32,649,060	-	-	32,649,060	-	-
Loans and advances to customers	8	79,430,755	-	6,048,551	85,479,306	7,963,675	1,796,868
<b>Total recognised financial instruments</b>		<b>284,105,796</b>	<b>-</b>	<b>6,048,551</b>	<b>290,154,347</b>	<b>7,963,675</b>	<b>1,796,868</b>

#### 40. Financial risk management (continued)

##### 40.1 Credit risk (continued)

The total expected credit losses for loans and advances as at 31 December 2025, 31 December 2024 and 31 December 2023 were as follows:

	As at 31 Dec-2025	As at 31 Dec-2024	As at 31 Dec-2023
Expected credit loss rate	3.50%	5.60%	2%
Gross carrying amount	<u>112,385,440</u>	<u>160,818,897</u>	<u>85,479,306</u>
Lifetime expected credit loss	<u>6,251,277</u>	<u>5,551,289</u>	<u>1,796,868</u>

##### Maximum exposure to credit risk without taking into account any collateral

The table below shows the maximum exposure to credit risk by class of financial instrument. Financial instruments include financial instruments defined and recognised under IFRS 9 *Financial Instruments* as well as other financial instruments not recognised. The maximum exposure is presented gross, before the effect of mitigation through the use of master netting and collateral agreements.

Gross maximum exposure	Note	Consolidated		
		2025	2024	2023
Cash held with the Reserve Bank of Malawi	5	14,461,286	7,165,583	10,352,486
Cash held with local banks	5	2,471	2,665	49,453
Cash held with banks abroad	5	35,756,812	3,210,637	8,805,263
Cash balances	5	815,403	756,445	656,819
Money market investments	6	772,082,368	404,920,030	172,025,981
Interbank placements	7	8,764,418	11,624,477	32,649,060
Loans and advances to customers:				
- Personal and business loans	8	9,546,147	13,588,740	16,889,491
Corporate and Investment Banking:				
- Corporate and investment loans	8	<u>139,402,130</u>	<u>93,924,732</u>	<u>66,398,095</u>
<b>Total recognised financial instruments</b>		<u><b>980,831,035</b></u>	<u><b>535,193,309</b></u>	<u><b>307,826,648</b></u>
Financial guarantees	27	<u>2,694,079</u>	<u>14,087,982</u>	<u>749,428</u>
<b>Total unrecognised financial instruments</b>		<u><b>2,694,079</b></u>	<u><b>14,087,982</b></u>	<u><b>749,428</b></u>
<b>Total credit risk exposure</b>		<u><b>983,525,114</b></u>	<u><b>549,281,291</b></u>	<u><b>308,576,076</b></u>

##### Collateral held and other credit enhancements and their financial effect

The Group hold collateral and other credit enhancements against certain of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

Type of credit exposure	2025	2024	2023	Principle type of collateral held
Loans and advances to banks	%	%	%	
- Inter-bank placement	100	100	100	Marketable securities
Loans and advances to retail customers				
- Personal loans	2	2	2	Cash and property
- Loan advances to corporate customers				Property and equipment, Commercial property floating charges over corporate assets
	85	85	88	



#### 40. Financial risk management (continued)

##### 40.1 Credit risk (continued)

###### Loan and advances to corporate customers

The general credit worthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees.

Because the Group's focus is on corporate customers' creditworthiness, the Group does not routinely update the valuation of collateral held against all loans to corporate customers. Valuation of collateral is updated when the credit risk of a loan deteriorates significantly and the loan is monitored more closely for impairment and the Group also obtains appraisals of the underlying collateral. At 31 December 2025, the net carrying amount of impaired loans and advances to corporate customers amounted to **MK5.5 billion** (2024: MK5.8 billion: 2023: MK6 billion) and the value of identifiable collateral held against those loans and advances amounted to **MK9.2billion** (2024:MK 8 billion: 2023:MK 7.9 billion).

In addition to the collateral included in the table above, the Group also holds other types of collateral and credit enhancements such as second charges for which specific values are not generally available.

The Group policy is to pursue timely realisation of the collateral in an orderly manner. The Group generally does not use the non-cash collateral for its own operations and instead this actively marketed for sale to the public.

40. Financial risk management (continued)  
40.1 Credit risk (continued)

As at 31 Dec - 2025

Type of collateral or credit enhancement

Fair value of collateral and credit enhancements held

Financial assets at amortised cost	Note	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held							Total collateral	Net exposure	% of exposure subject to collateral requirements	Associated ECL
			Cash	Securities	Government guarantees	Property	Other						
Cash held with the Reserve Bank of Malawi	5	14,461,286	-	-	-	-	-	-	-	(14,461,286)	-	-	
Cash held with local banks	5	2,471	-	-	-	-	-	-	-	(2,471)	-	-	
Cash held with foreign banks	5	35,756,812	-	-	-	-	-	-	-	(35,756,812)	-	-	
Cash balances	5	815,403	-	-	-	-	-	-	-	(815,403)	-	-	
Margin trade facilities	6	28,638,948	28,638,948	-	-	-	-	-	28,638,948	-	-	-	
Government of Malawi Treasury Bills & Treasury Notes	6	88,315,335	-	-	88,315,335	-	-	-	88,315,335	-	100%	1,531,625	
Term deposit investments	6	,337,743	-	-	-	-	-	-	-	(3,337,743)	-	-	
Interbank placements	7	8,764,418	-	8,764,418	-	-	-	-	8,764,418	-	100%	-	
Personal and business loans													
-Other loans and advances	8	9,546,147	5,155,105	-	-	-	2,483,983	-	7,639,088	(1,907,059)	80%	69,173	
-Corporate and Investment Banking:													
-Corporate and investment loans	8	139,402,130	-	-	94,062,065	5,994,460	34,111,145	134,167,670	134,167,670	(5,234,460)	96%	5,482,116	
<b>Total financial assets at amortised cost</b>		<b>329,040,693</b>	<b>33,794,053</b>	<b>8,764,418</b>	<b>182,377,400</b>	<b>8,478,443</b>	<b>34,111,145</b>	<b>267,525,459</b>	<b>(61,515,234)</b>			<b>7,082,914</b>	
Investments measured at fair value through profit or loss	6	651,790,341	-	-	651,790,341	-	-	-	651,790,341	-	100%	N/A	
<b>Total financial instruments at fair value through profit or loss</b>		<b>651,790,341</b>	<b>-</b>	<b>-</b>	<b>651,790,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>651,790,341</b>	<b>-</b>	<b>100%</b>	<b>N/A</b>	
Financial guarantees	27	2,694,079	2,694,079	-	-	-	-	-	2,694,079	-	100%	N/A	
<b>Total credit risk exposure</b>		<b>983,525,113</b>	<b>36,488,132</b>	<b>8,764,418</b>	<b>834,167,741</b>	<b>8,478,443</b>	<b>34,111,145</b>	<b>922,009,879</b>	<b>(61,515,234)</b>				



40. Financial risk management (continued)  
40.1 Credit risk (continued)

As at 31 Dec-2024

Type of collateral or credit enhancement	Note	Fair value of collateral and credit enhancements held							Total collateral	Net exposure	% of exposure subject to collateral requirements	Associated ECL
		Maximum exposure to credit risk	Cash	Securities	Government guarantees	Property	Other					
<b>Financial assets at amortised cost</b>												
Cash held with the Reserve Bank of Malawi	5	7,165,583	-	-	-	-	-	-	(7,165,583)	-	-	-
Cash held with local banks	5	2,665	-	-	-	-	-	-	(2,665)	-	-	-
Cash held with foreign banks	5	3,210,637	-	-	-	-	-	-	(3,210,637)	-	-	-
Cash balances	5	756,445	-	-	-	-	-	-	(756,445)	-	-	-
Margin trade facilities	6	13,573,355	13,573,355	-	-	-	-	13,573,355	-	100%	-	-
Government of Malawi Treasury Bills & Treasury Notes	6	40,368,931	-	-	40,368,931	-	-	40,368,931	-	100%	-	-
Term deposit investments	6	311,371	-	-	-	-	-	-	(311,371)	-	-	-
Interbank placements	7	11,624,477	-	11,624,477	-	-	-	11,624,477	-	100%	-	-
Personal and business loans												
-Other loans and advances	8	13,588,740	4,276,503	-	-	2,167,865	759,734	7,204,102	(6,384,638)	53%	422,320	-
-Corporate and Investment Banking:												
-Corporate and investment loans	8	93,924,732	-	-	83,249,454	6,027,305	11,824,302	101,101,061	7,176,329	108%	5,828,957	-
<b>Total financial assets at amortised cost</b>		<b>184,526,936</b>	<b>17,849,858</b>	<b>11,624,477</b>	<b>123,618,385</b>	<b>8,195,170</b>	<b>12,584,036</b>	<b>73,871,926</b>	<b>(10,655,010)</b>		<b>6,251,277</b>	
Investments measured at fair value through profit or loss	6	350,666,373	-	-	350,666,373	-	-	50,666,373	-	100%	N/A	-
<b>Total financial instruments at fair value through profit or loss</b>		<b>350,666,373</b>	<b>-</b>	<b>-</b>	<b>350,666,373</b>	<b>-</b>	<b>-</b>	<b>50,666,373</b>	<b>-</b>	<b>100%</b>	<b>N/A</b>	<b>-</b>
Financial guarantees	27	14,087,982	14,087,982	-	-	-	-	14,087,982	-	100%	N/A	-
<b>Total credit risk exposure</b>		<b>549,281,291</b>	<b>31,937,840</b>	<b>11,624,477</b>	<b>474,284,758</b>	<b>8,195,170</b>	<b>12,584,036</b>	<b>38,626,281</b>	<b>(10,655,010)</b>			

#### 40.2. Liquidity risk

This is the risk that the Group will encounter difficulties in meeting obligations associated with its financial liabilities. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate assets at reasonable prices and in a timely manner.

##### Management of Liquidity risk

The Asset and Liabilities Committees of Management (ALCO) are responsible for managing overall liquidity by setting guidelines and limits for anticipated liquidity gaps. Liquidity position is monitored on a daily basis to ensure sufficient liquidity. ALCO continually assesses liquidity risk by identifying and monitoring changes in funding requirements for business operations.

The tables below show an analysis of the Group's assets and liabilities into relevant maturity rankings based on the remaining period to the contractual maturity date as at 31 December 2025. The maturity rankings will not agree directly to the balances in the respective Statements of financial position as the maturity rankings incorporate cash flows on a contractual, undiscounted basis based on the maturity contractual dates.

The tables below show the undiscounted cash flows on the Group's financial assets and liabilities on the basis of their earliest possible contractual maturity. Out of these, 20% are demand deposits and overdrafts, and are classified in the 'up to one-month' category with the balance in the 1-3 years category as the Group's expected cash flows on these instruments varies significantly from their contractual maturity profile.

The Asset liability committee (ALCO) of CDH Investment Bank manages liquidity gaps by setting guidelines and limits for anticipated liquidity gaps and monitors these gaps daily. The committee reviews product and customer behavioural assumptions when there is indication of a shift in one or more variables such as changes in maturity dates and expected residual balances to maturity.

For the financial services, the Group developed a model which assesses the liquidity gaps based on actual customer placement patterns which are different from the contractual patterns. The Group's ALCO reviews the liquidity gaps based on Customers placement patterns on a monthly basis.

The Reserve Bank of Malawi has issued the following guidelines on the management of liquidity:

- Liquidity Ratio 1: Net liquidity (total liquid assets less suspense accounts in foreign currency) divided by total deposits must be at least 25% percent (2024:25 percent: 2023: 25 Percent).
- Liquidity Ratio 2: Net liquidity (total liquid assets less suspense account in foreign currency and cheques in the course of collection) divided by total deposits must be at least 20 percent.

Liquidity Ratios 1 and 2 for CDH Investment Bank were as specified below:

	<u>Consolidated and Separate</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Liquidity Ratio I	64.07%	49.50%	56.03%
Liquidity Ratio II	64.07%	49.50%	56.03%

For the Property development and management business, the Group manages liquidity gap by matching the facility maturities with the related billing cycles of the revenue generating assets to reduce or eliminate the cashflow.



40. Financial risk management (continued)

40.2. Liquidity risk (continued)

As at 31 Dec-2025

Consolidated

Assets	Note	Total carrying amount	Cash inflow/(outflow)	Up to 1 Month	1 - 6 Months	6 - 12 Months	Over 1 year
Equity Investments	13	3,573,370	3,752,039	562,805	750,406	938,012	1,500,816
Investment in unlisted equity instruments	14	848,270	848,270	-	-	-	848,270
Cash and cash equivalents	5	51,035,972	51,035,972	51,035,972	-	-	-
Money market Investments	6	770,550,743	788,417,733	70,405,402	150,742,117	192,703,806	374,566,408
Other receivables	10	4,102,087	4,102,087	4,102,087	-	-	-
Loans and advances to customers	8	155,267,608	160,818,897	34,263,968	50,038,775	28,376,651	48,139,503
Interbank placements	7	8,764,418	8,764,418	8,764,418	-	-	-
<b>Total assets</b>		<b>994,142,468</b>	<b>1,017,739,416</b>	<b>169,134,652</b>	<b>201,531,298</b>	<b>222,018,469</b>	<b>425,054,997</b>
<b>Liabilities</b>							
Deposits from customers	20	307,883,501	307,883,501	307,883,501	-	-	-
Customer investment funds	23	575,246,654	592,504,054	319,546,212	180,272,097	75,001,076	17,684,669
Client and other third-party funds	24	2,521,662	2,521,662	2,521,662	-	-	-
Lease liabilities	25	428,269	428,269	119,915	107,067	85,654	115,633
Loans and borrowings	26	24,128,399	24,128,399	-	7,226,050	6,021,709	10,880,640
Trade and other payables	22	11,209,128	11,209,128	11,209,128	-	-	-
<b>Total liabilities</b>		<b>921,417,613</b>	<b>938,675,013</b>	<b>641,280,418</b>	<b>187,605,214</b>	<b>81,108,439</b>	<b>28,680,942</b>
<b>Liquidity gap</b>		<b>72,724,855</b>	<b>79,064,403</b>	<b>(472,145,766)</b>	<b>13,926,084</b>	<b>140,910,030</b>	<b>396,374,055</b>

40. Financial risk management (continued)

40.2. Liquidity risk (continued)

As at 31 Dec-2024

Consolidated

<b>Assets</b>	<b>Note</b>	<b>Carrying amount</b>	<b>Cash inflow/ (outflow)</b>	<b>Up to 1 Month</b>	<b>1 - 6 Months</b>	<b>6 - 12 Months</b>	<b>Over 1 year</b>
Equity Investments	13	906,364	951,682	142,752	190,336	237,921	380,673
Investment in unlisted equity instruments	14	848,270	848,270	-	-	-	848,270
Cash and cash equivalents	5	11,135,330	11,135,330	11,135,330	-	-	-
Money market Investments	6	404,920,030	417,067,631	41,706,763	50,048,116	33,365,410	291,947,342
Other receivables	10	3,408,620	3,408,620	3,408,620	-	-	-
Loans and advances to customers	8	106,134,163	112,385,440	27,911,145	4,241,622	15,238,883	64,993,790
Interbank placements	7	11,624,477	11,624,477	-	-	-	-
<b>Total assets</b>		<b>538,977,254</b>	<b>557,421,450</b>	<b>95,929,087</b>	<b>54,480,074</b>	<b>48,842,214</b>	<b>358,170,075</b>
<b>Liabilities</b>							
Deposits from customers	20	168,323,770	168,323,770	168,323,770	-	-	-
Deposits from other financial institutions	21						
Customer investment funds	23	314,344,540	318,116,674	10,993,095	216,211,119	71,171,979	19,740,481
Client and other third-party funds	24	90,354	90,354	90,354	-	-	-
Lease liabilities	25	163,626	163,626	-	65,450	98,176	-
Loans and borrowings	26	12,926,644	12,926,644	-	610,755	6,533,817	5,782,072
Trade and other payables	22	4,462,084	4,462,084	4,462,084	-	-	-
<b>Total liabilities</b>		<b>500,311,018</b>	<b>504,083,152</b>	<b>183,869,303</b>	<b>216,887,324</b>	<b>77,803,972</b>	<b>25,522,553</b>
<b>Liquidity gap</b>		<b>38,666,236</b>	<b>53,338,298</b>	<b>(87,940,216)</b>	<b>(162,407,250)</b>	<b>(28,961,758)</b>	<b>332,647,522</b>



40. Financial risk management (continued)

40.2. Liquidity risk (continued)

As at 31 Dec-2023  
Consolidated

<b>Assets</b>	<b>Note</b>	<b>Carrying amount</b>	<b>Cash inflow/ (outflow)</b>	<b>Up to 1 Month</b>	<b>1 - 6 Months</b>	<b>6 - 12 Months</b>	<b>Over 1 year</b>
Equity Investments	13	596,762	626,600	93,990	125,320	156,650	250,640
Investment in unlisted equity instruments	14	848,270	848,270	-	-	-	848,270
Cash and cash equivalents	5	19,864,021	19,864,021	19,864,021	-	-	-
Money market Investments	6	172,025,981	180,627,280	48,058,433	21,863,258	40,601,335	70,104,254
Other receivables	10	1,245,376	1,245,376	1,245,376	-	-	-
Loans and advances to customers	8	83,682,438	88,364,427	21,815,439	3,838,878	11,910,759	50,799,351
Interbank placements	7	32,649,060	32,649,060	32,649,060	-	-	-
<b>Total assets</b>		<b>310,911,908</b>	<b>324,225,034</b>	<b>123,726,319</b>	<b>25,827,456</b>	<b>52,668,744</b>	<b>122,002,515</b>
<b>Liabilities</b>							
Deposits from customers	20	133,088,383	133,088,383	133,088,383	-	-	-
Deposits from other financial institutions	21	20,353,052	20,353,052	20,353,052	-	-	-
Customer investment funds	23	120,257,083	121,700,168	35,043,996	51,876,286	27,227,877	7,552,009
Lease liabilities	25	97,493	97,493	-	38,997	58,496	-
Loans and borrowings	26	9,461,632	9,934,714	-	2,931,387	3,371,940	3,631,387
Trade and other payables	22(a)	3,392,595	3,392,595	3,392,595	-	-	-
Subordinated liability	27	1,600,000	1,600,000	-	-	-	1,600,000
<b>Total liabilities</b>		<b>288,250,238</b>	<b>290,166,405</b>	<b>191,878,026</b>	<b>54,846,670</b>	<b>30,658,313</b>	<b>12,783,396</b>
<b>Liquidity gap</b>		<b>22,661,670</b>	<b>34,058,629</b>	<b>(68,151,707)</b>	<b>(29,019,214)</b>	<b>22,010,431</b>	<b>109,219,119</b>

#### 40. Financial risk management (continued)

##### 40.2. Liquidity risk (continued)

As at 31 Dec-2025

Company/Separate

Assets

	Note	Carrying amount	Cash inflow/ (outflow)	Up to 1 Month	1 - 6 Months	6 – 12 Months	Over 1 year
Investment in unlisted equity	14	10,020	10,020	-	-	-	10,020
Cash and cash equivalents	5	336,247	336,247	336,247	-	-	-
Money market Investments	6	264,924	264,924	-	264,924	-	-
Other receivables	10	53,816	53,816	10,763	5,382	8,072	29,599
Amount due from related parties	21	126,150	126,150	126,150	-	-	-
<b>Total assets</b>		<b>791,157</b>	<b>791,157</b>	<b>473,160</b>	<b>270,306</b>	<b>8,072</b>	<b>39,619</b>

Liabilities

Trade and other payables	22	942,036	942,036	192,814	749,222	-	-
Lease liabilities	25	1,148,988	1,148,988	-	13,531	434,028	701,429
<b>Total liabilities</b>		<b>2,091,024</b>	<b>2,091,024</b>	<b>192,814</b>	<b>762,753</b>	<b>434,028</b>	<b>701,429</b>

Liquidity gap

		<b>(1,299,867)</b>	<b>1,299,867)</b>	<b>280,346</b>	<b>(492,447)</b>	<b>(425,956)</b>	<b>(661,810)</b>
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As at 31 Dec-2024

Separate

Assets	Note	Carrying amount	Cash inflow/ (outflow)	Up to 1 Month	1 - 6 Months	6 – 12 Months	Over 1 year
Investment in unlisted equity	14	10,020	10,020	-	-	-	10,020
Cash and cash equivalents	5	42,223	42,223	42,223	-	-	-
Money market Investments	6	308	308	308	-	-	-
Other receivables	10	35,444	35,444	3,544	5,317	7,089	19,494
Amount due from related parties	21	602,784	602,784	602,784	-	-	-
<b>Total assets</b>		<b>690,779</b>	<b>690,779</b>	<b>648,859</b>	<b>5,317</b>	<b>7,089</b>	<b>29,514</b>

Liabilities

Trade and other payables	22	158,578	158,578	158,578	-	-	-
Lease liabilities	25	420,646	420,646	231,355	189,291	-	-
Amount due to related parties	21	206,540	206,540	206,540	-	-	-
<b>Total liabilities</b>		<b>785,764</b>	<b>785,764</b>	<b>596,473</b>	<b>189,291</b>	-	-

Liquidity gap

		<b>(94,985)</b>	<b>(94,985)</b>	<b>52,386</b>	<b>(183,974)</b>	<b>7,089</b>	<b>29,514</b>
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As at 31 Dec-2023

Separate

Assets	Note	Carrying amount	Cash inflow/ (outflow)	Up to 1 Month	1 - 6 Months	6 – 12 Months	Over 1 year
Investment in unlisted equity	14	10,020	10,020	-	-	-	10,020
Cash and cash equivalents	5	5,029	5,029	5,029	-	-	-
Money market Investments	6	8,579	8,579	8,579	-	-	-
Other receivables	10	50,588	50,588	3,287	7,671	10,958	28,672
Amount due from related parties	47	476,694	476,694	476,694	-	-	-
<b>Total assets</b>		<b>550,910</b>	<b>550,910</b>	<b>493,589</b>	<b>7,671</b>	<b>10,958</b>	<b>38,692</b>

Liabilities

Trade and other payables	22	107,837	107,837	107,837	-	-	-
Lease liabilities	25	173,409	173,409	86,705	86,705	-	-
Amount due to related parties	47	7,430	7,430	7,430	-	-	-
<b>Total liabilities</b>		<b>288,676</b>	<b>288,676</b>	<b>201,972</b>	<b>86,705</b>	-	-

Liquidity gap

		<b>262,234</b>	<b>262,234</b>	<b>291,618</b>	<b>(79,034)</b>	<b>10,958</b>	<b>38,692</b>
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#### 40. Financial risk management (continued)

##### 40.3. Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and other price risk will affect the income or the value of the Group's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on risk.

##### 40.3.1 Interest rate risk

Interest rate risk is generally referred to as the exposure of the net interest income to adverse movements in interest rates as a result of assets and liabilities re-pricing at different times which has therefore a direct impact on the interest margins. The Group adopted a policy of ensuring that its exposure to changes in interest rates is on a fixed rate basis. All of the financial assets and liabilities of the Group are rate sensitive and have been reported at fair value.

Asset and Liabilities Committees monitor the movement of interest rates and take necessary precautions to hedge.

The sensitivity impact is based on a 5% movement in interest rates adjusted for the corporate income tax rate of 30%, making it effectively 70% of the 5% increase or decrease.

As at 31 Dec-2025- Consolidated	Note	Fixed rate instruments					Total
		Zero rate	Floating rate	0 - 6 Months	6 - 12 months	Over 12 months	
<b>Assets</b>							
Cash and equivalents	5	51,035,972	-	-	-	-	51,035,972
Money markets investments	6	-	74,694,406	145,322,639	211,210,580	339,323,118	770,550,743
Loans and advances to customers	8	-	155,267,608	-	-	-	155,267,608
Interbank placements	7	-	-	8,764,418	-	-	8,764,418
<b>Total Assets</b>		<b>51,035,972</b>	<b>229,962,014</b>	<b>154,087,057</b>	<b>211,210,580</b>	<b>339,323,118</b>	<b>985,618,741</b>
<b>Liabilities</b>							
Deposits from customers	20	-	-	302,952,140	4,931,361	-	307,883,501
Customer investment funds	23	-	-	575,246,654	-	-	575,246,654
Lease liabilities	25	-	428,269	-	-	-	428,269
Loans and borrowings	26	-	24,128,399	-	-	-	24,128,399
<b>Total Liabilities</b>		<b>-</b>	<b>24,556,668</b>	<b>878,198,794</b>	<b>4,631,361</b>	<b>-</b>	<b>907,686,823</b>
<b>Interest Sensitivity Gap</b>		<b>51,035,972</b>	<b>205,405,346</b>	<b>(724,111,737)</b>	<b>206,279,219</b>	<b>339,323,118</b>	<b>77,931,918</b>
Impact on increase of interest by 5% post profit net of tax		1,786,259	7,189,187	(25,343,911)	7,219,773	11,876,309	2,727,617
Impact on decrease of interest by 5% post profit net of tax		(1,786,259)	(7,189,187)	25,343,911	(7,219,773)	(11,876,309)	(2,727,617)

40. Financial risk management (continued)

40.3.1 Interest rate risk (continued)

As at 31 Dec-2024

Consolidated

Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 - 6 Months	6 - 12 months	Over 12 months	
Cash and equivalents	5	11,135,330	-	-	-	-	11,135,335
Money markets investments	6	-	55,305,537	21,201,508	74,830,316	253,582,663	404,920,030
Loans and advances to customers	8	-	106,134,163	-	-	-	106,134,163
Interbank placements	7	-	-	11,624,477	-	-	11,624,484
Total Assets		<b>11,135,330</b>	<b>161,439,700</b>	<b>32,825,985</b>	<b>74,830,316</b>	<b>253,582,663</b>	<b>533,813,994</b>
<b>Liabilities</b>							
Deposits from customers	20	-	-	168,323,770	-	-	168,323,770
Customer investment funds	23	-	-	314,344,540	-	-	314,344,540
Lease liabilities	25	-	163,626	-	-	-	163,626
Loans and borrowings	26	-	12,926,644	-	-	-	12,926,644
Total Liabilities		-	<b>13,090,270</b>	<b>482,668,310</b>	-	-	<b>495,758,580</b>
Interest Sensitivity Gap		<b>11,135,330</b>	<b>148,349,430</b>	<b>(449,842,325)</b>	<b>74,830,316</b>	<b>253,582,663</b>	<b>38,055,414</b>
Impact on increase of interest by 5% post profit net of tax		389,737	5,192,230	(15,744,481)	2,619,061	8,875,393	1,331,940
Impact on decrease of interest by 5% post profit net of tax		(389,737)	(5,192,230)	15,744,481	(2,619,061)	(8,875,393)	(1,331,940)

2023

Consolidated

Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 - 6 Months	6 - 12 months	Over 12 months	
Cash and equivalents	5	19,864,021	-	-	-	-	19,864,021
Money markets investments	6	-	36,699,204	13,742,827	27,846,454	93,737,496	172,025,981
Loans and advances to customers	8	-	83,682,438	-	-	-	83,682,438
Interbank placements	7	-	-	32,649,060	-	-	32,649,060
Total Assets		<b>19,864,021</b>	<b>120,381,642</b>	<b>46,391,887</b>	<b>27,846,454</b>	<b>93,737,496</b>	<b>308,221,500</b>
<b>Liabilities</b>							
Deposits from customers	20	-	-	133,088,383	-	-	133,088,383
Deposits from other financial institutions	21	-	-	20,353,052	-	-	20,353,052
Customer investment funds	23	-	-	120,257,083	-	-	120,257,083
Lease liabilities	25	-	173,409	-	-	-	173,409
Loans and borrowings	26	-	9,461,632	-	-	-	9,461,632
Subordinated liability	27	-	-	-	-	1,600,000	1,600,000
Total Liabilities		-	<b>9,635,041</b>	<b>273,698,518</b>	-	<b>1,600,000</b>	<b>284,933,559</b>
Interest Sensitivity Gap		<b>19,864,021</b>	<b>110,746,601</b>	<b>(227,306,631)</b>	<b>27,846,454</b>	<b>92,137,496</b>	<b>23,287,941</b>
Impact on increase of interest by 5% post profit net of tax		695,241	3,876,131	(7,955,732)	974,626	3,224,812	815,078
Impact on decrease of interest by 5% post profit net of tax		(695,241)	(3,876,131)	7,955,732	(974,626)	(3,224,812)	(815,078)



#### 40. Financial risk management (continued)

##### 40.3.1 Interest rate risk (continued)

###### As at 31 December 2025 Separate

Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 – 6 months	6 – 12 months	Over 12 months	
Cash and cash equivalents	5	336,247					336,247
Money market investments	6			264,924			264,924
<b>Total assets</b>		<b>336,247</b>		<b>264,924</b>			<b>601,171</b>
<b>Liabilities</b>							
Lease liabilities	25		1,148,988				1,148,988
<b>Total liabilities</b>			<b>1,148,988</b>				<b>1,148,988</b>
<b>Interest Sensitivity Gap</b>		<b>336,247</b>	<b>(1,148,988)</b>	<b>264,924</b>	<b>-</b>	<b>-</b>	<b>(547,817)</b>
Impact on post tax profit of increase on interest rate by 5%		11,769	(40,215)	9,272	-	-	(19,174)
Impact on post tax profit of decrease on interest rate by 5%		(11,769)	40,215	(9,272)	-	-	19,174

###### As at 31 December 2024 Separate

Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 – 6 months	6 – 12 months	Over 12 months	
Cash and cash equivalents	5	42,223	-	-	-	-	42,223
Money market investments	6	-	-	308	-	-	308
<b>Total assets</b>		<b>42,223</b>	<b>-</b>	<b>308</b>	<b>-</b>	<b>-</b>	<b>42,531</b>
<b>Liabilities</b>							
Lease liabilities	25	-	420,646	-	-	-	420,646
<b>Total liabilities</b>		<b>-</b>	<b>420,646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>420,646</b>
<b>Interest Sensitivity Gap</b>		<b>42,223</b>	<b>(420,646)</b>	<b>308</b>	<b>-</b>	<b>-</b>	<b>(378,115)</b>
Impact on post tax profit of increase on interest rate by 5%		1,478	(14,723)	11	-	-	(13,234)
Impact on post tax profit of decrease on interest rate by 5%		(1,478)	14,723	(11)	-	-	13,234

###### As at 31 December 2023

###### Separate

Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 – 6 months	6 – 12 months	Over 12 months	
Cash and cash equivalents	5	5,029	-	-	-	-	5,029
Money market investments	6	-	-	8,579	-	-	8,579
<b>Total assets</b>		<b>5,029</b>	<b>-</b>	<b>8,579</b>	<b>-</b>	<b>-</b>	<b>13,608</b>
<b>Liabilities</b>							
Lease liabilities	25	-	173,409	-	-	-	173,409
<b>Total liabilities</b>		<b>-</b>	<b>173,409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173,409</b>
<b>Interest Sensitivity Gap</b>		<b>52,482</b>	<b>(173,409)</b>	<b>714,751</b>	<b>-</b>	<b>-</b>	<b>(159,801)</b>
Impact on post tax profit of increase on interest rate by 5%		176	(6,069)	300	-	-	(5,593)
Impact on post tax profit of decrease on interest rate by 5%		(176)	6,069	(300)	-	-	5,593

#### 40. Financial risk management (continued)

##### 40.4. Foreign exchange/ccurrency risk

Currency risk or foreign exchange risk arises on financial instruments that are denominated in a foreign currency. It relates to the exposure of the Group's foreign exchange position to adverse movements in foreign exchange rates. The group is exposed to foreign currency exchange risk in the following ways;

- Trading in foreign currencies through spot, forward, and option transactions as market makers or position takers including the unhedged positions arising from customer-driven foreign exchange transactions.
- Holding foreign currency position on the bank's account through loans, deposits and cross border investments.

The group manages this risk as follows:

- Adhering to internally set foreign exchange tolerance levels or exposure limits which include holding minimal foreign currency cash levels in open positions.
- Regular review of policies and procedures including tolerance limits in line changes in economic conditions.

The Group's foreign exchange exposures at 31 December 2025, 2024 and 2023 were as follows:

<b>Consolidated 2025</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Exchange Rate movement</b>	<b>Impact on profit and equity (net of tax)</b>
USD	50,519	40,378	10,141	(12%)	(4.138)
GBP	678	1,540	(862)	1%	0.703
EUR	133	98	35	(9%)	0.002
ZAR	1,156	48	1,108	(12%)	(0.678)
Other					
					(4.111)

<b>Consolidated 2024</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Exchange Rate movement</b>	<b>Impact on profit and equity (net of tax)</b>
USD	22,727	22,958	(231)	(3%)	4.85
GBP	711	39	672	(1%)	(4.70)
EUR	545	45	500	2%	7.00
ZAR	1,055	21	1,034	(2%)	(14.48)
					(7.33)

<b>Consolidated 2023</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Exchange Rate movement</b>	<b>Impact on profit and equity (net of tax)</b>
USD	23,356	23,684	(328)	(64%)	(147.94)
GBP	554	343	191	(72%)	96.26
EUR	274	185	89	(69%)	42.99
	507	318	189	(51%)	67.47
					58.78

As at 31 December 2025 if the Malawi Kwacha had weakened /strengthened by the above exchange rate movements against the indicated currencies with all other variables held constant, post-tax profits for the year would have been **MK4.11million** (2024: MK7.33million; 2023: MK58.78 million) higher/lower mainly as a result of foreign exchange gains /losses on translation of foreign currency denominated financial instruments.



#### 41. Operational risk

This is a risk of direct or indirect loss which arises from various causes associated with the organisation's processes, personnel, technology, and infrastructure as well as from external factors other than credit, market and liquidity risks and these include legal and regulatory requirements. Policies, procedures and processes have been put in place to eliminate failures in internal financial and administrative controls.

The Group strives to manage its operational risk with a view to balance the minimisation of financial losses and damage to its reputation while being cost effective and avoiding control procedures that stifle creativity and initiative.

Internal audits and routine operational control processes provide an independent assurance on the adequacy and effectiveness of the management of the Group's operational risk.

#### 42. Compliance risk

The Group is subject to rigorous supervisory and regulatory regimes and management is responsible for overseeing the management of the Group's compliance risk.

The Group has adopted anti-money laundering policies including Know Your Customer (KYC) policies and procedures.

The Group adheres to the country's anti-money laundering legislation as well as the central bank's regulations and directives through training its staff members on relevant regulatory requirements and monitoring compliance.

##### Statutory requirements

In accordance with Section 27 of the Banking Act 2010, the Reserve Bank of Malawi has established the following requirements for banks as at the financial reporting date:

##### Capital management

Reserve Bank of Malawi sets and monitors capital requirements for bank holding companies and banks and requires them to maintain a minimum of 10 percent and 15 percent (2024: 10 percent and 15 percent: 2023: 10 percent and 15 percent) for core and total capital respectively. The Group and Bank's regulatory capital is analysed in two parts: -

- Tier I capital, which includes paid-up share capital, share premium, retained earnings, and other reserves less investment in subsidiaries, deferred tax assets, investment in the capital of other banks and financial institutions.
- Tier II capital, which includes investment revaluation reserve, property revaluation reserve and loan loss reserve and subordinated debt capital at 50% of the Tier I capital.

##### The calculation of both the above ratios is given below

Tier 1 capital	2025	2024	2023	2025	2024	2023
	<b>Consolidated</b>			<b>CDHIB</b>		
Share capital	167,402	167,402	167,402	327,715	327,715	327,715
Share premium	1,000,673	1,000,673	1,000,673	4,493,101	4,493,101	4,493,101
Retained earnings	71,246,566	42,242,215	26,504,499	62,473,941	41,224,274	23,806,473
Minority interest	13,294,401	8,076,309	5,021,227	-	-	-
Less: Deferred tax asset	(917,270)	(525,909)	(525,756)	-	-	(353,059)
Investments in unconsolidated banking & financial subsidiary companies	(848,270)	(848,270)	(848,270)	(838,250)	(838,250)	(838,250)
	<b>83,943,502</b>	<b>50,112,420</b>	31,319,775	<b>66,456,507</b>	<b>45,206,84</b>	27,435,980
<b>Tier 2 capital</b>						
Subordinated liability (limited to 50% of Tier 1 capital)	-	-	1,573,001	-	-	186,667
Loan loss and asset revaluation reserves	3,875,751	1,002,220	559,880	-	-	-
	<b>3,875,751</b>	<b>1,002,220</b>	2,132,881	-	-	186,667
<b>Total regulatory capital</b>	<b>87,819,253</b>	<b>51,114,640</b>	33,452,656	<b>66,456,507</b>	<b>45,206,840</b>	27,622,647
<b>Risk weighted assets</b>	<b>304,962,332</b>	<b>140,955,420</b>	113,017,013	<b>238,208,061</b>	<b>100,256,025</b>	85,034,765
<b>Capital ratios</b>						
Tier 1 capital expressed as a percentage of total risk-weighted assets	<b>27.53%</b>	<b>35.55%</b>	27.7%	<b>27.90%</b>	<b>45.09%</b>	32.26%
Total capital expressed as a percentage of total risk weighted assets	<b>28.80%</b>	<b>36.26%</b>	29.6%	<b>27.90%</b>	<b>45.09%</b>	32.48%

#### 42. Compliance Risk (continued)

##### **Capital management (continued)**

Total risk-weighted assets are determined by multiplying the capital requirements for market risk and operational risk by the reciprocal of the minimum capital ratio of 10% and adding the resulting figures to the sum of risk-weighted assets for credit risk. A scaling factor is applied in order to broadly maintain the aggregate level of minimum capital requirements, while also providing incentives to adopt the more advanced risk-sensitive approaches to the framework. The scaling factor is applied to the risk-weighted asset amounts for credit risk assessment under the Internal Rating-Based (IRB) approach.

In its capital planning, the Group considers the impact of economic downturns/recession and the impact this would have on its capital and earnings. This is covered under the budgeting process where the balance sheet and income statement are projected in line with the Group's interest rate view.

In the event that actual performance is deviating from projected performance, the budget is revised to reflect the current economic situation and submitted to the board for approval with details of the measures to be taken and the revised targets.

The Group and its individually regulated operations have complied with all externally imposed capital requirements.

#### 43. Use of estimates and judgements

Management discusses with the Finance and Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management.

##### (a) Key source of estimation uncertainty

###### **Allowances for credit losses**

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 4(h).

The specific counter-party component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about counter-party's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit and Risk Functions.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimate future cash flows for specific counter-party allowances and the model assumptions and parameter used in determining collective allowances.

###### **Determining fair values**

The determination of fair value for financial assets and financial liabilities for which there is no observable market price require the use of valuation techniques as described in accounting policy 4 and note 4c(v). For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

##### (b) Critical accounting judgements in applying the Group's accounting policies

Critical accounting judgements made in applying the Group's accounting policies include:

###### **Financial asset and financial liability classification**

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

In classifying financial assets or financial liabilities as "trading", the group determines that it meets the description of trading and liabilities set out in accounting policy 4o.

In designating financial assets or financial liabilities at fair value through profit or loss, the Consolidated has determined that it has met one of the criteria for this designation set out in accounting policy 4o.



#### 44. Accounting classifications and fair values of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**44. Financial instruments: Fair value and risk management (continued)**

Year 31 December 2025	Note	Carrying Amount	Fair value through profit or loss	Fair value through OCI	Assets/liabilities at amortized cost	Level 1	Level 2	Level 3	Total
<b>Consolidated</b>									
Financial assets measured at fair value									
Investment in listed equity	13	3,573,370	-	3,573,370	-	3,573,370	-	-	3,573,370
Commercial papers, Medium- and short-term notes	6	651,790,341	651,790,341	-	-	318,161,544	333,628,797	-	651,790,341
Financial assets not measured at fair value									
Investment in unlisted equity	14	848,270	-	-	848,270	-	-	-	848,270
Treasury Bills	6	86,783,711	-	-	86,783,711	-	-	-	86,783,711
Margin trade facilities	6	28,638,948	-	-	28,638,948	-	-	-	28,638,948
Term deposit investments	6	3,337,743	-	-	3,337,743	-	-	-	3,337,743
Other receivables	10	4,102,087	-	-	4,102,087	-	-	-	4,102,087
Interbank placements	7	8,764,418	-	-	8,764,418	-	-	-	8,764,418
Loans and advances to customers	8	155,267,608	-	-	155,267,608	-	-	-	155,267,608
Cash and cash equivalents	5	51,035,972	-	-	51,035,972	-	-	-	51,035,972
		<b>994,142,468</b>	<b>651,790,341</b>	<b>3,573,370</b>	<b>338,778,757</b>	<b>342,352,127</b>	<b>333,628,797</b>	<b>-</b>	<b>994,142,468</b>
Financial liabilities not measured at fair value									
Deposit from customers	20	307,883,501	-	-	307,883,501	-	-	-	307,883,501
Customer investment funds	23	575,246,654	575,246,654	-	-	-	-	-	575,246,654
Client and other third-party funds	24	2,521,662	-	-	2,521,662	-	-	-	2,521,662
Trade and other payables	22	11,209,128	-	-	11,209,128	-	-	-	11,209,128
Lease liabilities	25	428,269	-	-	428,269	-	-	-	428,269
Loans and borrowings	26	24,128,399	-	-	24,128,399	-	-	-	24,128,399
		<b>921,417,613</b>	<b>575,246,654</b>	<b>-</b>	<b>346,170,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>921,417,613</b>



**44. Financial instruments: Fair value and risk management (continued)**

**Consolidated  
Year ended 31 December 2024**

	Carrying Amount	Fair value through profit or loss	Fair value through OCI	Assets/liabilities at amortized cost	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investment in listed equity	13	906,364	-	906,364	906,364	-	-	906,364
Commercial papers, Medium- and short-term notes	6	350,666,373	350,666,373	-	219,100,306	131,566,067	-	350,666,373
<b>Financial assets not measured at fair value</b>								
Investment in unlisted equity	14	848,270	-	848,270	-	-	-	848,270
Treasury Bills	6	40,368,931	-	40,368,931	-	-	-	40,368,931
Margin trade facilities	6	13,573,355	-	13,573,355	-	-	-	13,573,355
Term deposit investments	6	311,371	-	311,371	-	-	-	311,371
Other receivables	10	3,408,620	-	3,408,620	-	-	-	3,408,620
Interbank placements	7	11,624,477	-	11,624,477	-	-	-	11,624,477
Loans and advances to customers	8	106,134,163	-	106,134,163	-	-	-	106,134,163
Cash and cash equivalents	5	11,135,330	-	11,135,330	-	-	-	11,135,330
		<b>538,977,254</b>	<b>350,666,373</b>	<b>906,364</b>	<b>220,006,670</b>	<b>131,566,067</b>	<b>-</b>	<b>538,977,254</b>
<b>Financial liabilities not measured at fair value</b>								
Deposit from customers	20	168,323,770	-	168,323,770	-	-	-	168,323,770
Deposits from other financial institutions	21							
Customer investment funds	23	314,344,540	314,344,540	-	-	314,344,540	-	314,344,540
Client and other third-party funds	24	90,354	-	90,354	-	-	-	90,354
Trade and other payables	22(e)	4,462,084	-	4,462,084	-	-	-	4,462,084
Lease liabilities	25	163,626	-	163,626	-	-	-	163,626
Loans and borrowings	26	12,926,644	-	12,926,644	-	-	-	12,926,644
		<b>500,311,018</b>	<b>314,344,540</b>	<b>-</b>	<b>-</b>	<b>314,344,540</b>	<b>-</b>	<b>500,311,018</b>

44. Financial instruments: Fair value and risk management (continued)

Consolidated Year ended 31 December 2023	Carrying Amount	Fair value through profit or loss	Fair value through OCI	Assets/liabilities at amortized cost	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in listed equity	13	596,762	596,762	-	596,762	-	-	596,762
Commercial papers, Medium- and short-term notes	6	135,090,181	135,090,181	-	82,940,452	52,149,729	-	135,090,181
Financial assets not measured at fair value								
Investment in unlisted equity	14	848,270	-	848,270	-	-	-	848,270
Treasury Bills	6	28,386,531	-	28,386,531	-	-	-	28,386,531
Margin trade facilities	6	8,392,259	-	8,392,259	-	-	-	8,392,259
Term deposit investments	6	157,010	-	157,010	-	-	-	157,010
Other receivables	10	1,245,376	-	1,245,376	-	-	-	1,245,376
Interbank placements	7	32,649,060	-	32,649,060	-	-	-	32,649,060
Loans and advances to customers	8	83,682,438	-	83,682,438	-	-	-	83,682,438
Cash and cash equivalents	5	19,864,021	-	19,864,021	-	-	-	19,864,021
		310,911,908	135,090,181	596,762	83,537,214	52,149,729	-	310,911,908
Financial liabilities not measured at fair value								
Deposit from customers	20	133,088,383	-	133,088,383	-	-	-	133,088,383
Deposits from other financial institutions	21	20,353,052	-	20,353,052	-	-	-	20,353,052
Customer investment funds	23	120,257,083	120,257,083	-	-	120,257,083	-	120,257,083
Trade and other payables	22(a)	3,392,595	-	3,392,595	-	-	-	3,392,595
Lease liabilities	25	173,409	-	173,409	-	-	-	173,409
Loans and borrowings	26	9,461,632	-	9,461,632	-	-	-	9,461,632
Subordinated liability	27	1,600,000	-	1,600,000	-	-	-	1,600,000
		288,326,154	120,257,083	-	168,069,071	120,257,083	-	288,326,154



44. Financial instruments: Fair value and risk management (continued)

Separate		Note	Carrying Amount	Fair value through profit or loss	Fair value through OCI	Assets/liabilities at amortised cost	Level 1	Level 2	Level 3	Total
31 December 2025										
Financial assets not measured at fair value										
	Investment in unlisted equity	14	10,020	-	-	10,020	-	-	-	10,020
	Money market investments	6	264,924	-	-	264,924	-	-	-	264,924
	Amounts due from related parties	47	126,150	-	-	126,150	-	-	-	126,150
	Other receivables	10	53,816	-	-	53,816	-	-	-	53,816
	Cash and cash equivalents	5	336,247	-	-	336,247	-	-	-	336,247
			<b>791,157</b>	-	-	<b>791,157</b>	-	-	-	<b>791,157</b>
Financial liabilities not measured at fair value										
	Trade and other payables	22	942,036	-	-	942,036	-	-	-	942,036
	Lease liabilities	25	1,148,988	-	-	1,148,988	-	-	-	1,148,988
			<b>2,091,024</b>	-	-	<b>2,091,024</b>	-	-	-	<b>2,091,024</b>
Separate		Note	Carrying Amount	Fair value through profit or loss	Fair value through OCI	Assets/liabilities at amortised cost	Level 1	Level 2	Level 3	Total
31 December 2024										
Financial assets not measured at fair value										
	Investment in unlisted equity	14	10,020	-	-	10,020	-	-	10,020	10,020
	Money market investments	6	308	-	-	308	-	-	308	308
	Amounts due from related parties	47	602,784	-	-	602,784	-	-	602,784	602,784
	Other receivables	10	35,444	-	-	35,444	-	-	35,444	35,444
	Cash and cash equivalents	5	42,223	-	-	42,223	-	-	42,223	42,223
			<b>690,779</b>	-	-	<b>690,779</b>	-	-	<b>690,779</b>	<b>690,779</b>
Financial liabilities not measured at fair value										
	Trade and other payables	22	158,578	-	-	158,578	-	-	158,578	158,578
	Lease liabilities	25	420,646	-	-	420,646	-	-	420,646	420,646
	Amounts due to related parties	47	206,540	-	-	206,540	-	-	206,540	206,540
			<b>785,764</b>	-	-	<b>785,764</b>	-	-	<b>785,764</b>	<b>785,764</b>

44. Financial instruments: Fair value and risk management (continued)

Consolidated For the year ended 31 December 2023	Carrying Amount	Fair value through profit or loss	Fair value through OCI	Assets/liabilities at amortized cost	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in listed equity	13	596,762	596,762	-	596,762	-	-	596,762
Commercial papers, Medium- and short-term notes	6	135,090,181	135,090,181	-	82,940,452	52,149,729	-	135,090,181
Financial assets not measured at fair value								
Investment in unlisted equity	14	848,270	-	848,270	-	-	-	848,270
Treasury Bills	6	28,386,531	-	28,386,531	-	-	-	28,386,531
Margin trade facilities	6	8,392,259	-	8,392,259	-	-	-	8,392,259
Term deposit investments	6	157,010	-	157,010	-	-	-	157,010
Other receivables	10	1,245,376	-	1,245,376	-	-	-	1,245,376
Interbank placements	7	32,649,060	-	32,649,060	-	-	-	32,649,060
Loans and advances to customers	8	83,682,438	-	83,682,438	-	-	-	83,682,438
Cash and cash equivalents	5	19,864,021	-	19,864,021	-	-	-	19,864,021
		<u>310,911,908</u>	<u>135,090,181</u>	<u>175,224,965</u>	<u>83,537,214</u>	<u>52,149,729</u>	<u>-</u>	<u>310,911,908</u>
Financial liabilities not measured at fair value								
Deposit from customers	20	133,088,383	-	133,088,383	-	-	-	133,088,383
Deposits from other financial institutions	21	20,353,052	-	20,353,052	-	-	-	20,353,052
Customer investment funds	23	120,257,083	120,257,083	-	-	120,257,083	-	120,257,083
Trade and other payables	22(a)	3,392,595	-	3,392,595	-	-	-	3,392,595
Lease liabilities	25	173,409	-	173,409	-	-	-	173,409
Loans and borrowings	26	9,461,632	-	9,461,632	-	-	-	9,461,632
Subordinated liability	27	1,600,000	-	1,600,000	-	-	-	1,600,000
		<u>288,326,154</u>	<u>120,257,083</u>	<u>168,069,071</u>	<u>-</u>	<u>120,257,083</u>	<u>-</u>	<u>288,326,154</u>



**45. Capital commitments**

The Group has capital commitments of K7.7billion owing to the ongoing projects at CDHIB (2024: K1.1billion; 2023: K3.1 billion).

**46. Operating segmental reporting**

The Group has two main reportable segments which are the Group's strategic business units namely; Financial services, and Property development and management.

The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies.

Each strategic business unit has its own Board of Directors which meets on a quarterly basis to review performance and monitor and evaluate management's implementation of the unit's strategic plan.

The Group recognises the two operating segments based on the nature and type of business conducted by each group company.

Information regarding the performance of each reportable segment is included below. Performance is measured based on each reporting segment's profit before tax, as included in the management performance reports that are reviewed by the Board of each company within a segment. Segment profitability is used to measure performance as management and the Board believes that such information is the most relevant in evaluating the results of the segments. Pricing for Inter-segment transactions is determined on an arm's length basis.

The operations of each of the Group's reportable segments are summarised below:

Reportable segment	Nature of business	Shareholding by Continental Holdings Limited		
		2025	2024	2023
<b>Financial services</b>				
CDH Investment Bank Limited	Commercial and investment banking	82.46%	82.46%	82.46%
Continental Capital Limited	Stock broking, Money market Dealers and Financial advisors.	100%	100%	100%
Continental Asset Management Limited	Portfolio Managers and Investment advisors.	100%	100%	100%
Continental Pension Services Company Limited	Pension administrators	100%	100%	100%
<b>Property Management and Development</b>				
Continental Properties Limited	Property development and management	100%	100%	100%
<b>Commodities Broking</b>				
CDH Commodities Limited	Money market investments. (pending review of the Commodities broking business strategy)	100%	100%	100%

**46. Operating segmental reporting (continued)**

***Geographical segment presentation***

All operations of the Group are within Malawi and all business activities predominantly relate to Malawi as such information on geographical segments has not been disclosed.

**Statement of comprehensive income (consolidated): Operating segments**

<b>Year ended 31 December 2025</b>	<b><u>Financial services</u></b>	<b><u>Property development &amp; management</u></b>	<b><u>Total</u></b>
<b>Income</b>			
Interest income	66,612,655	74,350	66,687,005
Interest expense	(36,626,464)	-	(36,626,464)
<b>Net Interest income</b>	<b>29,986,191</b>	<b>74,350</b>	<b>30,060,541</b>
Fees and commissions	8,151,732	3,253,555	11,405,287
Investment income	-	1,065,306	1,065,306
Trading income	69,445,716	-	69,445,716
Other income	571,294	73,677	644,971
<b>Total operating income</b>	<b>108,154,933</b>	<b>4,447,782</b>	<b>112,621,821</b>
Impairment losses on loans and advances	(831,637)	-	(831,637)
Trading expenses	(656,137)	-	(656,137)
Operating expenses	(30,365,557)	(1,980,166)	(32,345,723)
Financing costs	(5,455,458)	(694,734)	(6,150,192)
<b>Operating profit before tax</b>	<b>70,846,144</b>	<b>1,772,882</b>	<b>72,638,132</b>
Income tax expense	(24,331,058)	(451,754)	(24,782,812)
<b>Net profit</b>	<b>46,515,086</b>	<b>1,321,128</b>	<b>47,855,320</b>
Other comprehensive income	2,059,534	-	2,059,534
<b>Total comprehensive income</b>	<b>48,574,620</b>	<b>1,321,128</b>	<b>49,914,854</b>
<b>As at 31 December 2025</b>			
<b>Assets</b>			
Total assets	<u>1,007,450,466</u>	<u>7,649,366</u>	<u>1,015,099,832</u>
<b>Equity and liabilities</b>			
Total shareholder's equity	86,853,439	2,439,858	89,293,297
Total liabilities	<u>920,597,027</u>	<u>5,209,508</u>	<u>925,806,535</u>
<b>Total equity and liabilities</b>	<u>1,007,450,466</u>	<u>7,649,366</u>	<u>1,015,099,832</u>



#### 46. Operating segmental reporting (continued)

##### Statement of financial position (consolidated): Operating segments (continued)

<b>Year ended 31 December 2023</b>	<u>Financial services</u>	<u>Property development &amp; management</u>	<u>Total</u>
Income			
Interest income	49,886,798	8,117	49,894,915
Interest expense	(31,261,122)	-	(31,261,121)
Net Interest income	<u>18,625,676</u>	<u>8,117</u>	<u>18,633,793</u>
Fees and commissions	4,016,675	1,736,466	5,753,141
Investment income	17,475	80,698	98,173
Trading income	11,171,035	-	11,171,035
Other income	142,845	56,167	199,012
Total operating income	<u>33,973,706</u>	<u>1,881,448</u>	<u>35,855,154</u>
Impairment losses on loans and advances	(1,374,395)	-	(1,374,395)
Trading expenses	(116,951)	-	(116,951)
Operating expenses	(12,802,016)	(1,342,244)	(14,144,260)
Financing costs	(1,605,448)	(362,423)	(1,967,872)
Operating profit before tax	<u>18,074,896</u>	<u>176,781</u>	<u>18,251,677</u>
Income tax expense	(6,750,110)	(53,034)	(6,803,144)
Net profit	<u>11,324,786</u>	<u>123,747</u>	<u>11,448,533</u>
Other comprehensive income	<u>230,914</u>	<u>-</u>	<u>230,914</u>
Total comprehensive income	<u>11,555,700</u>	<u>123,747</u>	<u>11,679,447</u>
<b>As at 31 December 2023</b>	<b>Financial services</b>	<b>Property development &amp; management</b>	<b>Total</b>
<b>Assets</b>			
Total assets	<u>319,666,805</u>	<u>2,860,372</u>	<u>322,527,177</u>
<b>Equity and liabilities</b>			
Total shareholder's equity	32,517,810	735,871	33,253,681
Total liabilities	<u>288,179,313</u>	<u>2,124,501</u>	<u>290,303,814</u>
Total equity and liabilities	<u>320,697,123</u>	<u>2,860,372</u>	<u>323,557,495</u>

#### 47. Exchange and inflation rate

The foreign currencies most affecting the performance of the Company are; United States Dollars, British Pound and South African Rand. The exchange rates together with the National Consumer Price Index which represents an official measure of inflation were:-

	<b>Year ended 31 Dec 2025</b>	<b>Year ended 31 Dec 2024</b>	<b>Year ended 31 Dec 2023</b>
Kwacha / United States Dollar	1,749.00	1,733.8	1,683.33
Kwacha / British Pound	2,416.04	2,244.13	2,214.51
Kwacha / South African Rand	107.87	95.08	93.64
Kwacha / Euro	2107.54	1859.51	1,919.25
Inflation rates as at 31 December (%)	<u><b>26.0%</b></u>	<u><b>28.1%</b></u>	<u><b>34.5%</b></u>

At the date of approval of these consolidated historical financial information the exchange rates were as follows: -

Kwacha/United States Dollar	1,733.83	1,733.83	1,683.33
Kwacha/British Pound	2,392.12	2,308.65	2,214.51
Kwacha/South African Rand	105.45	98.08	92.90
Kwacha/Euro	2,072.01	1,934.75	1,888.20
Inflation	24.1%	30.7%	35%



#### 48. Events after reporting date

Subsequent to the reporting date, on 27 February 2026, on presentation of the 2026/27 Budget Statement, the Government announced an amendment in respect of capital gains tax (CGT) arising from the sale of listed shares on the Malawi Stock Exchange, whereby the existing framework will be replaced by a final withholding tax of 2% on the gross proceeds from the sale of such shares. As at 31 December 2025, listed shares were subject to CGT at the effective tax rate of 30%, following an amendment to the Taxation Act that removed the exemption from CGT on listed shares that was effective on 30 December 2025. The announced revised amendment was not substantively enacted as at 31 December 2025 and, accordingly, no adjustment has been made to the deferred tax balance recognised in these consolidated historical financial information in accordance with IAS 10- *Events after the Reporting Period*. The amendment will be effective on 1 April 2026 after approval by Parliament and the impact will be reflected in the financial statements for the year ending 31 December 2026.

On 5 March 2026 the Reserve Bank of Malawi revised the policy rate from 26% to 24% and inflation as of May 2026 dropped to 23.4% from 26% in December 2025. These changes will impact results for the year ending 31 December 2026.

#### Shareholding and proposed transaction

At a meeting held on 19<sup>th</sup> June 2026, shareholders passed special resolutions to re-register the company as a public company in terms of Section 59 of the Companies Act 2023 and the company's name has changed from Continental Holdings Limited to Continental Holdings Plc.

At the same meeting, in accordance with Section 87(3) of the Companies Act 2013, shareholders passed a special resolution to convert the issued ordinary shares of the company into shares without par value and split 167,401,912 shares of K1 each into 3,013,234,416 shares of no-par value.

At the same shareholders' meeting, the shareholders passed an ordinary resolution authorizing the company to undertake an IPO on the Malawi Stock Exchange comprising an offer for sale to the public of ordinary shares as might be determined by the Directors, subject to compliance with applicable laws and regulatory approvals.





# Appendix 3 Reporting Accountants report on forecast financial information



Shape the future  
with confidence

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## MEMBERS OF THE BOARD

### REPORTING ACCOUNTANT'S REPORT ON THE PROFIT FORECAST OF CONTINENTAL HOLDINGS PLC

We have examined the profit forecast of Continental Holdings PLC for the years ending 31 December 2026 and 31 December 2027 in accordance with the International Standard on Assurance Engagements (ISAE) 3400, *the examination of prospective financial information*. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- Management's best-estimate assumptions on which the forecast information is based are not unreasonable and are consistent with the purpose of the information,
- The forecast information is properly prepared on the basis of the assumptions
- The forecast information is properly presented and all material assumptions are adequately disclosed, and
- The forecast information, is prepared and presented on a basis consistent with the accounting policies of the Group for the period concerned

### DIRECTORS' RESPONSIBILITY

The Directors are responsible for the forecast information, including the assumptions and explanatory notes set out on pages 171 to 172, on which it is based and for the financial information from which it has been prepared, in line with the Listing Requirements of the Malawi Stock Exchange.

### RESPONSIBILITY OF THE REPORTING ACCOUNTANT

Our responsibility is to express an opinion on the reasonableness of the forecast. Since the forecast relates to the future, actual results are likely to be different from the forecast results due to unforeseen events and circumstances, which could result in material differences.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that the underlying assumptions do not provide a reasonable basis for the forecast. Further, in our opinion, the forecast is properly prepared on the basis of the assumptions and is presented on a basis consistent with the accounting policies normally adopted by Continental Holdings PLC.

We consent to the inclusion of this report which forms part of the prospectus to be issued on 30 June 2026 in the form and content in which it appears

Ernst & Young  
Chartered Accountants (Malawi)  
Chiwemi Chihana - Registered Practicing Accountant

Date: 30 June 2026



	<b>Consolidated</b>	
	<b>Forecast for year ending 31-Dec-26</b>	<b>Forecast for year ending 31-Dec-27</b>
Interest income	79,914,014	113,330,940
Interest expense	(37,094,788)	(39,691,008)
<b>Net interest income</b>	<b>42,819,227</b>	<b>73,639,932</b>
Fees and commissions	25,454,044	34,810,884
Investment income	441,321	359,275
Trading income	117,736,320	189,644,813
Trading expenses	(6,954,963)	(9,158,785)
<b>Net Operating income</b>	<b>179,495,949</b>	<b>289,296,118</b>
Other income	283,658	313,862
<b>Total income</b>	<b>179,779,607</b>	<b>289,609,980</b>
Impairment losses	(1,590,023)	(4,352,310)
<b>Income after impairment losses</b>	<b>178,189,584</b>	<b>285,257,670</b>
Operating expenses	(51,089,317)	(68,152,421)
<b>Profit before financing costs</b>	<b>127,100,267</b>	<b>217,105,249</b>
Financing costs	(1,507,201)	(1,055,041)
<b>Profit before income Tax</b>	<b>125,593,066</b>	<b>216,050,208</b>
Income tax expense	(44,846,785)	(85,944,234)
<b>Profit for the year</b>	<b>80,746,280</b>	<b>130,105,974</b>
<b>Other comprehensive income</b>		
Fair value gains on assets net of tax	1,547,291	2,011,479
<b>Other comprehensive income for the year</b>	<b>1,547,291</b>	<b>2,011,479</b>
<b>Total Comprehensive income for the year</b>	<b>82,293,572</b>	<b>132,117,453</b>
<b>Profit attributable to:</b>		
Owners of the parent company	76,618,396	125,978,090
Non-controlling interest	4,127,885	4,127,885
	<b>80,746,280</b>	<b>130,105,974</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent company	78,165,687	127,989,569
Non-controlling interest	4,127,885	4,127,885
	<b>82,293,572</b>	<b>132,117,453</b>
<b>Earnings per share</b>		
Earnings per share (Kwacha)*	25.43	41.81

\*The Earnings Per Share above have been calculated based on post IPO number of shares of 3,013,234,416 after the share split pre-IPO

Continental Holdings PLC (formerly Continental Holdings Limited)  
 Projected consolidated statements of cash flows  
 for the year ending 31 December 2026 and 31  
 In thousands of Malawi Kwacha

	<b>Consolidated</b>	
	<b>Forecast for year ending 31 Dec 2026</b>	<b>Forecast for year ending 31 Dec 2027</b>
<b>Cash flows from Operating activities</b>		
Profit before tax	125,593,066	216,050,208
<b>Adjustments for:</b>		
Depreciation and amortisation	2,027,213	2,331,295
Fair value gain on financial instruments	(1,971,500)	(2,267,225)
Loss/ (profit) on disposal of assets	(230,290)	(264,833)
Net impairment loss on loans and advances	706,891	600,858
Interest on lease liabilities	116,530	134,009
Interest on loans and borrowings	1,507,201	1,055,041
Fair value gain on investment property	(1,203,130)	(1,383,600)
Impact of lease remeasurements and modifications	-	-
	126,545,981	216,255,753
<b>Changes in:</b>		
Loans and advances to customers	(121,038,066)	(62,207,317)
Interbank placements	8,764,418	-
Other receivables	1,478,166	(1,649,403)
Client funds	(2,243,592)	55,614
Investment funds	271,327,349	286,455,459
Deposits from customers	13,637,410	66,510,215
Deposits from other financial institutions	3,000,000	1,200,000
Trade and other payables	1,075,115	2,263,924
<b>Cash generated from operating activities</b>	302,546,781	508,884,245
Interest paid	(116,530)	(134,009)
Income taxes paid	(26,259,559)	(30,198,493)
<b>Net cash from operating activities</b>	<b>276,170,692</b>	<b>478,551,743</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property and equipment	182,484	209,857
Proceeds from disposal of equity investments	225,962	169,471
Net investment in money market	(230,818,977)	(397,204,695)
Purchase of property, equipment and intangible assets	(6,135,881)	(7,363,057)
Additions to investment property	(500,000)	(600,000)
<b>Net cash from investing activities</b>	<b>(237,046,412)</b>	<b>(404,788,423)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	27,596,359	16,721,482
Repayment of loans and borrowings	(9,034,984)	(10,390,231)
Lease payments	(268,749)	(309,062)
Dividends paid	(35,786,102)	(45,896,018)
<b>Net cash flows utilised in financing activities</b>	<b>(17,493,477)</b>	<b>(39,873,830)</b>
<b>Net increase in cash and cash equivalents</b>	<b>21,630,803</b>	<b>33,889,490</b>
Cash and cash equivalents at 1 January	51,035,972	72,666,775
<b>Cash and cash equivalents at the end of the year</b>	<b>72,666,775</b>	<b>106,556,266</b>



## ASSUMPTIONS

Continental Holdings PLC has prepared the Consolidated forecast for 2026 and 2027 based on the following assumptions:

### *Performance Assumptions*

- Growth in customer deposits will be driven by acquisition of new top-tier corporates and leveraging on value-chain relationships by harnessing and financing linked suppliers and customers, low-cost deposit mobilization and issuing of Letters of Credit (LCs) on strategic commodities. This growth will influence interest expense to increase.
- The loan book is expected to grow by an average of 45.5% year on year, with highest increase of 68% in 2026 which will be funded by the projected strong growth in customer deposits and this will in turn increase interest income by an average of 30.8% year on year.
- Trading liabilities (Investment funds) are expected to grow by an average of 41% during the period to 2027 which will drive Trading Income (non-interest income). The projected growth will be funded from expansion of the investor base and increased trading assets arising from Investment Banking transactions.
- The combined projected new corporate bonds will increase from K51 billion in 2026 to above K68 billion by 2027 which will also create funding for margin trade facilities offered by Continental Capital Limited as well as funding the motor vehicle operating lease service offered by Continental Properties Limited.
- Net interest income (NII) is projected to remain robust, driven by strategic repricing of deposits to take advantage of an expected decline in interest rates.
- Non-interest income is projected to increase on average by 62.5% year-on-year boosted by arrangement fees from issuing of Letters of Credit (LCs) and the growth of the loan book, increase in trading income from the trading book and an increase in investment banking fees on the back of a strong pipeline of Investment Banking deals.
- Operating costs are projected to increase by 45.7% on average fuelled by macroeconomic factors including inflation which is expected to remain elevated, anticipated fuel price increases, and risks of the exchange rate pressure on account of the continued low forex supply.
- The Non-performing Loans (NPL) ratio is project to be around 2% and the increase for the years 2026 and 2027 is on account of projected increase in the loan book.
- The Group shall strive to remain efficient through cost containment measure aimed at maintaining the Cost: Income ratio below 30%, achieving a Return on Assets (ROA) of at least 5% and a Return on Equity (ROE) above 60% over the projected period.

### *Cashflow Forecast Assumptions*

- Forecast cash flows relating to investment funds and money market placements for the period ending 31 December 2026 and 2027 have been derived from the investment portfolio which projects an increase in the investor base and trading of assets. The expected inflows have been based on the contractual and behavioural characteristics of the underlying instruments.
- These trading assets and money market instruments comprise; treasury notes, promissory notes, short- to medium-term instruments and treasury bills, which generate cash flows in the form of trading spread, coupon and interest income and maturity proceeds in accordance with their contractual terms and maturity profiles.
- Forecast cash inflows from loans and advances to customers for the periods ending 31 December 2026 and 2027 have been derived from the projected contractual principal and interest repayments adjusted for expected credit losses, prepayments, and restructuring assumptions as at the forecast commencement dates. These cash flows are determined with reference to the contractual terms of the facilities, which give rise to payments of principal and interest over the expected life of each exposure.
- Forecast cash flows relating to customer deposits for the periods ending 31 December 2026 and 2027 have been driven by behavioural assumptions reflecting historical deposit build-up and withdrawal patterns, including stability factors for demand deposits and rollover assumptions for term deposits. Forecast growth in customer deposits have also been driven by expected addition of strategic partners that will facilitate bulk cash collections from key clients in areas currently not being serviced by the Group. Projected growth in customer deposits has also been driven by the need to fund anticipated increase in loans and advances fueled by projected increases in working capital requirements for existing and new clients. These assumptions are consistent with observed portfolio performance and management's expectations of future economic conditions.
- Forecast capital expenditure in respect of fixed asset acquisitions represents committed and planned projects that have been duly approved by the Directors and are aligned with the Group's strategic objectives.
- Forecast cash flows relating to borrowings for the period ending 31 December 2026 and 2027 have been derived from the underlying funding model, which incorporates both existing borrowing arrangements and expected new funding required to support projected asset growth, projected increased demand for margin trade facilities and liquidity needs. Cash inflows from borrowings represent proceeds from new or renewed funding facilities, including interbank borrowings, long-term loans, corporate bonds and other funding instruments. These inflows are projected based on management's funding strategy, existing facilities available, anticipated refinancing requirements of maturing obligations and projected increased demand for new facilities.

### *Cashflow Forecast Assumptions (continued)*

The forecast corporate tax for 2026 and 2027 has been calculated using enacted statutory tax rates, with payment timings reflecting expected cycles under prevailing legislation.

Forecast dividend payments for 2026 and 2027 reflect the Directors' expected distribution policy, considering profitability, cash flow needs and regulatory requirements.

## **1. General information**

Continental Holdings PLC (formerly Continental Holdings Limited) is a public company domiciled and incorporated in Malawi under the Companies Act, 2013 of Malawi. The consolidated forecast financial information comprises the Company and its subsidiaries (collectively the "Group"). The Group is primarily involved in banking, stockbroking, commodities broking, portfolio management, property management and development, and pension administration services.

The physical address of the Company's registered office is, 1st Floor Ulimi House, Corner Glyn Jones Road & Sharpe Road, PO Box 1444, Blantyre, Malawi.

## **2. Basis of preparation**

The profit forecasts and the cash flow forecasts have been prepared in accordance with Section 2.4(b) and Section 5.10 of the Listing Requirements and in accordance with the accounting policies as outlined in the Reporting Accountant's Report on the historical financial information.

The profit forecast and cash flow forecasts have been prepared for the purposes of the Prospectus.

### **2.1 The economic environment**

#### **Global economy**

The global economy growth is projected at around 3.1% in 2026, reflecting a moderate slowdown and the key structural levers and risks being geopolitical tensions, volatility in commodity prices especially for energy and fertilizer, supply chain reconfiguration and technology (AI) investment.

These developments especially commodity prices could adversely affect the domestic economy and reverse the disinflation trajectory.

The operating environment is expected to remain challenging, reflecting foreign exchange constraints and ongoing global economic and geo-political uncertainty.

#### **Domestic economic highlights**

##### ***Policy Rate & Liquidity Reserve Requirement:***

- Policy rate was reduced from 26% to 24% in March 2026 and prospects are that measures to tame inflation will continue.
- The Liquidity Reserve Requirement ratios were maintained at 10% for local currency deposits and 3.75% for foreign currency deposits.

#### **Interest rates and inflation**

Continental Holdings PLC's performance projections have been revised downward to reflect the expected impact of significant changes in the macroeconomic environment under the new Government from 2026, with the effects expected to become more pronounced from 2027 onwards. The forecast assumes lower interest rates and inflation, which are expected to moderate revenue growth.

Furthermore, the potential for local debt restructuring by the Malawi Government has informed a more prudent revenue outlook, resulting in a more conservative projection basis from 2027 onwards.

#### **Fiscal measures and implications**

In the 2026/2027 national budget, fiscal policy has been framed to enhance revenue mobilization on account of high sovereign debt. The newly introduced non-tax and tax measures that largely became effective in first quarter of 2026 have been factored in the forecasts.

#### **Business prospects and outlook**

The Group is well positioned for sustained growth, with a clear strategy focused on continued investment in technology, operational efficiency, deeper collaboration across business units and delivering differentiated client solutions. Management remains confident in the Group's ability to navigate macroeconomic volatility while creating long term shareholder value.



# Appendix 4

## Receiving banks and branches

CDHIB - Branches		CDHIB - Branches	
Name of Agencies	Location	Name of Branch	Location
Blantyre	Blantyre	Lilongwe City Centre	Lilongwe
		Lilongwe City Hall	Lilongwe

First Capital Bank – Agencies		First Capital Bank - Branches	
Name of Agencies	Location	Name of Branch	Location
Area 25	Lilongwe	Blantyre	Blantyre
Chichiri	Blantyre	Capital City	Lilongwe
City Mall	Lilongwe	Lilongwe	Lilongwe
Dedza	Dedza	Mzuzu	Mzuzu
Dwangwa	Dwangwa	Zomba	Zomba
Gateway Mall	Lilongwe	AREA 2	Lilongwe
Kanengo	Lilongwe	Limbe	Blantyre
Karonga	Karonga		
Kasungu	Kasungu		
Likuni	Lilongwe		
Liwonde	Liwonde		
Mangochi	Mangochi		
Mchinji	Mchinji		
Mitundu	Mitundu		
Mponela	Mponela		
Mulanje	Mulanje		
Mzimba	Mzimba		
Ndirande	Blantyre		
Nkhata Bay	Nkhata Bay		
Rumphi	Rumphi		
Salima	Salima		

FDH Bank - Branches			
Name of Branch	Location	Name of Branch	Location
Bwaila	Lilongwe	Neno	Neno
Salima	Lilongwe	Chikwawa	Chikwawa
Mzuzu	Mzuzu	Goliati	Goliati
Raiply	Mzuzu	Nsanje	Nsanje
Lunzu	Blantyre	Gateway	Gateway
Umoyo	Blantyre	Nchalo	Nchalo
Blantyre Main	Blantyre	Old Town	Old Town
Chichiri	Blantyre	Ntcheu	Ntcheu
Balaka	Eastern Region	BICC	BICC
Ntaja	Ntaja	Nkhotakota	Nkhotakota
Limbe	Blantyre	Ntchisi	Ntchisi

**FDH Bank - Branches (continued)**

Name of Branch	Location	Name of Branch	Location
Mangochi	Mangochi	Mponela	Mponela
Zomba	Zomba	Bvubwe	Bvubwe
Liwonde	Liwonde	Jenda	Jenda
Monkeybay	Monkeybay	Rumphu	Rumphu
Chiponde	Chiponde	Chilumba	Chilumba
Phalombe	Phalombe	Kanengo	Kanengo
Chiladzulu	Chiladzulu	Dowa	Dowa
Thyolo	Thyolo	Bangula	Bangula
Mulanje	Mulanje	City Centre	City Centre
Mwanza	Mwanza	Nkhatabay	Nkhatabay
Luchenza	Luchenza	Kasungu	Kasungu

**NBM Branches**

Name of Branch	Location	Name of Branch	Location
Chichiri	Blantyre	Karonga	Karonga
Chichiri Shopping Mall	Blantyre	Kasungu	Kasungu
Customs Road	Blantyre	Liwonde	Liwonde
Henderson Street	Blantyre	Mangochi	Mangochi
South End	Blantyre	Mchinji	Mchinji
Top Mandala	Blantyre	Mponela	Mponela
Victoria Avenue	Blantyre	Mulanje	Mulanje
Chileka Airport	Blantyre	Mwanza	Mwanza
City Center	Lilongwe	Mzimba	Mzimba
Kamuzu International Airport	Lilongwe	Mzuzu	Mzuzu
Kanengo	Lilongwe	Nchalo	Nchalo
Lilongwe	Lilongwe	Ntcheu	Ntcheu
Lilongwe Getway	Lilongwe	Songwe	Karonga
Balaka	Balaka	Salima	Salima
Chitipa	Liwonde	Thyolo	Thyolo
Dwangwa	Dwangwa	Zomba	Zomba

**NBS Branches**

Name of Branch	Location	Name of Branch	Location
Mzuzu	Mzuzu	Salima	Salima
Mzimba	Mzimba	Ntcheu	Ntcheu
Nkhotakota	Nkhotakota	Liwonde	Liwonde
Nkhatabay	Nkhatabay	Blantyre	Blantyre
Rumphu	Rumphu	Ginnery Corner	Blantyre
Karonga	Karonga	Limbe	Blantyre
Dwangwa	Dwangwa	Zomba	Zomba
Mchinji	Mchinji	Mangochi	Mangochi
Kasungu	Kasungu	Mulanje	Mulanje
Lilongwe	Lilongwe	Chichiri Mall	Blantyre
Capital City	Lilongwe	Nchalo	Nchalo
Dedza	Dedza	Balaka	Balaka
Kanengo	Lilongwe		

**Standard Bank Branches**

Location	Name of Branch	Location	Name of Branch
Blantyre	Blantyre	Mangochi	Mangochi
Blantyre	chichiri	Dwangwa	Dwangwa
Blantyre	Ginery Corner	Karonga	Karonga
Blantyre	Corporate Banking Centre	Kasungu	Kasungu
Blantyre	Limbe	Mulanje	Luchenza
Lilongwe	Capital City	Mwanza	Mwanza
Lilongwe	City Mall	Mzuzu	Mzuzu
Lilongwe	Gateway Mall	Mzuzu	Mzimba
Lilongwe	Kanengo	Nchalo	Nchalo
Lilongwe	Bwaila	Ntcheu	Ntcheu
Lilongwe	Mponela	Salima	Salima
Balaka	Balaka	Zomba	Zomba
Dedza	Dedza		



# Appendix 5

## Other directorships of Board members

In addition to the board positions held in CHL and its subsidiaries, the following Directors also hold positions on other boards as stated below.

Director Name	Entity	Role on Board
Mr Gibson Ngalamila	Press Corporation PLC	Executive Secretary and Director
	Mwaiwathu Private Hospital Limited	Chairman
	Press Agriculture Limited	Non- Executive Director
	Malawi Agricultural and Industrial Investment Corporation (MAIIC)	Non- Executive Director
	Girls Education Trust	Trustee
Mr. Kofi Sekyere	SDC Holdings, Ghana	Non- Executive Director
	Fidelity Capital Partners, Ghana	Non- Executive Director
	TAH Capital Limited	Executive Director – Chief Executive Officer
Mr Robert Abbey	SDC Finance and Leasing Company Limited (Ghana)	Non- Executive Director
	CDH Capital Limited (Rwanda)	Non- Executive Director
	TAH Capital Limited	Non- Executive Director
Mr John McGrath	Imani Development Malawi Limited	Managing Director
Mr Elias Azele Malion	Blantyre Hotels plc	Non- Executive Director
	Mwaiwathu Private Hospital Limited	Non-Executive Director
Mr Franklin Kennedy	African Export Import Bank	Non- Executive Director
	TransAfrica Holdings, Mauritius	Chairman
Mr Thoko Mkavea	Private Public Partnership Commission	Director and Commissioner

# Appendix 6

# Terms and conditions of the Offer

The term “Subscription” hereinafter refers to an offer or commitment provided by an Applicant to subscribe for the Offer Shares in the Initial Public Offer (‘IPO’).

## ► The Offer

Continental Holdings PLC (‘CHL’ or ‘the Group’) hereby offers its Offer Shares for subscription by the general public through this IPO as follows:

- a. Number of Offer Shares and Pricing
  - A total of 753,308,604 shares for sale by TransAfrica Holdings Limited
  - The IPO consists of a public offer to the general public
  - The subscription price for the Offer Shares is MWK195 per share
- b. Offer Period
  - The offer period begins on 30 June 2026 at 9:00hrs and ends on 20 July at 17:00hrs. CHL’s Board of Directors is entitled to extend the offer period if deemed necessary and a press release will be published in the event of such an extension.
- c. Category of Offer Shares
  - The Offer Shares comprise of ordinary shares at no par value
  - The Offer Shares will be freely transferable

## ► Participation in the Offer

Applicants may obtain a copy of the Prospectus, Applications Forms and Central Securities Depository (‘CSD’) Forms either from stockbrokers licensed with the Malawi Stock Exchange or from any branch of the Receiving Banks listed in Appendix 4 of this Prospectus

Duly completed Application Forms will be deemed submitted once lodged with the Receiving Banks in accordance with the Terms and Conditions of this Offer together with the Applicant’s proof of payment for the number of shares applied for

Submission of the Application Form to the Receiving Banks does not constitute an acceptance of the shares applied for

## ► Payments for Subscription

Payments must be made in MWK in favour of “CHL Bank IPO Account” detailed on the Application Form and submitted to any branch of the Receiving Banks no later than 17:00hrs on 20th July 2026.

Applicants must ensure that payments through a bankers’ cheque/draft are cleared before the close of the Offer on 20th July 2026.



Foreign investors should attach a copy of the swift confirmation of their funds transfer supporting their application together with their Application Form and ensure funds are credited to the appropriate account prior to the closing of the Offer through close liaison with the Receiving Banks

Foreign application funds will be held in trust in a US\$ denominated account pending announcement of the results of the Offer

#### ► **Application Forms**

By completing and delivering the Application Form, each Applicant:

- Agrees to subscribe to the number of Offer Shares according to the Terms and Conditions of the Offer
- Warrants that he/she has read this Prospectus and understood all its content
- Accepts the provisions and all relevant laws mentioned in this Prospectus
- Accepts that the number of Offer Shares that will be allocated to him/her at the end of the IPO may be reduced
- Acknowledges that he/she has fulfilled all the requirements and conditions relating to the IPO and the laws of Malawi
- Confirms that all information provided on the Application Form is true, complete, up to date, and not misleading and acknowledges that he/she shall bear full legal responsibility in the event that it is proved otherwise

Changes to or withdrawal of an Application Form will not be permitted once submitted to the Receiving Banks

Application Forms submitted during the IPO offer period should be accompanied (where applicable) with the following documents:

- A true copy of the Applicant's National Identification card (national ID) as the preferred ID. Passports and driver's licence will only be considered for those applicants without a national ID
- A true copy of valid passport for foreign investors
- A true copy of the certificate of incorporation for corporate applicants

Applicants can apply for the shares as individuals or as Joint Applicants.

Deceased or insolvent estates may not apply for the Offer Shares

Executors, trustees and individual partners may apply for the Offer Shares in their own name

Applications on behalf of minors (persons below the age of 18) and people under legal incapacity should be executed by their legal representatives

Application Forms that are not in compliance with the terms and conditions of the Offer set herein can be rejected in full or in part at the sole discretion of the Group

The applicant shall accept any number of Offer Shares allocated to him/her.

Discrepancies between the number of shares applied for and the value thereof, will be adjusted to the value received for the application at the sole discretion of the Group.

Applications received after the close of the Offer Period will not be considered

Neither CHL, nor any of its Advisors nor any of the Authorised Brokers shall be under any liability whatsoever should an Application Form not be received by the Closing Date unless it is proven beyond doubt that the delay was caused by CHL or any of its agents during the Offer Period

Multiple applications are permitted per Applicant and all Application Forms received from a one Applicant will be aggregated and treated as a single application

Incomplete and incorrectly filled Application Forms will not be considered

The value of the number of shares being applied for by foreign investors shall be determined on the basis of the ruling RBM mid-rate of exchange on the closing date of the Offer rounded down to the nearest 1,000 shares

CHL's Board of Directors will decide on the allocation of Offer Shares to Applicants. Approved allocation of shares will be communicated by 24 July 2026

► **Nominee Accounts**

An authorised representative such as nominee accounts may apply on behalf of their clients on one Application Form clearly stating on a separate schedule, the name, address, country of residence and number of shares applied for by each beneficial owner. The schedule must be accompanied by a declaration of the representative indicating that Know Your Customer (KYC) procedures have been completed satisfactorily in line with Financial Crimes Act No. 14 of 2017

► **Minimum Subscription**

Applications must be in multiples of 100 shares with a minimum application of 300 shares

There is no maximum number of shares or maximum subscription amount that can be applied for by Applicants.

► **Right to Cancel the Subscription**

CHL's Board is entitled to cancel the IPO at any time prior to the completion of the IPO due to market circumstances, the Company's financial condition, a material change in the Company's business, a decision by the Malawi Stock Exchange (MSE) regarding the listing or for any other reason

Subscription monies will be refunded to the Applicants in the event that the IPO is cancelled. No interest will be paid on the refunded amount.

► **Allocation of Shares and Refunds**

Allocation Method

- a. Shareholders will be able to obtain a statement of shares allocated to them from their appointed broker.
- b. The Group's Board will decide on the allocation of the final number of Offer Shares to the Applicants as well as the approval in full or in part of the Subscription Commitments given in the Offer period by the 20th July 2026
- c. The Board of Directors will decide how to proceed in case of an under or over subscription of the IPO

Refunds

- a. If a Subscription Commitment is dismissed or only partially approved, the amount paid or part thereof will be refunded to the stated bank account by 13 August 2026. No interest will be paid on the refunded amount.
- b. If the Applicant's bank account details are not included or invalid bank details are provided on the Application Form, refund cheques will be posted to the Applicant's address detailed on the application form.
- c. Direct transfers of refunds or subsequent dividend payments will only be possible if the name of the Applicant and name of the related bank account are identical
- d. CHL will not be liable for any refunds or payment of subsequent dividends paid into a wrong bank account provided by the Applicant
- e. Refunds to foreign investors, if applicable will be determined on the basis of the ruling RBM mid-rate of exchange for the US\$ on the Closing Date of the Offer.

► **Entry of Allocated Shares in CSD account**

There will be no physical share certificates and applicants are encouraged to open a CSD account

Applicants will be required to complete a CSD Securities Account Opening Form (CSD 1 Form) available from any branch of the Receiving Banks to open a CSD account

Applicants with CSD accounts will receive issued Shares in electronic or book entry form by way of a credit to their CSD Accounts with the allocated number of Shares

Joint Applicants should have a CSD account in the name of the Joint Applicants

The Sponsoring Broker on behalf of CHL will authorise the CSD to credit the respective CSD accounts with the number of Shares allocated to each Applicant within the dates set out in the Offer Timetable

► **Applicable Law:**

The Offer is governed by the laws of Malawi. Any disputes arising in connection with the Offer shall be settled by a court of competent jurisdiction in Malawi

**SHARE APPLICATION FORM**

For the public offer of 753,308,604 Ordinary Shares of Continental Holdings PLC at MWK195 per Ordinary Share  
Offer opens 30 June 2026 at 09:00 and closes on 20 July 2026 at 17:00



Continental Holdings PLC ("CHL" or "the Group") (formerly Continental Holdings Limited)  
Incorporated in Malawi on 18 May 2009 with Registration Number: 9985

*Please read the Prospectus including the Terms and Conditions of the Offer and refer to the guide on the reverse side before completing this form. The form should be correctly completed in CAPITALS and all fields must be completed. Incomplete or erroneously completed applications may be rejected*

**Applicant's declaration to the Directors of CHL**

I/We hereby declare that I/we have read and understood in full (a) this Application Form including the instructions on the reverse side of this form (b) the Terms and Conditions of the Offer and (c) the Prospectus which was prepared and published by the Group in relation to the IPO. I/We understand that this is the Application Form referred to in the Prospectus. In particular, I/we do hereby accept the Terms and Conditions set out in the Prospectus pertaining to the IPO and declare that all details and statements made by me/us on this Application Form are complete and accurate.

**Signatures:****Date:****Assisted by (in case of minors):**

Application Type (Tick the appropriate one):	Individual	Joint Individuals	Corporate	Other (Specify:)
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**1. APPLICANT DETAILS**

Title(s) circle appropriate title(s), or fill in the blank if not listed:	Dr	Mr	Mrs	Miss	Rev	Other (specify):
Name of Applicant:	First Name		Other Names		Surname	
Identification Details (Choose one):	National ID Number		Passport Number		Other ID	
Nationality:						
Date of Birth:	Day	Month		Year		

Legal Name of Applicant (if a Corporate or Other Entity):	Name	Registration Number

Postal Details	
Email Address	
Phone Number	
Physical Address	

**2. APPLICATION FOR SHARES** (NOTE: Minimum of 500 shares are to be applied for and thereafter in multiples of 100 shares)

Number of Shares Applied for (in figures)	Total Amount Payable (in Figures)	Total Amount Payable (in Words)

**3. APPLICANT'S ACCOUNT DETAILS** (in the event of a refund due to you, the refund will be sent to the account details here)

Account Details of Applicant	Bank Name	Branch name	Account Name	Account Number	
Mode of payment for Shares (Tick appropriate box)	Cash	Banker's cheque	Bank Draft	Electronic Transfer	Internet Banking/Mobile Money

**4. PREFERRED BROKER** (Tick the box next to your preferred broker)

Continental Capital Limited	<input type="checkbox"/>	Cedar Capital Limited	<input type="checkbox"/>
	<input type="checkbox"/>	Stockbrokers Malawi Limited	<input type="checkbox"/>

**5. CSD ACCOUNT NUMBER DETAILS**

CSD Number	
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Please fill in CSD Form 1 to accompany this Application Form if you do not have a CSD account

## GUIDE TO THE APPLICATION FORM

You should read the Prospectus carefully including the Terms and Conditions of the Offer before completing this Application Form.

### Instructions:

Please fill out all relevant fields of the Application Form in CAPITAL LETTERS.

Write your full name. Initials are not acceptable for first name and surname of individual applicants. The application must be in the name of natural persons, companies or other legal entities acceptable to the Group. At least one full given name and surname is required for each natural person.

Insert the number of shares that you wish to apply for (not less than 500 shares and in multiples of 100 shares thereafter). Insert the corresponding amount payable for shares applied for in words and figures under Section 2 "Application for Shares". An illustrative number of shares applied for and corresponding monies:

No. of shares	Application monies (MWK)	No. of shares	Application monies (MWK)	No. of shares	Application monies (MWK)
300	58 500	3 000	585 000	10 000	1 950 000
500	97 500	3 500	682 500	20 000	3 900 000
1,000	195 000	4 000	780 000	30 000	5 850 000
1,500	487 500	4 500	877 500	40 000	7 800 000
2,000	390 000	5 000	975 000	50 000	9 750 000

Enter your contact details including: postal address mobile phone number and email address for all correspondence regarding your Application Form or Application Monies or other correspondence in regards to this IPO. All communications to you from the Company will be mailed to the person and address shown on the Application Form. For joint applicants, only one address should be included.

Ensure that you provide your correct CSD account number. If you do not have a CSD account number complete the CSD Form 1, clearly indicating your preferred broker in order to have a CSD account number created for you. Shares that may be allotted to you at the end of the IPO will be credited to this CSD account.

Provide your ID details, preferably the Malawi national ID number or at least a passport number as these are key for the creation of your CSD account number (if you do not have a CSD account already). Applicants without a CSD account and Applicants who do not submit a duly completed CSD form will be provided with physical share certificates indicating their share allotment

Insert your correct account details for purposes of refund of a portion of the monies you paid for the shares in the event of an undersubscription but also for purposes of payment of any dividends in future.

Payments should be made to the following bank account **for investors within Malawi**:

Bank Name	CDHIB	FCB	FDH	NBM	NBS	Standard Bank
<b>Account number:</b>	<b>0020133732202</b>	<b>0003707001934</b>	<b>1850105908293</b>	<b>1014692971</b>	<b>25163307</b>	<b>9100009026727</b>
Account name:	CHL IPO	CHL IPO	CHL IPO	CHL IPO	CHL IPO	CHL IPO
Branch:	Blantyre Banking Centre	Blantyre	Umoyo House	Victoria Avenue	Ginnery Corner	Blantyre
Contact name:	James Chikoti	Adrian Chaguluka	Anthony Masamba	Edda Khulamba	Susan Mkangama	Wilson Kuyokwa
Contact email:	<a href="mailto:jchikoti@cdh-malawi.com">jchikoti@cdh-malawi.com</a>	<a href="mailto:Adrian.Chaguluka@firstcapitalbank.co.mw">Adrian.Chaguluka@firstcapitalbank.co.mw</a>	<a href="mailto:AMasamba@fdh.co.mw">AMasamba@fdh.co.mw</a>	<a href="mailto:ekhulamba@natbankmw.com">ekhulamba@natbankmw.com</a>	<a href="mailto:susan.mkangama@nbs.mw">susan.mkangama@nbs.mw</a>	<a href="mailto:Wilson.Kuyokwa@standardbank.co.mw">Wilson.Kuyokwa@standardbank.co.mw</a>

### Submission of the Application Forms

Submit your Application Form accompanied by payment for the shares applied for at any Receiving Bank Branch or agency near you.

### Details of Receiving Banks and respective branches

#### CDHIB

Blantyre Lilongwe (City Centre) Lilongwe (City Hall)

#### FCB Agencies

Area 25 Dwangwa Kasungu Mchinji Mzimba Salima  
 Chichiri Gateway Mall Likuni Mitundu Ndirande  
 City Mall Kanengo Liwonde Mponela Nkhata Bay  
 Dedza Karonga Mangochi Mulanje Rumph

#### FCB Branches

Blantyre Zomba  
 Capital City AREA 2  
 Lilongwe Limbe  
 Mzuzu

#### FDH Bank

Bvubwe Chilumba Goliati Liwonde Mponela Neno Ntcheu Rumph  
 Balaka Bwaila Chiponde Jenda Luchenza Mulanje Nkhatabay Ntchisi Salima  
 Bangula Chichiri City Centre Kanengo Lunzu Mwanza Nkhotakota Old Town Thyolo  
 BICC Chikwawa Dowa Kasungu Mangochi Mzuzu Nsanje Phalombe Umoyo  
 Blantyre Main Chiladzulu Gateway Limbe Monkeybay Nchalo Ntaja Raiply Zomba

#### NBM

Balaka Chitipa Henderson Street Kasungu Mangochi Mwanza Ntcheu Thyolo  
 Chichiri City Center Kamuzu International Airport Lilongwe Mchinji Mzimba Salima Top Mandala  
 Chichiri Shopping Mall Customs Road Kanengo Lilongwe Getway Mponela Mzuzu Songwe Victoria Avenue  
 Chileka Airport Dwangwa Karonga Liwonde Mulanje Nchalo South End Zomba

#### NBS

Chichiri Mall  
 Balaka Dedza Kanengo Lilongwe Mangochi Mzimba Nkhatabay Rumph  
 Blantyre Dwangwa Karonga Limbe Mchinji Mzuzu Nkhotakota Salima  
 Capital City Ginnery Corner Kasungu Liwonde Mulanje Nchalo Ntcheu Zomba

#### Standard Bank

Blantyre Corporate Banking Centre City Mall Bwaila Dedza Karonga Mwanza Ntcheu  
 Chichiri Limbe Gateway Mall Mponela Mangochi Kasungu Mzuzu Salima  
 Ginery Corner Capital City Kanengo Balaka Dwangwa Luchenza Mzimba Zomba



Reserve Bank of Malawi

**SECURITIES ACCOUNT OPENING FORM (CSD)**

To be completed in BLOCK LETTERS  
APPLICANT PARTICULARS

**For Individuals**

Full Name..... Gender: Male:  Female:

ID Type\*..... ID Number\*..... Date of Birth\*.....

Foreign/Local Investor\*.....

**For Joint Applicants**

Full Name..... Gender: Male:  Female:

ID Type\*..... ID Number\*..... Date of Birth\*.....

Foreign/Local Investor\*.....

**For Companies/Institutions:**

Company Name: ..... Registration Number\*.....

Date of Registration.....

Physical Address\* Postal Address:

.....	.....
.....	.....
.....	.....
.....	.....

Telephone\*..... Cellphone\*..... Fax:.....

Email Address\*.....

**CSD FORM F1**

Authorised Signatories:.....

NB (\*) Denotes required/mandatory fields. Completed forms must be accompanied by certified copy of ID Document & two (2) passport size photos

**Dividend Disposal Instruction**

Bank Name:  Bank Branch Code:  Account Number:

Account Name:

**DECLARATION**

I/We hereby request you to open and maintain a Securities Account in the Central Securities Depository (CSD) in my/our name(s).  
 I/We hereby represent and warrant that I/We have good title to such securities that may be held in my/our Securities Account from time to time.  
 I/We affirm that the funds to be used for the purchase of Securities through my/our Securities Account will not be funds derived from any money laundering activity or funds generated from terrorist or any other illegal activity.  
 I/We hereby confirm that the undersigned Participant has full authority to intermediate and or conduct business on with the Depository on our behalf in keeping with CSD Rules and Procedures that may be in force from time to time.  
 I/We agree to be bound by the terms and conditions articulated by the CSD Rules including any procedures and any other instructions.  
 I/We undertake to notify the under mentioned Participant of any change of particulars or information provided by me/us in this form.

**BROKER CONTROLLED ACCOUNT - STOCKBROKERS MANDATE**

I/We hereby confirm that I/we appoint ..... to manage my/our CSD Securities Account on our behalf, in accordance with the Terms and Conditions of the Depository in force from time to time". We understand that ..... will be responsible for execution of our trade orders at the Malawi Stock Exchange ("MSE") and recording them on the CSD System while RBM or its agents will be responsible for managing both our cash & scrip settlements on the CSD System. We understand that CSD settlements once confirmed are irrevocable and irreversible and we indemnify ..... against any losses arising as a result of these transactions. No responsibility will be accepted for any errors, omissions or delays in transmissions arising from circumstances beyond the control of .....

Primary Applicant Signature: ..... Date: .....

Joint Applicant Signature: ..... Date: .....

FOR PARTICIPANT USE ONLY	FOR CSD USE ONLY	
<p><b>Declaration:</b>                      We, the undersigned undertake that we have checked the accuracy of the Documents submitted with this application.</p> <p>Verified By: _____</p> <p>Signature: _____</p> <p>Securities Account Number: _____</p> <p>Account Code: _____</p>	<p>Approved</p> <p>Approved By: _____</p> <p>Signature: _____</p>	<p>Declined</p>

For Official Use