UNITED CIVIL SERVANTS SACCO

2025 ANNUAL REPORT

ADVANCING A DIGITALLY ENABLED SACCO

IN ACHIEVING EXTRAORDINARY 130.26, WE RECOGNIZE THAT STAFF FITNESS AND HEALTH ARE FUNDAMENTAL TO OUR SUCCESS.

In Focus

"Our growth is deliberate, disciplined, and purpose-driven."
– Fletcher Mhango

>> Page - 8

"Despite economic headwinds, we sustained strong momentum and delivered exceptional performance."
– Francis Waliwa

>> Page - 3

the leading SACCO in Malawi and the fastest growing SACCO in Africa is here!

>> Page - 12

UCSSACCO's Diaspora Portfolio is your financial home, anywhere in the world.

>> Page - 13

"The moment I heard that I was the best employee for our SACCO in 2025, I was engulfed with so much joy as it reflected my high-performance culture."

>> Page - 16

Our Vision And Mission

Mission

To transform socio-economic lives of all Malawians.

Vision

To be the leading Sacco for wealth creation.

Our Core Values

- Service to our Member is our Priority
- Maximising Shareholder Value
- Steward Leadership and Professional Management
- High Perfomance Culture
- Nurturing Cooperation with Stakeholders and Partners
- Transparency and Accountability
- Integrity
- Team Work

CHIEF EXECUTIVE OFFICER'S NOTE

A Year of Momentum, Transition, and Purpose

2025: A Defining Year in Our Strategic Journey

2025 was a busy and exciting year for United Civil Servants SACCO. It marked the final stretch in the pursuit of our 2022–2026 strategy — **Extraordinary 130.26** — while simultaneously ushering in a major institutional transition. The relocation of over 70 employees from Mzuzu to our new headquarters in Lilongwe was a complex and demanding exercise; however, it was executed successfully and now positions the SACCO for improved operational efficiency and national impact.


Francis Waliwa - UCSSACCO CEO

This progress was achieved against a challenging macroeconomic backdrop that reshaped financial demand patterns across our membership.

Despite these headwinds, we sustained strong momentum and delivered an exceptional performance.

Performance That Speaks for Itself

Our growth trajectory in 2025 reflects the strength of our strategy and the discipline of execution:

- **Membership** grew to **92,000+** (from 82,000+)
- **Total Assets** increased to **MK72 Billion** (from MK42 Billion)

These results are not incidental — they are the outcome of deliberate strategic choices, strong governance, and consistent execution. The detailed metrics that illustrate this exponential growth are presented throughout this issue.

Digital Transformation: The Engine of Execution

Our strategic journey continues to be anchored on digital transformation as a critical driver of efficiency, scalability, and competitiveness.

In 2025, we implemented a suite of impactful, home-grown digital solutions developed by our own talented team of young software engineers:

- Document Management System (reduced paper usage by over 75%)
- E-Governance Platform (board packs, communication, meetings)
- KPI Dashboard (real-time strategic performance monitoring)
- Leave Management System
- Event Management System

These investments strengthen our execution capability and enhance decision-making across the institution. As emphasized by Kaplan and Norton, "what you cannot measure, you cannot manage."

Impact Beyond Financial Performance

While our financial performance remained strong, our true measure of success lies in the impact we create. **Our success is ultimately measured by the lives we transform and the communities we uplift.**

In 2025, we continued to transform the lives of our members, support communities, and advance environmental sustainability. The real evidence of this impact is reflected not only in our initiatives, but in the ***voices of our members themselves — whose testimonies, shared in this issue, speak to the tangible difference the SACCO is making in their lives.***

Our work — from financial empowerment to social support and environmental stewardship — reflects our commitment to inclusive and responsible growth.

We invite you to read more about our **Green Initiative: Towards 2 million Trees by 2028, our support to Salima School for the Blind, and other impactful programs highlighted in this report.**

Looking Ahead: Sustaining the Momentum

Sustaining success requires forward focus and strategic clarity.

As we move into 2026 and beyond, our priority is to accelerate **digital-driven growth** while deepening the value we deliver to our members.

Our next phase will focus on:

- Implementation of a **robust core banking system**
- Expansion of **digital channels and financial access points**
- Increased participation in the **financial transactions' ecosystem**
- Deeper penetration in existing markets

Strategic expansion into **SME and diaspora segments**

The Power of Our Model

At the core of our success is our cooperative identity: a SACCO being an organization......

".... Founded by people. Run by people. For the benefit of people and their communities."

This **People Helping People** philosophy continues to differentiate us and remains the foundation of our long-term sustainability.

The Power of Our Model

With these strategic drivers, we are confident in our ambition to:

Transform the lives of over 500,000 Malawians in the next six years

We remain committed to building a strong institution that empowers its members and contributes meaningfully to national development.

"This is a mission we consider sacred."

We invite you to be part of this journey.

TAGLINE

CHANGING LIVES!

BOARD OF DIRECTORS

FLETCHER MHANGO
BOARD CHAIRPERSON

MAGGIE MWAKABANGA
VICE BOARD CHAIRPERSON

EDAH MANDA MHONE
SECRETARY

MUSSA SOKO
TREASURER

FRANCIS MSELEBO
MEMBER

STELLA GOLOSI
MEMBER

PEMPHO DZOOLE
MEMBER

BRENDA NAMPUNTHA
MEMBER

MONICA BANDA
MEMBER

FRANCIS WALIWA
UCSSACCO CEO

SUPERVISORY

CANAAN KABANGO
CHAIRMAN

CAROLINE KADANGO
SECRETARY

ALINAFE WAYA
MEMBER

BOARD CHAIRPERSON'S | ADDRESS

"Our growth is deliberate, disciplined, and purpose-driven."

Strategic Progress: Extraordinary 130.26

The year 2025 marks a defining milestone in the execution of the United Civil Servants SACCO's 2022–2026 Strategic Plan, Extraordinary 130.26. During the year under review, the SACCO delivered exceptional performance, characterized by exponential growth across all key indicators and the early attainment of several strategic targets.

This trajectory firmly positions UCSSACCO as the fastest growing SACCO in Africa according to ACCOSCA (African Confederation of Cooperative Savings and Credit Associations), and the biggest and best-performing SACCO in Malawi for over a decade (MUSCCO, 2025).

Membership Growth and Market Position

Membership has expanded significantly from 43,000 in 2021 to 93,800, with 15,625 new members recruited in 2025 alone, strengthening UCSS's position among the leading SACCOs on the continent, currently ranked 7th in Africa by membership.

This growth has been driven primarily by civil servants — particularly teachers — while also expanding into government institutions, private sector organizations, SMEs, and community groups.

Financial Performance

Total assets increased to MWK 72 billion as at 31 December 2025, up from MWK 48 billion in 2024 and MWK 6.9 billion in 2021, already surpassing the 2026 strategic target of MWK 70 billion.

The SACCO recorded a net surplus of **MWK 15,605,100,000.00** (2024: MWK 11,249,150,000). The Board will recommend a dividend of **31%** (2024: 28%). Members are encouraged to continue growing their share capital to maximize returns.

Beyond the Numbers

In 2025, the SACCO trained 6,483 members in personal financial management. This has strengthened financial discipline, improved debt management, and enhanced wealth creation among members, while improving portfolio quality, reducing credit risk, and strengthening savings mobilisation for the SACCO.

The SACCO also supported community initiatives in Salima and Bandawe Resource Centres and launched a Green Initiative targeting 2 million trees by 2028, with approximately 200,000 trees planted in 2025.

Governance and Leadership

The SACCO's strong performance is anchored on robust governance comprising delegates, Board, and Supervisory Committee, ensuring transparency, accountability, and regulatory compliance.

Equally critical has been a professional and mission-driven management team that has operationalized the strategy through a high-performance culture.

Strategic Outlook

As we enter the final year of the 2022–2026 strategy, the focus remains on concluding the strategy with excellence while preparing the 2027–2031 strategy anchored on digitally driven exponential growth.

Conclusion

UCSS stands strong, resilient, and future-ready. The foundation is solid. The momentum is undeniable. The future is extraordinary.

The future is not something we wait for — it is something we create, together. We do not just grow a SACCO — we grow people, and people grow everything else.

2024 ANNUAL GENERAL MEETING HIGHLIGHTS

#ChangingLives

OUR MANAGEMENT TEAM

FRANCIS WALIWA
CHIEF EXECUTIVE OFFICER
I-CUDE, AADE

ALBERT FUKA MOYO
HEAD OF MEMBER SERVICE
ADE, AADE

FRANCIS KANDONGA
HEAD OF OPERATIONS
I-CUDE, AADE

BIZWAYO MOYO
HEAD OF HR AND ADMIN
ADE AADE

ELITA MTAMBO
FINANCE MANAGER
ADE AADE

BENTRY TCHONGWE
RISK AND COMPLIANCE MANAGER
ADE AADE

CHIMWEMWE NDHLOVU
MARKETING AND COMMUNICATIONS
ADE AADE

OUR UNIQUE PRODUCTS

SAVINGS

Minimum membership contribution is K 18,650 for Civil Servants, K30,150 for Corporate members and K33,500 for small and medium businesses (SMEs)

Deposits
Ordinary Savings | Fixed Deposit | Group Savings

Deposits
Redeemable | Non-Redeemable

LOANS

Our Loans are designed to be Fast and Affordable

Short-Term Loan

- Relief Loan up to K500,000 in less than 30 minutes.

Long Term Loan

- Ndafika Loan up to 10 Million kwacha in less than 48hrs
- Tipindule SME Loan up to 100 Million kwacha.

WELFARE FUND

Mandatory to all members to cushion against use of savings in times of family member loss.

- Monthly Welfare Fund Contribution is K1,000

FINANCIAL LITERACY

We empower our members to manage wealth and secure their future.

- This shows the members their responsibility in making the Sacco strong.

ARRIVING WITH A BANG

ODIODI, A PARADE ON LAND AND AIR

2nd September 2025 started like any other normal day for Lilongwe residents. People were rushing to their offices and various businesses. But during late morning hours, something extraordinary happened. A cloud of soldiers and people clad in blue and white T-shirts stormed the presidential highway in centre. At the same time, an aircraft was flying on a very low altitude on top of the multitude and was also going round within locations in Lilongwe.

News started to spread on social media. In no time, the picture of the aircraft was shared and posted on popular social media sites. The aircraft had stickers on it with different messages.

It was at this point that it was established that the aircraft was part of the celebratory parade, dubbed ODIODI for United Civil Servants SACCO, the leading SACCO in Malawi and the fastest growing SACCO in Africa on its head office relocation from Mzuzu, to Lilongwe.

Speaking after the parade, Chief Executive Officer for Malawi Union for Savings and Credit Corporatives-MUSCCO Fumbani Nyangulu, commended UCSSACCO for the relocation to the central point of the country.

Chief executive officer for United Civil Servants SACCO Francis Waliwa said the event also unveiled upgraded loan products of Mzati and Ndafika. *"Our members can now get Mzati loan and have a repayment period of 72 months while for Ndafika loan repayment period is now 60 months. This is to allow our member have ample time to pay back the loan with ease."*

United Civil Servants SACCO's head office is now in Public Service Pension Fund House in Centre opposite Golden Peacock Shopping Complex.

DIASPORA PORTFOLIO

Diaspora Savings Account is an account tailored for Malawian nationals who have temporary or permanently relocated to any foreign country. This account has been designed to provide a savings investment opportunity which can be used as a readily available future accessible fund or can further be used as a backbone for multiple investment channels. This account allows remittance using foreign currency and 24/7 access to funds through digital banking channels.

Shares

The minimum monthly share contribution is MWK20, 000.00

Deposits

The minimum monthly deposit contribution is MWK15,000.00

Fixed deposits

Members may invest additional funds under the following terms:

1 Month
(1-30 days)
9% per Annum

2 Months
(1-30 days)
10% per Annum

3 Months
(1-30 days)
11% per Annum

Membership Requirements

- Be a Malawian national (in diaspora or returnee)
- Provide a valid National ID or Passport
- Provide next of kin details
- Pay minimum share capital

OUR COMMUNITY

United Civil Servants SACCO brought smiles and laughter to the Salima Resource Centre for the Blind through a heartfelt outreach initiative aimed at supporting visually impaired learners at the campus.

As part of its commitment to social responsibility and inclusive development, United Civil Servants SACCO donated assorted essential items to help meet the basic needs of the 26 learners currently enrolled at the Centre. The initiative reflects the SACCO's strong belief in creating equal opportunities and empowering every member of the community. The activities were led by visiting seasoned Canadian co-operator Jo Ha, who joined UCSSACCO in interacting with the learners and presenting additional gifts.

The day was filled with engaging moments, meaningful conversations, and shared joy between the learners and the visiting team.

#ChangingLives

OUR COMMUNITY

Established by the missionaries in 1970, resource centre is under Salima LEA primary school. United Civil Servants SACCO started supporting the resource centre in 2018. Among other things, UCSSACCO constructed a fence around the resource centre, rehabilitated classrooms, provided braille materials as well as ensuring that the kids have their daily meals.

Through initiatives like this, United Civil Servants SACCO continues to demonstrate that its impact goes beyond financial services — it is about uplifting lives, strengthening communities, and making a lasting difference.

The school's in-charge expressed heartfelt gratitude for the generous gifts, noting that the learners' academic performance continues to improve. He emphasized that despite their physical challenges, the learners remain determined, focused, and fully geared toward achieving their academic goals.

During the visit, the SACCO teams shared lunch with the learners, creating a warm and memorable moment of fellowship. They also painted classrooms and the school fence to enhance the learning environment, and planted trees around the campus as a symbol of growth, sustainability, and long-term commitment to the Centre.

OUR PEOPLE OUR PRIDE

Every quarter, we bring staff together from across the country for engaging team-building activities, providing a platform that strengthens teamwork, encourages collaboration, and promotes refreshing,morale-boostingexperiences.

United Civil Servants SACCO-UCS SACCO does not only standout as the fastest growing SACCO in Africa but is also synonymous with outpouring appreciation towards its high performing employees.

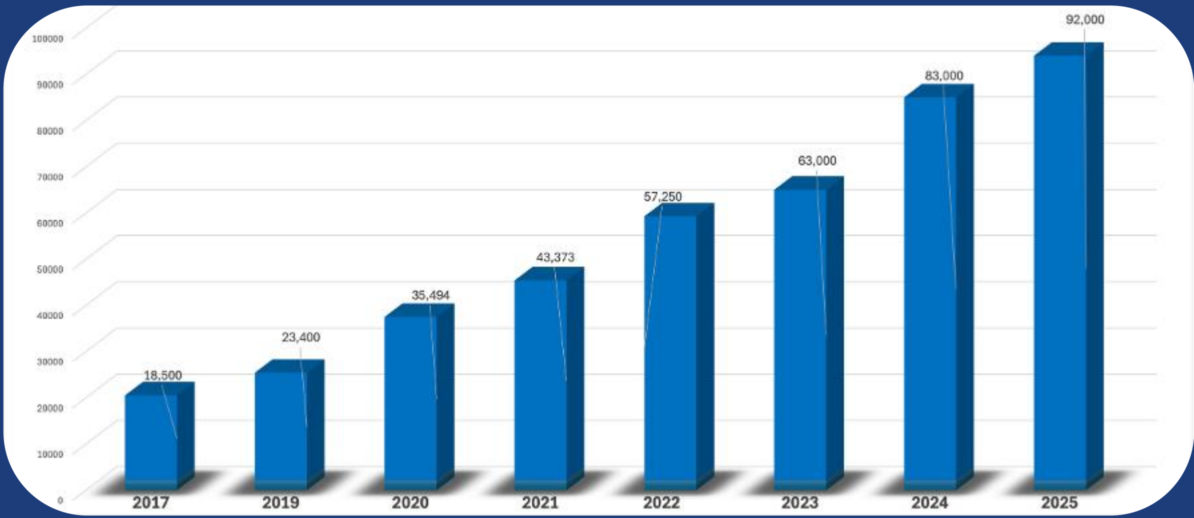
UCS SACCO's Thyolo branch manager, Kingsley Mhone, is testament to the above claim as he was recognized as UCS SACCO's 2025 Employee of the Year during a dinner event organized by the institution. Consequently, a brand-new Suzuki Swift was gifted to Mhone in an appreciation gesture.

Kingsley Mhone: Employee of the year

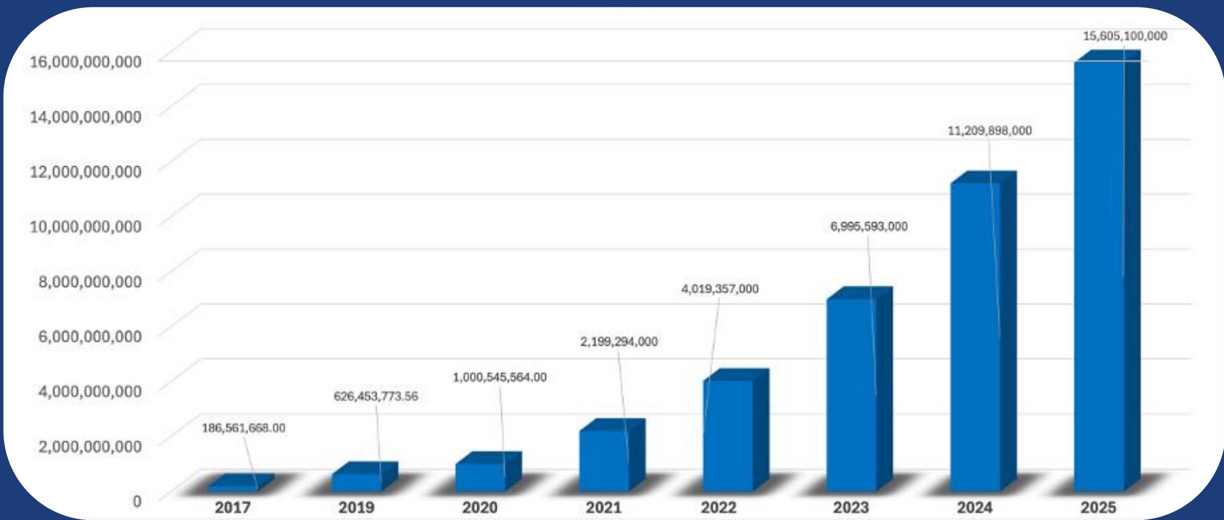
In recent history, UCS SACCO's Ekwendeni branch manager, Jumani Chirwa was gifted a brand-new Honda Fit for being the best employer in 2024 and Kasungu Branch Sales Representative Eston Mkandawire was gifted a brand-new motorbike for being the best Sales representative in 2025.

EXPONENTIAL GROWTH

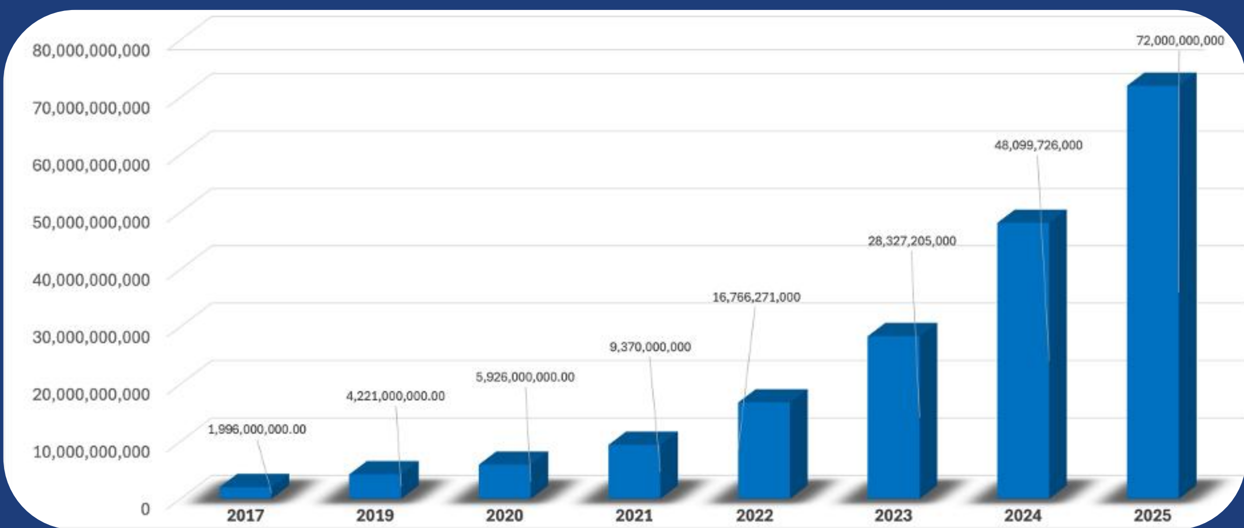
MEMBERSHIP GROWTH



PROFIT



ASSET BASE



MEMBER TESTIMONIES

In Lilongwe, Area 25, there is an energetic rising poultry farmer, geared to fulfill his entrepreneurialdreams. He is **Nelson Undani**, an entrepreneur who quit his job three years ago to concentrate on his poultry business.
Undani is a productive member of United Civil Undani is a productive member of United Civil Servants SACCO.

His journey to prosperity began few years ago when he obtained Tipindule SME loan of K4 million kwacha from United Civil Servants SACCO and purchased 300 broiler chickens. The poultry business is tremendously expanding to the extent that he makes millions expanding to the extent that he makes millions of profits in a month. His poultry farm has different chicken breeds including Layers and Brahma

Ngabaghira Chizumira stays in Mzuzu, before joining United Civil Servants SACCO, she had no live stock at her compound. As a single parent, Ngabaghila was also strugling to pay school fees for her children. Few years after joining UCSSACCO, Ghabaghira obtained a loan and she now has numerous livestock. She is into poultry and piggery farming. From the livestock, Ngabaghira has increased crop production because she uses manure from the livestock to apply in her field.

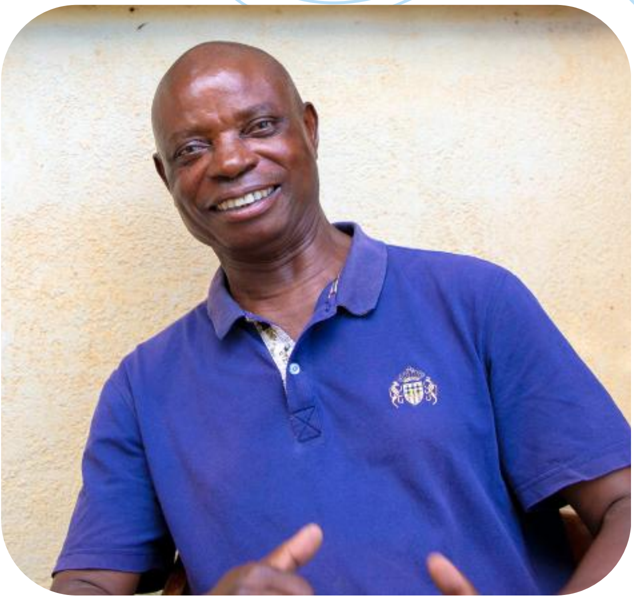
Her children are no longer chased from classes as she can now afford to pay school fees through the profits that she realises from her business. Currently, Ngabaghira is constructing a house from the proceeds. Her message is encouraging people to join United Civil Servants SACCO and be able toaccess loans of their choice both short, medium and long term.

THE GREEN INITIATIVE

TOWARDS 2 MILLION TREES BY 2028

Goal number 13 of the Sustainable Development Goals set by the United Nations calls for climate action. As an organisation operating in a global community where environmental degradation is seriously affecting people's living standards, United Civil Servants SACCO is focused to plant 2 million trees by 2028.

RETIREES SUCCESS STORY



In Malawi and the rest of the world, it is common for employees nearing their retirement age to develop a retirement fever especially when they haven't figured out on how best to finance their basic needs in the absence of a salary. James Nkolongo, a former messenger at Salima District Fisheries office, ensured the future of his life after retirement was in his own hands by joining United Civil Servants SACCO-UCS SACCO in 2021.

Nkolongo, who served at Salima District Fisheries for nearly 4 decades and is a UCS SACCO member from Salima branch, said he did not find it hard to cope with life after retirement considering he had the confidence that his savings at UCS SACCO were bound to keep working for him.

"When I joined the UCS SACCO, I was exposed to a culture of savings. Of course, I joined as a civil servant but I was aware that I will join the Nzika Account Savings once I retire. Among other benefits, the Nzika Account Savings keeps retirement benefits safe and growing, gives retirees access to financial support through affordable loans, encourages retirees to remain financially secure, helps retirees to manage retirement funds through structured saving, and reduces the risk of quickly exhausting retirement benefits", said Nkolongo.

Nkolongo, highlighted that many people stop saving after retirement, yet financial needs continue. For instance, if not for my savings at UCS SACCO and the loans which I access at the institution, I would have struggled to meet the financial demands of my family.

Nkolongo said: "Today, even as a retiree, I am able to still pay school fees for my kids because I have access to flexible loans offered by UCS SACCO and I receive dividends from my savings at the end of each financial year. Nothing has changed compared to the time I had a job because I am still thriving financially. Remarkably, through UCS SACCO, I was able to secure a loan to invest in my agriculture."

Today, Nkolongo is an established farmer who grows maize on a 2 acres farm in Maganga Village in the area of traditional authority Mdalamkwanda, Salima.

For context, Nzika Savings account is for all retirees and it provides a safe place for pension deposits, offering flexible access to savings for daily expenses or emergencies.

SME PORTFOLIO

As part of transforming the socio-economic lives of all Malawians, United Civil Servants SACCO is committed to supporting Small and Medium Enterprises (SMEs) through tailored financial solutions, with this portfolio strategically categorized into two segments: Tikule and Chithumba.

TIKULE SME

Tikule SME is designed for small and growing businesses with existing capital of up to MWK 5 million. At United Civil Servants SACCO, we recognize the potential within emerging enterprises, and Tikule provides the business boost needed to strengthen operations, improve cash flow, and unlock growth opportunities. Members can access loans ranging from MWK 500,000 to MWK 5 million, repayable within 12 months.

Through tailored financial solutions and dedicated support, we help small businesses build a solid foundation and confidently progress to the next level.

CHITHUMBA SME

Chithumba SME is tailored for large-scale businesses with strong operational capacity and working capital above MWK 5 million. At United Civil Servants SACCO, we go beyond financing by providing a strategic business boost that enables enterprises to scale efficiently and compete at higher levels. Members can access funding of up to MWK 100 million, empowering them to expand operations, enhance productivity, and seize larger market opportunities.

Through this support, we help businesses unlock their full growth potential and achieve long-term sustainability.

AUDITOR'S REPORT

Independent auditor's report

To the Members of United Civil Servants SACCO Limited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of United Civil Servants SACCO Limited (the Cooperative) as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Financial Cooperatives Act, 2011 of Malawi.

What we have audited

United Civil Servants SACCO Limited's financial statements set out on pages 9 to 51 comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the SACCO in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of financial statements in Malawi.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Measurement of expected credit loss allowance (ECL) on loans and advances to members This key audit matter relates to the financial statements. The measurement of ECL on loans and advances to members was considered to be a matter of most	Our audit addressed the key audit matter as follows: We obtained an understanding of the SACCO's business model through discussions with

Brown and Clapperton (B&C) House, Along Kirk Road, Area 4 Lilongwe, P O Box 31033 Lilongwe 3, Malawi
Tel: +265 1 +265 (0) 1750 081
Email: auditconsult@auditconsult.mw
www.rsmglobal.com/mw

significance to the current year audit due to the degree of judgement and estimation applied in the ECL determination

The SACCO applied the three-stage general model in determining its ECL for the current year. In calculating the ECL, the key areas of significant management judgement and estimation included:

- the evaluation of significant increase in credit risk ("SICR") for exposure of portfolios with similar risk characteristics. Significant judgement is applied by management in determining the criteria for evaluating SICR;

- Incorporation of macro-economic inputs and forward-looking information into the SICR assessment and ECL measurement. Macroeconomic conditions and factors that are expected to impact portfolios or individual counterparty exposure include political risk, inflation, foreign exchange rates and GDP;

- Assessment of ECL raised for Stage 3 exposures relate to exposures that are assessed to be credit impaired. The SACCO apply quantitative and qualitative criteria to identify credit impaired exposures; and

- Inputs to the ECL calculation which include the probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD").

At the reporting date, the Cooperative recognised an impairment allowance on loans and advances to members of K1,404 million.

Refer to the following sections in the financial statements that relate to this key audit matter:

- Notes 3.4 and 3.7 relating to financial instruments and impairment of financial assets;

  Note 4.1 (d) relating to credit riskfinancial risk management;

  Note 5(a) relating to critical accounting estimates and judgements as they apply to the measurement of ECL; and
- Note 11 relating to loans and advances to members.

management and assessed the classification of financial instruments against the requirements of IFRS 9. No inconsistencies were identified.We assessed the reasonableness of the key areas of significant management judgement and estimation as follows: Evaluation of SICR

For Stage 1 and 2 loans and advances to members, we inspected member statements of customer payment history and assessed whether the SICR has been appropriately identified through deterioration and improvement of payment ability and whether the loans and advances to members have been appropriately classified as Stage 2 or 3 based on the SICR assessment.

Incorporation of macro-economic inputs and forward-looking information into the SICR assessment and ECL measurement
We assessed the reasonability of industry, macro-economic and forward-looking information used in the ECL model by agreeing the information used to external sources and found these to be within an acceptable range.
Assessment of ECL raised for Stage 3 exposures

- On a sample basis, we tested the accuracy of ageing and loan categorisation of the loans advanced by checking the last payment date on loan statements, and by inspecting statement activity, to assess whther or not loans in Stage 2 were impaired and ought to have been classified in Stage 3. No exceptions were noted. For a sample of Stage 3 loans and

- advances to members we assessed whether or not they were credit impaired by testing whether the loan is indeed not being serviced, and whether an appropriate haircut has been applied to collateral in estimating LGD. No exceptions were noted.

Inputs to the ECL calculation which include the probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD")

- On a sample basis for specific loans and advances to members, we tested the mathematical accuracy of the inputs into the model. All the inputs including PD, LGD and

EAD were agreed to underlying documentation such as member records of payment ability and outstanding loan amounts. We noted no material inconsistencies.

We tested the inputs into the model by performing the following procedures:

- For a sample of loans, we tested the appropriate determination of PDs and stage of loans by inspecting the members statements. We found no exceptions with management's determination of PDs and staging.
- We obtained an understanding of and challenged management's forward-looking assumptions regarding loss given default and members' loan repayment ability, by comparing these assumptions used with the internal and external economic and operational information considered by us during the audit, noting no material exceptions.
- We challenged management's assumption to exclude collateral that could not be realised in the normal course of operations by considering the legal recourse to such collateral or recoverability in the normal course of business.
- On a sample basis, we agreed the exposures at default, the type of product (as either overdraft or term loans) and the effective interest rate used to the information on the Group's credit portfolio. We found that the information used in the model is consistent with the credit portfolio.
- We assessed management's assumptions in determining historic default rates by considering past payment performance through inspection of loan statements, and considering economic factors such as inflation, industry factors and non-performing loans (NPL) ratios in determining the annual loss given default (LGD). No material exceptions were noted.

Other information

Thedirectors are responsible for the other information. The other information comprises the information included in the document titled "United Civil Servants SACCO Limited Financial Statements for the year ended 31 December 2025". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for thepreparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Financial Cooperatives Act, 2011 of Malawi, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the SACCO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the SACCO or to cease operations, or have norealistic alternative butto do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financialstatements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SACCO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SACCO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SACCO to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our
audit.
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe
these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

AuditConsult Chartered
Accountants (Malawi) Lilongwe

CA. Topham Hojane

Date …………………………….…

WELFARE FUND

When it matters most, what you need is support you can rely on. The Welfare Fund helps you provide a dignified farewell for your loved ones, easing the financial pressure during difficult times. With just **MK1,000** per month, you ensure meaningful support and lasting peace of mind for your family.

MEMBER **K1,000,000**

SPOUSE **K750,000**

CHILDREN **K600,000**

PARENTS **K150,000**

Note: There is a 6 months period in case of natural death from the date of the first premium.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		YEAR 2025	YEAR 2024
ASSETS	**NOTE**	**K'000**	**K'000 Restated**
Property and equipment	6	1 404 573	1 026 186
Intangible assets	7	38 154	37 386
Right of use assets	8	736 231	384 354
Investments in Equity Instruments(FVPL)	9	300 832	340 758
Investments at amortised cost	10	276 416	276 416
Loans and advances to members	11	48 170 683	35 366 533
Other receivables	12	6 719 922	5 527 561
Deposits with financial institutions	13	9 104 637	4 257 787
Cash and cash equivalents	14	5 215 779	882 744
Total Assets		**71 967 227**	**48 099 725**
LIABILITIES			
Lease liabilities	8	684 351	414 156
Member shares	16	24 264 384	15 878 804
Borrowings	17	3 167 518	3 089 028
Other payables	18	1 744 225	845 059
Provisions	19	254 055	481 292
Liabilities due to members	20	5 691 276	3 666 122
Bank overdrafts	21	189 708	486 770
Total Liabilities		**35 995 517**	**24 861 231**
Net Assets		**35 971 710**	**23 238 494**
Equity			
Share capital	15	2 024 499	1 746 383
Statutory reserve		6 885 514	6 885 514
Revaluation reserve		419 788	419 788
Building reserve		3 050 000	550 000
ICT system reserve		4 450 000	1 950 000
Infrastructure development reserve		-	1 000 000
Other reserves		623 601	623 601
Retained earnings		18 518 308	12 865 681
Total equity reserves		**35 971 710**	**23 238 494**

The financial statements were approved and authorised for issue by the Board of Directors on ________________ and were signed on its behalf by:

____________________________ **Chairman of the Board**

____________________________ **Board Member**

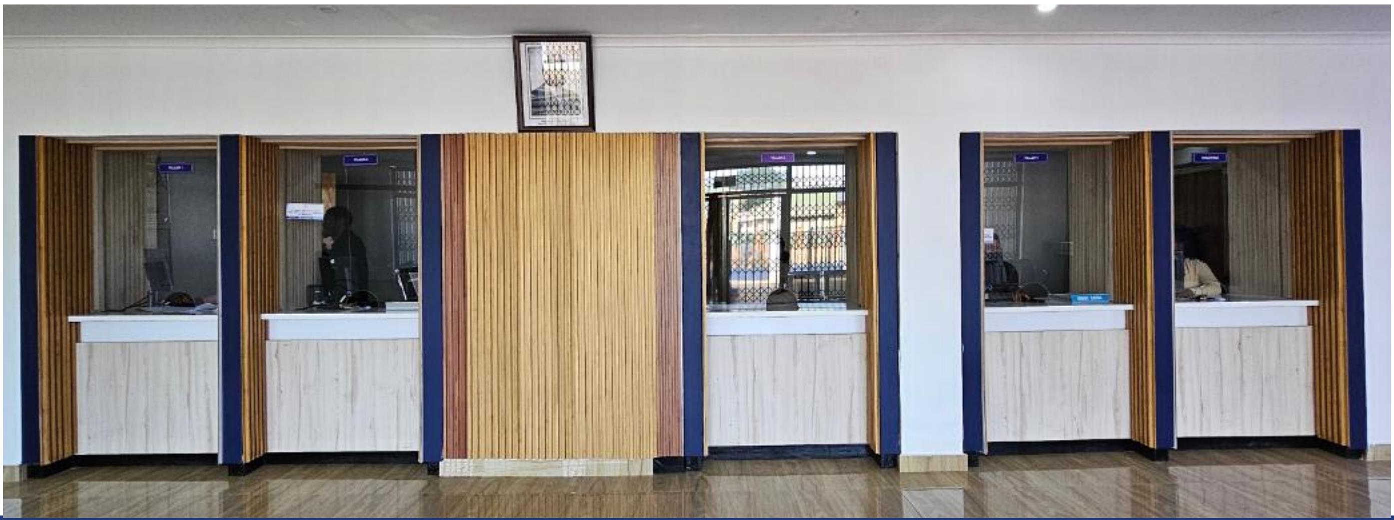
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 31 DECEMBER 2025

		YEAR 2025	YEAR 2024
REVENUE	**NOTE**	**K'000**	**K'000**
			Restated
Interest income on loans	22	22 137 921	14 711 841
Interest on investments	23	1 082 791	570 829
Interest expenses and similar charges	24	(1 471 895)	(1 122 382)
Net interest income		**21 748 817**	**14 160 288**
Other gains on financial instruments		(39 927)	39 259
Other income	25	4 471 326	4 069 260
Total operating income		**26 180 216**	**18 268 807**
EXPENSES			
Administration expenses	23	5 361 529	3 494 896
Governance expenses	24	616 506	466 203
Marketing expenses	25	919 859	451 144
Personnel expenses	26	2 977 766	2 059 051
Total operating income		**9 875 660**	**6 471 294**
Profit before impairmemt losses on loans		**16 304 556**	**11 797 513**
Increase in impairment losses on loans		(699 456)	(548 363)
Total operating income		**15 605 100**	**11 249 150**
Other comprehensive income		-	-
Total equity and liabilities		**15 605 100**	**11 249 150**

2025 ORGANISATIONAL AWARDS

OUR FOOTPRINTS



HEAD OFFICE

In Public Service Pension Fund House, Floor No.3, opposite Golden Peacock Shopping Centre, P.O. Box 30197, Lilongwe 3

BRANCH OFFICE

Mzuzu Branch Office
Situated in Mzuzu City Peace Building, along M1 Road, opposite Katoto Secondary School and community ground.

Mzimba Branch Office
In SACCO house, situated along the road to Mzimba main market, opposite Police Unit and NBM – Mzimba Service Center.

Nkhata-Bay Branch Office
Situated next to Nkhatabay Education Offices and Nkhatabay Magistrate Court

Karonga Branch Office
In SACCO house, situated next to Karonga DEM offices and Red Cross Society.

Chitipa Branch Office
Located in old NBS Offices, along the road to Chitipa District Hospital, opposite main market.

Nkhotakota Branch Office
Located at Nkhotakota Boma, along the lakeshore road, near cross roads.

Lilongwe Branch Office
Area 2 in central mall opposite Kamuzu College of Health Sciences along Mzimba street.

Mponela Branch Office
Near Kaminyala Filling Station, Opposite Super Sink Complex Along the M1 Road.

Mchinji Branch Office
Opposite Mchinji Police Station.

Blantyre Branch Office
Situated at Pamodzi Park, Opposite Leopard Matches.

Ekwendeni Branch Office
In SACCO house, situated next to Mzimba North Education offices located at Ekwendeni, along M1 Road to Karonga

Chilumba Branch Office
In SACCO house, along the M1 Road, opposite Chilumba main market

Kasungu Branch Office
In SACCO house, next to Kasungu DC offices

Salima Branch Office
Situated in upstairs building, opposite the main market and Salima Bus Depot.

Mangochi Branch Office
Situated along the road to Bakili Muluzi Bridge, next to Gym.

Balaka Branch Office
Situated at Balaka Boma along the M8 road opposite Balaka NBM Service Centre.

Thyolo Branch Office
Along the road, opposite MTL Building & New District Hospital.

Ntcheu Branch Office
Ntcheu Boma along M1 Road.

Zomba Branch Office
Situated in FDH Building along the M1 Road.

Mulanje Branch Office
Mulanje Boma, opposite Puma Filling Station

Dedza Branch Office
Near Kasumbu road, opposite Kwathu Boutique Hotels, Next to Buffalo Bicycle or Golden Dish Building.

SATELLITE CENTRE OFFICE

Phalombe Satellite Office
Along the M1 road to Zomba, next District Health Office

Liwonde Satellite Office
Situated near Mwaka Hardware opposite Moya lodge

Nsanje Satellite Office
Situated in Mbanyale building, along the M1 Road, Towe Stage.

Neno Satellite Office
Located in CADECOM Building, near cross earth roads.

Mwanza Satellite Office
Located in Public Works Building.

Chiradzulu Satellite Office
Next to DC offices, Behind MEC office.

Chikwawa Satellite Office
Situated in Zonse Building, next to DEM offices, opposite Chikwawa Community ground..

CONTACT US

3087

www.ucssacco.com

info@ucssacco.com

SCAN ME

TO JOIN