

# Malawi Financial Market Update

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Week ending 28 March 2025





## Malawi Financial Market Update: Week ending 28 March 2025

### Market developments

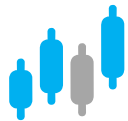
#### What happened this week

*The 2025 tobacco market season is set to open on 9 April 2025, starting with Lilongwe Auction Floors, followed by Chinkhoma Floors (Kasungu) on 11 April, Limbe Auction Floors on 14 April, and Mzuzu Auction Floors on 28 April.*

*National Investment Trust Plc (NITL) and FDH Bank Plc released their financial results for the year ended 31 December 2024.*

*NBS Bank Plc, NICO Holdings Plc, Press Corporation Plc, Telekom Networks Malawi (TNM) Plc, and Airtel Malawi Plc issued revised trading statements.*

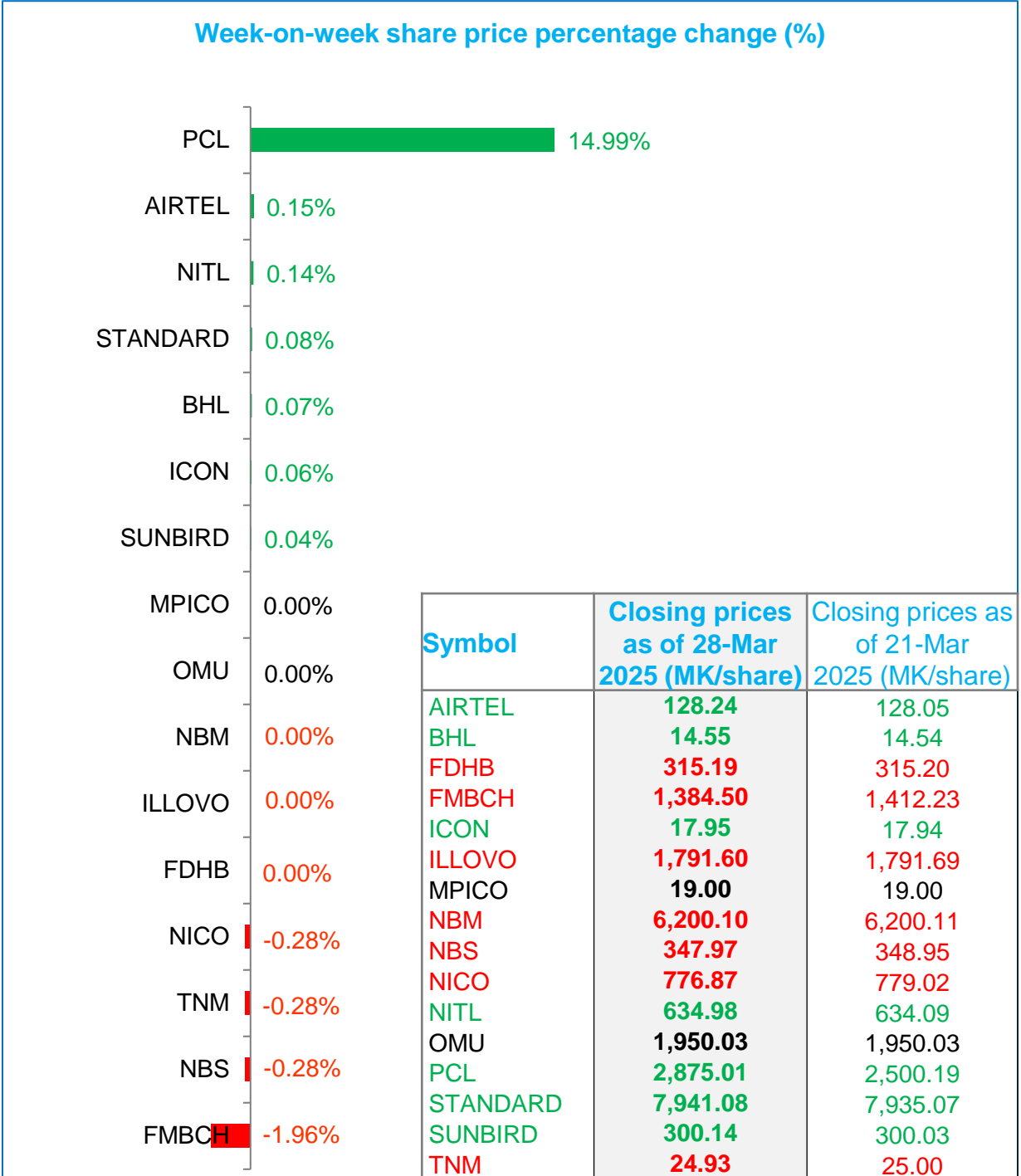
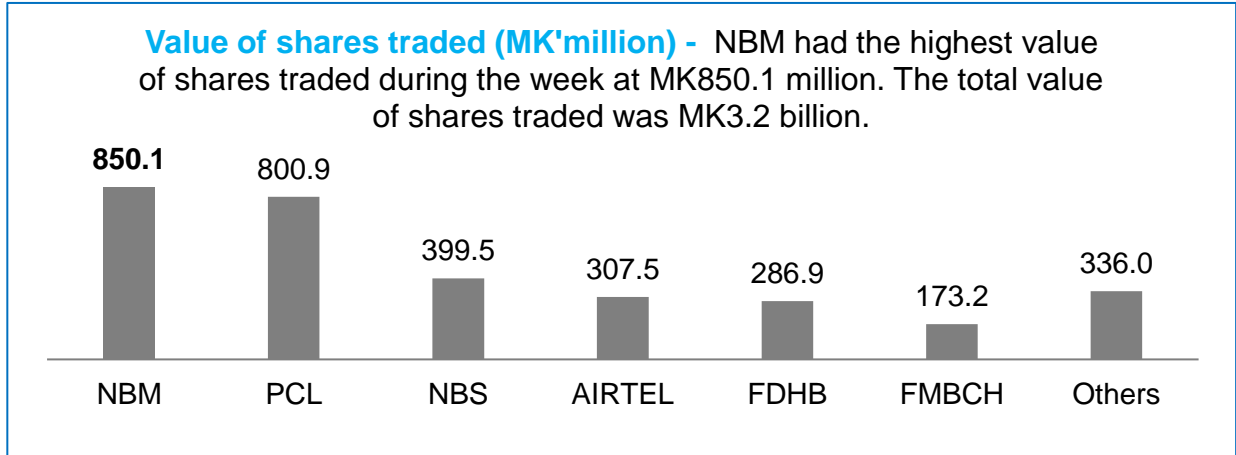
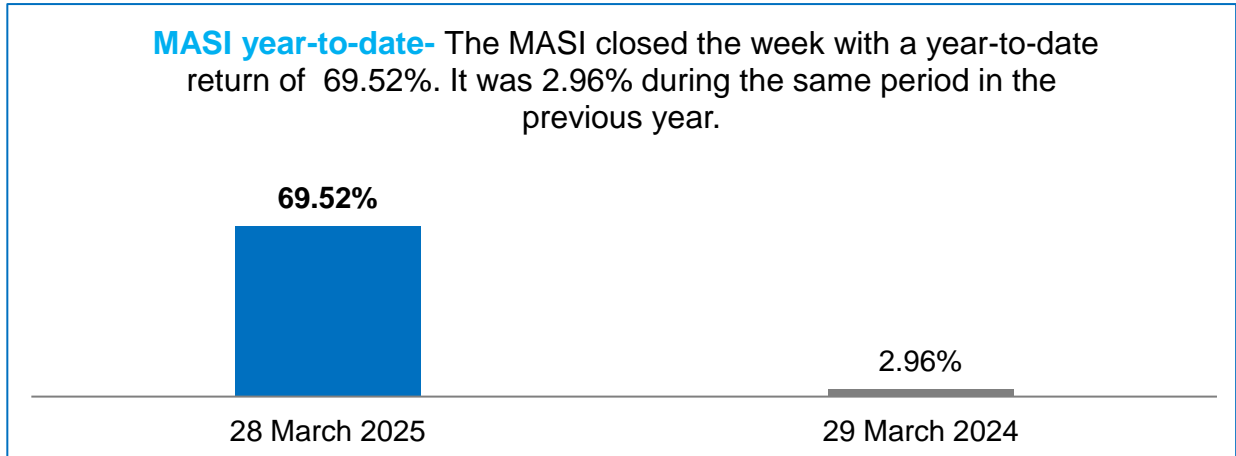
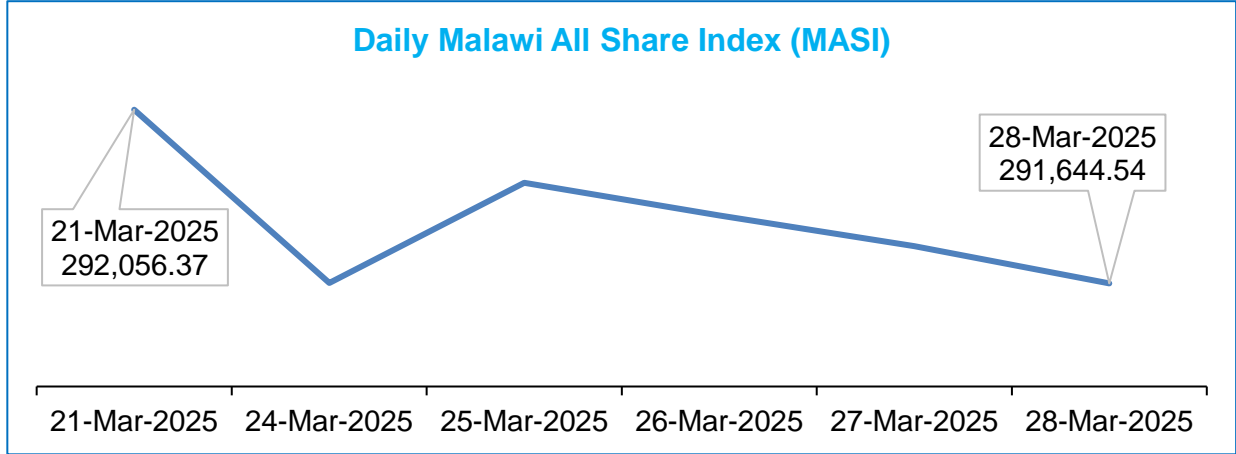
1. NBS Bank Plc issued a revised trading statement, with the profit after tax for the year ended 31 December 2024 now expected to fall in the range of MK72.5 billion to MK73.0 billion, representing an increase of between 147% and 148% compared to the profit after tax of MK29.4 billion reported in the previous corresponding period ended 31 December 2023. (*NBS Bank Plc, 24 March 2025*)
2. The Reserve Bank of Malawi (RBM) announced amendments to Exchange Control Regulations, including reducing the mandatory conversion ratio on export proceeds from 30% to 25%, exempting certain manufacturers from conversion requirements, and revising NGO and public sector foreign currency receipts regulations. The RBM will also make changes to foreign exchange dealer licensing, introducing one-year authorizations, replacing perpetual licenses. Additionally, the RBM is implementing a requirement for Bank Telegraphic Transfer (TT) copies to verify legitimate financing of imports, aiming to curb informal funding sources. These changes will take effect once legislative processes are finalized and published in the Government Gazette. (*Reserve Bank of Malawi, 25 March 2025*)
3. National Investment Trust Plc (NITL) released its financial results for the year ended 31 December 2024. The company recorded a profit after tax of MK29.76 billion – a 38.39% increase from MK21.50 billion in 2023 – driven by growth in investment income. Total assets grew by 64.16% and dividend income increased by 32.43% to MK1.87 billion. Interest income increased significantly to MK245.87 million from MK44.07 million in 2023, primarily due to a new investment of MK1.65 billion in government securities. The Board approved a second interim dividend of MK4.30 per share on 25th March 2025, and a final dividend of MK5.00 per share will be confirmed at the upcoming Annual General Meeting. (*National Investment Trust Plc, 25 March 2025*)
4. Total exports decreased by 74.3% to USD32.6 million in February 2025 from USD126.7 million in January 2025. Total imports increased by 7.4%, to USD293.7 million in February 2025 from USD273.5 million in January 2025. As a result, the trade deficit rose by 77.8%, to USD261.1 million in February 2025 from USD146.8 million in January 2025. (*National Statistical Office, 25 March 2025*)
5. NICO Holdings Plc issued a revised trading statement advising that, after further reviews, its consolidated profit after tax for the year ended 31 December 2024 is expected to be in the range of MK133 billion to MK136 billion representing an increase of between 125% and 131% on the profit after tax of MK59 billion reported in the previous corresponding period ended 31 December 2023. (*NICO Holdings Plc, 25 March 2025*)
7. NBS Bank Plc Board appointed Temwani Simwaka as the new Chief Executive Officer (CEO), effective 1 April 2025. (*NBS Bank Plc, 25 March 2025*)
8. Press Corporation Plc issued a revised trading statement advising that, after further reviews, its consolidated profit after tax for the year ended 31 December 2024 is expected to be between MK125.14 billion and MK129.05 billion, representing an increase ranging between 67% and 72% from the MK75.05 billion reported in the previous corresponding period ended 31 December 2023. (*Press Corporation Plc, 26 March 2025*)
9. The Tobacco Commission (TC) has set 9 April 2025 as the commencement date for the 2025 tobacco market season. Lilongwe Auction Floors will open first, followed by Chinkhoma Floors (Kasungu) on 11 April, Limbe Auction Floors on 14 April, and Mzuzu Auction Floors on 28 April. (*The Nation, 26 March 2025*)
10. Telekom Networks Malawi (TNM) Plc issued a revised trading statement, with the expected profit after tax for the year ending 31 December 2024 updated to be between MK9.36 billion and MK10.31 billion. This represents an increase of between 297% and 317% from the net loss after tax of MK4.76 billion in the previous corresponding period ended 31 December 2023. (*TNM Plc, 26 March 2025*)
11. FDH Bank Plc released its financial results for the year ended 31 December 2024. The Bank recorded a profit after tax of MK74.06 billion, a 108% increase from MK35.65 billion in 2023, driven by a 136% rise in Net Interest Income. Total assets increased by 119%, mainly due to the increase in Loans by 56%, Government Securities by 101%, and placements by 176%. This growth was supported by growth in customer deposits, which increased by 99% to MK883 billion in 2024 from MK444 billion in 2023. The Bank paid dividends totaling MK35.13 billion in 2024, including a final recommended dividend of MK4.56 billion for shareholder approval at the upcoming 18th Annual General Meeting. (*FDH Bank Plc, 28 March 2025*)
12. Airtel Malawi plc issued a revised trading statement advising that, the company's estimated profit after tax for the year ending 31 December 2024 is now expected to be within the range of MK41.8 billion and MK43.5 billion, representing an increase of between 371% and 383% greater than the MK15.4 billion loss after tax for the period ending 31 December 2023. (*Airtel, 28 March 2025*)



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The stock market was bearish, with the Malawi All Share Index (MASI) closing the week ending 28 March 2025 at 291,644.54 points from 292,056.37 points on 21 March 2025.

Stock market (Source: MSE)





Government securities (Source: RBM)

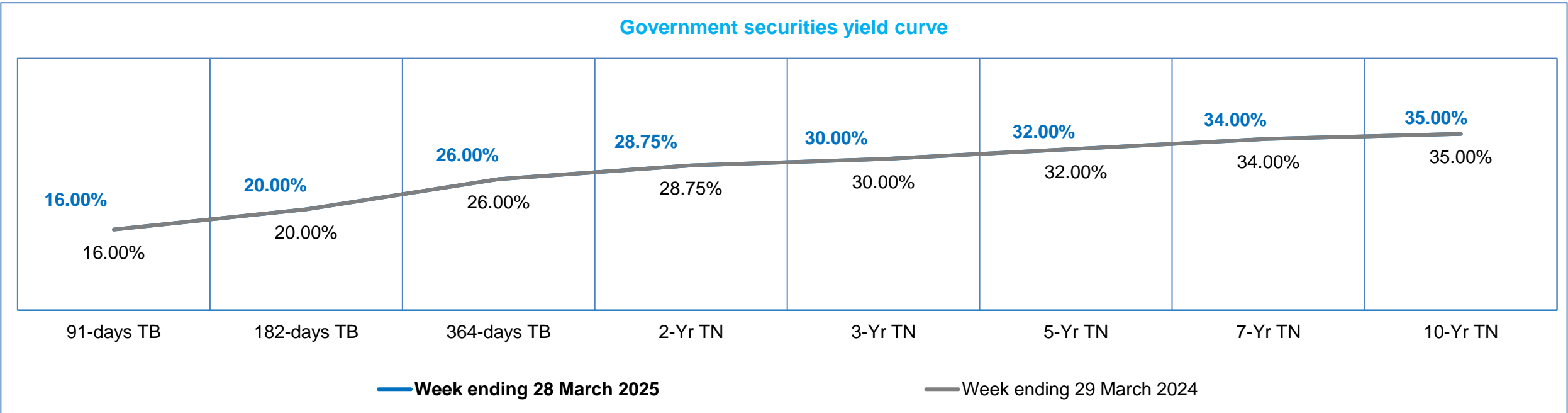
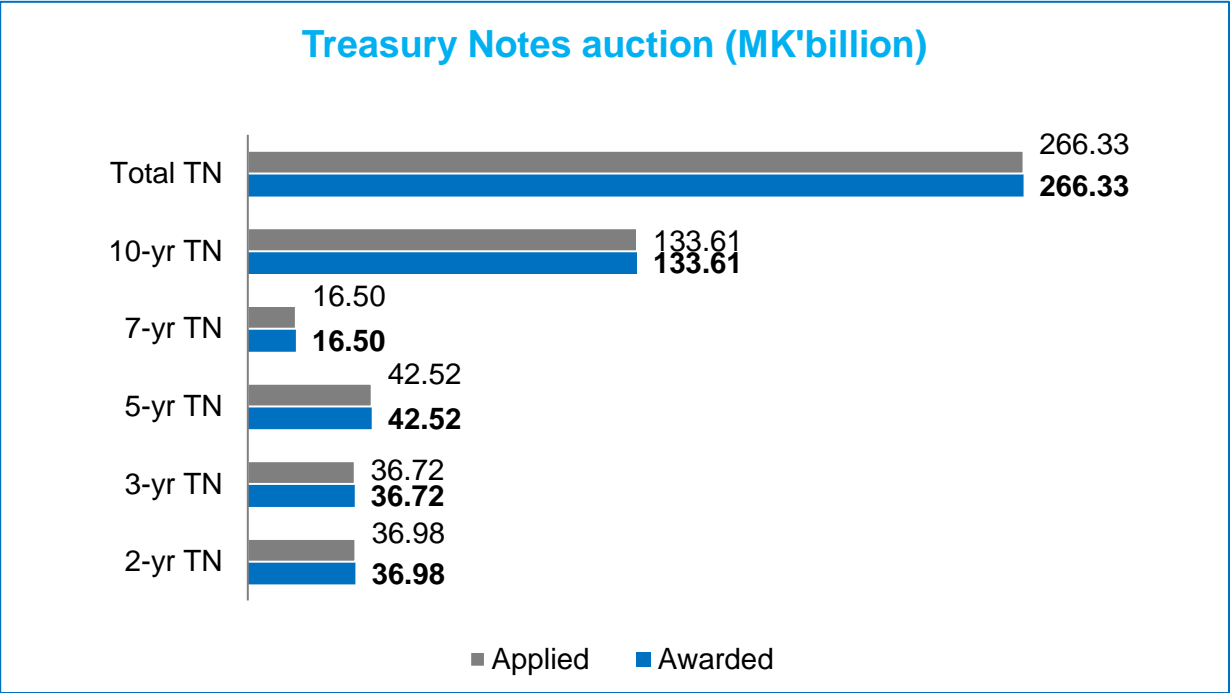
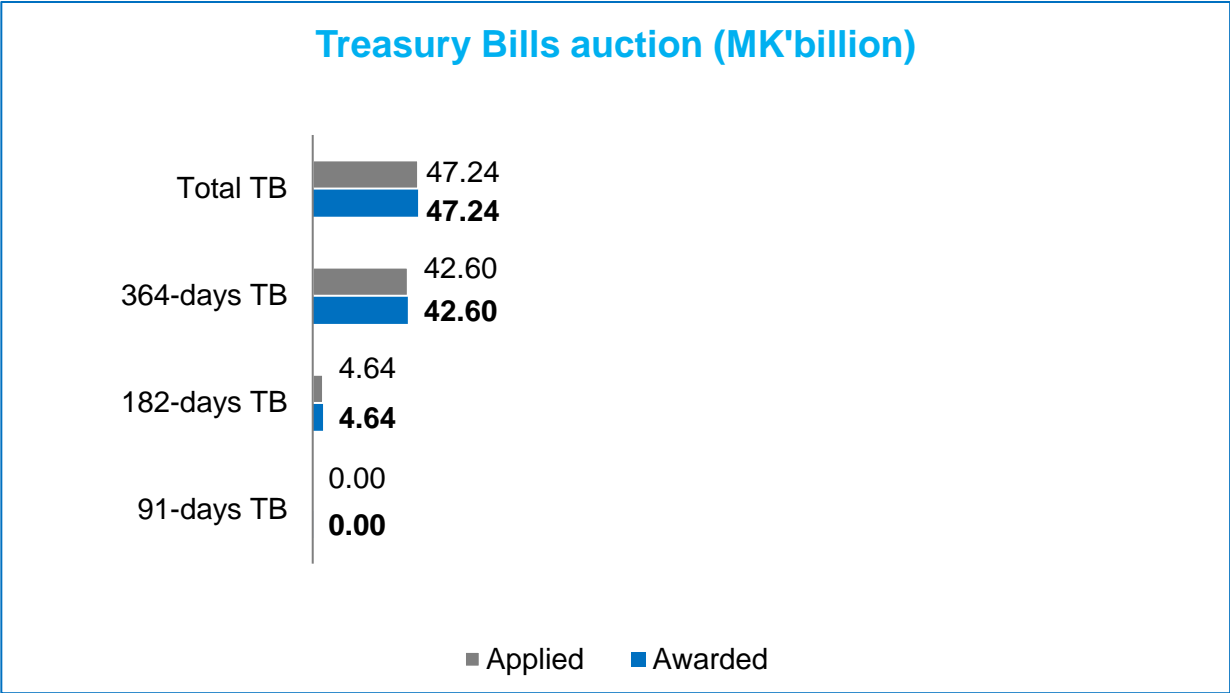
The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and Treasury Notes (TNs) during the period under review.

The total amount raised from the TB auctions was MK47.24 billion, primarily driven by the 364-days TB.

The total amount raised from the TN auctions was MK266.33 billion, primarily driven by the 10-year TN.

The average TB and TN yields were maintained at 20.67% and 31.95%, respectively, during the period under review.

The RBM also held Open Market Operations (OMO) in the period under review.







## Appendix 1: Historical Economic Indicators

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	28-Mar-25
<b>Exchange Rates (middle rates)</b>														
MK/USD	1,698.50	1,750.38	1,745.70	1,750.76	1,749.51	1,749.95	1,750.31	1,750.37	1,749.95	1,750.11	1,749.93	1,750.35	1,749.65	<b>1734.01*</b>
MK/GBP	2,217.83	2,268.77	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,411.29	2,338.28	2,290.94	2,250.25	2,233.84	2,268.53	<b>2310.59*</b>
MK/EUR	1,887.38	1,949.34	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	2,003.14	1,953.49	1,904.40	1,861.87	1,866.83	1,873.26	<b>1926.24*</b>
MK/ZAR	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	99.29	95.82	97.11	97.04	<b>98.00*</b>
<b>Foreign Exchange Reserves</b>														
Total Reserves (USD'mn)	540.32	552.94	603.07	610.18	591.51	572.02	549.85	560.3	519.0	516.9	530.9	570.60	N/A	<b>N/A</b>
<b>Inflation</b>														
Headline	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	27.0%	28.1%	28.5%	30.7%	<b>N/A</b>
Food	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	33.7%	35.6%	36.0%	38.5%	<b>N/A</b>
Non-food	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	17.2%	16.8%	16.9%	18.5%	<b>N/A</b>
<b>Interest Rates</b>														
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
Average Interbank Rate (Overnight)	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.23%	23.22%	23.19%	23.18%	<b>23.19%</b>
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	<b>26.20%</b>
Commercial Bank Reference Rate	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%	<b>25.10%</b>
<b>Government Securities Yields</b>														
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	<b>16.00%</b>
182-days Treasury Bill	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	<b>20.00%</b>
364-days Treasury Bill	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	<b>28.75%</b>
3-year Treasury Note	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	<b>30.00%</b>
5-year Treasury Note	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	<b>32.00%</b>
7-year Treasury Note	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	<b>34.00%</b>
10-year Treasury Note	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
<b>Year-to-date Return</b>														
MASI	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%	55.06%	29.90%	64.92%	<b>69.52%</b>
DSI	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%	52.11%	32.35%	50.42%	<b>56.52%</b>
FSI	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%	75.65%	15.08%	152.62%	<b>148.16%</b>

\*: Reserve Bank of Malawi opening exchange rates (middle) as of 28 March 2025

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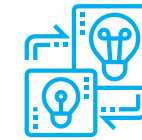
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