Bridgepath Capital
Invest to Achieve

Malawi Monthly Economic Report and Malawi's Public Debt – Government of Malawi 2026/27 Financial Statements

July 2026

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Inflation

The year-on-year headline inflation rate eased to 21.1% in June 2026 from 23.4% in May 2026, driven by the decrease in both food and non-food inflation.

The latest inflation forecasts for 2026 vary across institutions. Oxford Economics projects a higher average of 31.5%, citing fuel shortages, higher fertiliser and oil prices, and expansionary fiscal policy under the Community Development Fund (CDF). The African Development Bank (AfDB) projects an average of 24.6%. The Economist Intelligence Unit (EIU) expects inflation to average around 23.7% during the year. The World Bank projects 21.9%, driven by high food prices and money creation linked to pre-election deficits. In comparison, the State of the Nation Address (SONA) projects inflation to decline to less than 21.0% in 2026.

Foreign Exchange Market and Reserves Position

Based on the closing middle rates, the Malawi Kwacha marginally depreciated, trading at MK1,750.55/USD as of 31 July 2026, from MK1,749.93/USD as of 30 June 2026.

Stock Market

The stock market was bearish in July 2026, with the Malawi All Share Index (MASI) decreasing by 3.48% to 505,773.08 points from 524,002.31 points in June 2026. This brought the MASI year-to-date return to negative 15.43% in July 2026. In July 2025, the MASI year-to-date return was 124.53%. Share price losses in NICO, NBS, AIRTEL, FDHB, NITL, NBM and TNM primarily drove this downward movement in the index in July 2026.

Fiscal Policy, Regulatory Developments and Government Securities

In July 2026, the Government of Malawi announced that it is in the final stages of restructuring its domestic debt and is conducting stress tests to assess the potential impact of the exercise on the local financial sector.

The International Monetary Fund (IMF) reaffirmed that any new Extended Credit Facility (ECF) programme for Malawi will prioritise restoring economic stability and reviving economic growth while protecting government spending on vulnerable households.

Fiscal Policy, Regulatory Developments and Government Securities (continued)

In July 2026, a total of MK144.63 billion was raised from MK236.41 billion in applications for Treasury Bills, representing an overall rejection rate of 38.83%. There were no auctions for Treasury Notes.

As of 31 July 2026, the 91-, 182-, and 364-day TB yields were 12.00%, 15.00%, and 16.00%, respectively. The monthly average TB yield dropped to 14.39% in July 2026 from 14.50% in June 2026. The Reserve Bank of Malawi (RBM) held Open Market Operation Repurchase Agreements (OMO Repo) in July 2026. A total of MK265 billion was withdrawn from the market.

Commodity Market

According to the International Food Policy Research Institute (IFPRI), the retail maize price in June 2026 fell by 29.69% to MK727/kg (MK36,350 for a 50kg bag), from MK745/kg (MK37,250 for a 50kg bag) in May 2026.

As of 31 July 2026, USD248.51 million was realised from the sale of 123.57 million kilograms (kgs) of tobacco at an average price of USD2.01/kg. During the same period in the previous year, USD460.12 million was realised from the sale of 180.52 million kgs at an average price of USD2.55/kg. This represents a 45.99% decrease from USD460.12 million realized during the same period in the previous year.

In Malawi, fuel pump prices were adjusted, with diesel prices declining to MK5,863 per litre from MK6,306, representing a 7.02% decrease, while petrol prices were maintained at MK5,863 per litre effective 1 August 2026. Global oil prices decreased, with the OPEC reference basket decreasing by 8.1% to USD82.50/barrel in July 2026 from USD89.75/barrel in June 2026.

Malawi's Public Debt – Government of Malawi Draft 2026/27 Financial Statements

According to the Ministry of Finance, Economic Planning and Decentralization, Malawi's total public debt increased to MK24.33 trillion as at 31 December 2025 from MK19.18 trillion as at 31 March 2025, with the debt-to-GDP ratio rising slightly from 91.5% to 93.2%. The increase was driven mainly by domestic borrowing as the Government continued to finance fiscal deficits amid constrained

Malawi's Public Debt – Government of Malawi Draft 2026/27 Financial Statements (continued)

access to concessional external financing. Domestic debt rose to MK16.01 trillion, while external debt increased modestly to USD4.80 billion (approximately MK7.86 trillion).

The Ministry of Economic Planning and Decentralization notes that external public debt grew to USD4.80 billion as at 31 December 2025 from USD4.62 billion as at 31 March 2025, supported by increased disbursements from multilateral creditors, particularly the International Development Association (IDA) and the European Investment Bank (EIB), which outweighed repayments to the IMF.

On the domestic front, Treasury Notes remained the Government's primary borrowing instrument, accounting for 81.9% of domestic debt. The RBM was the largest holder of domestic government securities, followed by commercial banks, while pension funds also significantly increased their holdings from 31 March 2025 to 31 December 2025.

Malawi Economic Growth Outlook

Real GDP growth projections for 2026 range from 1.8% to 3.8%. Oxford Economics expects 1.8% growth, citing the combined impact of higher Brent crude prices, fuel shortages, a disappointing tobacco marketing season, and the lingering impacts of foreign aid cuts. The EIU projects 2.5%, while the World Bank and the AfDB forecast growth of 2.3%. The Malawi government projects growth at 3.8%.

Opportunities

The Malawi Government has negotiated an extension of the USD125.8 million (MK220.3 billion) Transforming Agriculture through Diversification and Entrepreneurship (Trade) Programme from 30 September 2026 to 2028. The programme aims to promote agricultural commercialisation, value addition and market access.

Risks

The continued reduction in foreign aid poses significant fiscal pressure on Malawi, given the country's heavy reliance on external financing to support the national budget and development programmes.

The possibility of El Niño developing in 2026 poses risks to temperature and rainfall patterns, with potential adverse implications for agricultural production and food security.

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The year-on-year headline inflation rate eased to 21.1% in June 2026 from 23.4% in May 2026, driven by the decrease in both food and non-food inflation

The commercial bank reference rate for July 2026 was 20.50%, up from 20.40% in June 2026.

Inflation (Source: NSO, WB, EIU, Oxford Economics, GoM)

The year-on-year headline inflation rate eased to 21.1% in June 2026 from 23.4% in May 2026, driven by the decrease in both food and non-food inflation. The food inflation rate declined to 14.7% in June 2026 from 17.6% in May 2026, and the non-food inflation rate decreased to 32.1% in June 2026 from 33.0% in May 2026. Food remains the largest component of the Consumer Price Index (CPI), accounting for 53.7% of the total inflation basket, followed by Housing, Water and Electricity at 23.7%. Together, these two categories account for 77.4% of the CPI basket.

The 2026 inflation projections for Malawi vary across institutions. Oxford Economics forecasts inflation to average of 31.5%, citing fuel shortages, higher fertiliser and oil prices, and expansionary fiscal policy under the Community Development Fund (CDF). In comparison, the State of the Nation Address (SONA) projected inflation to be less than 21% in 2026. The Economist Intelligence Unit (EIU) expects the inflation rate to average 26.0%, driven by the RBM's continued deficit financing and rising food and fuel prices. The African Development Bank (AfDB) projects inflation to average 24.6% in 2026. The World Bank's projection is 21.9%, citing currency weakness and structural constraints.

Monetary Policy (Source: RBM)

At its second meeting of 2026, held on 29 and 30 April 2026, the Monetary Policy Committee (MPC) decided to maintain the Policy Rate at 24.0%. The MPC maintained the Lombard Rate at 20 basis points above the Policy Rate. The Liquidity Reserve Requirement (LRR) ratio for local-currency deposits was increased to 12% from 10%, while the LRR for foreign-currency deposits was maintained at 3.75%.

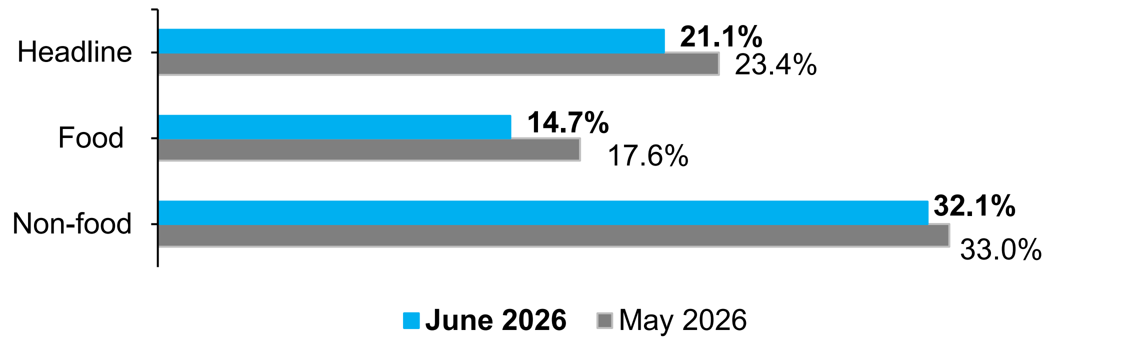
The commercial bank reference rate for July 2026 was 20.50%, up from 20.40% in June 2026.

Foreign Exchange (Source: RBM)

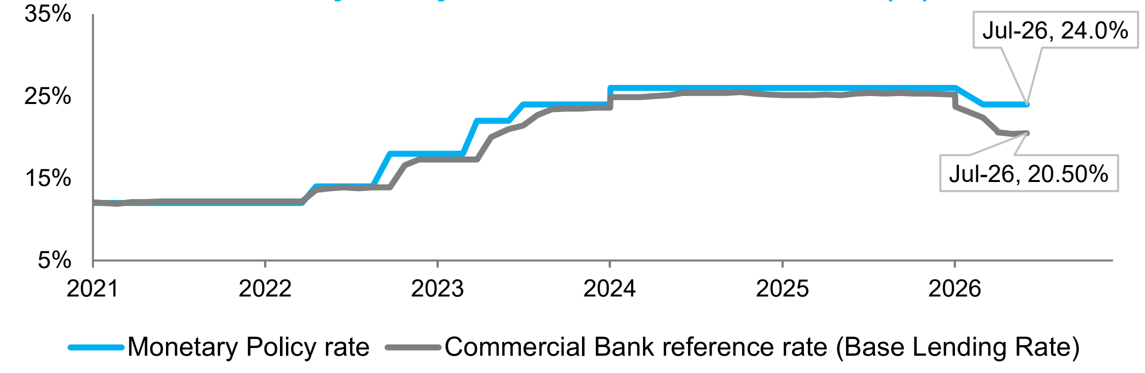
Based on the closing middle rates, the Malawi Kwacha marginally depreciated, trading at MK1,750.55/USD as of 31 July 2026, from MK1,749.93/USD as of 30 June 2026. During the same period last year, the Malawi Kwacha traded at MK1,750.58/USD, from MK1,750.48/USD as of June 2025.

According to the United Nations (UN), the exchange rate remains significantly overvalued, with a parallel market premium exceeding 140%, which discourages exports and reduces foreign currency inflows. Foreign reserves remain critically low.

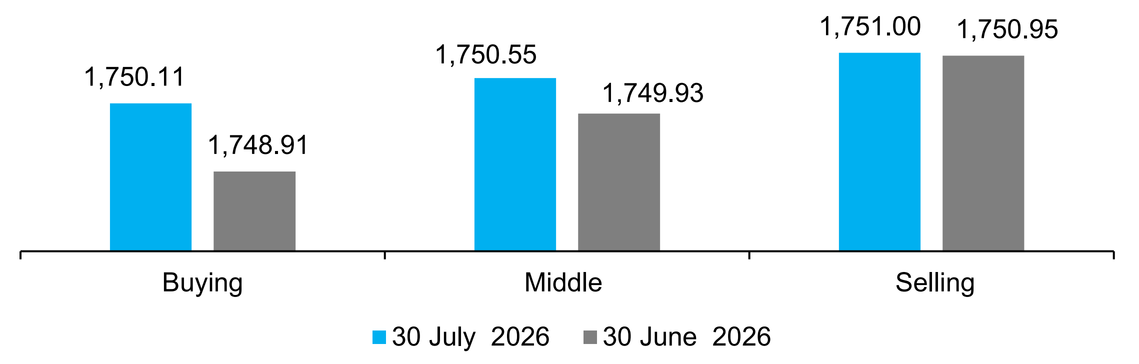
Year-on-Year Inflation Rate (%)



Monetary Policy rate Vs bank reference rate (%)



MK/USD



Stock Market

The total value of shares traded on the Malawi Stock Exchange in July 2026 was MK22.6 billion, with PCL leading in value at MK11.2 billion.

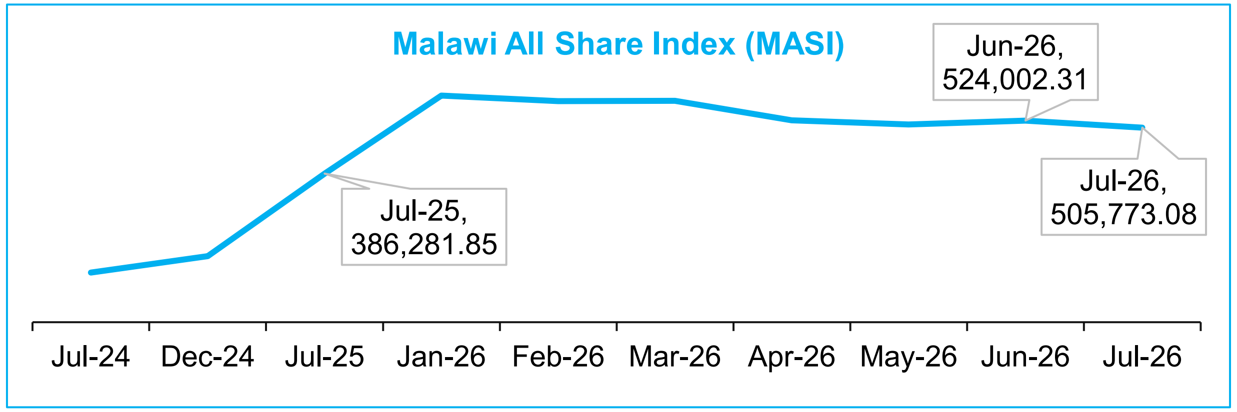
The stock market was bearish with the Malawi All Share Index (MASI) decreasing by 3.48% to 505,773.08 points as 31 July 2026 from 524,002.31 points as at 30 June 2026. This brought the MASI year-to-date return to negative 15.43% as at 31 July 2026. The downward movement in the MASI was due to share price losses in NICO, NBS, AIRTEL, FDHB, NITL, NBM and TNM.

Stock Market Performance (Source: MSE)

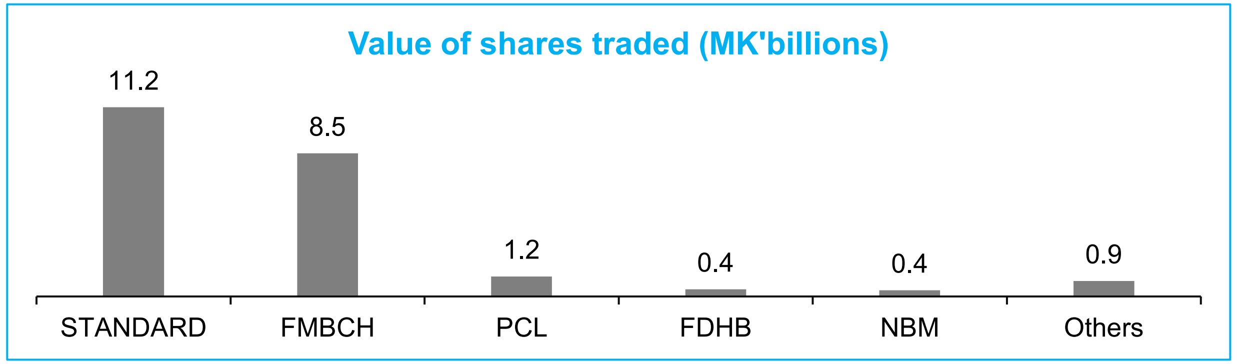
The stock market was bearish in July 2026, with the Malawi All Share Index (MASI) decreasing by 3.48% to 505,773.08 points from 524,002.31 points in June 2026. This brought the MASI year-to-date return to negative 15.43% in July 2026. In July 2025, the year-to-date return was 124.53%.

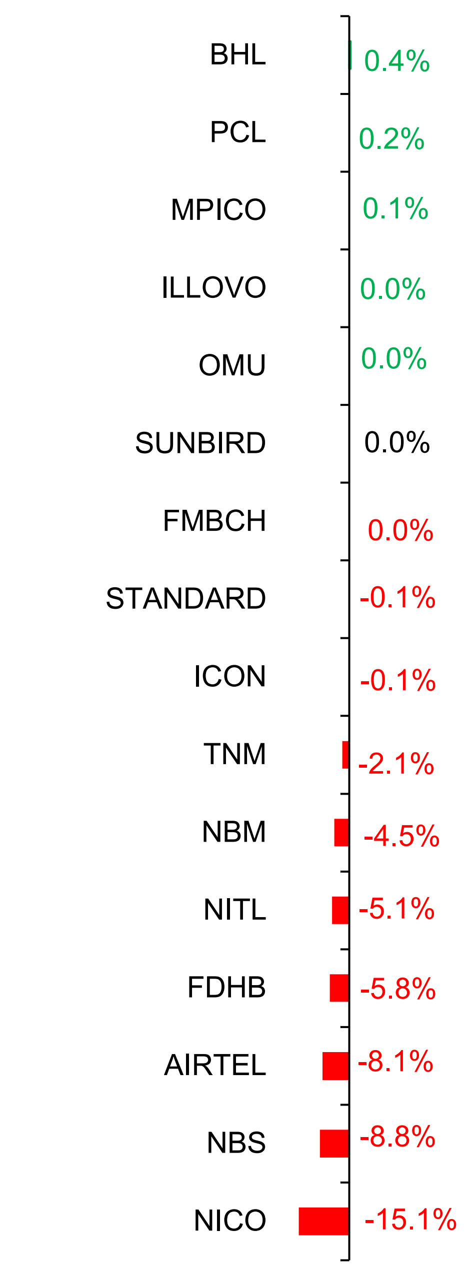
BHL recorded the highest share price gain in July 2026, rising by 0.4% to close the month at MK17.48, having opened at MK17.41. There were also marginal share price gains in PCL and MPICO.

NICO had the highest share price loss in July 2026, falling by 15.1% to MK1,348.83 from MK1,588.28 in June 2026. There were also significant share price losses for NBS, AIRTEL, FDHB, NITL, NBM and TNM recorded during the period under review.



The number of trades on the MSE decreased by 28.89% to 2,127 in July 2026 from 2,991 in June 2026. The value of shares traded decreased by 28.89% to MK22.6 billion in July 2026, from MK38.1 billion in June 2026. STANDARD had the highest value of shares traded at MK11.2 billion in July 2026.





Symbol	Closing prices (MK/share)	
	31 July 2026	30 June 2026
AIRTEL	102.33	111.29
BHL	17.48	17.41
FDHB	499.88	530.66
FMBCH	1,895.79	1,895.92
ICON	17.00	17.02
ILLOVO	3,501.95	3,501.82
MPICO	19.59	19.57
NBM	9,548.83	9,996.00
NBS	673.07	737.96
NICO	1,348.83	1,588.28
NITL	3,699.73	3,900.00
OMU	5,300.02	5,300.01
PCL	9,521.77	9,500.00
STANDARD	3,995.87	3,999.38
SUNBIRD	3,550.00	3,550.00
TNM	28.56	29.17

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Stock Market (continued)

Corporate Announcements

Continental Holdings Plc's Initial Public Offering (IPO) achieved a subscription rate of 93.17%, with investors subscribing for 701.83 million of the 753.31 million shares on offer, raising K135.45 billion out of the targeted K146.90 billion.

The Board of Directors of FMB Capital Holdings Plc ("FMBCH" or the "Company") is announced that the Bank of Mauritius has conveyed its in-principle approval, under section 5(8A) of the Banking Act 2004 of Mauritius, for FMBCH to establish a bank in Mauritius (the "Proposed Bank").

Published Trading Statement

In compliance with the listing requirements of the Malawi Stock Exchange (MSE), a listed company is required to publish a trading statement as soon as there is a reasonable degree of certainty that the financial results for the period to be reported upon will differ by at least 20% from the financial results for the previous corresponding period. Below are the latest trading statement data.

All figures are in MK'billion unless otherwise specified.

Counter	30 June 2026	30 June 2025	Trading Statement profit/loss expectation
AIRTEL plc	9.6 - 11.7	22.4	(47%) – (57%)
BHL Plc	(0.10) – (0.08)	3.3	(103.1%) - (102.5%)
FDHB plc	85.6 – 91.7	60.3	42% - 52%
MPICO plc	12.3 -13.7	7.6	62% - 80%
NBM plc	125.3 - 142.1	84.1	49% - 69%
NBS Plc	87.9-90.2	73.2	20% - 23%
NICO Plc	91.0-101.0	125.0	(19%) - (29%)
NITL Plc	24.5 – 28.5	84.3	(129%) - (134%)
PCL plc	129.0 – 148.1	94.4	37% - 57%
STANDARD plc	58.1 – 65.2	48.4	20% - 35%
TNM Plc	10.8-12.4	8.0	35% - 55%

Continental Holdings Plc Initial Public Offering (IPO)

Continental Holdings Plc's Initial Public Offering (IPO) achieved a subscription rate of 93.17%, with investors subscribing for 701.83 million of the 753.31 million shares on offer, raising MK135.45 billion out of the targeted MK146.90 billion. The remaining 51.47 million shares, valued at approximately MK10.04 billion, were allocated to the underwriter in accordance with the underwriting agreement, resulting in the full placement of the offer. All valid applications were allotted in full, with no refunds issued. Following the IPO, TransAfrica Holdings remained the largest shareholder with a 34.35% stake, followed by Press Trust (17.80%), the Employee Share Ownership Programme (9.98%), other pre-IPO minority shareholders (14.58%), and public shareholders, who acquired a 23.29% stake in the company. The uploading of all securities into the Central Securities Depository (CSD) is scheduled to be completed by 7 August 2026, with the company's listing on the Malawi Stock Exchange (MSE) expected on 10 August 2026.

Dividend Announcements

Counter	Dividend type	Proposed/ Declared	Dividend per share (MK)	Last day to register	Payment date
SUNBIRD	Final	Declared	11.35	31 July 2026	14 August 2026
NBM	Final	Declared	111.79	31 July 2026	14 August 2026
NBS	Final	Declared	4.70	14 August 2026	14 August 2026

Cautionary Statement

The Board of Directors of FMB Capital Holdings Plc ("FMBCH" or the "Company") is announced that the Bank of Mauritius has conveyed its in-principle approval, under section 5(8A) of the Banking Act 2004 of Mauritius, for FMBCH to establish a bank in Mauritius (the "Proposed Bank"). The Proposed Bank will be established as a 50:50 joint venture between FMBCH and Rogers Global Financial Holdings Ltd (RGFHL). The Proposed Bank will combine FMBCH's regional banking expertise, developed through its First Capital Bank operations across five SADC markets, with the partners' deep roots in the Mauritian economy. The Company believes the Proposed Bank will be well positioned to serve the growing trade, investment and financial flows between Mauritius, Africa and the wider region. The successful final outcome of the banking application could have a material impact on the share price of the Company. Shareholders of FMBCH are accordingly advised to exercise caution when dealing in the securities of the Company and to consult their professional advisers if in doubt.

Fiscal Policy and Government Securities

The Government of Malawi announced that it is in the final stages of restructuring its domestic debt and is conducting stress tests to assess the potential impact of the exercise on the local financial sector.

In July 2026, a total of MK144.6 billion was awarded from MK236.4 billion in applications for Treasury Bills, representing an overall rejection rate of 38.83%. There were no auctions for Treasury notes.

Fiscal Policy and Regulatory Developments (Source: GoM; Published Media)

In July 2026, the Government of Malawi announced that it is in the final stages of restructuring its domestic debt and is conducting stress tests to assess the potential impact of the exercise on the local financial sector. According to the Minister of Finance, the tests are intended to ensure banks remain adequately capitalised and able to meet depositor obligations following the restructuring. As of June 2026, Malawi's public debt is estimated to between MK22 trillion and MK24 trillion (approximately USD10.3 billion), equivalent to around 91% of GDP, with domestic debt accounting for roughly MK16 trillion. The debt restructuring forms part of broader efforts to restore debt sustainability and support negotiations for a new IMF Extended Credit Facility (ECF) programme.

The Budget and Finance Committee of Parliament called for the enactment of a Debt Management Bill as Malawi's public debt reaches MK24 trillion, at least 91% of GDP. The committee chairperson stated that the legislation would provide clear laws on debt reporting and borrowing thresholds. The proposed Bill would strengthen transparency and accountability through parliamentary oversight, independent debt sustainability analysis, and regular debt audits by the National Audit Office. Treasury is expected to pay MK2.7 trillion in interest on public debt during the 2026/27 fiscal year. The World Bank has classified Malawi as being in debt distress, with debt restructuring efforts launched in mid-2022 stalled following the lapse of the IMF programme.

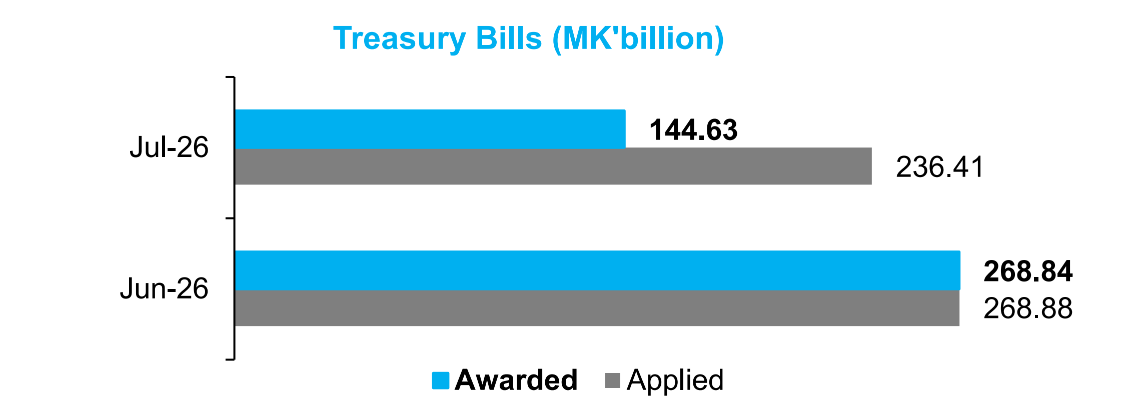
Government Securities (Source: RBM)

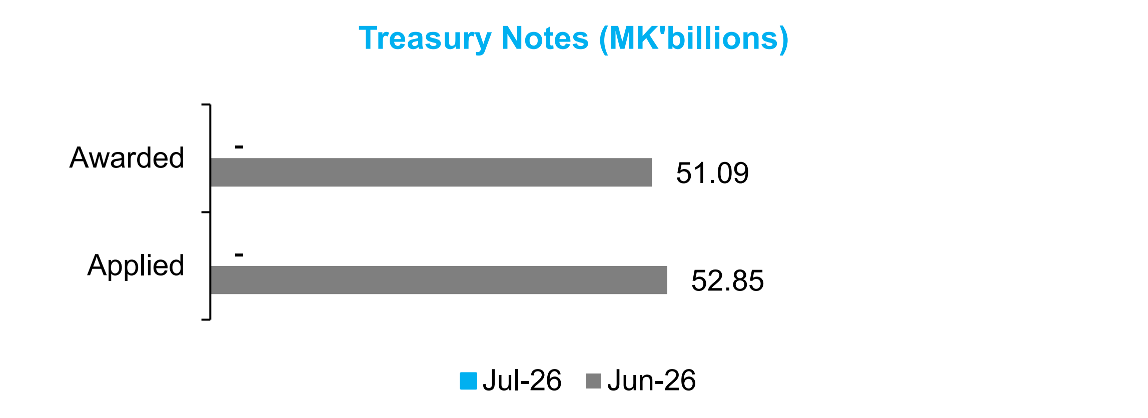
In July 2026, a total of MK144.6 billion was awarded from MK236.41 billion in applications for Treasury Bills, representing an overall rejection rate of 38.83%. There were no auctions for Treasury Notes.

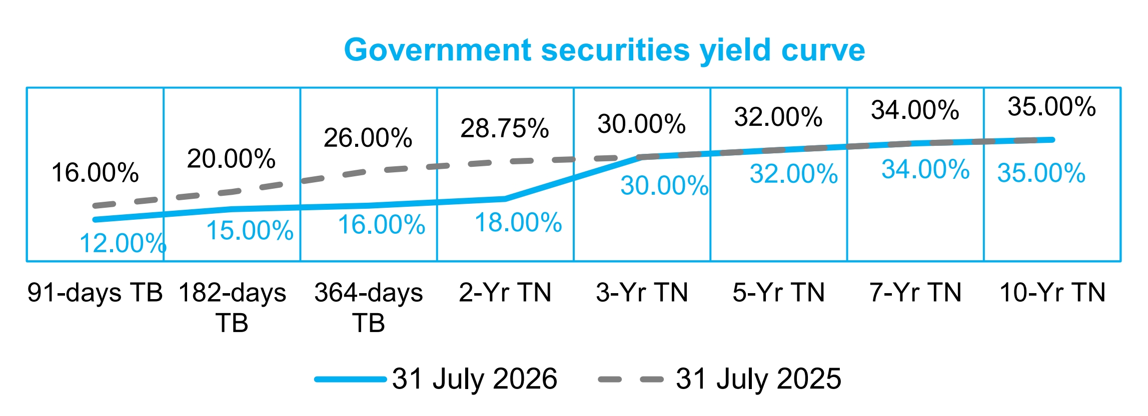
The RBM held Open Market Operation Repurchase Agreements (OMO Repo) auctions for all tenors of OMO Repos in the month of July 2026. A total of MK265.0 billion was withdrawn from the market.

Government Securities Yield Curve (Source: RBM)

As of 31 July 2026, the 91- and 182-day TB yields remained unchanged from June 2026 at 12.00% and 15.00%, respectively, while the 364-day TB yield dropped to 16.00% in July 2026 from 16.50% in June 2026. The monthly average TB yield dropped to 14.39% in July 2026 from 14.50% in June 2026.







Market Developments

Commodities Market Developments

The average OPEC reference basket price decreased by USD7.25, representing an 8.1% month-on-month decrease, to USD82.50/barrel in July 2026 from USD89.75/barrel in June 2026.

As of 31 July 2026, USD248.51 million was realised from the sale of 123.57 million kilograms (kgs) of tobacco at an average price of USD2.01/kg.

Effective 1 August 2026, the Malawi Energy Regulatory Authority (MERA) reduced diesel prices to MK6,306 per litre from MK6,209, representing a 7.02% decrease, while petrol prices were maintained at MK5,619.

Local Maize Price Developments (Source: IFPRI, RBM)

In June 2026, maize prices decreased to MK727/kg in the final week of June 2026 (equivalent to MK36,350 for a 50kg bag) from MK745/kg in the last week of May 2026 (equivalent to MK37,250 for a 50kg bag). The June 2026 price is 29.69% lower than June 2025, when maize sold for MK1,034.00/kg (MK51,700 for a 50kg bag).

The net decrease in maize prices from the end of June 2026 was smallest in the Central Region and largest in the Northern Region, further widening existing regional disparities. At the end of May 2026, the Northern Region recorded the lowest average maize price at MK628/kg, the Central Region followed at MK738/kg, while the Southern Region registered the highest regional average price at MK750/kg.

Tobacco Auction Developments (Source: AHL)

Figures from the Auction Holdings Limited (AHL) tobacco sales report show that as of 31 July 2026, 123.57 million kgs of tobacco were sold at an average price of USD2.01/kg in the 2026 selling season. The cumulative national value of tobacco sold stood at USD248.51 million, representing a 45.99% decrease from USD460.12 million sold during the same period in the previous year. During the same period in the previous year, 180.52 million kgs were sold at an average price of USD2.55/kg.

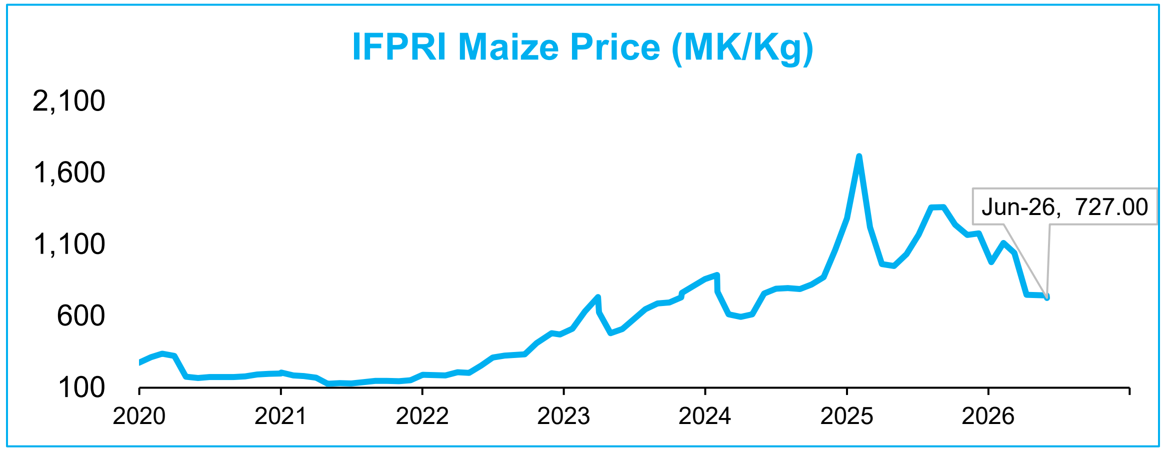
Oil Price Developments (Source: OPEC)

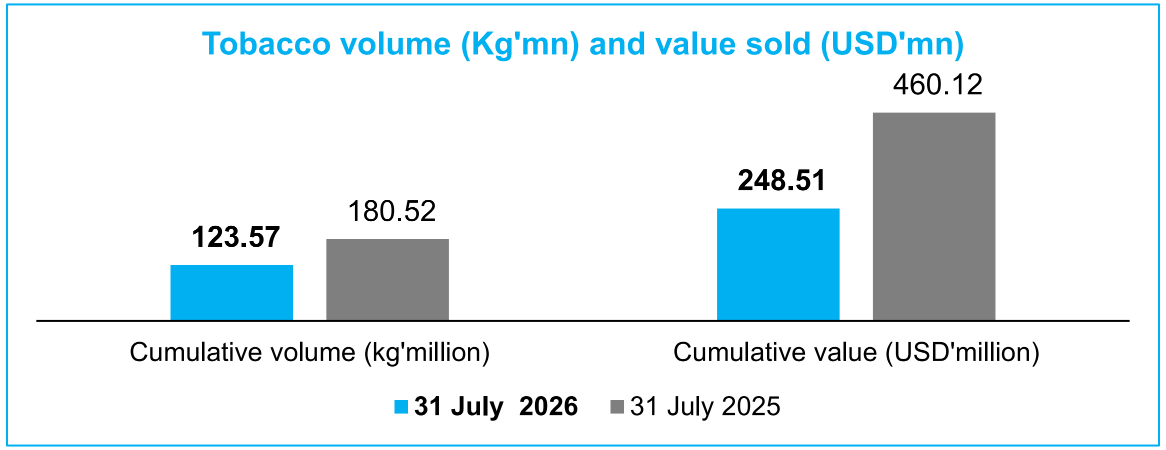
The average Organisation of Petroleum Exporting Countries (OPEC) reference basket price decreased by USD7.25, representing an 8.1% month-on-month decrease, to USD82.50/barrel in July 2026 from USD89.75/barrel in June 2026. Year-on-year, the price increased by 16.20% from USD70.97/barrel in July 2025.

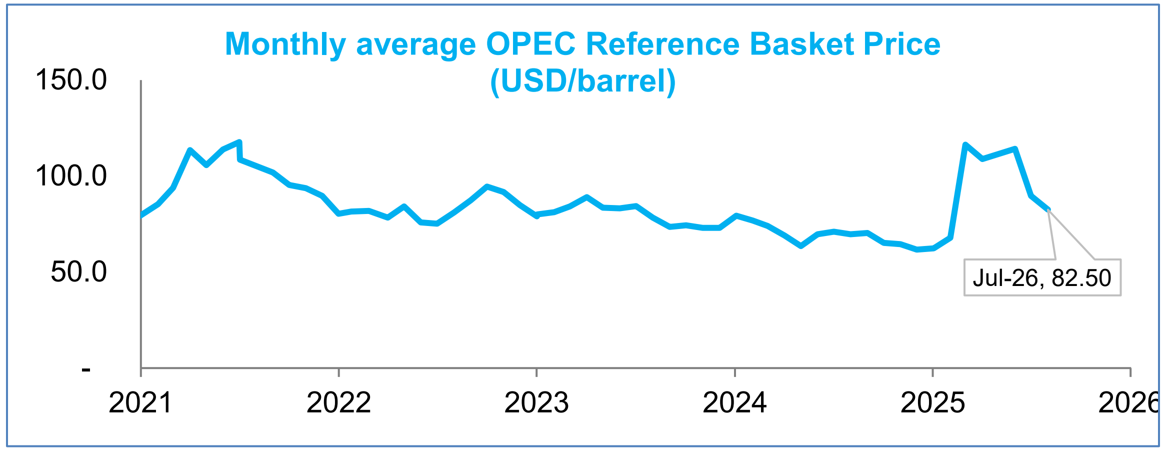
Effective 1 August 2026, the Malawi Energy Regulatory Authority (MERA) reduced diesel prices to MK5,863 per litre from MK6,306, representing a 7.02% decrease, while petrol prices were maintained at MK5,619 per litre.

Local Mining Industry Developments (Source: Published Media)

In July 2026, an Australia Stock Exchange-listed miner, Chilwa Minerals, announced the discovery of widespread rare earth minerals at its Lake Chilwa site in the Southern Region. The Managing Director reported that this discovery, located beneath the Mposa heavy minerals sands deposit, confirms the presence of valuable magnet rare earth elements, including neodymium, praseodymium, dysprosium, and terbium. These elements make up approximately one-fifth of the total rare earth basket. The company stated that further metallurgical work is required to determine the recoverability of the deposits. According to an







Other Market Developments

In July 2026, The United Kingdom (UK) Government announced plans to cut its international development budget to Malawi for the 2026/27 fiscal year by 60% and further reduce to 90% by the 2028/29 fiscal year.

The International Monetary Fund (IMF) reaffirmed that any new Extended Credit Facility (ECF) programme for Malawi will prioritise restoring economic stability and reviving economic growth while protecting government spending on vulnerable households

Local Mining Industry Developments (Source: Published Media) (continued)

analysis by Transparency Market Research, the global rare earth metals market was valued at USD14.1 billion in 2025 and is projected to reach USD30.9 billion by 2036.

Lindian Resources officially launched the Kangankunde Rare Earth mining project in Balaka in partnership with Rift Valley Resource Developments following a first controlled blast that marked the start of active mining operations. The project has already created about 3,500 jobs, with 80% being Malawians. It is based on an estimated 261 million tonnes of rare earth resources and is projected to generate about USD114 million annually (approximately MK205.2 billion) over more than 45 years.

Chilwa Minerals Limited filed a registration statement with the United States Securities and Exchange Commission to list on the Nasdaq Stock Market as part of plans to raise capital for the development of its Lake Chilwa Critical Minerals Project in Machinga District. The company stated that its ordinary shares will continue to be quoted on the Australian Securities Exchange (ASX) while seeking a listing on the Nasdaq Capital Market. Chilwa Minerals owns 100% of the Lake Chilwa project, which hosts heavy mineral sands, niobium and rare earth elements.

Foreign Aid (Source: Published Media)

In July 2026, the European Union (EU) approved a EUR143 million (about MK283 billion) financing package for Malawi to support agricultural value chains, electricity transmission and generation, secondary and vocational education and training, and social protection programmes. The funding forms part of the EU's broader development cooperation portfolio in Malawi, valued at approximately EUR497 million, while total Team Europe investments, including the EU, its member states, and European investment banks, amount to around EUR1.5 billion.

The United Kingdom (UK) Government announced plans to cut its international development budget to Malawi for the 2026/27 fiscal year by 60% and further reduce to 90% by the 2028/29 fiscal year. Funding is projected to decrease to GBP20 million (approximately MK46.8 billion) in 2026/27, GBP10 million (approximately MK23.4 billion) in 2027/28, and GBP5 million (approximately MK11.7 billion) by 2028/29, down from GBP50.2 million (approximately MK117.6 billion) in 2025/26.

The International Monetary Fund (IMF) reaffirmed that any new Extended Credit Facility (ECF) programme for Malawi will prioritise restoring economic stability and reviving economic growth while protecting government spending on vulnerable households. According to the IMF spokesperson, negotiations on the new programme are progressing following recent discussions between IMF officials and Malawian authorities in The Gambia. The Government

Foreign Aid (Source: Published Media) (continued)

of Malawi has expressed optimism that an agreement will be reached soon, after Malawi's previous four-year IMF programme,valued at USD175 million (about MK306 billion), expired in May 2025 without completing its first programme review.

Trade (Source: Published Media)

In July 2026, the Ministry of Industrialisation, Trade, Business and Tourism stated that Malawi is taking steps to align its production and trade systems with new United Kingdom (UK) and European Union (EU) regulations that will require greater product traceability, compliance with food safety standards, and adherence to environmental and human rights requirements. Further to that, the Food and Agriculture Organisation (FAO) is supporting the introduction of a Geographical Indication (GI) system to enhance the traceability, credibility, and competitiveness of Malawi's unique agricultural products in premium export markets.

Agriculture and Agribusiness Developments (Source: Published Media)

In July 2026, Cotton stakeholders announced that they expect production to fall below the projected 22,800 metric tonnes (MT) for the 2026 marketing season, with current estimates placing output between 6,000MT and 7,000MT. Most cotton markets have closed after purchasing 4,100MT valued at MK6.1 billion, with only Karonga and Mchinji districts remaining active. The Cotton Farmers Association stated that over 75% of the available output has already been sold, with prices averaging the government-set minimum price of MK1,500 per kilogramme. Two major cotton buyers did not participate in the season due to low production levels, while stakeholders highlighted reduced farmer participation and unresolved technical challenges as factors affecting output. Malawi’s cotton production has averaged around 10,000MT over the past decade, compared to 100,000MT recorded in 2010.

According to the Minister of Finance, Economic Planning and Decentralisation, the Government of Malawi released MK100 billion to the National Food Reserve Agency (NFRA) to procure 108,000 metric tonnes (MT) of maize as part of efforts to strengthen the country's food security ahead of a forecast El Niño weather pattern. The procurement, combined with NFRA's existing stock of approximately 62,000MT, is expected to increase the Strategic Grain Reserve (SGR) to about 170,000MT. However, this remains below the recommended minimum reserve of 217,000MT, leaving a deficit of approximately 47,000MT. Government is mobilising additional resources and engaging development partners to close the gap.

Malawi's Public Debt – Government of Malawi 2026/27 Financial Statements

July 2026

According to the Ministry of Finance, Economic Planning and Decentralization, Malawi's Total Public Debt stock stood at MK24.33 trillion as at 31 December 2025.

The Ministry of Finance, Economic Planning and Decentralization reports that the increase in external debt reflects higher net disbursements from multilateral creditors, particularly the International Development Association and the European Investment Bank, as well as a modest rise in bilateral debt.

Public debt as at 31December 2025

According to the Ministry of Finance, Economic Planning and Decentralization, Malawi's Total Public Debt stock stood at MK24.33 trillion at 31 December 2025. Although nominal public debt increased to MK24.33 trillion as at 31 December 2025 from MK19.18 trillion as at 31 March 2025, the debt-to-GDP ratio rose slightly to 93.2% from 91.5%.

The increase in total public debt was driven primarily by domestic borrowing, reflecting ongoing fiscal financing requirements and constrained access to concessional external financing.

External public debt increased to USD4.80 billion at 31 December 2025 from USD4.6 billion as at 31 March 2025. In Kwacha terms, external debt amounted to approximately MK7.86 trillion, equivalent to 31.8% of GDP.

Domestic public debt increased to MK16.01 trillion as at 31 December 2025 from MK11.17 trillion as at 31 March 2025, raising its share of GDP from 53% to 61.3%. The increase reflects continued deficit financing, rollover of maturing securities, and increased reliance on Treasury instruments.

Malawi Public Debt over the years ('Million)

The table below shows Malawi debt composition over the years;

	2005	2006 (HIPC)	2022/23	2023/24	2024/25	31-Dec-2025
Total Public Debt (MK)	426,592	130,846	9,270,675	14,714,373	19,180,731	24,329,227
External (USD)	2,969	452	3,944	4,107	4,622	4,798
Domestic (MK)	73,337	68,957	5,221,906	7,593,437	11,166,183	16,006,320
Nominal GDP (MK)	326,957	430,522	12,507,189	15,758,255	20,948,710	26,118,227
Exchange Rate (MK/USD)	119	137	1,026	1,734	1,734	1,734

Malawi Public Debt over the years as a % of GDP

The table below shows Malawi's debt as a percentage of GDP over the years;

	2005	2006 (HIPC)	2022/23	2023/24	2024/25	31-Dec-2025
Total (%)	130	30	74	93	92	93
External (%)	108	14	32	45	38	32
Domestic (%)	22	16	42	48	53	61

External Public Debt Portfolio Review

The Ministry of Finance, Economic Planning and Decentralization reports that total external public debt stood at USD4.80 billion as at 31 December 2025, compared to USD4.62 million as at 31 March 2025, representing a 3.79% increase over the period.

The increase in external debt reflects higher net disbursements from multilateral creditors, particularly the International Development Association and the European Investment Bank, as well as a modest rise in bilateral debt. These inflows more than offset repayments to the creditors over the period.

External Debt by Holder

The Ministry of Finance, Economic Planning and Decentralization states that as at 31 December 2025, Central Government external debt amounted to USD3.57 billion, accounting for 78.6% of total external public debt. This compares to USD3.21 billion as at 31 March 2025, representing a 10.95% increase over the period.

External debt held by the Central Bank stood at USD1.23 billion as at 31 December 2025, down from USD1.41 billion as at 31 March 2025, reflecting a 12.37% decrease, largely due to repayments to the International Monetary Fund.

Overall, the distribution of external debt shifted toward the Central Government, which accounted for approximately 78.6%, while the Central Bank accounted for 21.4% of total external public debt as at 31 December 2025

	Mar-25	Dec-25
1. Central Government	3,214	3,566
(%) of total	70	79
2. Central Bank	1,408	1,234
(%) of total	30	21
Total External (1+2)	**4,622**	**4,799**

The Ministry of Finance, Economic Planning and Decentralization states that multilateral creditors remained Malawi's largest external creditors, accounting for 73.7% of total public external debt.

Total domestic public debt stood at MK16.01 trillion at 31 December 2025, up from MK 11.62 trillion at 31 March 2025

External Debt by Creditor

The Ministry of Finance, Economic Planning and Decentralization reports that the International Development Association (IDA) remained Malawi's single largest external creditor as at 31 December 2025, with outstanding debt of USD1.90 billion, representing 41.9% of total external public debt.

Disbursements from IDA, the European Investment Bank, and the International Fund for. Agricultural Development increased over the period. These inflows more than offset the 7.4% decline in exposure to the International Monetary Fund. According to the Ministry of Finance, Economic Planning and Decentralization, total exposure declined to USD1.08 billion from USD1.13 billion among commercial creditors. The reduction was largely attributable to repayments to the Africa Export-Import Bank (AFREXIM), whose exposure fell to USD610.81 million from USD714.41 million. The facilities under the Central Government were fully repaid and the outstanding obligation is on account of facilities under the Reserve Bank of Malawi. Government continues to negotiate with the Commercial Creditors AFREXIM and Trade and Development Bank (TDB) on the restructuring of these facilities.

Bilateral debt rose modestly to USD371.97 million at 31 December 2025 from USD365.41 million at 31 March 2025. The Export-Import Bank of China remained the largest bilateral creditor, with outstanding debt increasing from USD200.37 million to USD218.77 million during the period.

External Debt by Creditor Category

The Ministry of Finance, Economic Planning and Decentralization states that multilateral creditors remained Malawi's largest external creditors, accounting for 73.7% of total public external debt. Commercial creditors accounted for 18.1%, while bilateral creditors represented 8.2% of total external public debt.

Since 31 March 2025, the stock of debt owed to multilateral creditors increased by 7.0%, rising to USD3,343.61 million from USD3,123.54 million.

Over the same period, debt owed to commercial creditors declined by 4.54%, falling from USD1.13 billion to USD1,082.00 million. Meanwhile, debt owed to bilateral creditors increased modestly by 1.8%, rising to USD371.97 million from USD365.41 million, reflecting continued project-related disbursements.

External Debt by Creditor Category (continued)

Creditor	Mar-25	31 December 2025	(%) Change
1. Bilateral	**365.41**	**371.97**	**1.80**
Export-Import Bank of China (Main-Land)	200.37	218.77	9.18
Export-Import Bank of India	88.59	80.38	(9.27)
Kuwait Fund for Arab Economic Development	47.15	45.32	(3.88)
Saudi Fund for Development	27.62	26.19	(5.18)
Abu Dhabi Fund for Development	0.80	0.47	41.25
Government of Belgium	0.87	0.84	(3.45)
2. Multilateral	**3,123.54**	**3,343.61**	**7.04**
International Development Association	1,756.65	1,902.52	8.30
African Development Fund	470.80	472.71	0.41
International Monetary Fund	409.52	379.21	(7.40)
European Investment Bank	167.16	236.67	41.58
International Fund for Agric. Development	146.61	176.34	20.28
OPEC Fund for International Development	88.53	94.41	6.64
Arab Bank for Economic Development in Africa	70.53	67.44	(4.38)
Nordic Development Fund	13.73	14.31	4.22
3. Commercial	1,134.00	1,082.00	(4.54)
Africa Export-Import Bank	714.41	610.81	14.75
Trade and Development Bank	389.38	450.00	15.50
Baobab Securities	30.21	23.70	(21.50)
Total Public External Debt Stock (1+2+3)	**4,622.95**	**4,798.02**	**3.79**

Domestic Public Debt

The Ministry of Finance, Economic Planning and Decentralization reports that total domestic public debt stood at MK16.01 trillion at 31 December 2025, up from MK11.62 trillion at 31 March 2025. This represents an increase of approximately 37.7% over the period.

The expansion in domestic debt reflects continued fiscal financing requirements, refinancing of maturing securities, and increased reliance on Treasury instruments amid constrained access to external concessional financing.

Following reconciliation of the debt database, all non-resident holdings of government securities have been reclassified under external public debt in accordance with residency-based reporting standards. The domestic debt figures presented here therefore reflect resident holdings only, and comparisons with earlier publications should be interpreted with caution where classification changes may affect comparability.

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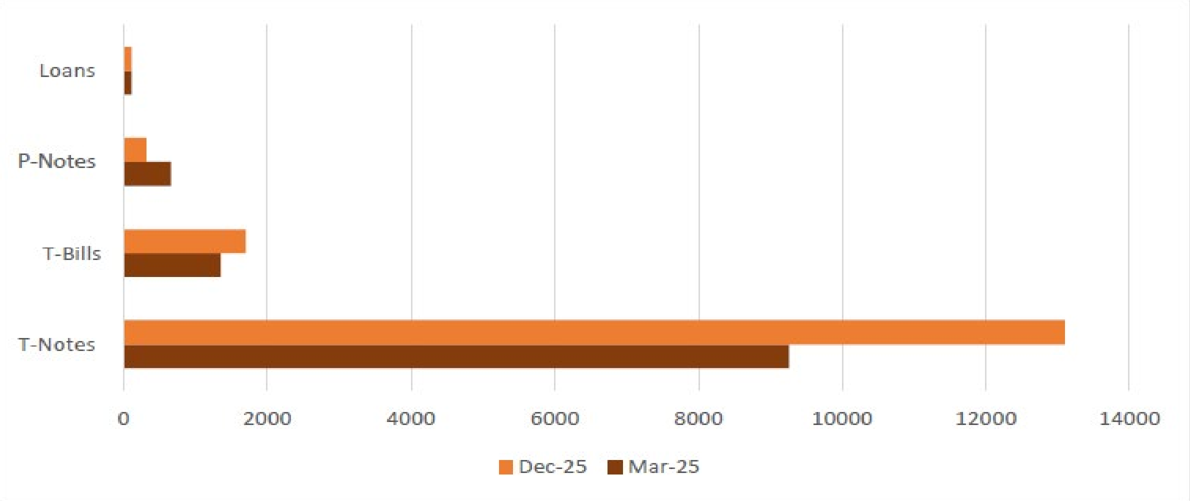
According to Ministry of Finance, Economic Planning and Decentralization, the Reserve Bank of Malawi (RBM) remained the largest holder, with holdings increasing to MK6.13 trillion in December 2025 from MK3.80 trillion in March 2025.

Domestic Debt by Instrument

According to the Ministry of Finance, Economic Planning and Decentralization, Treasury Notes remained the dominant instrument, with an outstanding stock of MK13.11 trillion, accounting for 81.9% of total domestic debt. Treasury Bills stood at MK1.70 trillion, representing 10.6% of total domestic debt. Promissory Notes amounted to MK0.32 trillion, equivalent to 2.0% of the domestic debt stock. Loans accounted for MK0.11 trillion, representing 0.7% of total domestic debt.

Compared to 31 March 2025, Treasury Notes increased significantly (from MK9.26 trillion to MK13.11 trillion), reflecting heightened issuance for financing and refinancing purposes. Treasury Bills also rose moderately, while Promissory Notes declined, consistent with amortisation. Loans remained stable at approximately MK105.5 billion.

The figure below shows domestic debt stock by instrument type;

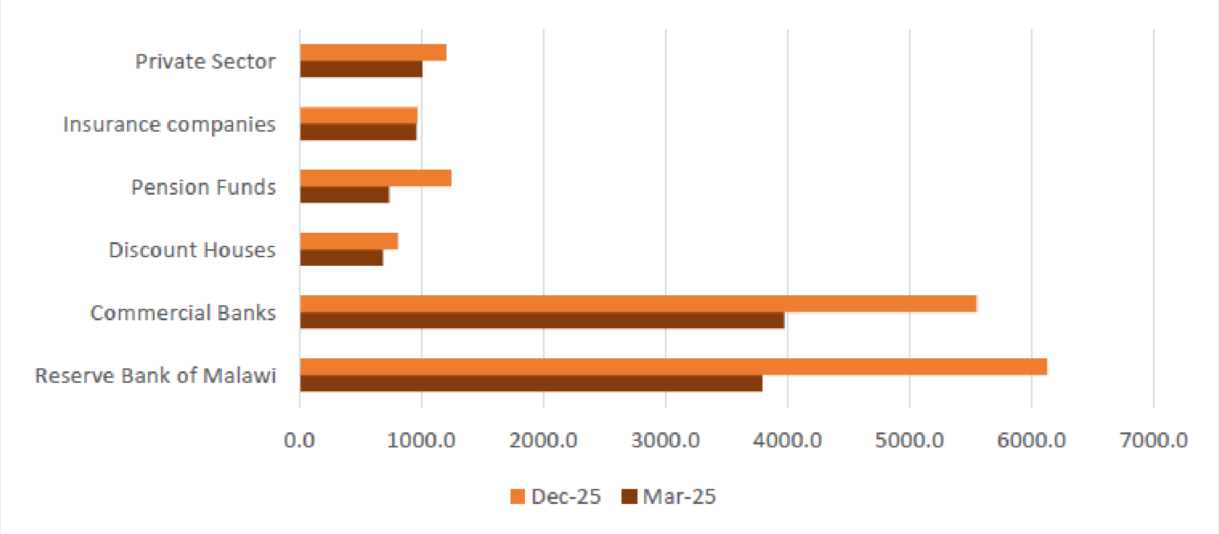


Domestic Debt by Holder

According to the Ministry of Finance, Economic Planning and Decentralization, resident holdings of Treasury Notes amounted to MK13.11 trillion at 31 December 2025, up from MK11.17 trillion at 31 March 2025.

The Reserve Bank of Malawi (RBM) remained the largest holder, with holdings increasing to MK6.13 trillion in December 2025 from MK3.80 trillion in March 2025. This represents approximately 46.8% of total resident Treasury Note holdings at 31 December 2025. Commercial banks were the second-largest holders, with MK5.55 trillion, accounting for roughly 42.4% of the resident Treasury Note stock. Among non-bank financial institutions, pension funds increased their holdings to MK1.24 trillion from MK738.4 billion, representing about 9.5% of the total. Insurance companies held MK966.6 billion (7.4%), while discount houses accounted for MK807.4 billion, equivalent to approximately 6.2%. The private sector held MK1.21 trillion, representing 9.2% of resident Treasury Notes. Holdings by other institutional categories remained negligible.

The figure below shows domestic debt stock by holder



Appendices

Appendix 1: Historical Monthly Economic Indicators

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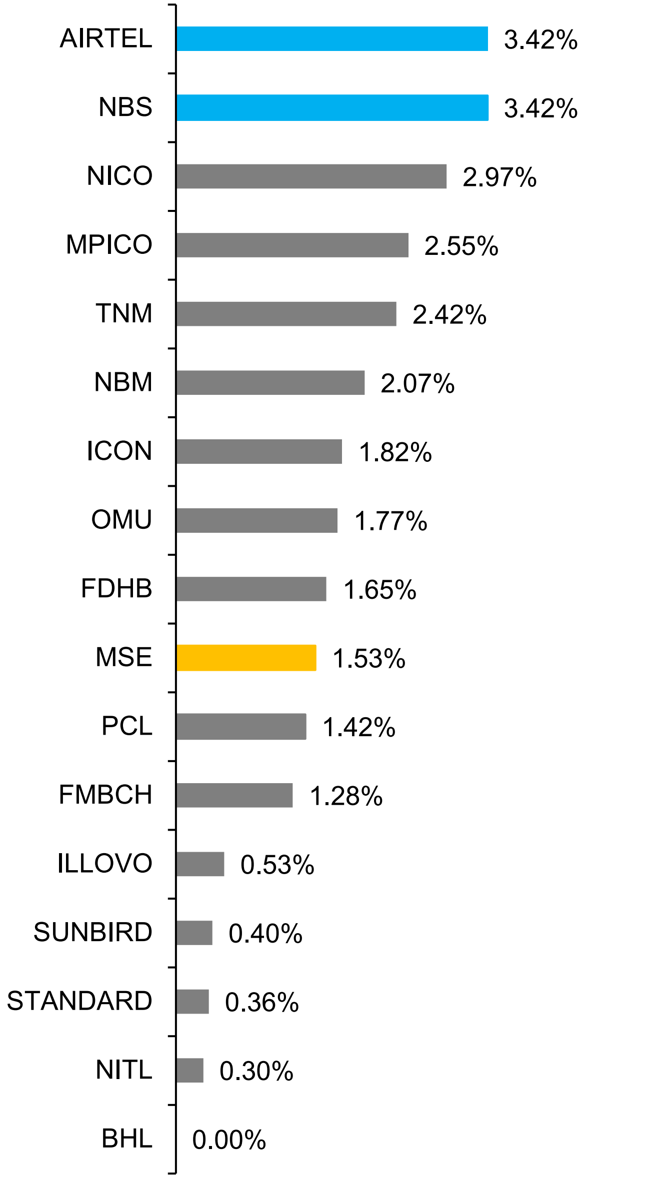
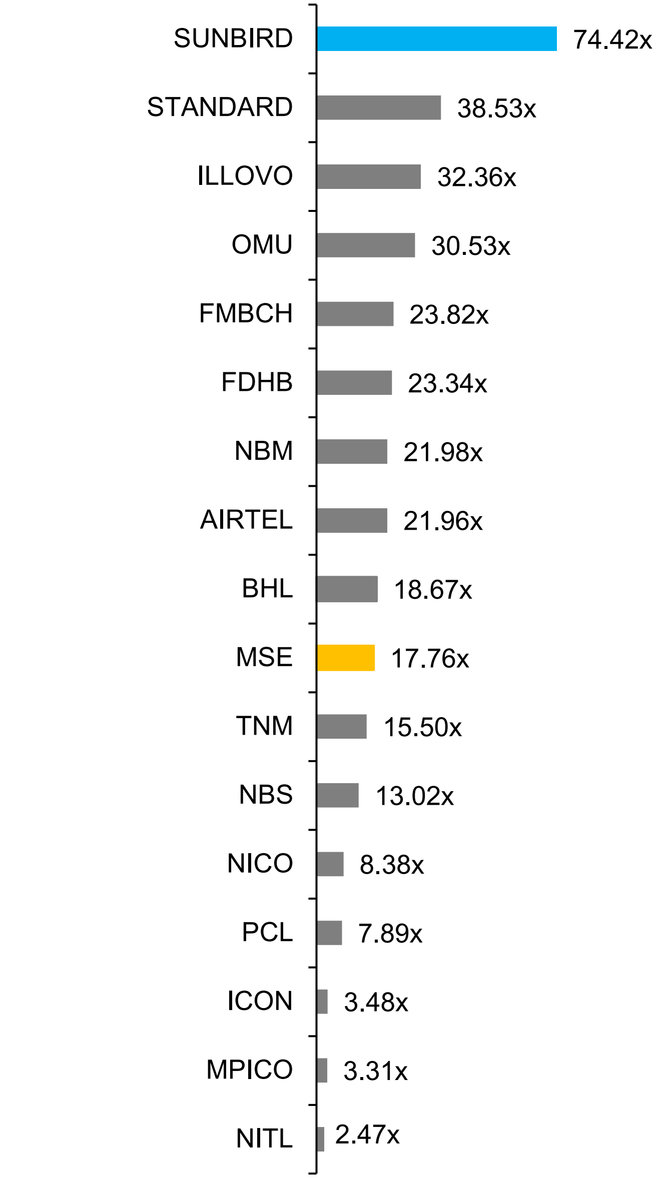
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Exchange Rates (middle rates)													
MK/USD	1,750.58	1,749.95	1,750.37	1,749.95	1,750.07	1,749.00	1,749.55	1,750.45	1,750.37	1,749.68	1749.46	1,749.93	**1,750.55**
MK/GBP	2,408.88	2,424.53	2,423.25	2,371.39	2,377.10	2,416.04	2,456.90	2,424.72	2,377.41	2,426.11	2,421.30	2,382.83	**2,422.03**
MK/EUR	2,082.69	2,103.70	2,103.32	2,078.57	2,087.24	2,107.54	2,148.87	2,127.37	2,068.11	2,099.68	2,099.68	2,054.62	**2,072.04**
MK/ZAR	100.34	101.77	103.60	103.58	103.68	107.63	113.67	113.20	104.66	107.04	110.29	109.07	**107.90**
Foreign Exchange Reserves													
Total Reserves (USD'mn)	607.7	523.9	511.8	526.8	530.0	608.9	664.90	625.70	571.60	619.8	596.5	N/A	**N/A**
Inflation													
Headline	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	23.4%	21.1%	**N/A**
Food	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	17.6%	14.7%	**N/A**
Non-food	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	33.0%	32.1%	**N/A**
Interest Rates													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	24.00%	24.00%	24.00%	**24.00%**
Average Interbank Rate (Overnight)	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	16.50%	13.85%	12.86%	12.07%	12.20%	**13.69%**
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	24.20%	24.20%	24.20%	**24.20%**
Commercial Bank Reference Rate	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.80%	20.40%	**20.50%**
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	15.00%	12.00%	12.00%	12.00%	12.00%	12.00%	**12.00%**
182-days Treasury Bill	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	15.00%	15.00%	15.00%	15.00%	15.00%	**15.00%**
364-days Treasury Bill	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	17.90%	17.53%	16.83%	16.48%	16.50%	**16.17%**
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	20.65%	18.87%	18.87%	18.87%	18.00%	**18.00%**
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%**
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%**
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%**
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%**
Year-to-date Return													
MASI	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-14.15%	-12.38%	**-15.43%**
DSI	120.03%	214.05%	236.40%	233.38%	217.65%	208.88%	0.30%	-0.75%	-0.43%	-2.74%	-3.45%	-3.59%	**-7.62%**
FSI	150.94%	195.28%	239.14%	348.11%	503.79%	470.87%	-7.19%	-13.69%	-14.21%	-41.89%	-47.16%	-39.55%	**-39.55%**

Appendix 2: Selected stock market statistics as of 31 July 2026

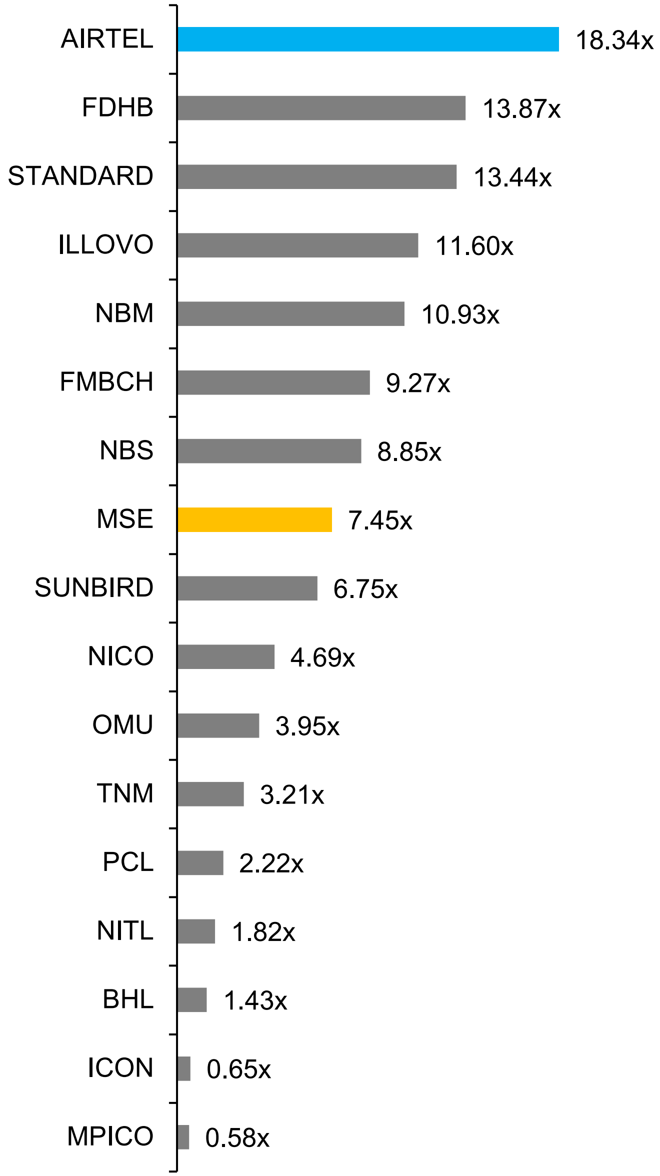
Dividend yield (%) - the weighted average dividend yield on the MSE was 1.53% in July 2026. The counters with the highest dividend yield were AIRTEL and NBS at 3.42%



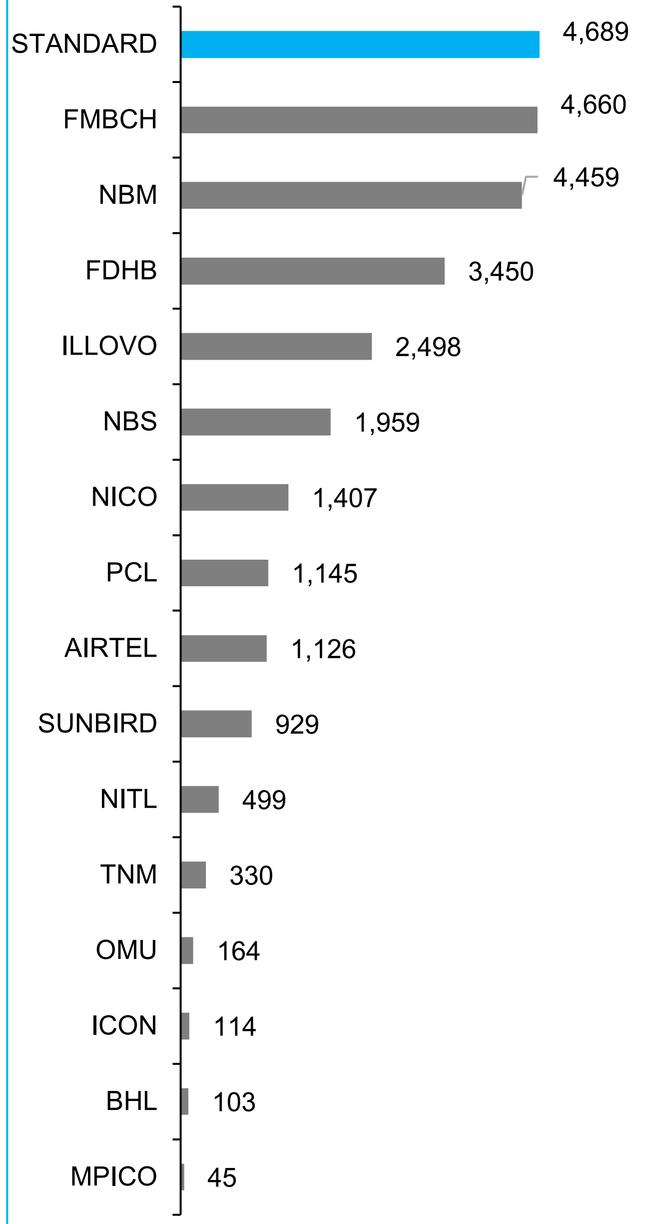
P/E Ratio - the weighted average price to earnings ratio on the MSE was 17.76x in July 2026. The counter with the lowest positive ratio was NITL at 2.47x.



P/BV Ratio - the weighted average price to book value ratio on the MSE was 7.45x in July 2026. The counter with the lowest positive ratio was MPICO at 0.58x.



Market Capitalization (MK'billion) - STANDARD had the highest market capitalization at MK4.7 trillion in July 2026.



Appendix 3: Oxford Macroeconomic Projections (Annual Percentage Changes Unless Specified)

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Indicator	2024	2025	2026	2027	2028	2029
Real GDP growth	1.7	2.0	1.8	0.1	2.7	5.8
Consumer price index (CPI) inflation	32.2	28.4	31.5	43.2	16.5	12.8
Private consumption	4.6	3.7	2.3	-1.3	0.4	3.6
Government consumption	9.3	4.4	-0.7	-0.6	-0.3	2.8
Fixed Investment	-5.6	-5.3	-4.0	-9.6	-3.5	7.2
Exports of goods and services	-12.2	-4.2	3.3	4.2	2.1	3.1
Imports of goods and services	7.0	5.3	3.2	-1.9	0.7	6.6
Current-account balance (% of GDP)	-18.1	-13.5	-10.3	-9.9	-9.0	-8.7
Government balance (% of GDP)	-11.0	-13.4	-15.3	-13.1	-10.7	-8.1
Government debt (% of GDP)	87.6	72.8	103.3	88.7	83.8	76.4
Exchange rate MK/USD (end-period)	1,734.1	1,732.4	2,545.6	2,791.4	3,026.6	3'270.7
Central bank policy rate (%, av)	25.8	26.0	26.5	32.0	27.0	21.5

Source: Oxford Economics, July 2026

Appendix 4: EIU Macroeconomic Projections

Indicator	2024	2025	2026	2027	2028	2029	2030
Real GDP growth (%)	1.3	2.3	2.5	2.3	2.6	2.9	2.9
Industrial production incl construction (% change)	2.2	2.0	2.2	2.7	2.9	2.9	2.9
Consumer price inflation (av)	32.2	28.4	23.7	24.1	26.2	25.4	24.3
Short-term interest rate (av)	15.8	15.0	14.0	13.0	11.0	10.0	9.0
Government balance (% of GDP)	-9.2	-9.6	-9.8	-9.1	-8.5	-8.2	-7.8
Exports of goods fob (USD bn)	1.0	1.1	1.1	1.1	1.3	1.3	1.5
Imports of goods fob (USD bn)	-3.0	-3.1	-3.2	-3.3	-3.4	-3.3	-3.5
Current-account balance (USD bn)	-2.1	-2.4	-2.6	-2.6	-2.6	-2.6	-2.6
Current-account balance (% of GDP)	-18.7	-17.4	-16.2	-15.1	-15.0	-14.9	-14.4
Exchange rate MK/USD (av)	1,734	1,734	1,734	1,853	2,127	2,514	2,792
Exchange rate MK/USD (end-period)	1,734	1,734	1,734	2,007	2,324	2,690	2,966

Source: EIU Five-Year Forecast (Malawi), June 2026

Appendix 5: List of Acronyms and Abbreviations

Admarc	:	Agricultural Development and Marketing Corporation
AFCTA	:	African Continental Free Trade Agreement
AfDB	:	African Development Bank
AHL	:	Auction Holdings Limited
av	:	Average
BHL	:	Blantyre Hotels Plc
Bn	:	Billion
CPSD	:	Country Private Sector Diagnostic
CDAs	:	Community Development Agreements
CDF	:	Community Development Fund
CPI	:	Consumer Price Index
ECF	:	Extended Credit Facility
EIU	:	Economist Intelligence Unit
EIB	:	European Investment Bank
CSD	:	Central Securities Depository
EUR	:	Euro
FDHB	:	FDH Bank Plc
FDI	:	Foreign Direct Investment
FMBCH	:	FMB Capital Holdings Plc
FY	:	Fiscal year
GBP	:	Great British Pound
GDP	:	Gross Domestic Product
HDI	:	Human Development Index
IFPRI	:	International Food Policy Research Institute
IPO	:	Initial Public Offering
ICAO	:	International Civil Aviation Organization
IMF	:	International Monetary Fund
Kg	:	Kilogram
LRR	:	Liquidity Reserve Requirement
LSU	:	Lotus Resources Limited
MASI	:	Malawi All Share Index
MEDF	:	Malawi Enterprise Development Fund
MDAs	:	Mining Development Agreements
MERA	:	Malawi Energy Regulatory Authority
MK	:	Malawi Kwacha
Mn	:	Million
MPC	:	Monetary Policy Committee
MSE	:	Malawi Stock Exchange
MT	:	Metric tons
NBM	:	National Bank of Malawi Plc
NBS	:	NBS Bank Plc
NICO	:	NICO Holdings Plc
NITL	:	National Investment Trust Limited Plc
NSO	:	National Statistical Office
OMO Repo	:	Open Market Operation Repurchase Agreements
OMU	:	Old Mutual Limited Plc
OPEC	:	Organization of the Petroleum Exporting Countries
Orano CE	:	Orano Chimie-Enrichissement
P/BV	:	Price to book value
P/E	:	Price to earnings
PCL	:	Press Corporation Limited Plc
RBM	:	Reserve Bank of Malawi
SADC	:	Southern African Development Community
SONA	:	State of the Nation Address
TAH	:	Trans Africa Holdings Limited
TB	:	Treasury Bill
TN	:	Treasury Note
TNM	:	Telekom Networks Malawi Plc
UN	:	United Nations
USD	:	United States Dollar
WB	:	World Bank

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Joint Lead advisor	Independent expert	Lead advisor	Valuation expert
2024	2025	2021 - 2022	2022 - 2024

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