

NICO MONEY

POLICY • MARKETS • DECISIONS



MONEY IN MOTION

Policy shifts, market signals & money in your pocket

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THIS ISSUE



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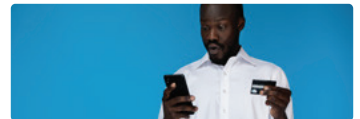
04 EDITORIAL NOTE
A note from the group managing director



05 COVER STORY | CAPITAL FLOWS
Where is your money going?



07 MOBILE BANKING
The infrastructure of everyday money movement



09 DIGITAL AND CYBER SECURITY
The Digital Rails Carrying Malawi's Money



11 PENSION
What Happens to Your Pension When You Change Jobs



13 CAPITAL MARKETS
How Capital Reaches Small Businesses



15 CREDIT AND FINANCIAL IDENTITY
Mobile Loans and the Credit Records Being Built Outside the Banks



17 ASK NICO
Your Questions on Money in Motion, Answered



NICO MONEY

📍 NICO Holdings Plc, Chibisa House,
19 Glyn Jones Road, Blantyre, Malawi
PO Box 501, Blantyre, Malawi

✉ editorial@nicomw.com

☎ +265 1 831 902

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Contributors



NICO Asset Managers Limited Contributor for the Cover Story (Capital Flows). NICO Asset Managers Limited is the investment management subsidiary of NICO Holdings Plc.



NICO Pension Services Contributor for the Pension feature. NICO Pension Services administers pension schemes for individuals and employers across Malawi.



NBS Bank Contributor for the Mobile Banking feature. NBS Bank is the retail banking subsidiary of NICO Holdings Plc.



NICO Capital Contributor for the Capital Markets feature. NICO Capital is the capital markets and advisory subsidiary of NICO Holdings Plc.



NICO Technologies Contributor for the Digital and Cyber Security feature. NICO Technologies is the technology subsidiary of NICO Holdings Plc.



Credit Data CRB Limited External partner contributor for the Credit and Financial Identity feature. Credit Data CRB is the licensed credit reference bureau of Malawi, operating under the Reserve Bank of Malawi.

From the Desk of the Group Managing Director



Welcome to NICO MONEY

The second edition of NICO Money asked what money costs. Not in figures, but in choices, obligations, and the things we quietly give up. That question produced some of the most direct writing we have published: on inflation, on pension deferral, on what a weak credit record costs a business, and on the quiet financial leakage that happens when professionals treat their digital behaviour as a private matter.

This edition asks a different question. Not what money costs, but where it goes.

Money in motion is not a metaphor. In Malawi, capital moves through a system that is formal in places, informal in most, and patchwork in between. Treasury instruments, equity markets, mobile money, VSLAs, ROSCAs, and the parallel foreign exchange market all operate simultaneously. The question of how money moves through this system, and who it leaves behind, is not an abstract one. It is the practical financial reality of the majority of people in this country.

The Malawi Stock Exchange, the Reserve Bank auctions, the pension contribution deducted from a salary, the mobile loan processed in seconds: each of these is money in motion. So is the K5,000 sent home through mobile money each month. So is the VSLA payout at year-end. The formal and informal systems are not separate economies. They are the same economy, operating on different terms, with unequal access to information.

What this edition attempts to do is hold both in view at once. The capital flows article tracks where institutional money is moving in 2026 and what that means for individual savers. The mobile banking feature examines the infrastructure that carries everyday transactions. The digital security piece follows those same rails to ask what vulnerabilities travel with them. Pension portability addresses a question that most contributors to formal schemes have never asked until they change jobs. The capital access piece looks at what prevents small businesses from reaching finance they genuinely need. Credit Data CRB examines the records now being built from mobile lending behaviour, mostly without the borrower's awareness.

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The formal and informal systems are not separate economies. They are the same economy, operating on different terms.

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Taken together, these contributions form a picture of a financial system in transition. Not a smooth transition. One that is creating new opportunities and new exclusions simultaneously.

I want to be direct about one thing. The information asymmetry in this market has a measurable cost. Savers who do not know that a 364-day Treasury Bill currently yields 17 percent are holding money in accounts paying 4 percent. The gap is not theoretical. It compounds. Contributors who do not know what happens to their pension when they change jobs are carrying a real risk, not a hypothetical one. Borrowers who do not understand what the mobile lending platforms are reporting to Credit Data CRB are building credit records without choosing to.

This publication exists because we believe that financial literacy is not a programme or a campaign. It is the steady availability of clear, honest information, relevant to the decisions people are actually making. Not the decisions we wish they were making.

Read this edition critically. The picture it draws is incomplete. Malawi's financial system is large, complex, and in places opaque. We cannot map all of it in forty pages. What we can do is illuminate the parts that matter most to the readers who carry this magazine, and be honest about what we do not yet understand.

That, more than any individual article, is what NICO Money is for.

Vizenge Kumwenda

**Group Managing Director
NICO Holdings Plc**

Do write to us: editorial@nicomw.com

Where is your money going?



Capital flows in Malawi and what they mean for your savings

Treasury instruments dominated institutional capital in Malawi for four years, but that is now changing, with effects across every asset class

Where Capital Is Flowing

Treasury Instruments

In the first quarter of 2026, the government raised MK710.98 billion through treasury bills and a further MK223.65 billion via treasury notes. These instruments have been the dominant destination for institutional capital in Malawi for years, not because they offer the best risk-adjusted returns, but because they offer certainty in an uncertain market. That certainty is now being repriced.

Equity Markets

In the first quarter of 2026, the equity market transacted 90.43 million shares valued at MK45.58 billion (US\$26.29 million) across 11,105 trades. After a period of extraordinary gains, 2026 has delivered a correction. The MASI fell 2.42 percent in February alone. Investors who entered near the 2025 peak are sitting on real losses in a market that is illiquid by design. Exit is difficult. Patience, for those who can afford it, is the only instrument available.

Property

Residential demand in Lilongwe and Blantyre has risen roughly 15 percent over three years. Commercial rents are up over 10 percent year on year. Property is the most active channel for middle-class Malawians outside the formal system. But pricing is set by informal consensus, many transactions occur outside legal frameworks, and no public pricing database exists. The return looks strong until you calculate it: a property worth K50 million renting at K200,000 per month yields 4.8 percent before repairs and vacancy. Against inflation at 23.82 percent, that is a real loss.

KEY NUMBERS THAT AFFECT YOU



T-bills raised, Q1 2026
Government borrowing dominated by short-term instruments.



Equity market value, Q1 2026
90.43 million shares across 11,105 trades.



Inflation, March 2026
Real returns on savings accounts: negative 19.5%.



364-day T-bill yield
Still negative in real terms but 13 percentage points above a savings account.



Informal economy share of GDP
68% of employment. The majority financial system.

CORE PRINCIPLE



Real returns, not nominal ones, tell the honest story. At 23.82% inflation, every asset class in Malawi is fighting to stand still.

Contributor | NICO Asset Managers Limited

MWK Where Capital Is Flowing

Informal Channels

The informal economy represents 34 percent of GDP and 68 percent of employment. Village Savings and Loan Associations pool savings, lend internally, and share funds at year-end. Evidence from randomised trials in Malawi shows they improve household savings and resilience. ROSCAs provide short-term liquidity at no interest cost. The parallel foreign exchange market, driven by official reserves at just 0.5 months of import cover, reflects a widening gap between official and parallel rates. With only 18 percent of adults holding bank accounts, these are not a fallback. They are the primary financial system for most Malawians.



Inflation is not something that is merely reported. It is something that is lived.



What inflation is doing to your returns

With inflation at 23.82 percent in March 2026, real returns tell the honest story. A savings deposit at 4.3 percent delivers a real return of negative 19.5 percent. K100,000 today buys only what K80,500 buys now. A 91-day T-bill at 12 percent delivers a real return of negative 11.8 percent. A 364-day T-bill at 17 percent delivers a real return of negative 6.8 percent, still negative, but materially better than a savings account.

Equities can beat inflation. The 2023 MASI return of 78.85 percent delivered a genuine 50-percentage-point real gain. Full-year 2025 returns also exceeded inflation by an extraordinary margin. But investors who entered near the 2025 peak are now sitting on real losses as the 2026 correction has been sharp. Timing matters in an illiquid, sentiment-driven market, and past performance does not guarantee future results.

Where decisions are made without adequate information

Across every asset class above, a common thread runs through poor investment outcomes in Malawi: decisions made without reliable, independent information. This is not simply a matter of financial literacy. It is a structural problem with a measurable cost to individuals.

In property, there is no public pricing database, no mandatory independent valuation, and no formal recourse when informal deals fail. Buyers routinely overpay because they have no benchmark. When a transaction occurs outside legal frameworks, the buyer holds no enforceable title. A family that pays K50 million for a property with no verified title may be holding an asset worth far less, with no legal standing to recover the difference.

In equities, the 2025 rally ran on expectations rather than earnings. The Malawi Stock Exchange provides no real-time earnings data, analyst coverage is thin, and the information gap between institutional and retail investors is wide. When the

capital gains tax was announced in late 2025, retail investors who had bought near the peak sold in panic and locked in losses, while those with better information held or bought. The cost of the information gap falls disproportionately on smaller investors.

For most Malawians outside the formal system, the cost is quieter but equally real. A saver keeping K500,000 in a bank account at 4.3 percent, unaware that a Treasury Bill pays 17 percent, loses approximately K63,500 in foregone returns over twelve months. Multiplied across hundreds of thousands of savers, the aggregate cost of this information gap is enormous.

A Framework for Your Investment Position

Is your money growing?

With inflation at 23.8 percent, your K100,000 needs to become K123,800 in twelve months just to hold its value. A savings account paying 4 percent leaves you with K104,000: a loss of K19,800 in real terms. A 364-day Treasury Bill at 17 percent is available through any bank from K10 million via a non-competitive bid.

Do you know what you own in equities?

Before buying, you should be able to answer: Is this company profitable? Can I hold if the price drops 20 percent? What policy or market risks could hurt it? If you cannot answer these, you are not investing. You are speculating.

Is your rental property making money?

Divide your annual rental income by the property's current market value. A property worth K50 million renting at K200,000 per month yields 4.8 percent before repairs and vacancy. That is below both inflation and current T-bill rates.

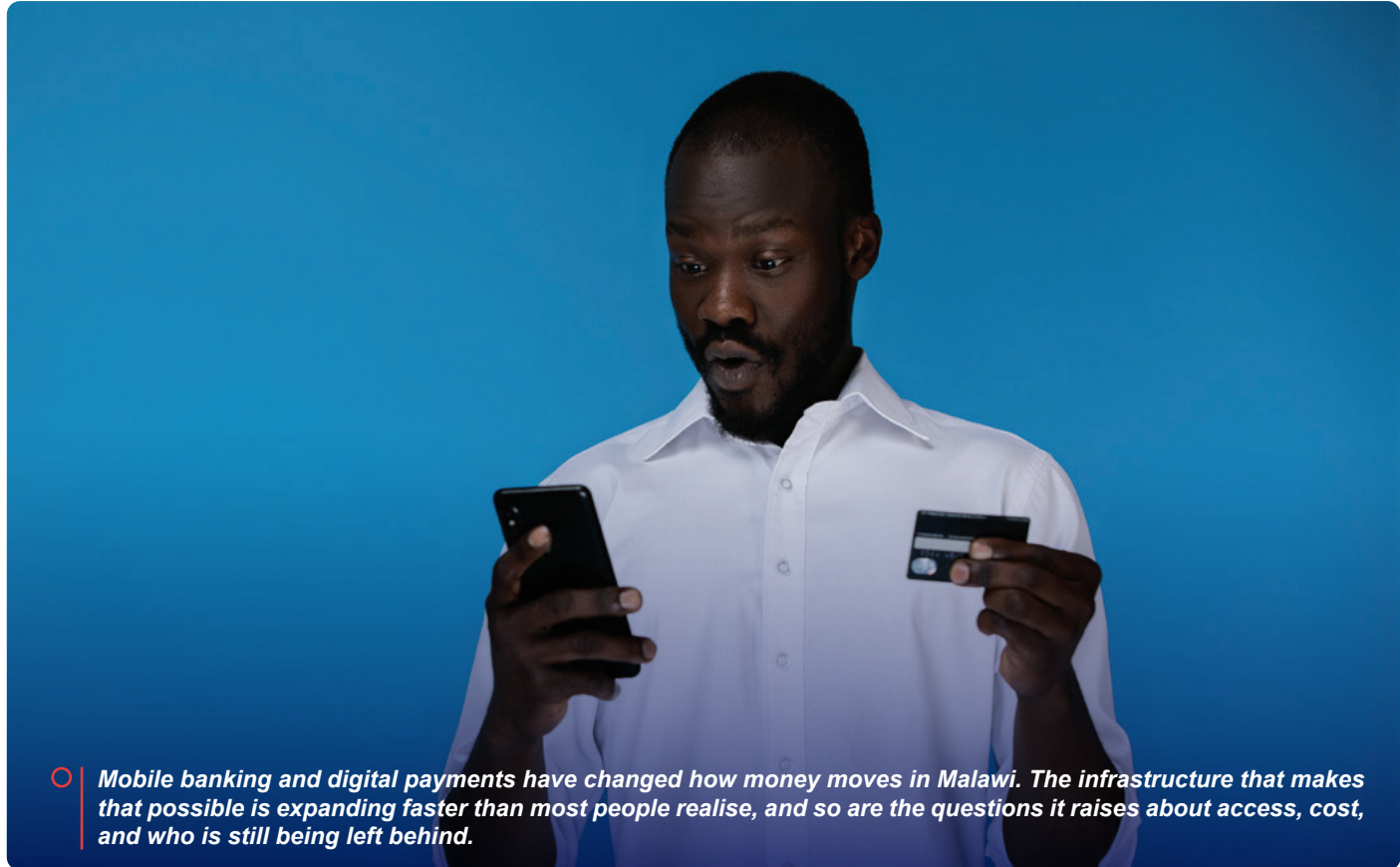
Are you deciding on facts or hearsay?

The Reserve Bank of Malawi publishes T-bill auction results weekly at rbm.mw. The Malawi Stock Exchange publishes monthly market reports. The NSO releases inflation data monthly. This information is free and public.

The Insight Most People Are Missing

T-bill yield compression has a direct, computable cost for Malawi's 645,191 registered pension contributors. As yields fall from 26 percent to 17 percent, projected growth on those savings drops sharply. Ask your fund manager what the reallocation plan is and what percentage of your fund is currently in T-bills. 🚩

The Infrastructure of Everyday Money Movement



○ *Mobile banking and digital payments have changed how money moves in Malawi. The infrastructure that makes that possible is expanding faster than most people realise, and so are the questions it raises about access, cost, and who is still being left behind.*

A decade ago, moving money in Malawi meant a bank branch, a queue, and working hours. Today, for a growing number of Malawians, it means a handset and a network connection. The shift is not complete, and it is not without friction. But it is real, and it is accelerating.


Mobile money platforms now process transactions that would have required physical infrastructure a generation ago. Wages are paid into mobile wallets. School fees are transferred between districts. Market traders receive payment without handling cash. Families in cities send money to parents in villages without either party needing a bank account. The velocity of these transactions, and their geographic reach, represents a genuine structural change in how the Malawian economy moves money.


What the numbers show


Mobile money penetration in Malawi has grown steadily, driven by the wide availability of basic handsets, expanding agent networks, and the practical advantages of digital transactions over cash in a country where distances are significant and banking infrastructure is unevenly distributed. In areas where a bank branch may be hours away, a mobile money agent is often within walking distance.


The Reserve Bank of Malawi has reported consistent growth in mobile money transaction volumes and values across successive quarters. While the formal banking system serves approximately 18 percent of adults, mobile money platforms reach a substantially larger share of the population, including significant numbers of people who have never held a formal bank account and may not need one to participate in digital financial services.

KEY NUMBERS THAT AFFECT YOU

- 

18% **Adults with bank accounts**
Mobile money reaches a significantly larger share of the population.
- 

Agent networks **The rural access point**
Where branches cannot reach, agents often can.
- 

FEE structures **The hidden cost**
Cumulative transaction fees are not always transparent at point of use
- 

Inter operability **The switching barrier**
Limited cross-platform transfers reduce competition and constrain user choice.

CORE PRINCIPLE



The question is no longer whether digital payments work. It is whether the terms on which they work are fair to the people who depend on them most.



Where the gaps remain

Access is not the same as inclusion. A mobile money account that charges fees calibrated for urban transaction sizes may be affordable for a salaried worker and genuinely costly for a smallholder farmer transacting smaller amounts more frequently. The fee structures across Malawi's mobile money platforms vary, and the cumulative cost of transacting through these platforms is not always transparent to users at the point of use.

“

The question is no longer whether digital payments work. It is whether the terms on which they work are fair to the people who depend on them most.

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Interoperability remains a limiting factor. Where platforms do not communicate with each other, users are effectively locked into a single provider's network for person-to-person transfers. This reduces competition on price and service quality, and places the burden of the platform's commercial decisions directly on users who have limited ability to switch.

Connectivity is the foundational constraint. Digital payments require network coverage, and network coverage in Malawi is not universal. Rural areas, where the majority of the population lives and where the need for accessible financial services is often most acute, are also the areas where coverage is thinnest and most unreliable. The infrastructure of everyday money movement is still, in important respects, an urban infrastructure.

▾

The Digital Rails Carrying Malawi’s Money, and the Security Vulnerabilities That Travel With Them



Every transaction that moves through a digital network creates a record, and every record creates a target. As Malawi’s digital payments infrastructure expands, the exposure it carries expands with it

The same infrastructure that allows a market trader in Mzuzu to receive payment from a customer in Blantyre in under thirty seconds also creates a surface that did not exist before. Every platform that holds financial data is a potential target. Every user who accesses their account through a mobile device is a potential entry point. The expansion of digital financial services in Malawi is a genuine economic development. It is also a genuine security challenge, and the two cannot be separated.



The dominant threats in Malawi’s digital financial ecosystem are not sophisticated attacks on infrastructure. They are social engineering operations directed at individual users.



What attackers are actually doing

The dominant threats in Malawi’s digital financial ecosystem are not sophisticated technical attacks on banking infrastructure. They are social engineering operations directed at individual users: fraudulent messages impersonating financial institutions, fake mobile money reversal requests, SIM swap fraud that transfers a victim’s number to a device controlled by an attacker, and phishing links embedded in messages that appear to come from legitimate senders.

SIM swap fraud deserves particular attention in the Malawian context. Because mobile money is tied to a phone number rather than a separate account credential, an attacker who successfully persuades a mobile network to transfer a victim’s number to a new SIM card gains access to everything associated with that number. This includes mobile money wallets, one-time passwords sent for account verification, and any financial services that use the number as a recovery mechanism. The attack requires no technical skill. It requires only the ability to obtain enough personal information about the target to convincingly impersonate them to a network agent.

THREE PROTECTIVE BEHAVIOURS



Never share credentials

PIN, one-time password, or account number. No legitimate institution will ask for these.



Verify payment instructions

Before acting on any instruction involving money or access, confirm through a separate channel.



Act immediately on SIM alerts

If you receive any unsolicited communication about your SIM, call your provider immediately

CORE PRINCIPLE



The most effective protections available to most users require no specialised knowledge. They require consistent, deliberate behaviour.



What protection actually looks like

Security in a digital payments environment is not primarily a technical problem. It is a behavioural one. The most effective protections available to most users require no specialised knowledge and no additional expenditure: never share a PIN or one-time password with anyone, under any circumstances, regardless of what they claim; contact your mobile network directly if you receive any communication you did not initiate about your SIM or account; verify payment instructions through a separate channel before acting on them, particularly where the instruction involves an unusual amount or an unusual recipient.

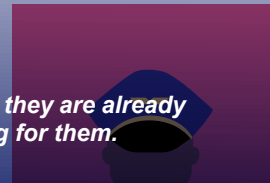
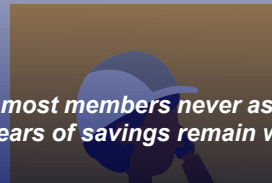
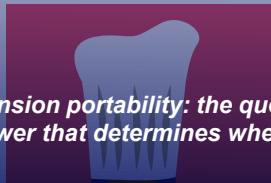
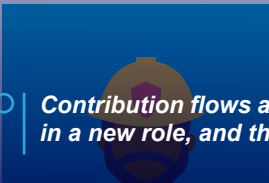
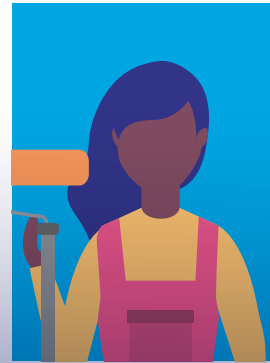
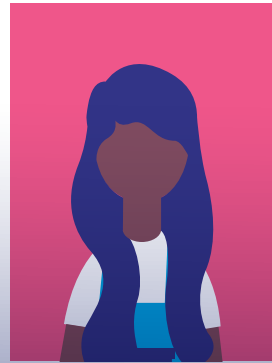
For institutions, the standard is higher and the accountability is greater. Systems that hold financial data must be patched. Access controls must be enforced. Staff who interact with customers and handle financial information must receive regular, practical security training, not once at induction, but as an ongoing discipline.

The institutional exposure

For businesses and financial institutions, the exposure is different in character but not in cause. Weak internal controls, unpatched systems, poor credential management, and employees who have not received adequate security training create the conditions for breaches that can affect not just the institution but every customer whose data it holds.

Small businesses that have begun accepting digital payments often have the weakest security posture of any participant in the digital financial system. They have adopted the technology because it provides access to customers and reduces cash handling risk, but they have not necessarily adopted the security practices that responsible digital participation requires. An unprotected mobile money account used for business transactions carries the same risks as a personal one, with larger balances and more complex exposure. ▀

What Happens to Your Pension When You Change Jobs



Contribution flows and pension portability: the question most members never ask until they are already in a new role, and the answer that determines whether years of savings remain working for them.

Changing jobs is one of the most common financial events in a working life. It is also one of the most consequential for pension savings, and one of the least understood. When a member leaves an employer, the contributions that have been building in their name do not automatically follow them. What happens to that money depends on the rules of the fund, the decisions the member makes, and in some cases, whether the member asks the right questions at all.

The contributions that have been building in a member’s name do not automatically follow them when they change jobs. What happens to that money depends on the decisions the member makes.

YOUR THREE OPTIONS



Transfer to new employer’s fund
Maintains active membership momentum. Requires both funds to cooperate on the transfer.



Transfer to a personal pension
You retain control, independent of any employer. You carry the responsibility for ongoing contributions.



Leave as a paid-up policy
No immediate decision required. Risk of losing track of the account over time.

CORE PRINCIPLE



A pension does not manage itself. Every job change is a moment that requires a deliberate decision. Deferring that decision is itself a decision, and rarely the best one

What the options are

Under Malawi's pension legislation, members who leave an occupational scheme have broadly three options. They can transfer their accumulated benefit to the pension fund of their new employer, if that employer operates one. They can transfer to a personal pension scheme, which they control independently of any employment relationship. Or they can leave the benefit in the existing fund as a paid-up policy, where it continues to grow until retirement, without further contributions.

Each option has implications that most members do not fully understand at the moment of departure. A transfer to a new fund maintains the momentum of active membership. A personal pension gives the member control but also responsibility. Leaving the benefit in the existing fund avoids an immediate decision, but deferred decisions carry their own risks: the member may lose track of the account, the fund's investment strategy may not match what an independent provider would offer, and administrative communication after departure is often inconsistent.

What members should do

Before leaving any employer, request a member statement from the pension fund. This document confirms the value of your accumulated benefit, your nominated beneficiaries, and the options available to you upon departure. Do not assume that HR will initiate this process on your behalf. In many cases, they will not.

If you are transferring to a new fund, confirm in writing with both funds that the transfer has been requested and follow up until you receive confirmation that it has been completed. Transfer processes can be slow, and accounts that are not actively tracked can slip into administrative limbo.

Review your nominated beneficiaries whenever your personal circumstances change: when you marry, when you have children, when a nominated person dies, or when a relationship ends. Your pension benefit will be distributed to whoever is on record at the time of your death, not necessarily to who you would choose if asked today. ▀



How Capital Reaches Small Businesses, and the Friction That Prevents It



○ Access to finance is the stated ambition of every institution in Malawi’s financial system. The gap between that ambition and the experience of most small business owners is large, specific, and in many cases addressable.

The majority of Malawi’s economic activity is generated by businesses that employ fewer than ten people, operate from rented premises or no fixed premises at all, and manage their finances through a combination of mobile money, cash, and memory. These businesses are the primary source of employment outside agriculture in Malawi. They are also, in aggregate, the businesses least likely to have access to formal credit.


This is not because lenders do not want to serve them. It is because the conditions that formal credit requires, consistent financial records, verifiable income, collateral, a credit history, are conditions that most small businesses in Malawi’s informal economy cannot meet. The gap is structural, not attitudinal.

What lenders are actually looking for


A loan application is an exercise in documented credibility. A lender who cannot verify a business’s income, expenses, and repayment history cannot price the risk of lending to it. Without the ability to price risk accurately, the rational response is either to decline the application or to charge a rate that compensates for the uncertainty, which often makes the loan unaffordable for the business it was intended to help.

The specific factors that most commonly prevent small business loan approvals in Malawi are: the absence of formal financial records; a thin or negative credit history; insufficient collateral; and a mismatch between the proposed repayment schedule and the actual cash flow pattern of the business. Of these, the first and third are the most frequently cited by lending institutions, and the first is the most directly addressable by the business itself.


COMMON BARRIERS




No financial records
The most common reason for decline. A lender cannot assess what it cannot see.




Thin credit history
No borrowing history means no evidence of repayment behaviour.



Insufficient collateral
The asset requirement most small businesses cannot meet.



Cash flow mismatch
Repayment schedules that do not match the seasonal or irregular nature of the business.



CORE PRINCIPLE
Credit is not refused because lenders do not want to lend. It is refused because risk cannot be assessed. Documentation is the bridge.

What small businesses can do



Separating business and personal finances is the foundational step. A business that transacts through a dedicated account, however simple, produces a record that a lender can examine. A business that commingles personal and commercial income produces a record that a lender cannot rely upon. The act of separation is also the act of documentation.



Checking and actively managing a credit record is not only relevant to individuals. Business credit records exist and are accessible. A business owner who has defaulted on a personal loan, or has unresolved debt in their name, will carry that history into any commercial lending assessment. Understanding what is on record, and addressing what can be addressed before applying for credit, is basic preparation that many applicants do not undertake.



Where collateral is genuinely not available, the options narrow. Alternative lending structures, including group lending schemes and asset-based finance, exist in Malawi's market but are not consistently available across all regions or sectors. The direction of development finance in Malawi is toward solutions that reduce the collateral requirement by improving the quality of other risk information. That development is incremental, and most businesses seeking credit now cannot wait for it.



The Credit Records Being Built Outside the Formal Banking System



Mobile loan data is creating credit histories for people the formal system had not previously seen. Many of them do not know it is happening.

When a person borrows through a mobile lending platform, they sign terms and conditions. Embedded in those terms, usually without particular emphasis, is an authorisation for the lender to report the transaction to a credit reference bureau. From that point, every loan, every repayment, and every default becomes part of a financial record. For most users, this is not a moment of conscious decision. It is the incidental consequence of pressing accept.

“A person may be building a credit record through mobile lending without knowing it, and that record will follow them into decisions they have not yet considered.”

What is being recorded

Mobile lending data submitted to Credit Data CRB includes the amount borrowed, the repayment terms agreed, and the actual repayment behaviour of the borrower. A loan repaid on time is recorded as performing. A loan that goes unpaid is recorded as defaulted. The record is not limited to large formal loans. It includes the K5,000 borrowed through a mobile app and not repaid, and the K2,000 borrowed the month before and settled.

The accumulation of this data creates a credit profile where none existed before. For borrowers who repay consistently, that profile is an asset. It is evidence of financial reliability that a formal lender, a landlord, or an employer in a regulated sector may one day examine. For borrowers who default, even on small amounts, the profile is a liability. A default on a mobile loan may affect a future application for a mortgage or a business loan from an institution the borrower has never dealt with.

FIVE STEPS

01

Request your report

You are entitled to one free viewing per year. Contact Credit Data CRB at Umoyo House, Ground Floor, Blantyre.

02

Review it carefully

Check for accounts you do not recognise and debts listed as unpaid that you have settled.

03

Dispute inaccuracies in writing

The bureau must investigate and respond within ten working days.

04

Settle outstanding debt in writing

A settlement letter from the lender is evidence the bureau can act on.

05

Build a positive record

Consistent, on-time repayment is the only reliable mechanism.

CORE PRINCIPLE



A credit record is not a verdict. It is a record. Records can be reviewed, disputed where inaccurate, and improved through consistent behaviour.

What This Means for Borrowers

01

The immediate practical implication is this: borrowing through a mobile platform is not a transaction that stays between you and the platform. It enters a shared financial record. Defaulting on a mobile loan because the terms were unclear, because the interest accumulated faster than expected, or because circumstances changed, will be visible to future lenders regardless of those circumstances.

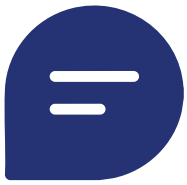
02

Every individual has the right to access their credit report from Credit Data CRB. The first access each year is free. For people who have used mobile lending platforms, reviewing that report is not optional diligence. It is essential. The record may contain entries the borrower does not recognise, debts recorded as unpaid that have been settled, or information from a platform the borrower no longer uses.

03

Inaccuracies can be disputed in writing, and the bureau is legally required to investigate and respond. But the dispute process requires the borrower to initiate it, which requires them to know the record exists.





Ask
**ONE
NICO**

Money in Motion

Questions selected from reader submissions and customer-facing channels across the NICO Group. Each answer is attributed to a named expert within the relevant subsidiary.

Reader Q&A

Q I have been converting kwacha to dollars through informal channels for the past year because the bank counter rate is significantly lower than what the market is showing. I know it is not the official route. Is there a legitimate way to access a rate that is closer to the real one?

A The parallel market operates outside the legal framework for foreign exchange transactions in Malawi and carries real risks: no contractual protection if you are defrauded, potential legal exposure, and no recourse through the financial system. That said, the gap between the official counter rate and the parallel rate reflects genuine structural pressure on Malawi's foreign exchange reserves, which have been running below one month of import cover.

The legitimate alternative is a foreign exchange bureau licensed by the Reserve Bank of Malawi. Bureaux de change are permitted to apply rates that move closer to market conditions than standard commercial bank counter rates, and they are legally authorised for personal and small commercial transactions. For amounts above the bureau threshold, your bank's treasury desk will often quote a rate that differs from the standard posted rate. Ask specifically. The posted counter rate is the default, not necessarily the best available. The most significant risk in the parallel market is not only legal. Unregulated transactions carry no protection if the counterparty defrauds you.

Head of Treasury | NBS Bank

Q I have been converting kwacha to dollars through informal channels for the past year because the rate is closer to the real one. Is this legal, and are there alternatives?

A A lower balance despite ongoing contributions almost always reflects investment performance, not missing contributions. Pension funds invest member contributions in assets including government securities, equities, and property. When those assets lose value, the total fund value falls, and your individual balance reflects your proportionate share of that total. This is not money being lost or stolen. It is a valuation effect that can reverse as market conditions change.

What you should separately confirm is whether your employer's contributions are actually reaching the fund on time. Request a contribution history showing the date and amount of each remittance, not just the accumulated balance. Delayed or unremitted employer contributions are a documented problem in Malawi's pension system and must be pursued directly if they appear. You are also entitled to ask your fund's trustees for a written explanation of recent investment performance and asset allocation. One difficult period does not determine your retirement outcome, but an unexplained gap between expected and actual balances warrants a formal written inquiry.

Member Services Manager | NICO Pension Services

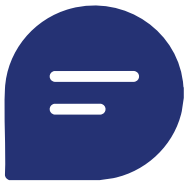
Q I run a market stall and I accept mobile money from customers. I sat down last month and worked out that between receiving fees, send fees, and the levy, I am paying roughly seven to eight percent of my revenue in transaction costs. That is more than my margin on some products. Is there anything I can actually do?

A The cost you have calculated is real and it is among the highest in the region relative to transaction value. Several options are worth examining. The first distinction that matters is between wallet-to-wallet transfers and cash-out transactions. Encouraging customers to pay from their wallet directly to yours, and keeping funds in the wallet system rather than withdrawing immediately, reduces the total fee burden because cash-out charges are typically the most expensive component. Batching receipts and deferring cash-outs to fewer, larger withdrawals also reduces the per-transaction charge frequency.

Second, if your monthly transaction volume meets the threshold, a merchant account applies a different fee structure than a personal or basic business account. Ask your provider specifically what the qualifying volume is. Third, the Reserve Bank of Malawi publishes maximum fee schedules for mobile money providers. Comparing what you are actually being charged against the published schedule will tell you whether the fees are within permitted limits. If they are not, you have grounds to raise it formally. The structural level of fees in Malawi is a legitimate concern. At the individual level, how and when you move money within the system is the most practical lever available to you now.

Head of Digital Channels | NBS Bank

Contributor | NBS Bank | NICO Pension Services | Credit Data CRB | NICO Asset Managers



Ask
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Money in Motion

Questions selected from reader submissions and customer-facing channels across the NICO Group. Each answer is attributed to a named expert within the relevant subsidiary.

Reader Q&A

Q I tried to open a bank account last week and was turned away because I could not produce a payslip or a formal tenancy agreement. I am self-employed and I rent informally. It felt as though the banking system is not designed for someone like me. What are my actual options?

A You are describing a barrier that affects a large share of Malawian adults, and the experience you had does not reflect the full legal picture. The Reserve Bank of Malawi’s tiered Know Your Customer framework provides for a basic account that requires a national identity card only, with no payslip or formal address documentation required. This is called a Tier 1 account. It carries limits on transaction size and balance, but it provides full access to the core payment system. If you were not offered this option, go back and ask for it by name.

If you already hold a mobile money account, you may have more of a financial identity than you realise. Consistent use of mobile platforms, including mobile lending, generates data that Credit Data CRB can use to build a credit file. That file, once established, is relevant to future formal credit applications even without a traditional bank account history. The practical starting point is to request your credit report from Credit Data CRB to understand what your current financial record looks like. And if you do not yet hold a national identity document, obtaining one from the National Registration Bureau is the single step that opens most of what the formal financial system can offer you.

Business Development Officer | Credit Data CRB

Q The stock market went up enormously last year and I missed the entire rally. Now I hear the market has corrected sharply in 2026. Is it too late to invest, and how does a first-time investor start without getting wiped out?

A Whether you missed the peak or arrived at a better entry point depends entirely on what you intend to do and over what time period. The 2023 Malawi All Share Index return of close to 79 percent was exceptional and driven partly by inflation repricing rather than underlying earnings growth. Some of that repricing has corrected in 2026. For a long-term investor, entering after a correction can mean buying assets closer to their fundamental value than they were at the peak.

The answer to not getting wiped out is more straightforward than most people expect: invest only money you can genuinely leave untouched for at least five years, diversify across multiple stocks rather than concentrating in one, and decide before you invest how large a price fall you are prepared to hold through without selling. Investors are not wiped out by markets. They are wiped out by buying near a peak, panicking during a correction, and locking in losses at the bottom. A broker registered with the Malawi Stock Exchange can open an account, and the minimum entry is accessible for most formal sector employees. A diversified fund is the appropriate starting point for a first-time investor who does not yet have the information to evaluate individual company fundamentals with confidence.

Investment Analyst | NICO Asset Managers

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