



41ST

**ANNUAL GENERAL
MEETING PACK**

5 JUNE 2026

SUNBIRD MOUNT SOCHE HOTEL, BLANTYRE

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MEET OUR BOARD OF DIRECTORS



George Chitera (Mr)

Trustee/Director
Chairperson



William Chibwe (Mr)

Trustee/Director
Deputy Chairperson
Chairperson-Business & Operations
Committee

Member-Finance, Audit & Risk Committee.



Ben Chitsonga (Mr)

Trustee/Director
Chairperson – Finance, Audit & Risk
Committee.

Member-Business and Operations
Committee



Chisomo Gunda (Ms)

Trustee/Director
Chairperson - Appointments,
Remuneration & Administration
Committee

Member-Business & Operations
Committee



Josephine Mchungula (Mrs)

Trustee/Director
Member - Appointments,
Remuneration & Administration
Committee

Member- Finance, Audit & Risk
Committee.



John Biziwik (Mr)

Trustee / director
Member – Appointments,
Remuneration & Administration
Committee,

Member- Finance & Audit
Committee



**Ulemu Katunga (Dr) - (PhD, FCCA)
(CA(M))**

Director/Chief Executive Officer



Lames Gondwe (Mrs) – (ACCA)

Board Secretary/Head of Finance

MEET OUR SENIOR MANAGEMENT



Ulemu Katunga (Dr) - (PhD, FCCA) (CA(M))

Director/Chief Executive Officer



Gift Medi - MBA, MSc, BSc

Head of Information, Communication and Technology



Lameck Kaluluma - FCCA, CA(M), MBA

Head of Internal Audit



Ednah Kamwendo - BBA, MS-MTB

Branch Manager - South



Lames Gondwe - (ACCA)

Board Secretary/Head of Finance



Dr Macfenton Shariff - MBBS, BSc, CFM

Head of Commercial



James Chiundira LCB (Hons) WALES, MCPQC

Legal Services Manager



Paul Mandowa - FCCA, CA(M)

Branch Manager - Central



Linda Mapemba - BSc, MBA

Head of Human Resources and Administration



Samantha Kamwendo - BSc, MBA

Head of Operations



Michael Mapeta - BAcc
Risk & Compliance Manager



Albert Mungomo - BA
Branch Manager - North

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Motion 1

THE FORTY-FIRST ANNUAL GENERAL MEETING AGENDA

NOTICE THE FORTY-FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-first Annual General meeting of the Medical Aid Society of Malawi (MASM) will be held on Friday, 5 June 2026 at 10:00 hours at Sunbird Mount Soche Hotel in Blantyre to transact the following business

AGENDA

1. To approve minutes of the Fortieth Annual General meeting held on 20 June 2025.
2. To receive and adopt the Chairman's report for the year ended 31 December 2025.
3. To receive and adopt the Annual Financial Statements and report of the Auditors for the year ended 31 December 2025.
4. Election of office bearers.
 - a) To elect a director to represent the interests of Member Firms. Mr. B. Chitsonga retires by rotation and being eligible has offered himself for re-election.
 - b) To elect a director to represent the interests of Individual Members. Ms. C. Gunda retires by rotation and being eligible has offered herself for re-election.

In accordance with the Constitution, nomination papers for the above positions should be delivered to the secretariat at least 7 clear days before the holding of the AGM. The papers need to be signed as follows: -

- a) In the case of a representative of member firms, by not less than three member firms; and
 - b) In the case of an individual member, by not less than ten individual members.
5. Directors' fees for the ensuing year.
- a) Directors' Fees.

Chairman

K9,375,000 per annum (from K7,500,000) payable quarterly in arrears.

Deputy Chairman

8,750,000 per annum (from K7,000,000) payable quarterly in arrears.

Directors

K7,900,000 per annum (from K6,250,000) payable quarterly in arrears.

- b) Sitting Allowance

Chairman

K625,000 per sitting from K500,000

Directors

K570,000 per sitting from K450,000

Continuation of the agenda

6. To appoint Auditors for the year ending 31st December 2026 and authorize the directors to determine the auditor's remuneration.

7. Constitution Amendments:

Current Clause 10 (7) "A member of the Board shall remain in office for a maximum period of two terms of three consecutive years each and shall not be eligible for appointment and /or election for a third term of office. Upon expiry of three years after holding of office, members of the Board may offer themselves for re-appointment in line with this Constitution."

To read 10 (7) "A member of the Board shall remain in office for a maximum period of three terms of three consecutive years each and shall not be eligible for appointment and/or election for office".

8. To transact such other business as may properly be brought before the meeting.

By Order of the Board,



L. Gondwe (Mrs) ACCA
SECRETARY

Please Note

The 41st AGM pack will be available at the Annual General Meeting or requested via one of the following channels:

Blantyre Offices:

Telephone Numbers
0111 820 298/0111 820 543.

Lilongwe Offices:

Telephone Numbers
0111 770 678/ 0111 776 427

Mzuzu Offices:

Telephone Number
0111 611 797/0111 611 376

E-mail : management@masm.mw

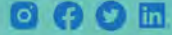
Website : www.masm.mw

A member entitled to attend and vote at the meeting is entitled to complete proxy forms. The proxy form needs to be deposited at the Secretariat not less than forty-eight hours before the time for holding the meeting and in default the instrument of proxy shall not be treated as valid.

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Kristwick.

LILONGWE

MASM Medi Clinic
Lingadzi.

MZUZU

MASM Medi Clinic,
Katoto



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+265888189075

+265888189070

+265888189072

+265888189068

+265888189069

MASM CALL CENTER

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Motion 2

MINUTES OF THE FORTIETH ANNUAL GENERAL MEETING OF THE MEDICAL AID SOCIETY OF THE MALAWI HELD ON 20 JUNE 2025 AT 10:00 HOURS AT SUNBIRD CAPITAL HOTEL-LILONGWE.

MINUTES OF THE FORTIETH ANNUAL GENERAL MEETING OF THE MEDICAL AID SOCIETY OF THE MALAWI

DIRECTORS PRESENT

Mr. G.Chitera	Chairperson
Mr. W. Chibwe	Deputy Chairperson
Mrs. J. Mchungula	Director
Ms. C. Gunda	Director
Mr. A. Chikumbi	Director
Mr. B. Chitsonga	Director
Dr U. Katunga	Director/Chief Executive Officer (CEO)

IN ATTENDANCE

Mrs. L. Gondwe	Secretary/Head of Finance (HOF)
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LIST OF MEMBERS PRESENT AND PROXY FORMS (attached)

40.01 Welcome remarks, Notice and Quorum

- 40.01.01 The Chairman called the meeting to order at 10:20 hours and welcomed all members to the Society's 40th AGM.
- 40.01.02 The Notice of the meeting was taken as read.
- 40.01.03 The Secretariat confirmed and declared that the meeting was quorate and properly constituted and that adequate notice of the meeting in terms of the constitution had been given.

40.02 Confirmation and approval of the minutes of the 39th AGM

Minutes of the 39th Annual General Meeting (AGM) of the Society held on 15 December 2023 at Grand Palace Hotel in Mzuzu were confirmed, approved, adopted, and signed as a representative record of business transacted.

40.03 Chairman's Report

The Chairman presented a report of the Society's Group activities during the 18months period ended 31 December 2024.

Members resolved as an ordinary resolution "That the Chairman's report for the period ended 31 December 2024 be adopted.

40.04 Auditor's Report

The Group's audited financial statements and auditor's report for the period ended 31 December 2024 were presented by the auditors AMG Global.

On a proposal of a motion duly seconded, it was resolved,

"That the group's financial statements for period ended 31 December 2024 and the auditor's report be adopted and approved."

40.05 Election of Directors

- a. A vacancy representing the interests of member firms existed as Mrs. J. Mchungula would be retiring by rotation at the 40th AGM and being eligible had offered herself for re-election.
- b. A vacancy for members representing the interests of individuals existed as Mr. P. Chikumbi would be retiring by rotation at the 40th AGM.

Clause 12 1) of the constitution states that "At the Annual General Meeting the Chairman shall announce the names of candidates to fill the vacancies on the Board then existing".

Mrs. Josephine Mchungula, Mr. Duncan Phulusa, Mr. James Patrick Tembo, Mrs. Rose Felisah Mitambo and Ms Habiba Osman were announced as candidates to fill the vacancy as Director representing member firms.

Mr. F. Chome, Mr. S. Nkata, Mr. A. G Mwale, Mr. S.B. Chikoti, Mr. J.S. Biziwick, Mr. J.J. Miller, Dr. S. Magolowondo, Mr.P. Kwengwere and Mrs. G. Likupe were announced as candidates to fill the vacancy as Director representing individual members.

40.05.1 Director Representing member firms

Clause 12 4) of the constitution states that "should the number of nominations received in respect of any category exceed the number of vacancies in such category a ballot shall be held in respect of such category:"

Clause 12 4 a) of the constitution states that “the ballots shall be collected and counted by the Secretary who shall pass on the results to the Chairman who shall announce the name or names of candidates securing the highest number of votes and shall declare such candidate or candidates to be duly elected”

Mrs. Josephine Mchungula was declared duly elected as director representing member firms.

40.05.2 Director Representing Individual members

Clause 12 2) of the constitution states that “where the number of nominations received in respect of the separate categories of members does not exceed or is equal to the number of vacancies in such categories the Chairman shall declare the candidates duly elected:”

Mr. John. Biziwick was declared duly elected as director representing Individual members.

40.06 Review of Directors fees and Sitting Allowances

40.06.1 Directors’ Fees

On a proposal of the motion duly seconded, it was resolved;

“That the fees for the Chairman, Deputy chairman and Directors with effect from 1 January 2025 be fixed at:”

Chairman:

K7,500,000 per annum payable quarterly in arrears.

Deputy Chairman:

K7,000,000 per annum payable quarterly in arrears.

Directors:

K6,250,000 per annum payable quarterly in arrears.

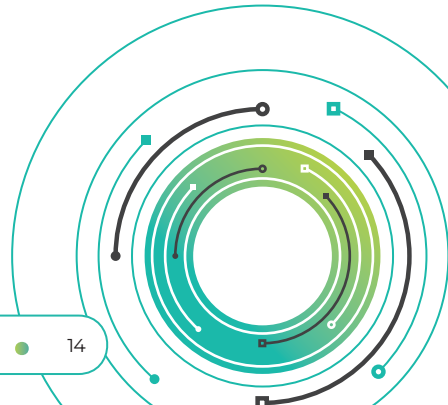
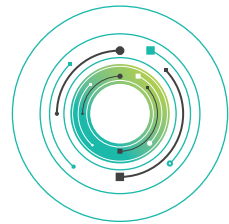
40.06.2 Sitting Allowances

Chairman :

K500,000 per sitting.

Directors :

K450,000 per sitting.



40.07 Appointment of Auditors

On a proposal of the motion duly seconded, it was resolved ;

“That AMG Global be appointed as auditors for the group for the year ending 31 December 2025 and that Directors be authorised to fix their remuneration”.

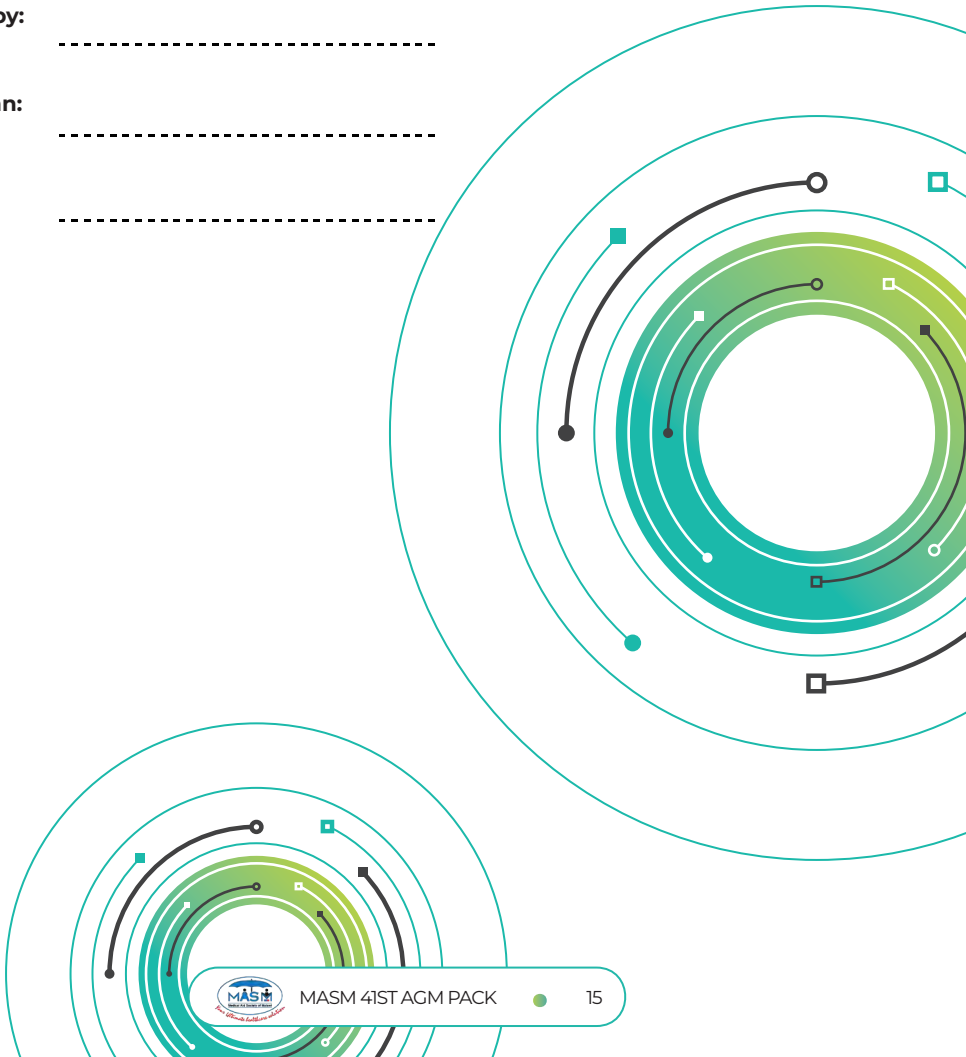
40.08 Closure

There being no other business to discuss the meeting was closed at 13:05 hours with a word of prayer.

Signed by:

Chairman:

Date:



40TH ANNUAL GENERAL MEETING, 2025 REGISTRATION FORM(FIRM)

	FULL NAME	FIRMS	MASM NUMBER
1	HENDRIX GOVEA	BATA SHOE	2134815
2	DAVIES CHIKOTI	MASM	1873090
3	ESTON MGALE	WORLD OF DIFFERENCE	57494
4	CHARLES WAHAWA	MBC	800067974
5	STEVEN P BANDA	NATION	3922501
6	CHRISTINA JULIUS	EDF	190206743
7	DR KALINDE CHIMWEMWE	BRUSSELS FERTILISER	
8	MBAMBA	EFATA	
9	DR ULEMU KATUNGA	MASM	900018106
10	KELVIN B KAPOLO	MAMN	3420445
11	ZITHA SOMANJE	MASM	900029547
12	JIMMY CHAZAMA	TIMES	
13	GIFT MEDI	MASM	800050113
14	G.MAKWAKWA	CMST	
15	WERDSON NJEWA AKUZIKE	MAIIC	970056517
16	MWALWIMBA	LAST MILE HEALTH	2012089
17	HENRY CHAMSOLO	CAPA	2547867
18	ANTON FORIAS	CAPA	2547925
19	TIPELEKE HIWA	PAKWATHU CONCEPTS	90019668
20	VANESSA HILLARY	MASM	190217375
21	PETER BANDA	MASM	
22	WILLY NKHOMA	IPMM	
23	DYSON NKOTIMA	DMG GLOBAL	
24	MAGGIE ADAMS	PVT	
25	GRACE KUONERA	CARD	
26	CHIKONDI NDHLOVU FAITH	CDI	970032164
27	KAMPHIRININGO	CDI PARAMOUNT COMMODITIES	
28	AMOS DZIYENDE		
29	BRENDA KAYO	TIMES GROUP	236929311
30	DIANA BILLY GAMA	MSILIKALI SACCO	
31	EDO LIPONGA	MSILIKALI SACCO	

40TH ANNUAL GENERAL MEETING, 2025 REGISTRATION FORM(FIRM)

	FULL NAME	FIRMS	MASM NUMBER
32	DANIEL GWEYA	MMC	170193736
33	MPHATSO KASONYA CHRISTINA	MMC	160062970
34	KAYEDZEKEKA BLAIR NIXON	MASM	1699263
35	CHITIMBE	MHC	800032558
36	DR YAMA YAMA	PVT	900017474
37	CATHERINE NSOLOMA	CFTC	
38	TAONE KASAMBA	MASM LINGADZI	
39	SYLVETSER MWALE JOSEPHINE	MDF	
40	MCHUNGULA	ECOBANK	150039886
41	KWANGU GOMBWA CAROLINE	MASM	900006059
42	NKALODZWA	MASM	3413903
43	LINDA MAPEMBA	MASM	900000560
44	CHISOMO BENNET	MASM	
45	MWAYI KAPHERA	MASM	900024557
46	EASU KASAONDA	ECOHS	
47	AGGREY MWALE	PVT	90001860901
48	EDUNA GAMA	ACE	80006799201
49	BEN CHITSONGA	RESOLUTION TECH	931500
50	TAWESI MANDA	CDL	970032163
51	PATIENCE SIKELO	PCL	970033009
52	MICHAEL MAPETA	MASM	
53	FLEMMINGS LONGWE	MASM MEDI CLINICS	
54	ALI NYONDO	AMG GLOBAL ROOT AND TUBER	900005343
55	ANDREW KUMWENDA GLADYS AGATHA	CROPS	180199525
56	KALOMO	EDUCATION	2902203
57	CHIFUNDO DALIRENI	WESM	33169892
58	TISYIANE PHIRI	LIMBE LEAF MALAWI SCHOOL OF	900020613
59	MAGGIE MARUWO	GOVERNMENT	180175862
60	CHANCY WOLEMBA	CUMO	
61	ESNATH MJUWENI	MASM	900021291

40TH ANNUAL GENERAL MEETING, 2025 REGISTRATION FORM(FIRM)

	FULL NAME	FIRMS	MASM NUMBER
62	CHIPILIRO MBEWE	MASM	2798437
63	FRANCIS MAURICE	MASM	970030919
64	TAMALA PWELE	MASM	900006110
65	EVELYN JERE	MASM	900008378
66	MERVIS KAMENYA	MASM	
67	STELLA CHUTHI	PRESS TRUST	900013766
68	JAMES TEMBO	MPHUNZITSI SACCO	2857795
69	BLESSINGS MBEWE	RBS	
70	SARAH LIGOMEKA	MASM	2612893
71	THOKOZIRE SOKO YAMIKANI	MASM	900009700
72	KAMWENDO	MASM	160025331
73	LIGHTWELL HARAWA	BATA SHOE	970040002
74	MACDONALD SOSOLA	MMCL	160058540
75	LAMES GONDWE SAMANTHA	MASM	900007495
76	KAMWENDO	MASM	900019890
77	LUSUNGU CHIRAMBO	MASM	9000020114
78	LAMECK KALULUMA	MASM	180169967
79	MARIA PHIRI LAWRENCE	TRADELINE CORPORATION	970053103
80	KAULEMBE	NICO LIFE	900012581
81	BENARD MWAUSEGHA BEATRICE	MASM LINGADZI	180158240
82	MPHUNDUKWA	MASM LINGADZI	160056065
83	SANDY CHARUMIRA	MASM LINGADZI	190215546
84	ALBERT MUNGOMO	MASM	180193963
85	FORTUNE KANYEMBA	MASM	
86	LIMBIKANI MISOMALI	MASM	16009634
87	EDNA KAMWENDO	MASM	900028352
88	MACFENTON SHARIFF ANGELLA	MASM	2106581
89	NDAFERANKHANDE	MASM	2379204
90	TEMWANANI CHISALA	MASM	900011811
91	ANGELLINA HARA	MASM	900006088

40TH ANNUAL GENERAL MEETING, 2025 REGISTRATION FORM(FIRM)

	FULL NAME	FIRMS	MASM NUMBER
92	BLONDIE MANDERE MASINKHO	MASM	
93	MADANITSA LORDWELL	MASM	800026315
94	NKHWANGWA	VISION FUND	
95	JOANA KADZAMIRA	MASM	900021464
96	CHIYAMIKO GOMANI	NCIC	800008978
97	BLESSILY LIABUNYA	MASM	1995018
98	JOSEPHY KANTHULA	BATA SHOE	
99	INNOCENT CHIRAMBO	MASM	2059996
100	VICTORIA NYAHODA	MASM	900006129
101	DUNCAN PHULUSA CATHERINE	MALAWI MICROFINANCE NETWORK	3420734
102	MUGHOGHO	LION HOSPITAL	101412328
103	ANTHONY TEMBO	AIRCARCO	1898428
104	ALBRIGHT NGWENDE	ECOBANK	21899634
105	CYNTHIA KUMBAMBA	NYCOM	
106	ENIPHER NTANDA	NBS BANK	900025195
107	NOEM CHIMALIRO	NBS BANK	800046669
108	EMMA KACHIGAMBA	TUM	54941
109	MERCY MUNTHALI TAMARA	ALLIANCE ONE	
110	MWAFULIRWA	FDH BANK	180155841
111	RACHEL CHITEMBEYA	GOVERNMENT	
112	MATILDA BELLO	SUNGOLD FOOD LTD INNOCENT SOULS PRIVATE	
113	ALINAFE NKHOMA		
114	BETTIE CHIRWA SONGANIZAWO	LAND O LAKES	180172921
115	WALITA	MIN OF EDUCATION	970033171
116	DR ALBERT CHANGAYA	ARET	9000181420
117	DOREEN MPHINJI	CARE INTERNATIONAL	
118	ANDREW CHILEWANI	MBC	3471323
119	DALITSO GADAMA	BAYER MW	
120	FESTAS CHANIKA		170106363

40TH ANNUAL GENERAL MEETING, 2025 REGISTRATION FORM(FIRM)

	FULL NAME	FIRMS	MASM NUMBER
121	KINGSTON MAZIBUKO	NKHUNI	2678670
122	ELLEN KANJEZA	OMBUSIMAN	
123	FELISAH MITOMBO	TEMBENU&KILEMBE	
124	GENEZIYO DANIEL	GENEZIYO	250403326
125	MPHATSO CHITHAMBO	NBS BANK	800045176
126	PAUL MANDOWA	MASM	690069532
127	KONDWANI JEPHTA	MASM CLINIC	3357118
128	RUTH NYIRENDA	PAYCHANGU	54401
129	CHARITY MATONGA	MASM CLINIC	900028326
130	PAUL MBONONGO	MHRC	800041203
131	EPHINESS KHALAPO	LIGHTHOUSE	1698992
132	ESTHER KAWALE	ACE	190219250
133	MUSAOPE MWASE	FACE TO FACE	1893635
134	ETHEL YABU MTILENI	FACE TO FACE	32260
	HANNAH		
135	MANKHAMBERA	FAM	970039112
136	LUSEKELO KAYUNI	SICO HOLDINGS	1745991
137	GRACE KAZEMBE	PREMIUM TOBACCO	0013126
138	MONIQUE KALUA	ICRISAT	90001305
139	CHISOMO BANDA	CAPA	3335130
140	LYSON NKHOMA	CAPA	2547909
141	ROBERT KILYONI	CAPA	2547909
142	PATIENCE JOHANE	PACHI	2547883
143	PATRICIA SAKALA	M.E.F&EA	800057413
144	AUTHMAN KAPOLOMA	MALAWI GOVERNMENT	3332558
145	TRINTAS MWENYE	FDH	160040234

40TH ANNUAL GENERAL MEETING, 2025 REGISTRATION FORM(PRIVATE)

	FULL NAME	MASM NUMBER
1	MARY CHIMUNGU	808173117
2	STEVEN NKHATA	
3	AUGUSTINE KALINDI	970053269
4	DR AUGUSTINE MAGOWONDO	90004078
5	MILLER JOSHUA	1884725
6	FELIX CHOME	90007332
7	ESTHER MWESO	900012008
8	MATHEWS CHIBACO	8000360030
9	EKARI MWAPASA	180182905
10	PAUL KWENGWERE	970050782
11	ALEX CHIKUMBI	800070754
12	CHISOMO GUNDA	900006756
13	MAGGIE MKWEU	2442044
14	MARGARET CHINGENI	2548352
15	SHEILA MAGOMBO	180184158
16	BENARD MWANDIRA	221119233
17	GIBSON MENGWE	2793826
18	CATHERINE CORNER	900601158
19	SANGWANI NYIRENDA	
20	GERALD MVULA	2336006
21	LOYCE GADAMA	900004646

40TH ANNUAL GENERAL MEETING, 2025 REGISTRATION FORM(PRIVATE)

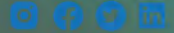
	FULL NAME	MASM NUMBER
22	MARY NKHOMA	190218991
23	JOHN S BIZWICK	900018030
24	ETHEL KAMOWA	970041649
25	FLORENCE CHOPI	170125099
26	SAMUEL NJUWALUWA	970057237
27	MAGRET LIWEWE	1602820
28	TAONGA N MANJOLO	808749810
29	WINNIE T SIMKONDA	180178453
30	MPHATSO NYIRENDA	1903327
31	CHIZA MANDA	2370641
32	KELVIN MMANGISA	9000025343
33	HENDERSON CHIWELA	2939478
34	GIBSON BANDA	
35	JACQUELINE CHAGUNDA	
36	DR ISAAC CHIRWA	3357118
37	WILLIAM CHIBWE	80001120
38	STEVEN CHILONGO	2903534

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Motion 3

THAT THE CHAIRMAN'S REPORT FOR THE PERIOD
ENDED 31 DECEMBER 2025 BE ADOPTED

CHAIRMAN'S REPORT FOR PERIOD ENDING 31 DECEMBER 2025

It is both an honour and a joy to welcome you to the 41st Annual General Meeting of our Society. As I stand before you today, I am filled with pride at the journey we have taken together in 2025—a year that tested our resilience, demanded innovation, and rewarded us with growth.

We have strengthened our financial position, broadened our services, and invested in initiatives that secure our long-term sustainability. But beyond the numbers, what truly defines us is our unwavering commitment to our members. For us, wellness is not just about medical aid—it is about being a trusted partner in health, offering peace of mind, and ensuring that every member feels supported in their journey to wellbeing.

Our Wellness Programme continues to champion preventative healthcare, with screenings and benefits for Non-Communicable Diseases. And because fitness should be accessible to all, we are proud to provide free gymnasium facilities to our members. Together, we are building not just a healthier Society, but a stronger community.

At the same time, we have remained steadfast in our financial stewardship. In an era of rising healthcare costs and economic uncertainty, the Board has reinforced strategic measures to safeguard solvency, preserve affordability, and sustain meaningful benefits. Through disciplined governance and fiscal management, we remain resilient and aligned with our vision of world-class, transformative healthcare solutions.

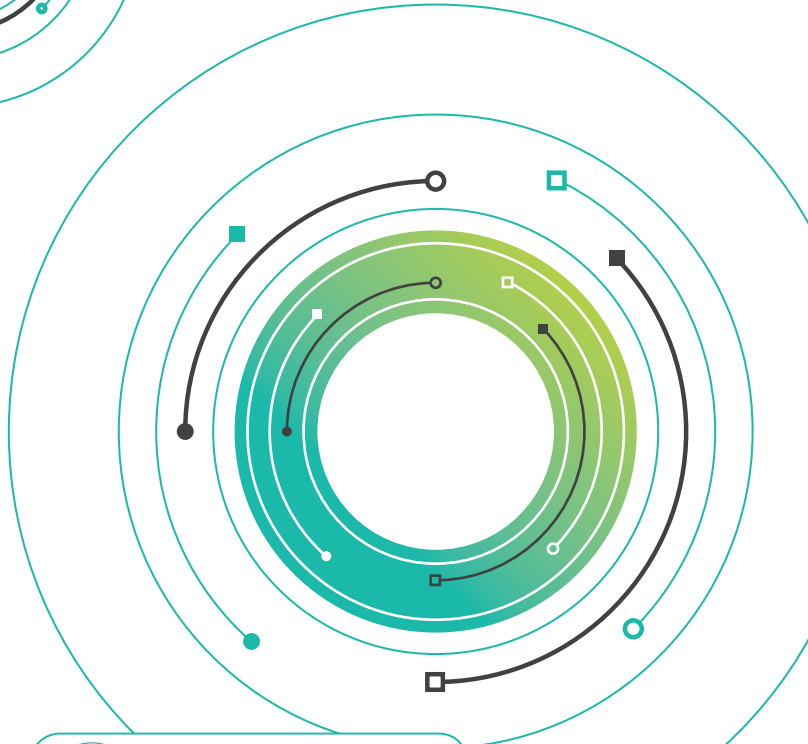
We have also advanced our Health Risk Management Services. By intensifying fraud, waste, and abuse monitoring, and by deploying predictive analytics and clinical audits, we have protected claims integrity and delivered measurable savings. Our Hospital Benefit Management interventions—through pre-authorization, case management, and tariff negotiations—have strengthened oversight, improved care coordination, and contained costs, all while safeguarding quality of care.

Affordability remains at the heart of our mission. We stand by our members during life's major health events, while keeping contributions fair and sustainable. Yet, we know that the most powerful way to ensure lasting affordability is for us all to embrace healthier lifestyles. Preventing lifestyle diseases not only reduces claims but also protects our greatest wealth: our wellbeing.

Each year, our Benefit Design Team carefully reviews offerings to balance improved benefits with sustainability. With actuarial input and Board oversight, we ensure that every adjustment delivers true value for money while adapting to the evolving healthcare landscape.

As I reflect on the achievements of 2025, I am deeply grateful—for the dedication of our Trustees, management, and staff, and for the trust and support of you, our valued members. Together, we are building a Society that is strong, forward-looking, and rooted in service.

As we look ahead, let us continue to embrace healthier lives, stronger partnerships, and a shared vision of transformative healthcare. The future of your Society is not just about numbers—it is about people, wellness, and the legacy of care we create together.



FINANCIAL PERFORMANCE

Let me now share with you the story of our financial journey in 2025.

At group level, we achieved a net surplus of **K4.08 billion**, compared to **K5.2 billion** in the prior 18 month period. At Society level, we recorded **K3.02 billion**, against **K5.008 billion** previously. It is important to emphasize the distinction in reporting durations—12 months versus 18 months—as this naturally influences the scale of income.

Our claims loss ratio stood at **80%**, an increase from **77%**, reflecting the realities of the market but still within manageable levels. Our operating surplus decreased to **K2.3 billion** at group level, while the Society operating surplus was **K774 million**.

Total comprehensive income remained positive at **K4.1 billion** for the group and **K3.1 billion** for the Society, though lower than last year's figures, which were boosted by property revaluation gains.

These results underscore the strength of our operations, the prudence of our management, and the resilience of our members.

Membership Growth

The year 2025 was not just another chapter in our history—it was a defining moment.

We closed the year with **235,479 members**, a surge of **14.4 percent** from the previous year. This is not simply growth in numbers; it is growth in trust, in confidence, and in the belief that together we are building something enduring.

Our retention rate rose to **99 percent**—a figure that speaks louder than words. It tells a tale that members are not just joining; they are staying with, standing with, and journeying with the Society.

Even in the face of financial headwinds, we saw only a modest level of option buy downs. That is a powerful signal: our members believe in the Society, they believe in its value, and they believe in its future.

Contribution Revenue & Claims Expenditure

Contribution revenue for the 12 month period was **K71.97 billion**, compared to **K76.10 billion** for the 18 month period ended December 2024. While this reflects a decline of 5.4%, the shorter reporting cycle naturally captures fewer inflows, and the modest contraction suggests a relatively stable revenue base.

Expenditure on claims stood at **K57.44 billion**, compared to **K58.65 billion** previously. The claims loss ratio of **79%** underscores the relentless pressures shaping the healthcare landscape—from chronic diseases to rising demand for international private care, compounded by foreign exchange shortages and currency devaluations.

Yet adversity has not been met with passivity. We have sharpened our focus on strategic partnerships with service providers, negotiated tariffs with fairness and transparency, and strengthened our fight against fraud, waste, and abuse.

Administration Expenditure

Inflation averaged at a median of 26%, while the continual devaluation of the Kwacha exerted unrelenting pressure across our operations.

Total expenditure at group level reached **K18.7 billion**, of which the Society accounted for **K13.8 billion**. This compares to **K20.95 billion** in the previous 18 month period.

Despite these burdens, we remained anchored in prudent financial management. Each decision was guided by resilience, each measure by foresight.

Investment Performance & Liquidity

Investment and other income stood at **K2.5 billion**, compared to **K3.3 billion** in the prior 18 month period. While the difference in reporting durations influenced the scale, the results reflect disciplined portfolio management.

Equally vital is liquidity. As of December 2025, our cash and cash equivalents stood at **K6.2 billion**. This strong liquidity position is not simply a number—it is a guarantee that obligations will be met, and a springboard for future opportunities.

Members, these achievements are more than financial milestones; they are proof of discipline, foresight, and unwavering dedication. They affirm that your trust is well placed.

Together, we are not only weathering volatility—we are transforming it into resilience. We are building a foundation that will sustain generations and ensuring that the promise of peace of mind endures.

SOCIETY'S SEPARATE RESULTS

Column1	31-Dec-2025 12 Months	31-Dec-2024 18 Months	Variance	%
Membership	235,479	205,895	29,584	14.4%
	K'000	K'000	K'000	
Contribution Revenue	71,972,831	76,102,086	-4,129,255	-5%
Claims	57,444,658	58,646,578	-1,201,920	-2%
Claims loss ratio	80%	77%		
Finance & Admin	13,755,516	15,769,937	-2,014,421	-13%
Loss Ratio	99%	98%		
Income	2,477,158	3,322,930	-845,772	-25%
Taxation	227,547		227,547	
Net Loss Ratio	96%	93%		
Surplus/(Deficit)	3,022,268	5,008,501	(1,986,233)	-40%
Surplus on Revaluation	67,744	2,789,329	-2,721,585	-98%
Loss Ratio	96%	90%		
Total Comprehensive Income	3,090,012	7,797,830	-4,707,818	-60%

INVESTMENTS

At the Society, every investment we make is more than a financial decision—it is a promise of care, of protection, and of peace of mind for every member.

MASM MEDI-Clinics stand as a shining example of this promise. With six clinics across the country, they are not just buildings—they are bridges of hope, places where families find affordable, quality healthcare. In the past year, we achieved a net profit of K1.2 billion, a remarkable leap from K589 million in the previous 18-month period. This is proof that when vision meets discipline, results follow. And with new investments in maternity, theatre services, dental and laboratory facilities, we are expanding care, elevating standards, and reaching more families than ever before.

But members, these achievements are not just numbers on a page. They are lives touched, trust strengthened, and a future secured. Together, we are building not only clinics, but a legacy of resilience and care that will endure for generations.

INVESTMENTS

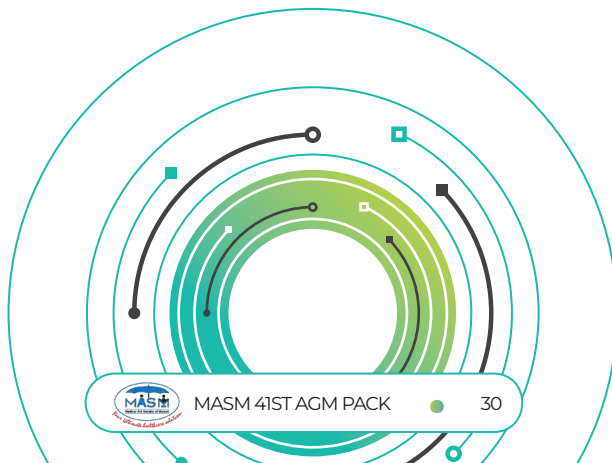
MASM Emergency Medical Services (EMS) is another pillar of that legacy. With fully equipped ambulances and dedicated teams, EMS is more than a business unit—it is a lifeline. It is readiness when every second counts, protection when emergencies strike, and peace of mind when uncertainty looms. We will continue to intensify our outreach, ensuring that corporates and individuals alike recognize the value of EMS as part of their emergency response. Awareness is not just about visibility—it is about empowering communities to act swiftly, confidently, and with assurance that MASM EMS is always within reach.

Members, this service is a testament to our vision: that healthcare is not only about treatment, but about preparedness, protection, and trust transformed into action.

And finally, **Mwaiwathu Private Hospital (MPH)**. Your Society's 34.5% stake in MPH is not simply an investment—it is a strategic cornerstone. MPH stands as one of Malawi's premier private healthcare institutions, and through this partnership, MASM ensures that our members remain connected to excellence in medical care. This shareholding is more than a figure on paper; it is a declaration of intent. It signals our commitment to shaping the future of healthcare in Malawi, to expanding access to world-class services, and to reinforcing the promise of peace of mind that defines our mission.

Members, by holding this stake, we are not only investing in a hospital—we are investing in healthier communities, in trust that endures, and in a vision of care that will stand the test of time.

Together, we are building a system where care meets resilience, where emergencies meet readiness, and where trust is transformed into action. Together, we are shaping a future of healthcare that will endure for generations.



HEALTHCARE COSTS, PROVIDER PARTNERSHIPS

Healthcare costs are rising everywhere driven by inflation, exchange rates, and the introduction of new medical technologies. These are challenges we cannot ignore. But let me assure you: our commitment to you has never been stronger. We are determined to keep your out-of-pocket expenses as low as possible, and to walk with you, every step of the way.

Now, let's talk about shortfalls and excesses—two terms that often cause concern, but are in fact vital safeguards.

A **shortfall** happens when the cost of treatment is higher than what the medical scheme covers. For example, if a doctor charges MK100,000 but the scheme benefit limit is MK80,000, the member pays the MK20,000 difference. Shortfalls protect the scheme from unsustainable costs while still giving members access to care.

An **excess** is a fixed amount that members contribute before the scheme pays. If the excess is MK10,000, the member pays that first, and the scheme covers the rest. Excesses encourage responsible use of benefits and help keep contributions affordable for everyone.

These are not penalties—they are **safety valves**. They keep contributions affordable, prevent misuse of benefits, and ensure that all members are protected against catastrophic losses while still carrying some responsibility for smaller costs. They are tools to keep the medical scheme strong, fair, and affordable.

So, how can you reduce shortfalls and excesses? It begins with simple, practical choices:

Use our network providers—our hospitals, GPs, and specialists who charge agreed rates.

Ask for generic medicines, which are fully covered.

Review your scheme's benefits each year to make sure they meet your needs.

Get pre-authorization before hospital admissions.

And if you live with a chronic condition, join our chronic care programs for ongoing support.

Members, shortfalls and excesses are not barriers—they are bridges. They balance affordability with access, sustainability with fairness. Together, they ensure that while members contribute a little extra when needed, the scheme can continue to provide essential healthcare support for all.

These steps make a real difference.

Beyond this, we are building strong partnerships for better care. Across the country, our provider network is expanding, giving you easier access to trusted professionals. And for those who need treatment abroad, we have partnered with leading hospitals in South Africa, India, Egypt, Tanzania, and Kenya. Wherever you are, you can count on world-class medical care.

Our promise is simple: we will stand with you, protect you against life's biggest shocks, and ensure that healthcare remains strong, fair, and sustainable for every member.

SOCIETY'S STRATEGIC UPDATE: DIGITIZATION

Partnerships have always been at the heart of our work. But partnerships alone are not enough. To truly deliver on our promise, we must invest in healthcare that is smarter, faster, and safer.

That is why we introduced the [SIMPLEHEALTH System](#). With this innovation, claims are processed in days, not weeks. Built-in checks reduce errors and rejections. Paperless systems save money, helping us keep contributions affordable. And for the first time, you can track your claims in real time—with full transparency.

We are also making healthcare more secure. Fingerprint and facial recognition systems now protect your records, prevent fraud, and make hospital check-ins quicker and easier. Security is no longer an afterthought—it is built into every step of the patient journey.

Looking ahead, digitization, strong provider partnerships, and smarter cost management are not just upgrades. They are part of our promise: to deliver affordable, secure, world-class healthcare to every member of our community.

Together, we are transforming healthcare into a system that works for everyone—smarter, safer, and more affordable. Together, we care for you, every step of the way

REWARDING LOYALTY: BUILDING FAIR AND SUSTAINABLE MEDICAL AID CONTRIBUTIONS

When we speak of fairness and sustainability in healthcare contributions, we must also speak of loyalty, commitment, and the value of long service. Our Society stands apart in this regard. Unlike many medical aid schemes, we have chosen to recognize and reward those who have journeyed with us over the years.

We understand that as time passes, financial capability can become limited. For many, the burden of full contributions may no longer be affordable. And yet, this is precisely the stage in life when medical support is most needed. That is why your Society has introduced a unique model: members who have remained with us faithfully, and who reach the point where affordability becomes a challenge, are granted the privilege of paying only half the contribution rate.

This is not simply a financial adjustment. It is a statement of values. It says: *We honor your loyalty. We recognize your commitment. And we will not abandon you when you need us most.*

By doing so, we ensure that healthcare remains accessible, contributions remain fair, and our system remains sustainable. More importantly, we strengthen the bond of trust between our Society and its members—a bond built not on profit, but on people.

Our model is rare. Few schemes reward loyalty in this way. But we believe it is the right path, because fairness and sustainability must walk hand in hand. And in doing so, we set an example that others may one day follow

STRATEGIC FOCUS AND FUTURE PLANS

Peace of mind has always been our promise. It is not just a mission—it is our legacy. And today, as we look ahead, we reaffirm that commitment: peace of mind now, and peace of mind always.

We live in a world of uncertainty. Economies shift, health trends emerge unpredictably, and challenges arrive without warning. Yet, in this environment, the Society stands firm. We are prepared, we are resilient, and we are guided by a clear strategy—our 2025 to 2029 Strategic Plan

This plan rests on four pillars:

Customer Growth and Financial Strength

—
We will place members at the center, deliver solutions that grow our base, secure revenue, and guarantee stability.

Efficiency, Agility, and Risk Resilience

—
We will manage scarce resources responsibly, ensure optimum value, and respond swiftly to every challenge and opportunity.

Digital Transformation and Innovation

—
We will harness advanced platforms and tools to serve our members better, and to operate with precision.

Talent and Culture

—
We will invest in our people, building a workforce that is skilled, motivated, and ready for the future.

Together, these pillars form the foundation that will carry us forward. By leveraging technology, innovation, and human talent, we will strengthen our capacity to deliver lasting value.

Stakeholder satisfaction remains at the heart of our vision. We will continue to enhance our products and services to the highest standards, ensuring they remain the preferred choice in the market. Affordability will remain central—because excellence must always be accessible. And as expectations evolve, we will guarantee timely solutions that meet members' needs whenever they arise.

We also recognize the power of Corporate Social Investment. A well-implemented CSI strategy is not only about giving back—it is about creating meaningful advantages. It enhances our brand, fosters loyalty, and strengthens decision-making. That is why we have supported medical service providers, contributed to key conferences, and reinforced our role as responsible partners in the community.

So, whatever the future may bring, let us stand assured: the Society will endure. Our members will continue to experience the peace of mind we have promised—today, tomorrow, and for generations to come.

And I invite each of our partners, our colleagues, our friends—to walk with us on this journey. Together, we will not only safeguard peace of mind, but we will also build a legacy of resilience, innovation, and trust that will echo far beyond 2029.

GOVERNANCE STATEMENT

Our Society continues to be anchored by its core values—**Integrity, Customer-Centricity, Service Excellence, Efficiency, Transparency, and Innovation**. These values are not mere words; they are the compasses that guide every decision we make and every service we deliver.

Throughout the year, your Board has worked tirelessly to ensure that these principles are upheld. We meet regularly, as required by the Scheme rules, to oversee performance, address pressing business matters, and most importantly, to evaluate our strategic vision. We did not confine ourselves to short-term goals alone; we looked ahead to the medium and long term, ensuring that every major decision was informed by foresight and responsibility.

I must pause here to acknowledge my fellow Trustees. Their unwavering support has been invaluable, assuaging my responsibilities as Chairman and enriching our collective leadership. Truly, the Board is greater than the sum of its parts.



Our Board is composed of individuals who bring diverse knowledge, skills, and experience. We are committed to maintaining gender and age diversity, which strengthens our ability to discharge our mandate effectively. During the reporting period, the Board comprised representatives from both firms and individuals, together with our Chief Executive Officer. This diversity of representation ensures that the Society benefits from a wide range of perspectives, enhancing both governance and decision-making.

To support the Board in its work, we established designated committees in line with our Constitution and Board Charter. [The Appointments, Remuneration & Administration Committee](#), chaired by Ms. C. Gunda, oversaw human resources and remuneration matters. The [Finance Audit & Risk Committee](#), chaired by Mr. B. Chitsonga, ensured robust internal controls, risk management, and adherence to our investment policy. The [Business Operations Committee](#), chaired by Mr. W. Chibwe, provided oversight of our commercial, operational, and ICT activities. These committees met regularly and provided critical oversight, ensuring that our governance framework remained strong and effective.

Beyond our internal structures, the Society continues to strengthen its presence in the healthcare sector. Our wholly owned investment, [MASM MEDI-Clinics Limited](#), operates under its independent Board, while MASM also maintains representation on the [Mwaiwathu Private Hospital Limited Board](#). These engagements extend our influence and reinforce our commitment to quality healthcare provision.

At this AGM, Directors [C. Gunda](#) and [B. Chitsonga](#) retire by rotation and are eligible for re-election. We take this moment to recognize their invaluable contributions. Their dedication, exemplary conduct, and tireless efforts have ensured that the Society consistently achieved its standards. On behalf of the Board and our members, I extend our deepest gratitude.

Looking ahead, our priorities are clear. We will continue to strengthen digital transformation initiatives, enhance member engagement, and ensure compliance with evolving regulatory frameworks. Above all, we remain steadfast in our commitment to innovation, efficiency, and service excellence.

Let me say this: the achievements of the past year are a testament to the dedication of the Board, Management, and staff. Together, we have upheld our values and delivered superior service to our members. With continued collaboration and foresight, I am confident that we will build on this foundation to achieve even greater success in the years ahead.



Our Society stands on the pillars of trust, accountability, and good governance. Guided by the Trustees Incorporation Act, we are called to regulate our affairs with transparency and responsibility of the highest order.

Today, I rise to present a proposal that will strengthen our governance framework and align us with international best practice.

At present, Clause 10(7) of our Constitution limits trustees to two terms of three years each, with the possibility of returning after a three-year break. This arrangement has served us well in the past. But governance standards across the world have evolved. Boards everywhere are encouraged to refresh regularly—to safeguard independence, to embrace diversity, and to welcome new perspectives. Indeed, many jurisdictions now consider directors to lose independence after nine years of service.

It is with this in mind that we propose to amend Clause 10(7): trustees may serve a maximum of three terms of three years each—nine years in total—and thereafter, no reappointment shall be possible.

—
In the first term, a trustee learns—about the role, the organization, and the sector.

—
In the second term, a trustee leads—taking on responsibilities and shaping the Society's direction.

—
In the third term, a trustee mentors—supporting new members and ensuring continuity of knowledge.

Beyond nine years, independence is compromised, and renewal becomes essential. By capping service at nine years, we ensure that our board remains dynamic, diverse, and forward-looking. The benefits are clear:

● We prevent entrenchment and strengthen governance.

● We safeguard independence and diversity, enriching our decision-making.

● We enhance succession planning through structured mentoring.

● And we position the Medical Aid Society of Malawi as a leader in governance excellence, both nationally and internationally.

Colleagues, this proposal is not about limiting service, it is about enhancing it. It ensures that every trustee can learn, to lead, and to mentor, while guaranteeing that our Society continues to benefit from fresh ideas and perspectives.

I recommend this amendment to you, and I urge your support as we take this important step toward strengthening our governance and securing the future of our Society.

UPDATES ON TAXATION MATTERS

This past year has been one of dialogue, progress, and reassurance. We have engaged with the Malawi Revenue Authority to ensure that the way we manage your contributions is not only lawful but firmly protected. And today, I stand before you with pride to share this message:

Your contributions remain safe. The Commissioner General has confirmed that, despite the 2022 Tax Amendment Act, member contributions are capital in nature. This means they are exempt from taxation. Every kwacha you entrust to us continues to serve one noble purpose—the provision of healthcare for our members.

Yes, other income streams such as investment income, administration fees, and commissions do fall within the taxable scope. In full compliance, our financial statements reflect income tax payable of K228 million for 2025. But let me be clear: this is not a burden on your contributions. It is simply our responsibility to meet obligations on revenues outside your healthcare funds.

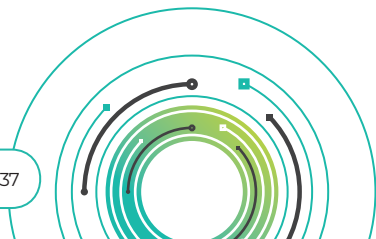
We also faced questions about Value Added Tax for imported services. In our 2025 financial statements, you will see a provisional figure of K983 million for VAT penalties and interest. We believe these penalties should not apply—since no tax was foregone—and we continue dialogue with the MRA. But going forward, we will comply fully. This is not a threat to your contributions. It is part of our journey toward stronger compliance.

Members, hear me clearly: we are strengthening our accounting systems, improving segregation of funds, and enhancing compliance monitoring. These steps are not just about numbers—they are about trust. They are about ensuring that your contributions remain untouched, safeguarded, and dedicated to the noble mission of healthcare.

Members, hear me clearly: we are fortifying our accounting systems, strengthening the segregation of funds, and enhancing compliance monitoring. These measures are not merely about numbers—they are about trust. They are about ensuring that your contributions remain protected, safeguarded, and dedicated solely to our noble mission of healthcare.

Together, we are building a foundation of transparency and accountability. Because only with trust can we achieve our vision of healthier communities.

Your trust is our greatest responsibility. Your health is our greatest mission. And our commitment to you remains steadfast.



ACKNOWLEDGEMENT OF STAKEHOLDERS

Distinguished members, partners, and colleagues, in times of challenge, our members, our staff, and our healthcare partners—have shown unwavering loyalty, resilience, and dedication. It is because of you that our Society continues to thrive, even in the most demanding of circumstances.

To our members: your confidence in the Trustees is the foundation of our strength. Your discipline in the management of benefits has safeguarded the future of this Society—not only for today, but for generations yet to come. Together, we are building a community rooted in trust, responsibility, and shared prosperity.

To our management and staff: your tireless efforts, professionalism, and passion have positioned this Society as the leading medical aid scheme in the country. You have carried our vision forward with resilience and pride, and today we celebrate your remarkable contribution.

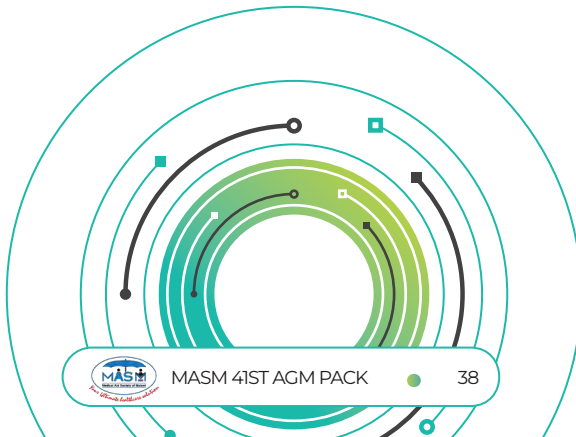
To our healthcare partners: your compassion and empathy ensure that our members receive not only medical support, but dignity in their time of need. You are the hands and hearts that bring our mission to life.

As we look ahead, the Board remains confident in the financial strength and administrative capacity of the Scheme. We reaffirm our commitment to sustaining a resilient and reliable medical aid fund—one that serves the long-term needs of our members and embraces innovation for the future.

Our vision is clear: a Society that delivers sustainable healthcare solutions, empowers its members, and upholds the values of trust, responsibility, and shared prosperity. With your continued support, we will navigate challenges, seize opportunities, and secure a healthier, more resilient future for generations to come.

Together, we stand as a beacon of excellence in healthcare provision. Together, we build not just a Society, but a legacy.

Thank you.





Motion 4

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees have pleasure in submitting their report together with the audited consolidated and separate financial statements of Medical Aid Society of Malawi (MASM) and its subsidiary for the period ended 31 December 2025.

Nature of Business and Incorporation

MASM is engaged in independent mutual benefit medical aid scheme services open to the public and operates principally in Malawi. The Society was incorporated in Malawi under the Trustees Incorporation Act of 1962 on 29 June 1983. The Society is managed by a Board of Trustees which is representative of its members.

The Group has 100% shareholding in MASM Medi-Clinics Limited and 34.6% shareholding in Mwaiwathu Private Hospital Limited, companies that offer medical services to both members of the Group and the public at large.

Society's Registered Office

The physical address of the Society's registered office is:

MASM House
22 Lower Sclatler Road
P.O. Box 1254
Blantyre
Malawi.

Financial Performance

The results and state of affairs of the group and Society are set out in the accompanying consolidated and separate statements of financial position, profit or loss and other comprehensive income, changes in fund balances and cash flows, and accompanying accounting policies and notes to the consolidated and separate financial statements.

The group reported a net surplus- of **K4 billion** (2024: net surplus of K5.2 billion). The Society reported a net surplus of **K3 billion** (2024: net surplus of K5 billion).

Trustees

The following served as Trustees of the Society during the period ended 31 December 2025:

Name	Period served
George Chitera (Chairperson)	Throughout the period
William Chibwe (Deputy Chairperson)	Throughout the period
John Bizwick (Member)	From July 2025
Alex Chikumbi (Member)	Up to June 2025
Chisomo Gunda (Member)	Throughout the period
Josephine Mchungula (Member)	Throughout the period
Ben Chitsonga	Throughout the period

Executive Director

The Executive Director of the Society is Ulemu Katunga, PhD, of P. O. Box 1254, Blantyre.

Secretary

The secretary of the Society is Lames Gondwe, of P. O. Box 1254, Blantyre.

At the time of approving the financial statements, the following were the Trustees of the Society.

Name
George Chitera (Chairperson)
William Chibwe (Deputy Chairperson)
John Bizwick (Member)
Chisomo Gunda (Member)
Ben Chitsonga (Member)
Josephine Mchungula (Member)

BOARD MEETINGS

During the period, the Board met seven times. The members were provided with comprehensive board documentation in adequate time prior to each scheduled meeting.

Board Meetings-Attendance	No. of times	Period served
John Biziwick (Member)	4 of 7	From July 2025
George Chitera (Chairperson)	7 of 7	throughout the year
Chisomo Gunda (Member)	7 of 7	throughout the year
Alex Chikumbi (Member)	3 of 7	Up to June 2025
Ben Chitsonga (Member)	7 of 7	Throughout the year
William Chibwe (Deputy Chairperson)	7 of 7	throughout the year
Josephine Mchungula (Member)	6 of 7	throughout the year
Ulemu Katunga PhD (CEO)	7 of 7	throughout the year

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee is responsible for reviewing annual reports and financial statements. The committee also monitors the adequacy of accounting and internal control systems.

The external and internal auditors report to the Board through the Finance, Audit and Risk Committee.

The Committee met six times during the period. Members of the Finance, Audit and Risk Committee were:

Name	Position	No. of times
Ben Chitsonga	Chairperson (Throughout the period)	6 of 6
John Biziwick	Member (From July 2025)	2 of 6
William Chibwe	Member (throughout the period)	6 of 6
Josephine Mchungula	Member (throughout the period)	6 of 6
Ulemu Katunga PhD	Member (throughout the period)	6 of 6

Business and Operations Committee

The business and operations committee is responsible for reviewing and monitoring the operation of core business functions of the Society which include operations, commercial and ICT.

The Head of Operations, Head of Commercial and Head of ICT report to the Board through Business and Operations Committee.

The Committee met four times during the period. Members of the Business and Operations Committee were:

Name	Position	No. of times
William Chibwe	Chairperson (Throughout the period)	4 of 4
Ben Chitsonga	Member (Throughout the period)	4 of 4
Chisomo Gunda	Member (Throughout the period)	4 of 4
Ulemu Katunga PhD	Member (Throughout the period)	4 of 4

The Appointments and Remuneration Committee

The Appointments and Remuneration Committee is responsible for issues relating to human capital and administrative issues of the Society.

The Committee met four times during the period. Members of the Appointments and Remuneration Committee were as follows:

Name	Position	No. of times
Chisomo Gunda	Chairperson (Throughout the period)	4 of 4
Alex Chikumbi	Member (up to June 2025)	2 of 4
Ulemu Katunga PhD	Member (throughout the period)	4 of 4
Josephine Mchungula	Member (Throughout the period)	4 of 4
John Bizwick	Member (from July 2025)	2 of 4

Auditors

Messrs. AMG Global, Chartered Accountants (Malawi) have expressed their willingness to continue in office in respect of the Group's and Society's 31 December 2026 annual financial statements and a resolution will be proposed at the forthcoming annual general meeting for their appointment.

For and on behalf of the board.



AUTHORISED TRUSTEE



AUTHORISED TRUSTEE



AUTHORISED TRUSTEE

Date 19 May 2026

TRUSTEES' RESPONSIBILITY STATEMENT

For the year ended 31 December 2025

The Trustees are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Medical Aid Society of Malawi (MASM) comprising the consolidated and separate statements of financial position as at 31 December 2025 and the statements of profit or loss and other comprehensive income, changes in fund balances and cash flows for the period then ended, and the notes to the consolidated and separate financial statements in accordance with the International Financial Reporting Standards (IFRS) and in a manner required by the Trustees Incorporation Act, 1962, Cap. 5.03 (Laws of Malawi).

The Trustees Incorporation Act, 1962, Cap.5.03 requires the Trustees to safeguard the assets of the Group. As such, the Trustees are also responsible for such internal control as the Trustees determine necessary to enable the preparation of the consolidated and separate financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error. The Trustees are also responsible for maintaining adequate accounting records and an effective system of risk management

In preparing these consolidated and separate financial statements, the Trustees accept responsibility for the following:

- Maintenance of proper accounting records.
- Selection of suitable accounting policies and applying them consistently.
- Making judgements and estimates that are reasonable and prudent.
- Compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparing the financial statements on a going concern basis, unless it is inappropriate to presume the organization will continue in business.

The Trustees are of the opinion, based on the information and explanations given by management, which the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

TRUSTEES' RESPONSIBILITY STATEMENT

For the year ended 31 December 2025

The Trustees have assessed the Group's respective abilities to continue as going concerns and have no reason to believe that these businesses will not be a going concern in the periods ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly represented, in all material respects in accordance with the International Financial Reporting Standards and in a manner required by the Trustees Incorporation Act, 1962, Cap.5.03 (Laws of Malawi).

Approval of the financial statements

The consolidated and separate financial statements of Medical Aid Society of Malawi (MASM) as identified in the first paragraph, were approved by the Board of Trustees on [19 May 2026](#) and signed on its behalf by:



AUTHORISED TRUSTEE



AUTHORISED TRUSTEE



AUTHORISED TRUSTEE

INDEPENDENT AUDITOR'S REPORT

TO THE REGISTERED TRUSTEES OF THE MEDICAL AID SOCIETY OF MALAWI (MASM)

Opinion

We have audited the consolidated and separate financial statements of Medical Aid Society of Malawi (MASM) (the Group and Society) set out on pages 8 to 48, which comprise the consolidated and separate statements of financial position as at 31 December 2025, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in fund balances and the consolidated and separate statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Medical Aid Society of Malawi (MASM) as at 31 December 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standard Board for Accountants' Code for Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

a) *Valuation of claims Incurred But Not Reported (IBNR)*

Refer to notes 2.14, 17, 18 to the financial statements.

A significant proportion of the Society's business involves registering, processing and paying claims to the claimant hospitals and clinics based on the services these provide to the Society's members.

At each reporting date, the Society estimates the cost of Claims Incurred But Not Reported (IBNR) included in outstanding claims which requires high levels of judgements and estimations.

The IBNR is determined by the Society using the historical trend analysis method by calculating a ratio to be used to determine the IBNR provision at the reporting date.

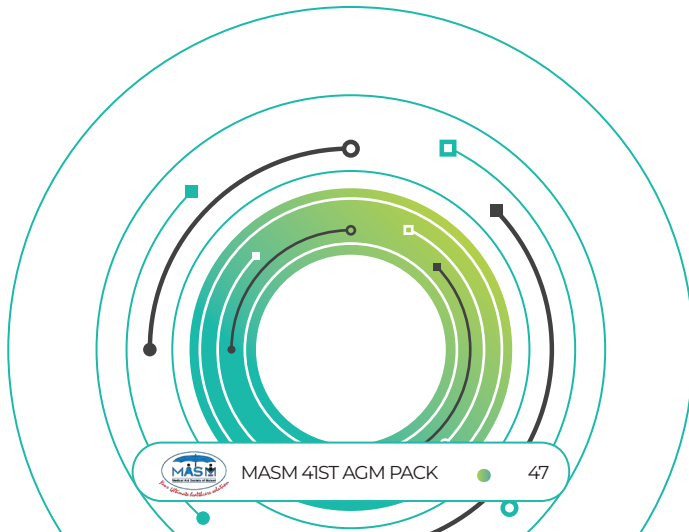
Due to the judgements and estimations involved in determining the IBNR provision and the work effort from the audit team, the claims Incurred But Not Reported is considered a key audit matter for the consolidated and separate financial statements.

How our audit addressed the key audit matter

Our audit procedures included:

- We evaluated the reasonableness of the methodology used by management to determine the IBNR claims.
- We evaluated whether the IBNR claims estimate at the reporting date for the period was reasonable by analyzing the actual payments made in the subsequent period.
- Based on our understanding of the methodology used to determine the IBNR claims estimate, we independently recalculated the IBNR claims estimate and compared our estimates to those calculated by the Society.
- We evaluated the adequacy of the disclosures in the financial statements in relation to the requirements in accordance with the applicable financial reporting standards.

Based on our procedures above, we are satisfied that claims Incurred But Not Reported are fairly valued.



INDEPENDENT AUDITOR'S REPORT (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the Trustees' report and the Trustees' Responsibility Statement, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the groups and the Society's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the groups and the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Trustees, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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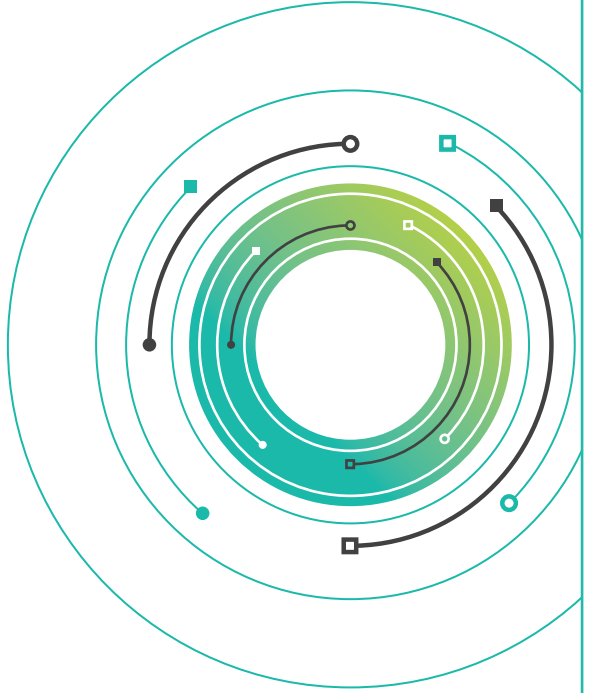
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Ali Nyondo

Ali Nyondo
Chartered Accountant (Malawi)
Partner

Blantyre, Malawi

19/05/ 2026



CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION As at 31 December 2025

In thousands of Malawi Kwacha

	Note	Consolidated		Separate	
		2025	2024	2025	2024
ASSETS					
Non-current assets					
Property and equipment	4	19,269,975	15,221,837	12,106,665	11,683,589
Investment properties	5	-	-	4,468,104	2,728,000
Intangible assets	6	780,286	1,018,255	725,402	985,447
Right of use assets	7	332,234	28,910	-	3,624
Deferred Tax	20	246,519	-	-	-
Investment in listed shares	8	83,584	15,840	83,584	15,840
Investment in subsidiary	9	-	-	3,048,000	3,048,000
Investment in an associate	10	1,081,616	<u>514,780</u>	1,081,616	<u>514,780</u>
		21,794,214	<u>16,799,623</u>	21,513,371	<u>18,979,280</u>
Current assets					
Inventories	12	777,382	495,366	-	-
Current tax receivable			70,480	-	-
Trade and other receivables	14	5,275,813	13,831,511	3,536,501	12,771,597
Amounts due from related parties	11	-	-	487,772	754,024
Cash and cash equivalents	13	6,226,415	<u>4,853,877</u>	6,027,131	<u>4,815,663</u>
Total current assets		12,279,610	<u>19,251,234</u>	10,051,404	<u>18,341,284</u>
Total assets		34,073,824	<u>36,050,857</u>	31,564,775	<u>37,320,566</u>



CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION (continued)

	Note	Consolidated		Separate	
FUNDS AND LIABILITIES					
Funds					
General reserves		9,776,432	5,996,497	11,248,966	8,531,991
Fair value reserve		83,386	15,642	83,386	15,642
Revaluation reserve		7,353,850	<u>7,353,850</u>	6,296,777	<u>6,296,777</u>
Total funds		<u>17,213,668</u>	<u>13,365,989</u>	<u>17,629,129</u>	<u>14,844,410</u>
Non-current liabilities					
Lease liabilities	24	-	<u>8,660</u>	-	<u>5,636</u>
Current liabilities					
Outstanding claims	16	6,921,326	13,322,957	6,921,326	14,076,981
Contributions received in advance	18	3,568,520	6,574,362	3,568,520	6,574,362
Employee benefit liability	19	81,703	83,454	19,800	46,208
Trade and other payables	15	5,195,887	2,695,436	2,893,160	1,770,027
Income Tax Payable	8	749,554		532,839	
Lease liabilities	24	343,166	-	-	<u>2,937</u>
Total current liabilities		<u>16,860,156</u>	<u>22,676,209</u>	<u>13,935,646</u>	<u>22,470,515</u>
Total liabilities		<u>16,860,156</u>	<u>22,684,869</u>	<u>13,935,646</u>	<u>22,476,151</u>
Total funds and liabilities		<u>34,073,824</u>	<u>36,050,857</u>	<u>31,564,775</u>	<u>37,320,566</u>

The consolidated and separate financial statements were approved by the Board of Trustees on **19 May 2026** and were signed on its behalf by:



AUTHORISED TRUSTEE



AUTHORISED TRUSTEE



AUTHORISED TRUSTEE

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME As at 31 December 2025

In thousands of Malawi Kwacha

	Note	Consolidated		Separate	
		2025	2024	2025	2024
Contributions		12months 71,703,852	18months 75,408,139	12months 71,972,831	18months 76,102,086
Sales		<u>1,609,905</u>	<u>4,214,517</u>	-	-
Total revenue		73,313,757	79,622,656	71,972,831	76,102,086
Claims	17	(47,493,213)	(53,134,231)	(57,444,658)	(58,646,578)
Cost of sales	21.4	<u>(4,283,478)</u>	<u>(3,293,174)</u>	-	-
Total cost of sales		(51,776,691)	(56,427,406)	(57,444,658)	(58,646,578)
Gross surplus		21,537,066	23,195,250	14,528,173	17,455,508
Provision for doubtful debts	14c	(694,649)	(70,176)	(38,288)	(70,176)
Bad debt recovery	14c	76,402	160,239	71,379	160,239
Administrative expenses	21.1	<u>(18,653,153)</u>	<u>(20,947,051)</u>	<u>(13,786,787)</u>	<u>(15,855,933)</u>
Operating (deficit)/surplus		2,265,666	2,338,262	774,477	1,689,638
Investment income	22	918,837	968,024	971,433	1,042,144
Profit on Disposal of Fixed Asset		-	-	-	-
Other income	23	1,555,135	1,675,241	1,487,231	1,626,904
Foreign exchange gains		(28,893)	103,497	(28,893)	103,497
Share of profit in associate	10	47,386	189,130	47,386	189,130
Surplus on Revaluation of Investment Property		-	-	-	361,256
Finance costs	24	<u>(115,993)</u>	<u>(40,643)</u>	<u>(1,820)</u>	<u>(4,065)</u>
Surplus before tax		4,642,138	5,233,510	3,249,814	5,008,501
Taxation	20	<u>(560,528)</u>	-	<u>(227,547)</u>	-
Surplus for the year		4,081,611	5,233,510	3,022,268	5,008,501
Other comprehensive income					
Transfer of excess depreciation			(10,089)		
Fair value gain on valuation of shares	8	67,744	3,816	67,744	3,816
Surplus on revaluation of property and equipment	4	-	3,167,739	-	2,785,513
Total other comprehensive income		67,744	3,161,465	67,744	2,789,329
Total comprehensive income for the period		4,149,355	8,394,975	3,090,012	7,797,830

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN FUND BALANCES As at 31 December 2025

In thousands of Malawi Kwacha

Consolidated 2025	Revaluation reserve	Fair value reserve	General reserve	Total funds
At 1 January 2025	7,353,850	15,642	5,996,497	13,365,989
Prior Year Tax Adjustment	-	-	(305,293)	(305,293)
Reinstated opening balance	7,353,850	15,642	5,691,204	13,060,696
Total comprehensive income for the year				
Surplus for the year	-	-	4,081,611	4,081,611
Other comprehensive income				
Fair value gain on valuation of shares	-	67,744	-	67,744
Transfer of excess Depreciation	-	-	3,617	3,617
Total Other Comprehensive income	-	67,744	3,617	71,361
Balance at 31 December 2025 2024	<u>7,353,850</u>	<u>83,386</u>	<u>9,776,432</u>	<u>17,213,668</u>
At 1 July 2023	4,186,112	11,826	762,986	4,960,924
Total comprehensive income for the period				
Deficit for the period	-	-	5,233,510	5,233,510
Fair Value gain on valuation of property	3,167,739	-		3,167,739
Fair value gain on valuation of shares	-	3,816	-	3,816
Total other comprehensive income	<u>3,167,739</u>	<u>3,816</u>	<u>5,233,510</u>	<u>8,405,064</u>
Balance at 31 December 2024	<u>7,353,850</u>	<u>15,642</u>	<u>5,996,497</u>	<u>13,365,989</u>

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN FUND BALANCES (continued)

Separate 2025	Revaluation reserve	Fair value reserve	General reserve	Total Funds
At 1 January 2025	<u>6,296,777</u>	<u>15,642</u>	<u>8,531,991</u>	<u>14,844,410</u>
Prior Year Tax Adjustment	-	-	<u>(305,293)</u>	<u>(305,293)</u>
Reinstated opening balance	6,296,777	15,642	8,226,698	14,539,117
Total comprehensive income for the year				
Surplus for the year	-	-	3,022,268	3,022,268
<i>Other comprehensive income</i>				
Fair value gain on valuation of shares	-	67,744	-	67,744
Total other comprehensive income for the year	-	67,744	3,022,268	3,090,011
Balance at 31 December 2025	<u>6,296,777</u>	<u>83,386</u>	<u>11,248,966</u>	<u>17,629,129</u>

2024	Revaluation reserve	Fair value reserve	General Reserve	Total Funds
At 1 July 2023	<u>3,511,264</u>	<u>11,826</u>	<u>3,523,490</u>	<u>7,046,580</u>
Total comprehensive income for the period				
Surplus for the period	-	-	5,008,501	5,008,501
<i>Other comprehensive income</i>				
Surplus on property revaluation	2,785,513	-	-	2,785,513
Fair value gain on valuation of shares	-	3,816	-	3,816
Total other comprehensive income for the period	2,785,513	3,816	5,008,501	7,797,829
Balance at 31 December 2024	<u>6,296,777</u>	<u>15,642</u>	<u>8,531,991</u>	<u>14,844,410</u>



CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS As at 31 December 2025

In thousands of Malawi Kwacha

	Note	Consolidated		Separate	
		2025 12months	2024 18months	2025 12months	2024 18months
Cash flows from operating activities					
Surplus before tax		4,642,138	5,233,510	3,249,814	5,008,501
Adjustments for:					
Depreciation - property and equipment	4	1,259,649	724,388	859,546	599,022
Depreciation – Right of use of assets	7	64,163	100,409	3,624	9,317
Software amortization	6	362,321	66,353	357,796	58,923
Lease Amortization		-	-	-	-
Interest received on investments	22	(802,743)	(762,799)	(806,878)	(804,769)
Gain on Property Revaluation		-	-	-	(361,256)
Other interest received	23	(30,674)	(30,680)	(13,047)	(8,332)
Movement in bad debt provision	21.2	657,614	(106,374)	(51,553)	(108,696)
Dividend received	22	(738)	(394)	(738)	(394)
Rental income	22	(115,356)	(204,831)	(163,263)	(236,982)
Foreign exchange gains		28,893	(103,497)	28,893	(103,497)
Loss/(profit) on disposal of property plant and equipment	23.4	(71,749)	(42,081)	(71,748)	(42,081)
Share of profit in equity accounted investments		(47,386)	(189,130)	(47,386)	(189,130)
Operating surplus		5,946,130	4,684,874	3,345,062	3,820,626
Changes in amounts due from related party	12	-	210,890	266,252	230,214
Changes in accounts receivable	14	8,192,913	(12,421,247)	9,235,096	(11,515,681)
Changes in inventories	12	(282,016)	(303,786)	-	-
Changes in provision for doubtful debts	21.2	(657,614)	106,374	51,553	108,696
Changes in outstanding claims	17	(6,401,632)	9,471,377	(7,155,655)	9,832,082
Changes in contributions received in advance	19	(3,012,610)	2,986,223	(3,005,842)	2,986,223
Changes in accounts payable	15	2,500,451	891,743	1,123,131	312,635
Movement in right of use liability	24	321,680	(99,966)	(8,573)	(9,679)
Tax Paid		(352,307)	-	-	-
Movement in employee benefit obligations	20	(1,749)	4,283	(26,408)	18,766

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS (continued)

	Note	Consolidated		Separate	
		2025 12months	2024 18months	2025 12months	2024 18months
Cash generated from operating activities		<u>6,253,244</u>	<u>5,530,765</u>	<u>3,824,618</u>	<u>5,783,882</u>
Investing Activities					
Purchase of software	6	(124,351)	(1,065,354)	(97,751)	(984,430)
Issue of shares in MASM Mediclinic		-	-	-	(985,000)
Acquisition of Investment Property		-	-	(1,740,105)	(1,244,945)
Purchase of property and equipment	4,5	(5,312,197)	(6,971,889)	(1,286,323)	(5,036,071)
Proceeds from sale of property and equipment	23	75,453	106,377	75,453	106,377
Rental income	22	115,356	204,831	163,263	236,982
Interest Received		802,743	762,799	806,878	804,769
Increase in Investment in Associate		(519,450)	-	(519,450)	-
Dividend on NBS Shares	22	738	394	738	394
Net cash used in investing activities		<u>(4,961,708)</u>	<u>(6,962,842)</u>	<u>(2,597,302)</u>	<u>(7,101,924)</u>
Financing activities					
Finance Lease (Payments)		-	(40,643)	-	(4,065)
Lease payment	24	(124,552)	(140,609)	(10,393)	(13,743)
Cash Inflow from Financing Activities		<u>(124,552)</u>	<u>(181,252)</u>	<u>(10,393)</u>	<u>(17,808)</u>
Changes in cash and cash equivalents		1,166,984	(1,613,329)	1,216,923	(1,335,850)
Cash and cash equivalents at beginning of year		4,853,877	6,101,005	4,815,663	6,080,841
Net movement during the year		205,555	366,201	(5,455)	70,672
Cash and cash equivalents at period/year end	13	<u>6,226,415</u>	<u>4,853,877</u>	<u>6,027,131</u>	<u>4,815,663</u>



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1.0 Reporting entity

The Medical Aid Society of Malawi (MASM) is registered under the Trustees Incorporation Act; 1962 of Malawi. MASM is domiciled in Blantyre, Malawi. MASM is engaged in independent mutual benefit medical aid scheme service. The consolidated and separate financial statements of MASM for the year ended 31 December 2025 were authorized for issue by the Trustees on 19 May 2026.

1.1 Basis of preparation

1.1.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM)

1.1.2 Basis of measurement

The consolidated and separate financial statements have been prepared under the historical cost convention, except for the following:

- Property which is measured at fair value.
- Investment properties which are measured at fair value.
- Investments in listed shares which are measured at fair value.

1.1.3 Functional and presentation currency

The consolidated and separate financial statements are presented in Malawi Kwacha which is the Group's functional currency. All financial information presented in Malawi Kwacha has been rounded to the nearest thousand unless otherwise stated. Assets and liabilities expressed in foreign currencies are converted to Malawi Kwacha at the rates of exchange ruling on the reporting date.

1.1.4 Significant accounting judgments, estimates and assumptions

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. Actual results may differ from these estimates.

1.1 Reporting entity (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the ended 31 December 2025 is included in the following notes:

- Property and equipment (note 4)
- Investment property (note 5)
- Claims incurred But Not Reported (IBNR) (note 17 & 18)

1.1.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The Head of Finance (HOF) regularly reviews the fair value calculation. If third party information, such as broker quotes or pricing services is used to measure fair values, then the HOF assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board of Trustees which oversees the interest of the Group. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate all of the factors that market participants would take into account in pricing transactions.

1.1 Reporting entity (continued)

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – property and equipment (Land and Buildings)
- Note 5 – Investment properties.
- Note 9 – Investments in listed shares.

1.1.6 Basis of consolidation

(i) Subsidiaries

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

(ii) Investment in associates

Initially, this is recognized at cost and subsequently includes the Group's share of profit or loss and other comprehensive income of the other investment.

1.1 Reporting entity (continued)

(iii) Loss of control

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

(iv) Transactions eliminated on consolidation

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

1.1.7 Going concern basis of accounting

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

1.1.8 New accounting standards and interpretation

The Group has adopted all standards/interpretations that have been issued and are effective for periods beginning on or after 1 January 2025 and are applicable to its operations.

Several other amendments and interpretations apply for the first time in 2025, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

1.1 Reporting entity (continued)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine the exchange rate when exchangeability is lacking. A currency is exchangeable when an entity can obtain another currency within a time frame that includes a normal administrative delay and through a legal market.

When exchangeability is lacking, an entity is required to estimate the spot exchange rate that would have been observable had exchangeability been available, using assumptions that market participants would use under prevailing economic conditions. The amendments also introduce additional disclosure requirements to enable users of financial statements to assess the financial effect of a currency not being exchangeable, including the nature and financial impact of the restrictions and the risks to which the entity is exposed. The adoption of these amendments did not have a material impact on the entity's financial statements.

New and revised IFRS Accounting Standards in issue but not yet effective

The following new standards and amendments have been issued but are not yet effective for the annual reporting period beginning 1 January 2025 and have not been early adopted by the entity:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces a new structure for the statement of profit or loss, including defined subtotals for operating profit and profit before financing and income tax. It also enhances requirements on aggregation and disaggregation, introduces principles for grouping information in the financial statements, and improves transparency around management-defined performance measures disclosed in the financial statements.

The standard will replace IAS 1 Presentation of Financial Statements and is effective for annual periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries that apply IFRS Accounting Standards to provide reduced disclosures, while still applying the recognition and measurement requirements of IFRS. The standard is intended to reduce disclosure burdens for subsidiaries without public accountability. The standard is effective for annual periods beginning on or after 1 January 2027.

These standards and amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Summary of significant accounting policies

Foreign currency transactions

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

2.1. Property and equipment

(i) Recognition and measurement

All items of property and equipment are initially recognized at cost. Buildings and freehold land are subsequently carried at revalued amount, being their fair value, based on valuations by external independent valuers, less subsequent accumulated depreciation, and subsequent accumulated impairment losses. All equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use.

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the group or society and the cost can be measured reliably. The carrying amount of the replaced component is derecognized.

(iii) Revaluation

Revaluations of buildings and freehold land is carried out with sufficient regularity such that the carrying amount does not differ materially from that, which would be determined using fair values at the reporting date as economic conditions dictate, by independent valuers. The basis of valuation used is current market value. Surpluses on revaluations are recognized in other comprehensive income in the revaluation reserve. On realization of the asset, the appropriate portion of the reserve is transferred to retained earnings. Revaluation decreases are charged to the profit or loss except to the extent that they relate to revaluation surpluses previously transferred to the revaluation reserve. An amount equivalent to the additional depreciation arising from revaluations is transferred annually, net of deferred tax, from the revaluation reserve to retained earnings. The revaluation reserve is a non-distributable reserve and is not available for distribution as a dividend.

2. Summary of significant accounting policies (continued)

(iv) Depreciation recognized

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of items of property and equipment and major components that are accounted for separately. Land and capital work-in-progress are not depreciated.

Plant and equipment are depreciated on a straight-line basis using the following rates:

Computer equipment	3 years
Office furniture	10 years
Office equipment	5 years
Motor vehicles and motor cycles	4 years
Freehold buildings and leasehold improvements	50 years

Economic useful lives, depreciation method and residual values are re-assessed at each reporting date.

(v) Subsequent expenditure

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately including major inspection and overhaul expenditure is capitalized. Other subsequent expenditure is capitalized when it increases the future economic benefits embodied in the item of property and equipment. All other expenditure is recognized in the profit or loss as an expense as incurred.

2.2 Investment properties

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes. Investment property is measured at cost on initial recognition. Subsequently, investment property is measured at fair value as determined by an independent registered valuer. Fair value is the price that would be received to sell or paid to transfer a liability in an orderly transaction.

Any gain or loss arising from a change in fair value is recognized in profit or loss.

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

2. Summary of significant accounting policies (continued)

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When an investment property that was previously classified as property and equipment is sold, any related amount included in revaluation reserve is transferred to retained earnings.

When the use of property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured at fair value and reclassified as investment property. Any gain on this re-measurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve. Any loss is recognized in profit or loss. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is recognized in other comprehensive income and reduces the revaluation surplus within equity.

2.3 Intangible assets

Software acquired by the group is stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure on software is capitalized only if it is probable that the expected future economic benefits that are attributable to the asset flow to the group and the cost of the asset can be measured reliably. All other expenditure is expensed as it is incurred.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date it is available for use.

The estimated useful life of software is 4-8 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.4 Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period they are incurred and reported in finance cost.

2. Summary of significant accounting policies (continued)

2.5 Impairment of non-financial assets

The carrying amounts of the Group's assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

At each reporting date, the Group reviews the carrying amounts of its non-financial assets and deferred tax assets to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.6 Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Society has significant influence but not control or joint control, over the financial and operating policies.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost which includes transaction costs plus post-acquisition changes in the society's share of net assets of the associate.

2. Summary of significant accounting policies (continued)

The statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associate and the share of profit of the associate is shown on the face of the statement of profit or loss and other comprehensive income.

2.7 Financial instruments

Non-derivative financial assets and financial liabilities

Recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Classification and initial measurement of financial assets

On initial recognition, financial assets are measured at fair value plus directly attributable transaction costs, unless the instrument is classified as at fair value through profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorized as FVTPL and FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

2. Summary of significant accounting policies (continued)

After initial recognition, these are measured at a mortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derecognition

Financial assets are derecognized if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statements of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

The Group has the following financial assets which are all classified as assets/liabilities at amortised costs

2. Summary of significant accounting policies (continued)

Trade receivables

Trade receivables are measured on initial recognition at fair value, being the consideration expected to be received on settlement plus directly attributable costs. Subsequent measurement is at amortised cost using the effective interest method less impairment losses. Appropriate impairment allowances are recognised in the profit or loss when there is objective evidence that the asset is impaired.

Amounts due from related parties

Amounts due from related parties are measured on initial recognition at fair value, being the consideration expected to be received on settlement plus directly attributable costs. Subsequent measurement is at amortised cost using the effective interest method less impairment losses. Appropriate impairment allowances are recognised in the profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost which approximates fair value. For the purposes of the statements of cash flows, cash and cash equivalents include bank overdrafts.

Trade payables and accruals

Trade payables are initially measured at fair value, being the amount expected to be incurred on settlement plus directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

Amounts due to related parties

Amounts due to related parties are initially measured at fair value, being the amount expected to be incurred on settlement plus directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

Impairment

Financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

2. Summary of significant accounting policies (continued)

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second and third category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity period of three months or less subsequent to period end. For cash flow statement purposes, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdrafts. Cash and cash equivalents are measured at amortized cost in the statement of financial position.

2.9 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.10 Investment in subsidiaries

Subsidiaries are entities controlled by the parent entity. The parent entity controls an investee if it is exposed to, or, has rights to variable returns from its involvement with an investee and has ability to affect those returns through its power over an investee.

Investment in subsidiaries is recognized at cost, in the Group's financial statements, less impairment losses.

2.11 Leases

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

2. Summary of significant accounting policies (continued)

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

2. Summary of significant accounting policies (continued)

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

The Group as a lessor

The Group's accounting policy under IFRS 16 has not changed from the comparative period.

As a lessor the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

2.12 Contributions

Contributions received from members represent the total amount of contributions received relating to the current period. Contributions are recognized as revenue on expiry of the month to which they related. Contributions are measured at the fair value of the consideration received, excluding discounts.

All contributions received in advance are accounted as liabilities and recognized as income in the period which they fall due and measured at fair value. Outstanding contributions at year end are recognized as contributions receivable and are measured at fair value.

2.13 Trade and other payables

Trade and other payables are initially measured at fair value being the amount to be on settlement plus directly attributable transaction costs.

Subsequent measurement is at amortized cost using the effective interest rate method.

2. Summary of significant accounting policies (continued)

2.14 Outstanding claims

Claims incurred

Claims incurred in respect of insurance contracts consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims.

Claims outstanding comprises provisions for the estimated cost of settling all claims incurred but unpaid at the reporting date whether reported or not, and related internal and external claims handling expenses. Claims provisions for claims outstanding are not discounted.

Claims outstanding are assessed by reviewing individual claims and making allowance for claims incurred but not yet reported. Claims reflect the cost of all claims arising during the year. Provision for claims Incurred But Not Reported (IBNR) is included in outstanding claims.

Whilst the Trustees consider that the gross provisions for claims are fairly stated on the basis of the information currently available for them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the year in which the adjustments are made, disclosed separately, if material. The methods used to determine the provisions, and the estimates made, are reviewed regularly by management.

2.15 Inventories

Inventories are carried at the lower of cost and net realizable value using the first in first out method in cost determination. The carrying amount of the inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories are recognised as an expense in the year the write-down or less occurs. The amount of any reversal of any write down of inventories is recognised as a reduction on the amount of inventories recognised as an expense in the year in which the reversal occurs.

2. Summary of significant accounting policies (continued)

2.16 Employee benefits

- **Defined contribution pension plans**

The Group pays contributions to a privately administered pension insurance plan on a contractual basis. The Society has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the statement of profit or loss and other comprehensive income when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Other post-employment obligations-severance allowance**

The Group discontinued providing for severance pay provision in accordance with the enactment of the Pension Act, 2010 on 1 June 2011 and related changes of the severance pay requirements from the Employment Act.

2.17 Amounts due to and from related parties

Amounts due to and from related parties are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

2.18 Trade receivable

The Group's credit risk is primarily attributed to credit facilities extended to its customers. No interest is charged on trade receivables for overdue debts. The amounts presented in the statement of financial position are net of allowance for credit losses. The specific allowance is estimated by management based on prior experience and current economic environment.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

2. Summary of significant accounting policies (continued)

2.18 Trade receivable

The Group's credit risk is primarily attributed to credit facilities extended to its customers. No interest is charged on trade receivables for overdue debts. The amounts presented in the statement of financial position are net of allowance for credit losses. The specific allowance is estimated by management based on prior experience and current economic environment.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

3. Financial risk and fair value measurement

3.1 Credit risk

Credit risk is the risk that an asset, in the form of a monetary claim against a counterparty, may not result in a cash receipt (or equivalent) in accordance with the terms of a contract.

The Society does not use reinsurance to manage significant credit risk. The Society is exposed to credit risk through its rent receivables and insurance contracts with members of the society who get the services on credit terms. Credit risk is managed by subjecting all the parties that trade with it on credit-to-credit verification procedures.

In addition, receivables are monitored on an on-going basis with the result that the Society's exposure to bad debts is not significant. No collateral is taken on the balance's receivable. Contributions are largely received in advance and any contributions in arrears are subject to scrutiny and appropriate measures including suspension of membership status of the affected members.

The carrying amount of financial and insurance assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December was:

3. Financial risk and fair value measurement (continued)

Balances as at 31 December	Note	Consolidated		Separate	
		2025	2024	2025	2024
Cash and cash equivalents	13	6,226,415	4,853,877	6,027,131	4,815,663
Trade and other receivables	14	5,638,599	<u>13,831,511</u>	3,536,501	12,771,597
Total		11,865,014	<u>18,685,388</u>	9,563,632	17,587,260

Impairment losses

The ageing of trade and other receivables as at 31 December 2025 that were not impaired was:

		Consolidation		Separate	
		2025	2024	2025	2024
Past due 0-30 days	648,445	3,948,515		707,300	3,886,204
Past due 31 - 120 days	4,990,154	9,882,997		2,829,200	8,885,393
Total	5,638,599	13,831,511		3,536,501	12,771,597

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full based on historical payment behaviour.

Cash and cash equivalents

The Society held cash and cash equivalents of K 6 billion at 31 December 2025 (2024: K5 billion). The cash and cash equivalents are held with banks and financial institutions counterparties.

No allowance is made for impairment losses on contributions receivable because of the nature of the business. When the Society has not received outstanding contributions from its members within the expected timeframe, it does not pay out any claim on that scheme.

When the Society is satisfied that no recovery of outstanding contribution is possible, the amount considered irrecoverable is written off against the outstanding contribution.

3. Financial risk and fair value measurement (continued)

3.2 Market Risk

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates and other prices risks.

For investments in fixed annuities, market risks are managed by principally investing in interest-bearing assets as available in Malawi. As only short term (up to 273 days) interest bearing assets are available, longer-term returns are sought by investing a proportion of the assets in equity and property investments.

Currency risk

The Society is exposed to foreign currency risk on purchases and claims that are denominated in a currency other than the Malawi Kwacha. The currencies giving rise to this risk are primarily US dollars and South African Rands. The society has exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Society's exposure to currency risk on foreign suppliers was as follows for both consolidated and separate financial statements:

Balances as at 31 December	Consolidated		Separate	
	Rand	USD	Rand	USD
Foreign treatment costs recoverable	2,073	134	1,737	109
Inventories	—	—	—	—
	2,073	134	1,737	109

Sensitivity analysis

A reasonable possible strengthening (weakening) by 15% (2024: 15%) of the US Dollar (USD) and South African Rand (ZAR) as at 31 December, 2025 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

The Society has investments in equities as follows:

3. Financial risk management (continued)

	Total market value 2025	Total market value 2024
<i>Listed equities</i>		
NBS Bank Limited	<u>83,584</u>	<u>15,840</u>

As at 31 December 2025, if the equity prices increased or decreased by 5%, the increase or decrease in fair value gains would be **MK16.6million** (2024: K12.6 million). The calculation assumed that all other variables, in particular number of shares remain constant and ignores any impact of market forces.

The listed equities were measured using level 1 fair value measurement and there have been no changes in the valuation techniques from last period.

Interest rate risk

Interest rate risk is generally referred to as the exposure of the net interest income to adverse movements in interest rates as a result of assets and liabilities re-pricing at different times which has therefore a direct impact on the interest margins. The group adopted a policy of ensuring that its exposure to changes in interest rates is on a fixed rate basis. All of the financial assets and liabilities of the group are rate sensitive and have been reported at fair value.

The Board of Trustees monitor the movement of interest rates and take necessary precautions to hedge. Interest rate sensitivity analyses as on the reporting date are set out below: -



3. Financial risk management (continued)

As at 31 December 2025

Consolidated Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 - 6 months	6 - 12 months	Over 12 months	
Cash and cash equivalents	13	<u>3,081,492</u>	—	<u>3,144,923</u>	—	—	<u>6,226,415</u>
Total assets		<u>3,081,492</u>	—	<u>3,144,923</u>	—	—	<u>6,226,415</u>
Liabilities							
Lease liabilities	24	<u>343,166</u>	—	—	—	—	<u>343,166</u>
Total liabilities		<u>343,166</u>	—	—	—	—	<u>343,166</u>
Interest sensitivity Gap		<u>2,738,326</u>	—	<u>3,144,923</u>	—	—	<u>5,883,249</u>

As at 31 December 2024

Consolidated Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 - 6 months	6 - 12 months	Over 12 months	
Cash and cash equivalents	13	<u>3,068,535</u>	—	<u>1,785,342</u>	—	—	<u>4,853,877</u>
Total assets		<u>3,068,535</u>	—	<u>1,785,342</u>	—	—	<u>4,853,877</u>
Liabilities							
Lease liabilities	24	<u>28,254</u>	—	—	—	—	<u>28,254</u>
Total liabilities		<u>28,254</u>	—	—	—	—	<u>28,254</u>
Interest sensitivity Gap		<u>3,096,789</u>	—	<u>1,785,342</u>	—	—	<u>4,882,131</u>



3. Financial risk management (continued)

Separate

As at 31 December 2025

Assets	Note	Zero rate	Floating rate	Fixed rate instruments			Total
				0 - 6 months	6 - 12 Months	Over 12 Months	
Cash and cash equivalents	13	<u>2,882,209</u>	—	<u>3,144,922</u>	—	—	<u>6,027,131</u>
Total assets		<u>2,882,209</u>	—	<u>3,144,922</u>	—	—	<u>6,027,131</u>
Liabilities							
Lease Liability	24	—	—	—	—	—	—
Total liabilities		—	—	—	—	—	—
Interest Sensitivity gap		<u>2,882,209</u>	—	<u>3,144,922</u>	—	—	<u>6,027,131</u>

Separate

As at 31 December 2024

Assets	Note	Zero Rate	Floating rate	Fixed rate instruments			Total
				0 - 6 months	6 - 12 Months	Over 12 months	
Cash and cash equivalents	13	<u>3,030,320</u>	—	<u>1,785,343</u>	—	—	<u>4,815,663</u>
Total assets		<u>3,030,320</u>	—	<u>1,785,343</u>	—	—	<u>4,815,663</u>
Liabilities							
Lease Liability	24	<u>8,572</u>	—	—	—	—	<u>8,572</u>
Total liabilities		<u>8,572</u>	—	—	—	—	<u>8,572</u>
Interest Sensitivity gap		<u>3,038,892</u>	—	<u>1,785,343</u>	—	—	<u>4,824,235</u>



3. Financial risk management (continued)

3.3 Liquidity risk

This is the risk that the group will encounter difficulties in meeting obligations associated with its financial liabilities. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate assets at reasonable prices and in a timely manner.

Management of liquidity risk

The Board of Trustees is responsible for managing overall liquidity by setting guidelines and limits for anticipated liquidity gaps. Liquidity position is monitored on a daily basis to ensure sufficient liquidity. The Board continually assesses liquidity risk by identifying and monitoring changes in funding requirements for business operations.

The table below shows an analysis of the Group's assets and liabilities into relevant maturity rankings based on the remaining period to the contractual maturity date as at 31 December 2025. The maturity rankings will not agree directly to the balances in the respective statements of financial position as the maturity rankings incorporate cash flows on a contractual, undiscounted basis based on the maturity contractual date:



3. Financial risk management (continued)

As at 31 December 2025
Consolidated

Assets	Note	Carrying amount	Cash inflow/ (outflow)	Up to 1 Month	1 - 6 Months	6 - 12 Months	Over 1 year
Cash and cash equivalents	13	6,226,415	6,226,415	3,081,492	3,144,923	-	-
Trade and other receivables	14	5,638,599	5,638,599	4,646,128	871,149	121,322	-
Total assets		11,865,014	11,865,014	7,727,620	4,016,072	121,322	-
Liabilities							
Lease liabilities	24	(343,166)	(343,166)	-	-	(343,166)	-
Outstanding claims	17	(4,484,011)	(4,484,011)	(1,793,604)	(2,690,407)	-	-
Trade and other payables	15	(5,195,887)	(5,195,887)	(3,695,235)	(1,500,652)	-	-
Total liabilities		(10,023,064)	(10,023,064)	(5,488,839)	(4,191,059)	(343,166)	-
Liquidity gap		1,841,950	1,841,950	2,245,563	(174,987)	(221,844)	-

As at 31 December 2024
Consolidated

Assets	Note	Carrying amount	Cash inflow/ (outflow)	Up to 1 Month	1 - 6 Months	6 - 12 Months	Over 1 year
Cash and cash equivalents	14	4,853,877	4,853,877	3,640,408	1,213,469	-	-
Trade and other receivables	15	13,831,511	13,831,511	5,532,604	7,607,331	615,018	76,558
Total assets		18,685,388	18,685,388	9,173,012	8,820,800	615,018	76,558
Liabilities							
Lease liabilities	24	(28,254)	(28,254)	-	-	(28,254)	-
Outstanding claims	17	(13,322,957)	(13,322,957)	(5,329,183)	(7,993,774)	-	-
Trade and other payables	16	(2,641,436)	(2,641,436)	(2,113,148)	(528,288)	-	-
Total liabilities		(15,992,647)	(15,992,647)	(7,442,331)	(8,522,062)	(28,254)	-
Liquidity gap		2,692,741	2,692,741	1,730,681	298,738	586,764	76,558

3. Financial risk management (continued)

As at 31 December 2025
Separate

Assets	Note	Carrying amount	Cash inflow/ (outflow)	Up to 1 Month	1 - 6 Months	6 - 12 Months	Over 1 year
Cash and cash equivalents	13	6,027,131	6,027,131	2,881,346	3,145,785	-	-
Trade and other receivables	14	3,536,501	3,536,501	707,300	2,829,200	-	-
Total assets		9,563,632	9,563,632	3,588,646	5,974,985	-	-
Liabilities							
Outstanding claims	16	(4,484,011)	(4,484,011)	(808,592)	(3,675,419)	-	-
Lease Liabilities	24	(8,573)	(8,573)	-	-	(8,573)	-
Trade and other payables	15	(2,893,161)	(2,893,161)	(2,522,489)	(370,672)	-	-
Total liabilities		(7,385,745)	(7,385,745)	(3,331,081)	(4,046,091)	(8,573)	-
Liquidity gap		2,177,887	2,177,887	257,565	1,928,894	(8,573)	-

As at 31 December 2024
Separate

Assets	Note	Carrying amount	Cash inflow/ (outflow)	Up to 1 Month	1 - 6 Months	6 - 12 Months	Over 1 year
Cash and cash equivalents	14	4,815,663	4,815,663	3,852,531	963,132	-	-
Trade and other receivables	15	12,771,597	12,771,597	5,108,639	6,971,353	615,018	76,587
Total assets		17,587,260	17,587,260	8,961,170	7,934,485	615,018	76,587
Liabilities							
Outstanding claims	18	(14,076,981)	(14,076,981)	(4,926,943)	(9,150,038)	-	-
Lease Liabilities	24	(18,251)	(18,251)	-	-	(18,251)	-
Trade and other payables	16	(1,770,031)	(1,770,031)	(1,416,025)	(354,006)	-	-
Total liabilities		(15,865,263)	(15,865,263)	(6,342,968)	(9,504,044)	(18,251)	-
Liquidity gap		1,721,997	1,721,997	2,618,202	(1,569,558)	596,767	76,587

3. Financial risk management (continued)

3.4. Financial instruments: Fair value and risk management

Accounting classifications and fair values of financial instruments

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



3. Financial risk management (continued)

Consolidated									
31 December 2025									
	Note	Carrying amount	FVOCI	Assets/ liabilities at amortised cost	Total	Fair value			Total
						Level 1	Level 2	Level 3	
Financial assets measured at fair value									
Investment in listed shares	8	<u>83,584</u>	—	—	<u>83,584</u>	<u>83,584</u>	—	—	<u>83,584</u>
		<u>83,584</u>	—	—	<u>83,584</u>	<u>83,584</u>	—	—	<u>83,584</u>
Financial assets not measured at fair value									
Trade and other receivables	14	—	—	<u>5,638,599</u>	<u>5,638,599</u>	—	—	—	—
Cash and cash equivalents	13	—	—	<u>6,226,415</u>	<u>6,226,415</u>	—	—	—	—
		—	—	<u>11,865,014</u>	<u>11,865,014</u>	—	—	—	—
Financial liabilities not measured at fair value									
Trade and other payables	15	—	—	<u>5,195,887</u>	<u>5,195,887</u>	—	—	—	—
Lease liabilities	24	—	—	<u>343,166</u>	<u>343,166</u>	—	—	—	—
		—	—	<u>5,539,053</u>	<u>5,539,053</u>	—	—	—	—

Separate									
31 December 2025									
	Note	Carrying amount	FVOCI	Assets/ liabilities at amortised cost	Total	Fair value			Total
						Level 1	Level 2	Level 3	
Financial assets measured at fair value									
Investment in listed shares	8	—	<u>83,584</u>	—	<u>83,584</u>	<u>83,584</u>	—	—	<u>83,584</u>
		—	<u>83,584</u>	—	<u>83,584</u>	<u>83,584</u>	—	—	<u>83,584</u>
Financial assets not measured at fair value									
Trade and other receivables	14	—	—	<u>3,536,501</u>	<u>3,536,501</u>	—	—	—	—
Cash and cash equivalents	13	—	—	<u>6,027,131</u>	<u>6,027,131</u>	—	—	—	—
		—	—	<u>9,563,632</u>	<u>9,563,632</u>	—	—	—	—
Financial liabilities not measured at fair value									
Trade and other payables	15	—	—	<u>2,893,161</u>	<u>2,893,161</u>	—	—	—	—
		—	—	<u>2,893,161</u>	<u>2,893,161</u>	—	—	—	—

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

4. Property and equipment

See accounting policy note 2.1

	Freehold land	Buildings	Clinic and Computer equipment	Office furniture and Equipment	Motor vehicles and cycles	Leasehold improvements	Total
	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Cost or Valuation							
At 1st January 2025	960,350	12,258,004	1,405,862	1,869,929	1,508,520	10,656	18,013,321
Additions - Cost	675,960	1,788,416	550,109	1,936,411	407,859	-	5,212,197
Disposals	-	-	(4,041)	(9,282)	(119,372)	-	(132,696)
Adjustments/Reclassification	-	-	(354,712)	354,712	-	-	-
At 31 December 2025	1,636,310	14,046,420	1,550,660	4,151,770	1,797,007	10,656	23,192,823
At 1st July 2023	281,900	5,165,581	1,166,647	562,318	893,215	189,202	8,258,863
Assets re-classified	-	55,093	12,451	(12,451)	-	(178,546)	(123,453)
Additions - Cost	-	4,548,041	234,032	1,326,760	863,056	-	6,971,889
Disposals	-	-	(7,268)	(6,698)	(247,751)	-	(261,717)
Revaluation	678,450	2,489,289	-	-	-	-	3,167,739
At 31 December 2024	960,350	12,258,004	1,405,862	1,869,929	1,508,520	10,656	18,013,321
Depreciation and impairment							
At 1st January 2025							
Depreciation Accumulated	-	366,389	999,843	620,325	797,647	7,281	2,791,485
Charge for the year	-	248,512	225,737	455,027	330,374	707	1,260,356
Disposals	-	-	(4,041)	(5,579)	(119,374)	-	(128,994)
Reclassification	-	-	(354,709)	354,709	-	-	-
At 31 December 2025	-	614,901	866,830	1,424,483	1,008,646	7,988	3,922,848
At 1st July 2023							
Depreciation	-	355,162	834,928	351,115	723,312	53,592	2,318,109
Charge for the period	-	11,227	172,018	274,054	259,808	7,281	724,388
Disposals	-	-	(7,103)	(4,844)	(185,473)	(53,592)	(251,012)
At 31 December 2025	1,636,310	13,431,519	683,830	2,727,287	788,361	2,668	19,269,975
Net Book Value Dec 2024	960,350	11,891,615	406,019	1,249,604	710,873	3,375	15,221,837

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

4. Property and equipment (continued)

See accounting policy note 2.1

	Freehold <u>land</u>	<u>Buildings</u>	Computer <u>equipment</u>	Office furniture & <u>equipment</u>	Motor vehicles & <u>cycles</u>	<u>Total</u>
<u>Separate</u>	K'000	K'000	K'000	K'000	K'000	K'000
Cost or Valuation						
At 1 January 2025						
Cost	960,350	9,383,916	740,373	1,083,050	1,489,656	13,657,345
Valuation						-
Additions - at cost	-	48,311	375,880	454,273	407,859	1,286,323
- at valuation	-	-	-	-	-	-
Disposals			(4,041)	(9,282)	(118,809)	(132,133)
At 31 December 2025	960,350	9,432,227	1,112,211	1,528,040	1,778,707	14,811,538
Depreciation						
At 1 January 2025	-	283,913	509,784	400,287	779,770	1,973,754
Charge for the year	-	184,901	150,789	193,852	193,852	859,546
Disposals	-	-	(4,041)	(5,579)	(118,809)	(128,429)
At 31 December 2025	-	468,814	656,535	588,562	990,965	2,704,874
Net Book Value December 2025	960,350	8,963,413	455,676	939,481	787,743	12,106,664
Total	960,350	8,963,413	455,676	939,481	787,743	12,106,664
Cost or Valuation						
At 1 July 2023						
Cost	281,900	3,428,244	518,925	448,580	874,351	5,552,000
Valuation						-
Additions - at cost	-	3,848,609	228,716	641,168	863,056	5,581,549
- at valuation	678,450	2,107,063	-	-	-	2,785,513
Disposals			(7,268)	(6,698)	(247,751)	(261,717)
At 31 December 2024	960,350	9,383,915	740,372	1,083,051	1,489,657	13,657,346
Depreciation						
At 1 July 2023	-	283,913	400,859	258,429	628,954	1,572,153
Charge for the period	-	-	116,028	146,702	336,292	599,023
Disposals	-	-	(7,103)	(4,844)	(185,474)	(197,421)
At 31 December 2024	-	283,913	509,784	400,287	779,772	1,973,756
Net Book Value December 2024	960,350	9,100,002	230,588	682,765	709,885	11,683,589

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

5. Investment properties	Kanjedza	Katoto	Zomba	Lilongwe - Area 3	
See accounting policy 2.2	Building	Building	Building	Building	Total
	K'000	K'000	K'000	K'000	K'000
Cost					
At 1 January 2025					
Cost	1,065,000	1,108,000	555,001	-	2,728,001
Additions - at cost	862,972	164,252	712,880	-	1,740,103
At 31 December 2025	1,927,972	1,272,252	1,267,881	-	4,468,104
Net Book Value December 2025	1,927,972	1,272,252	1,267,881	-	4,468,104
At 1 July 2023					
Cost	472,400	415,400	234,000	545,512	1,667,312
Transfer to PPE	-	-	-	(545,512)	(545,512)
Additions - at cost	765,512	195,873	283,560	-	1,244,944
Disposal / Revaluation	(172,912)	496,727	37,441	-	361,256
At 31 December 2024	1,065,000	1,108,000	555,000	-	2,728,000
Net Book Value December 2024	1,065,000	1,108,000	555,000	-	2,728,000

Management of liquidity risk

Investment properties were valued at 31 December 2024 on an open market value basis by SMN Property Professionals, an independent valuer, not connected with the MASM Group. The carrying values of these properties have been adjusted with the revaluation gain and the resultant revaluation gain is recognised in profit or loss.

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair values of investment property, as well as the significant unobservable inputs used. The valuation expert adopted a Market Value Approach.

Market value within RICS valuation – Professional standards/international valuation standards is defined as; “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties act knowledgeably, prudently and without compulsion”.

The fair value measurement of the investment properties has been categorized as Level 3 fair value based on inputs to the valuation techniques used.

The table below shows the valuation technique used in arriving at the fair values of the investment properties as well as the significant unobservable inputs used. The valuation experts adopted an open market value approach using comparative and investments methods.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Valuation technique Investment method	Significant unobservable inputs	Inter-relationship between Key unobservable inputs and fair value measurement
The valuation has been carried out using the open market value basis. In undertaking the valuation of the subject property, the valuation experts made their assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions coupled with evidence of demand within the vicinity of each respective property. The valuation experts have also taken into account size, location and other material factors.	<ul style="list-style-type: none"> Expected market rental growth. Occupancy rate. Rent-free periods. Risk-adjusted discount rates. 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> expected market rental growth were higher (lower); the occupancy rates were higher (lower); rent-free periods were shorter (longer)

Investment property is accounted for under freehold land and buildings on consolidation. All buildings in Kanjedza in the City of Blantyre, Zomba and Katoto in the City of Mzuzu are occupied on rental basis by the Subsidiary, MASM Medi-Clinics Limited.

The fair value measurements have been categorized as Level 3 for value based on inputs to the valuation techniques.

The fair values of these investment properties as at period end were as follows:

	2025	2024
Kanjedza:	K1,927 million	K1,065 million
Katoto:	K1,272 million	K1,108 million
Zomba:	K1,268 million	K555 million

6. Intangible asset

See accounting policy note 2.3

CONSOLIDATION Cost / valuation	Consolidated		Society	
	2025	2024	2025	2024
At 1 January 2025	K'000	K'000	K'000	K'000
Cost	1,224,123	1,224,123	1,180,481	1,180,481
Additions - at cost	124,351		97,751	
At 31 December 2025	1,348,474	1,224,123	1,278,232	1,180,481
Depreciation / amortisation				
At 1 st January 2025	205,868	205,868	195,034	195,034
Charge for the year				
Disposals / impairment	362,321	-	357,796	-
At 31 December 2025	568,189	205,868	552,830	195,034
NBV as at year end	780,286	1,018,255	725,402	985,447

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Intangible assets comprise of claims processing software called Simple Health and Hospital management system for MASM Medi Clinics Limited called Medix

7. Right of use assets

Building

	Consolidated		Society	
	2025	2024	2025	2024
	K'000	K'000	K'000	K'000
Cost at 1 January	443,003	443,003	31,059	31,059
Additions	367,487	-		
Total Cost as at 31 st December	810,490	443,003	31,059	31,059
Accumulated Depreciation	414,093	313,684	27,435	18,118
Charge for the period	64,163	100,409	3,624	9,317
Depreciation as at 31 st December	478,256	414,093	31,059	27,435
Net Value at 31 December	332,234	28,910	-	3,624
Interest	(115,993)	(40,643)	(1,820)	(4,065)

	Consolidated		Separate	
	2025	2024	2025	2024
8. Investments in listed shares				
Movement during the year				
At 1 January 2025	15,642	11,826	15,642	11,826
Fair value gain	<u>67,942</u>	<u>3,816</u>	<u>67,942</u>	<u>3,816</u>
At year end	<u>83,584</u>	<u>15,642</u>	<u>83,584</u>	<u>15,642</u>

The Society has 5,062 shares in NBS Bank Plc – a listed company on Malawi Stock Exchange (MSE) and the investment is accounted for at fair value.

9. Investment in subsidiary

See accounting policies note 2.10

MASM Medi Clinics Limited	-	-	3,048,000	3,048,000
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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

10. Investment in an associate

See accounting policy note 2.6

The Society has a 34.6% shareholding in Mwaiwathu

Private Hospital Limited situated in the City of Blantyre.

Mwaiwathu Private Hospital Limited is not listed on the

Malawi Stock Exchange. Balance at 1 January 2025	325,650	325,650	514,780	325,650
Share of profit for the period	47,386	189,130	47,386	189,130
Additional Shares	519,450	-	519,450	-
Carrying amount at 31 December 2025	<u>1,081,616</u>	<u>514,780</u>	<u>1,081,616</u>	<u>514,780</u>

The Society issued additional share capital in Mwaiwathu private Hospital amounting to K519million during the period. The number of shares allotted was 1,216,482.05 at a price of MK427.01 per share.

11. Amounts due from related parties

See accounting policy note 2.17

MASM Medi Clinics Limited*	—	—	487,772	754,024
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The loan balance is repayable over 9 months period at an interest rate of 20% which the Society is earning on short term investments.

12. Inventories

Consolidated

Separate

See accounting policy note 2.15	2025	2024	2025	2024
MASM Medi Clinic Ltd -Drugs	<u>777,382</u>	<u>495,366</u>	—	—
Total	<u>777,382</u>	<u>495,366</u>	<u>—</u>	<u>—</u>



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

13. Cash and cash equivalents See accounting policy note 2.8

Dec 2025 Dec 2024 Dec 2025 Dec 2024

13.1 Short-term deposits

First Discount House	1,695,930	510,443	1,695,930	510,443
Bridgepath Capital Limited	737,779	775,721	737,779	775,722
Old Mutual Continental Discount House Limited	515,656	254,380	515,656	254,380
NBS Bank	-	80,000	-	80,000
	195,557	164,798	195,557	164,798
	3,144,923	1,785,342	3,144,923	1,785,343

13.2 Current bank balances

First Capital Bank	595,528	497,697	595,528	497,697
Standard Bank Plc	600,015	524,231	600,015	524,231
NBS Bank Plc	1,197,553	1,244,636	1,288,333	1,228,844
Ecobank Limited	59,766	108,211	59,766	108,211
My Bucks	7,071	19,526	7,071	19,526
FDH Bank Limited	313,589	134,576	158,605	119,831
National Bank of Malawi Plc	153,471	516,111	148,207	514,019
Cash in hand	130,153	6,087	500	500
CDH	24,199	17,461	24,199	17,461
	3,081,492	3,068,535	2,882,209	3,030,320

Total cash **3,081,492** **3,068,535** **2,882,209** **3,030,320**

Cash and Cash equivalent 6,226,415 4,853,877 6,027,131 4,815,663

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Short-term deposit periods ranging from 7days to 30 days depending on the Society's immediate cash requirements and earn interest at the respective short-term deposit rates which average 15% to 24.5%. (2024: 15% to 24.5%).

Cash at banks earns interest at floating rates based on the daily bank deposit rates.

14. a Trade and other accounts receivable	Consolidation		Separate	
Trade receivables	3,601,618	4,097,904	623,125	3,076,761
Other receivables	-	-	739,518	
Contributions receivable	1,248,631	-	1,248,631	
Other receivables are broken down as follows:	-	-		
Prepayments	249,562	185,080	179,459	155,878
Staff debtors	379,275	259,816	327,645	250,245
Foreign deposits	66,049	380,288	157,558	380,288
Foreign treatment cost receivables	91,509	-	-	-
Service charges	6,985		6,985	
Claims paid in advance	203,357	8,826,781	115,585	8,826,781
	5,846,986	13,749,868	3,398,506	12,689,953
14. b foreign treatment costs recoverable				
Amalgamated Shortfall	234,112	229,314	234,112	229,314
	234,112	229,314	234,112	229,314
14. c Provision for doubtful debts				
Balance at beginning of the year	(147,671)	(254,045)	(147,670)	(256,367)
Amount provided during the year	(752,478)	(70,176)	(38,288)	(70,176)
Bad debt recovery	76,402	160,239	71,379	160,239
Amount written off during the year	18,462	16,311	18,462	18,634
Balance at year end Total trade and other receivables	(805,285)	(147,671)	(96,117)	(147,671)
	5,275,813	13,831,511	3,536,501	12,771,597
Past due 0-30 days	648,445	3,948,515	707,300	3,886,203
Past due 31 - 120 days	4,627,368	9,882,997	2,829,200	8,885,394
Total	5,275,813	13,831,511	3,536,501	12,771,59

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

15. Trade and other payables

Creditors control account	2,410,920	1,320,120	822,756	739,703
Audit fees provision	57,503	27,307	38,420	15,262
Payroll Tax	109,440	99,551	109,440	79,727
Other Creditors	508,454	857,311	438,529	753,934
Fringe benefits Tax payable	32,062	18,492	22,410	12,275
Withholding tax payable	141,461	17,545	126,561	8,526
Premiums - Platinum VIP	18,436	-	18,436	-
Shortfall Deposit	270,765	-	270,765	157,432
Value Added Tax	945,843	3,168	945,843	3,168
Accruals	314,925	97,869	-	-
Legal Charge Provision	386,078	254,072	100,000	-
	5,195,887	2,695,436	2,893,161	1,770,027

16. OUTSTANDING CLAIMS

See accounting policy in note 2.14.

Consolidated

Society

	Dec 2025	Dec 2024	Dec 2025	Dec 2024
	K'000	K'000	K'000	K'000
Balance at 1st July	13,322,956	3,851,579	14,076,981	4,244,899
Claims incurred	47,493,213	55,504,140	57,444,658	58,646,578
Cash paid for claims settled in the year/period	(53,894,843)	(46,032,763)	(64,600,313)	(48,814,496)
As at year/period end	6,921,326	13,322,957	6,921,326	14,076,981

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Process used to determine significant assumptions

Insurance risks are unpredictable and the Society recognizes that it is impossible to forecast with absolute precision, future claims payable under existing insurance contracts. Over the year, the Society developed a methodology that is aimed at establishing insurance provisions that have an above average likelihood of being adequate to settle all its insurance obligations.

The Society's claims provisions include reported claims as well as those Incurred But Not Reported (IBNR) claims. The following table illustrates the IBNR movement during the year/period:

	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024
17. IBNR				
Balance at 1 January	13,974,486	2,650,874	13,974,486	2,650,874
Movement for the year/period	(9,490,475)	11,323,612	(9,490,475)	11,323,612
As at year/period end	4,484,011	13,974,486	4,484,011	13,974,486
Claims analysis				
Foreign treatment	1,807,878	3,030,681	1,807,878	3,030,681
Drugs, Local medical and dental	44,732,079	51,320,626	54,683,524	54,463,064
Funeral benefits	953,256	1,152,833	953,256	1,152,833
As at year/period end	47,493,213	55,504,140	57,444,658	58,646,578
Claims analysis				
Actual claims	43,009,202	41,529,654	52,960,647	44,672,093
Incurred But Not Reported Claims	4,484,011	13,974,486	4,484,011	13,974,486
As at year/period end	47,493,213	55,504,140	57,444,658	58,646,578



18. Outstanding claims (continued)

See accounting policy in note 2.14.

Reported claims

Claims provisions are based upon previous claims' experience, knowledge of events, the terms and conditions of the relevant policies and on interpretation of circumstances.

Each reported claim is assessed on a separate case by case basis with due regard to the specific circumstances, information available from the insured and past experience with similar claims. The Society employs staff experienced in claims handling and rigorously applies standardized policies and procedures for claims assessment.

The ultimate cost of reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Case estimates are, therefore, reviewed regularly and updated if new information becomes available.

Claims Incurred But Not Reported (IBNR)

The IBNR provision is calculated by developing a trend analysis over the past years during which ratios which are applicable in determining IBNR were calculated.

The historical trend analysis indicates that out of the claims settled in a month, 80% relates to the previous one month, 18% relates to the previous two months while 2% relates to the previous three months. These ratios are used to determine the level of IBNR claims provision at year end.

The levels of the IBNR provisions are assessed annually by management against the Society's past claims experience and adjusted if the experience indicates that the methodology is no longer appropriate.

As these methods use historical claims development information, they assume that the historical claims development pattern will occur again in future. There are reasons why this may not be the case. Such reasons include:

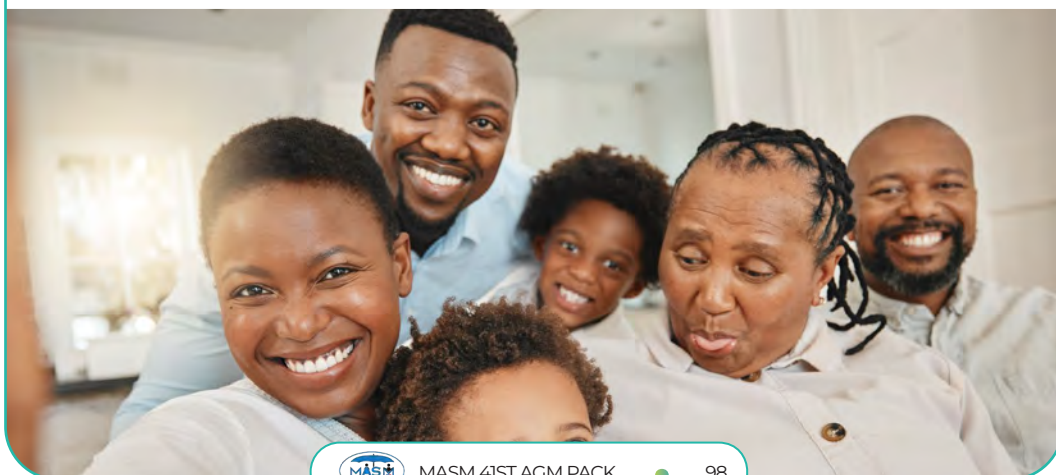
- change in processes that affect the development/recording of claims paid and incurred;
- economic, legal, political and social trends;
- random fluctuations, including the impact of large losses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

18. Contribution received in advance	Consolidated		Separate	
	2025	2024	2025	2024
1 Month advance			3,474,460	6,474,485
2 Months advance	3,474,460	6,474,485	61,611	67,040
3 Month advance	61,611	67,040	32,464	32,837
Current	32,464	32,837	3,568,534	6,574,362
	3,568,534	6,574,362		

19. Employee benefit liability	Consolidated		Separate	
	2025	2024	2025	2024
Gratuity provision	81,703	83,454	19,800	46,208
Pension arrears	-	-	-	-
	81,703	83,454	19,800	46,208

The Society and its subsidiary provide employee retirement benefits to all its qualifying employees. The Society remits monthly pension contributions under a defined contribution plan to an Associated Pensions Trust administered by NICO Pension Insurance Company Limited. Employees that do not qualify to be on pension according to the Pension Act, 2011 are on gratuity contracts.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

20.a Corporate Tax	Dec 2025	June 2024	Dec 2025	June 2024
	K'000	K'000	K'000	K'000
Tax for financial year 2023	136,228	-	136,228	-
	169,065	-	169,065	-
Tax for financial year 2025	807,047	-	227,547	-
Deferred Tax	(246,519)	-	-	-
Total	865,820	-	532,839	-
20.b Tax Paid	Dec 2025	June 2024	Dec 2025	June 2024
	K'000	K'000	K'000	K'000
Opening Balance	70,480	61,479	-	-
Current Tax in P&L	865,820	-	532,839	-
Closing Balance	(583,994)	(70,480)	(532,839)	-
Tax Paid	352,307	(9,001)	-	-
20.c Deferred Tax	Dec 2025	June 2024	Dec 2025	June 2024
	K'000	K'000	K'000	K'000
Property, plant and equipment, provisions and impairment allowances	246,519	-	-	-
Reconciliation of deferred tax asset				
Property, plant and equipment (accelerated capital allowances)	62,336	-	-	-
Provisions and impairment allowances	184,183	-	-	-
Total	246,519	-	-	-



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

21.1 Administrative expenses	Dec 2025	June 2024	Dec 2025	June 2024
	12months	18months	12months	18months
	K'000	K'000	K'000	K'000
Marketing	847,508	833,262	839,188	827,439
Auditor's remuneration -audit fees	52,656	68,870	38,420	37,746
Bank charges	147,725	185,470	135,191	143,740
Bad debts	656,361	8,089	-	-
Commission on contributions	167,361	334,524	167,361	334,524
Depreciation and amortisation	1,029,237	790,741	1,217,350	658,384
Depreciation -light of use asset	3,624	105,661	3,624	9,318
Directors' fees	39,500	55,499	39,500	47,399
Directors expense	159,417	82,712	70,277	76,357
Donations	20,277	62,263	20,277	157,263
Subscriptions	43,063	97,998	22,190	26,984
Electricity and water	209,383	270,095	97,380	105,426
Fringe benefits tax	113,443	104,779	80,805	69,791
Funeral expense	-	555	-	555
Group life premium	128,525	150,108	84,443	94,689
Gym Running Expenses	407,631	67,808	407,631	67,808
Housing allowances	991,406	1,403,826	802,396	977,607
Legal and professional fees	297,307	582,402	237,307	320,124
Licences and insurance	285,480	495,113	240,155	294,493
Motor vehicle expenses	788,394	672,438	704,516	650,000
Medical aid	263,300	310,136	263,300	310,136
MASM Ambulance expenses	781,537	1,045,804	781,537	1,045,804
Pension contributions	459,435	539,258	287,166	339,368
Recruitment costs	-	8,884	-	495
Rent and rates	155,686	186,027	53,190	83,793
Repairs and maintenance	484,611	489,267	168,104	246,298
Salaries and wages	6,422,229	6,620,903	3,651,296	4,236,178
Security expenses	308,725	312,269	193,870	187,236
Software licence fees	316,721	2,548,046	316,721	2,548,046
Staff welfare	476,069	427,406	428,112	372,023
Stationery	568,488	626,422	503,139	574,693
Telecommunications	484,452	509,374	409,504	391,606
Tevet levy	42,977	51,199	42,977	22,241
Severance Pay		27,741		27,741
Tax penalties	983,405	-	983,405	-
Training – local	211,523	124,187	144,715	120,270
Travelling -foreign	12,083	147,756	49,382	147,756
Travelling -Local	257,163	345,976	245,383	283,243
Locum Fees	165,394	195,574	-	147,754
Consultancy fees	60,068	58,612	56,969	57,522
Total costs	18,653,154	20,947,051	13,786,787	15,855,933

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

21.4 Cost of sales	Consolidated		Separate	
	2025	2024	2025	2024
	<u>12months</u>	<u>18months</u>	<u>12months</u>	<u>18months</u>
Cost of goods sold	3,725,368	2,661,203	-	-
Other cost of sales	108,312	102,826	-	-
Specialist locum	449,798	529,071	-	-
	4,283,478	3,293,100	-	-

22. Investment Income	Consolidated		Separate	
	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024
Interest received	802,743	762,799	802,743	804,769
Rental income	115,356	204,831	163,263	236,982
Dividend - NBS Shares	738	394	738	394
	918,837	968,024	966,744	1,042,144

23. Other income	Consolidated		Separate	
	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024
Interest-Staff Loans	30,674	30,680	13,047	8,332
Other Income	190,980	193,399	145,393	187,827
Card Fee	7,436	17,703	7,436	17,703
Registration fees	2,482	1,710	2,482	1,710
Annual Subscription	56,384	24,329	56,384	24,329
Commissions received	2,568	2,338	2,568	2,338
Scheme Administration fees income	135,618	172,744	135,618	172,744
Emergency Medical Services (EMS)	1,057,245	1,169,840	1,057,245	1,169,840
Profit on disposal of assets	71,748	42,081	71,748	42,081
Physiotherapy	-	20,417	-	-
	1,555,135	1,675,241	1,491,921	1,626,902

PROFIT ON DISPOSAL OF ASSETS	Consolidated		Separate	
	Dec 2025	Dec 2024	Dec 2025	Dec 2024
Non-current assets				
-Cost	132,134	261,717	132,134	261,718
-Accumulated depreciation	(128,429)	(197,421)	(128,429)	(197,420)
-Carrying amount	3,705	64,296	3,705	64,298
-Proceeds	75,453	106,377	75,453	106,377
Profit / (Loss)	71,748	42,081	71,748	42,081

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

24 Lease liabilities

	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024	Year ended 31 Dec 2025	18 months period ended 31 Dec 2024
Opening Balance	28,254	108,626	8,573	16,790
Additions	330,239	-	-	1,461
Total Obligation	358,493	108,626	8,573	18,251
Interest Charge Settlement current year/period	115,993	40,643	1,820	4,065
Movement	(131,320)	(121,015)	(10,393)	(13,743)
Net Value	(15,327)	(80,372)	(8,573)	(9,678)
Current Value	343,166	28,254	-	8,573
Non-Current Value	343,166	19,594	-	2,937
Total payables	-	8,660	-	5,636
Total payables	4,455,751	2,669,690	1,853,361	1,778,604



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

25. Related party transactions

Identification of related parties

The society has control relationship with its subsidiary and associate. All transactions were at arm's length. During the year and at year end, the following transactions and balances, respectively, were made:

Related Party	Relationship	Type of Transaction	Value of Transaction 2025	Value of Transaction 2024
MASM Medi Clinics Limited (MMCL)	Subsidiary	Rentals for Clinic Premises	47,907	61,768
MASM Medi Clinics Limited (MMCL)	Subsidiary	Share Capital	3,048,000	3,048,000
MASM Medi Clinics Limited (MMCL)	Subsidiary	Management fees - receivable by MASM	30,366	35,651
MMCL claims / sales to MASM	Subsidiary	Total sales MMCL to MASM	9,755,032	6,050,406
Mwaiwathu Pvt Hospital (MPH)	Associate	Staff medical contributions	230,241	274,082
MASM Medi Clinics Limited (MMCL)	Subsidiary	Staff medical contributions	269,250	328,102
Mwaiwathu Pvt Hospital (MPH)	Associate	Sales – MPH to MASM	5,411,847	5,156,273

Related Party Balances

MASM Medi Clinics Limited(MMCL)	Subsidiary	Claims Advance payment due to MASM	487,772	754,024
MASM Medi Clinics Limited(MMCL)	Subsidiary	Outstanding claims/claims unpaid by MASM	1,668,029	746,968

Compensation to key management personnel

Salaries and benefits	Basic salaries, house allowances and benefits	890,609	792,769
Medical bills	Medical bills	9,468	4,032
Loans and advances	Loan and advances	17,807	18,560
Directors' fees	Remuneration	39,500	47,399
Directors' expenses	Sitting allowances, travel and accommodation	23,727	76,357

26. Contingencies

The Society has pending court cases with estimated damages of over MK198 Million which was not provided for in the financial statements due to the fact that the Supreme court of appeal was yet to make a ruling as at the reporting date (2024: MK220million).

27. Capital commitments

At the reporting date outstanding capital commitments or approvals given for share allotment in Mwaiwathu p.v.t Hospital was K219million (2024: K350million on PPE).

28. Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Society will continue in operational existence for the foreseeable future.

As at 31 December 2025, the Group and the Society reported net current liability positions of approximately MK4.6 billion and MK3.5 billion respectively. This arises primarily from the classification of certain balances within current liabilities, notably outstanding claims provisions and contributions received in advance.

Management has assessed the nature and liquidity implications of these balances and notes the following:

- Outstanding claims represent provisions for claims incurred but not yet settled, including claims incurred but not reported (IBNR). These balances are actuarially estimated and are settled over time as claims are processed, rather than representing immediate cash obligations.
- Contributions received in advance represent cash already received from members for future cover periods. These balances do not require future cash outflows, but instead are recognised as revenue in subsequent periods as the related risk cover is provided.

Accordingly, a significant portion of the Group's current liabilities does not give rise to immediate liquidity pressure.

The Group generated a net surplus of MK4 billion (2024: MK5.2 billion) and positive operating cash flows of MK6.7 billion during the year. At year end, the Group held cash and cash equivalents of MK6.2 billion, providing a strong liquidity base to meet obligations as they fall due.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

Management has performed a detailed going concern assessment, including cash flow projections covering at least 12 months from the date of approval of these financial statements. The projections indicate that the Group and the Society will have sufficient financial resources to continue operating and to meet their liabilities as they fall due.

Based on this assessment, the Trustees are satisfied that the Group and the Society remain going concerns and have therefore prepared the financial statements on a going concern basis.

29. Foreign currency

The foreign currencies affecting the performance of the company are United States Dollars, British Pound and South African Rand. The exchange rates together with the National Consumer Price Index which represents an official measure of inflation were:

	2025	2024
Kwacha / United States Dollar	1,751	1,751
Kwacha / British Pound	2,392	2,406
Kwacha / South African Rand	107	100
<i>Inflation (%)</i>	26%	30.6%

At the date of approving of these financial statements the exchange rates were as follows:

Kwacha/GBP	2,443	2,425
Kwacha/Rand	109.6	97.6
Kwacha/US Dollar	1,751	1,751
<i>Inflation rate</i>	24%	28.1%

30. Events after the reporting date

Subsequent to the statement of financial position date, no events occurred requiring adjustment to the consolidated and separate financial statements.

Disclosure is made on the provision of share allotment made in Mwaiwathu private Hospital amounting to K154million resulting in increase in shareholding from 34.6% to 36.44%.

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BACK HOME . . .**

INTRODUCING MASM IN DIASPORA

WHAT DO WE OFFER ON MASM IN DIASPORA

1 Diverse Schemes

From basic medical coverage to premium health plans that boast of the Econoplan, Executive and VIP schemes, MASM offers these tailored schemes to suit various needs and budgets.

3 24/7 Support

Your well-being is our priority. Count on us for round the clock assistance and support through our mediclinics, ambulances and the call Centre.

2 Extensive network of providers

Access top notch healthcare services through our vast network of trusted medical facilities and professionals in private and mission facilities.

4 Wellness Programs

Stay proactive about health with our wellness initiatives that include gym facilities.

HOW TO REGISTER

1 Enroll

Choose the appropriate MASM health insurance plan based on the needs of your loved ones. Contact MASM to get detailed information and assistance with enrollment.

2 Make Payments

Initial 3 months payment contribution can be conveniently made through the First Capital Bank Malawi MASM account (and others)

HOW TO PAY



- BANK NAME: NBS
- ACCOUNT NAME : MASM FCDA ACCOUNT
- ACCOUNT NUMBER: 14223843
- SWIFT CODE: NBSTMW MW
- RECEIVING BANK : CITIBANK NEW YORK 71 WALL STREET
- CODE: CITI US33



- BANK NAME: STANDARD BANK
- ACCOUNT NAME : MASM FCDA
- ACCOUNT NUMBER: 9100004214223
- SWIFT CODE: SBICMWMX
- RECEIVING BANK : DEUTSCHE BANK TRUST
- CODE: BKTR US33



- BANK NAME: FCB
- ACCOUNT NAME : MEDICAL AID SOCIETY OF MALAWI
- ACCOUNT NUMBER: 0003514001080
- SWIFT CODE: FRCGMWMW
- RECEIVING BANK : CITIBANK N.A., NEW YORK, 71 WALL STREET
- CODE: CITI US 33



To enroll in one of our health insurance plans, please contact MASM directly on infodesk@masm.mw or visit our website www.masm.mw.



EMS



MediClinics



Motion 5

ELECTION OF OFFICE BEARERS.

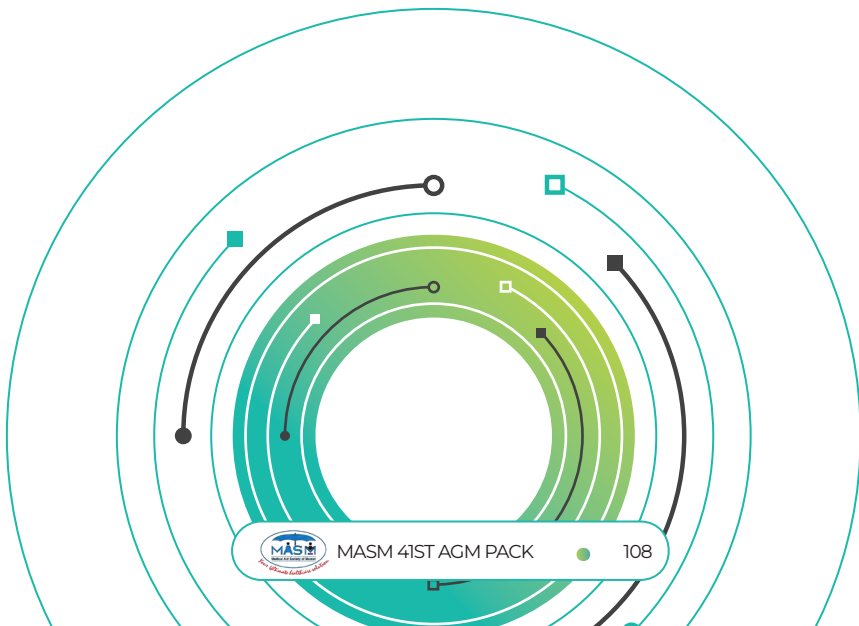
ELECTION OF OFFICE BEARERS.

Election of office bearers.

- a) **To elect** a director to represent the interests of Member Firms. Mr. B. Chitsonga retires by rotation and being eligible has offered himself for re-election.
- b) **To elect** a director to represent the interests of Individual Members. Ms. C. Gunda retires by rotation and being eligible has offered herself for re-election.

In accordance with the Constitution, nomination papers for the above positions should be delivered to the secretariat at least 7 clear days before the holding of the AGM. The papers need to be signed as follows: -

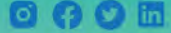
- a) **in the case of** a representative of member firms, by not less than three member firms; and
- b) **in the case of** an individual member, by not less than ten individual members.



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EMS



MediClinics

Motion 6

THAT THE DIRECTORS' FEES AND SITTING ALLOWANCES FOR THE CHAIRMAN, DEPUTY CHAIRMAN AND DIRECTORS BE REVIEWED .

THAT THE DIRECTORS' FEES AND SITTING ALLOWANCES FOR THE CHAIRMAN, DEPUTY CHAIRMAN AND DIRECTORS BE REVIEWED .

Directors fees for the ensuing year.

a) Directors' Fees

Chairman

K9,375,000 per annum (from K7,500,000) payable quarterly in arrears.

Deputy Chairman

K8,750,000 per annum (from K7,000,000) payable quarterly in arrears.

Directors

K7,900,000 per annum (from K6,250,000) payable quarterly in arrears.

b) Sitting Allowance

Chairman

K625,000 per sitting from K500,000

Directors

K570,000 per sitting from K450,000

#Youmatter



#staycovered #MASMhealth

T & C's Apply



MASM GENERIC PRODUCTS



VIP Premier

ANNUAL BENEFIT LIMIT
Mk 100,000,000.00

Contributions per adult
MK 144,000.00

Contributions per minor
MK 120,000.00

SADC, India, Egypt
and Kenya

VIP

ANNUAL BENEFIT LIMIT
Mk 90,000,000.00

Contributions per adult
MK 63,000.00

Contributions per minor
MK 56,000.00

SADC, India, Egypt
and Kenya

Executive

ANNUAL BENEFIT LIMIT
Mk 32,000,000.00

Contributions per adult
MK 30,000.00

Contributions per minor
MK 29,000.00

SADC, India, Egypt
and Kenya

EconoPlan

ANNUAL BENEFIT LIMIT
Mk 8,000,000.00

Contributions per adult
MK 9,000.00

Contributions per minor
MK 9,000.00

Malawi, Mission &
Government hospitals,
Paramedics & Nominated
General Practitioners

EconoSpecial

ANNUAL BENEFIT LIMIT
Mk 5,600,000.00

Contributions per adult
MK 7,000.00

Designed for primary and
secondary school students

Malawi, Mission &
Government hospitals,
Paramedics & Nominated
General Practitioners



EMS



MediClinics

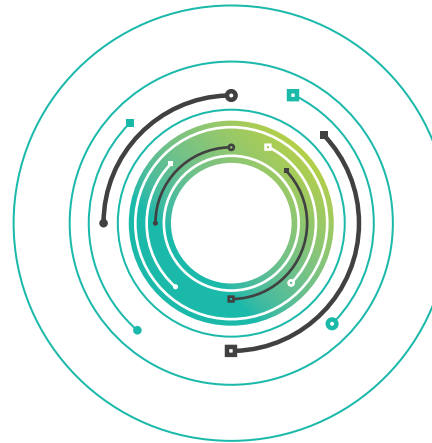


Motion 7

**TO APPOINT AUDITORS FOR THE YEAR ENDING
31 DECEMBER 2026 AND AUTHORIZE THE
DIRECTORS TO DETERMINE THE AUDITOR'S
REMUNERATION.**

TO APPOINT AUDITORS FOR THE YEAR ENDING 31 DECEMBER 2026

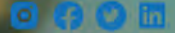
"That Messrs. AMG Global, Chartered Accountants (Malawi) be appointed as auditors for the fourth time for the period ending 31 December 2026 and that the Directors be authorised to determine auditor's remuneration" .



#Youmatter

#staycovered #MASMhealth

T & C's Apply



SEND THEM TO SCHOOL

WITH THE

ECONOSPECIAL SCHEME

**Designed for primary and secondary school students.
Protect your child with MASM**

**🔗 Dentistry 🔗 Hearing Aids 🔗 Laboratory
🔗 Mental Health 🔗 Ambulance 🔗 Ophthalmology**



EMS



ModiClinics



Motion 8

CONSTITUTION CLAUSE AMENDMENT

CONSTITUTION CLAUSE AMENDMENT

A proposal is being moved on a resolution to amend a Clause in the Constitution before this 41st AGM of the Society.

This resolution is framed under **Clause 33 – Amendment** of the Constitution, which provides:

33.1 The Constitution may be amended by a resolution passed at a general meeting, with the affirmative vote of not less than two thirds of those entitled to vote and voting at that meeting.

33.2 A resolution to amend the Constitution shall not be put before a general meeting unless details of that resolution have been included in the notice convening the meeting.

The Society's Constitution currently limits Trustees to two terms of three years each, with the option of returning after a break. While this has worked in the past, it no longer reflects international best practice. Around the world, boards are encouraged to refresh regularly, and directors are considered to lose independence after nine years of service.

A Motion is therefore being proposed amending **Clause 10(7)** to allow trustees to serve a maximum of three terms—nine years in total—and to remove the possibility of reappointment thereafter. This ensures that every trustee has the chance to learn in the first term, lead in the second, and mentor in the third, while guaranteeing independence and diversity on the board.

The benefits are clear: stronger governance, better succession planning, and alignment with global standards. This amendment will keep our board dynamic, accountable, and forward-looking.

This is about strengthening the Society for the future. This motion is being commended for approval and support.”

Resolution to Amend **Clause 10(7)** of the Constitution of the Medical Aid Society of Malawi

WHEREAS the Medical Aid Society of Malawi is committed to the principles of trust, accountability, and good governance, as guided by the Trustees Incorporation Act;

AND WHEREAS global corporate governance standards encourage regular board renewal to ensure independence, diversity, and the infusion of fresh perspectives;

AND WHEREAS international best practice recognizes that directors generally lose independence after nine years of continuous service;

AND WHEREAS **Clause 10(7)** of the Constitution currently limits trustees to two terms of three years each, with the possibility of reappointment after a three year break;

NOW THEREFORE BE IT RESOLVED THAT:

1. **Clause 10(7)** of the Constitution be amended to read as follows:

“Trustees shall serve a maximum of three consecutive terms of three years each, amounting to nine years in total. Upon completion of this period, trustees shall not be eligible for reappointment.”

2. This amendment shall take immediate effect upon adoption and shall apply to all current and future trustees.

3. The rationale for this amendment is to:

- Strengthen governance by preventing entrenchment.
- Enhance succession planning through structured mentoring.
- Safeguard independence and promote diversity.
- Position the Medical Aid Society of Malawi as a leader in governance excellence nationally and internationally.

BE IT FURTHER RESOLVED THAT:

This amendment affirms the Society's commitment to ensuring that trustees could learn, to lead, and to mentor within their service, while guaranteeing renewal and continuity for the benefit of the Society.



PROXY FORM

I / We _____

Of address _____

being a member/member of the Medical Aid Society of Malawi (MASM), hereby appoint the Returning Officer (Secretary to the Board) as my/our proxy to vote me/us on my/our behalf at the 41st Annual General Meeting of the Society to be held on the June 5th, 2026, and at any adjournment thereof as follows:

Motion

Tick (✓) where applicable
In favour **Against** **Abstain**

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 1. Adoption of the 41 st AGM Agenda | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Approval of Minutes of the 40 th AGM | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Adoption of Chairman`s report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Adoption of the consolidated financial statements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. *Voting for members representing member firms or individual members: | | | |

In favour of _____ as Director of MASM representing interest of member firms.

In favour of _____ as Director of MASM representing interests of individual members.

- | | | | |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| 6. Review of Directors fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Appointment of auditors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Constitution Amendment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Firm number _____ ***or Membership number*** _____

Date: _____ Signed: _____

***A holder of a proxy vote can only cast his/her vote for a director in a category in respect of which the owner of the vote would have been entitled to vote for. This means for example, that if one is holding a proxy vote for a member firm or for an individual member, that vote can only be used to vote for a director representing either member firms or individual members.**



Blantyre office:
Telephone numbers – 011 820 298 / 0111 820 543

Lilongwe office:
Telephone numbers – 0111 770 678 / 0111 776 427

Mzuzu office:
Telephone numbers – 0999 859 706 / 01 311 376

Email: management@masm.mw
Website: www.masm.mw

