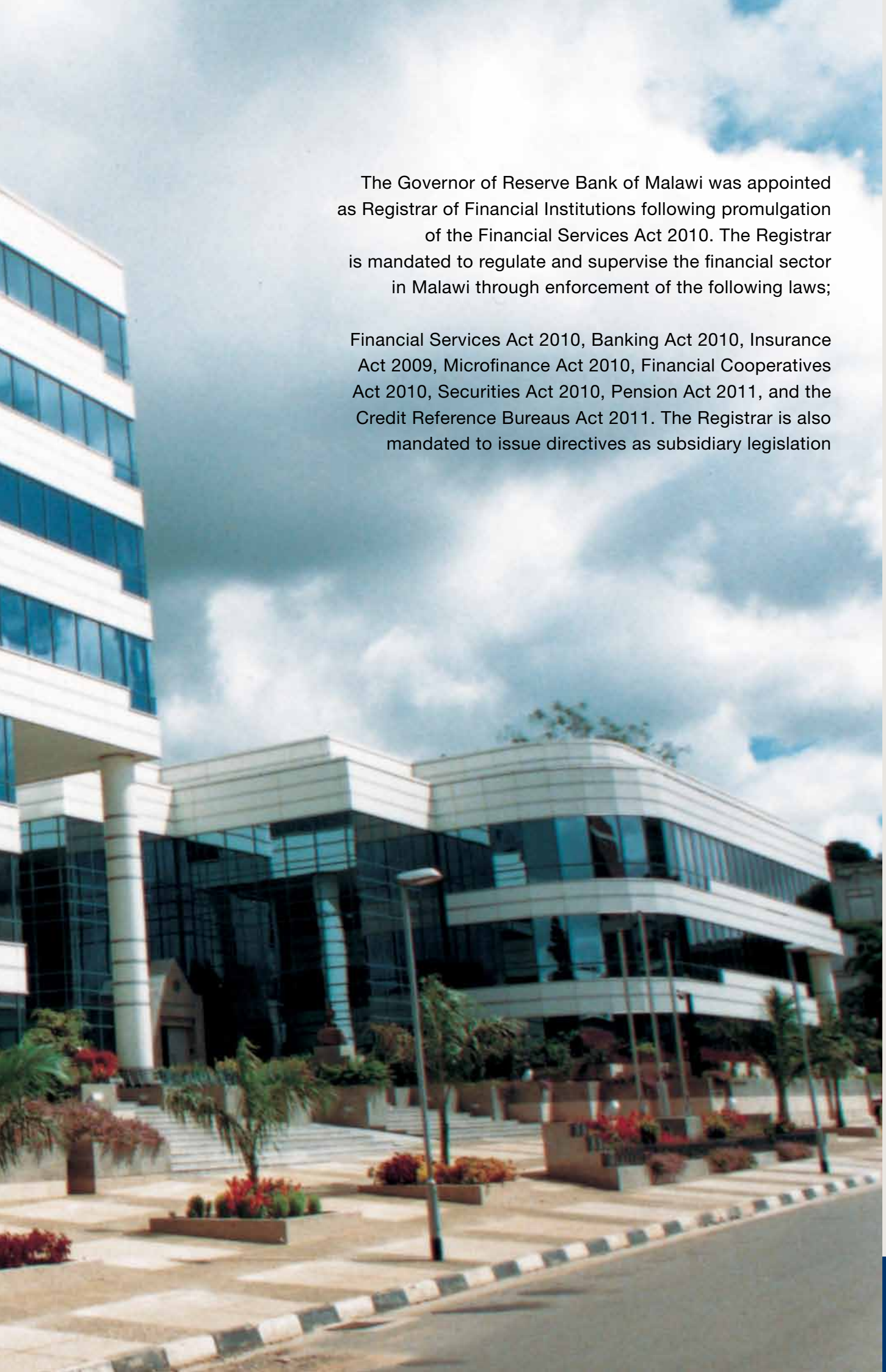
RESERVE BANK OF MALAWI

Financial Institutions Supervision

Annual Report 2014





The Governor of Reserve Bank of Malawi was appointed as Registrar of Financial Institutions following promulgation of the Financial Services Act 2010. The Registrar is mandated to regulate and supervise the financial sector in Malawi through enforcement of the following laws;

Financial Services Act 2010, Banking Act 2010, Insurance Act 2009, Microfinance Act 2010, Financial Cooperatives Act 2010, Securities Act 2010, Pension Act 2011, and the Credit Reference Bureaus Act 2011. The Registrar is also mandated to issue directives as subsidiary legislation

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REGISTRAR'S FOREWORD

Pursuant to section 18 of the Financial Services Act 2010, I am pleased to present the 2014 financial institutions supervision annual report highlighting regulatory and supervisory undertakings during the year.

On aggregate, assets for the financial sector grew significantly. Assets for the banking sector grew by 21.9 percent largely due to an increase in gross loans and leases, and investments and securities. The growth in assets was mainly funded by deposits which grew by 15.7 percent and constituted 69.1 percent of total funding.

On aggregate, assets for the financial sector grew significantly. Assets for the banking sector grew by 21.9 percent largely due to an increase in gross loans and leases, and investments and securities. The growth in assets was mainly funded by deposits which grew by 15.7 percent and constituted 69.1 percent of total funding.

The general insurance sector improved due to satisfactory underwriting performance and growth in assets. Assets for the sector grew by 33.0 percent driven by a 23.4 percent growth in investments and securities. Total underwriting income grew by 54.7 percent compared to a modest increase in the claims experience, as a result most general insurers reported underwriting surpluses. Motor insurance continued to dominate the general insurance business, accounting for 62.9 percent of gross premiums.

During the year, total assets for the life insurance sector grew by 31.0 percent funded by a significant increase in premium income. However, profits after tax for the sector went down by 16.7 percent due to lower yields on listed securities which constitute 53.4 per cent of the investment assets.

Pension sector assets grew significantly by 44.6 percent to reach MK247.0 billion. The growth in assets was mainly financed by an accumulation of pension contributions and investment income. Equity investments constituted the largest share of pension fund investment followed by government securities. Therefore investment income decreased by 18.2 percent due to drop in yields of listed securities.

The microfinance sector registered a 53.4 percent growth in assets and a 66.1 percent growth in loans funded through increased short term borrowings and capital injections. Payroll based lenders accounted for 44.5 percent of the sector's total assets.

The financial cooperatives sector registered a 15.9 percent growth in total assets, funded by growth in savings in the form of shares and deposits. In addition, profits rose by 30.1 percent as a result of stringent cost containment by financial cooperatives.

In 2014, the Malawi Stock Exchange for the first time listed three Malawi Government bonds, however there was no new equity listings for the sixth year running. Nevertheless, domestic share and foreign share indices rose by 18.99 percent and 2.94 percent respectively, on account of general rise in share prices. Total assets under management by portfolio managers grew by 36.1 percent with life insurance and pension funds being the major sources of funds under management.

Strides have been made to strengthen the legal and regulatory framework in line with international standards and best practice. The Pension (Amendment) Bill 2014 was passed into law to facilitate the setting up, management and supervision of pension funds. The Banking Act 2010 and the Financial Services Act 2010 were reviewed during the year and various directives were issued.

The report further highlights various financial literacy and consumer protection initiatives implemented during the year in a bid to improve the way financial institutions conduct themselves in the market and to better protect financial consumers. In addition, various Anti-Money Laundering and Combating Financing of Terrorism activities were undertaken to strengthen surveillance of supervised entities and enhance financial institutions' Money Laundering and Terrorism Financing risk management practices.

I would therefore like to call upon all financial institutions to continue improving their performance while ensuring good quality service delivery. On my part, I will strive to create an enabling environment for financial institutions to operate effectively. Meanwhile, I wish to acknowledge the support received from all stakeholders in the financial system and to wish them a successful year ahead.

Charles S.R. Chuka
Registrar of Financial Institutions

1 LEGAL AND REGULATORY FRAMEWORK

During the year 2014, the Registrar continued to strengthen the legal and regulatory framework in line with international standards and best practice, and a number of directives were issued under the various sectors of the financial system.

1.1 BANKING SECTOR

The following developments took place during 2014

(a) The Malawi Deposit Insurance Scheme Bill was finalised after consultations with relevant stakeholders and submitted to the Ministry of Finance for enactment.

(b) Amendments to the Money Laundering, Proceeds of Serious Crime and Terrorist Financing Act of 2006, with the objective of enhancing oversight powers of the Financial Intelligence Unit, were finalised and submitted to the Ministry of Finance for enactment.

(c) The Banking (Amendment) Bill 2014 and Financial Services (Amendment) Bill 2014 were finalized and submitted to the Ministry of Finance for enactment.

(d) Draft E-Money Regulations were submitted to the Ministry of Finance for publication in the Malawi Government Gazette.

(e) A policy paper on proposing regulatory incentives to promote mortgage finance was drafted.

(f) A review of the Customer Due Diligence Directive for Banking Institutions was initiated to adapt it to new risks in the financial sector and to align it to requirements of the Money Laundering, Proceeds of Serious Crime and Terrorist Financing Act.

(g) Guidelines on Licensing of banks were revised to synchronise them with the current legal and regulatory framework on banks and the revised Basel core principles on effective banking supervision.

In addition, the following directives were published in the Malawi Government Gazette and came into force:

(a) Financial Services (Financial Asset Classification for Banks) Directive 2014,replacing the Directive on Asset Classification Number DO1-06/ASCL;

(b) Financial Services (Prompt Corrective Action for Banks) Directive 2014; and

(c) Financial Services (Fit and Proper Requirements for Shareholders, Directors and Senior Management Officials for Banks) Directive 2014, replacing the Directive on New Directors, Audit Committee Members and Senior Management Officials of Banks Number DO3-06/DAS.

1.2 PENSION SECTOR

During the year 2014, the Pension (Amendment) Bill, 2014 was passed into law. The Bill amended sections 2, 7, 16, 48, 56 and 65 of the Pension Act, 2011 in order to facilitate the setting up, management, supervision and regulation of pension funds.

In addition, the following directives were published in the Malawi Government Gazette and came into force:

(a) Pension (Payment of Benefits from Pension Funds) Directive;

(b) Pension (Pensionable Emoluments) Directive; and

(c) Financial Services (Licensing and Registration of Pension Entities) Directive.

1.3 INSURANCE SECTOR

In 2014, the Registrar licensed one new insurance broker and two new insurance agents.

In addition, the following directives were published in the Malawi Government Gazette and came into force:

(a) Insurance (External audit and related matters for Insurance Business) Directive;

(b) Insurance (Claims Management) Directive; and

(c) Insurance (Placement of insurance business outside Malawi) Directive.

1.4 MICROFINANCE SECTOR

In 2014, supervision of microcredit agencies was delegated to the Malawi Microfinance Network under a memorandum of understanding in line with the Financial Services Act.

The following directives were published in the Malawi Government Gazette and came into force:

(a) Financial Services (Licensing and Approval Requirements for Deposit Taking Microfinance Institutions) Directive, 2014;

(b) Financial Services (Asset Classification Requirements for Microfinance Institutions) Directive, 2014;

(c) Financial Services (Corporate Governance Requirements for Microfinance Institutions) Directive, 2014;

(d) Financial Services (Prudential Liquidity Requirements for Deposit Taking Microfinance Institutions) Directive, 2014;

(e) Financial Services (Financial Reporting Requirements for Microfinance Institutions) Directive, 2014;

(f) Microfinance (Premises Inspection Requirements for Deposit Taking Microfinance Institutions) Directive, 2014; and

(g) Financial Services (Capital adequacy Requirements for Deposit Taking Microfinance Institutions) Directive, 2014.

1.5 FINANCIAL COOPERATIVES

The draft Financial Cooperatives (Corporate Governance) Directive was finalised and submitted to the Ministry of Finance for publication.

1.6 CAPITAL MARKET SECTOR

In the year under review, the Registrar licensed two capital market players. Standard Bank Limited was granted a licence as a Transfer Secretary while National Bank of Malawi obtained a licence as an Investment Adviser.

The following directives were drafted and submitted for publication in the Malawi Government Gazette:

(a) Financial Services (Establishment and Operations of Brokers and Dealers) Directive;

(b) Financial Services (Establishment and Operations of Portfolio Managers) Directive;

(c) Financial Services (Establishment and Operations of Collective Investment Schemes) Directive;

(d) Financial Services (Establishment and Operations of Transfer Secretaries) Directive;

(e) Financial Services (Registration Requirements for Investment Advisers) Directive;

(f) Financial Services (Licensing Requirements for Securities Representatives) Directive; and

(g) Securities (Clearing and Settlement) Directive;

The following new directives were drafted and submitted for publication in the Malawi Government Gazette:

(a) Financial Services (Licensing Requirements for a Stock Exchange) Directive;

(b) Financial Services (Fit and Proper Requirements for Persons Associated with the Ownership and Management of Securities Market Players) Directive;

(c) Financial Services (Premises Inspection Requirements for Securities Market Players) Directive; and

(d) Securities (Registration Requirements of Securities) Directive.

2 BANKING SECTOR

During the year 2014, banking sector's aggregate assets grew by 21.9 percent, from MK653.0 billion in 2013 to MK796.2 billion in 2014. The growth largely emanated from an increase in gross loans and leases, from MK269.4 billion to MK321.1 billion, and securities and other investments from MK121.2 billion to MK144.0 billion. Loan and leases alone comprised 38.9 percent of the asset base, while securities and investments comprised 18.1 percent.

The growth in assets was mainly funded by growth in the deposits base, which rose from MK475.7 billion in 2013 to MK550.4 billion in 2014. Deposits constituted 69.1 percent of total funding.

Table 2.1 Funding Sources for Banks

	Dec 12		Dec 13		Dec 14	
Type of Liability	MK' billion	Share	MK' billion	Share	MK' billion	Share
Deposits	347.1	71.1%	475.7	72.8%	550.4	69.1%
Liabilities to Other Banks	29.1	6.0%	16.6	2.5%	32.3	4.1%
Other Liabilities	40.9	8.4%	58.4	8.9%	67.7	8.5%
Total Capital	70.9	14.5%	102.3	15.7%	145.8	18.3%
Total Funding	488.1	100%	653.0	100.0%	796.2	100.0%

Total capital grew by 42.5 percent from MK102.3 billion in December 2013 to MK145.8 billion in December 2014 due to growth in retained earnings. Fresh capital injections into CDH Investment Bank, NEDBANK and Malawi Savings Bank, totalling MK2.3 billion, also contributed to the improved capital position.

Net loans and leases at MK304.9 billion in 2014, represented 38.3 percent of total assets down from 39.3 percent in 2013. Securities and Investments at MK144.0 billion constituted 18.1 percent of total assets.

Table 2.2 Asset Composition for the Banking Sector

	Dec 12		Dec 13		Dec 14	
Type of Asset	MK' billion	Share	MK' billion	Share	MK' billion	Share
Cash and Due From Banks	120.4	24.6%	191.8	29.4%	240.1	30.2%
Securities and Investments	59.6	12.2%	121.2	18.6%	144.0	18.1%
Net Loans and Advances	244.4	50.1%	256.6	39.3%	304.9	38.3%
Other Assets	63.7	13.1%	83.4	12.8%	107.1	13.5%
Total Assets	488.1	100%	653.0	100%	796.1	100%

The industry's market share was dominated by National Bank of Malawi and Standard Bank as at end 2014. The two banks accounted for more than 51.0 percent of assets, deposits and capitalisation. However, their market dominance in terms of loans was reduced to 44.0 percent.

Table 2.3 Banking Sector Market Share Summary as at December 2014

	Assets		Loans		Deposits		Capital	
Name of Bank	MK' billion	Share	MK' billion	Share	MK' billion	Share	MK' billion	Share
NBM	206.3	26.3%	80.7	25.7%	136.3	25.1%	41.7	29.4%
STD	191.8	24.4%	57.6	18.3%	140.1	25.8%	37.0	26.1%
FMB	81.4	10.4%	31.7	10.1%	46.2	8.5%	22.7	16.0%
NBS	75.3	9.6%	41.2	13.1%	49.1	9.0%	11.7	8.3%
ECO	50.3	6.4%	22.8	7.3%	34.0	6.3%	5.7	4.0%
MSB	49.8	6.3%	26.5	8.4%	40.9	7.5%	4.8	3.4%
FDH	49.5	6.3%	21.2	6.7%	39.1	7.2%	7.4	5.2%
INDE	23.4	3.0%	13.3	4.2%	17.3	3.2%	1.7	1.2%
OIBM	21.5	2.7%	6.5	2.1%	12.1	2.2%	3.5	2.5%
CDH	19.1	2.4%	8.0	2.5%	14.6	2.7%	3.0	2.1%
NED	16.5	2.1%	4.8	1.5%	12.8	2.4%	2.4	1.7%
Total	784.9	100%	314.3	100%	542.5	100%	141.6	100%

2.1 BASEL II CAPITAL ACCORD

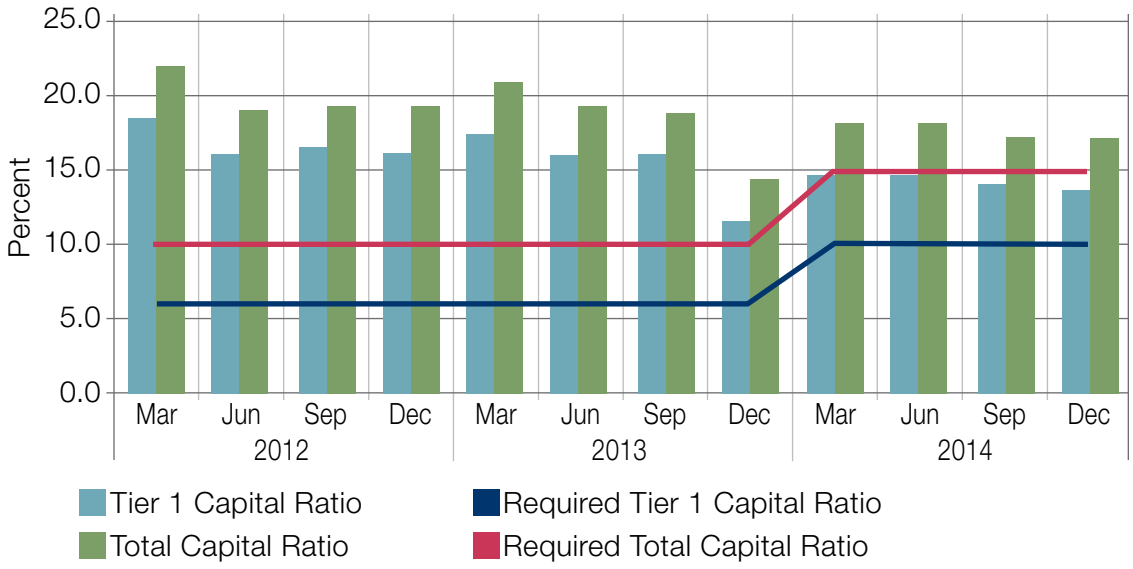
In January 2014, the Basel II capital framework was implemented. Consequently, under pillar 1, regulatory minimum capital ratios for banks were raised from 6 percent to 10 percent for Tier 1 capital ratio and from 10 percent to 15 percent for total capital ratio. In addition, banks were required to conduct stress tests and Internal Capital Adequacy Assessments Processes (ICAAP) in line with pillar II requirements, as well as make relevant market disclosures as prescribed under pillar III of the framework.

In terms of capital measurement, the standardised approaches were adopted for credit risk and market risk, and the basic indicator approach for operational risk under pillar I. These measurement approaches were adopted to allow banks to enhance their risk management frameworks and management information systems before migrating to advanced approaches. To this end, guidelines were issued for credit, market and operational risks to assist banks in the application of the approaches.

2.2 CAPITAL ADEQUACY

During the year 2014, all banks except two met the new regulatory benchmarks. While the banking sector remained adequately capitalised, individual ratios of the two undercapitalised banks negatively impacted on the overall industry average capital ratios. The tier I capital ratio stood at 13.7 percent against a 10.0 percent benchmark, while the total capital ratio stood at 17.3 percent against the 15.0 percent benchmark. Overall, the industry's tier 1 capital and total capital grew from MK71.5 billion and MK84.5 billion in 2013 to MK95.4 billion and MK120.7 billion in December 2014 respectively. The growth was largely attributed to improved profitability across the industry and fresh shareholder capital injections in selected banks.

Chart 2.1 Banking Sector Capital Adequacy Ratios



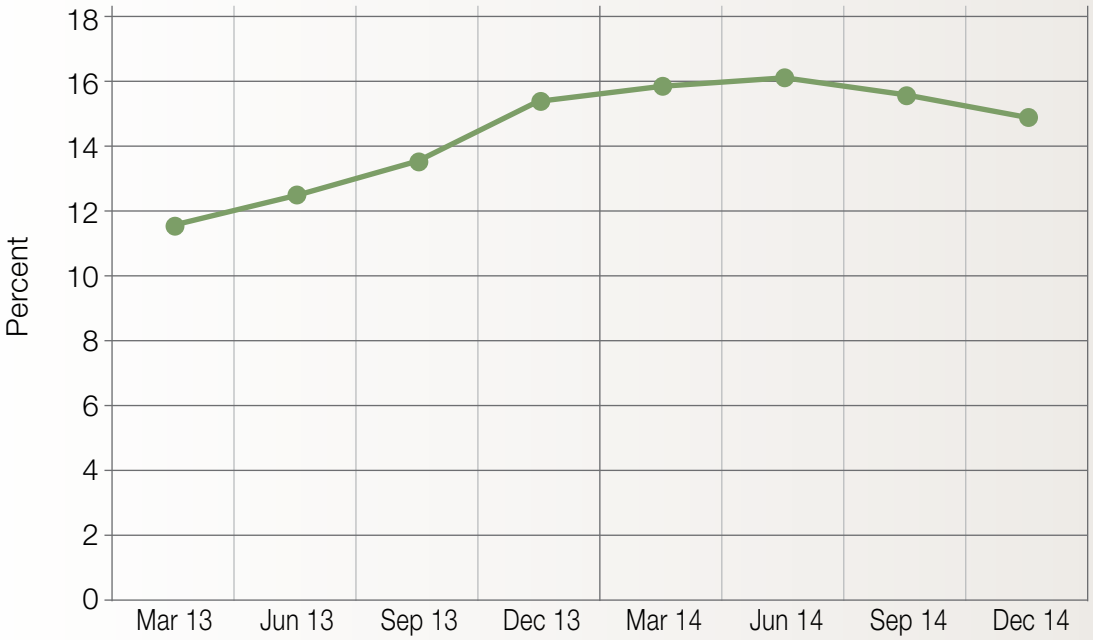
2.3 ASSET QUALITY

During the year 2014, there was a turnaround in the level of lending and quality of assets from the year 2013 which was characterised by a decline in lending and deteriorating quality of assets.

The industry loan book grew by 19.1 percent from MK269.4 billion in 2013 to MK321.1 billion in December 2014. In addition, the lending ratio rose from 56.6 percent in December 2013 to 58.3 percent in December 2014 due to the increase in the gross loans and leases as a proportion of total assets.

Non-performing loans grew by 16.3 percent (2013: 76.1 percent) from MK41.1 billion in 2013 to MK47.8 billion in 2014. However, the ratio of non-performing loans to gross loans and leases declined from 15.4 percent in 2013 to 14.9 percent in 2014. The improvement in the ratio is due to the 19.6 percent growth in gross loans and leases which outpaced the 16.3 percent growth in non-performing loans. The industry set aside MK15.2 billion in specific provisions in 2014 (2013: MK12.0 billion) to cushion against the impact of non-performing loans.

Chart 2.2 Ratio of Non-Performing Loans to Gross Loans and Leases



During the year, the banking sector loan portfolio remained diversified across the various sectors of the economy as illustrated in the table below:

Table 2.4 Distribution of Loans by Sector

Sector	2013 %	2014 %
Wholesale and retail trade	21.9	24.1
Agriculture, forestry, fishing and hunting	21.5	19.6
Manufacturing	15.1	15.5
Community, social and personal services	10.3	11.8
Transport, storage and communications	11.7	9.9
Other sectors	4.8	5.3
Financial services	5.6	3.6
Construction	3.9	3.4
Electricity, gas, water and energy	0.6	1.8
Restaurants and hotels	2.5	1.7
Real estate	1.1	1.5
Credit/debit cards	0.7	0.9
Mining and quarrying	0.3	0.8
Total	100.0	100.0

2.4 EARNINGS

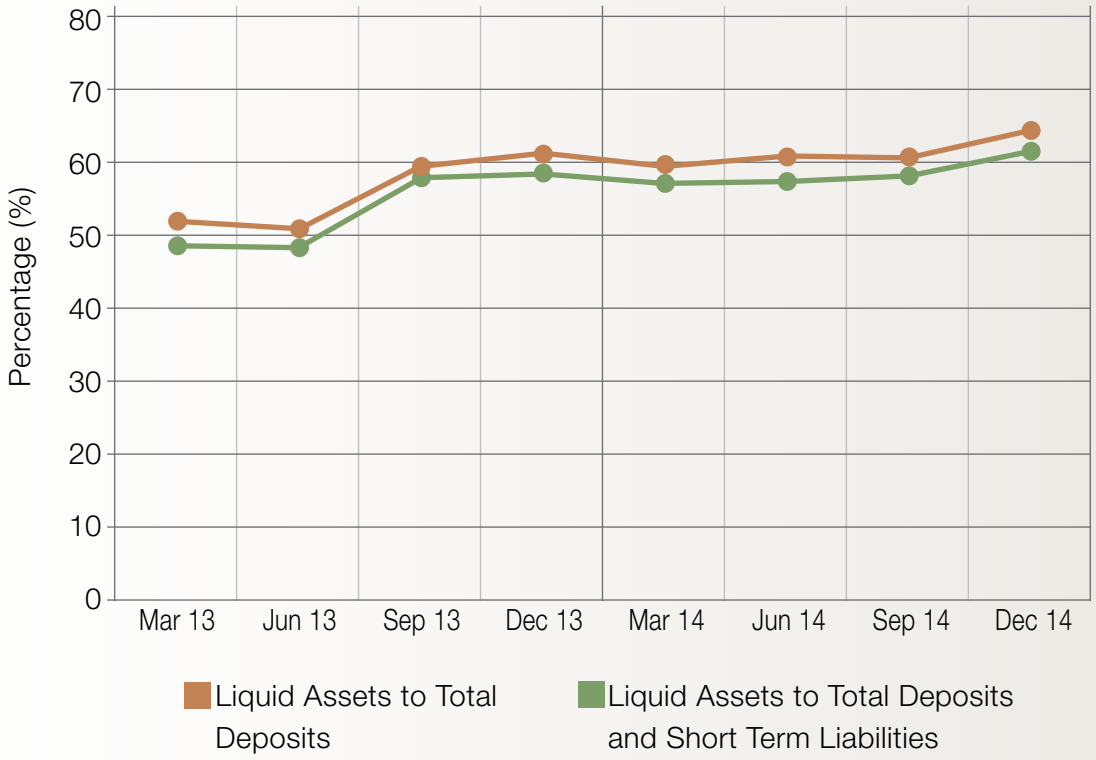
Aggregate profits after tax grew by 12.5 percent (2013: 56.5 percent) from MK32.7 billion in 2013 to MK36.8 billion for the year 2014 as a result of increase in net interest income from MK72.1 billion in 2013 to MK79.4 billion in 2014. However, Return on Assets (ROA) and Return on Equity (ROE) ratio declined from 4.8 percent and 37.5 percent in 2013 to 4.4 percent and 29.1 percent in December 2014 respectively. The decline in the two ratios was due to higher growth in both average equity (46 percent) and average total assets (25 percent) as compared to the growth in profits.

The sector reported a significant growth in the operating expenses which resulted into deterioration of the efficiency ratio from 39.6 percent in December 2013 to 44.4 percent in December 2014.

2.5 LIQUIDITY

During the year 2014, the banking sector remained liquid, evidenced by the industry average liquidity ratio of 61.8 percent (2013: 59.1 percent), which was significantly above the 30 percent benchmark. The growth in the liquidity ratio was due to a 22.2 percent increase in liquid assets from MK291.0 billion in 2013 to MK355.6 billion in 2014. Growth in liquid assets was on account of 60.8 percent increase in bank balances held at the Reserve Bank of Malawi, totalling MK93.7 billion as at 2014. Liquid assets grew more than total deposits and short term liabilities which increased by 16.9 percent from MK492.3 billion in 2013 to MK575.7 billion in 2014.

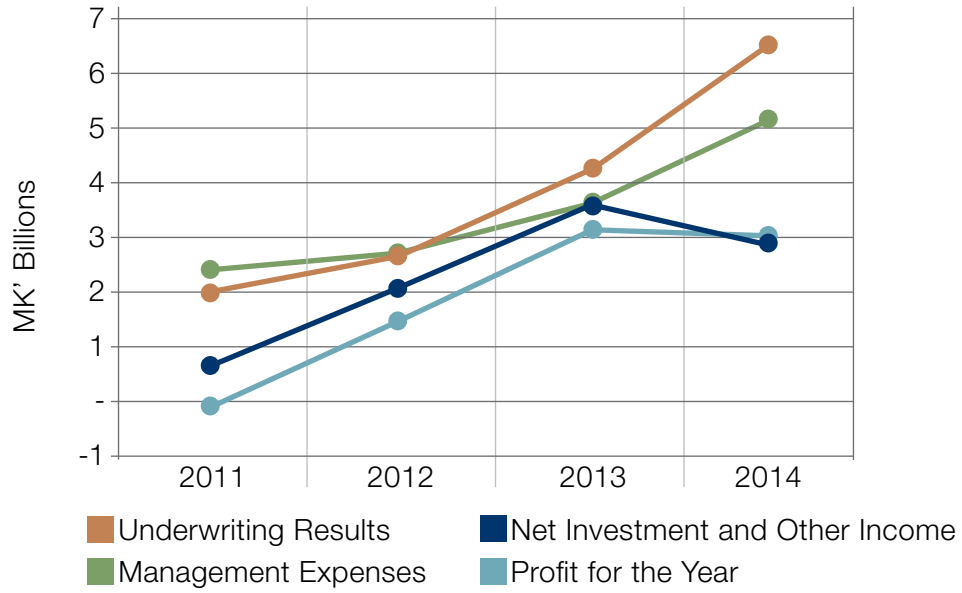
Chart 2.3 Ratio of Liquid Assets to Total Deposits and Short Term Liabilities



3 GENERAL INSURANCE SECTOR

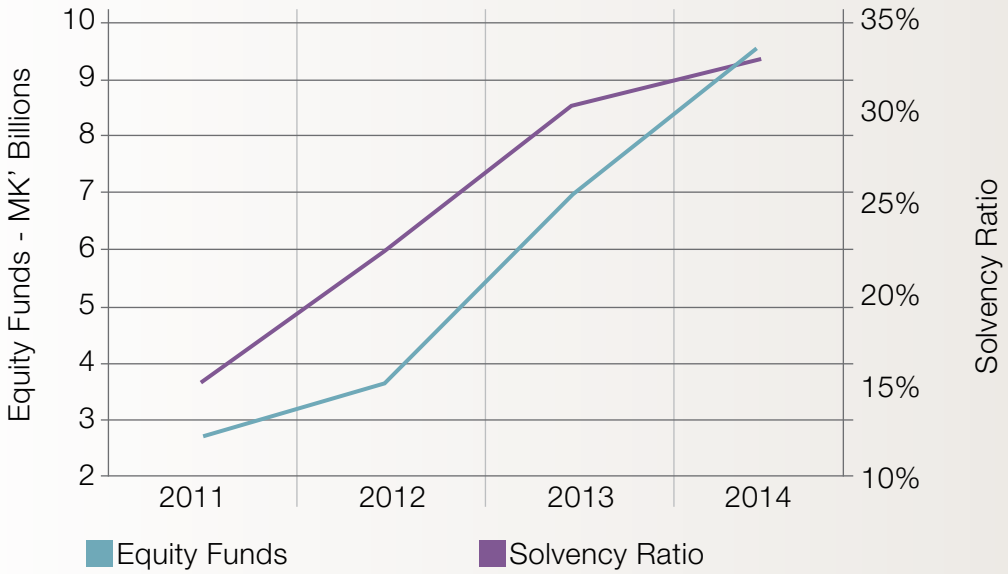
The sector's overall profits after tax dropped slightly by 3.1 percent from MK3.2 billion in 2013 to MK3.1 billion in 2014 due to a 16.3 percent decrease in income from investments and other sources. However, the core underwriting business remained satisfactory. Total underwriting income increased by 54.7 percent from MK4.2 billion in 2013 to MK6.5 billion in 2014 owing to a 46.1 percent growth in earned premium and a decrease in claims experience. All classes of general insurance business posted underwriting surpluses except for fire which had an underwriting deficit of MK31.4 million.

Chart 3.1 Underwriting and Operating Results



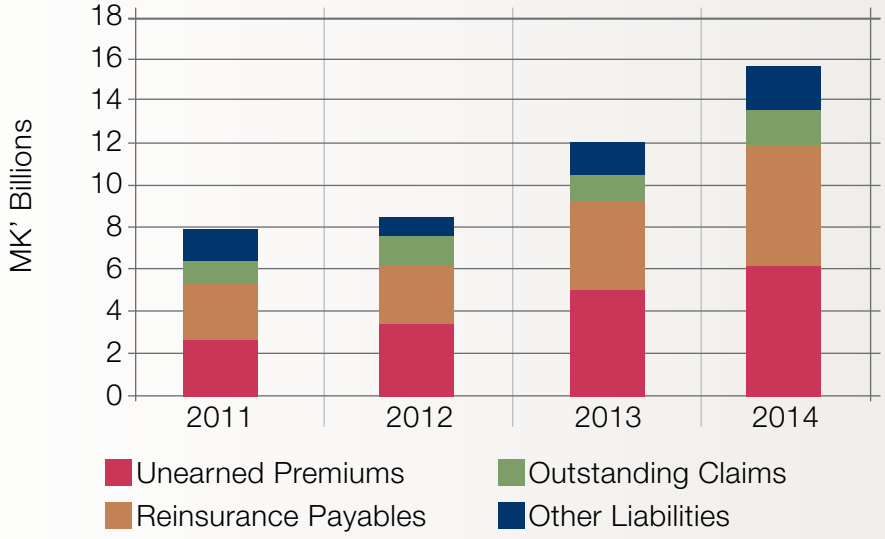
Total assets for the general insurance sector grew by 33.0 percent (2013: 54.1 percent) from MK18.9 billion in 2013 to MK25.1 billion in 2014. The growth in total assets was attributed to a 23.4 percent growth in investments and securities, from MK10.7 billion in 2013 to MK13.2 billion in 2014. Investments and securities remained the largest share of total assets at 52.5 percent in 2014 (2013: 56.4 percent).

Chart 3.2 Assets of General Insurers



The sector's total liabilities grew by 30.8 percent from MK12.0 billion in 2013 to MK15.7 billion in 2014 on account of a 35.8 percent growth in claims liabilities. The growth in claims liabilities outpaced a 22.0 percent growth in liquid assets from MK9.1 billion in 2013 to MK11.1 billion in 2014. Overall, technical reserves comprised 75.9 percent of total liabilities with unearned premium reserves alone accounting for the single largest liability (39.5 percent of total liabilities).

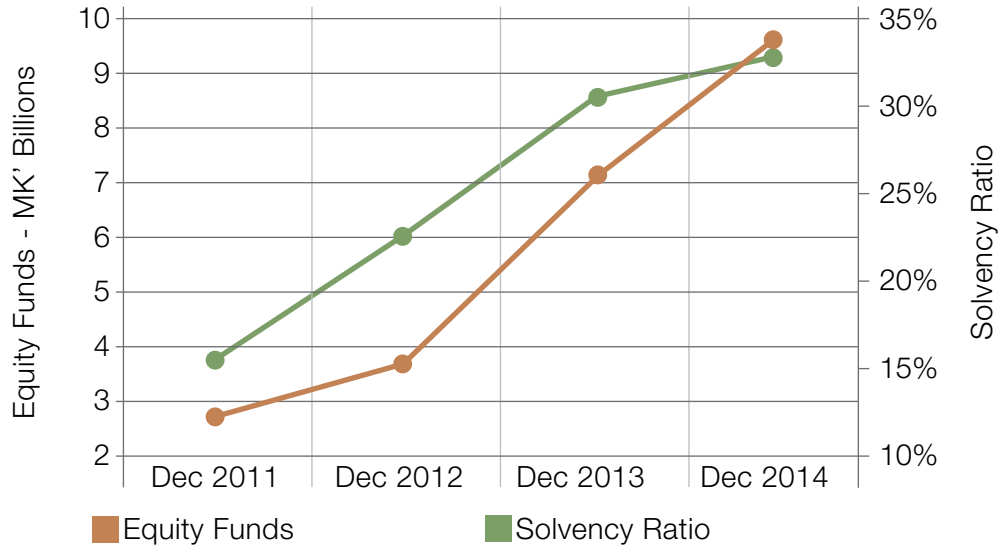
Chart 3.3 Liabilities of General Insurers



3.1 CAPITAL AND SOLVENCY

The capital position and solvency of general insurers improved further in 2014. Shareholder's funds increased by 37.1 percent from MK6.9 billion in 2013 to MK9.5 billion in 2014. Further, the industry's average solvency ratio rose from 30.4 percent in 2013 to 32.9 percent in 2014. The improvement in capital and solvency was mainly attributed to the sector's earnings performance and increased profit retention.

Chart 3.4 Capital and Solvency of the General Insurance Industry



3.2 PREMIUMS

The sector registered steady growth in gross premiums from MK20.2 billion in 2013 to MK26.4 billion in 2014 representing an increase of 30.7 percent (2013: 56.6 percent). Motor insurance continued to dominate the general insurance business representing 62.9 percent (2013: 61.2 percent) of gross premium.

Chart 3.5 Gross Premium Written

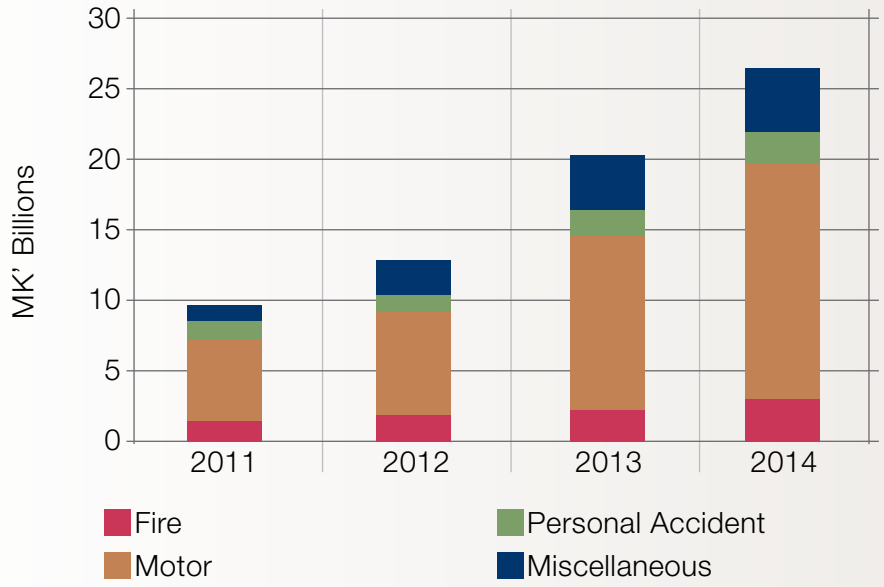


Chart 3.6 Net Premium Written in 2014 by Class of Business

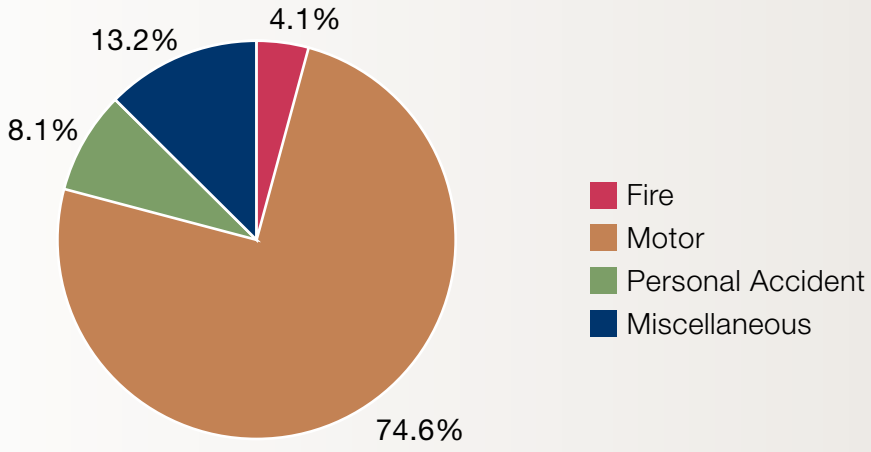
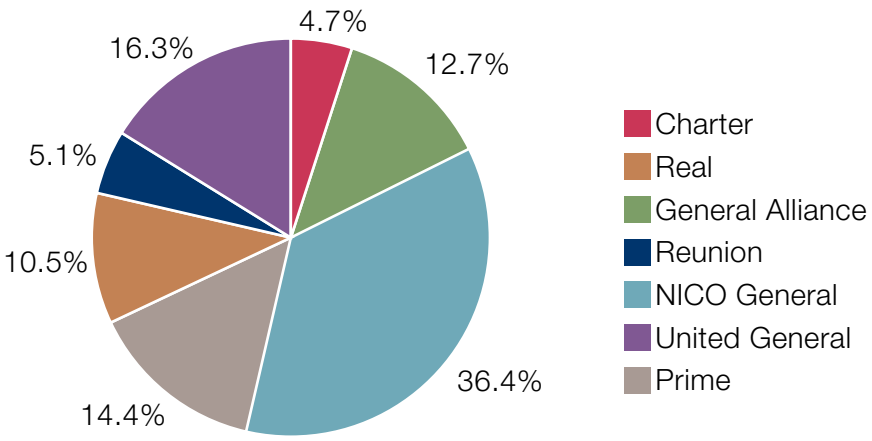


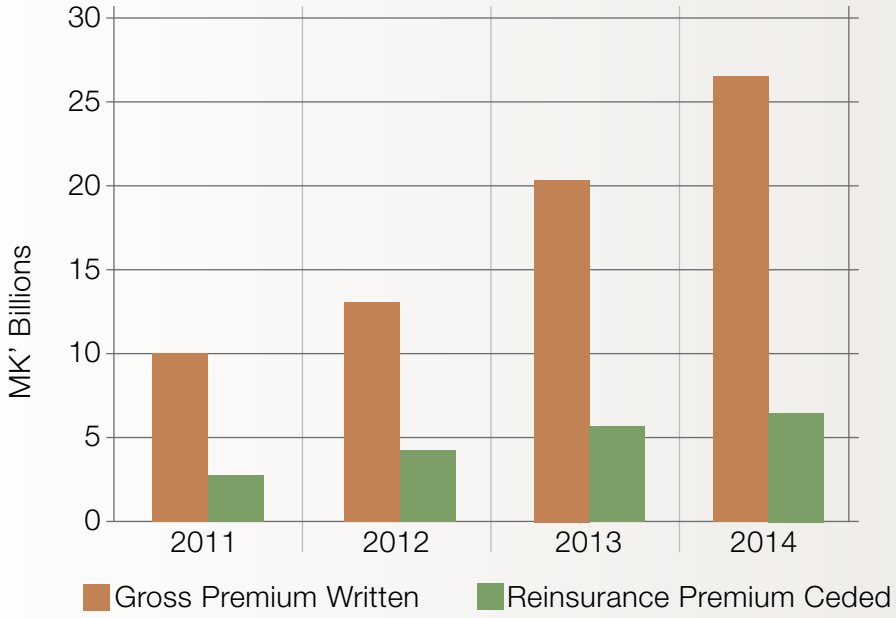
Chart 3.7 Market Share of General Insurers by Gross Premium Written



3.3 REINSURANCE

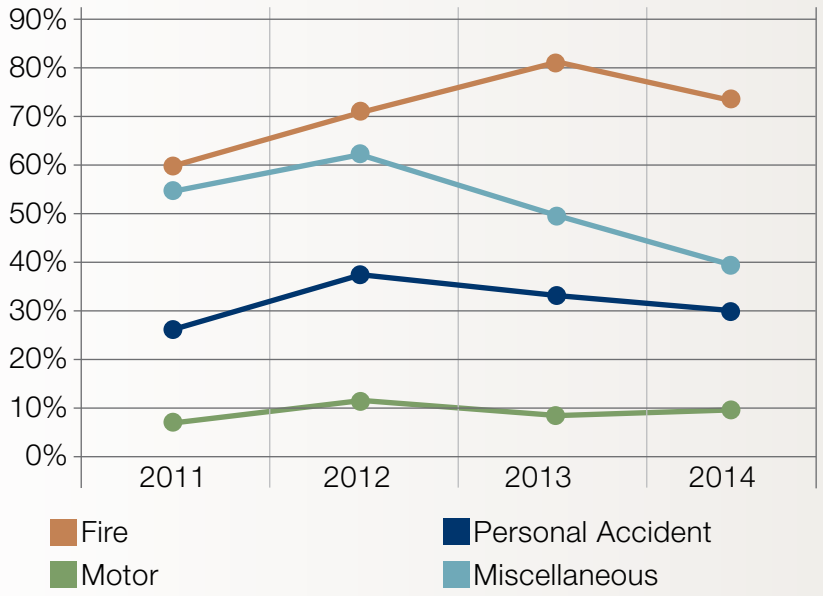
The general insurance sector retained 75.9 percent of all premiums transacted in 2014 compared to 73.0 percent retained in 2013. In absolute terms, out of MK26.5 billion in gross premiums (2013: MK20.2 billion), MK6.4 billion (2013: MK5.5 billion) was ceded to reinsurers. Sixty seven percent (2013: 66.7 percent) of the ceded premiums were placed with reinsurers outside Malawi due to capacity constraints of the local reinsurance industry.

Chart 3.8 Gross Premium Written vs Reinsurance Premiums Ceded



Fire insurance remained the most reinsured class of business with 73.5 percent of all premiums written in this class of business ceded to reinsurers in 2014. This is expected as fire insurance involves big risks which cannot be fully absorbed locally due to capacity constraints.

Chart 3.9 Percentage of Premiums Ceded by Class of Business



3.4 CLAIMS AND OTHER EXPENSES

The aggregate claims ratio for the general insurance sector dropped from 62.4 percent in 2013 to 59.8 percent in 2014. Claims incurred by the industry increased by 40.1 percent from MK8.1 billion in 2013 to MK11.3 billion in 2014. However this increase was outpaced by a 46.1 percent growth in earned premium income from MK12.9 billion in 2013 to MK18.9 billion in 2014, hence the drop in claims ratio. Fire insurance business continued to register the highest claims incidence with a claims ratio of 105.8 per cent (2013: 92.0 percent). Motor insurance business accounted for 80.5 percent of all claims incurred in 2014.

Chart 3.10 Net Claims Incurred by Class of Business

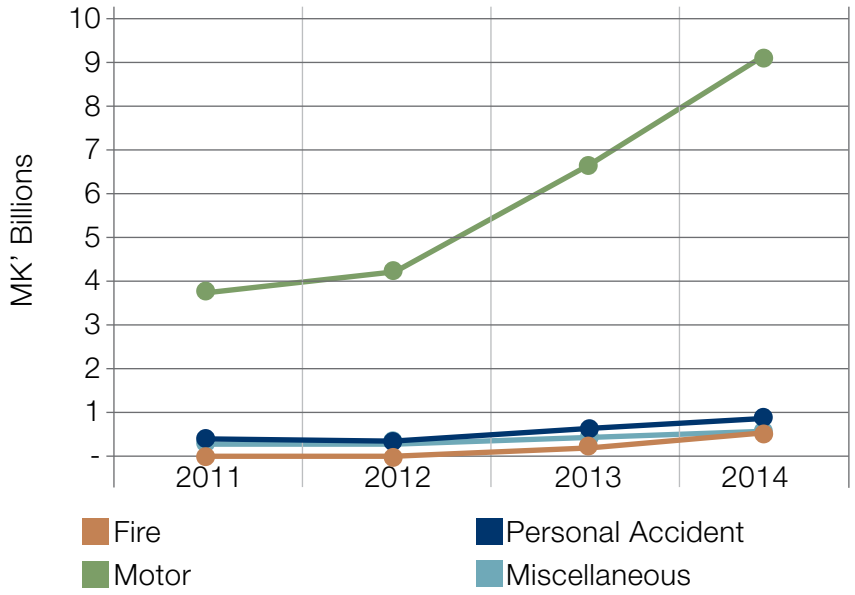
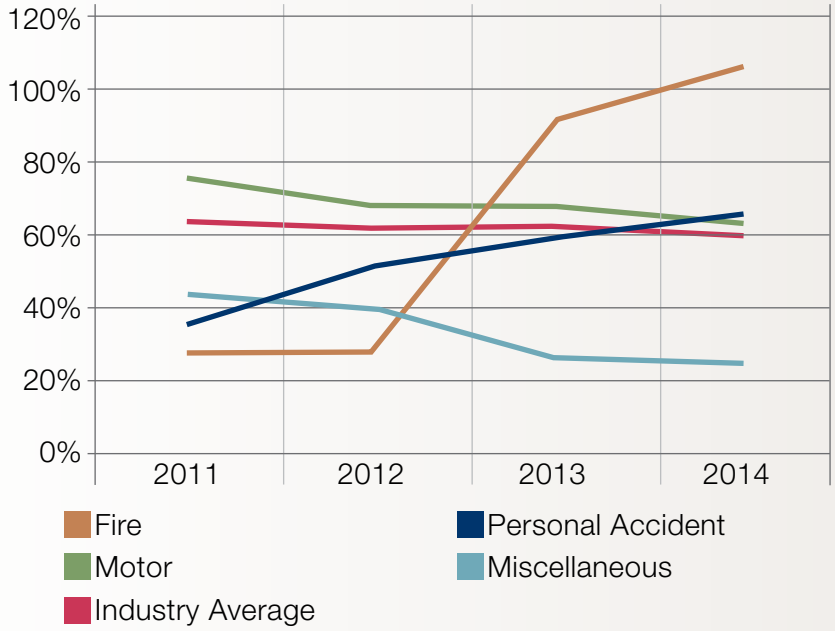


Chart 3.11 Claims Ratio by Class of Business



Management expenses for the sector increased by 40.9 percent to MK5.2 billion (2013: MK3.7 billion) in 2014 and accounted for 27.2 percent (2013: 28.3 percent) of total expenses (management ratio). Consequently, the combined ratio of the sector dropped to 100.6 percent (2013: 104.7 percent) reflecting adequacy of earned premium income to cover claims and administrative expenses.

3.5 LIQUIDITY

There was a notable drop in the ratio of liquid assets to total assets from 48.1 percent in 2013 to 44.2 percent in 2014. The level of liquid assets was negatively affected by an increase in the proportion of insurance receivables to total assets from 25.9 percent in 2013 to 28.4 percent in 2014. Consequently, the average liquidity ratio for the sector deteriorated from 105.0 percent in 2013 to 115.3 percent in 2014.

4 LIFE INSURANCE

During the year 2014, the life insurance sector's profits after tax went down by 16.7 percent from MK9.0 billion in 2013 to MK7.5 billion. The reduction was mainly due to a drop in yields of listed equities.

Total assets increased by 31.0 percent, from MK170.5 billion in 2013 to MK223.3 billion in 2014 funded by investment income and an increase in premiums. There were minor changes in the asset allocation of life insurance companies. Government securities constituted 14.1 percent of total assets (2013; 11.8 percent) while investment in shares declined marginally to 53.4 percent (2013; 56.9 percent). Investments in fixed deposits, real estate and other assets were largely unchanged at 20.34 percent, 4.2 percent and 7.9 percent respectively.

Chart 4.1 Growth of Assets for Life Insurers

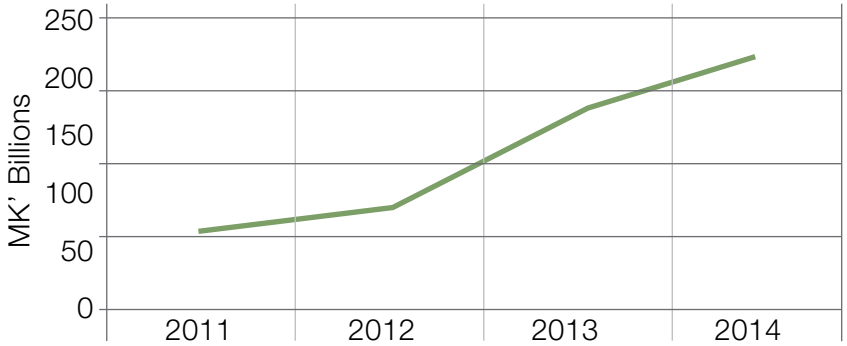


Chart 4.2 Assets for Life Insurers

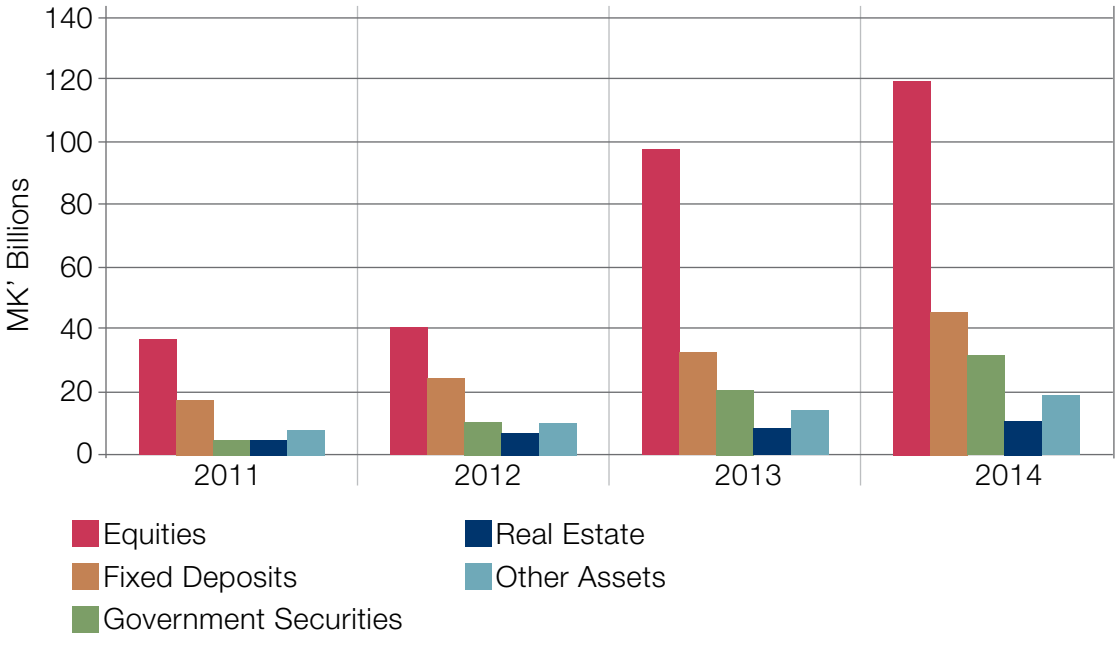
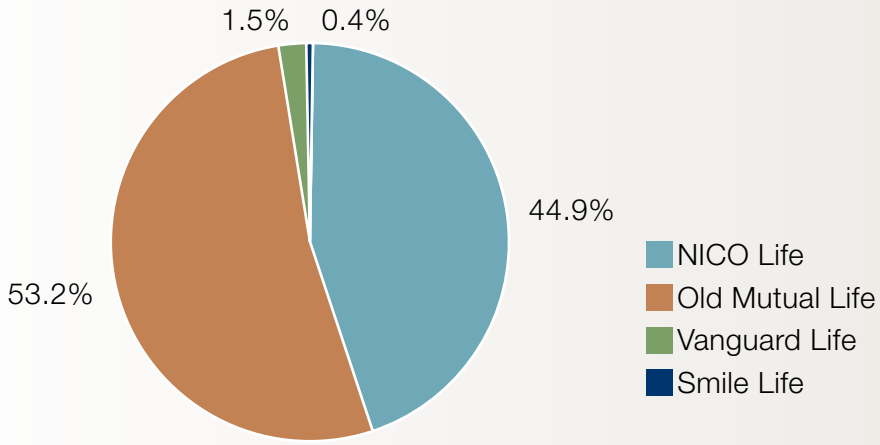


Chart 4.3 Distribution of Assets among Life Insurers as at December 2014



Total liabilities for life insurance companies grew by 32.0 percent from MK153.7 billion in 2013 to MK202.9 billion in 2014. The growth in liabilities is attributed to increase in policyholders' funds which grew by 31.0 percent.

Total shareholders' funds increased by 20 percent from MK17.0 billion in 2013 to MK20.4 billion in 2014 as a result of a 26.8 percent growth in retained earnings.

4.1 PREMIUMS

The life insurance sector registered a 36.0 percent growth in gross premium written from MK7.5 billion recorded in 2013 to MK10.2billion in 2014.

Chart 4.4 Gross Premiums for Life Insurers

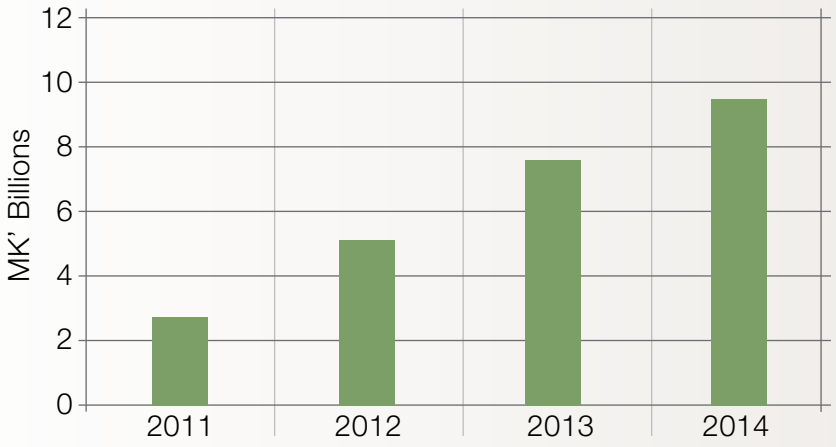
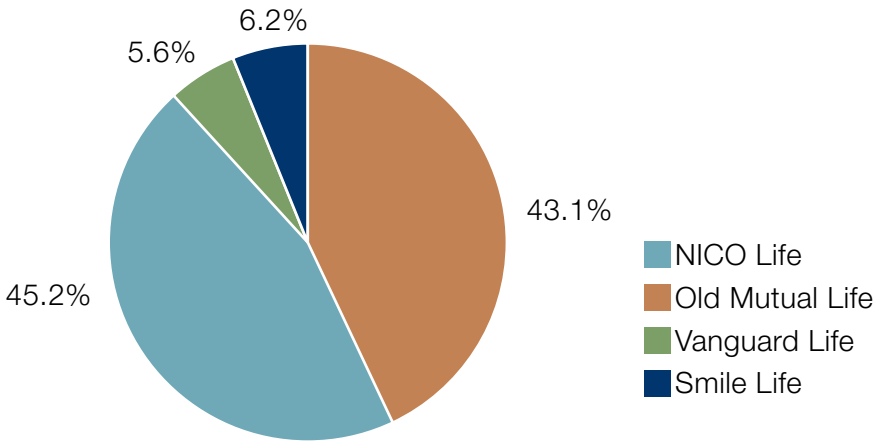


Chart 4.5 Market Share for Life Insurers Based on Gross Premiums in 2014



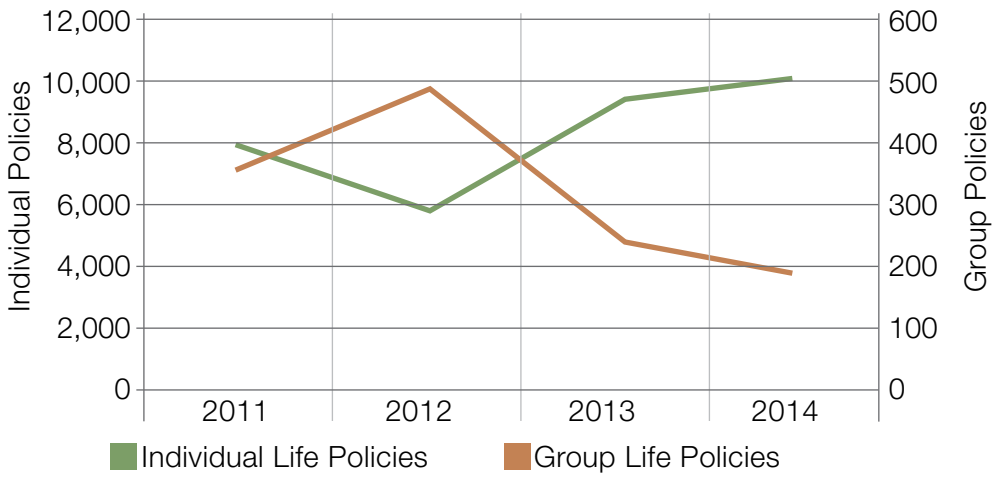
4.2 REINSURANCE

The sector ceded out MK686.0 million, representing 6.7 percent of the total gross premium. Retention ratio increased to 93.7 percent in 2014 compared to 90.8 percent in 2013, owing to increased capacity by insurers to retain more risk.

4.3 UNDERWRITING EXPERIENCE

The life insurance sector underwrote 10,044 new individual life insurance policies in 2014 with annual total premiums of MK1.4 billion compared to 9,370 policies underwritten in 2013 with annual total premiums of MK932.2 million. New policies underwritten for group life insurance policies totalled 193 (2013: 242) with annual premiums of MK168.8 million (2013: MK292 million).

Chart 4.6 New Life Insurance Policies Underwritten



Total individual life policies terminated by surrender reduced to 1,177 in 2014 (2013: 3,282) with corresponding premiums of MK100.8 million (2013: MK163.9 million). On the other hand, 8 group life policies (2013:1) were terminated by surrender in the year 2014 with corresponding premiums of MK66.6 million (2013: MK342.4 million).

In 2014, 1,786 individual life policies lapsed (2013: 2,273) representing annual premium of MK134.7 million (2013: MK602.5 million). Only 2 group life polices (2013:3) were terminated by lapse with annual premiums of MK6.9 million (2013: MK34.2 million).

Chart 4.7 Number of Individual Life Insurance Polices Terminated in 2014

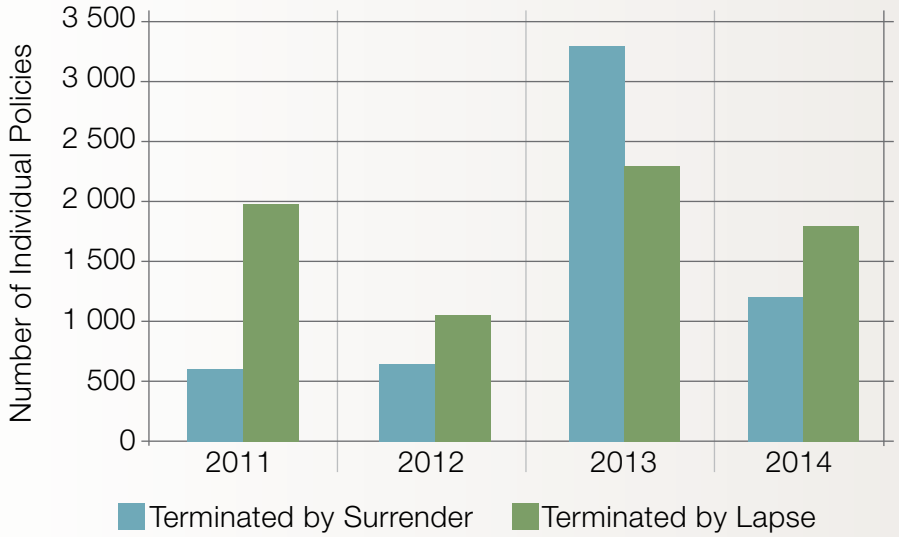
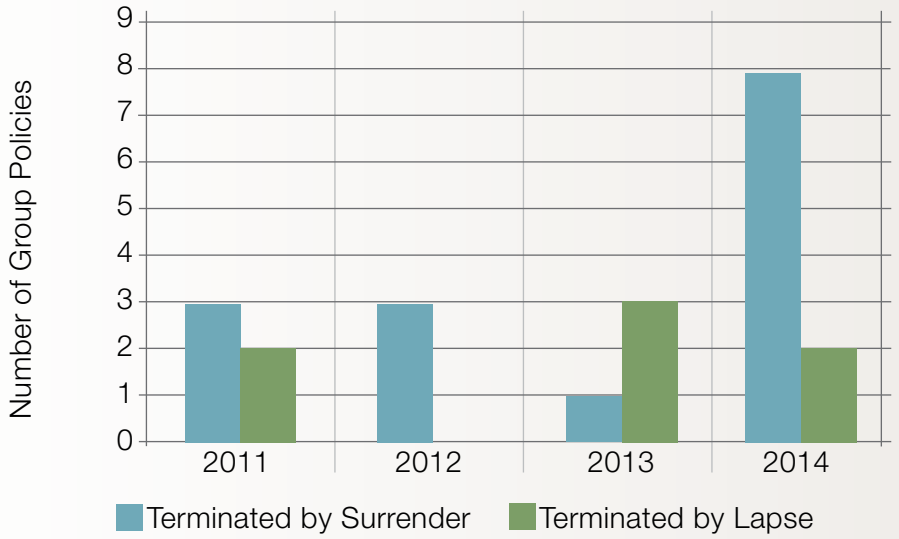


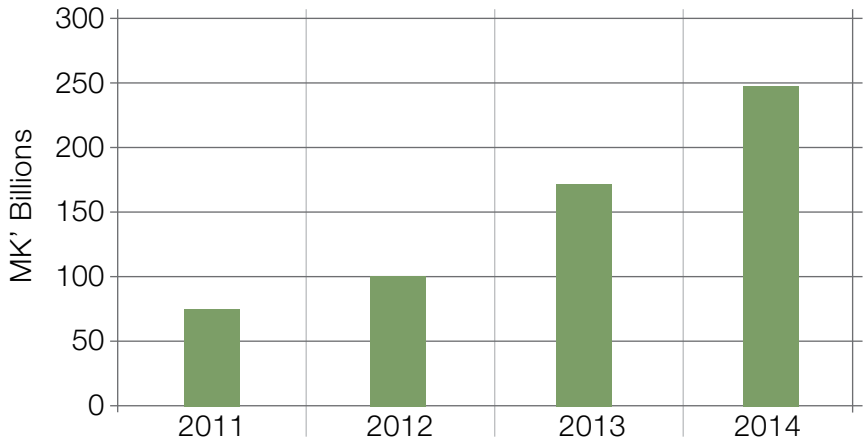
Chart 4.8 Number of Group Life Insurance Policies Terminated in 2014



5 PENSION SECTOR

The industry recorded a significant growth of 44.6 percent in pension fund assets from MK170.8 billion in 2013 to MK247.0 billion in 2014, funded mainly by pension contributions and investment income. Investment income however decreased from MK65 billion in 2013 to MK53.2 billion in 2014, due to a drop in the yields of listed equities. In addition, income from revaluation of assets decreased from MK48.0 billion in 2013 to MK27.0 billion in 2014.

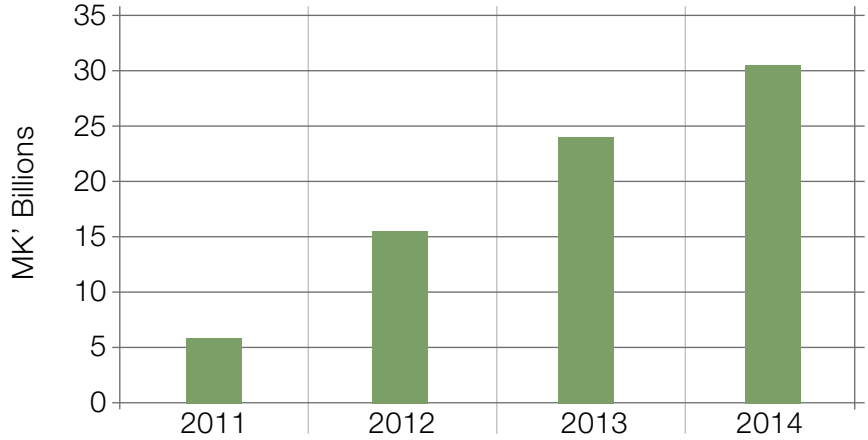
Chart 5.1 Assets of Pension Funds



5.1 PENSION CONTRIBUTIONS

Annual pension contributions increased by 27.5 percent from MK24.0 billion in 2013 to MK30.6 billion in 2014. The increase was due to a rise in pension contributions resulting from a general rise in employment income.

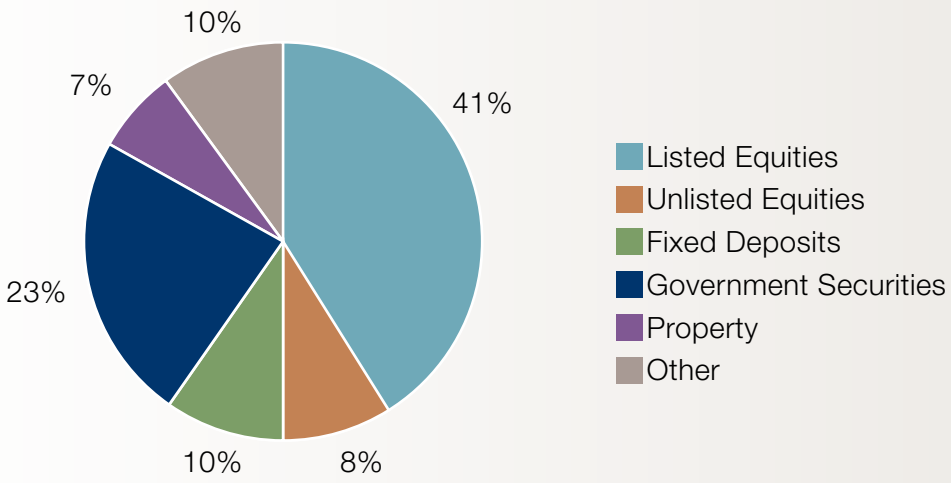
Chart 5.2 Annual Pension Contributions



5.2 ASSET PORTFOLIO MIX

Listed equity investments constituted the largest share of pension fund investment assets at 41.3 percent (2013: 43.7 percent) followed by government securities at 23 percent (2013: 21.2 percent). The high level of investment in listed equities made the sector dependent on performance of the stock market.

Chart 5.3 Asset Portfolio Mix



5.3 ADMINISTRATION AND INVESTMENT FEES

Administration fees increased by 19.3 percent from MK838 million in 2013 to MK1.0 billion in 2014. The increase reflected a general increase in salaries and contributions as administration fees are charged based on wage bill or pension contributions.

In 2014, fees paid to investment managers for managing pension fund investments on behalf of trustees were estimated at MK2.2 billion.

5.4 PAYMENT OF PENSION BENEFITS

During the year 2014, total pension benefits paid out grew by 47.8 percent from MK6.7 billion in 2013 to MK9.9 billion in 2014. As a proportion of total pension benefits paid out, retirement benefits paid out decreased from 47.8 percent in 2013 to 45.5 percent in 2014.

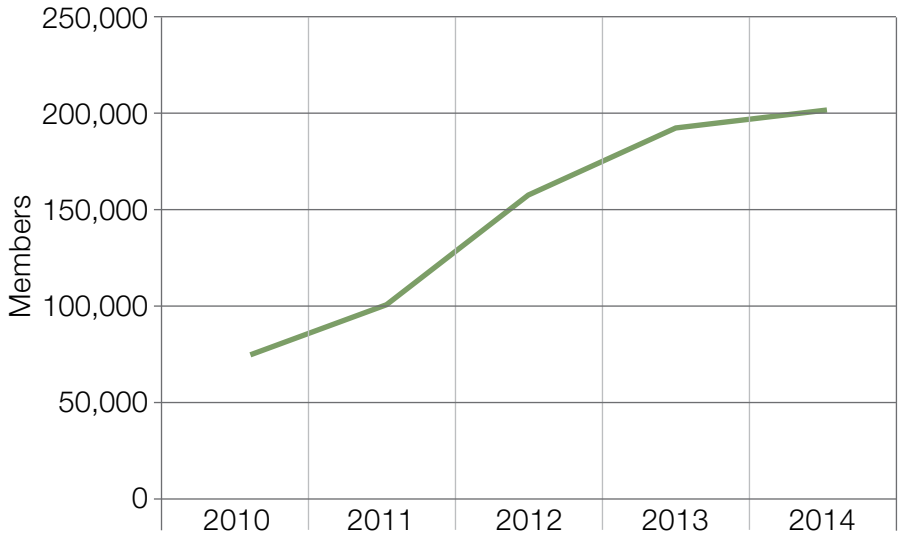
Table 5.1 Pension Benefits Paid Out

Type of benefit	2013 MK' billion	2014 MK' billion
Retirement	3.2	4.5
Death	0.7	1.1
Early withdrawals	2.8	4.3
Total	6.7	9.9

5.5 NATIONAL PENSION SCHEME MEMBERSHIP

Total number of members in the national pension scheme increased by 5.3 percent from 191, 256 members in 2013 to 201,405 members in 2014. The number however is expected to increase substantially once the civil service pension scheme joins the national pension scheme.

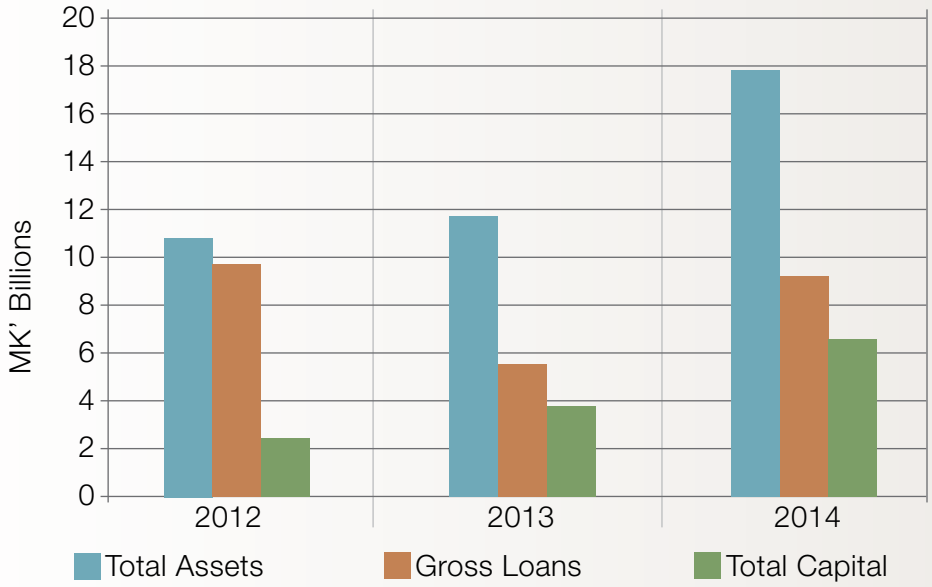
Chart 5.4 National Pension Scheme Membership



6 MICROFINANCE SECTOR

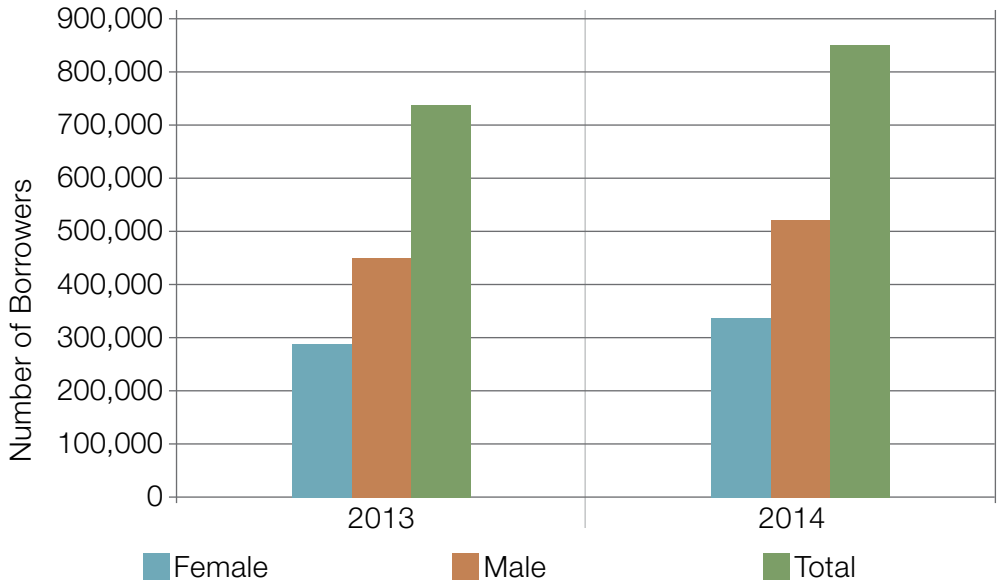
Total assets for the microfinance sector increased by 53.4 percent from MK11.6 billion in 2013 to MK17.8 billion in 2014 mostly because total loans increased by 66.1 percent from MK5.6 billion in 2013 to MK9.3 billion in 2014. The growth in loans was largely funded by an increase in short term borrowings and capital injections. Payroll lenders made up 44.5 percent of the sector's total assets.

Chart 6.1 Microfinance Institutions Assets, Loans and Capital



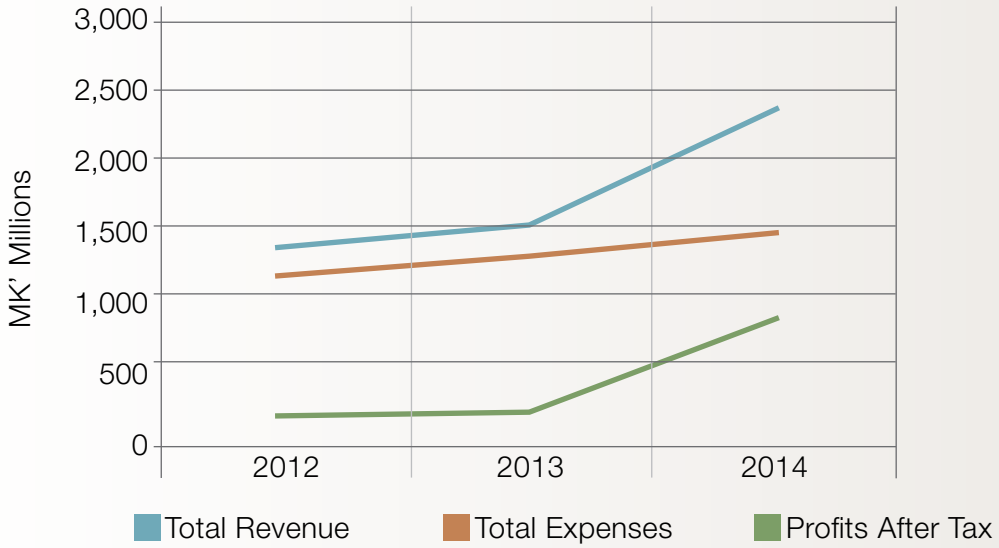
However, gross loans and advances accounted for only 52.2 percent (2013: 48.3 percent) of total assets because microfinance institutions were still cutting back on lending due to loan repayment collection problems. Nevertheless, in the year 2014, microfinance institutions served 854,172 clients, of which 60.7 percent were male and 39.3 percent were female.

Chart 6.2 Loan Distribution by Gender



The microfinance sector's profits after tax grew by 290.5 percent from MK227.7 million in 2013 to MK889.2 million in 2014. The increase in profits was mainly due to a 50.0 percent rise in income from MK1.6 billion in 2013 to MK2.4 billion in 2014.

Chart 6.3 Performance of Microfinance Institutions



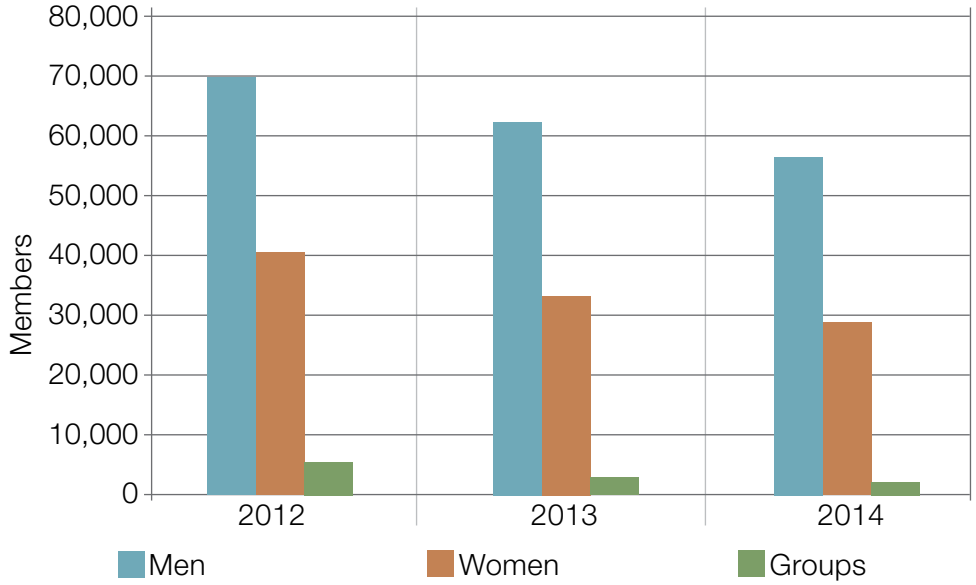
6.1 MARKET CONDUCT SUPERVISION

Supervision of microcredit agencies and non-deposit taking microfinance institutions focuses on financial integrity and consumer protection. During the year 2014, seven market conduct examinations were conducted at microfinance institutions. Overall, most examined institutions had improved since the last round of examinations. Most microfinance institutions had put in place consumer complaints handling procedures, started disclosing loan terms and conditions and using the reducing balance method of interest calculation. However, disclosure of effective interest rate, which reflects the true cost of borrowing, still remained a challenge.

7 FINANCIAL COOPERATIVES SECTOR

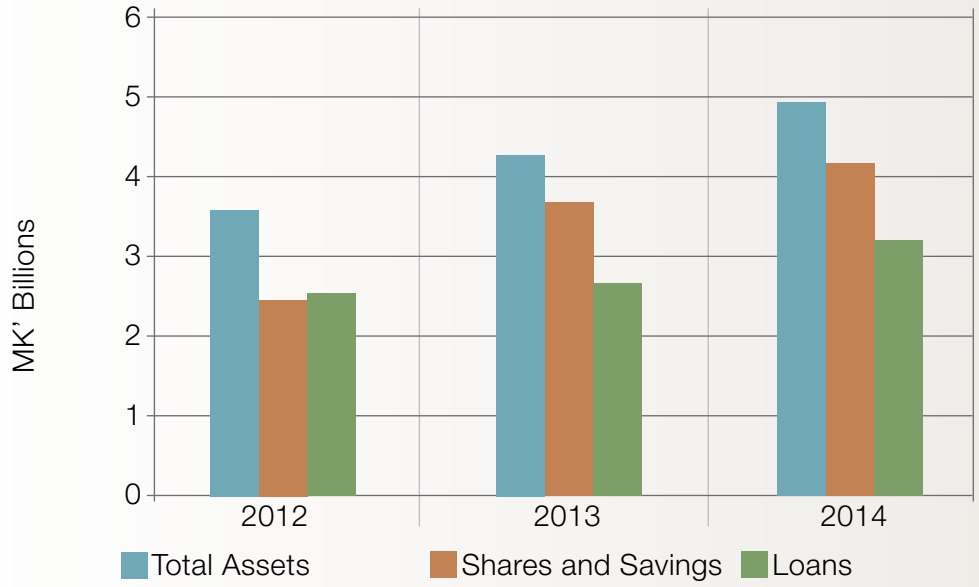
Total membership of the financial cooperatives sector declined by 11.5 percent from 98,871 in 2013 to 87,455 in 2014. The membership comprised 56,443 men (2013: 62,627 men), 28,825 women (2013: 33,412 women) and 2,187 groups (2013: 2,832 groups). The decline in membership was mainly due to membership withdrawals from one of the largest financial cooperative in Malawi.

Chart 7.1 SACCO Membership



Despite the decline in membership, total assets for the sector grew by 14.0 percent from MK4.3 billion in 2013 to MK4.9 billion in 2014. The growth in assets was funded by a 13.5 percent increase in total savings (redeemable shares plus deposits) from MK3.7 billion in 2013 to MK4.2 billion in 2014. In addition, the sector's financial performance improved as profits increased from MK200.7 million in 2013 to MK261.1 million in 2014.

Chart 7.2 Performance of SACCOs



In addition, aggregate total capital for the sector increased by 405.3percent from negative MK83.4million in 2013 to MK254.6 million in 2014 despite the continued deterioration of the financial condition of three financial cooperatives.

7.1 CAPITAL ADEQUACY

The aggregate institutional capital ratio for financial cooperatives went up from negative 2.0 percent in 2013 to 5.2 percent in 2014. The increase in the ratio was due to a 405.3 percent increase in total capital. Nevertheless, on aggregate the sector was not meeting the required minimum institutional capital ratio of 10.0 percent.

Table 7.1 Key Financial Ratios for Financial Cooperatives

Indicator	Recommended Ratio	2012	2013	2014
Institutional Capital Ratio	>10%	12.4%	-2.0%	5.2%
Non-performing loans/Gross Loans	< 5%	15.6%	14.5%	11.0%
Liquidity	> 10%	8.9%	10.5%	13.9%
Net Income/Average Total Assets	> 5%	0.8%	4.7%	5.7%

7.2 FINANCIAL STRUCTURE

During the year 2014, member loans and advances constituted 65.2 percent (2013: 63.0 percent) of the total assets which is slightly lower than the recommended range of 70 to 80 percent. Member savings (redeemable shares and deposits) financed 84.7 percent (2013: 86.3 percent) of total assets which is above the recommended range of 70 to 80 percent.

Table 7.2 Asset Composition for the SACCO Sector

	Dec 12		Dec 13		Dec 14	
Type of Asset	MK' billion	Share	MK' billion	Share	MK' billion	Share
Cash and Bank Balances	268.4	7.5%	293.5	6.9%	469.9	9.5%
Securities and Investments	221.3	6.2%	447.4	10.5%	422.5	8.6%
Total Loans and Advances	2,553.9	71.8%	2,689.1	63.0%	3,210.2	65.2%
Other Assets	515.5	14.5%	839.4	19.6%	822.5	16.7%
Total Assets	3,559.1	100%	4,269.4	100%	4,925.1	100%

Table 7.3 Funding Sources for SACCOs

	Dec 12		Dec 13		Dec 14	
Type of Liability	MK' billion	Share	MK' billion	Share	MK' billion	Share
Deposits and Member Shares	2,455.5	69.0%	3,683.2	86.3%	4,170.4	84.7%
Liabilities to Other Banks	427.9	12.2%	647.5	10.9%	395.9	8.0%
Other Liabilities	234.9	6.6%	202.1	4.7%	104.2	2.1%
Total Capital	440.8	12.4%	-83.4	-2.0%	254.6	5.2%
Total Funding	3,559.1	100%	4,269.4	100%	4,925.1	100%

7.3 ASSET QUALITY

Total loans grew by 18.5 percent from MK2.7 billion in 2013 to MK3.2 billion in 2014. The ratio of non-performing assets to total loans went down from 18.1 percent in 2013 to 7.7 percent in 2014 due to a 49.2 percent decrease in non-performing assets from MK486.2 million to MK247.0 million.

7.4 EARNINGS

Total income for the sector in 2014 decreased slightly from MK1.4 billion in 2013 to MK1.3 billion. Loan interest income made up 73.0 percent of total income (2013: 74.5 percent). Nevertheless, net surplus improved from MK200.7 million in 2013 to MK261.1 million in 2014 due to stringent cost containment measures instituted by financial cooperatives. The return of asset (ROA) ratio increased from 4.7 percent in 2013 to 5.7 percent in 2014 because the growth of net surplus outpaced the growth of assets.

Chart 7.3 Composition of Income for SACCOs

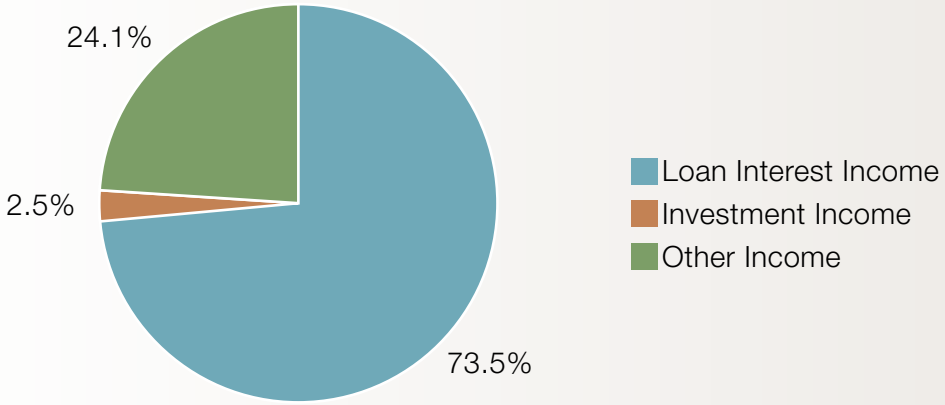
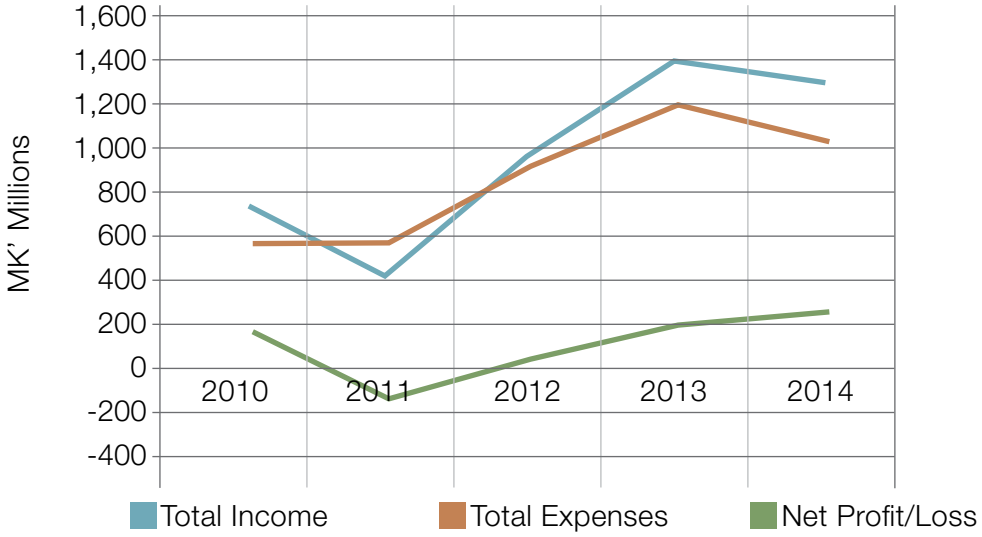


Chart 7.4 Income, Expenses and Surplus/Deficit Trends for Financial Cooperatives



7.5 LIQUIDITY

During the year 2014, most financial cooperatives experienced improved liquidity despite delayed remittance of payroll deductions. As of December 2014, the sector was owed over MK400.6 million (2013: MK262.1 million) in unremitted payroll deductions. Despite these challenges, the aggregate liquidity ratio improved from 10.5 percent in 2013 to 13.9 percent in 2014 due to improved liquidity management in most financial cooperatives. Consequently, the ratio of external borrowing to total assets decreased from 11.0 percent in 2013 to 4.0 percent in 2014.

8 CAPITAL MARKETS

During the year 2014, debt instruments were listed on the Malawi Stock Exchange for the first time, hence the exchange traded in both equity and debt instruments. However, the capital markets remained relatively underdeveloped with a limited number of trading instruments, few listed counters and low participation by retail investors. As a result, low market liquidity persisted in 2014.

The return on the stock market decreased substantially from 108.3 percent in 2013 to 18.8 percent in 2014 mainly due to a slowdown in the rise of share prices. Consequently, market capitalisation grew by only 4.3 percent (2013: 101.6 percent).

Total income for securities broker/dealer firms grew by 40.5 percent despite low trading activity in the equities and debt markets.

Total assets under management by portfolio managers grew by 36.1 percent with life insurance and pension funds being the major sources of funds under management. In addition, collective investment schemes total funds grew considerably by 108.0 percent.

8.1 MALAWI STOCK EXCHANGE

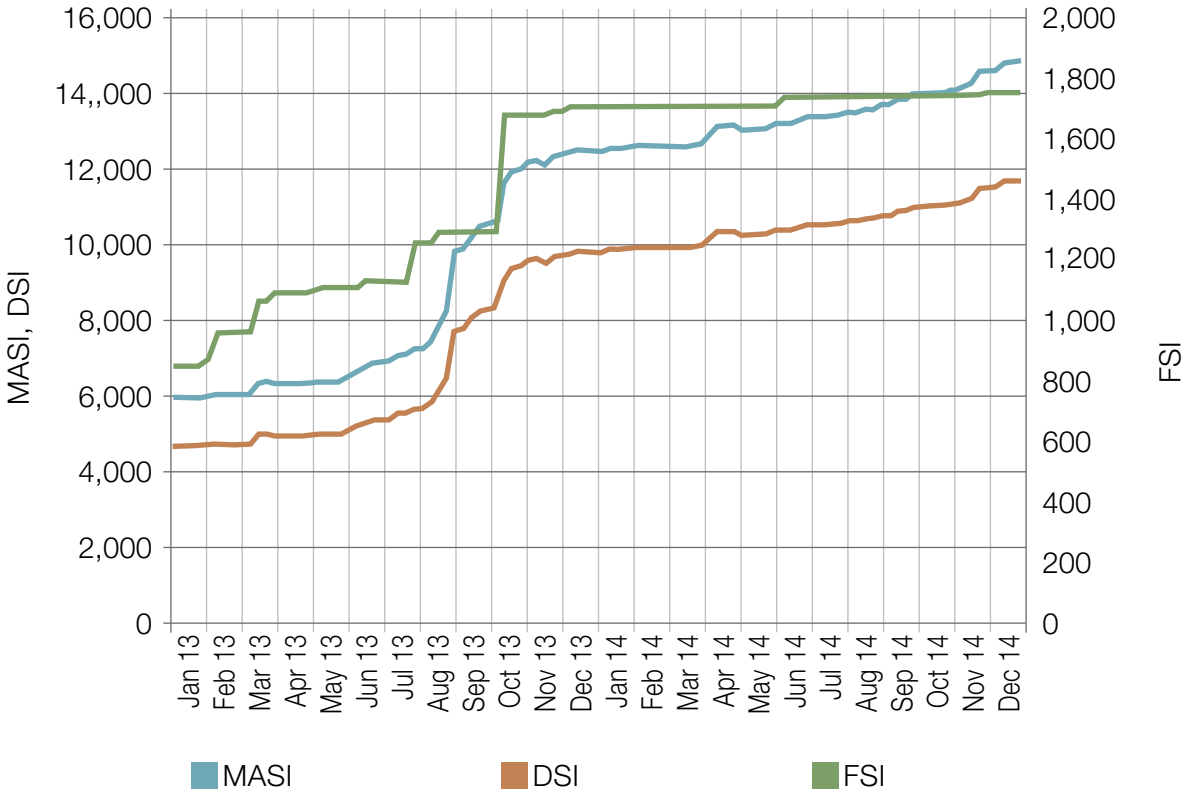
The Malawi Stock Exchange listed three Malawi Government bonds, however there were no trades on these bonds. The equity market had no new listings for the sixth year running which negatively affected the financial performance of broker/dealer firms. The equity market was still bullish despite registering lower returns on investment of 18.8 percent (2013: 108.3 percent). The Domestic Share and Foreign Share Indices rose by 19.0 percent (2013: 108.5 percent) and 2.9 percent (2013: 100.0 percent) respectively on account of general rise in share prices.

Table 8.1 Statistics for the Malawi Stock Exchange

Type of Statistic	2011	2012	2013	2014
Volume of shares traded (billion)	1.6	0.7	4.4	1.7
Value of shares traded (MK' billion)	6.9	4.0	13.3	10.9
Market capitalisation (MK' billion)	2,861.0	3,562.2	7,179.9	7,489.4
Malawi All Share Index	5,369.4	6,015.5	12,531.0	14,886.1
Domestic Share Index	4,238.4	4,725.5	9,850.2	11,720.4
Foreign Share Index	535.4	854.7	1,709.3	1,759.6

The market recorded a decrease in both volume and value traded. The number of shares traded on the exchange fell by 61.0 percent while value of shares traded decreased by 18.5 percent. However total market capitalisation grew by 4.3 percent as a result of a rise in share prices as evidenced by growth in the Malawi All Share Index (MASI) from 12,531.0 in 2013 to 14,886.1 in 2014.

Chart 8.1 Stock Indices Trends



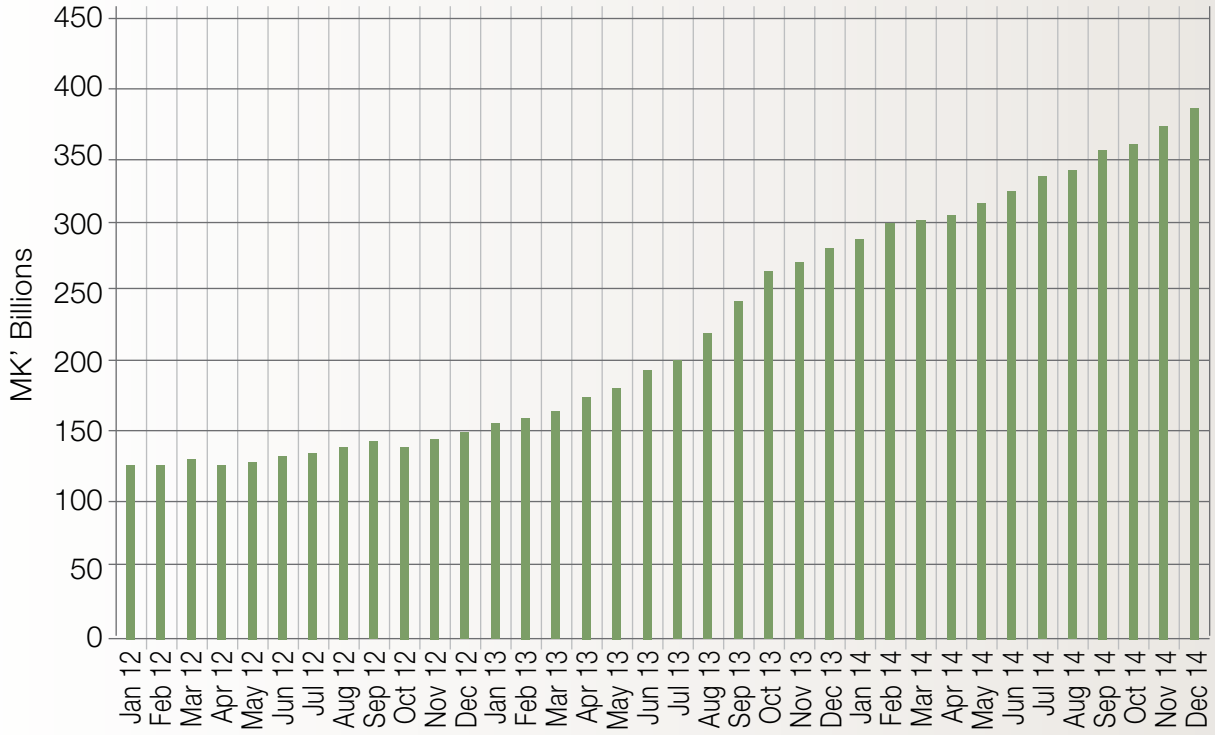
8.2 CAPITAL MARKETS INTERMEDIARIES

In 2014, total income for the sector grew by 40.5 percent from MK355.0 million in 2013 to MK498.7 million in 2014. As a result, total profit after tax increased by 16.9 percent from MK62.1 million in 2013 to MK72.6 million in 2014. Despite the sector making profits in aggregate, two of the four broker/dealer firms reported losses.

8.3 FUNDS MANAGEMENT

Total assets under management grew by 36.1 percent from MK281.9 billion in 2013 to MK383.6 billion in 2014.

Chart 8.2 Value of Assets Held by Fund Managers



Overall, life insurance companies and pension funds were the major sources of the funds under management, contributing 54.8 percent and 25.0 percent of the total funds, respectively.

Table 8.2 Sources of Investment Funds

	Dec 12		Dec 13		Dec 14	
Source of Funds	MK' million	Share	MK' million	Share	MK' million	Share
Pension Funds	37,783.0	25.2%	70,343.0	25.0%	96,043.0	25.0%
General Insurance	3,438.2	2.3%	6,210.8	2.2%	8,382.9	2.2%
Life Insurance	83,256.4	55.5%	160,273.0	56.9%	210,300.6	54.8%
Medical Aid Funds	0.0	0.0%	0.0	0.0%	136.2	0.0%
Unit Trusts	761.4	0.5%	2,671.4	0.9%	5,388.0	1.4%
Companies	20,845.1	13.9%	35,905.3	12.7%	53,307.4	13.9%
Natural Persons						
-Residents	683.7	0.5%	1,284.0	0.5%	2,730.2	0.7%
Natural Persons						
-Non Residents	27.0	0.0%	566.0	0.2%	1,239.2	0.3%
Other	3,131.1	2.1%	4,669.0	1.7%	6,094.1	1.6%
Total	149,925.6	100.0%	281,922.4	100.0%	383,621.6	100.0%

Total income for fund managers grew by 67.2 percent from MK1.5 billion in 2013 to MK2.5 billion in 2014. Consequently, profit after tax increased by 123.3 percent from MK346.8 million in 2013 to MK774.5 million in 2014.

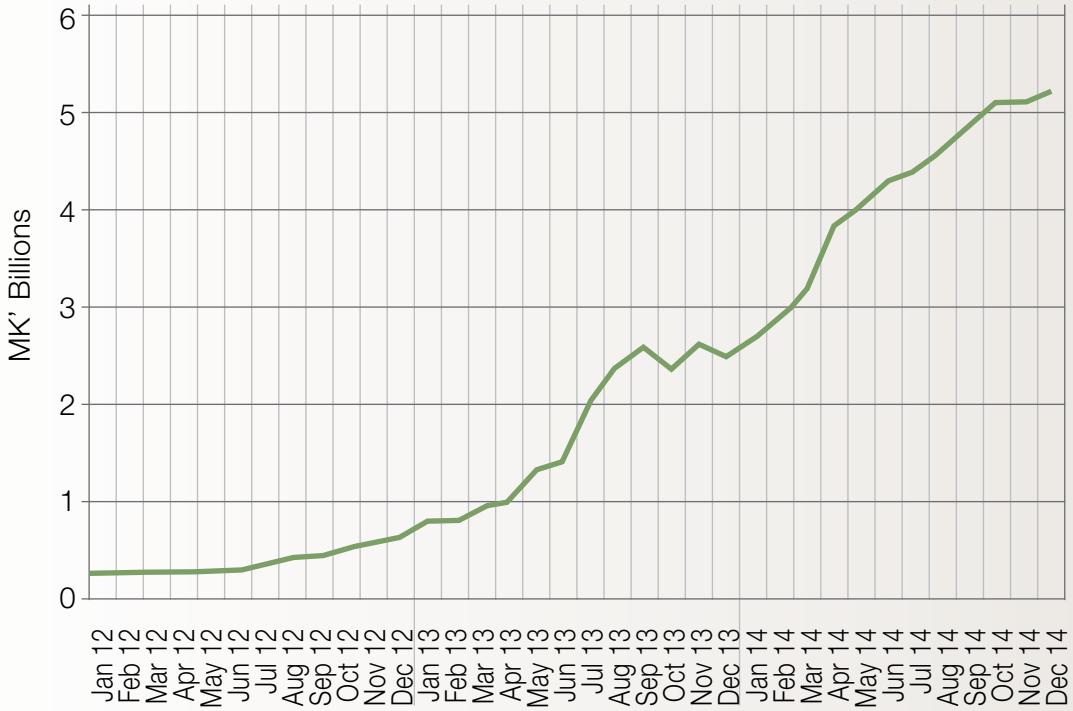
Table 8.3 Fund Managers Income Statement for Year Ended 31 December 2014

Income Statement Item	2012 MK' million	2013 MK' million	2014 MK' million
Revenue	890.5	1,487.4	2,487.7
Operating expenses	(476.2)	(975.5)	(1,367.3)
Profit before tax	414.3	511.8	1,120.4
Income tax	(127.1)	(165.0)	(345.9)
Profit after tax	287.2	346.8	774.5

8.4 UNIT TRUST OPERATIONS

Total funds for the only open collective investment scheme increased by 108.0 percent from MK2.5 billion in 2013 to MK5.2 billion in 2014.

Chart 8.3 Unit Trust Fund Growth



9 CONSUMER FINANCIAL EDUCATION AND PROTECTION

During the year 2014, the following consumer financial literacy and protection initiatives were implemented in collaboration with the National Steering Committee on Financial Literacy:

a) Secondary school sourcebooks were drafted for the eight subjects in which financial education was incorporated. The education materials will facilitate learning and teaching of financial literacy concepts.

b) A notice to the general public was issued through newspapers, radio, posters and brochures outlining the procedures to follow when consumers are unsatisfied with services and products offered by financial institutions.

c) Global Money Week commemorations were held from 10 to 17 March 2014 in collaboration with the Child and Youth Finance International, a global network dedicated to promoting financial inclusion among children and youth. Activities carried out during the week included presentations to secondary school students, talk show program, newspaper articles and school quiz competition.

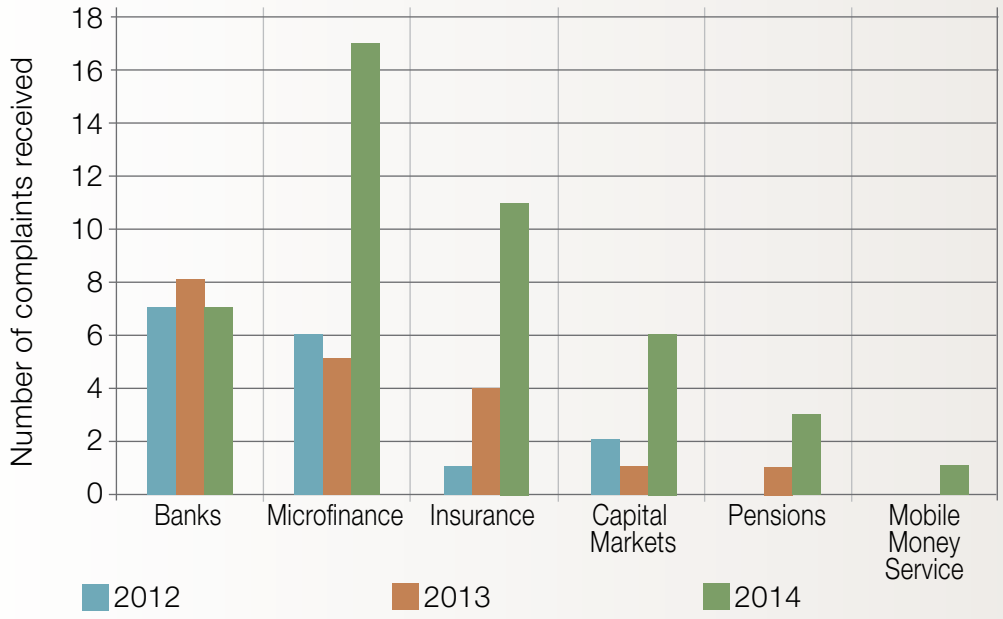
d) The National Financial Literacy Week was held from 27 to 31 October 2014 under the theme: "Building a Financially Literate Nation". Activities carried out during the week included television and radio panel discussions, big walk, road shows, school visitations, publication of articles in newspapers, walk-in clinics, and school quiz competitions on financial issues.

9.1 COMPLAINTS HANDLING

The Registrar received a total of 45 complaints (2013: 19 complaints) from financial consumers, of which 33 (2013: 13) were successfully resolved and 12 (2013: 6) remained unresolved as investigations and discussions with concerned parties were still ongoing.

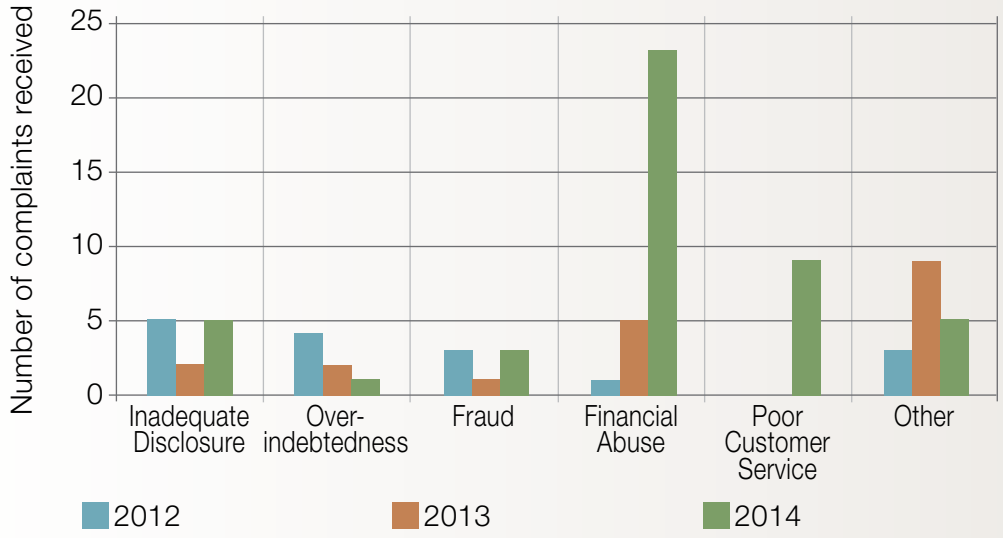
In the year 2014, there was a notable increase in the number of complaints received from the microfinance, insurance and capital market sectors compared to the complaints received in 2013.

Chart 9.1 Number of Complaints Received



The major causes of the complaints were lack of financial knowledge on part of consumers; inadequate disclosure of product information; and poor customer care by service providers. Furthermore, consumers with limited financial knowledge were prone to financial abuse and incurred financial losses.

Chart 9.2 Nature of Complaints Received by Sector



In addition, numerous inquiries were received in connection to the implementation of the Pension Act 2010.

9.2 MARKET CONDUCT SUPERVISION

During the year 2014, market conduct examinations of insurance companies revealed lack of disclosure to policyholders on issues such as premium pricing, policy inclusions and exclusions, and claim handling procedures.

Market conduct examinations of banks uncovered inadequate disclosure of terms and conditions of products, and a considerable degree of misinformation about financial products and services. Poor service delivery as evidenced by long queues in banking halls and frequent shutdown of auto-teller machines were also noted.

To address these weaknesses, there are plans to develop and establish mandatory product disclosure requirements. Further, recommendations were made to the concerned financial institutions to address the observations.

9.3 ANTI-MONEY LAUNDERING AND COMBATING OF FINANCING OF TERRORISM (AML/CFT)

During the year 2014, seven AML/CFT full scope on-site examinations were conducted at banks, insurance companies and capital market firms. The examinations unveiled several challenges across the financial industry, including shortfalls in the following:

a) customer identification and verification processes;
b) record keeping of client information;
c) ongoing monitoring of customer transactions;
d) ML/TF risk assessment of customers, products and services, delivery methods and geographical locations;

In addition, it was noted that financial institutions conduct limited and generic AML/CFT staff training that does not cover all legislative requirements and specialised business areas.

As part of corrective measures, a training workshop was conducted on ML/TF risk assessment for financial sector service providers. Further, there are plans to conduct a comprehensive ML/TF risk assessment workshop in 2015 to enhance financial institution's ML/TF risk management practices.

In addition, requisite tools to enhance AML/CFT offsite surveillance of supervised entities were developed with technical assistance from the IMF East AFRITAC.

10 APPENDICES

10.1 LIST OF LICENSED MARKET PLAYERS AS AT 31ST DECEMBER 2014

Banks

1. CDH Investment Bank Ltd
2. Ecobank Malawi Ltd
3. FDH Bank Ltd
4. First Merchant Bank Ltd
5. Indebank Malawi Ltd
6. Malawi Savings Bank Ltd
7. National Bank of Malawi Ltd
8. NBS Bank Ltd
9. Nedbank Malawi Ltd
10. New Finance Bank Malawi Ltd
11. Opportunity Bank of Malawi Ltd
12. Standard Bank Malawi Ltd

Discount Houses

1. First Discount House Ltd

Leasing and Finance Companies

1. Leasing and Finance Co. Ltd

Credit Reference Bureaus

1. CRB Africa Limited
2. Credit Data Credit Reference Bureau Ltd

General Insurance Companies

1. Charter Insurance Company Ltd
2. General Alliance Insurance Company Ltd
3. NICO General Insurance Company Ltd
4. Prime Insurance Company Ltd
5. REAL Insurance Company Malawi Ltd
6. Reunion Insurance Company Ltd
7. United General Insurance Company Ltd

Life Insurance Companies

1. Nico Life Insurance Company Ltd
2. Old Mutual Life Assurance Co. MW Ltd
3. Smile Life Insurance Co Ltd
4. Vanguard Life Assurance Company Ltd

Reinsurance Companies

1. Malawi Reinsurance Company Ltd

Insurance Brokers

1. AON Malawi Ltd
2. Canopy Insurance Brokers Ltd
3. City State International Ltd
4. Eagle Insurance Brokers Ltd
5. Express Insurance Brokers Ltd
6. GG Insurance Brokers Ltd
7. Guardian Insurance Services Ltd
8. Hubertus Clausius (Malawi) Ltd
9. Kingfisher Insurance Brokers Ltd
10. Mahogany Insurance Brokers Ltd
11. Marsh Malawi Ltd
12. Rhino Insurance Brokers Ltd
13. Trinity Insurance Brokers Limited

Agents for Brokers

1. FDH Bank
2. National Bank of Malawi
3. NBS Bank
4. Opportunity Bank Malawi
5. Standard Bank Limited

General Insurance Agents

1. Breakthrough Insurance Agency
2. Central Insurance Agency
3. CHC Insurance Agency
4. Chisangalalo Insurance Agency
5. Coconut Insurance Agency
6. Crown Insurance Agency
7. Direct Insurance Agency
1. Equatorial Insurance Agency
2. Future Insurance Agency

3. Hamax Insurance Agency
4. Henliz Insurance Agency
5. Impact Insurance Agency
6. Indetrust Limited
7. McFreed Insurance Agency
8. Nata Insurance Agency
9. Orama Insurance Agency
10. Pagat United Insurance Agency
11. Ranila Insurance Agency
12. Reliable Insurance Agency
13. Rossal Insurance Agency
14. Senate Insurance Agency
15. Vepro Insurance Agency
16. Vision Insurance Agency
17. W.T Thundu Insurance Agency
18. Worldwide Network Insurance Agency

Life Insurance Agents/Representatives

NICO Life Insurance Agents

1. Banda, Ponsianuos
2. Bema, Chifundo
3. Bilale, James
4. Chaima, Nelson
5. Chakalamba, Lydiah
6. Chanza, Milliam
7. Chapweteka, Fortune
8. Chawanangwa, Madulira
9. Chilenje, Angulenji Ernest
10. Chimgwede, Sydney
11. Chimphonda, Lloyd Charles
12. Chipangula, Ron Ellen
13. Chirambo, Watson
14. Chitete, Blessings
15. Chirwa, Carlyon
16. Chithumba, Dina
17. Chiumia, Happy
18. Chiuma, Jack
19. Chokoma, Jimmy
20. Dodoma, Robert
21. Gadama, Joan
22. Ghambi, Paul
23. Gondwe, Emily
24. Hau, Ellen
25. Jumbe, Nelson
26. Kachere, Khumbo
27. Kadammanja, McDonald
28. Kadzombe, Esther
29. Kalembera, Peter
30. Kalinga, Rodrick
31. Kamanga, Phalyce
32. Kanyika, Gibson
33. Kapira, Beatrice
34. Kataika, Grey
35. Kishindo, Michele Sungeni
36. Kodo, Kamtolo Dorothy
37. Kumwenda, Chrissie
38. Kunkhanda, Florence
39. Kwizombe, Mable
40. Liwera, Steve
41. McJessie, Peter
42. Makumba, Nellie
43. Makwakwa, Wezzie
44. Mandala, Bernadetta
45. Mangochi, Lexa
46. Mhango, Dan
47. Mhango, Franklin
48. Mithis, Nellie
49. Mmanga, Arthur
50. Msekandiana, Luckson
51. Msukwa, Moses
52. Mughogho, Godfrey
53. Mughogho, Lusekero
54. Mukumbwa, Lucia
55. Mumba, Mirriam
56. Munthali, Twime
57. Mupara, Misozi
58. Mussa, Fenwick
59. Mwale, Marc
60. Mwenda, Lenton
61. Mwenekaluma, Succeed
62. Mwandira, Ison
63. Mwiba, Fyalimuka
64. Nankwenya, Shanny
65. Nampota, Thoko
66. Ndakoiwa, Petros

67. Ndamuwa, Chimwemwe
68. Ndovi, Leslie
69. Ng'ambi, Chellah
70. Ng'oma, Anthony
71. Ngonga, Atusaye
72. Ngosi, Sonia
73. Ngwira, Elizabeth
74. Njobvu, Gertrude
75. Nkangala, Nellie
76. Nkata, Lawrence John
77. Nkhoma, Joshua
78. Nkhwazi, Lusungu
79. Nkhwazi, Naomi
80. Nkowani, Colless
81. Nyirenda, Mathews
82. Nyirenda, Menard
83. Nyirongo, Tainess
84. Pete Alice
85. Phalula, Chimwemwe
86. Phiri, Edwin
87. Shonga, Chally
88. Tambala, Titani
89. Tamvekenji, Olive
90. Umali, Assifa Aubrey
91. Waya, Walter
92. Zimpita, Mwayi

Old Mutual Life Insurance Agents

1. Banda, Innocent
2. Banda, Nerbat Innocent
3. Beya, Leonard Mavuto
4. Chagoma, Lawrence
5. Chamveka, Alfred
6. Chapempha, Fanuel
7. Chidyaonga, Erica
8. Chikapa, Chris
9. Chikuse, John
10. Chilapondwa, Lizzie
11. Chilombo, Richard
12. Chimombo, Madalitso
13. Chioza, Brenda
14. Chirwa, Katrina
15. Chirwa, Victoria
16. Chisale, Chrispin
17. Chisi, Dingani
18. Chiuzeni, Lichapa Stella
19. Chiyendawamba, Fiskani
20. Chombo, Galloway Ann
21. Galeta, Time Vitta
22. Gondwe, Getrude
23. Jimusole, Kumbukani
24. Kachala, Josephine
25. Kambova, Mirriam
26. Kaphuka, Luwelyn
27. Katopola, Dalton Mphatso
28. Kaunda, Ellen
29. Kaunda, Kenneth
30. Khauya, Patricia
31. Khulupilire, Harold
32. Kumwenda, Martha
33. Liabunya, Uzayani
34. Lumwira, Thokozani
35. Machika, Titani Lucy
36. Maiden, Spencer
37. Maseko, Daniel
38. Mbale, Mabvuto
39. Minjale, Jean
40. Mlambala, Khomba
41. Mlanga, Blessings
42. Moyo, Chimwemwe
43. Mphezu, Joyce
44. Msiska, Kennedy
45. Msuku, Patricia
46. Mvula, Raphael
47. Mwafulirwa, Steve
48. Mwandira, Rosario
49. Njelenga, Dennis
50. Sibale, Lommy
51. Sineta, Madalitso
52. Teki, Jessie
53. Zuze, Jonathan

Vanguard Life Insurance Agents

1. Banda, Charley
2. Chilamwa, Mirrium
3. Chupa, Grace

4. Chirombo, Mercy
5. Chirwa, Martha
6. Chirwa, Moses
7. Chiumia, Lauryn
8. Chizumila, Joseph
9. Chizumila, Rose
10. Kalulu, Bridget
11. Kaiyatsa, Fedrick
12. Kamphonje, Enock
13. Kantepa, Violet
14. Kawalewale, Johannes
15. Kayamba, Maggie
16. Kayamba, Truth
17. Kuntaja, Maxwell
18. Kantchowa, Mercy
19. Liwonde, Trevor
20. Luhanga, Bonnie Zovex
21. Mafuleka, Glory
22. Magalasi, Elizabeth
23. Malonje, Chimwemwe
24. Masiku, Wezi
25. Mkangama, Nayo
26. Moyo, Memory
27. Msekawanthu-Chamba, Alice
28. Msosa, Evelyn
29. Mtambo, Ansubiye Frank
30. Mvula, Linda
31. Mwango, Tichitenji
32. Mwenelwanda, Jimmy
33. Nakosa, Geoffrey
34. Nehuwa, Alex
35. Nthengwe, Thandie
36. Nyirenda, Innocent
37. Nyirenda, Peter
38. Singano, Chimwemwe
39. Sumani, Norah
40. Tembo, Michael

Insurance Loss Assessors/Adjusters

1. Dynamic Loss Adjusters
2. Fidelity Loss Assessors
3. First Insurance Assessors
4. GM Insurance Assessors
5. Internal Audit &Fraud Defence Centre
6. JBK Multiplan Loss Assessors
7. MIC Associates
8. MT Insurance Loss Assessors
9. PAGES
10. PD Alliance Loss Adjusters
11. PDCA Consultants
12. Quantum Insurance Assessors
13. Standard Consults

Microcredit Agencies

1. Business Finance Solutions
2. SAILE Financial Services
3. Umunthu Microfinance
4. Greenroot Finance
5. Moyowathu Financial Services
6. TEECs
7. DF Agency
8. GetBucks Malawi
9. National Association of Business Women (NABW)
10. FEDOMA Microfinance Project
11. Fountain Microfinance
12. Citizen Microfinance
13. EPIK Finance Ltd
14. Ecological Research and Outreach Initiative Ltd (ECORET)
15. Green Gold Finance Ltd
16. Foundation for Irrigation and Sustainable Development (FISD)

Non-Deposit Taking Microfinance Institutions

1. Pride Malawi
2. Greenwing Capital Financial Services
3. Microloan Foundation
4. CUMO Microfinance

5. Blue Financial Services
6. Easy Loans
7. Select Financial Services
8. VisionFund Malawi
9. Foundation for International Community Assistance (FINCA) Ltd

Stock Exchanges

1. Malawi Stock Exchange Ltd

Brokers

1. CDH Capital Ltd
2. FDH Stockbrokers Ltd
3. African Alliance Securities Ltd
4. Stockbrokers Malawi Ltd

Collective Investment Schemes

1. Old Mutual Unit Trust Mw Ltd
2. National Investment Trust Ltd

Investment Advisors

1. NBM Capital Markets Ltd
2. NICO Asset Managers Ltd
3. CDH Asset Management Ltd
4. FDH Financial Holdings Ltd
5. Old Mutual Investment Group Ltd
6. Standard Bank Limited (Malawi)

Portfolio Managers

1. Indetrust Limited
2. CDH Asset Management Ltd
3. Old Mutual Investments Group Ltd
4. NICO Asset Managers Ltd
5. NBM Capital Markets Ltd
6. Alliance Capital Ltd
7. FMB Capital Markets Ltd

Transfer Secretaries

1. Standard Bank Ltd
2. NICO Asset Managers Ltd
3. FMB Capital Markets Ltd
4. National Bank of Malawi Ltd

10.2 AFFILIATIONS TO INTERNATIONAL ORGANISATIONS

In 2014, the Registrar was affiliated to the following organisations:

a) The SADC Committee of Insurance, Securities and Non-Bank Financial Authorities (CISNA)
b) The African Insurance Organisation (AIO)
c) International Association of Insurance Supervisors (IAIS)
d) International Organisation for Pension Supervisors (IOPS)
e) International Organisation of Securities Commissions (IOSCO)
f) Alliance for Financial Inclusion (AFI)
g) International Credit Union Regulators Network (ICURN)
h) Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)

11 STATISTICAL ANNEX TABLES

Table 11.1 Banks Branch Network and Staff Complement as at 31st December 2014

Name of Institution	Number of Branches	Number of Agencies, Satellite Kiosks and Mobile Vans	Number of Auto Teller Machines	Number of Staff
CDH Investment Bank	2	0	0	78
Ecobank	8	0	15	153
FDH Bank	11	2	29	376
First Discount House	0	0	0	14
First Merchant Bank	9	20	71	847
Indebank	6	10	19	271
Leasing and Finance	2	0	0	21
Malawi Savings Bank	14	36	47	641
National Bank	14	17	81	880
NBS Bank	13	39	79	751
Nedbank	4	2	7	124
Opportunity Bank	6	40	22	700
Standard Bank	7	21	65	756
	96	187	435	5,612

Table 11.2 Summary of Financial Soundness Indicators for Banks

Capital Adequacy	2012	2013	2014
Regulatory Total Capital to Risk Weighted Assets	20.2	19.1	17.3
Regulatory Tier 1 Capital to Risk Weighted Assets	16.4	16.2	13.7
Total Capital to Total Assets	14.3	15.4	17.9
Asset Composition and Quality			
Total Loans and Advances to Total Assets	51.5	41.3	40.3
Foreign Currency Loans to Total Loans and Advances	7.9	13.5	19.1
Non-performing Loans to Gross Loans and Advances	9.4	15.4	14.9
Non-performing Loans (Net of Provisions) to Capital	31.4	34.8	27.0
Earnings and Profitability			
Return on Assets (ROA)	5.0	4.8	4.4
Return on Equity (ROE)	36.9	37.5	29.1
Interest Margin to Gross income	36.8	39.7	43.0
Non-Interest Expenses to Gross income	42.8	39.6	44.4
Personal Expenses to Non-interest Expenses	46.0	45.4	45.1
Liquidity			
Liquid Assets to Total Assets	35.0	44.6	44.7
Liquid Assets to Total Deposits and Short Term Liabilities	45.4	59.1	61.8
Total Loans to Total Deposits	72.4	56.4	58.3
Foreign Exchange Liabilities to Total Liabilities	17.9	26.3	26.6

Table 11.3 Aggregate Balance Sheet (Total Assets: Banks)

Reporting Period	Total Assets MK' millions	Annual Growth
2010	285,390.9	26.0%
2011	376,411.4	31.9%
2012	495,245.0	31.6%
2013	665,801.2	34.4%
2014	812,377.0	22.0%

Table 11.4 Composition of the Balance Sheet: Liabilities

Reporting Period	Deposits	Due to Reserve Bank	Due to Other Banks	Interest Payable	Other Liabilities	Capital and Reserves	Total Capital and Liabilities
Mar 2012	287,302	587	10,797	598	24,679	59,427	383,390
Jun 2012	310,155	10,509	18,059	1,336	34,649	61,533	436,241
Sep 2012	311,707	9,468	10,483	1,670	32,768	64,337	430,433
Dec 2012	347,108	84	29,093	1,307	39,560	70,938	488,091
Mar 2013	363,090	8,754	13,873	1,958	45,047	80,717	513,439
Jun 2013	381,523	6,096	11,078	3,078	50,357	82,481	534,612
Sep 2013	425,978	-	11,308	3,121	58,084	91,026	589,517
Dec 2013	475,692	-	16,636	1,404	56,981	102,303	653,016
Mar 2014	478,110	-	11,778	1,765	64,599	117,509	673,761
Jun 2014	474,985	-	19,284	1,956	63,230	125,197	684,652
Sep 2014	481,547	-	12,294	2,866	68,729	130,631	696,067
Dec 2014	550,405	-	15,368	3,177	81,468	145,793	796,211

Table 11.5 Composition of Balance Sheet for Banks: Assets

Reporting Period	Cash Due from Other Banks	Loans and Advances	Securities and Investments	Other Assets	Total Assets
Mar 2012	12,131	197,809	62,734	110,717	383,390
Jun 2012	18,682	229,874	54,778	132,907	436,241
Sep 2012	18,366	232,134	56,636	123,296	430,433
Dec 2012	27,884	244,317	59,586	156,304	488,091
Mar 2012	28,764	234,985	86,564	163,127	513,439
Jun 2013	26,140	237,031	98,102	173,339	534,612
Sep 2013	23,757	236,683	129,154	199,923	589,517
Dec 2013	29,641	256,637	121,189	245,549	653,016
Mar 2014	22,187	272,721	132,492	246,361	673,761
Jun 2014	22,940	280,206	150,544	230,962	684,652
Sep 2014	26,456	282,069	156,547	230,995	696,067
Dec 2014	36,037	304,949	143,966	311,260	796,211

Table 11.6 Composition of Balance Sheet for Banks: Deposits

Reporting Period	Demand Deposits	Savings Deposits	Time Deposits	FCDAs	Total Deposits
Mar 2012	100,936	49,495	112,637	24,235	287,302
Jun 2012	109,801	50,562	92,586	57,205	310,155
Sep 2012	99,807	48,099	110,220	53,581	311,707
Dec 2012	108,565	52,889	114,204	71,451	347,108
Mar 2013	112,257	49,172	116,772	84,889	363,090
Jun 2013	113,695	61,512	120,063	86,253	381,523
Sep 2013	130,519	65,272	129,727	100,460	425,978
Dec 2013	140,574	75,275	115,066	144,777	475,692
Mar 2014	152,169	73,716	127,664	124,562	478,110
Jun 2014	150,194	78,959	113,066	132,767	474,985
Sep 2014	156,958	84,481	119,639	120,469	481,547
Dec 2014	181,200	87,381	135,464	146,360	550,405

Table 11.7 Trends in Capital Adequacy for Banks

Reporting Period	Tier 1 Capital MK' million	Total Capital MK' million	Risk Weighted Assets MK' million	Tier 1 Capital Ratio (%)	Total Capital Ratio (%)
Mar 2012	48,010	56,657	256,940	18.7	22.1
Jun 2012	48,947	58,054	302,737	16.2	19.2
Sep 2012	46,161	54,079	277,448	16.6	19.5
Dec 2012	54,080	64,093	332,775	16.3	19.3
Mar 2013	63,104	75,824	358,824	17.6	21.1
Jun 2013	61,767	74,518	384,077	16.1	19.4
Sep 2013	65,145	76,360	401,411	16.2	19.0
Dec 2013	71,453	84,479	442,104	16.2	19.1
Mar 2014	84,725	105,036	573,868	14.8	18.3
Jun 2014	88,552	108,396	593,296	14.9	18.3
Sep 2014	89,401	109,665	629,008	14.2	17.4
Dec 2014	95,364	120,700	695,776	13.7	17.3

Table 11.8 Composition of Income Statement: Selected Item

Reporting Period	Total Gross Income	Interest income	Non-Interest Income	Interest Expense	Operating Expenses
Mar 2012	19,124	9,996	9,128	2,495	8,675
Jun 2012	42,523	22,017	20,506	5,917	18,948
Sep 2012	71,538	38,641	32,897	12,469	31,214
Dec 2012	104,161	59,278	44,883	20,948	44,561
Mar 2013	36,970	23,574	13,396	10,014	13,911
Jun 2013	77,444	52,023	25,421	21,926	29,254
Sep 2013	121,913	79,551	42,363	32,367	46,347
Dec 2013	165,303	106,482	58,821	40,802	65,461
Mar 2014	42,373	28,392	13,981	8,724	18,613
Jun 2014	88,865	56,893	31,972	18,579	38,424
Sep 2014	133,416	84,545	48,871	26,300	57,256
Dec 2014	184,466	114,652	69,814	35,247	81,924

Table 11.9 Profitability of Banks Selected Ratios

Reporting Period	Interest Margin (%)	Efficiency Ratio (%)	ROE (%)	ROA (%)
Mar 2012	11.5	45.4	38.0	5.4
Jun 2012	11.5	44.6	37.1	5.2
Sep 2012	11.7	43.6	37.9	5.3
Dec 2012	12.0	42.8	36.1	4.9
Ma 2013	15.6	37.6	46.8	6.2
Jun 2013	16.2	37.8	39.6	5.2
Sep 2013	15.9	38.0	43.8	5.7
Dec 2013	15.5	39.6	39.8	5.1
Mar 2014	17.0	43.9	31.9	4.5
Jun 2014	15.9	43.2	33.5	4.9
Sep 2014	15.9	42.9	31.4	4.7
Dec 2014	15.7	44.4	30.4	4.6

Table 11.10 Liquidity for Banks

Reporting Period	Liquid Assets to Total Deposits and Short Term Liabilities (%)	Liquid Assets to Total Deposits (%)	Rate Sensitive Asstes/Rate Rate Sensitive Liabilities (%)
Mar 2012	42.8	44.5	93.8
Jun 2012	42.5	46.4	97.8
Sep 2012	40.7	43.3	99.3
Dec 2012	45.4	49.2	98.5
Mar 2013	48.9	52.0	100.6
Jun 2013	48.6	50.8	101.7
Sep 2013	58.1	59.7	103.3
Dec 2013	59.1	61.2	98.7
Mar 2014	57.1	59.4	94.2
Jun 2014	57.6	61.0	100.8
Sep 2014	58.4	60.8	100.7
Dec 2014	61.8	64.6	99.0

Table 11.11 Shareholding Structure of Banks

Banking Institution	Shareholder	% Held
CDH Investment Bank Limited	CDH Holdings Limited	71%
	Investment Alliance Limited	12%
	Kesaart Capital Limited	7%
	Tiling Solutions Limited	5%
	Unity Investment	3%
	Savanna Investment Limited	2%
Ecobank Malawi Limited	Ecobank Transnational Incorporated Limited	90.3%
	Loita Capital Partners International	9.7%
FDH Bank Malawi Limited	FDH Financial Holdings Limited	100%
First Discount House Limited	FDH Financial Holdings Limited	100%

Banking Institution	Shareholder	% Held
First Merchant Bank Limited	Zambezi Investment Limited	44.9%
	Simsbury Holdings Limited	22.7%
	Prime Bank Limited (Kenya)	11.2%
	Prime Capital Holdings Limited (Kenya)	11.2%
	General Public	9.9%
Indebank Limited	ADMARC Investments Holding Company	25.7%
	The registered Trustees of Press Trust	30%
	Employee Share Ownership Scheme	3%
	Government of the Republic of Malawi	41.4%
Leasing & Finance Limited	First Merchant Bank	100%
Malawi Savings Bank	Government of the Republic of Malawi	100%
National Bank of Malawi	Press Corporation Ltd	51.5%
	Old Mutual	24.9%
	General Public	19.8%
	Employee Share Ownership Scheme	3.8%
NBS Bank Limited	NICO Holdings Limited	50.1%
	General Public	26.2%
	National Investment Trust Limited	5.2%
	International Finance Company	18.1%
Nedbank Malawi Limited	MN Holdings Limited	97.1%
	Employee Share Ownership Scheme	2.9%
New Finance Bank Limited	Finance Holdings Corporation	49%
	Finsbury Investments Limited	36%
	Finance Bank Zambia Limited	15%
Opportunity Bank of Malawi Limited	Opportunity International Limited (UK)	37.4%
	Opportunity Transformation Investment (USA) (OTI)	51.3%
	Opportunity International Canadian Foundation	9.6%
	Africap Microfinance Fund Ltd	1.2%
	Trust for Transformation	0.4%

Banking Institution	Shareholder	% Held
Standard Bank of Malawi Limited	Stanbic Africa Holdings Limited	60.2%
	NICO Holdings Limited	20%
	Old Mutual Life Assurance	4.8%
	Press Trust	2.3%
	Standard Bank Pension Fund	2.1%
	General Public	10.7%

Table 11.12 Gross Premium Written (MK' millions)

Class of business	2011	2012	2013	2014
Fire	1,537.5	1,999.2	2,251.7	3,125.8
Motor	5,811.5	7,380.6	12,347.9	16,625.1
Personal Accident	1,233.0	1,178.7	1,780.4	2,314.4
Miscellaneous	1,151.4	2,324.5	3,800.7	4,383.8
Total	9,733.4	12,883.0	20,180.7	26,449.1

Table 11.13 Gross Premium Written vs. Net Premium Written (MK'millions)

Item	2011	2012	2013	2014
Gross Premium Written	9,733.4	12,883.0	20,180.7	26,449.1
Reinsurance Premium Ceded	2,521.5	4,152.6	5,454.1	6,386.5
Net Premium Written	7,211.9	8,730.4	14,726.6	20,062.7
Retention Ratio	74.1%	67.8%	73.3%	75.9%

Table 11.14 Reinsurance Premium Ceded by Class of Business (MK'millions)

Class of business	2011	2012	2013	2014
Fire	989.3	1,415.5	1,828.2	2,296.1
Motor	574.1	851.8	1,106.0	1,664.8
Personal Accident	343.9	449.4	601.9	697.8
Miscellaneous	614.2	1,436.0	1,918.0	1,727.8
Total	2,521.5	4,152.6	5,454.1	6,386.5

Table 11.15 Net Premium Written by Class of Business (MK'millions)

Class of insurance	2011	2012	2013	2014
Fire	624.6	583.7	423.5	829.7
Motor	5,386.2	6,528.8	11,241.8	14,960.3
Personal Accident	678.0	729.3	1,178.6	1,616.6
Miscellaneous	523.0	888.6	1,882.7	2,656.0
Total	7,211.9	8,730.4	14,726.6	20,062.7

Table 11.16 Retention Ratio by Class of Business

Class of insurance	2011	2012	2013	2014
Fire	40.6%	29.2%	18.8%	26.5%
Motor	92.7%	88.5%	91.0%	90.0%
Personal Accident	73.8%	61.9%	66.2%	69.8%
Miscellaneous	45.4%	38.2%	49.5%	60.6%
Overall Retention	74.1%	67.8%	73.0%	75.9%

Table 11.17 Earned Premiums by Class of Business (MK' millions)

Class of insurance	2011	2012	2013	2014
Fire	555.4	442.8	380.8	565.2
Motor	4,990.9	6,107.1	9,715.8	14,340.9
Personal Accident	967.7	713.5	1,044.2	1,479.8
Miscellaneous	536.5	845.0	1,795.2	2,518.1
Total	7,050.5	8,108.3	12,936.1	18,904.0

Table 11.18 Gross Claims Incurred by Class of Business

Class of insurance	2011	2012	2013	2014
Fire	304.4	1,060.4	1,230.7	1,382.9
Motor	4,323.3	4,842.3	7,728.9	10,572.8
Personal Accident	416.5	456.3	868.6	1,269.5
Miscellaneous	297.0	454.2	677.6	937.1
Total	5,341.2	6,813.2	10,508.8	14,162.4

Table 11.19 Net Claims Incurred by Class of Business

Class of insurance	2011	2012	2013	2014
Fire	152.8	124.7	350.3	598.2
Motor	3,767.4	4,218.5	6,619.5	9,100.1
Personal Accident	348.7	366.8	624.9	979.5
Miscellaneous	235.0	337.7	473.1	627.9
Total	4,503.9	5,047.6	8,067.8	11,305.7

Table 11.20 Claims Ratio per Class of Business

Class of insurance	2011	2012	2013	2014
Fire	27.5%	28.2%	92.0%	105.8%
Motor	75.5%	69.1%	68.1%	63.5%
Personal Accident	36.0%	51.4%	59.8%	66.2%
Miscellaneous	43.8%	40.0%	26.4%	24.9%
Overall	63.9%	62.3%	62.5%	59.8%

Table 11.21 Claims Experience (MK' millions)

	2011	2012	2013	2014
Gross Claims Incurred	5,341.2	6,813.2	10,505.8	14,162.4
Net Claims Incurred	4,503.9	5,047.6	8,067.8	11,305.7
Recoveries on Reinsurance	837.4	1,765.6	2,438.0	2,856.7
Claims Paid	4,609.9	6,616.2	8,801.6	12,683.9
Outstanding Claims	2,636.5	2,258.2	3,241.2	4,332.7
Claims Ratio	63.9%	62.3%	62.4%	59.8%

Table 11.22 Operating Results (MK' millions)

	2011	2012	2013	2014
Underwriting Results	2,008.6	2,666.8	4,223.5	6,533.9
Net Investment & Other Income	642.4	2,053.2	3,539.3	2,963.2
Management Expenses	2,422.2	2,709.0	3,654.8	5,150.3
Other Expenses	20.6	109.7	52.5	65.9
Pre-tax Profit	208.3	1,901.3	4,055.6	4,280.9
Taxation	226.3	430.9	897.5	1,188.8
Profit for the year	(18.0)	1,470.4	3,158.1	3,092.1

Table 11.23 Underwriting and Operating Ratios

	2011	2012	2013	2014
Underwriting Ratio	28.5%	32.9%	32.6%	34.6%
Combined Ratio	112.7%	113.1%	104.7%	100.6%
Management Ratio	34.0%	33.4%	28.3%	27.2%

Table 11.24 Underwriting Results by Class of Business (MK' millions)

Class of insurance	2011	2012	2013	2014
Fire	399.8	356.2	63.3	(31.4)
Motor	826.0	1,443.3	2,378.6	4,241.7
Personal Accident	551.2	287.8	348.5	363.0
Miscellaneous	266.2	579.6	1,433.2	1,960.6
Total	2,043.2	2,666.8	4,223.5	6,533.9

Table 11.25 Market Share for General Insurers in 2014 (MK' millions)

Insurance company	Gross Premium		Total Assets	
Charter Insurance Co	1,241.1	4.7%	1,290.0	5.1%
General Alliance Insurance Co	3,349.1	12.7%	4,391.0	17.5%
NICO General Insurance Co	9,621.1	36.4%	10,501.0	41.8%
Prime Insurance Co	3,819.5	14.4%	2,003.3	8.0%
REAL Insurance Co	2,771.5	10.5%	2,024.8	8.1%
Reunion Insurance Co	1,339.1	5.1%	1,169.2	4.6%
United General Insurance Co	4,307.7	16.3%	3,766.6	15.0%
Total	26,449.1	100.0%	25,145.9	100.0%

Table 11.26 Consolidated Statement of Financial Position (MK' millions)

Assets	2011	2012	2013	2014
Fixed Assets	516.3	537.9	827.4	937.0
Investment Property	983.0	358.4	293.0	414.2
Govt. & Other Securities	558.0	907.0	2,629.9	4,097.6
Equity Investment	1,303.0	1,137.5	2,097.2	2,647.4
Fixed Deposits	1,820.1	3,348.7	5,635.4	6,053.6
Loans & Debentures	195.8	436.3	120.9	163.9
Insurance Receivables	4,456.8	3,771.8	4,889.4	7,139.1
Cash and Cash Equivalents	206.7	309.0	830.8	958.6
Other Assets	540.4	1,397.5	1,582.9	2,734.7
Total Assets	10,580.1	12,204.5	18,907.0	25,145.9
Liabilities				
Unearned Premiums	2,634.9	3,359.8	5,021.5	6,180.1
Outstanding Claims	2,635.6	2,832.6	4,202.0	5,705.6
Reinsurance Payables	1,122.4	1,431.4	1,288.3	1,684.1
Long Term Liability	27.4	14.6	-	-
Provision for Taxation	84.6	147.8	473.2	558.4
Bank Overdraft	59.7	127.3	83.1	72.5
Other Liabilities	1,275.5	635.1	922.1	1,461.8
Total Liabilities	7,840.1	8,548.5	11,990.1	15,662.5
Equity/Shareholders' Funds	2,740.1	3,655.9	6,916.9	9,483.5
Total Equity and Liabilities	10,580.1	12,204.5	18,907.0	25,145.9

Table 11.27 Industry Solvency Ratio

	2011	2012	2013	2014
Solvency Ratio	15.3%	24.3%	30.4%	32.9

Table 11.28 Microfinance Institutions Consolidated Balance Sheet: Liabilities (MK' millions)

Reporting Period	Overdrafts	Share-holder's Loans	Due to other Banks/FI	Other Long Term Liabilities	Other Short Term Liabilities	Capital and Reserves	Total Capital and Liabilities
Sep 2011	755.4	3,824.4	1,176.4	603.9	1,470.7	5,009.8	12,840.6
Dec 2011	1,599.0	3,452.8	1,059.2	858.1	2,034.3	4,932.2	13,935.5
Mar 2012	847.8	1,269.1	944.7	906.2	2,662.0	2,202.2	8,832.0
Jun 2012	572.7	1,087.5	1,661.7	1,277.5	2,865.5	2,209.2	9,674.1
Sep 2012	1,046.8	864.5	1,722.6	1,432.5	2,853.1	1,955.3	9,874.7
Dec 2012	1,216.1	2,211.1	2,087.6	1,480.5	1,366.5	2,428.6	10,790.5
Mar 2013	1,611.6	2,080.2	2,203.7	1,944.8	1,813.8	2,262.8	11,916.9
Jun 2013	1,108.6	1,590.3	792.6	1,526.1	1,406.3	3,669.4	10,093.3
Sep 2013	1,255.7	1,603.8	1,091.6	1,881.8	1,599.9	3,300.1	10,733.0
Dec 2013	1,161.3	1,193.2	1,435.4	2,106.5	1,925.6	3,827.3	11,649.4
Mar 2014	1,238.7	1,817.2	1,957.5	2,126.6	891.7	4,011.0	13,136.9
Jun 2014	1,366.5	1,682.5	2,590.6	2,171.4	1,029.1	4,354.0	14,286.3
Sep 2014	1,933.4	2,107.8	2,469.7	2,308.6	1,013.8	5,102.2	16,053.1
Dec 2014	2,086.0	1,262.3	2,921.5	2,386.1	2,546.5	6,628.3	17,830.6

Table 11.29 Microfinance Consolidated Balance Sheet: Assets (MK' millions)

Reporting Period	Loans and Advances	and Investments	Other Assets	Total Assets
Sep 2011	8,478.1	1,357.9	3,004.6	12,840.6
Dec 2011	10,291.6	1,360.6	2,283.3	13,935.5
Mar 2012	5,051.3	105.8	3,674.9	8,832.0
Jun 2012	5,442.1	306.8	3,925.2	9,674.1
Sep 2012	6,046.9	200.8	3,627.0	9,874.7
Dec 2012	6,575.2	109.9	4,105.4	10,790.5
Mar 2013	7,423.2	361.2	4,132.5	11,916.9
Jun 2013	4,477.1	251.2	5,365.0	10,093.3
Sep 2013	5,074.6	206.0	5,452.4	10,733.0
Dec 2013	5,512.4	214.7	5,922.3	11,649.4
Mar 2014	7,696.4	301.4	424.9	13,136.9
Jun 2014	7,986.3	574.8	450.3	14,286.3
Sep 2014	8,290.4	887.3	607.5	16,053.1
Dec 2014	12,572.9	963.9	4,293.9	17,830.7

Table 11.30 Selected Aggregate Balances for Financial Cooperatives (MK' millions)

Item	2008	2009	2010	2011	2012	2013	2014
Total Assets	2,295.8	2,610.0	3,302.6	3,386.6	3,559.1	4,269.4	5,003.2
Total Loans	1,826.3	2,021.4	2,430.2	2,372.9	2,514.7	2,689.7	3,357.3
Total Savings	1,741.8	1,978.5	2,411.3	2,728.6	3,036.1	3,683.7	4,202.4
Income	485.9	505.9	785.9	416.6	749.7	1,387.9	1,064.5
Expenses	317.1	295.2	566.1	558.3	720.8	1,187.2	803.4
Surplus	168.8	210.6	219.9	-141.7	28.9	200.7	261.1

Year	Interest	Dividends	Capital Gains	Rental Income	TOTAL
2011	0.8	1.1	1.5	0.1	3.5
2012	2.1	2.1	3.5	0.2	7.9
2013	12.7	3.8	48.3	0.5	65.3
2014	13.9	3.8	19.1	0.6	37.4