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RESERVE BANK OF MALAWI

FINANCIAL INSTITUTIONS SUPERVISION

ANNUAL REPORT 2015

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RBM Mzuzu branch, in the final stages of construction 2015

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REGISTRAR'S FOREWORD

Pursuant to section 18 of the Financial Services Act 2010, I am pleased to present the 2015 Financial Institutions Supervision Annual Report highlighting regulatory and supervisory undertakings during the year.

In general, assets for the financial sector grew significantly. Assets for the banking sector grew by 30.1 percent as evidenced by increases in securities and investments, and gross loans and leases. The growth in assets was mainly funded by deposits which grew by 28.1 percent and constituted 68.2 percent of total funding.

Assets for the general insurance sector grew by 18.7 percent driven by growth in premium income which increased by 14.4 percent. Profits for general insurers dropped from MK3.1 billion in 2014 to MK3.0 billion in 2015 mainly due to increase in management expenses. Consequently, solvency ratio dropped from 31.5 percent in 2014 to 28.8 percent in 2015.

Further, total assets for the life insurance sector grew by 23.6 percent funded by a growth in policyholder funds. In addition, profits after tax for the sector increased by 9.5 percent. The growth in profitability was subdued due to an increase in operational expenses and a decline in the performance of the stock market which registered a negative return of 2.2 percent.

Pension sector assets rose by 26.1 percent to reach MK312.2 billion. The growth in assets was mainly financed by growing pension contributions and investment income. Listed equities and government securities accounted for 38.1 percent and 24.8 percent, respectively, of total pension fund investments.

There were no new equity or bond listings on the Malawi Stock Exchange, however, one government bond matured on 30th December 2015. No trades were registered on the secondary debt market, while the stock market registered a 27.1 percent decrease in number of transactions executed. The Malawi All Share Index (MASI) lost 323.5 points because rises in share prices of eight domestic listed companies failed to cushion the effect of falls in share prices of five domestic listed companies. Total assets under management by fund managers grew by 25.6 percent with life insurance and pension funds being the major sources of funds.

The microfinance sector registered a 71.3 percent growth in assets and a 201.1 percent growth in loans largely funded through increased short term borrowings and capital injections. One non-deposit taking microfinance institution obtained a licence to become the first deposit taking microfinance institution in Malawi.

The financial cooperatives sector registered a 55.1 percent growth in total assets, funded by growth in savings in the form of redeemable shares and deposits. In addition, profits rose by 89.4 percent as a result of improved loan performance.

Strides have been made to modernise the legal and regulatory framework in line with international standards and best practice. The Credit Reference Bureau (Amendment) Bill 2015 was enacted by Parliament. The Malawi Deposit Insurance Scheme Bill which proposes protection for depositors in banks, microfinance institutions and financial cooperatives was revised to extend coverage to other types of depositors. In addition, various directives were issued and a number of new market players were licensed.

Several financial literacy and consumer protection initiatives were implemented during the year in a bid to empower and protect consumers. In addition, various anti-money laundering and combating financing of terrorism activities were undertaken to improve surveillance of supervised entities and enhance financial institutions' money laundering and terrorism financing risk management practices.

It is my hope that in 2016, the financial sector will continue to grow without compromising the quality of customer service delivery. As Registrar of Financial Institutions, I will strive to create a conducive regulatory environment to ensure that financial institutions thrive and contribute fully to the economic development of the nation.

Charles S.R. Chuka
Registrar of Financial Institutions

1. LEGAL AND REGULATORY DEVELOPMENTS

During the year 2015, besides licensing various institutions, 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 for the various sectors of the financial system.

1.1. BILLS AND LAWS

a) The draft Malawi Deposit Insurance Scheme Bill, which proposes protection for depositors in banks, microfinance institutions and financial cooperatives was revised to extend coverage to other types of depositors. The Bill was submitted to Cabinet for approval before enactment by Parliament.

b) Parliament passed the Credit Reference Bureau (Amendment) Bill 2015. The principal objectives of the amendments were to:

(i) Provide explicit obligations to financial institutions to submit credit information to all licensed credit reference bureaus; and

(ii) Provide legal immunity to financial institutions that submit credit information to credit reference bureaus.

1.2. DIRECTIVES AND REGULATIONS

The following new directives were published in the Malawi Government Gazette:

(a) Financial Services (Fit and Proper Requirements for Persons Associated with the Ownership and Management of Securities Market Players) Directive 2015;

(b) Financial Services (Premises Inspection Requirements for Securities Market Players) Directive 2015;

(c) Financial Services (Licensing Requirements for a Stock Exchange) Directive 2015; and

(d) Securities (Requirements for Registration of Securities) Directive 2015.

(e) Financial Services (Large Exposures and Credit Concentration Limits for Banks) Directive 2015, replacing the Financial Services (Large Exposures and Credit Concentration Limits for Banks) Directive 2015.

In addition, the following directives were revised and published in the Malawi Government Gazette:

(a) Financial Services (Registration of Investment Advisers) Directive 2015;

(b) Financial Services (Establishment and Operations of Brokers and Dealers) Directive 2015;

(c) Financial Services (Establishment and Operations of Portfolio Managers) Directive 2015;

(d) Financial Services (Establishment and Operations of Transfer Secretaries) Directive 2015;

(e) Financial Services (Establishment and Operations of Collective Investment Schemes) Directive 2015;

(f) Securities (Clearing and Settlement) Directive 2015; and

(g) Financial Services (Licensing Requirements for Securities Representatives) Directive 2015.

1.3. LICENSING, MERGERS AND ACQUISITIONS

a) The Registrar granted approval to FDH Holdings Ltd to acquire Malawi Savings Bank Ltd, and to National Bank of Malawi Ltd to acquire Indebank Ltd.

b) The Registrar licensed one life assurance company, one general insurance company, one reinsurance broker, one insurance broker; one agent for broker (bancassurance) and five insurance agents

c) Following publication of the Financial Services (Licensing and Registration of Pension Entities) Directive 2014, the Registrar licenced four pension brokers, two self-administered pension schemes and five stand-alone pension schemes.

d) The Registrar issued a licence to one deposit taking microfinance institution, one microcredit agency and one non-deposit taking microfinance institution.

e) A total of 30 financial cooperatives were licensed to operate as primary savings and credit cooperatives following expiry of provisional licences issued to financial cooperatives in 2012 and 2013.

2. BANKING

Aggregate assets of the banking sector grew by 30.1 percent, from MK794.1 billion in 2014 to MK1,033.3 billion in 2015. The growth in assets largely stemmed from an increase in securities and other investments from MK142.4 billion to MK295.6 billion, and loans and leases from MK303.7 billion to MK397.2 billion. As at 31st December, 2015 loans and leases constituted 38.4 percent of total assets while securities and other investments were 28.6 percent of total assets.

Table 2.1 Assets for Banks

	Dec 2012		Dec 2013		Dec 2014		Dec 2015	
Type of Asset	MK Billion	Share (%)	MK Billion	Share (%)	MK Billion	Share (%)	MK Billion	Share (%)
Cash and Due From Banks	120.4	24.6	191.8	29.4	241.3	30.2	210.6	20.4
Securities and Investments	59.6	12.2	121.2	18.6	142.4	18.1	295.6	28.6
Total Loans and Advances	244.4	50.1	256.6	39.3	303.7	38.3	397.2	38.4
Other Assets	63.7	13.1	83.4	12.7	106.7	13.4	129.9	12.6
Total Assets	488.1	100.0	653.0	100.0	794.1	100.0	1,033.3	100.0

The growth in assets was on account of a 28.1 percent growth in deposit base from MK550.3 billion in 2014 to MK705.0 billion in 2015. Total deposits increased over the year mainly due to growth in foreign currency deposits by 52.5 percent from MK146.4 billion in 2014 to MK223.3 billion in 2015. Deposits constituted 68.2 percent of total funding.

Table 2.2 Funding Sources for Banks

	Dec 2012		Dec 2013		Dec 2014		Dec 2015	
Type of Liability	MK Billion	Share (%)	MK Billion	Share (%)	MK Billion	Share (%)	MK Billion	Share (%)
Deposits	347.1	71.1	475.7	72.8	550.3	69.1	705.0	68.2
Liabilities to Other Banks	29.1	6.0	16.6	2.5	32.3	4.1	31.1	30.0
Other Liabilities	40.9	8.4	58.4	8.9	68.5	8.5	120.4	11.7
Total Capital	70.9	14.5	102.3	15.7	143.0	18.3	176.8	17.1
Total Funding	488.1	100.0	653.0	100.0	794.1	100.0	1,033.3	100.0

Total capital grew by 23.6 percent from MK143.0 billion in 2014 to MK176.8 billion in 2015 due to an increase in retained earnings. Fresh capital injection into two banks amounting to MK1.2 billion also contributed to the improved capital position.

As at December 2015, two banks accounted for more than 50.0 percent of both deposits and capitalization. The two banks' share of assets and loans was 47.7 percent (2014: 50.7 percent) and 49.7 percent (2014: 44.0 percent) respectively.

Table 2.3 Banking Sector Market Share Summary as at December 2015

	Assets		Loans		Deposits		Capital	
Name of Bank	MK Billion	Share (%)	MK Billion	Share (%)	MK Billion	Share (%)	MK Billion	Share (%)
CDHIB	23.5	2.3	10.5	2.6	15.8	2.3	3.7	2.1
Ecobank	95.1	9.3	36.8	9.1	46.6	6.7	8.8	5.0
FDH	74.6	7.3	31.5	7.8	53.2	7.6	9.8	5.6
FMB	122.4	12.0	41.7	10.2	78.3	11.3	27.2	15.6
Indebank	18.4	1.8	4.6	1.1	14.7	2.1	1.2	0.7
MSB	50.2	4.9	20.6	5.1	38.4	5.5	5.0	2.9
NBM	257.2	25.2	109.5	26.9	184.0	26.4	52.6	30.1

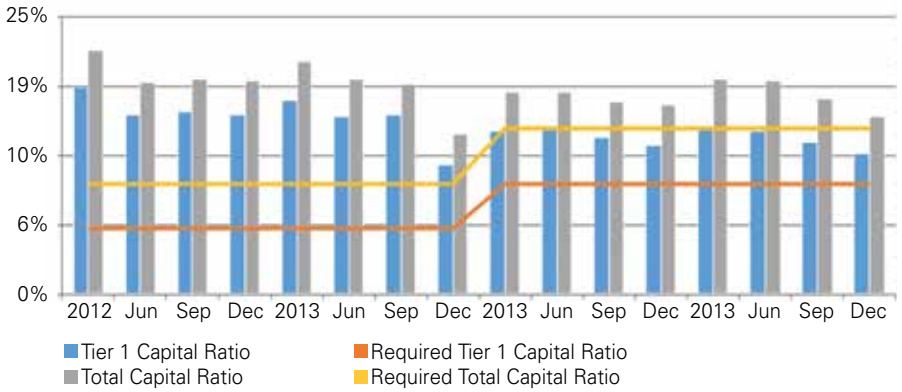
Name of Bank	Assets MK Billion	Assets Share (%)	Loans MK Billion	Loans Share (%)	Deposits MK Billion	Deposits Share (%)	Capital MK Billion	Capital Share (%)
NBS	93.9	9.2	42.7	10.5	59.7	8.6	11.1	6.3
Nedbank	28.3	2.8	9.6	2.4	19.6	2.8	3.5	2.0
NFB	5.3	0.5	1.3	0.3	3.8	0.5	1.2	0.7
OBM	23.2	2.2	5.2	1.3	14.9	2.1	4.0	2.3
Standard	229.4	22.5	93.0	22.8	167.1	24.0	46.8	26.8
Total	1,021.4	100.0	407.0	100.0	696.3	100.0	174.9	100.0

1. Table excludes Leasing and Finance Company

2.1. CAPITAL ADEQUACY

As at 31st December 2015, nine out of the twelve banks met the regulatory benchmarks of 10.0 percent for Tier I Capital ratio and 15.0 percent for Total Capital ratio. The banking industry's average Tier I Capital ratio was 12.7 percent (2014: 13.7 percent) and Total Capital ratio was 17.1 percent (2014: 17.3 percent). The drop in the capital ratios was due to a proportionately higher growth in assets compared to the growth in capital.

Chart 2.1 Capital Adequacy Ratio for all Banks



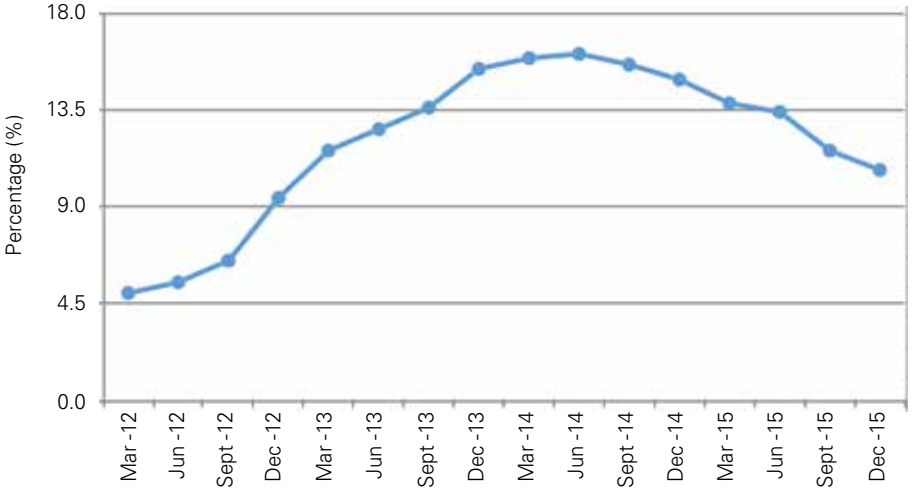
2.2. ASSET QUALITY

During the year, lending increased by 28.2 percent from MK320.8 billion in December 2014 to MK411.4 billion in December 2015. However, since deposits also grew by 28.1 percent, the ratio of loans to deposits (lending ratio) remained relatively unchanged at 58.4 percent (2014: 58.3 percent).

Securities and investments grew by 107.6 percent from MK142.4 billion in December 2014 to MK295.7 billion in December 2015, becoming the second largest asset category.

The ratio of non-performing loans to gross loans and leases improved from 14.9 percent in 2014 to 10.7 percent in 2015 because non-performing loans (NPLs) decreased by 8.0 percent from MK47.6 billion in 2014 to MK43.8 billion in 2015 while gross loans and leases increased by 28.2 percent. Accordingly, the industry set aside MK12.4 billion (2014: MK15.2 billion) in specific provisions covering 28.3 percent of NPLs.

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



During the year, lending to the agriculture sector constituted the largest proportion (23.6 percent) of total loans, followed by wholesale and retail trade (22.2 percent) and manufacturing (21.1 percent).

Table 2.4 Distribution of Loans by Sector (Percent)

Sector	2012	2013	2014	2015
Agriculture, forestry, fishing and hunting	17.8	21.5	19.6	23.6
Wholesale and retail trade	21.7	21.9	24.1	22.2
Manufacturing	10.1	15.1	15.5	21.1
Community, social and personal services	11.8	10.3	11.8	10.5
Transport, storage and communications	11.6	11.7	9.9	5.2
Construction	4.4	3.9	3.4	3.0
Restaurants and hotels	1.4	2.5	1.7	2.7
Financial services	4.6	5.6	3.6	2.2
Electricity, gas, water and energy	1.3	0.6	1.8	1.1
Real estate	8.3	1.1	1.5	0.9
Credit/debit cards	0.0	0.7	0.9	0.6
Mining and quarrying	0.0	0.3	0.8	0.3
Other sectors	7.0	4.8	5.3	6.7
TOTAL	100.0	100.0	100.0	100.0

2.3. EARNINGS

Interest income grew by 23.0 percent from MK114.3 billion in 2014 to MK140.5 billion in 2015. Notwithstanding the increase in interest income, profits after tax declined slightly from MK33.9 billion in 2014 to MK33.4 billion in 2015 because of the 22.8 percent increase in operating expenses. In addition, non-interest income went down from MK68.3 billion in 2014 to MK61.5 billion in 2015. Consequently, Return on Assets (ROA) and Return on Equity (ROE) declined from 4.0 percent and 26.8 percent in 2014 to 3.2 percent and 20.1 percent in 2015, respectively.

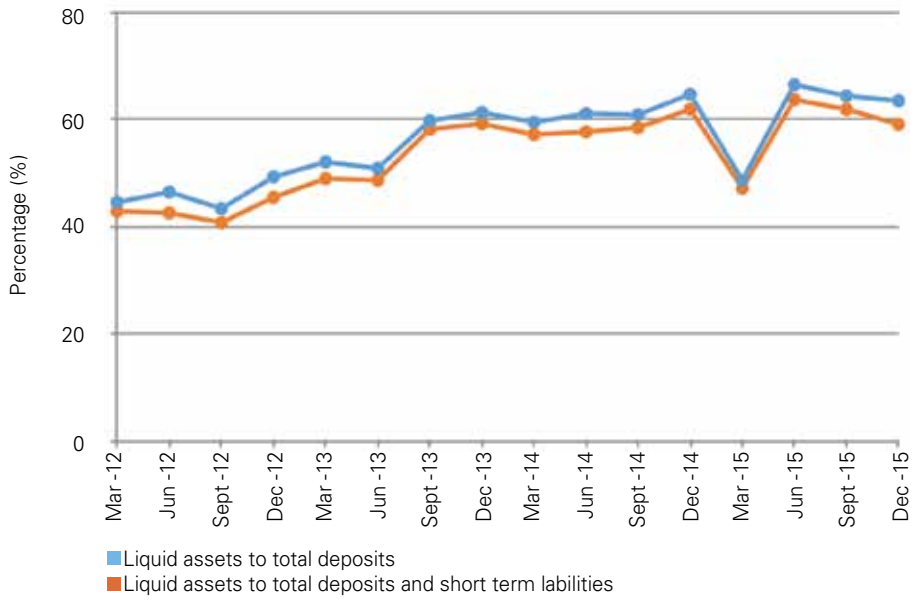
A higher growth in operating expenses relative to the growth in total income resulted in deterioration of the efficiency ratio from 45.4 percent in 2014 to 50.4 percent in 2015.

2.4. LIQUIDITY

The banking sector remained liquid in the year 2015 as evidenced by a liquidity ratio of 59.0 percent (2014: 61.8 percent) which was above the 30.0 percent minimum prudential requirement. The marginal decrease in the liquidity ratio was due to a 31.6 percent growth in total deposits and short term liabilities from MK575.6 billion in 2014 to MK757.3 billion against a 21.7 percent increase in liquid assets from MK367.3 billion in 2014 to MK447.2 billion in 2015.

Liquid assets were at MK447.2 billion in Dec 2015 against MK367.3 billion in Dec 2014. Deposits and short term liabilities were at MK757.3 billion in Dec 2015 from MK575.6 billion in Dec 2014.

Chart 2.3 Liquidity Ratio for Banks



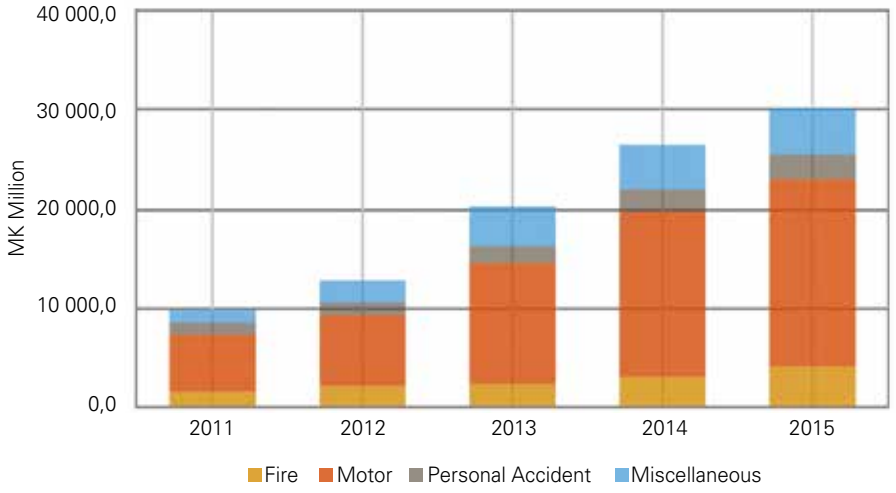
3. GENERAL INSURANCE

The general insurance sector was generally profitable and sound in 2015. Both premiums and assets for the sector registered significant growth during the year, albeit lower than in 2014. Premium income grew by 14.4 percent and total assets registered an increase of 18.7 percent. However, there was a marginal decline in solvency level for the sector as overall solvency ratio dropped from 31.5 percent in 2014 to 28.8 percent in 2015. The solvency position was adversely affected by an increase in inadmissible assets, particularly premium receivables.

3.1. PREMIUM INCOME

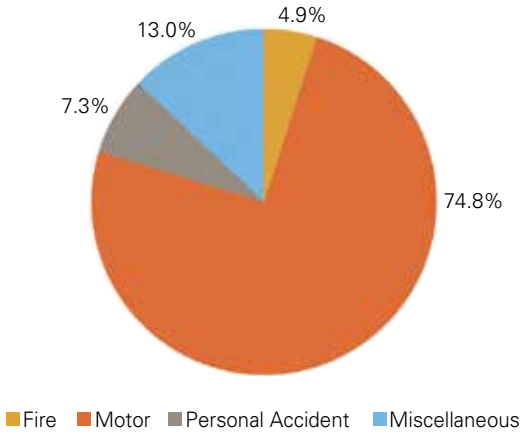
Gross premiums written rose by 14.4 percent from MK26.4 billion in 2014 to MK30.2 billion in 2015. Motor insurance business remained the dominant class of business comprising 62.9 percent of total gross premium followed by fire business at 13.1 percent. However, fire business registered the highest growth during the year at 26.3 percent followed by motor business which grew by 14.2 percent.

Chart 3.1 Gross Premium Written for General Insurers



During the year, 78.5 percent of gross premiums written (MK23.7 billion) were retained by general insurers while 21.5 percent was reinsured. Motor business continued to have the highest retention ratio at 93.3 percent while fire business was the most reinsured with a retention ratio of 29.6 percent only.

Chart 3.2 Net Premium Written for General Insurers by Class of Business in 2015



Earned premium income grew by 20.6 percent from MK18.9 billion in 2014 to MK22.8 billion in 2015. Motor insurance business contributed 75.7 percent of the premium earned. However, fire business reported the highest growth in earned premiums at 50.2 percent followed by motor business at 20.3 percent.

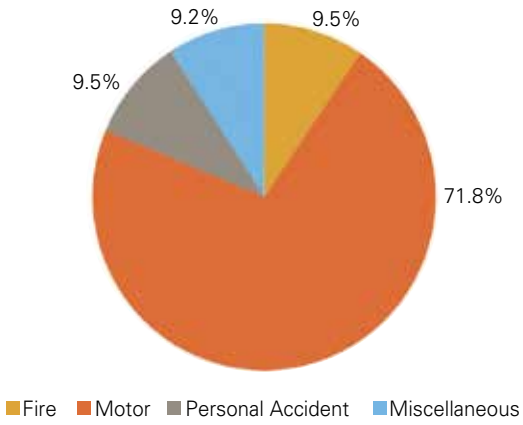
Table 3.1 Earned Premium for General Insurers by Class of Business (MK million)

	2011	2012	2013	2014	2015
Fire	555,4	442,8	380,8	565,2	849,0
Motor	4 990,9	6 107,1	9 715,8	14 340,9	17 255,3
Personal Accident	967,7	713,5	1 044,2	1 479,8	1 574,9
Miscellaneous	536,5	845,0	1 795,2	2 518,1	3 106,3
Total	7 050,5	8 108,3	12 936,1	18 904,0	22 785,5

3.2. CLAIMS EXPERIENCE

Gross claims incurred grew by 28.2 percent from MK14.2 billion in 2014 to MK18.2 billion in 2015. Of the total gross claims incurred, motor insurance business registered the most claims at 71.8 percent (MK13.1 billion) followed by fire and personal accident at 9.5 percent (MK1.7 billion), and miscellaneous (all other classes combined) at 9.2 percent (MK1.6 billion).

Chart 3.3 Gross Claims incurred by General Insurers by class of business in 2015



Net claims incurred by the sector increased by 22.1 percent from MK11.3 billion in 2014 to MK13.8 billion in 2015. The ratio of net claims incurred to earned premium income (claims ratio) was 60.4 percent (2014: 59.8 percent).

Chart 3.4 Net Claims Incurred by General Insurers by class of business

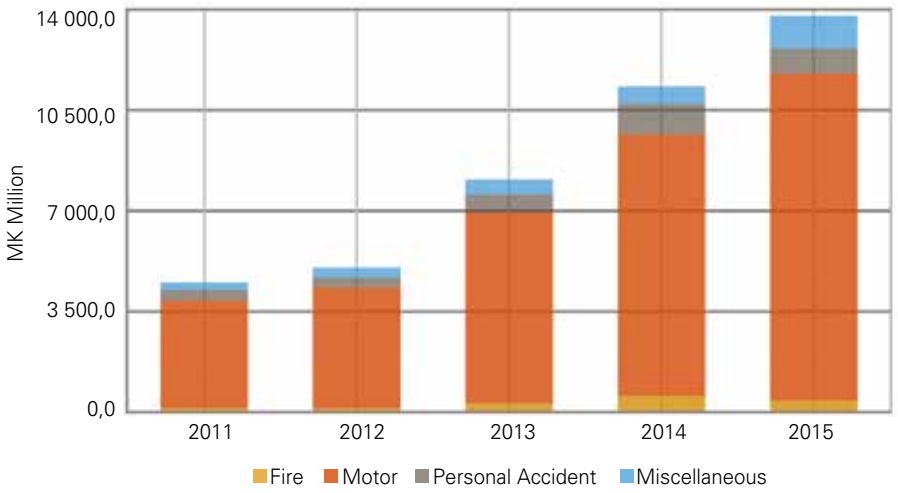
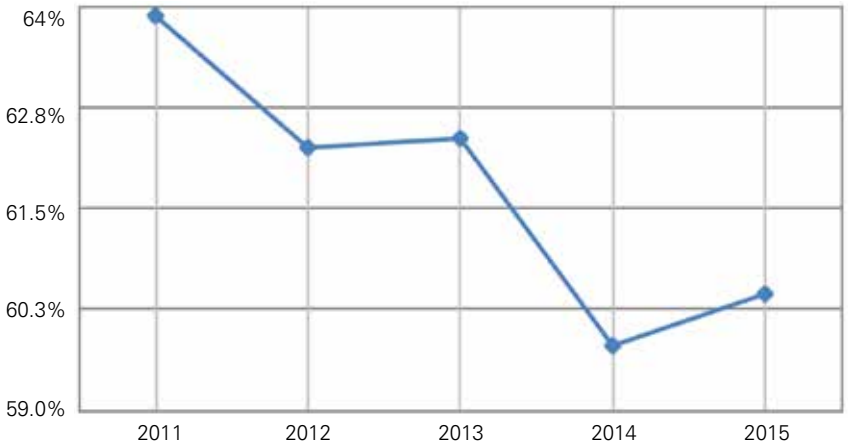
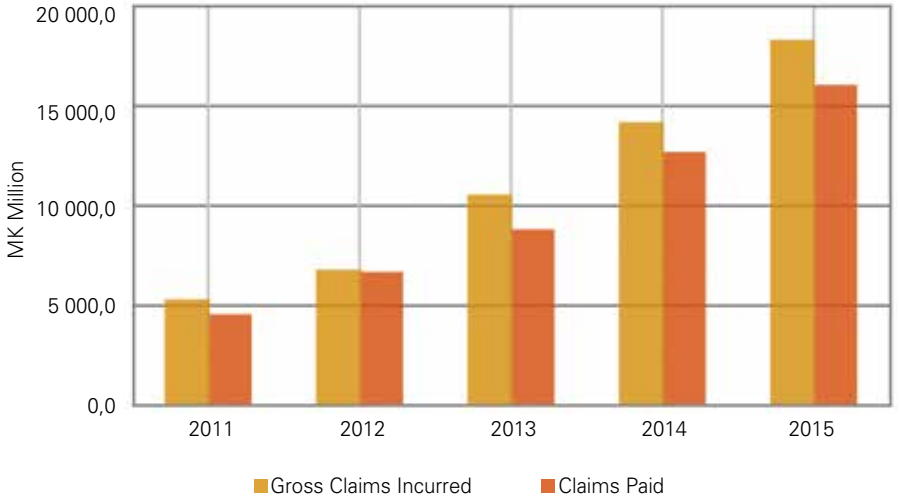


Chart 3.5 Claims Ratio for General Insurers



During the year, the sector paid claims amounting to MK16.0 billion (2014: MK12.7 billion). Outstanding claims grew significantly by 51.2 percent from MK4.3 billion in 2014 to MK6.5 billion in 2015.

Chart 3.6 Gross Claims Incurred vs. Claims Paid (General Insurers)



3.3. UNDERWRITING AND OPERATING RESULTS

Aggregate profit for the year dropped from MK3.1 billion in 2014 to MK3.0 billion in 2015, due to a 23.5 percent increase in management expenses. Three out of the eight general insurers posted losses in 2015, and the sector's overall return on average assets dropped from 17.8 percent in 2014 to 14.9 percent in 2015.

Notwithstanding the drop in profitability, the underwriting, combined and management ratios of 33.7 percent, 100.8 percent and 27.9 percent respectively, were within recommended benchmarks.

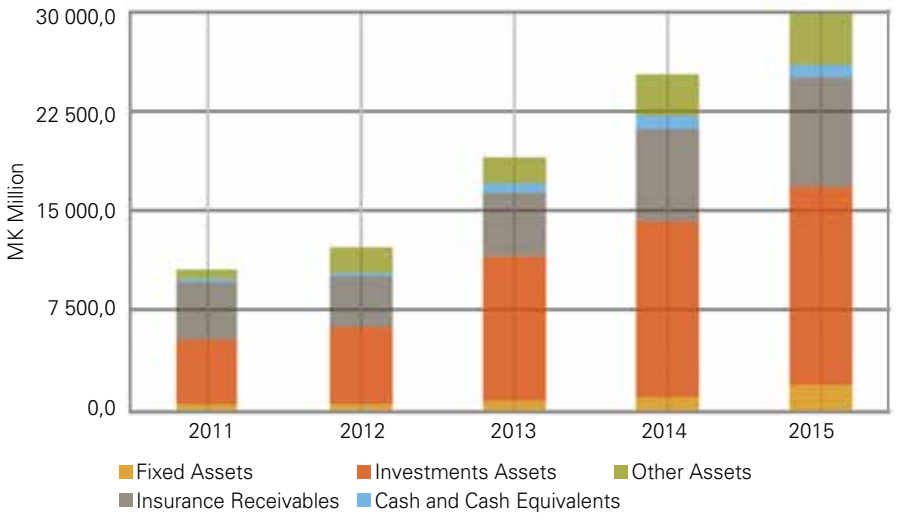
Table 3.2 Undewriting and Operating Results for General Insurers (MK million)

	2011	2012	2013	2014	2015
Underwriting					
Underwriting Surplus	2 008,6	2 666,8	4 223,5	6 533,9	7 679,7
Net Investment &					
Other Income	642,4	2 053,2	3 539,3	2 963,2	3 096,7
Management Expenses	2 422,2	2 709,0	3 654,8	5 150,3	6 360,1
Other Expenses	20,6	109,7	52,5	65,9	12,3
Profit before Tax	208,2	1 901,3	4 055,6	4 280,9	4 404,1
Taxation	(18,0)	430,9	897,5	1 188,8	1 371,0
Profit for the year	226,2	1 470,4	3 158,1	3 092,1	3 033,1

3.4. ASSETS AND LIABILITIES

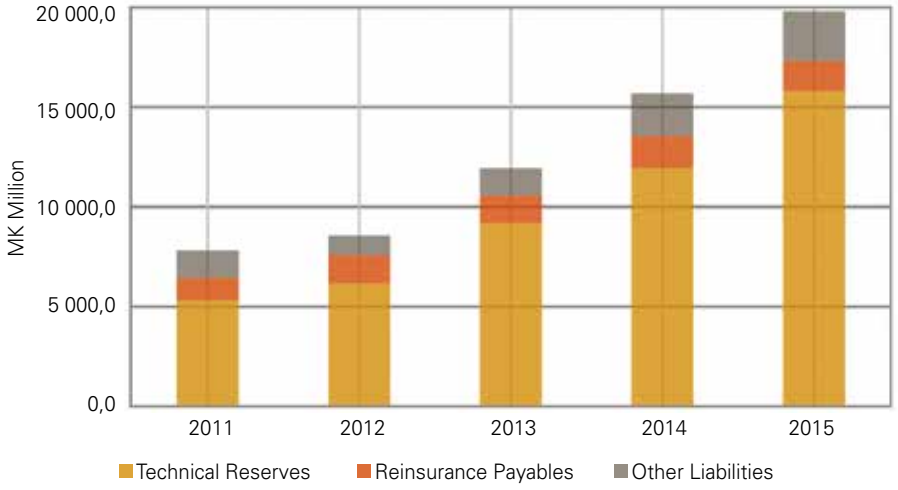
Total assets of the sector grew by 18.7 percent from MK25.1 billion in 2014 to MK29.8 billion in 2015. Investment assets accounted for the bulk of the assets at MK15.1 billion (50.5 percent) followed by premium receivables at MK8.2 billion (27.3 percent). However, there was a slight deterioration in the quality of assets as investment assets declined from 52.5 percent of total assets reported in 2014. Most investment assets were in fixed deposits (23.3 percent) followed by government securities (15.9 percent).

Chart 3.7 Assets of General Insurers



Total liabilities grew by 26.1 percent from MK15.7 billion in 2014 to MK19.8 billion in 2015. This growth was largely on account of 32.5 percent growth in technical reserves which comprise unearned premium reserve and outstanding claims reserve. Overall, technical reserves comprised 79.6 percent (2014: 75.9 percent) of total liabilities.

Chart 3.8 Liabilities of General Insurers



3.5. LIQUIDITY

The sector's liquidity deteriorated during the year evidenced by a rise in liquidity ratio from 125.9 percent in 2014 to 142.2 percent in 2015 which is above the recommended ratio of not more than 105.0 percent. Similarly, the technical reserves cover waned from 107.0 percent in 2014 to 125.1 percent in 2015. The decline in liquidity was largely due to the higher growth rate for liabilities compared to liquid assets. Liabilities went up by 26.1 percent while liquid assets grew by 16.2 percent from MK11.1 billion in 2014 to MK12.9 billion in 2015.

3.6. CAPITAL AND SOLVENCY

Shareholders' funds grew by 6.2 percent from MK9.5 billion in 2014 to MK10.1 billion in 2015. However, solvency ratio for the sector dropped from 31.5 percent in 2014 to 28.8 percent in 2015 due to the sector's subdued profitability and growth in inadmissible assets such as premium receivables. Nevertheless, the solvency ratio was above the regulatory minimum requirement of 20.0 percent.

Chart 3.9 Capital and Solvency for General Insurers



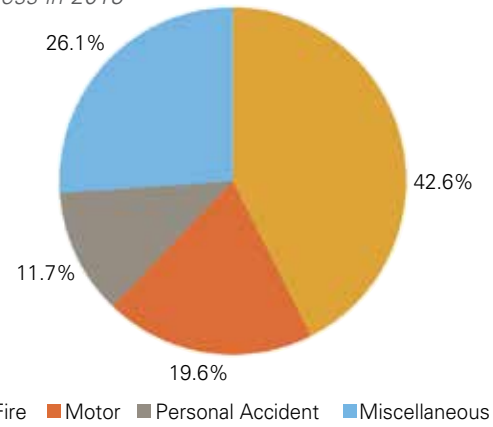
3.7. REINSURANCE

The sector ceded 21.6 percent (2014: 24.1 percent) of gross premiums written. Due to capacity constraints of the local market, 61.8 percent of the MK6.5 billion was placed with reinsurers outside Malawi. Premiums ceded for fire insurance alone constituted 42.5 percent of total premium ceded.

Chart 3.10 Gross Premium Written vs. Reinsurance Premium Ceded (General Insurers)



Chart 3.11 Reinsurance Premium Ceded by General Insurers by Class of Business in 2015



3.8. INSURANCE BROKING

General insurance brokerage business grew by a modest 5.7 percent in 2015 compared to 27 percent registered in 2014. Premiums totalling MK16.7 billion (2014: MK15.8 billion) were transacted through insurance brokers during the year representing 55.2 percent (2014: 59.6 percent) of gross premium written.

Total earned brokerage commission rose from MK2.3 billion in 2014 to MK2.9 billion in 2015. In addition, total assets for insurance brokers grew by 19.8 percent from MK2.6 billion in 2014 to MK3.1 billion in 2015.

Chart 3.12 General Insurance Premium Transacted through Brokers vs. Commission Earned



Overall, insurance brokers reported a combined profit for the year of MK271.0 million which was 13.9 percent lower than MK314.9 million reported in 2014.

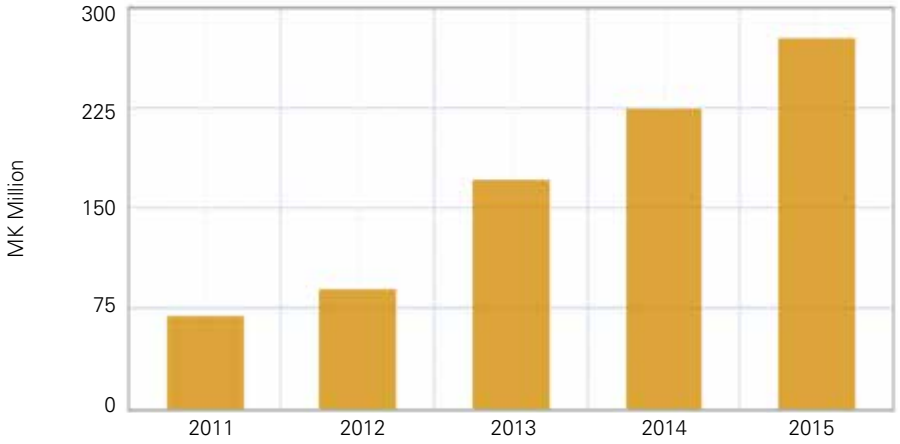
4. LIFE INSURANCE

Total assets for the sector grew by 23.6 percent on account of a 25.9 percent growth in policyholder funds. The sector's profit after tax increased by 9.5 percent from MK7.4 billion reported in 2014 to MK 8.1 billion. Profitability was boosted by 98.0 percent growth in gross premium written that reached MK18.6 billion.

4.1. ASSETS AND LIABILITIES

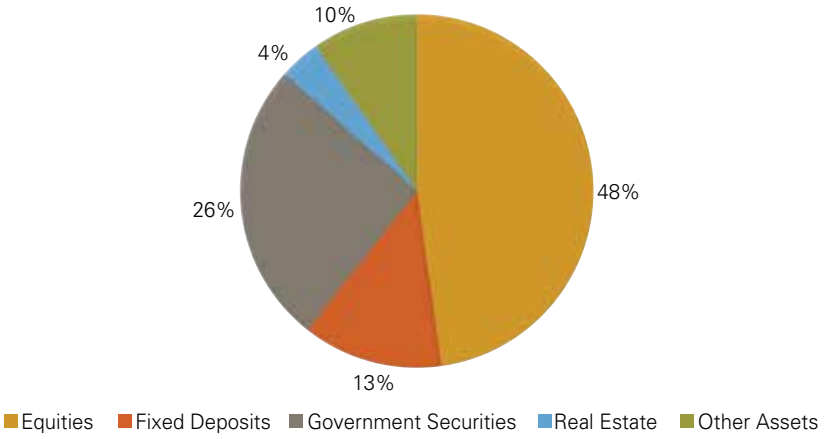
Total assets of the life insurance sector increased by 23.6 percent from MK223.3 billion in 2014 to MK 276.0 billion in 2015, due to growth in premiums and retained earnings.

Chart 4.1 Assets for Life Insurers



Investment in equities constituted the highest proportion of assets at 47.8 per cent followed by government securities at 25.9 percent from 14.0 percent in 2014. Equities increased by 10.6 percent from MK119.3 billion in 2014 to MK132.0 billion in 2015 while government securities grew by 127.4 percent from MK31.4 billion in 2014 to MK71.4 billion in 2015. Investment in fixed deposits decreased by 22.0 percent from MK45.4 billion in the year 2014 to MK 35.4 billion in 2015.

Chart 4.2 Asset Composition for Life Insurers in 2015



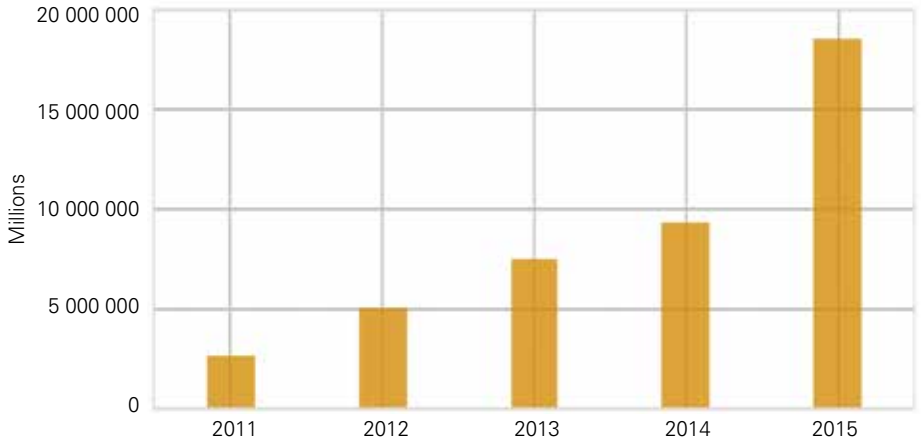
4.2. PROFITABILITY

The life insurance sector's profit after tax increased by 9.5 percent (2014: -16.7 percent) from MK7.4 billion in 2014 to MK 8.1 billion in 2015. The increase in profitability was driven by growth in interest and dividend incomes which rose from MK15.8 billion and MK4.0 billion in to MK19.7 billion and MK5.7 billion in 2015, respectively. Underwriting profits from group life assurance remained stable at MK4.6 billion (2014: MK4.7 billion). However, the growth in profitability was subdued due to an increase in operational expenses and a decline in the performance of the stock market which registered a negative return of 2.2 percent. Consequently, Return on Equity (ROE) for life insurers for the year 2015 was 34.3 percent as compared to 38.1 percent recorded in 2014.

4.3. PREMIUMS

In 2015, the life insurance sector registered growth of 97.9 percent in gross premium written from MK9.4 billion recorded in 2014 to MK18.6 billion. The increase was primarily due to growth in new business, particularly annuity business which grew by 307.1 percent from MK1.4 billion in 2014 to MK5.7 billion in 2015. The increase in premiums was also due to premium rate increases.

Chart 4.3 Gross Premiums for Life Insurers



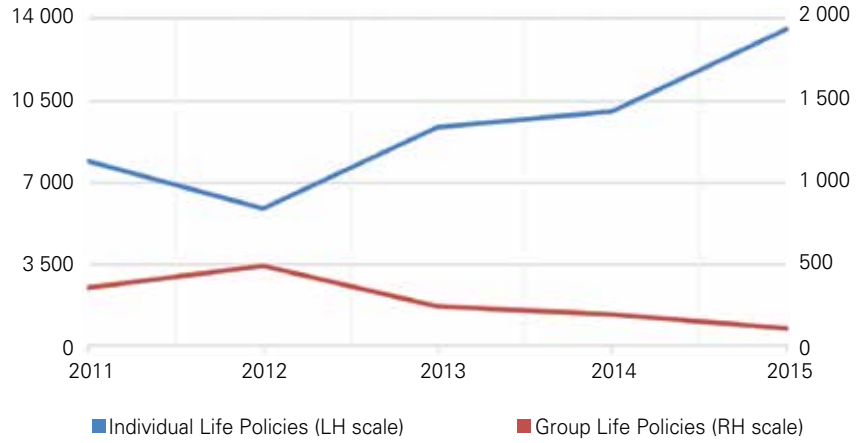
4.4. REINSURANCE

The sector ceded out MK1.3 billion to reinsurers, representing 7.0 percent (2014: 6.7 percent) of the total gross premium. Therefore, there was no significant change in the retention ratio of 93.0 percent (2014: 93.7 percent).

4.5. UNDERWRITING EXPERIENCE

New individual life insurance policies underwritten by the sector increased from 10,044 polices underwritten in 2014 with annual total premiums of MK1.4 billion to 13,565 in 2015 with annual total premiums of MK2.2 billion. New policies underwritten for group life insurance policies totalled 108 (2014: 193) with annual premiums of MK4.2 billion (2014: MK168.8 million).

Chart 4.5 New Life Insurance Polices Underwritten by Life Insurers



In the year 2015, total Individual life policies terminated by surrender reduced from 1,177 in 2014 to 820. In addition, 10 group life policies (2014:8) were surrendered in the year 2015.

In 2015, the number of individual life policies that were terminated by lapse went up from 1,786 in 2014 to 2787 with annual premium of MK141.7 million (2014: MK134.7 million). No group life policies were terminated by lapse in the year 2015 (2014:2).

Chart 4.6 Number of Individual Life Insurance Polices Terminated

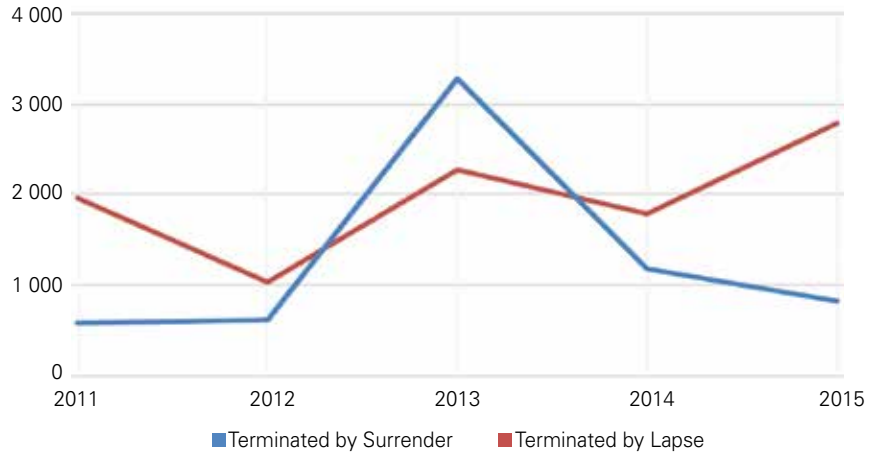


Chart 4.7 Number of Group Life Insurance Polices Terminated

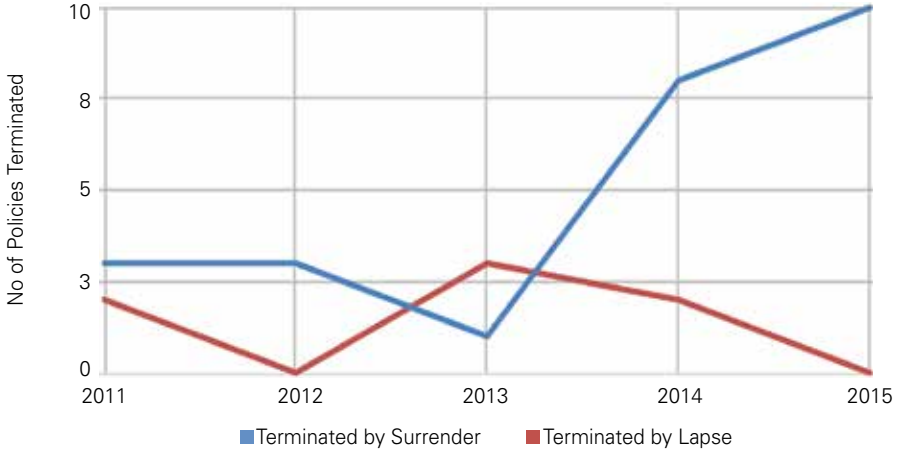


Chart 4.8 Total Sum Insured of Individual Life Policies Terminated

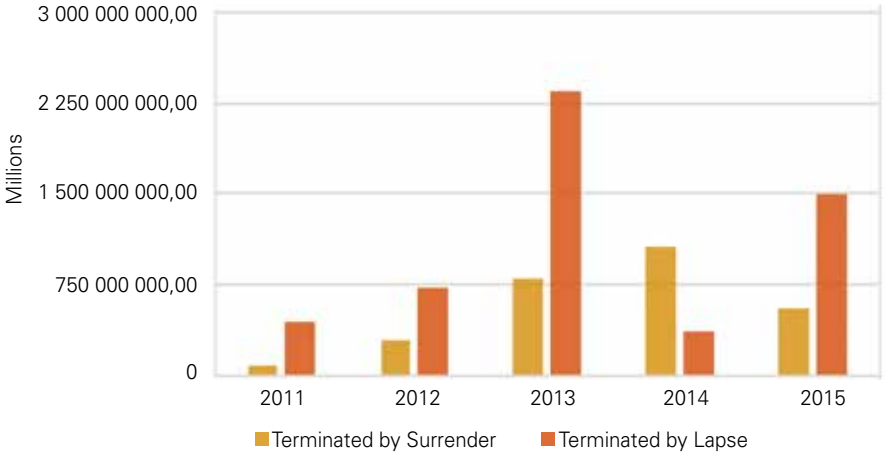
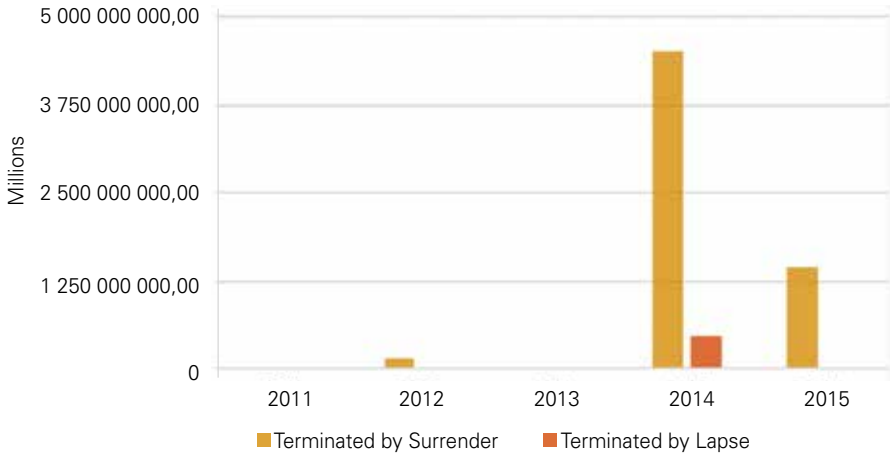


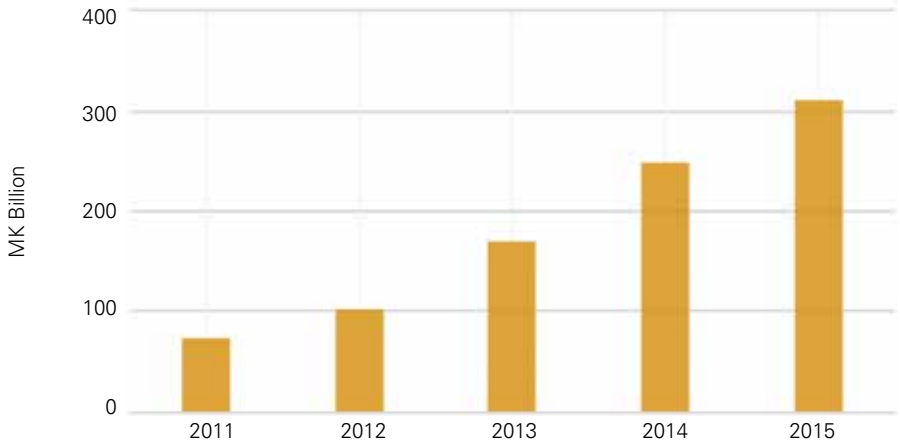
Chart 4.9 Total Sum Insured of Group Life Policies Terminated



5. PENSION

The industry recorded a 26.1 percent (2014: 44.6 percent) increase in pension fund assets from MK247.5 billion in 2014 to MK312.2 billion in 2015. The increase was on account of growing pension contributions and investment income.

Chart 5.1 Assets of Pension Funds



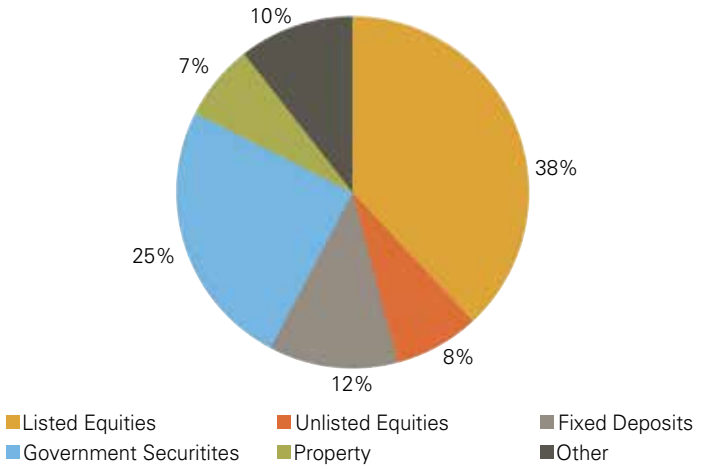
5.1. INVESTMENT PERFORMANCE

Interest income increased from MK20.6 billion in 2014 to MK28.7 billion in 2015. However, total investment income went down by 17.1 percent from MK53.2 billion in 2014 to MK44.1 billion in 2015. The drop in income was mainly due to the subdued performance of the stock market because a large proportion of pension funds investments are in listed equities.

5.2. ASSET PORTFOLIO MIX

Listed equities and government securities accounted for 38.1 percent and 24.8 percent, respectively, of the total pension fund investments.

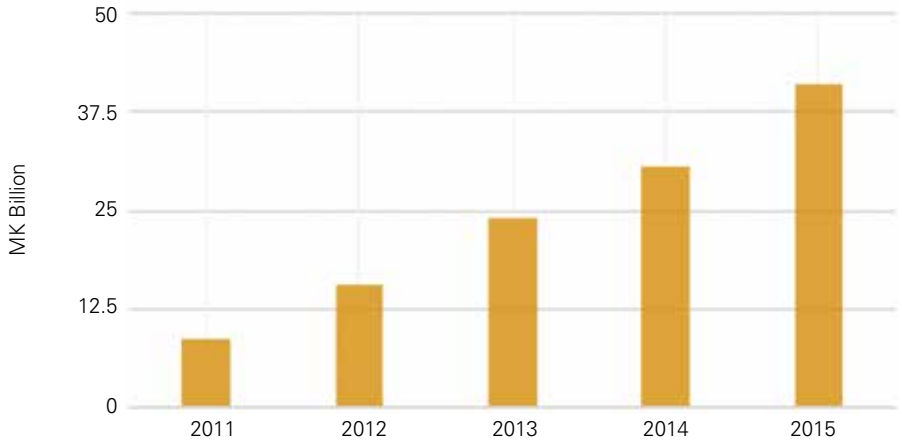
Chart 5.2 Asset Composition for Pension Funds in 2015



5.3. PENSION CONTRIBUTIONS

Annual pension contributions increased by 34 percent from MK30.6 billion in 2014 to MK41.0 billion in 2015. The increase was due to a rise in pensionable emoluments and increase of number of members. However, total pension contribution arrears amounted to MK1.6 billion (0.5 percent of total pension assets).

Chart 5.3 Annual Pension Contributions



5.4. ADMINISTRATION AND INVESTMENT FEES

Administration, investment and operating expenses incurred by pension funds increased by 34.3 percent from MK3.5 billion in 2014 to MK4.7 billion in 2015. Out of this amount, MK2.2 billion (46.8 percent) was in respect of administration fees.

Table 5.1 Expenses for Pension Funds

	2013 MK Million	2014 MK Million	2015 MK Million
Administration fees	627.8	1,037.8	2,225.9
Investment costs	2,119.6	2,217.6	2,117.6
Other expenses	380.7	287.2	377.4
Total expenses	3,128.1	3,542.6	4,720.9

5.5. PAYMENT OF PENSION BENEFITS

Total pension benefits paid increased from MK10.3 billion in 2014 to MK24.6 billion in 2015. However, early withdrawals accounted for 39.0 percent of the total pension benefits paid, which poses a challenge to achievement of the objectives of the Pension Act 2010.

Table 5.2 Pension Benefits paid

	2013		2014		2015	
Type of Benefit	Amount MK million	Share (%)	Amount MK million	Share (%)	Amount MK million	Share (%)
Retirement	3,142.2	40.4	4,924.4	48.0	9,637.9	39.4
Death	0.6	0.0	1,032.5	10.1	1,603.4	6.5
Early Withdrawals	3,498.1	45.0	4,304.9	41.9	9,542.9	39.0
Transfers	1,136.3	14.6	0.422	0.0	3,794.2	15.1
Total	7,777.3	100.0	10,262.22	100.0	24,578.4	100.0

5.6. MEMBERSHIP TO THE NATIONAL PENSION SCHEME

Membership to the National Pension Scheme increased by 7.8 percent from 201,405 in 2014 to 217, 081 in 2015. The membership comprised 76.5 percent men and 23.5 percent women.

6. CAPITAL MARKETS

Capital markets continued to be characterised by a limited number of trading instruments, few listed counters, low participation by retail investors and low market liquidity. Both the equities and debt markets registered dismal performance during the year 2015 with no new listings on both markets. One of the three listed government bonds matured on 30 December 2015 but no trades were registered on the secondary debt market. The stock market registered a 27.1 percent decrease in the number of transactions executed from 1,673 deals in 2014 to 1,220 deals in 2015. Furthermore, the stock market index registered a return of negative 2.2 percent in 2015 compared to a return of 18.8 percent registered in 2014.

6.1. THE STOCK MARKET

The market recorded an increase in both volume and value of shares traded. The volume of shares traded on the stock exchange increased by 41.2 percent from 1.7 billion in 2014 to 2.4 billion in 2015 while value of shares traded increased by 345.9 percent from MK10.9 billion in 2014 to MK48.6 billion in 2015. The increase in volume and value of shares traded was driven by block transactions on two counters that restructured their shareholding.

Table 6.1 Stock Market Statistics

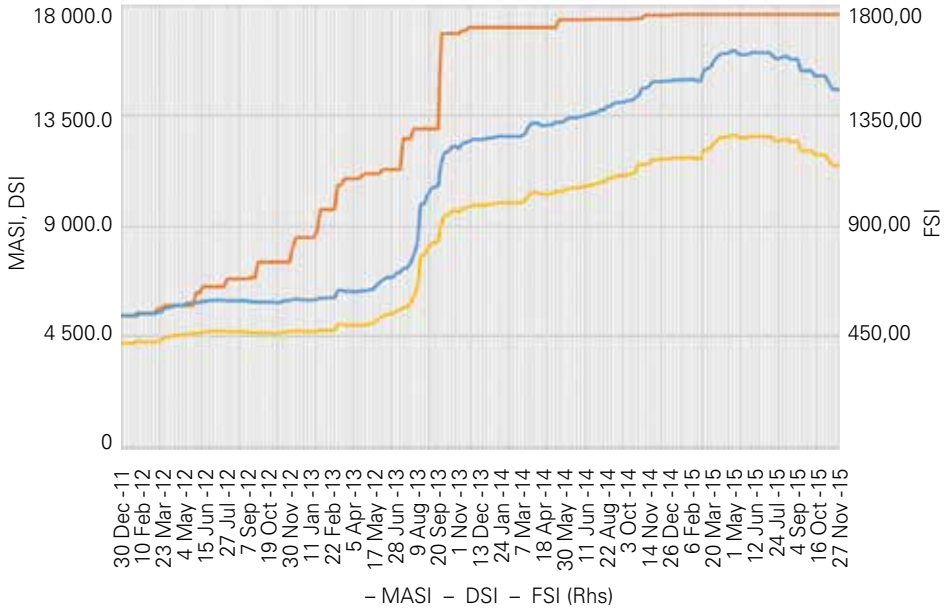
Statistic	2012	2013	2014	2015
Volume of shares traded (million)	700.0	4,400.0	1,700.0	2,400.0
Value of shares traded (MK billion)	4.0	13.3	10.9	48.6
Market Capitalization (MK billion)	3,562.2	7,179.9	7,489.4	7,522.1
Malawi All Share Index	6,015.5	12,531.0	14,886.1	14,562.5
Domestic Share Index	4,725.5	9,850.2	11,720.4	11,462.9
Foreign Share Index	854.7	1,709.3	1,759.6	1,762.1

The Malawi All Share Index (MASI) lost 323.5 points from 14,886.1 points to close off at 14,562.6 points due to a downward movement in the Domestic Share Index (DSI). A rise in the share prices of eight domestic listed companies failed to cushion the effect of a fall in share prices of five domestic listed companies resulting in the DSI dropping from 11,720.4 points in 2014 to 11,462.9 points in 2015.

The Foreign Share Index rose slightly from 1,759.6 points in 2014 to 1,762.1 points in 2015 registering a return on index of 0.1 percent (2014: 2.9 percent) due to a gain in price of the only foreign listed counter.

Nevertheless, total market capitalization increased slightly from MK7,489.4 billion in 2014 to MK7,522.1 billion in 2015 because the number of shares in issue for the 9 counters that registered share price increases accounted for more than 77 percent of the total number of shares in issue.

Chart 6.1 Stock Market Indices



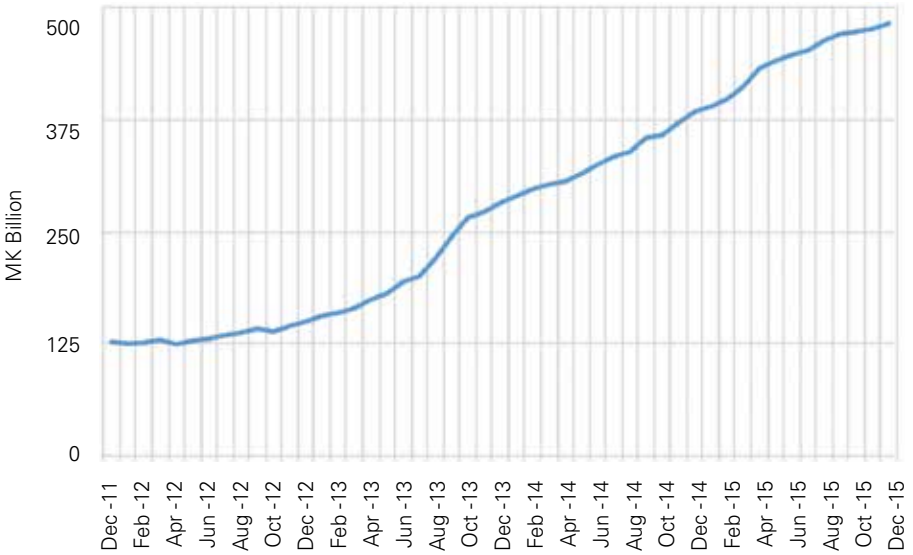
6.2. BROKERAGE

In 2015, total income for the brokers grew by 28.7 percent from MK498.7 million in 2014 to MK641.8 million in 2015 due to increased volume of shares traded in the year. Consequently, aggregate profits after tax increased by 221.3 percent from MK72.6 million in 2014 to MK233.3 million in 2015. However, one of the four brokerage firms reported a loss.

6.3. FUNDS MANAGEMENT

Total funds under management grew by 25.6 percent from MK383.6 billion in 2014 to MK481.9 billion in 2015.

Chart 6.2 Funds Under Management



Life insurance companies and pension funds contributed 54.3 percent and 22.0 percent of the total funds under management, respectively.

Table 6.2 Sources of Funds Under Management

Type of Benefit	2012 MK million	2012 Share (%)	2013 MK million	2013 Share (%)	2014 MK million	2014 Share (%)	2015 MK million	2015 Share (%)
Pension Funds	37,783.0	25.2	70,343.0	25.0	96,043.0	25.0	106,097.0	22.0
General Insurance	3,438.2	2.3	6,210.8	2.2	8,382.9	2.2	9,330.4	1.9
Life Insurance	83,256.4	55.5	160,273.0	56.9	210,300.6	54.8	261,565.6	54.3
Medical Aid Funds	0.0	0.0	0.0	0.0	136.2	0.0	394.9	0.1
Unit Trusts	761.4	0.5	2,671.4	0.9	5,388.0	1.4	7,622.6	1.6
Companies	20,845.1	13.9	35,905.3	12.7	53,307.4	13.9	83,444.4	17.3
Natural Persons-Residents	683.72	0.5	1,284.03	0.5	2,730.2	0.7	5,382.8	1.1
Natural Persons-Non Residents	27.00	0.0	566.00	0.2	1,239.2	0.3	0.0	0.0
Other	3,131.1	2.1	4,669.0	1.7	6,094.1	1.6	8,034.3	1.7
Total	149,925.6	100.0	281,922.4	100.0	383,621.6	100.0	481,872.0	100.0

Total income for fund managers grew by 48.0 percent from MK2.5 billion in 2014 to MK3.7 billion in 2015. As a result, profit after tax increased by 57.2 percent from MK774.5 million in 2014 to MK1, 217.3 million in 2015.

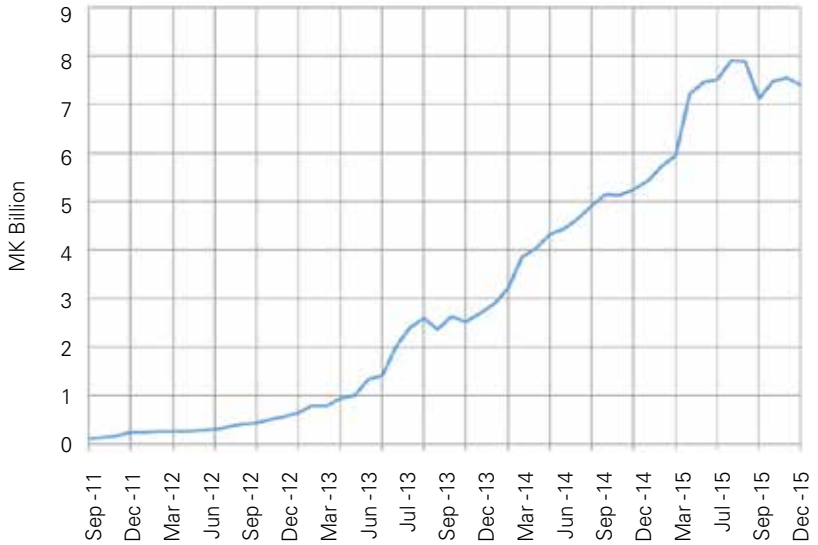
Table 6.3 Income and Expenses for Fund Managers

	2012 MK Million	2013 MK Million	2014 MK Million	2015 MK Million
Revenue	890.5	1,487.4	2,487.7	3,739.9
Operating expenses	(476.2)	(975.5)	(1,367.3)	(1,982.6)
Profit before tax	414.3	511.8	1,120.4	1,757.3
Income tax	(127.1)	(165.0)	(345.9)	(540.0)
Profit after tax	287.2	346.8	774.5	1,217.3

6.4. UNIT TRUST OPERATIONS

Total funds for the only open-ended collective investment scheme increased by 42.3 percent from MK5.2 billion in 2014 to MK7.4 billion in 2015.

Chart 6.3 Unit Trust Fund Growth



7. MICROFINANCE

Total assets for the microfinance sector increased by 71.3 percent from MK17.8 billion in 2014 to MK30.5 billion in 2015. The increase was due to a 200.0 percent increase in total loans from MK9.3 billion in 2014 to MK27.9 billion in 2015.

7.1. ASSETS AND LIABILITIES

Assets grew on account of a 71.2 percent increase in the capital position of the sector from MK6.6 billion in 2014 to MK11.3 billion in 2015. In addition, one microfinance institution was licensed as a Deposit Taking Microfinance Institution (DTI) and in order to meet the capital requirements of a DTI, its shareholders made a significant capital injection into the institution. Furthermore, an increase in the number of registered and licensed institutions in the sector from 25 in 2014 to 27 in 2015 contributed to the growth.

Chart 7.1 Assets, Loans and Capital for Microfinance Institutions



Loan repayments improved which encouraged most institutions to increase loan disbursements. Consequently, total loans accounted for 91.8 percent (2014: 52.2 percent) of total assets. Microfinance institutions increased their outreach from 854,172 clients in 2014 to 1,296,640 clients in 2015 of which 44.2 percent were women.

Chart 7.2 Microfinance Loan Distribution



7.2. PROFITABILITY

Total income for the sector increased by 62.5 percent from MK2.4 billion in 2014 to MK3.9 billion in 2015. However, the sector's profitability declined from a profit of MK889.2 million in 2014 to a loss of MK44.4 million in 2015 due to a rise in operating expenses.

Chart 7.3 Microfinance Loan Distribution



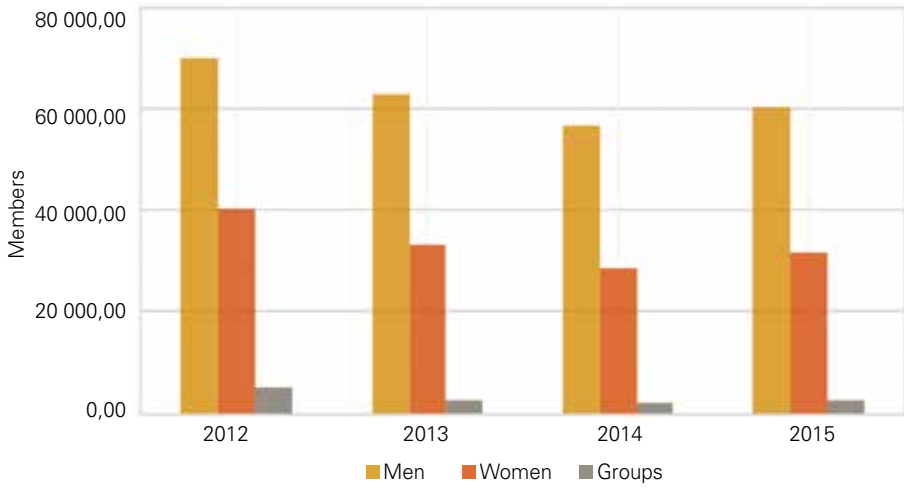
8. FINANCIAL COOPERATIVES

Total assets for the sector grew by 55.1 percent from MK4.9 billion in 2014 to MK7.6 billion in 2015. In addition, the sector's financial performance improved as profits increased by 89.4 percent from MK261.1 million in 2014 to MK494.4 million in 2015.

8.1. MEMBERSHIP

Total membership of financial cooperatives increased by 8.2 percent from 87,455 in 2014 to 94,639 in 2015. The membership comprised 60,172 men (2014: 56,443 men), 31,675 women (2014: 28,825 women) and 2,792 groups (2014: 2,187 groups). The increase in membership was mainly due to a number of new entrants into the sector.

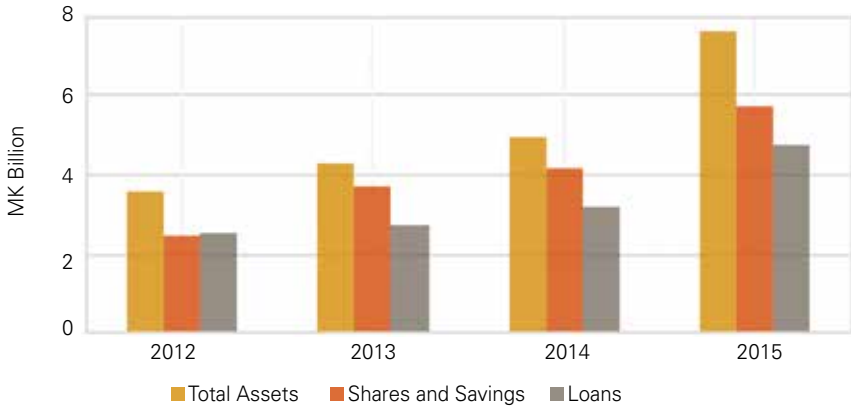
Chart 8.1 SACCO Membership



8.2. ASSETS AND LIABILITIES

Growth in assets was mainly due to a 53.1 percent increase in total loans from MK3.2 billion in 2014 to MK4.9 billion in 2015 on account of a 33.3 percent increase in total savings (redeemable shares plus deposits) from MK4.2 billion in 2014 to MK5.6 billion in 2015. The ratio of non-performing assets to total loans went down from 7.7 percent in 2014 to 5.8 percent in 2015 due to improved loan performance.

Chart 8.2 Selected Assets and Liabilities for Financial Cooperatives



8.3. CAPITAL ADEQUACY

Aggregate capital for the sector increased by 371.3 percent from MK254.6 million in 2014 to MK1.2 billion in 2015. Consequently, the institutional capital ratio increased from 5.2 percent in 2014 to 11.3 percent in 2015. The sector was therefore able to meet the minimum institutional capital ratio requirement of 10.0 percent.

Table 8.1 Key Financial Ratios for Financial Cooperatives

Indicator	Recommended Ratio	2012	2013	2014	2015
Institutional Capital Ratio	>10%	12.4%	-2.0%	5.2%	11.3%
Non-performing loans/Gross Loans	< 5%	15.6%	14.5%	11.0%	5.8%
Liquidity	> 10%	8.9%	10.5%	13.9%	15.9%
Net Income/Average Total Assets	> 5%	0.8%	4.7%	5.7%	7.3%

8.4. FINANCIAL STRUCTURE

During the year 2015, member loans and advances constituted 64.2 percent (2014: 65.2 percent) of the total assets which was slightly lower than the recommended range of 70 to 80 percent. Member savings (redeemable shares and deposits) financed 74.0 percent (2014: 84.7 percent) of total assets which is within the recommended range of 70 to 80 percent.

Table 8.2 Assets for Financial Cooperatives

Type of Asset	2012 MK million	2012 Share (%)	2013 MK million	2013 Share (%)	2014 MK million	2014 Share (%)	2015 MK million	2015 Share (%)
Cash and Bank Balances	268.4	7.5	293.5	6.9	469.9	9.5	573.6	7.5
Securities and Investments	221.3	6.2	447.4	10.5	422.5	8.6	940.1	12.4
Total Loans and Advances	2,553.9	71.8	2,689.1	63.0	3,210.2	65.2	4,898.0	64.2
Other Assets	515.5	14.5	839.4	19.6	822.5	16.7	1,212.1	15.9
Total Assets	3,559.1	100.0	4,269.4	100.0	4,925.1	100.0	7,623.8	100.0

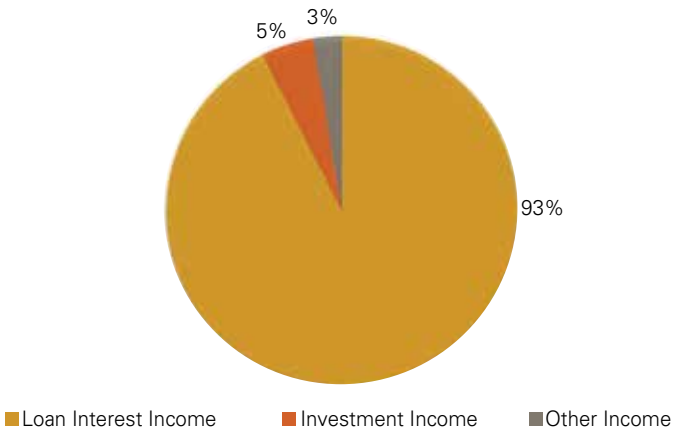
Table 8.3 Funding Sources for Financial Cooperatives

Type of Liability	2012 MK million	2012 Share (%)	2013 MK million	2013 Share (%)	2014 MK million	2014 Share (%)	2015 MK million	2015 Share (%)
Deposits and Member Shares	2,455.5	69.0	3,683.2	86.3	4,170.4	84.7	5,647.2	74.0
Liabilities to Other Banks	427.9	12.2	647.5	10.9	395.9	8.0	526.6	6.9
Other Liabilities	234.9	6.6	202.1	4.7	104.2	2.1	203.4	2.7
Total Capital	440.8	12.4	-83.4	-2.0	254.6	5.2	1,246.6	16.4
Total Funding	3,559.1	100.0	4,269.4	100.0	4,925.1	100.0	7,623.8	100.0

8.5. EARNINGS

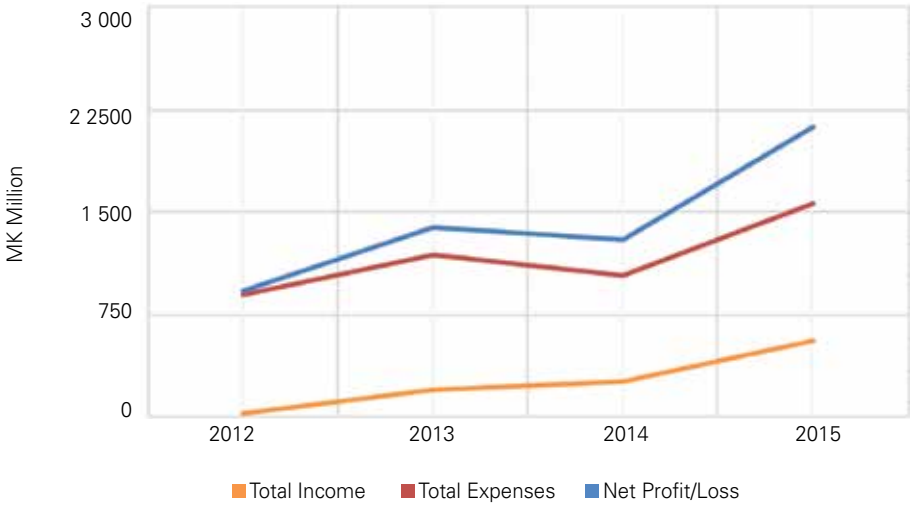
Total income for the sector increased by 61.5 percent from MK1.3 billion in 2014 to MK2.1 billion in 2015, out of which 92.5 percent (2014: 73.0 percent) was loan interest income.

Chart 8.3 ncome for Financial Cooperatives in 2015



Net surplus increased by 89.4 percent from MK261.1 million in 2014 to MK494.4 million in 2015. Consequently, the Return on Assets (ROA) ratio increased from 5.7 percent in 2014 to 6.5 percent in 2015.

Chart 8.4 Income, Expenses and Surplus/Deficit Trends for Financial Cooperatives



8.6. LIQUIDITY

Liquidity of financial cooperatives improved from 13.9 percent in 2014 to 15.9 percent in 2015 despite delayed remittance of payroll deductions. The sector was owed over MK500.0 million as at 31st December 2015 (2014: MK400.6 million) in payroll deductions which resulted in an increase in the external borrowing ratio from 4.0 percent in 2014 to 5.6 percent in 2015.

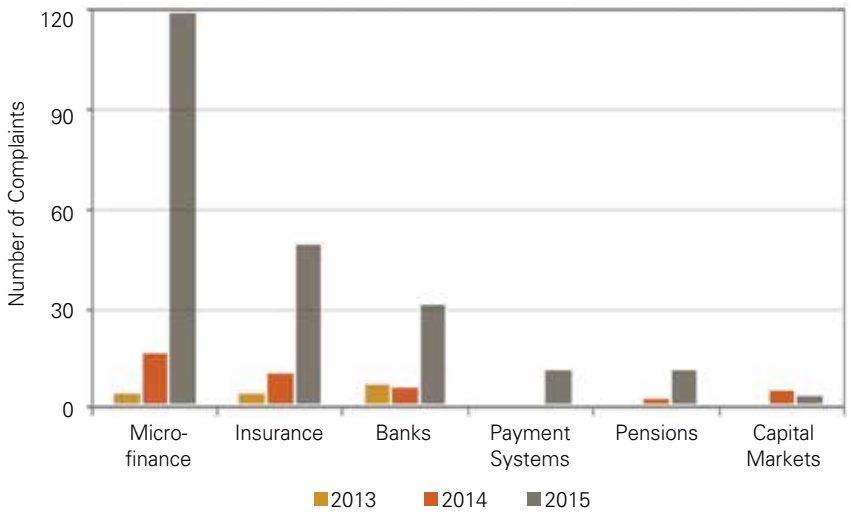
9. CONSUMER PROTECTION AND ANTI-MONEY LAUNDERING

During the year 2015, the number of complaints handled by the Registrar increased by 466.7 percent mainly because of increased awareness of the complaints handling mechanisms. The Registrar also carried out various financial literacy initiatives aimed at increasing consumer awareness. Further, the Registrar conducted examinations at various financial institutions to assess compliance with money laundering and terrorist financing legislation.

9.1. COMPLAINTS HANDLING

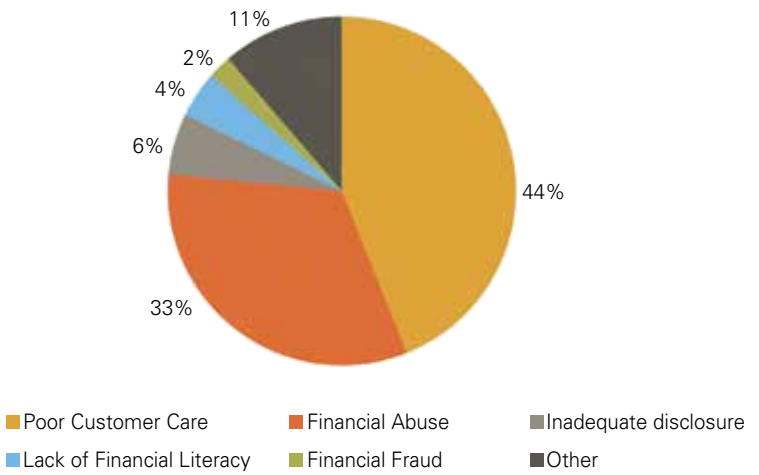
Financial consumer complaints received by the Registrar increased from 45 complaints in 2014 to 255 complaints in 2015, of which 79.6 percent (2014: 73.3 percent) were successfully resolved. As at 31st December 2015, 27 complaints were still under investigation while 25 complaints were referred back to complainants as the cases were either before the Courts or the complainant did not follow correct procedures. Most of the complaints were from the microfinance, insurance and banking sectors.

Chart 9.1 Number of Complaints Received



Major causes of the complaints remained poor customer care and financial abuse by financial service providers. Financial abuse took the form of delayed settlement of insurance claims; continued deduction on fully repaid loans; making deduction before disbursement of loans by microfinance institutions; and delayed refund on failed automated teller machines (ATM) transactions by banking institutions.

Chart 9.2 Nature of Complaints in 2015



9.2. MARKET CONDUCT

During the year 2015, mystery surveillances and market conduct examinations of financial institutions indicated improvement in customer service. There was also improvement in display of complaints handling procedures which contributed to the increase in the number of complaints filed with the Registrar.

However, there were lapses in disclosure of product features, terms and conditions to customers which led to customers making uninformed choices. The Registrar made recommendations to the concerned financial institutions to address the shortfalls. Further, the Registrar was developing mandatory product disclosure requirements for all financial institutions.

Further, there was an improvement in compliance with market conduct laws and directives by microfinance institutions. Most institutions started using the reducing balance method of calculating interest and disclosing terms and conditions of loan products and services to their clients. However, disclosure of effective interest rate remained a challenge.

9.3. FINANCIAL LITERACY

The following financial literacy initiatives were implemented during the year:

a) The Registrar, through the Association of Business Journalists (ABJ), published a weekly column called Money Tips in a local newspaper. The column covered and discussed issues pertaining to financial literacy and personal finance management.

b) The Global Money Week was commemorated from 9th to 15th March 2015 to promote financial inclusion among children and the youth. Activities carried out during the week included presentations to primary and secondary school students, education visits to financial institutions and publication of newspaper articles. The key messages disseminated over the week centred on budgeting and saving as key to children and youth development.

c) A baseline survey was commissioned in November 2015 to gauge financial literacy and capability levels amongst secondary school students and teachers. The findings will be used to inform development of school based financial education programmes. The findings will also form baseline indicators against which future initiatives will be measured.

d) The annual financial literacy week was held from 16th to 20th November 2015 in Mzuzu under the theme: ""Budgeting and Saving: Foundation to Financial Freedom". Activities conducted during the week included television and radio panel discussions, road shows, school visitations, school quiz competitions, newspaper articles, and public consultation clinics.

e) In collaboration with various stakeholders, development of a National Financial Literacy Strategy was finalized. The strategy is aimed at facilitating coordination and implementation of financial literacy programmes in the country.

f) Revised secondary school curriculum that includes financial education was rolled out in all public and private secondary schools in September 2015. In addition, development of sourcebooks to facilitate teaching of financial education in Agriculture, Business Studies, Chichewa, English, Home Economics, Life Skill Education, Mathematics, and Social Studies was in the final stages.

g) The Registrar, in collaboration with FINMARK Trust, conducted a capacity building program for financial education practitioners in December 2015. The training was aimed at honing implementers' skills in designing and delivering financial literacy programmes. Stakeholders to the training were drawn from financial industry associations, financial institutions and other organizations implementing financial education programs.

9.4. ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM (AML/CFT)

During the year 2015, the Registrar conducted AML/CFT examinations at four banks, one stock broker, one insurance company and one discount house. The examinations revealed shortfalls in the following areas:

a) Money laundering and terrorist financing risk assessment of customers, products and services, delivery methods and geographical locations;

b) Automated processes for on-going monitoring of customer transactions;

c) Employees' ability to identify and report suspicious transactions;

d) Scope of internal and external audit to independently assess AML/CFT compliance program;

e) Updating customer information to align with the existing AML/CFT legislation and to reflect changes in nature of customer transactions;

f) Customer verification processes; and

g) Record keeping of client information.

In order to ensure financial institutions implement robust AML/CFT framework, a sensitisation workshop on ML/TF Risk Assessment was organised in July 2015 for Directors, Senior Management and Compliance Officers. The workshop highlighted measures on how to conduct ML/TF Risk Assessment and institute adequate risk management practices.

10. APPENDICES

10.1. LIST OF LICENSED MARKET PLAYERS AS AT 31ST DECEMBER 2015

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 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. Britam Insurance Company Ltd
2. Charter Insurance Company Ltd
3. Co-operatives General Insurance Ltd
4. General Alliance Insurance Company Ltd
5. NICO General Insurance Company Ltd
6. Prime Insurance Company Ltd
7. Reunion Insurance Company Ltd
8. United General Insurance Company Ltd

LIFE INSURANCE COMPANIES

1. Co-operatives Life Assurance Ltd
2. NICO Life Insurance Company Ltd
3. Old Mutual Life Assurance Company (Malawi) Ltd
4. Smile Life Insurance Company Ltd
5. Vanguard Life Assurance Company Ltd

REINSURANCE COMPANIES

1. Malawi Reinsurance Company Ltd

INSURANCE BROKERS

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

AGENTS FOR BROKERS

1. FDH Bank
2. National Bank of Malawi
3. Nedbank Malawi Ltd
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. CYA Insurance Agency
8. Direct Insurance Agency
9. Equatorial Insurance Agency
10. Future Insurance Agency
11. Hamax Insurance Agency
12. Hope Insurance Agency
13. Ibex Insurance agency
14. Impact Insurance Agency
15. Indetrust Ltd
16. Kosher Insurance Agency
17. McFreed Insurance Agency
18. Nata Insurance Agency
19. Orama Insurance Agency
20. Pamib Insurance Agency
21. Premier Insurance Agency
22. Progressive Insurance Agency
23. Ranila Insurance Agency
24. Reliable Insurance agency
25. Resilient Insurance Agency
26. Roland insurance Agency
27. Rossal Insurance Agency
28. Senate Insurance Agency
29. Specific Insurance Agency
30. Ultimate Insurance Agency

31. Vepro Insurance Agency
32. Vision Insurance Agency
33. W.T. Thundu Insurance Agency

LIFE INSURANCE AGENTS

NICO LIFE INSURANCE AGENTS

1. Banda Favour
2. Banda MphatsoKumbukani
3. Banda Ponsianuos
4. Bilale James
5. Bvumbwe Sophie Maya
6. Chaima Nelsosn
7. Chakalamba Lydiah
8. Chanansi Thandiwe
9. Chapweteka Fortune
10. Chilembwe Catherine
11. Chilenje Ernest
12. Chimphonda Charles Lloyd
13. Chingamu Dave
14. Chipangula Ellen Ron
15. Chipinda Victor
16. Chirambo Watson
17. Chirwa Lester Carolyn
18. Chitete Blessings
19. Chithumba Dina
20. Chokoma Jimmy
21. Dalo Masauko
22. Dodoma Robert
23. Fyalimuka Mwiba
24. Gadama Joanna Tembo
25. Ghambi Paul
26. Ghambi Robson
27. Gondwe Emilly
28. Hara Kapapa Lususngu
29. Hau Ellen
30. Kachere Khumbo
31. Kadammanja McDonald
32. Kadzombe Esther
33. Kafaamveka Mupara S. Misonzi
34. Kalembera Peter
35. Kalinga Rodrick
36. Kalua Mercy
37. Kalumba Elizabeth
38. Kaluwa Masauko
39. Kanyika Gibson
40. Kishindo Michelle Sungeni
41. Kodo Dorothy
42. Kumwenda Chrissy
43. Kunkhanda Florence
44. Kunyowa Amonie
45. Kwizombe Mable
46. Limbani Phardless
47. Liwera Steve
48. Lungu Beatrice
49. Mahiyo Chimwemwe
50. Makumba Nellie
51. Makwakwa Wezzie
52. Maliwa Daniel
53. Mandula Ronald
54. Mangochi Lexa
55. Mcjessie Peter
56. Mhango Franklin
57. Mhano Dan
58. Misi Josephine
59. Mkonya Kennie

60. Mlaka Zelesi
61. Mmanga Arther
62. Mphande Martha
63. Msekandiana Luckson
64. Mtanga Gladys
65. Mthengomwacha Tipilile
66. Mughogho Lusekelo
67. Mumba Miriam
68. Munthali Benard
69. Munthali Twime
70. Musopole Sibongile
71. Mussa Fenwick
72. Musukwa Moses
73. Mwale Marc
74. Mwase Chupa Chrissy
75. Mwenda Lenton
76. Mwiba Fyalimuka
77. Namkwenya Shanny
78. Nampota Thoko
79. Nandolo Olive
80. Ndakoiwa Petros
81. Ndamuwa Chimwemwe
82. Ng'ambi Linda Shellah
83. Ng'oma Anthony
84. Ngonga Atusaye
85. Ngwira Elizabeth
86. Ngwira Stewart
87. Njovu Getrude
88. Nkangala Nellie
89. Nkata Lawrence John
90. Nkhoma Iness
91. Nkhwazi Henry
92. Nkowani Colless
93. Nyasulu Daniel
94. Nyirenda Menard
95. Nyirongo Tainess
96. Pete Alice
97. Phalula Chimwemwe
98. Phiri Edwin
99. Phuza Dingase
100. Shaba David
101. Shonga Chally
102. Souza Steve
103. Tambula Titani
104. Timvekenji Olive
105. Ulemu Cephaus
106. Umali Aubrey
107. Waya Walter
108. Zgambo Isabel
109. Zimba Joshua
110. Zimpita Mwai

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 Annie
21. Galetta Time Vittallian
22. Gondwe Getrude
23. Jimusole Kumbukani
24. Kachala Josephine
25. Kambova Mirriam
26. Kaunda Ellen
27. Kaunda Kenneth
28. Khauya Patricia
29. Khulupilira Harold
30. Liabunya Uzayani
31. Lumwira Thokozani
32. Machika Titani Lucy
33. Madalitso Sineta Bramford
34. Maiden Spencer
35. Maseko Daniel
36. Mbale Mtende
37. Minjale Jean
38. Mlambala Khomba
39. Mlanga Blessings
40. Mphezu Joyce
41. Msiska Kennedy
42. Msuku Patricia
43. Mula Raphael
44. Mwafulirwa Steve
45. Mwala Moyo Chimwemwe
46. Mwamadi Mwandira Rosario
47. Njelenga Denis
48. Siwande Lommy
49. Teki Jessie

VANGUARD LIFE INSURANCE AGENTS

1. Banda Charley
2. Chigooh Sarah
3. Chikaya Precious
4. Chilamwa Mirriam
5. Chipeta Sharon
6. Chirwa Martha
7. Chirwa Moses
8. Chiumia Lauryn
9. Chizumila Joseph
10. Chizumila Rose
11. Chupa Grace
12. Evelyn Msosa
13. Kabaghe Grace
14. Kalulu Bridget
15. Kambadzo Chimwemwe
16. Kamphonje Enock
17. Kantepa Violet
18. Kanyimbi Chinsisi
19. Katchowa Mercy
20. Kavumbula Charles
21. Kawalewale Johannes
22. Kayamba Maggie
23. Kayamba Ruth
24. Kudzala Chifundo
25. Kumtaja Maxwel
26. Mafuleka Glory
27. Magalasi Elizabeth
28. Malonje Chimwemwe

29. Mbewe Catherine
30. Mkandawire Ellen
31. Mkangama Nayo
32. Moyo Bonface
33. Moyo Memory
34. Msekawanthu-Chamba Alice
35. Msiska Yvone
36. Msosa Brighton
37. Msowoya Mphatso
38. Mtambo Ansubiye Frank
39. Mtambo Augustine
40. Mughogho Edward
41. Muva Ethel
42. Mvula Linda
43. Mwango Tichitenji
44. Nakosa Geoffrey
45. Nehuwa Alex
46. Nthengwe Thandiwe
47. Nyirenda Beauty
48. Nyirenda Innocent
49. Nyirenda Peter
50. Phiri Wezi
51. Singano Chimwemwe
52. Sumani Norah
53. Tembo Michael

INSURANCE LOSS ASSESSORS/ADJUSTERS

1. Associated Insurance Loss Adjusters
2. Dynamic Loss Adjusters
3. Fidelity Insurance Loss Assessor
4. First Insurance Assessors
5. Harolds Group Insurance Loss Adjuster
6. Internal Audit and Fraud Defense Centre Loss Assessor
7. JBK Multiplan Loss Assessors
8. MIC Associates
9. MT Insurance Loss Assessor
10. Multipal Loss Adjusters
11. PAGES
12. PD Alliance Loss Adjusters
13. PDCA Consultants
14. Quantum Insurance Loss Assessor
15. RZ Insurance Loss Assessor
16. Standard Consult

PENSION BROKERS

1. AON Malawi Limited
2. Kingfisher Insurance Brokers Limited
3. Mahogany Insurance Brokers Limited
4. Marsh (Malawi) Limited

PENSION FUNDS

1. Auction Holdings Group Limited Group Pension Fund
2. Christian Health Association of Malawi Group Pension Fund
3. Limbe Leaf Tobacco Limited Group Pension Fund

4. Malawi Telecommunications Limited Pension Fund
5. Partners in Hope Pension Fund
6. Press Corporation Limited Group Pension Fund

DEPOSIT TAKING MICROFINANCE INSTITUTIONS

1. FINCA Malawi Limited

NON-DEPOSIT TAKING MICROFINANCE INSTITUTIONS

1. Blue Financial Services
2. CUMO Microfinance
3. Easy Loans
4. Greenwing Capital Financial Services
5. Malawi Enterprise Development Fund (MEDF)
6. Microloan Foundation
7. Pride Malawi
8. Select Financial Services
9. VisionFund Malawi

MICROCREDIT AGENCIES

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

FINANCIAL COOPERATIVES

1. Admarc Employees SACCO Limited
2. Auction Holdings Limited
3. Chitukuko SACCO Limited
4. Dedza Teachers SACCO Limited
5. DWASCO SACCO Limited
6. Fodya SACCO Limited
7. Future SACCO Limited
8. Kandiya SACCO Limited
9. Kawiluwilu SACCO Limited
10. Limbe Leaf SACCO Limited
11. Mchinji Teachers SACCO Limited
12. Mudi SACCO Limited
13. Mufuna SACCO Limited
14. Mzinda SACCO Limited
15. Mzuzu University SACCO Limited
16. Nsanje Community SACCO Limited
17. Plan Malawi SACCO Limited
18. Reserve Bank of Malawi SACCO Limited
19. Rumphi Teachers SACCO Limited
20. Police SACCO Limited
21. Polymed SACCO Limited
22. PTC Group SACCO Limited
23. Sucoma SACCO Limited
24. Sunbird SACCO Limited
25. Tadala SACCO Limited
26. Thyolo Teachers SACCO Limited
27. Umodzi SACCO Limited
28. UNC SACCO Limited
29. United Civil Servants SACCO Limited
30. United Nations SACCO Limited

STOCK EXCHANGES

1. Malawi Stock Exchange Ltd

BROKERS

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

COLLECTIVE INVESTMENT SCHEMES

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

INVESTMENT ADVISORS

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

PORTFOLIO MANAGERS

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

TRANSFER SECRETARIES

1. FMB Capital Markets Ltd
2. NBM Transfer Secretaries
3. NICO Asset Managers Ltd
4. Standard Bank Ltd

10.2. MEMBERSHIP TO INTERNATIONAL ORGANISATIONS

1. The African Insurance Organization (AIO)
2. Alliance for Financial Inclusion (AFI)
3. Bank Supervision Application Steering Committee
4. Child and Youth Finance International (CYFI)
5. Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)
6. Financial Stability Institute
7. Macroeconomic and Financial Management Institute
8. International Association of Insurance Supervisors (IAIS)
9. International Credit Union Regulators Network (ICURN)
10. International Network on Financial Education (INFE)
11. International Organisation for Pension Supervisors (IOPS)
12. International Organisation of Securities Commissions (IOSCO)
13. Organization for Economic Cooperation and Development (OECD)
14. SADC Committee of Insurance, Securities and Non-Bank Financial Authorities (CISNA)
15. SADC Sub Committee of Central Bank Governors

11. STATISTICAL ANNEX TABLES

Table 11.1 Branch Network and Staff Complement for Banks as at 31st December 2015

Name of Institution	Branches	Agencies satellite kiosks & mobile vans	Auto Teller Machines	Employees
CDH Investment Bank	2	0	2	74
Ecobank	9	0	18	176
FDH Bank	11	3	34	386
First Discount House	0	0	0	10
First Merchant Bank	5	24	57	698
Indebank	6	10	19	276
Leasing and Finance	2	0	0	21
Malawi Savings Bank	14	57	51	586
National Bank	14	17	94	874
NBS Bank	13	36	81	851
Nedbank	6	1	11	151
Opportunity Bank	5	46	26	653
Standard Bank	7	22	76	819
Total	94	216	469	5,575

Table 11.2 Total Assets for Banks (includes specific and general provisions)

Year	Total Assets MK Million	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	811,261.4	21.9%
2015	1,047,483.1	29.1%

Table 11.3 Financial Soundness Indicators for Banks

Capital Adequacy	2012 %	2013 %	2014 %	2015 %
Regulatory Total Capital to Risk Weighted Assets	20.2	19.1	17.1	16.1
Regulatory Tier 1 Capital to Risk Weighted Assets	16.4	16.2	13.5	12.7
Total Capital to Total Assets	14.3	15.4	17.6	16.9
Asset Composition and Quality				
Total Loans and Advances to Total Assets	51.5	41.3	40.4	39.8
Foreign Currency Loans to Total Loans and Advances	7.9	13.5	19.1	28.7
Non-performing Loans to Gross Loans and Advances	9.4	15.4	14.9	10.7
Non-performing Loans (Net of Provisions) to Capital	31.4	34.8	28.0	168
Earnings and Profitability				
Return on Assets (ROA)	5	4.8	4.0	3.2
Return on Equity (ROE)	36.9	37.5	26.8	20.1
Interest Margin to Gross income	36.8	39.7	43.3	50.6
Non-Interest Expenses to Gross income	42.8	39.6	45.4	50.4
Personal Expenses to Non-interest Expenses	46	45.4	44.6	46.2
Liquidity				
Liquid Assets to Total Assets	35	44.6	46.3	43.3
Liquid Assets to Total Deposits and Short Term Liabilities	45.4	59.1	63.8	59.0
Total Loans to Total Deposits	72.4	56.4	58.3	58.4
Foreign Exchange Liabilities to Total Liabilities	17.9	26.3	26.6	21.8

Table 11.4 Liabilities for Banks (MK million)

Period	Deposits	Reserve Bank	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	1336	34,649	61,533	436,241
Sep 2012	311,707	9,468	10,483	1670	32,768	64,337	430,433
Dec 2012	347,108	84	29,093	1307	39,560	70,938	488,091
Mar 2013	363,090	8,754	13,873	1958	45,047	80,717	513,439
Jun 2013	381,523	6,096	11,078	3078	50,357	82,481	534,612
Sep 2013	425,978	-	11,308	3121	58,084	91,026	589,517
Dec 2013	475,692	-	16,636	1404	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	550,313	-	16,145	3,128	81,521	143,010	794,116
Mar 2015	583,452	-	8,738	2,767	99,032	182,606	876,569
Jun 2015	557,676	5,890	7,506	4,134	96,679	161,947	834,569
Sep 2015	629,358	-	15,766	3,021	91,711	167,991	834,179
Dec 2015	705,015	12,623	31,027	1,698	106,147	176,771	1,033,282

Table 11.5 Assets for Banks (MK million)

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 2013	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	35,592	303,684	142,399	312,442	794,116
Mar 2015	28,617	335,006	211,041	301,069	894,251
Jun 2015	33,928	328,111	205,775	265,990	851,031
Sep 2015	30,300	355,810	234,364	286,956	922,444
Dec 2015	42,514	397,248	295,656	297,863	1,033,281

Table 11.6 Deposits held by Banks (MK million)

Period	Demand Deposits	Savings Deposits	Time Deposits	FCDA's	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	181,108	87,381	135,464	146,360	550,313
Mar 2015	193, 928	96,614	146,338	140,750	583,452
Jun 2015	184,154	96,492	140,346	135,272	557,677
Sep 2015	181,378	110,259	156,033	179,108	629,358
Dec 2015	207,848	108,763	165,145	223,260	705,015

Table 11.7 Capital Adequacy Trends for Banks

Period	Tier 1 Capital MK Million	Total Capital MK Million	Rish 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	92, 475	117,668	687, 296	13.5	17.1
Mar 2015	91,709	118,979	613,450	14.9	19.4
Jun 2015	106,808	139,394	720,711	14.8	19.3
Sep 2015	106,012	136,917	773,151	13.7	17.7
Dec 2015	105,331	133,441	829,247	12.7	16.1

Table 11.8 Selected income and expenses for Banks (MK millions)

Period	Total Gross Income	Interest Income	Non-Interest Income	Interest Expense	Operating Expense
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	182, 621	114,279	68,343	35,250	82,845
Mar 2015	41,591	34,285	17,507	9,827	24,520
Jun 2015	102,827	70,679	32,149	21,546	48,412
Sep 2015	152,095	103,190	48,905	29,122	73,740
Dec 2015	202,057	140,524	61,533	38,236	101,762

Table 11.9 Profitability of Banks selected ratios

Period	Interest Margin (%)	Effciency Ratio (%)	Return Equity (%)	Return Assets (%)
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
Mar 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	15.2	45.4	26.8	4.0
Mar 2015	12.6	49.1	17.3	2.9
Jun 2015	16.1	47.1	26.2	4.4
Sep 2015	15.5	48.5	24.6	4.0
Dec 2015	15.1	50.4	20.1	3.2

Table 11.10 Liquidity for Banks

Period	Liquid Assets to Total Deposits and Short Term Liabilities (%)	Liquid Assets to Total Deposits (%)	Rate Sensitive Assets/Rates Senitive 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	63.8	66.7	91.0
Mar 2015	47.1	48.6	96.7
Jun 2015	63.6	66.4	100.1
Sep 2015	61.8	64.3	96.7
Dec 2015	59.0	63.4	94.9

Table 11.11 Shareholding Structure of Banks

Banking Institution	Shareholder	(%)
CDH Investment Bank Limited	CDH Investment Bank Limited	74.0
	Investment Alliance Limited	13.0
	Kesaart Capital Limited	8.0
	Unity Investment	3.0
	Savanna Investment Limited	2.0
Ecobank Malawi Limited	Ecobank Transnational Incorporated Limited	96.0
	Loita Capital Partners International	4.0
FDH Bank Malawi Limited	FDH Financial Holdings Limited	100
First Discount House Limited	FDH Financial Holdings Limited	100
First Merchant Bank Limited	Zambezi Investment Limited	44.94
	Simsbury Holdings Limited	22.69
	Prime Bank Limited (Kenya)	11.24
	Prime Capital Holdings Limited (Kenya)	11.24
	General Public	9.89
Indebank Limited	National Bank of Malawi	97.1
	Employee Share Ownership Scheme	2.9
Leasing & Finance Limited	First Merchant Bank	100
Malawi Savings Bank	FDH Holdings	80.0
	Government of the Republic of Malawi	20.0
National Bank of Malawi	Press Corporation Ltd	51.5
	Old Mutual	24.9
	General Public	21.8
	Employee Share Ownership Scheme	2.9
NBS Bank Limited	NICO Holdings Limited	50.1
	General Public	26.6
	National Investment Trust Limited	5.2
	International Finance Company	18.1
Nedbank Malawi Limited	MN Holdings Limited	98.53
	Employee Share Ownership Scheme	1.47
New Finance Bank Limited	Finance Holdings Corporation	49.0
	Finsbury Investments Limited	36.0
	Finance Bank Zambia Limited	15.0
Opportunity Bank of Malawi Limited	Opportunity Transformation Investment (USA) (OTI)	71.1
	Opportunity Microfinance Investment	25.81
	Opportunity International Canada	2.97
	Trust for Transformation	0.12
Standard Bank of Malawi Limited	Stanbic Africa Holdings Limited	60.2
	NICO Holdings Limited	20.0
	Old Mutual Life Assurance	4.7
	Press Trust	2.3
	Standard Bank Pension Fund	2.1
	General Public	10.7

Table 11.12 Gross Premium Written for General Insurers (MK million)

Class of Business	2011	2012	2013	2014	2015
Fire	1,537.5	1,999.2	2,251.7	3,125.8	3,946.6
Motor	5,811.5	7,380.6	12,347.9	16,625.1	18,980.2
Personal Accident	1,233.0	1,178.7	1,780.4	2,314.4	2,488.3
Miscellaneous	1,151.4	2,324.5	3,800.7	4,383.8	4,776.9
Total	9,733.4	12,883.0	20,180.7	26,449.1	30,191.95

Table 11.13 Gross Premium Written vs. Net Premium Written for General Insurers (MK million)

Item	2011	2012	2013	2014	2015
Gross Premium Written	9,733.4	12,883.0	20,180.7	26,449.1	30,192.0
Reinsurance					
Premium Ceded	2,521.5	4,152.6	5,454.1	6,386.5	6,526.8
Net Premium Written	7,211.9	8,730.4	14,726.6	20,062.7	23,665.1
Retention Ratio	74.1%	67.8%	73.3%	75.9%	78.4%

Table 11.14 Reinsurance Premium Ceded by class of Business (MK million)

Class of Business	2011	2012	2013	2014	2015
Fire	989.3	1,415.5	1,828.2	2,296.1	2,777.8
Motor	574.1	851.8	1,106.0	1,664.8	1,280.7
Personal Accident	343.9	449.4	601.9	697.8	762.1
Miscellaneous	614.2	1,436.0	1,918.0	1,727.8	1,706.3
Total	2,521.5	4,152.6	5,454.1	6,386.5	6,526.8

Table 11.15 Net Premium written General Insurers by Class of Business (MK million)

Class of Insurance	2011	2012	2013	2014	2015
Fire	624.6	583.7	423.5	829.7	1,168.8
Motor	5,386.2	6,528.8	11,241.8	14,960.3	17,699.5
Personal Accident	678.0	729.3	1,178.6	1,616.6	1,726.2
Miscellaneous	523.0	888.6	1,882.7	2,656.0	3,070.6
Total	7,211.9	8,730.4	14,726.6	20,062.7	23,665.1

Table 11.16 Retention Ratio General Insurers by Class of Business

Class of Insurance	2011	2012	2013	2014	2015
Fire	624.6	583.7	423.5	829.7	1,168.8
Motor	5,386.2	6,528.8	11,241.8	14,960.3	17,699.5
Personal Accident	678.0	729.3	1,178.6	1,616.6	1,726.2
Miscellaneous	523.0	888.6	1,882.7	2,656.0	3,070.6
Total	7,211.9	8,730.4	14,726.6	20,062.7	23,665.1

Table 11.17 Earned Premiums by General Insurers by Class of Business (MK million)

Class of Insurance	2011	2012	2013	2014	2015
Fire	555.4	442.8	380.8	565.2	849.0
Motor	4,990.9	6,107.1	9,715.8	14,340.9	17,255.3
Personal Accident	967.7	713.5	1,044.2	1,479.8	1,574.9
Miscellaneous	536.5	845.0	1,795.2	2,518.1	3,106.3
Total	7,050.5	8,108.3	12,936.1	18,904.0	22,785.5

Table 11.18 Gross Claims Incurred for General Insurers by Class of Business

Class of Insurance	2011	2012	2013	2014	2015
Fire	304.4	1,060.4	1,230.7	1,382.9	1,724.3
Motor	4,323.3	4,842.3	7,728.9	10,572.8	13,087.3
Personal Accident	416.5	456.3	868.6	1,269.5	1,738.1
Miscellaneous	297.0	454.2	677.6	937.1	1,676.2
Total	5,341.2	6,813.2	10,508.8	14,162.4	18,225.8

Table 11.19 Net Claims Incurred by General Insurers by Class of Business (MK million)

Class of Insurance	2011	2012	2013	2014	2015
Fire	152.8	124.7	350.3	598.2	445.8
Motor	3,767.4	4,218.5	6,619.5	9,100.1	11,330.6
Personal Accident	348.7	366.8	624.9	979.5	895.5
Miscellaneous	235.0	337.7	473.1	627.9	1,100.7
Total	4,503.9	5,047.6	8,067.8	11,305.7	13,772.6

Table 11.20 Claims Ratio for General Insurers by Class of Business

Class of Insurance	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)
Fire	27.5	28.2	92.0	105.8	52.5
Motor	75.5	69.1	68.1	63.5	65.7
Personal Accident	36.0	51.4	59.8	66.2	56.9
Miscellaneous	43.8	40.0	26.4	24.9	35.4
Overall	63.9	62.3	62.5	59.8	60.4

Table 11.21 Claims Experience for General Insurers (MK million)

	2011	2012	2013	2014	2015
Gross Claims Incurred	5,341.2	6,813.2	10,505.8	14,162.4	18,225.8
Net Claims Incurred	4,503.9	5,047.6	8,067.8	11,305.7	4,453.2
Recoveries on Reinsurance	837.4	1,765.6	2,438.0	2,856.7	16,047.6
Claims Paid	4,609.9	6,616.2	8,801.6	12,683.9	6,450.5
Outstanding Claims	2,636.5	2,258.2	3,241.2	4,332.7	13,772.6
Claims Ratio	63.9%	62.3%	62.4%	59.8%	60.4%

Table 11.22 Operating Results for General Insurers (MK million)

	2011	2012	2013	2014	2015
Underwriting Results	2,008.6	2,666.8	4,223.5	6,533.9	7,679.7
Net Investment & Other Income	642.4	2,053.2	3,539.3	2,963.2	3,096.7
Management Expenses	2,422.2	2,709.0	3,654.8	5,150.3	6,360.1
Other Expenses	20.6	109.7	52.5	65.9	12.3
Pre-tax Profit	208.3	1,901.3	4,055.6	4,280.9	4,404.1
Taxation	226.3	430.9	897.5	1,188.8	1,371.0
Profit for the year	(18.0)	1,470.4	3,158.1	3,092.1	3,033.1

Table 11.23 Underwriting and Operating Ratios for General Insurers

	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)
Underwriting Ratio	28.5	32.9	32.6	34.6	33.7
Combined Ratio	112.7	113.1	104.7	100.6	100.6
Management Ratio	34.0	33.4	28.3	27.2	27.9

Table 11.24 Underwriting Results for General Insurance by Class of Business

Class of Insurance	2011	2012	2013	2014	2015
Fire	399.8	356.2	63.3	(31.4)	356.2
Motor	826.0	1,443.3	2,378.6	4,241.7	1,443.3
Personal Accident	551.2	287.8	348.5	363.0	287.8
Miscellaneous	266.2	579.6	1,433.2	1,960.6	579.6
Total	2,043.2	2,666.8	4,223.5	6,533.9	2,666.8

Table 11.25 Market Share for General Insurers in 2015 (MK million)

	Gross Premium		Total Assets	
Insurance Company	MK Million	(%)	MK Million	(%)
Charter Insurance Co	1,445.9	4.8	1,646.1	5.5
General Alliance Insurance Co	3,695.0	12.4	5,461.1	18.3
NICO General Insurance Co	10,103.9	33.8	11,349.7	38.0
Prime Insurance Co	4,777.6	16.0	2,565.0	8.6
REAL Insurance Co	3,214.7	10.8	2,440.9	8.2
Reunion Insurance Co	1,868.3	6.2	1,853.1	6.2
United General Insurance Co	4,793.8	16.0	4,532.0	15.2
Total	29,899.1	100.0	29,847.9	100.0

Table 11.26 Assets and Liabilities of General Insurers (MK million)

Assets	2011	2012	2013	2014	2015
Fixed Assets	516.3	537.9	827.4	937.0	1,828.6
Investment Property	983.0	358.4	293.0	414.2	422.7
Govt. & Other Securities	558.0	907.0	2,629.9	4,097.6	4,733.1
Equity Investment	1,303.0	1,137.5	2,097.2	2,647.4	2,947.7
Fixed Deposits	1,820.1	3,348.7	5,635.4	6,053.6	6,968.6
Loans & Debentures	195.8	436.3	120.9	163.9	646.9
Insurance Receivables	4,456.8	3,771.8	4,889.4	7,139.1	8,155.4
Cash and Cash Equivalents	206.7	309.0	830.8	958.6	906.7
Other Assets	540.4	1,397.5	1,582.9	2,734.7	3,238.4
Total Assets	10,580.1	12,204.5	18,907.0	25,145.9	29,847.9

Liabilities	2011	2012	2013	2014	2015
Unearned Premiums	2,634.9	3,359.8	5,021.5	6,180.1	7,055.2
Outstanding Claims	2,635.6	2,832.6	4,202.0	5,705.6	8,692.9
Reinsurance Payables	1,122.4	1431.4	1,288.3	1,684.1	1,565.6
Long Term Liability	27.4	14.6	-	-	-
Provision for Taxation	84.6	147.8	473.2	558.4	598.6
Bank Overdraft	59.7	127.3	83.1	72.5	130.0
Other Liabilities	1,275.5	635.1	922.1	1,461.8	1,735.3
Total Liabilities	7,840.1	8,548.5	11,990.1	15,662.5	19,777.6
Equity/Shareholders' Funds	2,740.1	3,655.9	6,916.9	9,483.5	10,070.27
Total Equity and Liabilities	10,580.1	12,204.5	18,907.0	25,145.9	29,847.92

Table 11.27 Industry Solvency Ratio

	2011	2012	2013	2014	2015
Solvency Ratio	15.3%	24.3%	30.4%	31.5%	25.1%

Table 11.28 Performance Overview for Insurance Brokers (MK million)

	2013	2014	2015
General Insurance Premiums Transacted	12,409.5	15,763.9	16,664.9
Life Insurance Premiums Transacted	727.5	1,074.6	1,497.5
Pension Contributions Transacted	3,506.7	5,578.3	6,022.9
Total Premiums & Pension Contributions Transacted	16,643.7	22,416.9	24,185.2
Total Commission Earned	1,847.0	2,331.6	2,885.4
Total Assets	2,243.3	2,567.2	3,075.5

Table 11.29 Market Share for Insurance Brokers in 2015

	Premium & Pension Contributions Transacted		Assets	
Insurance Company	MK Million	(%)	MK Million	(%)
Aon	8,780.1	36.3	674.0	21.9
Marsh	4,297.6	17.8	486.0	15.8
Kingfisher	2,916.9	12.1	340.4	11.1
Hubertus	2,615.5	10.8	192.6	6.3
Rhino	2,317.3	9.7	271.8	8.8
Mahogany	669.5	2.8	35.6	1.2
Eagle	652.3	2.7	746.2	24.3
Guardian	538.8	2.2	57.6	1.9
MicroEnsure	392.7	1.6	111.6	3.6
Express	300.6	1.2	27.8	0.9
Trinity	290.8	1.2	28.9	0.9
City State	224.6	0.9	42.7	1.4
Canopy	123.1	0.5	35.4	1.2
GG	60.4	0.2	10.1	0.3
Budget	23.6	0.1	14.6	0.5
Total	24,185.2	100.0	3,485.9	100.0

Table 11.30 Assets for Life Insurers (MK million)

Asset Item	2010	2011	2012	2013	2014	2015
Fixed Assets	3,294.8	1,452.8	2,137.8	2,285.4	2,815.3	2,384.7
Shares	32,190.4	36,764.8	40,520.1	97,096.3	119,349.6	131,987.6
Fixed deposits	7,016.2	11,656.7	20,776.2	32,805.5	45,427.6	35,444.3
Securities	9,307.5	8,980.5	12,296.3	20,054.3	31,381.2	71,384.7
Real Estate	3,409.0	4,233.1	6,515.6	7,625.4	9,456.1	10,339.4
Cash and Bank Balances	1,943.1	792.3	670.0	809.1	(47.4)	4,083.3
Debtors	3,592.1	1,208.3	1,877.3	2,727.3	4,147.4	3,146.5
Other assets	386.1	3,711.1	4,658.3	7,112.6	10,788.2	17,315.9
Total Assets	61,139.2	68,799.6	89,451.6	170,515.9	223,318.0	276,086.1

Table 11.31 Premium Distribution for Life Insurers (MK million)

Item	2010	2011	2012	2013	2014	2015
Life Insurance Premiums	2,622.4	2,935.2	5,123.2	7,276.5	9,380.0	18,618.80
Premium Ceded	223.2	266.6	465.5	698.4	686.0	1,322.70
Net Premium	2,399.2	2,668.6	4,657.7	6,578.1	8,694.0	17,296.1
Retention Ratio	91.5%	90.9%	90.9%	90.4%	92.7%	92.9%
Premium Ceded Ratio	8.5%	9.1%	9.1%	9.6%	7.3%	7.1%

Table 11.32 New Individual Life Insurance Policies Underwritten in 2015

Item	2010	2011	2012	2013	2014	2015
No. of Policies	7,547	7,748.7	5,885	9,370	10,044	3,565
Sum Insured (MK Million)	3,546.20	3,110.70	5,278.20	8,552.90	14,422.60	20,487.50
Annual Premium (MK million)	447.7	366.1	635.2	932.6	1,424.90	2,197.80

Table 11.33 New Group Life Insurance Policies Underwritten in 2015

	2010	2011	2012	2013	2014	2015
No of Policies	66	371	490	242	193	108
Sum Insured (MK million)	1,922.70	2,223.30	792.60	6775.6	4,147.40	1,458.00
Annual Premium (MK million)	343.1	1,379.3	81.4	292.2	168.7	4,205.00

Table 11.34 Life Insurance Policies Terminated by Surrender

	2010	2011	2012	2013	2014	2015
No of Policies	469	579	610	3,282	1,117	820
Sum Insured (MK million)	110.60	83.90	293.20	790.90	1,065.00	549.2
Annual Premium (MK million)	11.2	6.85	28.8	163.9	100.8	65.6

Table 11.35 Group Life Insurance Policies Terminated by Surrender

	2010	2011	2012	2013	2014	2015
No of Policies	9	3	3	1	8	10
Sum Insured (MK million)	1,304.00	3.70	154.00	3.70	4,520.90	1,465.00
Annual Premium (MK million)	28.1	7.24	2.6	342.4	66.59	15.2

Table 11.36 Life Insurance Policies Terminated by Lapse

	2010	2011	2012	2013	2014	2015
No of Policies	1,064	1,639.0	1,029	2,273	1,786	2,787
Sum Insured (MK million)	299.80	443.60	725.50	2,351.00	359.40	1,500.30
Annual Premium (MK million)	5.9	37.1	83.6	602.5	134.7	141.7

Table 11.37 Group Life Insurance Policies Terminated by Lapse

	2010	2011	2012	2013	2014	2015
No of Policies	2.3	2	0	3	2	0
Sum Insured (MK million)	3.70	3.7	0	27.40	482.26	0
Annual Premium (MK million)	2.3	2.3	0	34.2	6.9	0

Table 11.38 Assets of Pension Funds

	2011	2012	2013	2014	2015
Assets (MK billion)	74.8	101.7	170.75	247.5	312.2
Growth (%)		36.0	67.9	44.9	26.1

Table 11.39 National Pension Scheme Membership

	2011	2012	2013	2014	2015
Members	102,505	156,936	191, 256	201,405	217,081
Growth (%)		53.1	21.9	5.3	7.8

Table 11.40 Distribution of Assets for Pension Funds in 2015

Asset Category	Amount MK Billiion	Share (%)
Listed Equities	118.8	38.1
Unlisted Equities	24.4	7.8
Fixed deposits	36.9	11.8
Government securities	77.3	24.8
Property	21.8	7.0
Other	33.0	10.5
Total	312.2	100.0

Table 11.41 Annual Pension Contributions

	2011	2012	2013	2014	2015
Pension Contributions (MK billion)	8.6	15.6	23.9	30.6	41
Growth (%)		81.4	53.2	28.0	34.0

Table 11.42 Liabilities for Microfinance Institutions (MK million)

Period	Overdraft	Share-holders Loans	Due to other Banks/FI	Other Long Term Liabilities	Other Short Term Liabilities	Capital and Reserves	Total Capital and Liabilities
Mar-12	847.8	1,269.1	944.7	906.2	2,662.0	2,202.2	8,832.0
Jun-12	572.7	1,087.5	1,661.7	1,277.5	2,865.5	2,209.2	9,674.1
Sep-12	1,046.8	864.5	1,722.6	1,432.5	2,853.1	1,955.3	9,874.7
Dec-12	1,216.1	2,211.1	2,087.6	1,480.5	1,366.5	2,428.6	10,790.5
Mar-13	1,611.6	2,080.2	2,203.7	1,944.8	1,813.8	2,262.8	11,916.9
Jun-13	1,108.6	1,590.3	792.6	1,526.1	1,406.3	3,669.4	10,093.3
Sep-13	1,255.7	1,603.8	1,091.6	1,881.8	1,599.9	3,300.1	10,733.0
Dec-13	1,161.3	1,193.2	1,435.4	2,106.5	1,925.6	3,827.3	11,649.4
Mar-14	1,238.7	1,817.2	1,957.5	2,126.6	891.7	4,011.0	13,136.9
Jun-14	1,366.5	1,682.5	2,590.6	2,171.4	1,029.1	4,354.0	14,286.3
Sep-14	1,933.4	2,107.8	2,469.7	2,308.6	1,013.8	5,102.2	16,053.1
Dec-14	2,086.0	1,262.3	2,921.5	2,386.1	2,546.5	6,628.3	17,830.6
Mar-15	3,209.3	1,388.7	2,298.0	2,532.6	3,271.7	12,455.2	25,155.5
Jun-15	3,243.3	1,851.0	1,697.1	2,480.9	3,598.8	10,072.2	22,943.1
Sep-15	1,590.1	2,013.8	470.6	6,373.8	3,849.7	10,727.6	25,025.7
Dec-15	835.5	2,318.7	3,420.7	7,335.1	5,258.2	11,292.3	30,460.5

Table 11.43 Assets for Microfinance Institutions (MK million)

Period	Cash	Securities and Invest-ment	Net Loans	Non-Current Assets	Other Assets	Total Assets
Mar-12		105.8	5,051.30		3,674.90	8,832.00
Jun-12		306.8	5,442.10		3,925.20	9,674.10
Sep-12		200.8	6,046.90		3,627.00	9,874.70
Dec-12		109.9	6,575.20		4,105.40	10,790.50
Mar-13		361.2	7,423.20		4,132.50	11,916.90
Jun-13		251.2	4,477.10		5,365.00	10,093.30
Sep-13		206	5,074.60		5,452.40	10,733.00
Dec-13		214.7	5,512.40		5,922.30	11,649.40
Mar-14		301.4	7,696.40		424.9	8,422.70
Jun-14		574.8	7,986.30		450.3	9,011.40
Sep-14		887.3	8,290.40		607.5	9,785.20
Dec-14		963.9	12,572.90		4,293.90	17,830.70
Mar-15	2,899.7	2,422.9	11,890.2	1,255.8	6,687.0	25,155.5
Jun-15	2,412.4	4,464.4	10,096.8	1,253.6	4,715.9	22,943.1
Sep-15	1,789.6	1,473.7	15,149.2	1,415.3	5,197.9	25,025.7
Dec-15	4,674.4	665.7	16,418.5	1,496.9	7,205.0	30,460.5

Table 11.44 Assets for Financial Cooperatives (MK million)

	Cash and Bank Balances	Securities Invest-ments	Total 2013	Other Assets	Total Assets
Dec-12	268.4	221.3	2,553.9	515.5	3,559.1
Dec-13	293.5	447.4	2,689.1	839.4	4,269.4
Dec-14	469.9	422.5	3,210.2	822.5	4,925.1
Mar-15	464.6	541.5	3,220.4	950.0	5,176.5
Jun-15	391.6	574.9	3,568.9	1,101.8	5,637.2
Sep-15	434.8	804.5	4,075.1	1,033.0	6,347.4
Dec-15	573.6	940.1	4,898.0	1,212.1	7,623.8

Table 11.45 Liabilities for Financial Cooperatives (MK million)

Period	Deposits and Member Shares	External Loans	Other Liabilities	Equity	Total Capital and Liabilities
Dec-12	2,455.5	427.9	234.9	440.8	3,559.1
Dec-13	3,683.2	647.5	22.1	(83.4)	4,269.4
Dec-14	4,170.4	395.9	104.2	254.6	4,925.1
Mar-15	3,977.0	421.3	285.3	492.9	5,176.5
Jun-15	4,301.3	357.3	231.6	747.0	5,637.2
Sep-15	4,794.5	331.2	258.4	963.3	6,347.4
Dec-15	5,647.2	526.6	203.4	1,246.6	7,623.8
Dec-15	573.6	940.1	4,898.0	1,212.1	7,623.8

Table 11.46 Selected Stock Market Statistics

	2011	2012	2013	2014	2015
MASI (points)	5,369.4	6,015.5	12,531.0	14,886.1	14,562.5
DSI (points)	4,238.4	4,725.5	9,850.2	11,720.4	11,462.9
FSI (points)	535.4	854.7	1,709.3	1,759.6	1,762.1
Market Capitalisation (MK billion)	2,681.0	3,562.3	7,179.9	7,489.4	7,522.1
Market Capitalisation (US$ billion)	16.4	10.6	16.6	15.7	11.3
Number of transactions	1,425	1,041	1,261	1,673	1,220
Volume traded (million)	1,590.0	667.2	4,409.2	1,724.3	2,355.3
Value traded (MK million)	7,062.7	3,973.4	13,331.0	10,865.2	48,592.1
Value traded (US$ million)	53.4	16.2	34.6	26.7	101.9

NOTES