

THE REGISTRAR OF FINANCIAL INSTITUTIONS

2020 ANNUAL REPORT



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REGISTRAR'S FOREWORD

The Financial Services Act 2010, mandates the Registrar of Financial Institutions ('Registrar') to regulate and conduct prudential as well as market conduct supervision of financial institutions. This annual report therefore presents an assessment of the performance of the financial sector and key activities undertaken in 2020. The report also outlines the legal and regulatory reforms implemented during the year aimed at enhancing regulation and supervision of the sector.



The financial sector remained sound and largely stable in 2020 despite the advent of COVID 19 pandemic, which negatively affected the economic activity as reflected by a subdued Gross Domestic Product growth of 0.9 percent compared to 5.4 percent registered in 2019. Meanwhile, premised on a somewhat favourable outlook and continually decelerating headline inflation, as annual average inflation stood at 8.6 percent in 2020 compared to 9.4 percent recorded in 2019, monetary authorities revised downward monetary policy rate by 150 basis points in November 2020 to 12.00 percent. Following the reduction of the policy rate, on one hand, commercial banks' base lending rate marginally declined to 12.30 percent from 12.50 percent recorded in December 2019. On the other hand, the kwacha depreciated to K773.1128 per US dollar in December 2020 compared to 738.8732 per US dollar in December 2019. The depreciation of the kwacha was, however, orderly and thus largely predictable, thereby limiting the magnitude of disturbance to financial system stability.

> "In order to contain and mitigate the negative effects of the pandemic on the financial sector, banks and microfinance institutions were allowed to restructure and grant moratorium to client loan facilities on case by case basis"

In spite of the mixed macroeconomic environment, the financial sector's performance was satisfactory as most institutions were generally sound and stable during the year. The banking sector was well capitalised and reported an increase in after tax profit of 49.3 percent to K88.4 billion in 2020. The pension sector registered a satisfactory growth in aggregate assets of 19.9 percent to K1.1 trillion and increased scheme membership of 9.3 percent to 472,347. Similarly, both general and life insurance sectors gross premiums grew by 9.0 percent to K59.6 billion and by 9.8 percent to K46.1 billion, respectively. The microfinance sector registered an increase in assets of 10.7 percent to K54.5 billion in 2020 despite registering a loss of K0.1 billion largely from the adverse effects of COVID-19.

Notwithstanding the above, the advent of COVID-19 pandemic posed unique economic and financial stability challenges to the financial sector as well as implementation of the regulatory and supervisory activities by the Registrar's office. Notably, the pandemic negatively affected remittance of pension contributions by employers resulting in an increase in pension contribution arrears to K26.2 billion from K20.2 billion in 2019. Similarly, increased non-performing loans were observed in the microfinance sector resulting in the sector registering a loss.

In order to contain and mitigate the negative effects of the pandemic on the financial sector, banks and microfinance institutions were allowed to restructure and grant moratorium to client loan facilities on case by case basis. Correspondingly, the Reserve Bank reduced the Liquidity Reserve Requirement (LRR) ratio and the Lombard rate by 125 and 20 basis points, respectively, effective April 1, 2020. These actions were aimed at easing the cash flow management terms of the banking sector. The Registrar also successfully negotiated with the financial service providers to temporarily reduce digital financial services charges by 40 percent as one way of cushioning the effects of the pandemic on the public and also encourage uptake of financial products and services without physical contact. Further, as a way of containing the spread, most of the financial literacy programs, onsite examinations and employer inspections on pension matters, were suspended. Instead, the Registrar, enhanced off site assessment of the sector through tripartite virtual meetings, analysis of off-site returns, and introduction of weekly liquidity monitoring of all banks.

Meanwhile, the Registrar continued to strengthen the legal and regulatory framework for the financial sector through issuance of new and revised directives in 2020. A total of 14 directives were submitted to Ministry of Justice for further legislative processes. Further, Registrar continued to implement corrective measures on all non-complying financial institutions to ensure safety and soundness of the sector.

DR WILSON T. BANDA

REGISTRAR OF FINANCIAL INSTITUTIONS

EXECUTIVE SUMMARY

The financial sector's performance was satisfactory as most financial institutions were generally sound and stable during the year.

The banking sector was well capitalised as all banks met the regulatory minimum core and total capital ratios of 10.0 percent and 15.0 percent, respectively. The sector recorded average core and total capital ratios of 17.7 percent and 21.4 percent, respectively. Similarly, the sector was adequately liquid at 56.4 percent against prudential benchmark of 25.0 percent. In addition, the sector remained profitable, registering an increase in aggregate profit after tax of 49.3 percent to K88.4 billion in 2020. Further, the sector recorded a slight deterioration in quality of assets as measured by Non-Performing Loans (NPL) ratio which increased to 6.4 percent from 6.3 percent in 2019. However, loans remained concentrated in wholesale and retail; agriculture, forestry, fishing and hunting; and community, social and personal services.

The capital market was bullish during the year 2020 as reflected by positive return on the Malawi All Share Index (MASI). The MASI registered a positive return on index of 7.1 percent in 2020, higher than the 4.4 percent in 2019. Consequently, the Index gained 2,140.6 points to close off at 32,392.8 points in 2020. Market capitalization increased to K1.8 trillion from K1.4 trillion in 2019. During the year, there were two listings on the equity market and 16 Treasury Note listings on the debt market.

> "The pension sector registered a satisfactory growth in aggregate assets of 19.9 percent to K1.1 trillion, anchored by an increase in pension contributions and investment earnings"

The pension sector registered a satisfactory growth in aggregate assets of 19.9 percent to K1.1 trillion, anchored by an increase in pension contributions and investment earnings. Annual investment return for pension funds was 13.4 percent against an annual average inflation of 8.6 percent. Pension scheme membership increased by 9.3 percent to 472,347 due to enrolment of new employees on the National Pension Scheme. Annual pension contributions increased to K122.1 billion from K112.8 billion in 2019 on account of increase in pension membership. Nonetheless, pension contribution arrears also increased to K26.2 billion from K20.2 billion in 2019.

The general insurance sector recorded an improvement in capital and solvency positions during the year. Shareholders' funds increased by 28.0 percent to MK24.5 billion. Similarly, solvency ratio improved to 21.6 percent in 2020 from 18.4 percent in 2019 against minimum regulatory requirement of 20.0 percent. Improvement in both capital and solvency was largely on account of K2.6 billion capital injection in one of the insurers in the year. Notwithstanding the sectors' improvement in capital and solvency positions, four out of eight insurers did not meet the minimum solvency requirement.

Regarding profitability, general insurance sector reported an underwriting surplus of K16.4 billion and a pre-tax profit of K5.7 billion in 2020; an improvement from K14.5 billion and K4.3 billion in 2019, respectively.

The life insurance sector remained sound and resilient in the year under review as evidenced by growths in assets and gross premium written and a drop in net claims paid and management expenses. Assets of the sector increased to K232.3 billion from K193.4 billion in 2019. The sector also recorded sufficient solvency position of 165.7 percent against regulatory minimum requirement of 120.0 percent. In addition, all except one life insurer met the minimum core capital requirement.

Overall, the performance of the microfinance sector was fair in 2020. Capital and liquidity remained within the industry benchmarks. Aggregate assets for the sector increased by 10.7 percent to K54.3 billion in 2020. However, the sector registered a decreased profit of K3.0 billion compared to K3.2 billion in 2019 largely from the adverse effects of the COVID-19 pandemic.

The Registrar continued to carry out consumer protection and financial literacy activities in order to empower and protect financial consumers as well as increase access and usage of financial services and products. In the year, the Registrar processed 491 complaints, an increase from 449 in 2019. In addition, the Registrar conducted three market conduct onsite examinations and three mystery surveillances. In terms of financial literacy, the Registrar implemented various activities targeting a diverse audience through electronic and print media. In addition, the Registrar conducted investor education during the week of 7 to 11 December 2020 where 1,403 employees and SMEs were physically reached out.

The Registrar also conducted several activities pertaining to Anti-Money Laundering and Combating of Financing of Terrorism (AML/CFT) to ensure that all financial institutions comply with AML/CFT laws. Key activities included analysis of bi-annual offsite returns for banks, ML/TF risk assessments for the banking sector and pilot ML/TF risk assessments for non-bank financial institutions.

In order to strengthen the regulatory framework, the Registrar continued to develop new bills, directives, regulations and review existing financial services laws.

The rest of the report is organized as follows: Sections 1 to 8 analyse developments in the following sectors: Banking, Capital Markets, Pension, General Insurance, Life Insurance, Microfinance, Consumer Protection and Anti Money Laundering, whilst sections 10 and 11 outline developments in the legal and regulatory framework and supervisory levies, fees and charges, respectively.

1.0 THE BANKING SECTOR

1.1 Sector Overview

The banking sector remained sound and stable as evidenced by adequate capital, liquidity and profitability. Asset quality as measured by a ratio of Non-Performing Loans (NPLs) to total loans deteriorated slightly and remained above acceptable regulatory benchmark. However, concentration of loans by sectoral distribution improved but remained high. Total assets increased emanating from the growth in total loans and investments in securities. Similarly, total deposits increased and remained the major source of funding while the number of banks operating in the country reduced by one entity to eight during the year.

1.2 Structure of the Banking Sector

One bank was acquired by another existing bank in the market in 2020, such that the total number of banks operating reduced to eight (Table 1.1). Four banks were domestic privately-owned and comprised 54.9 percent of total net assets from 57.4 percent in 2019. The remaining four banks were foreign owned and comprised 44.1 percent of total net assets, an increase from 42.6 percent in 2019.

In terms of total assets and deposits, two banks continued to dominate the sector, accounting for 48.0 percent and 48.2 percent, respectively; an increase from 46.1 percent for both total assets and deposits in 2019. Similarly, equity capital of the two banks increased to 60.5 percent from 58.3 percent in 2019. On the other hand, dominance by total loans decreased to 52.5 percent from 56.2 percent in 2019.

With regard to branch network, the banking system had 106 branches in 2020 from 110 in 2019. Similarly, the number of agencies, kiosks and vans across the country decreased to 112 from 120 in 2019 and Auto Teller Machines (ATMs) decreased by two to 494 in 2020 (Appendix table 11.1). The decrease in branch network was mainly as a result of the merger of two banks that took place during the year.

Table 1.1: Ownership Structure of Commercial Banks as at December 2020

Bank Ownership	% of Total assets					Number of banks				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Domestic Private owned	59.7	57.4	56.4	57.4	54.9	5	5	5	4	4
Domestic public owned	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0
Foreign owned	40.3	42.6	43.6	42.6	45.1	5	4	4	5	4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**10**	**9**	**9**	**9**	**8**

Source: Registrar of Financial Institutions

1.3 Changes in Assets and Liabilities

Total net assets of the banking sector increased to K2.3 trillion in 2020 from K1.9 trillion in 2019 (Table 2.2). The development was largely anchored by growth in net loans and leases of 15.2 percent to K702.4 billion and investments by 12.9 percent to K893.8 billion in 2020. Growth in total loans and leases was mainly on account of an increase in lending to individuals and households by K73.7 billion, Private Corporations by K10.9 billion and Parastatals by K10.5 billion in 2020. On the other hand, increase in investments was attributed to growth in Government Bonds of K98.3 billion to K171.4 billion and a significant growth in Treasury Notes of K41.5 billion to K100.0 billion in 2020. However, repurchase agreements decreased by K39.5 billion to K69.2 billion, Treasury Bills decreased by K24.2 billion to K364.4 billion and money market deposits decreased by K17.0 billion to K18.2 billion.

Investments constituted the highest proportion of total net assets at 39.7 percent from 41.9 percent in 2019 while total loans and leases constituted 31.2 percent from 32.3 percent in 2019 (Table 2.2).

Table 1.2: Assets and Liabilities of Banks (K'bn)

	2016	2017	2018	2019	2020
Type of Assets					
Cash and Due From Other Banks	276.3	315.2	234.4	177.8	307.1
Securities and Investments	**386.1**	**615.8**	**680.3**	**791.7**	**893.5**
of which					
Treasury Bills	190.9	260.6	348.1	388.6	364.4
RBM Day Bills	-	-	-	-	-
Money Market Deposits	2.7	25.6	32.1	35.2	18.2

Interbank Loans	34.3	50.5	23.7	30.5	24.1
Repurchase Agreements	100.9	180.5	143.0	108.7	69.2
All other Short-Term Investments	18.3	28.8	18.2	17.6	26.8
Local Registered Stocks	3.9	5.6	22.5	58.5	100.0
Government Bonds	2.2	21.7	61.1	62.9	75.2
Local Government Bonds	6.6	13.0	7.5	10.2	96.2
Equity Investments (Malawi Stock Exchange)	3.2	5.2	-	-	-
Other Securities	23.1	24.3	24.1	79.5	119.1
Total Loans and Leases (net of provisions)	417.7	422.1	491.2	609.9	702.4
Other Assets	159.6	219.2	264.6	310.8	350.0
Total Assets (Net)	**1,239.7**	**1,572.3**	**1,670.5**	**1,890.2**	**2,253.0**
Type of Liabilities					
Deposits	809.1	995.5	1,088.1	1,175.2	1,422.4
Liabilities to other Banks	20.1	67.0	67.2	43.0	52.1
Other Liabilities	200.1	253.8	248.2	356.8	453.6
Total Equity Capital	210.4	256.0	267.1	315.1	359.9
Total Liabilities and Equity Capital	**1,239.7**	**1,572.3**	**1,670.6**	**1,890.1**	**2,288.0**

Source: Registrar of Financial Institutions

In terms of sectoral distribution of loans and leases, three sectors, namely: community, social and personal services; construction; and 'other' sector had the largest growth of 65.2 percent, 39.6 percent and 34.3 percent to K120.3 billion, K27.5 billion and K72.1 billion in 2020, respectively. However, in terms of share of total loans and leases; wholesale and retail trade; agriculture, forestry, fishing and hunting; and community, social and personal services constituted 56.1 percent of total loans and leases. (Table 1.3).

Table 1.3: Distribution of loans by sector (K'bn)

Sector	2016	2017	2018	2019	2020
Wholesale and retail trade	101.9	101.3	112.7	146.8	168.2
Agriculture, forestry, fishing and hunting	81.9	97.9	94.3	122.8	120.8
Manufacturing	75.2	69.6	87.8	88.4	85.4
Community, social and personal services	58.5	44.3	47.4	72.8	120.3
Other sectors	23.8	32.5	43.4	53.7	72.1
Transport, storage and communications	28.8	16.9	24.5	34.8	34.0
Financial services	14.2	16.9	12.9	19.4	18.6
Electricity, gas, water and energy	4.6	15.2	33.4	44.8	44.9
Construction	13.4	14.8	15.9	19.7	27.5
Restaurants and hotels	11.7	13.5	18.5	20.0	22.9
Credit/debit cards	1.3	1.7	0.0	0.0	0.0
Real estate	1.3	1.7	7.8	11.2	13.8
Mining and quarrying	0.8	1.3	1.4	2.7	0.8
TOTAL[1]	**417.7**	**422.1**	**499.9**	**637.3**	**729.34**

Source: Registrar of Financial Institutions

On the funding side, total liabilities increased by 20.2 percent to K1.9 trillion in 2020. The increase was mainly attributed to a growth in total deposits by 21.0 percent to K1.4 trillion. Total deposits remained the highest source of funding accounting for 75.1 percentage of total liabilities and 63.1 percent of total liabilities and equity; an increase from 74.6 percent and 62.2 percent, in 2019, respectively.

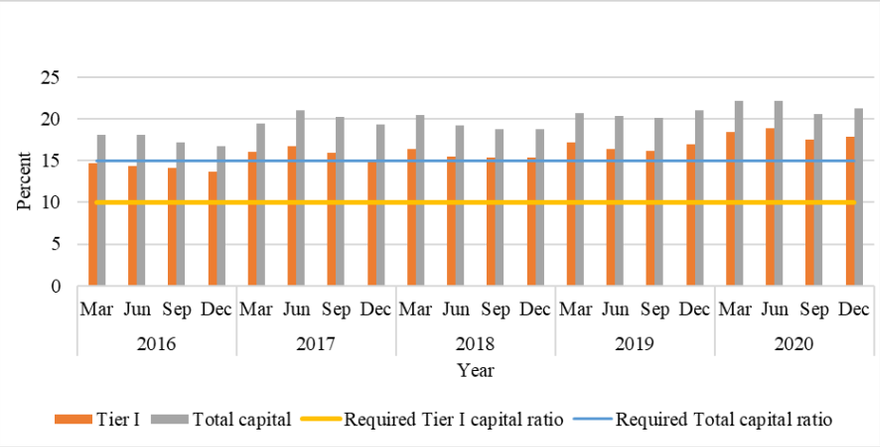
With respect to capital account, total equity capital increased by 14.2 percent to K359.9 billion in 2020. The growth in equity capital was largely attributed to growth from retained earnings and current year net income by 21.1 percent and 42.7 percent to K167.6 billion and K77.1 billion, respectively.

1.4 Capital Adequacy

The banking sector was well capitalised as all banks met the regulatory minimum core and total capital ratios of 10.0 percent and 15.0 percent, respectively as at December 2020. Average core and total capital ratios for the banking industry were at 17.7 percent and 21.4 percent; an increase from 2019 position of 17.0 percent and 21.0 percent, respectively (Figure 1.1). In absolute terms, core capital increased to K249.7 billion from K215.6 billion while total capital increased to K302.6 billion from K267.1 billion in 2019.

[1] Total loans here include loan loss provisions

Figure 1.1: Banking Sector Capital Adequacy Ratios



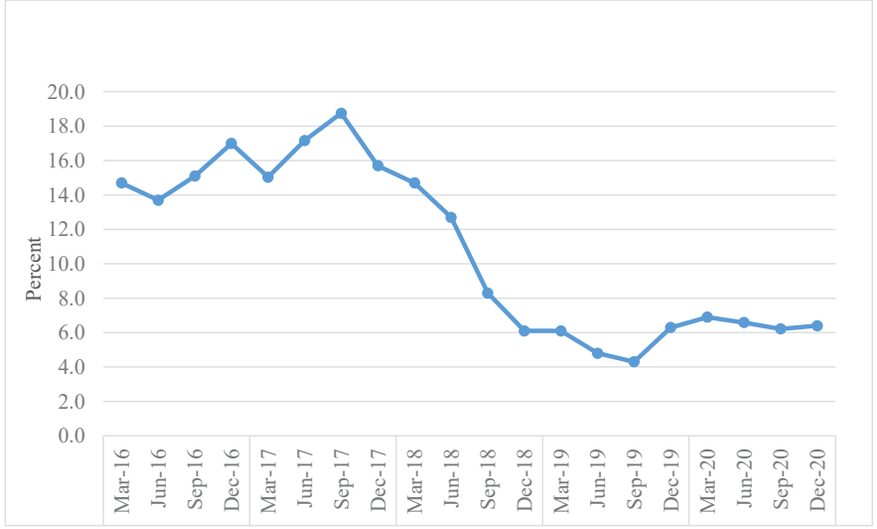
Source: Registrar of Financial Institutions

1.5 Asset Quality

Asset quality deteriorated, mainly depicted by an increase in the ratio to 6.4 percent in December 2020 from 6.3 percent in December 2019 (Figure 1.2), against acceptable regulatory ceiling of 5.0 percent. This was as a result of an increase of 16.5 percent in NPLs to K46.9 billion against a 14.4 percent increase in gross loans to K729.3 billion in 2020. In addition, economic sector concentration remained high, although it improved as evidenced by dilution of contribution of top three sectors from 56.2 percent to 56.1 percent.

As one way of mitigating the anticipated impact of COVID–19 risk in the banking sector, the Registrar allowed banks to grant restructures and moratorium on loans to clients on a case by case basis. The intervention started around April 2020; as at end December 2020, a total of 350 facilities amounting to K20.4 billion were still under moratorium, which was a reduction from a total of 1,936 facilities worth K103.4 billion as at June 2020. This notwithstanding, credit risk remained elevated and continued to be the focus of both the Registrar as well as the banking sector to preserve financial safety and soundness.

Figure 1.2: Ratio of NPLs to Gross Loans and Leases for Banks



Source: Registrar of Financial Institutions

1.6 Earnings

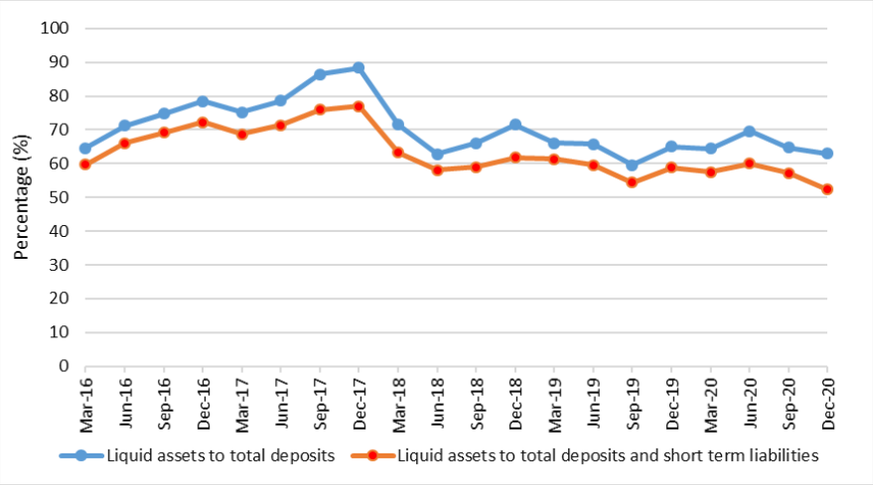
The banking sector continued to be profitable, registering a significant growth in aggregate profit after tax of 49.3 percent to K88.4 billion in 2020. Consequently, Return on Assets (ROA) and Return on Equity (ROE) increased to 3.4 percent and 25.5 percent from 2.7 percent and 20.5 percent in 2019, respectively. Net interest margin decreased to 10.4 percent in 2020 from 10.9 percent in 2019. Dividends paid out amounted to K2.1 billion compared to K32.2 billion in the previous year.

1.7 Liquidity

The banking sector had adequate liquidity in 2020, despite a decline in the liquidity ratio[2] to 52.4 percent from 58.9 percent in 2019. The ratio was well above the prudential benchmark of 25.0 percent (Figure 1.3). The decrease in the ratio was largely on account of growth in deposits and short-term liabilities by 21.0 percent to K1.6 trillion whilst liquid assets increased by 7.6 percent to K821.4 billion.

[2] Liquidity ratio is computed as liquid assets to total deposits and short-term liabilities

Figure 1.3: Liquidity Ratio for Banks



Source: Registrar of Financial Institutions

1.8 On-Site Examinations

The Registrar conducted only one prudential on-site examination and suspended the rest of the annual examination plan due to Covid-19 pandemic. This notwithstanding, the Registrar introduced enhanced quarterly offsite surveillance for all banks to ensure continued oversight. No major issues were noted during the year to warrant regulatory concerns.

2.0 CAPITAL MARKETS

2.1 Sector Overview

Malawi's capital market continued to be bullish during the year 2020 as reflected in the higher positive return on the Malawi All Share Index (MASI) compared to the previous year. On the primary market, two companies listed on the equity market while sixteen Treasury Notes were listed on the debt market in 2020. However, two Treasury Notes matured during the year. The equity market remained the only active secondary market on the exchange as no single secondary trade was registered on the debt market. In the stock brokerage sector, three out of the four stock brokerage firms registered profits. This compared adversely to the prior year when all four brokers registered profits. The loss making institution's performance was largely due to being a relatively new entrant to the sector, thereby accounting for a lesser market share. In addition, a drop in share-trading commission for the brokers due to a decline in the stock market's turnover performance, resulted in the institution registering a loss.

In 2020, the capital market comprised one stock exchange, four brokerage firms, two collective investment schemes, nine investment advisors, four transfer secretaries and six portfolio managers.

2.2 The Stock Market

Activity on the stock market picked up, albeit marginally, during the year under review, as the number of transactions increased to 3,114 deals in 2020 from 3,064 deals in 2019. The increase in activity was partly due to the attractiveness of the stock market as an investment avenue in light of declining money market interest rates and listing of two additional companies on the Malawi Stock Exchange.

The number of shares traded on the stock exchange increased to 1.6 billion in 2020 from 1.4 billion in 2019 (Table 2.1). However, value of shares traded declined to K41.1 billion in 2020 from K46.4 billion in 2019. The decline in value was due to low priced shares accounting for a larger proportion of shares traded when compared to the previous year. Number of companies listed on the exchange increased to sixteen, comprising fourteen domestic counters and two foreign counters.

Table 2.1: Stock Market Statistics

Stock Market Statistic	2016	2017	2018	2019	2020
Volume of shares traded (mn)	410.0	699.0	958.2	1,393.8	1,645.2
Value of shares traded (K'bn)	6.2	13.5	48.7	46.4	41.1
Market Capitalization (K'bn)	8,516.5	10,609.5	1,284.7	1,428.8	1,759.9
Malawi All Share Index	13,320.5	21,598.1	28,983.5	30,252.2	32,392.8
Domestic Share Index	10,456.9	16,272.6	21,318.1	23,599.8	27,755.5
Foreign Share Index	2,026.1	3,519.4	5,265.1	4,024.9	1,363.9

Source: Registrar of Financial Institutions

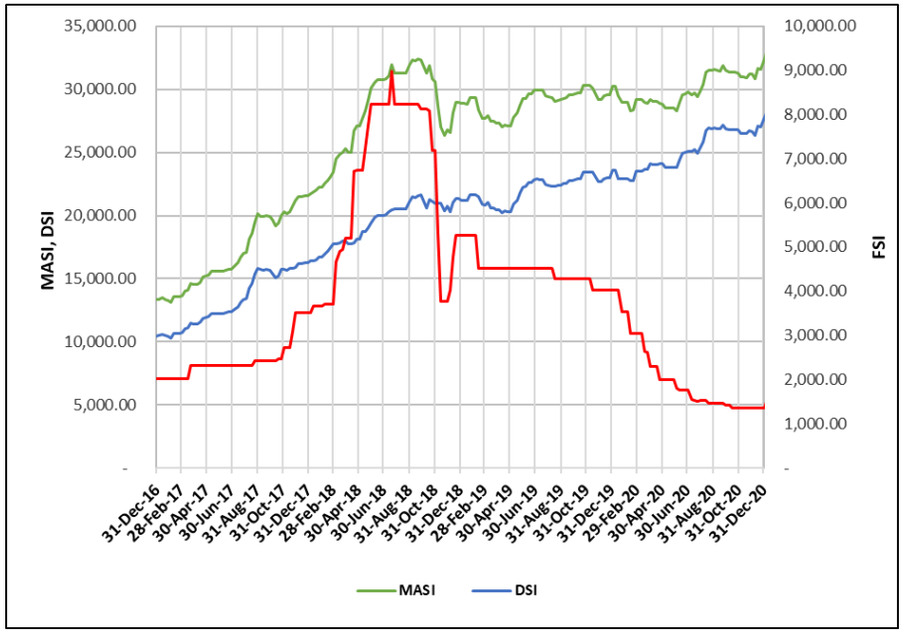
The MASI registered a positive return on index of 7.1 percent in 2020, higher than the 4.4 percent in 2019. Consequently, the Index gained 2,140.6 points to close off at 32,392.8 points in 2020 (Figure 2.1). The increase in MASI was due to an upward movement in the Domestic Share Index (DSI) despite a downward movement in the Foreign Share Index (FSI). A rise in share prices for nine domestic listed companies resulted in the DSI moving upwards by 4,155.7 points to 27,755.5 points in 2020. This was regardless of share price losses registered on five other domestic counters. On the contrary, the FSI declined by 2,661.0 points to 1,363.9 points, due to a drop in share prices of the only two foreign listed companies.

Total market capitalization increased and closed at K1.8 trillion from K1.4 trillion in December 2019. The increase in total market capitalization was due to the increase in share prices on the nine domestic counters as well as the listing of two additional companies.

2.3 Stock Brokerage

Total income for stockbrokers decreased to K1.3 billion in December 2020 from K1.5 billion in 2019. The decline in total income was largely due to the decrease in turnover performance of the equity market. Total expenditure also decreased by 1.3 percent to K855.8 million in 2020 from K867.5 million in 2019. Total profit after tax decreased by 26.5 percent to K323.1 million in 2020.

Figure 2.1: Stock Indices Trends

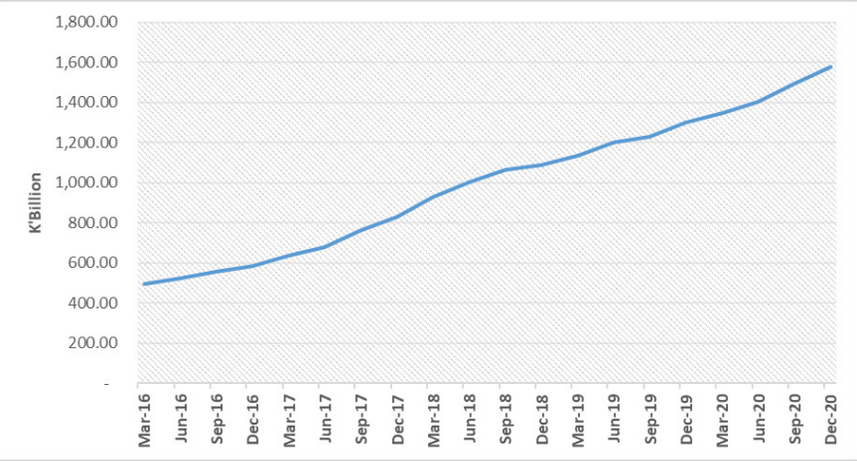


Source: Registrar of Financial Institutions

2.4 Funds Management

Total funds under management grew by 21.5 percent to K1.6 trillion in 2020 due to positive net client cash flow (Figure 2.2). Of these, funds invested in listed equity decreased to 37.1 percent from 41.0 percent in 2019 while money market instruments decreased to 35.0 percent from 39.4 percent in 2019. Similarly, investments held in listed debt decreased to 0.5 percent from 0.6 percent in 2019. The rest of the funds comprised unlisted debt at 14.4 percent, unlisted property investments at 8.4 percent, and unlisted equity at 3.3 percent. The proportions held in unlisted equity, unlisted debt and property, all increased, albeit marginally. The movement of funds among the classes of assets reflected the pursuit of better returns.

Figure 2.2: Funds under Management



Source: Registrar of Financial Institutions

Major sources of funds under management remained life insurance companies and pension funds, which contributed 50.4 percent and 26.7 percent of total funds, respectively (Table 2.2). Other significant sources included companies, natural persons and general insurance companies.

Table 2.2: Source of Funds under Management (K'mn)

Source of Funds	2016	2017	2018	2019	2020
Pension Funds	130,212.0	167,222.0	246,960.0	316,300.0	421,776.0
General Insurance	10,982.0	13,024.0	14,588.0	13,429.0	17,114.0
Life Insurance	314,410.0	455,480.0	599,726.0	706,259.0	794,686.0
Medical Aid Funds	556.0	415.0	342.0	686.0	34.0
Unit Trusts	10,884.0	22,887.0	20,605.0	22,381.0	22,325.0
Companies	96,345.0	140,292.0	163,489.0	199,281.0	248,195.0
Natural Persons	8,820.0	12,617.0	19,744.0	21,507.0	33,645.0
Other	11,117.0	15,318.0	21,884.0	19,003.0	40,695.0
Total	**583,325.0**	**827,256.0**	**1,087,338.0**	**1,298,847.0**	**1,578,470.0**

Source: Registrar of Financial Institutions

Total income for fund managers grew by 25.3 percent to K13.3 billion during 2020 (Table 2.3). The growth was attributed to an increase in management and corporate advisory fees. Operating expenses grew by 14.4 percent to K7.05 billion in 2020. Total profit after tax increased by 41.4 percent to K4.33 billion in 2020.

Table 2.3: Income and Expenses for Fund Managers (K'mn)

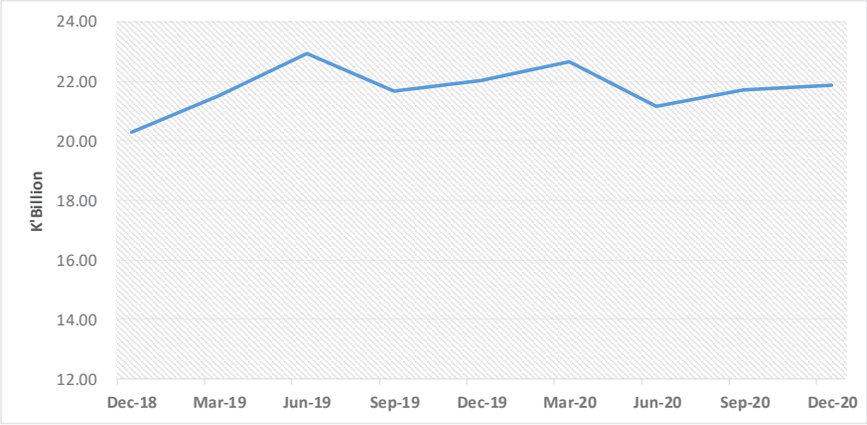
Item	2016	2017	2018	2019	2020
Revenue	4,702.7	6,162.5	7,379.6	10,582.0	13,256.81
Operating expenses	-2,534.3	-3,066.6	-3,993.9	-6,159.7	-7,045.67
Profit before tax	2,168.4	3,095.9	3,385.6	4,422.3	6,211.14
Income tax	-658.3	-777.8	-1,039.8	-1,358.8	-1,879.68
Profit after tax	1,510.1	2,318.0	2,345.8	3,063.4	4,331.46

Source: Registrar of Financial Institutions

2.5 Unit Trust Operations

Total funds for the only open-ended collective investment scheme decreased slightly to K21.85 billion in 2020 from K22.0 billion in 2019 (Figure 2.3). The decline emanated from negative net client cash flows.

Figure 2.3: Unit Trusts Funds Growth



Source: Registrar of Financial Institutions

2.6 On-Site Examinations

During the year, three on-site examinations were conducted, which included one portfolio manager, one collective investment scheme and one stockbroker. The findings of the on-site examinations showed continued improvement in regulatory compliance for the collective investment scheme and the stockbroker. Significant supervisory concerns were noted with the portfolio manager. The major issues of concern included: non-adherence to client's investment mandates; and origination of facilities without regulatory approval.

3.0 PENSION SECTOR

3.1 Sector Overview

The pension sector registered a satisfactory growth in aggregate assets of 19.9 percent, bolstered by an increase in pension contributions and investment earnings. The growth in assets was however lower than 2019 at 22.6 percent. This was due to an increase in pension contribution arrears and pension benefits paid resulting from staff lay-offs and harsh economic environment created by the COVID-19 pandemic.

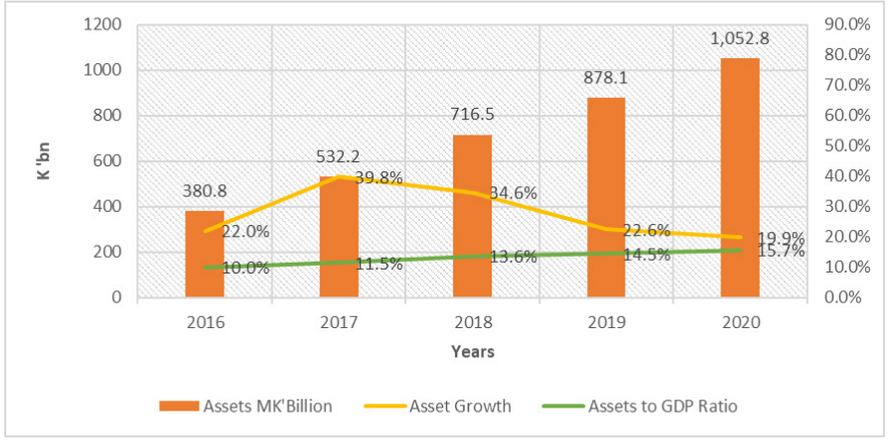
3.2 Pension Sector Assets

3.2.1 Asset Growth

Pension fund assets, which are an accumulation of member savings, grew by 19.9 percent in 2020. In nominal values, assets for the sector increased to K1.1 trillion from K878.1 billion in 2019, funded by positive inflows from pension contributions and investment earnings (Figure 3.1). Consequently, the ratio of pension assets to the Malawi's Gross Domestic Product (GDP) was at 15.2 percent as at December 2020.

In terms of share of assets, three largest pension funds accounted for K666.6 billion representing 63.3 percent of the total assets.

Figure 3.1 Assets of Pension Funds



Source: Registrar of Financial Institutions

3.3 Investment Performance of Pension Funds

Annual investment return for pension assets was 13.4 percent, same as in 2019. This was significantly above the average annual inflation of 7.6 percent signifying successful preservation of members' retirement values. The positive yield was primarily attributed to the combined effect of a resurgent performance of the stock market and relatively higher returns on long term debt securities. Unrealized gains and dividend income grew by 18.1 percent and 52.2 percent to K56.0 billion and K15.2 billion, respectively (Table 3.1). Similarly, interest income recorded substantial movement of K4.2 billion to K50.8 billion. Overall, investment income rose to K129.7 billion from K106.7 billion in 2019.

Table 3.1: Composition of Investment Income (K'Mn)

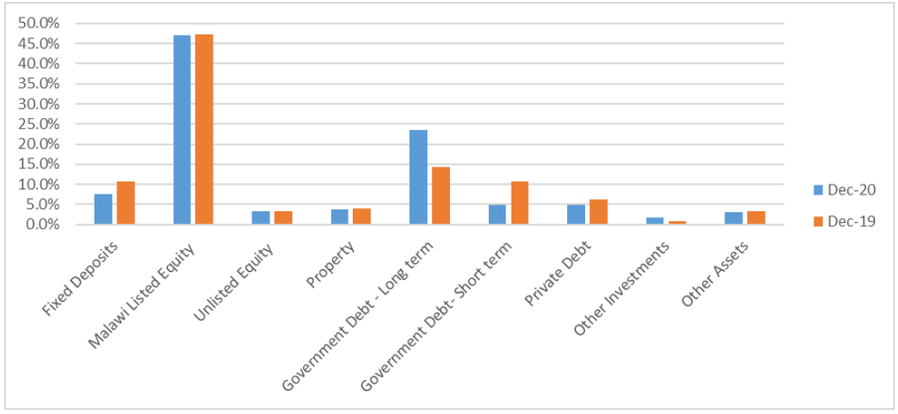
Investment income	Dec 2018	Dec 2019	Dec 2020
Interest	45,039.2	46,676.9	50,854.7
Dividend	7,879.6	9,960.9	15,162.0
Rental income	2,304.7	1,808.8	2,313.9
Change in unrealized gains	75,165.5	47,433.0	56,028.6
Other investment income	(62.3)	859.8	5,304.8
Total	**130,326.,8**	**106,739.5**	**129,663.9**

3.4 Asset Portfolio Mix

Listed equities continued to command the largest share of pension assets at 47.1 percent followed by long and short-term government debt at 28.6 percent (Figure 3.2). The remaining balance of 24.3 percent represented allocations in fixed deposits, private debt, property, unlisted equity, other investments and other assets. The concentration of investments in listed equities and government debt exposed the pension funds to risk of loss in the event of substantial adverse movements in underlying asset prices.

There was a notable redirection of funds towards long term government debt to K248.5 billion from K124.5 billion in 2019. Conversely investments in short term government debt and fixed deposits declined to K52.3 billion and K79.9 billion from K93.3 billion and K93.4 billion in 2019, respectively.

Figure 3.2 Asset Composition for Pension Funds



Source: Registrar of Financial Institutions

3.5 Pension Contributions

Annual pension contributions increased to K122.1 billion from K112.8 billion in 2019 on account of an increase in pension membership, albeit slower due to increased contribution arrears to K26.2 billion from K20.2 billion in 2019. The position of contribution arrears was made worse by the impact of COVID-19 pandemic on employers' ability to remit pension contributions.

Figure 3.3 Annual Pension Contributions

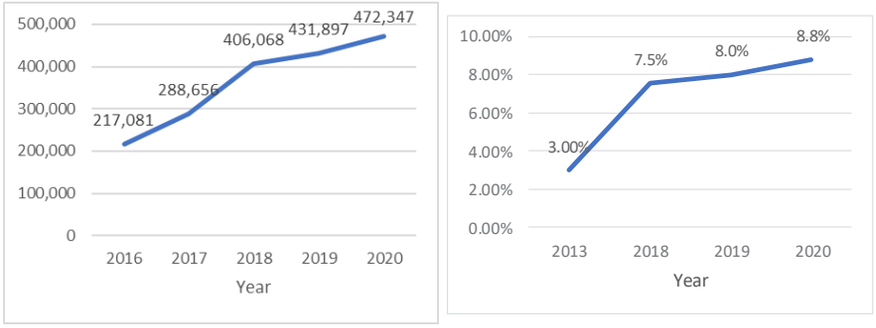


Source: Registrar of Financial Institutions

3.6 Coverage –Pension Sector Membership

Pension scheme membership increased by 9.3 percent to 472,347, representing 8.6 percent[3] of the employed labour force in 2020 (Figure 3.4). The increase was attributed to enrolment of new employees on the National Pension Scheme. Of this membership, three largest pension funds managed 83.6 percent of the total membership at 394,866 members. Active members represented 64.0 percent of the total membership while the remainder were inactive[4] members. In terms of gender disaggregation, females accounted for 23.0 percent while 77.0 percent were males. In addition, 3,773 minors' benefit accounts were managed under the National Pension Scheme.

Figure 3.4: Membership of the National Pension Scheme



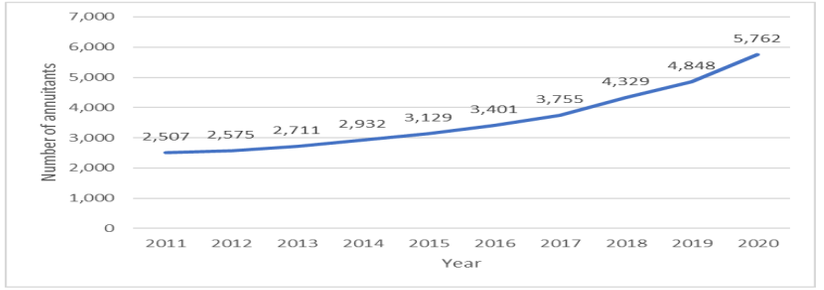
Source: Registrar of Financial Institutions

The number of pension members annuitizing their pension benefits from the National Pension Scheme increased by 1,136 to 5,762 in 2020.

[3] The labour force total is projected from 2018 Malawi Population and Housing Census Report

[4] Inactive members relate to individuals who have stopped making regular pension contributions

Figure 3.5: Number of Annuitants



Source: Registrar of Financial Institutions

3.7 Administration and Investment Fees

Pension funds registered a slight increase in total annual expenses to K11.2 billion from K10.8 billion in 2019 due to an increase in investment expenses which grew by 7.0 percent to K6.9 billion. Nonetheless, the increase in total annual expenses was reasonable, as the ratio of total expenses to total assets declined to 1.1 percent from 1.2 percent in 2019.

Table 3.2: Expenses for Pension Funds (K'mn)

Type of expense	2017	2018	2019	2020
Administration fees	3,030.0	2,510.0	3,059.6	3,554.7
Investment costs	3,334.0	4,181.0	6,438.5	6,886.1
Other Administration Expenses	1,654.0	740.0	1,341.7	783.6
Total Expenses	**8,017.0**	**7,431.0**	**10,839.8**	**11,224.5**

Source: Registrar of Financial Institutions

3.8 Payment and Transfer of Pension Benefits

Total pension benefits paid increased by 31.9 percent to K62.2 billion in 2020. Withdrawals at retirement went up to K33.3 billion from K24.4 billion in December 2019 while non-retirement withdrawals represented by early withdrawals and death benefits rose to K28.9 billion from K22.7 billion in the previous year. Early withdrawals alone increased significantly to K25.4 billion from K20.5 billion in December 2019 and represented the largest share of total benefits paid at 40.9 percent. The increase in early withdrawal payments was unsurprising given that many employers laid off employees due to the impact of COVID-19 pandemic.

Table 3.3: Pension Benefits Paid

	2018		2019		2020	
Type of Benefit	**K' mn**	**Share (%)**	**K' mn**	**Share (%)**	**K' mn**	**Share (%)**
Retirement	18,948.50	49.2	24,425.10	51.8	33,273.18	53.5
Death	2,834.90	7.4	2,192.80	4.6	3,475.59	5.6
Early Withdrawals	16,708.70	43.4	20,546.40	43.6	25,439.93	40.9
TOTAL	**38,492.00**	**100**	**47,164.40**	**100**	**62,188.71**	**100.0**

Source: Registrar of Financial Institutions

3.9 Prudential On-Site Examinations

Due to restrictions arising from the implementation of the COVID-19 preventative measures, the Registrar only conducted two onsite examinations and suspended the rest of the planned examinations. The examinations revealed lapses in governance, non-compliance with relevant financial services laws, lack of or use of outdated policies, inadequate fraud deterrent measures, late payment of benefits and inadequate information given to members among others. The Registrar recommended remedial measures to address the identified weaknesses.

3.10 Employer Pension Compliance Inspection

The Registrar was unable to conduct employer pension compliance inspection in conjunction with Ministry of Labour, Youth, Sports and Manpower Development due to the COVID-19 pandemic. The inability to conduct employer pension compliance inspections, had an effect on the overall rise of complaints in the year 2020.

4.0 GENERAL INSURANCE

4.1 Sector Overview

The performance of the general insurance sector was generally satisfactory in 2020 despite the challenges posed by the COVID-19 pandemic. The sector had adequate capital and solvency; registered underwriting and operating profits; and, maintained positive growth in both premiums written and assets. Nonetheless, tight liquidity persisted with the sector registering liquidity ratio below the recommended benchmark. The sector registered an increase in the number of brokers and agents.

4.2 Premium Income

Gross premiums written grew by 9.2 percent to K59.8 billion in 2020 due to high growth in non-motor insurance classes of business, albeit lower than 13.1 percent recorded in 2019 (Table 4.1). The subdued growth was largely because of the impact of COVID-19 and political instability in 2020 that slowed down economic activity in the country. Non-motor insurance classes of business grew by 14.3 percent to K27.0 billion during the year. On the other hand, motor insurance business registered a modest 5.3 percent growth to K32.8 billion but remained the biggest class contributing 54.5 percent of total gross premiums written by the sector (2019: 56.9 percent).

Premium retention slightly dropped to 71.4 percent from 72.0 percent recorded in 2019 on account of falling retention in miscellaneous non-motor classes of business particularly engineering and marine classes. Retention in engineering and marine classes dropped by 11.0 percentage points and 16.2 percentage points to 23.9 percent and 54.0 percent, respectively (Table 11.15 in the appendix). Net premium written grew by 8.2 percent to K42.9 billion in the year (2019: 10.1 percent to K39.7 billion).

Earned premium income grew by 4.6 percent to K41.0 billion with strong growth registered in fire and personal accident classes of business. The growth in premium was, however, lower compared to 12.7 percent registered in 2019 mainly due to slower growth in gross premium written as well as reduction in premium retention.

Table 4.1: Insurance Premium for General Insurers by Class of Business

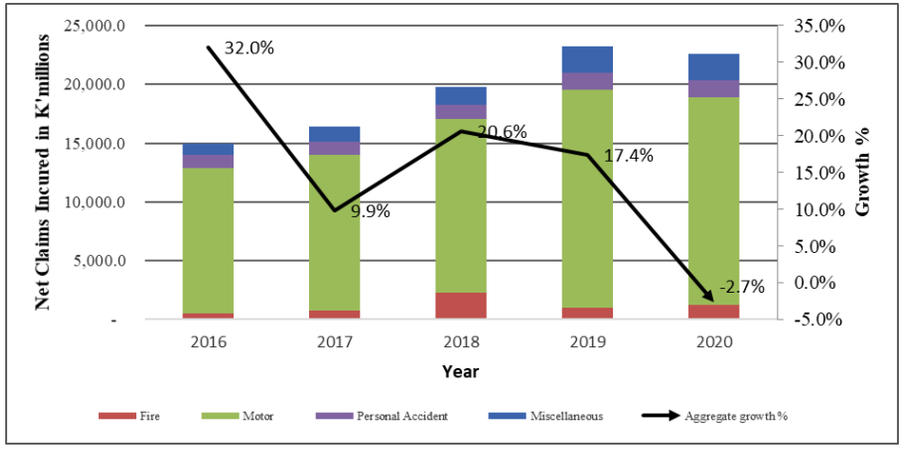
	2016	2017	2018	2019	2020
Gross Premium Written	K millions				
Fire	6,091.1	7,173.5	8,057.5	9,345.9	11,173.8
Motor	21,344.3	24,544.1	28,002.0	31,108.5	32,772.5
Personal Accident	3,939.9	3,816.5	4,569.4	3,852.3	5,159.5
Miscellaneous	3,801.6	5,751.6	7,557.0	10,403.2	10,654.3
Total Gross Premium	**35,176.7**	**41,285.7**	**48,185.9**	**54,709.9**	59,760.5
Premium Ceded to Re-insurers					
Fire	4,029.4	4,987.3	5,976.9	7,428.6	8,262.6
Motor	1,477.2	804.7	1,064.6	964.0	1,293.9
Personal Accident	1,262.0	1,079.9	1,402.6	1,627.2	1,534.6
Miscellaneous	2,129.4	3,069.7	4,236.5	5,403.6	6,135.9
Total Premium Ceded	**8,898.0**	**9,941.6**	**12,680.6**	**15,423.5**	**17,227.0**
Net Premium Written					
Fire	2,128.4	2,277.7	2,313.6	2,085.0	3,078.7
Motor	20,054.1	23,826.7	27,068.6	30,180.6	31,602.6
Personal Accident	2,748.6	2,797.1	3,233.1	2,350.0	3,668.7
Miscellaneous	1,705.8	2,707.5	3,406.0	5,045.4	4,555.6
Total	**26,637.2**	**31,609.0**	**36,021.3**	**39,660.9**	**42,905.6**
Earned Premium					
Fire	2,287.2	2,069.0	2,393.2	2,035.2	3,028.9
Motor	18,837.5	22,536.6	26,021.5	29,867.7	30,761.9
Personal Accident	2,585.1	2,635.2	3,079.5	2,341.5	3,582.9
Miscellaneous	1,686.8	2,547.4	3,315.8	4,998.7	3,666.1
Total Earned Premium	**25,396.6**	**29,788.2**	**34,809.9**	**39,243.1**	**41,039.8**

Source: Registrar of Financial Institutions

4.3 Claims Experience

Claims ratio in the general insurance sector declined by 4.1 percentage points to 55.1 percent in 2020 (Table 11.20 in the appendix). All classes of business registered a reduction in claims experience except miscellaneous classes of business whose claims ratios increased to 62.5 percent from 44.9 percent. Total gross claims incurred by the sector dropped by 12.1 percent in absolute terms to K27.3 billion with highest drop recorded in usually highly reinsured classes of business particularly fire and miscellaneous classes (Table 11:18 in appendix). As such, recoveries from reinsurers on gross claims incurred dropped by 40.2 percent to K4.7 billion (Table 11.21 in appendix). Consequently, net claims incurred by the sector dropped by a small margin to K22.6 billion from K23.2 billion in 2019 in spite of the above highlighted large drop in gross claims. The turnout was partly consistent with the observed slow growth in premiums.

Figure 4.1: Net Claims Incurred by General Insurers by Class of Business



Source: Registrar of Financial Institutions

Meanwhile, the sector paid K26.2 billion (2019: K28.4 billion) of the K27.3 billion gross claims incurred in the year. A total of K17.0 billion net claims (including incurred but not reported claims) was still outstanding as at the end of the year.

4.4 Underwriting and Operating Performance

The sector remained profitable despite the COVID -19 pandemic and political uncertainties experienced in the year. The sector reported an underwriting surplus of K16.4 billion and a pre-tax profit of K5.7 billion in 2020 which were an improvement from K14.5 billion and K4.3 billion, reported in 2019, respectively (Table 4.2). The outturn was largely on account of growth in earned premium income and improved claims experience. Nonetheless, two insurers posted an aggregate pre-tax loss of K440.8 million largely due to high claims and management expenses. Generally, majority of insurers in the sector incurred high management expenses relative to premium income generated with the industry average management ratio reported at 35.9 percent (2019: 35.0 percent) against the recommended maximum limit of 30.0 percent.

All classes of insurance business registered underwriting profits except, engineering sub-class under miscellaneous class of business which registered a loss of K9.3 million. The combined ratio improved to 95.7 percent (from 98.5 percent in 2019), which was within the recommended ceiling of 100.0 percent, underscoring the sector's improved underwriting performance. Additionally, net income from investments and other sources grew by 9.5 percent to K3.9 billion in the year largely due to growth in fixed income securities on insurers' balance sheet, improving interest yields on money market as well as drop in expenses associated with management of investments.

Table 4.2: Underwriting and Operating Results for General Insurers (K'mn)

	2016	2017	2018	2019	2020
Underwriting Surplus (Deficit)	9,128.8	11,915.20	12,969.4	14,468.8	16,432.2
Net Investment & Other Income	3,781.0	7,582.5	3,809.8	3,599.0	3,942.1
Management Expenses	(9,538.3)	-11,757.7	(13,197.9)	(13,749.2)	(14,685.1)
Other Expenses	(88.1)	-4,543.0	-	-	-
Profit before Tax	3,414.1	3,209.4	3,556.1	4,318.6	5,689.3
Taxation	(1,171.2)	-1,495.5	(1,161.8)	(1,312.8)	(1,614.7)
Profit for the year	2,242.9	1,713.9	2,394.3	3,005.8	4,074.6

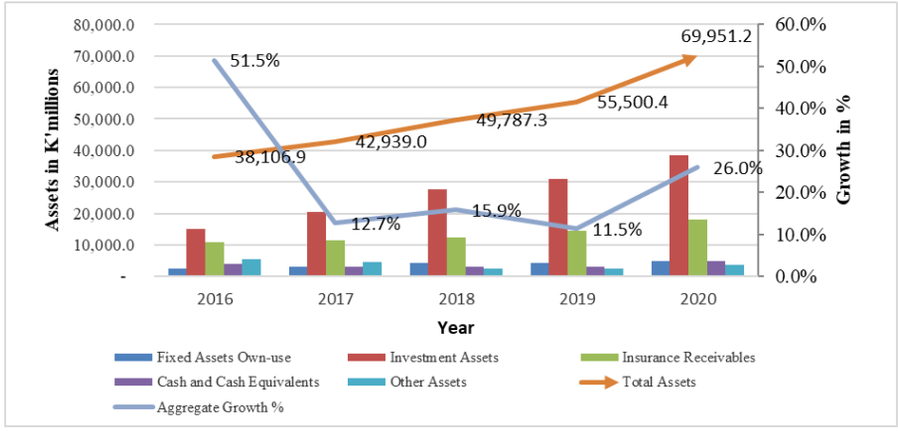
Source: Registrar of Financial Institutions

4.5 Assets and Liabilities

Total assets of the sector grew by 26.0 percent to K70.0 billion in the year. This was a higher growth than 11.5 percent registered in 2019 mainly on account of an increase in premium written and capital injection in one insurer. The sector's asset composition, however, remained largely unchanged, dominated by fixed deposits and other investments which jointly constituted 55.2 percent of total assets (2019: 55.9 percent) followed by insurance receivables at 26.0 percent (2019: 26.1 percent) (Figure 4.2). The high insurance receivables, coupled with the impact of the COVID-19 pandemic amplified credit and liquidity risks to the sector.

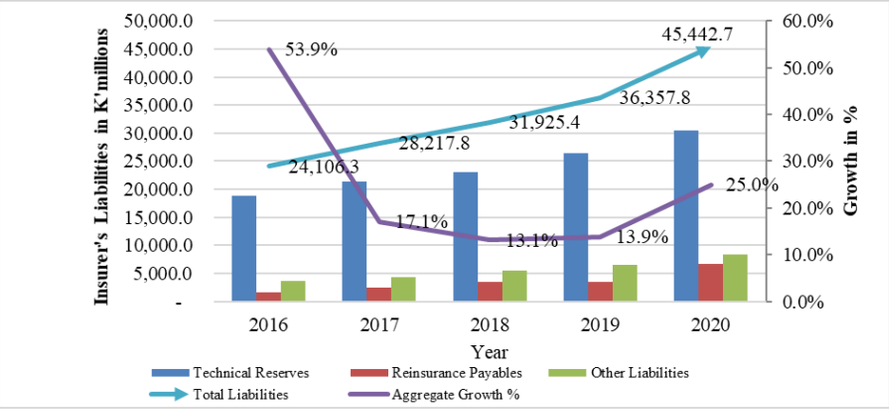
Similarly, total liabilities increased to K45.4 billion in the year representing a year on year growth of 25.0 percent which was notably higher than 13.9 percent registered in 2019. (Figure 4.3). Highest growth was recorded in amounts payable to reinsurers on reinsurance contracts of 87.1 percent to K6.6 billion. The composition of total liabilities was highly dominated by technical reserves for unearned premiums and claims which jointly constituted 67.1 percent (2019: 72.6 percent) of total liabilities followed by reinsurance payables which accounted for 14.6 percent (2019: 9.7 percent).

Figure 4.2: Assets for General Insurers



Source: Registrar of Financial Institutions

Figure 4.3: Liabilities for General Insurers



Source: Registrar of Financial Institutions

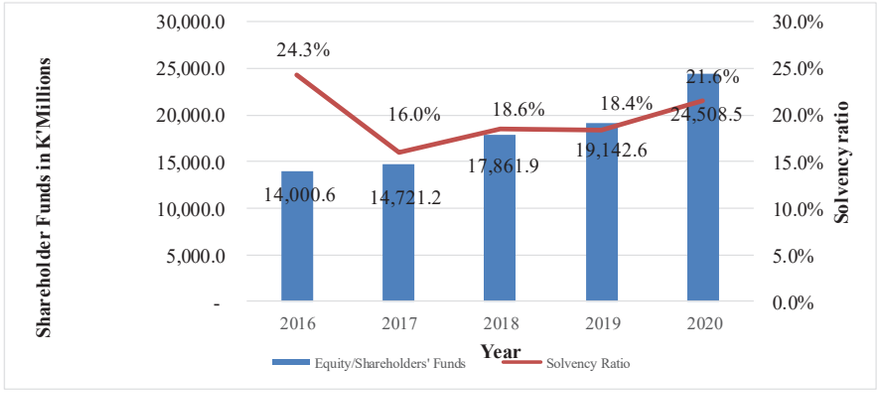
4.6 Liquidity

The sector continued to experience insufficient liquidity in 2020 and closed the year with a liquidity ratio of 81.8 percent which was below the recommended minimum limit of 100.0 percent. The ratio was an improvement from 78.9 percent reported in 2019. The continued tight liquidity resulted largely from slower growth in cash and other liquid assets due to high insurance receivables.

4.7 Capital and Solvency

The sector recorded an improvement in capital and solvency during the year. Shareholders' funds increased by 28.0 percent to MK24.5 billion while solvency ratio improved to 21.6 percent in 2020 from 18.4 percent in 2019 (Figure 4.4). The ratio was above the minimum regulatory requirement of 20.0 percent. Improvement in both capital and solvency was largely on account K2.6 billion capital injection in one of the insurers during the year and growth in retained profits. Nevertheless, four insurers did not meet the minimum solvency requirement.

Figure 4.4: Capital and Solvency for General Insurers

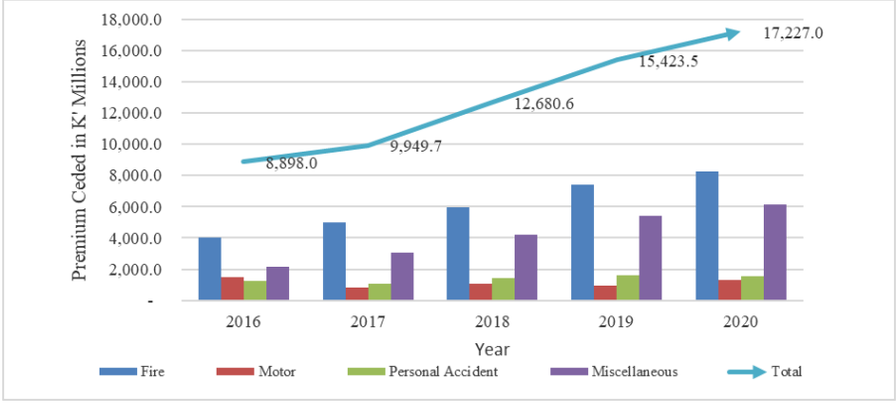


Source: Registrar of Financial Institutions

4.8 Reinsurance

Premium ceded to reinsurers by general insurers increased by 11.7 percent to K17.2 billion, representing 28.8 percent of total gross direct premiums written during the year (Figure 4.5). Fire remained the highest reinsured class of business, constituting 48.0 percent of total ceded premiums, followed by miscellaneous class at 35.6 percent. Out of the total premiums ceded to reinsurers, only 30.3 percent or MK5.3 billion was ceded to a local reinsurer.

Figure 4.5: Premium Ceded to Reinsurers (General Insurance)



Source: Registrar of Financial Institutions

4.9 On-Site Examinations

The Registrar conducted on-site examinations of two general insurance companies during the year. Notable issues from the examinations included: failure to meet capital and solvency requirements; breaches in corporate governance practices; and processes and control deficiencies. Remedial action was taken by the Registrar in order to address the observed shortfalls.

5.0 LIFE INSURANCE

5.1 Sector Overview

The life insurance sector remained sound and resilient in the year under review as evidenced by growths in assets and gross premium written and a drop in net claims paid and management expenses. The sector also recorded sufficient solvency and liquidity positions. In addition, life insurance penetration increased to 0.61 percent from 0.55[5] percent in 2019.

5.2 Composition of the life insurance sector

The number of insurers increased to six following licensing of one additional player during the year. Of the six life insurers, only four underwrite all classes of life insurance business. In terms of market share, the sector continued to be dominated by two insurers which accounted for 87.2 percent of total gross premium written[6].

5.3 Capital and Solvency

Total capital for the sector improved to K72.2 billion from K57.8 billion in December 2019 as life insurers retained most of their profits. Consequently, the sector's capital to total assets ratio increased to 8.8 percent in December 2020 from 7.4 percent registered in the previous year. All but one life insurer maintained core capital of above K800.0 million minimum prudential benchmark.

Solvency of the sector was recorded at 165.7 percent above the regulatory set minimum of 120 percent. Supported by increased capital levels and sufficient solvency margins, life insurers were able to withstand adverse shocks to risk weighted assets and policyholder liabilities occasioned by share price volatilities on the stock market, where the bulk of assets are invested.

5.4 Assets and Liabilities

Total assets of life insurers, including pension assets invested with life insurers, rose by 12.9 percent to K824.0 billion. Assets that were directly attributable to life insurance business

[5] Revised from 2019 position based on rebased series

[6] Excludes pension business

stood at K232.3 billion from K193.4 billion in 2019. Listed equity shares and government securities accounted for the largest proportion of assets at 50.6 percent and 32.7 percent, respectively, compared to 47.5 percent and 28.6 percent in 2019 (Table 5.1). Relative to the economy, life insurance sector assets were 8.9 percent of nominal Gross Domestic Product in 2020.

The above notwithstanding, asset growth was affected by a drop in total investment income following a decrease in investment assets to 96.1 percent of the insurers' total assets from 97.9 percent recorded in 2019.

Table 5.1 Assets for Life Insurance (K'bn)

Asset Allocation	Dec 2016	Dec 2017	Dec 2018	Dec-2019	Dec-2020
Cash and Bank Balances	4.4	5.7	4.0	3.2	10.6
Loans	27.9	34.9	28.9	42.4	38.2
Fixed Deposits	29.8	23.1	34.2	83.8	59.9
Listed Equities	116.0	170.7	255.6	347.2	385.5
Unlisted Equities	23.1	33.3	58.9	22.2	31.6
Government Securities	104.3	165.1	209.9	208.8	263.8
Real Estate	11.5	15.9	9.8	11.1	12.1
Due from Policyholders	1.8	1.6	1.9	2.2	2.4
Other Assets	13.9	22.8	8.1	11.0	20.0
Total Assets	**332.7**	**473.1**	**621.6**	**731.9**	**824.0**

Source: Registrar of Financial Institutions

On the other hand, total policy liabilities grew by 9.1 percent to K643.0 billion in 2020 reflecting an increase in lives assured. Majority of policy liabilities, at 80.6 percent, were in respect of the pension deposit administration scheme. Other liabilities of the sector included short term liabilities that amounted to K11.3 billion from K10.6 billion in 2019.

Table 5.2 Distribution of Policy Liabilities (K'bn)

Class of Business	Dec 2018	Dec-2019	Dec-2020
Individual Life	57.0	67.3	63.7
Group Risk	3.6	6.5	6.8
Annuity	40.4	53.5	57.3
Pension	635.4	462.5	515.7
Total Policy Liabilities	**466.4**	**589.7**	**643.5**

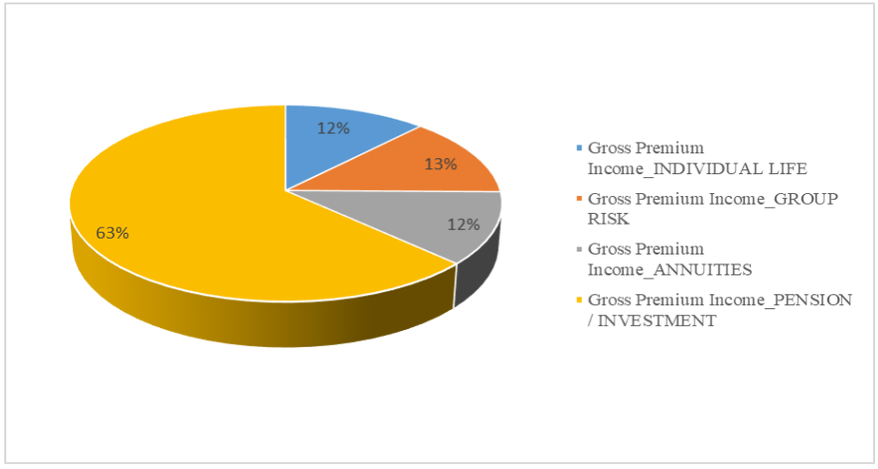
Source: Registrar of Financial Institutions

5.5 Earnings

Earnings performance was satisfactory, as the sector reported profit after tax of K18.17 billion compared to K16.5.0 billion in 2019. Consequently, the Return on Equity (ROE) for the sector increased to 32.0 percent from 28.5 percent in December 2019. The higher profitability was largely due to increase in gross premiums.

In terms of gross premium, the sector registered a 9.8 percent net premium growth to K46.1 billion bolstered by 37.0 percent rise in annuity business. However, pension administration business registered a subdued growth of 0.8 percent to K78.2 billion as a number of pension funds opted out of the life insurance guarantee products.

Figure 5.1: Gross Premium Income per Class of Business

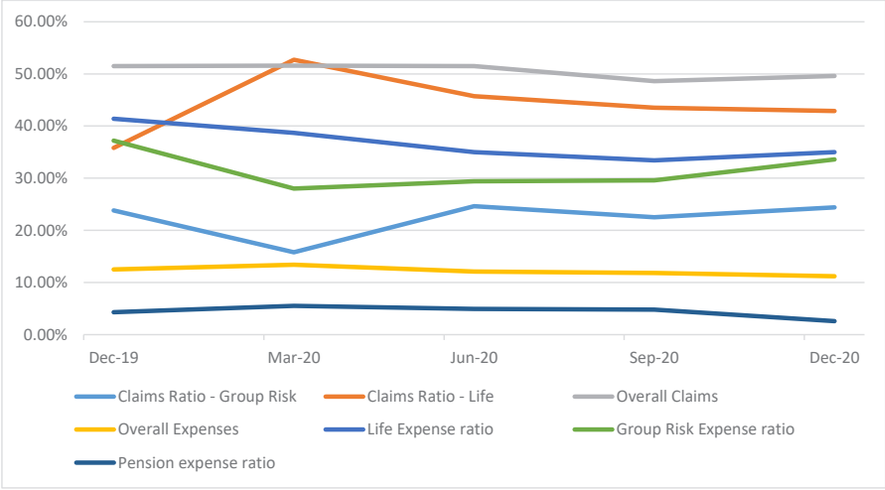


Source: Registrar of Financial Institutions

However, investment income on policyholder funds was 8.5 percent lower in 2020 than in 2019. This outturn was on account of lower unrealized capital gains on the stock market of K28.7 billion compared to K43.2 billion registered in 2019. In contrast, interest income increased to K41.2 billion from K39.9 billion in 2019.

Claims experience declined slightly to 49.8 percent from 52.6 percent in 2019. Similarly, the industry experienced a low expenses ratio of 11.3 percent of net premiums.

Figure 5.2: Claims and Expenses for Life Insurance Sector



Source: Registrar of Financial Institutions

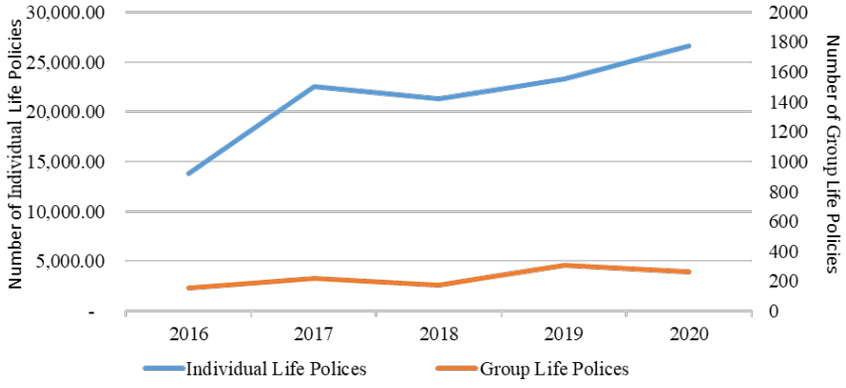
5.6 Reinsurance

Life insurance sector retained 97.7 percent of the business; an increase from 96.5 registered in 2019 entailing that substantial amount of risk was borne by the local insurers. Relative to the capital position of the sector, the retention ratio was within acceptable levels. Thus, credit risk emanating from failure of a reinsurer or inadequate reinsurance coverage was low in the sector.

5.7 Underwriting Experience

As at December 2020, there were 98,661 in individual life business policies, 2,543 group risk schemes and 5,762 annuity policies. Out of these policies, new individual life insurance policies underwritten increased to 26,620 from 23,320 policies in 2019 (Figure 5.2). However, new group life schemes underwritten decreased to 264 from 305 in 2019, whilst new annuities increased to 1,136 from 759 in 2019.

Figure 5.3: New Life Insurance Policies Underwritten by Life Insurers



Source: Registrar of Financial Institutions

Total lives assured increased by 36.5 percent to 865,378 of which 467,914 and 281,381 lives were covered under group life, and bancassurance, respectively. A total of 110,321 lives were under individual life and 5,762 were annuitants (Table 5.2).

The life insurance industry registered notable increase in surrenders and lapses in 2020. Total individual life policies terminated by surrender increased to 3,160 in 2020 from 2,647 in 2019, while a total number of 3,252 policies were terminated by lapse in 2020 compared to 2,187 in 2019 (Table 5.3). A total of 48 group risk policies were discontinued in 2020; a decrease from 95 in 2019. Similarly, the number of annuities discontinued in 2020 decreased to 110 compared to 146 in 2019.

Table 5.3: Number of Policies

Type of Policy	Type of Statistic	2017	2018	2019	2020
Individual Life Policies	In force Policies	65,304	79,939	92,513	99,829
	Policies Terminated by Surrender	1,226	1,212	2,647	3,160
	Policies Terminated by Lapse	1,058	4,236	2,187	3,252
Group Life Policies	Discontinued	28	215	92	48
Annuities	**Discontinued**	**92**	**115**	**146**	**110**

Source: Registrar of Financial Institutions

5.8 On-Site Examination and other Supervisory Activities

The Registrar conducted on-site examination of one life insurance company and carried out quarterly offsite surveillance for all life insurances companies. In addition, the Registrar conducted four virtual tripartite meetings with insurers and their respective external auditors. Major findings of the on-site examination and tripartite meetings included operational risks stemming from credit administration practices and concentration of asset above prescribed regulatory benchmarks. Appropriate enforcement actions were taken by the Registrar to address the noted shortfalls.

6.0 MICROFINANCE SECTOR

6.1 Sector Overview

Overall, the performance of the microfinance sector was fair in 2020. Capital and liquidity remained within the industry benchmarks whilst there was a fair performance in asset quality and profitability. Aggregate assets for the sector increased by 10.7 percent to K54.3 billion in 2020. Total number of registered and licensed microfinance institutions stood at 61; comprising 4 deposit taking institutions, 11 non-deposit taking institutions and 46 microcredit agencies.

Deposit taking microfinance institutions served 200,871 clients (2019: 148,914 clients), of which 61.1 percent were females. In the non-deposit taking microfinance subsector, total clients served increased to 274,333 (2019: 240,032 clients), of which 40.4 percent were females. Clients served increased mainly on account of newly licenced institutions.

6.2 DEPOSIT TAKING MICROFINANCE

6.2.1 Assets and Liabilities

Total assets of deposit taking microfinance institutions increased by 3.0 percent to K20.6 billion (Table 6.1). Growth in assets was mainly as a result of an increase in number of reporting deposit taking institutions from 2 to 3. Gross loans for the sub-sector slightly grew by 2.8 percent to K14.7 billion in 2020.

In terms of liabilities, deposits increased by 7.1 percent to K4.5 billion. Similarly, total borrowed funds increased by 17.8 percent to K K8.6 billion in 2019.

Lending ratio decreased to 326.7 percent as at December 2020 from 340.5 percent as at December 2019. The high ratio signifies sub-sector's heavy reliance on borrowed funds to finance loans.

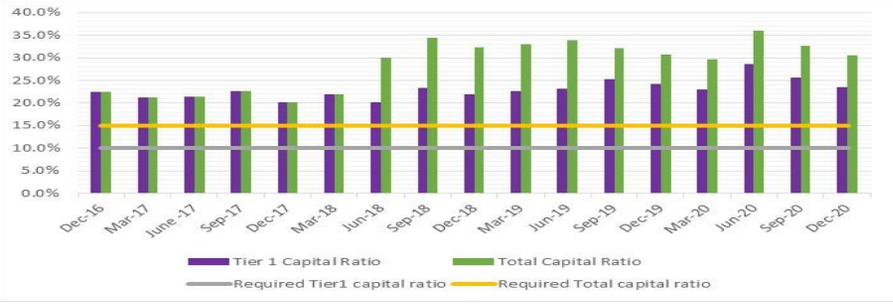
Table 6.1: Assets and liabilities for Deposit Taking Microfinance

	Dec - 17		Dec - 18		Dec – 19		Dec - 20	
Type of asset	**K'mn**	**Share (%)**	**K'mn**	**Share (%)**	**K'mn**	**Share (%)**	**K'mn**	**Share (%)**
Cash	841.9	5.7	235.0	1.9	190.1	0.9	1,167.9	5.7
Balances with other FI	1,855.7	12.6	0.0	0.0	552.8	2.8	458.2	2.2
Net Loans and leases	7,592.6	51.7	8,929.9	72.0	13,912.2	69.3	14,652.5	71.3
Securities and investments	1,880.0	12.8	783.4	6.3	657.4	3.3	531.7	2.6
Other Assets	2,529.4	17.2	2,461.5	19.8	4,753.6	23.7	3,742.7	18.2
Total Assets	**14,699.6**	**100.0**	**12,409.8**	**100.0**	**20,006.1**	**100.0**	**20,553.0**	**100.0**
Type of liability								
Deposits	6,318.1	43.0	2,813.9	22.7	4,211.4	21.0	4,516.1	22.0
Total borrowed funds	4,426.5	30.1	3,884.9	31.3	7,339.6	36.6	8,600.3	41.8
Other liabilities	1,723.6	11.7	1,889.9	15.2	2,527.2	12.6	2,807.9	13.7
Total Capital	2,231.5	15.2	3,821.1	30.8	5,987.9	29.8	4,628.8	22.5
Total Funding	**14,699.6**	**100.0**	**12,409.8**	**100.0**	**20,006.1**	**100.0**	**20,553.0**	**100.0**

6.2.2 Capital Adequacy

Capital adequacy for deposit taking microfinance institutions remained satisfactory with core capital and total capital ratios at 23.5 percent and 30.5 percent, respectively. These were above the regulatory benchmark of 10.0 percent and 15.0 percent for tier 1 and total capital ratios, respectively (Figure 6.1).

Figure 6.1: Capital Adequacy for Deposit Taking Microfinance

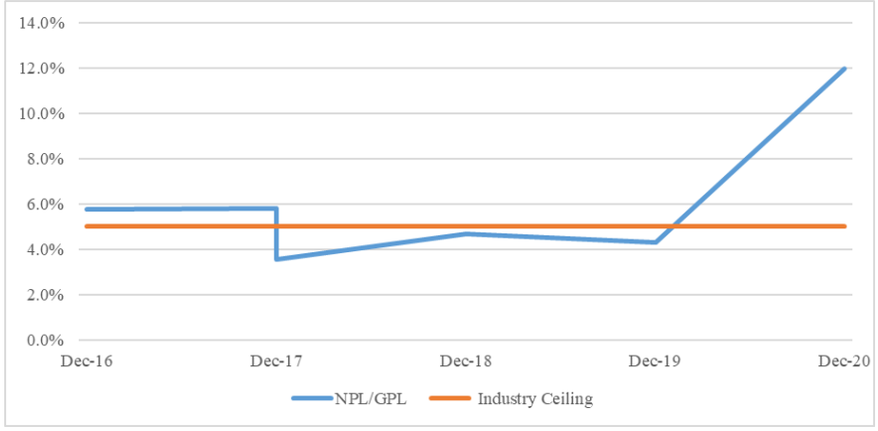


Source: Registrar of Financial Institutions

6.2.3 Asset Quality

Asset quality as measured by the NPL ratio deteriorated during the year under review. NPL ratio increased to 12.0 percent from 4.3 percent in 2019 (Figure 6.2). This was above the industry benchmark of 5.0 percent. The increase in the NPL ratio was due to relatively higher growth in the NPLs than gross loans. Non-performing loans increased by185.8 percent to K1.8 billion. The growth in NPLs was mainly attributed to a slowdown of economic activities as a result of adverse effects of COVID-19. Gross loans on the other hand grew by 2.8 percent to K14.7 billion in 2020.

Figure 6.2: Ratio of NPLs to Gross Loans and Leases



Source: Registrar of Financial Institutions

6.2.4 Earnings and Profitability

Total gross income for the subsector increased by 6.2 percent to K10.3 billion owing to increase in non-interest income from K0.3 billion to K1.5 billion in 2020. On the other hand, interest income decreased by 6.4 percent to K8.8 billion; interest expense increased by 28.6.0 percent to K2.7 billion; while non-interest expenses increased by 17.4 percent to K8.1 billion (Table 6.2). As a result, the subsector registered a loss of K0.5 billion from a profit of K0.2 billion in 2019. Consequently, Return on Assets (ROA) decreased to negative 2.7 percent from 1.2 percent in 2019; and Return on Equity (ROE) decreased to negative 9.9 percent from 4.1 percent in 2019.

Table 6.2: Earnings and Expenses for Deposit Taking Microfinance Institutions

Item (K' bn)	2016	2017	2018	2019	2020
Gross Income	5.6	6.2	6.3	9.7	10.3
Interest Income	5.2	5.8	6.1	9.4	8.8
Interest Expense	1.8	1.9	1.4	2.1	2.7
Non-Interest expense	3.5	4.1	4.4	6.9	8.1
Net income	0.2	0.1	0.3	0.2	(0.5)
ROA (%)	1.9	0.8	2.4	1.2	(2.7)
ROE (%)	10	5.1	7.9	4.1	(9.9)

Source: Registrar of Financial Institutions

6.2.5 Liquidity

The subsector recorded an increase in short term investments and balances with other financial institutions to K1.8 billion and K1.2 billion from K830.1 million and K201.5 million, respectively. Consequently, sub- sector's liquidity ratio increased to 38.0 percent from 24.1 percent in 2019. The ratio was above the minimum regulatory requirement of 20.0 percent.

6.3 NON-DEPOSIT TAKING MICROFINANCE

6.3.1 Assets and Liabilities

Total assets of the subsector increased by 42.4 percent to K33.7 billion, mainly due to increase in net loans by 51.8 percent to 25.1 billion. In terms of liabilities, the subsector recorded an increase in other liabilities from K11.9 billion in 2019 to K21.8 billion in 2020.

Table 6.3: Assets for Non-Deposit Taking Microfinance Institutions

	16-Dec		17-Dec		18-Dec		19-Dec		20-Dec	
	K' bn	Share (%)	K' bn	Share (%)	K' bn	Share (%)	K' bn	Share (%)	K' bn	Share (%)
Type of asset										
Cash and cash equivalent	3.3	14.2	1.8	7.9	1.1	5	1.9	7.4	1.9	5.6
Investments and securities	1.5	6.5	4.9	21.5	2.4	11	0.2	0.7	0.3	0.9
Net loans and leases	12.7	54.7	10.6	46.5	11.5	52	16.6	70.0	25.1	74.5
Non-current assets	1.7	7.4	3.6	15.8	5	22	3.2	13.3	3.9	11.6
Other assets	4	17.2	1.9	8.3	2.3	10	2.0	8.6	2.5	7.4
Total Assets	**23.2**	**100.0**	**22.8**	**100.0**	**22.3**	**100**	**23.7**	**100.0**	**33.7**	**100.0**
Type of Liability										
Shareholder loans	4	17.2	3.2	14	3.2	14	1.0	4.2	0.0	0.0
Short term borrowings from banks	1.5	6.5	0.3	1	0	0	0.4	1.9	0.0	0.0
Capital and Reserves	9.3	40.1	8.4	37	8.2	37	10.4	43.4	11.9	35.3
Other liabilities	8.4	36.2	10.9	48	10.9	49	11.9	50.5	21.8	64.7
Total liabilities	**23.2**	**100.0**	**22.8**	**100.0**	**22.3**	**100.0**	**23.7**	**100.0**	**33.7**	**100.0**

Source: Registrar of Financial Institutions

6.3.2 Capital Adequacy

Total capital for the sub-sector increased by 14.4 percent to K11.9 billion in 2020. A total of 7 out of the 8 reporting non-deposit taking microfinance institutions met the regulatory capital requirement of K100.0 million.

6.3.3 Asset Quality

Asset quality for non-deposit taking microfinance institutions as measured by the ratio of NPLs to gross loans deteriorated during the year. The ratio increased to 12.5 percent from 8.5 percent in 2019. The growth in NPLs was mainly attributed to a slow-down in business economic activities as a result of adverse effects of COVID-19. The ratio remained above the acceptable benchmark of 5.0 percent.

6.3.4 Profitability

Gross income slightly increased by 2.2 percent to K9.0 billion in 2020, primarily on account of an increase in gross loans. On the other hand, operating expenses increased by 36.1 percent to K8.3 billion. As a result, net income decreased by 53.9 percent to K634.5 million in 2020.

6.3.5 On-site Examinations

The Registrar conducted two prudential onsite examinations of deposit taking institutions and eight market conduct on-site examinations of non-deposit taking institutions. Major findings included: governance lapses; low liquidity levels; high levels of NPLs; non-disclosure of effective interest rates to customers and non-remittance of pension and tax deductions to relevant authorities. Remedial measures were taken to address the identified shortfalls.

6.4 FINANCIAL COOPERATIVES

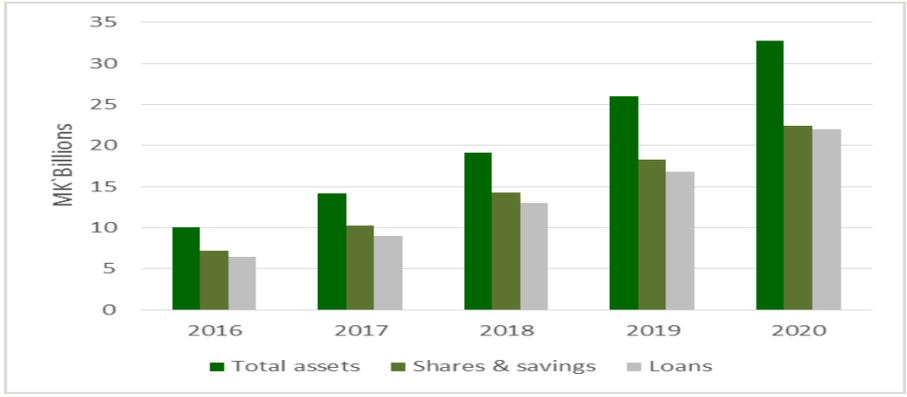
6.4.1 Overview

Overall, the sector's performance was satisfactory despite the adverse impact of COVID-19 pandemic. Total assets for the sector grew by 25.7 percent to K32.8 billion. Net income grew by 38.1 percent to K2.9 billion. As at end of the year, the sector had 40 licensed financial cooperatives of which 35 were employer based, while five were community based.

6.4.2 Assets and Liabilities

Total assets grew by 25.7 percent to K32.8 billion owing to growth of loans and investments. The loans were financed by savings which grew by 22.4 percent to K22.4 billion. (Figure 6.3).

Figure 6.3: Selected Assets and Liabilities for Financial Cooperatives



Source: Registrar of Financial Institutions

6.4.3 Financial Structure

Member loans and advances, at K22.0 billion, accounted for 67.1 percent of total assets during the year against the sector's recommended best practice of between 70 and 80 percent (Table 6.4). This had an effect on the sectors' interest income and return on assets. As regards funding, the sector largely relied on member savings which accounted for 68.3 percent of total assets.

Table 6.4: Asset and Liabilities for the Financial Cooperatives Sector (K' mn)

Type of Asset	2016	2017	2018	2019	2020
Cash and Bank Balances	702.8	945.0	1055.4	1,916.0	2,107.8
Securities and Investments	1,158.7	642.1	953.3	3,031.8	3,565.2
Member Loans and Advances	6,420.3	9,003.0	13,023.7	16,420.7	21,989.3
Other Assets	1,716.9	3,529.4	4,107.9	4,699.0	5,117.4
Total Assets	**9,998.7**	**14,119.5**	**19,140.0**	**26,057.5**	**32,779.7**
Type of Liability					
Deposits and Member Shares	7,165.9	10,215.5	14,313.2	18,341.8	22,374.6
Liabilities to Other Banks	262.2	221.4	366.1	900.5	987.8
Other Liabilities	302.8	532.5	544.4	1,051.4	1,467.4
Total Capital	2,267.8	3,150.1	3,916.3	5,683.8	7,949.9
Total Funding	**9,998.7**	**14,119.5**	**19,140.0**	**26,057.5**	**32,779.7**

Source: Registrar of Financial Institutions

6.4.4 Capital Adequacy

Overall, the sector was adequately capitalized. Total institutional capital grew by 42.6 percent to K7.7 billion. Consequently, capital adequacy ratio increased to 23.4 percent from 20.9 percent, and was above the minimum regulatory requirement of 10.0 percent. (Table 6.5).

Table 6.5: Financial Soundness Indicators for Financial Cooperatives

Indicator	Recommended Ratio	2016	2017	2018	2019	2020
Institutional Capital Ratio (%)	>10.0	20.1	20.5	19.1	20.9	23.4
Non-performing loans/Gross Loans (%)	< 5.0	3.2	5.6	5.6	5.7	5.9
Liquidity (%)	> 10.0	16.1	13.8	12.1	18.7	15.6
Net Income/Average Total Assets (%)	> 5.0	9.2	10.5	8.78	9.2	9.8

Source: Registrar of Financial Institutions

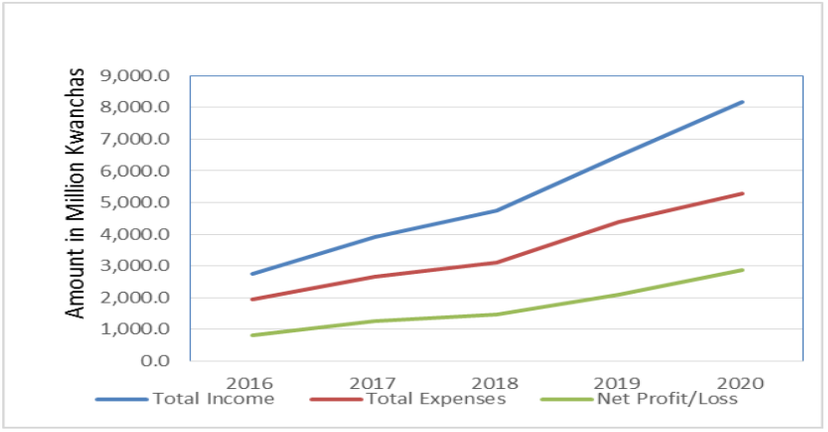
6.4.5 Asset Quality

Total loans grew by 34.1 percent to K22.0 billion in 2020. Non-performing loans (NPL) amounted to K1.3 million, representing a 5.9 percent NPL ratio which was above the acceptable ceiling of 5.0 percent.

6.4.6 Earnings

The sector registered growth in both total revenues and profits. Total income increased by 30.8 percent to K8.5 billion in 2020 of which loan interest income constituted 97.3 percent (Figure 6.4). Total expenditure grew by 20.5 percent to K5.3 billion. Despite the increase in total expenditure, net income increased by 38.1 percent to K2.9 billion, representing a ROA of 9.8 percent.

Figure 6.4: Income, Expenses and Profit/Loss Trends for Financial Cooperatives



Source: Registrar of Financial Institutions

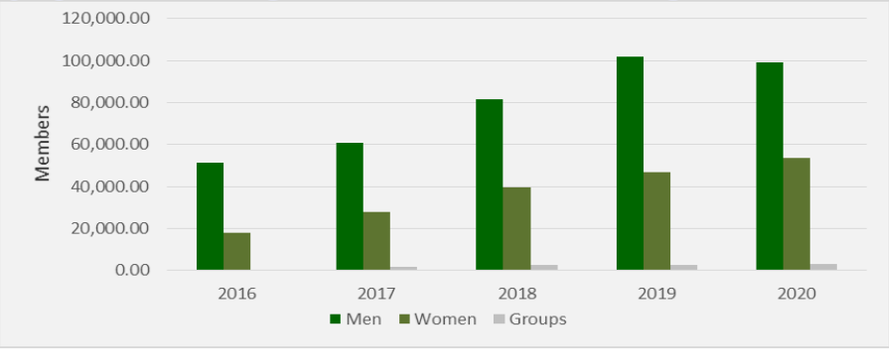
6.4.7 Liquidity

On aggregate, the sector reported a liquidity ratio of 15.6 percent, which was above the regulatory minimum of 10.0 percent. On the other hand, the sector's unremitted payroll deductions slightly decreased to K2.3 billion from K2.4 billion in 2019, largely from the public sector.

6.4.8 Membership

Total membership grew by 2.9 percent to 155,632 in 2020 of which 34.4 percent were females, an increase from 31.0 percent recorded in 2019 (Figure 6.5). The increase in total membership was attributed to newly licensed SACCOs in the year.

Figure 6.5: Financial Cooperatives Membership



Source: Registrar of Financial Institutions

6.4.9 On-site Examination

The Registrar conducted nine on-site examinations and eight follow up examinations of financial cooperatives. Examination findings showed continued improvement in all key financial performance indicators except for four SACCOs. Corrective measures were taken to address the identified shortfalls.

7.0 CONSUMER PROTECTION

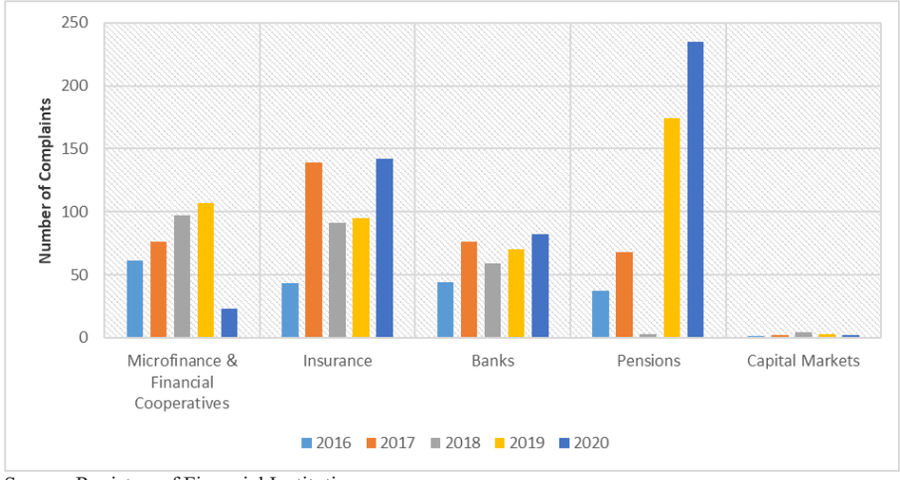
7.1 Overview

The number of financial consumer complaints increased in 2020 compared to 2019. Despite the COVID-19 Pandemic, the Registrar continued to undertake various financial literacy initiatives aimed at bolstering financial consumer awareness. In addition, a limited number of market conduct examinations of financial institutions were carried out with the objective of establishing the extent of compliance with market conduct regulations.

7.2 Complaints Handling

The number of complaints[7] received by the Registrar increased to 486 in 2020 from 449[8] in 2019. A total number of 491 complaints were processed, of which 5 were carried forward from 2019. In terms of composition, the pension sector registered the highest number of complaints at 235 while insurance sector registered 142 complaints. Microfinance and financial cooperatives sectors had 23, a significant decrease from 107 in registered 2019. The banking sector registered 82 complaints while the capital markets sector had two complaints, (Figure 7.1).

Figure 7.1: Number of Complaints Received Per Sector

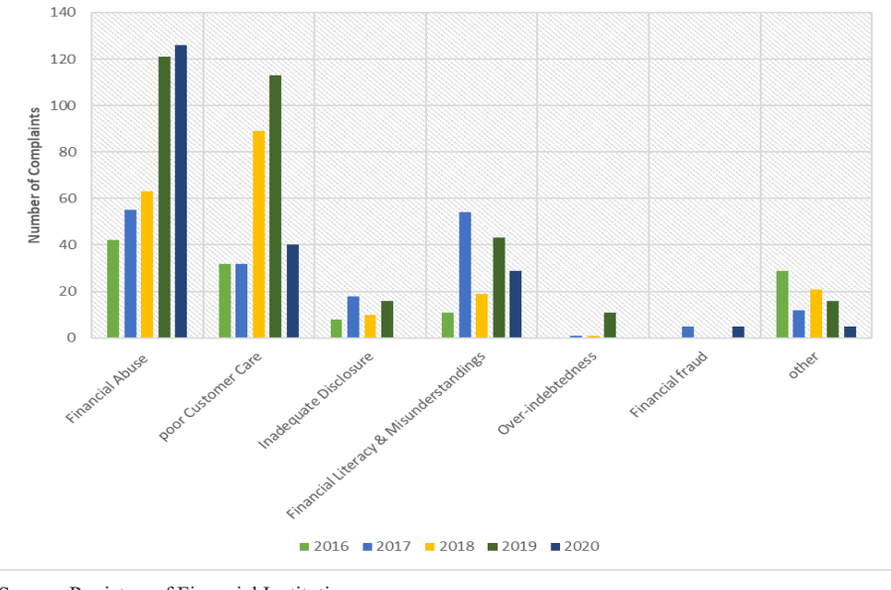


Source: Registrar of Financial Institutions

[7] Includes pension complaints
[8] Figure restated to include pension complaints

A total of 206[9] complaints were successfully resolved, compared to 320 complaints in the preceding year. Out of these, 40 related to poor customer care, 127 complaints due to financial abuse[10], while 29 cases were due to lack of financial awareness and capability, and misunderstanding of product terms and conditions on the part of consumers. The remaining five complaints arose out of other causes. There was a significant decrease in complaints arising from poor customer care and no cases recorded relating to inadequate disclosures by financial institutions (Figure 7.2). This is attributed to financial institutions improved compliance with the Registrar's market conduct Directives during the reporting period.

Figure 7.2: Composition in Nature and Number of Complaints Resolved



Source: Registrar of Financial Institutions

7.3 Pension Complaints

The complaints were due to non-remittance of pension contribution by employers, followed by requests for discretionary approvals to receive retirement benefits in full against regulatory requirements. Other complaints related to employers refusing to facilitate processing of payment of pension benefits with pension administrators due to outstanding loans or fraud related dismissals and disagreements. In addition, the Registrar received complaints relating to delays by both employers and pension administration companies in processing pension benefits. The Registrar continued to implement initiatives to curb misconduct of non-remittance of pension contributions.

7.4 Market Conduct Onsite Examination

During the year, three market conduct on-site examinations and three mystery surveillances for banks and microfinance institutions were conducted. The findings showed continued improvement in financial institutions compliance with market conduct legal and regulatory framework. However, significant supervisory concerns were noted with some financial institutions, which included failure to issue key fact statements to clients before and during the financial contracts. This constituted inadequate disclosure of product terms and conditions, leading to clients' uninformed financial decisions. The Registrar recommended remedial measures to address the identified weaknesses.

7.5 Financial Literacy

There were a number of financial literacy activities that were implemented during the year under review, although most activities that involved physical contact were deferred in the light of COVID-19 pandemic. Financial literacy initiatives that were implemented included publication of a notice on pyramid schemes and dissemination of various financial literacy and consumer protection messages through print and electronic media. The public notice on pyramid schemes aimed at warning the general public against unscrupulous persons.

The Registrar also held an Investor Education Week to sensitise the public on how to invest in capital market instruments; benefits of investing money with licensed and registered financial institutions; roles and responsibilities of investors; and consumer protection. During the Week, a total of 1,403 people comprising 408 employees of 38 private and public organizations, and 995 small and medium enterprises were reached through workshops and town hall meetings (Table 7.1). This was in addition to the on-going Secondary School Financial Education program where a total of 415,013 students participated in classroom

[9] Excluding pension complaints
[10] Abuse by financial institutions and employers

financial literacy lessons. Participation was on the lower side as only 418,436 people were physically reached with core financial literacy messages; a decrease from 708,372 in 2019.

Table 7.1: Population reached with various financial literacy programmes

	2016	2017	2018	2019	2020
Workplace Financial Literacy Program (Targeting employees from public and private organizations)			300	1,850	408
Micro, Small and Medium Enterprises Financial Literacy Program, (Investor Education, Savings)				300,600	995
Rural Community Financial Literacy Program (targeting community leaders)		700	2,500	3,100	0
Global Money Week (targeting the youth)	850	1,500	1,320	2,131	0
Secondary School Financial Education (for students)	351,651	372,885	387,569	398,272	415,013
TOTAL	**352,501**	**375,085**	**391,389**	**708,372**	**418,436**

Source: Registrar of Financial Institution & Ministry of Education Science & Technology

In addition to physical outreach, investor education messages were disseminated through print and electronic media during the Week.

8.0 ANTI-MONEY LAUNDERING

The Registrar conducted several activities pertaining to Anti-Money Laundering and Combating of Financing of Terrorism (AML/CFT) to ensure that all financial institutions comply with AML/CFT laws.

8.1 AML/CFT Offsite Surveillance

The Registrar conducted enhanced analysis of bi-annual offsite returns for banks. The aim of the analysis was to ensure close monitoring of banks due to suspension of on-site examination activities in the wake of COVID-19 pandemic. Overall, the assessment established that most banks had put in place Money Laundering/Terrorist Financing (ML/TF) risk-mitigating measures commensurate with the identified risks. Nonetheless, some gaps were noted including; misalignment of ML/TF risk assessments with practice, incomprehensive AML policies, inadequate enhanced customer due diligence measures and failure to maintain updated customer files. The Registrar engaged all banks with critical gaps to ensure compliance.

In addition, the Registrar conducted ML/TF risk assessments for the banking sector to determine ML/TF risk profile of each banking institution and the sector as a whole. The exercise involved assessing the overall ML/TF inherent risk and management practices that banks had adopted to mitigate identified ML/TF risks. The overall inherent ML/TF risk for the banking sector remained high in the year under review due to high level of deposits and transactions by customers, products/services, and delivery channels. Conversely, the overall risk management practices were acceptable.

Further, the Registrar conducted pilot ML/TF risk assessment for Non-Bank Financial Institutions (NBFI's) including capital market players, life insurers, and deposit and non-deposit taking microfinance institutions. The objective of the pilot risk assessment was to determine the readiness of NBFIs before full roll out of periodic ML/TF risk assessments, which were critical for the effective implementation of Risk Based Approach to AML/CFT supervision. The assessment established that capital market players and life insurance companies were ready for the periodic ML/TF risk assessments whereas most microfinance institutions had data extraction challenges hence not ready for the exercise. In this regard, a

phased approach for microfinance assessments targeting prudentially regulated microfinance institutions was adopted.

8.2 On-Site Examinations

The Registrar conducted a full scope AML/CFT on-site examination for one bank. The examination established that the bank was generally compliant with AML/CFT regulatory requirements including: maintaining adequate AML/CFT policies; conducting adequate AML/CFT training and awareness programs for members of staff; and screening of customers against relevant sanctions lists. Notwithstanding, shortfalls were noted under the bank's ML/TF risk assessment, transaction monitoring system and customer due diligence processes.

8.3 Issuance of Guidance Notes on Management of Money Laundering and Terrorist Financing (ML/TF) Risks Amid COVID-19

In response to the impact of the COVID-19 crisis on Malawi's AML/CFT efforts to ensure continued compliance to the prevailing legislation, the Registrar issued Guidance Notes to all financial institutions on management of ML/TF risks amid the COVID 19 Pandemic. The guidance notes set out measures on how financial institutions can utilize digital identity platforms to conduct certain elements of Customer Due Diligence (CDD) as per the requirements under Section 16 and 18 of the Financial Crimes Act, 2017. The Guidance Notes further provide various supervisory interventions to aid financial institutions in their efforts to manage the ML/TF risks arising from the pandemic.

9.0 LEGAL AND REGULATORY DEVELOPMENTS

9.2 Overview

The Registrar continued to review laws and regulations of the financial sector in order to strengthen the regulatory framework. In the year 2020, the Registrar issued revised schedule of penalties for banks and bank holding companies and submitted one bill and 14 directives to Ministry of Finance for further legislative processes.

9.3 Licensing, Mergers and Acquisitions

The Registrar registered and licenced the following financial institutions:

(a) One portfolio manager;
(b) Ten microcredit agencies;
(c) Three investment advisors;
(d) Two financial cooperatives;
(e) One pension broker;
(f) One pension fund;
(g) One life insurance company;
(h) Four insurance agencies;
(i) Two insurance brokers; and
(j) One financial holdings company.

In addition, the Registrar granted the following regulatory approvals:

(a) Registration of Rural Development Investment Holdings Plc security for purposes of raising capital of K10 billion;
(b) Merger of Indetrust Pensions and Death Benefits Fund with NBM Unrestricted Pension Fund into NBM PAL Unrestricted Pension Fund; and
(c) Merger of MyBucks Banking Corporation and Nedbank Malawi Limited.

10.0 SUPERVISORY FUNDS

The Registrar collected a total of K 442,328,304.51 in supervisory levies, charges and fees, broken down as follows:

- Supervisory levies, fees and penalties: K382,313,204.50
- Registration and licensing of banks and foreign exchange bureaus: K42,965,100.01
- Registration and licensing of insurance and microfinance companies: K13,370,000.00
- Registration and licensing of dealers and brokers: K2, 050,000.00
- Registration and licensing of pension entities: K1,630,000.00

The money collected was used to partly defray the cost of carrying out prudential and market conduct supervision of commercial banks; pension and insurance entities; capital and microfinance institutions; and processing of directives, regulations and guidelines for the financial sector. The money collected was also used to coordinate and implement various financial education and awareness initiatives.

These costs are exclusive of staff costs, which the Registrar also incurred.

11.0 APPENDICES

STATISTICAL ANNEX TABLES

Table 11.1: Branch Network for Banks in 2020

Name of Institution	Branches		Agencies, satellite kiosks, mobile vans		Auto Teller Machines	
	2019	2020	2019	2020	2019	2020
CDH Investment Bank Ltd	3	3	1	0	0	1
Ecobank Malawi Ltd	8	8	0	0	23	23
FDH Bank Plc	21	21	30	30	92	91
First Capital Bank Plc	7	7	23	23	52	51
National Bank of Malawi Plc	16	16	17	17	129	129
NBS Bank Plc	12	12	33	33	67	68
Nedbank Malawi Ltd	9	0	2	0	26	0
My Bucks Banking Corporation	7	12	12	7	32	32
Standard Bank Plc	27	27	2	2	97	99
TOTAL	**110**	**106**	**120**	**112**	**496**	**494**

Table 11.2: Trends in Market Share of two dominant banks (%)

	Assets	Loans	Deposits	Equity capital
2014	50.7	44	50.9	55.5
2015	47.7	49.7	50.4	56.9
2016	51.5	53.2	52.7	61.8
2017	50.9	56.2	51.2	58.6
2018	46.0	58.1	46.2	60.0
2019	46.14		46.1	58.3
2020	48.13	52.5	48.4	60.6

Table 11.3 Financial Soundness Indicators for Banks

Capital Ratios	2016	2017	2018	2019	2020
Regulatory Total Capital to Risk Weighted Assets (%)	16.7	19.3	18.8	21.0	21.3
Regulatory Tier 1 Capital to Risk Weighted Assets (%)	13.8	15.0	15.4	17.0	17.9
Total Capital to Total Assets (%)	**17.0**	**16.2**	**16.0**	**16.7**	**15.6**
Asset Composition and Quality (Percent)					
Total Loans and Advances to Total Assets	35.4	28.1	30.7	33.7	31.9
Foreign Currency Loans to Total Loans and Advances	21.8	27.9	25.6	23.5	14.5
Non-Performing Loans to Gross Loans and Advances	17.0	15.7	6.1	6.3	6.2
Non-Performing Loans (Net of Provisions) to Capital	44.5	28.4	14.8	9.2	9.7
Earnings And Profitability Ratios					
Return on Assets (ROA)	3.0	2.3	2.3	2.7	3.1
Return on Equity (ROE)	20.4	15.7	17.3	20.5	23.3
Interest Income to Total Income	49.5	72.7	67.4	66.4	66.3
Non-Interest Income to Total Income	50.0	27.3	32.6	33.6	33.7
Personnel Expenses to Non-Interest Expenses	43.8	44.2	42.6	43.0	42.2
Liquid Assets to Total Assets	51.2	55.9	45.1	40.4	39.4
Liquid Assets to Total Deposits and Short Term Liabilities	72.3	77.0	61.8	58.9	56.2
Total Loans to Total Deposits	54.2	45.1	47.1	54.2	51.1
Foreign Exchange Liabilities to Total Liabilities	24.3	21.5	18.7	15.6	12.1
Liquid Assets to Total Assets	51.2	55.9	45.7	40.4	39.4

Table 11.4: Deposits Held by Banks (K' mn)

Period	Demand Deposits	Savings Deposits	Time Deposits	FCDA's	Total Deposits
Mar-16	244,628	115,724	137,615	194,593	692,562
Jun-16	251,515	121,366	152,359	231,138	756,379
Sep-16	267,904	146,525	194,780	238,779	847,990
Dec-16	265,302	134,059	161,687	247,995	809,044
Mar-17	277,250	138,559	152,996	238,168	806,974
Jun-17	318,880	150,546	158,482	261,844	889,752
Sep-17	333,884	152,601	177,731	237,526	901,742
Dec-17	353,108	158,508	200,630	283,276	995,522
Mar-18	334,857	163,872	216,043	244,541	959,314
Jun-18	366,949	169,029	229,958	247,185	1,013,122
Sep-18	380,555	184,183	234,684	230,645	1,030,069
Dec-18	405,859	183,243	265,376	233,376	1,008,128
Mar-19	410,519	178,270	279,050	225,731	1,093,570
Jun-19	419,651	190,482	269,163	253,540	1,132,836
Sep-19	417,170	200,539	310,296	221,297	1,149,302
Dec-19	460,684	216,728	273,975	223,872	1,175,258
Mar-20	483,198	210,241	282,328	212,924	1,188,691
Jun-20	507,725	209,974	299,639	230,9121	1,248,250
Sep-20	525,468	222,862	340,339	224,337	1,313,006
Dec-20	564,355	240,134	337,424	275,862	1,417,775

Table 11.5: Capital Adequacy Trends for Banks

	Tier 1 Capital	Total Capital	Risk Weighted Assets	Tier 1 Capital Ratio	Total Capital Ratio
Period	K' million	K' million	K' million	(%)	(%)
Mar-16	119,373	147,293	814,586	14.7	18.1
Jun-16	120,608	151,987	838,729	14.4	18.1
Sep-16	132,502	161,218	938,393	14.1	13.7
Dec-16	123,516	151,648	900,227	17.2	16.8
Mar-17	146,809	177,371	911,413	16.1	19.5
Jun-17	160,248	201,467	958,135	16.7	21.0
Sep-17	152,888	194,936	960,925	15.9	20.3
Dec-17	153,813	197,469	1,025,744	15.0	19.3
Mar-18	166,460	207,804	1,012,843	16.4	20.5
Jun-18	165,842	205,588	1,071,737	15.5	19.2

Sep-18	167,958	205,990	1,091,635	15.4	18.9
Dec-18	172,570	211,171	1,120,641	15.4	18.8
Mar-19	197,322	238,148	1,150,511	17.2	20.7
Jun-19	200,518	248,597	1,219,275	16.4	20.4
Sep-19	199,226	247,260	1,230,966	16.2	20.1
Dec-19	215,606	267,113	1,270,947	17.0	21.0
Mar-20	240,722	288,881	1,301,333	18.5	22.2
Jun-20	249,789	292,345	1,319,684	18.9	22.2
Sep-20	244,354	286,566	1,390,344	17.6	20.6
Dec-20	252,483	300,388	1,412,475	17.9	21.3

Table 11.6: Selected Income and Expenses for Banks (K' mn)

Period	Total Gross Income	Interest Income	Non-Interest Income	Interest Expense	Operating Expenses
Mar-16	58,167.0	41,647.0	16,520.0	13,661.0	27,650.0
Jun-16	147,906.0	106,633.0	41,273.0	29,658.0	71,612.0
Sep-16	209,286.0	151,353.0	57,933.0	48,691.0	106,127.0
Dec-16	255,629.0	184,101.0	71,527.0	57,474.0	128,887.0
Mar-17	68,154.0	49,908.0	18,247.0	15,596.0	32,406.0
Jun-17	137,645.0	102,034.0	35,612.0	31,739.0	66,776.0
Sep-17	211,165.0	155,917.0	55,248.0	47,153.0	101,994.0
Dec-17	273,255.0	198,759.0	74,497.0	59,958.0	135,699.0
Mar-18	68,877.0	48,372.0	20,505.0	14,481.0	34,481.0
Jun-18	140,429.0	97,062.0	43,367.0	29,236.0	72,547.0
Sep-18	209,810.0	144,724.0	65,085.0	44,005.0	108,543.0
Dec-18	288,112.0	194,250.0	93,862.0	59,844.0	149,102.0
Mar-19	70,950.0	50,341.0	20,609.0	14,105.0	37,612.0
Jun-19	155,646.0	104,921.0	50,725.0	26,841.0	80,871.0
Sep-19	233,865.0	156,841.0	77,024.0	41,148.0	120,920.0
Dec-19	323,886.0	215,127.0	108,760.0	54,483.0	167,624.0
Mar-20	90,155.0	54,188.0	35,967.0	14,180.0	42,679.0
Jun-20	179,338.0	116,694.0	62,643.0	29,594.0	87,243.0
Sep-20	269,516.0	179,154.0	90,362.0	46,603.0	132,290.0
Dec-20	373,940.0	248,101.0	125,839.0	65,472.3	180,050.0

Table11.7: Selected Profitability Indicators for Banks

Period	Interest Margin (%)	Efficiency Ratio (%)	Return on Equity (%)	Return on Assets (%)
Mar-16	13.3	47.5	20.4	3.0
Jun-16	18.0	48.4	31.1	4.6
Sep-16	15.7	50.7	21.7	3.2
Dec-16	14.2	50.4	20.4	3.0
Mar-17	85.8	47.5	21.3	3.2
Jun-17	85.2	48.5	18.5	2.7
Sep-17	88.8	48.3	16.8	2.5
Dec-17	83.7	49.7	15.7	2.3
Mar-18	11.0	50.1	8.3	1.1
Jun-18	10.9	51.7	16.9	2.3
Sep-18	10.7	51.7	15.5	2.1
Dec-18	10.1	51.8	17.3	2.3
Mar-19	10.4	53.0	14.6	1.9
Jun-19	10.9	52.0	21.2	2.8
Sep-19	10.7	51.7	19.4	2.6
Dec-19	10.9	51.8	20.5	2.7
Mar-20	10.0	47.3	27.0	3.7
Jun-20	10.5	48.6	23.6	3.2
Sep-20	10.3	49.1	22.2	3.0
Dec-20	10.4	48.1	23.3	3.1

Table 11.8: Liquidity for Banks

Period	Liquid Assets to Total Deposits and Short Term Liabilities	Liquid Assets to Total Deposits	Rate Sensitive Assets/Rate Sensitive Liabilities
	Percent	Percent	Percent
Mar-16	59.7	64.6	96.3
Jun-16	66.1	71.3	96.5
Sep-16	87.3	74.7	98.9
Dec-16	72.3	78.5	100.3
Mar-17	68.8	75.2	99.9
Jun-17	71.4	78.6	98.7
Sep-17	76.0	86.5	101.8
Dec-17	77.0	88.3	99.0
Mar-18	75.8	82.1	91.2

Jun-18	58.1	62.9	93.2
Sep-18	59.3	66.3	89.1
Dec-18	61.8	70.2	87.4
Mar-19	61.4	66.1	76.9
Jun-19	59.6	65.8	82.3
Sep-19	54.5	59.6	78.3
Dec-19	58.9	65.0	81.9
Mar-20	57.5	64.5	82.1
Jun-20	60.1	69.7	83.5
Sep-20	57.2	64.7	83.7
Dec-20	56.2	63.0	82.8

Table 11.9: Shareholding Structure of Banks

Banking Institution	Name of Shareholder	Percentage Held
CDH Investment Bank Limited	Continental Holdings Limited	82.5
	Investment Alliance Limited	10.2
	Kesaart Capital Limited	4.8
	Savannah Investment Limited	2.5
Ecobank Malawi Limited	Ecobank Transnational Incorporated Limited	96.0
	Loita Capital Partners International	4.0
FDH Bank Plc	FDH Financial Holdings Limited	74.1
	Malawi Government	4.8
	MSB Employee Share Ownership Plan	1.1
	General Public	20.0
First Discount House Limited	FDH Financial Holdings Limited	100.0
First Capital Bank Plc	FMB Capital Holdings Plc	100.0
National Bank of Malawi Plc	Press Corporation Limited	51.5
	Old Mutual Malawi Limited	25.1
	NBM Employees	23.0
	General Public	0.4
NBS Bank Plc	NICO Holdings Limited	50.1
	Public Service Pension Trust fund	10.0
	The National Investment Trust	2.0
	Reserve Bank Fund	2.0
	NAML Public Service Pension Fund	1.7
	Old Mutrual Life Assurance Company	1.6
	Continental Asset Management Nominees Limited	1.5
	Continental Holdings Limited	1.4
	Standard Bank Pension Fund	1.4
	Associated Pension Trust	1.1
	General Public	27.2
MyBucks Banking Corporation	MyBucks S.A.	100.0
Standard Bank Plc	Stanbic Africa Holdings	60.2
	Nico Holdings Limited	20.0
	Old Mutual Life Assurance Company (Malawi) Limited	5.4
	Press Trust	2.3
	Magetsi Pension Fund	1.4
	National Investment Trust Limited	1.2
	Sucoma Pension Fund	0.8
	Savjani Ramesh Haridas	0.7
	Stanbic Bank Limited Pension Fund	0.6
	NBM Pension Fund	0.5
	General Public	6.9

Table 11.10: Selected Stock Market Statistics

	2015	2016	2017	2018	2019	2020
MASI (points)	14,562.5	13,320.5	21,598.1	28,983.5	30,252.2	32,392.8
DSI (points)	11,462.9	10,456.9	16,272.6	21,318.1	23,599.8	27,755.5
FSI (points)	1,762.1	2,026.1	3,519.4	5,265.1	4,024.9	1,363.9
Market Capitalisation (K billion)	7,522.1	8,516.5	10,609.5	1,284.7	1,428.8	1,759.9
Market Capitalisation (US$ billion)	11.3	11.7	14.6	1.8	1.9	2.3
Number of transactions	1,220	913	1,189	2,153	3,064	3,114
Volume traded (million)	2,355.3	410.9	698.9	958.2	1,393.8	1,645.2
Value traded (K million)	48,592.1	6,196.1	13,516.2	48,695.9	46,371.0	41,085.6
Value traded (US$ million)	101.9	8.6	19.0	67.0	63.6	54.5

Table 11.11: Market Share for Life Insurers

Insurance company	Gross Premium				Total Assets			
	2019		2020		2019		2020	
	K'bn	%	K'bn	%	K'bn	%	K'bn	%
Co-operatives Life	0.5	1.5	0.8	1.8	1.0	0.14	1.2	0.15
NICO Life	13.9	38.8	18.9	40.9	310.5	42.4	368.3	44.4
Old Mutual Life	17.3	48.3	21.3	42.6	407.9	55.7	442.9	53.4
Smile Life	0.7	3.1	1.5	3.2	1.5	0.2	2.5	0.3
Vanguard Life	3.4	9.4	3.7	7.9	11.0	1.5	15.1	1.8
Total	**35.8**	**100.0**	**46.1**	**100.0**	**731.9**	**100.0**	**830.0**	**100.0**

Table 11.12: Gross Premium Written for General Insurers (K' mn)

Class of Business	2016	2017	2018	2019	2020
Fire	6,158.2	7,264.9	8,290.5	9,345.9	11,173.8
Motor	21,531.3	24,686.5	28,133.2	31,108.5	32,772.5
Personal Accident	4,010.6	3,952.4	4,635.7	3,852.3	5,159.9
Miscellaneous	3,835.1	5,776.3	7,642.5	10,403.2	10,654.3
Total	**35,535.2**	**41,680.2**	**48,701.9**	**54,709.9**	**59,760.5**

Table 11.13: Premiums and Retention Ratio for General Insurers (K' mn)

Item	2016	2017	2018	2019	2020
Gross Direct Premium	35,176.7	41,285.7	48,185.9	54,709.9	59,760.5
Inward Reinsurance Premium	292.8	273.0	516.0	374.5	372.1
Reinsurance Premium Ceded	8,898.0	9,941.6	12,680.6	15,423.5	17,227.0
Net Premium Written	26,995.7	31,738.7	36,021.3	39,660.9	42,905.6
Retention Ratio	75.0%	76.1%	74.0%	72.0%	71.4%

Table 11.14: Reinsurance Premium Ceded by Class of Business (K' mn)

Class of business	2016	2017	2018	2019	2020
Fire	4,029.4	4,987.3	5,976.9	7,428.6	8,262.6
Motor	1,477.2	804.7	1,064.6	964.0	1,293.9
Personal Accident	1,262.0	1,079.9	1,402.6	1,627.2	1,534.6
Miscellaneous	2,129.4	3,069.7	4,236.5	5,403.6	6,135.9
Total	**8,898.0**	**9,941.6**	**12,680.6**	**15,423.5**	**17,227.0**

Table 11.15: Net Premium Written by Class of Business (K' mn)

Class of insurance	2016	2017	2018	2019	2020
Fire	2,128.4	2,277.7	2,283.4	2,085.0	3,078.7
Motor	20,054.1	23,881.8	26,934.8	30,180.6	31,602.6
Personal Accident	2,748.6	2,872.5	3,245.4	2,350.0	3,668.7
Miscellaneous	1,705.8	2,706.7	3,367.5	5,045.4	4,555.6
Total	**26,637.2**	**31,738.7**	**35,831.2**	**39,660.9**	**42,905.6**

Table 11.16: Retention Ratio for General Insurers by Class of Business

Class of insurance	2016	2017	2018	2019	2020
Fire	34.6	31.4	28.7	21.9	27.1
Motor	93.1	96.7	96.7	96.9	96.1
Personal Accident	68.5	72.7	70.8	59.1	70.5
Miscellaneous	44.5	46.9	45.1	48.3	42.6
Overall Retention	75.0	76.1	74.8	72.0	71.4

Table 11.17: Earned Premiums of General Insurers

Class of insurance	2016	2017	2018	2019	2020
Fire	2,287.2	2,069.0	2,393.2	2,035.2	3,028.9
Motor	18,837.5	22,591.9	26,021.5	29,867.7	30,761.9
Personal Accident	2,585.1	2,710.6	3,079.5	2,341.5	3,582.9
Miscellaneous	1,686.8	2,546.2	3,315.8	4,998.7	3,666.1
Total	**25,396.6**	**29,917.7**	**34,809.9**	**39,243.1**	**41,039.8**

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

Class of insurance	2016	2017	2018	2019	2020
Fire	4,200.4	2,631.0	4,424.8	5,325.5	2,220.7
Motor	13,880.1	14,546.3	16,088.0	19,779.1	19,733.2
Personal Accident	2,029.3	1,562.6	1,589.4	1,702.1	1,767.5
Miscellaneous	1,550.5	1,830.4	2,453.5	4,235.9	3,550.4
Total	**21,660.2**	**20,570.2**	**24,555.7**	**31,042.6**	**27,271.8**

Table 11.19: Net Claims Incurred by General Insurers by Class of Business (K' mn)

Class of insurance	2016	2017	2018	2019	2020
Fire	531.9	790.4	2,257.5	1,030.6	1,250.6
Motor	12,310.4	13,259.3	14,757.4	18,518.1	17,629.9
Personal Accident	1,173.6	1,106.0	1,243.0	1,429.7	1,428.4
Miscellaneous	910.6	1,225.7	1,523.3	2,245.7	2,291.0
Total	**14,926.6**	**16,381.4**	**19,781.1**	**23,224.1**	**22,599.8**

Table 11.20: Claims Ratio for General Insurers by Class of Business

Class of insurance	2016	2017	2018	2019	2020
Fire	23.3	38.2	94.3	50.6	41.3
Motor	65.4	58.7	56.7	62.0	57.3
Personal Accident	45.4	40.8	40.4	61.1	39.9
Miscellaneous	54.0	48.1	45.9	44.9	62.5
Overall	58.8	54.8	56.8	59.2	55.1

Table 11.21: Claims Experience for General Insurers (K' mn)

	2016	2017	2018	2019	2020
Gross Claims Incurred	21,660.2	20,570.2	24,555.7	31,042.6	27,271.8
Net Claims Incurred	14,926.6	16,381.4	19,781.1	23,224.1	22,599.8
Recoveries on Reinsurance	6,733.6	4,188.8	4,588.8	7,818.5	4,672.0
Claims Paid	19,845.5	19,929.7	23,051.3	28,354.2	26,153.1
Outstanding Claims	7,697.7	7,968.7	9,184.1	11,266.4	11,451.8
Claims Ratio (%)	58.8	54.8	56.8	59.2	55.1

Table 11.22: Operating Results for General Insurers (K' mn)

	2016	2017	2018	2019	2020
Underwriting Results	9,128.8	11,915.2	12,969.4	14,468.8	16,432.2
Net Investment & Other Income	3,781.0	4,365.7	3,809.8	3,599.0	3,942.1
Management Expenses	9,538.3	11,757.7	13,197.9	13,749.2	14,685.1
Other Expenses	88.1	347.4	-	-	-
Pre-tax Profit	3,414.1	4,175.7	3,556.1	4,318.6	5,689.3
Taxation	1,171.2	1,430.6	1,161.8	1,312.8	1,614.7
Profit for the year	2,242.9	2,745.1	2,394.3	3,005.8	4,074.6

Table 11.23: Underwriting and Operating Ratios for General Insurers

	2016	2017	2018	2019	2020
Underwriting Ratio	35.9	39.8	37.3	36.9	40.0
Combined Ratio	109.1	108.1	100.7	98.2	95.7
Management Ratio	37.6	39.3	37.9	35.0	35.8

Table 11.24: Underwriting Results for General Insurers by Class of Business

Class of insurance	2016	2017	2018	2019	2020
Fire	1,792.7	1,252.9	224.6	1,590.7	1,905.2
Motor	5,306.0	7,745.2	9,419.5	9,190.6	11,237.2
Personal Accident	1,263.0	1,336.6	1,601.4	631.9	1,916.5
Miscellaneous	897.9	1,580.4	1,723.8	3,055.6	1,373.4
Total	**9,259.6**	**11,915.2**	**12,969.4**	**14,468.8**	**16,432.2**

Table 11.25: Market Share for General Insurers in 2019 (K' mn)

Insurance company	Gross Premium*		Total Assets	
	K'mn	%	K'mn	%
Britam Insurance	8,456.5	14.1	10,986.1	15.7
Co-operatives General Insurance	3,221.1	5.4	4,124.4	5.9
General Alliance Insurance	5,148.0	8.6	11,723.6	16.8
Liberty General Insurance	3,923.0	6.5	3,522.0	5.0
NICO General Insurance	19,994.0	33.2	21,589.6	30.9
Prime Insurance	8,244.2	13.7	3,921.0	5.6
Reunion Insurance	4,365.6	7.3	5,205.9	7.4
United General Insurance	6,780.2	11.3	8,878.6	12.7
Total	**60,132.6**	**100.0**	**69,951.2**	**100.0**

***Based on total gross premiums written (i.e. include in-ward reinsurance premiums)**

Table 11.26: Assets and Liabilities of General Insurers (K' mn)

	2016	2017	2018	2019*	2020
Assets					
Fixed Assets for own use	2,602.1	3,200.7	4,279.7	4,374.4	4,780.1
Real Property Investments	662.0	718.2	1,386.0	1,506.2	1,573.1
Govt. & Other Securities	5,564.0	6,996.6	5,103.0	2,299.9	6,588.2
Equity Investments	3,211.0	4,090.5	5,746.7	6,189.2	7,051.1
Fixed Deposit Investments	5,670.5	8,501.5	14,456.1	20,364.3	22,237.8
Other Investments	69.1	69.3	856.6	641.0	1,137.3
Loans & Debentures	69.3	64.8	11.0	24.7	21.0
**Insurance Receivables	10,881.5	11,513.4	12,499.3	14,511.8	18,180.7
Cash and Cash Equivalents	3,879.3	3,197.3	3,114.5	3,115.3	4,839.0
Other Assets	5,498.0	4,586.6	2,334.3	2,473.6	3,543.0
Total Assets	**38,106.9**	**42,939.0**	**49,787.3**	**55,500.4**	**69,951.2**
Liabilities					
Unearned Premiums Reserve	8,241.0	10,061.6	11,209.2	11,627.0	13,492.8
***Outstanding Claims Reserve	10,587.6	11,260.0	11,765.0	14,751.8	16,980.0
Amounts Payable on Reinsurance	1,623.2	2,514.0	3,440.4	3,538.8	6,620.9
Long Term Liabilities	4.7	-	132.8	353.4	549.0
Provision for Taxation	643.4	487.5	345.5	507.9	1,034.6
Amounts Payable to Banks	271.7	102.9	96.4	208.7	654.5
Other Liabilities	2,734.6	3,791.8	4,936.1	5,370.2	6,110.8
Total Liabilities	24,106.3	28,217.8	31,925.4	36,357.8	45,442.7
Equity/Shareholders' Funds	14,000.6	14,721.2	17,861.9	19,142.6	24,508.5
Total Equity and Liabilities	**38,106.9**	**42,939.0**	**49,787.3**	**55,500.4**	**69,951.2**

*Restated figures **Include receivables from reinsurers and policy holders ***Include reserves for IBNR & expenses

Table 11.27: Assets and Membership per pension fund as at 31st December 2020

Name of pension Fund	Assets (MK' bn)	Membership
Auction Holdings Limited Pension Fund	10.4	874
Aviation Pension Fund	3.1	726
CEAR Pension Fund	1.8	446
Christian Health association of Malawi Pension Fund	24.2	17,081
Continental Unrestricted Pension Fund	7.9	2,671
FDH Group Pension Fund	9.5	1,338
First Capital Bank Limited Pension Fund	8.5	704
Limbe Leaf Tobacco Company Limited Group Pension Fund	10.7	894
Madzi Pension Fund	21.6	2,487
Magetsi Pension Fund	45.6	3,146
Malawi Bureau of Standards Pension Fund	2.7	296
Malawi Posts Corporation	5.3	1,098
Mwafuli Unrestricted Pension Fund	1.5	2,809
National Bank of Malawi Pension Fund	31.9	1,090
NBM Unrestricted Pension Fund	41.6	12,024
NICO Unrestricted Pension Fund	278.8	132,391
Old Mutual Protektor Unrestricted Pension Fund	10.4	1,625
Old Mutual Unrestricted Pension Fund	303.4	174,435
Press Corporation Limited Group Pension Fund	19.1	3,724
Public Service Pension Trust Fund	84.4	88,040
Registrar of Financial Institutions Pension Fund	48.5	776
Standard Bank Pension Fund	26.8	1,093
Sucoma Group Pension Fund	21.7	6,134
Telekom Networks Malawi Limited Pension Fund	9.1	810
The Associated Pension Trust (APT) Unrestricted Pension Fund	13.98	7,310
Toyota Malawi Limited Pension Fund	4.0	198
Unilever[11]	1.3	-
Vanguard Unrestricted Pension Fund	5.1	8,127
TOTAL	**1052.8**	**472,347**

[11] K1.3 billion in assets under Unilever represent unallocated surpluses accrued when Unilever pension fund was operational, now awaiting determination of appropriate distribution mode to bona fide members.

Table 11.28: Assets for Life Insurers (K' mn)

Asset Item	2015	2016	2017	2018	2019	2020
Fixed Assets for own use	2,384.7	2,505.9	2,577.7	2,431.2	2,634.1	2,675.9
Shares	131,987.6	139,210.1	204,528.0	314,092.4	369,447.3	419,366.1
Fixed deposits	35,444.3	29,752.0	23,081.3	34,236.0	83,185.2	52,397.5
Govt Securities	71,384.7	104,259.6	165,080.9	218,618.8	208,781.9	271,221.2
Real Estate	10,339.4	11,553.1	15,937.1	9,832.3	11,148.4	12,072.9
Cash and Bank Balances	4,083.3	4,425.2	5,075.2	2,930.2	3,153.3	10,696.1
Policyholder Debtors	3,146.5	8,992.0	7,498.9	5,335.0	2,795.8	2,405.8
Other assets	17,315.9	32,016.8	52,033.3	32,138.3	50,755.0	61,852.1
Total Assets	**276,086.1**	**332,714.7**	**473,234.7**	**619,614.2**	**731,901.0**	**830,011.8**

Table 11.29: Premium Distribution for Life Insurers (K'mn; %)

Item	2015	2016	2017	2018	2019	2020
Life Insurance Premiums	18,618.8	19,281.5	23,3022	29,651.0	35,538.8	46,145.7
Premium Ceded	1,322.7	1,081.0	662.3	903.7	1,269.4	1,055.7
Net Premium	17,296.1	18,200.5	22,639.9	28,747.2	34,538.8	45,090.0
Retention Ratio (%)	92.9	94.0	97.2	97.0	96.5	97.7
Premium Ceded Ratio (%)	7.1	6.0	2.8	3.0	3.5	2.3

Table 11.30: Gross Premium of Life Insurers (K'bn)

Item	2016	2017	2018	2019	2020
Gross Premium	19.28	23.36	29.7	35.8	46.2
Individual Life	7.33	8.47	10.5	11.9	15.0
Group Risk	8.71	7.89	10.9	13.1	16.4
Annuity	3.24	7.01	8.3	10.8	14.8

Table 11.31: Market Share for Life Insurers in 2020

Insurance company	Gross Premium				Total Assets			
	2019		2020		2019		2020	
	K'million	%	K'million	%	K'million	%	K'million	%
Co-operative Life Assurance	543.9	1.5	812.6	1.8	1,012	0.14	1,238.9	0.15
NICO Life	13,876.8	38.8	18,894.2	40.9	310,519	42.4	368,260	44.4
Old Mutual Life	17,291.2	48.3	21,320.5	42.6	407,924	55.7	442,897	53.4
Smile Life	745.5	3.1	1,459.7	3.2	1,464	0.2	2,499.3	0.3
Vanguard Life	3,350.7	9.4	3,658.7	7.9	10,980.7	1.5	15,116.6	1.8
Total	**35,808.1**	**100**	**46,145.7**	**100**	**731,901**	**100**	**830,011.8**	**100**

Table 12.32: New Individual Life Insurance Policies Underwritten

Item	2015	2016	2017	2018	2019	2020
No. of Policies	13,565	13,819	22,949	21,326	23,320	26,260
Sum Insured (K'mn)	20,487.5	22,246.2	31,207.4	26,406.0	29,706	29,414
Annual Premium (K'mn)	2,197.8	5,363.5	4,014.9	2,965.2	3,916.7	18,230.9

Table 11.33: New Group Life Insurance Policies Underwritten

Item	2015	2016	2017	2018	2019	2020
No of Policies	108	155	217	175	305	281
Sum Insured (K'mn)	1,458.0	4,546.4	15,613.9	180,373	223,208	116,277
Annual Premium (K'mn)	4,205.00	3,526	4,183.2	1,940.2	1,618.6	1,733.1

Table 11.34: Life Insurance Policies Terminated by Surrender

	2015	2016	2017	2018	2019	2020
No of Policies	820	953	1226	1212	2,647	3,160
Sum Insured (K' mn)	549.2	1.018	0.819	0.182	1,190.8	1,879.5
Annual Premium (K' mn)	65.6	105.5	0.774	0.918	295.5	3,350.9

Table 11.35: Group Life Insurance Policies Discontinued

	2015	2016	2017	2018	2019	2020
No of Policies	10	26	28	215	92	48
Sum Insured (K' mn)	1,465.0	1,136.8	31.8	6,045	8,157	166,720
Annual Premium (K' mn)	15.2	150.1	126.8	141.5	131.2	820.8

Table 11.36: Life Insurance Policies Terminated by Lapse

	2015	2016	2017	2018	2019	2020
No of Policies	2,787	3,336	1,058	4236	2,187	3,252
Sum Insured (K'mn)	1,500.3	2,041.4	560.5	6,057	3,204	5,445.4
Annual Premium (K'mn)	141.7	223.4	48.8	834.0	327.3	13,931.7

Table 11.37: Assets for Financial Cooperatives (K'mn)

	Cash and Bank Balances	Securities and Investments	Total Loans and Advances	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
Dec-15	573.6	940.1	4,898.0	1,212.1	7,623.8
Dec-16	702.8	1,158.7	6,420.3	1,716.9	9,998.7
Dec-17	945.0	642.1	9,003.0	3,529.4	14,119.5
Dec-18	1,055.4	953.3	13,023.7	4,107.9	19,140.3
Dec-19	1,916.0	3,031.8	16,420.7	4,699.0	26,057.5
Dec-20	2,107.8	3,565.2	21,989.3	5,117.4	32,779.7

Table 11.38: Liabilities for Financial Cooperatives (K'mn)

Period	Deposits and Member Shares	Liabilities to Financial Institutions	Other Liabilities	Total Capital	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
Dec-15	5,647.2	526.6	203.4	1,246.6	7,623.8
Dec-16	7,165.9	262.2	302.8	2,267.8	9,998.7
Dec-17	10,215.6	221.4	532.4	3,150.1	14,119.5
Dec-18	14,313.2	366.1	544.4	3,916.3	19,140.0
Dec-19	18,341.8	900.5	1,051.4	5,683.8	26,057.5
Dec-20	22,374.6	987.8	1,467.4	7,949.9	32,779.7

Table 11.39: Selected Income and Expenses for Financial Cooperatives (K'mn)

Period	Total Gross income	Interest Income	Non-Interest income	Interest expense	Operating expense	Net income
Dec-12	924.0	775.7	148.3	99.7	817.6	6.7
Dec-13	1,145.6	927.7	217.9	78.0	901.3	166.3
Dec-14	1,545.8	1,214.6	331.2	96.5	1,188.2	261.1
Dec-15	2,119.5	2,063.7	55.8	104.1	1,521.0	494.4
Dec-16	2,742.8	2,604.4	138.4	94.9	1,839.9	808.0
Dec-17	3,926.5	3,782.1	144.4	127.6	2,528.9	1,270.0
Dec-18	4,753.6	4,625.7	127.8	194.7	3,114.4	1,471.4
Dec-19	6,478.5	6,417.4	61.1	262.2	4,118.2	2,098.1
Dec-20	8516.1	8,450.4	65.7	348.1	5,299.2	2,868.8

12.0 FINANCIAL SERVICES LAWS AS AT 31 DECEMBER 2020

12.1 LIST OF ACTS

1. Reserve Bank of Malawi Act, 2018;
2. Financial Services Act 2010;
3. Banking Act, 2010;
4. Pension Act, 2011;
5. Insurance Act, 2010;
6. Securities Act, 2010;
7. Microfinance Act, 2010;
8. Financial Cooperatives Act, 2011; and
9. Credit Reference Bureau Act, 2010 (As amended in 2016).

12.2 REGULATIONS AND DIRECTIVES FOR HOLDING COMPANIES OF PRUDENTIALLY REGULATED FINANCIAL INSTITUTIONS

1. Financial Services (Regulation and Supervision of Holding Companies) Directive, 2018.

12.3 REGULATION AND DIRECTIVES ON FINANCIAL CONSUMER PROTECTION

1. Financial Services (Internal Complaints Handling Requirements) Directive, 2016;
2. Financial Services (Disclosure Requirements for Credit Products) Directive, 2018;
3. Financial Services (Disclosure Requirements for Savings Products) Directive, 2018;
4. Financial Services (Disclosure Requirements for Pension Products and Services) Directive, 2018;
5. Financial Services (Disclosure Requirements for Insurance Services) Directive, 2018; and
6. Financial Services (Disclosure Requirements for Investment Products and Services) Directive, 2018;

7. Financial Services (Fair Treatment of Financial Consumers by Financial Institutions) Directive, 2018
8. Financial Services (Publication and Advertising) Directive, 2018

12.4 REGULATIONS AND DIRECTIVES FOR BANKING SECTOR

1. Financial Services (Agent Banking) Regulations, 2018
2. Financial Services (Capital Adequacy for Banks) Directive, 2018;
3. Financial Services (Annual Audit of Banks) Directive, 2018;
4. Financial Services (Disclosure of Information by Banks) Directive, 2018;
5. Financial Services (Fit and Proper Requirements for Shareholders, Directors and Senior Management Officials of Banks and Bank Holding Companies) Directive, 2018;
6. Financial Services (Licensing of Banks) Directive, 2018
7. Financial Services (Transactions of Banks with Related Parties) Directive, 2018;
8. Financial Services (Supervisory Levy for Banks) Regulations, 2018;
9. Financial Services (Submission of Information by Banks) Directive, 2018;
10. Financial Services (Prudential Liquidity Requirements for Banks) Directive, 2018;
11. Financial Services (Prompt Corrective Action for Banks) Directive, 2018;
12. Financial Services (Information Management for Banks) Directive; 2018;
13. Banking (Foreign Currency Lending Ratio) Directive, 2018;
14. Banking (Premises Inspection) Directive, 2018;
15. Financial Services (Financial Asset Classification for Banks) Directive, 2018;
16. Financial Services (Customer Due Diligence Requirements for Banks, Leasing Companies or Discount Houses) Directive, 2016;
17. Financial Services (Risk and Governance Requirements for Banks and Bank Holding Companies) Directive, 2018;
18. Financial Services (Consolidated Supervision of Banks) Directive, 2018;
19. Financial Services (Large Exposures and Credit Concentration Limits for Banks) Directive, 2015;

12.5 REGULATIONS AND DIRECTIVES FOR CREDIT REFERENCE BUREAUS

1. Credit Reference Bureau (Licensing, Supervisory and Operational Requirements) Regulations, 2011.

12.6 REGULATIONS AND DIRECTIVES FOR PENSION SERVICE PROVIDERS

1. Financial Services (Licensing and Registration of Pension Entities) Directive, 2014;
2. Pension (Payment of Benefits from Pension Funds) Directive, 2014;
3. Pension (Pensionable Emoluments) Directive, 2014;
4. Financial Services (Submission of Information Relating to the Business of Pension Funds) Directive 2018;
5. Government Notice No.32 - Pension (Salary Threshold and Exemptions) Order, 2011; and
6. Government Notice No.33 - Pension (Interest Rate for Outstanding Employer Contributions) Order, 2011

12.7 REGULATIONS AND DIRECTIVES FOR INSURERS AND INSURANCE INTERMEDIARIES

1. Insurance (Minimum Capital and Solvency Requirements for General Insurers) Directive, 2017;
2. Insurance (Minimum Capital and Solvency Requirements for Life Insurers) Directive, 2017;
3. Insurance (Minimum Capital and Solvency Requirements for Reinsurance Companies) Directive, 2017;
4. Insurance (Classes of Insurance Business) Directive, 2017;
5. Insurance (Suitability of Persons Associated with Ownership and Management of Insurers and Insurance Brokers) Directive, 2011;
6. Insurance (Minimum Standards on Corporate Governance for Insurance Companies) Directive,2011;
7. Insurance (Risk Management Framework for Insurance Companies) Directive, 2011;

8. Insurance (Claims Management) Directive, 2014;
9. Insurance (Premium Payments to General Insurance Companies) Directive, 2011;
10. Insurance (Placement of Business Outside Malawi) Directive, 2014;
11. Financial Services (External Auditors and Related Matters for Insurance Business) Directive, 2014;
12. Financial Services (Insurance Supervisory Levy) Regulations, 2017;
13. Insurance (Submission of Information by Insurers) Directive 2018;
14. Insurance (Reserving Requirements for General Insurers and Reinsurers) Directive, 2019;
15. Insurance (Inclusive Insurance) Directive,2019;
16. Insurance (Determination of Policy Liabilities of Life Insurers) Directive, 2018;
17. Insurance (Operation of Life Insurance Funds) Directive 2018

12.8 REGULATIONS AND DIRECTIVES FOR CAPITAL MARKETS

1. Financial Services (Corporate Governance Requirements for Securities Market Players) Directive, 2018;
2. Financial Services (Establishment and Operations of Brokers and Dealers) Directive, 2015;
3. Financial Services (Establishment and Operations of Collective Investment Schemes) Directive 2015;
4. Financial Services (Establishment and Operations of Portfolio Managers) Directive, 2015;
5. Financial Services (Establishment and Operations of Transfer Secretaries) Directive, 2015;
6. Financial Services (Fit and Proper Requirements) Directive, 2015;
7. Financial Services (Licensing Requirements for a Stock Exchange) Directive 2015;
8. Financial Services (Licensing Requirements for Securities Representatives) Directive, 2015;
9. Financial Services (Registration Requirements for Investment Advisers) Directives, 2015;
10. Securities (Clearing and Settlement) Directive, 2015;
11. Securities (Premises Inspection Requirements for Securities Market Players) Directive, 2015;
12. Securities (Registration Requirements for Securities) Directive, 2015;
13. Securities (Registration Requirements for Securities) (Amendment) Directive, 2018.

12.9 REGULATIONS AND DIRECTIVES FOR FINANCIAL COOPERATIVES

1. Financial Cooperatives (Premises Inspection) Directive, 2013;
2. Financial Services (Asset Classification Requirements for Savings and Credit Cooperative Societies) Directive, 2013;
3. Financial Services (Corporate Governance Requirements for Savings and Credit Cooperative Societies) Directive, 2016;
4. Financial Services (External Borrowing Requirements for Savings and Credit Cooperative Societies) Directive, 2013;
5. Financial Services (Licensing of Savings and Credit Cooperative Societies) Directive, 2013;
6. Financial Services (Minimum Capital Requirements for Savings and Credit Cooperative Societies) Directive, 2013;
7. Financial Services (Prudential Liquidity Requirements for Savings and Credit Cooperative Societies) Directive, 2013;
8. Financial Services (Reporting Requirements for Savings and Credit Cooperative Societies) Directive, 2013;
9. Financial Services (Prompt Corrective Action for Financial Cooperatives) Directive, 2018.

12.10 REGULATIONS AND DIRECTIVES FOR MICROFINANCE

1. Financial Services (Fit and Proper Requirements for Persons Associated with the Ownership and Management of Microfinance Institutions) Directive, 2018;
2. Microfinance Microcredit Agency Directive, 2018;

3. Microfinance Non-Deposit Taking Microfinance Institutions Directive, 2018;
4. Financial Services (Asset Classification Requirements for Microfinance Institutions) Directive, 2014;
5. Financial Services (Capital Adequacy Requirements for Deposit Taking Microfinance Institutions) Directive, 2014;
6. Financial Services (Corporate Governance Requirements for Microfinance Institutions) Directive, 2014;
7. Financial Services (Financial Reporting Requirements for Microfinance Institutions) Directive, 2014;
8. Financial Services (Licensing and Approval Requirements for Deposit Taking Microfinance Institutions) Directive, 2014;
9. Financial Services (Prudential Liquidity Requirements for Deposit Taking Microfinance Institutions) Directive, 2014.
10. Microfinance (Premises Inspection Requirements for Deposit Taking Microfinance Institutions) Directive, 2014;
11. Financial Services (Transactions of Prudentially Regulated Microfinance Institutions With Related Parties) Directive, 2019;
12. Financial Services (Record Keeping Requirements for Microfinance Institutions) Directive, 2019;
13. Financial Services (External Audit and Related Matters) Directive, 2019;
14. Financial Services (Capital Adequacy Requirements for Microfinance Institutions) Directive (Amendment), 2019;
15. Financial Services (Transaction Processing Hub) Directive, 2019.

13.0 LIST OF LICENSED MARKET PLAYERS AS AT 31ST DECEMBER 2020

BANKS
1. CDH Investment Bank Ltd
2. Ecobank Malawi Limited
3. FDH Bank Plc
4. First Capital Bank Malawi Plc
5. National Bank of Malawi Plc
6. NBS Bank Plc
7. MyBucks Banking Corporation Limited
8. Standard Bank Malawi Plc

DEVELOPMENT FINANCE INSTITUTIONS

1. NBM Development Bank Limited

FINANCIAL HOLDINGS COMPANIES
1. Nico Holdings Plc
2. Old Mutual (Malawi) Limited
3. FDH Holdings Limited
4. Continental Holdings Limited
5. LifeCo Limited

DISCOUNT HOUSES
1. First Discount House Ltd

CREDIT REFERENCE BUREAUS
1. Trans Union Limited
2. Credit Data Credit Reference Bureau Limited

GENERAL INSURANCE COMPANIES
1. Britam Insurance Company Malawi Limited
2. Co-operatives General Insurance Limited
3. General Alliance Insurance Limited
4. Liberty General Insurance Company Limited
5. NICO General Insurance Company Limited
6. Prime Insurance Company Limited
7. Reunion Insurance Company Limited
8. United General Insurance Company l

LIFE INSURANCE COMPANIES
1. Co-operatives Life Assurance Limited
2. NICO Life Insurance Company Limited
3. Old Mutual Life Assurance Company (Malawi) Limited
4. Smile Life Insurance Company Limited
5. Vanguard Life Assurance Company Limited
6. LifeCo Life Limited

REINSURANCE COMPANIES
1. Emeritus Reinsurance Company Limited

REINSURANCE BROKERS
1. Equity Reinsurance Brokers Limited

INSURANCE BROKERS
1. Budget Insurance Services Limited
2. Canopy Insurance Brokers Limited
3. City State International Limited
4. Eagle Insurance Brokers Limited
5. Express Insurance Brokers Limited
6. GG Insurance Brokers Limited
7. Guardian Insurance Brokers Limited

8. Hubertus Clausius (Malawi) Limited
9. Kingfisher Insurance Brokers Limited
10. Mahogany Insurance Brokers Limited
11. Marsh Malawi Limited
12. MicroEnsure Brokers
13. Minet Malawi Insurance Brokers Limited
14. RBI Risk Advisors Limited
15. Rhino Insurance Brokers Limited
16. Star Insurance Brokers Limited
17. Trinity Insurance Brokers Limited
18. All One Insurance Brokers Limited
19. Makz Insurance Brokers Limited
20. Cover Your Asset Insurance Brokers Limited
21. Senate Insurance Brokers Limited
22. Midas Insurance Brokers Limited
23. Equatorial Insurance Brokers Limited
24. Thofu Insurance Brokers Limited

AGENTS FOR BROKERS

1. FDH Bank Limited
2. National Bank of Malawi
3. Standard Bank Plc
4. MyBucks Banking Corporation
5. NBS Bank Plc

INSURANCE CLAIM SETTLING AGENTS

1. Cliente Insurance Claim Settling Agency

FUNERAL SERVICES INSURANCE PROVIDERS

1. Central Springs Funeral Insurance Company Limited

GENERAL INSURANCE AGENTS

1. Anchor Insurance Agency
2. A1 Insurance Agency
3. Central Insurance Agency
4. CHC Insurance Agency
5. Chisangalalo Insurance Agency
6. Coconut Insurance Agency
7. Connerc Insurance Agency
8. Direct Insurance Agency
9. Donatti Insurance Agency
10. Falcon Insurance Agency
11. Favour Insurance Agency
12. Future Insurance Agency
13. Gateway Insurance Agency
14. Gracious Insurance Agency
15. HB Insurance Agency
16. Hamax Insurance Agency
17. Ibex Insurance Agency
18. Infinity Insurance Agency
19. Lingalithu Insurance Agency
20. Liberty Insurance Agency
21. Mandate Insurance Agency
22. Milanzi Insurance Agency
23. Nata Insurance Agency
24. Orama Insurance Agency
25. Premier Insurance Agency
26. Property General Insurance Agency
27. Quality Insurance Agency
28. Reliable Insurance Agency
29. Renaissance Insurance Agency
30. Resilient Insurance Agency
31. Sun Insurance Agency
32. Ultimate Insurance Agency
33. Vision Insurance Agency
34. Vitu Insurance Agency
35. Vivid Insurance Agency
36. W.T. Thundu Insurance Agency
37. Noble Insurance Agency
38. Legacy Insurance Agency
39. Victory Insurance Agency
40. Zak Insurance Agency

LIFE INSURANCE AGENTS AND REPRESENTATIVES

NICO Life Insurance Agents

1. Dyress Magoya
2. Maher Mitchells
3. Austin Mumba
4. Tionge Kaimfa
5. Chikondi Nkanda
6. Evertar Chinsolo
7. Tiwonge Kitta
8. Ellen Kanondo
9. Towera Nyirenda
10. Sonke Chisomo Sowa
11. Davie Nkhoma
12. Wendy Nyasulu
13. Matilda Msekawanthu
14. Alex John
15. Dolla Singano
16. Chisomo Msampha
17. Dorica Mbenje
18. Watson Mwalilino
19. Gabriel Kachigayo
20. Cecilia Kwinyani
21. Hawa Nancy Harawa
22. Hannah Rachel Zulu
23. George Mbalati
24. Chisomo Chitukwi
25. Taonga Singini
26. Dereck White Sande
27. Alinafe Kampaliro
28. Ireen Mseka
29. Doris Labani
30. Eveless Banda
31. Andrew Chakulangira
32. Michael Singini
33. Carleen Maganga
34. Michael Valantine Gulaimfa
35. Kondwani Kamwana
36. Paul Chriss Sabola
37. Agness Chirwa
38. Precious Banda
39. Innocent Maenje
40. Dan Videde
41. Samuel Yohane Kamphako
42. Aubrey Zalira
43. Victor Chikaphonya
44. Timothy Makolija
45. Paul Kachala
46. Grace Mwanza
47. Katunga Louisa
48. Faith T. Kadziwe
49. Mitulo Constance
50. Gibson Singini
51. Loveness Chiwaya
52. Ivy Bwanali
53. Kellly Mumbo
54. Paul Sipolo
55. Ellen Ntajili
56. Mwatipasa Kawalewale
57. Clever Magazine
58. Wendy Malipa
59. Brenda Chaposa
60. Mike Chichitike
61. Mercy Lampiao
62. Nitalice Mdoka Phillips
63. Charles Phylis Goliati
64. Ireen Masalino
65. Blessings Banda
66. Zainabu Mandanda
67. Martin Mkandawire
68. Blessings Chisoni
69. Lusekelo Mwanyula
70. Austin Balala
71. Pamela Golowa
72. Brenda Bauleni
73. Belinda Khonyongwa
74. Patrick Phiri
75. Arkangel Luhanga
76. Angella Chimpanzo
77. Mac Donald Banda
78. Tamika Mezuwa
79. Chisomo Banda
80. Dennis Wesley
81. Millie Cornilia
82. Makoko Chirwa
83. Ison Mwandira
84. Esther Kadzombe
85. Florence Kunkhanda
86. Fungai Nyaude
87. Dorothy Kodo
88. Patricia Chinseu
89. Maria Mwafulirwa

90. Robert Dodoma
91. Sosten Mpomba
92. Doreen Pondeponde
93. Nizia Lupiya
94. Amon Kuyokwa
95. Beatrice Lungu
96. Lonjezo Palikena
97. Phalyce Kumdana
98. Jailos Matola
99. Chimwemwe Gumbo
100. Edith Phiri
101. Edwin Phiri
102. Binna Mwambira
103. James Bilale
104. Aubrey Umali
105. Phadress Limbani
106. Carolyne Lester Chirwa
107. Mphatso Banda
108. Goodson Chizaka
109. Charity Mkwala
110. Esther Khamalatha
111. John Nkata
112. Daniel Nyasulu
113. Bezita Mtonga
114. Mansfield Mbonekera
115. Khumbo Kachere
116. Emily Gondwe
117. Joshua Zimba
118. Chimwemwe Mahiyo
119. Caroline Chiwaya
120. Elizabeth Kalumba
121. Martha Benito
122. Jane Nkhoma
123. Getrude Masala
124. Brenda Mselu
125. Lottie Maziya
126. Whitney Mhango
127. Gift Zidana
128. Daniel Chinseu
129. Sadick Numeri Mdoka
130. Chrissy Kumwenda
131. Kadammanja Mac
132. Muwira Rhoda
133. Ghambi Iris
134. Mhango Dan
135. Ngonga Atusaye
136. Chinthenga Yamikani
137. Tamvekenji Olive
138. Ng'oma Anthony
139. Tambala Titani
140. Mwenda Lenton
141. Kapapa Lusungu
142. Manda Brian
143. Mphamba Alex
144. Chimphonda Charles
145. Musukwa Moses
146. Nyirenda Constence
147. Mhango Keffa
148. Mseka Chikondano
149. Tenthani Ulemu
150. Banda Phylis
151. Chisi Martha
152. Vyazala Spencer
153. Sonia Ngosi
154. Enerst Chilenje
155. Nyirongo Tainess
156. Kasaru Ellen
157. Nkolimbo Thoko
158. Mtanga Gladys
159. Nsanama Catherine
160. Kadewere Sphiwe
161. Nkangala Nellie
162. Ghambi Paul
163. Govati Zenasi
164. Chipinda Victor
165. Kundaje Reinhard
166. Feza Chikondi
167. Manda Nezzaar
168. Chado Aubrey
169. Mbiri Linda
170. Mtalika Gasten
171. Mulima Victoria
172. Chiunge Grace
173. Chafumuka Daniel
174. Watson Chirambo
175. Njobvu Getrude
176. Phalula Chimwemwe
177. Waya Walter
178. Chimombo Madalitso
179. Mmanga Arthur
180. Hau Ellen
181. Nandolo Olive
182. Sadyalunda Phillip
183. Ndamuwa Chimwemwe

184. Sangala Pamela
185. Mbendera Sara
186. Nankwenya Shanny
187. Nyirenda Menard
188. Sumani Kenneth
189. Mwakiseghile Esco
190. Thom Ollen
191. Mwamondwe Kondwani
192. Misomali Clara
193. Kamwenje Beatrice
194. Mlambala Pilirani
195. Colless Nkowani
196. Solomon Chizaka
197. Joan Gadama
198. Linda Ng'ambi Chellah
199. Sophie Bvumbwe
200. Stewart Ngwira
201. Cyrus Kandodo
202. Milliam Chanza
203. Bridget Kalulu
204. Josephine Msisi
205. Ellen Kadzuwa
206. Chikondi Chikaonda
207. Fortune Chapweteka
208. Beatrice Chinyama
209. Ian Kapyanga
210. Cubaless Mbalawira
211. Chifundo Limani
212. Chrissy Mwase
213. Jimmy Kaira
214. Rodrick Kalinga
215. Andrew Dalo
216. Petros Ndakoiwa
217. Mirriam Mumba
218. Lydia Chakalamba
219. Chally Shonga
220. Amosi Namondwe
221. Stive Liwera
222. Misozi Kafaamveka
223. Nellie Makumba
224. Sungeni Kishindo
225. Mwai Zimpita
226. Wongani Mkandawire
227. Dingase Phuza
228. Ireen Kudzowe
229. Zelesi Mlaka
230. Sheilla Chimaliro
231. Yohani Mtambo
232. Mwayi Winiko
233. Julius Mfune
234. Prudedence Zulu

Old Mutual Life Assurance Agents

1. Ann Galloway Chombo
2. Angella bulla
3. Angella Kawonga
4. Asante Kwilimbe
5. Abdallah Shaibu
6. Beverley Mwangonde
7. Bertha Msukwa
8. Bernadetta Thawani
9. Blassings Kamchira
10. Blessing Msowoya
11. Blessings Nkhambule
12. Bonita Kadzani
13. Blessings Kamanga
14. Brenda Chioza
15. Brian Mwantende
16. Captain Dulla
17. Charity Thenford
18. Chimwemwe Moyo
19. Chimwemwe Natasha Mkandawire
20. Chifundo Sathawa
21. Chikondi Gunde
22. Chikondi Ndalama
23. Chikondi Sanga
24. Chikondi Mauluka
25. Chikondi Mtira
26. Chipiliro Kaombe
27. Chisomo Pindikani
28. Christina Jere
29. Christina Namalomba
30. Clara Kanyinji
31. Christopher Chikapa
32. Christopher Kachere
33. Christina Mtsendero
34. Clever Makwiti
35. Cliff Chapomba
36. Dalitso Chiphe
37. Dingani Chisi
38. Edward Saudi
39. Ephraim Nyirenda

40. Mphatso Lipipa
41. Daniel Maseko
42. Elizabeth Gondwe
43. Ellen Kaunda
44. Enala Nyirenda
45. Ephraim Khulukhusya Nyirenda
46. Esther Zam'mimba
47. Fanuel Chapempha
48. Faith Gwiramwendo
49. Fatsani Mkoko
50. Felix Mumbo
51. Focus Kambalame
52. Fransis Maluwa
53. Geoffrey Gama
54. Geoffrey Banda
55. Georgna Kuloya
56. Getrude Gondwe
57. Getrude Mvaya
58. Getrude Mandowa
59. Gudrun Malunga
60. Gift Moyo
61. Glory Muyira
62. Happy Chilale
63. Harlod Khulupirire
64. Hussein Lackson
65. Innocent Banda
66. Ivy Sompho
67. Isaac Malemia
68. Isaac Mandala
69. Ishmael Mwawi
70. Jane Gondwe
71. Jackson Chakuweya Msiska
72. Jean Minjale
73. Jessie Teki
74. John Chikuse
75. Joe Misoya
76. Joyce Mphezu
77. Jonathan Katuluza
78. Joseph Dzoole
79. Joseph Jere
80. Josephine Kachala
81. Justice Chisi
82. Kate Hango
83. Katrina Chirwa
84. Khomba Mlambala
85. Kitty Mayigulu Kefa
86. Kondwani Munthali
87. Kumbukani Jimusole
88. Laughter Liwotcha
89. Light Lita
90. Lizzie Chilapondwa
91. Loif Chirwa
92. Louis Time
93. Luckness Sambo
94. Lucky Roosevert Katundu
95. Madalitso Lopez
96. Madalitso Mphungu
97. Madalitso Chimombo
98. Manjaaluso Phiri
99. Martha Mkandawire
100. Martha Kalongonda
101. Maria Chapo
102. Mary Magombo
103. Mcdonald Mkumbukeni
104. Mercy Simkhonde
105. Mirriam Kambova
106. Mike Nyirenda
107. Miness Kishombe
108. Molles Gondwe
109. Mtende Mwaphaka Mbale
110. Norah Chola
111. Naomi Utonga
112. Odala Mhura
113. Olive Magoya
114. Paul Maxwell
115. Patience Lemani
116. Patricia Khauya
117. Paul Gobede
118. Paul Salima
119. Prisca Lusayo Mankhusu
120. Rholita Iphani
121. Rhoda Chibwana
122. Richard Barnaba
123. Ronney Maulidi
124. Rosario mwamadi
125. Rosemary Mzumara
126. Ruth Reuben
127. Ruth Chimutu
128. Samuel Kachale
129. Sandram Chigombo
130. Sathawa Chifundo
131. Sellina Chisale

132. Shadreck Khonje
133. Sheila Magombo
134. Slyvia Katanje
135. Spencer Maiden
136. Stella Lichapa Chiuzeni
137. Steve Mwafulirwa
138. Story Nyondo
139. Suedi Majawa
140. Sunganani Monjeza
141. Tabitha Mkwezalamba
142. Tadala Chiwaya
143. Temwanani Mazombwe
144. Thoko Lumwira
145. Tiwonge Chirwa
146. Tonny Amon
147. Upile Matenganya
148. Uzayani Liabunya
149. Vanessa Wanda
150. Vanessa Chiundira
151. Verrah Anthony
152. Victoria Chirwa
153. Victoria Mbendera
154. Virginia Machira
155. Vittallis Galleta
156. Wakisa Candy Phiri
157. Wezie Kayira
158. Shera Magombo
159. Zein Mdala

Vanguard Life Assurance agents

1. Alex Nehuwa
2. Augustine Mtambo
3. Agatha Mussa
4. Andrew Chakwana
5. Beauty Nyirenda
6. Borniface Zaliro
7. Brighton Kondowe
8. Brighton Msosa
9. Charles Kavumbula
10. Chikumbutso Msuku
11. Chimwemwe Malonje
12. Chimwemwe Malunga
13. Chimwemwe Singano
14. Doreen Ndeule
15. Edward Mughogho
16. Enock Kamphonje
17. Ester Munthali
18. Fatsani Malonje
19. Felix Mchenga
20. Felistas Mhone
21. Grayson Nyirenda
22. Hazwel Zgambo
23. Henry Selemani
24. Innocent Nyirenda
25. Justice Kayange
26. Lauryn Chiumia
27. Last Galatiya Mateyu
28. Letricia Chima
29. Maggie Kaunda
30. Maxwell Kuntaja
31. Memory Baluwa
32. Mercy Kantchowa
33. Mirriam Chilamwa
34. Mirrium Phiri
35. Mphatso Msowoya
36. Nashon Banda
37. Nadi Mughogho
38. Peter Nyirenda
39. Peter Kasoloka
40. Sharon Chipeta
41. Simon Kamanga
42. Simon Kaonga
43. Felistus Mhone
44. Fanuel Chawanda
45. Harold Khulupilire
46. Monica Mvula
47. Grace Change
48. Noah Mwang'onda
49. Patience Banda
50. Elia Mhone
51. Francis Mbale
52. Chikumbutso Lifa
53. Martha Banda
54. Martha Waliya
55. Moses Wotola
56. Fanny Khamula

57. Alinafe Gondwe
58. Rodrick Banda
59. Mphatso Katsabola
60. Autria Chifutwe
61. Chimwemwe Kamwendo
62. Cecilia Nyekanyeka
63. Albertina Store
64. Patricia Chilimba Magai
65. Gracious Peterson
66. Hopeson Walero
67. Benjamin Joloza
68. Priscila Gremu
69. Patrick Manyamba
70. Cynthia Malithano
71. Peter Mwenengana
72. Rachael Chaguza
73. Chifundo Chalema
74. Francis Chirambo
75. Samuel Chimasa
76. Gershom Chirwa
77. Chifundo Chipokolo
78. Friday Phiri
79. Reuben Chalema
80. Tamanda Phiri
81. Carol Jumbe
82. Fatima Kachala
83. Mphatso Mkwinja
84. Alinafe Chimkonde
85. Alikanjelo Kapempha
86. Florence Zambasa
87. Bright Mandala
88. Frank Elmon
89. Esther Mtalimanja
90. Victoria Kaipa
91. Bright Kamanga
92. Stella Kachiwala
93. Tamanda Kankhuni
94. Thandie Nthengwe
95. Thoko Hande
96. Tichitenji Mwango
97. Tiyamike Gadi
98. Truthruth Kayamba
99. Vanessa Kalombola
100. Vincent Chitaya
101. Violet Kantepa

INSURANCE LOSS ASSESSORS AND ADJUSTERS

1. A-N Consulting Insurance Loss Assessor
2. Associated Insurance Loss Assessor
3. Ctec LA Loss Adjustors
4. Dynamic Loss Adjusters
5. Fidelity Loss Assessors
6. First Insurance Loss Assessors
7. GM Insurance Loss Assessors
8. Harolds Group
9. JBK Multiplan Loss Assessors
10. M & O Insurance Adjustors
11. MIC Associates Insurance Adjustors
12. Miles Insurance Loss Adjustor
13. PDCA Consultants
14. Precision Aviation and General Engineering Services
15. PTL Insurance Loss Assessor
16. RZ Insurance Loss Assessor

PENSION SERVICES COMPANIES

1. Old Mutual Pension Services Company Limited
2. NICO Pension Services Company
3. NBM Pensions Administration Limited
4. Zamara Pensions Administrations Limited
5. Continental Pension Services Company Limited
6. Vanguard Pension Services Company

CORPORATE TRUSTEES FOR PENSION FUND

1. Zamara Pensions Administration Limited
2. Associated Pension Trust Limited
3. NBM Pensions Administration Limited
4. Old Mutual Pensions Service Company Limited
5. NICO Pension Services Company Limited
6. Continental Pension Services Company Limited
7. Mahogany Insurance Brokers Limited
8. Vanguard Pension Services Company

PENSION BROKERS

1. Marsh (Malawi) Limited
2. Minet (Malawi) Limited
3. Mahogany Insurance Brokers Limited
4. Kingfisher Insurance Brokers Limited
5. Rhino Insurance Brokers Limited

STANDALONE PENSION FUNDS

1. Christian Health Association of Malawi Pension Fund
2. Tobacco Commission Pension Fund
3. Standard Bank Pension Fund
4. Aviation Pension Fund
5. Puma Energy Pension Fund
6. SUCOMA Group Pension Scheme
7. Magetsi Pension Fund
8. Telekom Networks Malawi Limited Pension Fund
9. Toyota Malawi Limited Pension Fund
10. National Bank of Malawi Pension Fund
11. First Capital Bank Limited Pension Fund
12. Malawi Posts Corporation Pension Fund
13. Public Service Pension Trust Fund
14. Madzi Pension Fund
15. CEAR Pension Fund
16. Malawi Bureau of Standards Pension Fund
17. Auction Holdings Limited Pension Fund
18. FDH Group Pension Fund
19. Malawi Revenue Authority Pension Fund

SELF-ADMINISTERED PENSION FUNDS

1. Press Corporation Limited Group Pension Fund
2. Registrar of Financial Institutions Pension Fund

UNRESTRICTED PENSION FUNDS

1. Old Mutual Malawi Unrestricted Pension Fund
2. NICO Ufulu Pension Fund
3. NBM PAL Unrestricted Pension Fund
4. The Associated Pension Trust (APT) Unrestricted Pension Fund
5. Mwafuli Unrestricted Pension Fund
6. Continental Unrestricted Pension Fund
7. Old Mutual Protektor Unrestricted Pension Fund
8. Vanguard Unrestricted Pension Fund

UMBRELLA FUNDS

1. Old Mutual Malawi Umbrella Fund
2. NICO Umbrella Fund

RESTRICTED PENSION FUNDS UNDER UMBRELLA FUNDS

1. Partners in Hope Pension Fund
2. Malawi Telecommunications Limited Pension Fund
3. Alliance One Tobacco (Malawi) Limited Pension Fund

4. Malawi Corridor Group Pension Fund
5. Tobacco Control Commission

STOCK EXCHANGES
1. Malawi Stock Exchange Limited

BROKERS
1. Continental Capital Limited
2. Alliance Stockbrokers Limited
3. Stockbrokers Malawi Limited
4. Cedar Capital Limited

COLLECTIVE INVESTMENT SCHEMES
1. Old Mutual Unit Trust Mw Limited
2. National Investment Trust Limited

INVESTMENT ADVISORS
1. NBM Capital Markets Limited
2. NICO Asset Managers Limited
3. Continental Asset Management Limited
4. FDH Financial Holdings Limited
5. Old Mutual Investment Group Limited
6. Standard Bank Limited (Malawi)
7. Alliance Capital Limited
8. Carrick Wealth (Malawi) Limited
9. Embiem Capital Limited
10. NBS Limited
11. New Finance Bank Limited
12. Maximus Africa Investment Management Limited

PORTFOLIO MANAGERS
1. Old Mutual Investments Group Limited
2. NICO Asset Managers Limited
3. NBM Capital Markets Limited
4. Alliance Capital Limited
5. Continental Asset Management Limited
6. Bridgepath Capital Limited

TRANSFER SECRETARIES
1. Standard Bank Limited.
2. NICO Asset Managers Limited.
3. National Bank of Malawi Limited.
4. First Capital Bank Limited.

SECURITIES REPRESENTATIVES

Continental Asset Management Limited
1. Gillian Kachikondo
2. Grace Zimba
3. Precious Kumbatira
4. Lovemore Kambani
5. James Mbingwa
6. Bright Chiwaula
7. Theodore Kalumo
8. Isabel Kachinjika

NICO Asset Managers Limited
1. Daniel Dunga
2. Memory Chipembere
3. James Tsonga
4. Masautso Elias
5. Clara Maliro
6. Chikondi Gomani
7. Zindaba Mbekeani
8. Tumusime Msimuko
9. Tafika Nyirenda
10. David Moyo
11. Evance Nasiyaya
12. Benson Mlenga

Old Mutual Investment Group Limited
1. Mark Mikwamba
2. Mphatso Kasalika
3. Cuthbert Mnyenyembe
4. Brenda Mwale
5. Linda Kumsinda
6. Khumbo Shaba
7. Jack Suleman
8. Bernard Sande
9. Misozi Gondwe
10. Fanny Tizora
11. Tennison Nkhoma
12. Nancy Mwansa
13. Robert Kamwela
14. Sharon Matanga
15. Garri Mathanga

Alliance Stockbrokers Limited
1. Thokozani Saulosi
2. Tamar Kainga

Standard Bank Limited
1. Enock Kondowe
2. Mutisunge Banda
3. Zizwani Khonje

Alliance Capital Limited
1. Lilian Macheso
2. Christian Majavina
3. Gift Manda
4. Charity Mhango
5. Elizabeth Likhunya
6. Bond Mtembezeka

Old Mutual Unit Trust (Malawi) Limited
1. James Mhura
2. Mercy Chimbaka
3. Linda Ndasauka
4. Dollah Kalukho
5. Fatima Koka
6. Mphatso Mabutao
7. Chifundo Kafulatira

NBM Capital Markets Limited
1. Jacqueline Mlaliki
2. Elton Masibawo

Cedar Capital Limited
1. Armstrong Kamphoni
2. Micah Chimombo
3. Regina Kachingwe
4. Kondwani Nyirongo

Continental Capital Limited
1. Patrick Nadzanja
2. Kenneth M'madi

Stockbrokers Malawi Limited
1. Noel Kadzakumanja
2. Kondwani Makwakwa
3. David Magombo

FDH Holdings Limited
1. Esnart Suleman
2. George Chitera

Bridgepath Capital Limited
1. Emmanuel Chokani
2. Thumbiko Banda
3. Godwin Chibowa
4. Khumbo Unyolo

DEPOSIT TAKING MICROFINANCE INSTITUTIONS
1. Foundation for International Community Assistance (FINCA) Limited
2. Vision Fund Malawi
3. Target Financial Services Limited
4. Wealthnet Finance Limited

NON-DEPOSIT TAKING MICROFINANCE INSTITUTIONS
1. Greenwing Capital Financial Services
2. Microloan Foundation
3. CUMO Microfinance
4. Easy Loans
5. Select Financial Services
6. Malawi Enterprise Development Fund (MEDF)
7. Expresscredit Limited
8. COMSIV Limited
9. Community Finance Limited
10. Pinnacle Financial Services
11. TNM Mpanda Limited

MICROCREDIT AGENCIES
1. AIC Financials Limited
2. BL Financial Services Limited

3. Binisons Credit Agency
4. Chislet Finance Limited
5. Centre for Advancement of Sustainable Development (CASDE)
6. Circle Microfinance Limited
7. Citizen Microfinance
8. DF Agency
9. Ecological Research and Outreach Initiative Ltd (ECORET)
10. EPIK Finance Limited
11. Excel Microcredit Agency
12. Express Microloan Limited
13. Faith Microfinance Limited
14. First Microfinance Centre
15. FEDOMA Microfinance Project
16. Financerite Limited
17. FISD Finance for Agriculture Development (FIFAD)
18. Fountain Microfinance
19. GetBucks Malawi
20. Green Gold Finance Limited
21. Greenroot Finance Limited
22. Mlatho Financial Services Limited
23. Moyowathu Financial Services
24. National Association of Business Women (NABW)
25. Nile Flow Limited
26. Northern Alliance Financing Corporation Limited
27. Palm Microfinance Limited
28. Pamodzi Finserve Limited
29. Rising Finance Limited
30. SAILE Financial Services
31. Savanna Financial Services Limited
32. Sono (Now) Microfinance Limited
33. Swift Finance Limited
34. Sycamore Credit Limited
35. Tamarh Consult Limited
36. TEECs Microcredit Limited
37. Ubale Loans Limited
38. Ufulu Finance Limited
39. Umunthu Microfinance Limited
40. Makko Brotheres Limited
41. Zachangu microcredit Limited
42. Delight Finance Limited
43. Platinum Microcredit Limited
44. Global Wealth Microfinance Limited
45. Bridge Financial Services Limited
46. Women Finance Limited
47. Mai Finance Limited
48. Essa Loans Limited
49. People Development Fund Limited
50. Business Finance Limited

FINANCIAL COOPERATIVES

1. Admarc Employees SACCO Limited
2. Auction Holdings Limited
3. BNC SACCO Limited
4. Chilungamo SACCO Limited
5. Chitukuko SACCO Limited
6. Dedza Teachers SACCO Limited
7. DWASCO SACCO Limited
8. Fodya SACCO Limited
9. Future SACCO Limited
10. Kandiya SACCO Limited
11. Kasupe SACCO Limited
12. Kaso SACCO Limited
13. Kawiluwilu SACCO Limited
14. Limbe Leaf SACCO Limited
15. Mchinji Teachers SACCO
16. Mudi SACCO Limited
17. M-Unity SACCO Limited
18. Mufuna SACCO Limited
19. Msilikali SACCO Limited
20. Mzinda SACCO Limited
21. Mzuzu University SACCO Limited
22. Plan Malawi SACCO Limited
23. Rumphi Teachers SACCO Limited
24. Police SACCO Limited
25. Polymed SACCO Limited
26. PTC Group SACCO Limited
27. RBM SACCO Limited
28. Sucoma SACCO Limited
29. Sunbird SACCO Limited
30. Tadala SACCO Limited
31. Timbiri SACCO Limited
32. Thyolo Teachers SACCO Limited
33. Umodzi SACCO Limited
34. UNC SACCO Limited
35. United Civil Servants SACCO Limited
36. United Nations SACCO Limited
37. Tipindule SACCO Limited
38. Luanar SACCO Limited
39. FINCOOP SACCO Limited

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