

THE REGISTRAR OF FINANCIAL INSTITUTIONS

ANNUAL REPORT 2018



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REGISTRAR'S FOREWORD

A sound, stable and developed financial system is key for the transmission and effectiveness of monetary policy and also for the development of an economy. In view of this, and in accordance with the Financial Services Act 2010, the Registrar of Financial Institutions undertakes prudential as well as market conduct supervision of the financial sector to ensure that the interests of the general public are safeguarded at all times. This report presents a summary of the key supervisory activities conducted by the office of the Registrar of Financial Institutions in 2018. In addition, the report reviews the performance of the financial sector and risks to financial system stability that prevailed during the year. The report also outlines the reforms to the legal and regulatory framework undertaken during the year. These reforms were aimed at enhancing the supervisory mandate of the Registrar as well as the potential of the sector in contributing to the overall economic development of the country.

The year 2018 was favorable to the financial sector as it operated in a stable and resilient domestic macroeconomic environment. Inflationary pressures were successfully contained in the year. This was achieved through tight monetary policy stance as well as a stable exchange rate. Headline inflation remained largely in single digit averaging 9.2 percent in the year, which was lower than 11.5 percent recorded in 2017. The stability in inflation allowed the monetary authorities to maintain the monetary policy rate at 16.0 percent in 2018. Consequently, commercial banks' base lending rates broadly averaged at 24.8 percent, declining marginally from 26.9 percent in December 2017. Real Gross Domestic Product (GDP) registered a slower growth of 4.0 percent in 2018 from a growth of 5.1 percent in 2017. The slower growth was largely on account of unfavorable agricultural condition. The operations of the financial institutions were also sustained by adequate foreign reserves, with official reserves closing the year at US$747.2 million, equivalent to 3.6 months of imports. This level of reserves, coupled with tight liquidity conditions and improving confidence in the economy, saw the kwacha remaining broadly stable throughout the year.

On the back of a relatively stable macroeconomic environment, the overall financial system also remained sound and stable during 2018. Banks were well capitalised, adequately liquid and profitable, with improved asset quality. Similarly, the pension sector continued to register growth in the year. The assets of the sector grew by 34.6 percent to MK716.5 billion largely on account of growth in investment income and substantial increase in contributions due to registration of new pension funds, particularly the Public Service Pension Fund.

Recognising the importance of the stable financial system in promoting economic growth, a number of initiatives were undertaken in the year. Firstly, the Bank introduced 34 directives in the sector in order to strengthen the supervisory mandate of the Registrar and address the emerging risks in the sector. Of these directives, 12 were new directives aimed at enhancing the regulatory framework. In particular, the Registrar issued 4 directives on development finance institutions. The directives were issued in a bid to improve access to development finance by providing a platform for licensing of development finance institutions, which as expected, would aid in spurring economic growth. Secondly, the Bank in collaboration with other stakeholders, introduced the Automated Trading System (ATS) on the Malawi Stock Exchange in June 2018, in a bid to enhance the efficiency of the market. Going forward, this is expected to result in quicker transaction processing, shorter settlement periods and extended trading hours.

In line with the emerging domestic and global developments, the financial landscape is rapidly changing. In response, the Bank will continue to monitor these developments and ensure that risks are timely and adequately mitigated. In particular, the Bank will continue to diligently execute its mandate of proactively maintaining a stable and robust financial system through a number of activities, such as on-site examinations and offsite surveillance of the regulated institutions; and coordinating activities that will ensure that relevant laws and directives are reviewed, legislated and issued.

In a quest to contribute to accelerating economic growth of the country, the Bank will continue to undertake measures that will deepen the financial markets. Such measures, among others, include initiatives aimed at attracting new investments in banks and stock exchange, facilitating full scope operationalisation of the Financial Hub, increasing the number of interbank transactions, introduction of the Master Repurchase Agreements, and modernising the financial infrastructure. The Reserve Bank of Malawi appreciates the cooperation from the financial institutions during the previous year and will continue working with the Government, financial institutions and all other stakeholders to ensure that a sound and stable financial system prevails.

DALITSO KABAMBE (Ph.D.)
REGISTRAR OF FINANCIAL INSTITUTIONS

EXECUTIVE SUMMARY

A favorable global and domestic macroeconomic environment characterised by steady global expansion, moderate domestic growth, stable exchange rate and contained inflation enhanced the performance of the banking sector in 2018. The sector's performance was satisfactory as all institutions were generally sound and stable during the year.

The sector remained adequately capitalised, with the average core and total capital ratios of 15.4 percent and 18.8 percent, against the statutory requirements of 10.0 percent and 15.0 percent, respectively. Similarly, the sector was adequately liquid at 61.8 percent, which was well above the 25.0 percent prudential benchmark. In addition, the sector continued to be profitable, attaining an after-tax aggregate profit growth of 18.9 percent to MK43.7 billion in 2018. The quality of assets as depicted by the ratio of Non-Performing Loans (NPLs) to gross loans and leases improved significantly to 6.1 percent in December 2018 from 15.7 percent in 2017. In terms of assets, the banking sector continued to register growth in 2018, albeit at a slower pace than in 2017. As at December 2018, total net assets increased by 6.2 percent to MK1, 670.5 billion. The growth in assets was largely anchored by growth in loans and leases of 16.4 percent to MK491.2 billion in December 2018.

The general insurance sector registered significant growth in both premiums and total assets. Gross premium written grew by 15.9 percent to MK48.1 billion in 2018. Total assets of the sector grew by 13.1 percent to MK48.5 billion in 2018. The growth in assets was mainly due to increase in gross premium income and additional capital injection of MK1.3 billion by two insurers. In terms of profitability, the sector registered an underwriting surplus as well as overall operating profit in 2018. However, the sector operated without sufficient margin of solvency closing the year at 16 percent against the regulatory minimum requirement of 20 percent. The solvency margin of the sector was adversely affected by three companies that operated below the minimum solvency requirements.

The life insurance sector's performance was fair during 2018 as it registered growth in gross premiums written and improvement in profitability. Gross written premiums for life insurance sector increased to MK29.7 billion in December 2018 from MK23.6 billion in 2017. In addition, the sector remained profitable during the year achieving a MK9.1 billion after tax profit, albeit lower than MK11.6 billion reported in 2017.

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The pension sector continued to register growth since the introduction of mandatory pension regime. The assets of the sector grew by 34.6 percent to MK716.5 billion largely on account of growth in investment income and substantial increase in contributions due to registration of new pension funds. The registration of new pension funds increased membership in the national pension scheme to 406,068 in 2018 from 304,256 in 2017. Annual pension contributions also increased to MK98.3 billion from MK62.5 billion in 2017.

The capital market continued to be bullish as reflected in the positive return of the Malawi All Share Index (MASI). Consequently, activity on the stock market picked up markedly during the year under review, which resulted in the number of transactions to increase to 2,153 deals in 2018 from 1,189 deals in 2017. The introduction of the Automated Trading System (ATS) on the Malawi Stock Exchange in June 2018 further enhanced the efficiency of the market, resulting in quicker transaction processing, shorter settlement periods and extended trading hours. On the debt market, five treasury notes and one corporate note listed on the Malawi Stock Exchange in 2018. In general, all brokerage firms except for one registered profitability in 2018. The investment management sector registered an increase in profitability and continued to flourish on the strength of steady inflow of funds from life insurance companies and pension funds.

The microfinance sector's performance was generally satisfactory in 2018. Aggregate assets for the sector increased marginally to MK38.1 billion in 2018 from MK37.5 billion in 2017. Additionally, the sector remained profitable during the year with deposit taking institutions and Savings and Credit Cooperatives (SACCOs) registering improved earnings performance.

During the year, the Registrar carried other supervisory activities on financial institutions to assess their business conduct and practices. The Registrar, therefore, carried out five market conduct examinations and eight mystery surveillances of financial institutions. The Registrar also conducted nation-wide capacity building activities for frontline officers on market conduct best practices and regulatory requirements. In addition, the Registrar carried out various financial literacy initiatives including the Follow up Financial Literacy and Capability Survey to determine the current status of financial literacy and capabilities of the population.

1. INTRODUCTION

The mandate of the Registrar of Financial Institutions, appointed under Section 8 of the Financial Services Act 2010, is to regulate and supervise financial services industry in Malawi with the objectives of ensuring safety and soundness of the prudentially regulated financial sector; highest standard of conduct of business by financial institutions; fairness, efficiency, and orderliness of the financial institutions; the stability of the financial system and the reduction and deterrence of financial crime in the financial institutions. Accordingly, pursuant to section 18 of the Financial Services Act, 2010, the Registrar is pleased to present the 2018 Financial Institutions Supervision Annual Report. The report provides an assessment of the performance of the financial sector and the key supervisory activities carried out by the Registrar during the year. In addition, the report outlines the regulatory reforms that have been undertaken in the year.

The global economic growth is projected to remain at 3.7 percent, unchanged from the 2017 position. This growth is mainly driven by strong growth in emerging markets and developing economies, projected at 4.7 percent. Meanwhile, in advanced economies, growth is projected at 2.4 percent in 2018. The weaker growth is partly explained by increased trade tension, unwinding of the US fiscal stimulus, growing policy uncertainty, weak industrial production and weak domestic and foreign demand in a number of advanced economies in the Eurozone area.

Within the Sub-Saharan African (SSA) region, economic activity was stronger registering an estimated growth of 3.1 percent in 2018 compared to 2.7 percent in 2017. The stronger growth in the region was largely due to supportive external environment including continued steady growth in the global economy, higher commodity prices, and accommodative external financing conditions.

The domestic macroeconomic environment was generally stable and conducive to the financial sector in 2018, as reflected by stable exchange rate, declining inflation rate, and moderate economic growth. Real Gross Domestic Product (GDP) is estimated at 4.0 percent in 2018 from 5.1 percent in 2017 mainly on account of unfavorable weather conditions which slowed down growth in the agricultural sector to 0.9 percent from 6.1 percent registered in 2017. Consequently, the expected slow-down of activities in the sector had a bearing on general economic activity in the year since it contributes the largest proportion to GDP. Apart from the agricultural sector, expansions in ancillary sectors like construction, wholesale and retail and manufacturing contributed to the growth.

Headline inflation closed the year at 9.9 percent while the annual headline inflation averaged 9.2 percent in 2018, lower than 11.5 percent recorded in 2017. This was due to tight monetary policy stance by RBM which assisted in containing inflationary pressure in 2018. In addition, the stable exchange rate experienced throughout the year helped to ease inflationary pressures. Due to this disinflation, the policy rate was maintained at 16.0 percent by end December, 2018 and correspondingly, the base lending rate by commercial banks averaged 24.8 percent in 2018.

The country had adequate foreign reserves with official foreign reserves closing the year at a US$747.2 million which is equivalent to 3.6 months of imports. This, coupled with tight liquidity conditions and improved confidence in the economy, resulted into the kwacha remaining broadly stable in 2018.

The rest of the report is organised as follows: Sections 2 to 10 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.

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2. THE BANKING SECTOR

2.1. SECTOR OVERVIEW

In 2018, the performance of the banking sector was satisfactory as the sector remained adequately capitalised and liquid; profitable and registered an improvement in asset quality. In terms of balance sheet components, total assets increased due to growth in investments and Government securities. Similarly, liabilities increased largely as a result of growth in total deposits.

2.2. STRUCTURE OF THE BANKING SECTOR

There were no new entrants or exits of players in the banking sector during 2018, as such the number of banks operating remained at nine (Table 2.1). Of the nine banks, five were domestic private-owned banks while four banks were foreign owned banks. In terms of share of total net assets, domestic private owned banks comprised 56.4 percent in 2018 from 57.4 percent in 2017 while total net assets of foreign owned banks increased to 43.6 percent in 2018 from 42.6 percent reported in December 2017.

In terms of market share, two banks continued to dominate the sector with a combined percentage of 46.0 percent of total assets as at December 2018. The two banks also accounted for 46.2 percent of the sector's deposits, 58.1 percent of total loans and 60.0 percent of total equity capital.

With regard to the branch network, banks had 106 branches in 2018 from 90 in 2017. On the other hand, the number of agencies, kiosks and vans across the country declined to 116 from 140 in 2017 (Appendix table 12.1). This development was largely due to an upgrade of 20 agencies into branches. Meanwhile, the total number of outlets declined slightly to 222 outlets in December 2018 from 230 outlets December 2017.

Table 2.1: Ownership Structure of Commercial Banks as at December 2018

Bank Ownership	% of total assets					Number of banks				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Domestic Private owned	55.7	56.5	59.7	57.4	56.4	5	5	5	5	5
Domestic public owned	9.2	6.8	0.0	0.0	0.0	2	2	0	0	0
Foreign owned	35.1	36.7	40.3	42.6	43.6	4	5	5	4	4
Total	100.0	100.0	100.0	100.0	100.0	11	12	10	9	9

Source: Reserve Bank of Malawi

2.3. CHANGES IN ASSETS AND LIABILITIES

Total net assets increased to MK1, 670.5 billion as at December 2018 from MK1, 572.3 billion in December 2017 (Table 2.2). The growth in assets was largely anchored by growth in loans and leases of 16.4 percent to MK491.2 billion in December 2018. Similarly, securities and investments increased by 10.5 percent to MK680.3 billion as at December 2018, mainly attributed to growth of MK87.5 billion in Treasury Bills to MK348.1 billion and growth in government bonds of MK39.4 billion to MK61.1 billion in December 2018. Composition of total net assets, securities and investments constituted the highest proportion at 40.7 percent, from 39.2 percent in 2017 and total loans and leases at 30.7 percent from 26.8 percent in 2017. The growth in total loans and leases was mainly on account of an increase in lending to public sector enterprises by MK26.4 billion to MK34.5 billion and to corporates by MK22.4 billion to MK165.9 billion as at December 2018.

Table 2.2: Assets and Liabilities of Banks (MK'bn)

Type of Assets	2014	2015	2016	2017	2018
Cash and Due From Other Banks	241.3	210.6	276.3	315.2	234.4
Securities and Investments	**142.4**	**295.6**	**386.1**	**615.8**	**680.3**
of which					
Treasury Bills	90.9	142.3	190.9	260.6	348.1
RBM Day Bills	-	6.4	-	-	-
Money Market Deposits	7.3	8.7	2.7	25.6	32.1
Interbank Loans	6.0	28.2	34.3	50.5	23.7
Repurchase Agreements	0.8	43.6	100.9	180.5	143.0
All other Short Term Investments	13.3	7.6	18.3	28.8	18.2
Local Registered Stocks	1.1	3.4	3.9	5.6	22.5
Government Bonds	10.6	23.0	2.2	21.7	61.1
Local Government Bonds	-	-	6.6	13.0	7.5
Equity Investments (Malawi Stock Exchange)	5.0	4.6	3.2	5.2	-
Other Securities	7.4	27.8	23.1	24.3	24.1
Total Loans and Leases (net of provisions)	303.7	397.2	417.7	422.1	491.2
Other Assets	106.7	129.9	159.6	219.2	264.6
Total Assets (Net)	**794.1**	**1,033.3**	**1,239.7**	**1,572.3**	**1,670.5**
Type of Liabilities					
Deposits	550.3	705.0	809.1	995.5	1,088.1
Liabilities to other Banks	32.3	31.1	20.1	67.0	67.2
Other Liabilities	68.5	120.4	200.1	253.8	248.2
Total Equity Capital	143.0	176.8	210.4	256.0	267.1
Total Liabilities	**794.1**	**1,033.3**	**1,239.7**	**1,572.3**	**1,670.6**

Source: Reserve Bank of Malawi

In terms of sectoral distribution of total loans and leases, utilities, manufacturing and wholesale and retail trade sectors had the largest growth of 119.7 percent, 26.1 percent and 11.3 percent to MK33.4 billion, MK87.8 billion and MK112.7 billion as at December 2018, respectively. However, wholesale and retail trade, agriculture and manufacturing sectors constituted the largest share of total loans and leases (Table 2.3).

Table 2.3: Sectoral Distribution of loans (MK'bn)

Sector	2014	2015	2016	2017	2018
Wholesale and retail trade	73.2	88.2	101.9	101.3	112.7
Agriculture, forestry, fishing and hunting	59.5	93.7	81.9	97.9	94.3
Manufacturing	47.1	83.8	75.2	69.6	87.8
Community, social and personal services	35.8	41.7	58.5	44.3	47.4
Other sectors	16.1	26.6	23.8	32.5	43.4
Transport, storage and communications	30.1	20.7	28.8	16.9	24.5
Financial services	10.9	8.7	14.2	16.9	12.9
Electricity, gas, water and energy	5.5	4.4	4.6	15.2	33.4
Construction	10	11.9	13.4	14.8	15.9
Restaurants and hotels	5.2	10.7	11.7	13.5	18.5
Credit/debit cards	2.7	2.4	1.3	1.7	0.0
Real estate	4.6	3.6	1.3	1.7	7.8
Mining and quarrying	2.4	1.2	0.8	1.3	1.4
TOTAL	303.7	397.2	417.7	422.1	499.9[1]

Source: Reserve Bank of Malawi

On the funding side, total liabilities increased by 6.2 percent to MK1, 670.6 billion in December 2018. The increase was principally attributed to a growth in total deposits by 9.3 percent to MK1, 088.1 billion in December 2018. Total deposits remained the highest source of funding accounting for 65.1 percentage share of total liabilities, an increase from 63.3 percentage share registered in 2017.

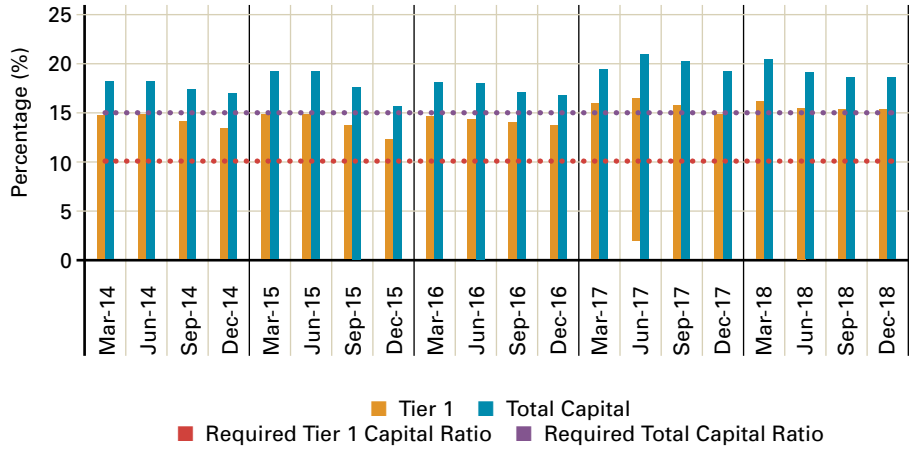
With regard to capital account, total equity capital increased by 4.3 percent to MK267.1 billion in December 2018. The growth in equity capital was largely attributed to an increase in retained earnings and net income for the current period by 6.4 percent and 18.9 percent to MK114.4 billion and MK43.7 billion, respectively.

2.4. CAPITAL ADEQUACY

The banking sector was adequately capitalised as all banks met the regulatory core capital requirements of 10.0 percent as at December, 2018. However, one bank did not meet the regulatory total capital ratio of 15.0 percent, of which a corrective action was undertaken. The average core and total capital ratios for the banking industry were at 15.4 percent and 18.8 percent about the same as the previous year's positions of 15.0 percent and 19.3 percent, respectively (Figure 2.1).

1. Total loans as per sector is different to the total loans in Table 2.2 because this table subtracted specific provisions and not loan less provision

Figure 2.1: Banking Sector Capital Adequacy Ratios

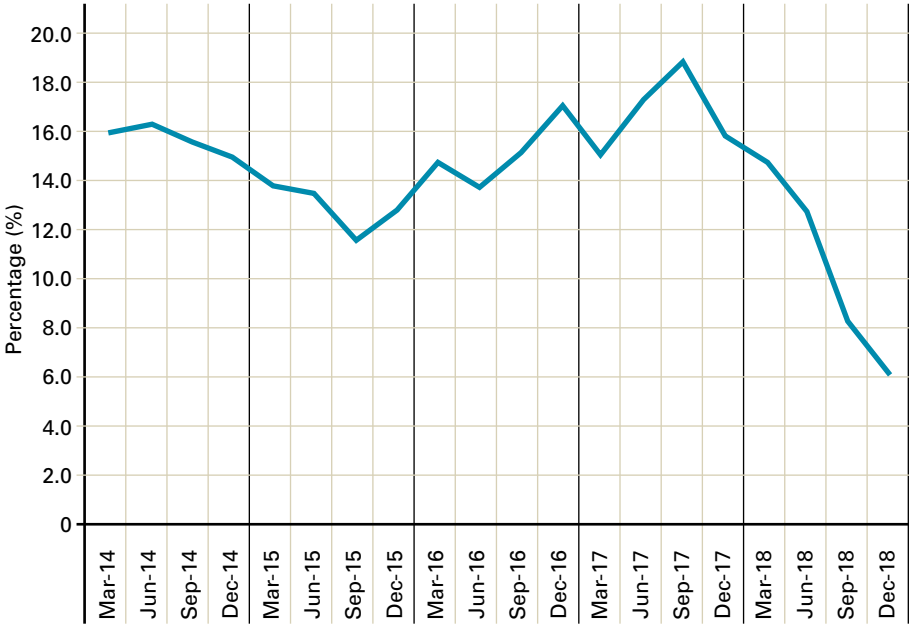


Source: Reserve Bank of Malawi

2.5. ASSET QUALITY

Asset quality as measured by the ratio of Non-Performing Loans (NPLs) to gross loans and leases decreased significantly to 6.1 percent in December 2018 from 15.7 percent in December 2017 (Figure 2.2). This development was as a result of a decline in NPLs of 55.4 percent to MK31.4 billion in 2018, owing to write offs and recoveries of several facilities.

Figure 2.2: Ratio of NPLs to Gross Loans and Leases for Banks



Source: Reserve Bank of Malawi

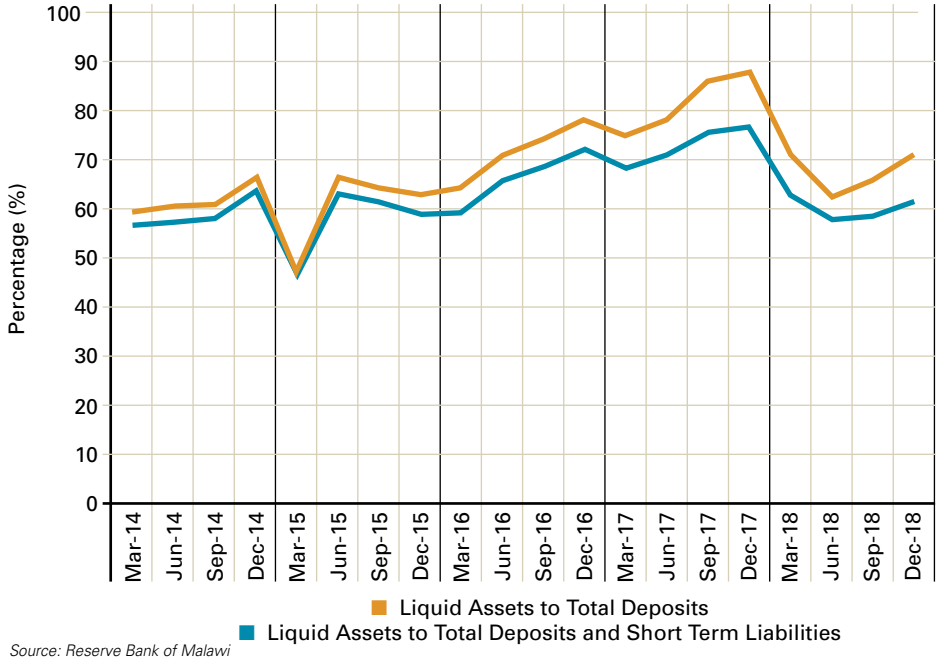
2.6. EARNINGS

The banking industry continued to be profitable, registering a growth in aggregate profit after tax of 18.9 percent to MK43.7 billion as at end December 2018. Consequently, Return on Assets (ROA) and Return on Equity (ROE) were at 2.3 percent and 17.3 percent, from 2.3 percent and 15.7 percent in 2017, respectively. However, net interest margin declined to 10.1 percent in December 2018 from 12.6 percent in December 2017. Dividends paid out amounted to MK1.7 billion compared to MK1.5 billion in the previous year.

2.7. LIQUIDITY

The banking sector was adequately liquid during 2018. However, the liquidity ratio (liquid assets to total deposits and short term liabilities) declined to 61.8 percent in December 2018 from 77.0 percent as at end December 2017 but it remained above the prudential benchmark of 25.0 percent [2] (Figure 2.3). The decrease in the ratio was largely on account of an 8.2 percent growth in short term liabilities against a 13.2 percent decline in liquid assets.

Figure 2.3: Liquidity Ratio for Banks



Source: Reserve Bank of Malawi

2.8. ON-SITE EXAMINATIONS

During year under review, the Registrar conducted prudential on-site examinations of all nine banks. In general, the performance of the banking industry was rated satisfactory as banks complied with most of the regulatory requirements. The Registrar continued with prudential regulatory enforcements in order to preserve the interest of the general public and safeguard the existing financial system stability.

2. The prudential liquidity ratio benchmark was revised to 25 percent in 2018 from 30 percent in 2017.

3. CAPITAL MARKETS

3.1. SECTOR OVERVIEW

Malawi's capital market continued to be bullish as reflected in the positive return of the Malawi All Share Index (MASI). On the primary debt market, five treasury notes and one corporate note listed on the Malawi Stock Exchange in 2018. However, no single secondary trade was registered on the debt market during the year under review. The brokerage sector registered a new entrant during the review period, bringing the total number of brokerage firms to four. In general, all brokerage firms except one, registered profitability in 2018. The investment management sector registered an increase in profitability and continued to flourish on the backbone of steady inflow of funds from life assurance companies and pension funds.

In 2018, the capital market comprised one stock exchange, four brokerage firms, two collective investment schemes, seven investment advisers, four transfer secretaries and five portfolio managers.

3.2. THE STOCK MARKET

Activity on the stock market picked up markedly during the year under review, as the number of transactions increased to 2,153 deals in 2018 from 1,189 deals in 2017. The increase in activity was due to improved performance of the listed companies, which was further boosted by significant returns on index of the stock market by 62.1 percent registered in the preceding year. This generally enhanced the attractiveness of the stock market as an investment avenue. The number of shares traded on the stock exchange increased to 958 million in 2018 from 699 million in 2017 (Table 3.1). This translated into a significant increase in the value of shares traded to MK48.7 billion in 2018 from MK13.5 billion in 2017.

The introduction of Automated Trading System (ATS) on the Malawi Stock Exchange in June 2018 enhanced the efficiency of the market and this resulted to quicker transaction processing, shorter settlement period and extended trading hours. As at end-December 2018, the total number of companies listed on the Malawi Stock Exchange remained at thirteen, comprising eleven domestic counters and two foreign counters.

Table 3.1: Stock Market Statistics

Stock Market Statistic	2014	2015	2016	2017	2018
Volume of shares traded (million)	1,700.0	2,400.0	410.0	699.0	958.0
Value of shares traded (MK billion)	10.9	48.6	6.2	13.5	48.7
Market Capitalisation (MK billion)	7,489.4	7,522.1	8,516.5	10,609.5	1,284.7
Malawi All Share Index	14,886.1	14,562.5	13,320.5	21,598.1	28,983.5
Domestic Share Index	11,720.4	11,462.9	10,456.9	16,272.6	21,318.1
Foreign Share Index	1,759.6	1,762.1	2,026.1	3,519.4	5,265.1

Source: Reserve Bank of Malawi

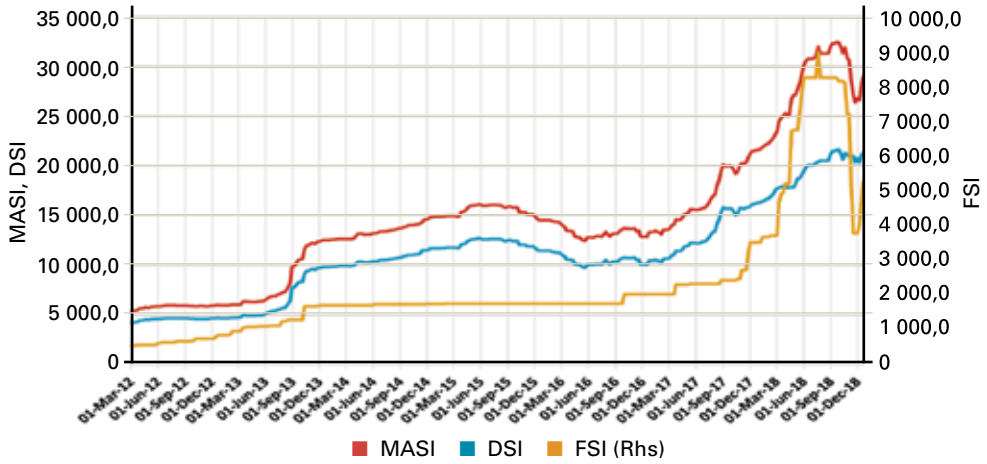
The MASI registered a positive return on index of 34.2 percent in 2018 from 62.1 percent in 2017. Consequently, the Index gained 7,385.5 points to close off at 28,983.5 points in 2018 (Figure 3.1). The increase was due to upward movements in both the Domestic Share Index (DSI) and the Foreign Share Index (FSI). A rise in share prices for nine domestic listed companies resulted in the DSI moving upwards by 5,045.5 points to 21,318.1 points in 2018, despite share price losses registered on two domestic counters. Meanwhile, the FSI rose by 1,745.7 points to 5,265.1 points in 2018, due to an increase in share prices of the only two foreign listed companies.

Following the restructuring of the Old Mutual Group, Old Mutual plc. (OML) was delisted on the Exchange in June 2018, and was replaced with the listing of Old Mutual Limited. Consequently, total market capitalisation declined and closed at MK1, 284.7 billion in 2018 from MK10, 609.5 billion in 2017.

3.3 STOCK BROKERAGE

Total income for stockbrokers more than doubled to MK1, 408.23 million in 2018, on the back of the significant improvement in turnover performance of the equity market as well as income from advisory services. The sector continued to rely heavily on income from money market operations as opposed to core business of brokerage. Total expenditure increased by 76.9 percent to MK708.6 million in 2018. Total profit after tax increased by 119.2 percent to MK523.0 million in 2018

Figure 3.1: Stock Indices Trends

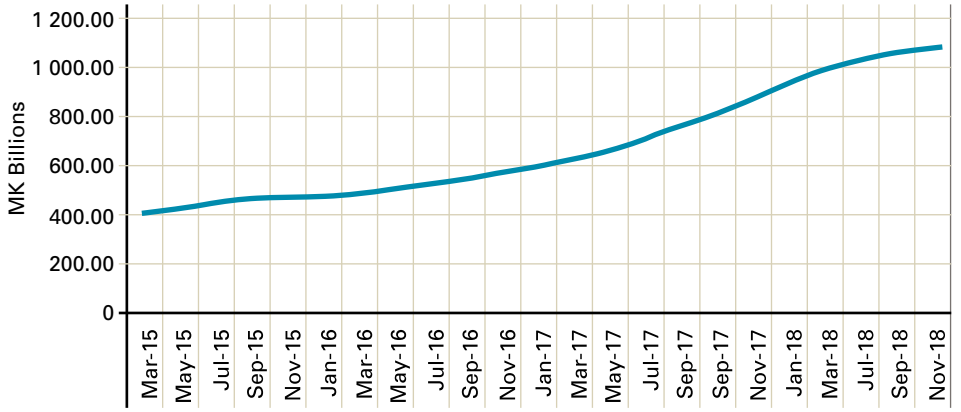


Source: Reserve Bank of Malawi

3.4 FUNDS MANAGEMENT

Total funds under management grew by 31.8 percent to MK1.09 trillion in 2018 (Figure 3.2). Money market and equity instruments constituted 43.6 percent and 35.1 percent, respectively. The rest of the funds comprised unlisted property investments at 6.7 percent, unlisted debt at 6.4 percent, and unlisted equity at 8.2 percent. The allocation of assets to money market investments declined from 44.3 percent in December 2017, despite holding a larger share of funds under management, while allocation to equity and property investments increased to 30.5 percent. This reflected the pursuit of better returns from the equity market and property markets as money market interest rates declined during the year under review.

Figure 3.2: Funds under Management



Source: Reserve Bank of Malawi

Major sources of funds under management remained life insurance companies and pension funds, which contributed 55.1 percent and 22.7 percent of total funds, respectively (Table 3.2). Other sources included companies, residents and general insurance companies.

Table 3.2: Source of Funds under Management (MK' Mn)

Source of Funds	2014	2015	2016	2017	2018
Pension Funds	96,043.0	106,097.0	130,212.0	167,222.0	246,960.0
General Insurance	8,383.0	9,330.0	10,982.0	13,024.0	14,588.0
Life Insurance	210,301.0	261,566.0	314,410.0	455,480.0	599,726.0
Medical Aid Funds	136.0	395.0	556.0	415.0	342.0
Unit Trusts	5,388.0	7,623.0	10,884.0	22,887.0	20,605.0
Companies	53,307.0	83,444.0	96,345.0	140,292.0	163,489.0
Natural Persons-Residents	2,730.0	5,383.0	8,820.0	12,617.0	19,744.0
Natural Persons-Non Residents	1,239.0	0.0	0.0	0.0	0.0
Other	6,094.0	8,034.0	11,117.0	15,318.0	21,884.0
Total	383,622.0	481,872.0	583,325.0	827,256.0	1,087,338.0

Source: Reserve Bank of Malawi

Total income for fund managers grew by 19.8 percent to MK7.38 billion during 2018 (Table 3.3). The growth was attributed to an increase in management and corporate advisory fees. Operating expenses grew by 30.2 percent to MK4.0 billion in 2018. This resulted into an increase in total profit after tax of 1.2 percent to MK2.3 billion in 2018.

Table 3.3: Income and Expenses for Fund Managers (MK' Mn)

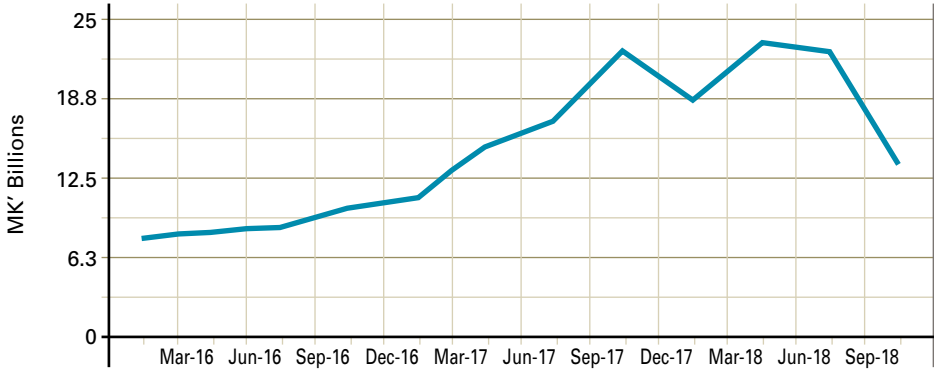
Item	2014	2015	2016	2017	2018
Revenue	2,487.7	3,739.9	4,702.7	6,162.5	7,379.6
Operating expenses	-1,367.3	-1,982.6	-2,534.3	-3,066.6	-3,993.9
Profit before tax	1,120.4	1,757.3	2,168.4	3,095.9	3,385.6
Income tax	-345.9	-540.0	-658.3	-777.8	-1,039.8
Profit after tax	774.5	1,217.3	1,510.1	2,318.0	2,345.8

Source: Reserve Bank of Malawi

3.5. UNIT TRUST OPERATIONS

Total funds for the only open-ended collective investment scheme decreased markedly to MK13.73 billion in 2018 from MK22.5 billion in 2017 (Figure 3.3). This was due to an increase in the number of clients withdrawing their investments from the Unit Trust.

Figure 3.3: Unit Trusts Funds Growth



Source: Reserve Bank of Malawi

3.6. ON-SITE EXAMINATIONS

The Registrar conducted on-site examinations of three portfolio managers, two collective investment schemes and one transfer secretary in 2018. The findings of the on-site examinations showed great improvement in regulatory compliance amongst all examined institutions. However, a few non-compliance issues observed were brought to the attention of the board of directors and management of the examined institutions with recommended actions put forward for resolution.

4. PENSION SECTOR

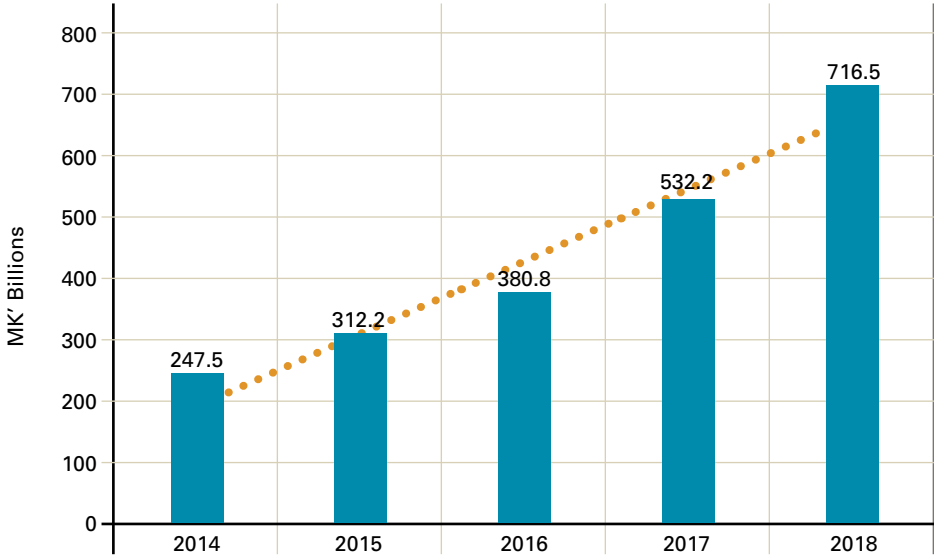
4.1. SECTOR OVERVIEW

The pension sector continued to register growth since the introduction of mandatory pension regime. During 2018, assets grew substantially on account of an increase in contributions and investment income. The Public Service Pension Fund was registered as a stand-alone restricted pension fund and its existence significantly affected the industry due to the size of its assets. Other pension funds registered in the year included Central East African Railways, Malawi Posts Corporation, Madzi and Malawi Bureau of Standards.

4.2. PENSION SECTOR ASSETS

Assets of the pension sector grew by 34.6 percent to MK716.5 billion as at end December, 2018. This was as a result of growth in investment income and substantial growth in contributions following the registration of the Public Service Pension Fund. The fund comprised 77,910 members and registered accumulated assets of MK28.8 billion during 2018 (Figure 4.1).

Figure 4.1 Assets of Pension Funds



Source: Reserve Bank of Malawi

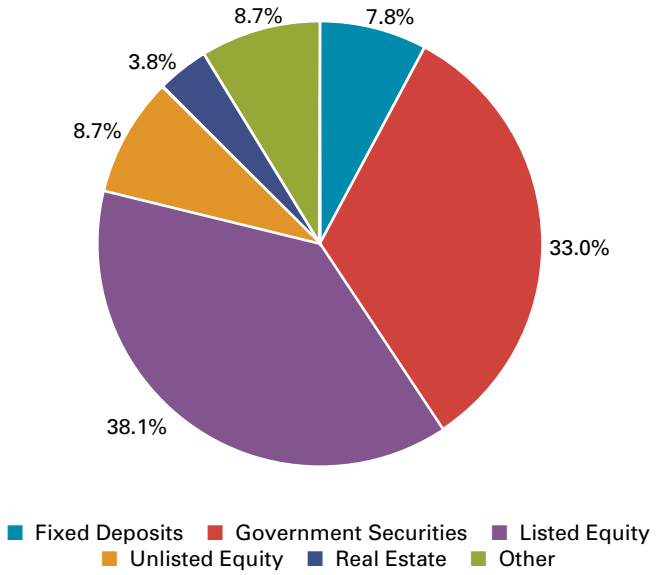
4.3. INVESTMENT PERFORMANCE OF PENSION FUND ASSETS

Pension Funds achieved an investment return of 21.0 percent in 2018 compared to 26.9 percent in 2017. The drop was on account of a combination of a lower return on the MASI and the low interest environment. The return on MASI dropped to 34.2 percent in December 2018 compared to 62.1 percent in December 2017 and adversely affected pension funds since 38.1 percent of the pension fund assets were invested in listed equities. Similarly, pension funds held a significant proportion of their investments in interest sensitive assets, as a result, cumulative interest income declined slightly to MK45.1 billion in December 2018, down from MK46.7 billion in December 2017.

4.4. ASSET PORTFOLIO MIX

The asset portfolio was quite diversified during the year as it mainly comprised of government securities, listed equities, unlisted equities, real estate and fixed deposits. Investments in listed equities was the highest asset class at 38.1 percent followed by government securities at 33.0 percent (Figure 4.2). Investments in unlisted equities, fixed deposit and real estate were at 8.7 percent, 7.8 percent and 3.8 percent respectively, while the proportion of unlisted equities and fixed deposit remained constant from previous year, and real estate declined to 3.8 percent from 5.8 percent in 2017. The decline in real estate is as a result of a move by pension funds from direct holding of property to holding shares in Icon Properties Malawi Limited which was listed on Malawi Stock Exchange in the last quarter of 2018.

Figure 4.2 Asset Composition for Pension Funds

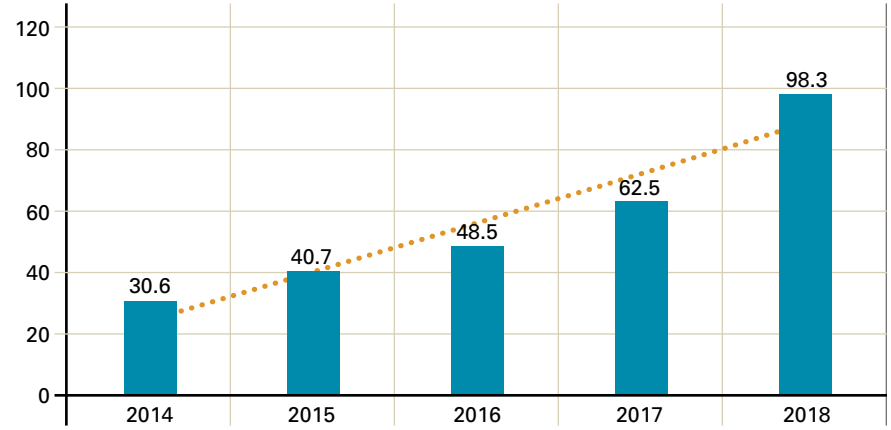


Source: Reserve Bank of Malawi

4.5. PENSION CONTRIBUTIONS

Annual pension contributions increased to MK98.3 billion from MK62.5 billion in 2017 (Figure 4.3), mainly due to growth in membership and general increases in pensionable emoluments. Membership of the national pension scheme increased to 406,068 in 2018 from 304,256 in 2017, largely following the inclusion of the newly registered pension funds into the industry. However, pension contribution arrears rose to MK13.1 billion from MK9.9 billion in 2017, equivalent to 1.8 percent of total assets. The rise was mainly attributed to contribution arrears amounting to MK2.8 billion by newly registered pension funds.

Figure 4.3 Annual Pension Contributions



Source: Reserve Bank of Malawi

4.6. ADMINISTRATION AND INVESTMENT FEES

Administration fees and other pension fund expenses declined by MK520.0 million and MK914.0 million to MK2.5 billion and MK740.0 million, respectively in the period under review. However, investment expenses increased to MK4.2 billion from MK3.3 billion in 2017 (Table 4.1). The rise in investment expenses was due to an increase in the size of the assets being managed since the investment fees are charged based on assets under management. Consequently, total expenses declined by MK611.2 million to MK7.4 Billion.

Table 4.1: Expenses for Pension Funds (MK' mn)

	2015	2016	2017	2018
Administration fees	2,226.0	3,194.0	3,030.0	2,510.0
Investment costs	2,118.0	2,690.0	3,334.0	4,181.0
Other Administration Expenses	377.0	553.0	1,654.0	740.0
Total Expenses	4,721.0	6,436.0	8,017.	7,431.0

Source: Reserve Bank of Malawi

4.7. PAYMENT OF PENSION BENEFITS

Total pension benefits paid increased to MK38.4 billion in 2018 from MK28.4 billion in 2017 (Table 4.2). This outturn was due to an increase in early withdrawals before retirement and retirement benefits paid that increased by MK5.2 billion and MK4.2 billion, respectively. The high level of early withdrawals continues to affect accumulation of savings for retirement.

Table 4.2: Pension Benefits Paid

	2016		2017		2018	
Type of Benefit	MK' mn	Share (%)	MK' mn	Share (%)	MK' mn	Share (%)
Retirement	9,912.8	46.0	14,790.9	52.0	18,948.5	49.2
Death	2,200.4	10.2	2,107.7	7.4	2,834.9	7.4
Early Withdrawals	9,459.4	43.8	11,531.4	40.6	16,708.7	43.4
Total	21,572.6	100.0	28,430.0	100.0	38,492.0	100.0

Source: Reserve Bank of Malawi

4.8. ON-SITE EXAMINATIONS

The Registrar conducted five onsite examinations during the 2018 financial year. The examinations revealed some challenges in governance, pension administration systems, misreporting of financials and lack of necessary policy documents.

4.9. EMPLOYER PENSION COMPLIANCE INSPECTIONS

The Registrar, jointly with the Ministry of Labour, Youth, Sports and Manpower Development, conducted pension compliance inspections of employers in all regions of the country. The inspections established that a significant proportion of employers from the Small and Medium Entrepreneurs (SME) Sector had not yet placed their employees on pension. The non-complying employers were directed to place their employees on pension and the Registrar is closely monitoring their compliance with the Pension Act. In addition, the Registrar will continue with pension awareness programs, with more focus on SMEs and their employees.

4.10. COMPLIANCE ENFORCEMENT - REMITTANCE OF PENSION CONTRIBUTIONS

The Registrar stepped up efforts to enforce timely remittance on pension contributions. Employers who had substantial outstanding pension contributions, particularly statutory bodies were engaged and names of employers who did not clear the pension contribution arrears as at 31 October 2018 were published in the local newspaper under a 'name and shame' strategy. The initiative resulted in a reduction of arrears of statutory bodies by 28 percent as at December 2018. The Registrar will implement a similar initiative with private employers.

4.11. PENSION COMPLAINTS

The number of pension complaints processed by the Registrar increased to 129 from 68 in 2017. The increase in pension complaints is attributed to pension awareness programs that the Registrar is implementing. The dominant nature of complaints were failure by pension members to access pension benefits due to non-remittance of pension contributions by employers. This was followed by withholding of pension benefits by employers and lack of facilitation by employers to help their ex-employees to access their pension benefits.

4.12. PENSION AND INSURANCE AWARENESS WEEK

The Registrar conducted a Pension and Insurance Awareness Week program under the theme "Pension and Insurance For all" in 2018. The primary objectives were to increase number of members in the national pension scheme and increasing insurance penetration. Activities undertaken during the week included: a press conference; roadshows; workshops for union leaders; product exhibitions at shopping malls; a workshop for farmers on insurance; press release in print and electronic media.

4.13. CENTRALISED NATIONAL PENSION DATABASE PROJECT

In the year under review, the Registrar embarked on a project to develop and implement a centralised national pension database system to enhance enforcement of the Pension Act and maintenance of pension data for analysis and policy development. The system will register all pension members and integrate pension data from all pension fund administrators in Malawi.

5. GENERAL INSURANCE

5.1. SECTOR OVERVIEW

Performance of the general insurance sector was satisfactory as it registered an underwriting surplus and overall operating profit in 2018. However, the sector operated with a solvency ratio of 16.0 percent as at end-December 2018 against the minimum requirement of 20.0 percent. Solvency of the sector was adversely affected by three companies that failed to meet the minimum solvency requirements. Meanwhile, enforcement action is being taken against the three companies to ensure that they comply with the minimum capital requirements. 5.2.

5.2 PREMIUM INCOME

There was a combined total of 197,427 general insurance policies in 2018. Gross premium income grew by 15.3 percent to MK48.1 billion in 2018 (Table 5.1). The growth was largely driven by an increase in Motor insurance premium of 13.0 percent to MK27.9 billion in 2018. In addition, there was significant growth in Miscellaneous class of business whose premium rose by 25.9 percent to MK7.3 billion over the same period. Further, growth was also recorded in other classes, including Personal Accident and Fire at 17.5 percent 13.7 percent, respectively. Motor insurance business constituted the largest class of business and contributed 57.9 percent of gross premium income for the sector.

The sector retained 74.4 percent of the total gross premium income compared to 76.1 percent retained in 2017 (Appendix Table 12.14). Retention for Motor insurance remained high and constant at 96.7 percent while all other classes reported reduced retention.

Table 5.1: Insurance Premium for General Insurers by Class of Business

	2014	2015	2016	2017	2018
Gross Premium Written					
Fire	3,125.8	3,946.6	6,158.2	7,264.9	8,305.8
Motor	16,625.1	18,980.2	21,531.3	24,686.5	27,857.4
Personal Accident	2,314.4	2,488.3	4,010.6	3,952.4	4,672.1
Miscellaneous	4,383.8	4,776.9	3,835.1	5,776.3	7,311.1
Total Gross Premium	26,449.1	30,192.0	35,535.2	41,680.2	48,146.5
Premium Ceded to Re-insurers					
Fire	2,296.1	2,777.8	4,029.4	4,987.3	6,022.4
Motor	1,664.8	1,280.7	1,477.2	804.7	922.6
Personal Accident	697.8	762.1	1,262.0	1,079.9	1,426.6
Miscellaneous	1,727.8	1,706.3	2,129.4	3,069.7	3,943.7
Total Premium Ceded	6,386.5	6,526.8	8,898.0	9,941.6	12,315.3
Net Premium Written					
Fire	829.7	1,168.8	2,128.4	2,277.7	2,283.4
Motor	14,960.3	17,699.5	20,054.1	23,881.8	26,934.8
Personal Accident	1,616.6	1,726.2	2,748.6	2,872.5	3,245.4
Miscellaneous	2,656.0	3,070.6	1,705.8	2,706.7	3,367.5
Total	20,062.7	23,665.1	26,637.2	31,738.7	35,831.2
Earned Premium					
Fire	565.2	849.0	2,287.2	2,069.0	2,373.9
Motor	14,340.9	17,255.3	18,837.5	22,591.9	26,007.0
Personal Accident	1,479.8	1,574.9	2,585.1	2,710.6	3,082.9
Miscellaneous	2,518.1	3,106.3	1,686.8	2,546.2	3,262.1
Total Earned Premium	18,904.0	22,785.5	25,396.6	29,917.7	34,725.9

Source: Reserve Bank of Malawi

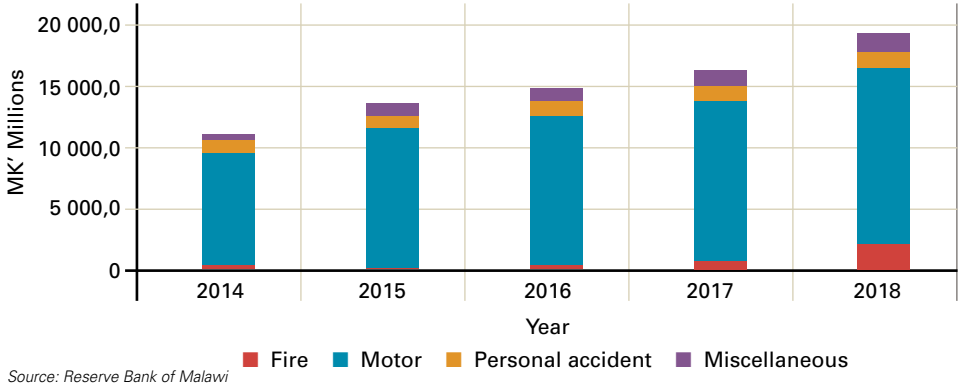
5.3. CLAIMS EXPERIENCE

Overall, the sector registered fair claims experience as claims ratio[3] increased slightly to 56.2 percent from 54.8 percent. However, Fire insurance reported the worst claims ratio experience of 94.9 percent compared to37.2 percent in 2017. This was largely attributed to a major claim from one company. All other classes reported reduced claims ratios.

3. Defined as a percentage of net claims incurred in relation to earned premium

In absolute terms, total gross claims incurred rose by 17 percent to MK24.1 billion (Appendix 12.16). Fire business registered the highest growth at 67.7 percent followed by Miscellaneous at 22.4 percent and Motor at 9.2 percent. The sector incurred net claims amounting to MK19.5 billion in 2018 compared to MK16.4 billion in 2017. The increase in net claims incurred was mainly attributed to inadequate reinsurance of one fire policy.

Figure 5.1: Net Claims Incurred by General Insurers by Class of Business



Source: Reserve Bank of Malawi

5.4. UNDERWRITING AND OPERATING PERFORMANCE

The general insurance sector reported an underwriting surplus of MK12.9 billion and profit for the year of MK1.9 billion in 2018 from MK11.9 billion and MK1.7 billion in 2017. All general insurance companies except one made profits compared to three companies that reported losses in 2017. The sector had high management ratio of 37.8 percent against the recommended limit of 30 percent. The combined ratio improved from 122.4 percent in 2017 to 107.5 percent 2018, which was within the recommended benchmark of 110 percent. Net investment and other income amounted to MK3.5 billion, translating into investment yield of 12.3 percent (Table 5.2).

Table 5.2: Underwriting and Operating Results for General Insurers (MK'mn)

	2014	2015	2016	2017*	2018
Underwriting Surplus (Deficit)	6,533.9	7,679.7	9,128.8	11,915.20	12,887.0
Net Investment & Other Income	2,963.2	3,096.7	3,781.0	7,582.5	3,459.2
Management Expenses	-5,150.3	- 6,360.1	-9,538.30	-11,757.7	- 13,139.2
Other Expenses	-65.9	-12.3	-88.1	-4,543.0	-
Profit before Tax	4,280.9	4,404.1	3,414.10	3,209.4	3,207.0
Taxation	-1,188.8	-1,371.0	-1,171.20	-1,495.5	- 1,306.7
Profit for the year	3,092.1	3,033.1	2,242.90	1,713.9	1,900.3
Return on shareholder funds (%)	49.3	42.1	24.5	21.8	18.5

*Source: Reserve Bank of Malawi * Restated figures*

5.5. ASSETS AND LIABILITIES

Total assets of the sector grew by 13.1 percent to MK48.5 billion in 2018 (Table 5.3). The growth was mainly due to an increase in gross premium income and the additional capital injection of MK1.3 billion by two insurers in an effort to comply with minimum capital and solvency requirements.

With regard to asset composition, investments[4] accounted for the largest portfolio of assets at 54.9 percent, followed by insurance receivables[5] at 25.3 percent.

On the other hand, total liabilities of the sector increased by 10.3 percent to MK31.1 billion in 2018. The composition of total liabilities was concentrated in outstanding claims (37.5 percent) and unearned premium reserves (34.9 percent) while reinsurance payables accounted for 10.2 percent of total liabilities of the sector.

Table 5.3: Assets and Liabilities for General Insurers

	2014	2015	2016	2017*	2018
Assets					
Fixed Assets for own use	937	1,828.6	2,602.1	3,200.7	2,863.3
Investment Property	414.2	422.7	662	718.2	1,307.3
Govt. & Other Securities	4,097.6	4,733.1	5,564.0	6,996.6	5,442.0
Equity Investments	2,647.4	2,947.7	3,211.0	4,090.5	5,387.6
Fixed Deposits	6,053.6	6,968.6	5,670.5	8,501.5	14,463.8
Loans & Debentures	163.9	646.9	69.3	64.8	11.0
Insurance Receivables	7,139.1	8,155.4	10,881.5	11,513.4	12,236.6
Cash and Cash Equivalents	958.6	906.7	3,879.3	3,197.3	3,037.5
Other Assets	2,734.7	3,238.4	5,567.1	4,655.8	3,711.5
Total Assets	**25,145.9**	**29,847.9**	**38,106.9**	**42,939.0**	**48,460.8**
Liabilities					
Unearned Premiums	6,180.1	7,055.2	8,241.0	10,061.6	10,865.0
Outstanding Claims	5,705.6	8,692.9	10,587.6	11,260.0	11,684.4
Reinsurance Payables	1,684.1	1,565.6	1,623.20	2,514.0	3,161.9
Long Term Liability	-	-	4.7	-	-
Provision for Taxation	558.4	598.6	643.4	487.5	167
Bank	72.5	130.0	271.7	102.9	63.0
Other Liabilities	1,461.8	1,735.3	2,734.6	3,791.8	5,195.6
Total Liabilities	15,662.5	19,777.6	24,106.3	28,217.8	31,136.8
Equity/Shareholders' Funds	9,483.5	10,070.2	14,000.6	14,721.2	17,323.9
Total Equity and Liabilities	**25,145.9**	**29,847.9**	**38,106.9**	**42,939.0**	**48,460.8**

*Source: Reserve Bank of Malawi * Restated figures*

4. Investments comprise investment property, government and other securities, equity investments, fixed deposits, and loans and debentures
5. Insurance receivables comprise outstanding premium, subrogation claims due from other insurers and reinsurance recoveries

5.6. LIQUIDITY

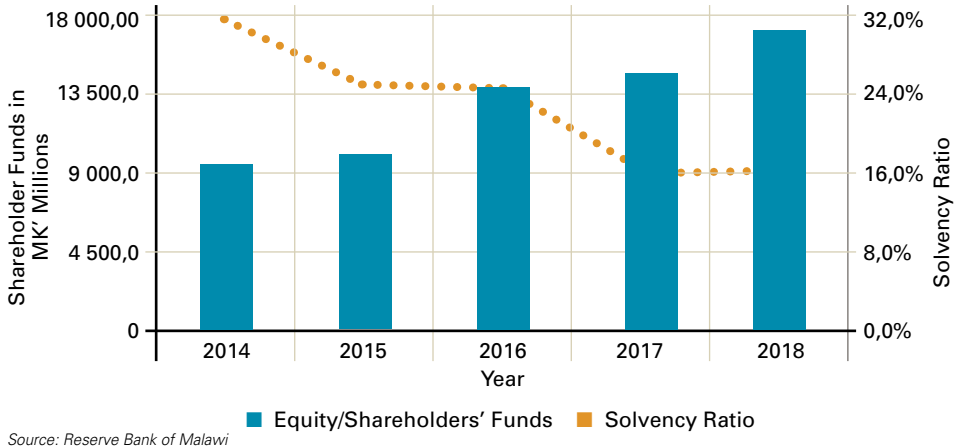
There was generally improvement in the sector's liquidity as the liquidity ratio (liquid assets to total liabilities) improved to 123.4 percent in 2018 from 140.4 percent in 2017. However, the ratio was still above the recommended maximum benchmark of 105 percent. Similarly, insurance debt ratio[6] was 70.7 percent in 2018 from 81.0 percent in 2017 against the recommended maximum limit of 50 percent.

5.7. CAPITAL AND SOLVENCY

The sector remained well capitalised as shareholders' funds grew by 17.7 percent to MK17.3 billion in 2018 from MK14.7 billion in 2017. Some insurers injected additional capital while others converted their retained earning into share capital in order to comply with Minimum Capital and Solvency Requirements.

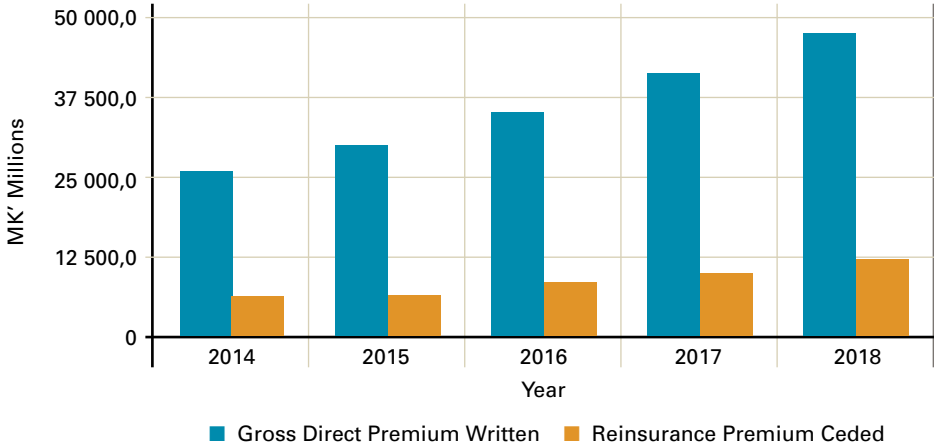
The sector closed the year with solvency ratio of 16 percent against the regulatory minimum requirement of 20 percent. This was attributed to three insurers which failed to comply fully with the solvency requirement. Nonetheless, appropriate corrective measures were taken against the non-complying institutions. The sector's solvency margin was also adversely affected by high level of insurance receivables.

Figure 5.2: Capital and Solvency for General Insurers



Source: Reserve Bank of Malawi

Figure 5.3: Gross Premium Written vs. Reinsurance Premium Ceded (General Insurers)



Source: Reserve Bank of Malawi

5.8. REINSURANCE

General insurers ceded MK12.3 billion (25.6 percent of their gross premiums income) to reinsurers during the year (Figure 5.3). Fire remained the highest reinsured class of business, constituting 48.9 percent of total ceded premium in 2018, followed by Miscellaneous at 32 percent, Personal Accidents at 11.6 percent, and Motor at 7.5 percent. However, out of the MK12.3 billion ceded premium, only MK3.6 billion or 28.9 percent was reinsured locally with Emeritus Reinsurance Company Limited.

5.9. ON-SITE EXAMINATIONS

The Registrar conducted on-site examinations of four general insurance companies and eight insurance brokers in 2018. In general, the assessments showed mixed performance as some were rated fair while others were rated marginal. Notable issues were failures by some insurers to meet capital and solvency requirements, and breaches in corporate governance practices. Operational risks were still apparent, more particularly the inadequacy of robust and efficient management information systems. Nevertheless, corrective action was taken by the Registrar in order to address the observed shortfalls. In addition, tripartite meetings were held with three insurers.

6. A measure of total receivables on insurance and reinsurance contracts against total capital

6. LIFE INSURANCE

6.1. SECTOR OVERVIEW

Overall, the sector's performance was fair during the year, with notable growth in gross premiums particularly in group risk premium. The number of lives covered under group life insurance increased to 346,053 in 2018 from 235,871 in the year 2017. The sector, however, realised lower profits after tax of MK9.1 billion for the year 2018 compared to MK11.6 billion in 2017. Notwithstanding the lower profits, assets of the industry grew by 31.0 percent on account of increased investment income on policyholder funds and premiums written.

The sector comprised five life insurance companies and 375 sales agents in 2018.

6.2. ASSETS AND LIABILITIES

Total assets attributed directly to life insurance business increased by 11.6 percent to MK165.1 billion in December 2018. Total life insurance assets including pension assets invested in guarantee products of the life insurers increased to MK619.6 billion from MK473.1 billion in December 2017.

Investment assets made up 97.3 percent of the industry's total assets from 93.9 percent in 2017. Equities, both listed and unlisted, constituted the highest proportion of assets at 50.9 percent from 43.3 percent in 2017 followed by government securities at 35.3 percent from 34.9 percent in 2017. The rise in the share of equities to total assets was due to, among other factors, establishment of ICON Properties Company Limited, which took over selected properties held by some of the life insurers in exchange for shareholding in the company. As such, the value of investment in real estate decreased by 38.4 percent to MK9.8 billion in the year 2018 from MK15.9 billion in 2017.

Despite an increase in the nominal investment in fixed deposits to MK34.2 billion from MK23.1 billion, there was a decline of 18.4 percent in their share of the total asset composition. (Table 6.1)

Table 6.1 Asset and Liabilities of Life Insurance (MK' million)

Asset Item	2014	2015	2016	2017	2018
Fixed Assets	2,815.3	2,384.7	2,505.9	2,577.7	2,431.2
Shares	19,349.6	131,987.6	139,210.1	204,528.0	314,092.4
Fixed deposits	45,427.6	35,444.3	29,752.0	23,081.3	34,236.0
Securities	31,381.2	71,384.7	104,259.6	165,080.9	218,618.8
Real Estate	9,456.1	10,339.4	11,553.1	15,937.1	9,832.3
Cash and Bank Balances	(47.4)	4,083.3	4,425.2	5,075.2	2,930.2
Debtors	4,147.4	3,146.5	8,992.0	7,498.9	5,335.0
Other assets	10,788.2	17,315.9	59,943.7	52,033.3	32,138.3
Total Assets	223,318.0	276,086.1	332,672.6	473,234.7	619,614.2

Source: Reserve Bank of Malawi

With respect to liabilities of the sector, total liabilities grew by 31.2 percent to MK574.5 billion in 2018. The growth in liabilities was attributable to the increase in the lives covered by the life insurers.

6.3. PROFITABILITY

The life insurance industry sector remained profitable in 2018 with profits after tax reported at MK9.1 billion, albeit lower than MK11.6 billion realised in 2017. The subdued earnings performance was as a result of lower investment return on shareholders' funds which decreased to MK6.0 billion in 2018 from MK8.9 billion in 2017. Nevertheless, the sector managed to maintain an overall low claims ratio of 22.7 percent amidst a slight increase in overall expenses ratio to 13.2 percent from 15.7 percent in 2017. Consequently, the Return on Equity dropped to 25.4 percent from 38.8 percent in 2017.

6.4. PREMIUMS

Gross written premiums for life insurance sector increased to MK29.7 billion as at end December 2018 from MK23.4 billion in 2017. Growth in written premiums was largely due to expansion in group risk business on account of increases in employees insured under employer group risk schemes. Gross premiums for individual life insurance business also increased by 25.6 percent to MK10.5 billion in 2018. In addition, annuity business increased by 17.4 percent to MK8.3 billion in 2018, compared to an increase of 118.8 percent in the year 2017. In terms of composition of insurance classes of business, premium written on group risk insurance constituted 36.8 percent of gross premium, while individual life and annuities were at 35.3 percent and 27.9 percent respectively (Table 6.2).

Table 6.2: Gross Premiums for Life Insurers (MK billion)

Item	2016	2017	2018
Gross Premium	19.2	23.4	29.7
Individual Life	7.3	8.5	10.5
Group Risk	8.7	7.9	10.9
Annuity	3.2	7.0	8.3

Source: Reserve Bank of Malawi

6.5. REINSURANCE

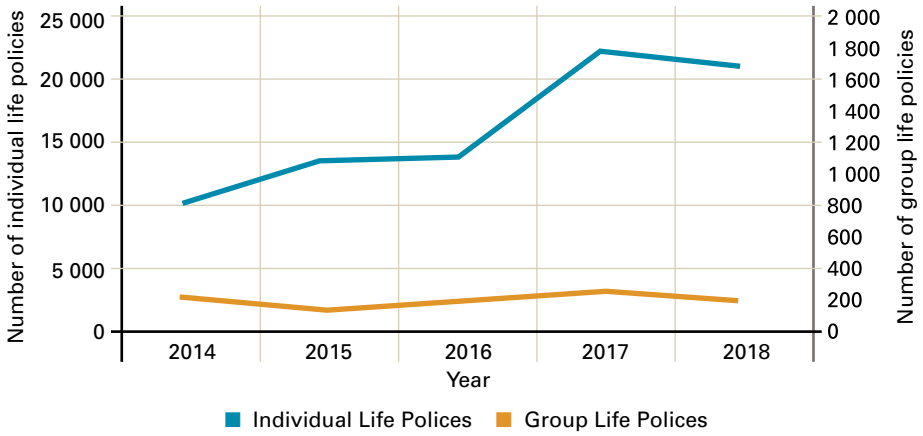
Life insurers retained most of the gross premium underwritten with a retention ratio of 97.0 percent as at end December 2018, from 97.2 percent in December 2017. Nevertheless, specific retention ratio for group risk business was 91.9 percent while for individual life was at 99.9 percent.

6.6. UNDERWRITING EXPERIENCE

New individual life insurance policies underwritten decreased marginally to 21,326 in 2018 from 22,949 policies in 2017 (Figure 6.1). This was due to a slower uptake of voluntary policies in the year. Similarly, new policies underwritten in 2018 for group risk insurance policies dropped to 175 from 217 in 2017. However, annual premiums collected on group risk in the year 2018 were significantly more as the number of lives covered on group risk schemes increased to 128,957 in 2018 from 18,189 in the 2017.

New business for annuities increased to 471 policies in 2018 from 417 policies in 2017. However, annual premiums decreased to MK4.8 billion in 2018 from MK4.9 billion in 2017.

Figure 6.1: New Life Insurance Policies Underwritten by Life Insurers



Source: Reserve Bank of Malawi

Total individual life policies terminated by surrender decreased to 1,212 in 2018 from 1,226 in 2017. In addition, 215 group life schemes were discontinued in the 2018 compared to 28 in 2017, mainly due to non-remittance of premiums and winding up of some institutions that were maintaining cover. With regard to individual life policies, a total number of 4,236 policies were terminated by lapse in 2018 compared to 1,058 in 2017.

The number of annuities discontinued increased to 115 in 2018 compared to 92 in 2017 (Table 6.3). This was largely due to operational challenges such as the suspension of payment of annuities by the insurers in the absence of certificate of existence of pensioners upon lapse of payment guarantee periods.

Consequently, total in force book for as at end-December 2018 were 79,939 policies in Individual Life business, 2,107 group risk schemes policies and 2,775 annuities.

Table 6.3: Number of Individual Life and Group Life Policies

		2014	2015	2016	2017	2018
Individual Life Policies	In force Policies	36,244	52,742	64,300	65,304	79,939
	Policies Terminated by Surrender	1,177	820	953	1,226	1,212
	Policies Terminated by Lapse	1,786	2,787	3,336	1,058	4,236
Group Life Policies	Discontinued	8	10	26	28	215
Annuities			42	19	92	115

Source: Reserve Bank of Malawi

6.7. ON-SITE EXAMINATIONS

The Registrar conducted on-site examinations of three life insurance companies and carried out quarterly offsite surveillance for all life insurances companies. In general, the assessments showed mixed performance as some were rated fair while others were rated marginal. Notable issues included some life insurers' not meeting capital and solvency requirements, and breaches in corporate governance practices. Operational risks were still apparent, more particularly the inadequacy of robust and efficient management information systems. Nevertheless, corrective

7. MICROFINANCE SECTOR

7.1. SECTOR OVERVIEW

Overall, the performance of the microfinance sector was satisfactory in 2018. Aggregate assets for the sector comprising microcredit agencies, non-deposit taking microfinance institutions and deposit taking microfinance institutions, increased to MK38.1 billion in 2018 from MK37.5 billion in 2017. Total number of registered and licensed microfinance institutions stood at 49; comprising 40 microcredit agencies, eight non-deposit taking Institutions and one deposit taking institution.

The deposit taking microfinance subsector was stable during the review period as both earnings and asset quality improved. The performance of the non-deposit taking microfinance sector was poor as reflected by decrease in total assets and poor asset quality. With regard to financial cooperatives, the sector continued to register growth in all financial aspects mainly due to enhanced supervision oversight.

7.2. DEPOSIT TAKING MICROFINANCE

7.2.1. ASSETS AND LIABILITIES

Total assets of deposit taking microfinance institutions decreased by 15.5 percent to MK12.4 billion in 2018. The decrease in assets was mainly on account of a decrease in balances with other financial institutions and securities and investments (Table 7.1). Further, gross loans for this sub-sector grew by 16.3 percent to MK9.3 billion in 2018. Consequently, the lending ratio (ratio of loans to deposits) increased to 332.0 percent as at December 2018 from 127.0 percent as at December 2017, implying that the subsector did not rely on mobilised deposits for loan disbursements during the review period.

In terms of liabilities, deposits decreased significantly to MK2.8 billion as at December 2018 from MK6.3 billion as at December 2017. Similarly, total borrowed funds decreased to MK3.9 billion from MK4.4 billion in 2017.

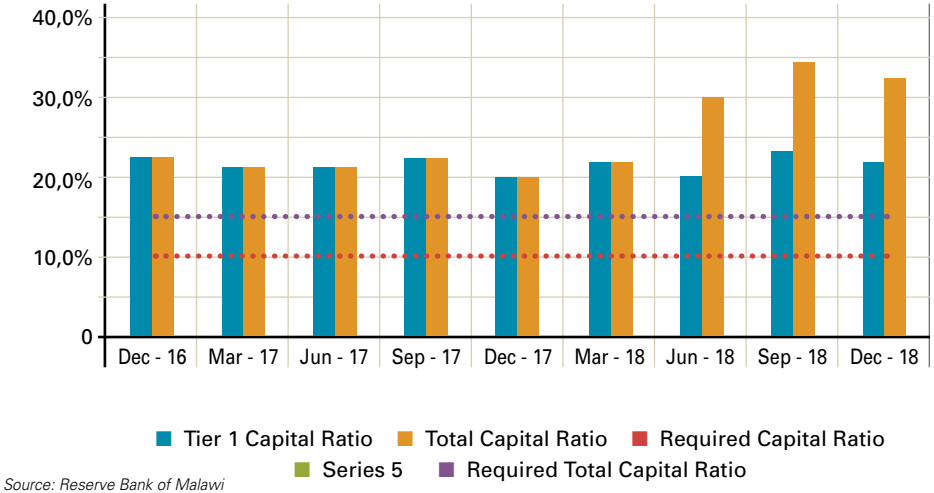
Table 7.1: Assets and liabilities for Deposit Taking Microfinance

	Dec-16		Dec- 17		Dec – 18	
Type of asset	MK' mn	Share (%)	MK'mn	Share (%)	MK'mn	Share (%)
Cash	199.0	1.6	841.9	5.7	235.0	1.9
Balances with other FI	768.9	6.3	1,855.7	12.6	0.0	0.0
Net Loans and leases	7,557.0	62.3	7,592.6	51.7	8,929.9	72.0
Securities and investments	1,562.2	12.9	1,880.0	12.8	783.4	6.3
Other Assets	2,033.2	16.8	2,529.4	17.2	2,461.5	19.8
Total Assets	12,120.4	100.0	14,699.6	100.0	12,409.8	100.0
Type of liability						
Deposits	1,953.2	16.4	6,318.1	43.0	2,813.9	22.7
Total borrowed funds	6,196.6	50.8	4,426.5	30.1	3,884.9	31.3
Other liabilities	1,712.1	13.9	1,723.6	11.7	1,889.9	15.2
Total Capital	2,258.5	18.9	2,231.5	15.2	3,821.1	30.8
Total Funding	12,120.4	100.0	14,699.6	100.0	12,409.8	100.0

7.2.2. CAPITAL ADEQUACY

Capital adequacy for deposit taking microfinance institutions was fair with tier 1 and total capital ratios at 22.0 percent and 32.4 percent as at December 2018. These were above the regulatory benchmark of 10.0 percent and 15.0 percent for tier 1 and total capital ratios respectively (Figure 7.1).

Figure 7.1: Capital Adequacy for Deposit Taking Microfinance

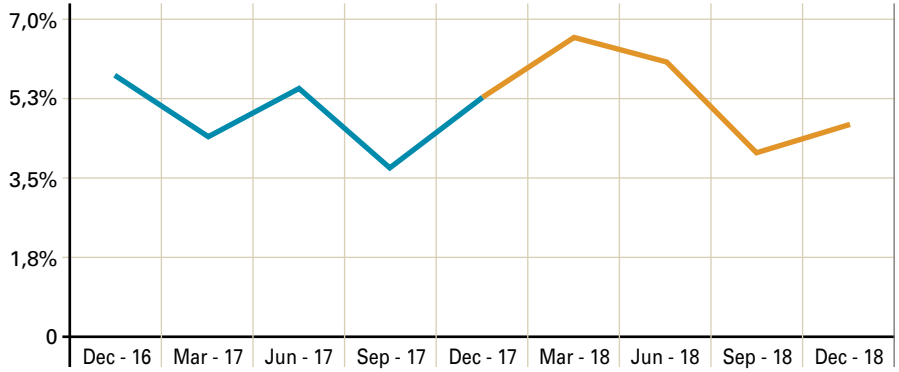


Source: Reserve Bank of Malawi

7.2.3. ASSET QUALITY

Non-performing loans increased by 3.6 percent to MK436.3 million as at end-December 2018. However, due to an increase in gross loans, the ratio of NPLs to gross loans decreased to 4.8 percent in 2018 from 5.3 percent in 2017. This was within the industry regulatory ceiling of 5.0 percent (Figure 7.2).

Figure 7.2: Ratio of Non-performing Loans to Gross Loans and Leases



7.2.4. EARNINGS & EXPENSES

Total gross income for this subsector increased to MK6.3 billion in 2018 from MK6.2 billion in 2017, mainly on account of an increase in gross loans. Interest income grew to MK6.1 billion in 2018 from MK5.8 billion in 2017. However, interest expenses decreased to MK1.4 billion in 2018 from MK1.9 billion in 2017 mainly due to decrease in deposits while non-interest expenses registered an increase to MK4.4 billion in 2018 from MK4.1 billion in 2017 (Table 7.2). The combined effect led to an increase in net income to MK0.3 billion in 2018 from MK0.1 billion in 2017. Consequently, Return on Assets (ROA) and Return on Equity (ROE) ratios increased to 2.4 percent and 7.9 percent in 2018 from 0.8 percent and 5.1 percent in 2017, respectively.

Table 7.2: Earnings and Expenses for Deposit Taking Microfinance

Item (MK' bn)	2016	2017	2018
Gross Income	5.6	6.2	6.3
Interest Income	5.2	5.8	6.1
Interest Expense	1.8	1.9	1.4
Non-Interest expense	3.5	4.1	4.4
Net income	0.2	0.1	0.3
ROA (%)	1.9	0.8	2.4
ROE (%)	10	5.1	7.9

Source: Reserve Bank of Malawi

7.2.5. LIQUIDITY

The liquidity for deposit taking microfinance institutions declined as liquidity ratio for the subsector decreased to 23.6 percent in 2018 from 30.9 percent in 2017. The decrease was mainly as a result of a substantial decline in liquid assets specifically cash and balances in other financial institutions to pay off matured term deposits.

7.2.6. NUMBER OF CLIENTS

Total number of clients served in the year increased to 39,412 from 38,328 in 2017. Of this, 63.4 percent were female, which was higher than 62.1 percent registered in 2017.

7.3. NON-DEPOSIT TAKING MICROFINANCE

7.3.1. ASSETS AND LIABILITIES

Total assets of the non-deposit taking microfinance institutions decreased by 2.2 percent to MK22.3 billion in 2018 (Table 7.3). The drop in assets was due to a decrease in cash and cash equivalents to MK1.1 billion in 2018 from MK1.8 billion in 2017. The reduction in cash and cash equivalents was attributable to increased lending as net loans and leases increased to MK11.5 billion from MK10.6 billion in 2017.

In terms of liabilities, shareholder loans remained constant at MK3.2 billion, largely due to increased net loans and advances.

Table 7.3: Assets for Non-Deposit Taking Microfinance

	16-Dec		17-Dec		18-Dec	
	MK' bn	Share (%)	MK' bn	Share (%)	MK' bn	Share (%)
Type of asset						
Cash and cash equivalent	3.3	14.2	1.8	7.9	1.1	5.0
Investments and securities	1.5	6.5	4.9	21.5	2.4	11.0
Net loans and leases	12.7	54.7	10.6	46.5	11.5	52.0
Non-current assets	1.7	7.4	3.6	15.8	5.0	22.0
Other assets	4.0	17.2	1.9	8.3	2.3	10.0
Total Assets	23.2	100.0	22.8	100.0	22.3	100.0
Type of Liability						
Shareholder loans	4.0	17.2	3.2	14.0	3.2	14.0
Short term borrowings from banks	1.5	6.5	0.3	1.0	0.0	0.0
Capital and Reserves	9.3	40.1	8.4	37.0	8.2	37.0
Other liabilities	8.4	36.2	10.9	48.0	10.9	49.0
Total liabilities	23.2	100.0	22.8	100.0	22.3	100.0

Source: Reserve Bank of Malawi

7.3.2. CAPITAL ADEQUACY

All non-deposit taking microfinance institutions met the regulatory capital requirement of MK75.0 million except for one institution. Nevertheless, total capital for these institutions decreased by 2.4 percent to MK8.2 billion in 2018. This development negatively affected the investments and securities of the sector as reflected by a decrease of 104.2 percent to MK2.4 billion in 2018.

7.3.3. ASSET QUALITY

Asset quality of non-deposit taking institutions deteriorated in 2018, as evidenced by an increase in the ratio of NPLs to gross loans to 8.5 percent from 7.8 percent in 2017. This was above the regulatory benchmark of 5 percent. The increase in NPLs ratio was attributed to high lending rates.

7.3.4. PROFITABILITY

Total gross income increased by 65.0 percent to MK6.6 billion in 2018, principally on account of a decrease in short term borrowings by the lending institutions. Operating expenses increased to MK4.6 billion from MK3.1 billion in 2017. Nonetheless, net income dropped significantly by 128.2 percent to MK92.3 million in 2018.

7.3.5. NUMBER OF CLIENTS

Total number of clients served in the year grew by 17.1 percent to 359,166. Of this total, male clients accounted for 55.8 percent (200,415) in 2018 compared to 54.9 percent (168,352) served in 2017. On the other hand, women clients accounted for 44.2 percent (158,751) in 2017 compared to 45.1 percent (138,477) in 2017.

7.3.6. ONSITE EXAMINATION

The Registrar conducted 14 on-site examinations of non-deposit taking microfinance institutions in 2018. The major findings included non-disclosure of effective interest rates to customers and non-remittance of pension and tax deductions to relevant authorities. The institutions took corrective action on the observed shortfalls.

7.4. FINANCIAL COOPERATIVES

7.4.1. OVERVIEW

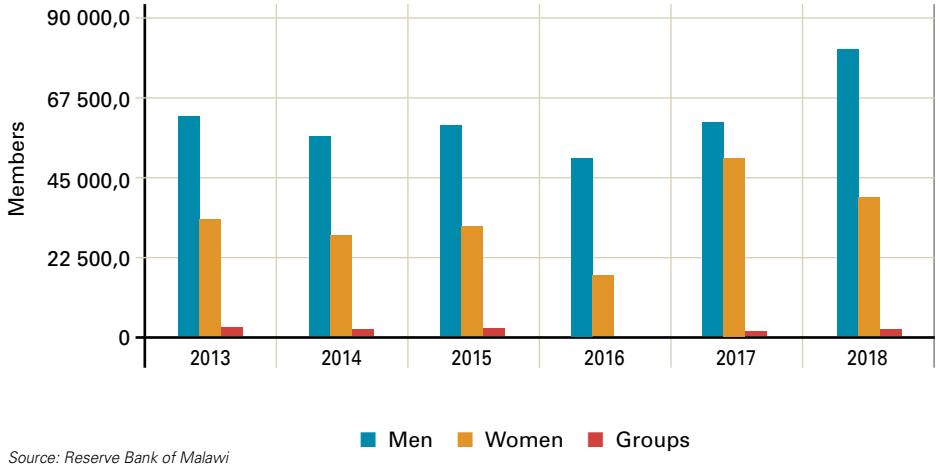
Overall, the sector continued to register growth in all financial aspects during 2018. This was mainly attributed to enhanced supervision oversight. Total assets for the sector grew by 35.6 percent to MK19.1 billion in 2018. Consequently, net income grew by 15.5 percent to MK1.5 billion in 2018. As at end 2018, the sector had 37 licensed financial cooperatives also known as savings and credit cooperative societies (SACCOs), an increase from 34 licensed SACCOs reported in 2017. Of these SACCOs, 31 were employer based, while six were community based.

7.4.2. LIQUIDITY

On aggregate, the sector reported a liquidity ratio of 12.2 percent in 2018, which was above the regulatory minimum of 10.0 percent.[7] Nonetheless, the sector's unremitted payroll deductions increased to MK2.0 billion from MK1.3 billion in 2017, largely from the public sector.

7. The liquidity ratio is defined as net liquid assets over the sum of redeemable shares and savings deposits

Figure 7.3: SACCO Membership

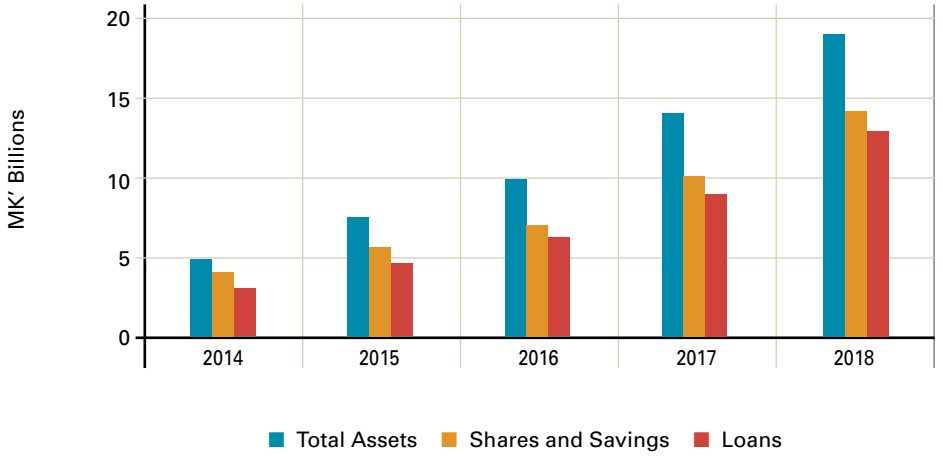


Source: Reserve Bank of Malawi

7.4.3. ASSETS AND LIABILITIES

Total assets grew by 35.5 percent to MK19.1 billion in 2018. The growth in assets was largely attributed to growth of loans and investments which was financed by total savings[8] which grew by 40.2 percent to MK14.3 billion in 2018 (Figure 7.4).

Figure 7.4: Selected Assets and Liabilities for Financial Cooperatives



Source: Reserve Bank of Malawi

8. Include redeemable shares plus deposit

7.4.4. CAPITAL ADEQUACY

Overall, the SACCO sector was adequately capitalised. Total capital grew by 12.5 percent to MK3.6 billion in 2018 and accounted for 19.1 percent of risk weighted assets. Capital adequacy ratio at 19.1 percent was above the minimum regulatory requirement of 10.0 percent of risk weighted assets (Table 7.4).

Table 7.4: Financial Soundness Indicators for Financial Cooperatives

Indicator	Recommended Ratio	2014	2015	2016	2017	2018
Institutional Capital Ratio (%)	>10.0	5.2	11.3	20.1	20.5	19.1
Non-performing loans/Gross Loans (%)	< 5.0	11.0	5.8	3.2	5.6	5.6
Liquidity (%)	> 10.0	13.9	15.9	16.1	13.8	12.17
Net Income/Average Total Assets (%)	> 5.0	5.7	7.3	9.2	10.5	8.78

Source: Reserve Bank of Malawi

7.5. FINANCIAL STRUCTURE

Member loans and advances accounted for 68.0 percent of total assets against the sector's recommended best practice of between 70 to 80 percent during the year under review. This negatively impacted, albeit marginally, on sectors' interest income and return on assets. As regards funding, the sector largely relied on member savings which accounted for 74.8 percent of total assets.

Table 7.5: Asset and Liabilities for the SACCO Sector (MK'mn)

Type of Asset	2014	2015	2016	2017	2018
Cash and Bank Balances	469.9	573.6	702.8	945.0	1055.4
Securities and Investments	422.5	940.1	1,158.7	642.1	953.3
Total Loans and Advances	3,210.2	4,898.0	6,420.3	9,003.0	13,023.7
Other Assets	822.5	1,212.1	1,716.9	3,529.4	4,107.9
Total Assets	**4,925.1**	**7,623.8**	**9,998.7**	**14,119.5**	**19,140.0**
Type of Liability					
Deposits and Member Shares	4,170.4	5,647.2	7,165.9	10,215.5	14,313.2
Liabilities to Other Banks	395.9	526.6	262.2	221.4	366.1
Other Liabilities	104.2	203.4	302.8	532.5	544.4
Total Capital	254.6	1,246.6	2,267.8	3,150.1	3,916.3
Total Funding	**4,925.1**	**7,623.8**	**9,998.7**	**14,119.5**	**19,140.0**

Source: Reserve Bank of Malawi

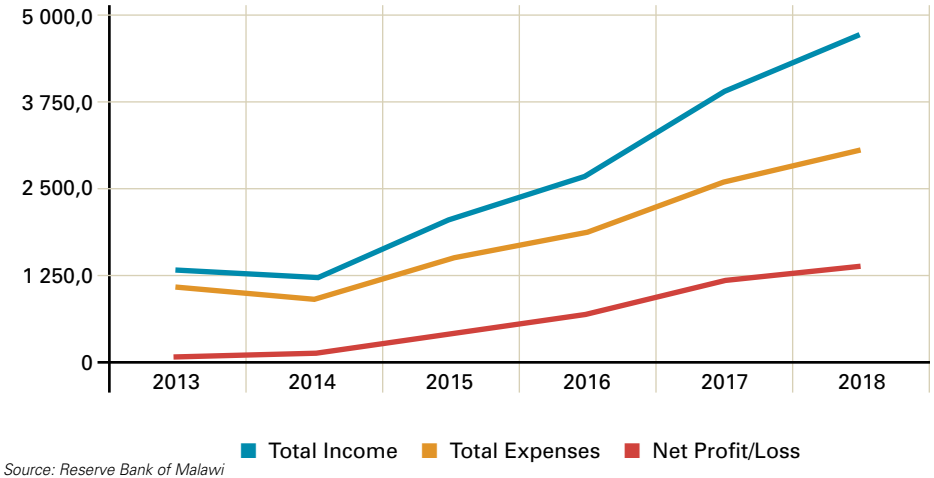
7.5.1. ASSET QUALITY

Total loans grew by 44.7 percent to MK13.0 billion in 2018 (Table 7.5). Of these loans, non-performing loans amounted to MK729.3 million, representing an NPL ratio of 5.6 percent. The NPL ratio was slightly above the recommended ceiling of 5.0 percent.

7.5.2. EARNINGS

Total income increased by 21.1 percent to MK4.8 billion in 2018 of which loan interest income constituted 97.3 percent (Figure 7.5). Total expenditure grew by 17.2 percent to MK3.1 billion in 2018. Notwithstanding the increase in total expenditure, net income increased by 15.5 percent to MK1.5 billion in 2018, representing a ROA of 8.8 percent.

Figure 7.5: Income, Expenses and Profit/Loss Trends for Financial Cooperatives



Source: Reserve Bank of Malawi

7.5.3. MEMBERSHIP

Total membership grew by 36.6 percent to 123,553 in 2018 and of these, 32 percent were women, a slight decrease from 37 percent recorded in 2017 (Figure 7.3). The increase was mainly due to membership mobilisation initiatives championed by the Registrar in collaboration with Malawi Union of Savings and Credit Cooperatives (MUSCCO), the apex body of SACCOs in Malawi.

7.5.4. ONSITE EXAMINATION

The Registrar conducted eleven onsite examinations and eight follow up examinations of SACCOs in 2018. Examination findings showed continued improvement in all key financial performance indicators in most of the examined SACCOs.

8. CONSUMER PROTECTION

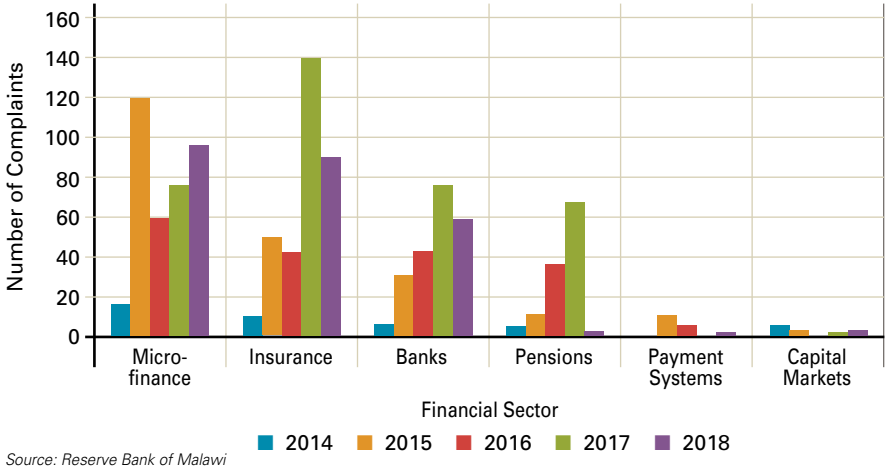
8.1. OVERVIEW

The number of financial consumer complaints decreased in 2018, mainly as a result of enhanced legal and regulatory framework on financial consumer protection and market conduct. The Registrar continued to undertake various financial literacy initiatives aimed at bolstering financial consumer awareness. In addition, market conduct examinations of various categories of financial institutions were carried out with the objective of establishing the extent of compliance with market conduct regulations.

8.2. COMPLAINTS HANDLING

The number of complaints received by the Registrar decreased to 257 in 2018 from 361 in 2017 due to enhanced legal and regulatory framework on financial consumer protection and market conduct and financial institutions' efforts to comply with the Registrar's regulatory requirements on complaints. A total number of 290 complaints were handled in 2018, of which 33 were carried forward from 2017. In terms of composition, the microfinance sector registered 97 complaints, the insurance sector had 91 complaints, the banking sector had 59 complaints, the capital markets sector had 4 complaints, the pension sector had 3 complaints while the payments systems sector registered 2 complaints (Figure 8.1).

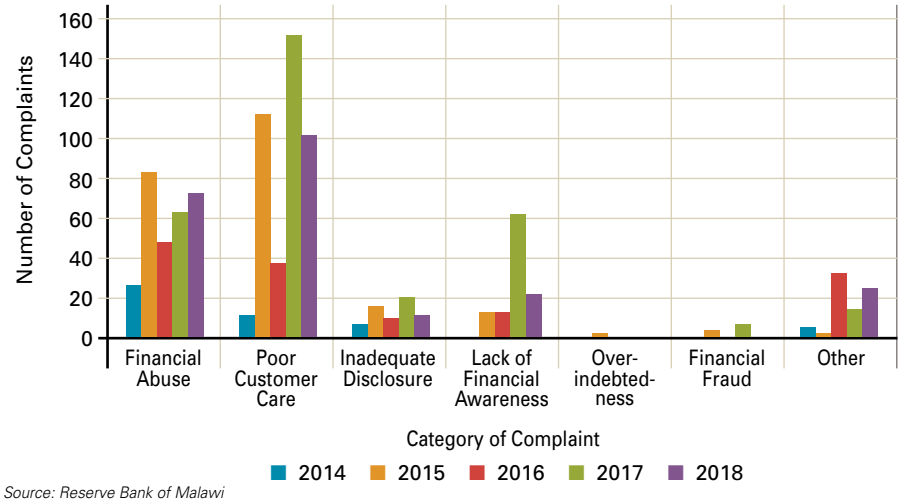
Figure 8.1: Number of Complaints Received Per Sector



Source: Reserve Bank of Malawi

A total of 203 of the complaints were successfully resolved, compared to 256 complaints in the preceding year. Of the resolved complaints, 89 related to poor customer care, 63 due to financial abuse while 10 cases were due to lack of financial awareness and capability on the part of consumers. The rest of the complaints arose out of various causes as indicated in Figure 8.2.

Figure 8.2: Composition in Number of Complaints Resolved



Source: Reserve Bank of Malawi

8.3. MARKET CONDUCT SUPERVISION

The Registrar carried out five market conduct on-site examinations of three banks and two insurance companies in 2018. In addition, eight mystery surveillances were conducted for banks, insurance, microfinance and capital market institutions. Major findings included inadequate transparency and disclosure of information on services and products, due to lack of key fact statements on product terms and conditions.

8.4. FINANCIAL LITERACY

There were a number of financial literacy activities that were implemented during the year including; Global Money Week activities, monitoring and supporting the teaching of financial literacy in 24 randomly selected secondary schools nationwide, where 240 teachers were trained; and financial literacy awareness workshops in the workplace for members of staff of various organisations. In addition, as part of the country's Community Financial Literacy Program which started in 2017, capacity building workshops were conducted for 2,800 community leaders in 22 districts and 140 religious leaders. For sustainable efforts, District Financial Literacy Committees were formed in the districts that had been visited, which are mandated to champion and spearhead implementation of financial literacy activities at the district level.

8.5. MALAWI FINANCIAL LITERACY AND CONSUMER PROTECTION HOUSEHOLD FOLLOW-UP SURVEY (2018).

The Registrar conducted a Malawi Financial Literacy and Consumer Protection Household-up-Survey in 2018[9]. The results of the survey revealed an increasing trend in access to formal financial services and products from 17 percent in 2014 to 29 percent in 2018. Access to semi-formal services (microfinance and SACCOs) decreased slightly to 5.3 percent in 2018 from 5.5 percent in 2014. Access and usage of informal financial services (including village savings and loan associations and katapila) also decreased from 52.0 percent in 2014 to 45.0 percent in 2018, while the number of people who are completely excluded from the financial sector substantially decreased from 34 percent in 2014 to 22 percent in 2018.

9. The survey was conducted with technical support and guidance of an international research firm, A2F Consulting Group and local firm, Shawa Diamonds

9. 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 are in compliance with AML/CFT laws.

9.1. AML/CFT OFFSITE SURVEILLANCE

The Registrar conducted bi-annual offsite returns analysis on banking institutions, with the aim of timely identification of Money Laundering/Terrorist Financing (ML/ FT) risk. Since the launch of the AML/CFT semi-annual off-site returns in 2017, there has been a notable improvement in terms of timeliness and quality of the returns submitted by banks in 2018. An assessment of the submitted returns showed that banks have enhanced their risk management practices in mitigating ML/TF risks. The ML/TF risk assessment framework for non-banking financial institutions (insurance, microfinance, and capital market entities) was developed and introduced in 2018.

9.2. ON-SITE EXAMINATIONS

The Registrar conducted full scope AML/CFT on-site examinations on three banks, one life insurer and one stock broker. In addition, a follow up on-site examination was conducted on one bank. The examinations revealed notable improvements including: enhancement of AML/CFT policies, adequate record keeping practices, reporting of large currency and suspicious transactions to Financial Intelligence Authority and remediation of most onsite examination recommendations as issued by the Registrar. Notwithstanding these improvements, some shortfalls were noted such as; delays in retrieval of customer documentation, need for enhancement of ML/TF risk assessments to incorporate all products and services, inadequate ongoing monitoring systems and practices and inadequate customer due diligence measures.

9.3. AML/CFT WORKSHOP ON REGULATIONS AND GUIDELINES

The Registrar, in collaboration with the Financial Intelligence Authority, organised a workshop for all financial institution's Compliance Officers to deliberate on the draft ML Financial Crimes Regulations prior to their publication. The meeting aimed at providing a platform for financial institutions to provide and clarify their expectations and views on some of the regulatory requirements under the draft ML Financial Crimes Regulations. The Regulations were submitted to Ministry of Justice through the FIA.

9.4. MUTUAL EVALUATION ASSESSMENT

Malawi underwent a Mutual Evaluation assessment by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in 2018. The assessment is expected to be concluded in 2019.

10. LEGAL AND REGULATORY DEVELOPMENTS

10.1. OVERVIEW

The Registrar continued to strengthen the legal and regulatory framework through issuance of new and revised directives in 2018. A total of 34 directives were issued, of which twelve were new directives. In addition, the Minister of Finance, Economic Planning & Development issued two regulations on Agent Banking and Supervisory Levies. Further, the Registrar issued Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism for financial institutions.

10.2. LAWS AND REGULATIONS

The following regulations and directives came into force during 2018:

(a) Financial Services (Annual Audits of Banks) Directive, 2018;
(b) Financial Services (Capital Adequacy for Banks) Directive, 2018;
(c) Financial Services (Transactions of Banks with Related Parties) Directive, 2018;
(d) Banking (Foreign Currency Lending Ratio) Directive, 2018;
(e) Financial Services (Supervisory Levy for Banks) Regulations, 2018;
(f) Financial Services (Submission of Information by Banks) Directive, 2018;
(g) Financial Services (Information Management Requirements for Banks) Directive, 2018;
(h) Financial Services (Prudential Liquidity Requirements for Banks) Directive, 2018;
(i) Financial Services (Financial Asset Classification for Banks) Directive, 2018;
(j) Financial Services (Disclosure Requirements for Credit Products) Directive, 2018;
(k) Financial Services (Fit and Proper requirements for Shareholders, Directors and Senior Management Officials of Banks and Bank Holding Companies) Directive, 2018;
(l) Banking (Premises Inspections) Directive, 2018;
(m) Financial Services (Licensing of Banks) Directive, 2018;
(n) Financial Services (Consolidated Supervision) Directive, 2018;
(o) Financial Services (Large Exposures and Credit Concentration Limit for Banks) Directive, 2018.
(p) Financial Services (Risk and Governance Requirements for Banks and Bank Holding Companies) Directive, 2018
(q) Financial Services (Prompt Corrective Actions for Banks) Directive, 2018
(r) Financial Services (Agent Banking) Regulations, 2018
(s) Financial Services (Capital Adequacy for Development Finance Institutions) Directive, 2018
(t) Financial Services (Corporate Governance Requirements for Development Finance Institutions) Directive, 2018
(u) Financial Services (Credit Risk Management for Development Finance Institutions) Directive, 2018
(v) Financial Services(Licensing of Development Finance Institutions) directive, 2018
(w) Financial Services (Regulation of Commodities Exchanges) Directive, 2018;
(x) Financial Services (Corporate Governance Requirements for Securities Market Players) Directive, 2018;
(y) Microfinance (Microcredit Agencies) Directive, 2018;
(z) Microfinance (Non-Deposit Taking Microfinance Institutions) Directive, 2018;
(aa) Financial Services (Fit and Proper Requirements for Persons Associated with the Ownership and Management of Microfinance Institutions) Directive, 2018; and
(bb) Financial Services (Prompt Corrective Action for Financial Cooperatives) Directive, 2018.
(cc) Financial Services (Submission of Information relating to the business of pension entities) Directive, 2018;
(dd) Financial Services (Submission of Information by Insurers) Directive, 2018;
(ee) Insurance (Determination of Policy Liabilities of Life Insurers) Directive, 2018;
(ff) Insurance (Operation of Life Insurance Funds) Directive, 2018;
(gg) Financial Services (Disclosure Requirements for Insurance Services) Directive, 2018;
(hh) Financial Services (Disclosure Requirements for Pension Services) Directive, 2018.

10.3. LICENSING, MERGERS AND ACQUISITIONS

The Registrar granted an approval for licensing of one development finance institution, namely, NBM Development Bank Limited. The bank is expected to spur economic growth through provision of development related loans to small and medium scale businesses and activities. Further, the Registrar registered seven new microcredit agencies, two investment advisers and also licensed the following financial institutions:

(a) Four SACCOs;
(b) two non-deposit taking microfinance institutions;
(c) one funeral service insurance provider;
(d) one insurance broker;
(e) two insurance agencies;
(f) one insurance claim settling agency; and
(g) one pension services company.

In addition, the Registrar granted the following regulatory approvals:

(a) Issuance of a MK14 billion Note by New Finance Bank Malawi for listing on the Malawi Stock Exchange;
(b) restructuring of shareholding in New Finance Bank Malawi

11. SUPERVISORY FUNDS

The Registrar collected a total of MK541,658,287.00 in supervisory levies, charges and fees, broken down as follows:

- Supervisory levies, fees and penalties: MK324,703,937.00
- Registration and licensing of banks and foreign exchange bureaus: MK57,023,479.00
- Registration and licensing of insurance and microfinance companies: MK19,394,717.00
- Registration and licensing of capital market institutions: MK45,811,154.00
- Registration and licensing of pension entities: MK140,000.00
- National Payments Systems fees, penalties and fines: MK94,585,000.00

The money collected was used to partly defray the cost of carrying out regulatory and supervisory activities as follows:

- Supervision of commercial banks: MK204,835,520.25
- Supervision of insurance and pension entities: MK154,896,854.85
- Supervision of capital market and microfinance institutions: MK165,437,830.96
- Processing of 39 Directives and Regulations for the financial sector: MK221,474,664.20.

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

12. APPENDICES

STATISTICAL ANNEX TABLES

Table 12.1: Branch Network and Staff Complement for Banks in 2018

Name of Institution	Branches		Agencies, satellite kiosks, mobile vans		Auto Teller Machines	
	2017	2018	2017	2018	2017	2018
CDH Investment Bank Ltd	3	3	1	1	1	1
Ecobank Malawi Ltd	8	8	0	0	25	23
FDH Bank Ltd	19	19	34	31	93	92
First Merchant Bank Ltd	10	7	26	24	63	61
National Bank of Malawi Ltd	15	15	16	16	123	126
NBS Bank Ltd	13	12	39	38	69	71
Nedbank Malawi Ltd	9	9	2	2	26	26
New Finance Bank	6	6	0	2	11	11
Standard Bank Malawi	7	27	22	2	78	83
Leasing and Finance	0	0	0	0	0	0
Opportunity Bank	0	0	0	0	0	0
TOTAL	90	106	140	116	489	494

Table 12.2: 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

Table 12.3 Financial Soundness Indicators for Banks

Capital Ratios	2015	2016	2017	2018
Regulatory Total Capital to Risk Weighted Assets	16.1	16.7	19.3	18.8
Regulatory Tier 1 Capital to Risk Weighted Assets	12.7	13.8	15.0	15.4
Total Capital to Total Assets	16.9	17.0	16.2	16.0
Asset Composition and Quality (Percent)				
Total Loans and Advances to Total Assets	39.8	35.4	28.1	30.7
Foreign Currency Loans to Total Loans and Advances	28.7	21.8	27.9	25.6
Non-Performing Loans to Gross Loans and Advances	10.7	17.0	15.7	6.1
Non-Performing Loans (Net of Provisions) to Capital	16.8	44.5	28.4	14.8
Earnings And Profitability Ratios				
Return on Assets (ROA)	3.2	3.0	2.3	2.3
Return on Equity (ROE)	20.1	20.4	15.7	17.3
Interest Income to Total Income	50.6	49.5	72.7	67.4
Non-Interest Income to Total Income	50.4	50.0	27.3	32.6
Personal Expenses to Non-Interest Expenses	46.2	43.8	44.2	42.6
Liquid Assets to Total Assets	43.3	51.2	55.9	45.1
Liquid Assets to Total Deposits and Short Term Liabilities	59	72.3	77.0	61.8
Total Loans to Total Deposits	58.3	54.2	45.1	47.1
Foreign Exchange Liabilities to Total Liabilities	26.6	24.3	21.5	18.7
Liquid Assets to Total Assets	43.3	51.2	55.9	45.7

Table 12.4: Deposits Held by Banks (MK million)

Period	Demand Deposits	Savings Deposits	Time Deposits	FCDA's	Total Deposits
Mar-15	193, 928	96,614	146,338	140,750	583,452
Jun-15	184,154	96,492	140,346	135,272	557,677
Sep-15	181,378	110,259	156,033	179,108	629,358
Dec-15	207,848	108,763	165,145	223,260	705,015
Mar-16	244628	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

Table 12.5: Capital Adequacy Trends for Banks

Period	Tier 1 Capital MK million	Total Capital MK million	Risk Weighted Assets MK million	Tier 1 Capital Ratio (%)	Total Capital Ratio (%)
Mar-15	91,709	118,979	613,450	14.9	19.4
Jun-15	106,808	139,394	720,711	14.8	19.3
Sep-15	106,012	136,917	773,151	13.7	17.7
Dec-15	105,331	133,441	829,247	12.7	16.1
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

Table 12.6: Selected Income and Expenses for Banks (MK million)

Period	Total Gross Income	Interest Income	Non-Interest Income	Interest Expense	Operating Expenses
Mar-15	41,591	34,285	17,507	9,827	24,520
Jun-15	102,827	70,679	32,149	21,546	48,412
Sep-15	152,095	103,190	48,905	29,122	73,740
Dec-15	202,057	140,524	61,533	38,236	101,762
Mar-16	58,167	41,647	16,520	13,661	27,650
Jun-16	147,906	106,633	41,273	29,658	71,612
Sep-16	209,286	151,353	57,933	48,691	106,127
Dec-16	255,629	184,101	71,527	57,474	128,887
Mar-17	68,154	49,908	18,247	15,596	32,406
Jun-17	137,645	102,034	35,612	31,739	66,776
Sep-17	211,165	155,917	55,248	47,153	101,994
Dec-17	273,255	198,759	74,497	59,958	135,699
Mar-18	68,877	48,372	20,505	14,481	34,481
Jun-18	140,429	97,062	43,367	29,236	72,547
Sep-18	209,810	144,724	65,085	44,005	108,543
Dec-18	288,112	194,250	93,862	59,844	149,102

Table 12.6: Selected Income and Expenses for Banks (MK million)

Period	Total Gross Income	Interest Income	Non-Interest Income	Interest Expense	Operating Expenses
Mar-15	41,591	34,285	17,507	9,827	24,520
Jun-15	102,827	70,679	32,149	21,546	48,412
Sep-15	152,095	103,190	48,905	29,122	73,740
Dec-15	202,057	140,524	61,533	38,236	101,762
Mar-16	58,167	41,647	16,520	13,661	27,650
Jun-16	147,906	106,633	41,273	29,658	71,612
Sep-16	209,286	151,353	57,933	48,691	106,127
Dec-16	255,629	184,101	71,527	57,474	128,887
Mar-17	68,154	49,908	18,247	15,596	32,406
Jun-17	137,645	102,034	35,612	31,739	66,776
Sep-17	211,165	155,917	55,248	47,153	101,994
Dec-17	273,255	198,759	74,497	59,958	135,699
Mar-18	68,877	48,372	20,505	14,481	34,481
Jun-18	140,429	97,062	43,367	29,236	72,547
Sep-18	209,810	144,724	65,085	44,005	108,543
Dec-18	288,112	194,250	93,862	59,844	149,102

Table 12.7: Selected Profitability Indicators for Banks

Period	Interest Margin (%)	Efficiency Ratio (%)	Return on Equity (%)	Return on Assets (%)
Mar-15	12.6	49.1	17.3	2.9
Jun-15	16.1	47.1	26.2	4.4
Sep-15	15.5	48.5	24.6	4.0
Dec-15	15.1	50.4	20.1	3.2
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

Table12.8: Liquidity for Banks

Period	Liquid Assets to Total Deposits and Short Term Liabilities Percent	Liquid Assets to Total Deposits Percent	Rate Sensitive Assets/Rate Sensitive Liabilities Percent
Mar-15	47.1	48.6	96.7
Jun-15	63.6	66.4	100.1
Sep-15	61.8	64.3	96.7
Dec-15	59.0	63.4	94.9
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

Table 12.9: Shareholding Structure of Banks

Banking Institution	Name of Shareholder	Percentage Held
CDH Investment Bank Limited	Continental Holdings Limited	74.45
	Investment Alliance Limited	12.65
	Kesaart Capital Limited	7.61
	Unity Investment	2.81
	Savannah Investment Limited	2.48
Ecobank Malawi Limited	Ecobank Transnational Incorporated Limited	96.0
	Loita Capital Partners International	4.0
FDH Bank Malawi Limited	FDH Financial Holdings Limited	93.68
	Malawi Government	5.04
	MSB Employee Share Owning Plan	1.28
First Discount House Limited	FDH Financial Holdings Limited	100.0
First Capital Bank	FMB Capital Holdings Plc	100.0
National Bank of Malawi	Press Corporation Ltd	51.49
	Old Mutual Malawi Ltd	22.97
	Nico Life Pension Fund	5.88
	General Public	19.66
NBS Bank Limited	NICO Holdings Limited	54.63
	Continental Holdings Limited	27.25
	LHG Malta Holdings Limited	1.33
	The National Investment Trust Limited	1.31
	Old Mutual Life Assurance Company	1.11
	NBM Pension Fund	0.96
	NBM Equity Fund	0.68
	National Bank of Malawi	0.64
	Continental Asset Management	0.55
	Public Share	11.54
Nedbank Malawi Limited	NedGroup Investments Africa	99.66
	Nedbank Group Ltd	0.34
New Finance Bank Limited	MyBucks	50.0
	Finsbury Investments	50.0
Standard Bank of Malawi Limited	Stanbic Africa Holdings Limited	60.18
	NICO Holdings Limited	20.00
	Old Mutual Life Assurance Company	4.81
	Press Trust	2.30
	Stanbic Bank Limited Pension Fund	1.74
	National Investment Trust Limited	1.32
	Escom Pension Fund	1.25
	Savjani Ramesh Haridas	0.73
	FMB Pension Fund	0.45
	NBM Pension Fund	0.43
	Public Investors	6.79

Table 12.10: Selected Stock Market Statistics

	2014	2015	2016	2017	2018
MASI (points)	14,886.1	14,562.5	13,320.5	21,598.1	28,983.53
DSI (points)	11,720.4	11,462.9	10,456.9	16,272.6	21,318.07
FSI (points)	1,759.6	1,762.1	2,026.1	3,519.4	5,265.12
Market Capitalisation (MK billion)	7,489.0	7,522.1	8,516.5	10,609.5	1,284.7
Market Capitalisation (US$ billion)	15.7	11.3	11.7	14.6	1.8
Number of transactions	1,673	1,220	913	1,189	2,153
Volume traded (million)	1,724.3	2,355.3	410.9	698.9	958.2
Value traded (MK million)	10,865.2	48,592.1	6,196.1	13,516.2	48,695.9
Value traded (US$ million)	26.7	101.9	8.6	19.0	67.0

Table 12.11: Gross Premium Written for General Insurers (MK million)

Class of Business	2014	2015	2016	2017	2018
Fire	3,125.8	3,946.6	6,158.2	7,264.9	8,305.8
Motor	16,625.1	18,980.2	21,531.3	24,686.5	27,857.4
Personal Accident	2,314.4	2,488.3	4,010.6	3,952.4	4,672.1
Miscellaneous	4,383.8	4,776.9	3,835.1	5,776.3	7,311.1
Total	26,449.1	30,192.0	35,535.2	41,680.2	48,146.5

Table 12.12: Premiums and Retention Ratio for General Insurers (MK million)

Item	2014	2015	2016	2017	2018
Gross Premium Written	26,449.1	30,192.0	35,535.2	41,680.2	48,146.5
Reinsurance Premium Ceded	6,386.5	6,526.8	8,898.0	9,941.6	12,315.3
Net Premium Written	20,062.7	23,665.1	26,995.7	31,738.7	35,831.2
Retention Ratio	75.9%	78.4%	75.0%	76.1%	74.4%

Table 12.13: Reinsurance Premium Ceded by Class of Business (MK million)

Class of business	2014	2015	2016	2017	2018
Fire	2,296.1	2,777.8	4,029.4	4,987.3	6,022.4
Motor	1,664.8	1,280.7	1,477.2	804.7	922.6
Personal Accident	697.8	762.1	1,262.0	1,079.9	1,426.6
Miscellaneous	1,727.8	1,706.3	2,129.4	3,069.7	3,943.7
Total	6,386.5	6,526.8	8,898.0	9,941.6	12,315.3

Table 12.14: Net Premium Written by Class of Business (MK million)

Class of insurance	2014	2015	2016	2017	2018
Fire	829.7	1,168.8	2,128.4	2,277.7	2,283.4
Motor	14,960.3	17,699.5	20,054.1	23,881.8	26,934.8
Personal Accident	1,616.6	1,726.2	2,748.6	2,872.5	3,245.4
Miscellaneous	2,656.0	3,070.6	1,705.8	2,706.7	3,367.5
Total	20,062.7	23,665.1	26,637.2	31,738.7	35,831.2

Table 12.15: Retention Ratio for General Insurers by Class of Business

Class of insurance	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)
Fire	26.5	29.6	34.6	31.4	27.5
Motor	90.0	93.3	93.1	96.7	96.7
Personal Accident	69.8	69.4	68.5	72.7	69.5
Miscellaneous	60.6	64.3	44.5	46.9	46.1
Overall Retention	75.9	78.4	75.0	76.1	74.4

Table 12.16: Earned Premiums of General Insurers

Class of insurance	2014	2015	2016	2017	2018
Fire	565.2	849.0	2,287.2	2,069.0	2,373.9
Motor	14,340.9	17,255.3	18,837.5	22,591.9	26,007.0
Personal Accident	1,479.8	1,574.9	2,585.1	2,710.6	3,082.9
Miscellaneous	2,518.1	3,106.3	1,686.8	2,546.2	3,262.1
Total	18,904.0	22,785.5	25,396.6	29,917.7	34,725.9

Table 12.17: Gross Claims Incurred by General Insurers by Class of Business

Class of insurance	2014	2015	2016	2017	2018
Fire	1,382.9	1,724.3	4,200.4	2,631.0	4,420.6
Motor	10,572.8	13,087.3	13,880.1	14,546.3	15,874.8
Personal Accident	1,269.5	1,738.1	2,029.3	1,562.6	1,531.0
Miscellaneous	937.1	1,676.2	1,550.5	1,830.4	2,286.9
Total	14,162.4	18,225.8	21,660.2	20,570.2	24,113.4

Table 12.18: Net Claims Incurred by General Insurers by Class of Business (MK million)

Class of insurance	2014	2015	2016	2017	2018
Fire	598.2	445.8	531.9	790.4	2,253.3
Motor	9,100.1	11,330.6	12,310.4	13,259.3	14,565.3
Personal Accident	979.5	895.5	1,173.6	1,106.0	1,184.7
Miscellaneous	627.9	1,100.7	910.6	1,225.7	1,521.3
Total	11,305.7	13,772.6	14,926.6	16,381.4	19,524.6

Table 12.19: Claims Ratio for General Insurers by Class of Business

Class of insurance	2014	2015	2016	2017	2018
Fire	105.8	52.5	23.3	38.2	94.9
Motor	63.5	65.7	65.4	58.7	56.0
Personal Accident	66.2	56.9	45.4	40.8	38.4
Miscellaneous	24.9	35.4	54.0	48.1	46.6
Overall	59.8	60.4	58.8	54.8	56.2

Table 12.20: Claims Experience for General Insurers (MK million)

	2014	2015	2016	2017	2018
Gross Claims Incurred	14,162.4	18,225.8	21,660.2	20,570.2	24,113.4
Net Claims Incurred	11,305.7	13,772.6	14,926.6	16,381.4	4,588.8
Recoveries on Reinsurance	2,856.7	4,453.2	6,733.6	4,188.8	22,693.1
Claims Paid	12,683.9	16,047.6	19,845.5	19,929.7	9,184.1
Outstanding Claims	4,332.7	6,450.5	7,697.7	7,968.7	19,524.6
Claims Ratio	59.8%	60.4%	58.8%	54.8%	56.2%

Table 12.21: Operating Results for General Insurers (MK million)

	2014	2015	2016	2017	2018
Underwriting Results	6,533.9	7,679.7	9,128.8	11,915.2	12,887.0
Net Investment & Other Income	2,963.2	3,096.7	3,781.0	4,365.7	3,459.2
Management Expenses	5,150.3	6,360.1	9,538.3	11,757.7	13,139.2
Other Expenses	65.9	12.3	88.1	347.4	-
Pre-tax Profit	4,280.9	4,404.1	3,414.1	4,175.7	3,207.0
Taxation	1,188.8	1,371.0	1,171.2	1,430.6	1,306.7
Profit for the year	3,092.1	3,033.1	2,242.9	2,745.1	1,900.3

Table 12.22: Underwriting and Operating Ratios for General Insurers

Item	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)
Underwriting Ratio	34.6	33.7	35.9	39.8	37.1
Combined Ratio	100.6	100.6	109.1	108.1	107.5
Management Ratio	27.2	27.9	37.6	39.3	37.8

Table 12.23: Underwriting Results for General Insurers by Class of Business

Class of insurance	2014	2015	2016	2017	2018
Fire	(31.4)	397.6	1,792.7	1,252.9	181.2
Motor	4,241.7	4,732.8	5,306.0	7,745.2	9,440.6
Personal Accident	363.0	540.3	1,263.0	1,336.6	1,688.7
Miscellaneous	1,960.6	2,008.9	897.9	1,580.4	1,576.6
Total	6,533.9	7,679.7	9,259.6	11,915.2	12,887.0

Table 12.24: Market Share for General Insurers in 2018 (MK million)

Insurance company	Gross Premium		Total Assets	
	MK'million	%	MK'million	%
Charter Insurance	2302.2	4.8	2,576.4	5.3
Corporative General Insurance	1097.0	2.3	1,331.9	2.7
General Alliance Insurance	5,388.7	11.2	8,846.5	18.3
NICO General Insurance	17,216.6	35.8	16,425.6	33.9
Prime Insurance	6,344.4	13.2	2,310.0	4.8
Britam Insurance	6,602.6	13.7	7,526.6	15.5
Reunion Insurance	3,079.3	6.4	3,660.4	7.6
United General Insurance	6,115.7	12.7	5,783.5	11.9
Total	48,146.46	100.00	48,460.76	100.00

Table 12.25: Assets and Liabilities of General Insurers (MK million)

	2014	2015	2016	2017*	2018
Assets					
Fixed Assets for own use	937	1,828.60	2,602.10	3,200.7	2,863.3
Investment Property	414.2	422.7	662	718.2	1,307.3
Govt. & Other Securities	4,097.60	4,733.10	5,564.00	6,996.6	5,442.0
Equity Investments	2,647.40	2,947.70	3,211.00	4,090.5	5,387.6
Fixed Deposits	6,053.60	6,968.60	5,670.50	8,501.5	14,463.8
Loans & Debentures	163.9	646.9	69.3	64.8	11.0
Insurance Receivables	7,139.10	8,155.40	10,881.50	11,513.4	12,236.6
Cash and Cash Equivalents	958.6	906.7	3,879.30	3,197.3	3,037.50
Other Assets	2,734.70	3,238.40	5,567.10	4,655.8	3,711.5
Total Assets	25,145.90	29,847.90	38,106.90	42,939.0	48,460.8

Liabilities					
Unearned Premiums	6,180.10	7,055.20	8,241.00	10,061.6	10,865.0
Outstanding Claims	5,705.60	8,692.90	10,587.60	11,260.0	11,684.4
Reinsurance Payables	1,684.10	1,565.60	1,623.20	2,514.0	3,161.9
Long Term Liability	-	-	4.7	-	-
Provision for Taxation	558.4	598.6	643.4	487.5	167
Bank	72.5	130	271.7	102.9	63.0
Other Liabilities	1,461.80	1,735.30	2,734.60	3,791.8	5,195.6
Total Liabilities	15,662.50	19,777.60	24,106.30	28,217.8	31,136.8
Equity/Shareholders' Funds	9,483.50	10,070.27	14,000.60	14,721.2	17,323.9
Total Equity and Liabilities	**25,145.90**	**29,847.92**	**38,106.90**	**42,939.0**	**48,460.8**

*Source: Reserve Bank of Malawi *restated figures*

Table 12.26: Assets for Life Insurers (MK'million)

Asset Item	2011	2012	2013	2014	2015	2016	2017	2018
Fixed Assets	1,452.8	2,137.8	2,285.4	2,815.3	2,384.7	2,505.90	2,577.7	2,431.2
Shares	36,764.8	40,520.1	97,096.3	119,349.6	131,987.6	139,210.10	204,528.0	314,092.4
Fixed deposits	11,656.7	20,776.2	32,805.5	45,427.6	35,444.3	29,752.00	23,081.3	34,236.0
Securities	8,980.5	12,296.3	20,054.3	31,381.2	71,384.7	104,259.6	165,080.9	218,618.8
Real Estate	4,233.1	6,515.6	7,625.4	9,456.1	10,339.4	11,553.10	15,937.1	9,832.3
Cash and Bank Balances	792.3	670.0	809.1	(47.4)	4,083.3	4,425.20	5,075.2	2,930.2
Debtors	1,208.3	1,877.3	2,727.3	4,147.4	3,146.5	8,992.00	7,498.9	5,335.0
Other assets	3,711.1	4,658.3	7,112.6	10,788.2	17,315.9	32,016.80	52,033.30	32,138.30
Total Assets	68,799.6	89,451.6	170,515.9	223,318.0	276,086.1	332,714.70	473,234.7	619,614.2

Table 12.27: Premium Distribution for Life Insurers (MK'million; %)

Item	2011	2012	2013	2014	2015	2016	2017	2018
Life Insurance Premiums	2,935.2	5,123.2	7,276.5	9,380.0	18,618.8	19,281.5	23,3022	29,651.0
Premium Ceded	266.6	465.5	698.4	686.0	1,322.7	1,081.0	662.3	903.7
Net Premium	2,668.6	4,657.7	6,578.1	8,694.0	17,296.1	18,200.5	22,639.9	28,747.2
Retention Ratio	90.9%	90.9%	90.4%	92.7%	92.9%	94.0%	97.2%	97.0%
Premium Ceded Ratio	9.1%	9.1%	9.6%	7.3%	7.1%	6.0%	2.8%	3.0%

Table 12.28: New Individual Life Insurance Policies Underwritten

Item	2011	2012	2013	2014	2015	2016	2017	2018
No. of Policies	7,748.7	5,885	9,370	10,044	13,565	13,819	22,949	21,326
Sum Insured (MK'million)	3,110.7	5,278.2	8,552.9	14,422.6	20,487.5	22,246.2	31,207.4	26,406.0
Annual Premium (MK'million)	366.1	635.2	932.6	1,424.90	2,197.8	5,363.5	4,014.9	2,965.2

Table 12.30: Life Insurance Policies Terminated by Surrender

	2011	2012	2013	2014	2015	2016	2017	2018
No of Policies	579	610	3,282	1,117	820	953	1226	1212
Sum Insured (MK million)	83.90	293.20	790.90	1,065.00	549.2	1.018	0.819	0.182
Annual Premium (MK million)	6.85	28.8	163.9	100.8	65.6	105.5	0.774	0.918

Table 12.31: Group Life Insurance Policies Discontinued

	2011	2012	2013	2014	2015	2016	2017	2018
No of Policies	3	3	1	8	10	26	28	215
Sum Insured (MK million) 6,045	3.70	154.0	3.70	4,520.9	1,465.0	1,136.8	31.8	
Annual Premium (MK million)	7.24	2.6	342.4	66.59	15.2	150.1	126.8	141.5

Table 12.32: Life Insurance Policies Terminated by Lapse

	2011	2012	2013	2014	2015	2016	2017	2018
No of Policies	1,639.0	1,029	2,273	1,786	2,787	3,336	1,058	4236
Sum Insured (MK'million)	443.6	725.5	2,351.0	359.4	1,500.3	2,041.4	560.5	6,057
Annual Premium (MK'million)	37.1	83.6	602.5	134.7	141.7	223.4	48.8	834.0

Table 12.33: Assets for Financial Cooperatives (MK'million)

	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
Mar-15	464.6	541.5	3,220.4	950.0	5,176.5
Jun-15	391.6	574.9	3,568.9	1,101.8	5,637.2
Sep-15	434.8	804.5	4,075.1	1,033.0	6,347.4
Dec-15	573.6	940.1	4,898.0	1,212.1	7,623.8
Mar-16	350.8	742.6	4,190.4	1,275.1	6,558.9
Jun-16	585.3	1,041.0	4,843.1	1,180.7	7,650.1
Sep-16	595.7	1,105.7	5,334.7	1,583.2	8,619.3
Dec-16	702.8	1,158.7	6,420.3	1,716.9	9,998.7
Mar-17	772.3	675.0	6,316.8	2,423.5	10,187.6
Jun-17	587.7	682.5	7,102.9	2,757.7	11,130.9
Sep-17	684.3	556.4	7,818.4	3,147.8	12,206.9
Dec-17	945.0	642.1	9,003.0	3,529.4	14,119.5
Mar-18	857.2	762.7	9,549.1	3,590.1	14,759.1
Jun-18	1,562.3	712.4	10,013.7	3,373.1	15,661.5
Sep-18	977.9	1,014,3	10,213.8	3,222.0	15,428.9
Dec-18	1,055.4	953.3	13,023.7	4,107.9	19,140.3

Table 12.34: Liabilities for Financial Literacy (MK'million)

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
Mar-15	3,977.0	421.3	285.3	492.9	5,176.5
Jun-15	4,301.3	357.3	231.6	747.0	5,637.2
Sep-15	4,794.5	331.2	258.4	963.3	6,347.4
Dec-15	5,647.2	526.6	203.4	1,246.6	7,623.8
Mar-16	4,684.8	138.0	205.1	1,531.0	6,558.9
Jun-16	5,733.3	205.3	98.3	1,613.2	7,650.1
Sep-16	6,316.2	370.0	238.5	1,694.6	8,619.3
Dec-16	7,165.9	262.2	302.8	2,267.8	9,998.7
Mar-17	7,184.2	302.1	376.7	2,324.6	10,187.6
Jun-17	8,142.2	337.8	309.1	2,341.8	11,130.9
Sep-17	8,937.8	234.9	361.0	2,673.2	12,206.9
Dec-17	10,215.6	221.4	532.4	3,150.1	14,119.5
Mar-18	10,817.1	144.7	471.5	3,289.3	14,722.6
Jun-18	11,696.2	182.6	619.2	3,163.4	15,661.4
Sep-18	11,479.7	119.0	473.7	3,357.9	15,430.3
Dec-18	14,313.2	366.1	544.4	3,916.3	19,140.0

Table 12.35: Selected Income and Expenses for Financial Cooperatives (MK'million)

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
Mar-16	509.7	492.9	16.8	20.9	370.0	118.8
Jun-16	1,098.2	1,081.3	16.9	27.6	763.0	307.6
Sep-16	1,834.8	1,758.1	76.7	84.9	1,127.9	622.0
Dec-16	2,742.8	2,604.4	138.4	94.9	1,839.9	808.0
Mar-17	799.0	798.8	195.5	18.1	538.5	242.4
Jun-17	1,636.3	1,631.8	4.5	51.0	1,102.1	483.1
Sep-17	2,623.6	2,619.7	3.9	86.8	1,670.6	866.3
Dec-17	3,926.5	3,782.1	144.4	127.6	2,528.9	1,270.0
Mar-18	1183.9	1,158.0	25.8	40.5	784.9	347.7.
Jun-18	2,123.0	2,080.0	43.0	84.6	1,516.4	522.5
Sep-18	3,201.7	3,122.2	79.5	143.6	2,118.2	946.7
Dec-18	4,753.6	4,625.7	127.8	194.7	3,114.4	1,471.4

13. LIST OF LICENSED MARKET PLAYERS AS AT 31ST DECEMBER 2018

BANKS

1. CDH Investment Bank Ltd
2. Ecobank Malawi Ltd
3. FDH Bank Ltd
4. First Capital Bank Malawi Plc
5. National Bank of Malawi Plc
6. NBS Bank Plc
7. Nedbank Malawi Ltd
8. New Finance Bank Malawi Ltd
9. Standard Bank Malawi Plc

DISCOUNT HOUSES

1. First Discount House Ltd

CREDIT REFERENCE BUREAUS

1. Trans Union Limited
2. Credit Data Credit Reference Bureau Ltd

GENERALINSURANCE 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 Limited

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

REINSURANCE COMPANIES

1. Emeritus Reinsurance Company Limited

REINSURANCE BROKERS

1. Equity Reinsurance Brokers Limited

INSURANCE BROKERS

1. Budget Insurance Services Limited
2. Blackrose Insurance Brokers Company Limited
3. Canopy Insurance Brokers Limited
4. City State International Limited
5. Eagle Insurance Brokers Limited
6. Express Insurance Brokers Limited
7. GG Insurance Brokers Limited
8. Guardian Insurance Services Limited
9. Hubertus Clausius (Malawi) Limited
10. Kingfisher Insurance Brokers Limited
11. Mahogany Insurance Brokers Limited
12. Marsh Malawi Limited
13. MicroEnsure Brokers
14. Minet Malawi Insurance Brokers Limited
15. RBI Risk Advisors Limited
16. Rhino Insurance Brokers Limited
17. Star Insurance Brokers Limited
18. Trinity Insurance Brokers Limited

AGENTS FOR BROKERS

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

INSURANCE CLAIM SETTLING AGENTS

1. Cliente Insurance Claim Settling Agency

FUNERAL SERVICES INSURANCE PROVIDERS

1. Zingsure (Pvt) Limited
2. Central Springs Funeral Insurance Company Limited

GENERAL INSURANCE AGENTS

1. Anchor Insurance Agency
2. Central Insurance Agency
3. CHC Insurance Agency
4. Chisangalalo Insurance Agency
5. Coconut Insurance Agency
6. Connerc Insurance Agency
7. CYA Insurance Agency
8. Direct Insurance Agency
9. Donatti Insurance Agency
10. Equatorial Insurance Agency
11. Falcon Insurance Agency
12. Favour Insurance Agency
13. Future Insurance Agency
14. Gateway 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. Quality Insurance Agency
27. Reliable Insurance Agency
28. Resilient Insurance Agency
29. Senate Insurance Agency
30. Sun Insurance Agency
31. Ultimate Insurance Agency
32. Vision Insurance Agency
33. Vitu Insurance Agency
34. Vivid Insurance Agency
35. W.T. Thundu Insurance Agency

LIFE INSURANCE AGENTS AND REPRESENTATIVES

NICO LIFE INSURANCE AGENTS

1. Alex Madalitso Mphamba
2. Alice Pete
3. Alinafe Ngwira
4. Amosi Namondwe
5. Andrew Dalo
6. Anthony Ng'oma
7. Arthur Mmanga
8. Atusaye Ngonga
9. Aubrey Chado
10. Aubrey Umali
11. Beatrice Chinyama
12. Beatrice Kamwenje
13. Beatrice Lungu
14. Binna Mwambira
15. Brenda Mselu
16. Brian Manda
17. Bridget Kalulu
18. Carlyne Chirwa
19. Cathy Nsanama
20. Chally Shonga
21. Charles Chimphonda
22. Chifundo Limani
23. Chikondano Mseka
24. Chikondi Chikaonda
25. Chikondi Feza
26. Chimwemwe Gumbo
27. Chimwemwe Kambazo
28. Chimwemwe Ndamuwa
29. Chimwemwe Phalula
30. Chinseu Patricia
31. Chiwaya Carol
32. Chrissie Mwase
33. Clara Misomali
34. Colles Nkowani
35. Constence Nyirenda
36. Cornilia Millie
37. Cubaless Mbalawira
38. Cyrus Kandodo
39. Dan Mhango
40. Daniel Chafumuka
41. Daniel Chinseu
42. Daniel Nyasulu
43. Denis Wesley
44. Dingase Phuza
45. Dinna Chithumba
46. Doreen Mwaisunga
47. Doreen Pondeponde
48. Dorothy Kodo
49. Edith Phiri
50. Edwin Phiri
51. Elizabeth Kalumba
52. Ellen Hau
53. Ellen Kadzuwa
54. Ellen Kasaru
55. Emily Gondwe
56. Ernest Chilenje
57. Esco Mwakiseghile
58. Esther Kadzombe
59. Esther Khamalatha
60. Evelyne Mukiwa
61. Florence Kunkhanda
62. Fortune Chapweteka
63. Fungai Nyaude
64. Gasten Mtalika
65. Gertrude Njobvu
66. Getrude Masala
67. Gift Zidana
68. Gladys Mtanga
69. Glory Chirambo
70. Goodson Chizaka
71. Grace Chiunge
72. Henry Nkhwazi
73. Ian Kapyanga
74. Ireen Kudzowe
75. Iris Ghambi
76. Ison Mwandira
77. Jailosi Matola
78. James Bilale
79. Jane Nkhoma
80. Jimmy Kayira
81. Joana Gadama
82. John Nkata
83. Josephine Msisi
84. Josephy Phiri
85. Julius Mfune
86. Kachere Khumbo
87. Kadammanja Macdonald
88. Keffa Mhango
89. Kenneth Sumani
90. Kondwani Mwamondwe
91. Kuyokwa Amon
92. Lenton Mwenda
93. Lidia Chakalamba
94. Linda Mbiri
95. Linda Ng'ambi
96. Lonjezo Palikena
97. Lottie Maziya
98. Lucia Golden
99. Lupakisho Kanyika
100. Lusungu Kapapa
101. Madalitso Chimombo
102. Madalitso Kaponda
103. Madalitso Maseko
104. Mahiyo C
105. Makoko Chirwa
106. Malizani Phadress
107. Mansfield Mbonekera
108. Maria Mwafurwira
109. Martha Benito
110. Martha Chisi
111. Maynard Nyirenda
112. Mercy Alufandika
113. Micheal Gulaimfa
114. Mirriam Chanza
115. Mirriam Mumba
116. Misozi Kafaamveka
117. Mkwala Charity
118. Moses Msukwa
119. Mphatso Banda
120. Mwayi Winiko

121. Mwayi Zimpita
122. Nellie Makumba
123. Nellie Nkangala
124. Nezzar Manda
125. Nizia Lupia
126. Ntonga Chikuse Bezita
127. Olive Tamvekenji
128. Olivie Nandolo
129. Ollen Thom
130. Pacharo Nyirongo
131. Pamela Sangala
132. Patrick Komakoma
133. Paul Ng'ambi
134. Petros Ndakoiwa
135. Phalyce Kumdana
136. Phillip Sadyalunda
137. Pililani Mlambala
138. Precious Banda
139. Prudence Zulu
140. Regina Mwayang'ana
141. Reinhard Kundaje
142. Rhoda Muwira
143. Robert Dodoma
144. Rodrick Kalinga
145. Sarah Mbendera
146. Shanny Nankwenya
147. Sheilla Chimaliro
148. Solmon Chizaka
149. Sonia Ngosi
150. Sophie Bvumbwe
151. Sosten Mpomba
152. Spencer Vyazala
153. Sphiwe Kadewere
154. Steve Liwera
155. Stuart Ngwira
156. Sungeni Kishindo
157. Symon Sandram
158. Tainess Nyirongo
159. Thoko Nkolimbo
160. Titani Tambala
161. Ulemu Tenthani
162. Victor Chipinda
163. Victoria Mulima
164. Walter Waya
165. Watson Chirambo
166. Whitney Mhango
167. Wongani Mkandawire
168. Yamikani Chinthenga
169. Yohane Mtambo
170. Zelesi Mlaka
171. Zenasi Govati
172. Zimba Joshua

OLD MUTUAL LIFE ASSURANCE AGENTS

1. Aaron Mzungu
2. Alick Wakhenya Thenyela
3. Angella Bulla
4. Annie Galloway Chombo
5. Beverley Mwangonde
6. Blassings Kamchira
7. Blessings Kamanga
8. Blessings Msonkho
9. Brenda Chioza
10. Brian Gausi
11. Brian Mtendewan
12. Captain Dulla
13. Ceaseria Sokela
14. Chimango Mwandira
15. Chimwemwe Katsache
16. Chimwemwe Moyo
17. Chimwemwe Natasha Mkandawire
18. Chris Chikapa
19. Christina Jere
20. Clever Makwiti
21. Dalitso Chiphe
22. Daniel Maseko
23. Dennis Mtalika
24. Dingani Chisi
25. Edda Semele
26. Eddah Manyenje
27. Elipher Makwinja
28. Elizabeth Gondwe
29. Ellen Kaunda
30. Ephraim Khulukhusya Nyirenda
31. Ethel Gomani
32. Fanuel Chapempha
33. Fiskani Chiyendawamba
34. Geoffrey Gama
35. Getrude Gondwe
36. Getrude Mvaya
37. Gift Moyo
38. Gomezgani Nyondo
39. Happy Chilale
40. Happy Tembo
41. Harlod Khulupirire
42. Hetherwick Mvura
43. Innocent Banda
44. Isaac Mandala
45. Jean Minjale
46. Jenepher Mseteka
47. Jessie Teki
48. Jessy Nyasulu
49. John Chikuse
50. Jooma Milongwe
51. Josephine Kachala
52. Joyce Mphezu
53. Katrina Chirwa
54. Kennedy Msiska
55. Khomba Mlambala
56. Kingsley Tchale
57. Kondwani Kumwenda
58. Kondwani Munthali
59. Kumbukani Jimusole
60. Light Lita
61. Limbani Munthali
62. Lizzie Chilapondwa
63. Loif Chirwa
64. Lonely Banda
65. Louis Time
66. Madalitso Lopez
67. Madalitso Sineta
68. Manjaaluso Phiri
69. Martha Mkandawire
70. Martin Moyowina Lambulira
71. Martin Nkhoma
72. Mavuto Mbale
73. Melvin Chimbalanga
74. Mike Nyirenda
75. Mirriam Kambova
76. Molles Gondwe
77. Mphatso Mabutao
78. Mwayiwawo Chingson
79. Nadi Mughogho
80. Nicolas Kamalizeni
81. Odala Mhura
82. Patricia Khauya
83. Patrick Lingwalanya Yobe
84. Peter Majawa
85. Phyness Chipewa
86. Precious Chikafa
87. Precious Makande
88. Prudence Chirwa
89. Rholita Iphani
90. Rodwell Ngoma
91. Ronney Maulidi
92. Rosario Mwandira
93. Rufina Mukhwapa
94. Ruth Reuben
95. Samuel Kachala
96. Sellina Chisale
97. Sigele Selemani
98. Spencer Maiden
99. Sphiwe Chipala
100. Stain Akimu
101. Stella Lichapa Chiuzeni
102. Steve Mwafulirwa
103. Tadala Chiwaya
104. Takondwa Muphuwa
105. Temwanani Nazombwe
106. Thoko Lumwira
107. Timothy Nguluwe
108. Tiwonge Chirwa
109. Tiwonge Nayeja
110. Treza Nyirongo
111. Upile Matenganya
112. Uzayani Ntaba
113. Vanessa Chiundira
114. Verrah Anthony
115. Victor Mwaisango
116. Victoria Chirwa
117. Vittalis Galleta

VANGUARD LIFE ASSURANCE AGENTS

1. Alex Nehuwa
2. Alexander Phiri
3. Alice Msowoya
4. Andrew Chakwana
5. Beauty Nyirenda
6. Bessi Banda
7. Bonface Moyo
8. Bright Msosa
9. Brighton Kondowe
10. Carol Mdala
11. Carol Sakwiya
12. Charles Kavumbula
13. Charley Banda
14. Chifundo Kudzala
15. Chikumbutso Msuku
16. Chimwemwe Malonje
17. Chimwemwe Malunga
18. Chimwemwe Singano
19. Clement Kabwila
20. Emily Duwa
21. Alinane Chikafa
22. Zaithwa Joshua
23. Wezi Phiri
24. Daniel Mwenje
25. Michael Tembo
26. Cynthia Sabiti
27. Doreen Ndeule
28. Edward Mughogho
29. Elizabeth Magalasi
30. Elizabeth Mustmoir
31. Ellijah Yollam
32. Enock Kamphonje
33. Ester Munthali
34. Eunice Chatepa
35. Evelyn Msosa
36. Fatsani Malonje
37. Felix Mchenga
38. Grayson Vyachi Nyirenda
39. Innocent Nyirenda
40. Johannes Kawalewale
41. Lauryn Chiumia
42. Letricia Chima
43. Limbikani Kaoloka
44. Linda Manda
45. Linda Mvula
46. Maggie Chimombo
47. Maggie Kaunda
48. Malani Banda
49. Martha Chirwa
50. Maxwell Kuntaja
51. Memory Baluwa
52. Memory Moyo
53. Mercy C. Phiri
54. Mercy Kantchowa
55. Milliam Phiri
56. Mirriam Chilamwa
57. Moses Chirwa
58. Mphatso Msowoya
59. Msinjilireni Ingolo
60. Mtisunge Kalimbuka
61. Nashon Banda
62. Nelson Singano
63. Osman Meja
64. Patricia Chitanda
65. Patrick Bandawe
66. Peter Nyirenda
67. Salomy Chavula
68. Shadreck Banda
69. Sharon Chipeta
70. Stain Chibisa
71. Stella Kachilala
72. Susan Maseko
73. Tamanda Kankhuni
74. Thandie Nthengwe
75. Thoko Hande
76. Tichitenji Mwango
77. Tiyamike Gadi
78. Towera Lallubhai
79. Trizza Phalani
80. Truthruth Kayamba
81. Vanessa Kalombola
82. Violet Kantepa
83. Wanangwa Tchuwa
84. Yankho Malonje
85. Yobe Jere

INSURANCE LOSS ASSESSORS AND ADJUSTERS

1. Advanced Line Loss Adjustors
2. A-N Consulting Insurance Loss Assessor
3. Associated Insurance Loss Assessor
4. Ctec LA Loss Adjustors
5. Dynamic Loss Adjusters
6. Fidelity Loss Assessors
7. First Insurance Loss Assessors
8. GM Insurance Loss Assessors
9. Harolds Group
10. JBK Multiplan Loss Assessors
11. Joy Insurance Loss Assessors
12. M & O Insurance Adjustors
13. MIC Associates Insurance Adjustors
14. Miles Insurance Loss Adjustor
15. MT Insurance Loss Assessor
16. PDCA Consultants
17. Precision Aviation and General Engineering Services
18. PTL Insurance Loss Assessor
19. 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. Axis Pensions Limited
5. Continental Pension Services Company Limited
6. Vanguard Pension Services Company

CORPORATE TRUSTEES FOR PENSION FUND

1. Axis Pensions 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. AON (Malawi) Limited
3. Mahogany Insurance Brokers Limited
4. Kingfisher Insurance Brokers Limited

STANDALONE PENSION FUNDS

1. Christian Health Association of Malawi Pension Fund
2. Limbe Leaf Tobacco Company Limited Group Pension Fund
3. Standard Bank Pension Fund
4. Puma Energy Malawi Limited Pension Fund
5. Aviation Pension Fund
6. ESCOM Pension Fund
7. Telekom Networks Malawi Limited Pension Fund
8. Toyota Malawi Limited Pension Fund
9. Illovo Sugar (Malawi) Limited Pension Fund
10. Sucoma Group Pension Fund
11. National Bank Pension Fund
12. First Merchant Bank Limited Pension Fund
13. Malawi Posts Corporation
14. Public Service Pension Fund
15. Madzi Pension Fund

SELF-ADMINISTERED PENSION FUNDS

1. Press Corporation Limited Group Pension Fund
2. Reserve Bank of Malawi Pension Fund

UNRESTRICTED PENSION FUNDS

1. Old Mutual Malawi Unrestricted Pension Fund
2. NICO Unrestricted Pension Fund
3. NBM 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. Old Mutual Unrestricted Pension Fund
9. NICO Unrestricted Pension Fund
10. NBM Unrestricted Pension Fund
11. The Associated Pension Trust (APT) Unrestricted Pension Fund
12. Mwafuli Unrestricted Pension Fund
13. Continental Unrestricted Pension Fund
14. Old Mutual Protektor Unrestricted Pension Fund
15. Vanguard Unrestricted Pension Fund

UMBRELLA FUNDS

1. Old Mutual Malawi 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

STOCK EXCHANGES

1. Malawi Stock Exchange Limited.

BROKERS

1. Continental Capital Limited.
2. African Alliance Securities Limited.
3. Stockbrokers Malawi Limited.
4. Alliance Stockbrokers 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. New Finance Bank 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.

TRANSFER SECRETARIES

1. Standard Bank Limited.
2. NICO Asset Managers Limited.
3. National Bank of Malawi Limited.
4. First Merchant Bank Limited.

DEPOSIT TAKING MICROFINANCE INSTITUTIONS

1. FINCA Malawi Limited

NON-DEPOSIT TAKING MICROFINANCE INSTITUTIONS

1. Blue Financial Services Limited
2. CUMO Microfinance
3. Easy Loans Limited
4. Greenwing Capital Financial Services
5. Malawi Enterprise Development Fund
6. Microloan Foundation Limited
7. Select Financial Services Limited
8. VisionFund Malawi
9. ExpressCredit Limited
10. COMSIV Limited

MICROCREDIT AGENCIES

1. Community Finance Limited
2. Wealthnet Finance Limited
3. Getbucks Limited
4. Saile Financial Services Limited
5. Mlatho Financial Services Limited
6. Umunthu Microfinance
7. Greengold Finance
8. Sono Microfinance
9. Df Agency
10. Greenroot Finance
11. Teecs Microfinance
12. Moyowathu Financial Services Company Limited
13. National Association of Business Women
14. Federation of Disability Organisations in Malawi
15. Fountain Microfinance Limited
16. Epik Finance Limited
17. Ecological Research and Outreach Initiative Limited
18. Foundation for Irrigation and Sustainable Development Limited
19. Circle Microfinance Limited
20. Pamodzi Finserve Limited
21. Nile Flow Limited
22. Chislet Finance Limited
23. Ufulu Finance Company Limited
24. Tamarh Consult Loans Limited
25. Express Microloan Limited
26. Savanna Financial Services Limited
27. Palm Microfinance Limited
28. Binisons Credit Agency
29. Ubale Loans Limited
30. BL Financial Services Limited
31. Centre for Advancement of Sustainable Development
32. Excel Microcredit Agency
33. First Microfinance Centre
34. Faith Microfinance Limited
35. Sycamore Credit Limited
36. Swift Finance Limited
37. Northern Alliance Financing Corporation Limited
38. Financerite Limited

FINANCIAL COOPERATIVES

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