



**THE REGISTRAR
OF FINANCIAL INSTITUTIONS**

ANNUAL REPORT 2019



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REGISTRAR'S FOREWORD

In a bid to ensure that the interests of the general public are safeguarded at all times through maintenance of the stability of the financial sector in Malawi, my office, as mandated by the Financial Services Act 2010, conducted prudential as well as market conduct supervision of the financial sector during the year. This report presents a summary of the key activities conducted by my office in 2019. In addition, the report reviews the performance of the financial sector and risks to financial system stability that prevailed in 2019.

The report also outlines the legal and regulatory framework reforms 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 2019 was favourable to the financial sector as it operated in a stable and resilient domestic macro-economic environment. Gross Domestic Product registered an estimated growth of 5.0 percent in 2019 from 4.0 percent recorded in 2018. The improved economic outturn in 2019 was largely attributed to favorable weather conditions experienced in the 2018/19 agricultural season, which led

to increased agricultural crop production yield. Reserve Bank of Malawi continued to manage inflationary pressures in the year through tight monetary policy stance as well as a stable exchange rate. Headline inflation remained largely in single digit averaging 9.4 percent in the year, which was slightly above 9.2 percent recorded in 2018. The stability in inflation allowed the monetary authorities to reduce the monetary policy rate to 13.5 percent in 2019 from 16.0 percent in 2018. In light of the reduction in policy rate and introduction of reference rate in September, 2019, commercial bank's base lending rates declined to 12.5 percent from an average of 24.8 percent in 2018. The financial sector was also supported by the stability of the exchange rate of the Malawi kwacha which closed the year at MK738.87 per US dollar.

Riding on the stability of the macroeconomic environment, the sector's performance was satisfactory as all

institutions were generally sound and stable during the year. The banking sector was well capitalised and profitable. Assets and membership of the pension sector grew by 22.5 percent and 6.4 percent, respectively. Similarly, both general and life insurance sectors gross premiums grew by 13.4 percent to MK54.6 billion and by 20.1 percent to MK35.8 billion, respectively. The performance of the microfinance sector was also satisfactory as it registered growth in assets and profitability.

Meanwhile, my Office continued to strengthen the legal and regulatory framework for the financial sector through issuance of new and revised directives in 2019. A total of seven directives were issued in the year.

DALITSO KABAMBE (PhD)
REGISTRAR OF FINANCIAL INSTITUTIONS



EXECUTIVE SUMMARY

The Malawi financial sector continued to be resilient during the year 2019 supported by solid economic activity resulting from favourable weather and benign macroeconomic conditions. The sector's performance was satisfactory as all institutions were generally sound and stable during the year.

The banking sector was well capitalised with average core and total capital ratios at 17.0 and 21.0 percent, which were above the regulatory requirement of 10 and 15 percent, respectively. Similarly, the sector was adequately liquid at 58.9 percent against the prudential benchmark of 25 percent. In addition, the sector continued to be profitable registering a significant growth in aggregate after tax profit of MK59.2 billion from MK43.7 billion in 2018. Total net assets increased by 13 percent to MK1,890.2 billion during the year due to increase in loans as well as growth in investments. This notwithstanding, credit risk was slightly elevated as non-performing loans (NPLs) ratio remained above the regulatory requirement coupled with

inherent economic sector concentration.

Malawi's capital market continued to be bullish during the year 2019 as reflected in the positive return of the Malawi All Share Index (MASI), albeit moderately when compared to the prior year return. On the primary markets, one company listed on the equity market while four Treasury Notes and two Corporate Notes were listed on the debt market in 2019. However, one Treasury Note matured during the year. The equity market remained the only active secondary market on the exchange as no single secondary trade was registered on the debt market in 2019. All brokerage firms registered profitability in 2019 on account of good turnover performance of the stock market. Similarly, 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.

Pension sector assets grew by 22.5 percent to MK878.1 billion on account of contributions and investment income. This growth was,

however, the lowest since the introduction of the Pension Act in 2011. In terms of membership, the sector registered growth rate of 6.4 percent to 431,897 members during the year.

The general insurance sector grew in terms of total assets, premium written and profitability. Total assets grew by 12.1 percent to MK55.8 billion while premium written grew by 13.4 percent to MK54.6 billion. Nonetheless, the sector continued experiencing solvency and liquidity vulnerabilities owing to inadequate capital in a few insurers and high insurance receivables across the sector.

The life insurance sector assets continued to grow on account of increases in gross premiums and investment income. Gross premium grew by 20.1 percent to MK35.8 billion. In addition, the sector registered an after tax profit of MK8.5 billion, albeit lower than MK9.1 billion registered in December 2018. In terms of solvency, all but one life insurer met the minimum requirements at

company level while two life insurers failed to meet the solvency requirements at life fund level.

The performance of the microfinance sector was satisfactory in 2019. The sector recorded aggregate profitability of MK3.2 billion. In addition, asset quality and liquidity were within the industry benchmark. Aggregate assets for the sector increased to MK43.8 billion in December 2019 from MK38.1 billion in December 2018.

During the year, the Registrar carried out other supervisory activities on financial institutions to assess their business conduct and practices including matters relating to Anti-Money Laundering and Combating of Financing of Terrorism, market conduct examination and mystery surveillances of financial institutions. In addition, the Registrar continued to undertake various financial literacy initiatives aimed at bolstering financial consumer awareness.

1. INTRODUCTION

Pursuant to section 18 of the Financial Services Act, 2010, the Registrar hereby presents the 2019 Financial Institutions Supervision Annual Report. The report provides an assessment of the performance of the financial sector and key regulatory and supervisory activities carried out by the Registrar during the year. In addition, the report outlines financial literacy activities undertaken in the year.

The rest of the report is organized as follows: Sections 2 to 9 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.



2. THE BANKING SECTOR

2.1. Sector Overview

The banking sector was generally sound and stable as the sector was well capitalised, liquid and profitable in 2019. This notwithstanding, credit risk was slightly elevated as non-performing loans (NPLs) ratio remained above the regulatory requirement coupled with inherent economic sector concentration. Total assets increased during the year due to increase in loans as well as growth in investments. Meanwhile, the total number of banks operating in the country remained at nine.

2.2. Structure of the Banking Sector

There were no new entrants or exits in the banking sector in 2019, as such number of banks operating remained unchanged at nine (Table 2.1). However, the Registrar granted approval for one bank to be acquired by another existing bank in the market. Five banks were domestic privately-owned and comprised 57.4 percent of total net assets in 2019 (similar to the 2017 position) from 56.4 percent in 2018. The remaining four banks were foreign owned and comprised 42.6 percent of total net assets in 2019 from 43.6 percent reported in 2018.

Two banks continued to dominate the sector with a combined market share of 46.1 percent for both total assets and deposits as at December, 2019. Further, these two banks also accounted for 56.2 percent of total loans and 58.3 percent of total equity capital; a reduction in concentration from 58.1 percent and 60.0 percent respectively, as recorded in 2018.

With regard to the branch network, the banking system had 110 branches in 2019 from 106 in 2018. Similarly, the number of agencies, kiosks and vans across the country increased to 120 from 118 in 2018 (Appendix table 12.1) and Auto Teller Machines increased by two to 496 in 2019.

Table 2.1: Ownership Structure of Commercial Banks as at December 2019

Bank Ownership	% of Total Assets					Number of Banks				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Domestic Private owned	56.5	59.7	57.4	56.4	57.4	5	5	5	5	5
Domestic public owned	6.8	0.0	0.0	0.0	0.0	2	0	0	0	0
Foreign owned	36.7	40.3	42.6	43.6	42.6	5	5	4	4	4
Total	100.0	100.0	100.0	100.0	100.0	12	10	9	9	9

Source: Reserve Bank of Malawi

2.3 Changes in Assets and Liabilities

Total net assets of the banking system increased to MK1,890.2 billion as at December, 2019 from MK1,670.5 billion in December, 2018 (Table 2.2). The development was largely anchored by growth in loans and leases of 24.2 percent to MK609.9 billion and investments by 16.4 percent to MK791.7 billion in December, 2019. Growth in total loans and leases was mainly on account of an increase in lending to private corporations by MK69.0 billion, individuals and households by MK33.3 billion, and parastatals by MK25.6 billion as at December, 2019. On the other hand, increase in investments was attributed to growth in Treasury Bills of MK40.5 billion to MK388.6 billion and a significant growth in Treasury Notes of MK36.0 billion to MK58.5 billion in December, 2019.

Investments constituted the highest proportion of net total assets at 41.9 percent from 40.7 percent, in 2018 while total loans and leases constituted 32.3 percent from 29.4 percent in 2018 (Table 2.2).

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

	2015	2016	2017	2018	2019
Type of Assets					
Cash and due from other Banks	210.6	276.3	315.2	234.4	177.8
Securities and Investments	295.6	386.1	615.8	680.3	791.7
of which					
Treasury Bills	142.3	190.9	260.6	348.1	388.6
RBM Day Bills	6.4	-	-	-	-
Money Market Deposits	8.7	2.7	25.6	32.1	35.2
Interbank Loans	28.2	34.3	50.5	23.7	30.5
Repurchase Agreements	43.6	100.9	180.5	143.0	108.7
All other Short-Term Investments	7.6	18.3	28.8	18.2	17.6
Local Registered Stocks	3.4	3.9	5.6	22.5	58.5
Government Bonds	23.0	2.2	21.7	61.1	62.9
Local Government Bonds	-	6.6	13.0	7.5	10.2
Equity Investments					
(Malawi Stock Exchange)	4.6	3.2	5.2	-	-
Other Securities	27.8	23.1	24.3	24.1	79.5
Total Loans and Leases (net of provisions)	397.2	417.7	422.1	491.2	609.9
Other Assets	129.9	159.6	219.2	264.6	310.8
Total Assets (Net)	1,033.3	1,239.7	1,572.3	1,670.5	1,890.2
Type of Liabilities					
Deposits	705.0	809.1	995.5	1,088.1	1,175.2
Liabilities to other Banks	31.1	20.1	67.0	67.2	43.0
Other Liabilities	120.4	200.1	253.8	248.2	356.8
Total Equity Capital	176.8	210.4	256.0	267.1	315.1
Total Liabilities	1,033.3	1,239.7	1,572.3	1,670.6	1,890.1

Source: Reserve Bank of Malawi

In terms of sectoral distribution of loans and leases, three sectors, namely; Mining and Quarrying; Community, Social and Personal Services; and Financial Services had the largest growth of 92.9 percent, 53.6 percent and 50.4 percent to MK2.7 billion, MK72.8 billion and MK19.4 billion as at December 2019, respectively. However, in terms of share of total loans and leases; Wholesale and Retail Trade, Agriculture and Manufacturing sectors constituted the largest share amounting to MK358.0 billion in total and represented 56.2 percent of total loans (Table 2.3).

Table 2.3: Distribution of loans by sector (MK'bn)

Sector	2015	2016	2017	2018	2019
Wholesale and retail trade	88.2	101.9	101.3	112.7	146.8
Agriculture, forestry, fishing and hunting	93.7	81.9	97.9	94.3	122.8
Manufacturing	83.8	75.2	69.6	87.8	88.4
Community, social and personal services	41.7	58.5	44.3	47.4	72.8
Other sectors	26.6	23.8	32.5	43.4	53.7
Transport, storage and communications	20.7	28.8	16.9	24.5	34.8
Financial services	8.7	14.2	16.9	12.9	19.4
Electricity, gas, water and energy	4.4	4.6	15.2	33.4	44.8
Construction	11.9	13.4	14.8	15.9	19.7
Restaurants and hotels	10.7	11.7	13.5	18.5	20.0
Credit/debit cards	2.4	1.3	1.7	0.0	0.0
Real estate	3.6	1.3	1.7	7.8	11.2
Mining and quarrying	1.2	0.8	1.3	1.4	2.7
TOTAL	397.2	417.7	422.1	499.9	637.3

Source: Reserve Bank of Malawi

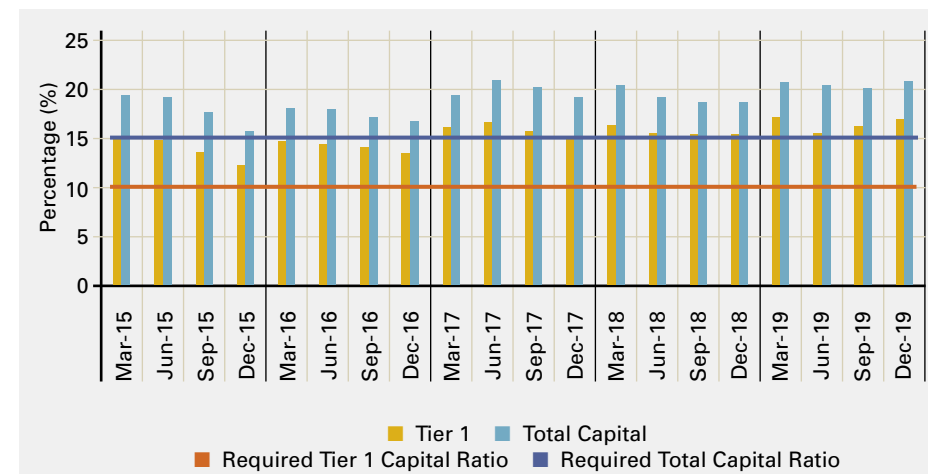
On the funding side, total liabilities increased by 12.2 percent to MK1,575.0 billion in December 2019. The increase was principally attributed to a growth in total deposits by 8.0 percent to MK1,175.2 billion in December 2019. Total deposits remained the highest source of funding accounting for 62.2 percentage share of total liabilities and equity, albeit a decrease from 65.1 percentage share registered in 2018.

With respect to capital account, total equity capital increased by 18.0 percent to MK315.1 billion in December 2019. The growth in equity capital was largely attributed to growth from retained earnings and current year net income by 15.7 percent and 35.5 percent to MK132.3 billion and MK59.2 billion, respectively.

2.4 Capital Adequacy

The banking sector was well capitalised as all banks met the regulatory minimum core and total capital requirements of 10.0 percent and 15.0 percent, respectively as at December 2019. Average core and total capital ratios for the banking industry were at 17.0 percent and 21.0 percent. This was an increase from the previous year's positions of 15.4 percent and 18.8 percent, respectively (Figure 2.1).

Figure 2.1: Banking Sector Capital Adequacy Ratios

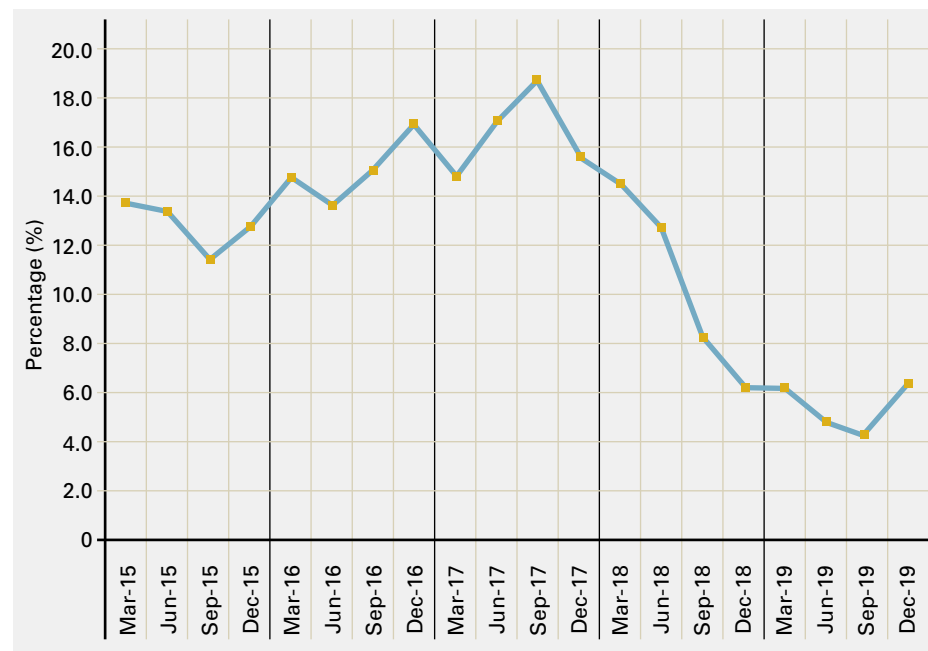


Source: Reserve Bank of Malawi

2.5 Asset Quality

Asset quality as measured by NPL ratio remained subdued as depicted by a slight increase in the ratio to 6.3 percent in December 2019 from 6.1 percent in December 2018 (Figure 2.2), against a regulatory ceiling of 5.0 percent. This was as a result of an increase of 28.0 percent in NPL to MK40.3 billion in 2019, against a 24.2 percent increase in gross loans to MK637.3 billion. In addition, economic sector concentration of loans remained inherent.

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



Source: Reserve Bank of Malawi

2.6. Earnings

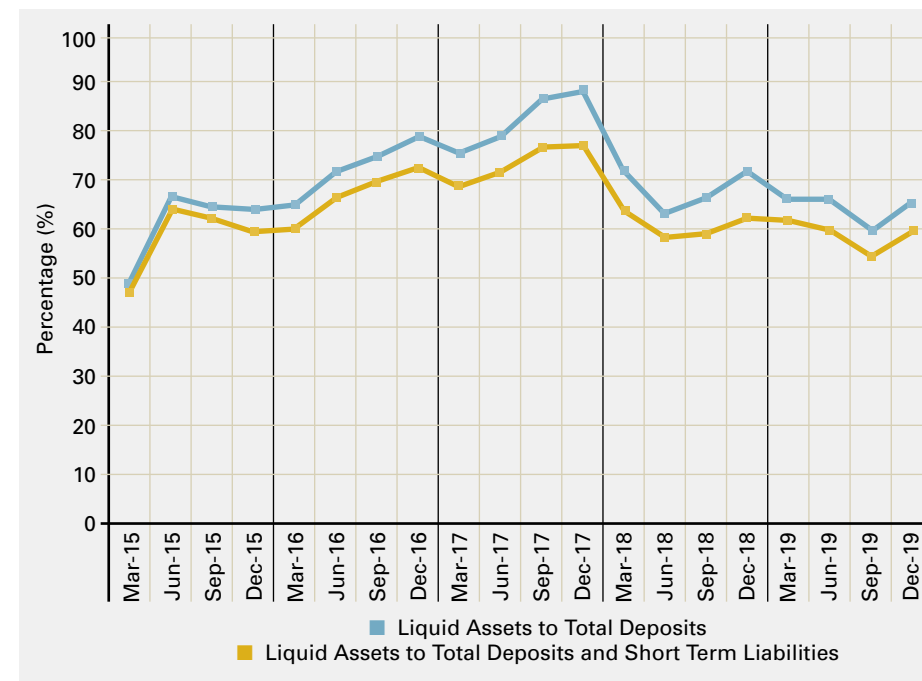
The banking industry continued to be profitable, registering a significant growth in aggregate profit after tax of 35.5 percent to MK59.2 billion as at December 2019. Consequently, Return on Assets (ROA) and Return on Equity (ROE) were at 2.7 percent and 20.5 percent, from 2.3 percent and 17.3 percent in 2018, respectively. Similarly, net interest margin increased to 10.9 percent in December 2019 from 10.5 percent in December 2018. Dividends paid out amounted to MK15.8 billion compared to MK1.7 billion in the previous year.

2.7 Liquidity

Liquidity in the banking sector was adequate during 2019, despite a decline in the liquidity ratio¹ from 61.8 percent as at December, 2018 to 58.9 percent in December, 2019 which was well above the prudential benchmark of 25.0 percent (Figure 2.3). The decrease in the ratio was largely on account of growth in deposits and short-term liabilities by 4.9 percent to MK1295.7 billion whilst liquid assets remained relatively constant at MK763.5 billion. Conceptually, there was also growth in lending activities in the year, hence portfolio shift from liquid money market positions.

¹ Liquidity ratio is computed as liquid assets to total deposits and short-term liabilities

Figure 2.3: Liquidity Ratio for Banks



Source: Reserve Bank of Malawi

2.8 On-Site Examinations

During the year under review, the Registrar conducted prudential on-site examinations of all nine banks. In general, the banking industry complied with most of the regulatory requirements. This notwithstanding, no bank was put on enhanced monitoring. However, the Registrar continued recommending remedial measures to address weaknesses identified during on-site examinations. The Registrar also conducted pilot on-site examinations of the credit reference bureaus.

3. CAPITAL MARKETS

3.1 Sector Overview

Malawi's capital market continued to be bullish during the year 2019 as reflected in the positive return of the Malawi All Share Index (MASI), albeit moderately when compared to the prior year return. On the primary markets, one company listed on the equity market while four Treasury Notes and two Corporate Notes were listed on the debt market in 2019. However, one Treasury Note matured during the year. The equity market remained the only active secondary market on the exchange as no single secondary trade was registered on the debt market in 2019.

In the brokerage sector, all brokerage firms registered profitability in 2019 on account of good turnover performance of the stock market. Similarly, 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 2019, the capital market comprised one stock exchange, four brokerage firms, two collective investment schemes, eight investment advisors, 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 3,064 deals in 2019 from 2,153 deals in 2018. The increase in activity was partly due to attractiveness of the stock market as an investment avenue, following preceding two years' positive returns as compared to declining money market interest rates. Further, the automation of the trading system at the Malawi Stock Exchange, continued to positively impact trading activity. In particular, it enhanced the efficiency of the market, lowered the minimum lot that could be traded from 100 shares to one share and moved the market towards disaggregated orders.

The number of shares traded on the stock exchange increased to 1,393.8 million in 2019 from 958.2 million in 2018 (Table 3.1). However, value of shares traded slightly declined to MK46.4 billion in 2019 from MK48.7 billion in 2018. The decline in value, despite an increase in number of shares traded, was due to low value shares accounting for a larger proportion of shares traded when compared to the previous year.

Number of companies listed on the exchange's equity market increased to fourteen, comprising twelve domestic counters and two foreign counters.

Table 3.1: Stock Market Statistics

Stock Market Statistic	2015	2016	2017	2018	2019
Volume of shares traded (MK'mn)	2,400.0	410.0	699.0	958.2	1,393.8
Value of shares traded (MK' bn)	48.6	6.2	13.5	48.7	46.4
Market Capitalization (MK'bn)	7,522.1	8,516.5	10,609.5	1,284.7	1,428.8
Malawi All Share Index	14,562.5	13,320.5	21,598.1	28,983.5	30,252.2
Domestic Share Index	11,462.9	10,456.9	16,272.6	21,318.1	23,599.8
Foreign Share Index	1,762.1	2,026.1	3,519.4	5,265.1	4,024.9

Source: Reserve Bank of Malawi

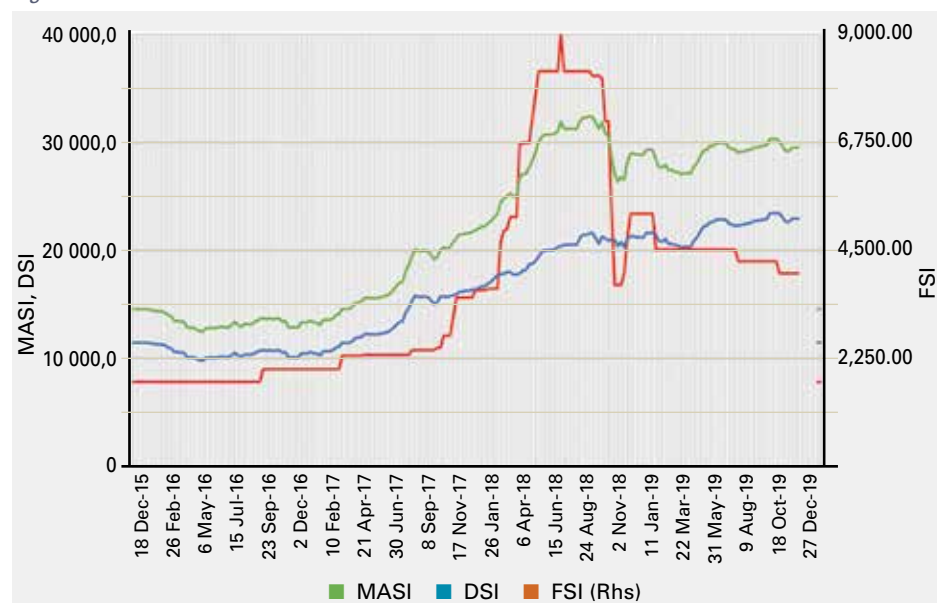
The MASI registered a positive return on index of 4.4 percent in 2019, albeit lower than 34.2 percent in 2018. Consequently, the Index gained 1,268.7 points to close off at 30,252.2 points in 2019 (Figure 3.1). The increase in MASI was due to an upward movement in the Domestic Share Index (DSI) despite a downward movement in the Foreign Share Index (FSI). A rise in share prices for eight domestic listed companies resulted in the DSI moving upwards by 2,281.7 points to 23,599.8 points in 2019. This was regardless of share price losses registered on four domestic counters. On the contrary, the FSI declined by 1,240.3 points to 4,024.9 points in 2019, due to a drop in share prices of the only two foreign listed companies.

Total market capitalization increased and closed at MK1,428.8 billion in December 2019 from MK1,284.7 billion in December 2018. The increase in total market capitalization was due to the increase in share prices on the eight domestic counters as well as listing of one additional company.

3.3 Stock Brokerage

Total income for stockbrokers marginally increased from MK1,408.2 million in 2018 to MK1,474.5 million in 2019, on the back of good turnover performance of the equity market as well as income from advisory services. Total expenditure increased significantly by 22.4 percent to MK867.5 million in 2019. Consequently, total profit after tax decreased by 16.0 percent to MK439.3 million in 2019.

Figure 3.1: Stock Indices Trends

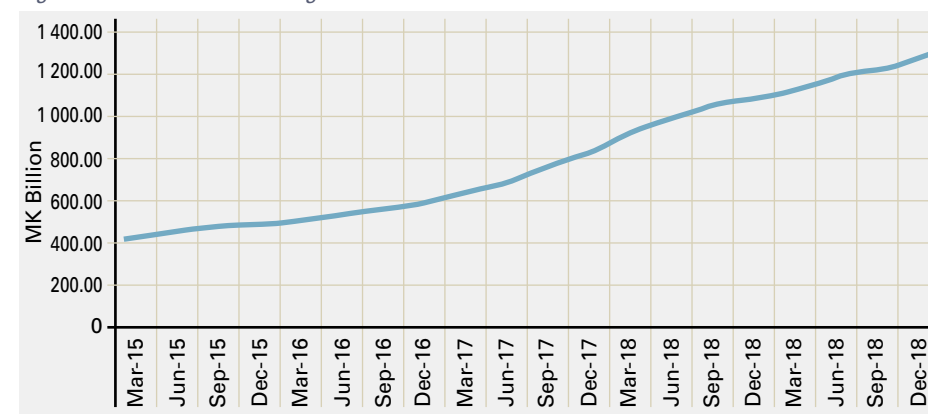


Source: Reserve Bank of Malawi

3.4 Funds Management

Total funds under management grew by 18.2 percent to MK1.3 trillion in 2019 (Figure 3.2). Of these, holdings of listed equity instruments increased to 41.0 percent in 2019 from 35.1 percent in 2018; while holdings of money market instruments decreased to 39.4 percent in 2019 from 43.6 percent in 2018. The shift in portfolio holdings between these two classes of assets reflected the pursuit of better returns from the equity market as money market interest rates declined during the year under review. The rest of the funds comprised unlisted debt at 9.3 percent, unlisted property investments at 6.2 percent, unlisted equity at 3.3 percent, and listed debt at 0.6 percent.

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 54.4 percent and 24.4 percent of total funds, respectively (Table 3.2). Other sources included companies, natural persons and general insurance companies.

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

Source of Funds	2015	2016	2017	2018	2019
Pension Funds	106,097.0	130,212.0	167,222.0	246,960.0	316,300.0
General Insurance	9,330.0	10,982.0	13,024.0	14,588.0	13,429.0
Life Insurance	261,566.0	314,410.0	455,480.0	599,726.0	706,259.0
Medical Aid Funds	395.0	556.0	415.0	342.0	686.0
Unit Trusts	7,623.0	10,884.0	22,887.0	20,605.0	22,381.0
Companies	83,444.0	96,345.0	140,292.0	163,489.0	199,281.0
Natural Persons	5,383.0	8,820.0	12,617.0	19,744.0	21,507.0
Other	8,034.0	11,117.0	15,318.0	21,884.0	19,003.0
Total	481,872.0	583,325.0	827,256.0	1,087,338.0	1,298,847.0

Source: Reserve Bank of Malawi

Total income for fund managers grew by 43.2 percent to MK10.6 billion during 2019 (Table 3.3). The growth was attributed to an increase in management and corporate advisory fees. Operating expenses grew by 54.2 percent to MK6.2 billion in 2019 and this resulted in an increase in total profit after tax of 30.6 percent to MK3.1 billion in 2019.

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

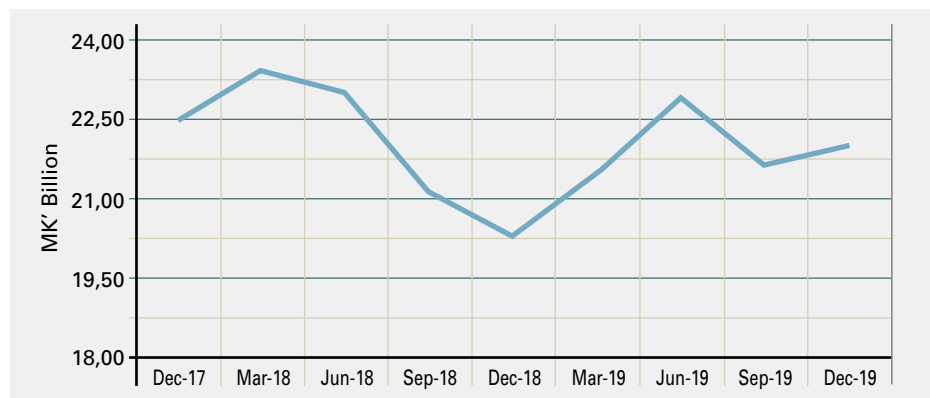
Item	2015	2016	2017	2018	2019
Revenue	3,739.9	4,702.7	6,162.5	7,379.6	10,582.0
Operating expenses	-1,982.6	-2,534.3	-3,066.6	-3,993.9	-6,159.7
Profit before tax	1,757.3	2,168.4	3,095.9	3,385.6	4,422.3
Income tax	-540.0	-658.3	-777.8	-1,039.8	-1,358.8
Profit after tax	1,217.3	1,510.1	2,318.0	2,345.8	3,063.4

Source: Reserve Bank of Malawi

3.5 Unit Trust Operations

Total funds for the only open-ended collective investment scheme increased markedly to MK22.0 billion in 2019 from MK20.3 billion in 2018 (Figure 3.3). The growth emanated from positive net client cash flows.

Figure 3.3: Unit Trusts Funds Growth



Source: Reserve Bank of Malawi

3.6 On-Site Examinations

During the year, six on-site examinations were conducted, which included two portfolio managers, one investment advisor, one stock exchange, two stock brokers and one transfer secretary. The findings of the on-site examinations showed continued 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

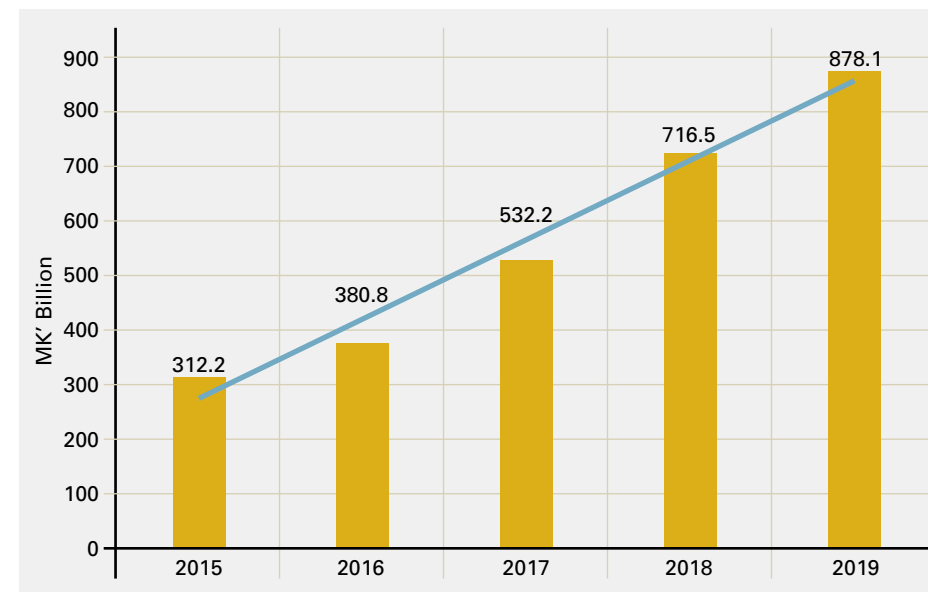
4.1 Sector Overview

Pension sector assets continued to register growth on account of contributions and investment income. The sector also registered steady growth in membership during the year. Nonetheless, pension assets growth was the lowest since the introduction of the Pension Act in 2011.

4.2 Pension Sector Assets

Pension assets grew by 22.5 percent in 2019 to MK878.1 billion due to growth in contributions and investment income. Growth in investment income was however lower than in previous years as pension funds bore the impact of a bearish stock market and low interest rates during the year. Notwithstanding this muted performance, there was substantial growth in contributions following addition of new members in the Public Service Pension Fund. The fund comprised 84,287 members and registered accumulated assets of MK51.3 billion as at the end of 2019. (Figure 4.1).

Figure 4.1 Assets of Pension Funds



Source: Reserve Bank of Malawi

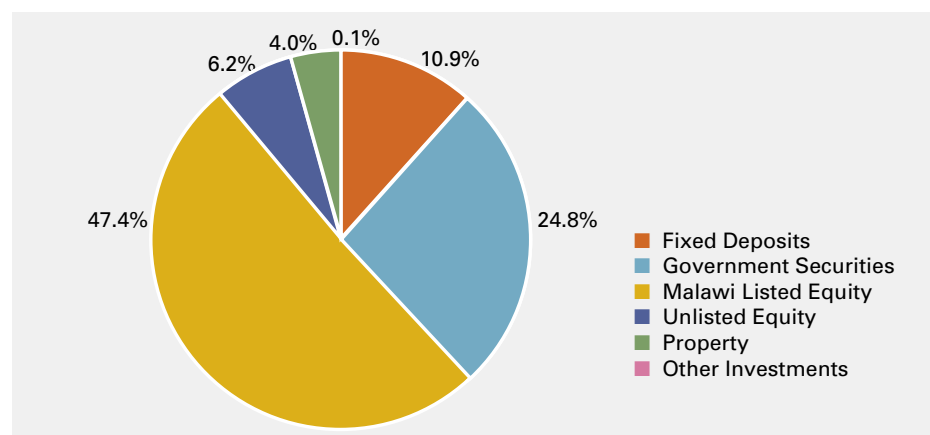
4.3 Investment Performance of Pension Fund Assets

Pension funds achieved an investment return of 13.4 percent in the year under review compared to 21.0 percent registered in 2018. The decline in return on investment was mainly attributed to the dismal performance of the Malawi All Share Index (MASI) and a generally low interest environment experienced in the period under review. The stock market return significantly dropped to 4.4 percent in December 2019 from 34.2 percent in December 2018. The drop adversely affected pension funds as 47.4 percent of the pension assets were invested in listed shares. Consequently, unrealised gains on the stock market for the pension fund industry decreased to MK41.4 billion in 2019 from MK68.6 billion in 2018. On the other hand, dividend income registered a growth of 26.4 percent to MK10.0 billion from MK7.9 billion recorded in 2018. Further, income earned on interest bearing assets increased by 3.4 percent to MK46.6 billion. In general, the return on investment dropped to MK106.7 billion in December 2019 from MK130.4 billion in December 2018.

4.4 Asset Portfolio Mix

The asset portfolio of the pension sector remained concentrated in listed equities and Government securities. Concentration in listed equities increased to 47.4 percent of total assets, compared to 38.1 percent in December 2018 (Figure 4.2). Following a decline in interest rates, pension funds generally undertook a shift into longer dated government securities from treasury bills in order to lock-in prevailing interest rates. Consequently, concentration in long-term Government securities increased to 14.2 percent from 9.0 percent. Conversely, short-term Government securities went down to 10.6 percent in the period under review, from 23.9 percent in December 2018. Fixed deposits constituted 10.9 percent of total assets from 7.8 percent reported in 2018. Aggregate investments in interest bearing assets remained largely unchanged at 41.9 percent of total pension assets while investments in property slightly increased to 4.0 percent from 3.8 percent in 2018.

Figure 4.2 Asset Composition for Pension Funds

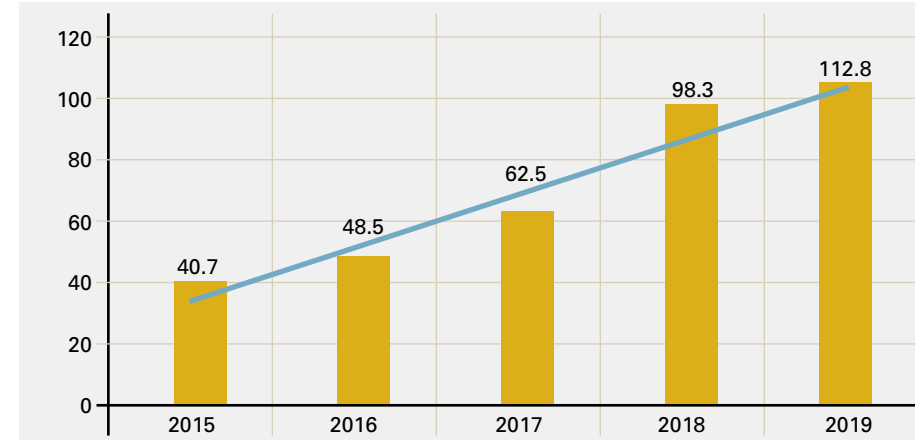


Source: Reserve Bank of Malawi

4.5 Pension Contributions

Annual pension contributions increased to MK112.8 billion in 2019 from MK98.3 billion in 2018 (Figure 4.3). The growth in contributions resulted from increase in pensionable wages and membership. However, total pension contributions amounting to MK20.2 billion were outstanding by the end of the year, a significant rise from MK13.1 billion reported in 2018. Consequently, the Registrar instituted corrective measures to ensure that employers comply with the requirement to remit pension contributions timeously.

Figure 4.3 Annual Pension Contributions

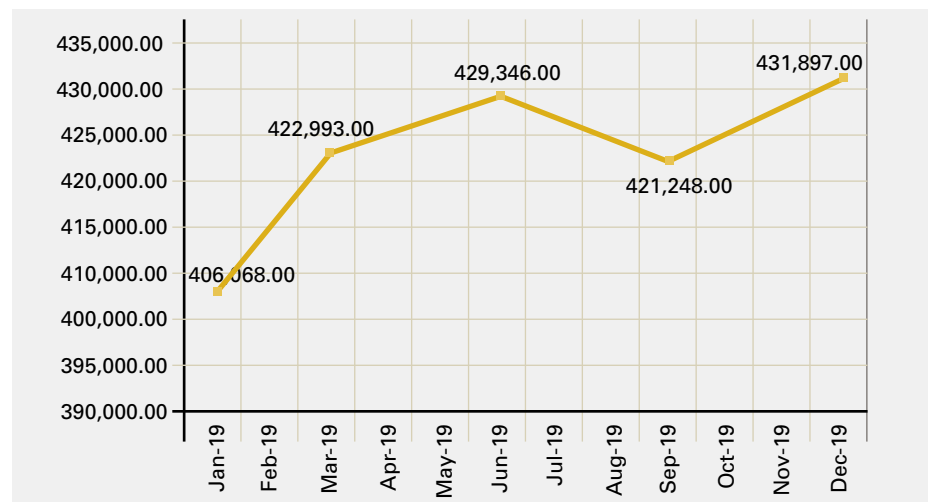


Source: Reserve Bank of Malawi

4.6. Coverage – Pension Sector Membership

Total number of pension members increased by 6.4 percent to 431,897 as at December 2019 (Figure 4.4). The increase was largely due to new employees joining pension funds following enhanced employer inspections and awareness programs aimed at enforcing compliance of the Pension Act.

Figure 4.4: Membership under the National Pension Scheme



Source: Reserve Bank of Malawi

In December 2019, the total number of employees covered by occupation pension schemes was 526,615, including 94,718 Government employees under the Pay-As-You-Go pension arrangement. According to the National Statistics Office (NSO), a total population of 5.3 million² were employed in 2018, of which only about 9.7 percent were covered under the National Pension Scheme.

² 2018 Malawi Population and Housing census, NSO

4.7 Administration and Investment Fees

Total expenses increased to MK10.8 billion in 2019 from MK7.4 billion. This resulted from an increase in investment and administrative expenses. Investment expenses rose significantly to MK6.4 billion in 2019 from MK4.2 billion in 2018 whereas administrative expenses increased to MK4.4 billion from MK3.2 billion (Table 4.1). Investment expenses, relative to the level of total pension assets were moderate at 0.73 percent, a marginal increase from 0.58 percent registered in 2018.

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	8,017.0	7,431.0

Source: Reserve Bank of Malawi

4.8 Payment and Transfer of Pension Benefits

Total pension benefits paid increased by 22.8 percent to MK47.2 billion in 2019. Retirement benefits constituted 51.8 percent of the benefits paid while death benefits made up 4.6 percent. A significant proportion of the benefits (43.6 percent) were paid as early withdrawals. There was also a notable increase in the amount of benefits transferred from one pension fund to another totalling MK26.2 billion in 2019 from MK5.0 billion made in 2018. The transfers signified increased information and enhanced knowledge among pension members and pension funds enabling them exercise the right to transfer pension fund management to more capable and efficient companies. However, other members transferred their pension benefits following change of jobs.

Table 4.2: Pension Benefits Paid

Type of Benefit	2017		2018		2019	
	K' mn	Share (%)	K' mn	Share (%)	K' mn	Share (%)
Retirement	14,790.9	52.0	18,948.5	49.2	24,425.1	51.8
Death	2,107.7	7.4	2,834.9	7.4	2,192.8	4.6
Early Withdrawals	11,531.4	40.6	16,708.7	43.4	20,546.4	43.6
TOTAL	28,430.0	100.0	38,492.0	100.0	47,164.4	100.0

Source: Reserve Bank of Malawi

4.9 On-Site Prudential Examinations

The Registrar conducted three on-site examinations on pension entities in 2019. The examinations revealed, among other things, governance challenges, pension administration system problems, misreporting of financials in the pension return and risk management problems. The Registrar continued recommending remedial measures to address weaknesses identified during the on-site examinations

4.10 Employer Pension Compliance Inspections

The Registrar and the Ministry of Labour, Youth, Sports and Manpower Development, jointly conducted pension compliance inspections of employers in most parts of the country in 2019. Out of a sample of 120 employers, mainly from the Small and Medium Enterprises (SME), 46 percent had not placed their employees on pension, consequently risking 4,886 employees retiring without pension. The above notwithstanding, the Registrar continued with employer inspections and awareness programs to ensure full compliance with the Pension Act.

4.11 Remittance of Pension Contributions Enforcement

The Registrar stepped up efforts to enforce timely remittance on pension contributions, which included the 'name and shame' strategy. Meanwhile, a total of 1,027 employers from the private sector had outstanding pension contributions as at December 2019. Despite these efforts, pension contribution arrears kept increasing, as such, the Registrar will continue taking more stringent measures to curb the misconduct.

4.12 Pension Complaints

The number of pension complaints processed by the Registrar in 2019 increased by 34 percent to 174. The increase was largely attributed to enhanced awareness on the part of members regarding where to channel their pension complaints against employers. The nature of complaints mainly included failure by pension members to access pension benefits due to non-remittance of pension contributions by employers. Meanwhile, there were also a number of requests to the Registrar applying for commutation of annuities. These requests, were however not approved as they were contravening the Pension Act. In view of this development, the Registrar intends to intensify awareness programs on annuities to pension fund members. The objective will be to ensure pension fund members have adequate knowledge regarding pension annuities.

4.13 Pension and Insurance Awareness Week

The Registrar organized a Pension and Insurance Awareness Week from 29th April to 3rd May, 2019 and this was, for the first time, led by the insurance industry, under the theme "Insurance, claims and complaints handling". The core objective was to promote pension awareness among the general public on the procedures for claims and complaints handling. A number of activities were undertaken during the week and these included: launch of awareness week, grand march in Blantyre Central Business District, product exhibitions and presentations from all insurance providers at Chichiri Shopping Malls for the whole week; awareness banners in Blantyre City, press release in the Daily Times and The Nation newspapers; and radio and TV infomercials on various radio and TV stations.

4.14 Centralised National Pension Database Project

The development of Centralised National Pension Database (CNPB) System was still in progress. Employers and pension fund members were requested to submit their details to pension administrators. However, the response rate was low and the Registrar continued to encourage pension members to submit the information as the submission was critical to the implementation of the CNPB system.

5. GENERAL INSURANCE

5.1. Sector Overview

Overall, the general insurance sector grew in terms of total assets, premium written and profitability. Nonetheless, the sector continued experiencing solvency and liquidity vulnerabilities owing to inadequate capital in a few insurers and high insurance receivables across the sector. The sector comprised of eight general insurers, one reinsurer, 26 insurance brokers, one reinsurance broker, six agents for brokers, 41 insurance agents, one insurance claim settling agent and 19 loss adjusters.

5.2 Premium Income

Gross premium written increased to MK54.6 billion in 2019, representing year - on - year growth of 13.4 percent compared with that of 14.1 percent in 2018 (Table 5.1). The increase was largely due to growth in premium for both motor and non-motor classes of business. Premium for the motor class of business grew by 11.0 percent to MK31.1 billion, whereas premium for non-motor classes of business grew by 16.6 percent to MK23.5 billion. However, motor class of business remained the biggest class of insurance contributing 56.5 percent of the total gross premium from 58.1 percent in 2018.

The sector retained 71.6 percent of the gross premium written in 2019 compared with 74.0 percent in 2018. Consequently, the sector registered a lower growth in net premium written of 9.3 percent to MK39.4 billion in 2019 from 14.0 percent in 2018.

The sector's retention level recorded a gradual drop over the preceding two years, reflecting the sector's limited appetite to locally retain larger and complex risks in non-motor classes of business. This highlights the need for insurers to build domestic financial and technical capacity to underwrite and retain more premiums in complex non-motor risks. However, the retention level for the motor class of business increased slightly to 97.0 percent in the year.

Premium earned grew by 12.1 percent to MK39.0 billion in 2019. The growth was largely on account of an increase of 14.9 percent in premium earned from motor business to MK29.9 billion during the year under review. This growth was nevertheless lower than 16.9 percent registered in 2018 owing to subdued growth in gross premium written as well as low retention in non-motor classes of business. Fire class of business registered the largest drop in earned premium of 24.2 percent to MK1.8 billion (Table 5.1).

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

	2015	2016	2017	2018	2019
Gross Premium Written					
Fire	3,946.6	6,158.2	7,264.9	8,057.5	9,364.7
Motor	18,980.2	21,531.3	24,686.5	28,002.0	31,072.8
Personal Accident	2,488.3	4,010.6	3,952.4	4,569.4	4,887.5
Miscellaneous	4,776.9	3,835.1	5,776.3	7,557.0	9,290.9
Total Gross Premium	30,192.0	35,535.2	41,680.2	48,185.9	54,615.9
Premium Ceded to Re-insurers					
Fire	2,777.8	4,029.4	4,987.3	5,976.9	7,665.6
Motor	1,280.7	1,477.2	804.7	1,064.6	926.9
Personal Accident	762.1	1,262.0	1,079.9	1,402.6	1,627.2
Miscellaneous	1,706.3	2,129.4	3,069.7	4,236.5	5,396.5
Total Premium Ceded	6,526.8	8,898.0	9,941.6	12,680.6	15,616.3
Net Premium Written					
Fire	1,168.8	2,128.4	2,277.7	2,313.6	1,863.5
Motor	17,699.5	20,054.1	23,881.8	27,068.6	30,181.9
Personal Accident	1,726.2	2,748.6	2,872.5	3,233.1	3,385.2
Miscellaneous	3,070.6	1,705.8	2,706.7	3,406.0	3,940.2
Total	23,665.1	26,637.2	31,738.7	36,021.3	39,370.8
Earned Premium					
Fire	849.0	2,287.2	2,069.0	2,393.2	1,813.7
Motor	17,255.3	18,837.5	22,591.9	26,021.5	29,892.7
Personal Accident	1,574.9	2,585.1	2,710.6	3,079.5	3,376.7
Miscellaneous	3,106.3	1,686.8	2,546.2	3,315.8	3,938.1
Total Earned Premium	22,785.5	25,396.6	29,917.7	34,809.9	39,021.2

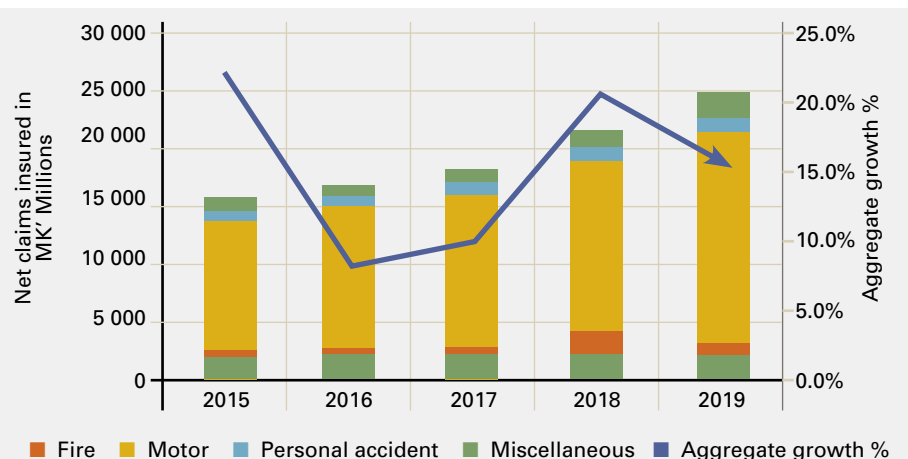
Source: Reserve Bank of Malawi

5.3 Claims Experience

The sector registered a marginal increase in claims as shown by a 1.9 percent rise in the claims ratio to 58.7 percent in 2019 (Appendix Table 12.19). Gross claims incurred grew by 24.9 percent to MK30.7 billion in 2019, largely driven by increases in claims in fire, motor and miscellaneous classes of business (Appendix Table 12.17). Miscellaneous classes of business recorded highest growth in claims of 68.0 percent from 31.3 percent in 2018.

However, the impact of the increased gross claims was cushioned by reinsurance recoveries mainly in fire and other non-motor classes of business, which grew by 62.6 percent to MK7.8 billion (Appendix Table 12.20). Consequently, net claims incurred grew to MK22.9 billion, translating to 15.8 percent year-on-year increase. Meanwhile, the sector paid MK28.4 billion of insurance claims against gross claims incurred of MK30.7 billion in the year. Nevertheless, a total of MK14.3 billion net of reinsurance recoveries was still outstanding as at December 2019.

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



Source: Reserve Bank of Malawi

5.4 Underwriting and Operating Performance

Overall, the general insurance sector was profitable in 2019 with six out of eight insurers posting profits. Pre-tax profits increased by 7.0 percent to MK3.8 billion in December 2019. This was attributed to a 10.7 percent growth in underwriting profit to MK14.4 billion in the year (Table 5.2). Underwriting profit grew on the backbone of growth in premium earned and moderate growth in claims experience. All classes of insurance business registered underwriting profits (Appendix Table 12.23).

However, net investment income, dropped by 13.7 percent to MK3.3 billion in 2019 due to falling yields on money markets. Most general insurers took a conservative approach by largely investing in Government securities and other fixed income securities (Appendix Table 12.25). Consequentially, the low investment returns weighed down on the sector's overall profitability, resulting in a drop in overall return on shareholder funds to 20.5 percent from 23.6 percent in December 2018. In addition, high management and operating expenses contributed to lower profitability. The sector had a high management expenses ratio of 35.5 percent in 2019 which was above the recommended maximum threshold of 30.0 percent. A significant amount of the management expenses were bad debts written off.

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

	2015	2016	2017	2018	2019
Underwriting Surplus (Deficit)	7,679.7	9,128.8	11,915.20	12,969.4	14,352.1
Net Investment & Other Income	3,096.7	3,781.0	7,582.5	3,809.8	3,287.8
Management Expenses	-6,360.1	-9,538.3	-11,757.7	-13,197.9	-13,836.6
Other Expenses	-12.3	-88.1	-4,543.0	-	-
Profit before Tax	4,404.1	3,414.1	3,209.4	3,556.1	3,803.3
Taxation	-1,371.0	-1,171.2	-1,495.5	-1,161.8	-1,222.8
Profit for the year	3,033.1	2,242.9	1,713.9	2,394.3	2,580.5
Return on shareholder funds (%)	42.1	24.5	21.8	23.6	20.5

Source: Reserve Bank of Malawi

5.5 Assets and Liabilities

Overall asset composition remained broadly unchanged from 2018. Majority of assets amounting to 37.2 percent were in fixed deposit, followed by insurance receivables at 26.1 percent and equity investment at 11.2 percent.

The total assets for the sector grew by 12.1 percent to MK55.8 billion as at December, 2019 (Table 5.3). This was largely due to growth in gross premium income. Fixed deposit investments in banks and other deposit taking financial institutions registered the highest growth of 43.7 percent to MK20.8 billion, followed by receivables on insurance and reinsurance contracts which grew by 16.5 percent to MK14.6 billion in 2019.

Despite constituting a low percentage of the insurers' asset portfolio, insurance receivables were 76.9 percent of the insurer's total capital as of December 2019 compared with 70.0 percent in 2018. This position exposed the sector's capital to significant credit and liquidity risks from potential payment defaults from insurance debtors.

Table 5.3: Assets for General Insurers

	2015	2016	2017	2018*	2019
Assets					
Fixed Assets for own use	1,828.6	2,602.1	3,200.7	4,279.7	4,502.2
Real Property Investments	422.7	662.0	718.2	1,386.0	1,512.9
Govt. & Other Securities	4,733.1	5,564.0	6,996.6	5,103.0	2,288.0
Equity Investments	2,947.7	3,211.0	4,090.5	5,746.7	6,271.9
Fixed Deposit Investments	6,968.6	5,670.5	8,501.5	14,456.1	20,776.6
Other Investments	-	69.1	69.3	856.6	376.6
Loans & Debentures	646.9	69.3	64.8	11.0	20.6
**Insurance Receivables	8,155.4	10,881.5	11,513.4	12,499.3	14,561.7
Cash and Cash Equivalents	906.7	3,879.3	3,197.3	3,114.5	2,749.2
Other Assets	3,238.4	5,498.0	4,586.6	2,334.3	2,744.4
Total Assets	29,847.9	38,106.9	42,939.0	49,787.3	55,804.0

Source: Reserve Bank of Malawi

Total liabilities stood at MK36.9 billion at December 2019 representing an increase of 15.5 percent from 2018 (Table 5.4). Growth in liabilities was attributed to MK2.6 billion increase in outstanding claims to MK14.3 billion as at December 2019. Total technical reserves constituted 70.3 percent of the general insurers' liabilities compared with 72.0 percent in 2018.

Table 5.4: Liabilities for General Insurers

	2015	2016	2017	2018*	2019
Liabilities					
Unearned Premiums Reserve	7,055.2	8,241.0	10,061.6	11,209.2	11,559.2
***Outstanding Claims Reserve	8,692.9	10,587.6	11,260.0	11,765.0	14,348.9
Amounts Payable on Reinsurance	1,565.6	1,623.2	2,514.0	3,440.4	4,098.0
Long Term Liabilities	-	4.7	-	132.8	153.7
Provision for Taxation	598.6	643.4	487.5	345.5	533.2
Amounts Payable to Banks	130.0	271.7	102.9	96.4	32.8
Other Liabilities	1,735.3	2,734.6	3,791.8	4,936.1	6,141.8
Total Liabilities	19,777.6	24,106.3	28,217.8	31,925.4	36,867.5
Equity/Shareholders' Funds	10,070.2	14,000.6	14,721.2	17,861.9	18,936.5
Total Equity and Liabilities	29,847.9	38,106.9	42,939.0	49,787.3	55,804.0

* Restated figures

** Include receivables from reinsurers and policy holders

*** Include reserves for IBNR & expenses

Source: Reserve Bank of Malawi

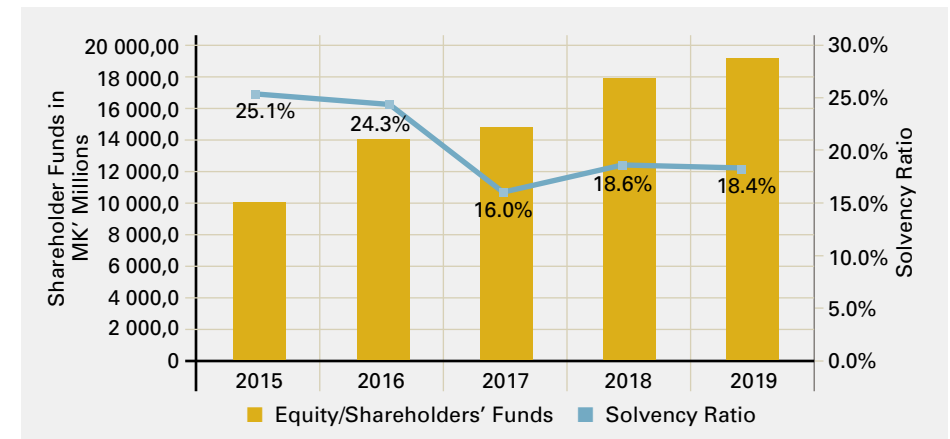
5.6 Liquidity

The sector continued to experience tight liquidity in 2019 as revealed by the sector's liquidity ratio of 78.2 percent which remained constant from 2018 position. The ratio was below the recommended minimum threshold of 100.0 percent. A high level of receivables partly affected the low liquidity ratio.

5.7 Capital and Solvency

The sector's overall capital and solvency position continued to be weighed down by capital and solvency shortfall in three insurers that did not meet the capital and solvency requirements. As a result, the sector's aggregate solvency ratio stood at 18.4 percent from 18.6 percent in 2018 and was below regulatory minimum requirement of 20.0 percent (Figure 5.2). However, shareholders' funds grew to MK18.9 billion from MK17.9 billion in 2018. The growth in shareholders' funds was on account of MK495.2 million increase in asset revaluation reserve to MK5.4 billion, MK309.3 million capital injection by one insurance company as well as MK270.1 million growth in retained profits to MK4.5 billion.

Figure 5.2: Capital and Solvency for General Insurers



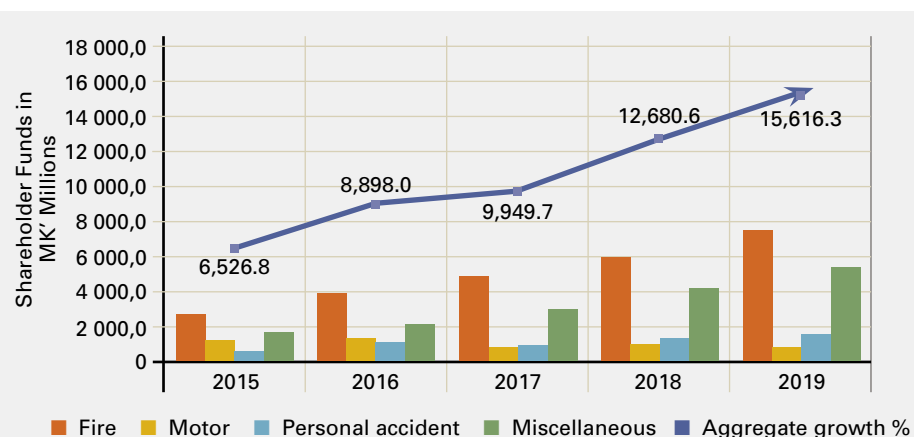
Source: Reserve Bank of Malawi

This notwithstanding, general insurers maintained adequate asset coverage of liabilities of 151.4 percent, which was above the minimum recommended limit of 110.0 percent. Furthermore, the Registrar continued to strengthen the capital and solvency regime of the sector in the year through, among other things, issuance of the Insurance (Reserving Requirements for General Insurers and Reinsurers) Directive, 2019 and on-going supervisory surveillance. Additionally, the Registrar revised the Insurance (Minimum Capital and Solvency Requirements for General Insurers) Directive, 2017 with the objective of enhancing the regulatory framework on capital and solvency.

5.8 Reinsurance

Premiums ceded to reinsurers increased by 23.2 percent to MK15.6 billion in 2019, representing 27.9 percent of total gross premiums written in the year compared to 25.2 percent in 2018 (Figure 5.3). The proportion of overall premiums ceded to reinsurers gradually increased over the preceding two years reflecting reduced premium retention levels in non-motor classes of insurance business. Out of the ceded premiums 49.1 percent were in fire, and 34.6 percent in miscellaneous, 10.4 percent in personal accidents, and 5.9 percent in motor classes of insurance business. The bulk of the premiums ceded were placed with reinsurers outside Malawi.

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



Source: Reserve Bank of Malawi

5.9 On-Site Examinations

The Registrar carried out on-site examinations of four general insurance companies and six insurance brokers in 2019. Findings of the on-site examination included high level of insurance receivables and weaknesses in capital and solvency position. Appropriate enforcement actions were taken by the Registrar to address these shortfalls.

6. LIFE INSURANCE

6.1 Sector Overview

The life insurance sector assets continued to grow on account of increases in gross premiums and investment income. In terms of solvency, all but one life insurer met the minimum requirements at company level while two life insurers failed to meet the solvency requirements at life fund level.

6.2 Composition of the life insurance sector

Five licensed entities with 688 licensed tied sales agents operated in the life insurance market in the year 2019. The insurers mainly underwrote four classes of life insurance business namely; individual life, annuities, group risk and deposit administration. Two of the life insurers underwrote one class of life insurance business only while the rest were underwriting all classes of life insurance business.

In terms of market share³, two life companies continued to dominate with a combined gross premium market share of 87.0 percent as of December, 2019. The other three life insurers shared 13.0 percent.

6.3 Capital and Solvency

All life insurers met the minimum paid up capital requirements as of December, 2019. Aggregate solvency ratio dropped to 161.0 percent in December, 2019 from 169.0 percent recorded in December, 2018. The drop was as a result of a 23.3 percent increase in policy holder liabilities and technical provisions in relation to 17.5 percent growth in solvency capital. Out of the five life insurers, one life insurer failed to meet both minimum solvency requirements at whole company and life fund level as of December 2019. Similarly, one life insurer failed to meet minimum solvency requirements at life fund level.

6.4 Assets and Liabilities

Total assets held by life insurers including pension assets invested in deposit administration products increased by 17.7 percent to MK731.9 billion from MK621.6 billion in December, 2018 (Table 6.1). Out of these, total assets directly attributed to life insurance business increased by 14.6 percent to MK193.4 billion in December, 2019.

Investment assets increased to 98.0 percent of the insurers' total assets from 96.1 percent recorded in December 2018. Equities, both listed and unlisted, constituted the highest proportion of assets at 51.8 percent from 50.6 percent recorded in 2018, followed by government securities at 29.3 percent from 33.8 percent. Despite the recorded nominal growth concentration risk evidently materialised as the sector was negatively impacted by poor performance of the stock market. Consequently, investment yield on policyholder assets decreased to 15.0 percent in 2019 as compared to 20.6 percent in December 2018. Nonetheless, fixed deposit increased substantially to MK83.2 billion in December 2019 from MK34.2 billion in December 2018. Interest rates for such investments are negotiable hence more attractive.

³ Market share calculations exclude deposit administration business.

Table 6.1 Asset of Life Insurance (MK'mn)

Asset Allocation	Dec-2019 MK'bn	Dec-2018 MK'bn	Change Percent
Cash and Bank	3.2	4.0	-20.0
Loans	42.4	28.9	46.7
Fixed Deposits	83.8	34.2	58.9
Listed Equities	347.2	255.6	35.8
Unlisted Equities	22.2	58.9	-62.3
Government Securities	208.8	209.9	-0.5
Real Estate	11.1	9.8	13.3
Due from Policyholders	2.2	1.9	15.8
Other Assets	11.0	8.1	35.8
Total Assets	731.9	621.6	17.7

Source: Reserve Bank of Malawi

Total liabilities of the sector increased by 18.8 percent to MK680.6 billion in 2019, of which 98.0 percent were life fund liabilities and technical provision. Life fund liabilities continued to grow with increase in the lives covered by the life insurers.

6.5 Earnings

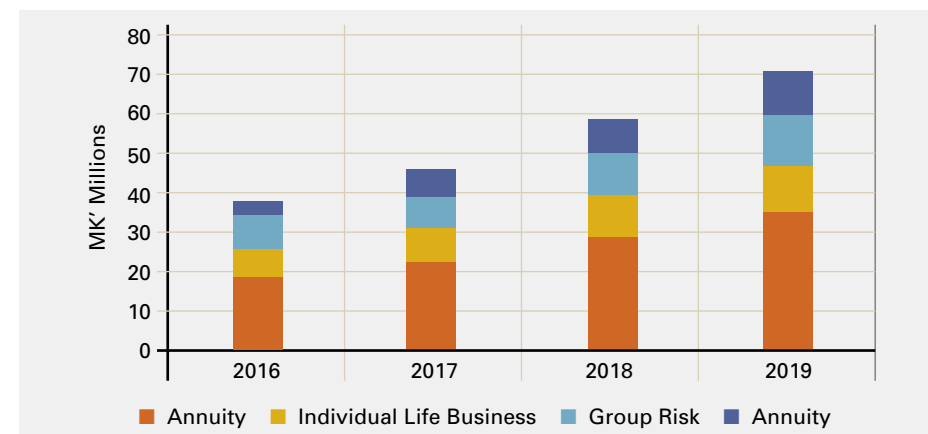
The earnings performance of the life insurance industry registered a decline in profit after tax to MK8.5 billion as of December, 2019 from 9.1 billion in December 2018. Consequently, the Return on Equity (ROE) dropped to 18.5 percent in December 2019 from 35.1 percent recorded in December 2018. The decline in profits arose from lower underwriting surplus of MK2.9 billion compared to MK9.8 billion appropriated in December 2018. The underwriting profits dropped as a result of increasing management expenses especially expenses relating to group risk and reduction in investment income earned on policyholder funds. The expense ratio was measured at 12.5 percent, an increase from 10.0 percent in 2018. On a positive note, investment income on shareholder funds increased to MK7.0 billion from MK5.2 billion, primarily on account of interest income.

The claims experience during the year was fair albeit an increase in total claims paid to MK8.6 billion from MK6.5 billion in December, 2018, representing a claim ratio of 36.2 percent from 30.7 percent in December 2018. The increase was largely due to claims paid in respect of matured individual life policies.

6.6 Premiums

Gross premiums written on life business grew by 20.1 percent to MK35.8 billion. The growth was on account of annuity business which increased by 31.7 percent to MK10.8 billion, followed by group risk premiums business at 18.7 percent to MK13.1 billion and individual life gross premiums at 12.4 percent to MK11.8 billion as at December, 2019 (Figure 6.1).

Figure 6.1: Gross Premiums for Life Insurers (MK'bn)



Source: Reserve Bank of Malawi

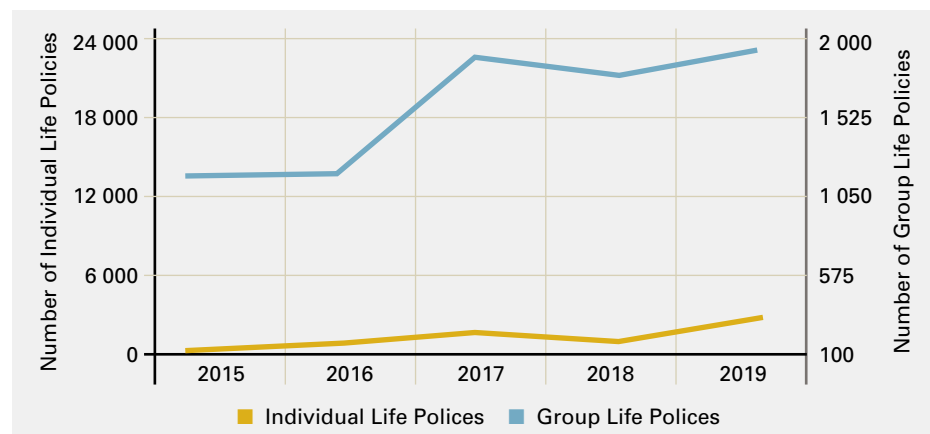
6.7 Reinsurance

Retention ratio for life insurers at 96.5 percent remained relatively constant from the December 2018 position. Nevertheless, significant changes were observed in retention ratios for group risk business which increased to 90.9 percent from 94.0 percent in December 2018. Retention ratio on individual life business on the other hand, reduced to 99.4 percent from 99.9 percent in the year 2018.

6.8 Underwriting Experience

As at December 2019, total in force policies were 92,513 in individual life business, 2,593 in group risk business and 4,722 in annuities. Out of these policies, new individual life insurance policies underwritten increased to 23,320 in 2019 from 21,326 policies in 2018 (Figure 6.2). Similarly, new group life policies underwritten in 2019 increased to 305 from 175 in 2018 while new annuities increased to 759 in 2019 from 471 in 2018.

Figure 6.2: New Life Insurance Policies Underwritten by Life Insurers



Source: Reserve Bank of Malawi

Total lives assured increased by 47.8 percent to 633,993 of which 536,758 were lives covered under group life; 92,513 were individual life; and 4,722 were annuitants (Table 6.2). The increase in total lives assured mainly relate to inclusion of 106,722 lives covered under bancassurance business, which were previously not included in the calculation.

Total individual life policies terminated by surrender increased to 2,647 in 2019 from 1,226 in 2018, while a total number of 2,187 policies were terminated by lapse in 2019 compared to 4,236 in 2018 (Table 6.2). Policies terminated by surrender included those with a disinvestment option. However, there was a reduction in group risk policies with 95 schemes discontinued in the year 2019 compared to 215 in 2018.

The number of annuities discontinued in 2019 increased to 146 compared to 115 in 2018. This was due to the suspension of payment of annuities by the insurers upon lapse of guarantee period and absence of pensioner's certificate of existence.

Table 6.2: Number of Individual Life and Group Life Policies

	2014	2015	2016	2017	2018	2019
Individual Life Policies						
In force Policies	36,244	52,742	64,300	65,304	79,939	92,513
Policies Terminated by Surrender	1,177	820	953	1,226	1,212	2,647
Policies Terminated by Lapse	1,786	2,787	3,336	1,058	4,236	2,187
Group Life Policies						
Discontinued	8	10	26	28	215	92
Annuities		42	19	92	115	146

Source: Reserve Bank of Malawi

6.9 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. Findings of the on-site examination included high level of premium receivables and weaknesses in capital and solvency position. Appropriate enforcement actions were taken by the Registrar to address these shortfalls.

7. MICROFINANCE SECTOR

7.1 Sector Overview

Overall, the performance of the microfinance sector was satisfactory in 2019. The sector recorded profitability, whilst asset quality and liquidity also remained within the industry benchmark. Aggregate assets for the sector increased to MK43.8 billion in December 2019 from MK38.1 billion in December 2018. Total number of registered and licensed microfinance institutions stood at 46; comprising 36 microcredit agencies, eight non-deposit taking institutions and two deposit taking institutions.

Deposit taking microfinance institutions served 148,914 clients, of which 62.1 percent were female. The number of clients increased from 39,412 in December 2018. In the non-deposit taking microfinance subsector, total clients served decreased to 240,032 of which 41.6 percent were female. Clients served in this subsector decreased from 359,166 in December, 2018 mainly on account of closure of one institution, merging of another with a banking institution and migration of one institution from non-deposit taking to deposit taking.

7.2 Deposit taking microfinance

7.2.1 Assets and Liabilities

Total assets of deposit taking microfinance institutions increased by 62.1 percent to MK20.0 billion in 2019 (Table 7.1). Growth in assets was on account of both increase in number of deposit taking institutions from 1 to 2 and growth in the loan portfolio during the review period. Gross loans for the sub-sector grew by 53.8 percent to MK14.3 billion in 2019.

In terms of liabilities, deposits increased to MK4.2 billion in December 2019 from MK2.8 billion in December 2018. Similarly, total borrowed funds increased to MK7.3 billion from MK3.9 billion in 2018.

Lending ratio⁴ increased to 340.5 percent as at December 2019 from 332.0 percent as at December 2018. The high ratio was a result of sub-sector's heavy reliance on borrowed funds to finance loans.

⁴ Lending ratio is equal to loans divided by deposits

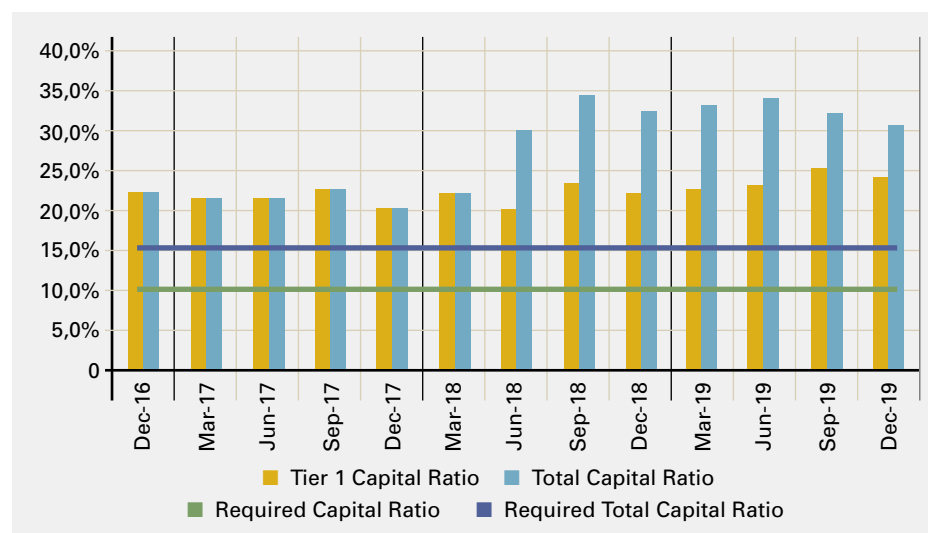
Table 7.1: Assets and liabilities for Deposit Taking Microfinance

Type of asset	Dec - 16		Dec - 17		Dec - 18		Dec - 19	
	MK'mn	Share (%)	MK'mn	Share (%)	MK'mn	Share (%)	MK'mn	Share (%)
Cash	199.0	1.6	841.9	5.7	235.0	1.9	190.1	0.9
Balances with other FI	768.9	6.3	1,855.7	12.6	0.0	0.0	552.8	2.8
Net Loans and leases	7,557.0	62.3	7,592.6	51.7	8,929.9	72.0	13,912.2	69.3
Securities and investments	1,562.2	12.9	1,880.0	12.8	783.4	6.3	657.4	3.3
Other Assets	2,033.2	16.8	2,529.4	17.2	2,461.5	19.8	4,753.6	23.7
Total Assets	12,120.4	100.0	14,699.6	100.0	12,409.8	100.0	20,006.1	100.0
Type of liability								
Deposits	1,953.2	16.4	6,318.1	43.0	2,813.9	22.7	4,211.4	21.0
Total borrowed funds	6,196.6	50.8	4,426.5	30.1	3,884.9	31.3	7,339.6	36.6
Other liabilities	1,712.1	13.9	1,723.6	11.7	1,889.9	15.2	2,527.2	12.6
Total Capital	2,258.5	18.9	2,231.5	15.2	3,821.1	30.8	5,987.9	29.8
Total Funding	12,120.4	100.0	14,699.6	100.0	12,409.8	100.0	20,006.1	100.0

7.2.2 Capital Adequacy

Capital adequacy for deposit taking microfinance institutions was satisfactory with tier 1 and total capital ratios at 24.1 percent and 30.7 percent as at December 2019. 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

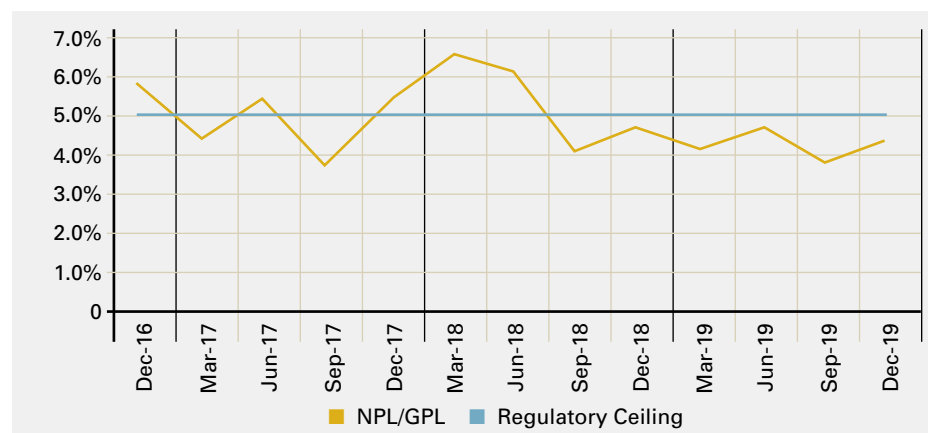


Source: Reserve Bank of Malawi

7.2.3 Asset Quality

The quality of assets for the sector improved during the period as indicated by a decrease in the NPL ratio to 4.3 percent in 2019 from 4.8 percent in 2018 (Figure 7.2). This was within the industry benchmark of 5.0 percent. However, non-performing loans increased by 41.3 percent to MK616.9 million as at December 2019. The rate of growth in non-performing loans was lower than the growth in the loan book which grew by 53.8 percent to MK14.3 billion in 2019.

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



Source: Reserve Bank of Malawi

7.2.4 Earnings and Profitability

Total gross income for the subsector increased to MK9.7 billion in 2019 from MK6.3 billion in 2018, mainly on account of an increase in gross loans and improvement in asset quality. Interest income grew to MK9.4 billion in 2019 from MK6.1 billion in 2018. Correspondingly, interest expense increased to MK2.1 billion from MK1.4 billion in 2018; and non-interest expenses increased to MK6.9 billion from MK4.4 billion in 2018 (Table 7.2). As a result, net income decreased to MK0.2 billion in 2019 from MK0.3 billion in 2018. Consequently, Return on Assets (ROA) decreased to 1.2 percent from 2.4 percent in 2018; and Return on Equity (ROE) decreased to 4.1 percent from 7.9 percent in 2018.

Table 7.2: Earnings and Expenses for Deposit Taking Microfinance Institutions

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

Source: Reserve Bank of Malawi

7.2.5 Liquidity

The sector recorded a liquidity ratio of 24.1 percent in December 2019 from 40.0 percent in December 2018. The decline was due to a relatively higher increase in short term liabilities than liquid assets. The ratio however, remained above the recommended benchmark of 20.0 percent.

7.3 Non-deposit taking microfinance

7.3.1 Assets and Liabilities

Total assets of the non-deposit taking microfinance subsector increased by 6.3 percent to MK23.7 billion in 2019 (Table 7.3). The growth in total assets was mainly due to an increase in net loans to MK16.6 billion as at December 2019 from MK11.5 billion as at December 2018. In terms of Liabilities, the subsector recorded a decrease in shareholder loans to MK1.0 billion from MK3.2 billion in 2018. However, other liabilities increased to MK11.9 billion from MK10.9 billion in 2018 (Table 7.3).

Table 7.3: Assets for Non-Deposit Taking Microfinance Institutions

Type of asset	Dec - 16		Dec - 17		Dec - 18		Dec - 19	
	MK'mn	Share (%)	MK'mn	Share (%)	MK'mn	Share (%)	MK'mn	Share (%)
Cash and cash equivalent	3.3	14.2	1.8	7.9	1.1	5.0	1.9	7.4
Investments and securities	1.5	6.5	4.9	21.5	2.4	11.0	0.2	0.7
Net loans and leases	12.7	54.7	10.6	46.5	11.5	52.0	16.5	70.0
Non-current assets	1.7	7.4	3.6	15.8	5.0	22.0	3.1	13.3
Other assets	4.0	17.2	1.9	8.3	2.3	10.0	2.0	8.6
Total Assets	23.2	100.0	22.8	100.0	22.3	100.0	23.7	100.0
Type of Liability								
Shareholder loans	4.0	17.2	3.2	14.0	3.2	14.0	1.0	4.2
Short term borrowings from banks	1.5	6.5	0.3	1.0	0.0	0.0	0.4	1.9
Capital and Reserves	9.3	40.1	8.4	37.0	8.2	37.0	10.4	43.4
Other liabilities	8.4	36.2	10.9	48.0	10.9	49.0	11.9	50.5
Total Equity & liabilities	23.2	100.0	22.8	100.0	22.3	100.0	23.7	100.0

Source: Reserve Bank of Malawi

7.3.2 Capital Adequacy

Total capital for non-deposit taking sub sector increased by 32.9 percent to MK10.9 billion in 2019. A total of 6 out of 8 non-deposit taking microfinance institutions met the regulatory capital requirement of MK100.0 million.

7.3.3 Asset Quality

Asset quality for non-deposit taking microfinance institutions as measured by NPL ratio remained constant at 8.5 percent. This was mainly due to equivalent increase in both gross loans and non-performing loans during the review period. The ratio remained above the regulatory benchmark of 5.0 percent.

7.3.4 Profitability

Total gross income increased by 33.3 percent to MK8.8 billion in 2019, primarily on account of an increase in gross loans. On the other hand, operating expenses increased to MK6.1 billion from MK4.6 billion in 2018. However, net income improved to MK976.3 million in 2019 from MK92.3 million in 2018.

7.3.5 On-site Examination

The Registrar conducted 11 on-site examinations of microfinance institutions in 2019. The major findings included non-disclosure of effective interest rates to customers. In addition, incidences of non-remittance of pension contributions and tax deductions to relevant authorities were common. The institutions took corrective action on the observed shortfalls.

7.4 Financial Cooperatives

7.4.1 Overview

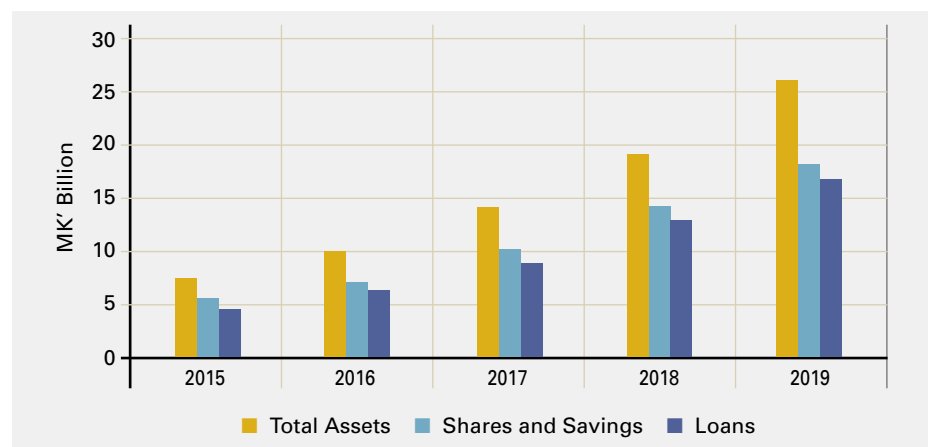
Overall, the sector's performance was satisfactory. Total assets for the sector grew by 36.6 percent to MK26.1 billion in 2019. Net income grew by 40 percent to MK2.1 billion in 2019. As at end 2019, the sector had 38 licensed financial cooperatives of which 32 were employer based, while six were community based.

7.4.2 Assets and Liabilities

Total assets grew by 36.6 percent to MK26.1 billion in 2019 due to growth of loans and investments. The loans were financed by total savings⁵ which grew by 28.0 percent to MK18.3 billion in 2019 (Figure 7.3).

⁵ Include redeemable shares plus deposits

Figure 7.3: Selected Assets and Liabilities for Financial Cooperatives



Source: Reserve Bank of Malawi

7.4.3 Financial Structure

Member loans and advances accounted for 63.2 percent of total assets against the sector's recommended best practice of between 70 to 80 percent during the year under review. This negatively affected the sectors' interest income and return on assets. As regards funding, the sector largely relied on member savings which accounted for 70.4 percent of total assets.

Table 7.4: Asset and Liabilities for the Financial Cooperatives Sector (MK' mn)

Type of Asset	2015	2016	2017	2018	2019
Cash and Bank Balances	573.6	702.8	945.0	1055.4	1,916.0
Securities and Investments	940.1	1,158.7	642.1	953.3	3,031.8
Total Loans and Advances	4,898.0	6,420.3	9,003.0	13,023.7	16,420.7
Other Assets	1,212.1	1,716.9	3,529.4	4,107.9	4,699.0
Total Assets	7,623.8	9,998.7	14,119.5	19,140.0	26,057.5
Type of Liability	2015	2016	2017	2018	2019
Deposits and Member Shares	5,647.2	7,165.9	10,215.5	14,313.2	18,341.8
Liabilities to Other Banks	526.6	262.2	221.4	366.1	900.5
Other Liabilities	203.4	302.8	532.5	544.4	1,051.4
Total Capital	1,246.6	2,267.8	3,150.1	3,916.3	5,683.8
Total Funding	7,623.8	9,998.7	14,119.5	19,140.0	26,057.5

Source: Reserve Bank of Malawi

7.4.4 Capital Adequacy

Overall, the sector was adequately capitalized. Total capital grew by 50.0 percent to MK5.4 billion in 2019 and accounted for 20.9 percent of risk weighted assets. Capital adequacy ratio at 20.9 percent was above the minimum regulatory requirement of 10.0 percent of risk weighted assets (Table 7.4).

Table 7.5: Financial Soundness Indicators for Financial Cooperatives

Indicator	Recommended Ratio	2015	2016	2017	2018	2019
Institutional Capital Ratio (%)	>10.0	11.3	20.1	20.5	19.1	20.9
Non-performing loans/ Gross Loans (%)	< 5.0	5.8	3.2	5.6	5.6	5.7
Liquidity (%)	> 10.0	15.9	16.1	13.8	12.1	18.7
Net Income/Average Total Assets (%)	> 5.0	7.3	9.2	10.5	8.78	9.2

Source: Reserve Bank of Malawi

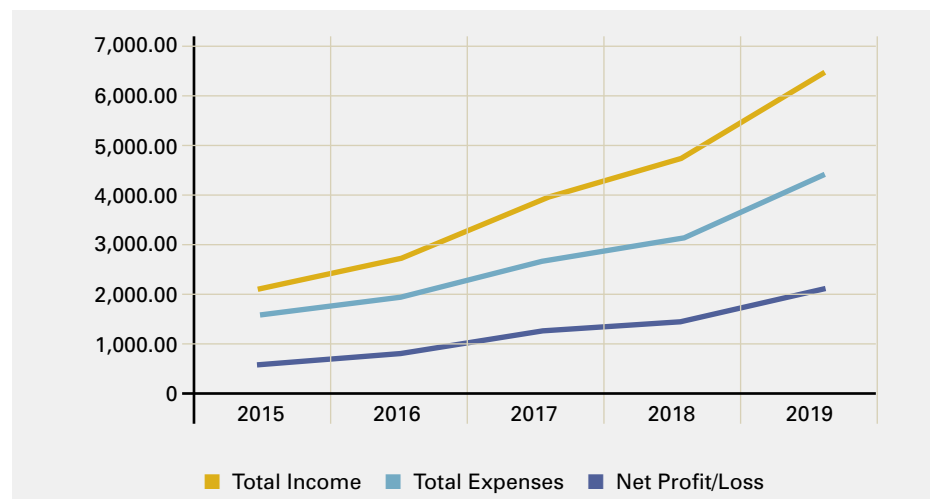
7.4.5 Asset Quality

Total loans grew by 26.2 percent to MK16.4 billion in 2019. Non-performing loans amounted to MK930.9 million, representing an NPL ratio of 5.7 percent which was slightly above the recommended ceiling of 5.0 percent.

7.4.6 Earnings

Total income increased by 35.4 percent to MK6.5 billion in 2019 of which loan interest income constituted 96.9 percent (Figure 7.4). Total expenditure grew by 41.9 percent to MK4.4 billion in 2019. Notwithstanding the increase in total expenditure, net income increased by 40.0 percent to MK2.1 billion in 2019, representing a ROA of 9.2 percent.

Figure 7.4: Income, Expenses and Profit/Loss Trends for Financial Cooperatives



Source: Reserve Bank of Malawi

7.4.7 Liquidity

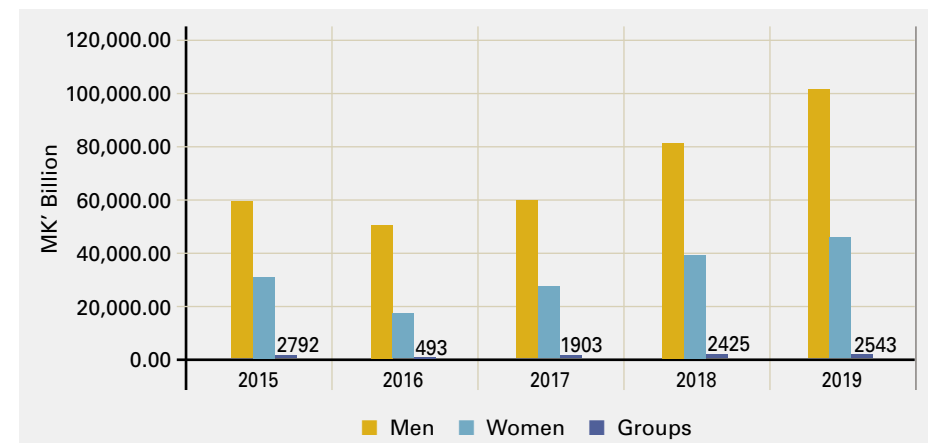
On aggregate, the sector reported a liquidity ratio of 18.7 percent in 2019, which was above the regulatory minimum of 10.0 percent⁶. Nonetheless, the sector's unremitted payroll deductions increased to MK2.4 billion from MK2.0 billion in 2018, largely from the public sector.

⁶ The liquidity ratio is defined as net liquid assets over the sum of redeemable shares and savings deposits

7.4.8 Membership

Total membership grew by 22.4 percent to 151,221 in 2019 and of these, 31 percent were female, a slight decrease from 32 percent recorded in 2018 (Figure 7.5). The increase was mainly due to membership mobilization initiatives championed by the Registrar in collaboration with the Malawi Union of Savings and Credit Cooperatives (MUSCCO).

Figure 7.5: Financial Cooperatives Membership



Source: Reserve Bank of Malawi

7.4.9 On-site Examination

The Registrar conducted ten on-site examinations and ten follow up examinations of financial cooperatives in 2019. Examination findings showed continued improvement in all key financial performance indicators.

8. CONSUMER PROTECTION

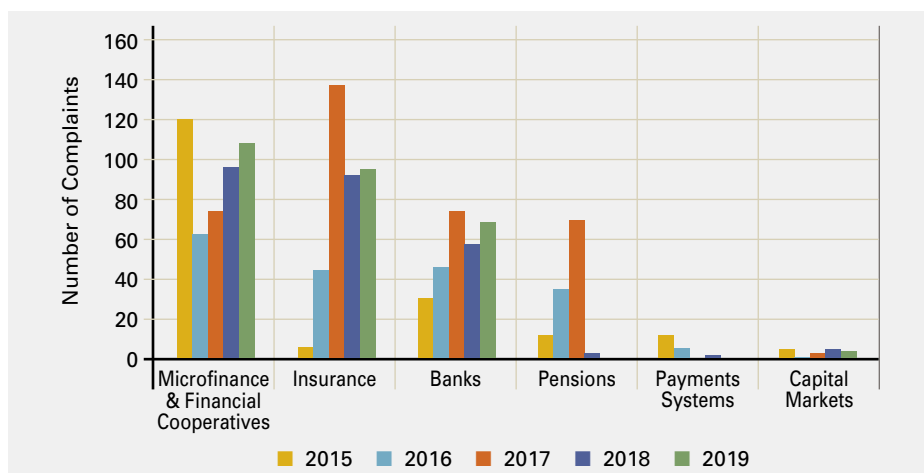
8.1 Overview

The number of financial consumer complaints increased in 2019 compared to 2018. The Registrar continued to undertake various financial literacy initiatives aimed at bolstering financial consumer awareness. In addition, market conduct examinations 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 increased slightly to 275 in 2019 from 257 in 2018. A total number of 339 complaints were processed in 2019, of which 64 were carried forward from 2018. In terms of composition, microfinance and financial cooperatives sectors registered 107 complaints, the insurance sector had 95 complaints, the banking sector had 70 complaints, and the capital markets sector had three complaints, (Figure 8.1).

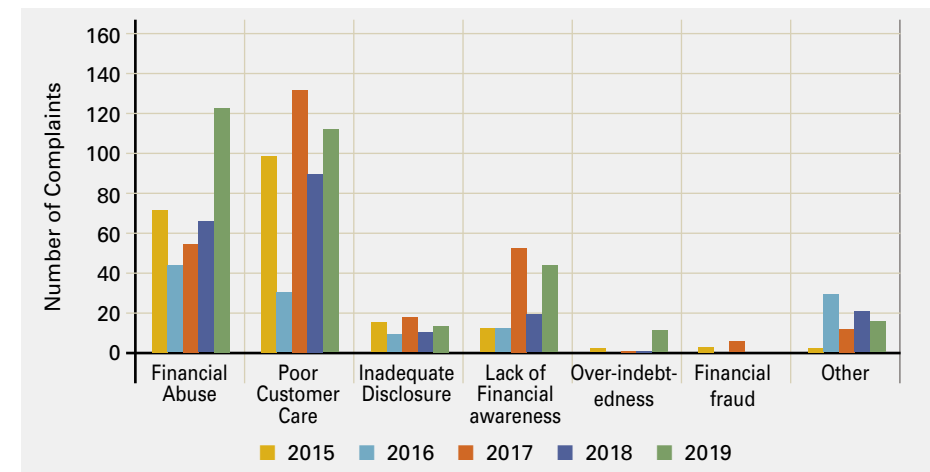
Figure 8.1: Number of Complaints Received Per Sector



Source: Reserve Bank of Malawi

A total of 320 complaints were successfully resolved, compared to 203 complaints in the preceding year. Out of these, 113 cases related to poor customer care, 121 complaints due to financial abuse, 16 bordered on inadequate disclosure while 43 cases were due to lack of financial awareness and capability on the part of consumers. The remaining seven complaints arose out of other causes. (Figure 8.2)

Figure 8.2: Composition in Nature and Number of Complaints Resolved



Source: Reserve Bank of Malawi

8.3 Market Conduct Supervision

The Registrar carried out market conduct on-site examinations of two banks, one insurance company and two credit reference bureaux. In addition, six mystery surveillances were conducted for banks, insurance, microfinance and financial cooperatives. Major findings included inadequate transparency and disclosure of information on services and products; and lack of key fact statements on product terms and conditions. Appropriate enforcement actions were taken by the Registrar to address the market conduct breaches.

8.4 Financial Literacy

8.4.1 Highlights of Financial Literacy Activities implemented

There were a number of financial literacy activities that were implemented during the year including Global Money Week, Credit Awareness Week, workplace financial education initiative and capacity building workshops for community leaders.

The Global Money Week is an international financial education and inclusion initiative that aims at raising the youth and children's awareness of effective money management matters and access to financial services and products. In 2019, the initiative reached out to over 3000 students.

The Registrar held a credit awareness week to sensitise the public on effective personal credit management practices; benefits of borrowing from licensed and registered financial institutions; and maintaining a good credit history. During the credit awareness week, 4,000 employees of 120 private and public organizations, 500 religious leaders and 1,500 micro, small and medium enterprises were reached through workshops and town hall meetings. In addition, credit awareness messages were aired on the local media to maximize outreach and impact.

The Registrar also conducted capacity building workshops for community leaders including women groups, micro, medium and small enterprises and farmers in eight districts. The workshops covered financial planning; saving; investing; personal credit management; and benefits of accessing formal financial services and products. For sustainability, the activities were conducted in collaboration with District Financial Literacy Committees established by the Registrar in 2018.

Further, training of trainers workshops in personal finance management were conducted for 200 human resources personnel and practitioners from various organizations.

In a bid to standardise financial literacy messages for public use, standard financial literacy core messages, specifically for the rural communities, were designed and developed. This was done in collaboration with the Financial Access for Rural Markets and Small Enterprises (FARMSE), a project under the Ministry of Finance, Planning and Economic Development.

8.4.2 National Financial Literacy Strategy (2020-2024)

The Registrar in collaboration with stakeholders, embarked on development of a National Financial Literacy Strategy covering the period 2020 to 2024. The focus of the Strategy is on financial education initiatives for marginalized groups such as women, youth, micro, small and medium enterprises and farmers. In addition, the Strategy will integrate emerging thematic financial literacy topics on maintaining a good credit record, digital financial services and inclusive finance.

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 Money Laundering/Terrorist Financing (ML/TF) offsite risk assessment for all banking institutions in order to determine the overall ML/TF risk profile of the sector. The exercise involved assessment of the ML/TF inherent risk and risk management practices that banks have adopted to mitigate those risks. Further, an analysis of bi-annual offsite returns was also conducted with the aim of timely identification of ML/TF risk in banking institutions. Both assessments indicated that banks have enhanced their risk management practices in mitigating ML/TF risks.

In addition, the Registrar intends to commence offsite ML/TF risk assessment for non-bank financial institutions (Insurance, Capital Markets and Microfinance). As such, the institutions submitted annual questionnaires used for assessment of ML/TF risk assessment. Feedback meetings with the institutions were held to discuss gaps noted from the assessment and challenges faced in completing the questionnaires. The institutions committed to provide improved data in the subsequent submissions.

9.2 On-Site Examinations

The Registrar conducted full scope AML/CFT on-site examinations on one bank, one life insurer, one microfinance and two capital markets institutions. In addition, a follow up on-site examination was conducted on one microfinance institution. The examinations established that financial institutions had, amongst other things, conducted ML/TF risk assessments; conducted adequate AML/CFT training and awareness programs to members of staff; enhanced their AML/CFT policies; and enhanced record keeping. Notwithstanding these improvements, some shortfalls were noted such as inadequate ongoing monitoring systems and practices, and customer due diligence measures.

9.3 Mutual Evaluation Assessment

Malawi underwent AML/CFT Mutual Evaluation assessment by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) which commenced in June 2018 and was finalized in June 2019. The Mutual Evaluation Report (MER) for Malawi was discussed and adopted during the ESAAMLG's 38th Task Force meeting of Senior Officials held in September 2019. The report included findings on effectiveness of supervision, monitoring and regulation of reporting institutions in respect of compliance with AML/CFT requirements. Further, the MER recommended measures to address the noted gaps.

10. LEGAL AND REGULATORY DEVELOPMENTS

10.1 Overview

The Registrar continued to strengthen the legal and regulatory framework for the financial sector through issuance of new and revised directives in 2019. A total of seven directives were issued in the year. In addition, the Registrar issued revised guidelines for licensing of insurance entities, and cyber security risk management guidelines for the banking industry.

10.2 Laws and Regulations

The following regulations and directives came into force during 2019:

- (a) Insurance (Inclusive Insurance) Directive, 2019;
- (b) Insurance (Reserving Requirements for General Insurers and Reinsurers) Directive, 2019;
- (c) Financial Services (Transactions of Prudentially Regulated Microfinance Institutions with Related Parties) Directive, 2019;
- (d) Financial Services (Record Keeping Requirements for Microfinance Services Providers) Directive, 2019;
- (e) Financial Services (External Audit and Related Matters for Microfinance Institutions) Directive, 2019;
- (f) Financial Services (Transaction Processing Hub) Directive, 2019;
- (g) Financial Services (Capital Adequacy Requirements for Deposit Taking Microfinance Institutions (Amendment) Directive, 2019.

10.3 Licensing, Mergers and Acquisitions

The Registrar registered and licensed the following financial institutions:

- (a) One Development Finance Institution
- (b) Six insurance brokers;
- (c) Four insurance agents;
- (d) Two micro-credit agencies;
- (e) One non deposit taking microfinance institution;
- (f) One deposit taking microfinance institution;
- (g) One investment advisor;
- (h) Three Pension funds.

In addition, the Registrar granted the following regulatory approvals:

- (a) Acquisition of 87 percent shareholding in Axis Pensions Limited by Zamara Actuaries, Administrators and Consultants Limited of Kenya;
- (b) Sale of majority shareholding in Guardian Insurance Services limited to Readers Investments Limited;
- (c) Airtel Malawi PLC Initial Public Offer of 1,650,000,000 shares for listing on the Malawi Stock Exchange; and
- (d) National Bank of Malawi plc to acquire 75.0 percent shareholding in Akiba Commercial Bank of Tanzania.

11. SUPERVISORY FUNDS

The Registrar collected a total of MK573, 984,282.91 in supervisory levies, charges and fees, broken down as follows:

- Supervisory levies, fees and penalties: MK365,644,031.02
- Registration and licensing of banks and foreign exchange bureaus: MK48,993,346.67
- Registration and licensing of insurance and microfinance companies: MK12,810,000.00
- Registration and licensing of dealers and brokers: MK97,654,905.22
- Registration and licensing of pension entities: MK785,000.00
- National Payments Systems fees, penalties and fines: MK48,097,000.00

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

- Supervision of commercial banks: MK155,041,358.51
- Supervision of insurance and pension entities: MK133,694,189.25
- Supervision of capital market and microfinance institutions: MK98,097,160.09
- Processing of directives, regulations and guidelines for the financial sector: MK346,377,514.15

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 2019

Name of Institution	Branches		Agencies, satellite kiosks, mobile vans		Auto Teller Machines	
	2018	2019	2018	2019	2018	2019
CDH Investment Bank Ltd	3	3	1	1	1	0
Ecobank Malawi Ltd	8	8	0	0	23	23
FDH Bank Ltd	19	21	34	30	92	92
First Merchant Bank Ltd	7	7	24	23	61	52
National Bank of Malawi Ltd	15	16	16	17	126	129
NBS Bank Ltd	12	12	38	33	71	67
Nedbank Malawi Ltd	9	9	2	2	26	26
New Finance Bank	6	7	0	12	11	10
Standard Bank Malawi	27	27	2	2	83	97
Leasing and Finance	0	0	0	0	0	0
Opportunity Bank	0	0	0	0	0	0
TOTAL	106	110	118	120	494	496

Table 12.2: Trends in Market Share of two dominant banks (%)

	Assets	Loans	Deposits	Equity capital
2015	47.7	49.7	50.4	56.9
2016	51.5	53.2	52.7	61.8
2017	50.9	56.2	51.2	58.6
2018	46.0	58.1	46.2	60.0
2019	46.14	56.2	46.1	58.3

Table 12.3 Financial Soundness Indicators for Banks

	2015	2016	2017	2018	2019
Capital Ratios					
Regulatory Total Capital to Risk Weighted Assets	16.1	16.7	19.3	18.8	21.0
Regulatory Tier 1 Capital to Risk Weighted Assets	12.7	13.8	15.0	15.4	17.0
Total Capital to Total Assets	16.9	17.0	16.2	16.0	16.7
Asset Composition and Quality (Percent)					
Total Loans and Advances to Total Assets	39.8	35.4	28.1	30.7	33.7
Foreign Currency Loans to Total Loans and Advances	28.7	21.8	27.9	25.6	23.5
Non-Performing Loans to Gross Loans and Advances	10.7	17.0	15.7	6.1	6.3
Non-Performing Loans (Net of Provisions) to Capital	16.8	44.5	28.4	14.8	9.2
Earnings And Profitability Ratios					
Return on Assets (ROA)	3.2	3.0	2.3	2.3	2.7
Return on Equity (ROE)	20.1	20.4	15.7	17.3	20.5
Interest Income to Total Income	50.6	49.5	72.7	67.4	66.4
Non-Interest Income to Total Income	50.4	50.0	27.3	32.6	33.6
Personal Expenses to Non-Interest Expenses	46.2	43.8	44.2	42.6	43.0
Liquid Assets to Total Assets	43.3	51.2	55.9	45.1	40.4
Liquid Assets to Total Deposits and Short Term Liabilities	59	72.3	77.0	61.8	58.9
Total Loans to Total Deposits	58.3	54.2	45.1	47.1	54.2
Foreign Exchange Liabilities to Total Liabilities	26.6	24.3	21.5	18.7	15.6
Liquid Assets to Total Assets	43.3	51.2	55.9	45.7	40.4

Table 12.4: Deposits Held by Banks (MK' mn)

Period	Demand Deposits	Savings Deposits	Time Deposits	FCDA's	Total Deposits
Mar-16	244,628.0	115,724.0	137,615.0	194,593.0	692,562.0
Jun-16	251,515.0	121,366.0	152,359.0	231,138.0	756,379.0
Sep-16	267,904.0	146,525.0	194,780.0	238,779.0	847,990.0
Dec-16	265,302.0	134,059.0	161,687.0	247,995.0	809,044.0
Mar-17	277,250.0	138,559.0	152,996.0	238,168.0	806,974.0
Jun-17	318,880.0	150,546.0	158,482.0	261,844.0	889,752.0
Sep-17	333,884.0	152,601.0	177,731.0	237,526.0	901,742.0
Dec-17	353,108.0	158,508.0	200,630.0	283,276.0	995,522.0
Mar-18	334,857.0	163,872.0	216,043.0	244,541.0	959,314.0
Jun-18	366,949.0	169,029.0	229,958.0	247,185.0	1,013,122.0
Sep-18	380,555.0	184,183.0	234,684.0	230,645.0	1,030,069.0
Dec-18	405,859.0	183,243.0	265,376.0	233,376.0	1,008,128.0
Mar -19	410,519.0	178,270.0	279,050.0	225,731.0	1,093,570.0
Jun -19	419,651.0	190,482.0	269,163.0	253,540.0	1,132,836.0
Sep-19	417,170.0	200,539.0	310,296.0	221,297.0	1,149,302.0
Dec-19	460,684.0	216,728.0	273,975.0	223,872.0	1,175,258.0

Table 12.5: Capital Adequacy Trends for Banks

Period	Tier 1 Capital MK' mn	Total Capital MK' mn	Risk Weighted Assets MK' mn	Tier 1 Ratio Capital (%)	Total Capital Ratio (%)
Mar-16	119,373.0	147,293.0	814,586.0	14.7	18.1
Jun-16	120,608.0	151,987.0	838,729.0	14.4	18.1
Sep-16	132,502.0	161,218.0	938,393.0	14.1	13.7
Dec-16	123,516.0	151,648.0	900,227.0	17.2	16.8
Mar-17	146,809.0	177,371.0	911,413.0	16.1	19.5
Jun-17	160,248.0	201,467.0	958,135.0	16.7	21.0
Sep-17	152,888.0	194,936.0	960,925.0	15.9	20.3
Dec-17	153,813.0	197,469.0	1,025,744.0	15.0	19.3
Mar-18	166,460.0	207,804.0	1,012,843.0	16.4	20.5
Jun-18	165,842.0	205,588.0	1,071,737.0	15.5	19.2
Sep-18	167,958.0	205,990.0	1,091,635.0	15.4	18.9
Dec-18	172,570.0	211,171.0	1,120,641.0	15.4	18.8
Mar-19	197,322.0	238,148.0	1,150,511.0	17.2	20.7
Jun-19	200,518.0	248,597.0	1,219,275.0	16.4	20.4
Sep-19	199,226.0	247,260.0	1,230,966.0	16.2	20.1
Dec-19	215,606.0	267,113.0	1,270,947.0	17.0	21.0

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

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

Table 12.7: Selected Profitability Indicators for Banks

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

Table 12.8: 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-16	59.7	64.6	96.3
Jun-16	66.1	71.3	96.5
Sep-16	87.3	74.7	98.9
Dec-16	72.3	78.5	100.3
Mar-17	68.8	75.2	99.9
Jun-17	71.4	78.6	98.7
Sep-17	76.0	86.5	101.8
Dec-17	77.0	88.3	99.0
Mar-18	75.8	82.1	91.2
Jun-18	58.1	62.9	93.2
Sep-18	59.3	66.3	89.1
Dec-18	61.8	70.2	87.4
Mar-19	61.4	66.1	76.9
Jun-19	59.6	65.8	82.3
Sep-19	54.5	59.6	78.3
Dec-19	58.9	65.0	81.9

Table 12.9: Shareholding Structure of Banks

Banking Institution	Name of Shareholder	Percentage Held
CDH Investment Bank Limited	Continental Holdings Limited	81.0
	Investment Alliance Limited	10.0
	Kesaart Capital Limited	4.8
	Unity Investment	1.8
	Savannah Investment Limited	2.4
Ecobank Malawi Limited	Ecobank Transnational Incorporated Limited	96.0
	Loita Capital Partners International	4.0
FDH Bank Malawi Limited	FDH Financial Holdings Limited	93.7
	Malawi Government	5.0
	MSB Employee Share Owning Plan	1.3

Banking Institution	Name of Shareholder	Percentage Held
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	51.5
	Old Mutual Malawi Ltd	23.0
	Nico Life Pension Fund	5.9
	General Public	19.6
NBS Bank Limited	NICO Holdings Limited	50.1
	Continental Holdings Limited	9.3
	Cam Nominees Public Service Pension Trust Fund	2.5
	NAML Public Service Pension Trust	1.7
	Public Share	36.4
Nedbank Malawi Limited	NedGroup Investments Africa	99.7
	Nedbank Group Ltd	0.3
MyBucks Banking Corporation	MyBucks SA	100.0
Standard Bank of Malawi Limited	Ltd Stanbic Africa Holdings	60.2
	Nico Holdings Limited	20.0
	Old Mutual Life Assurance Company (Malawi) Ltd	5.4
	Press Trust	2.3
	Magetsi Pension Fund	1.4
	National Investment Trust Limited	1.2
	Sucoma Pension Fund	0.8
	Savjani Ramesh Haridas	0.7
	Stanbic Bank Limited Pension Fund	0.6
	NBM Pension Fund	0.5

Table 12.10: Selected Stock Market Statistics

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

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

Class of Business	2015	2016	2017	2018	2019
Fire	3,946.6	6,158.2	7,264.9	8,290.5	9,529.1
Motor	18,980.2	21,531.3	24,686.5	28,133.2	31,108.8
Personal Accident	2,488.3	4,010.6	3,952.4	4,635.7	5,012.4
Miscellaneous	4,776.9	3,835.1	5,776.3	7,642.5	9,336.7
Total	30,192.0	35,535.2	41,680.2	48,701.9	54,987.0

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

Item	2015	2016	2017	2018	2019
Gross Direct Premium	29,899.2	35,176.7	41,285.7	48,185.9	54,615.9
Inward Reinsurance Premium	448.2	292.8	273.0	516.0	371.1
Reinsurance Premium Ceded	6,526.8	8,898.0	9,941.6	12,680.6	15,616.3
Net Premium Written	23,665.1	26,995.7	31,738.7	36,021.3	39,370.8
Retention Ratio	78.4%	75.0%	76.1%	74.0%	71.6%

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

Class of business	2015	2016	2017	2018	2019
Fire	2,777.8	4,029.4	4,987.3	5,976.9	7,665.6
Motor	1,280.7	1,477.2	804.7	1,064.6	926.9
Personal Accident	762.1	1,262.0	1,079.9	1,402.6	1,627.2
Miscellaneous	1,706.3	2,129.4	3,069.7	4,236.5	5,396.5
Total	6,526.8	8,898.0	9,941.6	12,680.6	15,616.3

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

Class of insurance	2015	2016	2017	2018	2019
Fire	1,168.8	2,128.4	2,277.7	2,283.4	7,665.6
Motor	17,699.5	20,054.1	23,881.8	26,934.8	926.9
Personal Accident	1,726.2	2,748.6	2,872.5	3,245.4	1,627.2
Miscellaneous	3,070.6	1,705.8	2,706.7	3,367.5	5,396.5
Total	23,665.1	26,637.2	31,738.7	35,831.2	15,616.3

Table 12.16: Earned Premiums of General Insurers

Class of insurance	2015	2016	2017	2018	2019
Fire	849.0	2,287.2	2,069.0	2,393.2	1,813.7
Motor	17,255.3	18,837.5	22,591.9	26,021.5	29,892.7
Personal Accident	1,574.9	2,585.1	2,710.6	3,079.5	3,376.7
Miscellaneous	3,106.3	1,686.8	2,546.2	3,315.8	3,938.1
Total	22,785.5	25,396.6	29,917.7	34,809.9	39,021.2

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

Class of insurance	2015	2016	2017	2018	2019
Fire	1,724.3	4,200.4	2,631.0	4,424.8	5,464.6
Motor	13,087.3	13,880.1	14,546.3	16,088.0	19,568.7
Personal Accident	1,738.1	2,029.3	1,562.6	1,589.4	1,518.7
Miscellaneous	1,676.2	1,550.5	1,830.4	2,453.5	4,121.1
Total	18,225.8	21,660.2	20,570.2	24,555.7	30,673.1

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

Class of insurance	2015	2016	2017	2018	2019
Fire	445.8	531.9	790.4	2,257.5	1,140.4
Motor	11,330.6	12,310.4	13,259.3	14,757.4	18,318.5
Personal Accident	895.5	1,173.6	1,106.0	1,243.0	1,254.4
Miscellaneous	1,100.7	910.6	1,225.7	1,523.3	2,195.3
Total	13,772.6	14,926.6	16,381.4	19,781.1	22,908.5

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

Class of insurance	2015	2016	2017	2018	2019
Fire	52.5	23.3	38.2	94.3	62.9
Motor	65.7	65.4	58.7	56.7	61.3
Personal Accident	56.9	45.4	40.8	40.4	37.1
Miscellaneous	35.4	54.0	48.1	45.9	55.7
Overall	60.4	58.8	54.8	56.8	58.7

Table 12.20: Claims Experience for General Insurers (MK' mn)

	2015	2016	2017	2018	2019
Gross Claims Incurred	18,225.8	21,660.2	20,570.2	24,555.7	30,673.1
Net Claims Incurred	13,772.6	14,926.6	16,381.4	19,781.1	22,908.5
Recoveries on Reinsurance	4,453.2	6,733.6	4,188.8	4,588.8	7,764.6
Claims Paid	16,047.6	19,845.5	19,929.7	23,051.3	28,387.8
Outstanding Claims	6,450.5	7,697.7	7,968.7	9,184.1	11,289.2
Claims Ratio (%)	60.4	58.8	54.8	56.8	58.7

Table 12.21: Operating Results for General Insurers (MK' mn)

	2015	2016	2017	2018	2019
Underwriting Results	7,679.7	9,128.8	11,915.2	12,969.4	14,352.1
Net Investment & Other Income	3,096.7	3,781.0	4,365.7	3,809.8	3,287.8
Management Expenses	6,360.1	9,538.3	11,757.7	13,197.9	13,836.6
Other Expenses	12.3	88.1	347.4	-	-
Pre-tax Profit	4,404.1	3,414.1	4,175.7	3,556.1	3,803.3
Taxation	1,371.0	1,171.2	1,430.6	1,161.8	1,222.8
Profit for the year	3,033.1	2,242.9	2,745.1	2,394.3	2,580.5

Table 12.22: Underwriting and Operating Ratios for General Insurers

	2015	2016	2017	2018	2019
Underwriting Ratio	33.7	35.9	39.8	37.3	36.8
Combined Ratio	100.6	109.1	108.1	100.7	98.7
Management Ratio	27.9	37.6	39.3	37.9	35.5

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

Class of insurance	2015	2016	2017	2018	2019
Fire	397.6	1,792.7	1,252.9	224.6	1,185.7
Motor	4,732.8	5,306.0	7,745.2	9,419.5	9,352.6
Personal Accident	540.3	1,263.0	1,336.6	1,601.4	1,760.3
Miscellaneous	2,008.9	897.9	1,580.4	1,723.8	2,053.6
Total	7,679.7	9,259.6	11,915.2	12,969.4	14,352.1

Table 12.24: Market Share for General Insurers in 2019 (MK' mn)

Insurance company	Gross Premium		Total Assets	
	MK'million	%	MK'million	%
Britam Insurance	7,597.5	13.8	8,284.7	14.8
Co-operatives General Insurance	1,406.5	2.6	2,273.2	4.1
General Alliance Insurance	6,015.2	10.9	9,736.1	17.4
Liberty General Insurance	3,868.2	7.0	1,950.8	3.5
NICO General Insurance	18,351.7	33.4	18,672.1	33.5
Prime Insurance	7,484.7	13.4	3,258.2	5.8
Reunion Insurance	4,056.5	7.4	4,512.5	8.1
United General Insurance	6,206.7	11.3	7,116.4	12.8
Total	54,987.0	100.0	55,804.0	100.0

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

	2015	2016	2017	2018*	2019
Assets					
Fixed Assets for own use	1,828.6	2,602.1	3,200.7	4,279.7	4,502.2
Real Property Investments	422.7	662.0	718.2	1,386.0	1,512.9
Govt. & Other Securities	4,733.1	5,564.0	6,996.6	5,103.0	2,288.0
Equity Investments	2,947.7	3,211.0	4,090.5	5,746.7	6,271.9
Fixed Deposit Investments	6,968.6	5,670.5	8,501.5	14,456.1	20,776.6
Other Investments	-	69.1	69.3	856.6	376.6
Loans & Debentures	646.9	69.3	64.8	11.0	20.6
**Insurance Receivables	8,155.4	10,881.5	11,513.4	12,499.3	14,561.7
Cash and Cash Equivalents	906.7	3,879.3	3,197.3	3,114.5	2,749.2
Other Assets	3,238.4	5,498.0	4,586.6	2,334.3	2,744.4
Total Assets	29,847.9	38,106.9	42,939.0	49,787.3	55,804.0

	2015	2016	2017	2018*	2019
Liabilities					
Unearned Premiums Reserve	7,055.2	8,241.0	10,061.6	11,209.2	11,559.2
***Outstanding Claims Reserve	8,692.9	10,587.6	11,260.0	11,765.0	14,348.9
Amounts Payable on Reinsurance	1,565.6	1,623.2	2,514.0	3,440.4	4,098.0
Long Term Liabilities	-	4.7	-	132.8	153.7
Provision for Taxation	598.6	643.4	487.5	345.5	533.2
Amounts Payable to Banks	130.0	271.7	102.9	96.4	32.8
Other Liabilities	1,735.3	2,734.6	3,791.8	4,936.1	6,141.8
Total Liabilities	19,777.6	24,106.3	28,217.8	31,925.4	36,867.5
Equity/Shareholders' Funds	10,070.2	14,000.6	14,721.2	17,861.9	18,936.5
Total Equity and Liabilities	29,847.9	38,106.9	42,939.0	49,787.3	55,804.0

* Restated figures

** Include receivables from reinsurers and policy holders

*** Include reserves for IBNR & expenses

Source: Reserve Bank of Malawi

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

Asset Item	2013	2014	2015	2016	2017	2018	2019
Fixed Assets	2,285.4	2,815.3	2,384.7	2,505.9	2,577.7	2,431.2	2,634.1
Shares	97,096.3	119,349.6	131,987.6	139,210.1	204,528.0	314,092.4	369,447.3
Fixed deposits	32,805.5	45,427.6	35,444.3	29,752.0	23,081.3	34,236.0	83,185.2
Securities	20,054.3	31,381.2	71,384.7	104,259.6	165,080.9	218,618.8	208,781.9
Real Estate	7,625.4	9,456.1	10,339.4	11,553.1	15,937.1	9,832.3	11,148.4
Cash and Bank Balances	809.1	-47.4	4,083.3	4,425.2	5,075.2	2,930.2	3,153.3
Debtors	2,727.3	4,147.4	3,146.5	8,992.0	7,498.9	5,335.0	2,795.8
Other assets	7,112.6	10,788.2	17,315.9	32,016.8	52,033.3	32,138.3	50,755.0
Total Assets	170,515.9	223,318.0	276,086.1	332,714.7	473,234.7	619,614.2	731,901.0

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

Item	2013	2014	2015	2016	2017	2018	2019
Life Insurance							
Premiums	7,276.5	9,380.0	18,618.8	19,281.5	23,302.2	29,651.0	35,538.8
Premium Ceded	698.4	686.0	1,322.7	1,081.0	662.3	903.7	1,269.4
Net Premium	6,578.1	8,694.0	17,296.1	18,200.5	22,639.9	28,747.2	34,538.8
Retention Ratio (%)	90.4	92.7	92.9	94.0	97.2	97.0	96.5
Premium Ceded Ratio (%)	9.6	7.3	7.1	6.0	2.8	3.0	3.5

Table 12.28: Gross Premium of Life Insurers (MK'bn)

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

Table 12.29 Market Share for Life Insurers in 2019

Insurance company	Gross Premium		Total Assets	
	MK'million	%	MK'million	%
Co-operative Life Insurance	543.9	1.5	1,012	0.14
NICO Life Insurance	13,876.8	38.8	310,519	42.4
Old Mutual Life Insurance	17,291.2	48.3	407,924	55.7
Smile Life Insurance	745.5	3.1	1,464	0.2
Vanguard Life Insurance	3,350.7	9.4	10,980.7	1.5
Total	35,808.1	100	731,901	100

Table 12.30: New Individual Life Insurance Policies Underwritten

Item	2012	2013	2014	2015	2016	2017	2018	2019
No. of Policies	5,885	9,370	10,044	13,565	13,819	22,949	21,326	23,320
Sum Insured (MK'mn)	5,278.2	8,552.9	14,422.6	20,487.5	22,246.2	31,207.4	26,406.0	29,706
Annual Premium (MK'mn)	635.2	932.6	1,424.90	2,197.8	5,363.5	4,014.9	2,965.2	3,916.7

Table 12.31: New Group Life Insurance Policies Underwritten

Item	2012	2013	2014	2015	2016	2017	2018	2019
No of Policies	490	242	193	108	155	217	175	305
Sum Insured (MK'mn)	792.60	6775.6	4,147.4	1,458.0	4,546.4	15,613.9	180,373	223,208
Annual Premium (MK'mn)	81.4	292.2	168.7	4,205.00	3,526	4,183.2	1,940.2	1,618.6

Table 12.32: Life Insurance Policies Terminated by Surrender

	2012	2013	2014	2015	2016	2017	2018	2019
No of Policies	610	3,282	1,117	820	953	1226	1212	2,647
Sum Insured (MK' mn)	293.20	790.90	1,065.00	549.2	1,018	0.819	0.182	1,190.8
Annual Premium (MK' mn)	28.8	163.9	100.8	65.6	105.5	0.774	0.918	295.5

Table 12.33: Group Life Insurance Policies Discontinued

	2012	2013	2014	2015	2016	2017	2018	2019
No of Policies	3	1	8	10	26	28	215	92
Sum Insured (MK' mn)	154.0	3.70	4,520.9	1,465.0	1,136.8	31.8	6,045	8,157
Annual Premium (MK' mn)	2.6	342.4	66.59	15.2	150.1	126.8	141.5	131.2

Table 12.34: Life Insurance Policies Terminated by Lapse

	2012	2013	2014	2015	2016	2017	2018	2019
No of Policies	1,029	2,273	1,786	2,787	3,336	1,058	4236	2,187
Sum Insured (MK' mn)	725.5	2,351.0	359.4	1,500.3	2,041.4	560.5	6,057	3,204
Annual Premium (MK' mn)	83.6	602.5	134.7	141.7	223.4	48.8	834.0	327.3

Table 12.35: Assets for Financial Cooperatives (MK'mn)

	Cash and Bank Balances	Securities and Investments	Total Loans and Advances	Other Assets	Total Assets
Dec-12	268.4	221.3	2,553.9	515.5	3,559.1
Dec-13	293.5	447.4	2,689.1	839.4	4,269.4
Dec-14	469.9	422.5	3,210.2	822.5	4,925.1
Dec-15	573.6	940.1	4,898.0	1,212.1	7,623.8
Dec-16	702.8	1,158.7	6,420.3	1,716.9	9,998.7
Dec-17	945.0	642.1	9,003.0	3,529.4	14,119.5
Dec-18	1,055.4	953.3	13,023.7	4,107.9	19,140.3
Dec-19	1,916.0	3,031.8	16,420.7	4,699.0	26,057.5

Table 12.36: Liabilities for Financial Cooperatives (MK'mn)

Period	Deposits and Member Shares	Liabilities to Financial Institutions	Other Liabilities	Total Capital	Total Capital and Liabilities
Dec-12	2,455.5	427.9	234.9	440.8	3,559.1
Dec-13	3,683.2	647.5	22.1	(83.4)	4,269.4
Dec-14	4,170.4	395.9	104.2	254.6	4,925.1
Dec-15	5,647.2	526.6	203.4	1,246.6	7,623.8
Dec-16	7,165.9	262.2	302.8	2,267.8	9,998.7
Dec-17	10,215.6	221.4	532.4	3,150.1	14,119.5
Dec-18	14,313.2	366.1	544.4	3,916.3	19,140.0
Dec-19	18,341.8	900.5	1,051.4	5,683.8	26,057.5

Table 12.37: Selected Income and Expenses for Financial Cooperatives (MK'mn)

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

13. LIST OF LICENSED MARKET PLAYERS AS AT 31ST DECEMBER 2019

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. MyBucks Banking Corporation Limited
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

GENERAL INSURANCE COMPANIES

1. Britam Insurance Company Malawi Limited
2. Co-operatives General Insurance Limited
3. General Alliance Insurance Limited
4. Liberty General Insurance Company Limited
5. NICO General Insurance Company Limited
6. Prime Insurance Company Limited
7. Reunion Insurance Company Limited

8. United General Insurance Company 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

8. Guardian Insurance Brokers Limited
9. Hubertus Clausius (Malawi) Limited
10. Kingfisher Insurance Brokers Limited
11. Mahogany Insurance Brokers Limited
12. Marsh Malawi Limited
13. MicroEnsure Brokers Limited
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
19. All One Insurance Brokers Limited
20. Makz Insurance Brokers Limited
21. Cover Your Asset Insurance Brokers Limited
22. Senate Insurance Brokers Limited
23. Midas Insurance Brokers Limited
24. Equatorial Insurance Brokers Limited
25. Thofu Insurance Brokers Limited
26. Southern Africa Health Insurance Brokers and Advisors Limited

AGENTS FOR BROKERS

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

INSURANCE CLAIM SETTLING AGENTS

1. Cliente Insurance Claim Settling Agency

FUNERAL SERVICES

INSURANCE PROVIDERS

1. 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. Direct Insurance Agency
8. Donatti Insurance Agency
9. Falcon Insurance Agency
10. Favour Insurance Agency
11. Future Insurance Agency
12. Gateway Insurance Agency
13. HB Insurance Agency
14. Hamax Insurance Agency
15. Ibex Insurance Agency

16. Infinity Insurance Agency
17. Lingalithu Insurance Agency
18. Liberty Insurance Agency
19. Mandate Insurance Agency
20. Milanzi Insurance Agency
21. Nata Insurance Agency
22. Orama Insurance Agency
23. Premier Insurance Agency
24. Quality Insurance Agency
25. Reliable Insurance Agency
26. Resilient Insurance Agency
27. Sun Insurance Agency
28. Ultimate Insurance Agency
29. Vision Insurance Agency
30. Vitu Insurance Agency
31. Vivid Insurance Agency
32. W.T. Thundu Insurance Agency
33. Noble Insurance Agency
34. Legacy Insurance Agency
35. Victory Insurance Agency

LIFE INSURANCE AGENTS AND REPRESENTATIVES

NICO LIFE INSURANCE AGENTS

1. Dyress Magoya
2. Maher Mitchells
3. Austin Mumba
4. Tionge Kaimfa
5. Chikondi Nkanda
6. Evertar Chinsolo
7. Tiwonge Kitta
8. Josephine Kondowe
9. Ellen Kanondo
10. Towera Nyirenda
11. Sonke Chisomo Sowa
12. Eluby Napolo
13. Davie Nkhoma
14. Wendy Nyasulu
15. Matilda Msekawanthu
16. Alex John
17. Dolla Singano
18. Chisomo Msampha
19. Dorica Mbenje
20. Watson Mwallilino
21. Gabriel Kachigayo
22. Cecilia Kwinyani
23. Hawa Nancy Harawa
24. Hannah Rachel Zulu
25. George Mbalati
26. Chisomo Chitukwi
27. Taonga Singini
28. Dereck White Sande
29. Alinafe Kampaliro
30. Ireen Mseka
31. Doris Labani
32. Eveless Banda
33. Andrew Chakulangira
34. Michael Singini
35. Carleen Maganga
36. Michael Valentine Gulaimfa
37. Kondwani Kamwana
38. Paul Chriss Sabola
39. Agness Chirwa
40. Precious Banda
41. Innocent Maenje
42. Dan Videde
43. Samuel Yohane Kamphako
44. Aubrey Zalira
45. Victor Chikaphonya
46. Timothy Makolija
47. Paul Kachala
48. Grace Mwanza
49. Catherine Kaluwa
50. Sunganani Byson

51. Katunga Louisa	94. Dennis Wesley	137. Getrude Masala	180. Feza Chikondi	223. Ian Kapyanga	13. Brian Mtendewan
52. Faith T. Kadziwe	95. Millie Cornilia	138. Brenda Mselu	181. Manda Nezzaar	224. Cubaless Mbalawira	14. Captain Dulla
53. Mitulo Constance	96. Makoko Chirwa	139. Lottie Maziya	182. Chado Aubrey	225. Chifundo Limani	15. Ceaseria Sokela
54. Gibson Singini	97. Ison Mwandira	140. Whitney Mhango	183. Mbiri Linda	226. Chrissy Mwase	16. Charity Kamwendo
55. Loveness Chiwaya	98. Esther Kadzombe	141. Gift Zidana	184. Mtalika Gasten	227. Jimmy Kaira	17. Chimango Mwandira
56. Ivy Bwanali	99. Florence Kunkhanda	142. Daniel Chinseu	185. Mulima Victoria	228. Rodrick Kalinga	18. Chimwemwe Katsache
57. Kelly Mumbo	100. Fungai Nyaude	143. Sadick Numeri Mdoka	186. Chiunge Grace	229. Andrew Dalo	19. Chimwemwe Moyo
58. Paul Sipolo	101. Dorothy Kodo	144. Chrissy Kumwenda	187. Chafumuka Daniel	230. Petros Ndakoiwa	20. Chimwemwe Natasha Mkandawire
59. Ellen Ntjili	102. Patricia Chinseu	145. Kadammanja Mac	188. Watson Chirambo	231. Mirriam Mumba	21. Chris Chikapa
60. Precious Nanthuru	103. Maria Mwafurirwa	146. Muwira Rhoda	189. Njobvu Getrude	232. Lydia Chakalamba	22. Christina Jere
61. Mwatipasa Kawalewale	104. Robert Dodoma	147. Ghambi Iris	190. Phalula Chimwemwe	233. Chally Shonga	23. Clever Makwiti
62. Clever Magazine	105. Sosten Mpomba	148. Mhango Dan	191. Waya Walter	234. Amosi Namondwe	24. Cliff Chapomba
63. Wendy Malipa	106. Doreen Pondepone	149. Ngonga Atusaye	192. Chimombo Madalitso	235. Stive Liwera	25. Daniel Maseko
64. Brenda Chaposa	107. Nizia Lupiya	150. Chinthenga Yamikani	193. Mmanga Arthur	236. Misozi Kafaamveka	26. Dennis Mtalika
65. Mike Chichitike	108. Amon Kuyokwa	151. Tamvekenji Olive	194. Hau Ellen	237. Nellie Makumba	27. Dingani Chisi
66. Mercy Lampiao	109. Beatrice Lungu	152. Ng'oma Anthony	195. Nandolo Olive	238. Sungeni Kishindo	28. Edda Semele
67. Mary Chibaira	110. Lonjezo Palikena	153. Tambala Titani	196. Sadyalunda Phillip	239. Mwai Zimpita	29. Eddah Manyenje
68. Virginia Petro	111. Phalyce Kumdana	154. Mwenda Lenton	197. Ndamuwa Chimwemwe	240. Wongani Mkandawire	30. Elipher Makwinja
69. Nitalice Mdoka Phillips	112. Jailos Matola	155. Kapapa Lusungu	198. Sangala Pamela	241. Dingase Phuza	31. Elizabeth Gondwe
70. Charles Phylis Goliati	113. Chimwemwe Gumbo	156. Manda Brian	199. Mbendera Sara	242. Ireen Kudzowe	32. Ellen Kaunda
71. Ireen Masalino	114. Edith Phiri	157. Mphamba Alex	200. Nankwenya Shanny	243. Zelesi Mlaka	33. Ephraim Khulukhusya Nyirenda
72. Blessings Banda	115. Edwin Phiri	158. Chimphonda Charles	201. Nyirenda Menard	244. Sheilla Chimaliro	34. Esther Zam'mimba
73. Davie Gama	116. Binna Mwambira	159. Musukwa Moses	202. Sumani Kenneth	245. Yohani Mtambo	35. Ethel Gomani
74. Zainabu Mandanda	117. James Bilale	160. Nyirenda Constance	203. Mwakiseghile Esco	246. Mwayi Winiko	36. Fanuel Chapempha
75. Martin Mkandawire	118. Aubrey Umali	161. Mhango Keffa	204. Thom Ollen	247. Julius Mfune	37. Faith Gwiramwendo
76. Theona Maveya	119. Phadress Limbani	162. Mseka Chikondano	205. Mwamondwe Kondwani	248. Prudedence Zulu	38. Fiskani Chiyendawamba
77. Bridget Saukira	120. Carolyne Lester Chirwa	163. Tenthani Ulemu	206. Misomali Clara	249. Chikondi Nkanda	39. Francis Maluwa
78. Evelyn Malikwa	121. Mphatso Banda	164. Banda Phylis	207. Kamwenje Beatrice	250. Evertar Chinsolo	40. Geoffrey Gama
79. Janet Chekani	122. Goodson Chizaka	165. Chisi Martha	208. Mlambala Pilirani		41. Getrude Gondwe
80. Blessings Chisoni	123. Charity Mkwala	166. Vyazala Spencer	209. Colless Nkwani		42. Getrude Mvaya
81. Lusekelo Mwanyula	124. Esther Khamalatha	167. Sonia Ngosi	210. Solomon Chizaka		43. Getrude Mandowa
82. Austin Balala	125. John Nkata	168. Enerst Chilenje	211. Joan Gadama		44. Gift Moyo
83. Pamela Golowa	126. Daniel Nyasulu	169. Nyirongo Tainess	212. Linda Ng'ambi Chellah		45. Happy Chilale
84. Brenda Bauleni	127. Bezita Mtonga	170. Kasaru Ellen	213. Sophie Bvumbwe		46. Happy Tembo
85. Belinda Khonyongwa	128. Mansfield Mbonekera	171. Nkolimbo Thoko	214. Stewart Ngwira		47. Harlod Khulupirire
86. Patrick Phiri	129. Khumbo Kachere	172. Mtanga Gladys	215. Cyrus Kandodo		48. Hetherwick Mvura
87. Arkangel Luhanga	130. Emily Gondwe	173. Nsanama Catherine	216. Milliam Chanza		49. Innocent Banda
88. Angella Chimpanzo	131. Joshua Zimba	174. Kadewere Sphiwe	217. Bridget Kalulu		50. Isaac Mandala
89. Mac Donald Banda	132. Chimwemwe Mahiyo	175. Nkangala Nellie	218. Josephine Msisi		51. Jean Minjale
90. Chancy Maluwa	133. Caroline Chiwaya	176. Ghambi Paul	219. Ellen Kadzuwa		52. Jenepher Mseteka
91. Tamika Mezuwa	134. Elizabeth Kalumba	177. Govati Zenasi	220. Chikondi Chikaonda		53. Jessie Teki
92. Chisomo Banda	135. Martha Benito	178. Chipinda Victor	221. Fortune Chapweteka		
93. Phiri Jane	136. Jane Nkhoma	179. Kundaje Reinhard	222. Beatrice Chinyama		

OLD MUTUAL LIFE ASSURANCE AGENTS

1. Aaron Mzungu	42. Getrude Mvaya
2. Aaron Mkandawire	43. Getrude Mandowa
3. Angella Bulla	44. Gift Moyo
4. Annie Galloway Chombo	45. Happy Chilale
5. Beverley Mwangonde	46. Happy Tembo
6. Blassings Kamchira	47. Harlod Khulupirire
7. Blessings Kamanga	48. Hetherwick Mvura
8. Blessings Msonkho	49. Innocent Banda
9. Blessing Msowoya	50. Isaac Mandala
10. Blessings Nkhambula	51. Jean Minjale
11. Bonita Kadzani	52. Jenepher Mseteka
12. Brenda Chioza	53. Jessie Teki

54. Jessy Nyasulu	96. Samuel Kachala	22. Zaithwa Joshua
55. Jooma Milongwe	97. Sellina Chisale	23. Wezi Phiri
56. Josephine Kachala	98. Sigele Selemani	24. Daniel Mwenje
57. Joyce Mphezu	99. Spencer Maiden	25. Michael Tembo
58. Katrina Chirwa	100. Sphiwe Chipala	26. Cynthia Sabiti
59. Kennedy Msiska	101. Stain Akimu	27. Doreen Ndeule
60. Khomba Mlambala	102. Stella Lichapa Chiuzeni	28. Edward Mughogho
61. Kingsley Tchale	103. Steve Mwafurirwa	29. Elizabeth Magalasi
62. Kondwani Kumwenda	104. Suedi Majawa	30. Elizabeth Mustmoir
63. Kondwani Munthali	105. Tadala Chiwaya	31. Ellijah Yollam
64. Kumbukani Jimusole	106. Takondwa Muphuwa	32. Enock Kamphonje
65. Light Lita	107. Temwanani Nazombwe	33. Ester Munthali
66. Lizzie Chilapondwa	108. Thoko Lumwira	34. Eunice Chatepa
67. Loif Chirwa	109. Tiwonge Chirwa	35. Evelyn Msosa
68. Lonely Banda	110. Upile Matenganya	36. Fatsani Malonje
69. Louis Time	111. Uzayani Ntaba	37. Felix Mchenga
70. Luckness Sambo	112. Vanessa Chiundira	38. Grayson Vyachi Nyirenda
71. Madalitso Lopez	113. Verrah Anthony	39. Innocent Nyirenda
72. Madalitso Sineta	114. Victor Mwaisango	40. Johannes Kawalewale
73. Manjaalusu Phiri		41. Lauryn Chiumia
74. Martha Mkandawire		42. Letricia Chima
75. Maria Chapo		43. Limbikani Kaoloka
76. Martin Moyowina		44. Linda Manda
77. Martin Nkhoma		45. Linda Mvula
78. Mavuto Mbale		46. Mphstso Msowoya
79. Mercy Simkhonde		47. Maggie Chimombo
80. Mike Nyirenda		48. Maggie Kaunda
81. Mirriam Kambova		49. Malani Banda
82. Molles Gondwe		50. Martha Chirwa
83. Mphatso Mabutao		51. Maxwell Kuntaja
84. Nadi Mughogho		52. Memory Baluwa
85. Odala Mhura		53. Memory Moyo
86. Patricia Khauya		54. Mercy C. Phiri
87. Patrick Lingwalanya Yobe		55. Mercy Kantchowa
88. Peter Majawa		56. Milliam Phiri
89. Precious Chikafa		57. Mirriam Chilamwa
90. Prudence Chirwa		58. Moses Chirwa
91. Richard Banda		59. Mphatso Msowoya
92. Rholita Iphani		60. Msinjilireni Ingolo
93. Ronney Maulidi		61. Mtisunge Kalimbuka
94. Rosario Mwandira		62. Nashon Banda
95. Ruth Reuben		63. Nelson Singano
		64. Osman Meja

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

65. Patricia Chitanda
66. Patrick Bandawe
67. Peter Nyirenda
68. Salomy Chavula
69. Shadreck Banda
70. Sharon Chipeta
71. Stain Chibisa
72. Stella Kachilala
73. Susan Maseko
74. Tamanda Kankhuni
75. Thandie Nthengwe
76. Thoko Hande
77. Tichitenji Mwango
78. Tiyamike Gadi
79. Towera Lallubhai
80. Trizza Phalani
81. Truthruth Kayamba
82. Vanessa Kalombola
83. Violet Kantepa
84. Wanangwa Tchuwa
85. Alex Nehuwa
86. 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

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

STAND-ALONE 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. Aviation Pension Fund
5. Puma Energy Pension Fund
6. SUCOMA Group Pension Fund
7. Illovo Sugar (Malawi) Limited Pension Fund
8. Magetsi Pension Fund
9. Telekom Networks Malawi Limited Pension Fund
10. Toyota Malawi Limited Pension Fund
11. National Bank of Malawi Pension Fund
12. First Capital Bank Limited

Pension Fund	UMBRELLA FUNDS	2. NICO Asset Managers Limited	4. Lovemore Kambani	3. Zizwani Khonje	FDH HOLDINGS LIMITED
13. Malawi Posts Corporation Pension Fund	1. Old Mutual Malawi Umbrella Fund	3. Continental Asset Management Limited	5. James Mbingwa		1. Thomson Mpinganjira
14. Public Service Pension Trust Fund	RESTRICTED PENSION FUNDS UNDER UMBRELLA FUNDS	4. FDH Financial Holdings Limited	6. Bright Chiwaula	ALLIANCE CAPITAL LIMITED	2. George Chitera
15. Madzi Pension Fund		5. Old Mutual Investment Group Limited	7. Theodore Kalumo	1. Lilian Macheso	DEPOSIT TAKING MICROFINANCE INSTITUTIONS
16. CEAR Pension Fund	1. Partners in Hope Pension Fund	6. Standard Bank Limited (Malawi)	NICO ASSET MANAGERS LIMITED	2. Christian Majavina	1. Foundation for International Community Assistance (FINCA) Limited
17. Malawi Bureau of Standards Pension Fund	2. Malawi Telecommunications Limited Pension Fund	7. Alliance Capital Limited	1. Emmanuel Chokani	3. Gift Manda	2. Vision Fund Malawi
18. Auction Holdings Limited Pension Fund	3. Alliance One Tobacco(Malawi) Limited Pension Fund	8. Carrick Wealth (Malawi) Limited	2. Daniel Dunga	4. Charity Mhango	3. Target Financial Services Limited
19. FDH Group Pension Fund	4. Malawi Corridor Group Pension Fund	9. Rencap Securities (Pty) Limited	3. Memory Chipembere	5. Elizabeth Likhunya	
SELF-ADMINISTERED PENSION FUNDS	5. Tobacco Control Commission	PORTFOLIO MANAGERS	4. James Tsonga	6. Bond Mtembezeka	
1. Press Corporation Limited Group Pension Fund	STOCK EXCHANGES	1. Old Mutual Investments Group Limited	5. Masautso Elias	OLD MUTUAL UNIT TRUST (MALAWI) LIMITED	
2. Reserve Bank of Malawi Pension Fund	1. Malawi Stock Exchange Limited	2. NICO Asset Managers Limited	6. Clara Maliro	1. James Mhura	NON-DEPOSIT TAKING MICROFINANCE INSTITUTIONS
UNRESTRICTED PENSION FUNDS	BROKERS	3. NBM Capital Markets Limited	7. Chikondi Gomani	2. Mercy Chimbaka	1. Pride Malawi
1. Old Mutual Malawi Unrestricted Pension Fund	1. Continental Capital Limited	4. Alliance Capital Limited	8. Zindaba Mbekeani	3. David Jere	2. Greenwing Capital Financial Services
2. NICO Unrestricted Pension Fund	2. Alliance Stockbrokers Limited	5. Continental Asset Management Limited	9. Tumusime Msimuko	4. Linda Ndasauka	3. Microloan Foundation
3. NBM Unrestricted Pension Fund	3. Stockbrokers Malawi Limited	TRANSFER SECRETARIES	10. Tafika Nyirenda	5. Dollah Kalukho	4. CUMO Microfinance
4. The Associated Pension Trust (APT) Unrestricted Pension Fund	4. Cedar Capital Limited	1. Standard Bank Limited.	11. Martin Ephraim	6. Fatima Koka	5. Blue Financial Services
5. Mwafuli Unrestricted Pension Fund	COLLECTIVE INVESTMENT SCHEMES	2. NICO Asset Managers Limited.	12. Evance Nasiyaya	7. Vincent Mkandawire	6. Easy Loans
6. Continental Unrestricted Pension Fund	1. Old Mutual Unit Trust Mw Limited	3. National Bank of Malawi Limited.	13. Old Mutual Investment Group Limited	8. Chifundo Kafulatira	7. Select Financial Services
7. Old Mutual Protektor Unrestricted Pension Fund	2. National Investment Trust Limited	4. First Capital Bank Limited.	14. Mark Mikwamba	NBM CAPITAL MARKETS LIMITED	8. VisionFund Malawi
8. Vanguard Unrestricted Pension Fund	INVESTMENT ADVISORS	SECURITIES REPRESENTATIVES	15. Mphatso Kasalika	1. Limbani Namwera	9. Malawi Enterprise Development Fund (MEDF)
	1. NBM Capital Markets Limited	Continental Asset Management Limited	16. Khumbo Shaba	2. Elton Masibawo	10. Expresscredit Limited
		1. Gillian Kachikondo	17. Jack Suleman	CEDAR CAPITAL LIMITED	11. COMSIV Limited
		2. Grace Zimba	18. Bernard Sande	1. Armstrong Kamphoni	MICROCREDIT AGENCIES
		3. Precious Kumbatira	19. Brenda Mwale	2. Micah Chimombo	1. AIC Financials Limited
			20. Misozi Gondwe	3. Regina Kachingwe	2. BL Financial Services Limited
			21. Fanny Tizora	4. Kondwani Nyirongo	3. Binisons Credit Agency
			22. Robert Kamwela	CONTINENTAL CAPITAL LIMITED	4. Business Finance Solutions
			23. Linda Kumsinda	1. Patrick Nadzanja	5. Chislet Finance Limited
			24. Sharon Matanga	2. Kenneth M'madi	6. Centre for Advancement of Sustainable
			25. Garri Mathanga	STOCKBROKERS MALAWI LIMITED	
			26. Cuthbert Mnyenyembe	1. Noel Kadzakumanja	
			ALLIANCE STOCKBROKERS LIMITED	2. Kondwani Makwakwa	
			1. Thokozani Saulosi	3. David Magombo	
			2. Tafadzwa Maphosa		
			STANDARD BANK LIMITED		
			1. Enock Kondowe		
			2. Mutisunge Banda		

Development (CASDE)	Limited	14. Limbe Leaf SACCO Limited
7. Circle Microfinance Limited	30. Pamodzi Finserve Limited	15. Mchinji Teachers SACCO Mudi SACCO Limited
8. Community Finance Limited	31. Rising Finance Limited	16. M-Unity SACCO Limited
9. Citizen Microfinance	32. SAILE Financial Services	17. Mufuna SACCO Limited
10. DF Agency	33. Savanna Financial Services Limited	18. Msilikali SACCO Limited
11. Ecological Research and Outreach Initiative Ltd (ECORET)	34. Sono (Now) Microfinance Limited	19. Mzinda SACCO Limited
12. EPIK Finance Limited	35. Swift Finance Limited	20. Mzuzu University SACCO Limited
13. Excel Microcredit Agency	36. Sycamore Credit Limited	21. Nsanje Community SACCO Limited
14. Express Microloan Limited	37. Tamarh Consult Limited	22. Plan Malawi SACCO Limited
15. Faith Microfinance Limited	38. The Binisons Credit Agency	23. Reserve Bank of Malawi SACCO Limited
16. First Microfinance Centre	39. TEECs	24. Rumphu Teachers SACCO Limited
17. FEDOMA Microfinance Project	40. Ubale Loans Limited	25. Police SACCO Limited
18. Financerite Limited	41. Ufulu Finance Limited	26. Polymed SACCO Limited
19. FISD Finance for Agriculture Development (FIFAD)	42. Umunthu Microfinance	27. PTC Group SACCO Limited
20. Fountain Microfinance	43. Wealthnet Finance Limited	28. Sucoma SACCO Limited
21. GetBucks Malawi		29. Sunbird SACCO Limited
22. Green Gold Finance Limited		30. Tadala SACCO Limited
23. Greenroot Finance Limited		31. Timbiri SACCO Limited
24. Mlatho Financial Services Limited		32. Thyolo Teachers SACCO Limited
25. Moyowathu Financial Services		33. Umodzi SACCO Limited
26. National Association of Business Women (NABW)		34. UNC SACCO Limited
27. Nile Flow Limited		35. United Civil Servants SACCO Limited
28. Northern Alliance Financing Corporation Limited		36. United Nations SACCO Limited
29. Palm Microfinance		

FINANCIAL COOPERATIVES

1. Admarc Employees SACCO Limited
2. Auction Holdings Limited
3. BNC SACCO
4. Chilungamo SACCO Limited
5. Chitukuko SACCO Limited
6. Dedza Teachers SACCO Limited
7. DWASCO SACCO Limited
8. Focus SACCO Limited
9. Fodya SACCO Limited
10. Future SACCO Limited
11. Kandiya SACCO Limited
12. Kasupe SACCO
13. Kawiluwilu SACCO Limited