

CEO'S MESSAGE

2012 - 2016 STRATEGIC PLANNING PROCESS UPDATE

"...I wish to commend all those staff who upon our request submitted the ideas which they felt will help the Bank to move to greater heights..."



As you all know, we are now developing our new Strategic Plan for 2012-2016 and with the benefit of the recent Cultural Transformation Programme, the approach taken is to give all members of staff an opportunity to contribute to this strategy. In keeping with this approach in mind, this is what we have so far done/and will be done:

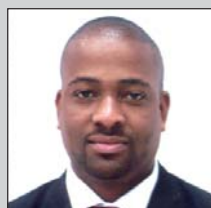
1. We solicited ideas from all members of staff.
2. The ideas, together with customer feed-back from suggestion boxes and research results were discussed and deliberated in a workshop comprising of staff from across the business.
3. A summary of those ideas and suggestions (2 above) have been developed into key strategic themes which have been adopted by Management and going forward the following will happen:
 - Using the themes above, each division will discuss and plan how they will contribute towards the achievement of the overall bank strategy.
 - The divisions will present their plans to Management Committee and upon agreement, the proposed divisional plans will be incorporated in the main draft strategy document. The Executive will thereafter present to the Board for further input and adoption.

The plan is to complete this process by the end of September 2011.

Meanwhile, I wish to commend all those staff who upon our request submitted the ideas which they felt will help the Bank to move to greater heights in its efforts to service its customers better and maintain a leading position in the market.

Below is a list of staff who submitted ideas for inclusion in the new strategy:

Hans Muhome
Susan Mopiwa
Price Kastigu
Samson Mzungu
Edward Mulaga
Luhanga Mtisunge
Christopher Chigona
Nguwachi Selemani
Davis Msadala
Phillip Naunje
Noel Nandolo
William Mabulekesi
Austin Mkumpha
Davie Phiri
Eric Bob Munthali
Saizi Bakali
Blessings Chilaulo
Doreen Kashoti
Gift Majamanda
Lackson Mutambo



Phillip Naunje: "I am proud and happy to contribute to my Bank's Strategic Plan."

Davies Chitimbe
George Nyirenda
Zita Simwaka
Christopher Khuppira Chilenga
Annie Magola
Greth Sabawo
Jeremiah Falakeza
Bornface Bwanali
Felix Penama
James Malunga
Joe Likubwe
Jeremiah Falakeza
Emily Kapatuka Nyirenda
Bruno Limbe
Tamara Kambwiri
Sekani Mfufu
Joel Chiponde
Mabvuto Madeya
Azikiwe Mussa Mbewe
Henry Chalowa
Robert Kapyepye
Brian Chirwa
Moses ganiza
Frank Kunje
Mike Mapundah
Christopher Nkopeka
Mada Emmie Chigamane
Project Finance & Public Sector Unit

George Partridge
CEO

NBM BUREAU DE CHANGE

NBM Bureau De Change is a subsidiary of National Bank of Malawi, incorporated in December 2010 and ready to open its doors to the public by 1st August 2011. The Board of directors of the subsidiary company include: Harry Mukaka, Austin Musyani and Brian Boby. Currently, the Bank will be operating two outlets, one in Blantyre in Oasis Plaza building next to Bata shop along the Haile Selassie road. This will be supervised by Ireen Amin. The other outlet is at Old town in Lilongwe, in Gelu building, next to PTC shop opposite the mosque on the M1 road, and it will be under the supervision of Shanks Bongololo Gondwe. The Manager in charge of the Bureaus is Chimwemwe Mtima Jere.

WHAT IS A BUREAU DE CHANGE?

A Bureau De Change is an entity whose activities are limited to the sale and purchase of foreign currency cash, travelers' cheques and other similar instruments for immediate delivery. According to Reserve Bank of Malawi guidelines, a foreign exchange bureau shall run as an extension of foreign

exchange operations of an authorized dealer bank but limited to only selling and buying of foreign exchange for travel purposes.

ADVANTAGES TO THE BANK

The major benefit to NBM is that the bureau outlets will offer the Bank a platform to compete fairly on foreign cash transactions.

ADVANTAGES TO OUR CCUSTOMERS

To the Bank's customers, they are assured of a secure and ambient environment to do business than the parallel market.

The customers are also assured of genuine transactions and notes as they will be dealing with a reputable entity.

And as a corporate citizen, the bank assures its customers and the nation that it will help in essential services through payment of taxes.

With its experience gained from the mother company NBM, dedicated staff and, inherited

brand name and ambiance, NBM Bureau De Change has come in the market to steer competition in the right direction as well as sustain earnings for its shareholders.

A Bureau De Change is an entity whose activities are limited to the sale and purchase of foreign currency cash, travelers' cheques and other similar instruments for immediate delivery.

STAFF MATTERS FOR JUNE/JULY 2011

CONFIRMATION OF PROMOTION

NAME	DIVISION/SERVICE CENTRE	EFFECTIVE DATE	REASON
1. Chilanga Mungo	Victoria Avenue	01-Jun-11	Promoted to- Grade F
2. Malimusi Felister	Chichiri	01-Jun-11	Promoted to Grade F
3. Nyirenda Suzgo	Customs Road	01-Jun-11	Promoted to Grade F
4. Mpameya Yanjanani	Zomba	01-Jun-11	Promoted to Grade G
5. Kalonga Agnes	Treasury	01-Jun-11	Promoted to Grade G
6. Banda Lloyd	Credit Management	01-Jun-11	Promoted to Grade F
7. Chinkonda Zione	Credit Management	01-Jun-11	Promoted to Grade E
8. Malikula bertha	Credit Management	01-Jun-11	Promoted to Grade E
9. Ngulu Mclean	Credit Management	01-Jun-11	Promoted to Grade E
10. Nyirenda Richard	Operations	01-Jun-11	Promoted to Grade F
11. Chipole Bryn	Victoria Avenue	01-Jul-11	Promoted to Grade G
12. Malemia Kondwani	Victoria Avenue	01-Jul-11	Promoted to Grade G
13. Umali Esther	Victoria Avenue	01-Jul-11	Promoted to Grade G
14. Chijere Chimwemwe	Chichiri	01-Jul-11	Promoted to Grade G
15. Kamponda Joseph	Chichiri	01-Jul-11	Promoted to Grade G
16. Chikoja Charity	Customs Road	01-Jul-11	Promoted to Grade F*
17. Sokosa Edith	Customs Road	01-Jul-11	Promoted to Grade C
18. Mopiwa Humphrey	Zomba	01-Jul-11	Promoted to Grade E
19. Chiwaula Wilson	Capital City	01-Jul-11	Promoted to Grade F
20. Dzikanyanga Stanley	Capital City	01-Jul-11	Promoted to Grade F
21. Kaundeni Evance	Capital City	01-Jul-11	Promoted to Grade CHF
22. Mchikho Lauryn	Lilongwe	01-Jul-11	Promoted to Grade G
23. Tandaude Peter	Credit Management	01-Jul-11	Promoted to Grade F

NEW STAFF MEMBERS

NAME	DIVISION/SERVICE CENTRE	GRADE	DATE OF JOINING
1. Mgemezulu Martha	Operations	H	01-Jun-11
2. Chimberekero Andrew	Victoria Avenue	H	01-Jun-11
3. Jambo Linda	Mzuzu	H	01-Jun-11
4. Ngaiyaye Samuel	Mulanje	H	13-Jun-11
5. Kazembe Alfred	Finance	F	27-Jun-11
6. Phiri Chawezi	Capital City	H	11-Jul-11



NBM AWARDS WINNERS

Personal and Business Banking Department came up with a new Personal Account but without a proper name. A request was sent to all staff to suggest a suitable name. A number of names were submitted and sent to ALCO Committee who settled for LifeSave Account.

Mr Webster Kaonga (2L) and Mr Jarvis Nkango (2R) received a cheque of K30,000 each for coming up with a winning name. Presenting the cheques were Head of Business and Banking Department, Mr Oswin Kasunda (R) and NBM Corporate Affairs Manager (L).

Congratulations!

From Page 4

The following will only allow new deals to be input during the COB:

APPLICATION NAME	BUSINESS AREA
AZ.ACCOUNT FACILITY	ALL IN ONE ACCOUNTS
FD.FID.ORDER	SYNDICATED LOANS
FD.FIDUCIARY	FIDUCIARIES
FOREX	FIDUCIARIES
FRA.DEAL	FOREIGN EXCHANGE
LD.LOANS.AND.DEPOSITS	FWD RATE AGREEMENT
LD.SCHEDULE.DEFINE	LOANS AND DEPOSITS
MG.MORTGAGE	LOANS AND DEPOSITS
MG.PAYMENT	MORTGAGES
MM.MONEY.MARKET	MORTGAGES
PD.CAPTURE	MONEY MARKET
PD.PAYMENT.DUE	PAST DUE
PRE.SYNDICATION.FILE	PAST DUE
SC.EXE.SEC.ORDER	SYNDICATED LOANS
SEC.OPEN.ORDER	SECURITIES
SEC.TRADE	SECURITIES
SECURITY.TRANSFER	SECURITIES
SL.BUY.SELL	SECURITIES
SL.CHARGE	SYNDICATED LOANS
SL.FACL.RATES	SYNDICATED LOANS
SL.LOANS	SYNDICATED LOANS
SL.RATES.PART	SYNDICATED LOANS
SL.REPAYMENT.SCHEDULES	SYNDICATED LOANS
SL.ROLLOVER	SYNDICATED LOANS
SWAP	SYNDICATED LOANS
	SWAPS

The world of limitless transactional processing possibilities is here; let us use it to the fullest.



Staff Sports Festival is around the corner.
Start exercising now!



NONSTOP IN T24



During a driving course or indeed on a day-to-day drive on the roads, one encounters various road signs that are geared to regulate, control, inform, and indeed direct traffic. One of the many road signs is the NO STOPPING sign which indicate that stopping is only allowed in order to obey a traffic sign, signal, traffic agent, police officer, or to avoid conflicts with other vehicles. The No stopping sign falls in the most restrictive of the parking signs category. As with all restrictive signs category, no stopping signs are typically red on white.

With the implementation of T24, the no stopping (nonstop) operational functionality has been introduced. No stopping in T24 applies to the ability for users to be able to undertake transactional activities around-the-clock or say 24/7 if that is desirable except where an emergency has occurred. This means that posting by users and self-service touch points such as BankNet Online, Mo626, and ATMs can update customer accounts even when close-of-business (COB) procedures are running at Data Centre. This is in contrast from what we were used to during the Bankmaster era whereby when end-of-day was running, no one including self-service touch points was allowed to access and indeed update customer accounts in Bankmaster database. This is therefore another milestone in the development of systems availability for the bank's operations that will soon accrue its benefits and open up opportunities for further customer self-service touchpoints.

What really happens when the T24 nonstop is running is that when the COB is initialised the system date is immediately changed to the next working day. Any updates done online are recorded with the next business date. "Core accounting processing will ignore movements generated with the system date after the current COB date from the CRB processing, interest accruals and revaluation of currency positions." Any application that need to hold positions and balances that identify a closing value for the contract on a given date because since transaction updates will take place (for the next working day) whilst the COB is running, the update of these balances will not impact the closing value of the next day.

More facts about nonstop include:

- n Nonstop processing allows full transaction processing (i.e. input, authorise, delete, reverse) whilst the close of business processing is running.
- " In the case of securities there may be some specific restrictions (e.g. on the day of a bond coupon payment for the security it may not be possible to do the transaction non-stop).
- " There is NO restriction on modifying/reversing/deleting existing contracts.
- " There is NO restriction on back-values / forward values etc
- " There is no impact on transactions in an unauthorised state (e.g. INAU, RNA) before the COB started ; i.e. they will be left in the same state. There is NO processing for these contracts to move them to HLD
- " New contracts can be entered, amended and authorised
- " Back value transactions are not allowed.
- " Contracts which were not authorised before the COB will be moved to HLD during the COB process, but new contracts will NOT be affected
- " Customer and Contract balances will be updated real-time to ensure that the latest transaction impact is full included from the customer perspective

- " For securities the customer positions will be updated real-time
- " The financial closing position of the bank is not impacted by non-stop transactions. This means:
 - o The GL (CAL/CPL) will not include any of the movements resulting from these transactions, these will be included during the next COB
 - o Currency Positions are updated to include the impact of cross-currency non-stop transactions, but the close of business revaluation will exclude the value of these transactions.
 - o The close of business processing will use currency rates defined when the COB started and will not take into account any change to the currency rates whilst the cob is in progress

As with most nonstop or no stopping or 24/7 services, certain restrictions apply. Being reminded of the 24/7 service at most hospitals, one notes that services are scaled down at certain times. It is therefore in the same spirit that the nonstop functionality in T24 scales down certain user input activities to avoid conflicts, not with other vehicles, but with other key close-of-business activities. The following can be done while the COB is running:

APPLICATION NAME	BUSINESS AREA
AC.LOCKED.EVENTS	ACCOUNTS
ACCOUNT	ACCOUNTS
ACCOUNT.CLOSURE	ACCOUNTS
ACCOUNT.CREDIT.INT	ACCOUNTS
ACCOUNT.DEBIT.INT	ACCOUNTS
ACCOUNT.DEBIT.LIMIT	ACCOUNTS
ACCT.CAPITALISATION	ACCOUNTS
ACCOUNT.STATEMENT	ACCOUNTS
ACCT.STATEMENT.CHARGE	ACCOUNTS
ACCT.INTERIM.CAP	ACCOUNTS
BALANCE.REQUIREMENT	BALANCES
CURRENCY	CURRENCY
CUSTOMER	CUSTOMER
CUSTOMER.SECURITY	CUSTOMER
DATA.CAPTURE	DATE CAPTURE
DEBIT.INT.ADDON	DEBIT INTEREST
ENTITLEMENT	SECURITIES
FORWARD.RATES	FORWARD RATE AGREEMENTS
FUNDS.TRANSFER	FUNDS TRANSFER
GENERAL.CHARGE	CUSTOMER
GROUP.CAPITALISATION	CUSTOMER
GROUP.CREDIT.INT	CUSTOMER
GROUP.DEBIT.INT	CUSTOMER
HIGHEST.DEBIT	BALANCES
INTEREST.STATEMENT	INTEREST
NOTICE.WITHDRAWAL	ACCOUNTS
PAYMENT.STOP	CHEQUES
PERIODIC.INTEREST	INTEREST
SC.SETTLEMENT	SECURITIES
SEC.ACC.MASTER	SECURITIES
SECURITY.MASTER	SECURITIES
STANDING.ORDER	STANDING ORDERS
TELLER	TELLER
TELLER.ID	TELLER
TRANSACTION.CHARGE	ACCOUNTS
TURNOVER.CREDIT	ACCOUNTS
TURNOVER.DEBIT	ACCOUNTS

To Page 3

