



NBM HOLDS AGM

...declares K8.35 billion
dividend to shareholders



National Bank of Malawi (NBM) plc held its 45th Annual general Meeting (AGM) on 14th June 2017 where it declared a final dividend amounting to K3.8 billion making a total of K8.35 billion in respect of 2016 profits.

The bank already paid a first interim dividend of K3.01 billion in September 2016 and a second interim dividend of K54 billion on March 31, 2017.

"I am pleased to announce a group pre-tax profit of K25.3 billion (2015:K19.6 billion) representing a 29% increase on prior year. This is in spite of once off Indebank integration costs totaling K1.7 billion incurred in respect of severance pay and impairment of assets that could not be put to alternative use"

"In addition, Indebank continued to incur unplanned overheads due to delays in obtaining certain regulatory approvals which resulted in losses amounting to K400 million," said outgoing Board Chairperson Dr Matthews Chikaonda.

"The Bank has therefore, once again, shown remarkable resilience in its performance under the circumstances and an overall growth of 14% has been recorded in the Statement of Financial Position," added Dr Chikaonda.

However, Dr Chikaonda who officially retired after the meeting said the operating environment in 2016 was challenging characterized by high inflation and a food output deficit following poor weather conditions.

Dr Chikaonda, who has given the mantle to Dr George Partridge who also replaced him as Group Chief Executive Officer at Press Corporation



Editors' Note



Harry Mukaka



William Kaunda



Annie Magola

Innovation is the process of translating an idea into a service that creates value. In some dictionaries innovation is translated as the process of implementing new ideas to create value for an organization.

This may mean creating a new service, system, or process, or enhancing existing ones. Innovation can also take the form of discontinuing or improving an inefficient or out-of-date service, system, or process.

Since mid-2016 National Bank of Malawi plc has been busy with processes of coming up with new innovations that are aimed at creating value to the Bank and its customers in order to make it more competitive on the market. On a bigger picture and going by the Bank's mission statement, NBM plc is aiming at providing the best financial services by giving outstanding service and product innovation.

Around September 2016, the Bank commenced piloting the branchless banking in Mulanje, Karonga and Chitipa. Today there about 29 Agents providing banking services in places where the bank is not represented including Likoma Island.

Early this year we saw the NBM visa credit cards being launched at functions that were held in Lilongwe and Blantyre.

Our Core banking system is being upgraded and from the communication already sent out, the Bank is expected to switchover from T24R9 to T24R15 on the weekend of 1st and 2nd July. The whole objective of this upgrade is to make our Bank competitive and create a platform from which the bank will introduce more innovations on the market for the benefit of our customers and the economy.

In the pipeline is the launch of the NBM MobileApp. This will be launched immediately after the T24 switchover.

The General Manager and Head Operations is currently doing a Service Centre road show talking to staff on the T24 upgrade. He is however stressing on our attitudes. He is saying we can have the best innovation in the country, the best core banking system, the best infrastructure but if our attitude towards our work and our customers remain undesirable, the Banks resources and efforts will go to waste.

The General Manager is also reminding us of the following in order to make our innovations robust:

- We should remain committed to our work
- We should be each other's big brother – help one another
- We should avoid perpetuating frauds – let not outsiders convince us to steal from our employer
- As managers and supervisors, we should manage our units effectively
- We should attend to customer's needs with urgency and willingness
- We should stop stealing the bank's time. Time to work should not be spent doing personal business be it in the office or outside.

On another note, the Editors of this newsletter congratulate Mr. Macfussy Kawawa on his confirmation as the Chief Executive Officer of National Bank of Malawi, the Bank of the Nation. We wish you, Mac, all the best and pray that God will bless and guide you as you take National Bank to greater heights.



CEO's Message

I welcome you all to this edition of the Moneymail Newsletter. This publication comes at a time when we have just held the 45th Annual General Meeting (AGM) and before we upgrade of our core operating system from T24 R9 to T24 R15.

As everybody is already aware, for the past twelve months we have been working on transitioning to an advanced version of T24 called Release15, popularly known as T24R15.

At this point, I am pleased to inform you that all the planning and testing for this upgrade is almost concluded and we are now ready for the switchover scheduled to take place between 1st and 2nd July 2017.

I am confident that we have done a good job this far and I call upon each and every one of you to get ready for this day and embrace this big change that will give a great customer experience. Let us all remember that our attitudes will be key in ensuring that our customers indeed benefit from this upgrade.

The T24R15 version has functional and technical enhancements which will enable us deliver improved services. Some of the benefits that the new version ushers in are:

1. Better customer experience in terms of efficiency through streamlined and improved processes.
2. Creation of a better working environment for staff because of the user-friendly features embedded in the advanced technology.
3. Provision of a platform for rolling out new exciting products and service innovations that will help the bank maintain its competitiveness and change the game in the banking arena.
4. Elimination of the risk of catastrophic failure of the Bank's operations due to obsolescence of its core banking system.
5. In a nutshell the above benefits will create opportunities for cost reduction and increased profitability resulting in greater shareholder value.

This being a very critical project, I urge a spirit of team work from all of us especially at this critical time of switching over.

Each one of us has a critical role to play to ensure the success of this project. Let us show dedication and commitment to our work so that the switchover is seamless.

Let me take the opportunity to thank the Steering Committee for providing leadership. In particular let me single out the commitment and hard work invested in this endeavor by the Project Implementation Team and the Projects Office. I also thank all staff for the long hours you have put in training and testing in readiness for the switchover.

Allow me to reiterate that the crunch moment will be the period of switching over and we all have to work diligently to ensure that all our efforts culminate into a moment of celebration when we have successfully migrated.

I thank you all for your attention and wish you a great day and more ahead.

I love this Bank Yeaahh!!!

Macfussy Kawawa
Chief Executive Officer

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plc, said the country is expected to record a weak Gross Domestic product (GDP) growth rate of 2.5% which he described as 'a bad situation' as economists have prescribed a 5% growth if the country is to maintain the current levels of poverty.

"Prices of tobacco, the mainstay of the country's export sector, were 19% below those of the previous year, resulting in the crop's export earnings being 18% lower than the previous year. Annual average inflation for 2016 was recorded at 21.7% compared to 21.9% a year before," said Chikaonda.

He said improved weather conditions in the 2016/17 season are expected to result into a

rebound in GDP growth to 5.6% as per official estimates, mainly from increased agricultural output.

"The current high costs of borrowing and power generation challenges are the main risks to these growth prospects," explained Dr Chikaonda.

He said direct budgetary support from the co-operating partners is not expected to resume and it is envisaged that there will be challenges in meeting tax revenue target emanating from the weakened economy.

"The fiscal deficit is therefore expected to increase thereby applying more pressure on inflation, interest rates and economic growth

prospects. A very tight monetary stance is expected to prevail, resulting in suppressed demand for credit," said Dr Chikaonda.

He also informed shareholders that the bank's five year Strategic Plan is in its final year of implementation and that a new plan is being developed to take the bank to the next level.

"The Bank has built-in flexibility, resources and agility necessary to continue on a growth path notwithstanding the prevailing operating environment. The Bank is therefore expected to continue to perform well in 2017," assured Dr Chikaonda.

DR CHIKAONDA RETIRES, ANNOUNCES NEW DIRECTORS

Dr Matthews Chikaonda announced his retirement as Chairman of the Board of National Bank of Malawi plc during the 45th Annual general meeting of the bank which was held at the Learning & Growth Centre in Blantyre on 14th June 2017.

Dr Chikaonda also announced the appointment of Dr. George Partridge as the new Chairman of the Bank with immediate effect.

Speaking at the AGM, Dr Chikaonda thanked the shareholders, management and staff and fellow board members for the support rendered to him during his tenure of office.

"I am leaving the ship in the able hands of Dr Partridge and I believe that he is going to take the bank to greater heights," said Dr Chikaonda.

He also announced that the Board confirmed Mr. Macfussy Kawawa to the position of Chief Executive Officer which he had been acting since November 2016 when Dr. Partridge retired from the Bank.

"I wish to congratulate Mr. Kawawa on his new position and ask all of you to give him all the support so that this bank should continue doing well," said Dr Chikaonda.

He also announced the retirement of Mr. Pius Mulipa and Mr. Don Kambalantore from the board in 2016.

"Ms Maria Msiska joined the board in May 2016 to replace Ms Rosemary Mkandawire who retired in 2015. Mr. John Biziwick joined the board in September 2016 to replace Mr. Pius Mulipa. Mr. Harold Jiya, General Manager and Head of Wholesale Banking has also recently joined the board as an executive director,"

"On behalf of the shareholders and on my own behalf I would like to welcome the new directors and also thank the directors who have retired from the board for their valuable contributions and support during their tenure and wish them well in their new responsibilities," said Dr Chikaonda.

In his closing remarks Dr Chikaonda hailed the entire workforce of NBM for 'rising up to the challenges that emerged during the year and for achieving good results in the 2016 financial year.



NBM UPGRADES CORE BANKING SYSTEM

National Bank of Malawi (NBM) plc has upgraded its new core banking system from T24 R9 to T24 R15 which is expected to improve customer service.

General Manager and Head of Operations Austin Musyani said the Bank has spent 'billions of Malawi kwacha' on the new system and that customers will see improved service. "Since 20th September 2010 to date, National Bank of Malawi plc has been operating on a core banking system called T24 Release 09 which we acquired from Temenos. We have lived with it over 7 years."

"As we all know, technology is changing everyday and every minute, hence National Bank of Malawi plc has to move with time as such, in 2016 the bank embarked on identifying a new core banking system called T24 Release 15," said Musyani.

He said T24 being one of the best core banking system in the world and having served the bank well, NBM plc decided to continue with it but with a better and newer version.

"Like any technological system, there are cases where you face some challenges and having gone through a learning process during the 7 years with T24 Release 9, the bank decided to re-implement the highest version of T24," emphasized Musyani.

"Currently, the upgrade is at an advanced stage and is scheduled to go live on 1st and 2nd July 2017. Come 3rd July, the bank will be using T24 Release 15," added Musyani.

He said from 2016 to date, we have been preparing for the upgrade by installing new hardware systems and its interfaces, installing products into the system, training staff and testing the system in all fronts.

"Customers should expect improved customer experience in line with our Mission: To provide best financial services in Malawi distinguished by outstanding service, product innovation and sustained earnings growth for both customers and the Bank."

"We are assuring that with the new system, our customers will have better customer experience in terms of efficiency through streamlined and improved processes," said Musyani.

He said the new system will provide a platform for rolling out new exciting products and service innovations that will help the bank maintain its competitiveness and change the game in the banking arena.

"On Saturday 1st July, all service centres will be closed as we prepare for migration to new core banking system. The service centres will be opened on Monday, 3rd July 2017 as usual." Meanwhile, all self service channels such as



General Manager and Head of Operations, Mr. Austin Musyani addressing the media on the upgrade



Projects Manager, Mr. Christopher Chilenga gave technical brief to the media

Banknet Online, Mo626ice, ATMS and POS will be available during the period of change over, according to Musyani.

"As this is just an upgrade of the old system, customers details will remain the same," said Musyani.

"NBM plc would like to assure all customers and the general public that the new core banking system will enhance their banking experience and improve product and service delivery in all its channels," said Musyani.

NBM plc Projects Manager Christopher Chilenga said the system has been tested both in Malawi and off shore.

"All users of the system have been trained including and super-user training which took place in Mauritius. Consultants from HP, Oracle, MCBCS and other service will be on site to ensure smooth transition and will provide post implementation support for 3 months."

"Interest on Savings and Current Accounts will be applied to accounts and all customers will get statements to mark this switchover," said Chilenga.

NBM LAUNCHES CREDIT CARD



Mr Kawawa unveiling one of the credit cards.



The five credit cards that were unveiled at Sunbird Mount Soche

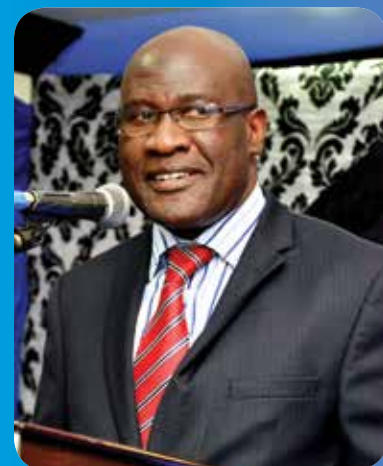
National Bank of Malawi (NBM) on May 19, 2017 launched its NBM credit card in Lilongwe which will enable card users pay for goods and services across the globe.

Speaking a day before the official launch at a media breakfast in Blantyre, NBM Head of Cards and eBanking Division William Kaunda said both NBM account holders and non-account holders are eligible to apply for the Visa branded credit cards.

"We have segmented the credit cards into individual or personal, Small Medium Enterprises (SMEs) and Corporates. All customers or interested parties need to do is just visit any of our service centres and they will meet Account Relationship

*"This moment
and this launch
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redefining the
financial landscape
here in Malawi"*

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Mr. Kawawa addressing customers

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Head of Cards & e-Banking, Mr. William Kaunda made a presentation outlining benefits and process of acquiring the cards

Managers to apply for a specific credit card and the card shall be issued upon all conditions being met and this will probably take about 7 to 10 days," said Kaunda.

He said the NBM credit cards on offer include the NBM Classic which can be used by individuals for traveling, shopping or dining and are accepted at tens of millions of locations around the world.

Kaunda also said the bank is offering the NBM Gold credit card which is for individuals to enjoy the finer side of life with a high spending line, a revolving line of credit, emergency card replacement and cash disbursement services while the NBM Platinum credit card lets the card holder enjoy a host of attractive lifestyle privileges and experiences.

"The NBM Business credit card is specifically designed to meet the needs of small businesses and it is an easy way to separate company and personal expenses. The NBM Corporate credit card is a solution for medium, large and multinational corporations looking to save time and money by simplifying their travel and entertainment expense process," said Kaunda.

Kaunda said some of the benefits of the NBM credit card is that a customer will enjoy up to 45 days interest free period on all purchases, online payments for goods and services locally and internationally, good record keeping through credit card

"The NBM Business credit card is specifically designed to meet the needs of small businesses and it is an easy way to separate company and personal expenses"

statements to track expenses, protection and security as the card is based on latest chip technology and is pin protected.

"Regular use of the card by a customer and prompt full payment of the balance is one of the better ways a customer can build a solid credit history and improve creditworthiness," said Kaunda.

On the fees that the credit card attracts, Kaunda said customers should expect to pay a once off subscription fee, an annual card fee, a card renewal fee after a

three year expiry period of the card, card replacement fee for stolen, damaged or emergency cards, a pin regeneration or production fee, transaction and event fees relating to particular transactions types like ATM withdrawal and cash advance and penalty fees for late repayments and over limit transactions.

"I must hasten to say that all purchases on Point of Sale Devices (POS and online do not attract transactional fees," said Kaunda.

Speaking after launching the NBM Credit card in Lilongwe, NBM Acting Chief Executive Officer Mac Fussy Kawawa said as a leading Malawian bank, NBM has a responsibility to lead and help to create a vision of a robust and efficient payment system for the nation.

"We are therefore constantly in search of opportunities for the creation of that vision and demonstration of our leadership role. This moment and this launch is a catalyst for redefining the financial landscape here in Malawi. It is a demonstration that the National Bank is proactively innovating in response to emerging customer needs," said Kawawa.

He said with the advent of electronic payments capabilities, more and more consumers have turned to "plastic money" much to the delight of NBM because of the convenience, flexibility and security which this form of payment brings to the processing of transactions.

"We can all readily admit however, that the most important advantage of the use of a credit card is its convenience to the consumer in the conduct of quick and efficient payments."

"While as a bank we are committed to the uplifting of the Malawian consumer, we are also cognizant of the fact that increasingly the protection of consumers in an automated (electronic) environment is also of immense importance. Electronic transactions get effected very fast and can have very far reaching and long lasting impacts on the consumer."

"I am therefore pleased to report that those that accept offer of our products, do so with the confidence that there is more than adequate security in place to protect them from the crimes which seem to pervade the electronic media," explained Kawawa.

He said it is NBM's tradition that every time the bank is bringing new innovation on the market, it gives adequate time to pilot the product and test it with both its staff and some of its customers.

"Therefore be assured that this product is as robust as it can get because we pride in giving you the best," assured Kawawa.



Customers who have been waiting for the launch of the credit cards

BUSINESS CAPTAINS HAIL NBM PLC FOR CREDIT CARD

Business captains and customers have hailed National Bank of Malawi (NBM)plc for introducing its Visa branded credit card describing it a huge innovation and way forward for the banking industry in the country.

NBM plc launched the NBM credit card in Lilongwe on 19th May 2017 and on 26th May 2017 introduced the innovation to business gurus and customers based in the southern region at Sunbird Mount Soche.

In random interviews most of the business captains and customers expressed satisfaction with the introduction of the card saying it was long overdue.

"This credit card is a fantastic innovation by the bank especially to us customers. We had problems in the past whenever we wanted to travel out of the country as we had to apply for forex and go all through that process but with this credit card; one can just leave as the money is in the card. It gives us confidence. In fact I am getting mine next week, I can't wait any longer," said prominent lawyer and NBM customer Meyer Chisanga.

Business mogul Jimmy Korea Mpatsa described the coming of the credit card as a good development as it will ease travelling especially outside the country because people can leave at short notice without worrying about the money and forex.

"This card will also improve company's liquidity because you can use the money in the card and pay the bill after 45 days and this is good for the country and the economy as well," said Mpatsa.

Malawi Telecommunications Limited (MTL) Chief Administration Officer Hilda Singo said the credit card is long overdue.



Mrs. Hilda Singo



Mr. Jimmy Korea Mpatsa

"We have been waiting for this credit card for a long time, this is the way to go especially when one wants to travel outside the country, it will make out life much easier," said Singo.

Brittam Insurance Chief Executive Officer Grant Mwenechanya described the



Mr. Grant Mwenechanya

introduction of the credit card by NBM as a 'huge innovation'.

"This is a huge innovation, it's a huge step forward especially for those who frequently travel outside the country, it is very convenient. Companies will benefit as well as they can send their employees to work outside their duty station and give them the credit card to cover for their expenses, it's very convenient," said Mwenechanya.

Speaking at the function, NBM Acting Chief Executive Officer, Mac Fussy Kawawa promised that the bank will lead and help in creating a vision of a robust and efficient payment system for the nation.

"It is our tradition that every time we are bringing new innovation on the market, we give adequate time to pilot the product and test it with both our staff and some of our customers."

"Therefore be assured that this product is as robust as it can get because we pride in giving you the best," said Kawawa.

KAUNDA SPELLS OUT CREDIT CARD PROCEDURES

“We have 40 more applicants who have already been approved and we are in the process of finalizing their offer letters”

Head of cards & e-Banking William Kaunda has spelt out procedures which staff in service centres should follow whenever they have received applications for credit card from individuals or corporate organization.

Kaunda told MoneyMail Newsletter that NBM plc has started receiving applications from various individuals and organizations and that so far they have given out more than 55 cards since launching the card on May 19, 2017 in Lilongwe.

“We have 40 more applicants who have already been approved and we are in the process of finalizing their offer letters,” said Kaunda.

On the procedures, Kaunda said whenever service centres have received applications for a credit card, they need to vet the applications by looking at the following points;

- Character of the customer, standing in society-look for credit history which is available from Credit reference Bureau
- Capacity and eligibility- can the customer pay the installments, is the customer in a stable employment or occupation? Is there constant or regular flow of deposits in his or her account?
- Age- customer should be above the age of 18 years.



Head of Cards and e-Banking, Mr. William Kaunda

- Customer should be an existing customer who is satisfactory at operating a bank account.
- Identity of the customer- this has to be established beyond doubt i.e driving licence, passport, national ID
- Acceptable proof of income- could be a payslip or an indication of how much money goes in the account.
- Age of the account- must be at least 6 months.
- -Credit reference report from the Credit Reference bureau
- Address of the customer-physical whether permanent or rented
- Those in self employment, then they should have operated the business for at least two years.

Kaunda said after gathering this information, service centres are supposed to submit this

information to cards & eBanking who will do a review and give a score on each application before sending it to the credit management for approval.

When approved, the application will then go back to the Cards & eBanking division which will give the customer an offer letter and if the customer accepts, then the card will be created, according to Kaunda.

“This process takes about 5 to 10 days but we have a turn-around time of 48 hours here at the head office,” said Kaunda.

He said the offer letter is necessary because the amount maybe different from what a customer applied due to the assessment process.

“We are marketing the credit cards through customer interactions by our Account Relationship Managers and the demand is there,” said Kaunda.

NBM INTRODUCES AGENCY BANKING

National Bank of Malawi plc has introduced agency banking where third party entities are evaluated and approved under Reserve Bank of Malawi (RBM) regulations to provide prescribed banking services on behalf of the bank, under specified conditions.

Head of Cards & eBanking William Kaunda told The MoneyMail Newsletter that at the moment, NBM plc has 29 sites where the bank is not available where it is conducting agency banking which has been christened 'NBM Fast Serve'.

He said the alliance with the agents will add value to the services currently being offered by both the Bank and the agents as the service will compliment their existing product offering with a range of banking products which will induce increased business traffic to their businesses.

Kaunda said some of the permissible services under the NBM fast serve agreement with the agents include, Cash Deposit receipt, Cash out payments, Funds Transfer and Bill Payments.

"However, it shall be the responsibility of NBM to determine, based on customer risk assessment, which services would be provided at a time by the customer on behalf of the Bank."

"All monetary transactions conducted through an agent on behalf of the Bank shall be denominated in Malawi Kwacha," said Kaunda.

He also said NBM fast serve agents will not be allowed to among other things carry out an electronic transaction when there is communication failure in the system or carry out a transaction when a transaction receipt or acknowledgement cannot be generated.

The agents will also be allowed to carry out business when, in the opinion of the Bank, the initial commercial activity is no longer viable and able to financially support the NBM Fast Serve business and also offer banking services on their own accord (provide on your own account banking services similar to those provided under the NBM Fast Serve Agency contract).

The agents can also not provide, render or hold themselves out to be providing or rendering any banking service which is not specifically permitted in the agreement, undertake cheque deposit and encashment of cheques, transact in foreign currency, provide cash advances, subcontract another entity to carry out agent banking on their behalf and completion of account opening forms for subsequent forwarding to the Bank, according to Kaunda. But Kaunda was quick to spell out the key benefits of becoming an NBM Fast Serve Agent saying there will be increased sales from additional foot-traffic and also good reputation from the affiliation with a well known financial

institution (NBM)

"There will also be additional revenue from commissions and incentives and cash deposits received through agency banking will bring the much needed cash flow to lubricate the agent operations, while cash withdrawals will save the agent's time for the physical banking of excess cash," said Kaunda.

He said an account shall be opened for the agent in the Bank's books specifically to accommodate receipt of commission for NBM Fast Serve transactions.

Kaunda said agents must meet the following general requirements namely a fully filled NBM Fast Serve Registration Form, Business Registration Certificate for a business that has been operational for at least 12 months immediately preceding the date of suitability assessment and that the business must be Sole Proprietorship, Partnership or Limited Entity.

The business should generate at least K50,000 in sales revenues daily and should be serving at least 50 customers per day and have the ability and willingness to deposit at least K500,000 into a float account to start off the NBM Fast Serve Agent Banking.

"The outlet should be run by at least a manager and two assistants who have attained a minimum of MSCE certificate, there should also be a copy of a Tax payer Identification Number (TPIN), clear photo of the business premises, copy of valid business licence/permit for the last 18 months, financial statements for the last 18 months, CV detailing educational qualifications, business and work experience for manager and at least two assistants and two(2) passport size photographs for manager and the two assistants," said Kaunda.

He said as for the limited liability company, it should have certificate of incorporation, a brief description of commercial activity for at least 18 months immediately preceding the date of suitability assessment, board resolution to do agency banking and copies of IDs for all directors, manager and assistant.

Kaunda said in terms of training said current Human Resource infrastructural set ups in both institutions will remain the same.

"However, Agency staff will need substantial training in banking operations so as to be able to handle banking business. Given that NBM Bank already has such expertise, the bank will train their staff at the cost of the Bank."

"The training will be done in phases in line with the roll out plan of the outlets and products to be availed to the public through the agency arrangements," said Kaunda.

Kaunda also said NBM plc will brand the

entire NBM Fast Serve Agent network so that customers may know about the existence of NBM Bank services across the country.

"The bank will also carry out sensitization on agencies and the agent banking business to the public. This shall be through public awareness campaigns, brochures and other program as the nature of the bank's products on offer and its market strategy may require."

"It will also be the responsibility of the bank to recruit customers in the catchment areas of the post offices so that demand for the banking services being provided through the agent is created," explained Kaunda.

On risk and anti money laundering considerations, Kaunda said with the technical assistance from the bank, the agencies shall conform to Anti-Money Laundering and Combating the Financing of terrorism (AML/CFT) requirements.

On technological requirements, Kaunda explained that NBM plc shall provide the agencies with the technology for operating agent banking and the agencies will be required to provide electricity for the operation of the banking devices.

Asked on consumer protection, Kaunda said as trust is the single most necessary ingredient for growth of agent banking, appropriate consumer protection system against risks of fraud, loss of privacy and loss of service shall be put in place by the Bank for purposes of establishing trust among consumers of the agent banking services.

Kaunda revealed that in a month, the bank drives over K32 million through agent banking and over 2,000 transactions and added that they are impressed with the figures considering that this is a new concept which has not been heavily publicized as yet.

"The products we use mostly in these NBM Fast Serve agencies are Mo626ice and Point of Sale Devices (POS). 42% of the value goes through POS and 58% go through Mo626ice. We have recorded 42.3% transactions on POS while 57.7% are mobile transactions and many outskirts like Chitipa, Karonga and Namwera are the ones that use Mo626ice most," said Kaunda.

The sites for the NBM fast Serve include Mulanje, Chitimba (Karonga), Misuku, Nthalire (Chitipa), Monkey Bay, Namwera (Mangochi), Ekwendeni (Mzimba), Area 36, Kawale, Likuni (Lilongwe), Lunzu, Ndirande, Limbe (Blantyre), Dyeratu, Ngabu (Chikwawa), Mzuzu, Nkhota-Kota Boma, Rumphu Boma, Tauka Private Secondary in Karonga, Dwangwa, Nkhata-Bay, Likoma Island, Livingstonia (Rumphu), Area 49 (Lilongwe) and M5 Lodge (Dwambazi-Nkhotakota).



**Head of Human Resources,
Mr. Charles Dulira**

NBM WELCOMES NEW RECRUITS

Human Resources Division has announced the arrival of seven new recruits who are joining the NBM family in different service centres across the country.

Head of Human Resources Division Charles Dulira said the seven who all joined in the month of May 2017 include Atuweni Kambulire at Customs Road Service Centre, Blessings Mulima at Capital City Service Centre, Manuel Njala at Lilongwe Service Centre, Matthews Ziba at Lilongwe Gateway Service Centre, Chilungano Akuda at Zomba Service Centre, Peter Zanera at Capital City Service Centre and Violet Maida at Kasungu Service Centre.

Dulira also announced that six employees from different sections of the bank have had their promotions confirmed.

The promoted employees include Joseph Kamponda from Henderson Street Service Centre who has been promoted from Grade G to Grade F, Kettie Kondowe, Personal Assistant to General Manager & Head of Wholesale Banking has been promoted from Grade G to Grade F while Ian Chinkwende from Business Process Management has been promoted from Grade F to Grade E.

Stella Chiumia from Executive has been promoted from Grade F to Grade E and is now the Chief Executive's personal assistant while Yonile Siula, General Manager & Head of Operations Personal Assistant, has been promoted from Grade G to Grade F and Damson Chirambo from Mzuzu service Centre has been promoted from Grade H to Grade G.

Dulira also announced that on 31st May 2017, four employees retired after serving the bank for various years and wished them all the best during their retirement. The retired employees include Wilson Chiwaula from Capital city service Centre, Lexa Chikandila from Kasungu Service Centre, Lissa Claire Jia and Lumbani Jumbo from Lilongwe Gateway Service Centre.

TWO SERVING JAIL TERM FOR FRAUDmessage from Audit Division

Colleagues are informed that the state had a case against one of the Bank's employee Chance Mussa Mbewe a cashier at Liwonde Service Centre who suppressed customer cash deposits made by Liwonde Seventh Day Adventist Church into an account of South Malawi Field between July and November 2016 amounting to K1, 844,850.00.

Upon successful prosecution of the case Chance Mussa Mbewe was found guilty as charged. He was therefore sentenced a fine of K150,000.00 and ordered to refund the whole amount of K1,844,850.00 failing which he has to serve 18 months IHL.

Take notice as well that Chance Mussa Mbewe was dismissed from service having undergone an internal disciplinary process. After the delivery of the sentence, he was able to pay the fine of K150,000.00.

However he was not able to pay the amount he was ordered to refund. He was therefore taken into custody until such a time he has made the refund or part thereof as determined by the court.

Take notice that this is a second conviction this year following another conviction of Fwasani Mhango of Mulanje Service Centre who was found guilty for fraudulently debiting (and cashing from) customer's accounts and sentenced to 15 months IHL. He is currently in prison serving his jail term.

These two cases plus several other cases which are in court is a manifestation of management's decision of not condoning fraudulent behavior amongst its employees.

It is imperative therefore that in our day to day work we should endeavor to perform with the highest order of integrity possible

NBM STAFF EQUIPPED IN ANTI-COMPETITIVE TRADE PRACTICES



By Francis Kadzkalowa, Risk Department

After securing an approval from the Reserve Bank of Malawi to acquire 100% of Indebank in 2015, National Bank of Malawi (NBM) plc required further approval from the Competition and Fair Trading Commission (CFTC) in order to integrate the operations of Indebank into NBM.

CFTC is mandated by the Competition and Fair Trading (CFT) Act 1998 to encourage competition in the economy by prohibiting anti-competitive trade practices, regulating and monitoring monopolies and concentrations of

economic power and protecting consumers. The Bank submitted an application to the CFTC seeking approval to acquire Indebank. The approval was granted subject to conditions which were put in the form of Memorandum of Understanding (MoU) between NBM and CFTC.

The obligations of the Bank in the MoU include the following:

- Not to engage in anti-competitive trade practices
- To formulate a policy which introduces punitive measures for all employees

- contravening the CFT Act 1998
- Appoint a Compliance Officer to oversee the implementation of the Bank's Compliance Programme
- To provide training to its staff so that they understand the requirements of the CFT Act 1998 so that they do not engage in anti-competitive trade practices
- To Seek approval from the CFTC in future mergers and acquisitions
- When participants asked about what 'anti-competitive trade practices' are, the facilitators explained these are any category of agreements, decisions and concerted practices which are likely to result in the prevention, restriction or distortion of competition in Malawi.

Participants were also taken through different types of anti-competitive practices which include horizontal and vertical Anti-competitive Practices.

The former refers to the type a competition where a dominant player or a monopoly engages in agreements which prevent or deter new entrants through various activities. The latter refers to businesses that act together in ways that can limit competition, lead to higher prices, or hinder other businesses from entering the market.

In order to comply with the above obligations, Risk Division and Legal Department, jointly organized training for Head Office and Service Centre staff across the network from 6th to 30th April 2017.

Staff members from Mangochi and Karonga Service Centres have not received the training due to logistical issues and that special training will be scheduled in August 2017. The training covered the following issues:

- Concepts of competition and fair trading
- Regulatory requirements as per the CFT Act 1998
- Examples of generic and industry-specific Anti-competitive activities
- Penalties for non-compliance.

The training sessions targeted managers and Officers with an aim of equipping them with high level aspects of the competition law and the Bank's Compliance Programme.

Participants were tasked to share the knowledge acquired to their fellow members of staff during their regular staff meetings.

KNOW CUSTODY BUSINESS



By Ruth Mtawali, Treasury and Investments Banking Division

What is custody?

Custody is a service offered by National Bank of Malawi plc, the market leader in custodial business. The Bank keeps investors securities safely at reasonable and negotiable fees.

The securities kept are share certificates, Treasury bill certificates, Treasury notes, Treasury bonds, Title deeds and Money markets.

These securities are kept in a vault to completely avoid risk of losing them through theft and fire damages and through any means through which the securities can be lost.

The cost of replacing them if lost is also avoided since the securities are kept by professionals.

Custodial services

NBM provides sub-custodial service to Global and Master Custodians as part of global custody network and is a sub-custodian of Standard Chartered Bank (SCB) Mauritius, a conduit for international investors participating in Malawi market.

National Bank of Malawi plc also serves local investors who are participating in Malawi Market.

Furthermore the bank provides investors with the below information tailored to meet every client's specifications:

- statement of holding sent via swift or email
- cash account statements via swift or email
- Portfolio valuation reports
- News flashes-(These are market developments as and when they happen) sent to client via email.
- corporate actions (Dividend) and payment notifications sent via swift or email

NBM plc also provides market information to their investors for investment decisions.

We accord the clients the opportunity of having their funds managed by experts in fund management and Pension administration through NBM Capital Markets LTD and NBM Pension Administration Ltd wholly owned investment arms of National Bank of Malawi plc.

Who is a custodian?

A custodian is a financial institution that holds customers' assets and securities for SAFE KEEPING, such as Share certificates, Bonds, Treasury bills and Money Markets (REPOS), so as to minimize the risk or loss.

Since a custodian is responsible for safety of assets and securities that may be worth millions or even billions of dollars, Custodians generally tend to be large and reputable firms, and in Malawi, the Financial Services Act 2010 has restricted the provision of Custody Services to Commercial Banks only.

Investments/Fund managers are not allowed to operate as Custodians under the Act.

Who is a client?

All individual and investment managers of high net who are very pre-occupied by their line of business in both shares and money market. Global custodians provide services for executing cross-border foreign exchange and other securities instructions.

Our contact

NBM Custody Services
Treasury and investment Banking Division
7 Henderson Street
NBM Towers 5th floor
P.O. Box 945
Blantyre
Malawi

Tel: 265 1 820 622
Fax: 265 1 820 464
Email: amkandawire@natbankmw.com

NBM PLC ACTIVITIES IN PICTURES



The AGM



At the AGM, Dr. George Partridge was announced the new Chairman of the Board of NBM plc



Mr Kawawa was announce the new Chief Executive of the Bank



The NBM Visa Credit Card launch at Sunbird Capital



The NBM Visa Credit Card launch at Sunbird Mount Soche



Customers listening attentively at the presentations when Personal & Business Banking hosted the Human Resource Managers workshop in Lilongwe



The General Manager and Head of Operations held a road show on staff attitudes and T24 R15 upgrade. This was at Head Office.



T24 R15 upgrade media briefing



Nyirenda seeing the couple off as they get into departures lounge at KIA



Nyirenda seeing the couple off as they board Malawian Airlines



Flao and wife boards the plane

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"This trip has come at a right time when we have been planning to go for a dream holiday with my wife and we thank National Bank for making our dream come true. We are excited," said Flao.

NBM launched the win a dream holiday promotion in December last year where the most frequent user with high value of the Visa Point of Sale Device (POS) was going to win the promotion. Flao was announced winner of the promotion at a function held in Blantyre last month.

Apart from being accommodated at one of the top Hotels in Mauritius, the Floas have also been given US\$1,000 (Approximately K730,000) spending money for the holiday.

NBM Corporate Affairs Manager Annie Magola said the bank will continue adding value to its products and thanking its customers for their support.

"The promotion has removed the perception that use of POS is for the elite only. It is one of the safest ways of transacting as it gives security to customers since they do not have to carry cash whenever they go shopping or want to access various services. It also gives the customers convenience in that they do not have to go to the bank or ATM and cash but go straight to the merchants and pay using the Visa Card."

"As a bank, we do not take the support we get from our customers for granted and it is through these kind of product promotions that we show our appreciation by giving our customers incentives to promote our business relationships," said Magola.

During the promotion, the Bank gave out cash backs to various customers who were regularly using the POS machines using NBM visa cards at designated places.

The Floas were seen off by George Nyirenda, Service Centre Manager for Lilongwe Service Centre.



Happily seated in the business class of Malawian Airlines



With Annie Magola
Corporate Affairs Manager

What's Up!

New Balaka Service Centre launched

Banking has just become a whole lot more enjoyable for customers in Balaka following the relocation of the service centre to a much bigger and better building a few meters away from the old one.

The Chief Executive Officer Mr. Macfussy Kawawa launched the service centre on 6th May 2017 and the ceremony was attended by our customers in Balaka who amongst them included the District Commissioner, the Officer in-Charge, and other business gurus in Balaka.

The relocating of the service centre is in line with the Bank's strategy of providing banking services in a more comfortable and secure environment.

A very excited customer who spoke on behalf of the rest of the others said in just one sentence "Thank you National Bank for the spacious banking hall and a beautiful building we are happy that you have also considered your customers in Balaka".

Now that the longed-for facility is finally open and ready for use, The CEO said it was something that our customers could take pride in –and, more importantly, make use of.

In his statement the CEO further said: As we celebrate the launch new Balaka Service Centre, we want to assure you that this facility and the people working here will continue to offer you all the usual banking services including the most modern ATM service outside the building. We will therefore rely on your feedback to ensure that we continue meeting your expectations on service provision. This new service centre provides spectacular banking services for our customers.

Customers were urged to use the electronic platform such as Moneycard on ATMs, POS devices, Mo626ice and Banknet Online so that they fully enjoy National Bank services.

At the end of the speeches customers were entrained by a Ka-Jive group from Blantyre and a cocktail reception.



The CEO Mr. Kawawa with Mr. Gama and Mr. Kadzungu and their spouses

Billison Gama and Neston Kadzungu retire

Two of very dedicated members of staff just retired recently, these are Billison Gama and Neston Kadzungu.

Billison comes from Kamwendo Village T/A Mkanda in Mulanje. He has worked for the bank for 26 years. He started his career in the bank as a driver at Lilongwe Service Centre in 1991.

Seven years later he was promoted to Head Driver and had three drivers under his supervision. In the same year, 1999, he was promoted to become Chauffeur of the Chief Executive Officer (CEO).

In his speech the CEO, Mr. Macfussy Kawawa commended Billison for being a person who never complained when given a task. He was always available and worked diligently. He called upon the other staff members to emulate this trait from Billison.

Billison thanked management and staff of National Bank for the cordial relationship that exists within the Bank and the assistance that he always received when he needed help.

Neston comes from Store Village T/A Ganya in Ntcheu. He joined the Bank in 1991 and has worked in different departments and the last three were in IT Division, Administration, Customs Road and Learning & Growth Centre.

He retires after working for the bank for 26 years of continuous service. In his speech, the Chief Executive Officer commended Neston for being a hard worker throughout his career.

In his farewell speech Neston thanked management of the Bank for being a caring bank for its members of staff.



Flao and his wife arrives at KIA

NBM FLIES VISA PROMOTION WINNER TO MAURITIUS

National Bank of Malawi (NBM) plc In April flew winner of the bank's win a dream holiday Visa promotion to Mauritius for a four day fully sponsored dream holiday.

Businessman Juventus Flao together with his spouse flew out in a business class on a Malawian Airlines flight from Lilongwe and spent a night in Johannesburg, South Africa before connecting to Mauritius.

Flao hailed the bank for trip saying he had been planning on going on a holiday with his wife for some time.

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NBM's George Nyirenda welcomes the two at KIA



Malawian Airlines official surprises the couple with business class boarding pass



Georg Nyirenda symbolically hands over the dummy air ticket to the Flao family