FSRA
FINANCIAL SERVICES
REGULATORY AUTHORITY

Integrated REPORT













2024/25

Efficient and operating in
a risk responsive environment

Contents

Foreword by Chairperson of the Board	4
Reflection by the Chief Executive Officer	8
About the Report	13
Who We Are and What We Believe In	18
Implementing Our Strategy	20
Our Value-Creating Business Model	24
Who Governs Us	26
Who Leads Us	36
Managing Our Risk	38
Our Operational Perfomance	42
Managing Our Social Relationship Capital	54
Strengthening Our Human Capital	59
Enhancing Our Manufactured Capital	62
Managing Our Financial Capital	64
NBFI Sector Overview	67
Annual Financial Statements	87

Abbreviation	Full Meaning
AUA	Assets Under Advisory
AUM	Assets Under Management
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
IB	Insurance Brokers
BS	Building Societies
CBE	Central Bank of Eswatini
CC Act	Consumer Credit Act, 2016 (As amended)
CISM	Collective Investment Scheme Manager
CIS	Collective Investment Schemes
CMA	Common Monetary Area
CSI	Credit and Savings Institutions
CP	Credit Providers
CPI	Consumer Price Index
ESE	Eswatini Stock Exchange
FSRA	Financial Services Regulatory Authority
GDP	Gross Domestic Product
GWP	Gross Written Premiums
IA	Investment Advisor
IMF	International Monetary Fund
LTI	Long Term Insurers
NBFI	Non-Bank Financial Institutions
NPLs	Non-Performing Loans
RF	Retirement Funds
SACCOs	Savings and Credit Cooperatives Societies
STI	Short Term Insurers

Foreword by
Chairperson of the Board



Rev. Senzo Hlatshwayo
Chairman of the Board

> Despite economic headwinds, we evolved with resilience, strengthening governance, deepening culture, and enhancing supervisory agility to build a more inclusive, transparent and future-ready financial system for all emaSwati."

A Year of Resilience and Strategic Evolution

It gives me great pleasure to present the Financial Services Regulatory Authority's (FSRA) Integrated Report for the financial year end 31 March 2025. The report chronicles our steadfast navigation through persistent economic volatilities, global inflation, fiscal pressures, and emerging sectoral disruptions while affirming the Board's unyielding commitment to governance excellence, financial integrity, and consumer safeguarding in Eswatini's non-banking financial institutions (NBFI) landscape. Amid these headwinds, FSRA has not merely endured but evolved, embedding resilience into our core to foster a more inclusive, adaptive financial ecosystem.

Strategic Oversight and Supervisory Transformation

Under the Board's vigilant stewardship, the 2024/25 year marked the maturation of our supervisory redesign, rooted in the end-of-period analysis that illuminated pathways for efficiency and alignment. Transitioning from sector-siloed pillars, insurance and retirement funds, capital markets, and credit and savings institutions, to a dual-pronged Market Conduct supervision and Prudential supervision that has aligned us with global benchmarks, enabling proactive risk stewardship and crisis agility.

During the year, we were pleased to welcome new members to the Board, each bringing valuable expertise, fresh perspectives, and a deep commitment to strengthening the governance of the Authority. Their diverse professional backgrounds and strategic insights are already enriching our deliberations and enhancing the Board's capacity to provide effective oversight and guidance. We look forward to the contribution of our new colleagues as we continue to navigate a dynamic regulatory landscape and advance the Authority's long-term strategic objectives. Their appointment reflects our ongoing commitment to maintaining a strong and well-balanced Board, equipped with the skills and experience required to support robust governance, sound decision-making, and sustainable organisational performance.

As we move to wrap-up our current strategy, the Authority undertook a strategic review to assess the relevance of the remaining programmes, prioritise the programmes and reallocate resources. The staff attrition impacted our progress in other programmes however the Authority has been able to move forward and close several projects.

Cultural Foundations and Inclusive Stewardship

True metamorphosis demands a cultural awakening, which the Board has championed with resolve. Stakeholder dialogues, internal change programs and external partnerships have deepened transparency and empathy, prioritizing service amid transitions. As FSRA's heart pulses a culture of holistic well-being: Swati-inspired liguma and lisango traditions intertwined with gyms, sports, and high teas, nurturing spaces for renewal.

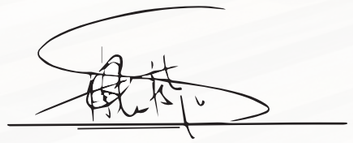
We have confronted workplace shadows, mental health strains, and subtle hierarchies, through seminars on empathetic leadership, eradicating bullying and elevating women, who now lead our executive team with trailblazing parity. This equity infusion extends to middle management, sparking diverse strategic innovation.

Visionary Horizon: Collaborative Prosperity

Looking ahead, we remain mindful of the evolving risk landscape, including global economic uncertainties, technological shifts, and the need for organisational resilience. The upcoming period will focus on executing the remaining strategic priorities, strengthening internal capacity, enhancing service delivery and maintaining strategic partnerships relevant to the Authority's mandate. We remain committed to transparency, accountability, and the long-term sustainability of the Authority and the sectors we regulate.

On behalf of the Board, I extend my appreciation to all our stakeholders for their continued trust and partnership. Together, we will continue to drive excellence in regulation and contribute to a stable and inclusive financial system.

The CEO, Executive Committee and Staff; I extend my sincere gratitude for your unwavering dedication and professionalism throughout the year. Your commitment to excellence, even in the face of changing regulatory demands and operational pressures, has been instrumental in advancing our strategic priorities and strengthening the credibility of the Authority.



Rev. Senzo Hlatshwayo
Chairman of the Board FSRA

Reflection by the **Chief Executive Officer**

Our commitment to a resilient, transparent, and inclusive financial sector ensures that every Eswatini citizen benefits from safe, innovative, and future-ready financial services



Ncamiso T. Ntshalintshali
Chief Executive Officer

As we present the 2024/25 Integrated Report, I reflect with optimism and renewed commitment on a year defined by strategic consolidation, purposeful maturation, and meaningful alignment with national priorities. This reporting period was marked not only by institutional transformation but also by His Majesty King Mswati III's NKWE Message from the Throne, which reaffirmed the national call for strengthened financial integrity, inclusive economic transformation, and future-ready institutions that safeguard the welfare of emaSwati.

The NKWE message provided a powerful compass urging institutions to uphold accountability, enhance governance, embrace innovation, and ensure that financial systems contribute effectively to the country's socio-economic development. In response, the Financial Services Regulatory Authority (FSRA) intensified its supervisory reforms, strengthened market stability measures, and deepened engagement with stakeholders to ensure a financial ecosystem that is resilient, responsive and aligned with His Majesty's vision of a prosperous and secure Eswatini.

This year therefore stands as a milestone in our journey of embedding the transformed supervisory model, enhancing capability, and delivering tangible progress across all regulatory domains. From risk-based supervision to robust consumer empowerment initiatives, the Authority demonstrated its unwavering dedication to safeguarding the integrity, transparency, and inclusivity of Eswatini's non-banking financial sector.

1. **5**
   Supervisory frameworks strengthened under the transformed model.
2. **15**
   Risk assessments completed across funds, schemes, and SACCOs
3. **3,000+**
   Consumers engaged through nationwide education campaigns.

Embedding the Transformed Supervisory Model

The year under review enabled the crystallisation of the Risk-Based Supervision Frameworks; i.e. the market conduct, prudential and AML/CFT, refining how we tier Financial Service Providers (FSPs) according to consumer impact and systemic relevance.

The risk based framework ensured that our supervisory resources were directed towards areas that pose the greatest threat to our supervisory objectives.

Prudential supervision was further strengthened through the completion of 15 comprehensive risk assessments. These assessments highlighted critical challenges such as retirement fund sustainability concerns, liquidity pressures within medical aid schemes, and operational challenges within Savings and Credit Co-operatives (SACCOs). With the aid of improved monitoring tools, the Authority enhanced its capability for early identification of emerging risks, allowing for swift and proportionate interventions. On-site inspections were equally instrumental. Conducted within the guidelines of our supervisory manual, they uncovered recurrent and systemic issues including weak board oversight, inconsistent remittance of member contributions, high credit pricing practices, and gaps in consumer disclosures. To address these issues, the Authority issued targeted remediation timelines, introduced structured self-assessment tools, and referred cases requiring stricter action for internal enforcement and some to the Royal Eswatini Police Services. Legislative proposals to amend the Consumer Credit Act, the Retirement Funds Act and other regulatory instruments were submitted to the Ministry to reinforce regulatory alignment and sector resilience.

> Our strengthened risk-based supervision, targeted enforcement, and consumer empowerment initiatives enhanced regulatory efficiency, protected financial stability, and advanced inclusive financial participation across Eswatini's financial sector.

Key Achievements and Strategic Initiatives

Strengthening Regulatory Efficiency and Licensing Standards

Licensing processes were streamlined, supported by enhanced internal evaluation guidelines and clearer communication with industry participants. These improvements helped reduce delays associated with incomplete submissions and strengthened objectivity and fairness in the evaluation of new market entrants.

Deepening AML/CFT Compliance and Global Alignment

AML/CFT supervision advanced considerably through the adoption of an updated risk-based framework. The Authority further published statistical returns that enhanced sector transparency and informed risk assessments. Targeted remediation programmes addressed persistent weaknesses in Customer Due Diligence, governance, and reporting. Capacity-building workshops across sectors helped embed a culture of compliance.

Regionally and internationally, the FSRA played a crucial role in supporting Eswatini's efforts to strengthen the ESMLAAG re-rating outcomes, contributed to OECD tax transparency assessments, and hosted the AML/CFT Supervisory Committee promoting inter-agency information sharing and coordinated risk mitigation.

Expanding Consumer Empowerment and Public Awareness

Consumer education remained a strategic priority. Multi-channel campaigns focused on responsible market conduct, safe investment decision-making, investment fraud awareness schemes, debt management.

The Authority also hosted the in-augural festive season scam prevention campaign. These initiatives engaged thousands of consumers through platforms such as school outreach programmes, radio/TV interviews, and social media. The Authority further participated in consumer education global awareness campaigns including the IOSCO World Investor Week and the Global Money Week.

Advancing National Financial Inclusion

Eswatini's inclusion agenda benefited greatly from the Authority's Associate Membership within the Alliance for Financial Inclusion (AFI). Participation in the Working Groups and the Global Policy Forum provided opportunities to share Eswatini's progress on fintech, SACCO development, digital financial services, and women's access to financial services, areas that directly align with the NKWE call for inclusive economic participation.

Enforcement Upholds Integrity and Market Confidence

The Authority's enforcement actions this year reinforced market discipline and consumer trust. Key interventions included the curatorship of Status Capital Building Society and the liquidation of Likhwane Beneficiary Fund, decisions taken to protect consumers and maintain market credibility.

Institutionally, the FSRA strengthened capacity through IMF and Toronto Centre training programmes, enhancing supervisory expertise across the sectors. The Authority also maintained strong gender inclusivity, with women representing 49% of its workforce.

Significant strides were recorded in ICT performance and cybersecurity. We updated our cybersecurity framework to protect critical regulatory systems and sensitive data, matured our IT service delivery by formalization key IT services internally and with our external service providers. Our Business Continuity and Disaster recovery plans were reviewed to ensure they remain relevant and responsive.

Stakeholder engagement efforts were amplified, including expanded digital communications, timely public advisories, and strengthened relationships with industry bodies. These efforts played a critical role in dispelling misinformation, especially regarding illegal schemes and unregulated investment offerings.

Challenges and Lessons Learned

This year underscored both the complexity and dynamism of Eswatini's financial landscape. Several challenges emerged, including limited resources, staff turnover, and capacity constraints, which at times stretched operational agility. Stakeholder expectations continued to diversify, with heightened demand for regulatory clarity, consumer protection, and timely interventions.

Moreover, longstanding public perceptions regarding regulator y authority required deliberate and consistent effort to shift, prompting the Authority to refine communication strategies, deepen engagement, and ensure greater transparency in decision-making processes. Despite these pressures, the Authority demonstrated resilience and adaptability. Every challenge became an opportunity for learning, strengthening our regulatory approach, and reaffirming our mandate to supervise fairly, communicate clearly, and uphold the highest standards of governance.



Ambitious and Aligned Priorities Lie Ahead

Guided by His Majesty's NKWE Message from the Throne and aligned with Eswatini's broader national development aspirations, the FSRA has outlined a comprehensive set of priorities for 2025/26 that reflect both ambition and national alignment. In the coming year, the Authority will focus on regulatory modernisation and innovation, including the full rollout of perpetual licensing, the development of an Ultimate Beneficial Owners (UBO) Register, and the implementation of IFRS 17 standards across regulated entities.

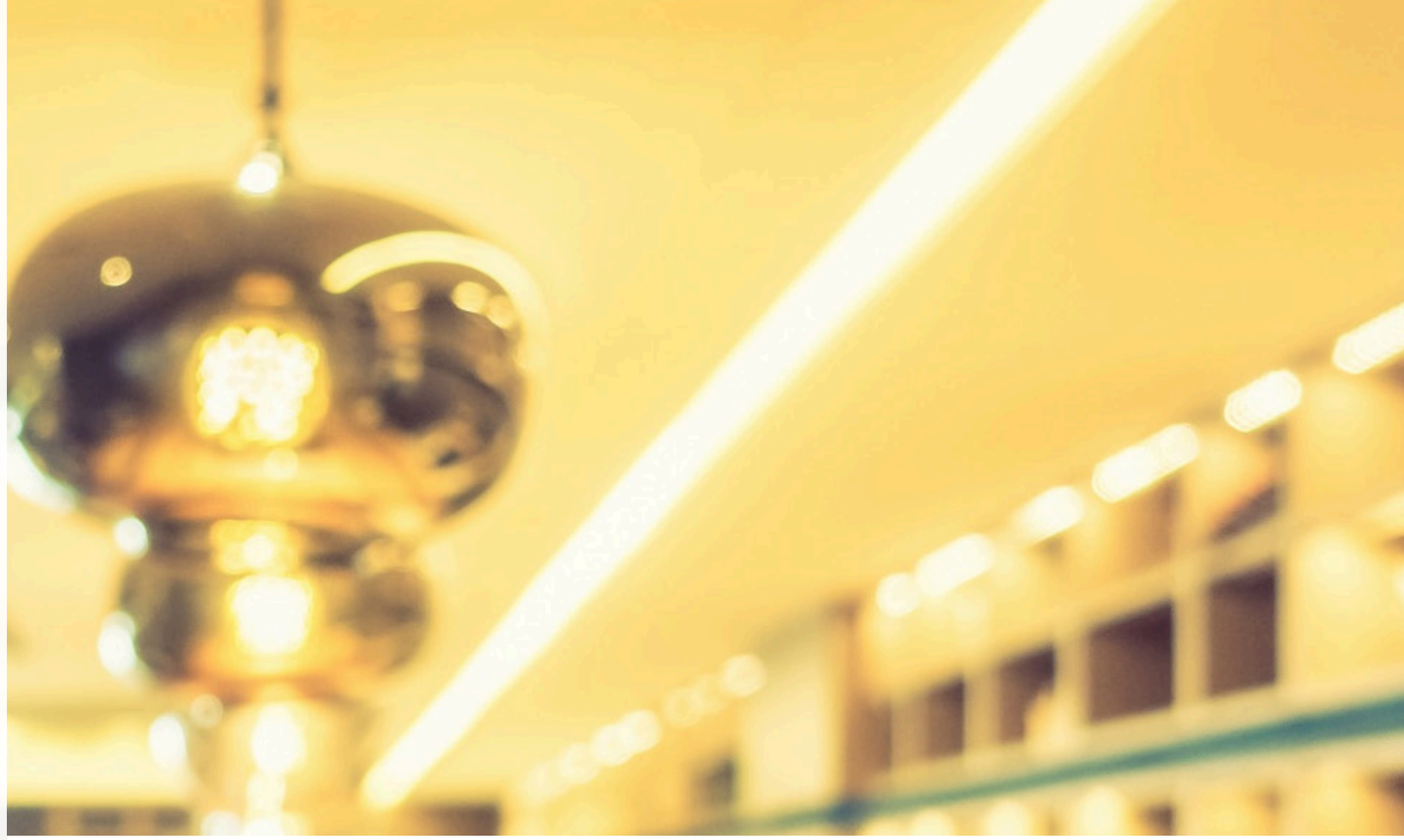
Strengthening risk-based supervision will remain central, with emphasis on institutional and sectoral risk assessments, enhanced early-warning systems, and the expanded use of supervisory technology to improve efficiency and responsiveness. The Authority will also intensify digital transformation efforts through cloud migration, system upgrades, and the exploration of Artificial Intelligence (AI), while monitoring the Business Continuity and Disaster Recovery Plans to ensure operational resilience. Consumer protection and financial inclusion will be enhanced through the deployment of the Net Promoter Score (NPS) analytics, expanded public education campaigns, and targeted initiatives to improve access for women and youth.

AML/CFT enforcement will be strengthened through coordinated joint inspections, advanced typology monitoring, and reinforced reporting obligations. Internally, the FSRA will focus on building institutional capacity through staff training, organisational development, risk maturity assessments, and operational audits, while proactively mitigating the Authority's top strategic risks to ensure agility, readiness, and sustained regulatory excellence.

Gratitude

I extend my sincere appreciation to the Board for the unwavering strategic guidance, the Executive Committee for its focused leadership, and to our dedicated staff whose professionalism, resilience, and commitment to excellence remain the backbone of the Authority. To our stakeholders, partners, and the public we serve, thank you for your collaboration, trust, and engagement. Together, and guided by His Majesty's NKWE vision, will continue to build a stable, transparent, and inclusive financial system that advances economic security and prosperity for all emaSwati.

Ncamiso T. Ntshalintshali
Chief Executive Officer FSRA



01 About the Report

The Financial Services Regulatory Authority (FSRA) is required in terms of Section 27 of the Financial Services Regulatory Authority Act, 2010 to publish an Annual Report for each Financial year ending March 31. The 2025 Integrated Report is published in fulfilment of this statutory requirement. In preparing this report, the FSRA endeavoured to present a complete, coherent, consistent, and transparent description of how the FSRA creates and delivers value to its stakeholders.

Reporting Boundary

The report covers the financial year 01 April 2024 to 31 March 2025 and focuses on material matters relating to the implementation of the strategy, the FSRA's business model, the operating environment, organisational performance, and governance. The report highlights how the FSRA managed its financial and other capitals during the year to ensure the future sustainability of the organization. The report also provides highlights of the FSRA's activities in executing its regulatory and supervisory mandates and the performance of the non-banking financial sector.

Reporting Framework

The report was prepared regarding the aspirations and ideals of the principles of King IV code on Corporate Governance and is also guided by the principles and requirements of the International Integrated Reporting Council (IIRC) <IR> framework. The annual financial statements from page 85 to 115 were prepared in accordance with the International Financial Reporting Standards (IFRS) for SMEs and in the manner required by the Financial Services Regulatory Authority Act,

2010. The Financial Statements were audited by Kobla Quashie and Associates Chartered Accountants (Eswatini).

Materiality and Material Matters

In determining whether a matter is material, the FSRA determines its potential to impact the FSRA's ability to deliver on its mandate. A formal process was undertaken during the reporting period to identify material matters and their possible effect on the Authority's strategy, performance, and sustainability. This process included the review of the prevailing economic conditions, changes in the operating environment including technological advancements, stakeholder perception and trust. During this review process, the Authority's staff provided relevant input regarding emerging risks and input on the risk mitigants the Authority can adopt.

Forward Looking Statements

The report contains forward looking statements particularly in relation to the FSRA's strategy. The FSRA however undertakes no obligation to update publicly or release any revisions to the forward-looking statements to update on events that may take place after the release of the report.

Directors' Statement and Responsibility

The Board of Directors acknowledges its responsibility in ensuring the integrity of this report and has applied its collective mind to its preparation and presentation. The Board believes that this report is a fair representation of the performance of FSRA and its material matters. The Board of Directors has approved the report on the recommendation of the Audit and Risk Committee.

Global and Regional Economic Developments During this Period

Global Economic Developments

Global economic growth remained steady at around 3.3% in 2024, but it is projected to slow to approximately 2.8% to 2.9% in 2025, mainly due to rising trade barriers, heightened policy uncertainty, and ongoing geopolitical tensions. Advanced economies, including the United States and the Euro area, are expected to experience slower growth of about 1.4% to 1.8% in 2025 as elevated interest rates, maintained by central banks to curb persistent inflation, continue to weigh on consumer spending and business investment.

Inflation in advanced economies remains elevated but is expected to gradually ease as tight monetary policies and the resolution of supply disruptions take effect. Headline inflation is projected to hover around 4.2% in 2025 before declining further in 2026. However, core inflation is expected to ease more slowly due to sustained wage growth and persistent price pressures in the services sector.

In emerging markets, growth is anticipated to moderate to around 3.7%–4.2%, as escalating trade tensions, including tariffs on imports from China, United States of America and the European Union, heighten uncertainty, dampen cross-border investment, and disrupt supply chains. These developments, coupled with structural challenges and slower expansion in key economies such as China, contribute to the uneven performance across emerging markets.

Global headline inflation is forecasted to decline from 6.8% in 2023 to about 4.3% in 2025, supported by easing commodity prices and improved supply chain conditions. Nonetheless, inflation in advanced economies has been revised upward relative to earlier forecasts, reflecting persistent labour market tightness and elevated energy costs.

Meanwhile, global trade volumes have exhibited subdued growth, with a modest rebound anticipated in early 2025 driven by pre-emptive tariff-related purchases. However, overall trade growth projections remain lower amid rising protectionism and geopolitical risks, dampening export and import performance in regions such as North America, while Asia is expected to make a moderate contribution to global trade flows.

South Africa's economic growth remained modest, with GDP expanding by approximately 0.6% in 2024 recording the slowest pace since 2020. The full-year 2025 GDP growth is projected at around 0.9%, reflecting subdued momentum amid persistent domestic constraints such as the energy crisis, logistical bottlenecks, and a weaker global economic environment.

Inflation remained elevated during the period, with headline inflation averaging between 5% and 6%, largely driven by food, fuel, and energy price pressures. However, core inflation showed signs of easing, supported by the South African Reserve Bank's tight monetary policy stance aimed at anchoring inflation expectations.

Trade performance was also under pressure, as global trade slowdowns and tariff-related effects weighed on activity. Export volumes declined in early 2025 due to soft global demand and logistical disruptions, while imports also contracted, albeit at a slower pace.

Domestic Economic Development

Eswatini's economic growth slowed to 2.6% in 2024, down from 3.4% in 2023, largely due to a sharp deceleration in the tertiary sector, which expanded by only 1.2% compared to 6.5% in the previous year. Growth in the primary and secondary sectors remained resilient, partly cushioning the slowdown. Over the medium term (2025–2027), GDP growth is projected to average 5.4%, peaking at 7.9% in 2025, driven by large-scale public and private investments, particularly in dam construction and energy infrastructure.

On the inflation front, headline inflation moderated from 5.0% in 2023 to 4.0% in 2024, largely due to easing prices for basic foods, including meat, bread, and cereals. However, housing, utilities, and transport costs increased, reflecting higher utility tariffs and housing rentals. Inflation is projected to rise to approximately 5.25% in 2025, influenced by global exchange rate dynamics, oil price movements, rising food prices, and administered price adjustments. In response to easing inflationary pressures, the Central Bank adopted an accommodative stance, reducing the discount rate by 50 basis points to 7.0% by January 2025 and lowering the prime lending rate to 10.5%.

Credit to the private sector expanded by 6.6% in 2024, reaching E20.399 billion, supported by borrowing from businesses, households, parastatals, and local government. Business credit rose 8.8%, particularly in agriculture, mining and quarrying, manufacturing, construction, distribution, and tourism, while credit to the real estate sector declined. Household credit grew, driven by loans for motor vehicles and other personal purposes.

In the external sector, Eswatini recorded a trade surplus of E2.14 billion, with exports rising by 13.3%, led by agricultural products, sugar, soft drink concentrates, food processing, and textiles, supported by favourable production and market conditions. Imports increased by 10.6%, mainly due to capital goods and final consumption products. The Lilangeni strengthened modestly against the US Dollar by 0.7% and Euro by 0.8%, but weakened 2.0% against the British Pound. Gross official reserves grew 15.1% to E10.122 billion by December 2024, covering about 2.5 months of imports, slightly below the recommended three-month threshold, while higher SACU receipts and external inflows contributed to a strong reserve position.

Economic indicators

GDP Growth (Eswatini, 2024)

2.6%

Private Sector Credit:

E20.4 B

(6.6%)

Trade Surplus:

E2.14 B

↑



Global GDP Growth

Medium-term GDP growth (Eswatini, 2025–2027):

↑ 5.4%

average

7.9%

Peak GDP growth in 2025

0.6%

South Africa GDP growth 2024:

South Africa GDP growth 2025 (projected):

↑ 0.9%

Inflation

Eswatini headline inflation 2024:

↓ 4.0%

Projected Eswatini inflation 2025:

↑ 5.25%

Could raise living costs for households and businesses using **E20.4 B** in private sector credit

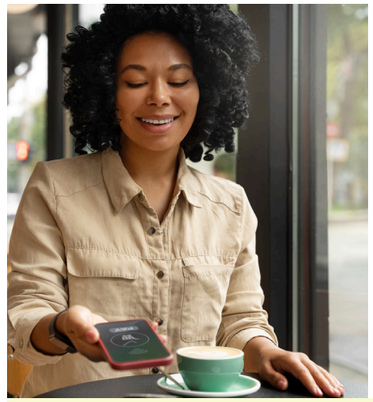
South Africa headline inflation 2024:

5%–6%

Global headline inflation 2025:

4.3%

Credit & Finance



8.8%

Business credit growth in Eswatini 2024:

7.0%

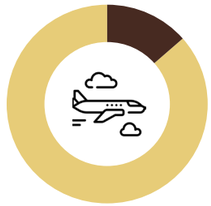
Central Bank discount rate (Jan 2025)

Household credit growth in Eswatini 2024: (driven by motor vehicle & personal loans)

Prime lending rate (Jan 2025):

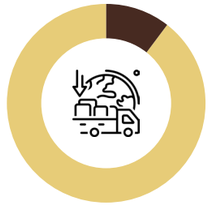
10.5%

Trade & Currency



13.3%

Exports growth (Eswatini, 2024):



10.6%

Imports growth (Eswatini, 2024):

E10.1B

in gross official reserves (Dec 2024), up 15.1%

↑



Lilangeni exchange movements: +0.7% vs USD, +0.8% vs EUR, -2.0% vs GBP



02 Who we are and what we believe in

The Financial Services Regulatory Authority is committed to fostering a stable, transparent, and inclusive non-banking financial sector, protecting stakeholders' interests, and promoting sustainable economic growth through effective regulation and supervision."





Our Purpose

We regulate and supervise financial services to protect stakeholders and foster a stable financial system in Eswatini.

Our Vision

To have a fully inclusive, sound, and innovative non-bank financial sector with 100% regulatory compliance.

Our Culture

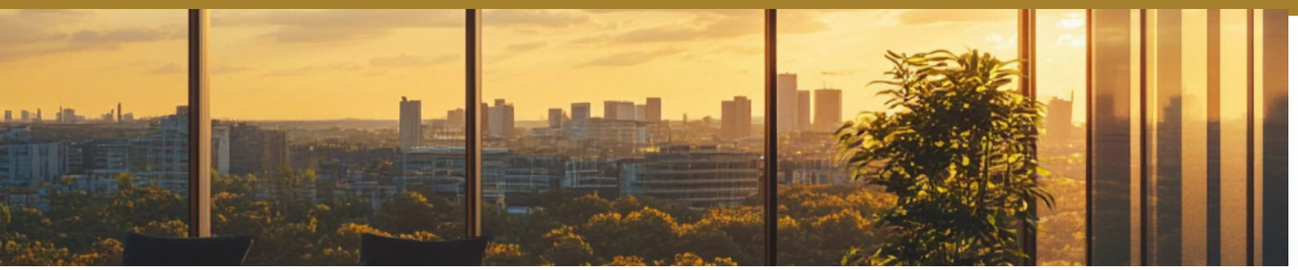
We are an ethical and trusted regulator with a culture that promotes performance excellence, collaboration, innovation, accountability, fairness and inclusiveness. Open communication and satisfaction of our stakeholders is an important element of our everyday actions.



03 Implementing our Strategy

To ensure that our strategic direction remained relevant, the Authority carried out a strategy review during the year. This review intended to ascertain the impact of external developments on the Authority's mandate and vision and identify gaps and challenges in meeting our strategic KPIs. The review also set to ascertain the alignment of our objectives post the organizational re-design.

The review process concluded with the revision of two strategic objectives and closing one program as all activities under that program have been concluded. Two other programs remained unchanged.



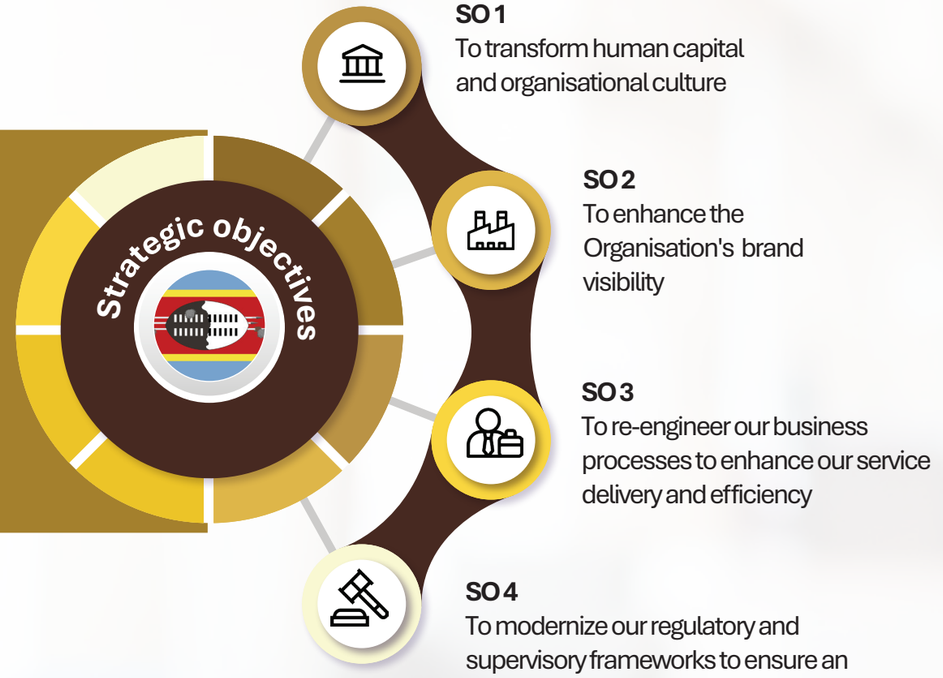


Table 1: Current year Performance on the Strategic Focus Areas

SO1: Transform organizational culture, strengthen values and align human resources for a pleasant employee experience to support the FSRA mandate and ensure efficiencies.

Planned Outcomes	How we performed	Capital Employed
• To complete the job evaluation and salary review project to support the effective management of our human capital, foster motivation and retain talent.	• The job evaluation and salary review project were completed however the implementation awaits approval from the Public Enterprise Unit.	Human, Financial and Manufactured Capital.
• To develop and implement a performance management system that fosters continuous improvement, drives employee engagement, and ensures alignment with FSRA's goals.	• The development and implementation performance management was partially completed. The draft PMS policy and framework were under review as at the date of the report and the first trial of the system was undertaken.	

Near term plans

- Conclude the implementation of the performance management system.
- Establish and implement an employee engagement and collaboration strategy and initiatives that support collaboration.
- Review the employee skills acquisition, development and retention policy.

SO2: Ensure brand visibility bold appeal, pleasant customer experience and understanding of the FSRA by stakeholders.

Planned Outcomes	How we performed	Capital Employed
• Launch the net promoter score to enable the Authority to gauge stakeholder sentiment in relation to service excellence.	• Net promoter score trials were carried out during several stakeholder engagement activities however due to several challenges the launch was deferred to the next financial year.	Human, Social and Relationship Capital.
• Finalization of the following policy documents which are currently under review: - Communications policy - Customer service charter	• The Communications policy and the customer services charter were drafted during the period under review and await EXCO and Board approval.	

Near term plans

- Launch of the net promoter score and use the results to inform our service delivery.
- Implementation of the communications policy and provision of service in line with the customer service charter.

SO3: Re-engineer our business processes to improve efficiencies and service delivery.

Planned Outcomes	How we performed	Capital Employed
• Refine the Authority's operating systems and define process families.	• Definition of the operating systems and the relevant process families was completed, however, the definition of the key performance indicators is on-going.	Human, Financial and Intellectual Capital.
• Carry-out a process mapping exercise.	• A process inventory was carried out, however, the mapping exercise was delayed due to delays encountered in the systems project above.	
• Document all defined processes to enable ease of implementation.	• This activity has been deferred to the next financial year as it is dependent on the projects.	

Near term plans

- Finalise the definition of system key performance indicators.
- Complete the process mapping exercise and document all relevant processes.
- Develop the Automation plan for the automation of the processes.

SO4: To modernize our regulatory and supervisory frameworks to ensure an efficient use of resources and alignment with international best practice.

Planned Outcomes	How we performed	Capital Employed
• Development of the Risk Based Supervision Frameworks and the intervention and enforcement manual.	• Development of the Risk based supervision frameworks is at an advanced stage with the market conduct, and money laundering control chapters completed.	Human, Financial and Intellectual.
• Development of IFRS 17 compliant returns and custodian Returns.	• Draft IFRS 17 returns are in place and will be circulated to industry for comments in the new financial year.	
• Development of monitoring tools aligned with the risk based supervision frameworks.	• Market Conduct self-assessment tool was rolled out and the on-site procedure manual finalized.	
• Development of the non-banking financial sector crisis management and resolution framework.	• The Authority sought technical assistance from the IMF for the development of this framework and the first capacity building exercise and gap analysis was undertaken.	

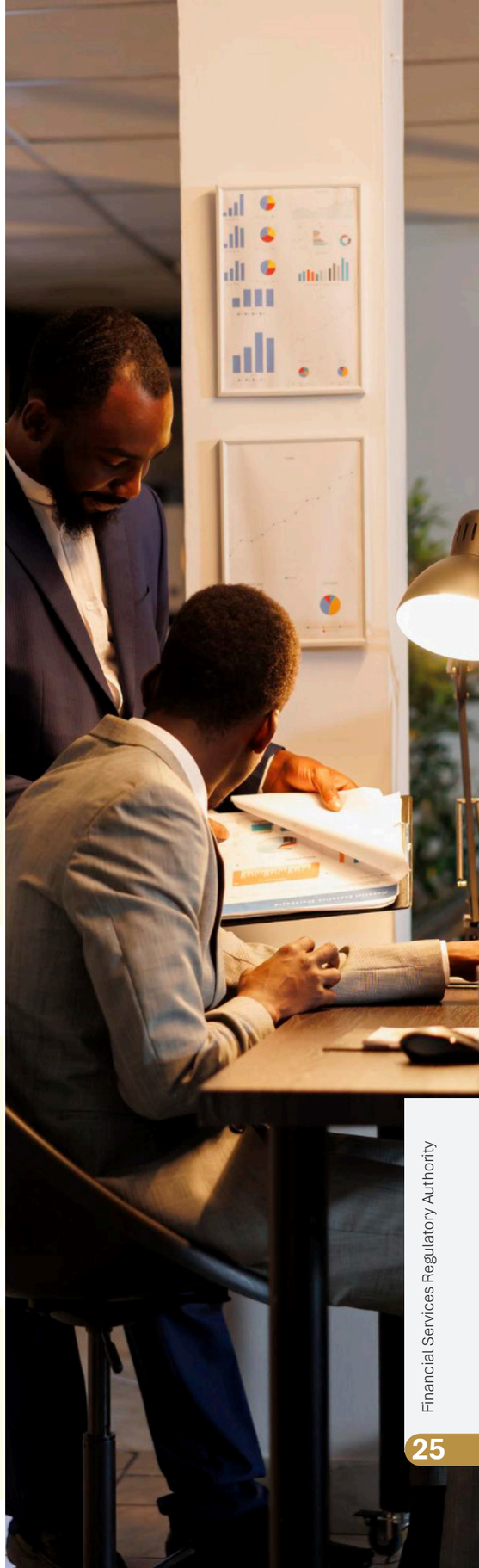
Near term plans

- Finalize the risk based supervision framework and carry-out industry consultations and training on the framework and supporting regulatory tools.
- Continue working with the IMF on the development of the crisis management and resolution framework.



Our value creating business model

	Financial Capital	Human Capital	Manufactured Capital	Intellectual Capital	Social & relationship capital
Capital inputs	Derived from: - Levies - License fees - Interest on investments **Total Income** 2025: E103 901 315 2024: E91 692 902 **Investments** 2025: E94 396 736 2024: E94 032 148	Our qualified, competent and innovative employees. 2025: 96 2024: 78	Our equipment and infrastructure available for use in the value creation process: ICT Infrastructure 5 Motor Vehicles	Our legislative instruments, supervisory frameworks, supervisory tools and business intelligence. • 2 Operating systems and 13 software applications • NBFI Sector legislation • Risk Based Supervision Frameworks	Our relationships and partnerships with key stakeholders • MoUs with 6 local institutions/agencies. • MoUs with 5 regional agencies. • Stakeholder management framework.
Value creating business activity	• Improved levy collecting rate. • Collection license fees before processing of license application. • Identification of investment opportunities. • Implementing the cost management strategy.	• Recruitment and retention: • 23% improvement in capacity and 1 promotion. • Staff development and training expenditure through interest free study loans and professional membership subscription: E808 958 • Employee support through the wellness programs: • Provided subsidized gym membership for 22 staff members. • 4 mobile wellness clinic services • Hosted 2 prayer sessions	• Upgrading and maintaining our IT systems. • Acquisition and maintenance of office transportation. • Automation of processes.	• Business data analytics and storage. • Risk based supervision of the non-banking sector. • Streamlining workflows through the use of technology. • Revision and amendment of laws to address emerging risks and opportunities.	• Stakeholder engagement sessions. • Participation in community development activities. • Consumer awareness campaigns. • Participation in regional regulatory development meetings. • Use of technology to enhance stakeholder engagements
Our outputs	• Financing of the supervisory programs, ICT infrastructure and systems. • Providing competitive remuneration to staff. • Providing financial support for the stakeholder management program.	• Skilled, motivated and engaged employees. • Strengthened workplace culture that promotes collaboration and innovation.	• Modernized and reliable infrastructure. • Reliable and safe motor vehicles.	• Supervisory plans and schedules based on risk profiling. • Comprehensive risk rating matrix and intervention plan. • Data driven monitoring dashboards and early warning indicators. • Modernized legislation.	• Strengthened stakeholder relationships. • Financially literate consumers. • Timely response to consumer's enquiries on our social media platforms.
Impact	• Financially sound regulatory authority. • Enhanced regulatory effectiveness. • Efficient allocation of resources.	• Improved service delivery and employee productivity. • Enhanced organizational resilience and adaptability. • Increased employer attractiveness and ability to attract top talent.	• Providing reliable transportation for our staff for on-site inspections. • Improved service quality and stakeholder satisfaction.	• Improved prioritization of supervisory resources. • Early identification and mitigation of risks that FSPs are exposed to. • Timely regulatory responses. • Enabling environment for innovation, growth and sustainable development. • Safe and sound non-bank financial sector • Enhanced integrity for the non-bank sector	• Robust consumer protection and stakeholder management. • Improved stakeholder trust and confidence. • Good reputation and positive brand value.



04 Who Governs Us



Board Members Profiles



Rev. Senzo Hlatshwayo
Chairman of the Board

MA Development Studies, MA Public and Development Management

Reverend Hlatshwayo is an accomplished professional with experience in leadership, governance and community development. He holds several leadership roles across various organizations including FutureCom Africa and Honorary President of the Eswatini Fellowship of Evangelical Students. Reverend Hlatshwayo is also the Founder and Senior Pastor of His Grace Church.

Appointed: 14 August 2023



Dr. Phil Mnisi
Board Member

CM(SA), PhD in Leadership and Management

Dr. Mnisi is the 7th Governor of the Central Bank of Eswatini. Dr. Mnisi's corporate leadership spans more than 30 years, having held several leadership roles in various sectors including CEO of Standard Bank Eswatini and CEO of the Eswatini Sugar Association. Dr. Mnisi's leadership expertise has also led him serving various National Commissions including the COVID-19 Resource Mobilization Committee as Chairman as well as the Royal Commission for the review of the Terms and Conditions of the 11th and 12th Parliament of Eswatini.

Appointed: May 2024



Mr. John Henwood
Board Member

BA Law and LLB and an Admitted Attorney

Mr. Henwood is an experienced attorney with expertise in civil litigation, commercial law, and competition law. He is the founder of Henwood and Company, a legal firm specialising in civil litigation, mergers and acquisitions and commercial law. Prior to establishing the law firm Mr. Henwood worked at Robinson Bertram Attorneys in various capacities including Partner. He also serves as a member of the Eswatini Revenue Services Appeals Tribunal and is involved in various community activities including the pro-bono legal counsel for Cheshire Homes of Eswatini.

Appointed: October 2024



Ms. Portia Dlamini
Board Member

MA Business Leadership, BCom in Accounting & Diploma in Management Accounting

Ms Dlamini is a finance and accounting specialist with over 20 years' experience in various fields including financial management, auditing and leadership. Ms Dlamini currently serves as the Managing Consultant for Bizzacc Consultancy and also the Managing Director of Amigos Restaurant. She previously worked for Inyatsi Construction Group Holdings as Finance Director; Coca-Cola Swaziland as a Financial Reporting Specialist. She has also worked for the South African Broadcasting Company and the EDCON Group.

Appointed: October 2024



Mr. Joel Dlamini
Board Member

MBA, BCom & Dip. in Accounting & Business Studies

Mr. Dlamini is a risk management and corporate governance specialist. He previously worked for the Central Bank of Eswatini where he served in various positions, including Head of Risk Management, Internal Audit and Project Management.
Prior to joining the Central Bank of Eswatini, Mr. Dlamini worked for the former Barclays Bank. He has also served as a Director on the Eswatini Electricity Company Board.

Re-Appointed: October 2024



Mr. Tyrone Jacobs
Board Member

ACIS, H. Diploma (Tax), CFE, CIA, RA (SD), GTP (SA)

Mr. Jacobs' area of expertise is auditing. He is a certified fraud examiner with over 27 years' experience, having worked for companies such as World Vision International, the South African Revenue Services, FIPS Chartered Accountants and Montigny. Mr. Jacobs is currently the Director of Jacobs Corporate, a financial services firm providing auditing, tax and fraud investigations services.

Re-Appointed: October 2024



Ms. Sindile Mcanyana
Board Member

LLM International Law, B.A. Law and LLB

Ms. Mcanyana is a human capital specialist with over 20 years' experience in various fields of human capital including strategic human resources management and organisational behaviour. Ms Mcanyana is the Human Resources Manager at Eswatini Railways and also serves as the Chairperson of the Board of Trustees for the Eswatini Railways Provident Fund. She previously worked for Eswatini Skills Centre and Eswatini Action Group Against Abuse (ESWAGAA).

Re-Appointed: October 2024



Mr. Muzi T. Dlamini
Board Member

Master of Arts in Economics, B.A. Social Science

Mr. Dlamini is an Economist with experience in National Budget Management. Mr. Dlamini is the Senior Budget Officer/Senior Economist at the Ministry of Finance where he is responsible for providing macro-fiscal data and information for budget policy formulation. Prior to this role he worked for the Eswatini Revenue Services as the Research, Strategy and Statistics Planning Officer.

Appointed: October 2024



Ms. Tina Khoza
Board Member

Board Secretary [General Manager Governance] LLM, LLB, BA Law

Ms. Khoza serves as the Board Secretary. She is an admitted Attorney who served her Articles of Clerkship with Robinson Bertram Attorneys and worked as a Professional Assistant in the same Law Firm before joining the corporate environment. She is an experienced Board Secretary and Legal Advisor having worked in institutions such as the Swaziland Building Society and Standard Bank Eswatini. Ms. Khoza has also served as a part-time Lecturer at the University of Eswatini.

Appointed: 02 August 2021



The Board's primary responsibility is to provide strategic direction and leadership to the FSRA and to ensure that the Authority executes its mandate ethically and within prudent risk parameters. In executing its responsibility, the board's practices are aligned with the King V code of corporate governance and the approved board charter. The Board is accountable to the Government for the performance of the Authority.

Board Structure

The Board is established in terms of section 7 of the FSRA Act, 2010 and members to the Board appointed in line with the provisions of section 7 (2) and led by Reverend Senzo Hlatshwayo, an independent non-executive director. According to the FSRA Act, the Chief Executive Officer (CEO) of the FSRA is also expected to act as the secretary to the Board. However, to improve the effectiveness of the board, the CEO delegated this responsibility to the General Manager Governance. The General Manager Governance is responsible for advising the Board on governance matters, guiding the Board and the sub-committees in executing their duties.

The Board has 3 Committees in place to which various mandates have been delegated. The delegation of authority is clearly outlined in the charter for its sub-committee which has been approved by the Board, the charters are reviewed regularly to ensure that they are in line with best practice. Although different responsibilities have been delegated to the Committees, joint committee meetings are convened where matters overlap and need Committees' consensus before they are tabled to the main Board. The Board committees are as follows:

- Finance, Audit and Risk Committee
- Remunerations and Appointments (REMCO) Committee and
- Legal and Compliance Committee

Performance Assessment

The Authority has a board appraisal process in place, through this process the board assesses its performance against set objectives and the process allows the board to identify opportunities for improvement of their governance culture and practice overtime. The non-executive directors are also responsible for evaluating the performance of the CEO based on specific criteria, including the Authority's operational and financial performance, strategy development and execution, as well as the development and retention of talent.

Board Committees

The Board of the Authority has established the following subcommittees in terms of Section 7 (6) of the FSRA Act, 2010 to assist the Board in carrying out its oversight role and any other assignment that may be to the committee by the Board.

Finance, Audit and Risk Committee

The Finance Audit and Risk Committee (FAR) is responsible for reviewing the full and quarterly financial reports of the FSRA, including Accounting Policies and practices. The committee also assists the board in providing oversight on the adequacy of internal control system and the effectiveness of the risk management function. The FAR further oversees the scope, conduct and outcomes of internal and external audits (including audit programs, external auditor independence, and auditor performance) and makes recommendations to the Board on the appointment, performance, and remuneration of the Authority's auditors.

Table 2: Finance, Audit and Risk Committee Members

Name	Position
Ms. P. Dlamini	Chairperson
Mr. J. Dlamini	Member
Mr. T. Jacobs	Member
Mr. M. Dlamini	Member

Legal and Compliance Committee

The Legal and Compliance Committee is responsible for the review and oversight of the Authority's adherence to laws, regulations, and policies that pertain to the FSRA operations, both by Regulated entities and internal stakeholders. The committee also reviews operational policies and procedures and the quarterly divisional reports for approval to the board.

Table 3: Legal, and Compliance Committee Members

Name	Position
Mr. J. Henwood	Chairperson
Ms. S. Mcanyana	Member
Mr. M. Dlamini	Member
Ms. P. Dlamini	Member

Remunerations and Appointments Committee

The appointments and remunerations committee is responsible for reviewing and recommending the appointment and remuneration of the Chief Executive Officer and Senior Executives to the Board. The Committee also reviews the Authority's employee related policies, procedures and practices and recommends their approval to the Board.

Table 4: Remunerations and Appointments Committee

Name	Position
Dr. P. Mnisi	Chairperson
Rev. S.Hlatshwayo	Member
Mr. J. Dlamini	Member
Mr. T. Jacobs	Member
Ms. Sindile Mcanyana	Member

Board and Committee Meetings

The FSRA Act stipulates that the Board shall meet as often as the business of the Authority may require, but not less frequently than once in every two months. A quorum at a meeting shall be five members, including the Chief Executive Officer or a person acting in that capacity. The Chairperson or, in the absence of the Chairperson, the Deputy Chairperson, shall chair a meeting for the Board. Except as otherwise provided in the Act, decisions of the Board shall be determined by a majority of members present and voting, and in the event of a tie, the person chairing that meeting shall have a casting vote in addition to the deliberative vote.

During the year under review, the term of office of board members came to an end and new members were appointed with effect from October 2024. The meeting attendance registers below highlight attendance by the former members before their term of office ended and is combined with the attendance by the newly appointed members.

Table 5: Number of Board and Committee Meetings

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Extra-ordinary	Total
Main Board			2		1	3
Finance, Audit and Risk	2		2			4
Legal and Compliance	1		1		1	3
Appointments and Remunerations	2		3			5

Table 6: Board Members' Attendance of Meetings

Member	Main Board Meetings	Finance, Audit and Risk Committee	Remunerations and Appointments Committee	Legal, and Compliance Committee
Previous Members Attendance				
Reverend S. Hlatshwayo	3		2	
Ms. D. Magagula	1		1	2
Ms. B. Masuku			2	
Ms. P. L Ntshakala		2		2
Mr. N. Fakudze				2
Newly Appointed Members Attendance				
Dr. P. Mnisi	3		3	
Mr. J. Dlamini		4	3	2
Mr. T. Jacobs	3	4	5	
Ms. S. Mcanyana	3		3	
Ms. P. Dlamini	3	2		1
Mr. M. Dlamini	3	2		1
Mr. J. Henwood	3			1



05 Who Leads Us

The Executive Committee is responsible for managing the Authority's operations, ensuring that operational activities are aligned with the strategic direction and that the Authority achieves its strategy. The CEO chairs the Executive Committee, provides leadership and oversight.



Our Executive Committee

CEO
Responsible for strategic leadership of the Authority and ensuring the Authority operates in an effective and ethical manner to maintain public confidence.

GM Governance
Responsible for ensuring that the board operates effectively, lawfully, and in line with good governance practices, advises on contracts, agreements, and regulatory decisions to ensure legal compliance and manages litigation matters on behalf of the Authority

GM Intervention and Enforcement
Responsible for developing legal and regulatory instruments to enable effective supervision of the Non-Bank Financial Sector, and for identifying, investigating, and taking enforcement action against entities that breach laws under the FSRA's administration.

GM Market Conduct Supervision
Responsible for oversight on the market entry, ensuring regulated entities conduct business in a fair and prudent manner, maintaining the integrity of the Non-Bank Financial Sector, education of consumers and promoting financial inclusion.

GM Corporate Services
Responsible for driving the Authority's operational excellence by managing key support functions and creating an enabling environment for the Authority's operations i.e. the Information Technology, Human Resources and Customer Experience.

GM Prudential Supervision
Responsible for ensuring the safety and soundness of the regulated entities to ensure that they will meet their commitments to consumers when they fall due.

CFO: Finance and Procurement
Responsible for the effective stewardship of the Authority's financial and procurement resources, ensuring operational resilience, meeting financial obligations to stakeholders, and complying with public procurement requirements.

Ncamiso Ntshalintshal
Chief Executive Officer

Tina Khoza
GM General Governance

Babhekile Matsebula_
GM Intervention and Enforcement

Zamokuhle Dlamini
GM Market Conduct

Setsabile Ginindza
GM Corporate Services

Mbongiseni Nkambule
GM Prudential Supervision

Gugu Makhanya
Chief Financial Officer



06 Managing Our Risk

Material Matters

The Authority's ability to deliver on its mandate and create long-term value is influenced by a range of external and internal factors. At the start of the year, the Authority carried out a rigorous environmental assessment to identify those matters that could impact its operations and the value creation process. Over the years, the Authority has put in place controls to mitigate exposure and impact of material matters arising from internal factors and closely monitored the external factors. Some of the following factors impacted our value creation, however some improvements were noted from material matters identified in the last financial year:

Financial Capital

- Declining growth rate in levies due to the following factors:
  - Slow economic growth
  - Changes in legislation reducing the levy rate for SACCOs
  - Decline in the number of licensed entities
- High inflation contributing to increased operating costs

Human Capital

- Loss of talented staff
- Challenges in attracting qualified staff

Intellectual Capital

- Emerging risks that are currently not provided for in our legislation or supervsory frameworks and impacting the financial performance of regulated entities e.g. climate risk

Social and Relationship Capital

- Increase in financial scams undermining the Authority's consumer protection efforts
- Developing relationship with the legislator, which has contributed to delays in the approval of amended NBFI laws, however, this year productive engagements were held and have yielded positive results



Risk Management

In identifying its risk exposure, the Authority follows the enterprise-wide risk management framework, which is aligned with ISO 31000. The Authority continued to follow an integrated approach that links risk management to strategy, governance, and performance, therefore enabling proactive decision-making and resilience in the face of uncertainty.

Strategic Risk Register

The risk register highlights the progress the Authority has made in managing its risk exposure to ensure that strategic objectives continue to be met. Operational risks are updated quarterly by the risk champions and significant changes that may impact the strategy are integrated into the strategic risk register.

Internal Audit

The Authority's Internal Audit Function is an independent and objective and function that aims to create and add value to the FSRA's corporate governance, risk management, and control processes. The Function protects and enhances the Authority's value creation process by assessing operational efficiency, identifying areas of improvement to strengthen accountability and transparency.

The Internal Audit function monitors the system of internal control and reports its -findings and recommendations to management and the Board through the Finance, Audit and Risk Committee.

During the year under review, the internal audit function focused on the review of the following operational activities:

- Payroll administration
- Human resource management
- Adequacy of the Information and Communications Technology
- Efficiency and effectiveness of the procurement process

Table 7: Risk Register and Value Creation Impact

Risk Rank	Risk description	Mitigating Controls	Residual Risk	Risk Direction	Impact on Value Creation
1	Limited or declining revenue that can lead to inadequate financial resources	Implementation of cost containment and change management initiatives with respect to operational cost optimisation.	Medium	↑	Financial, Intellectual, Human, Social and Relationship and Manufactured
2	Inadequate enabling legislation and supervisory instruments	Establishment of the legislative working group with the relevant Authorities including the Office of the Attorney General.	Medium	↓	Intellectual, Social and Relationship Capital
3	IT systems failure and cyber-security threats	1. Regular staff training on identification of cyber threats 2. Regular data recovery testing and system penetration 3. Carrying out network and cyber security audits regularly.	Medium	↑	Manufactured, Intellectual and Financial Capital
4	Inability to effectively implement the strategy	Strategic planning and performance monitoring tool in place and program champions required to provide progress reports to EXCO monthly and the Board quarterly.	Medium	→	Financial, Intellectual, Human, Social and Relationship and Manufactured
5	Fraud and corruption exposure	1. Regular staff training on fraud awareness. 2. Enforcement of the code of conduct e.g. gifts declarations. 3. Whistle blowing line and implementation of the consequence management policy.	Low	→	Financial, Intellectual, Human, Social and Relationship
6	Business continuity threats	Carrying out regular business continuity tests to assess the adequacy and robustness of the process.	Medium	→	Human, Financial, Manufactured and Intellectual
7	Limited human capital management	1. Investment in staff development programs. 2. Implementation of the talent management framework.	High	→	Human, Financial and Intellectual
8	Gaps in stakeholder management practices	1. Regular engagements with various stakeholders are held in line with the stakeholder management annual calendar. 2. Stakeholder feedback is collected after engagements to ensure our service delivery addresses their needs.	Medium	↓	Social, Human, Financial and Intellectual

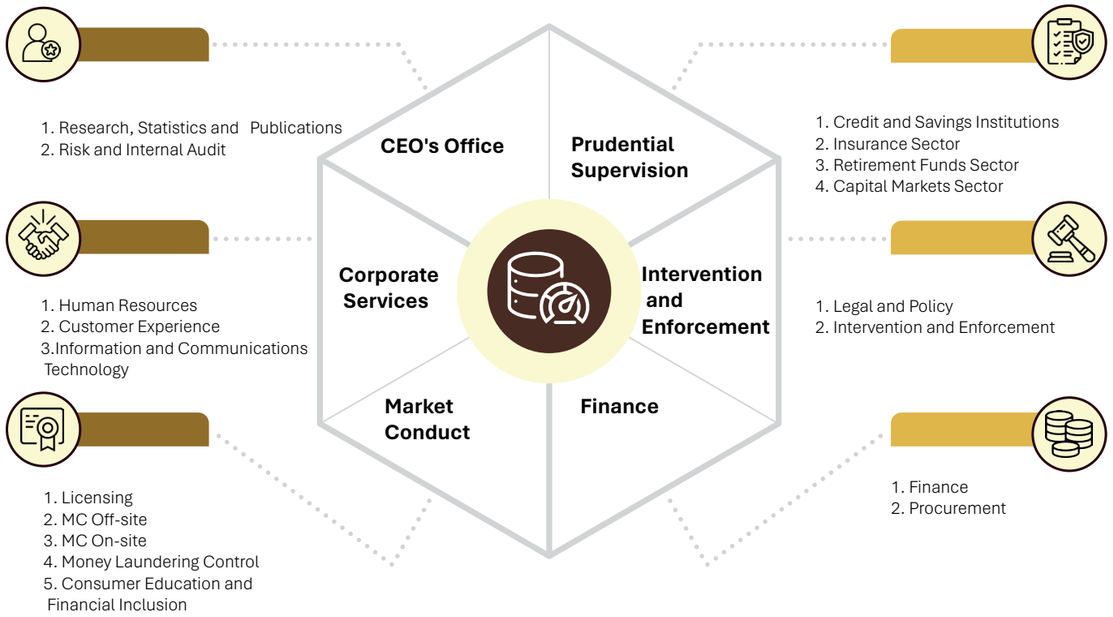
Residual Risk Rating

- Low Risk
- Medium Risk
- High Risk

Risk Direction

- ↓ Decreasing Risk
- → Stable Risk
- ↑ Increasing Risk

07 Our Operational Performance



1. Market Entry

Section 5 of the FSRA Act, 2010, gives the FSRA the authority to license financial service providers, and Section 35 prohibits the provision of financial services without approval from the FSRA. The licensing unit is responsible for processing licensing and renewal applications and approving the financial service providers key functionaries. The licensing unit ensures that all applicants meet the market entry requirements i.e. the approved legal entities will continually meet their obligations to consumers and adhere to regulatory requirements.

To preserve the integrity of the non-bank financial sector, the licensing unit also carries out fitness and probity assessments of the owners of the entities, the board of directors and the key functionaries. These assessments ensure that capital used for setting up the entities is derived through legitimate means, the directors and key functionaries have the necessary skills, knowledge and experience to run the operations and that they have the capacity make decisions that will yield fair outcomes for consumers.



During the period under review 338 financial service providers were licensed under the following sectors:

01| Capital Markets

Collective Investment Schemes	5
Investment Advisors	13
Trustees/custodians	4
Securities Dealer	3
Exempt Dealers	1
Securities Exchanges	1

TOTAL 26

02| Credit and Savings

Credit Providers (Non-deposit taking	96
SACCOs	47
Building Societies	2
Credit Bureaus	1
DFIs	3
Retail Outlets	7

TOTAL 156

03| Insurance Sector

Reinsurers	2
Insurers (plus 3 micro insurers)	13
Micro insurers	3
Insurance Brokers	25
Corporate Agents	21

TOTAL 64

04| Retirement Funds Sector

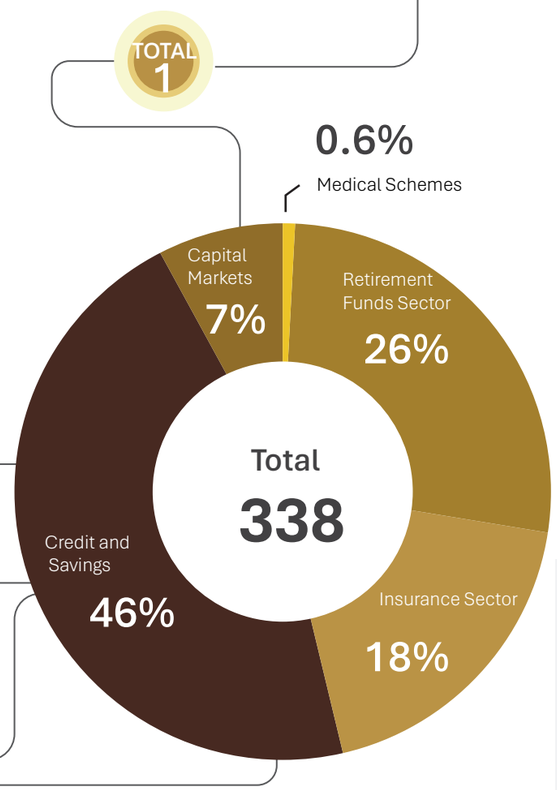
Local Funds	49
Umbrella Funds	12
Beneficiary Funds	2
Foreign funds	28

TOTAL 91

05| Medical Schemes

Medical Schemes	1

TOTAL 1



As the non-bank financial sector continues to evolve the Authority embarked on a project to update the licensing framework and tools. These updates will address among other challenges, emerging risks due to new categories of applicants and support alignment with global regulatory frameworks i.e. the IAIS core principles, IOSCO principles, FATF principles, ACCOSCA principles and WOCCU principles. In this regard the licensing unit developed and revised the following instruments:

- **Guidance for the evaluation of new licence applications:** the purpose of this guidance is to document the analytical framework to be followed by the Authority's staff when processing new license applications to ensure consistency in the licensing process and promote regulatory efficiency in delivering this service to prospective licensees.
- **Amendment of licensing requirements:** these amendments have been effected to incorporate the changes in legislation.

Market entry challenges and risks

Despite the Authority's efforts to improve the turnaround time in the licensing some applicants continued to submit incomplete applications, and not carrying out internal fitness and probity assessments of the appointed key functionaries prior to submission for approval to the Authority.

Looking Ahead

To ensure that the Authority maintains a robust market entry framework that protects consumers, preserves market integrity, and allows companies with viable business models and adequate financial resources to operate, the Authority will focus on the following:

- Implementation of the perpetual licensing regime to align with the AML/CFT/PF Miscellaneous amendments act, 2024.
- Development of the ultimate beneficial owners register.
- Market entry awareness campaigns educating current and prospective licensees of the licensing requirements for the different categories.

2. Preserving the integrity of the Non-banking Financial Sector

Preserving the integrity of the non-banking financial sector is one of the Authority's responsibilities as money laundering, terrorist financing and related crimes can impact the stability of the sector and discourage future investments. While the licensing unit is responsible for preventing undesirable applicants into the market, the Money Laundering Control Unit is responsible for the on-going supervision of the licensed financial service providers, ensuring that they comply with the provisions of the Money Laundering and Countering the Financing of Terrorism Prevention Regulations 2016, and other subordinate instruments.

To strengthen oversight, and to ensure that licensed financial service providers maintain adequate anti-money laundering controls in place, the Money Laundering Control Unit focused on the following activities during the period under review:

- **Development of the AML/CFT risk based supervision framework:** this framework ensures that the Authority's supervisory framework is aligned with the Financial Action Task Force requirements and enhances the effectiveness of the supervisory activities. The risk based framework will enable the Authority to identify high risk entities and the optimal allocation of resources to entities with a higher risk exposure.
- **Conducting the AML/CFT Sectorial Risk Assessment:** to strengthen the Authority's risk based supervision framework, the Authority carried out sectorial risk assessments to identify the money laundering risk exposure and vulnerability of the different sectors. This assessment also contributes to the National Risk Assessment.
- **Development of the AML/CFT Annual Returns:** this supervisory tool will enable the Authority to collect data on how the financial service providers are managing their money launder and terrorist financing risks and to verify whether they are meeting their regulatory AML/CFT obligations.

Protecting the Consumers of the Non-banking Financial Sector

Consumer protection is central to the mandate of the Authority, Section 4 (f) of the FSRA Act states the protection of consumers as one of the key objectives of the FSRA and Section 5 (g) further gives the Authority the responsibility to take measures to ensure the protection of stakeholders of financial services.

Figure : Our Consumer Education Campaigns and Stakeholder Communication



One of the key elements of consumer protection is equipping consumers with knowledge and skills to understand financial products and services, make informed decisions and understand their rights and obligations. During the year under review, the Consumer Education and Financial Inclusion focused on the following areas;

- Development unit of the financial literacy strategy and updating the consumer education program.
- Attained the Alliance for Financial Inclusion associate membership.
- Strengthening our collaboration on the financial inclusion agenda with the Central Bank of Eswatini, the Eswatini Competition Commission, and the Eswatini Communication Commission.

Financial Inclusion Initiatives

To align with the Government's financial inclusion strategy and program, the Authority worked on the development on a financial inclusion program to address the needs of the consumers within the non-banking sector. The Authority's initiatives are also aligned with Sustainable Development Goals and the Alliance for Financial Inclusion objectives.

During this year the Authority participated in the following AFI programs:

- AFI working group meetings on digital financial services, financial inclusion strategy (peer learning group) and the global standards and proportionality working group,
- AFI global policy forum, and
- The joint learning program on women's financial inclusion.
- The Authority's Financial Inclusion activities also extended to the following:
- Participation in Eswatini's MSME FinScope Survey carried out by the Centre for Financial Inclusion,
- Participation in the development of guidelines for onboarding forcibly displaced persons.

Our Market Conduct Off-site and On-site Monitoring

The Authority uses a combination of on-site and off-site monitoring. On-site monitoring involves regulatory visits to the premises of the financial service providers to engage with the staff of the FSPs for indepth assessment of the adequacy of the FSPs controls, governance practices and operational practices. Off-site monitoring, however, provides a continuous regulatory oversight on the conduct of the FSPs.

To enhance the Authority's market conduct supervision, the development of the market conduct risk based supervision framework was a key focus area for this year. This is a proactive supervisory approach that prioritises FSPs and their activities according to their potential to cause harm to consumers and weaken public confidence if left unchecked.

Our off-site Monitoring

As part of the risk based supervision approach the off-site monitoring team focused on the following:

- Categorisation of financial service providers into high-risk or systemically significant and lower-risk entities, based on their potential to cause consumer harm, taking into account factors such as market size, nature and complexity of products, compliance history, and the frequency and severity of consumer complaints.
- Development of regulatory reporting templates for securities custodians and templates for the credit bureaus.
- Development and implementation of the SACCOs market conduct self-assessment tool.
- Issued communication to credit providers calling for the development of transition plans to comply with the Consumer Credit Act regulations, which require the submission of positive and negative credit information to the credit bureaus.
- Carried out research on the pricing of credit products in the non-bank sector to assess the fairness, transparency and risk sensitivity of the sector's pricing practices; the outcome of the research will support the development of fair credit pricing policy to curb the high cost of credit for consumers.

Market Conduct Risk Assessments

The Authority carried out several conduct risk assessments to evaluate the extent to which FSPs practices align with fair market conduct principles that lead to fair outcomes for consumers. To carry-out the risk assessments, the Authority draws on multiple sources of information including consumer complaints, reports from the whistleblowing line and market intelligence.

The key findings from the risk assessments and the investigation of the reports received from whistle blowers indicated that the entities that were assessed have deficiencies in their governance and control functions, which in some cases have led to the misappropriation of financial resources. The outcomes of the assessments were communicated to the entities and the Authority continues to monitor the implementation of remedial measures by the FSPs to address the deficiencies.

Our Market Conduct On-Site Monitoring

On-site inspections enable on-site engagements with the FSPs with the purpose to verify compliance with regulatory requirements, assessment of the effectiveness of control functions and the validation of information submitted through off-site monitoring. During the year under review, 9 market conduct on-site inspections were carried across the sectors.

Table 8 : Market Conduct On-Site InspectionsSummary

Sectors	Insurance	Capital Markets	Savings and Credit
No of entities	1	3	5
Deferred		1	4
Key Findings	• Deficiencies in the corporate governance practices, including limited board oversight, lack of separation of board and senior management responsibilities and limited due diligence on appointment of new board members and service providers where functions are outsourced (e.g. Investment advisors). • Weaknesses in the compliance function as some entities did not have a dedicated compliance function or the function was not adequately resourced. • Poor market conduct practices including lack of adequate disclosures to consumers regarding service fees, benefits and the provision of products to consumers without carrying out a comprehensive suitability assessment.		

Five (5) of the planned inspections were deferred due to several reasons, including the need to inspect other entities that were not part of the plan, but through market intelligence and other supervisory developments, these entities needed to be inspected urgently. The Authority continued to monitor the implementation of remedial measures to address the findings by the different entities.

Maintaining Stability in the Non-Banking Sector

In terms of Section 4 of the FSRA Act, 2010, the Authority is responsible for ensuring the safety and soundness of the FSPs and maintaining the stability of the non-banking sector. The Authority's Prudential Supervision Department (PSD) is responsible for these objectives. In furthering the responsibility to ensure that the financial service providers are financially sound and will be able to honor its obligations to consumers when they fall due, PSD focused on the following during the year:

- Update of prudential supervision tools to align with changes in the international reporting standards for the insurance sector.
- Development of data collection and analysis tool for the capital markets custodians.
- Revision of the prudential risk assessment tools to improve the quality and frequency of the risk assessments.
- Improving compliance with the prudential regulatory reporting requirements to ensure that the FSPs submit accurately completed returns on time.

Prudential On-site and Off-site Monitoring

Similar to Market Conduct Supervision, Prudential Supervision also uses the on-site and off-site monitoring supervisory tools, where off-site monitoring is a continuous process that requires FSPs to submit financial reports to the Authority in a prescribed format. The Authority analyses the submitted financial reports for monitoring trends in the prudential key indicators and carries out comprehensive risk assessments. During the period under review, 15 prudential risk assessments were carried out across the sector, while 3 inspections were carried out;

Table 9 : Prudential Supervision Risk Assessment Summary

Sectors	Insurance	Capital Markets	Retirement Funds	SACCOs	Medical Aid Schemes
No of entities	1	4	5	4	1
Key Findings	• The saturation of the insurance sector and the lack of diversity in product offering exposed the sector to an increase in earnings risk. • Persistent late submission of regulatory returns by some capital markets entities have led to the increase in compliance risk, while operational risk exposure was also identified due to the limited oversight and regulatory reporting by the CIS custodians. • Some retirement funds face solvency risk due to the non-remittance of contributions by employers and maintenance of contribution rates that are not commensurate with the growth in the funds' liabilities. Retirement funds assets, however, continued to be exposed to changes in economic and financial markets risks and some funds continued to make efforts to off-load non-performing investments. • SACCOs exposure to earnings risk was the result of the level of the honorarium allocated to board members. • The Medical schemes sector faced liquidity risk due to the significant increase in illiquid investments. Earnings risk was also identified due to the decline in investment income and the quality of the underwritten business.				

The outcomes of the risk assessments informed the regulatory intervention measures, which included on-site inspections, referral to the enforcement unit and regulatory meetings. To ensure that the entities address the regulatory concerns, follow-up meetings continue to be held and FSPs are required to submit information confirming how the findings have been addressed.

Taking Regulatory Intervention and Enforcement Action

Section 67 of the FSRA Act, 2010 empowers the Authority to take regulatory action against FSPs that have failed to comply with the provisions of the FSRA Act or directives issued to the entity by the Authority. Intervention measures are taken when the Authority identifies certain risks or weaknesses in the conduct of an FSP and include imposing remedial actions, engaging in dialogue with the Authority, and other preventive measures to influence changes in the FSP's practices or behaviour. Enforcement action, however, is punitive and deterrent and involves the imposition of penalties, cease and desist orders, legal proceeding and or debarment from the industry.

To strengthen our intervention and enforcement tools, the Enforcement Unit focused on the following during the year under review:

- Development of the intervention and enforcement framework, and
- Sourcing of technical assistance to support with the development of the crisis management and resolution framework.

Enforcement Measures

During the year under review the following enforcement measures were taken against 5 entities and one person.

Table 10 : Market Conduct On-Site Monitoring Summary

Sectors	Insurance	Retirement Funds	Savings and Credit
No of entities	**1**	**3**	**2**
Actions taken	• One entity was found to be selling funeral insurance without the Authority's approval. A cease and desist order was issued, the entities bank accounts frozen and the matter was referred to the law enforcement agency. Resolution of the insurance book was on-going at the close of the financial year. • One person was found to be selling funeral insurance products for a South African licensed FSP. The person was referred to law enforcement where criminal proceedings were taken and she was found guilty and sentenced to imprisonment, however, the fines were suspended for a period of 3 years. • One Building Society was placed under curatorship and by the end of this year the Curator had carried out an assessment of the financial viability of the Society and submitted a report on the outcome of the assessment to the Authority. • One Beneficiary Fund was placed under liquidation. • One Credit Provider was fined E25 000 for non-compliance with the Authority's fitness and probity requirements. Half of the fund was, however, suspended.		

Legal and Policy Development

Legal and policy development remains the cornerstone of the Authority's mandate; through this function the Authority's legal and regulatory frameworks remain aligned with the country's development plans, evolving market dynamics and international best practices.

During the year under review the Authority prepared and submitted policy proposals relating to the following matters to the Ministry of Finance:

- Compulsory third party motor vehicle insurance.
- Workmen's compensation.
- Non-remittance of retirement fund contributions by employers.

Pending Legislative Instruments

The Authority amended several legislative instruments to ensure that it remains relevant, effective and responsive to the evolving financial sector. To fast track the implementation and passage of these instruments, a joint working group was established, comprising of the FSRA's legal team, the Ministry of Finance and the Attorney General's Office. The Working Group focused on the review of the FSRA Bill, the Insurance Bill and the Retirement Funds Bill.

Research, Statistics and Publications

Research ensures that decisions and reforms are based on facts, trends and reliable data, while the publication of the analytical reports help build stakeholder trust and demonstrates that regulatory decisions are informed, impartial and aligned with sector realities.

The FSRA Act, 2010 empowers the Authority to carry-out research and disseminate information relating to the non-bank financial sector and other factors that may impact its operations. The Act further empowers the Authority to collect, compile and publish statistics in respect to the sector. During the period under review, the Authority;

- Published the quarterly statistical bulletins, highlighting the quarterly performance of the non-bank financial sector,
- Disseminated the non-bank financial sector statistics to the Central Statistics Office, the Financial Stability Unit and Research department at the Central Bank of Eswatini.

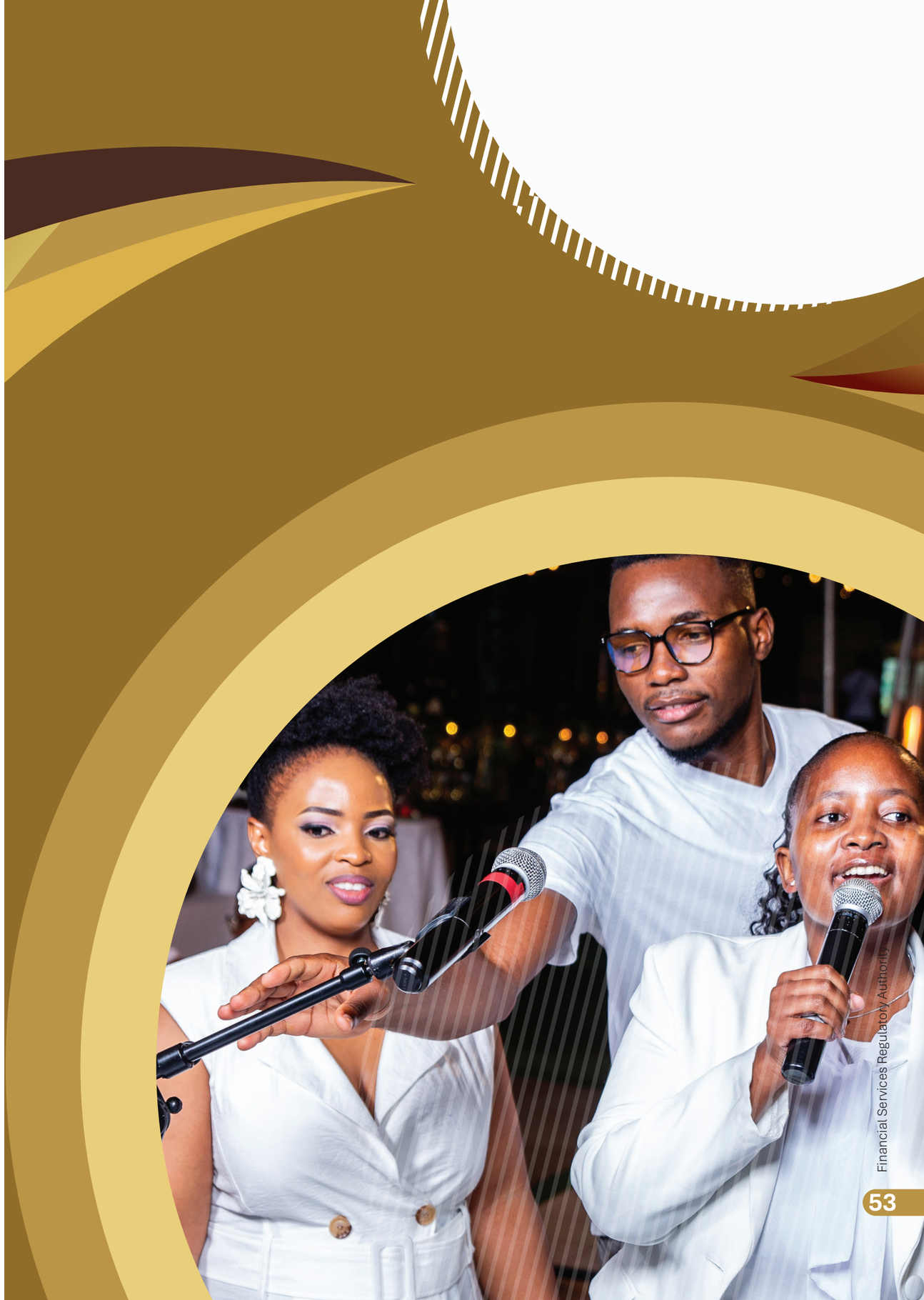
Research was conducted in the following areas:

- Bank Supervision Application user experience to ascertain readiness for transition to the upgraded version of the application, and
- FSRA AI readiness assessment.

The IMF and World Bank technical missions continue to play an important role in strengthening the Authority's regulatory and supervisory capabilities. During the year under review, the Authority received technical expertise in the following areas:

- Insurance sector risk based supervision and
- Crisis planning and resolution.

The Authority together with the regulated entities participated in the World Bank Financial Sector Assessment Program. The Authority has adopted the output of the assessment in the enhancement of the supervisory instruments.



08 Managing our Social and Relationship Capital

The Authority strengthens trust and long-term value by building strong stakeholder relationships, engaging FSPs, consumers, government agencies, and regional peers, and upholding secure, transparent information-sharing through maintained collaborative MoUs."



The Authority recognises that strong stakeholder relationships are central to sustaining trust, transparency, and long-term value creation. In managing our social and relationship capital, the Authority carried out various engagement initiatives with FSPs, consumers, the Ministry of Finance, the Finance Portfolio Committee, government agencies (including other regulatory authorities), and our regional peers.

Engagements with other Regulatory Agencies

Our engagements with domestic agencies and regional peers are mainly driven by international best practice on information sharing and collaboration based on common interest or peer learning. To ensure that the sharing of information is done in a secure and transparent manner, the Authority continued to maintain MoUs with the following institutions:

MoUs with Regional Bodies

i. Central Bank of Lesotho
ii. Financial Services Commission Mauritius
iii. Insurance Regulatory Authority Kenya
iv. Namibia Financial Institutions Supervisory Authority
v. Non-Bank Financial Institutions Authority Botswana
vi. The South African National Credit Regulator

Mulitlateral MoUs

Committee of Insurance, Securities and Non-Bank Authorities

MoUs with Local Agencies

i. Central Bank of Eswatini
ii. Eswatini Financial Centre
iii. Director of Public Prosecutions
iv. National Industrial Development Corporation
v. Eswatini Competition Commission
vi. Royal Eswatini Police

During the year under review the Authority leveraged these relationships as follows:

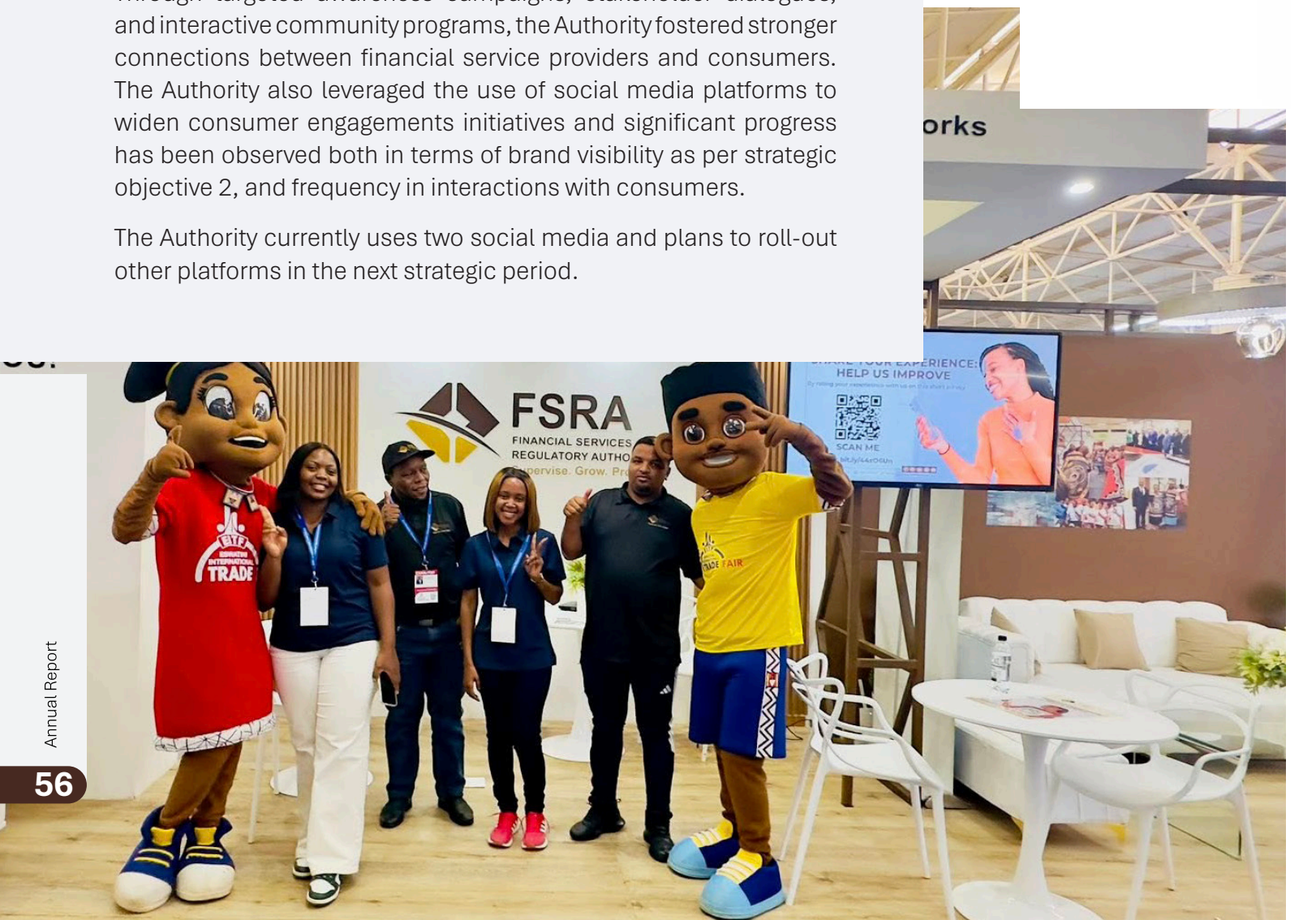
- Staff capacity building by the South African National Credit Regulator
- Co-hosting of the Global Money Week with the Central Bank of Eswatini and the Centre for Financial Inclusion.
- Development of the Consumer Credit Regulations and the Credit Reporting Regulations with the Central Bank of Eswatini.
- Staff attachments with the Namibian Financial Institutions Supervisory Authority.
- Hosted the Indaba X together with the Eswatini FinTech Working Group Partners.

Engagements with Consumers

Regular engagements with consumers of financial sector products and services remain central to our mandate of consumer protection, promoting financial inclusion and ensuring transparency within the financial ecosystem. During the year, the Authority intensified its outreach efforts to empower consumers with the knowledge and confidence to make informed financial decisions.

Through targeted awareness campaigns, stakeholder dialogues, and interactive community programs, the Authority fostered stronger connections between financial service providers and consumers. The Authority also leveraged the use of social media platforms to widen consumer engagements initiatives and significant progress has been observed both in terms of brand visibility as per strategic objective 2, and frequency in interactions with consumers.

The Authority currently uses two social media and plans to roll-out other platforms in the next strategic period.





Reach

2025: 494 000 people,

2024: 422 222 people

Page Visits

2025: 63 000

2024: 37 500

Followers

2025: 4 920

2024: 4 684

Although social media platforms played a significant role in enhancing engagements with consumers, traditional media platforms equally played an important role in reaching our consumers, particularly stakeholders with limited digital access. In the review period, there were 68 positive mainstream publications about the Authority and 9 negative mainstream publications, indicating an improvement in the Authority's brand perception.

Engagements with the Media

Media houses have remained a key stakeholder for the Authority. Through their wide reach and credibility, they play a critical role in disseminating accurate information on regulatory developments, consumer protection initiatives, and emerging market trends. During the reporting period, the Authority strengthened collaboration with journalists and editors through briefings, press releases, and media training sessions to ensure informed and balanced reporting on financial sector issues. This partnership not only enhances public awareness and accountability but also helps counter misinformation and build trust between the regulator, the industry, and the public. Four media engagements were held with the media houses.

Engagements with the Parliament Finance Portfolio Committee

Engagement with the Finance Parliament Portfolio Committee remains a vital component of our accountability and transparency framework. During the reporting period, the Authority participated in several committee sessions to present updates on regulatory developments, supervisory activities, and sectoral performance. These engagements provided an opportunity to brief the Parliament on key policy initiatives, emerging risks, and the Authority's contributions to financial stability and consumer protection. The engagements also provided an opportunity for dialogue with the Parliament on pending legislation.

Engagements with Staff

Staff engagement remains a cornerstone of the authority's relationship capital, underpinning organisational cohesion, motivation, and performance. During the reporting period, the Authority strengthened two-way communication with employees through town hall meetings, wellness initiatives, and internal surveys to promote transparency and inclusivity in decision-making. These engagements provided valuable feedback on workplace culture, leadership effectiveness, and areas for professional growth. Two staff townhalls were held during the year, management and the executive committee held a strategic review retreat. An employee engagement committee was established to develop initiatives to address the findings from the employee engagement survey.

09 Strengthening our Human Capital



As of 31 March 2025, the workforce grew by 23% to 96 employees, while maintaining 49% female representation through deliberate investment in learning, leadership, and performance management.

The Authority continued to prioritise the development of human capital as a strategic enabler for achieving its regulatory and supervisory mandate. Efforts focused on strengthening staff capabilities through targeted learning interventions, professional certification programmes, and leadership development initiatives. The Authority also advanced initiatives aimed at enhancing performance management, employee engagement, and succession planning to ensure institutional sustainability.

Staff Complement

As of 31 March 2025, the Authority's head count had increased by 23% from 78 employees at the end of 2024 to 96 employees. The Authority continued to maintain a balance in terms of gender inclusivity with a 49% female staff complement.

Figure 2: Total Head Count by Gender

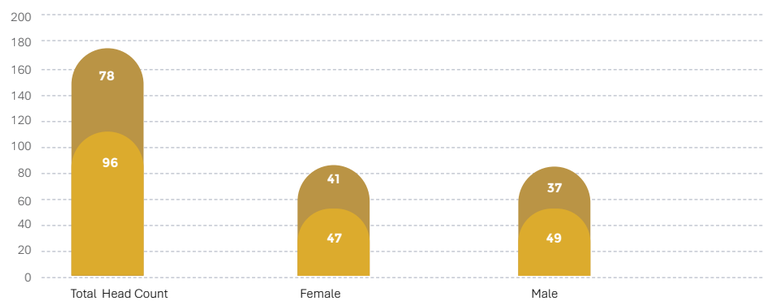
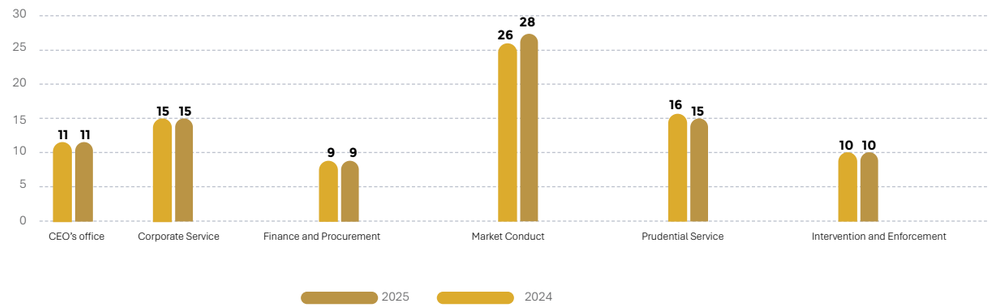


Figure 3:Total Head Count by Department



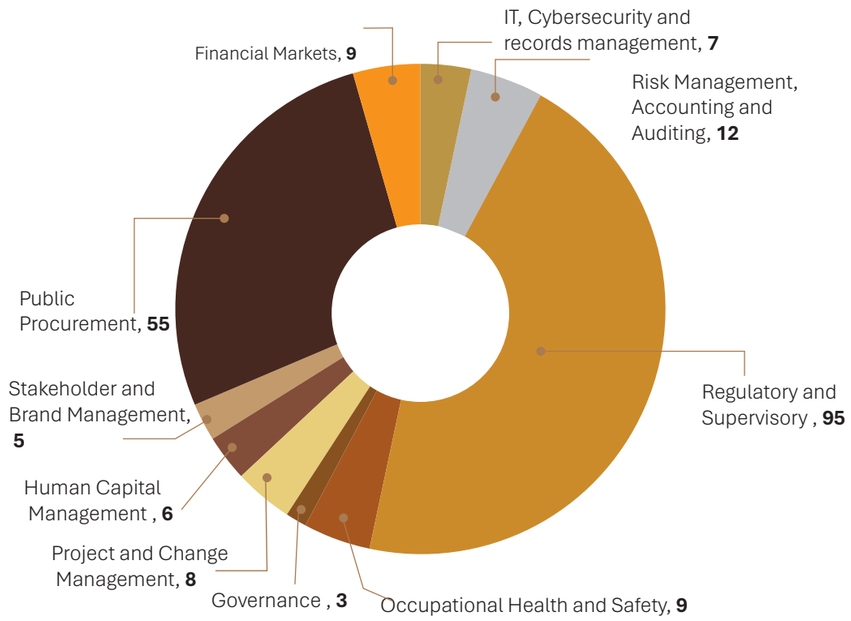
Staff Development

Following the organisational redesign in the previous financial year, the Authority prioritized learning and development to build resilience, enhance capability, and support staff through the transition. A renewed focus was placed on aligning employee skills with the evolving strategic direction and regulatory functions.

Targeted training programmes, leadership development initiatives, and peer learning platforms were introduced to strengthen technical proficiency and cultivate a culture of continuous learning. These efforts not only supported redeployed staff in adapting to new roles but also ensured that institutional knowledge was retained and effectively applied to advance organisational performance and service delivery.

The Authority continued to support staff personal development in attaining higher education qualifications through study loans and study leave. FSRA support in this regard was valued at E808 958.

Figure 4: Staff Training and Development Areas



Employee Wellness

The FSRA continues to prioritize the wellness of employees and in line with the employee wellness policy, the following initiatives were undertaken during the year under review:

Wellness Dialogues

Lisango

Hosted “Lisango”, the men’s annual wellness dialogue focusing on the discussion of various wellness matters, including gender-based violence, personal financial management and, importance of regular health check-ups.

Liguma

Hosted “Liguma”, the women’s annual wellness dialogue, focusing on the discussion of personal branding, career development and progression and the importance of regular health check-ups.

Mental, Financial & Physical Wellness Support

Physical Wellness

The Authority promoted employee well-being through Eswatini Business Health membership, including quarterly mobile health clinics, a gym subsidy benefiting 22 staff members, and the establishment of soccer, netball, and golf teams.

Financial Wellness

To strengthen financial well-being, the Authority conducted a financial wellness workshop and hosted on-site banking and insurance days for staff.

Staff Appreciation

The Authority places high value on employee engagement, well-being, and organisational culture. During the period under review, the Authority held the following celebrations:

- Themed spring day
- Quarterly staff birthdays
- Valentine’s day celebration.

The Authority also recognised employees who successfully completed their studies during the year.

10 Enhancing our Manufactured Capital

During the reporting period, the Authority continued to invest in the maintenance, modernisation, and optimisation of its infrastructure to enhance service delivery, operational efficiency, and business continuity. These investments underpin the Authority's ability to sustain high-performance standards and ensure an enabling environment for both staff and stakeholders.

Key Focus Areas

To ensure alignment with our digital transformation the key focus areas in relation to our ICT manufactured capital focused on the following:

- Adoption of the COBIT 2019 framework and alignment of our IT governance practices with ISO/IEC 38500 and ISO/IEC 27001.
- Enhancing our cybersecurity framework to protect critical regulatory systems and sensitive data.
- Maturing the IT service delivery through the formalization of the IT on-boarding and off-boarding processes and the review of service level agreements with key vendors.
- Review of the Business Continuity and disaster recovery plan to ensure that it is relevant and responsive to the changes in the operating environment.

ICT Risk Management

The Authority recognises that robust and secure information and communication technology systems are critical to the effective execution of its mandate. As digital transformation accelerates, the risk landscape has expanded to include heightened cybersecurity threats, data integrity challenges, and system reliability concerns. The following were identified as key risks to the Authority's ICT.

- Legacy systems and ageing infrastructure that may limit operational efficiency and delay the digital transformation.
- Limited alignment between the ICT department and business units, which in some cases has led to misaligned priorities.
- Rapid technological changes making it difficult to keep up with digital trends impacting the non-banking financial sector operations.
- Increase in cyber-threats which has required the Authority to Implement robust cybersecurity controls and incident response plans.



Looking Ahead

Looking ahead, the Authority will continue to leverage technology to enhance regulatory efficiency, data-driven decision-making, and stakeholder engagement. The Authority's focus for the upcoming year is to:

- Strengthen the disaster recovery and business continuity plans and increase the frequency of tests to assess the effectiveness of the recovery plans.
- Reinforce its cybersecurity measures to mitigate exposure to cyber threats.
- Keep abreast of data protection and cyber security regulations to ensure full compliance an mitigate risks associated with data breaches and cyber threats.
- Migrate legacy systems to modern, scalable and secure platforms and automate its manual processes to enhance operational efficiency and strengthen our data integrity.

11 Managing our Financial Capital

Prudent management of financial capital remains fundamental to sustaining the Authority's operational effectiveness and long-term financial sustainability. The Authority's approach to financial capital management is guided by principles of accountability, efficiency, and transparency, ensuring that resources are optimally allocated to support the Authority's strategic objectives. During the reporting period, the Authority maintained sound financial controls and adhered to public finance management standards to safeguard the integrity of funds entrusted to the Authority. Expenditure was closely monitored to balance operational needs with fiscal discipline, while investments in technology, capacity building, and infrastructure were prioritised to enhance regulatory efficiency.

Figure 4: Levies and fees

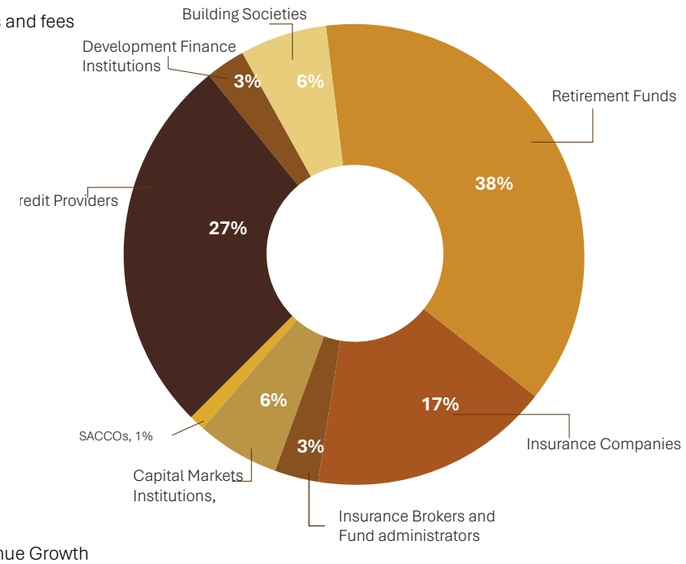
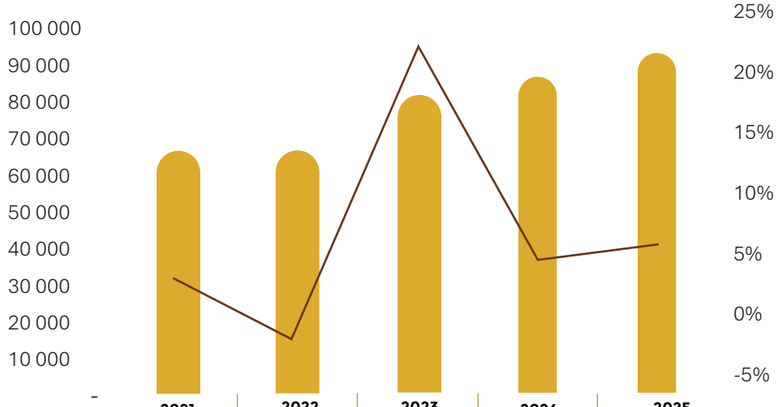


Figure 5: Revenue Growth



	2021	2022	2023	2024	2025
Regulatory Levies and fees	66 670	66 203	66 688	86 716	93 102
Growth Rate	4%	-1%	23%	6%	7%

Year

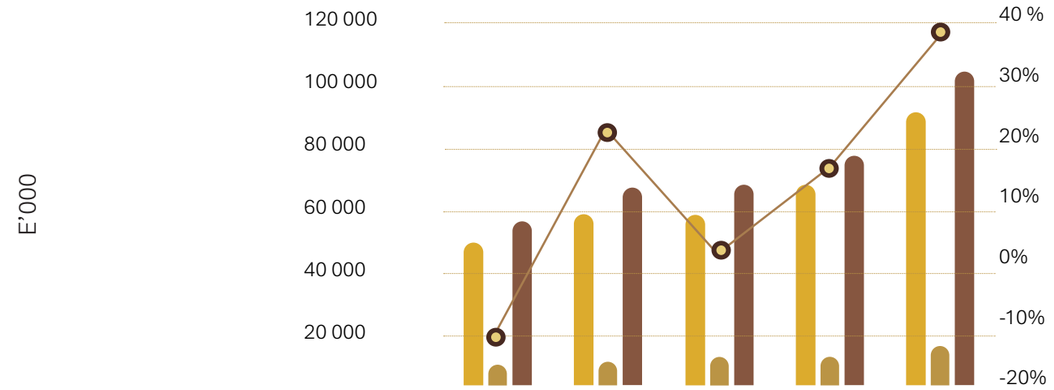
Regulatory Levies and fees Growth Rate

The Authority derives its revenue from licensing, levies and renewal fees mandated by legislation. In the period under review, revenue growth of 7% was realised.

The Authority's total income, however, increased by 13.3% as a result of the increase in investment income and fair value adjustments. The figure below, however, shows that the Authority's expenses including subventions to ESE, the Ombudsman's Office and the Appeals Tribunal increased by 36.1%, with the highest growth rate realised in the Authority's operating expenses. The significant increase was due to that this year marks the first year of operations at full staff complement.

The increase realised in the operating expenses led to a significant decline in the Authority's net operating income for the period.

Figure 6: Operating Costs



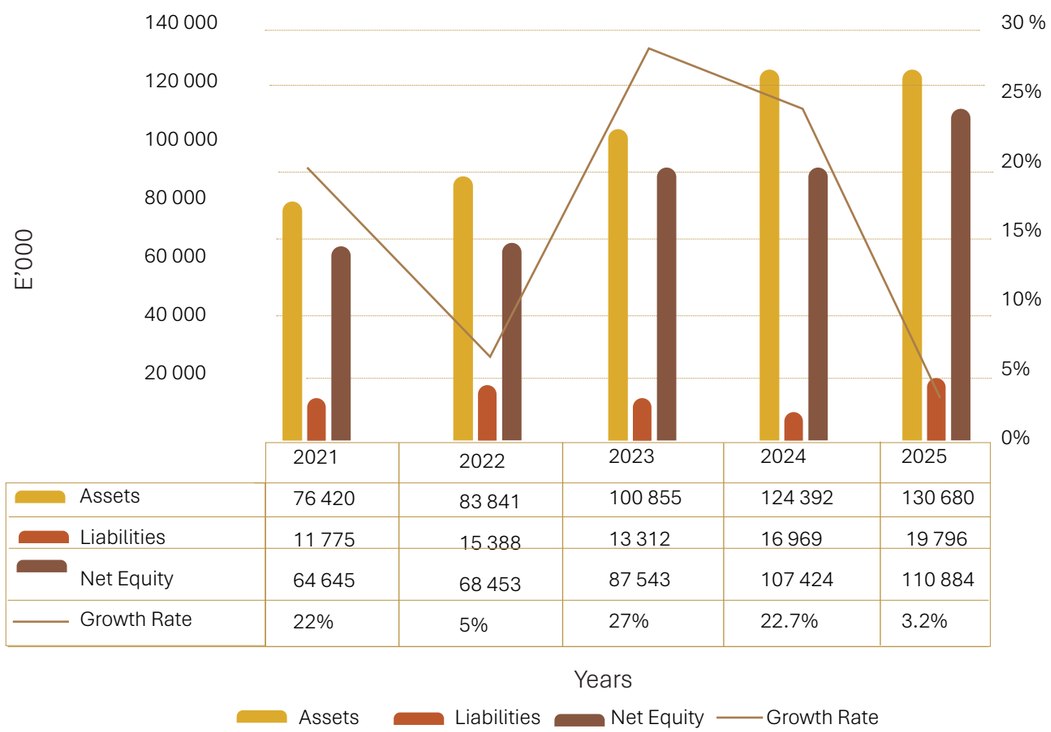
	2021	2022	2023	2024	2025
Operating Cost	46 063	55 426	54 805	54 805	87 544
Subventions	6 699	8 192	9 605	9 605	12 897
Total Operating Costs and Subvention	52 762	63 618	64 410	64 410	100 441
Growth Rate	-12%	-21%	-1%	-15%	-15%

Years

Financial Soundness

The figure below shows that the Authority continued to maintain a healthy financial position, however, a decline of 3.2% was realised in the growth rate of the net equity position, resulting from the higher growth rate in liabilities than assets.

Figure 7: Solvency



	2021	2022	2023	2024	2025
Assets	76 420	83 841	100 855	124 392	130 680
Liabilities	11 775	15 388	13 312	16 969	19 796
Net Equity	64 645	68 453	87 543	107 424	110 884
Growth Rate	22%	5%	27%	22.7%	3.2%

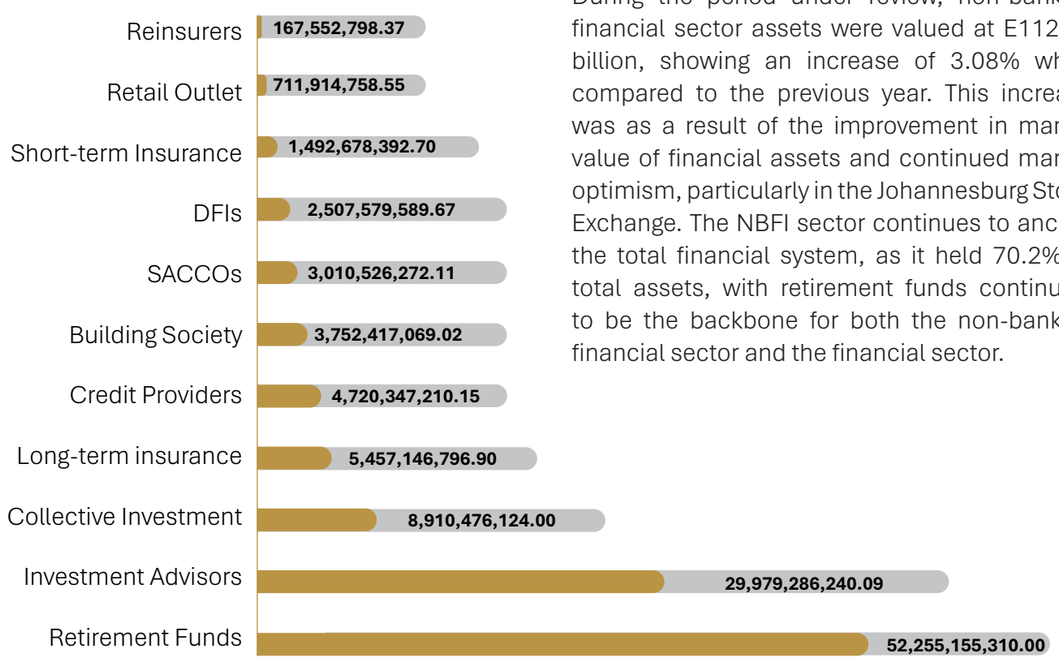


12 NBFI Sector Overview

Non-banking financial sector assets rose 3.08% to E112.97 billion, anchored by retirement funds and positive market performance, particularly on the JSE.



Figure 8: NBFI Asset Distribution



Performance Highlights

During the period under review, non-banking financial sector assets were valued at E112.97 billion, showing an increase of 3.08% when compared to the previous year. This increase was as a result of the improvement in market value of financial assets and continued market optimism, particularly in the Johannesburg Stock Exchange. The NBFI sector continues to anchor the total financial system, as it held 70.2% of total assets, with retirement funds continuing to be the backbone for both the non-banking financial sector and the financial sector.

Capital Markets

Total assets within the capital markets space increased by 11.85%, moving from E34.77 billion in the previous year to E38.89 billion in the year under review. Focusing on the South African market, the Johannesburg Stock Exchange (JSE) has shown a relatively positive performance, with gold prices also strengthening in the year under review. This has also been followed by the Rand being stronger than the Dollar, showing a positive outlook towards the Rand.

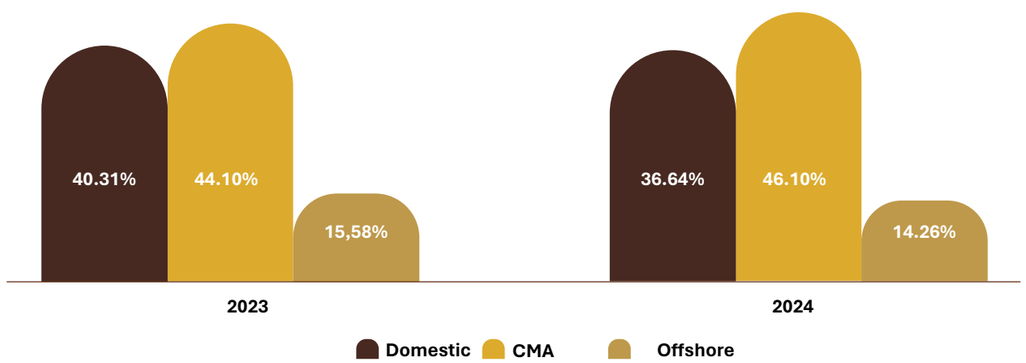
Figure 10: Evolution of Total Assets



Geographical Allocation of Assets

The domestic market experienced fluctuations during the period under review, with the Monetary Policy Committee reducing interest rates. The domestic market experienced a decline, moving from 40.31% in the previous year to 39.64% in the current year. The common monetary area increased from 44.10% in the previous year to 46.10% in the year under review, notwithstanding the fact that interest rates were also cut in the region. The foreign market also experienced a decrease, standing at 15.58% in 2023 and 14.26% in the current year.

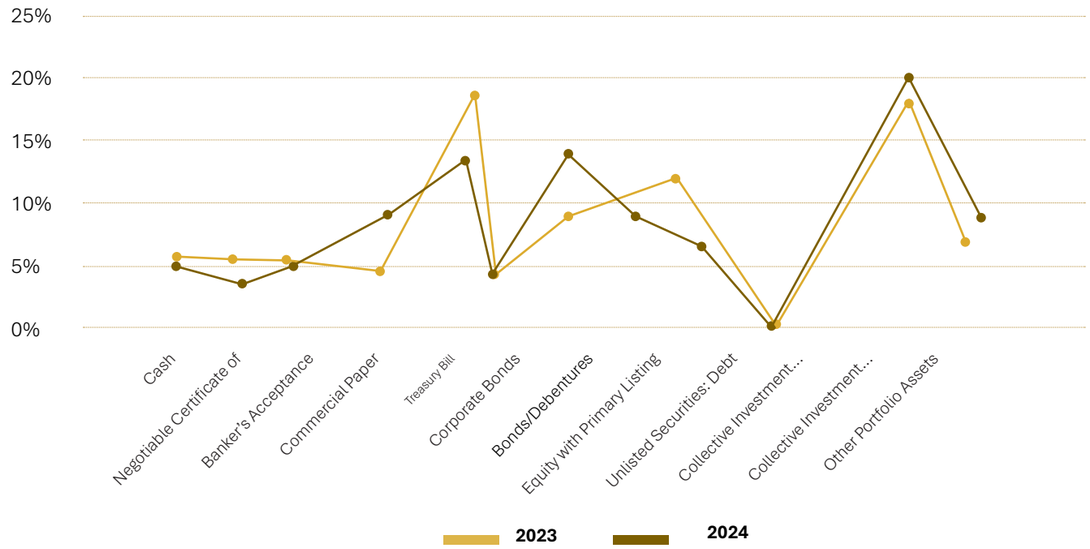
Figure 11: Geographical Allocation of Total Assets



Asset Allocation

Allocation of assets is key to maximising returns and offering the best products for clients. Hence, over time, one may notice a shift in the allocation of resources as they move from one instrument to another, depending on market conditions and the outlook perceived. The highest allocation in the current period was to collective investment schemes–associated entities, which received 20.09%. In the previous year, Treasury bills had the highest allocation at 17.56%, and collective investment schemes–associated entities again received the highest allocation at 20.09%, followed closely by Treasury bills at 13.50%. The financial instruments least invested in during 2024 were NCDs at 3.83%, while corporate bonds stood at 3.85%.

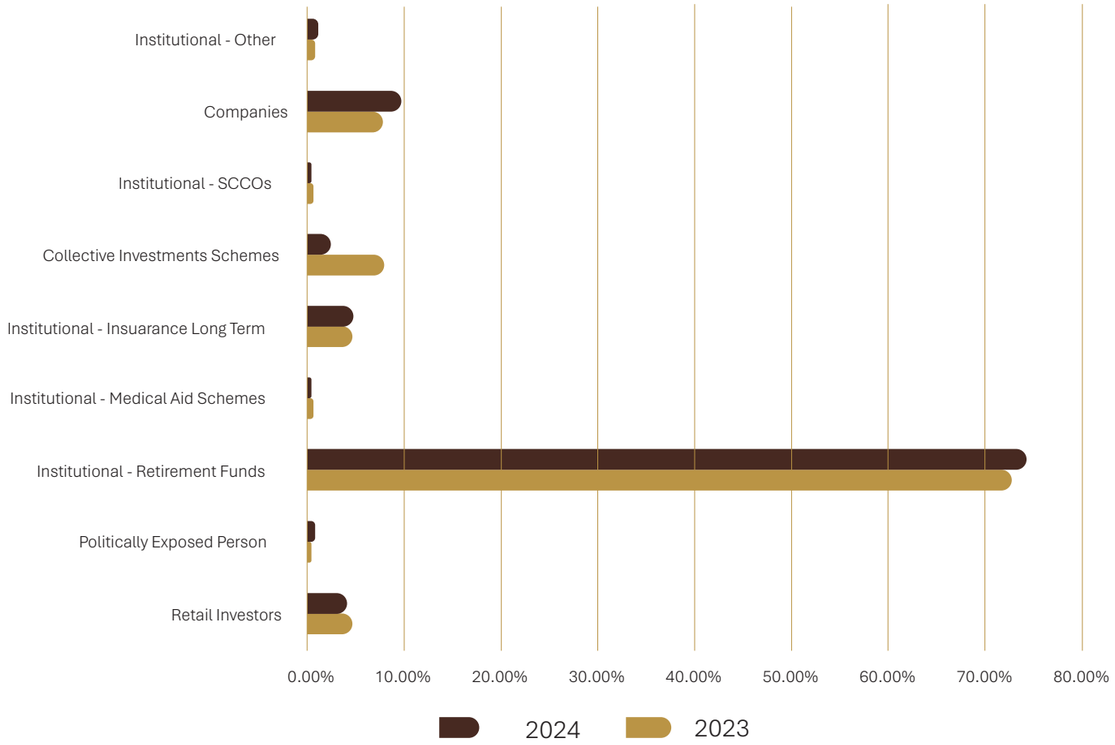
Figure 12: CIS Asset Allocation



Source of Funds

Retirement funds continue to be the top funders as they are responsible for 74.34% of total funds, followed by companies at 9.51% and insurance long-term at 4.83%. In 2023, retirement funds were at the top with 72.84%. In terms of sources of funds, retirement funds continue to be the highest funder of the local capital markets for both collective investment schemes and investment advisers.

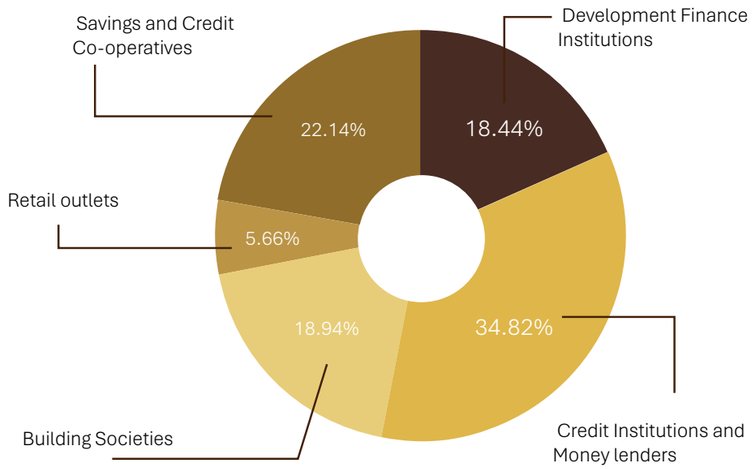
Figure 12: Source of Funds



Credit and Savings Institutions

During the period under review, the credit and savings institutions asset portfolio stood at E13.59 billion, reflecting a 10.56% increase from the previous year. Credit institutions and money lenders dominated the sector, accounting for 34.82% of total assets, followed by SACCOs with 22.14%. Building societies and DFIs maintained strong positions with 18.94% and 18.44%, respectively. Retail outlets held the least share, representing 5.66% of the industry's total assets.

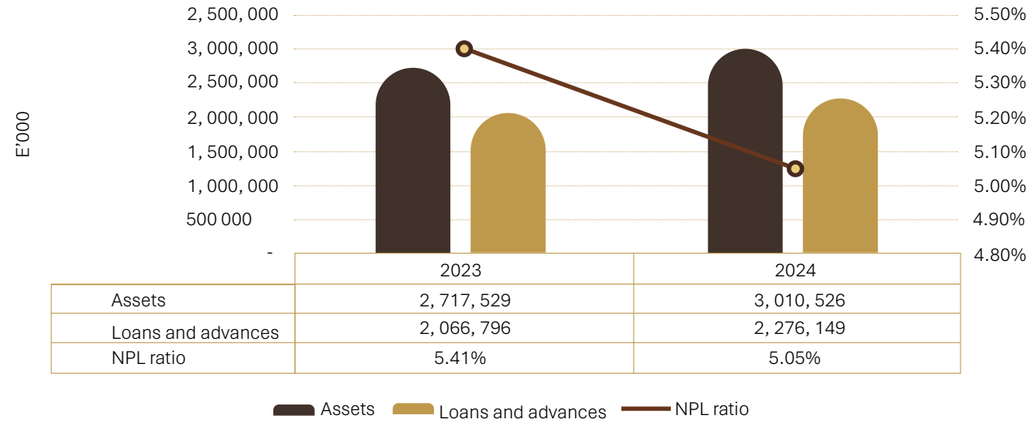
Figure 13: Sub Sector Asset Distribution



Savings and Credit Co-operatives Assets

As of December 2024, the value of SACCOs assets increased by 10.78% from the previous year, moving from E2.72 billion to E3.01 billion. This increase was mainly driven by an incline in the net loan portfolio and financial investments, which both account for 86% of the total assets.

Figure 14: SACCOs Credit Provision



	2023	2024
Assets	2, 717, 529	3, 010, 526
Loans and advances	2, 066, 796	2, 276, 149
NPL ratio	5.41%	5.05%

The year ended with debt extended by SACCOs to households showing an increase of 10.13% from the previous year, moving from E2.07 billion to E2.28 billion. Performing loans showed an improvement from the previous year, accumulating 0.66 percentage points, while non-performing loans decreased by the 0.65 percentage points.

SACCOs Profitability

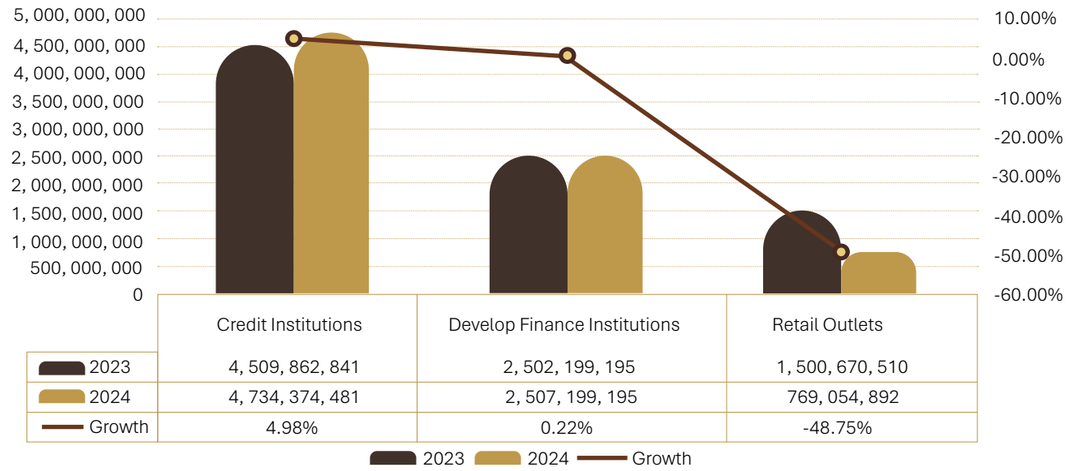
The sector's financial income increased by 49.55% from the previous year, rising from E127.67 million to E190.93 million. This growth cushioned the effect of the 51.11% rise in net financial expenses. Additionally, operating expenses increased by 55.39%, from E38.38 million to E59.64 million. Consequently, net income improved to E31.05 million, up from E14.27 million recorded at the end of 2023.

Credit Institutions Assets

As of December 2024, the total assets of credit institutions increased by 4.98%. The assets of credit providers, primarily composed of loans and advances, as well as amounts owing by related parties, accounted for approximately 82.41% of total assets. Liabilities rose by 9.8% from E3.69 billion, while net equity declined by 16.55%. Retail outlets assets declined by 48.75%, mainly due to decreases in cash and other assets. Similarly, their net equity position fell by 28.74%, largely driven by a 28.73% reduction in retained income.

The Development Finance Institution development finance institutions recorded a modest increase of 0.22% in assets, attributed to higher long-term loans. Overall, the sector's net equity improved from E1.22 billion to E1.26 billion.

Figure 15: CSI Total Assets

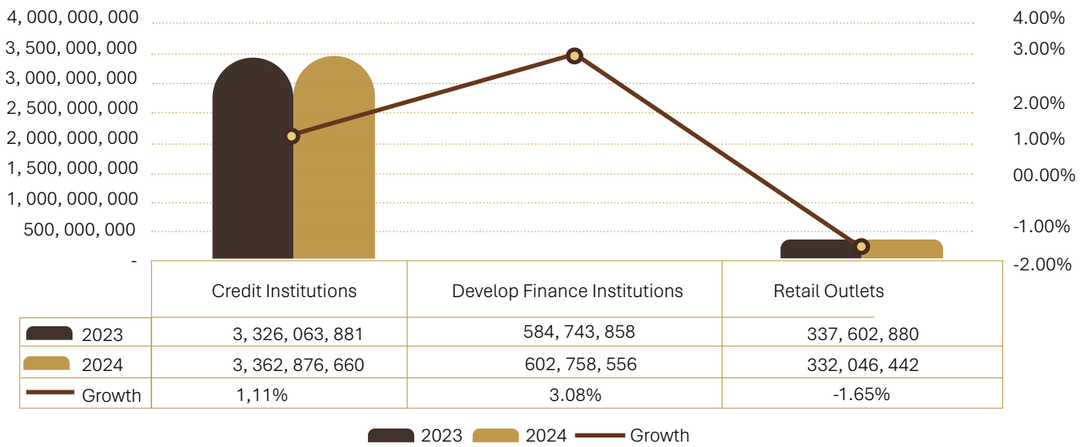


	Credit Institutions	Develop Finance Institutions	Retail Outlets
2023	4, 509, 862, 841	2, 502, 199, 195	1, 500, 670, 510
2024	4, 734, 374, 481	2, 507, 199, 195	769, 054, 892
Growth	4.98%	0.22%	-48.75%

Credit Provision

Debt extended by credit institutions and money lenders to households showed an increase of 1.11%, from E3.33 billion to E3.36 billion driven by long term loans and advances. Retail Outlets experienced a credit extension decline of 3.09%, from E348 million to E332 million. This drop signals a low demand for credit, mirroring slower economic growth . While DFIs experienced growth in credit extended of 3.08% from the previous year.

Figure 16: Credit Advances Distribution



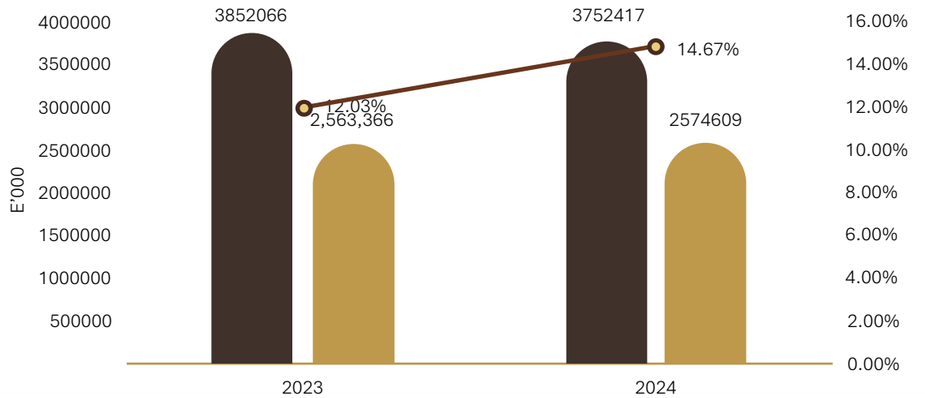
	Credit Institutions	Develop Finance Institutions	Retail Outlets
2023	3, 326, 063, 881	584, 743, 858	337, 602, 880
2024	3, 362, 876, 660	602, 758, 556	332, 046, 442
Growth	1,11%	3.08%	-1.65%

Building Societies

Building societies assets reached E3.75 billion as of 2024, declining by 2.59% from the previous year's E3.85 billion. This was mainly attributed to the reduction in net loans and advances, which decreased by 10.55%, falling to E2.55 billion. Net loans and advances accounted for 67.97% of total assets, hence have strong influence of total assets movements. Despite the decline in loans and advances, there was growth of 16.18% in loans to residents, which accounted for 92.10% of total loans and advances. Domestic investments and fixed assets boosted the total assets, increasing by 26.31% and 7.98% respectively. In contrast, total liabilities rose by 11.71%, increasing from E1.88 billion to E2.11 billion. This growth was primarily driven by an increase in transmission and term deposits.

Non-performing loans increased by 2.64%, reaching 14.67% in the reviewed period. Due to inflation, which generally erodes the value of money, many people could have started defaulting on their loans due to high cost of living brought by rising prices. Overall, the sector remained financially stable and resilient, with capital and reserves reaching E1.64 billion.

Figure 17: Assets, Loan and Advances, NPL



	Assets (E'000)	Loans & Advances (E'000)	NLP (%)
2023	3,852,066	2,563,366	12.80%
2024	3,752,417	2,574,609	14.67%

Insurance Sector

Long Term Insurers

The LTI sector remained financially stable, solvent and well capitalized during the reporting period. The sector's assets were valued at E5.45 billion, reflecting a year-on-year surge of 9.67%. Total liabilities followed the same patterns as assets, increasing by 6.27% year-on-year, reaching E4.48 billion in the reviewed period. Despite this movements, the sector retained its solvency by obtaining an excess of E973.00 million.

Gross Written Premiums

The Long-term insurance sector ended 2024 on a positive note, despite the 2.71% year-on-year decline in gross written premiums (GWP), which dropped to E1.05 billion, as of December 2024. This decrease was mainly a function of declines in the sale of credit life, annuities and unit linked savings, which decreased by 24.23%, 21.52% and 41.56%, respectively. Despite these declines, the sector sustained its stability despite the ever increasing inflationary environment, which hinders economic growth. Growth in the sale of products like retirement fund, funeral, endowment and group life surged by an average of 12.58%, ensuring that the sector remains solvent by offsetting the corresponding declines. These four products collectively contributed 64.36% of the total reported gross premiums. The table below shows the value of premiums written per-class of insurance business.

Table 11:Long Term Insurers GWP

Class of business	2023	2024	% Change
	E'000		
Annuities	73 282	57 509	-21,52%
Assistance			
Credit life	170 608	128 932	-24,43%
Disability	22 108	2 446	-88,94%
Endowment	30 954	37 376	20,75%
Funeral	184 915	215 139	16,34%
Group life	133 531	142 331	6,59%
Health		12 733	
Individual life	130 085	132 548	1,89%
Unit linked savings	74 136	43 323	-41,56%
Other			
Total	**1 088 517**	**1 059 072**	**-2,71%**

Net Claims Incurred

Net claims and policy benefits recorded a year-on-year increase of 32.14%, climbing up to E716.64 million from E542.33 million in 2023. This rise was mainly driven by significant increases in claims relating to retirement fund and unit linked savings products, which increased by 65.72% and 77.64%, respectively. All business classes recorded annual increase in claimed incurred, except for individual life and disability, which declined by 15.57% and 87.70%, respectively. The table below presents the net claims incurred within the LTI sector, while the accompanying figure depicts the sector's net performance across risk and investment products.

Table 12: Net Claims incurred for the LTI Sector

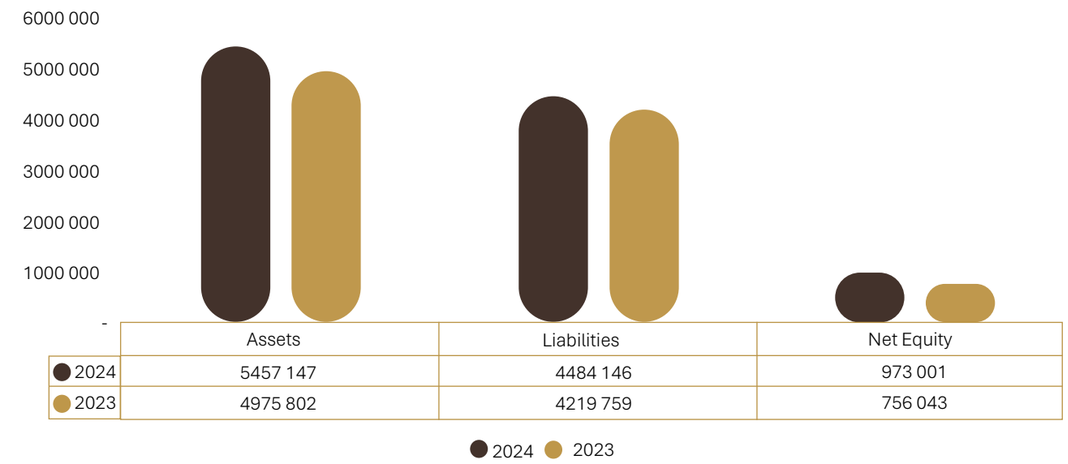
Claims and Policy Benefits	2023	2024	% Change
	E'000		
Annuities	59 352	67 758	14,16%
Assistance			
Credit life	32 181	40 268	25,13%
Disability	3 836	472	-87,70%
Endowment	18 725	20 007	6,85%
Funeral	45 011	59 444	32,07%
Group life		7 715	
Health	113 737	96 030	-15,57%
Individual life	176 621	292 689	65,72%
Unit linked savings	37 014	65 752	77,64%
Other			
Total	**542 332**	**716 641**	**32,14%**

Solvency

The LTI sector's assets were valued at E5.45 billion, reflecting a year-on-year increase of 9.67%. The growth over the year was primarily driven by a 9.56% rise in investment assets and cash. Investment assets and cash made up 94.29% of the sector's total assets, hence given their dominate share, even small shifts in these holdings significantly impact overall assets valuations. Amounts due from related parties and loan receivables also rose year-on-year, contributing 3.33% of total valuations. The concentration of assets aligns with the core mandate of long-term insurance, which is to ensure sufficient resources are available to meet future policymaker obligations as policies mature or risk event requiring settlement of claims occurs.

The sector's liabilities resembled assets growth, with an increase of 6.27%, reaching E4.48 billion in the reviewed period. The main driver of this growth was investment contract liabilities, which rose by 17.68% when compared to the 2023. Insurance contract liabilities experienced a slight increase of 0.2%, reaching E1.91 billion in 2024. The sector's solvency benchmark is set by the minimum requirement for insurer's net equity positions, requiring each regulated entity maintains a positive net equity of at least E2 million. During the reviewed period, all insurers met this threshold and therefore remained solvent, with an increase of 28.70% in net equity positions.

Figure 18. Financial Position for Long Term Insurers



Source Consolidated FSRA Quarterly Returns

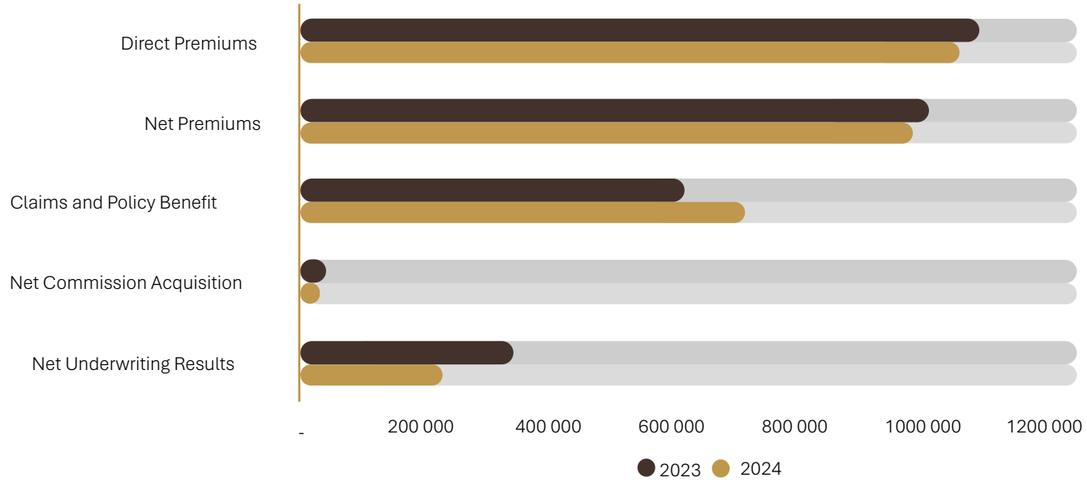
Underwriting Results and Profitability

The LTI sector sustained its profitability in the reviewed period, recording a net profit after tax of E306.56 million, reflecting a year-on-year rise of 24.03%. This growth was driven by strong financial market performance, with investment income increasing by 34.64% year-on-year, reaching E521.95 million in the reviewed period. Net commission expenses declined by 24.77% year-on-year, leading to this recorded growth in profitability.

Profitability remained resilient despite corresponding rise in insurance claims and benefits, which rose by 15.76% in the reviewed period, climbing up to E716.64. Higher management expenses also tampered with the reported profits level, increasing by 2.06% year-on-year.

The sector's net underwriting results remained positive, recording a notable E230.89 million in the reviewed period. ROE, ROA and investment income recorded 31.51%, 5.62% and 53.20% respectively.

Figure 19: LTI Underwriting Results and Profitability



Source: Consolidated FSRA Quarterly Returns

LTI Financial Health and Soundness Indicators

The below table shows indicators used in the insurance sector to track the financial health and soundness of LTIs.

Table 13: LTI industry FHSIs

Indicators	2023	2024
Claims ratio	79,36%	85,48%
Gross claims ratio	75,82%	79,19%
Expense ratio	29,58%	29,80%
Investment income ratio	38,45%	53,20%
Investment income/ average assets	8,25%	10,14%
Return on equity (ROE)	32,69%	31,51%
Return on assets (ROA)	4,97%	5,62%
Personnel expenses / GWP	6,77%	7,30%
Operating expenses / GWP	23,30%	24,44%



Short Term Insurers

Short-term insurance sector also remained stabled during the year under review. Premiums increased by 8.77% while net claims only showed an increase of 4.35%. A decline of 5.10% was however realised due the increase in claims incurred coupled with the 25.8% increase in management expenses coupled with the 7.0% increase in net commission expenses. The sector remains solvent with a improvement of 17.7% in the net equity position.

Gross Written Premiums

GWP for the STI sector experienced a rise of 8.77% year-on-year, moving from E1.06 billion to E1.15 billion, as of December 2024. The drivers of this growth were mainly the rising demand of motor, workman's compensation and health insurance products, which rose by 33.69%, 6.42% and 8.83%, respectively. The rising consumption of these products was primarily driven by legal requirements, rising risk awareness and growing financial and healthcare needs. Nonetheless, other products such as property, engineering and legal expenses experienced year-on-year declines, decreasing by 74.72%, 7.70% and 1.62%, respectively. These products collectively account for 14.10% of the total GWP contribution.

Table 14: Short-term insurers GWP

	2023	2024	% change
	E'000		
Accident	18 393	22 813	24,03%
Agriculture	8 711	10 583	21,49%
Engineering	75 426	69 617	-7,70%
Guarantee	35 983	46 464	29,13%
Health	78 686	85 636	8,83%
Legal expenses	625	615	-1,62%
Liability	33 951	38 195	12,50%
Motor	235 017	314 183	33,69%
Property	367 146	92 804	-74,72%
Transportation	35 568	41 625	17,03%
Travel	2 824	3 431	21,49%
Workman's compensation	122 589	130 461	6,42%
Other	48 165	299 861	522,57%
Totals	**1 063 084**	**1 156 289**	**8,77%**

Net Claims Incurred

Net claims incurred increased by 4.35% during the reporting period, rising from E240.33 million to E250.80 million. Health and transportation were the main drivers of this growth, increasing by 48.89% and over 90% respectively. Guarantee product class also experienced a rise, exceeding 100%, implying significant payouts related to this business. Since guarantees only accounts for 0.56% of total claims incurred in the period, their increases results in small fluctuations. A majority of the insurance classes experienced declines, with motor reducing by 25.10% . Other product classes that realised declines were workman's compensation, property and accidents. These reductions in incurred claims improved profitability by reducing payout obligations.

Table 15: STI's Net Claims Incurred

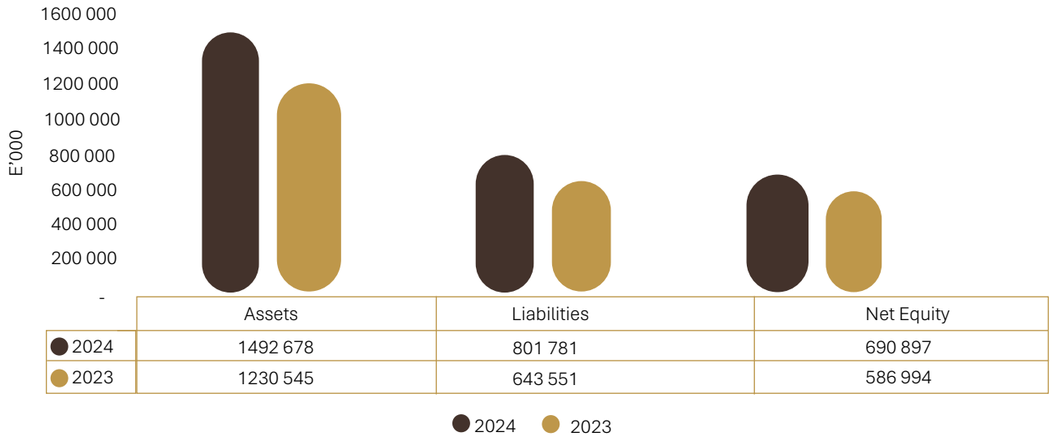
	Q4 2023	Q4 2024	% change
	E'000		
Accident	2 467	1 627	-34,06%
Agriculture	24	5	-79,63%
Engineering	8 170	1 086	-86,70%
Guarantee	72	1 400	1845,01%
Health	34 431	51 264	48,89%
Legal expenses	134	125	-7,06%
Liability	2 349	3 121	32,87%
Motor	97 662	73 145	-25,10%
Property	67 177	18 935	-71,81%
Transportation	2 902	21 618	644,92%
Travel		-	
Workman's compensation	21 568	20 656	-4,23%
Other	3 382	57 823	1609,71%
Totals	**240 338**	**250 803**	**4,35%**

STI's Solvency

The industry assets for the STI increased by 21.30% year-on-year, rising from E1.23 billion to E1.49 billion. The main driver of the changes in the assets were investment assets and cash, which increased by 28.77%. This asset class accounts for at least half of the total asset valuations. Reinsurance receivables, property, plant and equipment, and loans also increased collectively contributing 19.83% of total assets valuations in the review period. Premiums receivables had a negative impact on total assets, decreasing 18.06% year-on-year.

Total liabilities for the industry were mainly driven by insurance contracts and technical provisions, which accounted for 78.25% of total liabilities in the reviewed period. In terms of valuations, total liabilities increased by 24.59% year-on-year, rising up to E801.78 million in the reviewed period. Reinsurance liabilities, insurance liabilities and technical provisions were the main drivers of this growth, increasing by 18.24% and 24.21%, respectively. Collectively, they accounted for over 90% of the total liabilities, hence small movements will impact the total value of total liabilities. The sector remained solvent according to the net equity formula, as all insurer's solvency margins were within acceptable coverage limits, except for one insurer. Net equity increased by 17.70% year-on-year, reaching E690.89 million as of December 2024.

Figure 20: STI Sectors Financial Position

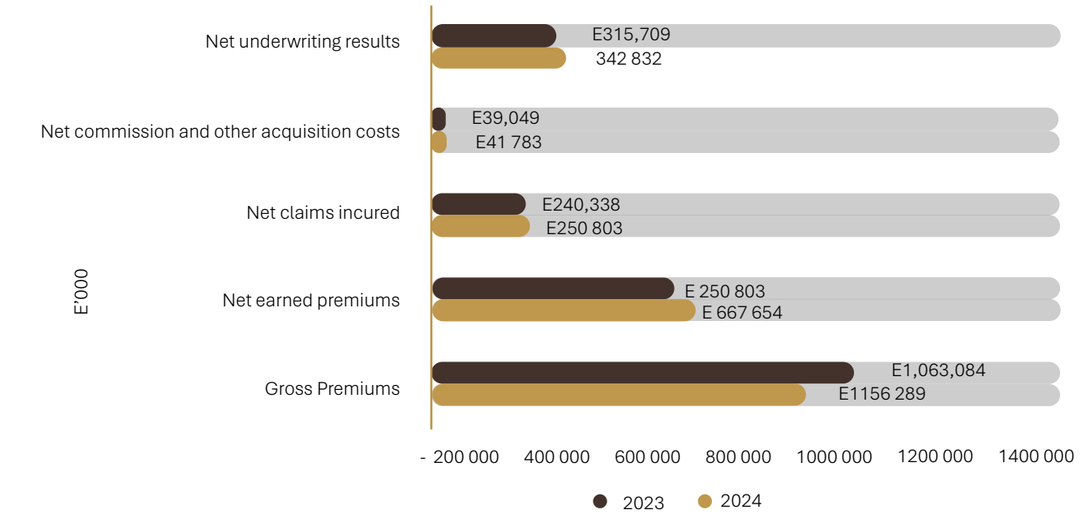


	Assets	Liabilities	Net Equity
2024	1492 678	801 781	690 897
2023	1230 545	643 551	586 994

Underwriting Results and Profitability

The sectors' net income declined by 5.10% year-on-year, falling to E113.15 million in the review period. The main driver of the decline was a rise of 4.35% in net claims incurred, which increased to E250.8 million as of December 2024. Management expenses increased by 25.80% year-on-year, also contributing to this decline. On the bright side, Investment income and other income increased by 15.68% and 78.19%, respectively, positively influencing net income for the period. Overall, the sector remained profitable, with a profitability ratio of 17.81%. ROE and ROA remained healthy, sitting at 16.38% and 7.58%, respectively. The figure and table below provide details on the underwriting results and the sector's FHSIs.

Figure 21: STI Underwriting Results



Source: Consolidated FSRA Quarterly Returns

Financial Health and Soundness Indicators

The below table shows indicators used in the insurance sector to track the financial health and soundness of STIs.

Table 16: STI Sector's FHSIs

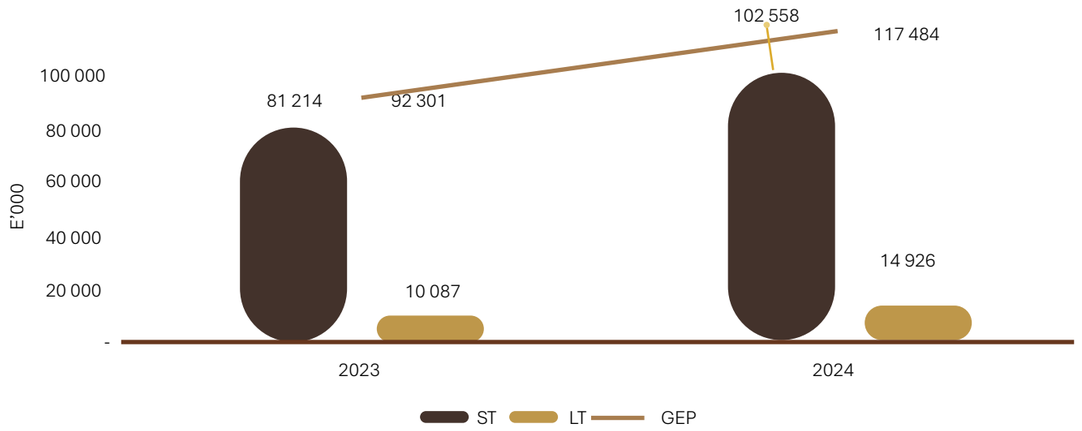
Indicators	Q4 2023	Q4 2024
Claims ratio	40,39%	39,47%
Gross claims ratio	9,55%	26,55%
Expense ratio	43,25%	49,80%
Investment income ratio	7,83%	8,31%
Investment income / average invested assets	7,82%	7,02%
Combined ratio	83,63%	89,27%
Operating ratio	75,80%	80,96%
Profitability ratio	20,04%	17,81%
Return on equity (ROE)	20,31%	16,38%
Return on assets (ROA)	9,69%	7,58%
Risk retention ratio	55,98%	54,95%
Reinsurance recoveries + reinsurance commissions ratio	27,07%	26,23%
Totals	**240 338**	**250 803**

Re-insurers Business Performance

Gross Written Premiums

Gross written premiums for both ST and LT business increased by 28.68% as of December 2024, climbing from E91.3 million to E117.48 million in the review period. The ST reinsurance business contributed 87.30% of total GWP received, rising by 26.28% from the 2023, while the LT business contributed the remaining 12.70%, increasing by 47.98% year-on-year. Reinsurance sector ceded E54.66 million in the reviewed period, with the ST sector accounting for 91.80% of those premiums.

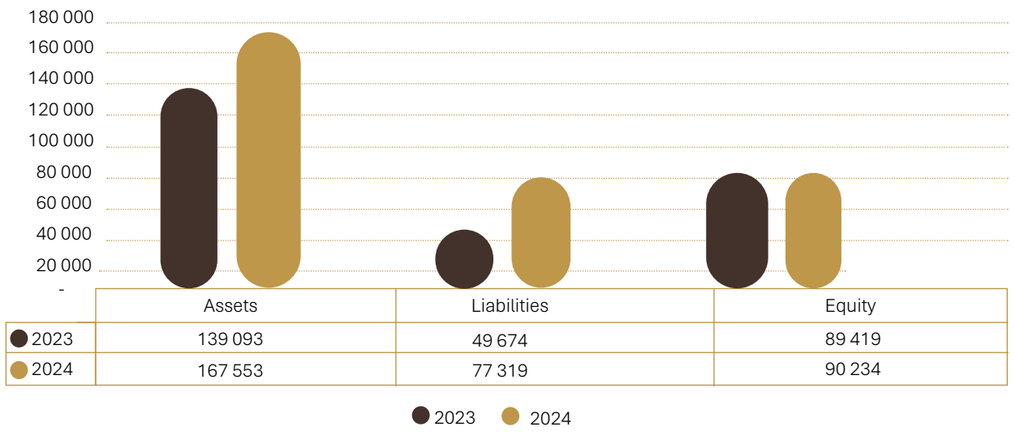
Figure 22: Re- Insurance Business GWP



Reinsurance Business Solvency

Reinsurance sectors' assets increased by 20.46% climbing from E139.09 million to E167.55 million. Premium receivables were the main driver of this growth increasing by 38.65% year-on-year, contributing 34.81% to total asset valuations. Investment assets and cash dominated total assets in terms of contributions with a staggering 50.64% of total assets in the reviewed period. On the other hand, total liabilities were mainly driven by year-on-year increase of 36.43% in insurance contract liabilities which generally accounts for 93.75% of total liabilities. The sector remained solvent, with net equity slightly increasing by 0.91%, reaching E90.23 million as of December 2024.

Figure 24: Reinsurance Solvency



	Assets	Liabilities	Equity
2023	139 093	49 674	89 419
2024	167 553	77 319	90 234

Reinsurance Business Profitability

In the reviewed period, ST reinsurance business declined by E2.07 million net income between 2023 and 2024, recording a net loss of E350 thousands in the review period. This was mainly driven by significant underwriting losses of E7.15 million incurred by the sector, despite the 6.25% decline in net claims. Management expenses skyrocketed with 34.97%, reaching E28.51 million. The ST sector incurred a net loss despite the increase of investment income by 40.56%.

Conversely, the LT reinsurance sector realised a 57.73% increase in net income. The increase was a result of a 47.98% increase in GWP, while management expenses declined by 31.49%. In a nutshell, total income increased by 49.13%, mainly contributing to the rise in net income

Retirement Funds



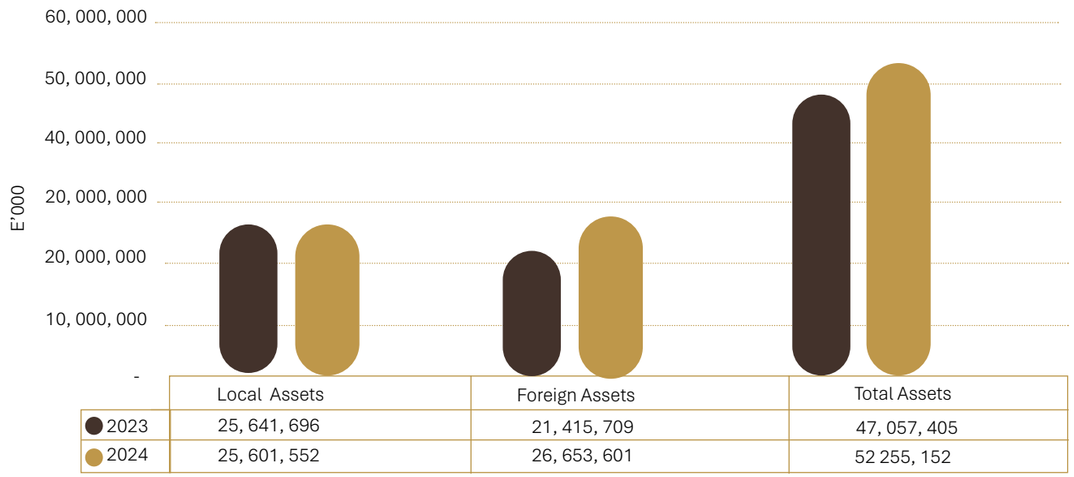
Performance Highlights

Retirement fund assets grew by 11.05%, rising from E47.06 billion in 2023 to E52.22 billion in 2024. This growth was driven by robust equity market performance, particularly in the technology and green energy sectors, as well as higher bond yields amid market adjustments to a post-tightening environment. The expansion reflected a broadly stable global economic landscape in 2024, supported by easing monetary policies, declining inflation, and resilient financial markets. This positive momentum underscored the strength and diversification of global investment portfolios.

However, geopolitical tensions, regional disparities, and structural challenges such as debt and climate transitions underscored the need for cautious optimism.

Local assets experienced a slight decline of 0.16%, decreasing from E25.64 billion in 2023 to E25.60 billion in 2024. As a result, 48.99% of the sector's assets were invested locally in 2024, reflecting a 3.48 percentage point increase from 45.51% in 2023. Foreign allocated assets, on the other hand, rose by 24.46%, increasing from E21.41 billion in 2023 to E26.64 billion in 2024. Consequently, foreign investments currently account for 51.01% of the total retirement fund assets, up from 45.51% in the previous year.

Figure 24: Retirement Funds Assets

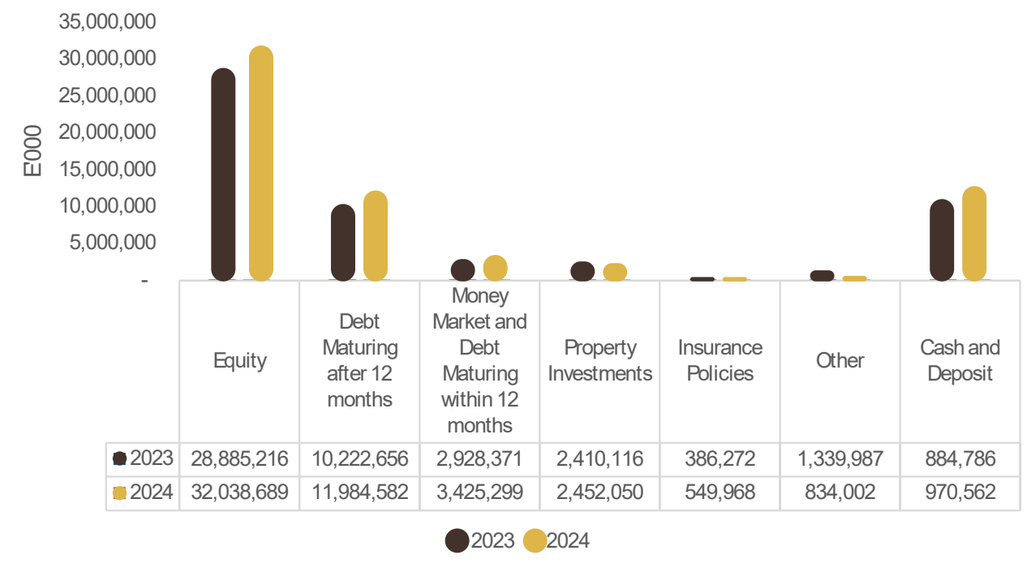


	Local Assets	Foreign Assets	Total Assets
2023	25, 641, 696	21, 415, 709	47, 057, 405
2024	25, 601, 552	26, 653, 601	52 255, 152

Asset Allocation

During the review period, equities remained the dominant investment choice, comprising 61.31% of total retirement fund assets, valued at E32.04 billion. Of this, foreign equities made up 78.78%, with the remainder invested in local equities. Investments in long-term debt instruments rose by 17.24%, increasing from E10.24 billion in 2023 to E11.98 billion in 2024. These instruments currently represent 22.93% of the sector's total assets and are primarily composed of local government securities, parastatals, and entities within the non-bank financial institutions sector. All asset categories experienced growth during the period, except for "other assets," which declined by 37.76% year-on-year.

Figure 25: Asset Allocation



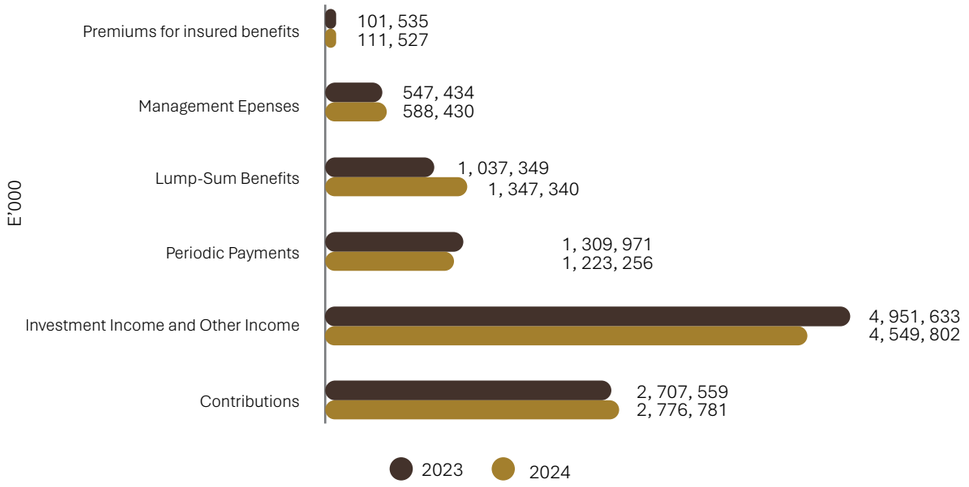
	Equity	Debt Maturing after 12 months	Money Market and Debt Maturing within 12 months	Property Investments	Insurance Policies	Other	Cash and Deposit
2023	28,885,216	10,222,656	2,928,371	2,410,116	386,272	1,339,987	884,786
2024	32,038,689	11,984,582	3,425,299	2,452,050	549,968	834,002	970,562

Income and Expenditure

In 2024, the sector's total income rose by 3.07% year-on-year, reaching E7.73 billion, up from E7.50 billion in 2023. This growth was primarily driven by a 55.48% increase in recoveries from insurers to the fund and a 9.15% rise in investment income. The latter was largely attributed to a more than 90% surge in net realized fair value gains on financial assets.

Meanwhile, contributions saw a slight annual decline of 2.49%, totaling E2.71 billion.
On the expenditure side, total spending decreased by 7.66%, falling from E3.33 billion in 2023 to E3.07 billion in 2024. This reduction was mainly due to a 23.01% drop in lump sum benefits, with significant declines noted in disability and voluntary early retirement benefits, down by 55.96% and 42.54%, respectively. These reductions were partially offset by a 32.89% increase in other expenses and a 7.09% rise in periodic payments during the same period.

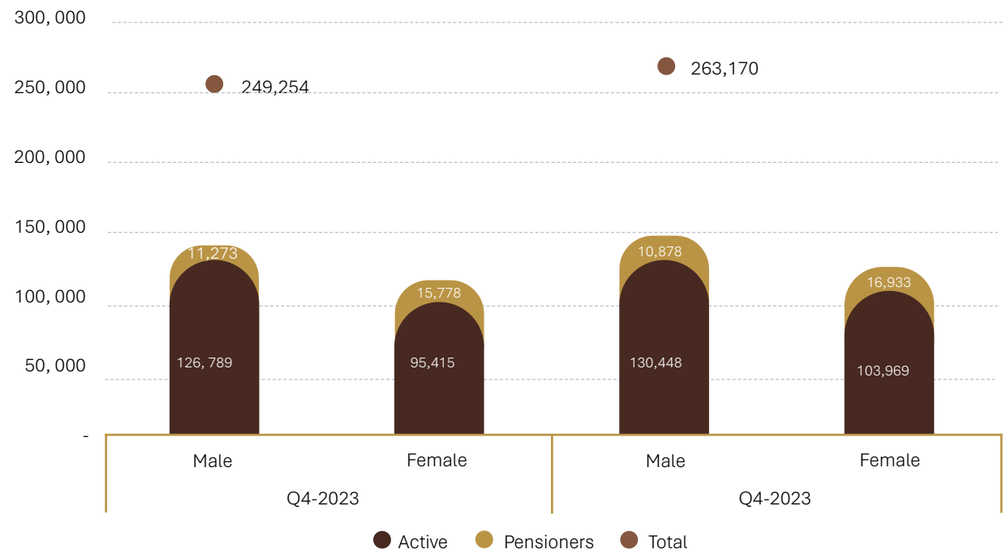
Figure 26: Income and Expenditure



Retirement Fund Membership

As of December 2024, the total number of retirement fund members reached 263,170, an increase of 5.58% from the 249,254 members recorded in 2023. The number of active members grew by 5.50% year-over-year, while the number of pensioners rose by 2.81%. Males continued to make up the majority of active members, accounting for 53.99%, compared to 46.36% for females. In contrast, females represented the majority within the pensioner category.

Figure 28 WW: Retirement Fund Membership





13

Annual Financial Statements for the year ended 31 March 2025

This section provides a comprehensive overview of the organisation's financial performance and position for the reporting period. It includes audited statements detailing income, expenditures, assets, liabilities, and equity, offering transparency and accountability in line with statutory requirements.

Nature of business and principal activities

Regulator of non-bank financial service providers

Directors

Name	Position	Appointment / Term Status
Mr. Senzo Hlatshwayo	Chairperson	Appointed 01 August 2023
Ms. Portia Dlamini	Deputy Chairperson	Appointed 16 October 2024
Mr. Tyrone N. Jacobs	Member	Re-appointed 16 October 2024
Mr. Muzi Dlamini	Member	Appointed 16 October 2024
Mr. Joel S. Dlamini	Member	Re-appointed 16 October 2024
Ms. Sindile Mcanyana	Member	Appointed 16 October 2024
Mr. John Henwood	Member	Appointed 16 October 2024
Dr. Philemon Mnisi	Member	Appointed 01 May 2024
Mr. Ncamiso Ntshalintshali	Chief Executive Officer	
Mr. Mandla A. Nkambule		Term ended 30 April 2024
Mr. Nsika W. Fakudze		Term ended 31 July 2024
Mrs. Dumisile Magagula		Term ended 31 July 2024
Ms. Bonisiwe M. Pasuku		Term ended 31 July 2024
Mrs. Lomagugu P. Ntshakala		Term ended 31 July 2024

Business address

2nd and 5th floors

Public Service Pension Fund {Ingcamu) Building Mhlambanyatsi Road

Mbabane, Eswatini

Postal address

P. 0. Box 3365

Mbabane Eswatini H1OO

Bankers

First National Bank of Eswatini Limited

Standard Bank Eswatini Limited

Building Society

Swaziland Building Society

Auditors

Koblo Quashie and Associates
Chartered Accountants (Eswatini)
Manzini

Contents

Board of Directors' Responsibilities and Approval	88
Independent Auditor's Report	91
Board of Directors' Report	94
Statement of Financial Position	97
Statement of Comprehensive Income	98
Statement of Changes in Equity	100
Statement of Cash Flows	101
Summary of Significant Accounting Policies	102
Notes to the Annual Financial Statements	109
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	114
Detailed Income Statement – Office of the Ombudsman of Financial Services	116
Detailed Income Statement – Eswatini Stock Exchange	117

Board of Directors' Responsibilities and Approval

The Directors are required to ensure that adequate accounting records have been maintained and are also responsible for the contents and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and in o manner required by the Financial Services Regulatory Authority Act of 2010.

The Annual Financial Statements are prepared in accordance with the IFRS for SMEs and ore based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal controls established by the Authority and place considerable importance on maintaining a strong control environment. To enable the Management to meet these responsibilities, the Board of Directors sets systems for internal controls aimed at reducing the risk of error or loss in a cost-effective manner. The system of internal controls includes the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls ore monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring the business of the Authority is conducted in a manner that in all reasonable circumstances is above reproach. The focus on risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risks across the Authority. While operating risk cannot be fully eliminated, the Authority endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by Management, the Directors are of the opinion that the system of internal controls provide reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Authority's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Authority's Annual Financial Statements. The Annual Financial Statements hove been examined by the Authority's external auditors who were given unrestricted access to all financial records and their report is presented on pages 4 to 5.

The Annual Financial Statements set out on pages 8 to 24, which have been prepared on the going concern basis, were approved by the Board of Directors on 29 July 2025 and were signed on its behalf by:



.....

CHAIRMAN



.....

Chief Executive Director

Independent Auditors' Report

To the Board of Directors of the Financial Services Regulatory Authority

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of the Financial Services Regulatory Authority as set on pages 8 to 24, which comprise the statement of financial position as at 31 March 2025, the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the Authority as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs} and in a manner required by the Financial Services Regulatory Authority Act of 2010.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Authority in accordance with International Federation of Accountants (IFAC} Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Eswatini, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. Other information comprises the Boord of Directors' Report, Board of Directors' Responsibilities and Approval and the detailed Income Statements attached to the financial statements. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express on audit opinion or any form of assurance conclusion thereon. In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information. we are required to report that fact. We have nothing to report on in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Annual Financial Statements

The Directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS for SMEs, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Directors are responsible for assessing the Authority operations or continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Responsibilities of the Board of Directors and Those Charged with Governance for the Annual Financial Statements

The Directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS for SMEs, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Directors are responsible for assessing the Authority operations or continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that on audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cost significant doubt on the Authority's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Kobla Quashie and Associates
Chartered Accountants (Eswatini)
Manzini
Per: Daniel Bediako **29 July 2025**

BOARD OF DIRECTORS REPORT

The Directors submit their report on the activities of the Financial Services Regulatory Authority (FSRA) which forms part of the annual financial statements for the year ended 31 March 2025.

1.Review of activities

Main business and operations

The Authority is the regulator of non-bank financial service providers and operates in Eswatini.

The FSRA was established by the Government of Eswatini in terms of the Financial Services Regulatory Act, 2010. The principal objects of the Authority are to foster, through the regulation and prudential supervision of financial services providers:

a. the stability of Eswatini's financial system;

b. the safety and soundness of financial services providers;

c. the highest standards of conduct of business by financial services providers;

d. the promotion of fair competition between different financial services providers for the benefit of stakeholders;

e. the fairness, efficiency and orderliness of Eswatini's non-bank financial sector and

f. the protection of stakeholders.

The operating results and state of affairs of the Authority are fully set out in the attached annual financial statements.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Authority to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the Authority.

3. Subsequent events

The Directors are not aware of any other matter or circumstance arising since the end of the financial year to reporting date that require disclosure or adjustments to amounts recognised in the financial statements.

4. Board of Directors

The Directors of the Authority during the year and to the date of this report are as follows:

Name	Position	Appointment / Term Status
Mr. Senzo Hlatshwayo	Chairperson	Appointed 01 August 2023
Ms. Portia Dlamini	Deputy Chairperson	Appointed 16 October 2024
Mr. Tyrone N. Jacobs	Member	Reappointed 16 October 2024
Mr. Muzi Dlamini	Member	Appointed 16 October 2024
Mr. Joel S. Dlamini	Member	Reappointed 16 October 2024
Ms. Sindile Mcanane	Member	Appointed 16 October 2024
Mr. John Henwood	Member	Appointed 16 October 2024
Dr. Philemon Mnisi	Member	Appointed 01 May 2024
Mr. Mandla A. Nkambule		Term ended 30 April 2024
Mr. Nsika W. Fakudze		Term ended 31 July 2024
Mrs. Dumisile Magagula		Term ended 31 July 2024
Ms. Bonisiwe M. Pasuku		Term ended 31 July 2024
Mrs. Lomagugu P. Ntshakala		Term ended 31 July 2024

5. Related Parties

Included in these financial statements are balances with related parties and expenses paid by the Authority on behalf of the related organizations as follows:

Expenses	**2025**	**2024**
Appeals Tribunal expenses	161 810	90 488
Eswatini Stock Exchange	6 205 153	5 223 680
Office of the Ombudsman of Financial Services	6 530 031	4 441 044
	12 896 994	**9 755 212**
Amounts included in Trade Receivables		
Eswatini Stock Exchange	1 186 326	718 546
Office of the Ombudsman of Financial Services	1 098 644	477 040
	2 284 970	1195 586
Board members' remuneration		
Board Fees	603 721	533 522

Board expenses	745 120	652 232
	1348841	1 185 754

6. Auditors

Kobla Quashie and Associates Chartered Accountants (Eswatini). Mallya House Lot l 37 Esser Street Manzini

Postal address

P.O.Box 710

Manzini Eswatini M200

Statement of Financial Position

Figures in Lilangeni	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	2	7 992 591	2 652 481
Investments	3	23 229 263	6 680 754
		31 221 854	**9 333 235**
Current Assets			
Trade and other receivables	4	28 290 319	27 707 875
Cash and cash equivalents	5	71 167 473	87 351 394
		99 457792	**115 059 269**
Total Assets		**130 679 646**	**124 392 504**
Equity and Liabilities			
Equity			
Industry Training Reserve	6	428 500	428 500
Accumulated funds		110 455 214	106 994 507
		110 883 714	**107 423 007**
Liabilities			
Current Liabilities			
Trade and other payables	7	10 539 791	9 540 093
Provisions	8	1 000 555	465 567
Trust/Guarantee fund	9	8 255 586	6 963 837
		19 795 932	16 969 497
Total Equity and Liabilities		**130 679 646**	**124 392 504**

Statement of Comprehensive Income

Figures in Lilangeni	Note(s)	2025	2024
Revenue		93 102 092	86 716 800
Investment revenue		6 418 075	4 971 626
Fair value adjustments		4 370 148	
Sundry income		11 000	4 476
		103 901 315	**91 692 902**
Employee costs		(51 614 730)	(39 063 524)
Depreciation, amortisation and impairments		(1 297 600)	(805 867)
Other expenses		(34 631 284)	(24 194 543)
Gains on non-current assets			472 091
Surplus before related organisation expenses		**16 357 701**	**28 101 059**
Appeals Tribunal expenses		(161 810)	(90 488)
Eswatini Stock Exchange		(6 205 153)	(5 223 680)
Office of the Ombudsman of Financial Services		(6 530 031)	(4 441 044)
Surplus / (Deficit) for the year		**3 460 707**	**18 345 847**
Total comprehensive income (loss) attributable to:			
Surplus for the year		3 460 707	18 345 847

Statement of Changes in Equity

Figures in Lilangeni	Industry Training Reserve	Accumulated Funds	Total equity
Balance at 01 April 2023	**298 500**	**87 244 524**	**87 543 024**
Changes in equity			
Total comprehensive income for the year		18 345 847	18 345 847
Prior Year Adjustment		1 404 136	1404136
Transfer of fees from fines	130 000		130 000
Total changes	130 000	19 749 983	19 879 983
Balance at 01 April 2024	**428 500**	**106 994 507**	**107 423 007**
Changes in equity			
Total comprehensive income for the year		3 460 707	3 460 707
Total changes		3 460 707	3 460 707
Balance at 31 March 2025	**428 500**	**110 455 214**	**110 883 714**
Note(s)			

Statement of Cash Flows

Figures in Lilangeni	Industry Training Reserve	Accumulated Funds	Total equity
Cash flows from operating activities			
Cash used in operations	10	(9 447 822)	10 775 655
Interest income		6 418 075	4 971 626
Net cash from operating activities		**(3 029 747)**	**15 747 281**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2 267 562)	(1 710 164)
Sale of property, plant and equipment	2		430 878
Fair value adjustments		4 370 148	
Net movement in investments		(16 548 509)	(4 308 720)
Net cash from investing activities		**(14 445 923)**	**(5 588 006)**
Cash flows from financing activities			
Increase on guarantee funds		1 291 749	545 713
Total cash movement for the year		**(16 183 921)**	**10 704 988**
Cash at the beginning of the year		87 351 394	76 646 406
Total cash at the end of the year	5	**71 167 473**	**87 351 394**

Summary of Significant Accounting Policies

1.Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium - Sized Entities (IFRS for SMEs), and the requirements of the Financial Services Regulatory Authority Act, 2010.

The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Eswatini Emalangeni which is the Authority's functional currency. All financial information has been rounded to the nearest one Lilangeni.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements in confirmity with the IFRS for SMEs, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables, loans and receivables

The Authority assesses its Trade receivables, Loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Authority makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for Trade receivables, Loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

1.2 New and amended standards and interpretations IFRS for SMEs

Section 10 - Accounting Policies, Estimates and Errors

This provides consequential amendments arising from the removal of the option to apply the recognition and measurement requirements of IAS 39 Financial Instruments. The amendment aims to introduce the definition of 'accounting estimate' to help entities distinguish changes in accounting estimates from changes in accounting policies.

Summary of Significant Accounting Policies

Section 11 - Financial Instruments

The amendment provides addition of requirements to disclose an analysis of the age of financial assets and a maturity analysis of financial liabilities. It also provides addition of a supplementary principle for classifying

debt instruments based on their contractual cash flow characteristics. It assists in the clarification that debt instruments that have prepayment features with negative compensation payments can still meet the criteria to be measured at amortised cost.

Section 17 - Property, plant and equipment

This amendment aims to include bearer plants that are separately measurable without undue cost or effort within the scope of this section. It indicates clarification of the factors considered in determining the useful life of an asset stating that expected future reductions in the selling price of an item produced using the asset could indicate the expectation of technical or commercial obsolescence of that asset.

Section 21 - Provisions and Contingencies

The amendments addresses the removal of requirements relating to contingent consideration in a business combination from the scope of this section. Amendment to include financial guarantee contracts issued at nil consideration when the specified debtor is another entity within the group within the scope of this section and specify additional disclosures.

Section 33 - Related Party Disclosures

The amendment specifies that the should be a heading related to the disclosure of controlling party relationships and addition of a requirement to disclose amounts incurred by an entity for the provision of key management services that are provided by a separate management entit

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Authority; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the ·carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit and loss.

Summary of Significant Accounting Policies

Property, plant and equipment is subsequently stated at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset. Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Any remaining decrease in excess of such credit is recognised in profit or loss in the current year. The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Authority.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

1.3 Property, plant and equipment (continued)

The annual rates of depreciation of property, plant and equipment are as follows:

Item	%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10%
IT equipment and software	33.33%

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.4 Financial instruments Classification

Initial recognition and measurement

Financial instruments are recognised initially when the Authority becomes a party to the contractual provisions of the instruments.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

Impairment of financial instruments

At each reporting date the Authority assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Authority, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

1.4 Financial instruments (continued)

Impairment of financial assets

Reversals of impairment losses ore recognised in profit or loss except for equity investments classified as available-for-sole.

Impairment losses ore also not subsequently reversed for available-for-sole equity investments which ore held at cost because fair value was not determinable.

Where financial assets ore impaired through use of on allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets ore written off, the write off is mode against the relevant allowance account. Subsequent recoveries of amounts previously written off ore credited against operating expenses.

Loans to (from) related organisations

These include loans to and from fellow related organisations and are recognised initially at fair value plus direct transaction costs.

Loans to related organisations ore classified as loons and receivables.

Loans from related organisation are classified as financial liabilities measured at amortised cost.

Loans to employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables ore measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Tax

The Authority is exempt from normal tax as it falls within the definition of "Exempt organisation" as stipulated in Section 2 of the Income Tax Order 1975 as amended.

1.6 Impairment of assets

The Authority assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Authority estimates the recoverable amount of the asset.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.7 Employee benefits Pension obligation

Statutory obligations

The Authority contributes to a statutory fund, Eswatini National Provident Fund (ENPF) in accordance with the Eswatini National Provident Fund Order of 1974.

Retirement obligation

The Authority currently operates a defined contribution Provident Fund. The Authority pays contribution to a privately administered Provident Fund on a mandatory, contractual or voluntary basis. Once the contribution has been paid, the Authority has no further payment obligation. The regular contributions constitute net periodic costs for the year in which they are due and as such are included in staff costs.

Termination Benefits

Termination benefits are repayable whenever an employees' employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Authority recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility or withdrawal or to provide termination benefits as a result of offer made to encourage voluntary redundancy. Benefits falling due more than 12 months are discounted to present values.

1.8 Provisions and contingencies

Provisions are recognised when:

- the authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.9 Revenue

Revenue is recognised when the following conditions have been satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Authority.

Revenue compromises of registration fees, renewal fees, levies, interest income and sundry income and is measured at the fair value of the consideration received or receivable for services provided in the normal course of business.

Levies

All registered entities are required to pay annual levies to maintain their licences in terms of the FSRA Act,2010. Levies are raised in terms of the regulations published in the Government Gazette and are recognised on an accrual basis.

The regulated entities are invoices based on the following:

- Short-term insurers - 1.25% of gross written premium less commission;

- Long-term insurers - 0.07% of the insurer's total assets;

- Retirement Funds - 0.07% of total assets;

- Brokers - 1.25% of total commission received during the financial year;

- Agents - 1.25% of total commission received during the financial year;

- Fund Administration - 1.25% of fee income received during the financial year;

- Investment Managers - 1.25% of income;

- SACCOS - 1% of surplus;

- Credit Providers - 0.6% of loans and advances for money lenders and outstanding credit for retails institutions.

- Development Finance Institutions - 0.3% of loans and advances;

- Assets under management not regulated by FSRA - 0.025% of assets under management.

- Building Societies - 0.15% of total assets.

- Dealers - 1.25% of fee income received during the financial year

- Collective Investments Schemes - 1.25% of income received during the year.

Registration and renewal fees

Revenue arising from registration and renewal fees are raised in terms of the regulations published in the Government Gazette and are recognised on a cash basis.

Summary of Significant Accounting Policies

Fines and penalties

Fines and penalties raised for late submission of returns and any other regulatory sanctions are recognised on cash basis. These are transferred into the industry training reserve account.

Interest income

Interest is recognised using the effective interest rate method.

Sundry income

Sundry and other income is recognised on a cash basis.

Notes to the Annual Financial Statements

Figures in Lilangeni	2025	2024

2 Property, plant and equipment

	2025			2024		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost I Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	2 464 670		2 464 670	4 304 038	(3 570 947)	733 091
Motor vehicles	1 605 627	(96 429)	1 509 198	741 442	(741 442)	
Office equipment	629 605		629 605	1 013 651	(770 026)	243 625
IT equipment	3 389 118		3 389 118	3 769 046	(2 093 281)	1 675 765
Total	**8 089 020**	**(96 429)**	**7 992 591**	**9 828 177**	**(7 175 696)**	**2 652 481**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Fair Value Adjustments	Depreciation	Total
Furniture and fixtures	733 091	46020	1 823 518	(137 959)	2 464 670
Motor vehicles		1 157 125	448 500	(96 427)	1 509 198
Office equipment	243 625	21 284	416291	(51 595)	629 605
IT equipment	1675765	1 043 133	1 681 839	(1 011 619)	3 389 118
	2 652 481	**2 267 562**	**4 370 148**	**(1 297 600)**	**7 992 591**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Fair Value Adjustments	Depreciation	Total
Furniture and fixtures	569 160	224 730		(60 799)	733 091
Motor vehicles	599 087		(430 878)	(168 209)	
Office equipment	258 052	41 996		(56 423)	243 625
IT equipment	752 762	1 443 438		(520 435)	1675765
	2 179 061	**1 710 164**	**(430 878)**	**(805 866)**	**2 652 481**

Details of valuation

The Authority's property, plant and equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of property, plant and equipment differs materially from their fair value. The fair value measurements as of 31 March 2025 were performed by Bongani Simelane from Range Assessors (Proprietary) Limited. independent valuers not related to the Authority. Bongani Simelane, is a member of the insurance institute of South Africa (IISA) and they have the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations

Figures in Lilangeni	2025	2024

3. Investments

This represents the following investments:

Swaziland Building Society - Permanent Shares	2 449 590	2 449 590
Financial Services Regulatory Authority FNB Bonds - Financial Investment	20 779 673	4 231 164
	23 229 263	**6 680 754**

The permanent shares are held as security / guarantee to the Authority's employee housing loan scheme. The balance in the account cannot be less than E2 million at any point.

-**SG095** maturing 31 Moy 2029 and accrues annual interest of 11%

-SG096 maturing 31 Moy 2031 and accrues annual interest of 11.50%.

-SG097 maturing 31 May 2034 and accrues annual interest of 12%.

4. Trade and other receivables

Trade receivables	24 466 243	25 601 442
Staff Loans	672 014	551 685
Prepayments	321 103	222 202
Other receivables	545 989	136 960
Related organisation's receivables	2 284 970	1 195 586
	28 290 319	**27 707 875**

Trade Receivables

Trade Receivables	27 150 913	2814891
Less: Provision for bod debts	(2 684 670)	(2 547 477)
Net trade receivables	**24 466 243**	**27 707 875**

Related organisation's receivables

Eswatini Stock Exchange	1 186 326	718 546
Office of the Ombudsman of Financial Services	1098644	477 040
	2 284 970	**1195 586**

Figures in Lilangeni	2025	2024

These balances arise when FSRA processes salaries on the FSRA human resource system and then allocates it into the related organisations.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2000	2000
Float		
Bank balances	35 781 446	55 286 119
Swaziland Building Society - Special Savings	1 668 518	1 458 290
Swaziland Building Society - Gold Account	8 255 586	6 963 837
Stanlib Eswatini - Money market fund	25 459 923	23 641 148
	71 167 473	**87 351 394**

Bank balances:

Standard Bank Levies - Current account		(326)
Standard Bank - Call account	1459648	3 048 407
First National Bonk - Current account	6 402 900	6 781327
First Notional Bank - Short-term deposit account	17 831 449	16 665 542
First National Bank - Call account	10 087 449	28 791 169
	35 781 446	**55 286 119**

6. Industry training reserve

Opening balance	428 500	298 500
Transfers of fees from fines		130 000

The training reserve account was set up for the sole purpose of funding future industry consultation or training of regulated entities on any new developments in regulatory or industry practise. The Board took a decision and amended its accounting policies that all fees from fines be transferred to this reserve account. During the 31 March 2025 financial year, there were no fees from fines transferred into the industry training reserve account.

7. Trade and other payables

Trade payables	8 077 984	6 251 778
Unallocated funds	1 360 754	1 181 256
Other payables	1 101 053	2 107 059
	10 539 791	**9 540 093**

Figures in Lilangeni	2025	2024

8. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Total
Gratuity	427 545		(427 545)	
Cellphone expenses	(137273)	(23111)		(160 384)
Leave allowance	175 295	1 660 023	(674 379)	1 160 939
	465 567	**1 636 912**	**(1 101 924)**	**1 000 555**

Reconciliation of provisions - 2024

	Opening balance	Additions	Reversed during the year	Total
Gratuity	488 102		(60 557)	427 545
Cellphone expenses	(290 261)		152 988	(137 273)
Leave allowance	136 493	38802		175 295
	334 334	**38 802**	**92 431**	**465 567**

9. Trust / Guarantee Fund

Trust / Guarantee fund	8 255 586	6 963 837

In terms of Section 33(5) of the Retirement Funds Act, 2005, if a fund does not become aware of or cannot trace any dependant of the member within twelve months from the death of the member, and if the member has either not designated in writing to the fund a nominee, or if the member has designated a nominee to receive a portion of the benefit, the benefit or the remaining portion of the benefit after payment to the designated nominee, shall be paid into the estate of the member, or, if no inventory in respect of the member has been received by the court, the fund shall pay the monies into the Insurance and Retirement Benefit Trust Account. The funds are kept in Swaziland Building Society Gold Account and the balance at the end of the financial year was E8,255,586.

10. Cash used in operations

Surplus for the year	(909 441)	
Adjustments for:		
Depreciation and amortisation	1 297 600	805 866
Interest received	(6 418 075)	(4 971 626)
Fair value adjustments	(4 370 148)	
Movements in provisions	534 988	92431
Transfers to training reserve		130 000
Prior Year Adjustment		1404136
Changes in working capital:		
Trade and other receivables	(582 444)	(8 337 463)
Trade and other payables	999 698	3 306 464
	(9 447 822)	10 775 655

Figures in Lilangeni	2025	2024

Comparative figures

Certain comparative figures have been reclassified.

12. Related parties

Related organisations	Appeals Tribunal Eswatini Stock Exchange Office of the Ombudsman of Financial Services
Directors	Senzo Hlatshwayo Portia Dlamini Tyrone N. Jacobs Muzi Dlamini Joel S. Dlamini Sindile Mcanyane John Henwood Philemon Mnisi
Members of key management	CEO - Ncamiso Ntshalintshali CFO - Gugu Makhanya GM Prudential Analysis - Mbongiseni Nkambule GM Market Conduct - Zamokuhle Z. Dlamini GM Corporate Services - Setsabile Ginindza GM Governance - Tina Khoza

Related party balances

Expenses

Appeals Tribunal expenses	161 810	90 488
Eswatini Stock Exchange	6 205 153	5 223 680
Office of the Ombudsman of Financial Services	6 530 031	4 441 044

Amounts included in Trade receivables

Eswatini Stock Exchange	1 186 326	718 546
Office of the Ombudsman of Financial Services	1098644	477 040

Board members' remuneration	**603 721**	**533 522**
Board Fees	**745 120**	**652 232**
Board expenses		

13. Litigation and Claims

The Authority has litigation and claims relating to the below legal matters:

1. There is a claim brought by ESW Investment (Pty) Ltd against FSRA before the High Court. The allegation is that FSRA is liable for the actions of its former CEO. FSRA's lawyers have advised that legal costs and disbursements are dependent on the progress of the matter. At this stage, FSRA has a good defence against the claim.

2. In the matter of Status Capital Building Society's Liquidation, FSRA did not file process regarding the merit but only raised a point of law which was dismissed and an appeal noted against the order and judgement. The Authority's lawyers have advised that legal costs and disbursements are dependent on the progress of the matter. At this point, FSRA has good prospects on the appeal.

3. There are also legal proceedings at the High Court instituted by Bunye Betfu Buhle Betfu SACCO to set aside a directive issued by the FSRA. The lawyers have advised that legal costs are dependent on the progress of the matter. FSRA has good prospects on the matter.

Detailed Income Statement

Figures in Lilangeni	2025	2024
Revenue		
Levies	91 059 642	84 820 210
Registration and renewal	2 042 450	2 096 590
Total Revenue	**93 102 092**	**86 716 800**
Other Income		
Fair value adjustments	4 370 148	-
Interest received	6 418 075	4 971 626
Profit on sale of non-current assets	-	472 091
Sundry income	11 000	4 476
Total Other Income	**10 799 223**	**5 448 193**
Operating Expenses		
Audit expenses	1 092 738	336 819
Appeals Tribunal expenses	161 810	90 488
Auditors remuneration	172 500	193 821
BSA expenses	1 080 308	978 825
Bank charges	146 425	111 010
Book expenses	745 120	652 232
Board fees	603 721	533 522
Cleaning and office expenses	170 762	164 310
Computer expenses	2 006 530	1 210 413
Consulting fees	3 882 064	1 252 298
Consumer education expenses	2 424 870	2 050 413
Depreciation	1 297 600	805 086
Employee costs	51 614 730	39 063 524
Employee recognition	223 809	98 728
Eswatini Stock Exchange expenses	6 205 153	5 223 680
General office expense	16 885	12 725
Insurance	743 824	599 610
Internet expenses	927 667	748 696
Lease rentals on operating lease	4 326 045	3 851 769
Legal expenses	1 402 779	1 164 157
Levies to PEU	634 684	512 612
Office of the Ombudsman of Financial Services	6 530 031	4 441 044
Postage, printing and stationery	183 894	166 652
Provision for bad debts	137 194	-
Repairs and maintenance	198 275	299 539
Staff uniforms	871 121	183 621
Staff welfare	1 142 879	1 091 530

Detailed Income Statement

Strategy expenses	3 716 462	3 166 782
Subscriptions	3 082 760	1 413 753
Telephone and fax	7 518	99 470
Travel and training	4 222 050	2 967 689
Utilities	400 932	333 649
Total Operating Expenses	100 440 608	73 819 145
Surplus / (Deficit) for the year	**(3 460 707)**	**18 345 848**

Detailed Income Statement - Office of the Ombudsman of Financial Services

Figures in Lilangeni	Note(s)	2025	2024
		E	**E**
Revenue			
FSRA Subvention		6 530 031	4 441 044
Interest Received		36	6 587
		6 530 067	**4447 631**
Operating expenses			
Advertising & Promotion			302 643
Bank charges and interest paid		5134	4 987
Computer expenses		92857	22 593
Consulting/ professional fees/ secretariat		23 604	S0 213
Depreciation		77 987	38 918
Employee costs		4819228	3 327 340
Employee recognition		11 400	
General office sundries, cleaning and teas		69 551	87 598
Internet expenses		16418	64 951
Legal fees		29 049	61072
Printing and stationery		37 583	9 964
Rent and utilities		796 931	751 372
Repairs and Maintenance		4 390	7 543
Staff training/ conference and travel		187 867	129 028
Staff uniform and welfare		91 525	42 130
Strategy Townhall		53 869	64 776
Stakeholders		261 312	319 048
Subscriptions		76 476	189 864
Telephone and fax		6 346	14 277
Local and International travelling		219 909	77 106
Deferred Income		(351 368)	(1 117 792)
		6 530 067	**4 447 631**
Surplus for the year			

Detailed Income Statement - Eswatini Stock Exchange

Figures in Lilangeni	Note(s)	2025	2024
		E	**E**
Revenue			
Licensing / Registration / Sustaining fees		2 583 768	3 065 722
FSRA subvention		6 205 153	5 223 680
Interest received		801 024	512 102
		9 589 945	**8 801 505**
Operating expenses			
Ammortisation		342 384	342 385
Audit fees		96 482	63 418
Bank charges		16 250	12 436
Board fees		175 460	178 769
Board expenses		132210	
Computer expenses		668 680	301 646
Consulting and professional fees		56 360	
Consumer education expenses		480 159	250 901
Courier and postage			2 298
Depreciation		120 601	128 619
Electricity and water		90 550	82 991
Employee costs		2 817 732	3 775 093
Employee recognition		15925	
Finance costs		62 201	85884
General office sundries, cleaning and tea		28003	39 939
Graduate Trainee Program		173 737	
Insurance		83832	79 235
Lease rentals on operating lease		72373	58398
Levies and licenses		31 030	30000
Local and international travel		264 300	303 838
Market Committee - Fees		61 080	
Market Committee - Expenses		40 253	
Printing and stationery		18802	145 604
Repairs and maintenance		10345	30 617
Staff training, uniform and welfare		178 427	129 973
Strategy Townhall		4 740	24 776
Subscriptions		469 122	370 865
Special projects - strategy		184 445	49 958
Telephone, fox and internet		99 249	205 807
Deferred income		2 795 214	2 108 056
		9 589 945	**8 801 505**
Surplus for the year			

Moments That Defined the Year

The images on these pages capture key moments from the reporting year, showcasing the range and depth of our work. They reflect programme implementation across different sectors, stakeholder engagements, and collaborative partnerships. Significant milestones achieved during the year are also highlighted, providing insight into the organisation's impact. Each image tells part of the story of progress, innovation, and dedication. Together, they illustrate the organisation's commitment to advancing its mandate. This visual record complements the report's narrative by offering a tangible sense of the work accomplished over the year.





















FSRA at a Glance – 5 Key Facts

Integrated Non-Bank Financial Regulator

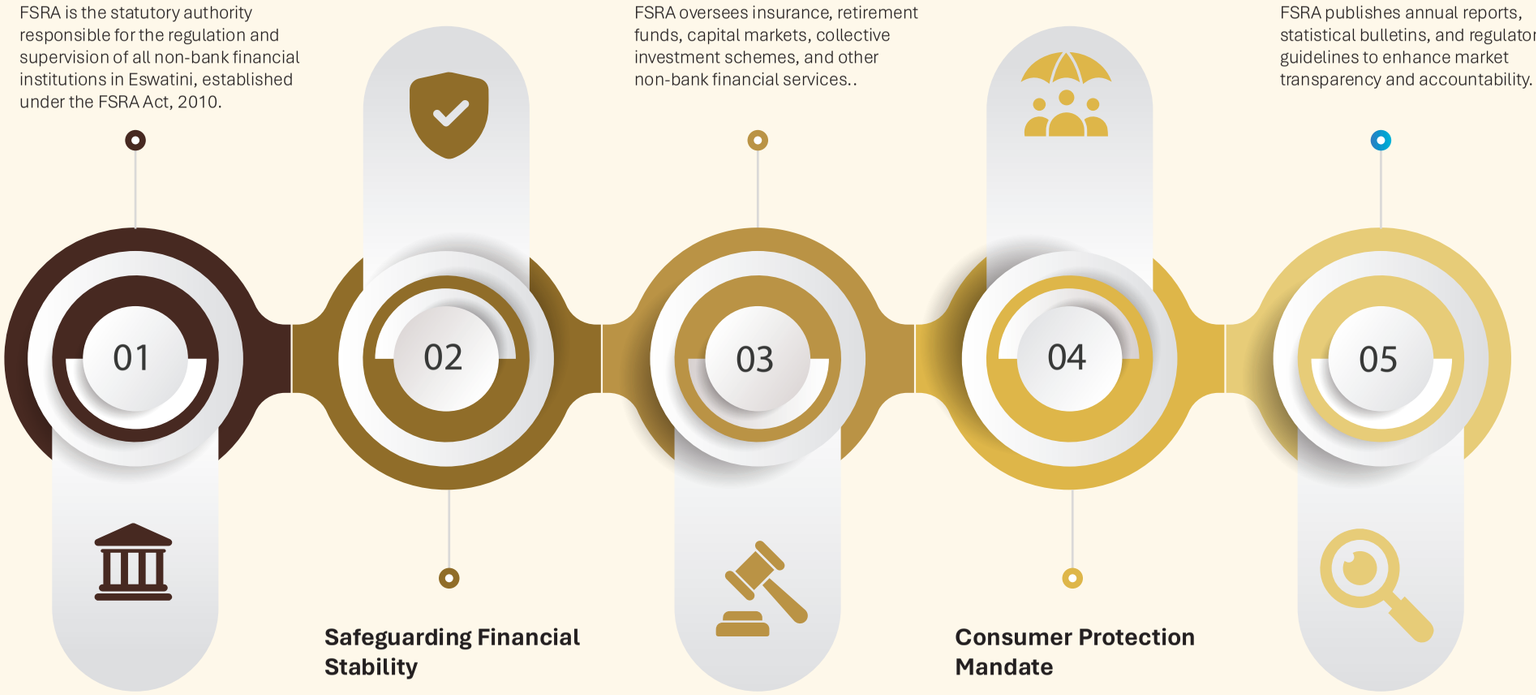
FSRA is the statutory authority responsible for the regulation and supervision of all non-bank financial institutions in Eswatini, established under the FSRA Act, 2010.

Wide Regulatory Coverage

FSRA oversees insurance, retirement funds, capital markets, collective investment schemes, and other non-bank financial services..

Transparency & Accountability

FSRA publishes annual reports, statistical bulletins, and regulatory guidelines to enhance market transparency and accountability.



Safeguarding Financial Stability

The Authority promotes a sound, stable, and resilient non-bank financial sector that supports economic growth and financial inclusion.

Consumer Protection Mandate

The Authority is mandated to protect consumers and investors, promote fair market conduct, and reduce financial sector misconduct.



CONTACT US:

Ingcamu Building, Mbabane

+268 2406 8000

info@fsra.co.sz

www.fsra.co.sz

FSRA
Financial Services Regulatory Authority