

FSRA
FINANCIAL SERVICES
REGULATORY AUTHORITY

FINANCIAL SERVICES
REGULATORY AUTHORITY
REPORT
2021

QUARTERLY STATISTICAL BULLETIN Q4

5th floor Ingcamu Building, Mhlmbanyatsi Rd
PO Box 335, Mbabane, H100, Eswatini
+268 240 8000
+28 2404 7930
info@fsra.co.sz
www.fsra.co.sz

FSRA
FINANCIAL SERVICES REGULATORY AUTHORITY

Quarter No.4 - 2021

Financial Services Regulatory Authority at a Glance – Q4 2021

Number of Licensed Entities: 541

There were 541 licensed entities as of 31 December 2021.

TOTAL ASSETS:

Total assets of the NBFIs regulated by FSRA were E95.3 billion in the fourth quarter of 2021, a 4 percent increase from previous quarter (E92.02 billion).

CREDIT AND SAVINGS INSTITUTIONS:

Total assets for credit and savings institutions were E12.8 billion in the fourth quarter of 2021: SACCOs E2.27 billion; Credit providers E8.4 billion; Building Societies E3.07 billion.

INSURANCE SECTOR

Short term insurance gross premiums were at E829 million; Total Assets E1.4 billion, Total Net Claims E134 million.

Long term insurance Gross Premiums were at E969 million; Total Assets E5.2 billion; Claims and Policy benefits E707 million.

Re-insurers Premiums were E16.2 million, Total Assets 95.3 million.

RETIREMENT FUNDS SECTOR

Total assets were at E42.6 billion; Total Contribution E571 million; Benefits Paid E546 million.

CAPITAL MARKETS

Assets under management with collective investment schemes were valued at E8.3 billion while assets under advisory were valued at 23.8billion.

Assets sourced from Retirement Funds, Insurers, SACCOS, Credit Providers have a double counting effect on the total assets as they are counted first under their respective sectors and also under the administration and management of investment advisors and managers.

CONTENTS

Abbreviations	4
List of table and figures	5
CEO's Note	6
Preface	8
Disclaimer	9
Executive Summary	10
1. Editor's Pick Article	12
2. Economic Developments	14
3. Industry Development and Performance	19
3.1 Capital Markets	19
3.2 Credit and Savings Institutions	25
3.3 Insurance Sector	31
3.4 Retirement Funds Sector	40
4. Supervisory Updates	44
4.1 Off-site Monitoring	45
4.2 On-site Inspections	47
5. AML/CFT	48
6. Legal and Regulatory	50
7. Supervisory Enforcement	52
8. Consumer Protection	54

ABBREVIATIONS

AUA	-	Assets Under Advisory
AUM	-	Assets Under Management
AML/CFT	-	Anti Money Laundering/Combating the Financing of Terrorism
BRs	-	Insurance Brokers
BS	-	Building Societies
CBE	-	Central Bank of Eswatini
CC Act	-	Consumer Credit Act, 2016 (As amended)
CISM	-	Collective Investment Scheme Manager
CISF	-	Collective Investment Scheme Fund
CMA	-	Common Monetary Area
CMD	-	Capital Markets Development
CSI	-	Credit and Savings Institutions
CP	-	Credit Providers
CPI	-	Consumer Price Index
ESE	-	Eswatini Stock Exchange
EMDE	-	Emerging Markets and Developing Economies
FSRA	-	Financial Services Regulatory Authority
GDP	-	Gross Domestic Product
GWP	-	Gross Written Premiums
IA	-	Investment Advisor
IMF	-	International Monetary Fund
INS	-	Insurance
IRF	-	Insurance and Retirement Funds
LT	-	Long Term
NBFI	-	Non-bank Financial Institution
OFS	-	Ombudsman of Financial Services
RF	-	Retirement Funds
SACCOs	-	Savings and Credit Cooperatives Societies
ST	-	Short Term

LIST OF TABLES & FIGURES

FIGURES

Figure 1 - ESE Market Capitalization
Figure 2 - Evolution of Total Assets
Figure 3 - Geographical allocation of assets
Figure 4 - CIS Market Share
Figure 5 - Investment instruments
Figure 6 - Money Market Investments
Figure 7 - Market share by AUM
Figure 8 - Assets CSI
Figure 9 - Gross debtors to total assets ratio
Figure 10 - Total Credit Facilities, Loans & Advances
Figure 11 - Long-Term industry solvency
Figure 12 - LT Gross written premiums
Figure 13 - LT Insurers Market share in terms of GWP
Figure 14 - LT Investment income
Figure 15 - LT Insurers Distribution of investment
Figure 16 - LT Profit before tax
Figure 17 - LT Insurers Policy Statistics
Figure 18 - LT Re-Insurers Solvency
Figure 19 - LT Re-insurers Gross Premiums
Figure 20 - ST Insurers GWP
Figure 21 - ST Market share in terms of GWP
Figure 22 - ST Insurers Investment Income
Figure 23 - ST Insurers Distribution of investment
Figure 24 - ST Insurers Profit before tax
Figure 25 - ST Insurers Policy statistics
Figure 26 - ST Reinsurer GWP
Figure 27 - RF Total Assets
Figure 28 - RF Investment Allocation
Figure 29 - RF Income and Expenditure
Figure 30 - RF Membership

TABLES

Table 1 - Capital Gains
Table 2 - Solvency ratio
Table 3 - Measurers taken for Stage 4 entities
Table 4 - Onsite Inspections
Table 5 - AML /CFT On-site Inspection

CEO's Note



FSRA CEO Ncamiso Ntshalintshali

A healthy non-bank financial sector is essential for economic development and growth. Financial services providers act as intermediaries in the financial system by mobilizing the transfer of savings to productive uses and allowing for the transfer of risk.

Collective investment schemes provide an investment vehicle for consumers, enabling them to benefit from diversification and professional asset management services that might not otherwise be available to them while capital market intermediaries assist in the functioning of the capital market, which provides a market-based mechanism for funding and managing risk in the broader economy, for businesses and investors. The role that credit providers play in the economy is equally important as credit promotes economic activity by allowing businesses to invest beyond their cash on hand and households to purchase homes without having to save the entire cost in advance and to meet any unexpected cashflow needs. Credit and savings institutions provide their members with alternative savings vehicles which also allow them to use their savings as collateral should they need access to credit.

The insurers enable households and business to manage risks by limiting exposure to adverse financial consequences of contingent events. Retirement funds are also important as they enable members to save for retirement to smooth their consumption, since these savings are meant to be accessed after retirement; prior to retirement these funds collectively contribute significantly to economic activity and in Eswatini they are the backbone of our capital markets and infrastructure development.

The financial system as a whole is subject to various risks which can render the financial services providers unable to meet their obligations to the customers and or members. These risks can lead to the failure of the financial services providers which in turn can cause financial loss to the customers or other financial service providers. These losses have an adverse impact in the public's confidence in the financial system. Financial service providers can also conduct their business in a manner that does not support the consumer needs but benefits the financial service provider and in some cases, consumers can be defrauded either by licences or unlicensed financial services providers. On the other hand, consumers can also misuse financial service providers through fraud and money laundering.

Financial services regulation and supervision exists to deal with these risks to consumers and the financial system. To achieve the regulatory and supervisory objective the FSRA employs several "ex-ante" tools; these are considered "ex-ante" as they seek to prevent and/or identify problems early, these includes licensing processes, fitness and probity assessment, on-site inspections, and off-site monitoring through the review of quantitative data from monthly, quarterly and annual returns. There are however cases where regulatory provisions are breached by the financial services providers and in such cases the FSRA is required to deploy "ex-post" tools to punish such breaches through various enforcement actions prescribed in legislation as well as to deter future wrongdoing.

In this Inaugural Quarterly Statistical bulletin the FSRA seeks to report to the non-banking sector and the other stakeholder of the performance of the sector as of 31 December 2021 and provide highlights on the supervisory activities. The FSRA endeavours to publish the statistical bulletin on a quarterly basis going forward.

I would like to thank our licensed entities for the timely submission of accurately completed returns and request those who continue to struggle with the completion and timely submission of the returns to continue to liaise with the FSRA to address the challenges being encountered.

PREFACE

The FSRA Quarterly Statistical Bulletin is compiled to provide consolidated statistics and analysis relating to the quarterly performance of the non-Banking financial Institutions and the trends observed by the Authority in the sector's performance. The Report also provides an update on FSRA's regulatory and supervisory activities during the quarter under review.

This Report is based on the regulatory returns submitted to the FSRA by the licensed entities and on the supervisory and enforcement work conducted the FSRA. The quality and depth of analysis depends on the accuracy and quality of the data submitted by the entities.

The submission of accurately completed returns is important for supervisory purposes as it enables the FSRA to achieve the following:

- continuous monitoring of the financial soundness of regulated entities.
- Early identification of deteriorating financial positions.
- Identification and analysis of risks prevalent in the sector

Updates on supervisory activities are based on information collected during on-site inspections, regulatory risk assessment reports, enforcement action reports, whistle blowing reports and complaints reports.

The FSRA endeavours to publish the quarterly statistical bulletin within 2 months of receipt of returns and therefore encourages regulated entities to ensure that returns are accurately completed and submitted on time.

DISCLAIMER

Whereas the Financial Services Regulatory Authority (FSRA) has taken all care in the preparation of this statistical bulletin, we do not, in any way whatsoever, warrant expressly or impliedly the accuracy and completeness of its contents and shall not be liable for any loss or damage (including, without limitation, damages for loss of business or loss of profits) arising in contract, tort or otherwise suffered by any person / entity relying on the information contained in this statistical bulletin or arising from any shortcoming, defect or inaccuracy, through inadvertence or otherwise.

The contents of this statistical bulletin are meant for information purposes only.

The FSRA is in no way whatsoever providing financial or other professional advice through this publication and none of its contents should be interpreted or relied on as such.

Any discrepancy may be brought to the notice of the FSRA at: **research@fsra.co.sz.** The FSRA reserves the right to revise / amend any information published in this Statistical Bulletin.

This Statistical Bulletin contains references to certain Acts of Parliament and secondary legislation and in the event of any discrepancy or inconsistency therein, the authoritative version of these Acts as published in the Government Gazette will prevail.



Executive Summary.



As of 31 December 2021, an improvement in the performance of the NBFI sector was observed as the assets had increased by 4.0% from the previous quarter and 8.5% when compared to December 2020. The improvement is attributable to the increases in fair value gains on financial assets.

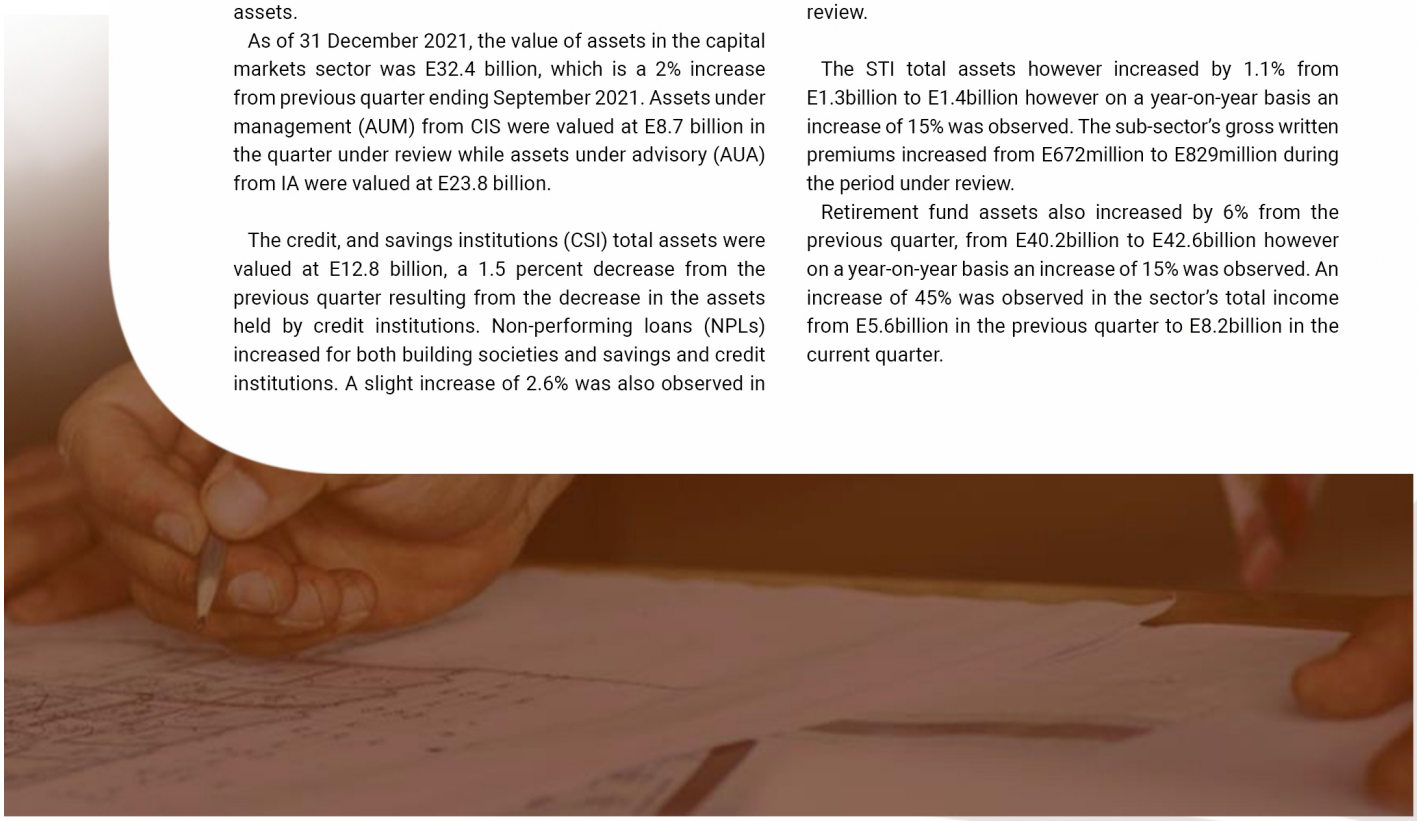
As of 31 December 2021, the value of assets in the capital markets sector was E32.4 billion, which is a 2% increase from previous quarter ending September 2021. Assets under management (AUM) from CIS were valued at E8.7 billion in the quarter under review while assets under advisory (AUA) from IA were valued at E23.8 billion.

The credit, and savings institutions (CSI) total assets were valued at E12.8 billion, a 1.5 percent decrease from the previous quarter resulting from the decrease in the assets held by credit institutions. Non-performing loans (NPLs) increased for both building societies and savings and credit institutions. A slight increase of 2.6% was also observed in the total savings for both SACCOs and Building Societies.

The long-term insurer total assets increased by 4.6% from E4.9billion to E5.2billion and 10.4% when compared to the previous year 31 December 2020. The Gross Written Premiums (GWP) for the sub-sector increased from E739 million as of Q3 2021 to E969 million during the period under review.

The STI total assets however increased by 1.1% from E1.3billion to E1.4billion however on a year-on-year basis an increase of 15% was observed. The sub-sector's gross written premiums increased from E672million to E829million during the period under review.

Retirement fund assets also increased by 6% from the previous quarter, from E40.2billion to E42.6billion however on a year-on-year basis an increase of 15% was observed. An increase of 45% was observed in the sector's total income from E5.6billion in the previous quarter to E8.2billion in the current quarter.



Editor's Pick Article



By: Sibusiso D. Magagula

Consumer Credit (Amendment) Act, 2021

The Financial Services Regulatory Authority had been entrusted with the administration of the Consumer Credit Act, 2016 (CC Act, 2016). The promulgation of the CC Act has since been followed by a gazette issued in March 2021 relating to the thresholds in respect of developmental credit. The Consumer Credit Amendment Act of 2021 (CC Amendment Act) was enacted on the 4th of November 2021. The CC Amendment Act is meant to amend the CC Act, 2016 and bring it into harmony with the Central Bank Order of 1974, the Financial Institutions Act, 2005 and the Financial Services Regulatory Authority Act of 2010. In essence, the CC Amendment Act demarcates the supervisory responsibilities of the non-banking financial institutions and banking financial institutions between the FSRA and the CBE, respectively, insofar as the regulation of consumer credit and other incidental matters are concerned.

Regulation of credit matters in Eswatini

The regulatory and supervisory regime on consumer credit provision was a strategic policy decision necessitated by the need to, amongst other factors, protect consumer rights, cap the cost of credit, curb reckless lending, and provide for rehabilitation mechanisms in cases of over indebtedness.

New provisions in the Amendment Act

The CC Amendment Act, 2021 provides for the administration of the Act by both the CBE and FSRA with the distinction being financial institutions and or financial services providers licensed in terms of either the FI Act, 2005 and the FSRA Act, 2010.

- Debt Collectors to be licensed

Perhaps the key highlight of this CC Amendment Act,2021 is bringing into supervision debt collectors and payment distribution agents. As per section 2 (e) (iv) of the Amendment Act, a debt collector is a juristic or a natural person who is in the business of recovering money owed by a debtor or a delinquent credit agreement. The intention behind requiring debt collectors to be licensed is mainly because they operate in the ecosystem of credit provision and as such, they should adhere to the principles of market conduct to protect consumers from probable instances of harassment amongst other issues.

Bringing debt collectors under the supervisory purview of the non-bank regulator is not unique to Eswatini. South Africa has in place the Debt Collectors Act of 1998. This Act outlines who could act as a debt collector and governs their practises through the established Council of Debt Collectors. The National Credit Act, 2005 also empowers the National Credit Regulator to authorise or license persons in terms of the provisions of their principal Act to recover from any debtor, any fees or remuneration in connection with the collection of any debt. This provision is read in tandem with the entirety of the Debt Collectors Act, 1998. In Botswana, the Non- Bank Lending Bill, 2020 once enacted will place the responsibility upon lenders for the actions of their debt collectors. Section 44 (3) of the Bill states that; - non-bank lenders shall be held liable for the actions of those who collect debt on their behalf, whether they are employees, agents, brokers, debt collection agencies or any other third parties who engage in inappropriate treatment of debtors during the debt collection process.

- More compliance requirements for credit providers.

Whereas the intention of the CC Amendment Act, 2021 was to harmonise the CCA as stated earlier, the Authorities have opportunely imposed more responsibilities for credit providers under section 74bis. These new responsibilities do not have any severe financial implications and are not expected to impact the existing cost of doing business for credit providers. Per section 74bis, credit providers are expected to amongst others;

- Protect the integrity and confidentiality of credit information on a consumer;
- Notify both the credit bureau and the consumer in writing or any other electronic form of communication when a consumer of a credit agreement has settled or cleared the debt not later than fourteen days after the period in which that clearance was made;

Other notable provisions in the Amendment Act

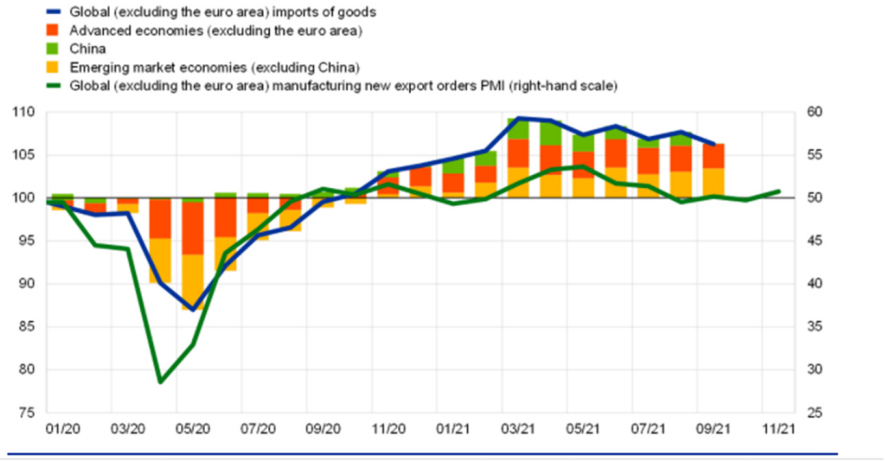
1. Section 73 bis states that; a credit provider may make enquiries for credit information on a consumer from a credit bureau for the permissible purpose of assessing the credit worthiness of a prospective tenant for a lease or tenancy. Institutions such as the Eswatini National Housing Board could now require or source information from the credit bureau to ascertain credit worthiness of tenants before entering into a lease agreement.

Economic Developments

Global Economic Developments

In January 2021, the IMF's World Economic Outlook estimated a 5.5% global economic growth. This level of growth was anticipated considering the increased roll-out in vaccines across the globe and expectation was that the increased rate of vaccine administration would enable the resumption of full or improved economic activity. Economic recovery continued during the year, despite the pandemic's resurgence and discovery of new variants. On the hand, inflation rates increased significantly in some major economies and developing economies. This increase is attributed to pandemic induced supply-demand mismatches. The inflation pressures persisted in developing economies and elevated food prices were observed, and the lagged effects of higher oil prices and exchange rate depreciation were experienced. Adding to these pressures the retrenchment in China's real estate sector appears to be more drawn out and the recovery in private consumption is weaker than previously expected.

In advanced economies, output and investments are projected to return to pre-pandemic level in 2022. Emerging market and developing economies (EMDEs) particularly in small states and fragile and conflict afflicted countries are expected to experience lower output levels, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent economic scarring from the pandemic.



Source: Markit and ECB calculations

Global Financial Markets

Global equities bounced back in December to cap off another strong year of performance, as concern faded over Omicron variant's impact on the economy with its seemingly milder severity. The S&P 500, a benchmark for large cap US stocks, rallied +4.5% on the month for a +28.7% full year again. Notably, emerging markets were one of the few equity sectors to lose ground in 2021, posting a -2.5% full-year loss led by a -22% decline in Chinese equities.

Despite some observed weaknesses, global equities showed remarkable technical strength on the whole for 2021, with a maximum peak-to-trough decline of just 6% on the year as buyers stepped in to buy any significant dips. History tells us that markets are unlikely to stay this calm, with a double-digit decline occurring roughly every 16 months.

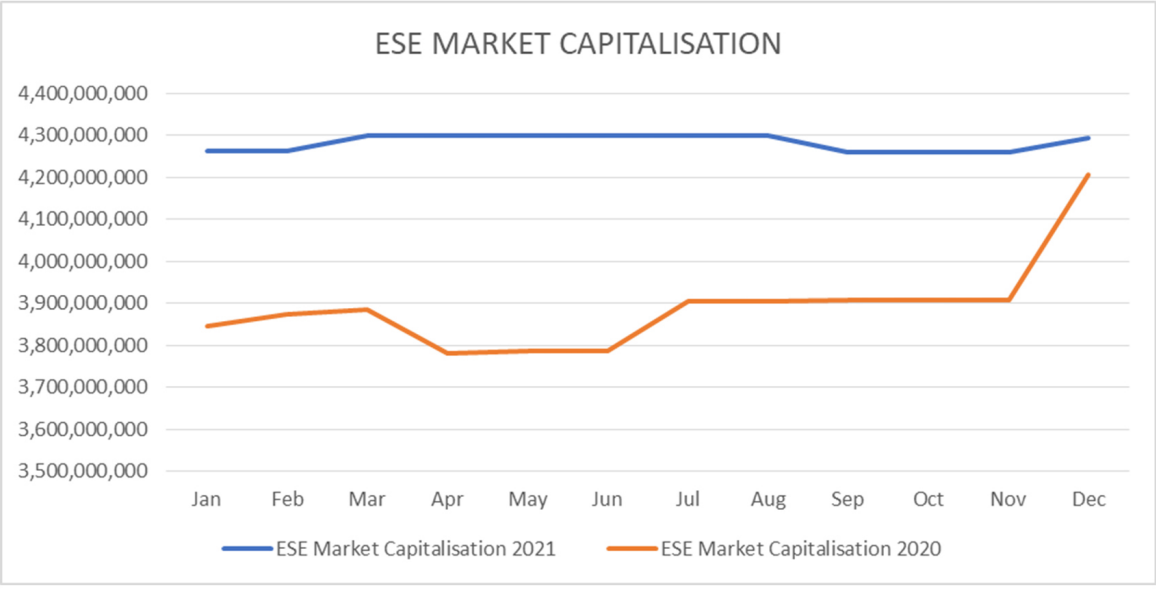
South Africa

After recording one of its deepest contractions (−6.4%) in 2020, South Africa's real GDP growth bounced back to 4.9% in 2021—driven primarily by combination of base effects, strong commodity prices, and the gradual reopening of the economy after strict COVID-19 regulations and mobility restrictions. As reassuring as this turnaround was, economic activity continued to lag pre-pandemic levels. The economic output during the last quarter of 2021 was on par with the output seen in Q3 2017. Furthermore, a more sustained economic recovery remains under risk, unless proposed structural reforms are put in place. The financial sector was the standout performer advancing 8.9%, followed by listed properties market by 6%, resources by 5.5%, and industrials by 2.5%. Inflation continued to rise, with a CPI of 5.5% for November, marking the seventh consecutive reading above Reserve Bank's 4.5% midpoint. This is the highest reading in just under five years and is predominantly underpinned by rises in the prices of transport and fuel.

Domestic Financial Markets

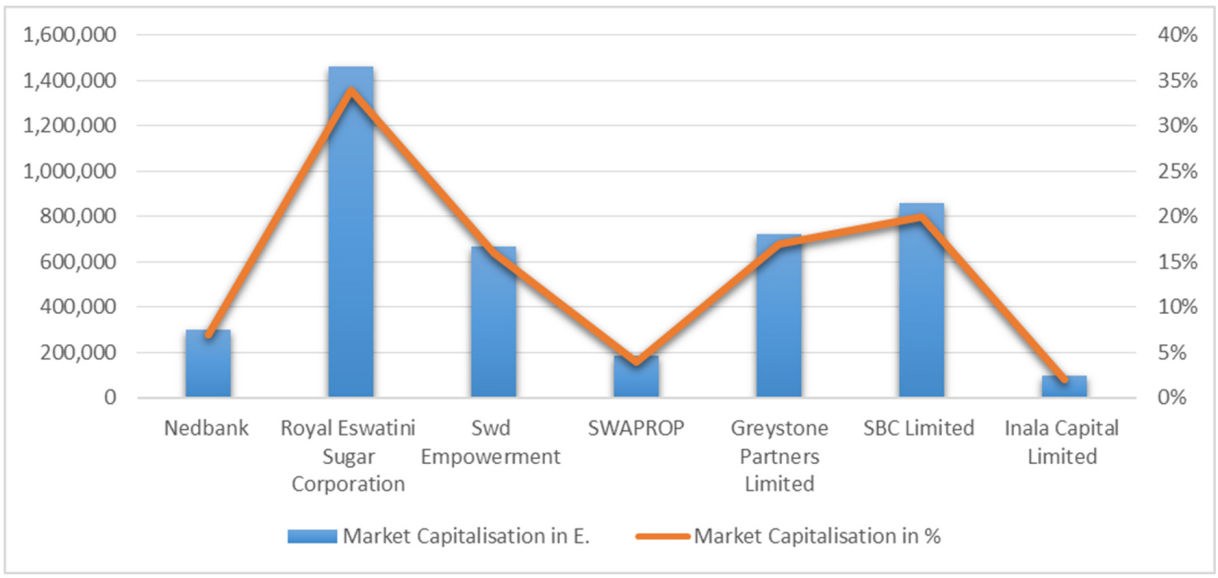
As at the end of Q 4 2021, there were 7 companies listed on the stock ESE Main Board. The market capitalisation of ESE as of 31 December 2021 was valued at E 4.29 billion which indicates a 0.81% increase from the previous quarter. The increase was caused by a 50 basis points change in the share price value of one of the listed companies. Year on year, the market capitalisation value increased by 2.1% from E 4.20 billion. The value of the market capitalisation indicates a 6.6 percent contribution to the country's GDP. The ESE all share increased from 457.96 to 461.67 quarter to quarter which indicates a 0.81% increase. Year on year the index increased to 461.67 from 447.77, representing a 3.10% of 6 percent decline. As at Q 4 2021, the market capitalisation by company was as per figure 2 below. The sectors in which the companies are from include sugar and ethanol; emerging- markets, private equity, and real estate.

Figure 2: – ESE Market Capitalisation



Source: ESE Trading Report, 2021

Figure 3: Market capitalisation by listed companies



Bond Market

Corporate Bonds

There were 7 new corporate bonds issued in the quarter under review worth E 154 240 000.00. There was also one bond re-opening valued at E5 000 000. Four (4) corporate bonds matured during this quarter under review, and they were valued in total E 104 501 972.00. Cumulatively, the value of outstanding corporate bonds as of 31 December 2021 is E 1 365 619 710.00. This indicates a 4 percent increase in the total value of corporate bonds quarter on quarter. Year on year there was a 9 percent from E 1 251 269 903.00 recorded in the previous year.

Government bonds

During the period under review, Government through the Central Bank of Eswatini (CBE) maintained 30 bonds with different maturities, ranging from 3, 5, 7, 8, 9, and 10 years. Total outstanding bonds increased from SZL 5.453billion in the 3rd Quarter to SZL 5.637 billion as of 31st December 2021. The increase in value of bonds trading is due to the eight (8) bonds that commenced trading and re-openings. Year-on-year, total government bonds outstanding increased by 11.64%.

Industry Development & Performance

Capital Markets

Performance Review

As at Q4 2021 there was no change in the number of market participants in this sector, there were twenty-seven (27) licensed entities under the following categories

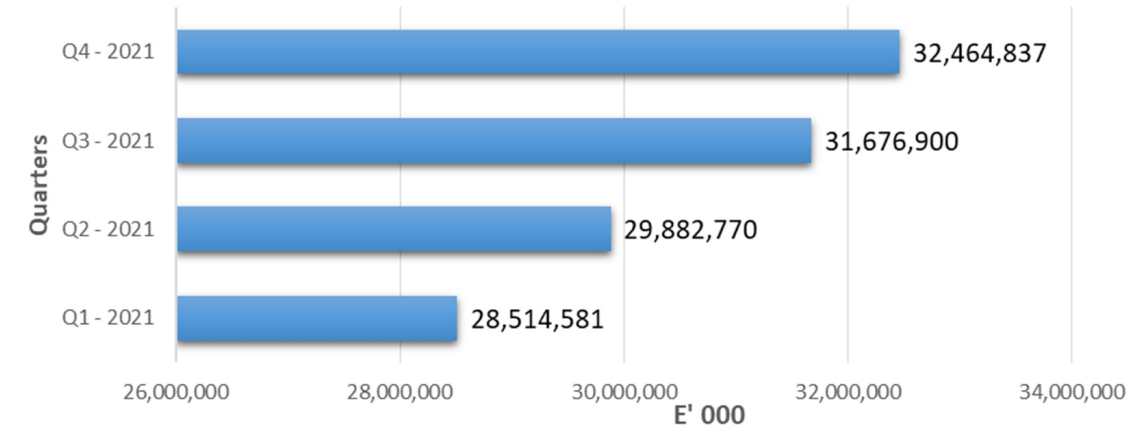
- Collective investment schemes (CIS):6
- Investment advisers (IA): 14
- Trustees: 2
- Exempt dealers:1
- Stockbrokers:2
- Securities exchange:1

Growth in the total assets under management and advisory was observed in the quarter under review confirming the continued recovery in the financial markets sector.

Evolution of total assets

As of 31 December 2021, the value of assets in the capital markets sector was E32.4billion, this was a 2% increase from previous quarter ending September 2021. The increase was driven by 2 factors primarily i.e., the favourable conditions in global financial markets and the significant increase in investment contracts emanating from the local banking institutions. Figure 5.1.2 below indicates the steady growing trend in the total value of assets from Q 1 2021 with an average of 5 percent growth despite a 4% contraction recorded in Q 4 2021. Year on year, the total assets increased by 18%.

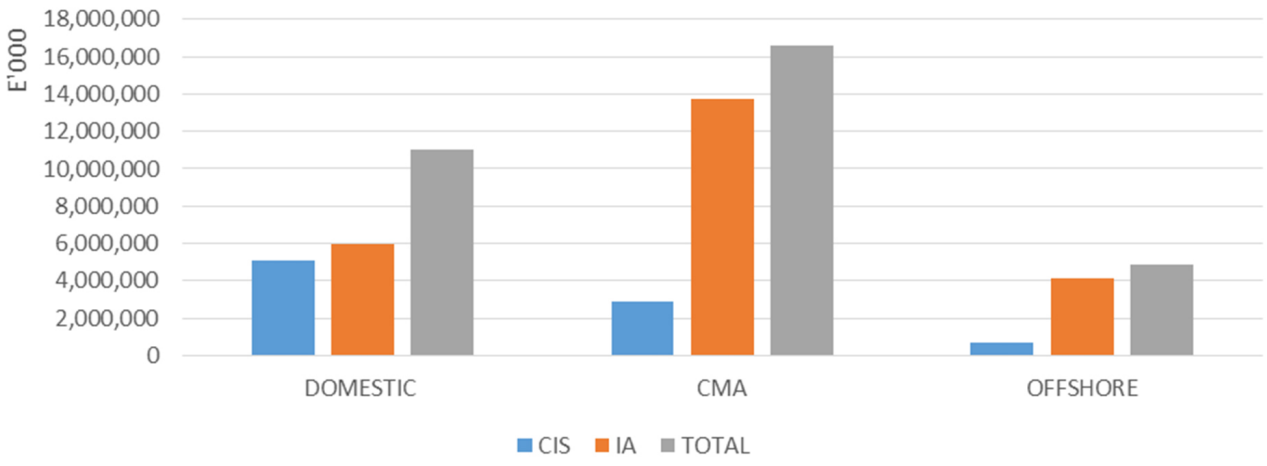
Figure 4: Evolution of Total Assets



Geographical Allocation of Assets

Assets managed by capital market entities are invested domestically, in the Common Monetary Area (CMA) and in offshore jurisdictions. The value of assets under management (AUM) from CIS were valued at E8.7billion in the quarter under review. In terms of investment split: 59% of the assets (E5.1 billion) were invested in the domestic market whilst the rest of the assets were in the CMA at 33% (E2.9billion) and offshore at 8 percent (E689million). In allocating the assets, investment advisors are guided by section 71(2) of the Securities Act, 2010 which states that a manager may not invest assets of a portfolio in excess of 50% of the total assets of that portfolio. In terms of quarter-on – quarter comparison, there was no significant movement in the allocation of assets. Assets under advisory (AUA) from IA were valued at E 23.8 billion as of 31 December 2021 which represents a 2 percent increase quarter on quarter and a 23 percent increase year on year. This significant increase when comparing 2020 and 2021 was influenced by a 36% increase in assets under advisory from Retirement Funds, the increase in assets from the banking sector, medical aid funds and other companies. In terms of asset allocation, 25% (E6billion) of the assets were invested in the domestic market; 58% (E13.7 billion) of the assets were in the CMA whilst 17 percent (E4.1billion) were in the offshore jurisdictions. Quarter on quarter, there was a significant withdrawal of assets in the offshore jurisdiction as the value of assets advised upon in offshore jurisdiction decreased from E8.0 billion to E4.1 billion. The bulk of the funds at 14 percent were re-allocated into the CMA and 4 percent into the domestic market. Overall, 51 percent of the total assets under management and advisory (E32.4billion) were invested in the CMA whilst 34 percent were invested locally and 15 percent in offshore markets as of 31 December 2021. Figure 5 below illustrated the above narration.

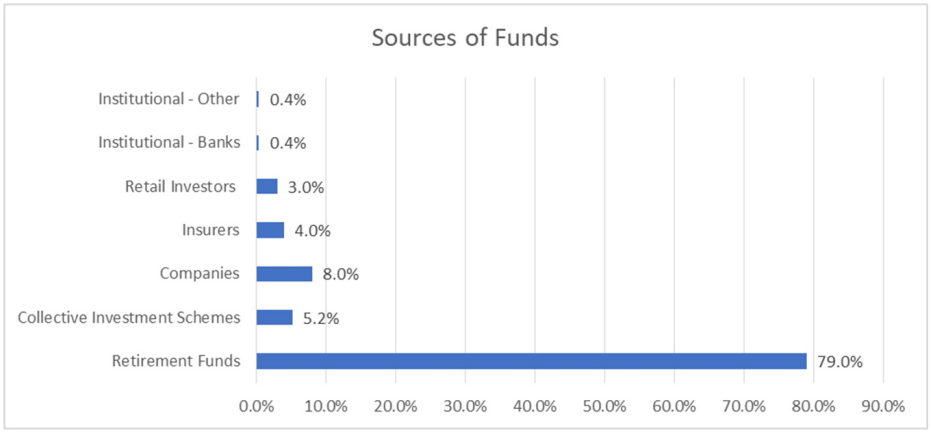
Figure 5: Geographical allocation of assets



Source of funds

Retirement Funds, companies, collective investment schemes, long term insurers and retail investors are amongst the main source of funds for domestic capital markets. In the quarter under review, the distribution for the sources of funds was as follows: 79% retirement funds; 8% companies; 5.2% collective investment schemes, 4% insurers 3.0% retail investors, 0.4% banking sector and other institutions. There was a notable increase of 4% in funds sourced from long term insurers during the quarter under review whilst the value of funds sourced from retail investors decreased by 4%. The rest of the funds were sourced from SACCOs, professional investors, medical aid schemes, credit providers, high net worth individuals including politically exposed persons.

Figure 6: Sources of Funds



Collective Investment Schemes

As of 31 December 2021, assets under management amounted to E8.7billion. This was an increase of 4% from the E 8.3 billion reported in Quarter 3, 2021 and a 5% increase year on year. The top three (3) CISs hold over 99% of assets under management.

Market Share

In terms of market share according to the assets under management African Alliance and Stanlib continue to be the market leaders. Figure 7 below shows the market share of each licensed collective investment schemes as of 31 December 2021.

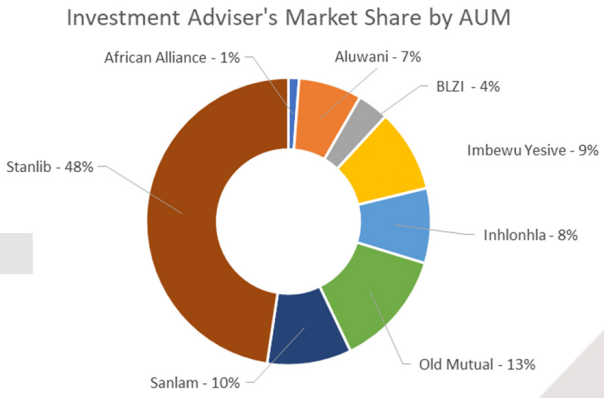
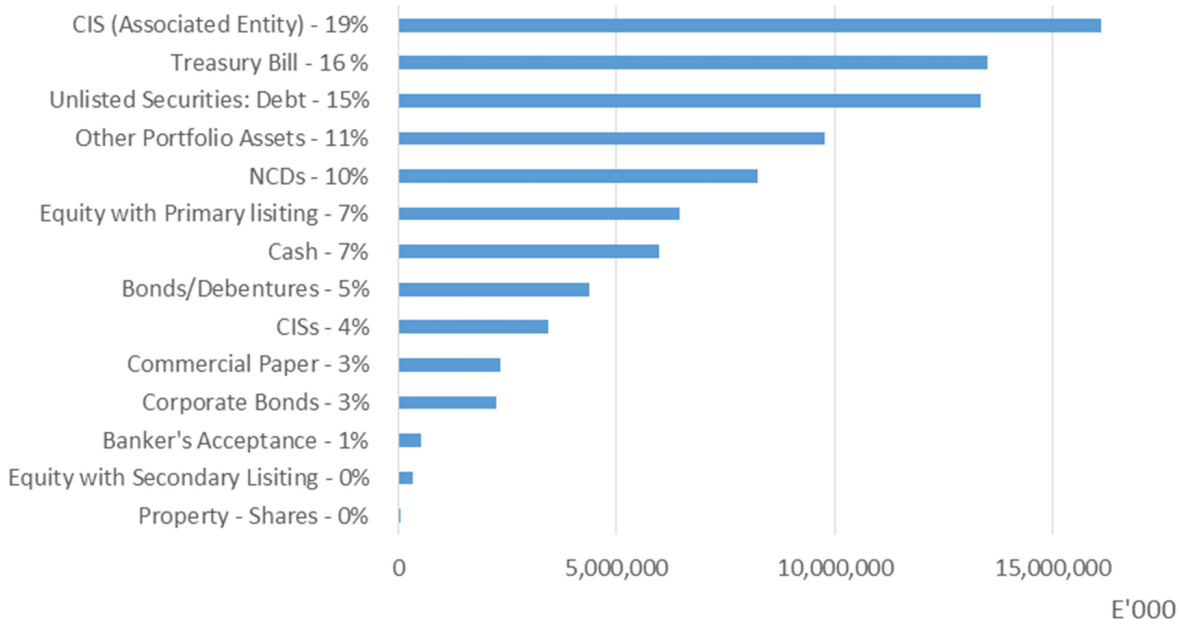


Figure 7: CIS Market Share

CIS Asset Allocation

As of 31 December 2021, other CISs invested 19% of their assets in CISs for associated entities whilst 16% of assets of their portfolio were in treasury bills. The third most preferred investment instruments were unlisted debt securities and other portfolio assets at 15%. Negotiable Certificates of Deposits follow at 10%, equities with primary listings at 7% and cash at 7%. The rest of the assets are allocated amongst other investment classes; CIS, bonds/debentures, corporate bonds, commercial paper and banker acceptance etc.

Figure 8: Investment instruments



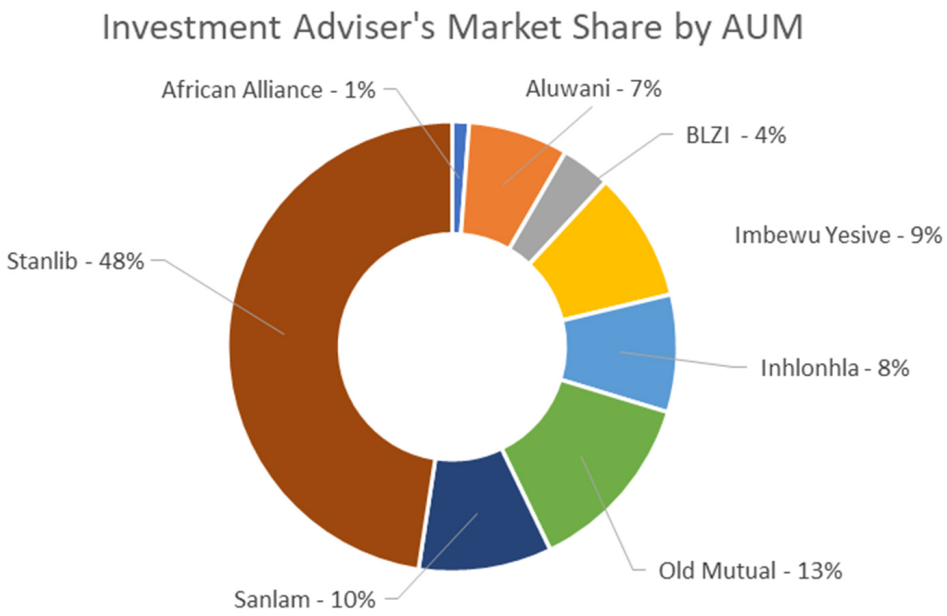
Investment Advisory

As of 31 December 2021, assets under advisory (AUA) were valued at E 23.8billion which indicates an increase of 2% when compared with Quarter 3, 2021 and a 23% increase year on year.

Market share in terms of AUA.

The market share of investment advisors remained largely unchanged when comparing the value of assets under each advisor's portfolio quarter to quarter. Similar, to the CIS space, 2 of the investment advisors are responsible for over 61% of the assets under advisory. Below is figure 9 indicating how much of the market share is held by which industry player.

Figure 9: Market share by AUM



Credit and savings Institutions

Performance Review

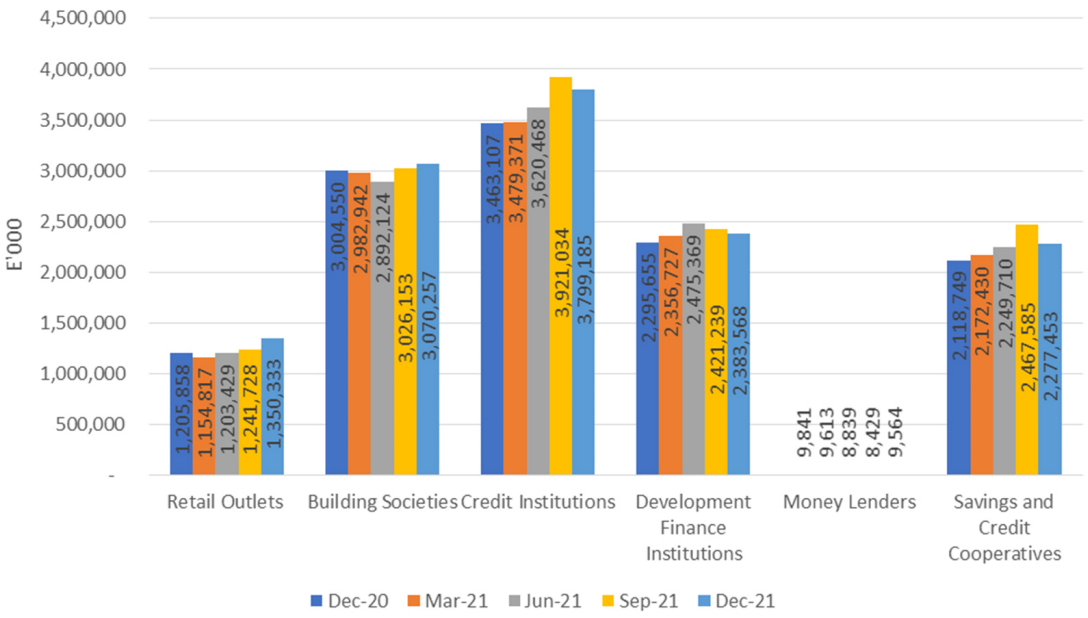
As of 31 December 2021, there were 180 licensed entities in the credit and savings institutions. The entities were licensed under the following categories:

Credit Providers (Non-deposit taking): 116
SACCOs: 59
Building Societies: 2
Credit Bureaus: 2
Debt Counsellors: 1

Assets

As of 31 December 2021, credit, and savings institutions (CSI) total assets were valued at E12.8 billion, a 1.5 percent decrease was observed from the previous quarter, and this was due to the decrease in the assets held by credit institutions which account for approximately 1/3 of the sector's assets followed by the Building Societies and the SACCOS. Figure 10 below shows the ranking of the sector's assets and the changes in the assets in the past five quarters.

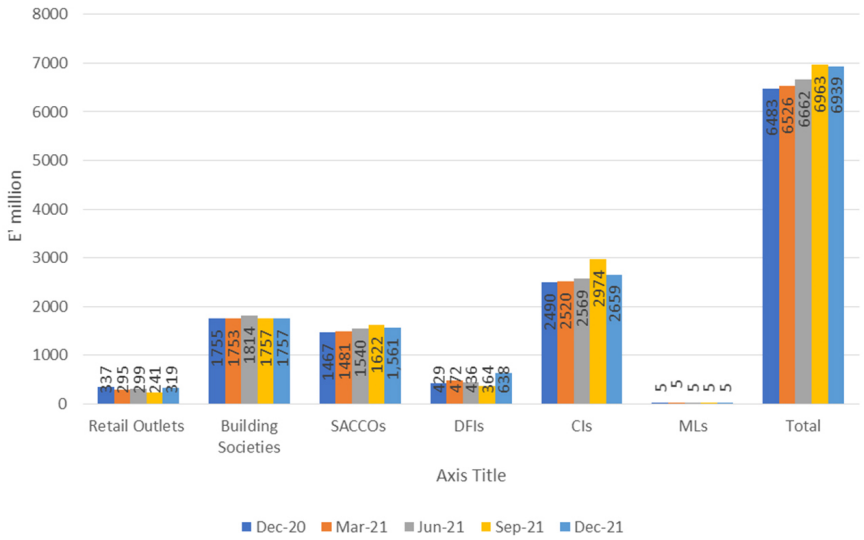
Figure 10: Changes in credit and savings institutions assets



Credit Provision

An improvement in the sector's total gross credit was observed in 2021 even though there was a slight decline in last quarter of 2021. The total credit extended to household by the non-banking financial institutions stood at E6.9 billion, which was a 0.3% decrease from the previous quarter. This decline was driven to a large extent by the fall in short term loans and advances by credit institutions. Concurrently, SACCOs credit also decreased by 4% from the previous quarter while building societies remained unchanged during the quarter. The informal sector is a significant portion of the economy that SACCOs are actively supporting due to access funding from the banking industry.

Figure 11: Total Credit Facilities, Loans & Advances

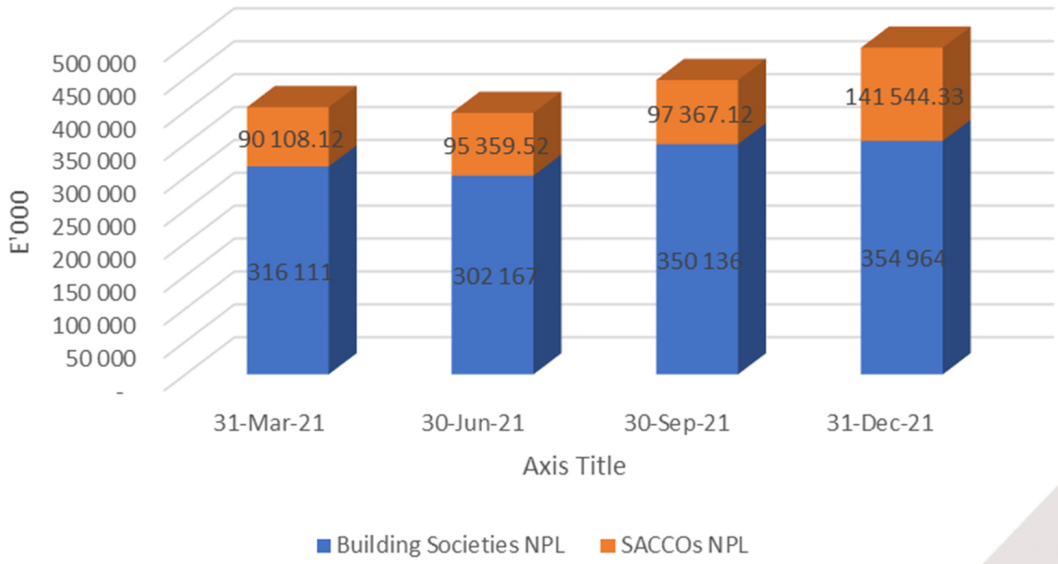


Non-performing loans

Non-performing loans (NPLs) increased for both building societies and savings and credit institutions in the quarter under review. The building societies' NPLs increased by 1 percent driven by mortgages whilst SACCOs increased by 31 percent.

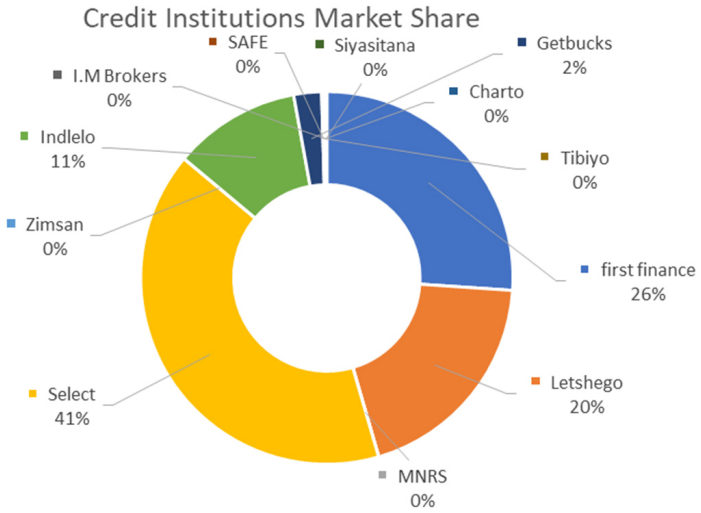
NPLs are expected to continue rising despite accommodative monetary policy amid weak economic activity, which could translate into lower household incomes. In addition, disposable income is expected to be strained by upward inflationary pressures in the economy, which will undermine the ability of households to meet their credit obligations.

Figure 12: Non-performing loans



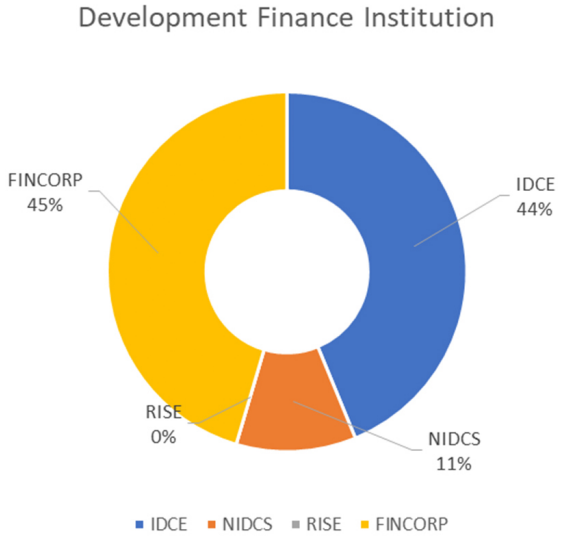
Credit Institutions Market Share

The market share of credit institutions remained largely unchanged when comparing the value of assets under each credit institution quarter to quarter. Select, first finance and Letshego continued to be the market leaders in market shares in terms of assets with 40%, 26% and 20%, respectively. The figure below indicates the market share for the credit institutions.



Development Finance Institution Market Share

In terms of market share according to assets under development finance institutions, Fincorp and IDCE are responsible for over 89% of assets held by the DFIs. Figure below indicates the market share held by each industry player as of 31 December 2021.

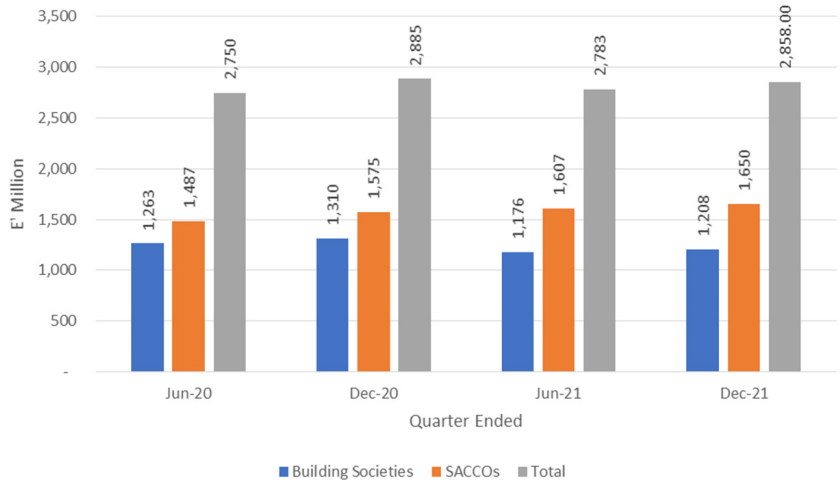


Savings and Investment Products

Building Societies and SACCOs also offer savings and investment products. A slight increase of 2.6% was observed in the total savings in the quarter ended 31 December 2021 for both SACCOs and Building Societies. The SACCOs continued growth in savings is attributed to the compulsory monthly contributions by members towards their long-term savings as evidenced in Figure 13 below.

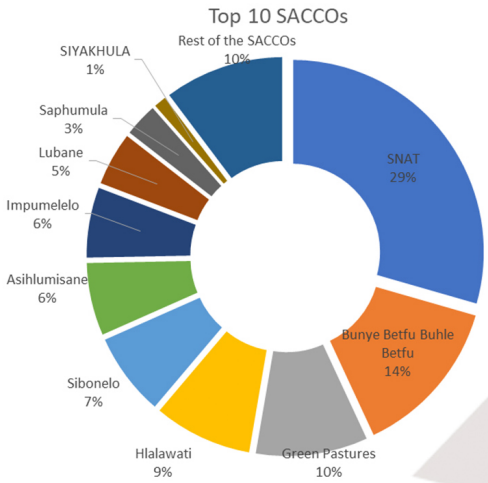
Overall, the savings/investments held with the Building Societies, although varying over time, remained significantly higher than those held with SACCOs, however a slight decline of 1.6% in the value of these investments was also observed in the shares with the Building Societies.

Figure 13: Savings Performance



Savings and Credit Cooperative Societies

The market share of savings and credit cooperative societies remained largely unchanged when comparing the value of assets under each SACCOs quarter to quarter. Figure below illustrates the sector's market share and shows that the top 10 retirement funds account for 90% of the sector's assets. The industry is concentrated with biggest players being SNAT and Bunye Betfu Buhle Betfu with 29% and 14%, respectively.



Insurance Sector

Performance Review

As of 31 December 2021, there were 90 licensed entities in the insurance sector and 147 licensed individual agents. The entities were licensed under the following categories:

- Insurance companies: 16
- Reinsurers: 2
- Insurance Brokers: 33
- Corporate Agents: 39

Long term Insurance

Performance in terms of Gross Written Premiums

The Gross Written Premiums (GWP) for the LTIs increased from E739 million as of Q3 2021 to E969 million during the period under review whereas a 0.7% increase in premiums written was observed when comparing Q4 2020 and Q4 2021. The increase in GWP is attributable to the increase in demand for all life classes of insurance over the course of 2021. Over 67% of the GWP's were generated through credit life, funeral, unit linked savings and retirement fund policies. The increase in mortality rates because of COVID -19 could have also contributed to the increase in GWP as consumer perception on insurance mitigating exposure to unpredictable life changing events changed and thus, they sought cover. Table 1 shows the premiums written according to the different classes of business.

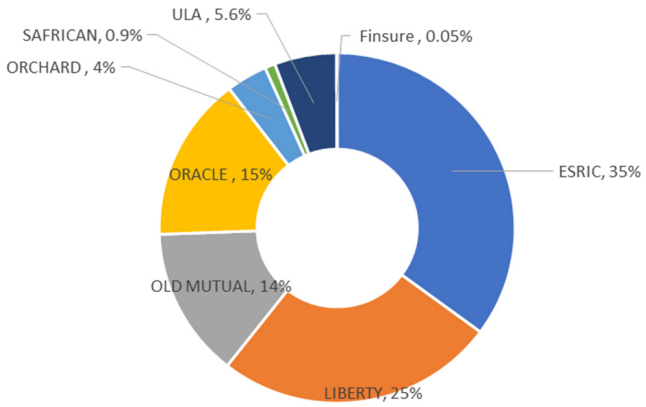
Table 1: LTI Gross Written Premiums

	Q4_2021	Q3_2021	Q2_2021	Q1_2021
	E 1'000	E 1'000	E 1'000	E 1'000
Annuities	42,872	35,852	30 062	17 464
Assistance	-	-	-	-
Credit life	141,435	105,668	80 334	41 080
Disability	15,296	11,749	6 046	2 894
Endowment	45,712	34,142	15 797	6 505
Funeral	145,712	117,166	80 602	44 614
Group life	108,892	82,690	51 508	24 480
Health	-	-	-	
Individual life	109,975	81,207	60 754	31 653
Retirement fund	191,183	146,181	98 315	47 952
Unit linked savings	168,786	124,119	82 419	41 283
Total	**969,862**	**738,773**	**505 837**	**257 924**

Market Share in terms GWP

The Market share in terms of GWP remained consistent with ESRIC continuing to be the leader of the market. The newly licensed insurer, Finsure was however able to get a market share of 0.05%. Figure 14 Below illustrates the long-term insurers market share in terms GWP as of 31 December 2021.

Figure 14: LTI Market Share in Terms of Premiums Written



Net Claims and Policy Benefits

As of 31 December 2021, net claims on policies continued to indicate a steady increase. The value of net claims and policy benefits increased by 29% quarter on quarter. Compared Q4 2020 an increase of 40% was observed and this is attributed to the significant increase in the claims reserves recorded across the industry. The increase in paid claims is largely as a result of an increase in funeral claims which comprised of 31 percent of the overall claims paid. The table below shows the breakdown of claims according to the different categories of business.

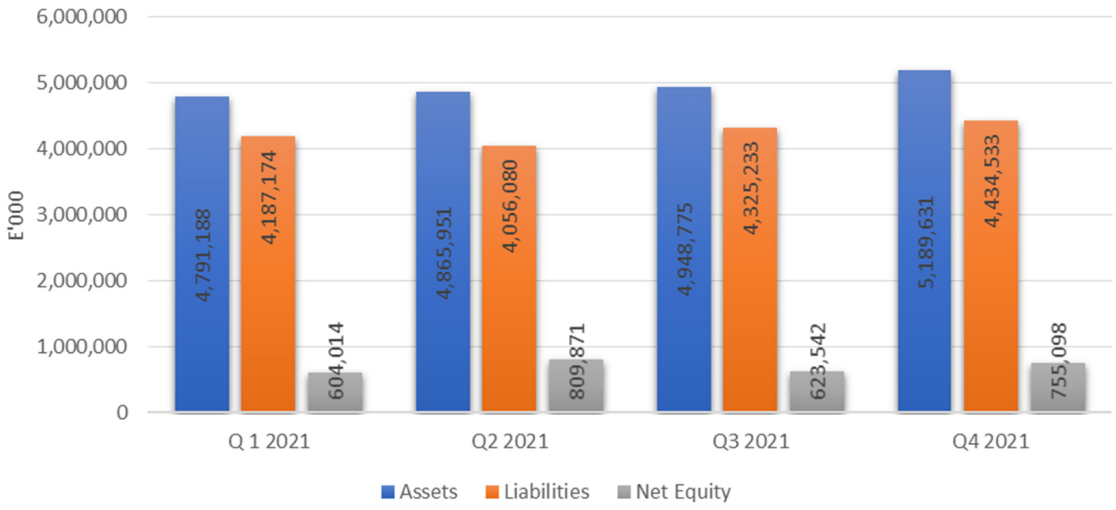
Table 2: Claims and Policy Benefits

	Q4_2021	Q3_2021	Q2_2021	Q1_2021
	E 1'000	E 1'000	E 1'000	E 1'000
Annuities	45,808	37,668	25,700	13,641
Assistance	-	-	-	
Credit life	58,207	46,020	28,646	19,662
Disability	3,911	3,116	2,025	1,116
Endowment	19,247	17,881	11,536	4,424
Funeral	216,895	171,889	117,516	53, 941
Group life	85,503	70,303	46,223	31, 712
Health	-	-		
Individual life	97,228	64,597	43,584	24,418
Retirement fund	118,429	87,200	74,977	24,794
Unit linked savings	61,801	47,865	32,098	15,851
Total	**707,028**	**546,538**	**382,305**	**189,557**

Total Assets and Liabilities

The LTI total assets increased by 4.6% quarter-on-quarter to E5.2billion and 10.4% year on year as of 31 December 2021. The LTI industry complied with the 30 percent local assets requirement criteria as 35% of their assets were invested locally whilst the 65 percent were invested in foreign jurisdictions mainly in equities and other long-term instruments. Investments in equities remained the preferred investment vehicle throughout the year and as the markets continued to rebound a decline in bank deposits and money market instruments was also observed with funds being transferred to other investment classes. An improvement of 17% was observed in the overall investments as a result of the continued improvement in the performance of the equities markets which also led to a significant improvement in the net fair value gains since June 2020 to December 2021. The LTI industry liabilities increased by 2.5% compared to the previous quarter and 11.7 percent year on year as of 31 December 2021. This significant increase is attributed to the year-on-year increase in claims and policy benefits reserves due to the increase in claims. Pending the finalization of the risk -based capital adequacy framework, the sector's solvency is based on their net equity positions wherein each entity must maintain a positive net equity position in excess of the E2 million minimum capital requirement. The figure below shows the industry's solvency position throughout the year.

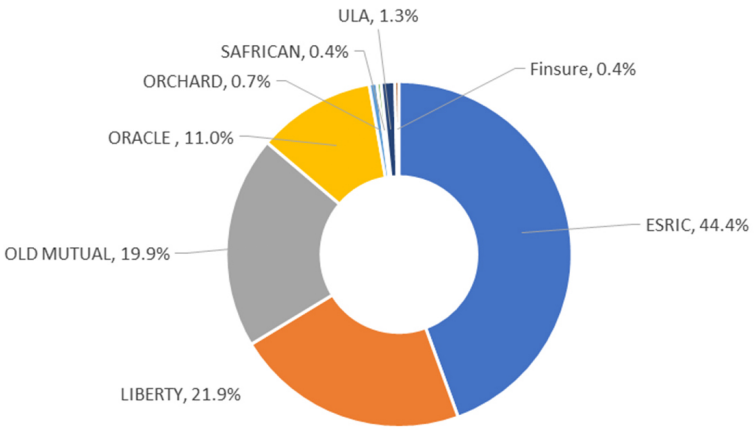
Figure 15: Industry Solvency Position



Market Share in terms of Assets Held

In terms of market share based on assets held ESRIC continued to be the market leader in this regard with a market share of 44% followed by Liberty life with 22%. The figure 16 provides an illustration of the sector's market share.

Figure 16: LTI Market Share in terms of Assets Held



Profitability

Despite the increase in claims and policy benefits, the sector remained profitable as the 32 percent decline in underwriting results was augmented by an improvement in the investment income following the improved performance in the financial markets which led to an increase in the net realized fair value gains and interest income earned from debt instruments. The total commission paid by the industry increased by 20 percent during the quarter under review, however a significant increase of 61 percent year on year was observed.

Distribution of Products

The LTI continue to depend on individual agents for the distribution of their products with 41.4% of the business sourced through these agents and only 32% sourced through brokers. The figure below shows the distribution of products according to the different intermediaries and the direct business. Although there are 33 licenced brokers, the top 3 brokers in terms business solicited through brokers were Tibiyo insurance brokers, Eswatini insurance Brokers and Fingroup Limited

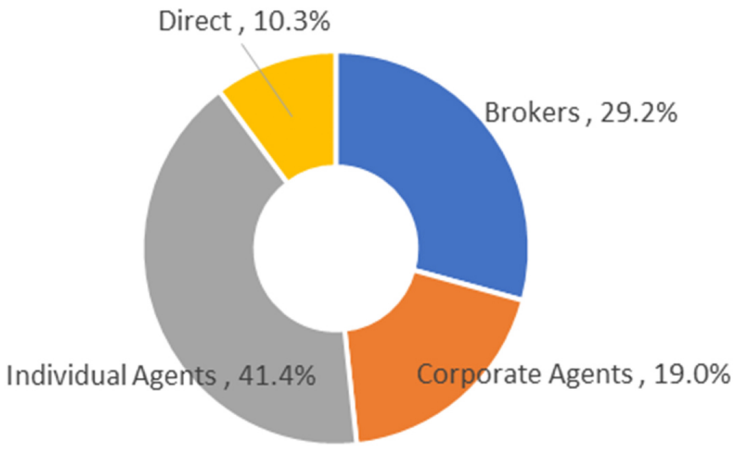


Figure: 17 Distribution of Long-term Insurance Products

LTI Financial Health and Soundness Indicators

To assess the financial health and soundness of the insurance sector, the FSRA uses the following statistical measures focusing on the following key areas; capital adequacy, asset quality, reinsurance, earnings, and liquidity. The table below shows selected FHSIs for the Long-term insurers during 2021.

Table 3: LTI FHSIs for LTI

	Mar-21	Jun-21	Sept-21	Dec-21
Claims ratio	83%	80%	75%	83%
Gross claims ratio	46%	174%	82%	87%
Expense ratio	26%	21%	28%	41%
Investment income ratio	66%	71%	31%	42%
Investment income	7%	4%	5%	8%
Return on equity (ROE)	12%	4%	-5%	11%
Return on assets (ROA)	2%	1%	1%	4%
Personnel expenses	2%	10%	5%	18%
Operating expenses	23%	20%	25%	39%

Short-term Insurance

Performance in terms of Gross Written Premiums

Gross Written Premium

The industry GWP increased from E672million as of Q3 2021 to E829million during the period under review, whereas an 8% increase was observed when comparing Q4 2020 to Q4 2021. Given the June 2021 social unrest and the effects of the climate change that the country experienced, the increase in GWP can be attributed to the increase in the uptake of property cover which is now one of the four main underwritten insurance policy classes alongside motor and workman's compensation. Table 4 below. Shows premiums written according to the different classes of business.

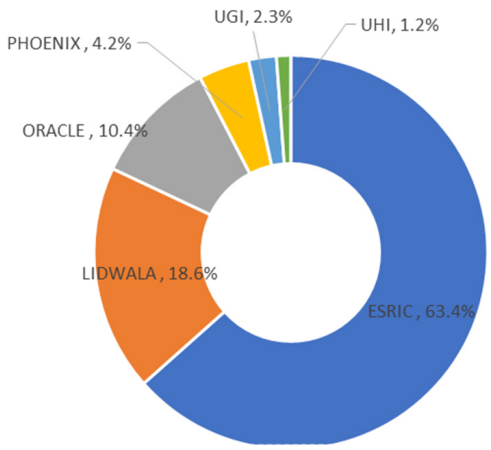
Table 4: STI Gross Written Premiums

	Q4_2021	Q3_2021	Q2_2021	Q1_2021
	E 1,000	E1,000	E1,000	E1,000
Accident	17,827	14,429	9,889	1,926
Agriculture	26,129	25,418	23,591	391
Engineering	48,319	38,420	29,219	1,335
Guarantee	14,744	11,727	5,006	1,630
Health	22,809	17,757	16,085	7,840
Legal expenses	597	440	287	139
Liability	42,539	35,879	23,080	10,955
Motor	191,546	138,910	91,548	45,030
Property	131,295	106,432	67,046	26,705
Transportation	9,801	8,299	6,054	4,002
Travel	-	-		
Workman's compensation	115,309	110,332	111,011	3,829
Other	207,757	171,073	116,761	25,342
Totals	**828,670**	**672,005**	**499,577**	**129,124**

Market Share in terms of GWP

The market share in terms of premiums remained consistent throughout the 4 quarters with ESRIC continuing to be the leader of the market. A slight increase in Oracle's market share was observed with effect from Q3 following the takeover of Medscheme's health business. Figure 18 below shows the short-term market share in terms of GWP as of 31 December 2021.

Figure 18: STI Market Share in Terms of Premiums Written



Net Claims Incurred

Net claims and loss adjustment expenses increased by 7.5 percent despite the anticipated increase in claims following the destruction of public and private property during the June 2021 social unrests. Although agricultural insurance accounts for only 3 percent of the sector's premiums, a significant increase was observed in claims relating to the agricultural insurance business which could be indicative of the effects climate change which has resulted in changes in the environmental eco-system and weather patterns.

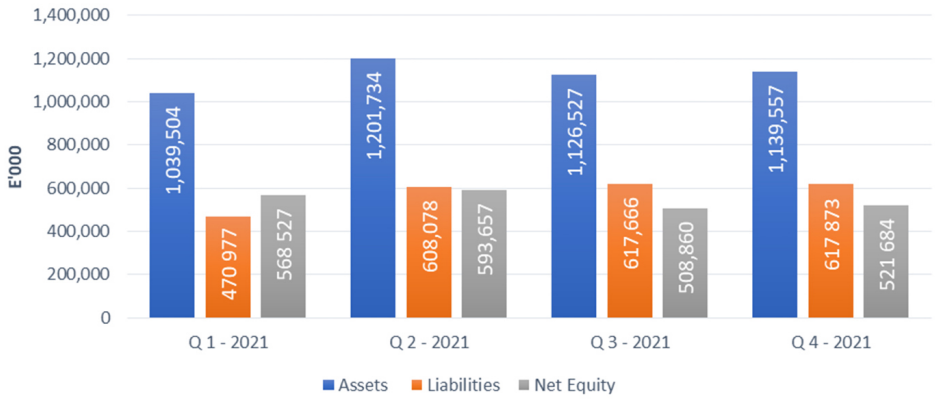
Table 5: STI Net Claims Incurred

Class of business	Q 4 2021	Q 3 - 2021	Q 2 - 2021	Q 1 – 2021
	E1'000	E1'000	E1'000	E1'000
Accident	2 309	1 375	729	452
Agriculture	5 572	4 121	-	-
Engineering	5 923	1 948	583	428
Guarantee	609	1 187	606	2 022
Health	13 363	10 499	7 501	2 911
Legal expenses	8	(1)	20	33
Liability	3 739	2 444	1 157	769
Motor	65 756	44 673	34 203	20 975
Property	41 299	14 436	10 538	7 423
Transportation	1 165	687	777	753
Travel	-	-	-	-
Workman's compensation	3 761	(1 160)	-5 156	-10 782
Other	(9 378)	(13 753)	-6 924	-9 480
Total	**134 127**	**66 456**	**44 034**	**13 353**

Total Assets and Liabilities

The STI total assets increased by 1.1% quarter on quarter from E1.3billion to E1.4billion however on a year-on-year basis an increase of 15% was observed. Although the year-on-year improvement can be attributed to the fair-value gains on financial assets, significant increases were also observed in deferred acquisition costs and reinsurance receivables. The STI also complied with the local asset holding requirements as 48 percent of their assets were invested locally. 71% of the STI investments were in held in money market instruments and cash and cash equivalents, 22% in foreign equities and 7% in debt instruments maturing after 12months. The STI total liabilities showed a minor increase of 0.03% on a quarter-on-quarter basis and a year-on-year increase of 17%. This increase was due to the 51% increase in reinsurance liabilities, the 15% increase in insurance liabilities and technical provisions and the 17% increase in cell liabilities. Similar to the LTI the sector's solvency is based on the insurer's net equity positions as per section 82 of the insurance act, 2005 and Form RDI 7. In terms of these provisions each insurer must maintain a positive net equity which is equal to the high of E2million or 15% of the insurer's net premium in respect of the previous financial year or 12 months preceding the date on which the amount is calculated. Figure 19 below shows the industry's solvency position throughout the year.

Figure 19: STI Solvency Position



Market share in Terms of Assets Held

In terms of market share based on assets, ESRIC continued to be the market leader with a market share of 69.8% and lidwala followed with a 19.4% market share. The figure below provides an illustration of the sector's market share in terms of assets held.

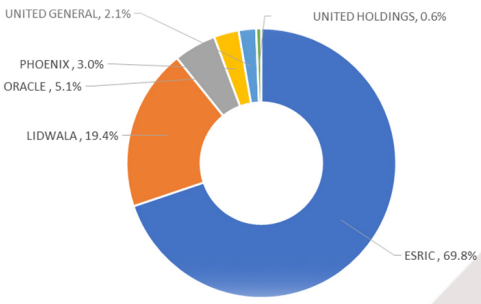


Figure 20: STI Market Share in Terms of Assets

Profitability

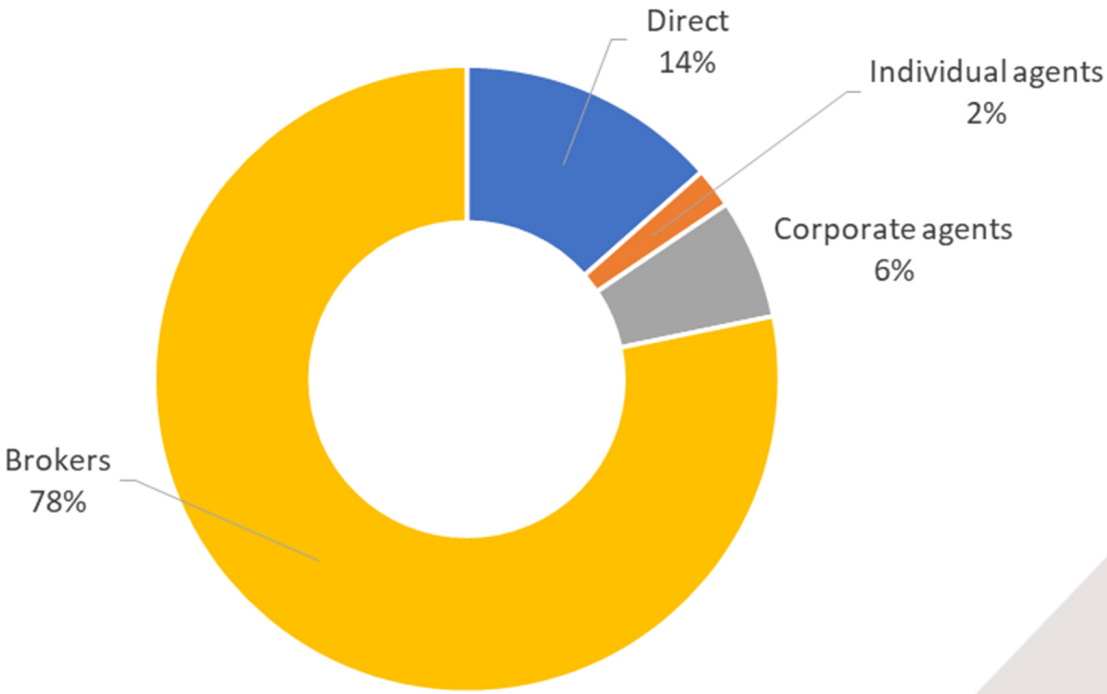
An increase of 12.8% was observed in the sector's underwriting results from the previous quarter whereas a 9.0% increase was observed from the previous year. Although an increase of 25% was observed in commission and other acquisition costs together with the 30% increase in management expenses, the 31% increase in reinsurance commission coupled with the increase in investment income enabled the sector to remain profitable.



Distribution of products

Insurance intermediaries play a pivotal role in the distribution of ST insurance products. Brokers have established themselves in the market and contribute 78% of the overall business underwritten by ST insurers. The rest of the business
is sourced directly through the insurers themselves being 14%; corporate agents – 6% and individual agents contributing 2%. The figure below illustrates percentage share of the main source of ST insurance business.

Figure 21: STI Product Distribution



STI Financial Health and Soundness Indicators

Similar to LT Insurance sector, the FSRA uses financial health and soundness indicators as statistical measures focusing on the following key areas, capital adequacy, asset quality, reinsurance, earnings, and liquidity. The table below shows some selected FHSIs for the ST insurers during 2021.

Table 6: FHSIs for STI

	Mar- 21	Jun-21	Sep-21	Dec-21
Claims ratio	26%	16%	37%	49%
Gross claims ratio	32%	18%	39%	40%
Expense ratio	42%	38%	68%	65%
Investment income ratio	7%	5%	6%	7%
Investment income	1%	2%	2%	4%
Combined ratio	69%	55%	105%	113%
Operating ratio	68%	52%	99%	106%
Profitability ratio	49%	40%	-1%	-5%
Return on equity (ROE)	13%	18%	-7%	-359%
Return on assets (ROA)	7%	9%	0%	-5%
Personnel expenses	13%	8%	37%	8%
Operating	27%	16%	39%	24%
Risk retention ratio	62%	65%	47%	45%
Reinsurance recoveries + reinsurance commissions ratio	20%	33%	61%	54%

Reinsurers

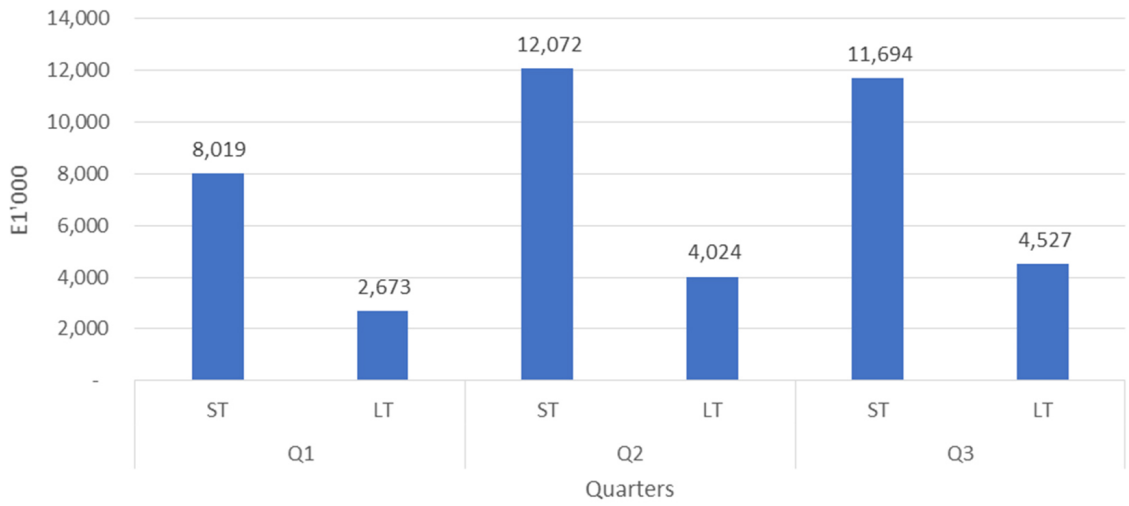
Performance Overview

Although there are 2 licensed reinsurers, the newly licensed reinsurer is still establishing its operations and has not started submitting their quarterly returns therefore this review relates to only 1 reinsurer.

Performance in terms of Gross Premiums Written

As of 30 September 2021, the total premiums written by the reinsurer were valued at E16.2 million, 72% of the premiums related to premiums ceded from the short-term insurers and 28% related to premiums ceded from long-term insurers. An increase of 0.8% was observed compared to the previous quarter and this was due to the slight increase in long-term insurers premiums as short terms premiums declined slightly. Figure 22 below shows changes in premiums during 2021.

Figure 22: Reinsurance Premiums



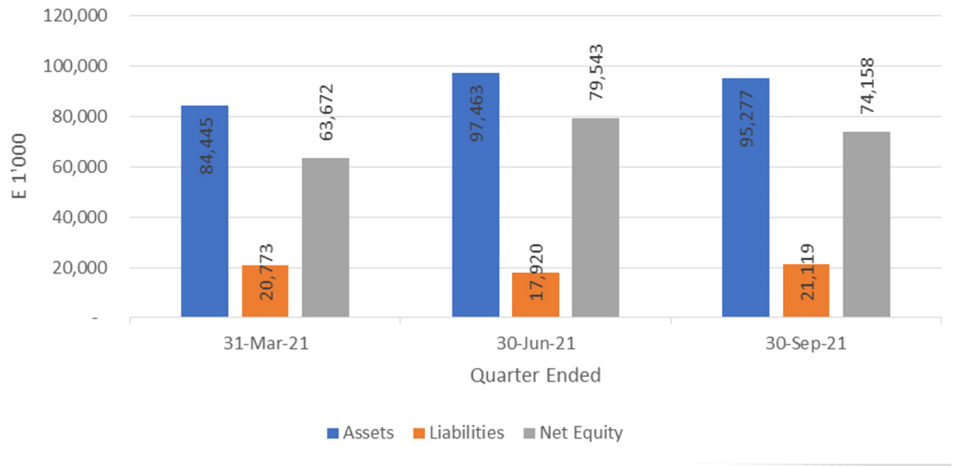
Assets and Liabilities

As of 31 September 2021, the reinsurance sector's assets declined by 2.2% from E97.5 million to E95.3 million, this decrease was mainly due to the decrease in premiums receivable. Liabilities on the contrary increased by 17.9% as a result of the increase in insurance contract liabilities and the amounts due to related parties. These changes led to a 6.8% decline in the sector's net equity position. The sector however remained solvent.

Profitability

A 14.9% improvement in the underwriting losses relating to short-term insurance business was observed despite the 17.4% increase in management expenses. A significant increase in insurance benefits from E1.5 million to E6.8 million during the period under review was observed, this increase was mainly due to claims arising from the group life business. On the overall the sector experienced a net loss of E4.4 million as of 30 September 2021.

Figure 23: Reinsurers Solvency



Retirement Funds Sector

Performance Overview

As of 31 December 2021, there were 97 entities licensed under the retirement funds sector under the following categories:

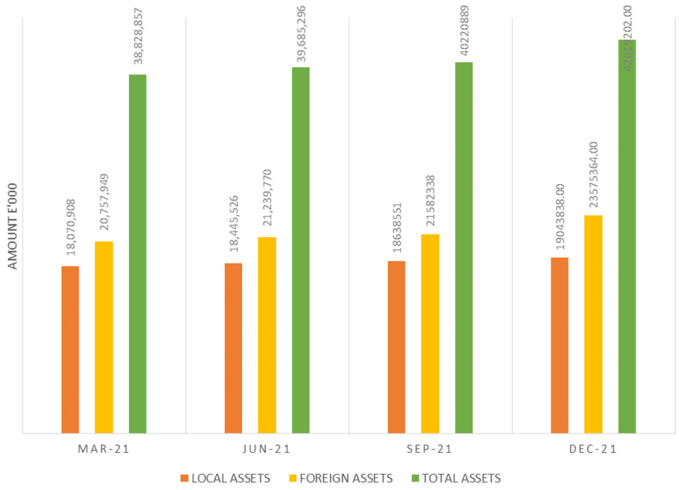
- Standalone funds: 57
- Umbrella funds: 11
- Beneficiary funds: 3
- Foreign Funds:18
- Administrators: 3

Growth in the value of retirement funds continued to be observed during 2021 following the losses that were incurred during 2020 due to the pandemic.

Retirement Funds Assets

The value of retirement fund assets increased by 6% from the previous quarter from E40.2billion to E42.6billion in the quarter under review. A 16% increase in assets was however observed when comparing Q4 2020 and Q4 2021, this improved performance was attributed to the positive performance in financial markets and the prospects of economic recovery following the increase in economic activity. The retirement fund assets comprise of investment assets which are generally invested in long term instruments in line with the long-term view of retirement fund schemes. A significant increase was observed under foreign assets compared to local assets; this was mainly due to the positive performance in the JSE All Share Index as most of the foreign assets are invested on the JSE. The geographical allocation of investments also changed during the quarter. Investments held outside Eswatini increased to 55%, while the local investment holding decreased to 45%. The investment allocations are however still in line with the 30% local asset holding regulations. Figure 24 below shows the distribution of the retirement funds assets throughout 2021.

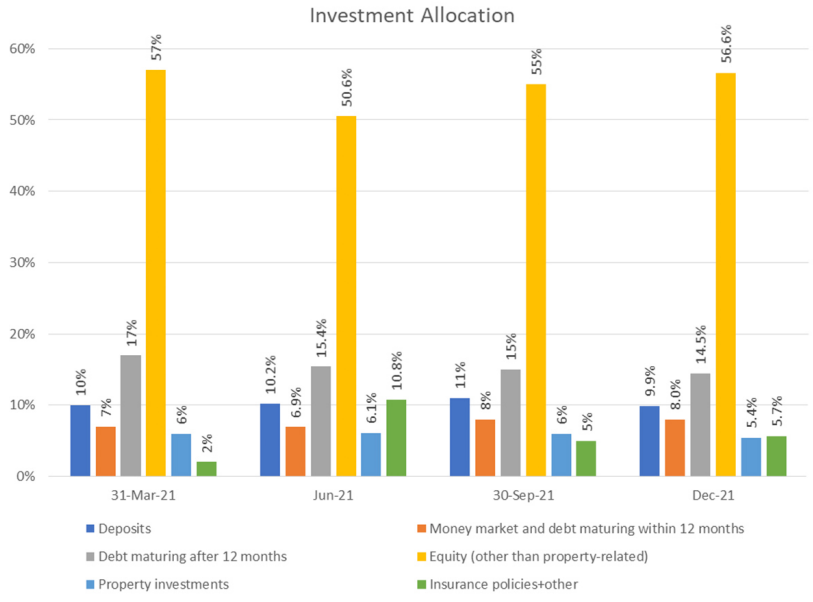
Figure 24: Assets by Geographic Location



Allocation of Investments

During the quarter under review 57% of the retirement fund assets were invested in foreign equities including the JSE and other offshore equities. Global stocks ended 2021 near all-time highs, as the month of December reversed losses made in November due to the spread of the new Omicron variant. Towards the end of 2021, restrictions and lockdowns were eased across the world and financial markets around the world recovered substantially from the initial losses hence the increases observed in the fourth quarter. Domestically the sector invests in debt maturing after 12 months and maintains a fair amount of funds in short-term instruments to manage short-term liquidity obligations. No pro-cyclical behavior was observed in the retirement funds sector also as the governing structures continued to maintain the long-term view of the investment strategies and asset allocation and did not make significant adjustments to the investment portfolios because of the transient adjustments following the downfall of the financial markets at the beginning of the pandemic. Figure 25 Illustrates the allocation of assets across various investment categories.

Figure 25: RF Investment Allocation



Income and Expenditure

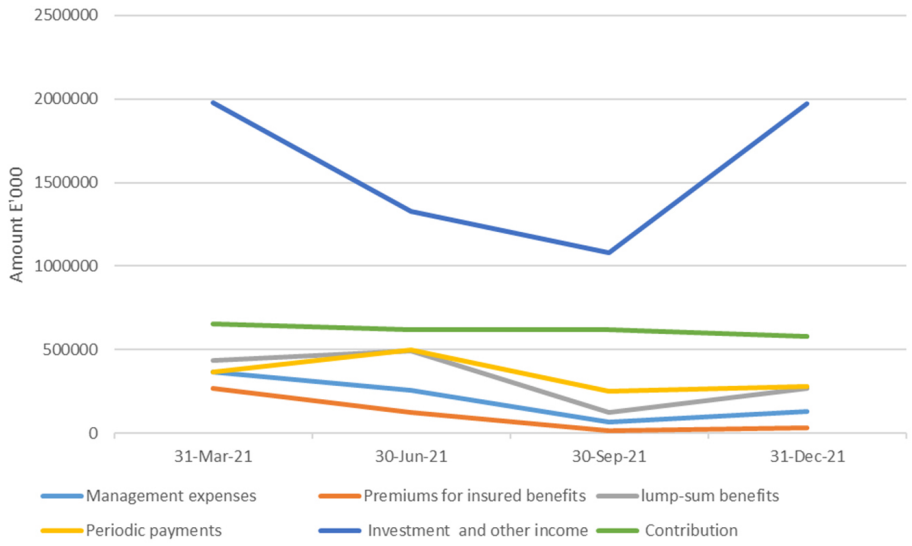
An increase of 45% was observed in the sector's total income from E5.6billion in the previous quarter to E8.2billion in the current quarter. This increase was mainly due to the cumulative increase in contributions and the resumption of contributions by those fund's whose employers were adversely affected by the covid-19 restrictions and had suspended contributions.

A significant increase of 53% was observed in the sector's investment income, this increase was a result of the increase in the net unrealised fair value gains on financial assets and the 36% increase in rental income. On the expenditure side a 30% increase was observed, and this was mainly due to the increase in the payment of periodic retirement benefits and lump sum payments for new retirees which increased by 38%.

A significant increase in voluntary early retirement benefits was also observed during the quarter under review. Increases in the payments of death and disability benefits were also observed.

Figure 26 Illustrates the sector's income and expenditure as discussed above.

Figure 26: RF Income and Expenditure

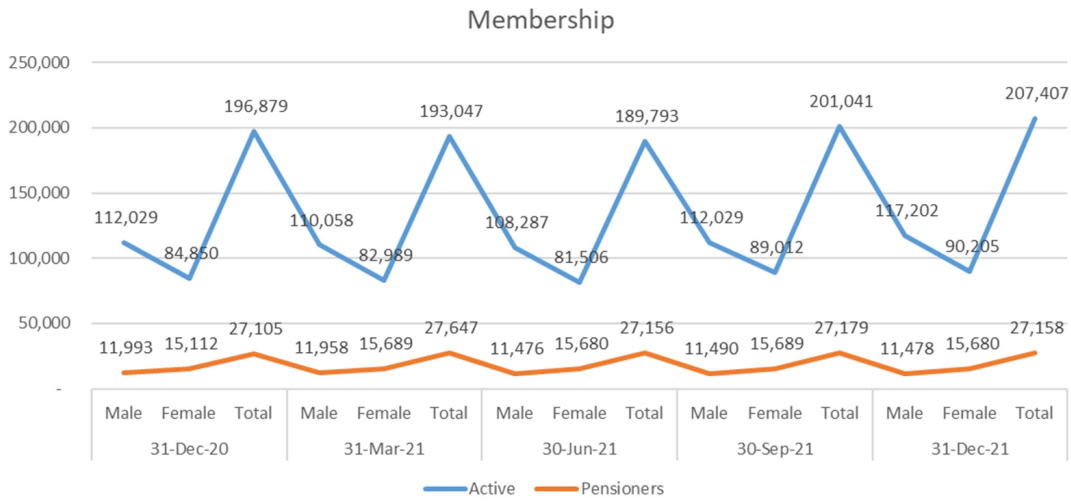


Retirement Funds Membership

A slight increase of 3% in membership was observed during the quarter under review and this has been the case throughout the year and could be in line with the changes in the unemployment rate observed during the recent labour force survey.

The retirement funds sector however continues to be dominated by males with more males in the active phase of the retirement savings (accumulation phase) and more females in the pension phase (withdrawal phase) as they earn the surviving spouses' pension. Figure 27 Shows the changes in membership throughout the year.

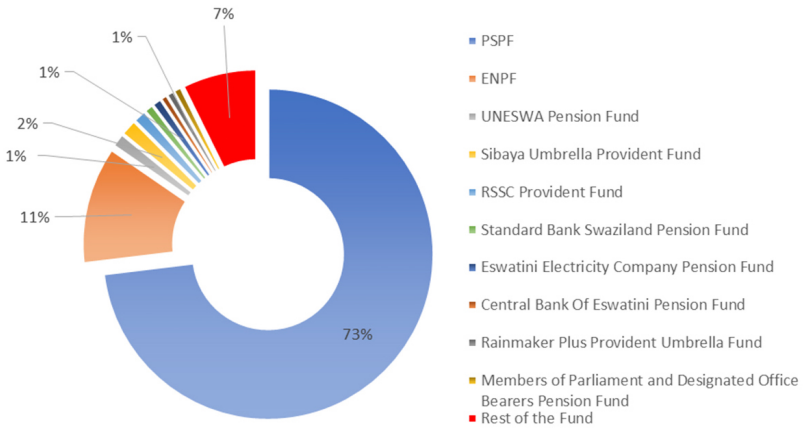
Figure 27: Retirement Funds Membership



Retirement Funds Market Share

In terms of market share based on assets, the statutory funds (public service pension fund (PSPF) and Eswatini national provident fund) continued to be the market leaders with a market share of 73% and 11%, respectively. Figure 29 below illustrates the sector's market share and shows that the top 11 retirement funds account for 93% of the sector's assets. The industry is highly concentrated, biggest players being the statutory funds, with the Herfindahl-Hirschman Index (HHI) at 5.575 in confirming the level of concentration. This level of concentration also poses a risk to the sector since a failure of either of the big funds will have a significant impact on the financial sector as the retirement funds sector is intertwined with the broader financial system and the real economy through investments and issuance of loans to other companies, as well as through the holding of debt and equity instruments issued by various entities.

Figure 29: Retirement Funds Market Share



Supervisory Updates

In Carrying out its supervisory mandate the FSRA employs various supervisory methods to foster and monitor compliance with the relevant legislation. The supervisory methods include off-site monitoring and on-site monitoring where off-site monitoring includes the gathering and analysis of prudential information submitted through the statutory monthly, quarterly, annual returns, audited financial statements and other reports that regulated entities may be required to submit. On-site monitoring however relates to the regulatory reviews conducted at the operating premises of the regulated entities.

Off-site Monitoring

Risk Assessments

The FSRA uses information collected through off-site monitoring, on-site inspections, market analysis and consumer complaints to carry-out risk assessments, these assessments enable the FSRA to identify areas of greatest concern which may require the Authority's intervention. Based on the Authority's Intervention Policy, the Authority determined four stages of supervisory intervention. Entities are classified under various intervention stages depending on the risk identified.

During the quarter under review the FSRA carried out risk assessments of 48 entities and the entities based on the identified risks were categorised in the various stages of intervention. Below is a summary of the intervention stages of various regulated entities.

Table 7: Intervention Risk Matrix

Indicators of Supervisory Concerns		Types of Entities									
Stage of Intervention	Description	BRs	BS	CISM and CISF	CPs	Dealers	Exchanges	IA	Ins	RFs	SACCOs
Stage 0	No significant Problems/Normal activities			17%							
Stage 1	Early warning			33%		50%		29%	6%		8%
Stage 2	Risk to financial viability and solvency		100%					21%		1%	12%
Stage 3	Future viability in serious doubt						100%	7%	6%		7%
Stage 4	Entity not viable / insolvency imminent	12%			3%	50%				6%	9%

Based on the above risk rating matrix the Authority has engaged with the entities in the various stages especially stage 4 entities to ensure that they move up the supervisory ladder until they are rated a stage 0 or stage 1 entity failing which enforcement measures are taken against the entities including exit from the market where the safety of consumers' funds are considered to be at risk. Key risks that were facing the different sectors related to liquidity constraints, solvency, weak governance practices and structures, delays in remittance of contributions and savings to the retirement funds and SACCOS respectively and non-compliance with section 77 of the Securities Act. Some of the measures that have been taken include the following:

Table 8: Measurers taken for Stage 4 entities

CIS MANAGERS	INSURERS AND BROKERS	RETIREMENT FUNDS	SACCOS
Enhanced on-site inspections focusing on the product structure of the products being marketed.	Requirement to inject more capital and continued monitoring of capital positions of the affected entities to ensure that the fluctuations in the capital position do not go below the minimum required capital.	Request for the submission of restoration plans for defined benefit funds with a funding level below 100%.	Entities required to develop and submit their capital restoration plans and given a time frame within which to restore capital positions.
Enhanced monitoring of affected entities performance through more frequent and more detailed reporting.	Four brokers were referred to Legal for enforcement action for failure to adhere to intervention measures relating to the non-submission of application for renewal and late submission of statutory returns.	Engagement with the governing structures of the employers for the affected retirement Funds.	To prevent further deterioration in the solvency positions, restrictions on the payment of dividends and interest on savings have been imposed.
Requiring the review of product structures and the business plans.	Increased frequency of regulatory reporting for close monitoring of the financial performance.		For those entities that are unable restore solvency, voluntary liquidation proposals have been considered.

On-site Inspections

The FSRA carries out on-site inspections in terms of section 62 of the FSRA Act, 2010 and during the quarter under review, the following on-site inspections were carried out by the FSRA:

Table 9: Onsite Inspections

TYPES OF ENTITIES	NO. OF ENTITIES	KEY FINDINGS ACROSS THE INSPECTED ENTITIES
• Long-term Insurers	1	- Weak corporate governance structures and practices.
• Short-term Insurer	1	- Misappropriation of Funds.
• Investment Advisor	1	- Inadequate due diligence for selected investment opportunities and lack of investment strategies.
• Collective Investment Scheme Manager	1	- Engagement of unlicensed advisers. - Lack of adequate control processes.
• SACCOS	1	- Inadequate focus on regulatory compliance.

AML/CFT



ESAMLAAG Mutual Evaluation

In June 2021 Eswatini underwent the second round of Mutual Evaluation on Anti-Money Laundering/Counter the Financing of Terrorism (AML/CFT). The Evaluation was carried out by the Eastern and Southern African Anti-Money Laundering Group. The evaluation included the assessment of the FSRA's effectiveness in supervising the non-banking sector for AML. Several regulated entities also participated in the mutual evaluation. During the period under review, the first report on the outcome of the evaluation was received by the country.

AML/CFT On-site Inspections

During the period under review AML/CFT on-site inspections in the following types of entities were carried out during the period under review.

Table 10: AML/CFT on-site Inspection

TYPES OF ENTITIES	NO. OF ENTITIES	KEY FINDINGS
Long-term Insurer	1	• Inadequate corporate governance measures. • Inadequate risk management measures.
Short-term Insurer	1	• Ineffective Customer due diligence measures. • Ineffective record keeping measures.
Investment Advisor	1	• Inadequate transaction monitoring and suspicious transaction reporting measures.
Collective Investment Scheme Manager	1	• Lack of know your employee measures, business continuity and sanction screening measures.

AML/CFT Industry Consultations

A feedback session was undertaken in collaboration with the Eswatini Financial Intelligence Unit, wherein Entities were provided feedback and guidance on suspicious transaction reports made and suspicious transaction reporting in general.

FSRA
Financial Services Regulatory Authority

Legal and Regulatory



Consumer Credit (Amendment) Act, 2021

During the period under review the Consumer Credit (Amendment) Act, 2021 was published, the purpose of this amendment was to ensure that act is aligned with the Central Bank Order 1974, the Financial Institutions Act, 2005, the Financial Services Regulatory Act, 2010 and to provide for the dual supervision of the credit industry by the FSRA and the Central Bank.

Reinsurance Bill, 2021

The Reinsurance Bill, 2021 was published during the quarter under review to allow concerned stakeholders to review the bill and provide comments before its promulgation. The purpose of this bill is to provide for the establishment, recognition, and promotion of reinsurance business in Eswatini.

Policyholder Protection Rules, 2021

The Policyholder Protection Rules, 2021 came into force with effect October 2021. The purpose of these rules is to provide conduct rules for the parties involved in the selling of insurance products to ensure that they conduct business in a manner that is fair to the policyholders and that adequate due diligence is carried out to ensure that the products being sold to the prospective policyholders meet their needs.

Retirement Fund Disclosure Rules, 2021

The Retirement Fund Disclosure rules, 2021 came into force with effect from November 2021. The purpose of these rules is to ensure that adequate, timely disclosures relating to retirement benefits are made to retirement fund members.



52

FSRA QUARTERLY STATISTICAL BULLETIN Q4 - 2021

FSRA
Financial Services Regulatory Authority

Supervisory Enforcement



In order to ensure that the Authority meets its supervisory objectives and fosters a safe operating environment, the Authority also takes enforcement action against those entities that fail to comply with the regulatory requirements.

During the quarter under review, the Authority initiated enforcement measures against 3 Insurance Brokers who had failed to comply with provisions of the Financial Services Regulatory Authority Act of 2010, the Insurance Act of 2005 and Insurance Regulations and Directives in that they failed to apply for the renewal of their respective licenses, yet they continued to operate in the financial services space.



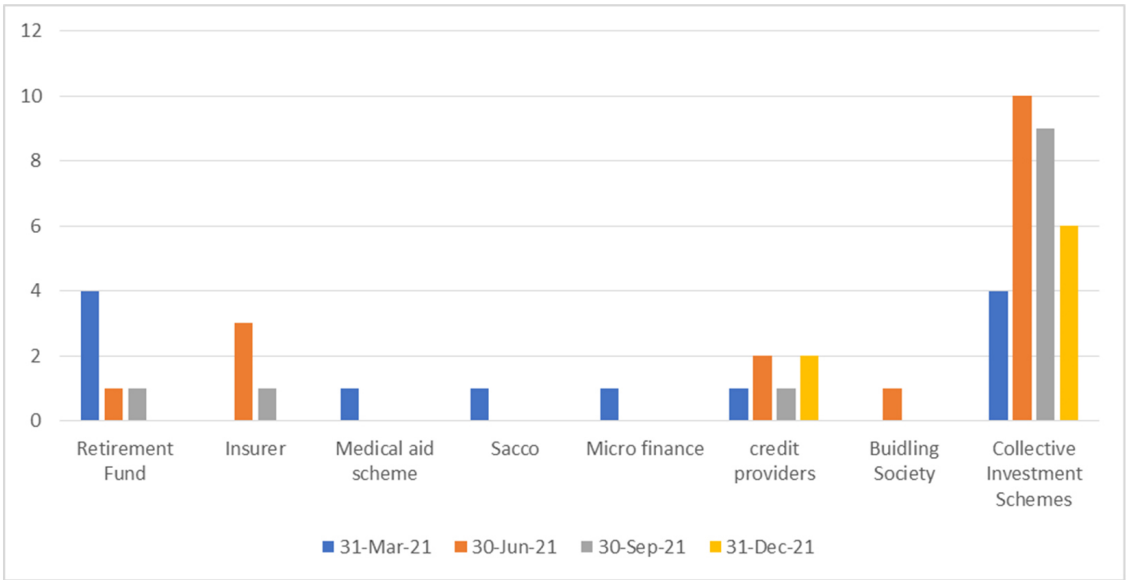
Consumer Protection

The FSRA has a consumer protection mandate. In fulfilling this mandate, the FSRA receives complaints in relation to the conduct of non-bank financial services providers. Complaints are categorised into dispute and supervisory complaints with the latter being handled by the Authority. Where a complaint is deemed to be a dispute, the complainant is referred to the relevant Authority i.e., the Ombudsman of Financial Services or other relevant bodies. Over the course of the year 2021 the FSRA received 49 complaints and 8 of these complaints were received during the quarter under review. This is a reduction of 50% from the third quarter as shown in figure 29 below. Of the 49 complaints received: 10% were resolved; 80% are still pending whilst 10% were referred to the relevant bodies. Out of the 49 complaints received, 59% related to Collective Investment Schemes and broadly related to delays in the payment of matured investment and or honouring of early redemption notices, 12% related to credit providers mainly on the cost of credit and unlawful possession of identification documents for collateral for unsecured loans. 12% were on retirement funds which were mostly related to the delayed payment of withdrawal benefits.

Table 11: Consumer Complaints

SECTOR	COMPLAINTS RECEIVED	COMPLAINTS RESOLVED	REFERRED	PENDING
Retirement Funds and Insurance	11	3	4	4
Capital Markets	29	-	-	29
Credit and Savings Institutions	9	2	1	6
Total Number Complaints	**49**	**5**	**5**	**39**

Figure 29 – Complaints per Sector



FSRA
Financial Services Regulatory Authority

Unclaimed benefits



In terms of Section 43 of the Insurance Act, 2005, The Authority is mandated to maintain an Insurance and Retirement Benefits Trust Account. This account holds unclaimed benefits due to beneficiaries who could not be traced by trustees of funds licensed by the FSRA or Insurance Companies. No claims were lodged during the quarter under review however the Balance in the account was E3.07million and 68.0% of the funds related to funds from retirement funds, 29.3% related to funds insurers whereas 2.3% of the funds were deposited into this account with no reference.



‘Food for Thought’

Crowd Funding as a Source of Capital



By: Velesmeni Tsabedze

So, you just had a golden idea, one that will change the financial industry, agriculture industry or maybe the telecommunication industry, or the whole world but you are not sure how to go about sourcing funds for it. You consider a bank but there is no way a bank will trust you enough to give you let us say one million emalangeni, you think maybe the stock exchange but then you do not even meet the minimum requirements to even be considered. You could sell "Swazi Gold", but the risk is just too high for you. Then it hits you, crowdfunding.

Early-stage businesses, therefore, need to find other ways of securing finance. Increasingly, many see alternative models as genuine options. Instead of the traditional model of one investor and one investee, crowdfunding opens the possibility to attract finance from a number of different sources. In its original form, crowdfunding was a way to raise money for charitable causes.

Often people were encouraged to make contributions by being offered some reward like interest payments, equity in the company.

So, what is crowdfunding?

According to Wikipedia "it is the practice of funding a project or venture by raising money from a large number of people" but you do not trust wiki, so you ask your friend who seems to compete with google and they define it as "the process of asking everyone you know, whether on Facebook or twitter to give you a certain amount of money in exchange for either interest or a certain percentage of your company" makes total sense you think, so you ask 10,000 people to each give you E100.00 and to your surprise most of them do without asking for anything in return and the others want something back.

Reality Check

Most people take part in crowdfunding without realising they are part of one e.g., Nomphilo Dlamini needed funds for new lungs, it was made possible because people donated funds into a certain account for a certain period. Crowdfunding is broken up into distinct categories, namely;

1. Reward crowdfunding - allows investors to contribute to your business in return for non-financial benefits. This type of funding is commonly used for creative projects. It usually runs as a tiered system the more an investor donates to your fund, the greater the reward they will receive (e.g., credits for certain products you purchase, tickets to an event, free gifts, etc). A benefit to the business is that the reward does not usually cost much to deliver.

2. Debt crowdfunding - provides investors with the chance to fund your project in exchange for financial interest on their contributions. This finance option may provide you with borrowing at a lower cost than that offered by applying for a loan through a bank or other credit providers. The advantage of this model is that it may be easier to win support for your project or business, as the backers are attracted to getting a return. This type of crowdfunding may work best for businesses/people with an ingenious idea.

3. Donation crowdfunding - This type of crowdfunding is designed for charities, or those who raise money for social or charitable projects, to gather a community online and to enable them to donate to a project. While most established charities coordinate this through their own website, crowdfunding platforms can be useful for smaller organisations and people raising money for personal or specific charitable causes.

4. Equity crowdfunding – People are not asked simply to give money away. An equity funder will invest money in return for shares, or a small stake in your company, project, or venture. This type of crowdfunding could work best for growth focused companies, projects, and start-ups in areas where there is potential for return.

Crowdfunding has become a growing industry to raise finance, efficiently and fast. As it has been noted with the ever-increasing number of crypto coins that are launched. e.g., Ethereum and Polkadot to name a few. Appreciating the information asymmetry between investors and early-stage businesses, alternative credit scoring uses technology to determine the potential risk to investors. Drawing on big data and artificial intelligence, alternative credit scoring uses information from a range of sources to assess entrepreneur's behaviour. Since most start-ups are dependent on their owners, the assumption can be made that the risk associated with that individual can be extrapolated to the business as well. Potential funders use machine learning algorithms instead of traditional credit scores to determine how likely they are to recover their loans. These algorithms do not rely only on formal financial information, but on data points such as cell phone usage patterns, etc.

When all is said and done crowdfunding does play a significant role in capital raising it can help one achieve their project or financial goal if done right, but if done wrong, it will backfire and result in mountains of debt. Hence, certain organisations have taken upon themselves to run crowdfunding platforms like UpriseAfrica, Thundafund, Indiegogo, SeedInvest Technology and GoFundMe. Crowdfunding is unlikely to raise enormous amounts of capital but E1 million can be a significant figure for a start-up and can play a meaningful role. For example, Sugarbird Gin making Craft Gin launched in 2017 exporting to Europe, Asia and the USA raised R1 million ran a crowdfunding campaign through the platform Thundafund and the Drifter Brewing Company making Craft Beer raised about R4 million through UpriseAfrica platform to accelerate its expansion into South Korea whose successes demonstrate the benefits for alternative models in early-stage financing.

The Editors Pick and the food for thought is a platform and or article which can be submitted to the Manager Research for consideration with the view to publish in the FSRA Statistical Bulletin. Any interested member of staff may write on his or her own subject matter of interest relating to the financial sector. Where there is a need, the Manager Research may approach the Division GM to request for a specific coverage and or focus on a subject that has far reaching interest. This is only open to FSRA members of staff unless otherwise stated.

Annexure

Annexure 1: Number of Licensed Entities

	Licensed Entities as of 31 Dec 2021	Licensed Entities as of 30 Sept 2021
Collective Investment Scheme Managers	6	6
Investment Advisors	14	14
Trustees	2	2
Exempt Dealers	1	1
Securities Brokers	3	3
Securities Exchanges	1	1
Credit Providers (Non-deposit taking)	116	113
SACCOs	59	59
Building Societies	2	2
Credit Bureaus	2	2
Debt Counsellors	1	2
Reinsurers	2	2
Insurers	16	16
Insurance Brokers	33	33
Corporate Agents	39	38
Individual Agents	147	118
Standalone Funds	57	57
Umbrella Funds	11	11
Beneficiary Funds	3	3
Foreign funds	18	18
Fund Administrators	8	8
Medical Schemes	3	3
	544	**512**

Annexure 2: Collective Investment Schemes- Funds under management

ALLOCATION	DEC - 21	SEP - 21
Domestic	5 089 447 692	4 728 420 452
Common Monetary Area	2 881 641 708	2 950 114 699
Offshore	689 532 684	652 998 820
Total Assets Under Management	8 660 622 085	8 331 533 970
ASSETS ALLOCATIONS		
Cash	542 182 177	805 747 174
Negotiable Certificate of Deposit	824 095 850	1 036 096 919
Banker's Acceptance	51 514 795	123 394 097
Commercial Paper	233 242 872	1 373 211 069
Treasury Bill	774 618 775	1 494 607 446,88
Corporate Bonds	22 748 219	391 939 298
Bonds/Debentures	152 514 860	355 030 777
Equity with Primary listing	345 586 667	525 736 801
Equity with Secondary Listing	31 379 491	31 587 122
Equity Index-Linked Securities	-	-
Listed Securities: Debt	-	-
Unlisted Securities: Equity	-	-
Unlisted Securities: Debt	1 335 049 027	-
Collective Investment Schemes	15 286 678	750 885 025
CIS - (Associated Entity)	713 842 365	1 461 380 934
Property - Shares	779 177	947 209
Property - Land	-	-
Property - Buildings	-	-
Other Portfolio Assets	977 675 966	-
Total Assets Allocation	**8 660 622 086**	**8 331 533 970**

Annexure 3: CIS Source of Funds

Retail Investors	1 302 788 531	1 460 083 021
Politically Exposed Persons	42 066 834	47 897 687
High Net worth Individuals	-	-
Professional Investors	1 768 789	1 996 249
Institutional - Retirement Funds	3 028 121 855	3 029 796 977
Institutional - Medical Aid Schemes	67 008 506	74 336 133
Institutional - Insurance ST	54 096 927	67 109 049
Institutional - Insurance LT	219 775 220	232 864 232
Collective Investment Schemes	1 238 798 511	1 518 859 135
Institutional - Credit Providers	-	-
Institutional - SACCOs	93 253 242	130 729 462
Institutional - Banks	-	-
Companies	2 388 824 792	1 488 541 321
Institutional - Other	224 118 878	279 320 701
Total	**8 660 622 086**	**8 331 533 970**

Annexure 4: Investment Advisory – Funds under Advisory

Allocation	**Dec - 21**	**Sep - 21**
Domestic	5 949 564 462	1 692 192 582
Common Monetary Area	13 714 619 611	11 805 294 938
Offshore	4 140 031 061	9 847 878 455
Total Assets Under Advisory	23 804 215 133	23 345 365 976
IA Source of Funds		
Retail Investors	110 138 747	247 784 965
Politically Exposed Persons	-	-
High Net worth Individuals	-	-
Professional Investors	-	-
Institutional - RFs	20 491 950 452	22 519 190 337
Institutional - Medical Aid Schemes	130 925 915	-
Institutional - Insurance ST	-	-
Institutional - Insurance LT	1 483 116 595	113 691 174
Collective Investment Schemes	893 181 785	-
Institutional - Credit Providers	20 889 011	-
Institutional - SACCOs	-	-
Institutional - Banks	181 967 738	-
Companies	486 841 306	453 339 787
Institutional - Other	5 203 584	11 359 711
Total	**23 804 215 133**	**23 345 365 976**

Annexure 5: Savings and Credit Cooperative Societies Statement of Financial Position

	Dec-2021	Sept-2021
	E' 000	E'000
Cash and Cash Equivalents	181 831	243 739
Prepayments & Sundry Receivables	3 334	3 475
Financial Investments	323 453	388 310
Net Loan Portfolio	1 561 273	1 622 705
Gross Loan Portfolio	3 528 509	1 646 701
Less: Provision for Loan Loss	28 133	23 995
Accounts Receivables	109 029	103 648
Unremitted Salary Deductions	37 702	38 745
Staff loans	5 216	5 468
Tax Recoverable	2	0
Unallocated Funds	14 047	2 992
Other Accounts Receivables	52 069	56 443
Property & Equipment & Other assets	98 534	105 410
Land & Buildings	78 735	83 953
Plant & Equipment	15 827	17 646
Prepaid Lease rentals	11	7
Intangible Assets	39	41
Other Assets	3 933	3 764
Total Assets	2 277 453	2 467 287
Total Deposit liabilities (Note 3)	1 680 619	1 782 407
Short Term Liabilities	144 576	211 708
Accounts payable	62 688	60 723
Tax Payable	1 382	1 961
Dividends Payable	40 704	81 035
Retirement Benefits Liability	1 723	1 708
Bank Overdraft	2	0
Other Short-term liabilities	38 084	66 282
Total Short-Term Liabilities	1 825 155	1 994 115
Long Term Liabilities	6 837	19 122
External Borrowings	1 913	2 241
Other Long-Term Liabilities	4 926	16 881
Total Liabilities	1 831 992	2 013 237
EQUITY	151 237	157 808
Permanent and Non-withdrawable share (Note 4)	150 208	156 864
Capital Grants and Donations	1 030	944
Retained Earnings	98 025	82 918
Prior Retained Earnings	76 537	67 381
Current Surplus	21 489	15 537
Other Equity Accounts	196 198	213 622
Statutory Reserve	58 395	53 984
General Reserves	97 055	121 713
Revaluation Reserves (Not part of core capital)	13 724	13 723
Share Transfer Fund	14 689	12 857
Education Fund	11 544	8 095
Central Cooperative Fund	1 935	1 576
Adjustment to Equity	-1 138	1 675
Total Equity	**445 460**	**454 347**
Total Liabilities and Equity	**2 277 453**	**2 467 287**

Annexure 6: Credit Institutions Statement of Financial Position

ASSETS	Dec-21	Sept-21
	E'000	E '000
Property, Plant and Equipment	11 790 263	16 208 866
Investments in Subsidiaries	38 470 243	26 352 296
Deferred Tax	3 282 247	2 612 795
Loans and Advances (long term) portion)	2 311 991 397	2 801 307 836
Other Assets	151 970 182	152 767 055
Total Non-current Assets	**2 517 504 331**	**2 999 248 848**
Current Assets		
Amounts Owing by Related Parties	625 503 806	442 955 946
Current Tax Receivable	29 201	-
Loans and Advances (short term) portion)	347 572 236	172 855 174
Trade and other Receivables	35 622 242	18 810 125
Cash at Bank (with financial institutions)	272 599 860	287 027 350
Cash in Hand	353 554	137 316
Total Current Assets	**1 281 680 898**	**921 785 911**
Total Assets	**3 799 185 229**	**3 921 034 758**
EQUITY AND LIABILITIES		
Equity		
Share Capital	137 085 193	134 354 759
Reserves	75 610 140	22 615 954
Retained Income	525 561 955	763 636 737
Total Equity	**738 257 288**	**920 607 450**
Non-current Liabilities		
Security Deposits		
Amounts Owing to Related Parties	1 016 051 197	577 120 596
Other Financial Liabilities	910 964 741	980 922 802
Deferred Tax	14 422 431	- 20 655 000
Total Non-current Liabilities	**1 941 438 369**	**1 537 388 397**
Current Liabilities		
Amounts owing to Related Parties	473 255 980	896 752 483
Trade and Other Payable	41 203 464	45 041 203
Current tax payable	2 910 783	18 117 030
Other financial liabilities	602 119 345	503 128 195
Total Current Liabilities	**1 119 489 571**	**1 463 038 911**
Total Liabilities and Equity	**3 799 185 229**	**3 921 034 758**

Annexure 7: Development Finance Institutions Statement of Financial Position

	Dec - 2021	Sept-2021
ASSETS	E '000	E '000
Property, Plant and Equipment	208 347 388	208 481 567
Investments in Subsidiaries	657 898 721	905 867 679
Deferred Tax	5 411 587	5 452 251
Loans and Advances (long term) portion)	638 611 944	364 524 653
Other Assets	30 383 843	30 119 297
Total Non-current Assets	**1 540 653 484**	**1 514 445 447**
Current Assets		
Amounts Owing by Related Parties	573 366 165	579 925 560
Current Tax Receivable	12 635 720	11 836 735
Loans and Advances (short term) portion)	313 768	325 798
Trade and other Receivables	106 665 486	106 728 693
Cash at Bank (with financial institutions)	149 943 046	207 948 611
Cash in Hand	10 413	28 931
Total Current Assets	**842 934 596**	**906 794 328**
Total Assets	**2 383 588 080**	**2 421 239 775**
EQUITY AND LIABILITIES		
Equity		
Share Capital	107 366 939	106 991 002
Reserves	587 011 297	585 051 297
Retained Income	371 615 427	372 550 072
Total Equity	**1 065 993 663**	**1 064 592 372**
Non-current Liabilities		
Security Deposits	14 232 648	14 012 898
Amounts Owing to Related Parties	15 095 845	5 931 254
Other Financial Liabilities	1 208 099 870	1 255 320 258
Deferred Tax	-	-
Total Non-current Liabilities	**1 237 428 363**	**1 275 264 410**
Current Liabilities		
Amounts owing to Related Parties	119 726	2 639 031
Trade and Other Payable	28 837 580	28 617 096
Current tax payable	7 995 149	5 376 067
Other financial liabilities	43 213 599	44 750 799
Total Current Liabilities	**80 166 054**	**81 382 993**
Total Liabilities and Equity	**2 383 588 080**	**2 421 239 775**

Annexure 8: Retail Outlets Statement of Financial Position

	Dec-21	Sept-21
Assets	E'000	E'000
Property, Plant and Equipment	76 143	66 735
Investments		
Gross Debtors (credit extension)	319 262	155 098
Provision for bad debt	52 932	-86 024
Net debtors	266 330	241 122
Other assets	818 252	499 863
Cash and cash equivalents	189 608	434 006
Total Assets	**1 350 333**	**1 241 728**
Equity		
Share Capital	390	400
Retained Income	862 122	584 931
Total Equity	**862 512**	**585 332**
Liabilities		
Borrowings	2 415	4 687
Other payables and financial Liabilities	485 407	656 391
Total Liabilities	**487 822**	**656 396**

Annexure 9: Building Societies Statement of Financial Position

	Dec-21
ASSETS	**E'000**
NOTES AND COINS	**48 265**
Emalangeni Notes and Coin	48 265
Rands	0
DUE FROM BANKS 'NOSTRO'	**81 471**
Central Bank of Swaziland	15 328
Domestic Commercial Banks	58 417
Non-resident Banks	7 726
INVESTMENTS	**935 440**
Domestic	920 800
Foreign	14 641
BILLS RECEIVABLE	**3 030**
NET LOANS AND ADVANCES	**1 677 408**
Gross Loans & Advances	1 771 175
Less: General Provisions	12 334
Less: Other Deductions	81 433
UNCLEARED EFFECTS	
FIXED ASSETS (Net of Depreciation)	**270 162**
Land and Buildings	123 293
Furniture, Fixtures, Equipment and Vehicles	146 869
OTHER REAL ESTATE OWNED	**10 580**
OTHER ASSETS	**69 037**
TOTAL ASSETS	**3 095 394**
LIABILITIES	**0**
DEPOSITS	**1 271 885**
Transmission/Demand	69 074
Savings	1 191 829
Term	10 982
DUE TO BANKS 'VOSTRO'	**2 952**
Central Bank of Swaziland	0
Domestic Commercial Banks	2 952
INTERBRANCH BALANCES IN SWAZILAND (If Net Credit Balance)	
OTHER BORROWINGS	**55 337**
OTHER LIABILITIES	**103 955**
TOTAL LIABILITIES	**1 434 129**
CAPITAL AND RESERVES	**1 661 265**
Paid Up / Issued Share Capital	1 133 006
Permanent Shares	1 017 039
Subscription Shares	115 967
Statutory Reserves	48 428
Retained Income (Prior Years)	408 052
Income (Loss) to Date	-969
Revaluation Reserves	72 748
Other Reserves	0
TOTAL LIABILITIES, CAPITAL AND RESERVES	**3 095 394**

Annexure 10: Retirement Fund Statement of Comprehensive Income

INCOME	**E1'000**	**E1'000**
TOTAL CONTRIBUTIONS (from C13)	**2,469,504**	**1,897,744**
Investment income	5,638,016	3,692,779
Transfers to the fund	32,113	23,303
Benefits paid by insurers (to the fund)	47,668	54,338
Other income	35,954	5,834
TOTAL INCOME	**8,223,254**	**5,673,999**
EXPENSES	**-**	**-**
Management expenses	565,788	437,539
Premiums for insured benefits (Note 4)	297,117	266,621
Annuities purchased from insurers	-	-
Lump-sum benefits:	-	-
Withdrawal - cash	301,463	234,886
Withdrawal - transfers to other retirement funds	7,276	6,451
Accident and sickness	1,102	1,102
Disability	1,538	762
Death	186,175	169,357
Retirement	638,970	461,398
Voluntary early retirement	6,633	1,075
Total lump-sum benefits	1,143,157	875,031
Periodic payments:	-	-
Disability	816	614
Death	9,673	5,465
Retirement	1,017,054	769,258
Total periodic payments	1,052,422	775,338
Other transfers	29,357	28,044
TOTAL CURRENT BENEFITS	**2,109,323**	**1,678,413**
Change in future benefits liability		
TOTAL EXPENSES	**4,115,385**	**3,257,604**
EXCESS OF INCOME OVER EXPENSES	**4,107,870**	**2,416,395**

Annexure 11: Retirement Funds Assets

	31 Dec 2021	31 Sept 2021
CONTRIBUTIONS	**E1,000**	**E1,000**
Member contributions	776,633	623,400
Employer contributions	1,692,871	1,274,344
TOTAL CONTRIBUTIONS	**2,469,504**	**1,897,744**
LOCAL ASSETS	**E1,000**	**E1,000**
Cash on hand	505	51
Deposits:	-	-
First National Bank	147,953	243,770
Nedbank	52,813	112,532
Eswatini Bank	109,126	139,767
Standard Bank	147,654	220,704
Swaziland Building Society	32,081	31,549
Other banks (explain)	982	11,511
Other non-bank financial institutions (explain)	4,510	5,013
Total deposits	495,119	764,847
Money market and debt maturing within 12 mo.:	-	-
Central Bank of Eswatini	10,743	9,656
Government of Eswatini	97,164	107,116
Local authorities	43,512	-
Parastatals	-	-
Money market collective investment schemes	2,150,062	2,027,639
Banks (debt of or loan to banks, other than deposits)	61,886	77,403
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	75,260	75,249
Commercial paper and bonds	366,474	386,397
Other (explain)	166,321	158,419
Total money market and debt maturing within 12 months	2,971,421	2,841,879
Debt maturing after 12 months:	-	-
Central Bank of Eswatini	26,231	26,231
Government of Eswatini	2,293,546	2,166,936
Local authorities	257,323	296,994
Parastatals	1,392,407	1,419,845
Fixed income collective investment schemes	375,633	369,885
Banks (debt of or loan to banks, other than deposits)	103,440	101,467
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	1,402,249	1,388,775
Commercial bonds	102,861	83,538
Other (explain)	-	-
Total debt maturing after 12 months	5,953,690	5,853,672
Equity (other than property-related):	-	-
Ordinary shares - listed	961,635	970,046
Ordinary shares - unlisted	3,496,836	3,421,882
Preference shares - listed	-	-
Preference shares - unlisted	-	-
Convertible debentures - listed	-	-
Convertible debentures - unlisted	-	-
Equity and balanced collective investment schemes	654,564	483,621
Total equity	5,113,036	4,875,549
Property investments:	-	-
Land and buildings	1,653,284	1,681,737
Mortgages	-	-
Loans to property developers	451,024	446,927
Shares of property developers	19,110	140,004
Property collective investment schemes	-	-
Total property investments	2,123,419	2,268,668
Insurance policies	404,416	422,374
Other (explain)	2,011,264	1,639,333
TOTAL LOCAL ASSETS	**19,072,365**	**18,666,321**

FOREIGN ASSETS		
Cash on hand	49	48
Deposits	3,725,518	3,474,365
Money market and debt maturing within 12 mo.:	-	-
Central banks	10,842	5,751
National governments and international agencies	-	897
Local authorities	-	-
Parastatals	165	95
Money market collective investment schemes	313,395	298,442
Banks (debt of or loan to banks, other than deposits)	2,451	2,513
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-	46
Commercial paper and bonds	97,063	81,833
Other (explain)	-	8,854
Total money market and debt maturing within 12 mo.	**423,916**	**397,466**
Debt maturing after 12 months:	**-**	**-**
Central banks	-	-
National governments and international agencies	9,791	-
Local authorities	-	-
Parastatals	-	-
Fixed income collective investment schemes	151,745	185,940
Banks (debt of or loan to banks, other than deposits)	-	-
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-	131,685
Commercial bonds	48,266	47,185
Other (explain)	**8**	**51**
Total debt maturing after 12 months	**209,810**	**364,860**
Equity (other than property-related):	**-**	**-**
Ordinary shares - listed	16,207,304	14,810,579
Ordinary shares - unlisted	623	257
Preference shares - listed	-	-
Preference shares - unlisted	-	-
Convertible debentures - listed	-	-
Convertible debentures - unlisted	-	-
Equity and balanced collective investment schemes	2,802,775	2,336,595
Total equity	**19,010,703**	**17,147,431**
Property investments:	-	-
Land and buildings	2,183	4,980
Mortgages	-	-
Loans to property developers	-	-
Shares of property developers	155,592	142,326
Property collective investment schemes	18,072	21,604
Total property investments	175,847	168,910
Insurance policies		
Other (explain)	489	471
TOTAL FOREIGN ASSETS	**23,546,333**	**21,553,552**
TOTAL ASSETS	**42,618,698**	**40,219,873**



THE END

