FSRA
Financial Services Regulatory Authority



FSRA QUARTERLY STATISTICAL BULLETIN

Q1 2022


FSRA
FINANCIAL SERVICES
REGULATORY AUTHORITY

NBFI SECTOR HIGHLIGHTS Q1 2022

533 Licensed Entities

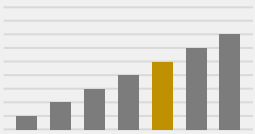
E93,1 Billion Total Value of NBFIs Assets

INSURANCE SECTOR GWPs
E452 Million

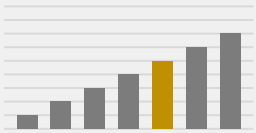
RFs INDUSTRY INCOME
E937 Million

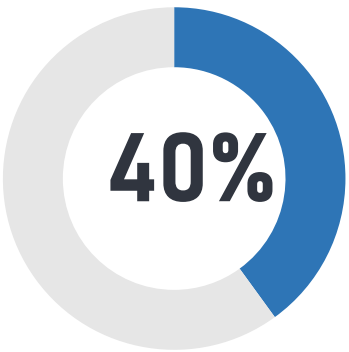
INSURANCE SECTOR LIABILITIES
E5,2 Billion

FUNDS UNDER ADVISORY
E23,8 Billion

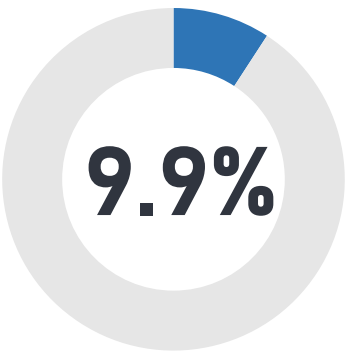


FUNDS UNDER MANAGEMENT
E8,1 Billion

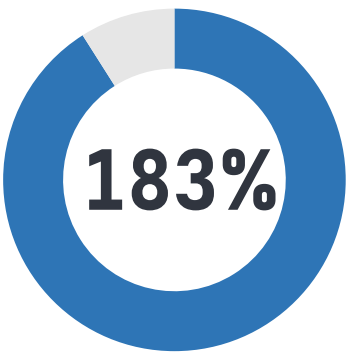




Increase in Loan Advances by DFIs



Increase in Savings by Building Societies



Y on Y increase Reinsurance business GWPs

NB: 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.

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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 Institutions
NPLs	-	Non-Performing Loans
OFS	-	Ombudsman of Financial Services
RF	-	Retirement Funds
SACCOs	-	Savings and Credit Cooperatives Societies
ST	-	Short Term

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.

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.

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.

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

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

A 2% decline in assets was observed in the NBFI sector assets as they declined form E95.3 billion as of 31 December 2021 to E93.1 billion during the quarter under review. The decline was due to the overall asset decline in retirement funds assets which are over 1/3rd of the non-banking financial sector assets. The decline in retirement funds assets also led to the decline in assets held by domestic asset managers.

As of 31 March 2022, the total value of assets under advisory and management in the capital markets sector were valued at E31.9 billion; this is a 1% decline when compared with the E32.4 billion recorded at the end of Q4 2021, the decline is attributable to the sluggish economic conditions and the withdrawal of funds following the closure of one collective investment scheme.

Under credit and savings institutions, a 0.6% decline in assets was observed when compared to Q4 2021. This decline was mainly due to the asset declines across the various sub-sectors except for SACCO assets which increased by 0.03%. SACCOs NPL also showed a decline of 8% when compared to the other quarters and Building Societies also showed a decreasing trend in the NPLs across the quarters and showed a 3% decline on a quarter-on-quarter basis.

A 3% year-on-year increased in Gross Written Premiums (GWP) for LTIs was observed and a similar increase was also observed in sub-sector's assets. An improvement in net claims on policies was observed when compared to Q1 2021, this rebound was due to the significant declines in funeral claims and credit life claims. The LTI remained solvent with a net equity position of E536.6 million.

A 25% year-on-year increase in the STI gross written premiums was observed. An improvement in GWP was observed across all classes of business except for motor and workmen's' compensation which declined. As of 31 March 2022, net claims on STI policies showed a 171% increase when compared to the same quarter of 2021. A decline in claims incurred for all the STI classes of business was observed except for liability insurance and workmen's' compensation that experienced significant net claims incurred increases above 100% and property claims increase of 26%. A 7% decline in STI assets was observed during the period under review, however the sub-sector's net equity position remained positive.

A year-on-year increase of 7.3% was observed in the value of retirement fund assets, however a slight quarter on quarter decline of 1.7% was observed. In comparison with first quarter of 2021, total income decreased by 65 % from E2.6 billion to E937 million in the first quarter of 2022.

EDITORS PICK ARTICLE.

Saving and Credit Cooperatives a Force to be Reckoned With! *By Sipho G. Simelane*



Introduction

Zyi (2015:1) traces the early formations of savings and credit cooperatives to Germany sometime in the mid-19th century. He accounts that "Two men are considered as the founding fathers of the credit cooperative movement: Herman Schultze-Delitsche, who established a credit cooperative for minor artisans and the urban middle classes, and Freidrich Reifeisen, the founder of the rural credit cooperative." This is a conceptually not a new phenomenon in financial services. A savings and credit cooperative (SACCO) is a cooperative that inspires its members to save money on the one hand and obtain loans on the other against their accumulated savings (Zyi 2015:1).

Basic Principles

SACCOs are founded on specific principles. Nuwagaba (2012) suggests that globally, all SACCOs conform to the following seven (7) principles.

- Open membership to interested people from designated areas of operation,
- Democratic member control; one member one vote in all matters of decision making,
- Member economic patronage,
- Autonomy and independence,
- Promotion of members' education and awareness through constant education, training, and information,
- Cooperation among cooperatives
- Concern for community development i.e., corporate social responsibility..." (Nuwagaba 2012.:110)

A systematic review of literature on the subject has confirmed that SACCOs are typically member-controlled, member-used, member-owned, and set up to benefit members. To buttress this point, one scholar observed;

> *"This reflects the agenda of the founders of the modern co-operative movement who sought to transform society and saw their co-operative as more than just an economic enterprise. Social and cultural needs and aspirations stand alongside the economic dimension of all co-operatives. It affirms the idea that a co-operative is an enterprise of human commitment by and of the people who are its members and who make a co-operative an economic, social and cultural reality. But it also can have other dimensions and purposes, for example social or cultural co-operatives that do not operate in tradable activities in a market. In this latter case, the economic dimension is but a means to an end for a co-operative's activities."*

The basic principles of a SACCO, including the considerations for its existence, lead one to a precise conclusion of SACCOS; namely, socio-economic enterprises designed to leverage the strength of the collective for economic, social, and other purposes. The focal point of this article will be the economic exploits of SACCOs regionally and globally, to demonstrate how well-run SACCOs can champion poverty reduction and socio-economic growth for societies. The article will also limit itself to savings and credit cooperatives, as contra-distinguished to ordinary or multi-cooperatives.

The Economic Performance of the SACCO Movement

According to the Financial Services Regulatory Authority, as of 31 December 2021, the total assets of the nonbank financial sector stood at E95.3 billion (this is a cumulative figure, including all the sectors, namely insurance, credit, and savings, capital markets, retirement funds, etc.) However, of this amount, E2.27 billion were assets for SACCOs. There are statistical breakdowns that might give more insight as to how this figure is arrived at, however, they are beyond the scope of this article. The focus of this article is to present a picture; members of these cooperatives, working collectively and intentionally, have managed to establish financial vehicles that have an asset size of approximately E3 billion. These are ordinary members, with ordinary non-exciting jobs such as teachers, civil servants, or warders.

Way Forward – Possible in our Lifetime?

With the character of SACCOs determined as vehicles for social, cultural, and economic change (Rodgers, 2015), the question becomes; how can we optimize the role of SACCOs as socio-economic agents? At the outset, we have to fully apply the universally accepted principles of the cooperative movement; particularly, member-controlled, member-used, member-owned, and for the benefit of all members. The emphasis on the latter stems from one of the leading causes of SACCOs; mismanagement and misappropriation. Zikalala, (2016:33) notes that;

> *"Another challenge that cooperatives in most developing countries like Swaziland face is winning back the trust of the general public as a financial provider (Ardic et al., 2011). The general public has lost confidence in the capability of the cooperative movement to provide access to financial services because of the bad publicity of corruption and mismanagement of funds..."*

While many challenges face SACCOs, some of which include low level of financial literacy, low levels of technical skills, competition from the commercial banks (Zikalala, 2016); there is no denying that corruption and mismanagement of funds stand out as an outmost betrayal of the principles within the SACCO movement. With efficient supervision and regulation from the FSRA, adequate management and training of members, and ethical and accountable leadership, SACCOs do have the potential to be socio-economically sustainable enterprises at the forefront of poverty alleviation and financial inclusion.

As a parting note, a quick scan of the global agenda yielded two exciting prospects; The Haiti Home Ownership and Mortgage Expansion (HOME) Program and MicroLead Rwanda: Savings Mobilization through Rural Savings and Credit Cooperatives Program. These two SACCO models demonstrate how SACCOs can first leverage strategic partnerships to address real societal issues such as unaffordable home ownership (Haiti) or resource mobilization designed for rural development (Rwanda). These models challenge the FSRA as equally as they challenge the SACCOs. As Zikalala (2016:34) noted, a limited menu of products is a key challenge for SACCOs in Swaziland. Could we see products that improve access to homeownership, rural agribusiness development; IT-based financial offerings? Who knows?

Oh, and not forgetting the success story of CIC of Kenya, a financial service group established in 1968 by Kenya National Federation of Cooperatives, which started out as an insurance agent and later moved to being an insurance company. Mwari, Nyamori & Maina (2016:5) highlight that the support from the SACCOs promoted the rapid growth of the insurer whose motivation was also rooted in the well-being of SACCO members to provide insurance and underwrite risks for them. Mwari et al (2016:v) further indicate that the company's growth led to the issuance of shares to the SACCO members. As of today, the company has transformed into a group listed on the Nairobi Stock Exchange and operating in several East African countries offering a wide range of insurance products and asset management services.



ECONOMIC DEVELOPMENTS

ECONOMIC DEVELOPMENTS

Global Economic Developments

In January 2022, the IMF's World Economic Outlook (WEO) adjusted the global economic growth rate from 5.9% to 4.4 % in 2022. The adjustment largely reflects forecast markdowns in the two largest world economies i.e., China and the United States of America. The war in Ukraine is leading to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions, magnifying financial vulnerability, and heightening policy uncertainty. 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 fragile states 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. The IMF also highlighted that growth prospects in the Sub-Saharan region are expected to be dampened by the Ukraine war and derail efforts on addressing fiscal constraints. Inflation in the region is expected to remain elevated into 2023 at 9.6% whereas during 2022 it is expected to be higher at 12.2%.

This outlook will however be affected by the escalating oil and food prices due to the Russia-Ukraine war and the rapid monetary policy monetization embarked on by the developed economies as this are likely to lead to stronger exchange rates which will further push up inflation in the region.

Global Financial Markets

Global Equities

The year 2022 started with a difficult and volatile period for financial markets globally. The long rally in equities, since the COVID-19 recession, came under stress with central banks turning more hawkish towards inflation, overall global equities declined by 4.6%. This was compounded by the uncertainties caused by the war in Ukraine including the resulting impact on commodity markets. The U.S. based S&P 500 decreased by 4.6%, outperforming both the MSCI Emerging Markets Index and MSCI All Country World Index. Large cap equities tracked by the FTSE 100 index also rose over the quarter, driven by the oil, mining, healthcare and banking sector. Emerging market equities were firmly down in first quarter as geopolitical tensions took center stage following Ukraine invasion. Egypt, a major wheat importer, was the weakest market in the MSCI EM index, due in part to a 14% currency devaluation relative to the US dollar. China lagged by a wide margin as daily new cases of Covid-19 spiked, and lockdowns were imposed in several cities.

South Africa

While most major markets closed the first quarter in the red, diversified miners and financial stocks boosted South Africa's FTSE JSE All Share Index 2.4% higher for the quarter. However, March saw the FTSE JSE All Shares Index end slightly lower

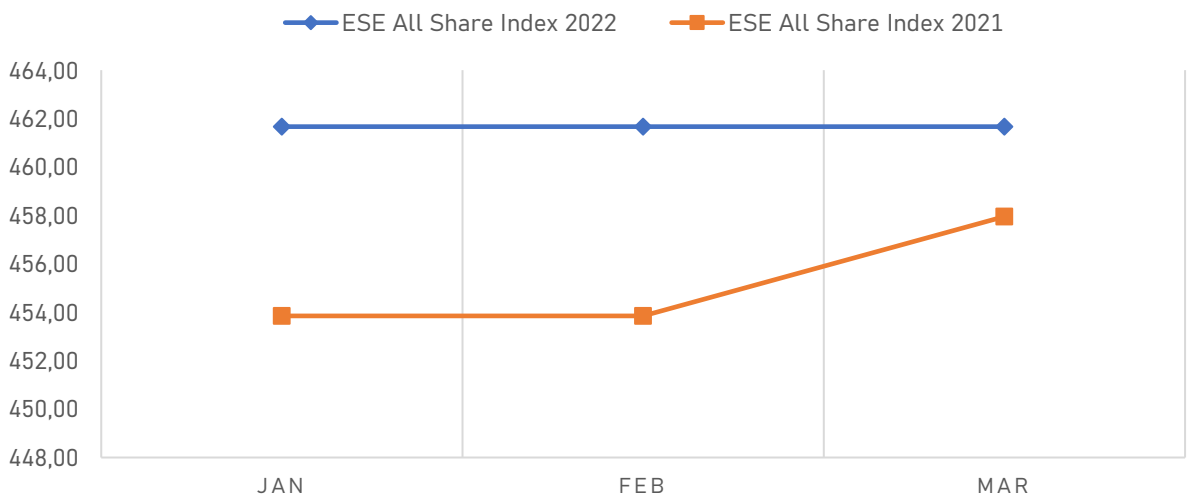
(-0.8% month-on-month), despite the FTSE JSE Capped SWIX rising 1.5% for the month. Thungela, financials and diversified mining stocks were the darlings of the JSE, while Prosus and Naspers were once again the notable losers. On economic data, the annual inflation rate for February, as measured by the consumer price index (CPI), came in at 5.7% year-on-year (YoY) - unchanged from the issue of January. Stats SA highlighted the main drivers as food (+6.4% YoY) and transport (+14.3% YoY) prices. Retail sales soared 7.7% YoY compared to an upwardly revised 3.2% YoY gain for December 2021. This was also the fifth consecutive month of retail activity increasing at the fastest pace since June 2021.

Domestic Financial Markets

The Eswatini economy rebounded in 2021, despite the continued COVID-19 pandemic and the June 2021 political unrest. The real GPD indicated an increase of 4.5% in the first quarter of 2022 following a growth of 2.0 % in the fourth quarter of 2021. The economic growth was supported by a strong performance in the manufacturing sector due to the increased demand from key export markets following the easing of lockdown measures in key destination markets in the region. The Eswatini Stock Exchange (ESE) All Share Index remained constant at 461.67, representing a 0.00% movement from the previous quarter's close of 461.67.

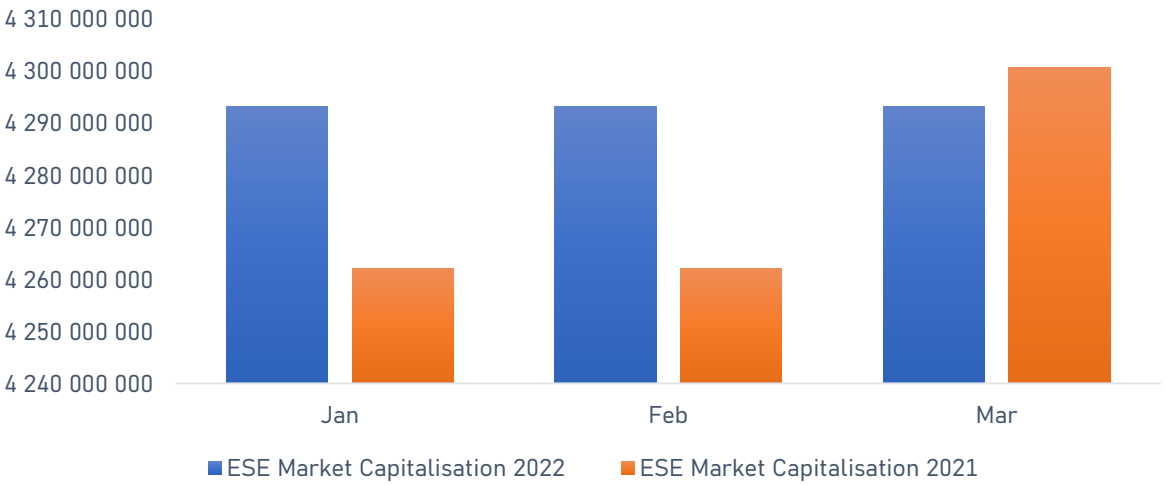
Trading during the fourth quarter did not cause any movement in the all-share index as there was no trade that saw an increase or decrease in its share price. Year-on-year, the All-Share Index increased from 457.96 to 461.67 reflecting a 0.81% increase as shown in the graph below. The ESE market capitalisation value remained flat at E4.293 billion, reflecting a 0.00% change. Year-on-year, the market capitalisation decreased by 0.17% from E4.301 billion in March 2021 to E4.293 billion in March 2022 due to the delisting of Royal Swazispa in August 2021.

Figure 1 – ESE All Share Index



Source: ESE Statistics 2022

Figure 2 – Market capitalisation by listed companies



Source: ESE Statistics 2022

Bonds Market

Corporate Bonds

The corporate bonds outstanding detected an increase of 4.40 % from E1.366 billion to E1.426 billion. This was due to five new note issued in the fourth quarter of 2021 and one reopening. Year-on-year, total corporate bonds outstanding increased by 13.89 % from E1,251 billion in March 2021 to E1,425 billion in March 2022..

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 value in the end of the 4th Quarter was E5.621 billion. There was a decrease of 0.28 % from the previous quarter's close of E5.636 to SZL5.621 billion at the end of the 4th Quarter. This was due to the higher value of maturities compared to the bonds that commenced trading. Year on year there was a 7.47% increase in value of bonds trading.

INDUSTRY DEVELOPMENTS AND PERFOMANCE

CMD SECTOR HIGHLIGHTS Q1 2022

26 Licensed Entities

26 Portfolios

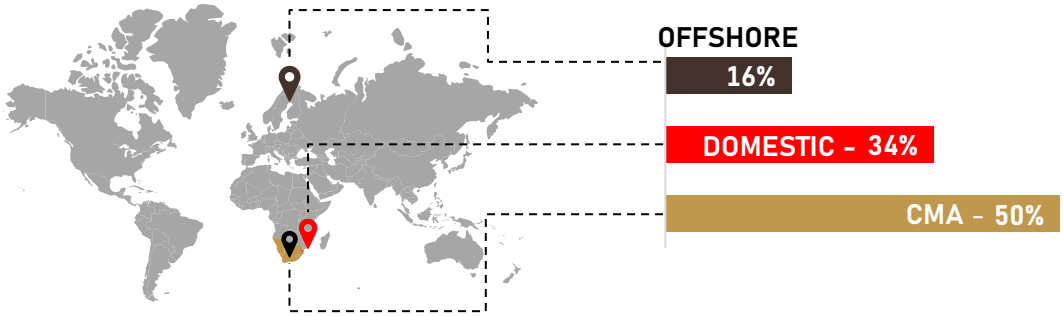
Total Sector Assets
E31,9 billion

Funds under Advisory
E23,8 billion

Funds under Management
E8,1 billion

74% - Sourced from RFs

Where is the Money?



E1 Billion – Value of Redemptions

3. INDUSTRY DEVELOPMENT AND PERFORMANCE

3.1 Capital Markets

3.1.1 Performance Review

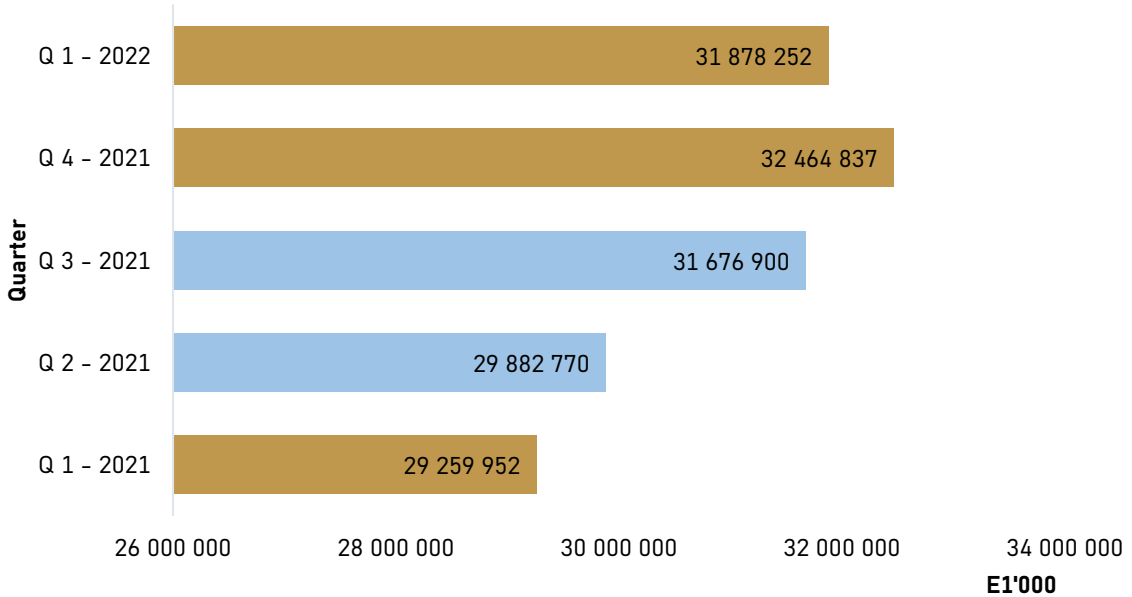
As of 31 March 2022, the number of collective investment schemes declined from 6 schemes to 5 schemes following the closure of the Sanlam Collective Investment Scheme thus, there were twenty-six (26) licensed entities under the following categories;

Year on year comparison of the total value of assets however indicates a slight increase of 1.1 % from E29,3 billion as of March 2021. Figure 3 below indicates the cumulative trend in the total value of assets from Q1 2021 to Q1 2022.

3.1.2 Evolution of Total Assets

As of 31 March 2022, the total value of assets under advisory and management in the capital markets sector were valued at **E31.9 billion;** this is a 1 % decline when compared with the E32.4 billion recorded at the end of Q4 2021. This slight decline in the total assets is due to the disinvestment in fund portfolios following the closure of the Sanlam collective investment scheme together with the sluggish economic growth and underperforming financial markets.

Figure 3 – Trend of the Total Value of Assets



3.1.3 Geographical Allocation of Assets

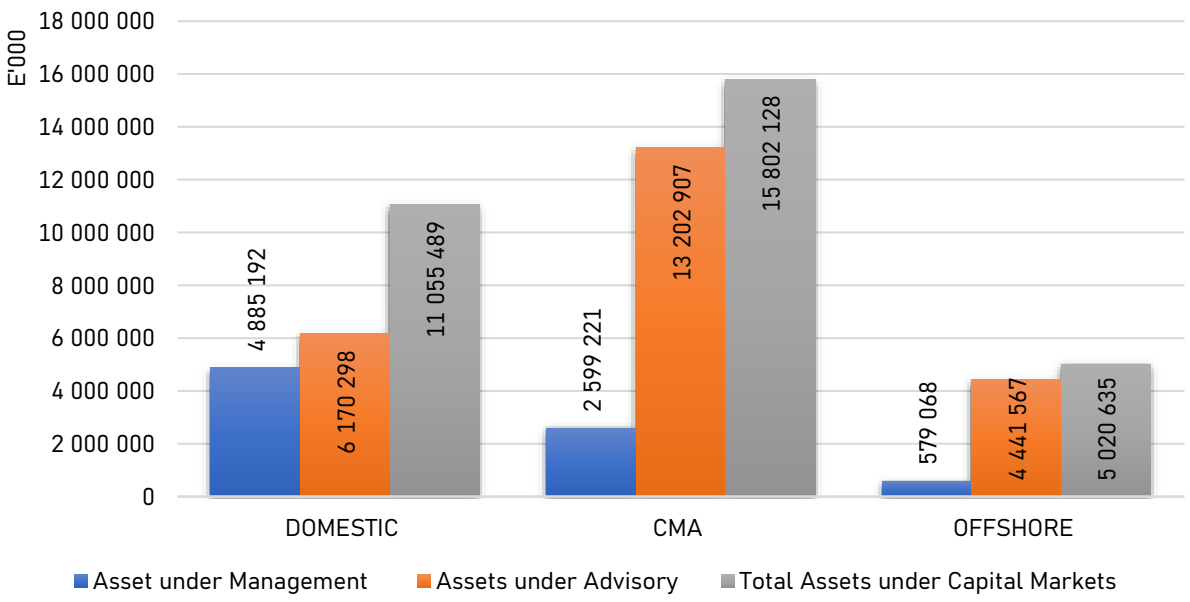
Assets managed by capital markets entities are invested in terms of the Securities Act, 2010 in the domestic market, in the Common Monetary Area (CMA) and in offshore jurisdictions. In allocating the assets, collective investment schemes managers are guided by section 71(2) of the Securities Act, 2010.

The value of assets under management (AUM) from CISs were valued at **E8,1 billion** as of 31 March 2022. These assets were invested as follows: 61 % in the domestic market; 32% in the CMA region and 7% in offshore jurisdictions. Year on year comparison of the allocation indicates a minor shift across the jurisdictions with a 4% increase in the domestic market and a 3% decrease in the CMA and 1% decrease in offshore markets. Quarter on quarter changes on the allocation of assets was within the range of plus or minus 2%.

Assets under advisory (AUA) were valued at **E23,8 billion** and were invested as follows; 26% in the domestic market; 55% in the CMA region and 19% in offshore jurisdictions. Year on year comparison of the asset allocation indicates a shift towards investing more assets in the CMA. Compared to Q1 2021, there has been a 14% decline in assets invested offshore while a 12% increase in the CMA has been observed. IAs investments in the domestic market also showed a slight increase of 2% over the period.

Industry wide, 50% of capital markets assets are invested in the CMA, mainly in South African investment instruments, with 34% invested in the domestic market and 16% in offshore jurisdictions as at the end of Q1 2022. Figure 4 below illustrates the above narration.

Figure 4 – Geographical Allocation of Capital Markets Assets



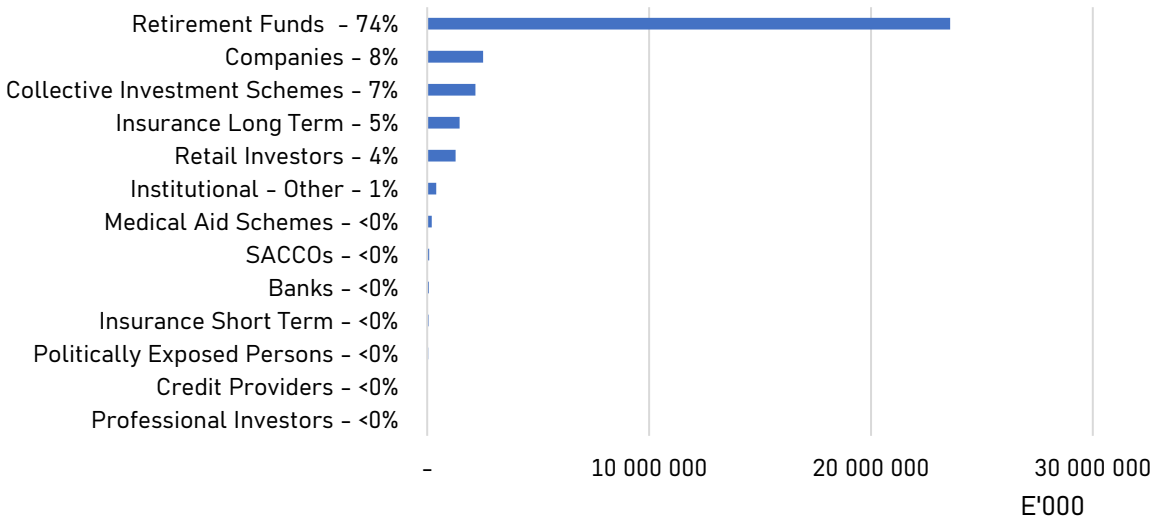
3.1.4 Source of Funds

Retirement Funds continue to be the main source of funds for the capital markets sector. In this quarter under review, 74% of the assets under management and advisory were sourced from the retirement funds sector. The rest of the funds were sourced as follows;

- Companies – 8%
- CISs – 7%
- Long Term Insurer'- 5%
- Retail Investors – 4%

The rest of the other investors jointly contributed less than a 1% of the overall funds in the sector were SACCOs, Banks, Short Term insurer's, Politically Exposed Person's, Credit Providers and Professional Investors. Year on year, there has been a 4% t growth in assets sourced from retirement funds whilst a 3% decrease could be noted from collective investment scheme and companies. The proportion of assets held on behalf of long-term insurer's also decreased by 1%. Quarter on quarter, there has been a 2% increase from retirement funds whilst the rest of the investment sources categories maintained their positions with changes ranging from -1% to +1 %age points.

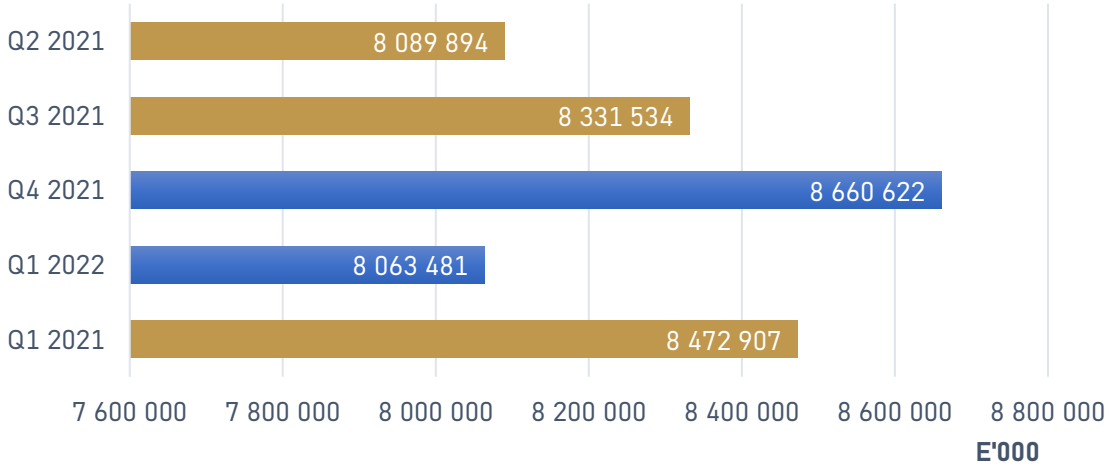
Figure 5 - Source of Funds



3.1.5 Collective Investment Schemes

As of 31 March 2022, assets managed under CISs were valued at **E8,1 billion**. This figure represents a 7% quarter on quarter decline in assets held by CISs and 5% year on year decline from E8,5 billion as of 31 March 2021.

Figure 6 – Value of Assets under Management

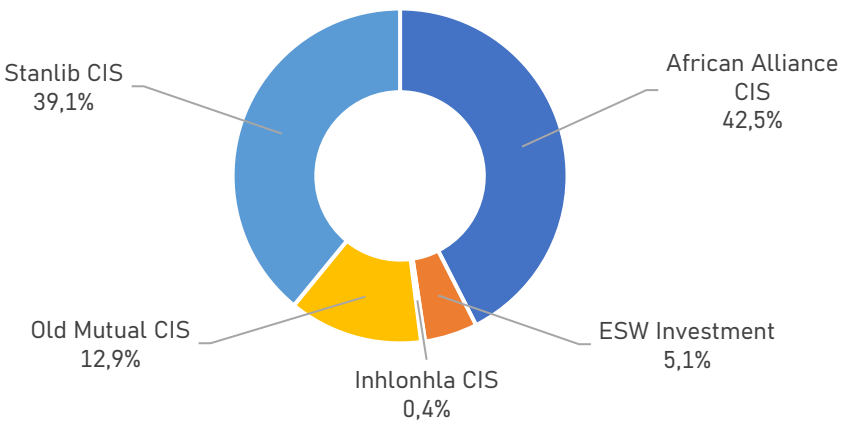


3.1.5.1 CIS Market Share

In the quarter under review, the number of licensed CIS changed from 6 to five due to SANLAM ceasing to operate its CIS business. The top three CISs continue to dominate the market, with a holding of approximately 95 % of the E8,1 billion.

Compared on a year-on-year basis, the market share has relatively remained the same with changes only in the region of +/- 2% across the entities. Stanlib has over the year lost 3% in market share whilst Old Mutual lost 2% and Inhlonhla losing 0.6%. ESW Investment realised an increased market share over this period. Almost similar results were observed on quarter-on-quarter basis with the market shares remaining stable with Stanlib gaining a 1.3 per cent market share. The below figure shows the market share of CISs.

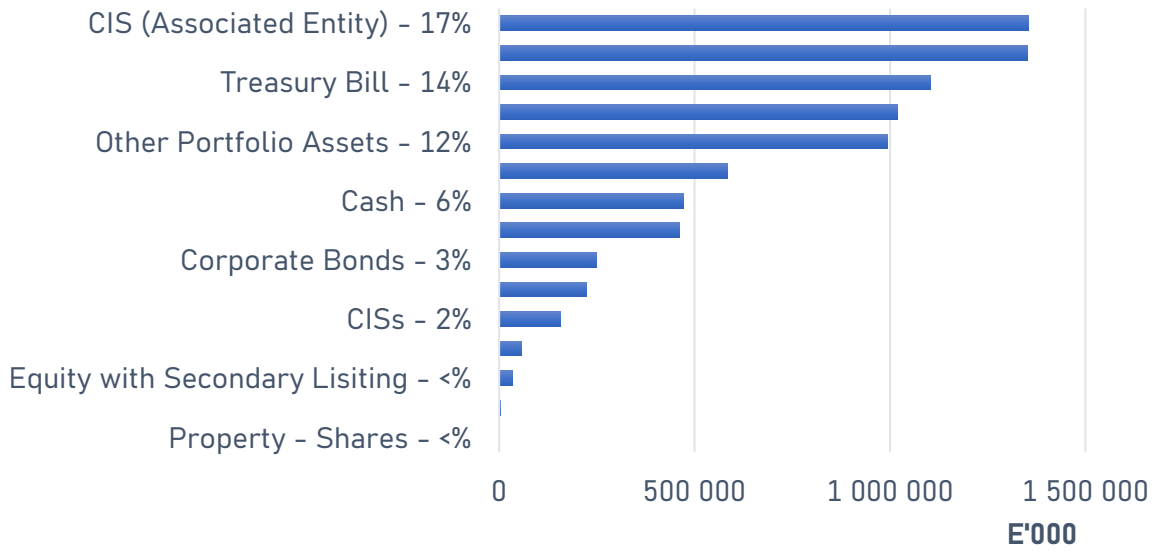
Figure 7 - CISs Market Share in terms of AUM



3.1.5.2 Asset Allocation

As of 31 March 2022, CISs continued to maintain their investment in several types of investment instruments. Leading amongst these with a 17% allocation are investments in other CISs and 17% in unlisted debt instruments. Treasury Bills are the third most preferred investment instruments with 14% worth of CISs assets. This however indicates a 2% drop quarter on quarter and a 4 % asset allocation decline year on year. Negotiable Certificates of Deposits realised a 3% increase from the last quarter to 13% this quarter. Other portfolio assets which is a basket for new and unclassified investment instruments continued its steady increase to 12% this quarter. Worth noting is that compared to a year ago, there were no assets invested under this category. This change to indicate that CIS Managers are seeking alternative investment avenues outside of the traditional or listed instruments. Whilst 16% of the funds were sitting in cash a year ago, only 6% of CIS assets were held as cash indicating the possibility of procyclical cash hoarding by the asset managers during times of market uncertainty and the release of cash to other instruments as the outlook in financial markets changes.

Figure 8 – CISs Investment Allocation



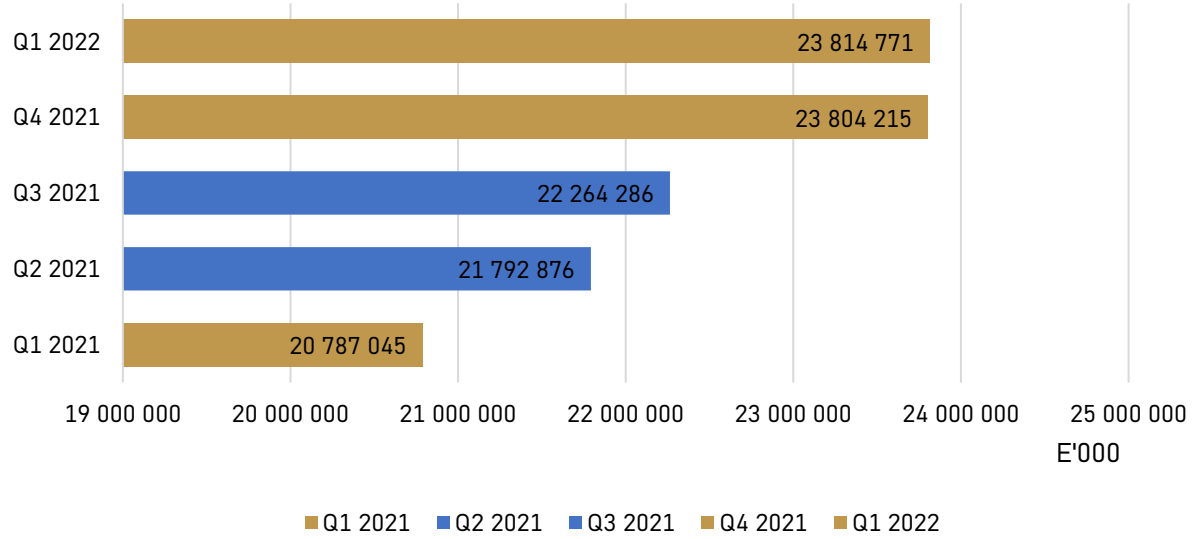
3.1.5.3 CISs Portfolios

As at the end of Q1 2022, CIS Managers had twenty-one (21) portfolios with a minimum of two (2) portfolios amongst each CIS and a maximum of six (6). The range of monthly debit orders into the portfolio starts at E500.00 to E50 000.00. In terms of risk, the portfolios are ranged from low to high. Terminology of the risk rating may vary across the different portfolios but most of them are rated medium. **The total value of redemptions during the period exceeded the E1 billion.**

3.1.6 Investment Advisory

In the quarter under review, assets under advisory realised a slow growth of less than 1% quarter on quarter remaining in the region of **E23.8 billion**. Year on year comparison indicates a modest 13% increase in the value of assets from E20.8 billion. See figure 5.1.6 below depicting the increase from Q 1 2021 to date.

Figure 9 – Value of Assets under Advisory

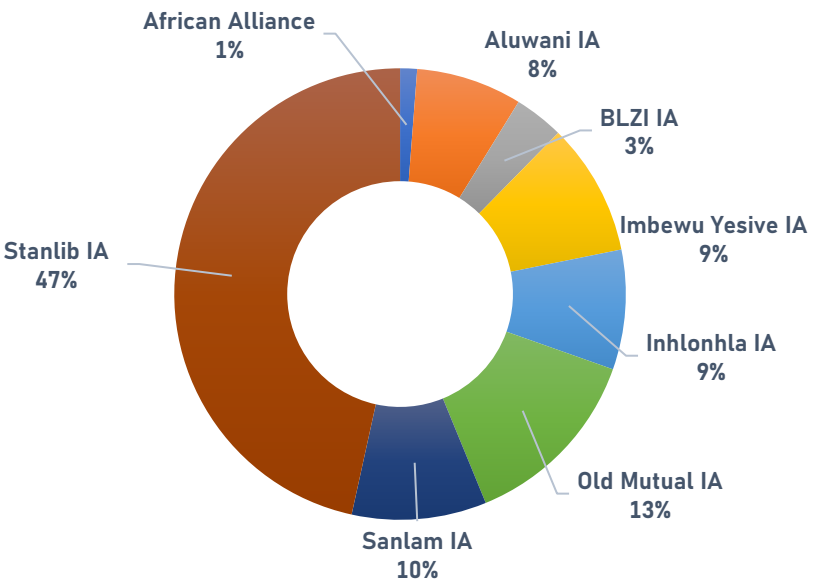


3.1.6.1 Market Share in terms of AUA

The local investment advisory space was dominated by three (3) players who command approximately 80% of the market share. Whereas there are twelve (12) Investment Advisors licensed by the FSRA, four (4) of the licensed Investment Advisors are Level 1 investment advisors and as such do not hold assets on behalf of investors. The market share depiction below excludes these investment advisors; these are:; Manyatsi Nhleko, Insika, Orange Capital and Swaziland Employee Benefits Consultants.

The overall market share has largely remained unchanged from the previous quarter ended 31 December 2021. Notable changes are 1 % gain of market share by Inhlonhla and Aluwani Capital Managers whilst Stanlib and BLZI lost market share by the same %. The rest of the market players had their market share unchanged. Year on year, the market share is relatively the same. Changes noted reflects fluctuations in the region on + /-1 % across all the market players.

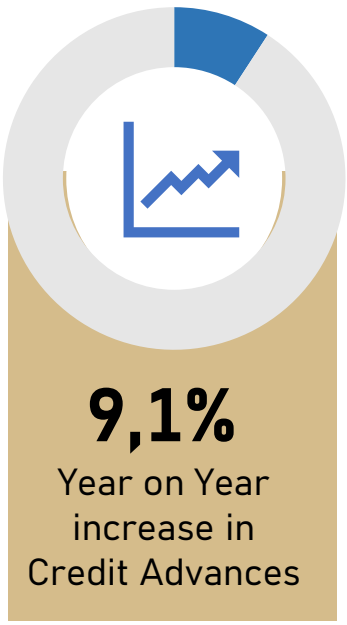
Figure 10 – Market Share in terms of AUA



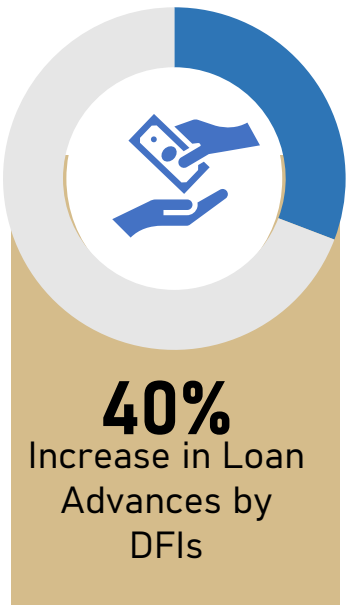
CREDIT AND SAVINGS INSTITUTIONS HIGHLIGHTS Q1 2022

E12,8 billion
Value of CSIs Assets

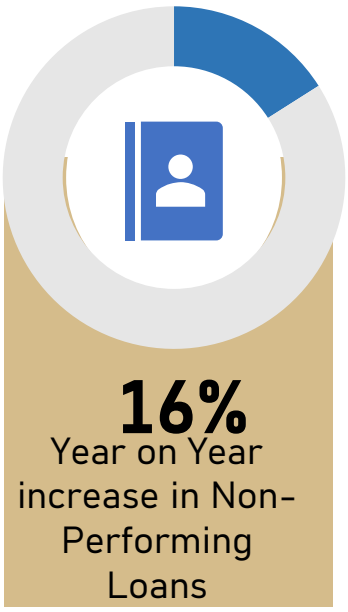
179 Licensed Service Providers



9,1%
Year on Year increase in Credit Advances



40%
Increase in Loan Advances by DFIs



16%
Year on Year increase in Non-Performing Loans

9,9%
Increase in total savings for both Building Societies and SACCOs.

8%
Decrease in SACCOs Non-Performing Loans

90%
The top 10 SACCOs account for 90% of the sector's assets.

1/3rd
Credit institutions assets continue to account for 1/3rd of the sector's assets.

3.2 Credit and Savings Institutions

3.2.1 Assets

As of 31 March 2022, credit, and savings institutions (CSIs) total assets were valued at E12.8 billion, this is a 5% year-on-year increase, a 0.6% quarter on quarter decline was however observed in the sector's assets. The year-on-year increase was a result of the 7% increase in credit institutions assets and the 8% increase in the SACCOs assets. The quarter-on-quarter decline was mainly due to the asset declines across the various sub-sectors except for SACCO assets which increased by 0.03%. In terms of assets, Credit institutions assets continue to account for 1/3rd of the sector's assets, followed by the Building Societies and the Development Finance Institutions accounting for 24% and 19% respectively. Figure 11 below shows the ranking of the sector's assets and the changes in the assets in the past five quarters while figure 12 shows the distribution of assets across the subsectors as of 31 March 2022.

Figure 11 – Changes in Credit and Savings Institutions assets

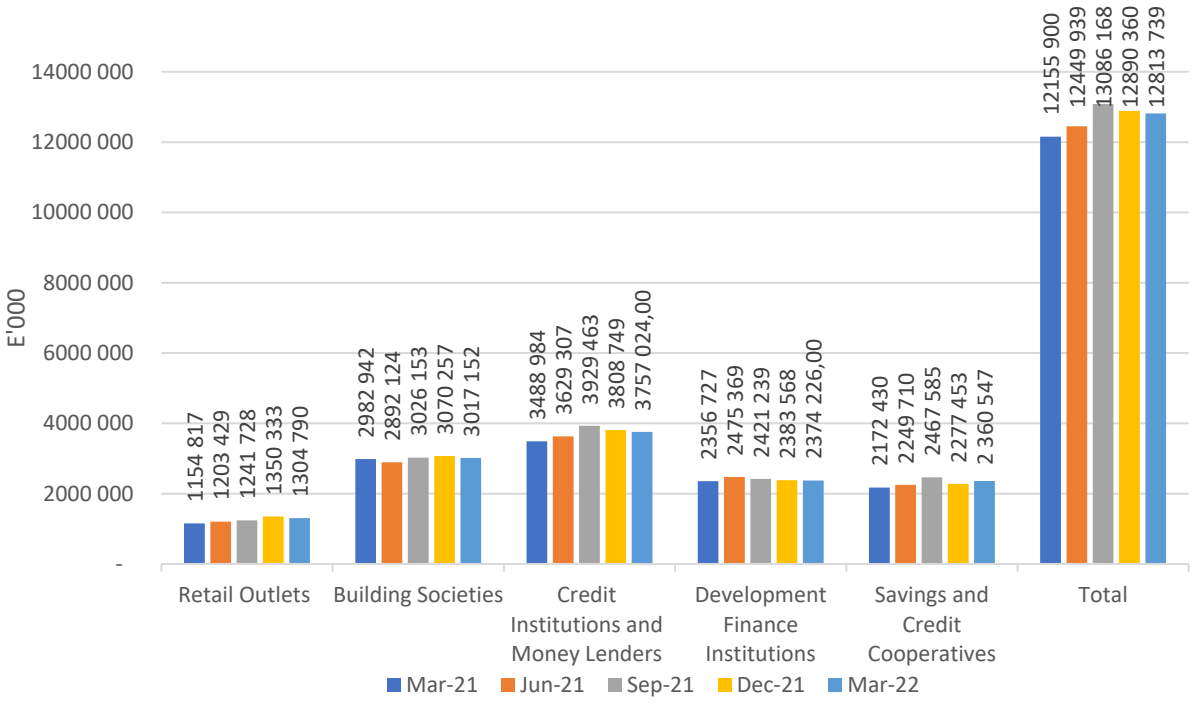
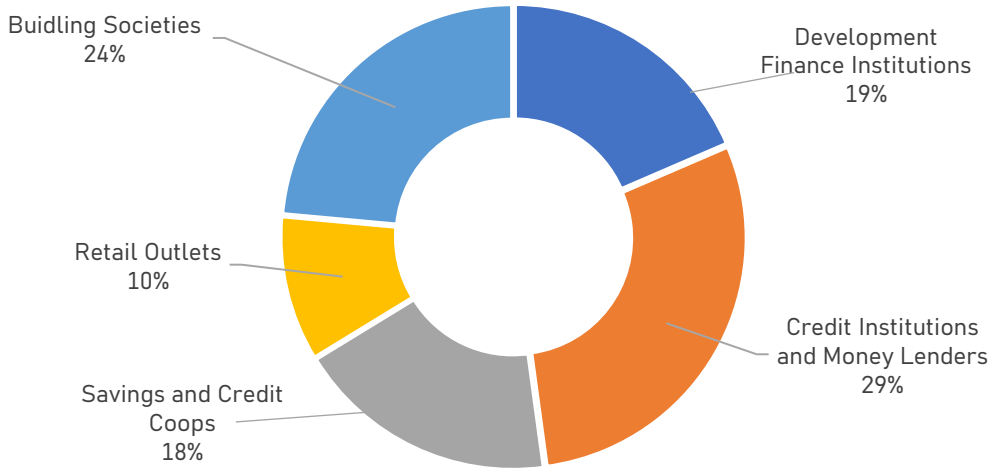


Figure 12 – Sub-sector asset Distribution



3.2.2 Credit Provision

A year-on-year increase of 9.1% in credit advances was observed however a 2.2% quarter on quarter increase was observed. The year-on-year increase was largely influenced by the significant increase of 40% in advances by the development finance institutions followed by SACCOs, credit institutions and money lenders whose advances increased by 8% and 7% respectively. Advances by retail outlets showed the least year-on-year growth and also showed a 5% decline on quarter-on-quarter basis while the other subsectors experienced growth with building societies and development finance institutions experiencing the highest quarter-on-quarter growth of 4.8% and 4.5% respectively. The figures below show that credit institutions lead the sector in terms credit extension. .

Figure 13 – Total Credit Facilities, Loans & Advances

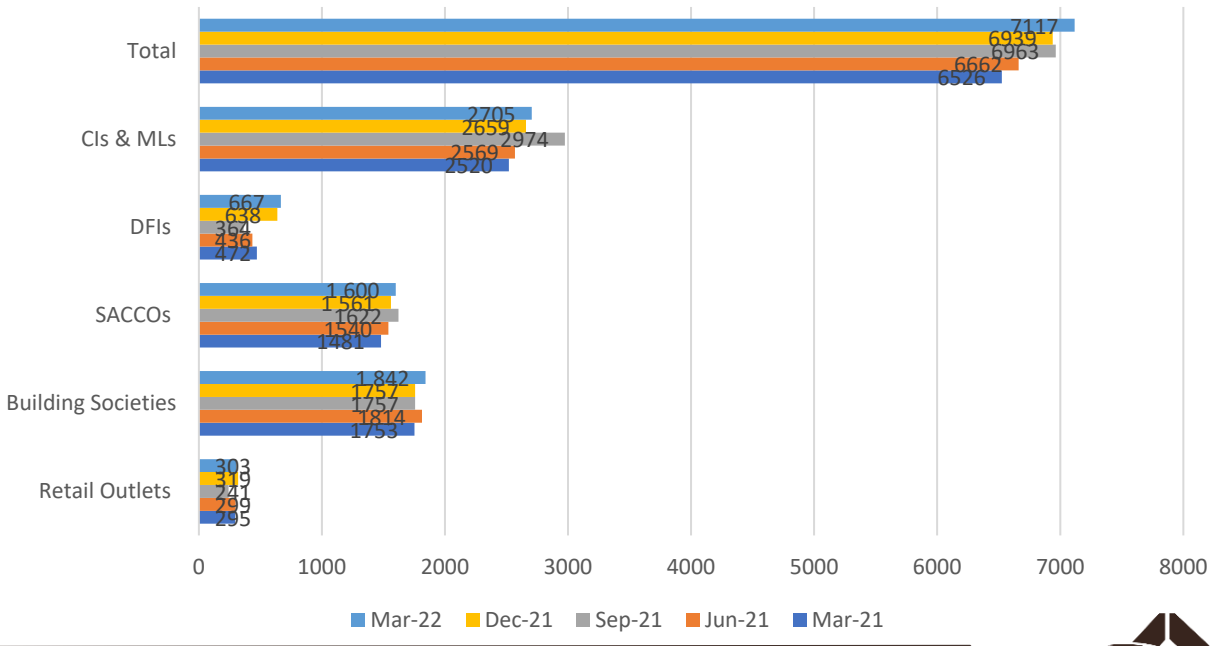
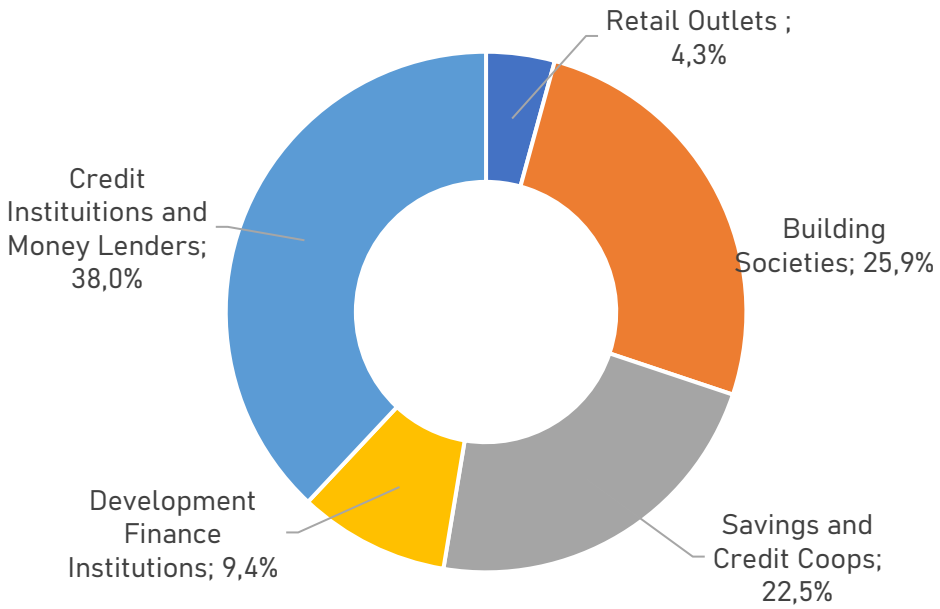


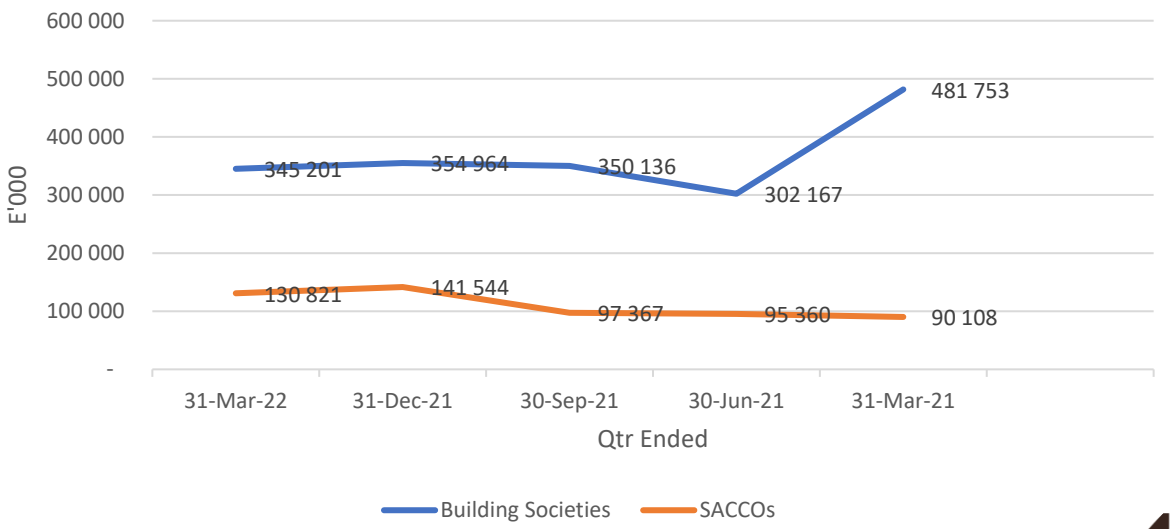
Figure 14 – Credit Advances Distribution



3.2.3 Non-Performing Loans

A 16% year-on-year decline in NPLs was observed following the highest NPLs observed as of 31 March 2021. This decline is due to the 28% year-on-year decline observed in the Building Societies NPLs while the SACCOs year-on-year NPL has been increasing since March 2021 to date. On a quarter-on-quarter basis the SACCOs NPLs also showed a decline of 8% when compared to the other quarters where a steady rise in NPLs was observed. Building Societies continued to maintain a decreasing trend in the NPLs on a quarter-on-quarter basis. NPLs however need to be monitored closely as consumers' 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.

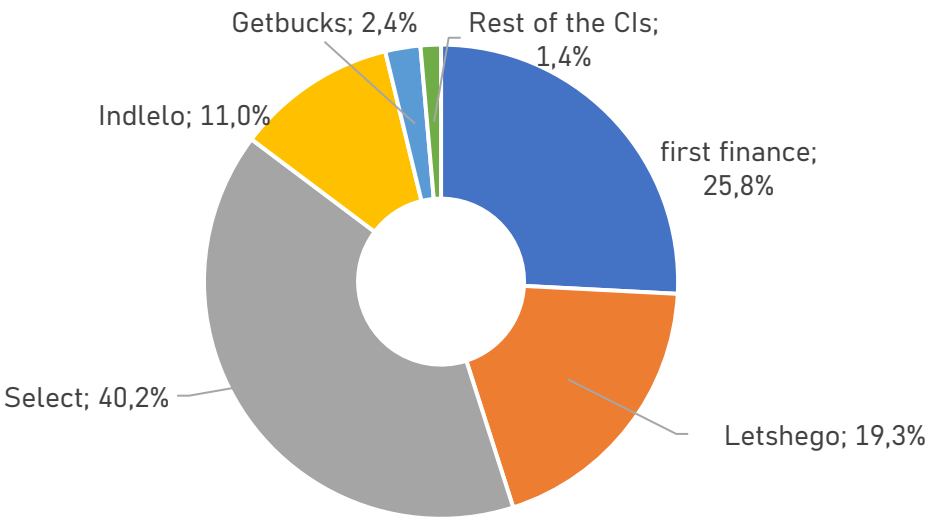
Figure 15 – Non-Performing Loans



3.2.5 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 with market shares in terms of assets of 40%, 26% and 20%, respectively. The figure below indicates the market share for the credit institutions.

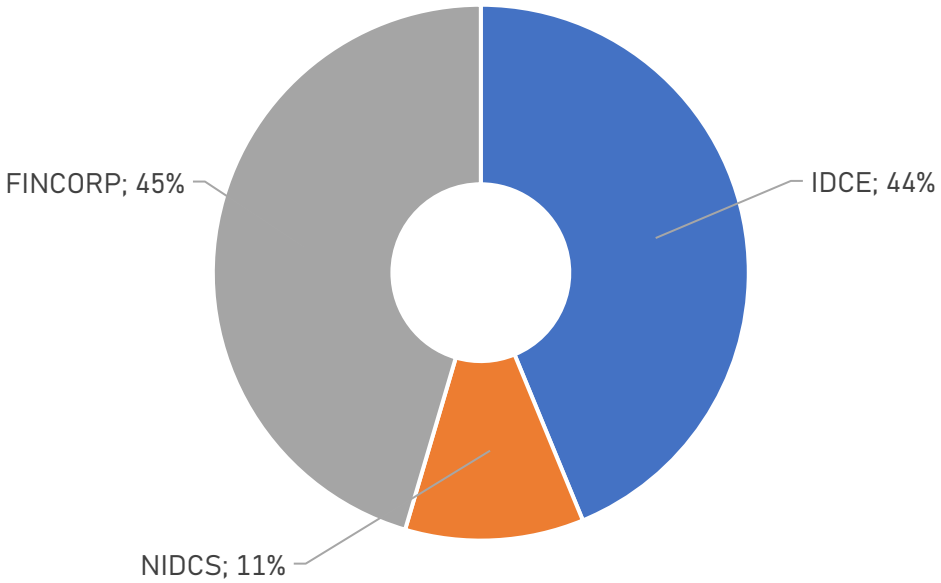
Figure 16 – Credit Institutions Market Share



3.2.6 Developmental Finance Institution Market Share

In terms of market share according to assets under development finance institutions, Fincorp and IDCE are the market leaders with a joint asset base of over 89% of the DFIs. Figure below indicates the market share held by each industry player as of 31 March 2022.

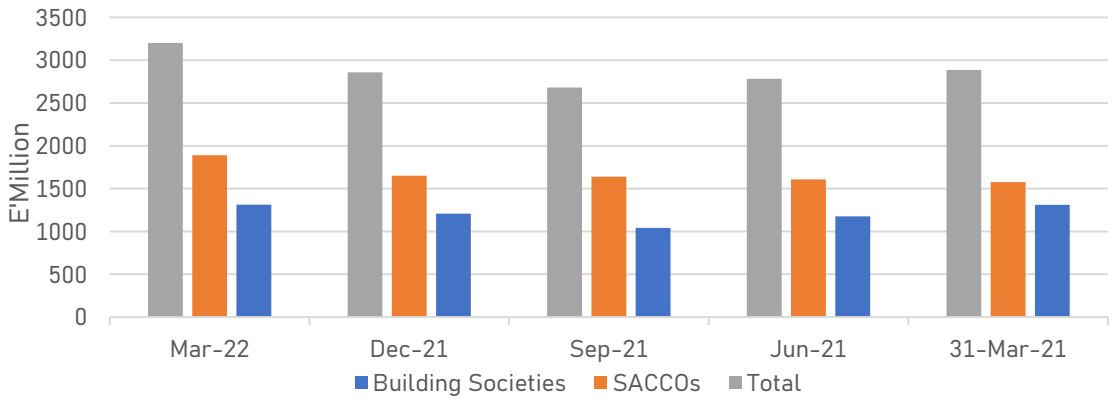
Figure 17 – Developmental Finance Institutions Market Share



3.2.7 Savings and Investment Products

Building Societies and SACCOs savings and investments remained positive during the period under review, despite lackluster economic conditions. A year-on-year 9.9% increase was observed in the total savings for both building societies and SACCOs, however a 10.7% quarter on quarter increase was observed. The year-on-year increase was mainly contributed by a 16.62% increase in savings with SACCOs while building societies only experienced a 0.23% testimony to the slow pace of economic and financial activity. On quarter-on-quarter an 8.0% increase was observed in building societies and 12.7% in SACCOs which was mostly attributed by the compulsory monthly contributions by members towards their long-term savings as evidenced in Figure 18 below.

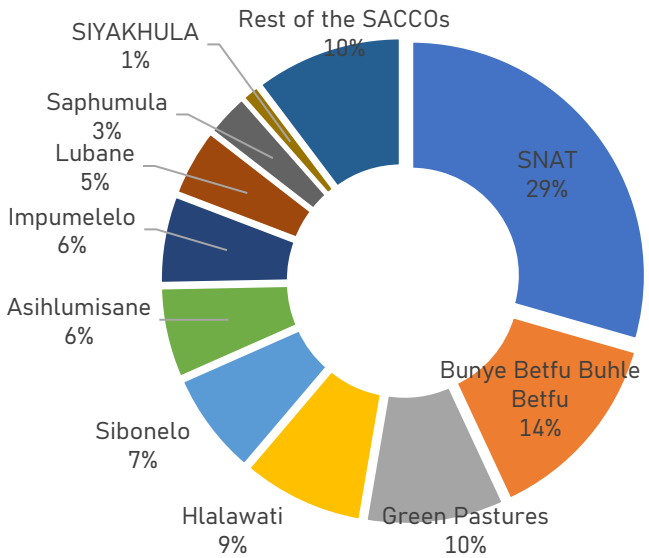
Figure 18 – Savings Performance



3.2.8 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 19 below illustrates the sector's market share and shows that the top 10 SACCOs 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.

Figure 19 – Top 10 SACCOs by Market Share



INSURANCE SECTOR HIGHLIGHTS Q1 2022

76
Licensed Entities

147
Licensed Individual Agents

E6,5 billion

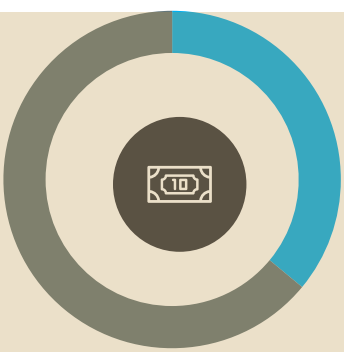
Insurance Sector Assets.

E452 million

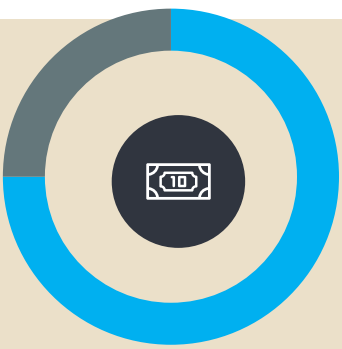
Insurance Sector GWPs.

E5,2 Billion

Insurance Sector Liabilities.



36%
LTI Business sourced through Brokers



75%
STI Business sourced through Brokers

171%
Increase in ST Net Claims

3.3 Insurance Sector

3.3.2.1 Long Term Insurance

3.3.2.2 Gross Written Premiums

The Gross Written Premiums (GWP) for LTIs as at the end of Q1 2022 were valued at **E267 million**. This indicates a slight growth of 3% year-on-year. The increase is partly attributed to the 55% increase in the uptake of endowment and retirement fund policies amongst all the other classes of insurance. Annuities, disability, and group life insurance also recorded an above 10% increase in uptake when compared to the the same period last year. Despite recording a negative year on year growth; the following classes of insurance business policies are amongst the most subscribed to funeral policies at 16%; unit linked savings policies with 16%; credit life contributing 13%; group life with 10%. The rest of the insurance classes contribute the remaining portion of 11% and are annuities, disability, and endowment policies. Table 1 below shows the value of premiums written per the different classes of insurance business.

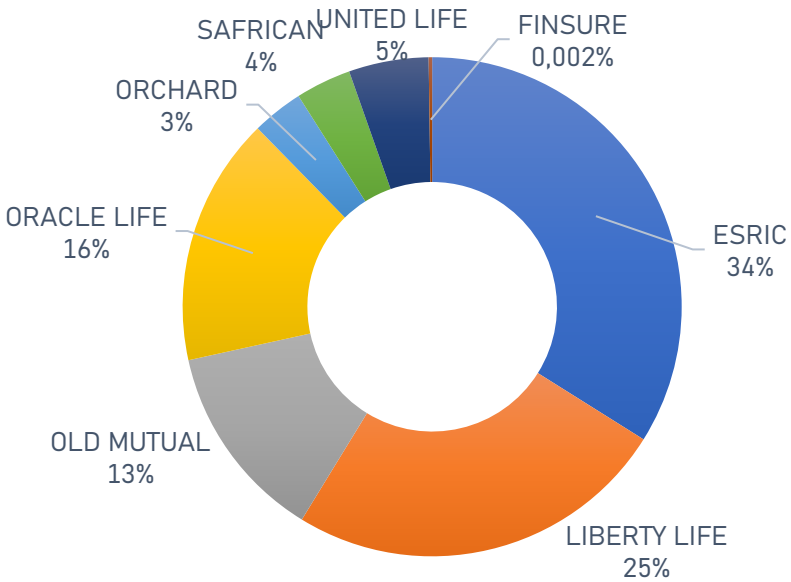
Table 1. LTI Gross Written Premiums

Class of business	Q1_2022	Q4_2021	Q3_2021	Q2_2021	Q1_2021
	E'000				
Annuities	19 858	42 872	35 852	30 062	17 464
Assistance	-	-	-	-	-
Credit life	33 919	141 435	105 668	80 334	41 080
Disability	3 324	15 296	11 749	6 046	2 894
Endowment	8 442	45 712	34 142	15 797	6 505
Funeral	41 676	145 712	117 166	80 602	44 614
Group life	27 784	108 892	82 69	51 508	24 480
Health	-	-	-	-	-
Individual life	30 685	109 975	81 207	60 754	31 653
Retirement fund	59 846	191 183	146 181	98 315	47 952
Unit linked savings	41 407	168 786	124 119	82 419	41 283
Total	266 940	969 862	738 773	505 837	257 924

3.3.2.3 Market Share In terms of GWP

Figure 20 below illustrates the LTI market share in terms of GWP. Consistent with the previous quarter, ESRIC leads the industry with 34% of the market share followed by Liberty with 25%. The remaining 41% of the market share is shared amongst the six insurance companies as follows: Oracle Life – 16 %; Old Mutual – 13 %; United Life – 5 %; Safrican – 4 % and Orchard with 3 %. Finsure is yet to establish itself in the market, as at the end of this quarter, their market share was at 0.002 %.

Figure 20 – LTI Market Share in terms of GWP



3.3.2.3 Net Claims and Policy Benefits

As at the end of Q1 2022, net claims on policies declined when compared to Q1 2021 by 11% to E168 million from E190 million. The overall decrease in net claims is because of an overall decline in claims against key insurance business classes. Amongst these was a 35% decrease in funeral claims which had the highest value of claims in the same period last year. Credit life claims and endowment claims also declined significantly by 48% and 50% respectively. This change in performance is due to the decline death rates which had been heightened by the pandemic. The resumption of economic activity also means that policyholders' income levels have improved and therefore no longer need to access their investment policies to augment their disposable income.

Despite the major decrease in insurance claims and policy benefits an increase of 31% in withdrawals for insured retirement funds was observed. Claims on funeral and individual policies remain the highest amongst with claims ratios of 83.7% and 69.3% respectively. The table below shows the breakdown of the claims according to the different classes of business.

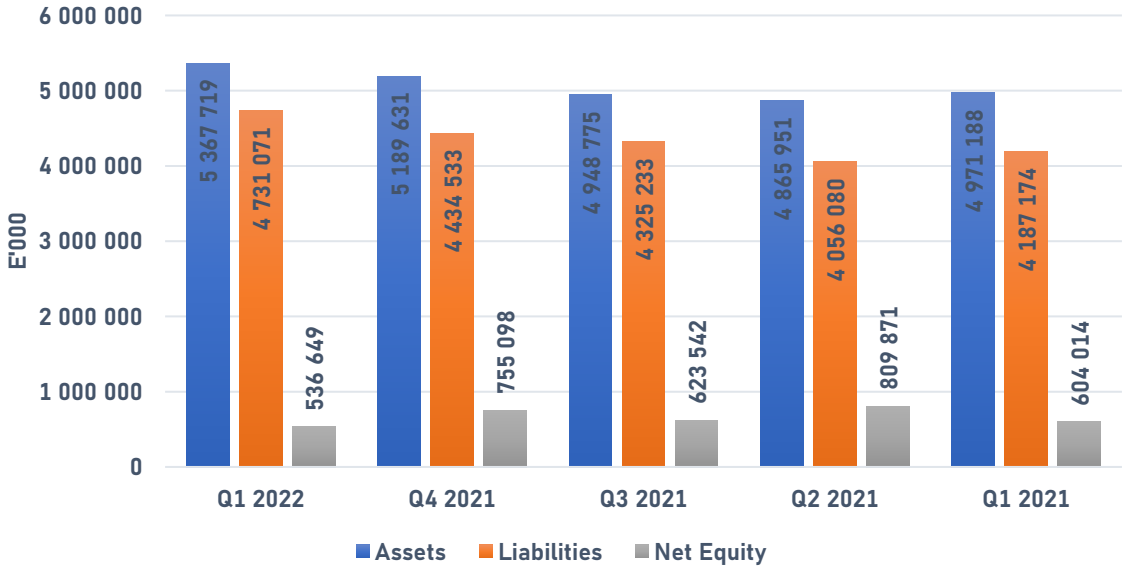
Table 2 : Claims and Policy Benefits

Class of business	Q1_2022	Q4_2021	Q3_2021	Q2_2021	Q1_2021
	E'000				
Annuities	12 056	45 808	37 668	25 700	13 641
Assistance	-	-	-		-
Credit life	10 140	58 207	46 020	28 646	19 662
Disability	1 125	3 911	3 116	2 025	1 116
Endowment	2 226	19 247	17 881	11 536	4 424
Funeral	34 884	216 895	171 889	117 516	53 941
Group life	19 267	85 503	70 303	46 223	31 712
Health	-	-			-
Individual life	21 265	97 228	64 597	43 584	24 418
Retirement fund	52 196	118 429	87 200	74 977	24 794
Unit linked savings	14 814	61 801	47 865	32 098	15 851
Total	167 973	707 028	546 538	382 305	189 557

3.3.2.4 Total Assets and Liabilities

The LTI assets as at the end of this quarter were valued at **E5,3 billion.** This indicates a 12% increase year on year growth in the value of assets and a 3% quarter on quarter on the back of favourable returns from investments. In terms of compliance with the local asset holding requirements, the LTI sector continued to comply as 35% of their investments were held in local instruments. 65% of the assets were invested in foreign jurisdictions with 92% of these funds invested in equities and other long term investment instruments. The LTI industry liabilities increased by 13% year on year to E4,7 billion mainly due to increase in the insurance and investment contract liabilities. Pending the finalisation 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. Although the sector has shown resilience and continues to be solvent the current solvency position is the lowest position when compared to the other periods since Q1_2021. The bar graph below illustrates the industry solvency position through the past 5 reporting periods.

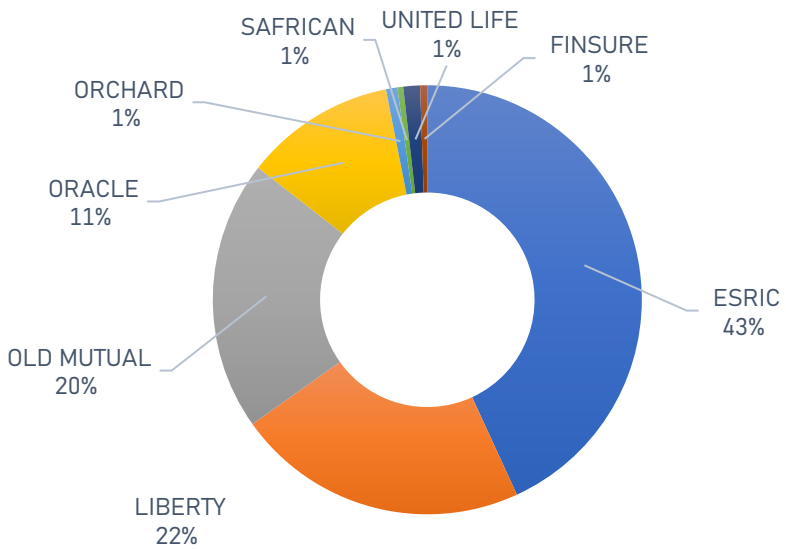
Figure 21 - Industry Solvency Position



3.3.2.5 Market Share in terms of Assets Held

The LTI industry's market share in terms of assets held indicates slight changes from the quarter ending December 2021. Similarly, year-on-year comparison indicates minimal changes across all the insurers in the region of plus / minus 1%. Finsure assets are now valued at 1% of the entire industry assets. The figure below illustrates the market share of insurers as at the end of this quarter.

Figure 22: LT Market Share in terms of Assets Held



3.3.2.6 Underwriting Results and Profitability

The LTI incurred a net loss after tax of E228million as opposed to the profit of E46.8million this time last year. This loss is mainly driven by the significant increase of over 100% in policy liabilities reserves while the investment income showed a decline of 86% due to the net unrealized fair value losses on financial assets. The above increases were also confirmed by the significant increase in the expense ratio from 26% to 76%. All classes of insurance were profitable during the period under review except for funeral insurance which had a loss ratio of 105.0%, this is however a significant improvement from the loss ratio of 140.0% as of 31 March 2021. A significant improvement in the group life loss ratio was observed as this decreased from 195.0% to 94.0% during the quarter under review. The net loss after tax incurred during the period under review led to an industry return on equity of -13.0. The table below provides the underwriting results per class of business as of 31 March 2022 while the next table shows the industry FHSIs.

Table 3: LTI Underwriting Results

	Gross Earned Premiums	Net Earned Premiums	Net Claims and Policy Benefits	Commission and other acquisition costs	Net underwriting results
	000				
Annuities	19,858	19,858	12,056	179	7,624
Assistance	-	-	-	-	-
Credit life	33,919	29,257	10,140	3,305	15,811
Disability	3,324	2,379	1,125	126	1,128
Endowment	8,442	8,442	2,226	712	5,504
Funeral	41,676	33,731	34,884	574	-1,728
Group life	27,784	21,458	19,267	798	1,392
Health	-	-	-	-	-
Individual life	30,685	29,838	21,265	2,469	6,104
Retirement fund	59,846	59,846	52,196	736	6,914
Unit linked savings	41,407	41,407	14,814	451	26,142
Other	-	-	-	-	-
Total	266,940	246,215	167,973	9,350	68,891

Commission and acquisition costs are net of reinsurance commission received
Results per class of business are exclusive of Investment Income, Other Income and Management Expenses as the Regulatory returns do not require the items be broken per class of business.

3.3.2.7 LTI Financial Health and Soundness Indicators

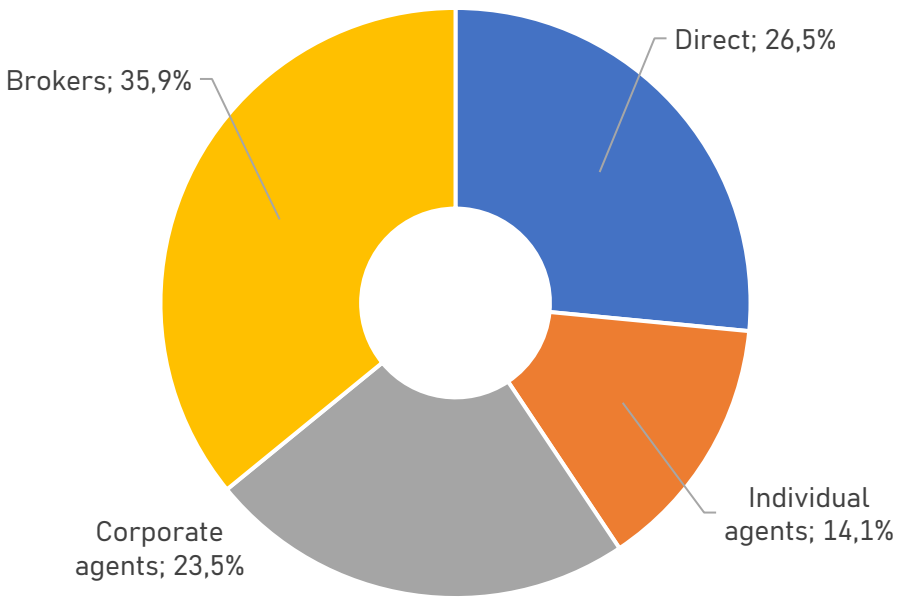
Table 4 – LTI FHSI for LTI

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Claims ratio	180%	115%	116%	80%	83%
Gross claims ratio	161%	117%	117%	114%	46%
Expense ratio	26%	26%	27%	21%	26%
Investment income ratio	44%	72%	60%	71%	66%
Investment income /average invested assets	0,5%	13%	9%	4%	7%
Return on equity (ROE)	-43%	28%	13%	4%	12%
Return on assets (ROA)	-4%	4%	2%	1%	2%
Personnel expenses / gross written premium	6%	5%	5%	10%	2%
Operating expenses / gross written premium	20%	20%	21%	20%	23%

3.3.2.8 Distribution of Products

As of 31 March 2022, a change in the distribution of long-term insurance products was observed. Unlike in the previous quarter where 41.4% was sourced through individual agents only 14.1% was sourced through individual agents with 35.9% sourced through brokers while 26.5 % was sourced directly.

Figure 23 – Distribution of LTI Products



3.3.3 Short Term Insurance

3.3.3.1 Performance in terms of Gross Written Premiums

The industry GWP was valued at **E161 million** as at the end of Q1 2022. Year on year comparison indicates that the value of GWP increased by 25% from E129 million. An improvement in gross premiums was observed across the different classes of business when compared Q1 2021 except for Motor and workman's compensation which declined by 8.0% and 25.0% respectively. Table 4 below shows GWP for the past five quarters.

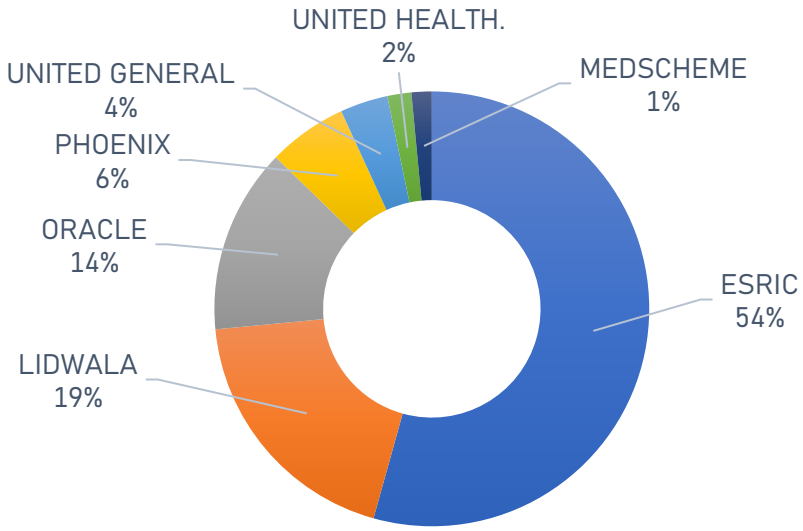
Table 5. STI Gross Written Premiums

Class of business	Q1_2022	Q4_2021	Q3_2021	Q2_2021	Q1_2021
	E1,000	E1,000	E1,000	E1,000	E1,000
Accident	2 321	17,827	14,429	9,889	1,926
Agriculture	-307	26,129	25,418	23,591	391
Engineering	5 279	48,319	38,420	29,219	1,335
Guarantee	5 022	14,744	11,727	5,006	1,630
Health	7 832	22,809	17,757	16,085	7,840
Legal expenses	162	597	440	287	139
Liability	11 576	42,539	35,879	23,080	10,955
Motor	41 211	191,546	138,910	91,548	45,030
Property	35 176	131,295	106,432	67,046	26,705
Transportation	6 528	9,801	8,299	6,054	4,002
Travel		-	-		
Workman's compensation	2 862	115,309	110,332	111,011	3,829
Other	43 512	207,757	171,073	116,761	25,342
Totals	161 175	828,670	672,005	499,577	129,124

3.3.3.2 Market Share in terms of GWP

In terms of premiums written, ESRIC continues to lead the ST insurance industry receiving over 50% of the premiums. The rest of the premiums are shared by the rest of the industry players as follows: Lidwala – 19%; Oracle – 14%; Phoenix – 6%; United General – 4%; United Health – 2% and Medscheme Health with 1%.

Figure 24 – STI Market Share in Terms of Premiums Written



3.3.3.3 Net Claims Incurred

As of 31 March 2022, net claims on STI policies showed a 171% increase in when compared against the same quarter of 2021. A decline in claims incurred for all the STI classes of business was observed except for liability insurance and workmens' compensation that experienced significant net claims incurred increases above 100% and property claims increased by 26%. The other classes of insurance which are not specified also increased significantly by 146%.

Table 6 – Net Claims Incurred

Class of business	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021
	E1'000				
Accident	431	2 309	1 375	729	452
Agriculture	-62	5 572	4 121	-	-
Engineering	423	5 923	1 948	583	428
Guarantee	289	609	1 187	606	2 022
Health	309	13 363	10 499	7 501	2 911
Legal expenses	20	8	-1	20	33
Liability	2129	3 739	2 444	1 157	769
Motor	12 969	65 756	44 673	34 203	20 975
Property	9 348	41 299	14 436	10 538	7 423
Transportation	103	1 165	687	777	753
Travel					
Workman's compensation	5813	-3 761	-1 160	-5 156	-10 782
Other	4 360	-9 378	-13 753	-6 924	-9 480
Total	36 130	134 127	66 456	44 034	13 353

3.3.3.4 Assets and Liabilities

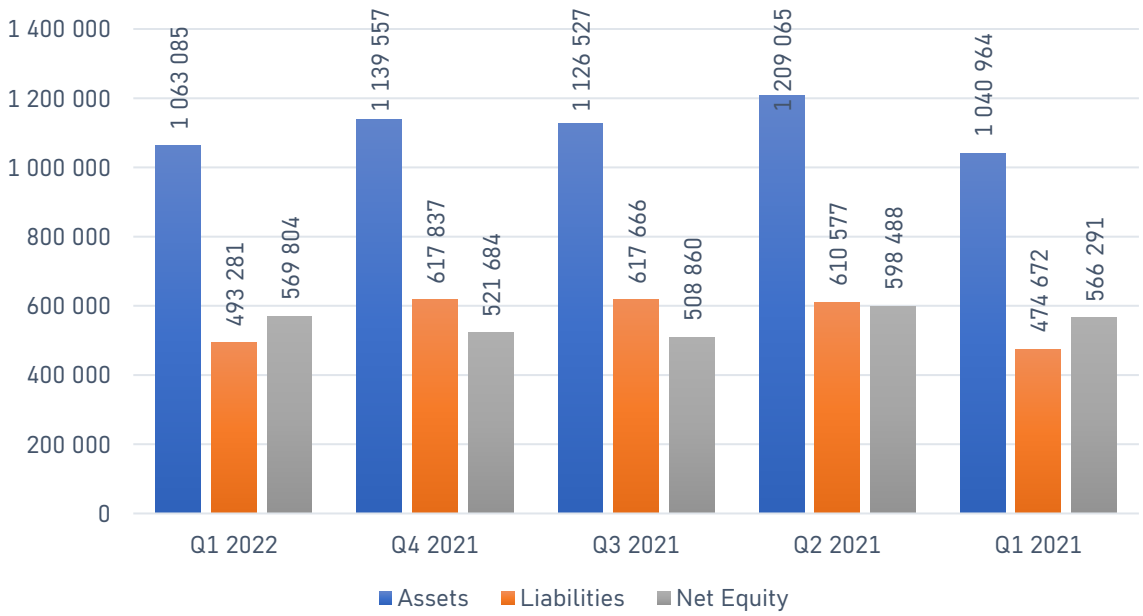
The STI industry's total assets decreased by 7% quarter on quarter from E1,4 billion to E1,1 billion. Year on year comparison, however, indicates a minor growth of 2%. The year-on-year growth is attributed to an increase in reinsurance receivables, increase in intangible assets, loans to related parties and outstanding premiums.

In terms of investments, the STI industry continued to comply with the local asset holding requirements as 49% of the sector's assets were invested locally which is an increase of 1% from the last quarter. Of the E316 million invested locally, almost half of the funds i.e., 49% was held as deposits with financial institutions, whilst 25% was invested in equity instruments, 21% in money market instruments and debt instruments maturing within a year and 5 per cent in debt instruments maturing after a year. Foreign assets were mainly invested in foreign bonds and equity instruments. The STI liabilities increased by 5% year-on-year to E493 million from E471 million due to the increase in technical provisions and reinsurance liabilities. Quarter-on-quarter, a decline of 20% was observed resulting from the decrease in technical provisions and reinsurance liabilities.

3.3.3.5 STI Solvency

The STI 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 E2 million 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. This calculation is applied to individual short-term insurers however for the consolidated sector solvency the net equity position is used. Figure 25 below shows the industry's solvency position for the past 5 reporting quarters.

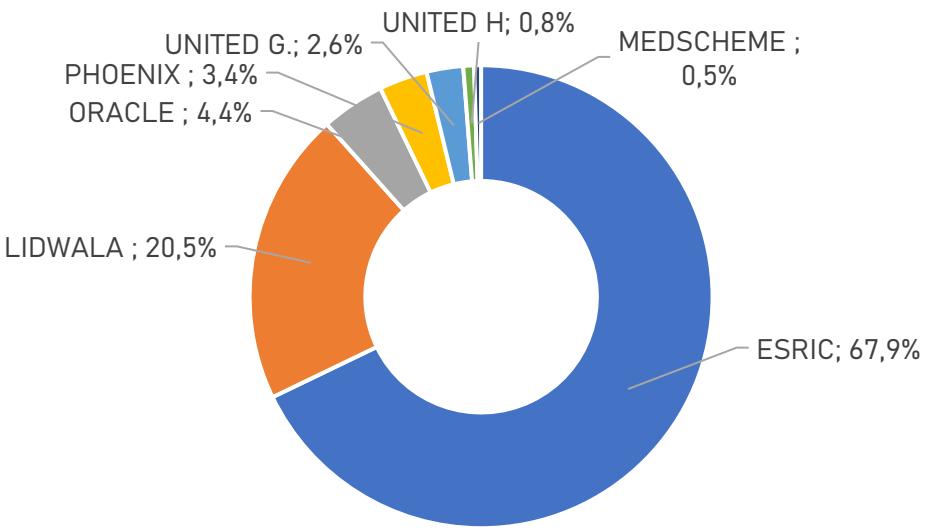
Figure 25 – STI Solvency Position



3.3.3.5 Market Share in Terms of Assets Held

In the STI industry, almost 90 % of the industry's assets are held between ESRIC and Lidwala Insurance sharing 68 % and 21 % respectively. The rest of the assets (11 %) is held accordingly as follows; Oracle Insure – 4 %; Phoenix – 3 %; United General – 2.6 %; United Holdings – 0.8 % and Medscheme with 0.5 %.

Figure 26 – STI Market Share in Terms of Assets



3.3.3.6 Underwriting Results and Profitability

A 5% increase in the net earned premium was observed on a year-on-year basis. This slight increase was due to the 8% increase in earned premiums relating to workman's compensation coupled with significant increases in engineering, property and transportation. The significant increase in net incurred claims and the 13% increase in management expenses contributed to a 47% year-on-year decline in underwriting results as Commission and acquisition costs declined by 11%. Despite the decline in year-on-year underwriting results the STI sector remained profitable although a 32% decline in profitability was observed. Whilst there was a notable increase in net premium revenue, reinsurance commission and investment income, these gains were eroded by the increases in various expenses relating to underwriting as already discussed together with the increase in tax expense. Table 6 below illustrates the underwriting results

Table 7 – Net Underwriting Results

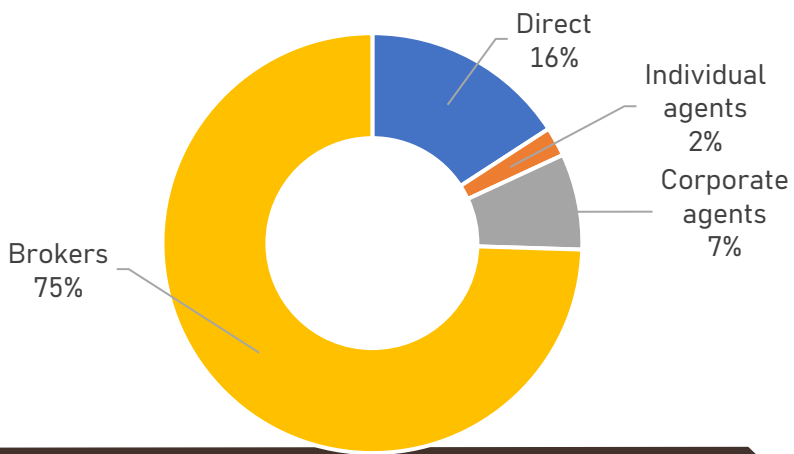
Class of Business	Gross Premiums	Net earned premiums	Net claims incurred	Net commission and other acquisition costs	Net underwriting results
	E1,000				
Accident	2,321	1,479	431	148	900
Agriculture	(307)	(182)	(62)	(13)	(107)
Engineering	5,279	3,198	423	241	2,534
Guarantee	5,022	1,633	289	(293)	1,637
Health	7,832	6,091	309	(704)	6,486
Legal expenses	162	24	20	(19)	23
Liability	11,576	2,225	2,129	567	(470)
Motor	41,211	21,810	12,969	2,404	6,438
Property	35,176	25,626	9,348	2,916	13,362
Transportation	6,528	1,458	103	143	1,212
Travel	-	-	-	-	-
Workman's compensation	2,862	2,860	5,813	132	(3,085)
Other	43,512	32,194	4,360	3,514	24,320
Totals	161,175	98,416	36,130	9,036	53,250

Note:
- Commission and acquisition costs are net of reinsurance commission received
- Results per class of business are exclusive of Investment Income, Other Income and Management Expenses as the Regulatory returns do not require the items be broken per class of business.

3.3.3.7 Distribution of Products

In the quarter under review, insurance intermediaries continued to distribute ST insurance products. Of the E161 million value of underwritten business in this quarter, 75 % of the business was sourced through the 16 licensed insurance brokers. About 16 % of the premiums were direct business. Corporate agents solicited 7 % of the business and individual agents only 2 %. Figure 27 below illustrates the %age share of the main source of ST insurance business.

Figure 27 – STI Product Distribution



3.3.3.8 STI Financial Health and Soundness Indicators

Similar to the long-term insurers financial health and soundness indicators are calculated for the STI sector focusing on the following key areas: capital adequacy; asset quality, reinsurance; earnings and liquidity. The table below shows some selected FHSIs for STI sector.

Table 8 – FHSIs for STI

	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
Claims ratio	27.7%	27.7%	18.7%	16.0%	26.0%
Gross claims ratio	39.0%	22.9%	19.5%	18.0%	32.0%
Expense ratio	66.0%	67.9%	61.4%	38.0%	42.0%
Investment income ratio	13.9%	7.2%	6.9%	5.0%	7.0%
Investment income / average invested assets	1.3%	6%	4.4%	2.0%	1.0%
Combined ratio	93.7%	95.7%	80.1%	55.0%	69.0%
Operating ratio	79.8%	88.4%	73%	52.0%	68.0%
Profitability ratio	38.7%	30.6%	44%	40.0%	49.0%
Return on equity (ROE)	8.9%	28.4%	23%	18.0%	13.0%
Return on assets (ROA	4.8%	13.0%	10%	9.0%	7.0%
Risk retention ratio	61.1%	60.0%	62%	65%	62%
(Reinsurance recoveries + reinsurance commissions) / reinsurance ceded	43.1%	36.5%	35%	33%	20%

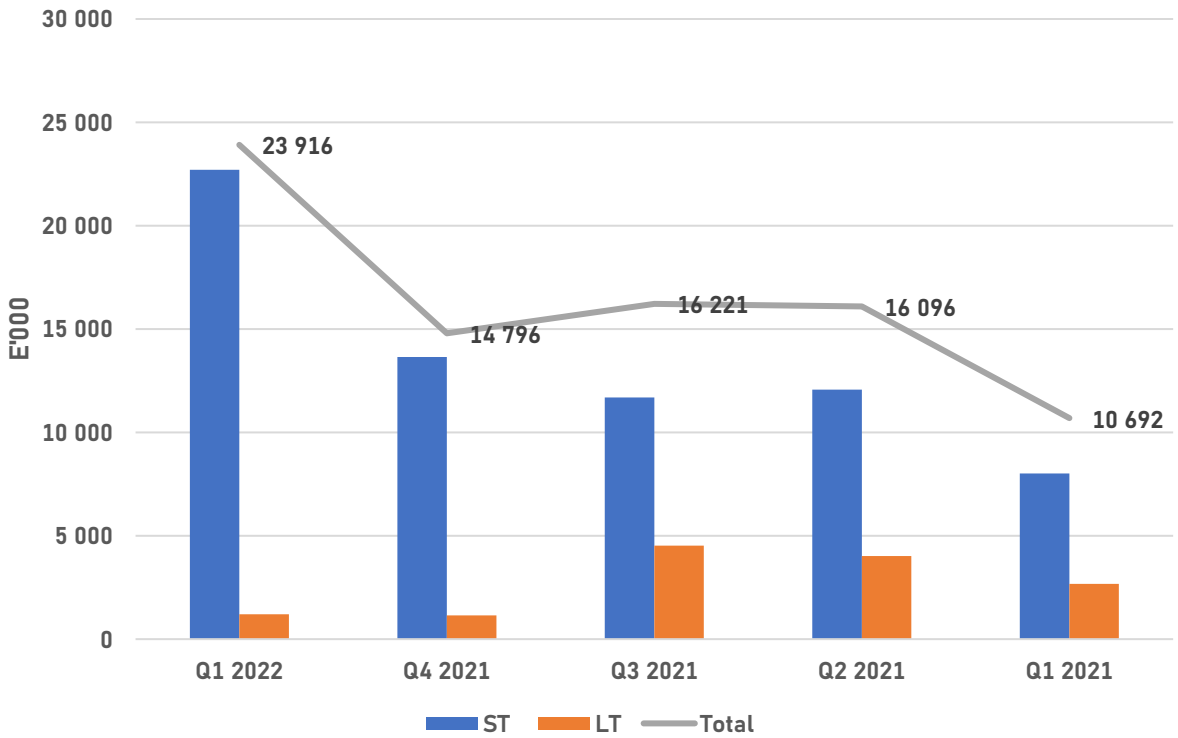
3.3.4.1 Reinsurance Business

3.3.4.2 Performance in terms of Gross Written Premiums

As of 31 March 2022, the total value of GWP recorded from the short-term reinsurance business was **E22.7 million**. This indicates a 183% increase in GWP year on year. The significant increase is mainly due to a 314% increase in premiums generated under the property class of business.

Under the long-term reinsurance business, the value of GWP decreased by 55 % year on year from E 2.7 million to **E 1.2 million** as at the end of the quarter under review. The decline in value is due to 245 % decline in premiums written under the group life class of business. Overall, the sector realised a robust premium growth year on year. As at the end of 31 March 2022, the total premiums written were valued at E23.9 million which indicates a 124% increase from E10.7 million recording at the end of March 2021. Out of the E23.9 million GWP, 95% of the premiums related to premiums ceded from short term insurers and 5% related to premiums ceded from long term insurers. The below figure 28 illustrates the GWP year on year

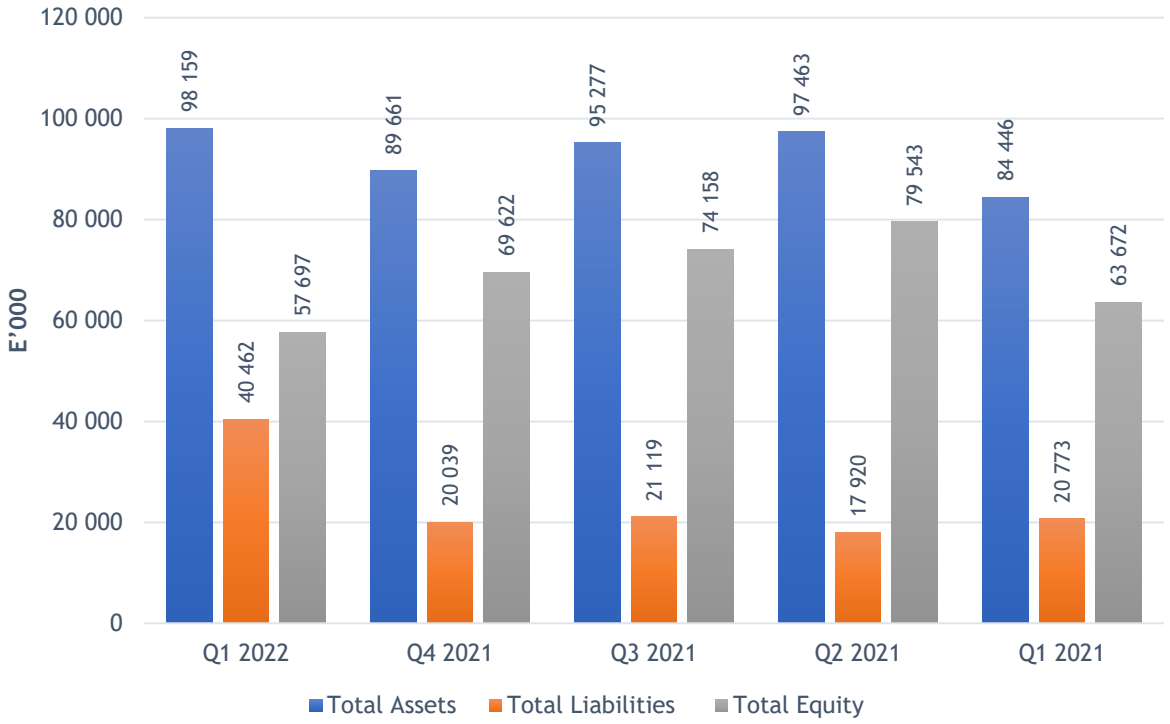
Figure 28 – Reinsurance Premiums



3.4.3.3 Assets and Liabilities

As of 31 March 2022, the reinsurance sector assets were valued at E98.2 million which is a year-on-year increase of about 16 % from E 84.4 million. The sector liabilities significantly increased by 95.0 % on a year on year from E20.8 million to E40.5 million. The higher rate of increase in liabilities when compared to assets led to a decline of 9.0 per cent decrease in the sector's net equity. The figure below illustrates the reinsurers solvency.

Figure 29 - Reinsurance Solvency



3.4.3.4 Profitability

In the quarter under review, the short-term insurance business realised a 128 % improvement in underwriting income. Management expenses increased slightly by 9 % from E2.1 million to E2.3 million. Further, there was a significant decrease in the value of insurance benefits paid out compared to Q1 2021 which indicated a 1147 % decline from E915 thousand to E73 thousand. Overall, the sector experienced a net profit of E3.1 million which is an 88 % increase on a year-on-year basis from E379 thousand.

RETIREMENTS FUND SECTOR HIGHLIGHTS Q1 2022

E41,9 Billion
Total Industry Assets

E937 Million
Total Industry Income

10%
Increase in membership

INVESTMENT ALLOCATION

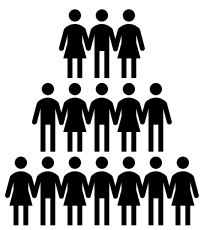
percentage of RF assets invested in equities. **58%**

MARKET SHARE

89% The market share of the two largest RFs in Eswatini

E 19,3 Billion
RF Assets invested locally

E23,6 Billion
RF Assets invested in foreign markets



There are **214 027** active fund members in Eswatini.



There are **27 121** RF Pensioners in Eswatini. **58%** are females.

93
Entities in this sector

3. INDUSTRY DEVELOPMENT AND PERFORMANCE

3.4 Retirement Funds

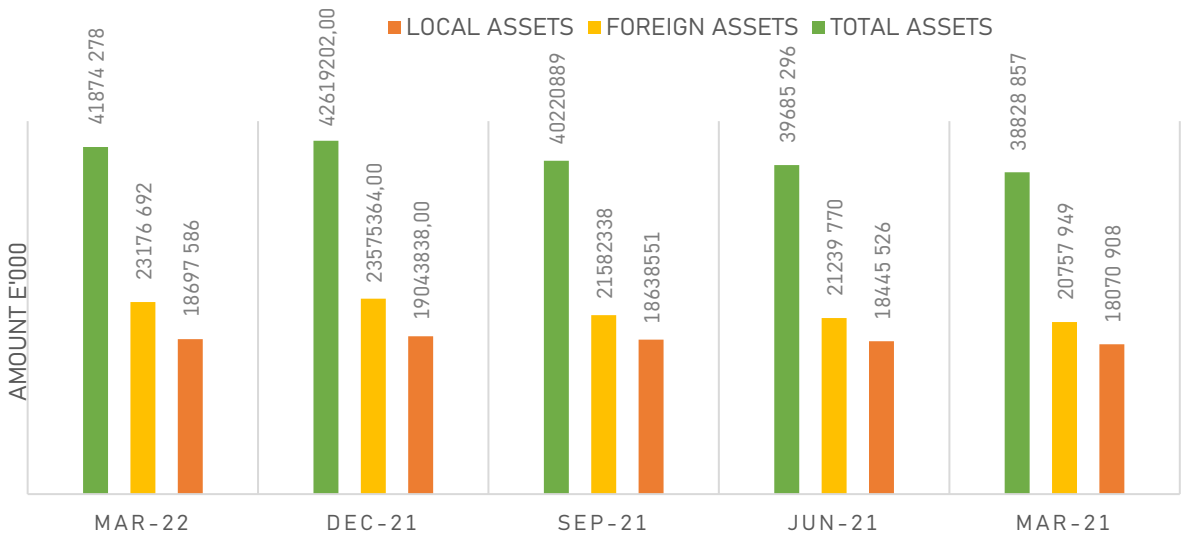
3.4.1 Retirement Fund Assets

A year-on-year increase of 7.3 % was observed in the value of retirement fund assets, however a slight quarter on quarter decline of 1.7 % was observed. This improvement was attributed to the improved financial markets performance with positive market indices over the past 12 months coupled with the additional investments as collected contributions are allocated. With over 45% of the retirement funds assets places on the JSE, the sector has enjoyed positive returns as the JSE has delivered a good performance under the challenging macro-economic and trading environment.

3.4.2 Geographic Allocation

On a year-on-year basis a 2.0 percentage points increase in foreign assets allocations was observed, increasing from 53.5% to 55%, this therefore led to a decline in local asset holdings as they declined from 46.8% to 44.8%. The investment allocations are however still in line with the 30% local asset holding regulations. Figure 30 below shows the distribution of the retirement funds assets throughout 2021.

Figure 30 - Assets by Location



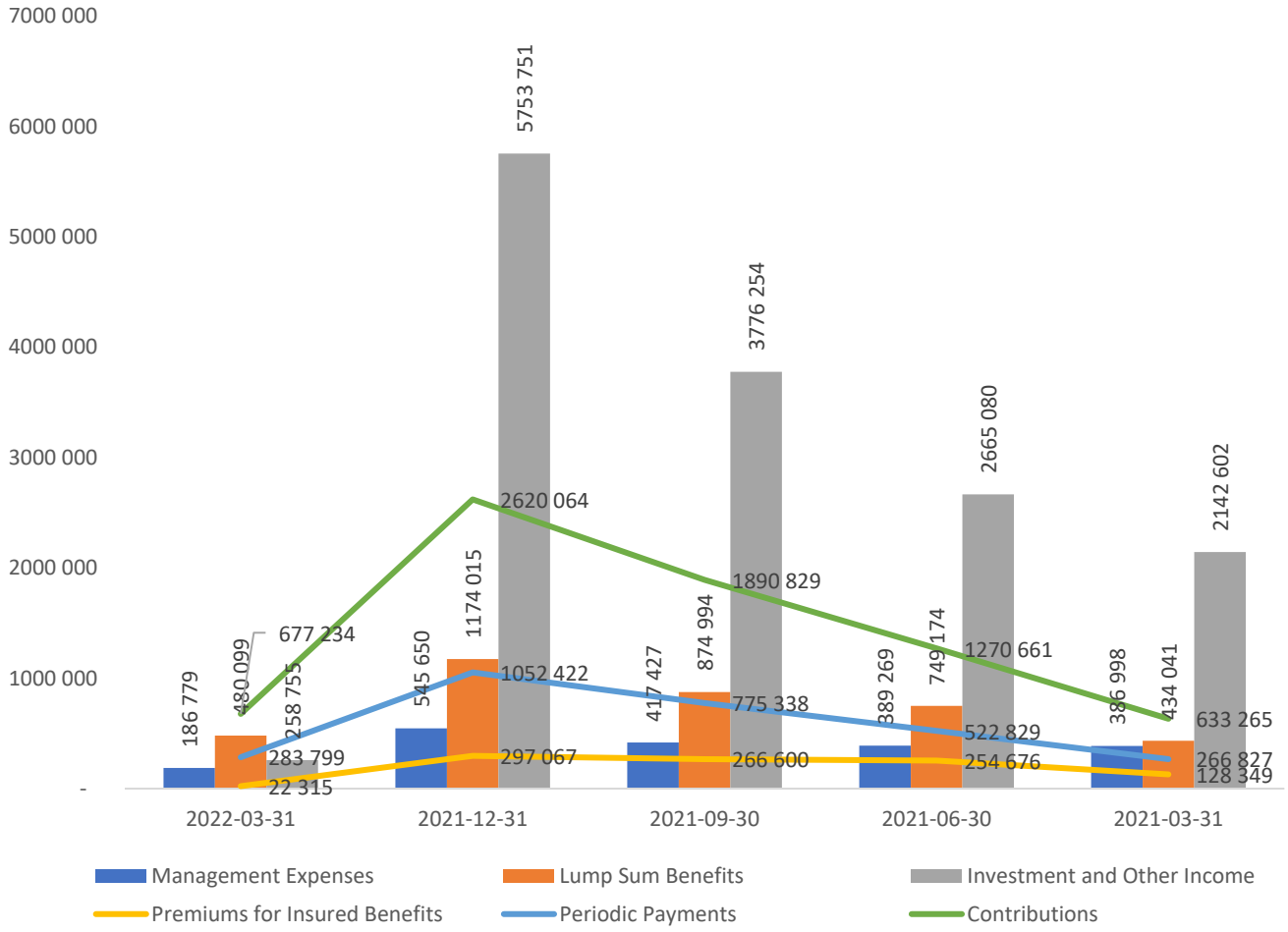
3.4.2.2 Income and Expenditure

In comparison with first quarter of 2021, total income decreased by 65% from E2.6 billion to **E937 million** in the first quarter of 2022. This decline was mainly due to the 35% decline in investment income as result of the unrealized fair value losses on financial assets and rental income which declined by 34%. In respect of contributions, a year-on-year increase of 6.9% was observed.

On the expenditure side a 17% increase was observed, and this was mainly due to a 11% increase in lump sum payments and 6% increase in periodic payments. The growth in benefits paid during first quarter of 2022 reflected the continued economic pressures on entities and individuals, which contributed to the cancellation of retirement fund benefits for employees. Increase in periodic payments were mainly driven by the payment of periodic retirement fund benefits which could be the result of cost-of-living adjustments through pension increases for pensioners.

The figure below illustrates the sector's income and expenditure as discussed above

Figure 32: RF Income and Expenditure



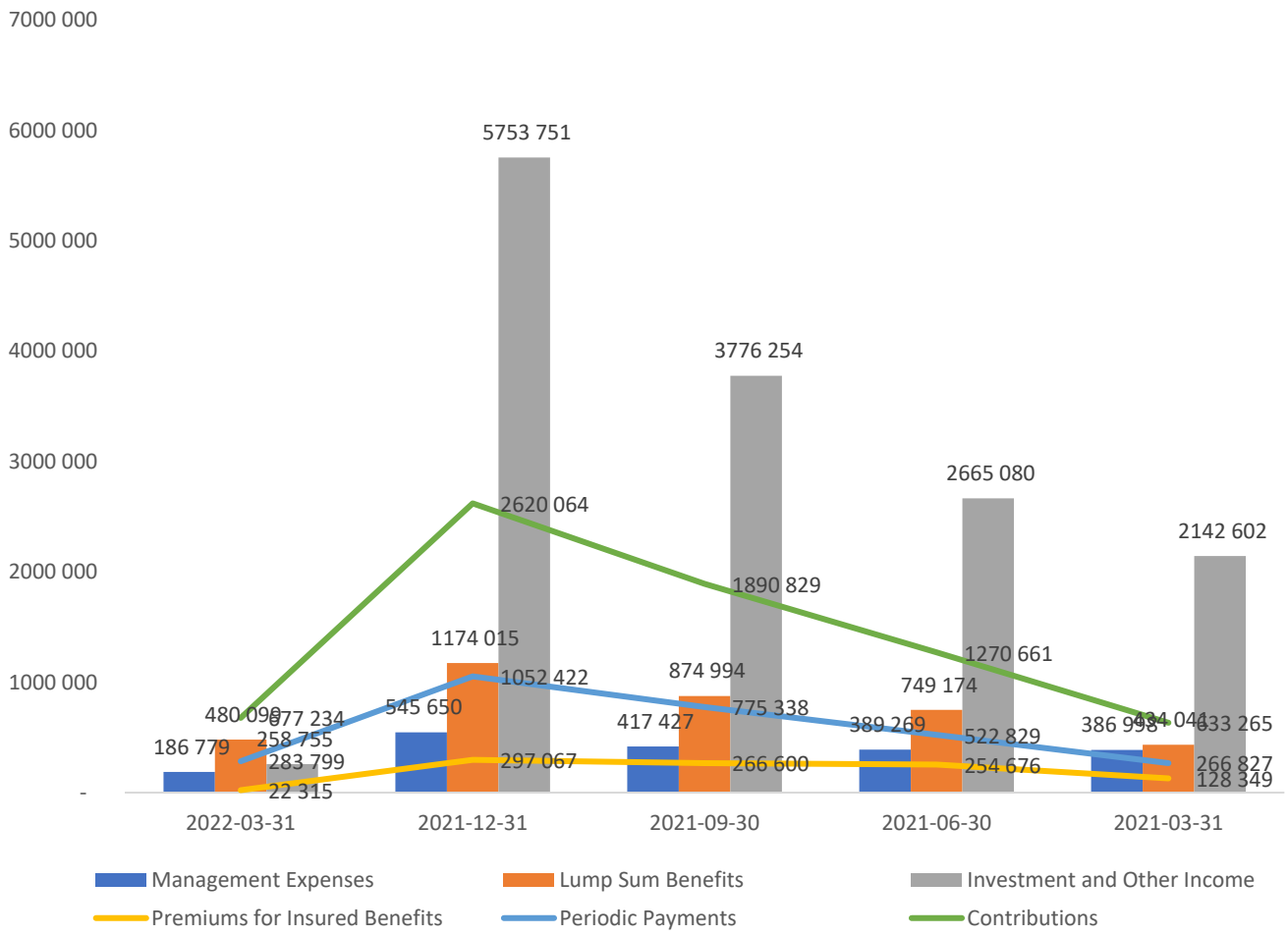
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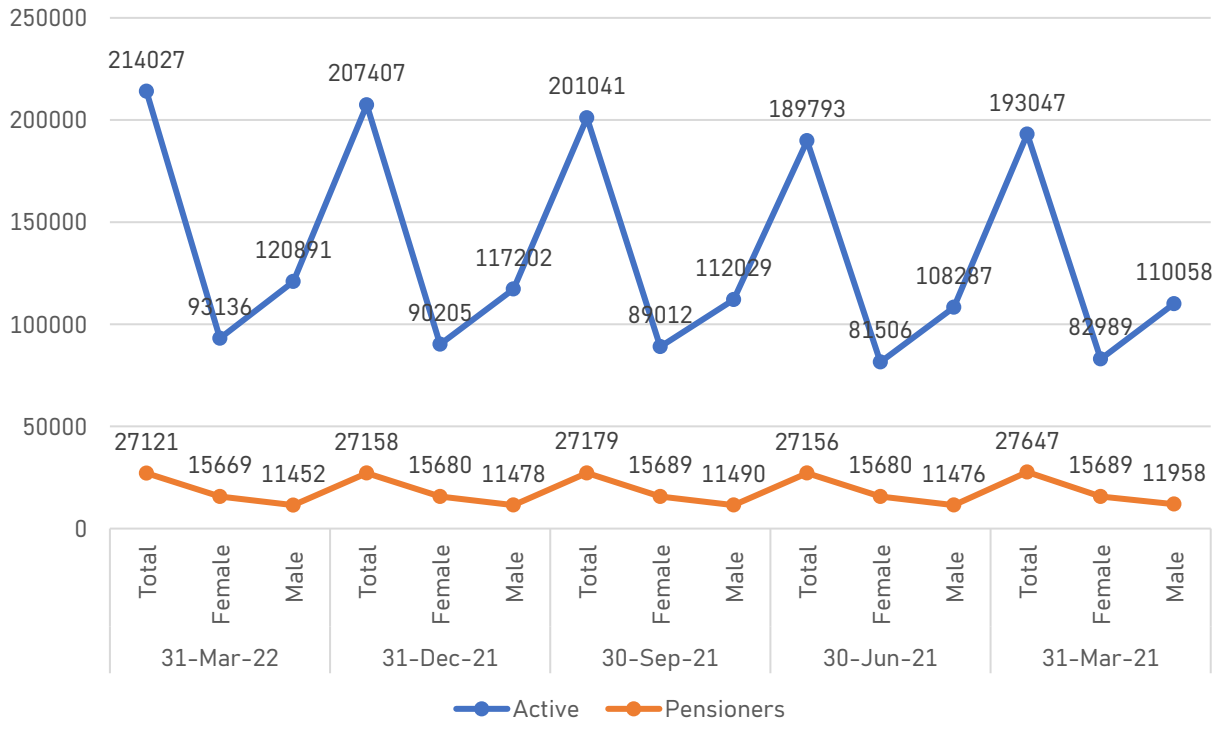
Figure 32: RF Income and Expenditure (accumulation)



3.4.2.3 Retirements Funds Membership

Compared with the same date 2021, membership increased by 10% and this has been the case throughout the year. Although the retirement fund coverage is still considered low and concentrated amongst the formal sector employees this increase is a step in the right direction for improving the coverage policy objective of retirement funds. Participation in the retirement fund savings 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. The gender gap however increased by 3% which is against the policy for increasing female participation in financial services. The figure below shows the changes in membership throughout the year.

Figure 33: Retirement Fund Membership

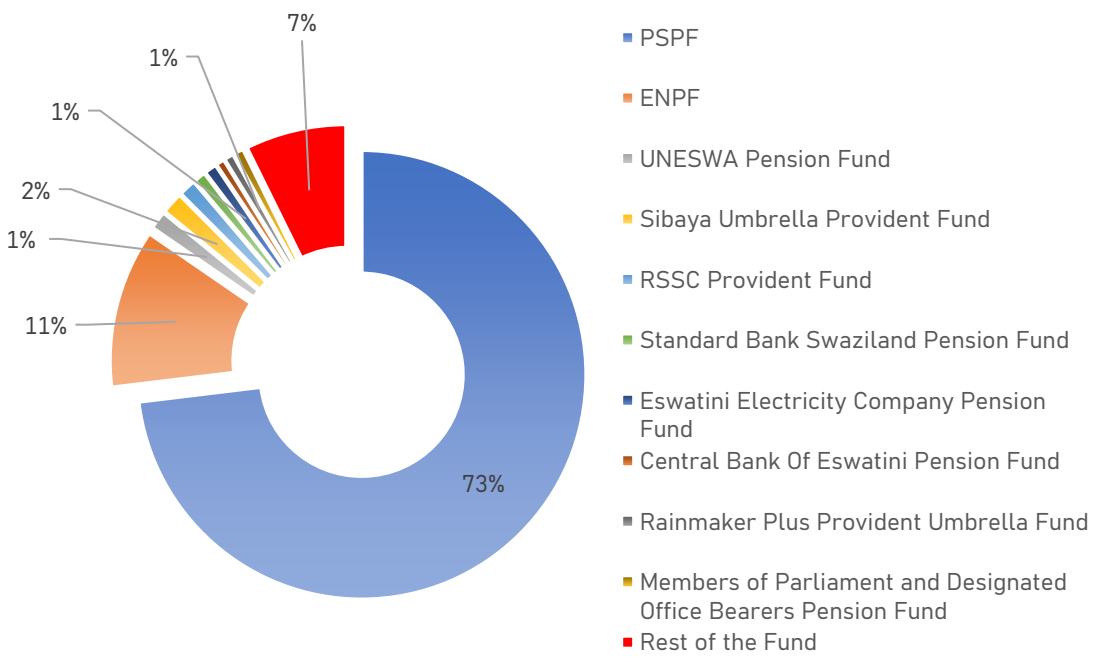


3.4.2.4 Retirement Funds Market Share

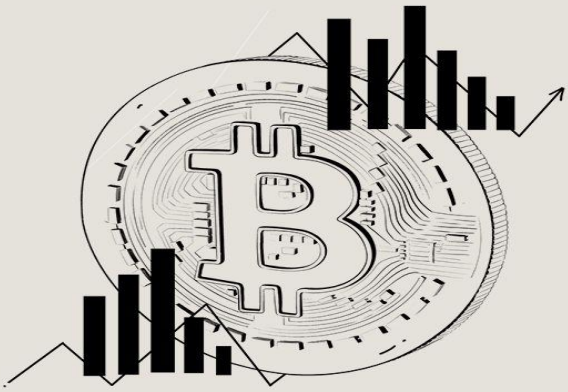
In terms of market share based on assets, the statutory funds (public service pension fund (PSPF) and Eswatini national provident fund) continued to be the market leaders with a market share of 73 % and 11 %, respectively. Figure 29 below illustrates the sector's market share and shows that the top 11 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 5038 score 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



FOOD FOR THOUGHT ARTICLE



Cryptocurrency

[krip-tō-'kər-ən(t)-sē]

A digital or virtual currency secured by cryptography and based on a network that is distributed across a large number of computers.

FOOD FOR THOUGHT ARTICLE
By Velemseni Tsabedze

Cryptocurrency

Crowdfunding has worked better than you have expected, and you have realised that the amount you raised is way more than you need. It hits you that you cannot send it back but rather you want the money to work for you. Option one will be to open a bank account, but interest is like 2-3% but bank charges eat at this interest which is approximately 3%-5%, so not worth it. You consider that asset managers offer more than banks, but they may not give you great returns you want in the short run. Then it hits you Ah!! Cryptocurrency, but what is it? How does it work? How do you buy it?

What is Cryptocurrency/ what are Crypto Assets

This is a digital currency designed to work as a medium of exchange, through a network that does not rely on a central authority, i.e., the government or central bank. Each individual coin record is stored in something called a digital ledger, which is a computerized database using strong cryptography to ensure strong secure transaction records, to control the creation of additional coins, it also helps verify the transfer of coin ownership. Worth noting is that a cryptocurrency is not really a currency, despite having that title with them. They are actually an asset class in their own right or a certain type of security. To ensure the validity of each transaction, there is something called a crypto scheme which uses validators to maintain the cryptocurrency. This is called a proof of stake model where owners put up their tokens as collateral and in return, they get authority over that specific token in proportion to the amount they stake. The token stakers get an additional ownership in the specific token over time via network fees, and newly minted tokens. Let us not get too carried away in detail, important to know is that crypto does not exist in a physical form like money and is not issued by the central bank/authority.

How does crypto work?

They use decentralised control unlike a traditional central bank or CBDC (Central Bank Digital Currency), a topic for a later article*. Each crypto works using a secure distributed ledger technology, through blockchain which is a platform that serves as a public financial transaction database. For each created transaction, a block is created and validated to ensure that the transaction is fair and safe, but we will explore blockchain as it deserves its own article together with the CBDC. For now, it is safe to say crypto has been well defined and explained and all that is missing is that:

A crypto is a system that meets six conditions:

1. No central authority is needed as it is maintained through distributed consensus
2. System will keep an overview of crypto units and ownership.
3. System will define whether new crypto units can be created. If new crypto units can be created, the system will define the conditions of their origin and how to determine the ownership of these new units.
4. Ownership of crypto units can be proven only by cryptography.
5. System allows the transactions to be performed in which ownership of the cryptographic units is changed. A transaction statement can only be issued by an entity proving the current ownership of these units.
6. If two different instructions for swapping ownership of the same cryptographic units are entered at the same time, the system performs at most one of them.
7. What a mouth full, in short it is near impossible to fake a transaction or sell a coin that you did not originally purchase.

Types of crypto currencies?

Before jumping to the topic at hand, it is worth mentioning that Bitcoin currently worth E300,000.00 (this is per coin) was the first decentralised cryptocurrency in 2009 as an open-source software. As of writing this article, there are more than 9000 other cryptos in the market and more than 70 had a market capitalisation of E16,000,000,000.

1. Bitcoin; Ethereum; Tether; U.S. Dollar Coin
2. Binance Coin; Binance USD; XRP; Cardano
3. Solana; Dogecoin

Now that you have an understanding of cryptocurrency, let us think, how does one actually buy this crypto? There is something called a crypto exchange, sort of a bank but not a bank, more like a digital bank where you would use your hard-earned money commonly referred to as Fiat money to buy any of the above listed cryptos. It is worth noting that all the cryptos are sold in dollars, so what happens is, you will have your Lilangeni/Emalangeni converted to Dollar terms. For example, let us say the dollar is trading at… ok, let us not be too technical now. Buying or selling crypto is like firstly, finding a market where the product is sold, once located you will exchange your actual currency (in this case, Lilangeni) for a certain amount of the crypto, that simple. The below are the markets you can look at:

1. Alt coin trader in South Africa (it has a pending application with FSCA), you can easily register and start trading crypto. It is worth noting that you can buy crypto with as little as E100.
2. Binance in USA (regulated to some degree) biggest crypto exchange in the world. Can be accessed in the country. It is worth noting that you would need to convert the currency from SZL to USD, the app can do it for you.
3. FTX in the USA (regulated to some degree) second biggest and recently bailed out other crypto exchanges. Can be accessed in the country.
4. Coin base USA (regulated to some degree) worth noting is that you cannot access it in the country as yet.

In Conclusion

This topic is broad and has a lot of other factors that contributed to it becoming what it is today, it would be unjust for me to conclude it as it plays a big role in the follow-up articles, so for now… Keep reading…

The End



ANNEXURES

December figures in the income statements are for a 12 month period starting January 2021 whereas the March figures relate to the quarter ended 31 March 2022.

Annexure 1: Number of Licensed Financial Service Providers

	31 March 2022	31 Dec 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)	118	116
SACCOs	56	59
Building Societies	2	2
Credit Bureaus	2	2
Debt Counsellors	1	1
Reinsurers	2	2
Insurers	16	16
Insurance Brokers	31	33
Corporate Agents	37	39
Individual Agents	147	147
Standalone Funds	51	57
Umbrella Funds	14	11
Beneficiary Funds	3	3
Foreign funds	17	18
Fund Administrators	8	8
Medical Schemes	3	3
	535	544

Annexure 2: CISs – Funds under Management

Geographic Allocation	Mar – 22	Dec - 21	Sep - 21
Domestic	4 885 191 682	5 089 447 692	4 728 420 452
Common Monetary Area	2 599 220 876	2 881 641 708	2 950 114 699
Offshore	579 068 469	689 532 684	652 998 820
Total Assets Under Management	8 063 481 029	8 660 622 085	8 331 533 970
Asset Allocations			
Cash	472 349 228	542 182 177	805 747 174
Negotiable Certificate of Deposit	1 018 470 775	824 095 850	1 036 096 919
Banker's Acceptance	57 200 986	51 514 795	123 394 097
Commercial Paper	224 007 609	233 242 872	1 373 211 069
Treasury Bill	1 103 387 803	774 618 775	1 494 607 446
Corporate Bonds	248 308 414	22 748 219	391 939 298
Bonds/Debentures	460 823 106	152 514 860	355 030 777
Equity with Primary listing	583 962 263	345 586 667	525 736 801
Equity with Secondary Listing	34 452 783	31 379 491	31 587 122
Equity Index-Linked Securities	-	-	-
Listed Securities: Debt	3 220 570	-	-
Unlisted Securities: Equity	-	-	-
Unlisted Securities: Debt	1 351 285 832	1 335 049 027	-
Collective Investment Schemes	157 628 538	15 286 678	750 885 025
CIS – (Associated Entity)	1 354 959 931	713 842 365	1 461 380 934
Property - Shares	779 177	779 177	947 209
Property - Land	-	-	-
Property - Buildings	-	-	-
Other Portfolio Assets	992 644 013	977 675 966	-
Total Assets Allocation	8 063 481 029	8 660 622 086	8 331 533 970

Annexure 3: CISs Source of Funds

	Mar – 22	Dec - 21	Sep - 21
Retail Investors	1 271 769 943	1 302 788 531	1 460 083 021
Politically Exposed Persons	42 135 335	42 066 834	47 897 687
High Net worth Individuals			
Professional Investors	30 000	1 768 789	1 996 249
Institutional - Retirement Funds	2 646 181 481	3 028 121 855	3 029 796 977
Institutional - Medical Aid Schemes	66 701 333	67 008 506	74 336 133
Institutional - Insurance ST	58 641 542	54 096 927	67 109 049
Institutional - Insurance LT	185 494 386	219 775 220	232 864 232
Collective Investment Schemes	1 280 718 033	1 238 798 511	1 518 859 135
Institutional - Credit Providers			
Institutional - SACCOs	87 925 686	93 253 242	130 729 462
Institutional - Banks			
Companies	2 130 528 440	2 388 824 792	1 488 541 321
Institutional - Other	293 354 842	224 118 878	279 320 701
Total	8 063 481 029	8 660 622 086	8 331 533 970

Annexure 4: IAs – Funds under Advisory

Geographic Allocation	Mar- 22	Dec - 21	Sep - 21
Domestic	6 170 297 752	5 949 564 462	1 692 192 582
Common Monetary Area	13 202 907 043	13 714 619 611	11 805 294 938
Offshore	4 441 566 643	4 140 031 061	9 847 878 455
Total Assets Under Advisory	23 814 771 439	23 804 215 133	23 345 365 976
IA Source of Funds			
Retail Investors	3 576 894	110 138 747	247 784 965
Politically Exposed Persons			
High Net worth Individuals			
Professional Investors			
Institutional - RFs	20 924 635 145	20 491 950 452	22 519 190 337
Institutional - Medical Aid Schemes	133 657 683	130 925 915	
Institutional - Insurance ST			
Institutional - Insurance LT	1 271 170 776	1 483 116 595	113 691 174
Collective Investment Schemes	893 181 785	893 181 785	
Institutional - Credit Providers	21 135 122	20 889 011	
Institutional - SACCOs		-	
Institutional - Banks	73 215 745	181 967 738	
Companies	386 216 466	486 841 306	453 339 787
Institutional - Other	107 981 820	5 203 584	11 359 711
Total	23 814 771 438	23 804 215 133	23 345 365 976

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

	Mar-2022	Dec-2021
	E' 000	E' 000
Cash and Cash Equivalents	213 813	181 831
Prepayments & Sundry Receivables	3 006	3 334
Financial Investments	319 919	323 453
Net Loan Portfolio	1 600 767	1 561 273
Gross Loan Portfolio	1 633 632	3 528 509
Less: Provision for Loan Loss	32 865	28 133
Accounts Receivables	123 848	109 029
Unremitted Salary Deductions	45 836	37 702
Staff loans	4 618	5 216
Tax Recoverable	0	2
Unallocated Funds	16 167	14 047
Other Accounts Receivables	57 227	52 069
Property & Equipment & Other assets	99 193	98 534
Land & Buildings	79 046	78 735
Plant & Equipment	16 102	15 827
Prepaid Lease rentals	7	11
Intangible Assets	35	39
Other Assets	4 004	3 933
Total Assets	2 360 547	2 277 453
Total Deposit liabilities (Note 3)	1 716 912	1 680 619
Short Term Liabilities	165 905	144 576
Accounts payable	48 037	62 688
Tax Payable	3 251	1 382
Dividends Payable	69 078	40 704
Retirement Benefits Liability	1 817	1 723
Bank Overdraft	0	2
Other Short-term liabilities	43 721	38 084
Total Short-Term Liabilities	1 882 794	1 825 155
Long Term Liabilities	6 954	6 837
External Borrowings	2 385	1 913
Other Long-Term Liabilities	4 569	4 926
Total Liabilities	1 889 748	1 831 992
EQUITY	153 125	151 237
Permanent and Non-withdrawable share (Note 4)	152 181	150 208
Capital Grants and Donations	944	1 030
Retained Earnings	112 366	98 025
Prior Retained Earnings	82 209	76 537
Current Surplus	30 157	21 489
Other Equity Accounts	204 900	196 198
Statutory Reserve	59 288	58 395
General Reserves	104 026	97 055
Revaluation Reserves (Not part of core capital)	13 952	13 724
Share Transfer Fund	15 465	14 689
Education Fund	9 651	11 544
Central Cooperative Fund	1 935	1 935
Adjustment to Equity	585	-1 138
Total Equity	470 391	445 460
Total Liabilities and Equity	2 360 139	2 277 453

Annexure 6: Credit Institutions Statement of Financial Position

ASSETS	Mar-22	Dec-21
	E'000	E '000
Property, Plant and Equipment	11 206 570,80	11 790 263
Investments in Subsidiaries	100 394 662,00	38 470 243
Deferred Tax	6 213 703,20	3 282 247
Loans and Advances (long term) portion)	2 273 429 851,12	2 311 991 397
Other Assets	235 837 246,61	151 970 182
Total Non-current Assets	2 627 082 033,73	2 517 504 331
Current Assets		
Amounts Owing by Related Parties	430 681 448,83	625 503 806
Current Tax Receivable	804 445,84	29 201
Loans and Advances (short term) portion)	431 335 133,50	347 572 236
Trade and other Receivables	36 172 270,74	35 622 242
Cash at Bank (with financial institutions)	221 649 796,47	272 599 860
Cash in Hand	327 633,50	353 554
Total Current Assets	1 120 970 728,88	1 281 680 898
Total Assets	3 748 052 762,61	3 799 185 229
EQUITY AND LIABILITIES		
Equity		
Share Capital	135 883 583,00	137 085 193
Reserves	74 367 574,31	75 610 140
Retained Income	508 977 032,68	525 561 955
Total Equity	719 228 189,99	738 257 288
Non-current Liabilities		
Security Deposits	-	
Amounts Owing to Related Parties	1 337 513 778,51	1 016 051 197
Other Financial Liabilities	1 326 009 193,58	910 964 741
Deferred Tax	(15 258 030,00)	14 422 431
Total Non-current Liabilities	2 648 264 942,09	1 941 438 369
Current Liabilities		
Amounts owing to Related Parties	12 376 967,00	473 255 980
Trade and Other Payable	50 655 270,41	41 203 464
Current tax payable	11 373 770,69	2 910 783
Other financial liabilities	304 153 622,43	602 119 345
Total Current Liabilities	380 559 630,53	1 119 489 571
Total Liabilities and Equity	3 748 052 762,61	3 799 185 229

Annexure 7: Developmental Finance Institutions Statement of Financial Position

	Mar - 2022	Dec-2021
ASSETS	E '000	E '000
Property, Plant and Equipment	208 122 186,51	208 347 388
Investments in Subsidiaries	657 900 565,12	657 898 721
Deferred Tax	5 685 053,60	5 411 587
Loans and Advances (long term) portion)	667 592 056,61	638 611 944
Other Assets	30 383 000,00	30 383 843
Total Non-current Assets	1 569 682 861,84	1 540 653 484
Current Assets		
Amounts Owing by Related Parties	548 221 285,00	573 366 165
Current Tax Receivable	19 289 519,00	12 635 720
Loans and Advances (short term) portion)	-	313 768
Trade and other Receivables	108 677 042,40	106 665 486
Cash at Bank (with financial institutions)	127 991 566,11	149 943 046
Cash in Hand	363 713,00	10 413
Total Current Assets	804 543 125,51	842 934 596
Total Assets	2 374 225 987,35	2 383 588 080
EQUITY AND LIABILITIES		
Equity		
Share Capital	106 196 000,00	107 366 939
Reserves	587 011 297,60	587 011 297
Retained Income	365 534 358,71	371 615 427
Total Equity	1 896 759 252,31	1 065 993 663
Non-current Liabilities		
Security Deposits	12 857 081,00	14 232 648
Amounts Owing to Related Parties	15 095 000,00	15 095 845
Other Financial Liabilities	1 196 400 239,92	1 208 099 870
Deferred Tax	-	-
Total Non-current Liabilities	1 224 352 320,92	1 237 428 363
Current Liabilities		
Amounts owing to Related Parties	-	119 726
Trade and Other Payable	78 332 666,63	28 837 580
Current tax payable	9 733 346,29	7 995 149
Other financial liabilities	3 065 997,20	43 213 599
Total Current Liabilities	91 132 010,12	80 166 054
Total Liabilities and	2 374 225 987,35	2 383 588 080

Annexure 8: Retail Outlets Statement of Financial Position

	Marc-22	Dec-21
Assets	E'000	E'000
Property, Plant and Equipment	74 245,65	76 143
Investments	-	
Gross Debtors (credit extension)	303 409,83	319 262
Provision for bad debt	45 935,01	52 932
Net debtors	257 474,82	266 330
Other assets	812 362,53	818 252
Cash and cash equivalents	160 707,14	189 608
Total Assets	1 304 790,14	1 350 333
Equity		
Share Capital	390,00	390
Retained Income	878 102,56	862 122
Total Equity	878 492,56	862 512
Liabilities		
Borrowings	2 299,31	2 415
Other payables and financial Liabilities	423 998,27	485 407
Total Liabilities	426 297,58	487 822
Total Liabilities and Equity	1 304 790,14	1 350 333

Annexure 9: Building Societies Statement of Financial Position

	Marc-22	Dec-21
ASSETS	E'000	E'000
NOTES AND COINS	51 069	48 265
Emalangeni Notes and Coin	51 069	48 265
Rands	0	0
DUE FROM BANKS 'NOSTRO'	29 581	81 471
Central Bank of Swaziland	2 341	15 328
Domestic Commercial Banks	18 981	58 417
Non-resident Banks	8 259	7 726
INVESTMENTS	653 067	935 440
Domestic	633 828	920 800
Foreign	19 239	14 641
BILLS RECEIVABLE	3 803	3 030
NET LOANS AND ADVANCES	1 842 107	1 677 408
Gross Loans & Advances	1 996 034	1 771 175
Less: General Provisions	16 402	12 334
Less: Other Deductions	137 525	81 433
UNCLEARED EFFECTS		
FIXED ASSETS (Net of Depreciation)	281 054	270 162
Land and Buildings	123 293	123 293
Furniture, Fixtures, Equipment and Vehicles	157 761	146 869
OTHER REAL ESTATE OWNED	10 000	10 580
OTHER ASSETS	146 470	69 037
TOTAL ASSETS	3 017 152	3 095 394
LIABILITIES	0	0
DEPOSITS	1 186 511	1 271 885
Transmission/Demand	63 038	69 074
Savings	1 106 246	1 191 829
Term	17 227	10 982
DUE TO BANKS 'VOSTRO'	4 097	2 952
Central Bank of Swaziland	0	0
Domestic Commercial Banks	4 097	2 952
INTERBRANCH BALANCES IN SWAZILAND (If Net Credit Balance)		
OTHER BORROWINGS	64 693	55 337
OTHER LIABILITIES	58 618	103 955
TOTAL LIABILITIES	1 313 918	1 434 129
CAPITAL AND RESERVES	1 703 234	1 661 265
Paid Up / Issued Share Capital	1 150 198	1 133 006
Permanent Shares	1 005 159	1 017 039
Subscription Shares	145 039	115 967
Statutory Reserves	49 262	48 428
Retained Income (Prior Years)	415 561	408 052
Income (Loss) to Date	15 465	-969
Revaluation Reserves	72 748	72 748
Other Reserves	0	0
TOTAL LIABILITIES, CAPITAL AND RESERVES	3 017 152	3 095 394

Annexure 10: Retirement Fund Statement of Comprehensive Income

INCOME	Mar 2022	Dec 2021
TOTAL CONTRIBUTIONS	677 234	2,469,504
Investment income	239 203	5,638,016
Transfers to the fund	15 249	32,113
Benefits paid by insurers (to the fund)	6 183	47,668
Other income	73	35,954
TOTAL INCOME	939 158	8,223,254
EXPENSES	-	-
Management expenses	186 779	565,788
Premiums for insured benefits	22 315	297,117
Annuities purchased from insurers	1 180	-
Lump-sum benefits:	-	-
Withdrawal - cash	192 651	301,463
Withdrawal - transfers to other retirement funds	13 612	7,276
Accident and sickness	-	1,102
Disability	627	1,538
Death	37 372	186,175
Retirement	237 016	638,970
Voluntary early retirement	1 076	6,633
Total lump-sum benefits	482 330	1,143,157
Periodic payments:	-	-
Disability	239	816
Death	5 440	9,673
Retirement	278 120	1,017,054
Total periodic payments	283 799	1,052,422
Other transfers	1 310	29,357
TOTAL CURRENT BENEFITS	768 619	2,109,323
Change in future benefits liability	364 621	
TOTAL EXPENSES	1 342 155	4,115,385
EXCESS OF INCOME OVER EXPENSES	-403 651	4,107,870

Annexure 11: Retirement Funds Investments

Quarter	31-Mar-22	31-Dec-21
CONTRIBUTIONS	E1'000	
Member contributions	209 012	776 633
Employer contributions	468 222	1 692 871
TOTAL CONTRIBUTIONS	677 234	2 469 504
December Contributions represent contributions collected over a 12 month period		
LOCAL ASSETS		
Cash on hand	65	505
Deposits:		-
First National Bank	137 097	147 953
Nedbank	57 338	52 813
Eswatini Bank	112 484	109 126
Standard Bank	153 872	147 654
Swaziland Building Society	12 360	32 081
Other banks (explain)	1 733	982
Other non-bank financial institutions (explain)	4 519	4 510
Total deposits	479 403	495 624
Money market and debt maturing within 12 mo.:		-
Central Bank of Eswatini	-	10 743
Government of Eswatini	75 883	97 164
Local authorities	44 551	43 512
Parastatals	-	-
Money market collective investment schemes	1 771 414	2 150 062
Banks (debt of or loan to banks, other than deposits)	77 357	61 886
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-	75 260
Commercial paper and bonds	431 636	366 474
Other (explain)	169 756	166 321
Total money market and debt maturing within 12 mo.	2 570 597	2 971 421
Debt maturing after 12 months:		-
Central Bank of Eswatini	26 231	26 231
Government of Eswatini	2 402 152	2 293 546
Local authorities	256 657	257 323
Parastatals	1 366 042	1 392 407
Fixed income collective investment schemes	445 091	375 633
Banks (debt of or loan to banks, other than deposits)	105 104	103 440
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	1 630 962	1 402 249
Commercial bonds	96 357	102 861
Other (explain)	-	-
Total debt maturing after 12 months	6 328 596	5 953 690
Equity (other than property-related):		-
Ordinary shares - listed	945 914	961 635
Ordinary shares - unlisted	3 375 385	3 496 836
Preference shares - listed	20 974	-
Preference shares - unlisted	-	-
Convertible debentures - listed	-	-
Convertible debentures - unlisted	-	-
Equity and balanced collective investment schemes	345 933	654 564
Total equity	4 688 206	5 113 036
Property investments:		-
Land and buildings	1 665 032	1 653 284
Mortgages	-	-
Loans to property developers	445 885	451 024
Shares of property developers	19 110	19 110
Property collective investment schemes	-	-
Total property investments	2 130 027	2 123 419
Insurance policies	431 385	404 416
Other (explain)	2 069 308	2 011 264
TOTAL LOCAL ASSETS	18 697 586	19 072 870

Annexure 11: Retirement Funds Investments

FOREIGN ASSETS		
Cash on hand	64	49
Deposits	3 285 827	3 725 518
Money market and debt maturing within 12 mo.:		-
Central banks	9 881	10 842
National governments and international agencies	-	-
Local authorities	-	-
Parastatals	-	165
Money market collective investment schemes	376 208	313 395
Banks (debt of or loan to banks, other than deposits)	-	2 451
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-	-
Commercial paper and bonds	150 287	97 063
Other (explain)	-	-
Total money market and debt maturing within 12 mo.	536 376	423 916
Debt maturing after 12 months:		-
Central banks	-	-
National governments and international agencies	9 975	9 791
Local authorities	-	-
Parastatals	-	-
Fixed income collective investment schemes	164 010	151 745
Banks (debt of or loan to banks, other than deposits)	-	-
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-	-
Commercial bonds	49 550	48 266
Other (explain)	-	8
Total debt maturing after 12 months	223 535	209 810
Equity (other than property-related):		-
Ordinary shares - listed	16 526 465	16 207 304
Ordinary shares - unlisted	2 409	623
Preference shares - listed	-	-
Preference shares - unlisted	-	-
Convertible debentures - listed	-	-
Convertible debentures - unlisted	-	-
Equity and balanced collective investment schemes	2 430 329	2 802 775
Total equity	18 959 203	19 010 703
Property investments:		-
Land and buildings	3 723	2 183
Mortgages	-	-
Loans to property developers	-	-
Shares of property developers	148 378	155 592
Property collective investment schemes	19 410	18 072
Total property investments	171 511	175 847
Insurance policies	-	
Other (explain)	176	489
TOTAL FOREIGN ASSETS	23 176 692	23 546 333
TOTAL ASSETS	41 874 278	42 619 203

Annexure 12: ST Industry Income Statement

	Mar - 22	Dec- 21
Gross premiums written	161 174 769	828 670 475
Direct premiums	161 174 769	828 670 475
Assumed reinsurance premiums	-	-
Less premiums ceded	62 758 798	331 412 976
Net insurance premiums revenue	98 415 971	497 257 499
Change in unearned premium and unexpired risk provision	32 104 071	-13 704 475
Net earned premiums	130 520 042	483 553 024
Net incurred claims	36 130 255	134 127 054
Commission and other acquisition costs	18 497 505	93 054 129
Reinsurance commission received	9 461 756	55 237 960
Net commission expenses	9 035 748	37 816 169
Management expenses	41 014 357	156 590 437
Total underwriting expenses	86 180 361	328 533 660
Underwriting income/(loss)	44 339 681	155 019 364
Investment income	8 724 460	35 984 797
Other income	14 812 652	13 692 091
Income/(loss) before tax	67 876 793	204 696 253
Taxation	17 328 112	56 687 362
Net income for the period	50 548 681	148 008 890
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	50 548 681	148 008 890

Annexure 13: ST Industry Financial Position

	Mar - 22	Dec - 21
Assets		
Property, plant and equipment	100 784 988	100 554 591
Intangible assets	4 675 074	3 739 275
Investment assets and cash	649 304 723	656 089 827
Deferred acquisition costs	9 434 350	21 567 080
Deferred income tax assets	4 281 379	5 943 999
Prepaid taxes	4 187	4 190
Reinsurance receivables	112 696 062	198 003 373
Amounts due from related parties	1 768 730	26 983 229
Premiums receivable	93 635 387	88 767 111
Loans	4 648 063	5 698 114
Other	81 851 583	32 206 496
Total Assets	1 063 084 526	1 139 557 284
Liabilities		
Insurance liabilities and technical provisions	395 420 060	496 897 209
Amounts due to related parties	6 708 709	7 533 140
Reinsurance liabilities	20 545 418	38 310 430
Borrowings	-	-
Trade and other payables	48 319 770	62 808 647
Current tax payable	17 646 454	7 168 549
Deferred income tax liabilities	28 871	44 964
Cell fund liabilities	4 611 469	5 110 390
Total Liabilities	493 280 751	617 873 328
Equity		
Share capital	33 212 000	31 212 000
Share premium	23 730 000	19 730 000
Statutory reserves	7 939 320	6 976 880
Other reserves	13 141 000	13 103 000
Retained earnings	491 781 336	450 662 328
Accumulated other comprehensive income	-	-
Total Equity	569 803 656	521 684 208
Total Equity and Liabilities	1 063 084 407	1 139 557 536

Annexure 14: LT Industry Income Statement

	Mar - 22	Dec- 21
Gross earned premiums	266 939 912	969 861 967
Direct premiums	266 939 912	969 861 967
Assumed reinsurance premiums		
Less premiums ceded	20 725,087	72 407 420
Net earned premiums	246 214 824	897 454 547
Investment income	24 466 502	646 453 794
Other income	10 737 939	19 322 247
Total income	281 419 265	1 563 230 588
Insurance benefits and claims	167 973 251	707 028 386
Change in policy liabilities	276 028 452	328 654 898
Total policy benefits	444 001 704	1 035 683 284
Commission and other acquisition costs	11 897 950	54 406 252
Reinsurance commission received	2 547 475	13 723 537
Net commission expenses	9 350 475	40 682 715
Management expenses	53 552 842	195 936 306
Total expenses	506 905 021	1 272 302,305
Income/(loss) before tax	(225 485 755)	290 928 283
Taxation	3 156 428	78 043 073
Net income for the period	(228 642,183)	212 885 210
Other comprehensive income net of tax	-	
Total comprehensive income for the period	(228 642,183)	212 885 210

Annexure 15: LT Industry Financial Position

	Mar-22	Dec- 21
Assets		
Property, plant and equipment	9 017 671	9 134 267
Intangible assets	9 267 000	9 238 000
Investment assets and cash	4 976 136 791	4 997 313 068
Deferred acquisition costs	1 360 000	1 247 000
Deferred income tax assets	10 814 479	3 947 211
Prepaid taxes	14 325 558	1 367 023
Reinsurance receivables	19 055 322	13 795 782
Amounts due from related parties	32 315 539	48 389 144
Premiums receivable	28 586 429	43 852 432
Loans	75 263 000	78 670 000
Other	394 234 088	81 975 800
Total Assets	5 267 719 082	5 288 929 726
Liabilities		
Insurance contract liabilities	1 614 341473	1 439 736 130
Investment contract liabilities	2 872 570 631	2 819 978 053
Amounts due to related parties	5 762 708	20 985 375
Reinsurance liabilities	15 912 324	6 091 000
Borrowings	4 072 659	3 594 788
Trade and other payables	217 208 207	178 176 721
Current tax payable	1 202 665	56 549 476
Deferred income tax liabilities		
Total Liabilities	4 731 070 667	4 525 111 544
Equity		
Share capital	51 362 100	51 362 100
Share premium	105 871 095	105 871 095
Statutory reserves	2 400 000	4 482 628
Other reserves	50 052 304	46 217 932
Retained earnings	326 963 432	555 884 356
Accumulated other comprehensive income		
Total Equity	536 648 931	763 818 111
Total Equity and Liabilities	5 267 719 598	5 288 929 655



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