FSRA
FINANCIAL SERVICES
REGULATORY AUTHORITY



QUARTERLY STATISTICAL BULLETIN Q3 2022

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FSRA
Financial Services
Regulatory Authority

FSRA ORGANISATIONAL IDENTITY

Our Purpose

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

Our Vision

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

Our Culture Statement

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

OUR VALUES

Service Excellence	We have a high-performance culture that strives for professional service delivery.
Fairness	We ensure a level playing field for industry participants.
Integrity	We base our conduct on ethical principles.
Collaboration	We work as a team with mutual respect and cooperation to satisfy our stakeholders.
Accountability	We respond in a transparent and honest manner and take responsibility for our actions.
Innovation	We adopt modern and emerging technologies to stay relevant.

NBFI SECTOR HIGHLIGHTS Q3 2022

554
LICENSED ENTITIES

E90.8 Billion
VALUE OF NBFI ASSETS

27 116
RF MEMBERS

E12.5 Billion
CAPITAL MARKETS ASSETS INVESTED IN ESWATINI

71%
LTI SECTOR GWPs GENERATED THROUGH INTERMEDIARIES

E2.4 Billion
TOTAL VALUE OF SACCOS ASSETS

14%
BUILDING SOCIETIES NPLs

E1.5 Billion
INSURANCE SECTOR GWPs

31%
CAPITAL MARKET ASSETS INVESTED IN THE CMA

E5.5 Billion
INSURANCE SECTOR LIABILITIES

67%
CAPITAL MARKET VALUE OF ASSETS SOURCED FROM RFs

E7.5 Billion
TOTAL CREDIT SECTOR LOANS & ADVANCES

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 slight decline of 0.1% was observed in the value of NBFI assets during the quarter under review as the total NBFI assets declined from E90.9 billion to E90.8 billion as of 30 September 2022. This slight decline is the result of withdrawal of funds from the local capital markets by institutional investors to fund other capital/infrastructural projects.

The total value of assets under management and advisory was E31.9 billion and this is a decrease of 6.2% from the quarter ended 30 June 2022. As highlighted above institutional withdrawals and retail withdrawals to augment disposable income continues to be observed as inflation continues to be heightened. Rising interest rates are also affecting the market values of other investments.

Total assets under the credit and savings institutions increased to E13.4 billion from E12.6 billion as of 30 June 2022. This was a 3% year-on-year growth. The increase in assets is the result of increases in the credit portfolio for the credit institutions and retail outlets showing that the rising cost of credit has not deterred households from the use of credit. Development Finance Institutions (DFIs) and Savings and Credit Cooperatives (SACCOs) experienced a decrease in assets by 4% and 1% respectively which was mostly attributed to the decline in deposits, short term loans and advances on the asset side.

The quarter-on-quarter decline was however due to a significant decrease of development finance institutions asset whereas the observed year on year increase is the result of the increase observed in assets of the other subsectors under the credit and savings institutions. An increase in loans and advances was observed while an improvement in the portfolio at risk was also observed.

Under the long-term insurance sector growth in gross written premiums continued to be observed and an improvement in net claims and policy benefits. A year-on-year increase of 11% was observed in the written premiums whereas 13% year on year decrease in claims and policy benefits was observed during the quarter under review. The sector however once again posted net losses after tax due to the fair value losses on financial instruments. The sub-sector remained solvent, however a 12% decline in the net equity position was observed.

Growth in the short-term insurance sector was also observed as gross written premiums increased by 14% on a year-on-year basis. A year-on-year increase of 85.8% was observed in the STI claims. The increase in claims is mainly attributed to the increases in claims relating to workman's compensation, guarantee insurance and property insurance. The sub-sector sector remained solvent although the net equity declined by 27.4% during the quarter under review.

The reinsurance sector however showed an 8.0% growth in assets from E114.6 million to E124.4 million. The sector also continued to grow in terms of gross premiums as the premiums have more than doubled from September 2021 to September 2022. The sector remained solvent with the net equity increasing by 5.7%.

Retirement funds assets showed a slight decline of 0.24% on a quarter-on-quarter basis, while a 0.5% year-on-year increase was observed. The quarterly decline in investments is mostly reflected in the negative performances in international financial markets. In terms of operations, a 19.0% decline was observed in investment income resulting from the fair value losses in financial assets. A 13.0% increase was however observed in retirement fund expenses.

EDITORS PICK ARTICLE.

A look at the third-party complaint process

By: Thandwa Maphalala



One of the key functions of the Ombudsman of Financial Services (OFS), is to educate the public about the correct procedures for filing complaints. In addition, the OFS promotes the principles of good practice in the non-bank financial services industry when it comes to handling complaints. However, there are instances where disputes arise due to the way a complaint is filed and subsequently handled, as we see in the matter below between *Makaziwe Shongwe and *Siphephiso Insurance.

Third-Party Insurance Complaint

Makaziwe was involved in a car accident with *Best Service's food delivery van. Both Makaziwe's vehicle and the delivery van were insured by Siphephiso Insurance Company. Makaziwe then approached Best Service to submit a claim for the repair of his vehicle and he was advised by way of a letter from Siphephiso Insurance that his third-party claim was unsuccessful. The insurer further communicated that it would not be accepting liability for this claim as the Police report did not assign any fault to Best Service's driver.

When Makaziwe submitted his complaint to Siphephiso Insurance, their Claims Manager advised that Makaziwe's claim could not be considered. The Manager further stated that Makaziwe would have to lodge a claim under his own policy with Siphephiso. More so, when he submitted a complaint letter, Makaziwe was told that he should have informed the insurer that he also had cover with Siphephiso as they would have referred him to the legal department and handled the complaint as an internal matter. Makaziwe was not happy with the decision made by Siphephiso Insurance to reject his third-party claim.

Defence by Siphephiso Insurance

Siphephiso Insurance gave the following reasons for rejecting Makaziwe's claim:

1. Makaziwe's claim could not be processed under Best Service's policy because there was no contributary negligence by Best Service's driver.

2. The driver from Best Service stated that Makaziwe had apologised at the scene of the accident saying that he (Makaziwe) had been distracted and had not seen the delivery van.

3. Siphephiso Insurance also consulted with the Police for clarity, and they were advised that the docket could not be accessed. The insurer then made use of the Police report to come to a decision.

4. Siphephiso finally offered to pay 50% of Makaziwe's repair costs.

The insurer's conclusion was that having considered Makaziwe's claim as well as all the facts, the claim was not valid. Siphephiso Insurance's position was that they were not legally obligated to settle the claim.

The Ombudsman's Decision

The question before the Ombudsman was whether Siphephiso Insurance rightly rejected Makaziwe's claim. The purpose of the Ombudsman was to consider the manner in which the claim was processed. Furthermore, the insurer's communication with regards to the claim was also considered.

Following investigation, Siphephiso Insurance stated that the third-party claim had to be submitted to the insurer by the insured (Best Service) on behalf of the third party (Makaziwe). It appeared from the documentation that this had not been done, leading to Makaziwe having to do so on his own. The Ombudsman therefore considered the entirety of Siphephiso Insurance's conduct towards Makaziwe in the given circumstances.

i. After his third-party claim was rejected, Makaziwe initially contacted the insurer directly in line with Section 9 of the Complaints Handling Procedure Guidelines of the Ombudsman of Financial Services.

ii. The responses to the initial complaint were unfortunately not fully addressed in the insurer's submission to the OFS. However, some email correspondence from a Claims Manager did give a picture of the case and other factors considered by Siphephiso's claims department prior to rejecting Makaziwe's claim.

iii. The Ombudsman noted that Siphephiso Insurance's submissions and the differing versions, conflicting statements, and circumstances of the accident (with the delivery van driver being taken to hospital) frustrated the investigation of the claim. Considering the above, the Ombudsman found the offer to settle 50% of Makaziwe's damage against Best Service's policy to be reasonable.

iv. Siphephiso Insurance was therefore ordered to pay 50% of Makaziwe's damages.

Insurance Policy Terms and Conditions

The terms of a contract of insurance are embodied in a policy. This is an important document as it provides all the terms and conditions, rights, and duties of the parties to the contract. These privileges and obligations are documented in terms which can be clearly interpreted in a court of law. Consumers are therefore encouraged to read and understand the processes that they need to follow when they are party to a dispute. Insurers must also uphold good industry practice, especially with regards to how their internal dispute resolution processes are communicated.

For anyone who wishes to lodge a complaint at the OFS, the process is captured below.
Members of the public can lodge a complaint at the OFS at no charge.

1. First, contact your Financial Services Provider and submit a written complaint giving them 30 days to respond. If you do not get a response or you are not satisfied with their response, that's when you can come to our office with your complaint.

2. Complete a Complaint Form that you can access at our office, a CMAC office near you or on our website, www.ombudsfs.org.sz

3. Once the complaint form is completed, ensure the Form is sworn to before a Commissioner of Oaths and attach all supporting documents.

Contact the Ombudsman of Financial Services: 3rd Floor Ingcamu (PSPF) Building, Mbabane WhatsApp: +268 7698 7570 , Tel: +268 2404 7653/2404 4464

ECONOMIC DEVELOPMENTS

ECONOMIC DEVELOPMENTS

Global Economic Developments

As the 2022 was coming to a close and the Russia-Ukraine war continued, the USA kept increasing the federal rate. The markets seem to have adapted and the oil prices remain volatile despite the European Union having placed a cap on Russian oil.

keep moving like a yo-yo even though the European Union has placed a price cap on Russian oil, the market is still self-correcting, making it inefficient. India is proving to Europe that they are a powerhouse in their own reign as they continue to purchase Russian oil despite the call for them to stop, which is interesting in that Europe is still the largest importer of Russian oil, how ironic. Saudi Arabia and Opec+ continue to side with Russia by reducing the number of barrels they produce per day. America has promised to use its strategic reserves to help lower fuel prices, but it must be noted that it's only for America and not the rest of the world as they cannot meet that demand. In another twist of events Saudis want to join BRICS (Brazil Russia India China and South Africa) and the creation of a new NATO (North Atlantic Treaty Organization), it however remains to be seen how it unfolds.

Global Financial Markets

The American stock market seemed to ignore inflation as there was a continuous increase in prices in the early days of the third quarter but have slowly gone down as the quarter came to an end, but fears arose when the Federal Reserve hinted in increasing the federal rate, meaning there is a bumpy ride ahead, as the saying goes "if America sneezes the whole world sneezes". Looks like there will be sneezing for a while. European stocks on the other hand are having a tug of war as the union faces an energy crisis that looks to cripple the economy threatening a lot of companies.

Asia is being Asia as China has relaxed covid restrictions, the markets went down. then up, showing a slow recovery. African markets have also had their own swings over the past couple of months, mainly because of their affiliations to offshore companies that are either battling/battled with covid restrictions, especially in China or were invested in companies in Ukraine and Russia and had to sell their businesses for cents on the dollar. There are also crypto assets that have been riding the wave with investors, this is because they rose to great levels, then just like a wave have come crashing down, nevertheless, investors are still optimistic about crypto assets and the increase. The world has already seen two of the biggest crypto companies fall and what's next?

ECONOMIC DEVELOPMENTS

South African Financial Market

The market has been a roller coaster ride this year, as it has been very volatile and no stock was predictable where it will go or where it will be, come the end of the day. The biggest impacts were caused by the Asian markets, due to heavy investments that listed companies have and the mineral industry, where gold saw its value slightly decrease, as the Dollar gained strength. This was due to the inverse relationship they have. A few delistings from the exchanges and scandals about some companies have investors shook but, that has not deterred them. The South African market continues to prove that it is a worthy investment house as the more dominant banks continue to shine and give out worthy returns.

Domestic Economy

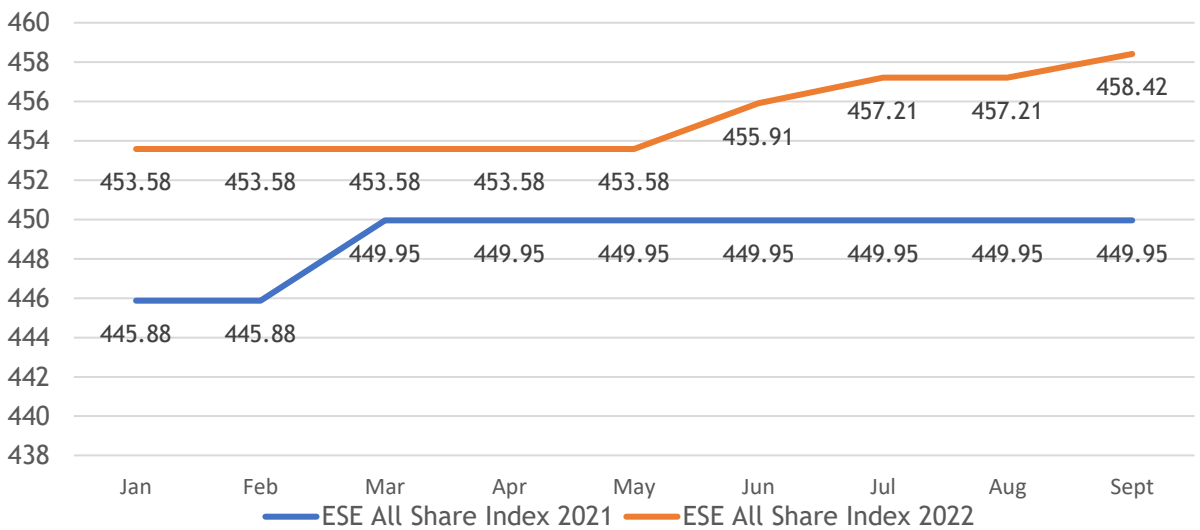
Domestic Financial Market

The ESE market capitalisation value increased from E4.324 billion at the end of the 2nd Quarter to SZL4.348 billion due to the share price changes of Greystone partners and Nedbank Eswatini Limited. The price change also led to the year-on-year; market capitalisation increases of 1.88% from SZL4.268 billion during Q3 2021 to SZL4.348 billion in the current quarter. The ESE All Share Index increased from 455.91 at the end of Q2 2022 to 458.42 at the end of the Q3 2022, representing a 0.55% increase. Year-on-year, the All-Share Index also increased by 1.88% from 449.95 to 458.42.

Bond Market

Five new corporate notes valued at E82.5 million were issued during the period under review while four corporate bonds valued at E52.4 million matured in the quarter. This led to a 1.86% increase in total corporate bonds outstanding from EE1.61 billion to E1.64 billion. A 2.1% increase was however observed in government bonds from E5.6 billion to E5.7 billion, resulting from the higher value of re-openings while the value of maturities was lower in the period under review.

Figure 1 – ESE All Share Index



Source: ESE Quarterly Report

INDUSTRY DEVELOPMENTS AND PERFOMANCE

3. INDUSTRY DEVELOPMENT AND PERFORMANCE

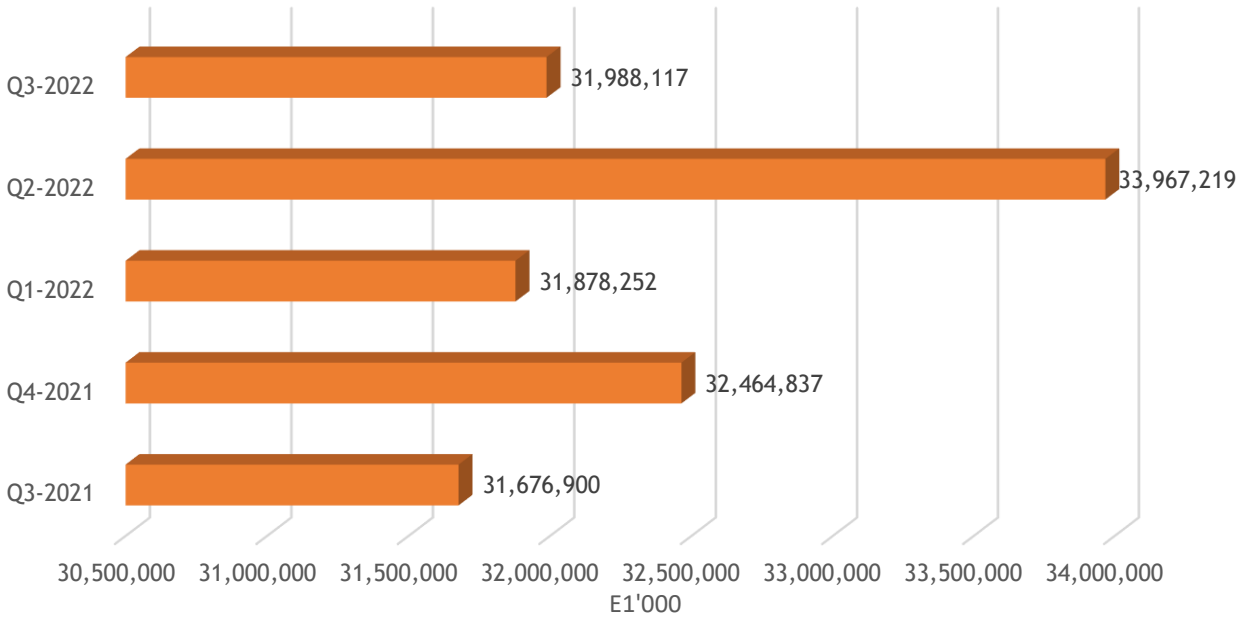
3.1 Capital Markets

3.1.1 Performance Review

As of Q3 2022, total assets under management stood at E31.9 billion, which was a decrease of 6.2% compared to last quarter one of the biggest decreases since post covid pandemic. The huge decrease is attributed to several factors. The top three factors that led to the decrease were withdrawal/repurchase of funds from asset managers, the Continuous increase in interest rates meaning other funds (treasury bills, bonds etc) offer more than the asset managers in the long term, and inflationary pressures.

As the cost of consumer goods continues to increase, more and more people are finding it hard to save and are tapping into their savings just to keep afloat. As a result, the value of assets under management is declining slowly due to the continuous factors outlined above, but the market can never be predicted as some investors may be holding bonds that are to expire soon and may help correct the decline. It is also worth noting the bell curve that has been formed by the assets starting in 2021. The continuous increase in shares in the CMA and offshore will definitely have a different effect when we get back from the festive season, as investors see value in them.

Figure 3 - Trend of the Total Value of Assets

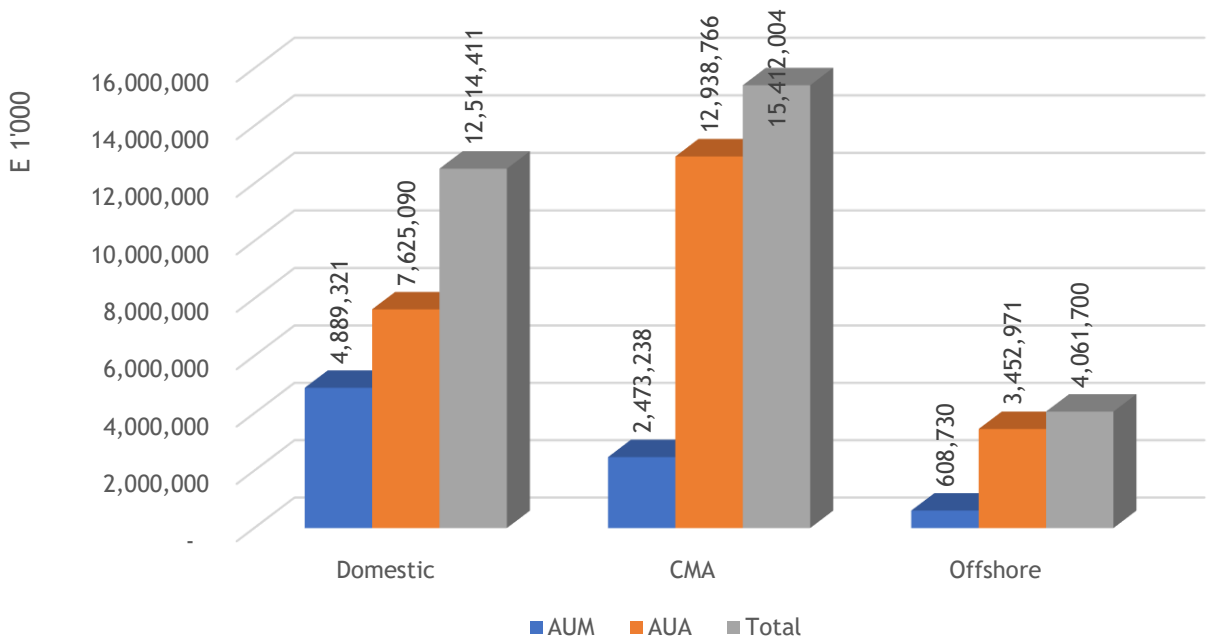


3.1.3 Geographical Allocation of Assets

The value of assets under management (AUM) by CISs was valued at E8,0 billion as of 30 September marking a 1.27% increase compared to last quarter. These assets were invested as follows: 61.0% in the domestic market, 31.0% in the CMA region, and 8.0% in offshore jurisdictions. A quarter-on-quarter comparison of the allocation shows a slightly insignificant change across all three geographical locations. Assets under advisory (AUA) were however valued at E24.0 billion as of 30 September, showing a decline of 8.0% when compared to the previous quarter. The geographic location of AUA was as follows; 35.0% in the domestic market which was a 9% increase from last quarter, 49.0% in the CMA region which was a 7.54% decrease compared to last quarter, and 16.0% in offshore jurisdictions. Quarter-on-quarter comparison of the asset allocation indicates a shift toward investing more assets in the domestic market continues.

A 3 percentage points increase in domestic investments was observed in the quarter under review whereas a 3-percentage points decline was observed in assets invested within the CMA. The shift towards domestic instruments could be a possible hedge against the volatile uncertainties that have plagued the global markets. More western investors continue to pull out investments, but it looks like the Eastern investors are finding our markets lucrative. AUM and AUA combined geographic investment showed that 44% of capital markets assets were invested in the CMA, mainly in South African instruments but have since dropped by 4 percentage points, with 42% invested in the domestic market which has increased by 3 percentage points and remaining constant at 14% are assets in offshore jurisdictions as at the end of Q3 2022. Figure 4 below illustrates the above narration.

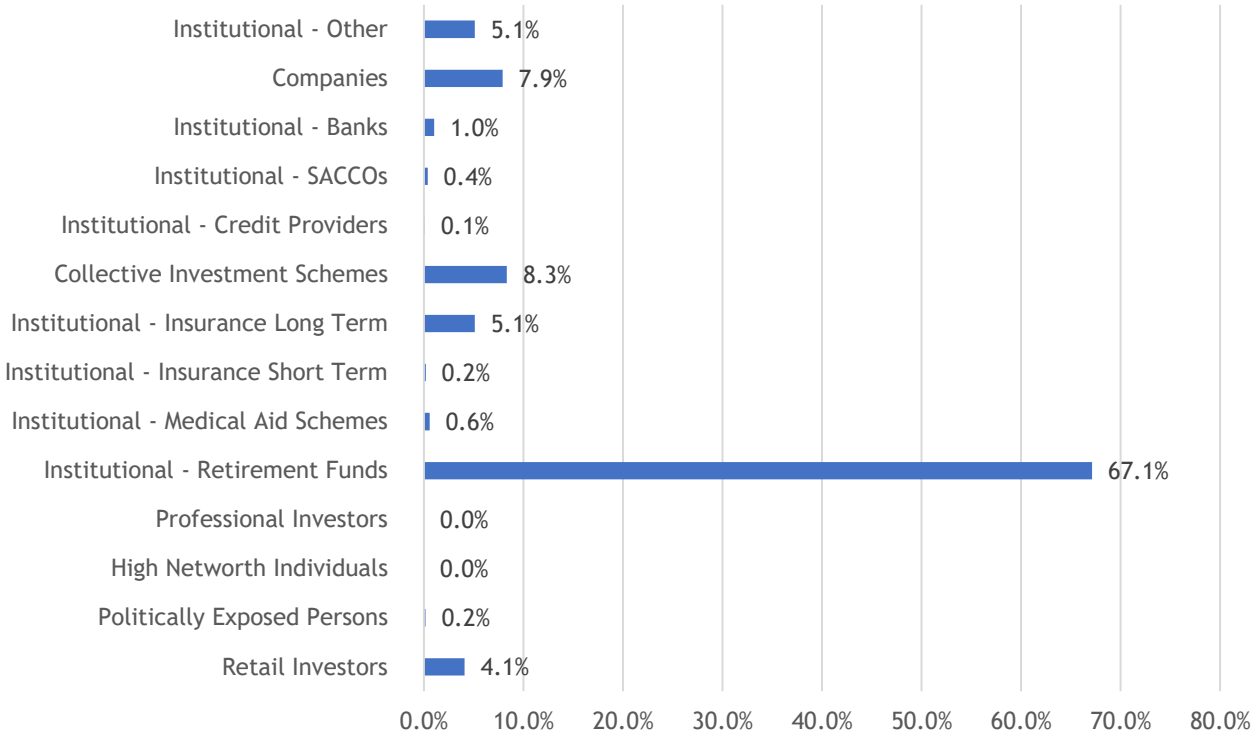
Figure 4 - Geographical Allocation of Assets



3.1.4 Source of Funds

Retirement funds remain the largest investors for the local capital markets and as of 30 September, 67.11% of the assets under management and advisory were sourced from retirement funds. The rest of the funds were sourced as follows, Companies contributed 7.90%, CISs contributed. 8.33%, and Long-Term Insurers had 5.10% contribution, with retail Investors coming in at 4.07%. Institutional other had 5.11%. The rest of the 'other' investors jointly contributed 2.36% of the overall funds in the sector were SACCOs, Banks, Short Term insurers, Politically Exposed Persons, Credit Providers, and Professional Investors.

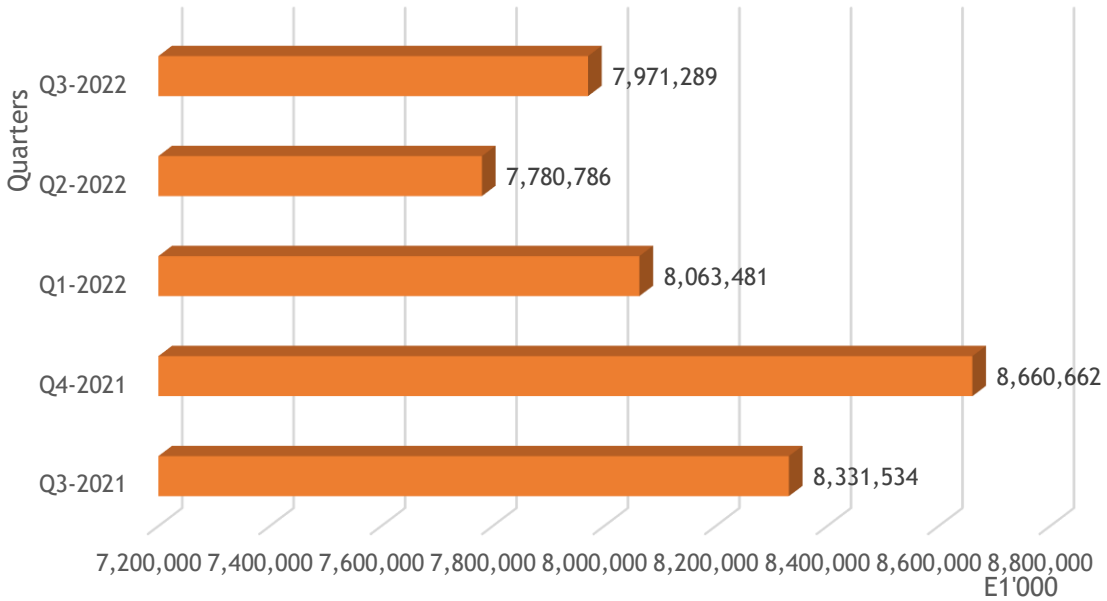
Figure 5 – Source of Funds



3.1.5 Collective Investment Schemes

As of 30 September 2022, assets managed by CISs were valued at E8 billion. On a quarter-on-quarter basis, a 1.27% increase in assets held by the collective investment schemes was observed. This may be attributed to the increase in profits in certain equities, like Naspers which saw an increase due to China easing covid restrictions accompanied by several top 40 JSE listed shares, and several unlisted shares also realising price increases. However, on a year-on-year basis a 4.8% decline in assets was observed.

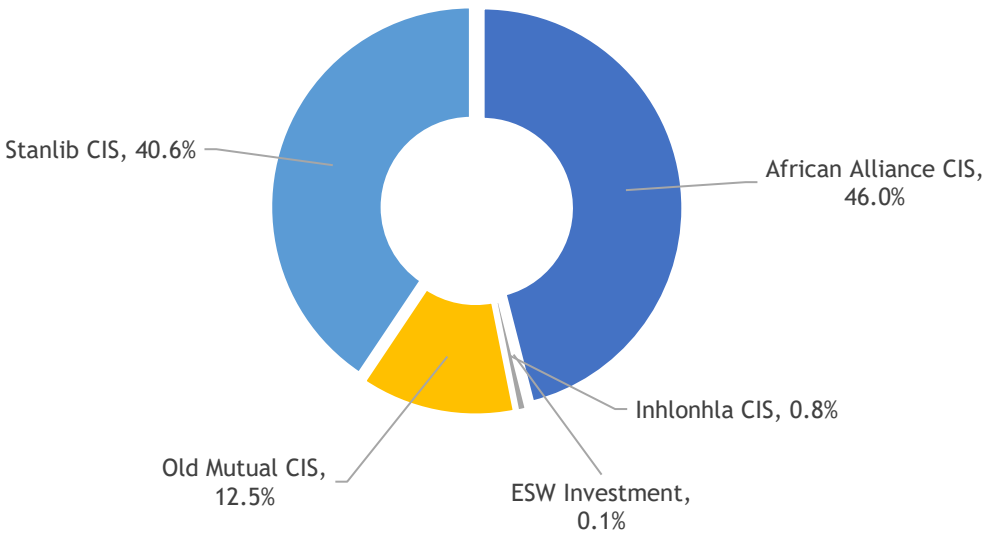
Figure 6 - Value of Assets under Management



3.1.5.1 CIS Market Share

As of 30 September, slight changes in the CIS market share were observed with African Alliance gaining 1.2% of the market and Stanlib losing 1.0% and Old Mutual losing 0.7%. Figure below provided a breakdown of the CIS Market Share

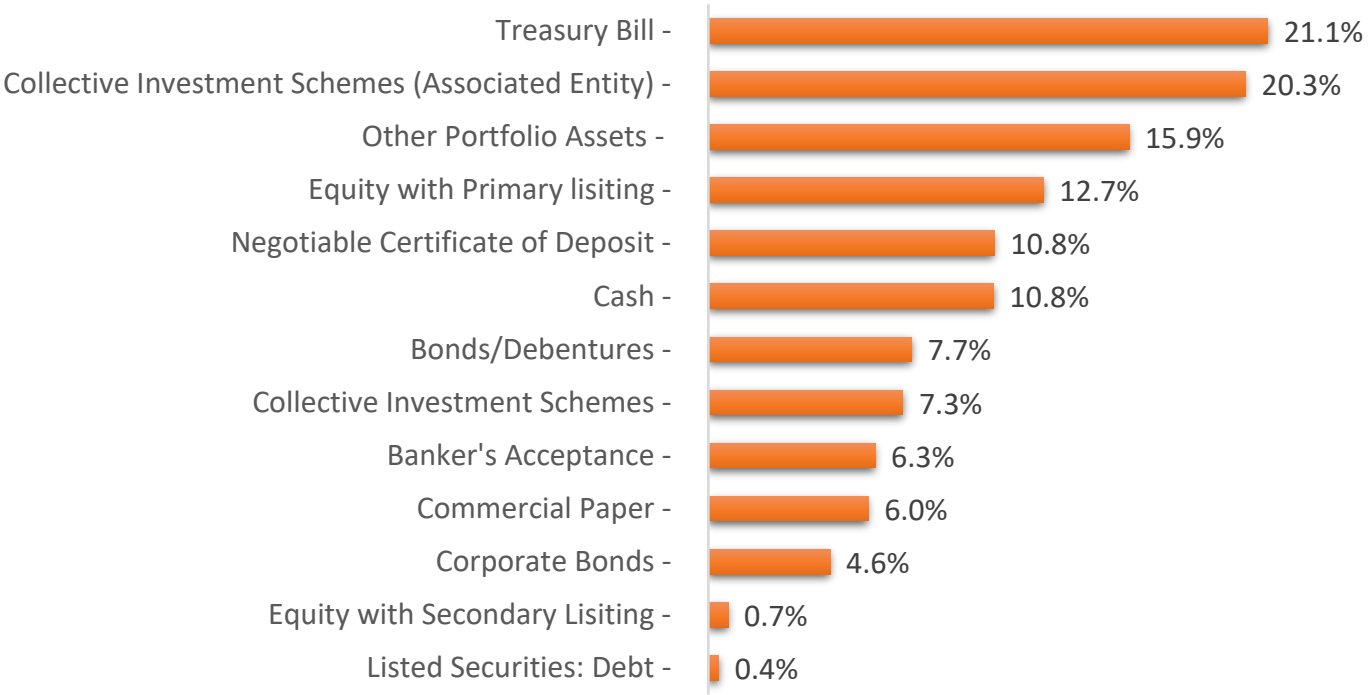
Figure 7 - CISs Market Share in terms of AUM



3.1.5.2 Asset Allocation

Below is the review of the breakdown of how the funds are invested/allocated, across the domestic market, CMA, and offshore. Most of the funds are invested in collective investment schemes (associated entities) at 20.28%. Investments in other portfolio assets is at 15.88%. This is a change in CIS asset allocation when compared to the previous quarters where the other portfolio assets had the highest allocation. The was a slight decrease in allocations to treasury bills from 21.88% to 21.12%. 10.77% of the funds are held in cash, which shows that the market is highly liquid, as disinvestments can be easily paid out before having to tap into other short-term assets like treasury bills, bankers' acceptance, and negotiable certificates of deposits.

Figure 8 - CISs Investment Allocation



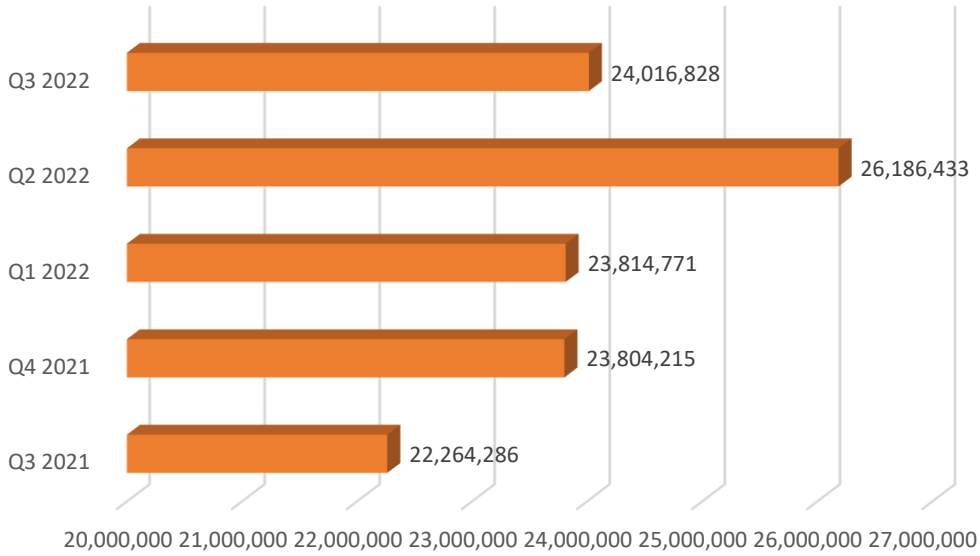
3.1.5.3 CISs Portfolios

In Q3, CIS Managers had twenty-one (21) portfolios with a minimum of two (2) portfolios amongst each CIS and a maximum of six (6). Risk criteria of the portfolio range from low risk to high risk. It is worth noting that medium risk is mostly preferred by their clients in the economy as it strikes a good balance. It is encouraged however to always assess your risk appetite to get maximum returns according to your lifestyle.

3.2.4 Investment Advisory

During the quarter under review Assets Under Advisory (AUA) a decline of 8.3% was observed in total assets under advisory. The assets declined from E26.2 billion to E24.0 billion. This decline was due to the 29.4% decline in assets under advisory by Old Mutual followed by the 10.7% decline in assets under advisory with Alpha SZ, while Stanlib and Aluwani's assets under advisory declined by 4.7% and 3.4% respectively. BLZI and Imbewu however realised increases of 2.6% and 0.3% respectively. Figure 9 below shows the changes in assets under advisory since Q3 2021.

Figure 9 – Value of Assets under Advisory[1]

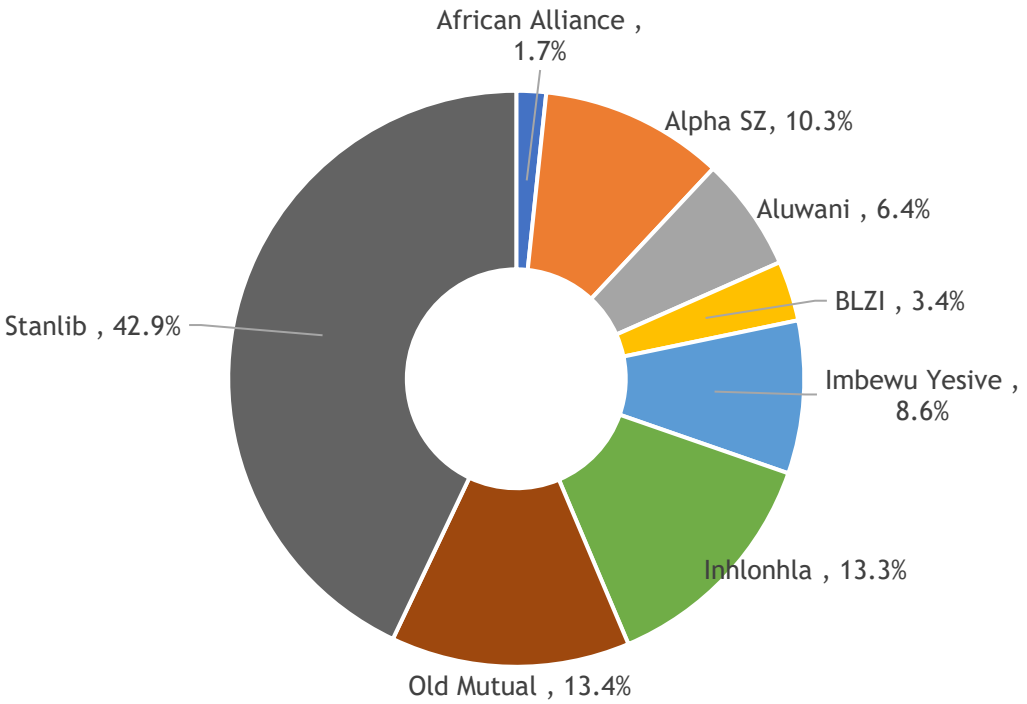


[1] Q2 figures have been restated as one of the Investment advisors' returns had not been received at the time the bulletin was prepared.

3.1.6.1 Market Share in terms of AUA

Assets Under Advisory (AUA) stood at E23,5billion in the second quarter, of which E7,4billion was invested domestically or held domestically, E12,4billion was invested or held in the CMA, and E3,7billion was held offshore. The graph below depicts the breakdown of AUA according to each Investment Advisor (IA) market share.

Figure 10 – Market Share in terms of AUA



3.2 Credit and Savings Institutions

3.2.1 Assets

The credit and savings institutions sector play an essential financial intermediation role of savings mobilisation and credit extension to lower – and middle-income households in Eswatini including small-medium and public enterprises. As of 30 September 2022, the sector's total assets were valued at E13.4 billion. In the quarter under review, a 3% year-on-year growth was observed, and a 6% quarter-on-quarter increase. The year-on-year growth was a result of a 6% increase in Credit Institutions and 4% increase in retail outlets, on the same period the development finance institutions (DFIs) and savings and credit cooperatives (SACCOs) experienced a decrease of 4% and 1% respectively which was mostly attributed by the decline in deposits, short term loans and advances on the asset side.

The 6% quarter-on-quarter growth was on the other hand due to increase in investments subsidiaries, deposits and long-term loans and advances mainly under credit institutions and DFIs. Another major contributor is the increase in notes and coins held by the building societies. Funds owed to building societies by other banks also doubled when compared to last quarter, and investments increased by 7.38%, net loans and advances by 4.65%. The Societies' liabilities increased by 11.17% when compared to the previous quarter, this increase was the result of the 10.1% increase in term deposits with Swaziland Building Society whereas the Societies' Vostro account declined significantly during the quarter under review. A slight decline of 0.2% was however observed in the sector's solvency resulting from the increase in subscription and permanent shares. Figure 10 below shows the ranking of the sector's assets and the changes in the assets in the past five quarters while figure 11 shows the distribution of assets across the subsectors as of 30 September 2022.

Figure 10 – Changes in Credit and Savings Institutions assets

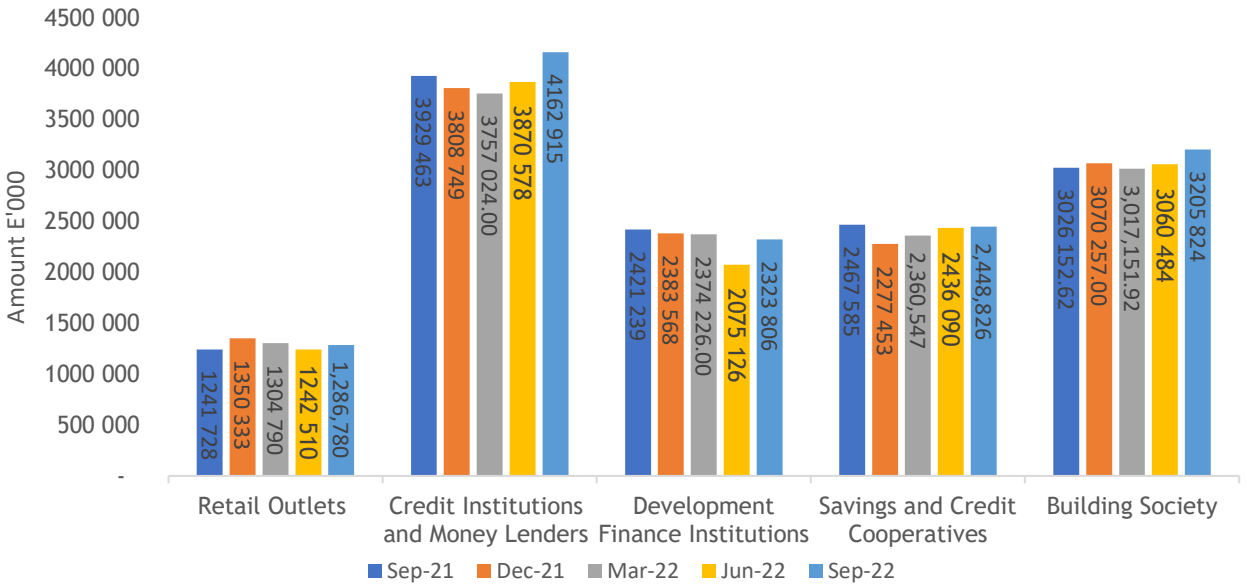
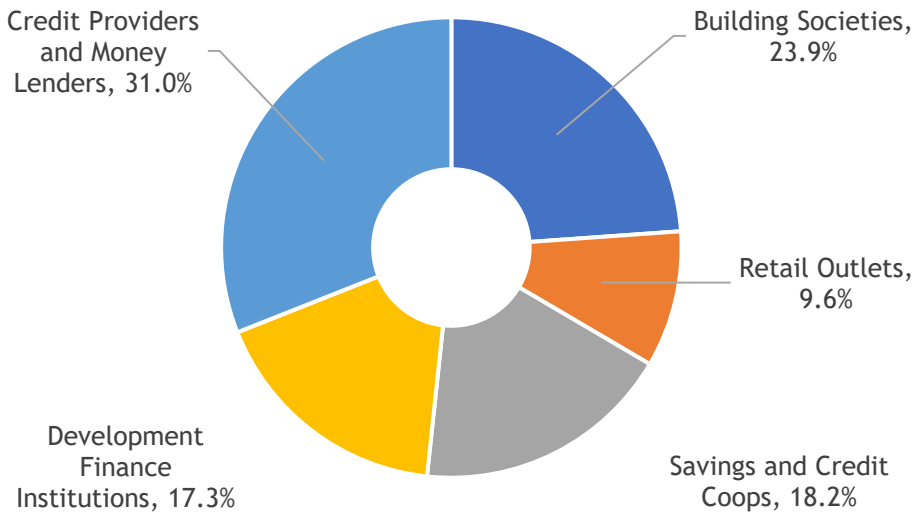


Figure 11 - Sub-sector asset Distribution



3.2.2 Credit Provision

Households continued to demand debts during the quarter, albeit at a slower pace than in previous quarters. Debt extended to households grew by a sluggish 4% on both quarter-on-quarter and year-on-year basis, mostly driven by long-term credit facilities such as loans and advances. The growth in loans and advances was largely from a book balance of retail outlets followed by DFIs than building societies and Credit institutions with 32%,10%, 4.6% and 4% respectively. Even though DFIs experienced an increase on yearly basis their loan book decreased during the quarter by 9% The low demand for credit usually mirrors a weak housing market amidst a depressed economic environment, especially when household incomes become uncertain.

Figure 14 - Credit Advances Distribution

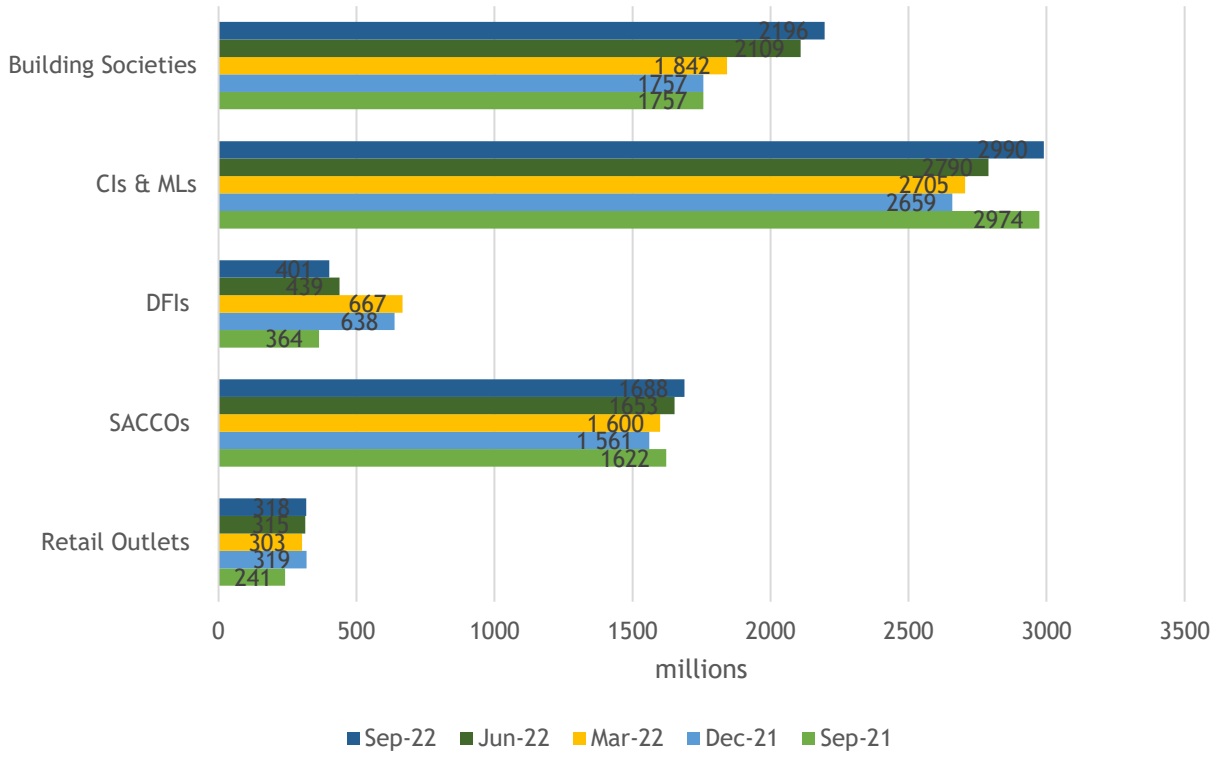


Figure 14-Credit Advances Distribution

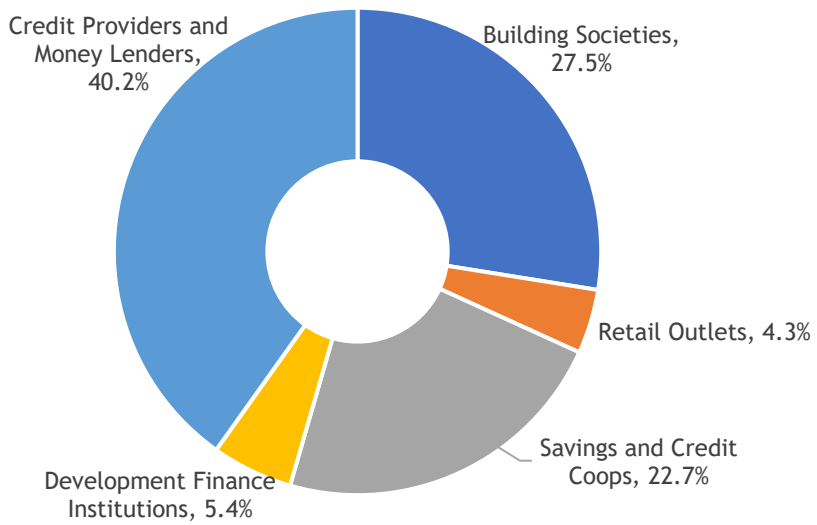
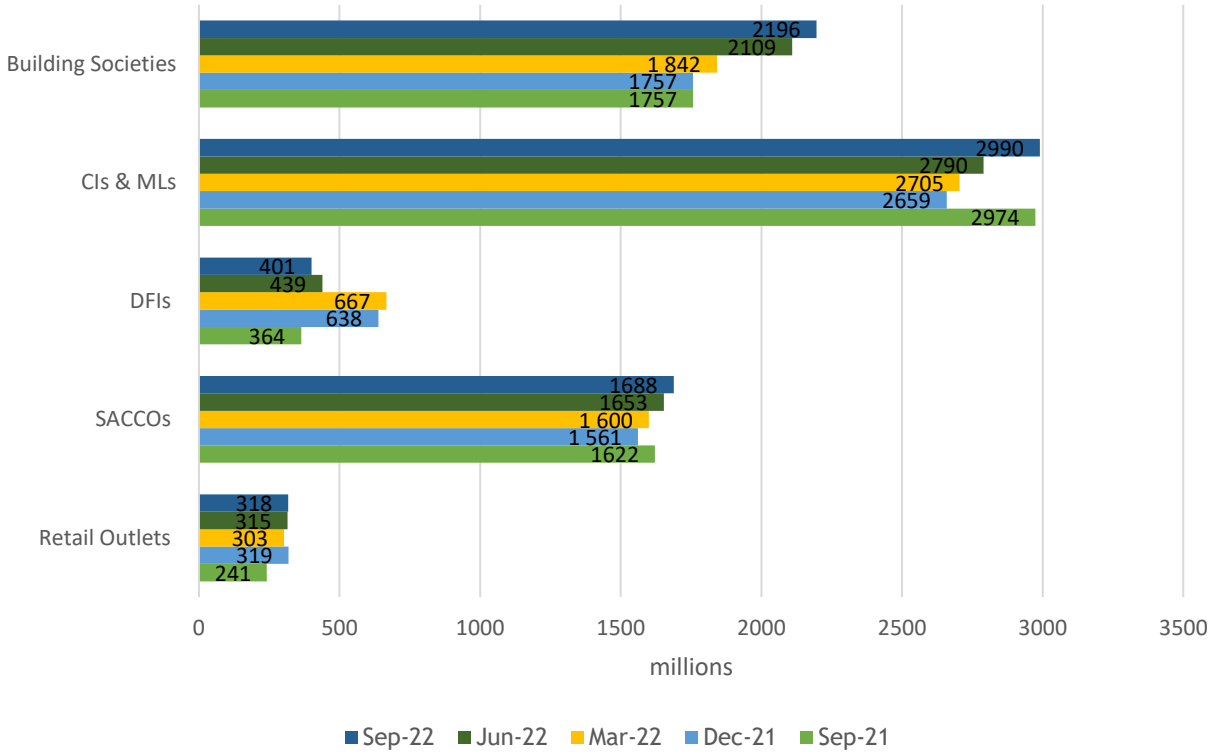


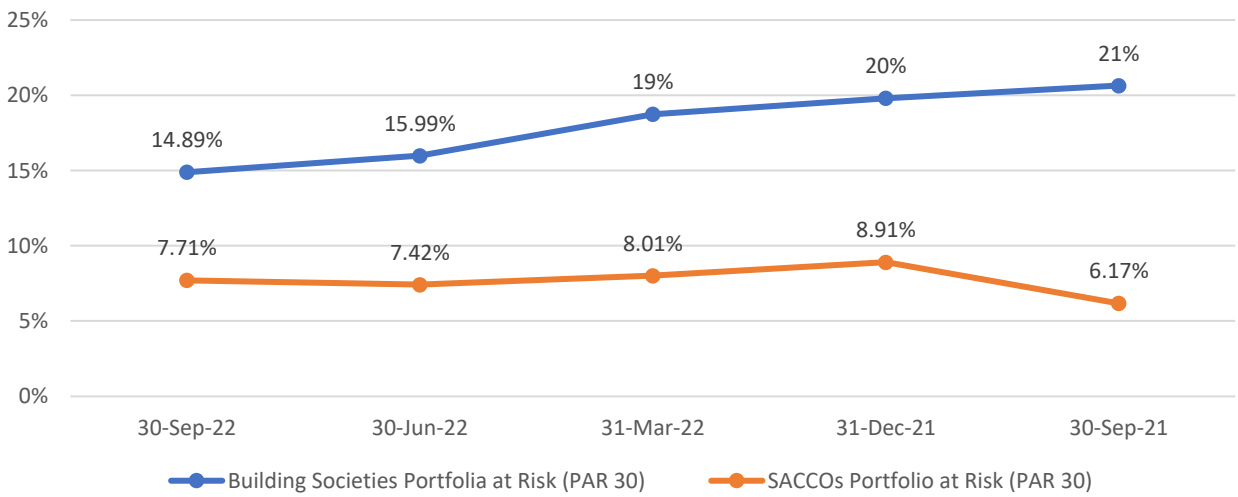
Figure 14 – Credit Advances Distribution



3.2.3 Non-Performing Loans

The portfolio at risk for SACCOs increased during the quarter from 7.42% as at June 2022 to 7.71% as at September 2022. The prevailing recessionary condition and increasing interest rates contributed to the growth in credit risk stemming from the non-performance of the loan book. On the same period building societies improving their portfolio as their PAR are at a declining state since last year, their PAR it decline from 15.99% to 14.89% on the quarter under review. The general economic slowdown has had an impact on household disposable income with potential implications for loan repayments, therefore impacting on NPLs.

Figure 15 - Non-Performing Loans

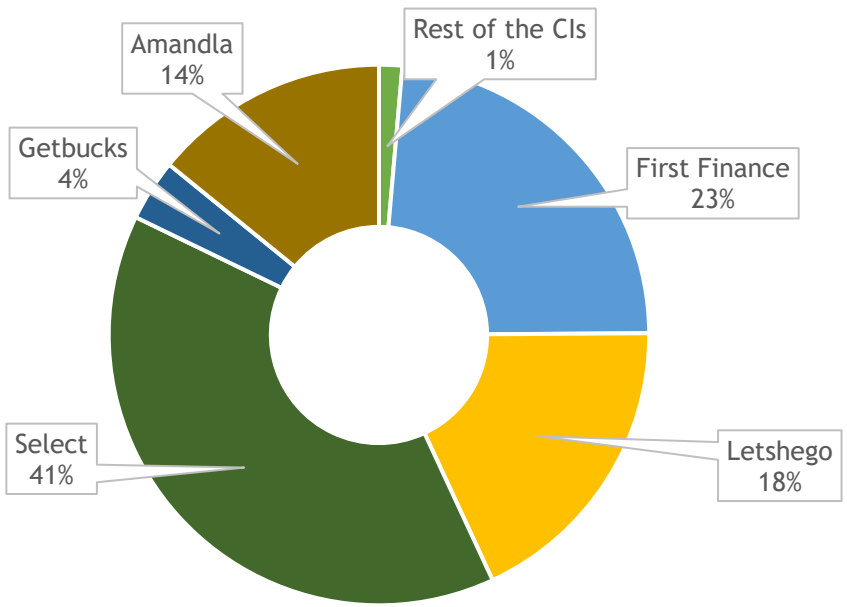


3.2.5 Credit Institutions Market Share

There was a slight change on the market share of credit institutions during the quarter under review with Select increasing their share from 39% to 41% and First Finance decrease from 24% to 23%. The other players: Getbucks, Amandla and Letshego remained the same with their market shares in terms of assets at 4%,14% and 18%, respectively.

The credit institutions industry is not considered a competitive marketplace as it is highly concentrated with few bigger players and a Herfindahl-Hirschman Index (HHI) score of 2671 confirming the level of concentration. This level of concentration also poses a risk to the financial sector since a failure of either of the big credit institutions will have a significant impact on the financial system. The figure below indicates the market share for the credit institutions

Figure 17 – Credit Institutions Market Share

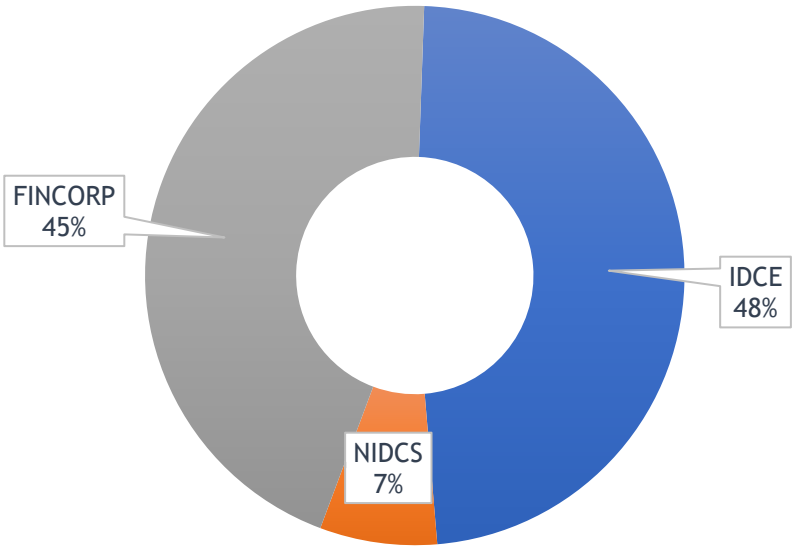


3.2.6 Developmental Finance Institution Market Share

The DFIs market share remained the same this quarter. Fincorp and IDCE continued to be 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 30 September 2022.

Figure 17 - Developmental Finance Institutions Market Share



3.2.7.4 Investments

Building societies investments saw a 16.5% decrease, this was attributed to an 8.31% decrease in Eswatini Government stock, a new investment in Central Bank Bills, which was offset by a 20.4% decrease in domestic investment and a further 2.39% in foreign investments.

3.2.8 Savings and Investment Products

SACCOs and building society also offers savings and investment products. A slightly decrease of 3% was observed during the quarter. This decrease was mostly from a 10% decline in total deposits of SACCOs and on same period building society experienced an increase of 2%. Overall, the savings/investments held with the building society, although varying over time, remained significantly higher than those held with SACCOs.

Building societies investments saw a net increase of 7.38% when compared to the previous quarter, this was attributed to a net increase of 8.29% in domestic assets including the acquisition of new treasury bills. A 30.83% decrease in Eswatini Government stock and the net decrease of 19.51% in foreign investments due to volatility in the foreign markets was however observed.

Figure 18 - Savings Performance



3.2.8 Savings and Credit Cooperative Societies Market Share

The SACCOs market share in terms of assets held indicates slight changes from the quarter from Q2 2022. Similarly, year-on-year comparison indicates minimal changes across all the SACCOs of plus / minus 1%. 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 also concentrated with largest players being SNAT and Bunye Betfu Buhle Betfu with 29% and 14%, respectively.

Figure 18 – Savings and Credit Cooperative Societies Market Share

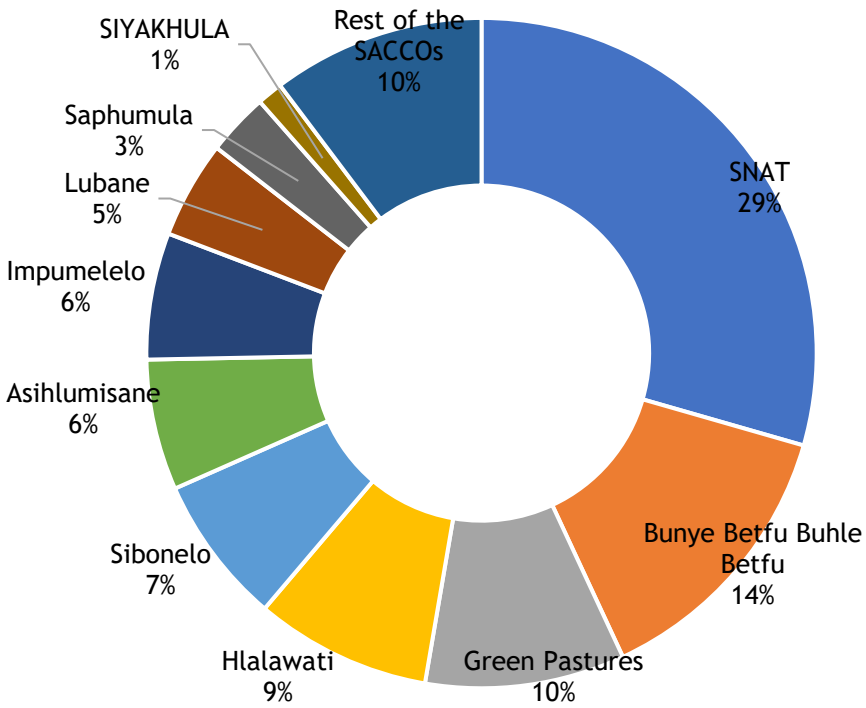
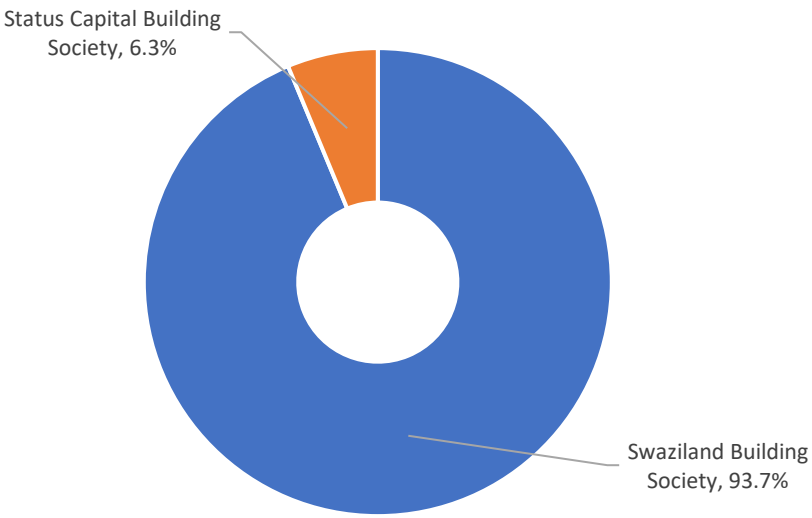


Figure 18 – Building Societies Market Share in Terms of Assets



3.3.2.1 Long Term Insurance

3.3.2.2 Gross Written Premiums

The LTI sector maintained the increasing trend in the value of premiums as an 11% year on year increase was observed from E739million as of September 2021 to E822million. Like the previous year and quarters, the year-on-year increase continues to be attributed to the increasing uptake of annuities, retirement fund policies and individual life covers which all realised growth of over 20%. Credit life and funeral class of business collectively contributed 34% to the year-on-year growth. All other classes posted negative growth including the endowment policies which declined by 21% on a year on year which is a change from the previous year-on-year performance in this line of business. This could be the result of inflationary pressures causing a strain on disposable incomes therefore affecting consumers' income available for investing. Quarter on quarter, the cumulative value of premiums increased by 55% from E530million, however this is a decline of 44 percentage points in quarterly growth when compared to the growth between Q2 and Q1. The quarter-on-quarter increase is due to growth in all classes of insurance with funeral insurance realising the highest growth of 81%. Retirement funds, funeral, Credit life, unit linked savings and individual life continued to be the anchor of the long-term insurance sector in terms of premiums written jointly accounting for 80% of the total premiums written by the sector. Insured retirement funds remain attractive to the small medium enterprises and employers whose staff is employed on renewable contracts as they are deemed to be cost effective and pose less administrative burden to the employers, funeral insurance is the most marketed cover of policyholders and is used as a drawcard to some of the other insurance policies and included as a rider benefit by other service providers like medical aid schemes and retail shops etc. This therefore explains the significant uptake of this cover. Table 1 below shows the value of premiums written per the different classes of insurance business over the past five quarters.

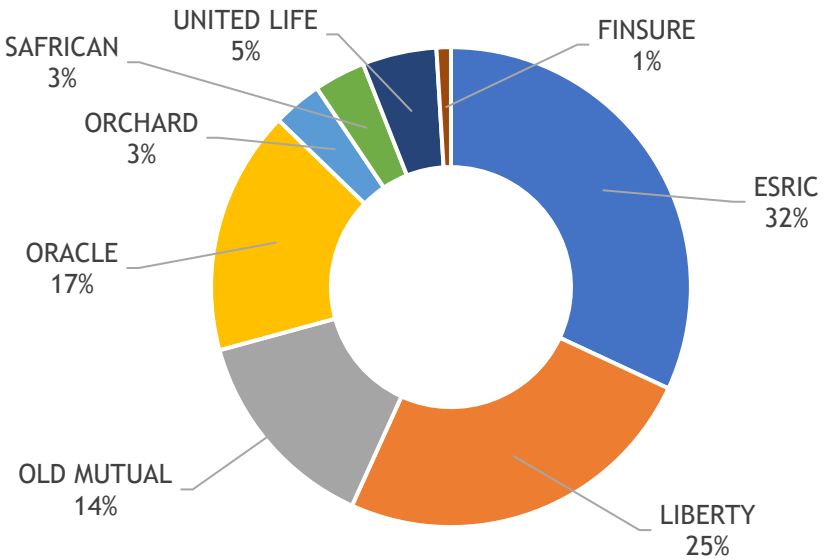
Table 1. LTI Gross Written Premiums

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Class of business			E'000		
Annuities	43 314	34 345	19 858	42 872	35 852
Assistance					
Credit life	123 961	77 962	33 919	141 435	105 668
Disability	10 282	6 748	3 324	15 296	11 749
Endowment	26 832	18 088	8 442	45 712	34 142
Funeral	135 805	74 973	41 676	145 712	117 166
Group life	81 429	55 686	27 784	108 892	82 690
Health					
Individual life	99 337	66 033	30 685	109 975	81 207
Retirement fund	177 252	117 296	59 846	191 183	146 181
Unit linked savings	123 824	79 202	41 407	168 786	124 119
Total	**822 036**	**530 333**	**266 940**	**969 862**	**738 773**

3.3.2.3 Market Share In terms of GWP

In the quarter under review, LTI's market share remained relatively unchanged compared to the previous quarters. Slight changes were noted in ESRIC's market share who lost 2% which was subsequently gained by SAFRICAN and Orchard respectively. Year on year, ESRIC lost 3% as so did Old Mutual and Orchard with 1% of the market share. Conversely, Oracle Life and SAFRICAN gained 2%. Finsure Assurance market share is still at 1% as their book is based on credit life business. The rest of the industry players market share remained unchanged year on year. See Figure 14 below indicating the market share in terms of GWP.

Figure 20 – LTI Market Share in terms of GWP



3.3.2.3 Net Claims and Policy Benefits

The LTI industry's net claims on policies continued to decline on a year-on-year basis. In the quarter under review, there was a 13% decline in the value of net claims on policies observed from E547million as of 30 September 2021 to E474million. This indicates the continued recovery of the sector from high volumes of claims experienced during 2021. Significant year on year declines in claims and policy benefits were observed in claims and policy benefits relating to credit life, endowments, funeral, and group life assurance. These declines indicate the continued recovery from the impact of the pandemic which influenced the increase in the sector's claims experience. Inverse to the decline in other classes of business, claims on disability cover and individual life indicated increases in the region of 30%. Quarter on quarter, there was a 46% increase in the value of net claims on policies from E324million recorded in Q2 2022. This is an improvement from the 57% quarter on quarter increase realised as of the end of Q2 2022. The increase is mainly due to an overall increase in all claims in the classes of business except for group life which recorded a negative growth of 2%.

Table 2 : Claims and Policy Benefits

Class of business	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
	E'000				
Annuities	35 880	25 036	12 056	45 808	37 668
Assistance	-	-	-	-	-
Credit life	22 668	16 417	10 140	58 207	46 020
Disability	4 114	3 173	1 125	3 911	3 116
Endowment	9 260	4 087	2 226	19 247	17 881
Funeral	108 888	70 726	34 884	216 895	171 889
Group life	36 918	37 702	19 267	85 503	70 303
Health	-	-	-	-	
Individual life	84 610	46 726	21 265	97 228	64 597
Retirement fund	126 519	89 923	52 196	118 429	87 200
Unit linked savings	45 201	29 958	14 814	61 801	47 865
Total	**474 058**	**323 747**	**167 973**	**707 028**	**546 538**

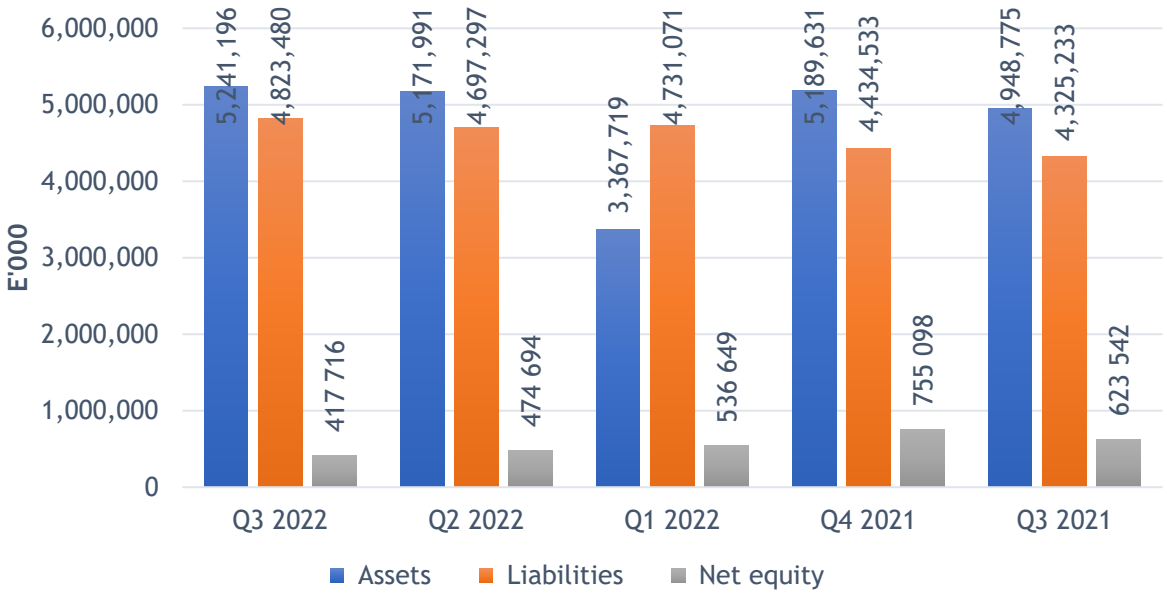
3.3.2.4 Total Assets and Liabilities

The LTI sector assets were valued at E5,2 billion in the quarter under review. This indicates a 1% increase in the value of assets quarter on quarter and a 6% increase year on year from E4,9billion. The quarter-on-quarter increase in assets is due to the slight increase in the fair value of financial instruments held by the sector, the increase in amounts due from related parties, premiums receivable and reinsurance receivables. All insurers met the required local asset holding except for one industry player who had invested only 28% of their assets locally. The sector's liabilities increased in the quarter under review when compared with the quarter ended June 2022. The overall 3% increase is caused by a 36% increase in trade and other payables. Insurance and investment contract liabilities increased by 1% only. Year on year, the sectors liabilities increased by 11.5% from E4,3 billion to E4.8 billion due to significant increases in reinsurance liabilities. The value of insurance and investment contract liabilities increased by 14% and 8% respectively influencing the overall increase. This trend was noted from the quarter ended Q2 2022.

3.3.2.5 LTI Solvency

The sectors solvency position is determined according to the net equity formula wherein all insurers are required to have a net equity of E2 million and above. All LTI's remained solvent in the quarter under review. However, as noted in the quarter ending June 2022, the solvency position continues to be on a downward trend due to a decrease in overall retained earnings. The figure below illustrates the industry solvency position through the past 5 reporting quarters.

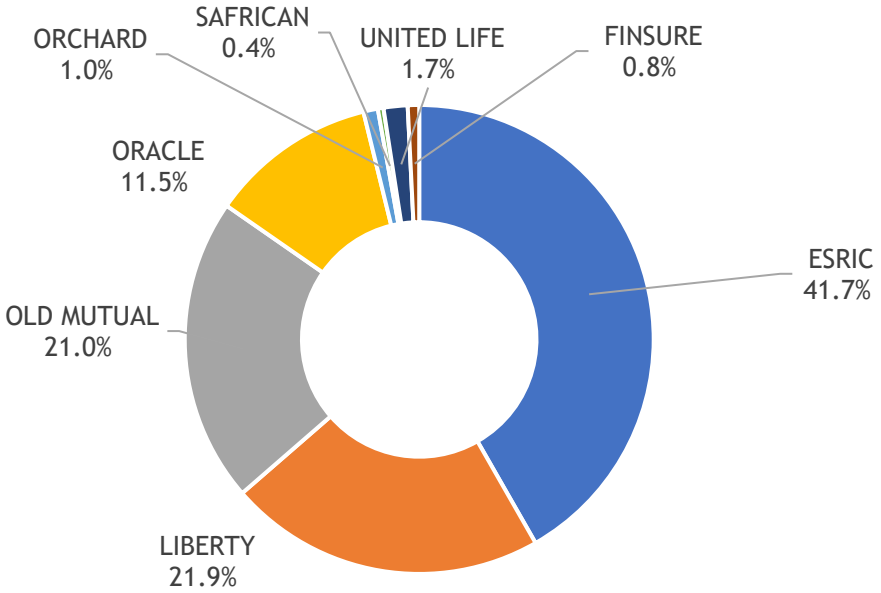
Figure 21 – Industry Solvency Position



3.3.2.6 Market Share in terms of Assets Held

There were no significant changes in the sector's market share in the quarter under review when compared with the quarter ending June 2022. Accordingly, ESRIC still lead the industry with a 41,7% market share followed by Liberty Life and Old Mutual at 21,9% and 21% respectively. Oracle Life held 11,5%. The other players shared the remaining 3,9%. Year on year comparison indicates insignificant changes in the market share across all the players in the region or +/- 2%.

Figure 22: LT Market Share in terms of Assets Held



3.3.2.7 Underwriting Results and Profitability

The LTI sector continued to realise an overall net loss after tax. This trend noted as of the end of Q1 2022 continued in the quarter under review. Despite an initial improvement in the industry's net loss after tax to E19 million from E228 million in Q2 2022; at the end of Q3 2022, the net loss after tax worsened to E24 million due to a continuing decline in investment income to the value of E106 million from E93.2 million in Q2. Year on year, the overall net loss after tax showed a decline of 130% from a profit of E82.5 million to a loss of E24.4 million. This was also influenced by the financial markets performance which led to a 126% decline in investment income and contributed to a 38% decline in total income before expenses and policy benefits.

All the classes of insurance were profitable remained profitable. Unit linked savings and credit life and endowment business were the most profitable classes of business in terms of the value of claims and commission in relation to the premiums earned for these lines of business. Funeral business continues to have a high claims ratio of 92.2%, with individual life showing a loss ratio of 87.6%. Retirement funds business continued to experience high withdrawals as the ratio of policy benefits paid on this line of business to premiums written as of Q3 2023 was 71.4%. Disability insurance continues to have the lowest uptake as it only contributes 1.3% to the total premiums written and a loss ratio of 55.5%. Credit life, endowment and unit linked showed the lowest loss ratios/withdrawal rate to the premiums written to date. The table below provides the underwriting results per class of business as at the end of September 2022 whilst the next table shows the industry's FHSIs.

Table 3: LTI Underwriting Results

	Direct premiums	Premiums ceded	Net Earned Premiums	Claims and Policy Benefits	Net Commission and Acquisition Costs	Net Underwriting Results
	E1,000					
Annuities	43,314	-	43,314	35,880	348	7,085
Assistance	-	-	-	-	-	-
Credit life	123,961	15,431	108,530	22,668	13,122	72,740
Disability	10,282	2,875	7,407	4,114	538	2,755
Endowment	26,832	-	26,832	9,260	2,112	15,460
Funeral	135,805	17,654	118,151	108,888	2,155	7,108
Group life	81,429	18,191	63,239	36,918	2,373	23,948
Health	-	-	-	-	-	-
Individual life	99,337	2,767	96,571	84,610	7,849	4,111
Retirement fund	177,252	-	177,252	126,519	2,604	48,130
Unit linked savings	123,824	-	123,824	45,201	1,084	77,539
Other	-	-	-	-	-	-
Total	822,036	56,917	765,119	474,058	32,185	258,876

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.

3.3.2.8 LTI Financial Health and Soundness Indicators

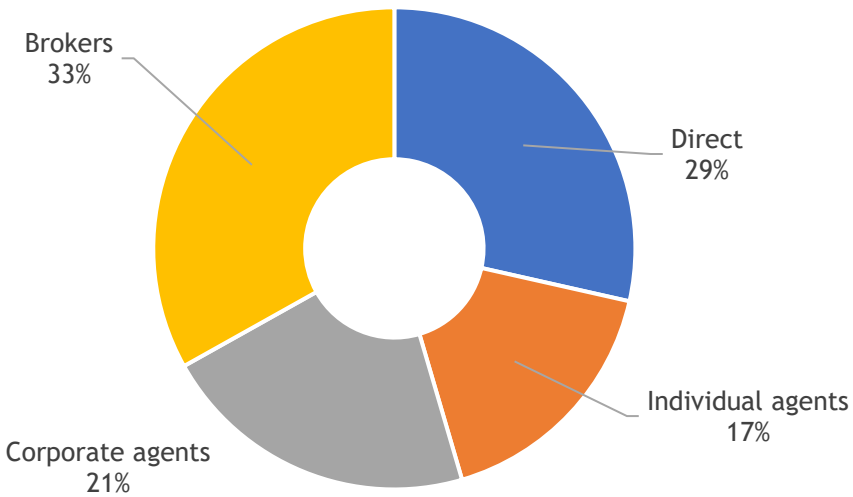
Table 4 – LTI FHSI for LTI

Indicators	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Claims ratio	65,0%	60,6%	179,6%	115,8%	115,5%
Gross claims ratio	63,0%	60,2%	161,2%	117,0%	116,8%
Expense ratio	25,0%	24,8%	26,0%	26,2%	27,1%
Investment income ratio	-13,8%	-18,7%	43,6%	71,8%	59,6%
Investment income/ average assets	-2,2%	-1,9%	0,5%	12,6%	8,5%
Return on equity (ROE)	-5,8%	-4,0%	-43,0%	27,5%	13,0%
Return on assets (ROA)	-0,5%	-0,4%	-4,0%	3,6%	1,6%
Personnel expenses / GWP	5,8%	6,1%	5,5%	5,3%	4,8%
Operating expenses / GWP	19,2%	19,0%	19,5%	19,6%	21,0%

3.3.2.8 Distribution of Products

A little over a third of the gross written premiums by the LTI sector was generated by insurance intermediaries as illustrated below. This equates to E379 million which is 71 percent of insurance business in the sector. Of the 71 percent generated; brokers, contributed over half of the business being 33 percent; corporate agents - 21 percent and the rest of the business was sourced through Individual agents - 17 percent. The total commission earned by intermediaries in this sector in the quarter under review amounted to E24 million.

Figure 23 - Distribution of LTI Products



3.3.3 Short Term Insurance

3.3.3.1 Performance in terms of Gross Written Premiums

The STI sectors GWP were valued at E769million as of 30 September. This is a 14% year-on-year increase from E672 million in 2021. Quarter on quarter comparison indicates an increase of 36% in value of new business underwritten. Property and motor remained the highest sources of written premiums Contributing 36.5% and 21.2% respectively. Significant year on year growth in underwritten business relating to accident, guarantee and property was observed. The growth rates were 48.6%, 130.7% and 163.9% respectively. Year on year declines were however observed in workman's' compensation and legal insurance were however observed.

Despite the observed decline, workman's compensation business contributed 14% of all ST sector premiums and making it one of the top 3 insurance classes in the sector. There were noted trends in the increase of motor policies quarter on quarter by 75% which could be attributed to policyholders preparing for the rainy +/ hailstorm season. Similarly, accident-related policies increased by 94% alongside liability and health at 50% and 51% respectively.

Table 5. STI Gross Written Premiums

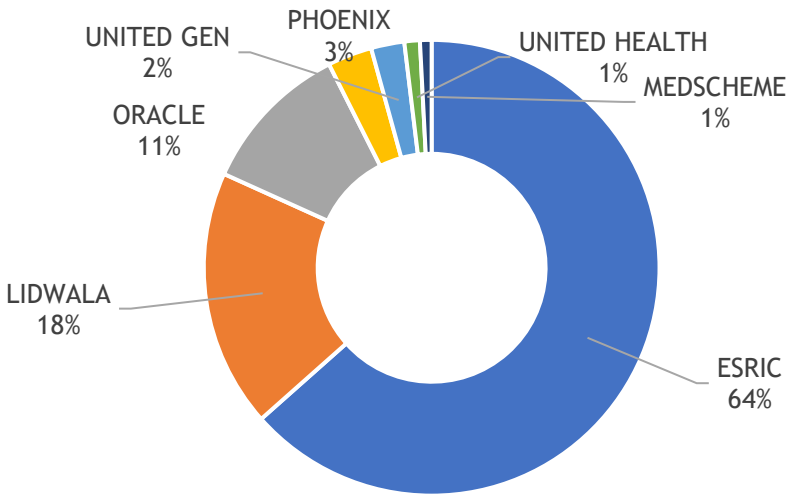
	Gross Written Premiums	Net earned premiums	Net claims incurred	Net commission and other acquisition costs	Net underwriting results
	E1,000				
Accident	21,447	8,827	1,041	234	7,552
Agriculture	9,124	3,788	1,117	251	2,420
Engineering	49,249	15,409	3,178	1,166	12,339
Guarantee	27,057	8,487	2,258	-95	6,323
Health	24,967	19,673	13,311	371	5,990
Legal expenses	428	41	204	-84	-79
Liability	43,391	10,701	4,072	2,951	3,678
Motor	162,739	76,924	40,752	9,333	26,839
Property	280,845	123,741	38,337	11,056	40,172
Transportation	8,631	2,281	187	49	2,046
Travel	-	-	-	-	-
Workman's compensation	104,073	92,904	17,812	4,715	70,377
Other	36,712	21,254	1,194	716	19,344
Totals	**768,663**	**384,028**	**123,464**	**30,663**	**229,902**

Note:
The decline in other is due to the reclassification of classes of insurance that had not been accurately classified correctly according to the returns template.

3.3.3.2 Market Share in terms of GWP

Market share in terms of GWP indicates that the top three (3) STI's wrote 93% of the sector's premiums. Other industry players share the remaining 7%. Year on year comparison indicates that ESRIC's market share has dropped from 67% to 64%. Lidwala has maintained the same position year on year as being the second biggest insurer with an unchanged market share of 18%. Oracle Insure is the third biggest ST Insurer however they have lost 1% over the period. Phoenix Assurance has an unchanged 3% market share year on year. United General has also maintained a 2% market share whilst United Health and Medscheme gained a 1% market share respectively. Notably, the STI's with the least market share are those with a particular focus on the health insurance business.

Figure 24 – STI Market Share in Terms of GWP



3.3.3.3 Net Claims Incurred

A Net claims incurred continued in increase and as of 30 September 2022 an increase of 85.8% from E66.5million as of 30 September 2021 to E123.5million was observed. Consistent with the decrease in premiums written in the agriculture, there was a 72.9% decline in claims incurred in this category. Transportation also realised a decline 0f 72.9% in net incurred claims from E687 thousand as of 30 September 2021 to E187 thousand. Despite a quarter-on-quarter increase in motor business claims, the sector realised an 8.8% year on year decline. The net increase in the net claims incurred is therefore attributed to the significant increase in workman's compensation coupled with the 90.2% increase in guarantee insurance and the 165.6% increase in property insurance.

Table 6 – Net Claims Incurred

Class of business	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
	E1'000				
Accident	1 041	510	431	2 309	1 375
Agriculture	1 117	1 780	-62	5 572	4 121
Engineering	3 178	2 059	423	5 923	1 948
Guarantee	2 258	1 598	289	609	1 187
Health	13 311	7 362	309	13 363	10 499
Legal expenses	204	40	20	8	-1
Liability	4 072	3 017	2129	3 739	2 444
Motor	40 752	26 765	12 969	65 756	44 673
Property	38 337	29 141	9 348	41 299	14 436
Transportation	187	87	103	1 165	687
Travel	-				
Workman's compensation	17 812	11 181	5813	3 761	-1 160
Other	1 194	-4 376	4 360	-9 378	-13 753
Total	**123 464**	**79 163**	**36 130**	**134 127**	**66 456**

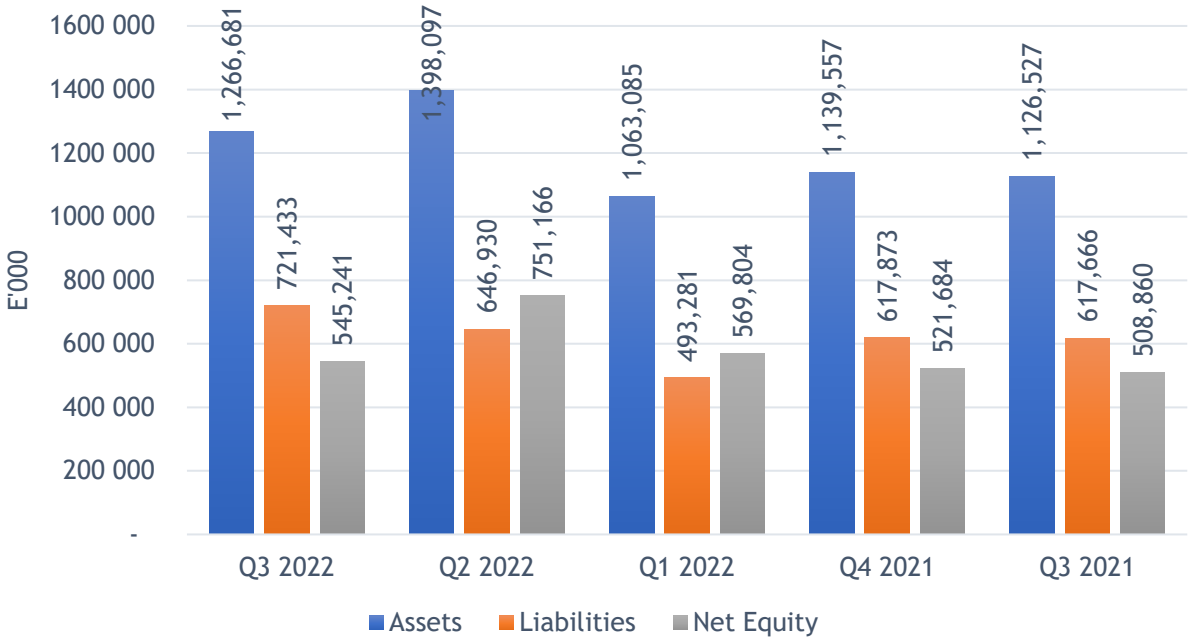
3.3.3.4 Assets and Liabilities

The STI sector industry assets increased by 12.4% year on year to E1.3 billion from E1.2 billion, however a 9.4% quarter on quarter decline was observed. The quarter-on-quarter decline is mainly due to the decline in deferred acquisition cost, decline in the value of investment assets from E663.3million to E623.8million and the 31.0% decline in premiums receivable. On a year-on-year basis these elements showed and increase hence the 12.4% increase. In adherence to the local asset holding requirements criteria, the STI sector invested 53% of their assets in the local market. This figure indicates an increase from the E317 million invested in the quarter ending Q2 2022 to E330.6 million. The assets are held locally as deposits- 48%; equity instruments- 24%; money market - 20% and in long term instruments - 8%. The rest of the assets 47% were invested in the foreign assets. The sector's liabilities increased by 16.8% year on year from E618million to E721million, however a quarter-on-quarter increase of 11.5% was observed. The increase in liabilities is mainly due to an increase in the value of amounts due to reinsurers and the increase in trade and other payables.

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 E 2 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 6.2.3 below shows the industry's solvency position for the past 5 reporting quarters. The sector remained solvent.

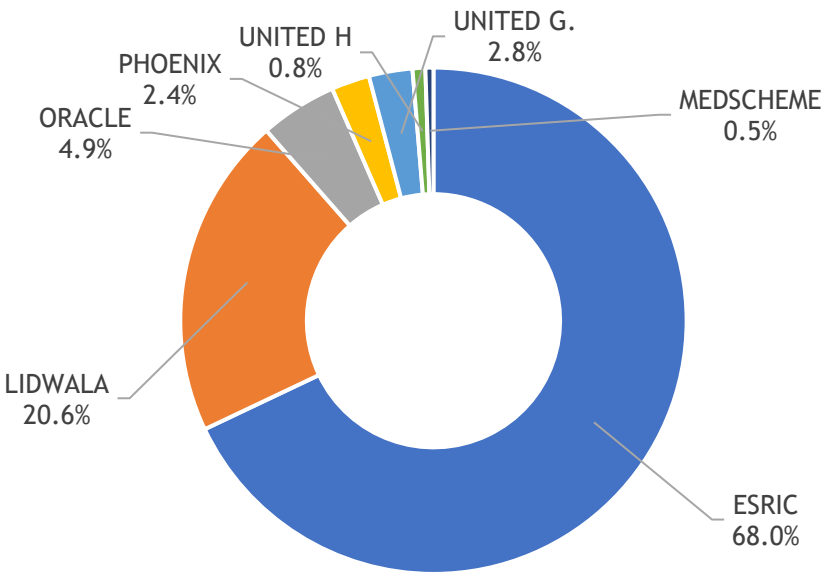
Figure 25 - STI Solvency Position



3.3.3.5 Market Share in Terms of Assets Held

Market share in terms of assets held indicates that ESRIC continues to dominate the market in terms of assets held which contribute 68% to the overall sectors value of assets. Despite the continued dominance, a 4.4 percentage points decline in the insurer's market share was observed. Lidwala Insurance held 20,6% of the sectors assets in the quarter under review, indicating a 1.9 percentage points increase. Oracle Insure increased its market share from 3.7% to 4.9% whereas United General realised growth in market share from 1.9% to 2.8% and Phoenix Assurance from 2.2% to 2.4%. Medscheme and United Health market share remained below the 1% with insignificant changes quarter on quarter.

Figure 26 – STI Market Share in Terms of Assets



3.3.3.6 Underwriting Results and Profitability

The STI continued to remain profitable in the quarter under review with an overall net income after tax of E106.7million. However, only four insures remained profitable on the back of improved underwriting income whilst the other 3 industry players realised a net loss after tax. The E106.7million is a decline from the E128.3million profit after tax generated by the sector as of Q3-2021. This decline is the result of the 85.8% increase in claims incurred coupled with the 15.8% increase in management expenses and the 22.0% decline in investment income.

Table 7 – Net Underwriting Results

	Gross Premiums	Net earned premiums	Net claims incurred	Net commission and other acquisition costs	Net underwriting results
	E1,000				
Accident	21 447	8 827	1 041	234	7 552
Agriculture	9 124	3 788	1 117	251	2 420
Engineering	43 006	15 171	1 833	1 000	12 339
Guarantee	27 057	8 487	2 258	-95	6 323
Health	24 967	19 673	13 311	371	5 990
Legal expenses	428	41	204	-84	-79
Liability	43 391	10 701	4 072	2 951	3 678
Motor	162 739	76 924	40 752	9 333	26 839
Property	119 927	76 948	29 743	7 034	40 172
Transportation	8 631	2 281	187	49	2 046
Travel	-	-	-	-	-
Workman's compensation	104 073	92 904	17 812	4 715	70 377
Other	203 872	68 284	11 133	4 904	52 246
Total	**768 663**	**384 028**	**123 464**	**30 663**	**229 902**

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.*

Table 8 – FHSIs for STI

Indicators	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Claims ratio	32.4%	19,4%	27,7%	27,7%	18,7%
Gross claims ratio	22%	21,5%	39,0%	22,9%	19,5%
Expense ratio	44.1%	26,8%	66,0%	67,9%	61,5%
Investment income ratio	5%	4,2%	13,9%	7,2%	6,9%
Investment income / average invested assets	4%	2,1%	1,3%	6,0%	4,4%
Combined ratio	76.5%	46,3%	93,7%	95,7%	80,1%
Operating ratio	71.5%	42,1%	79,8%	88,4%	73,0%
Profitability ratio	27,8%	32,2%	38,7%	30,6%	44,0%
Return on equity (ROE)	20%	24,3%	8,9%	28,4%	23,0%
Return on assets (ROA)	8%	13,0%	4,8%	13,0%	10,0%
Risk retention ratio	57%	59,0%	61,1%	60,0%	62,0%
Reinsurance recoveries + reinsurance commissions ratio	27%	26,5%	43,1%	36,5%	35,0%

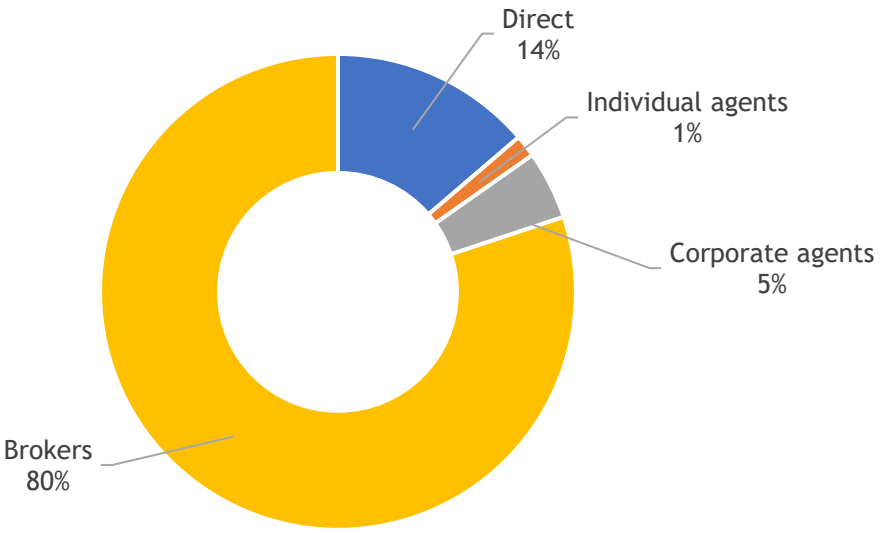
3.3.3.7 Distribution of Products

Brokers continued in the quarter under review to generate 80% of insurance business. This representation indicates an insignificant decline of 1% from the quarter ended 30 June 2022. Directly generated business increased by 2 percentage points from 12%. Corporate agents maintained the same contribution to insurance business quarter on quarter of 5% whilst

Individual agents realised a reduced contribution to 1%. The continued reliance on intermediation services highlights the important role played by the insurance intermediaries in the sector in particular in the enablement of ease of access to insurance products for policyholders. Commission earned for intermediation services amounted to E87million increasing from E74million year on year.

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Figure 27 – STI Product Distribution



3.3.4.1 Reinsurance Business

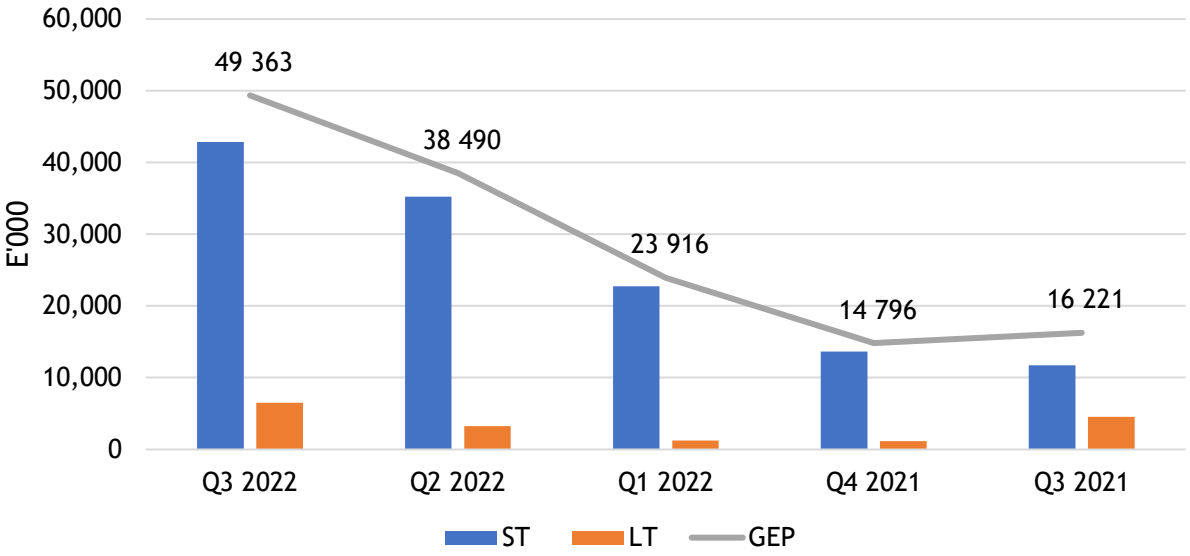
3.3.4.2 Performance in terms of Gross Written Premiums

As at the end of Q3 2022, the value of ST re-insurance business GWP was E42,9million, this is a significant increase compared to the value of reinsurance premiums of E16.4 million in Q3 2021. Similarly, quarter on quarter and given the accumulative basis of recording GWP, the change in value of premiums from the Q2 2022 to Q3 2022 was 21.9%. The impact of the commencement of business by the Eswatini Re continues to be evident in the value of GWP's. In terms of the classes of business, as noted in the previous quarter, property continues to be the highest grossing class of business bringing 76% of the total value of ST reinsurance sector GWP. Eswatini Re-extended re-insurance cover to include engineering, guarantee, motor, and transportation this quarter having only offered accident-related reinsurance cover in the previous quarter ended Q2 2022. Overall, the contribution to the value of GWP was transcendingly as follows: accident - 9,9%; engineering - 6,1%; motor-3,3%; other-3,2%; transportation -0,9%; liability-0,3% and guarantee -0,2%. Note, the sector started receiving guarantee premiums in the quarter under review. Comparatively, Ezulwini Re contributes 83% in the total value of GWP whilst Eswatini Re contributes the remaining 17%.

In terms of the LT reinsurance business, the total value of GWP was E6,4million as at the end of Q3 2022. This indicates a 100% increase in the value of GWP from E3,2million recorded in Q2 2022. Year on year, there was a 43% increase in the earned premiums from E4,5million. Though the sector did not write business in the assistance, endowment, and health category, significant year-on-year increases in the credit life and disability cover were observed. Other increases were recorded in the region of over 200% in relation to annuities and funeral cover. Overall, the increase in reinsurance premiums indicates confidence in the sector by both domestic and foreign insurers.

Combined, the reinsurance sector's total value of earned premiums was valued at E49,4million which indicates a 27.9% increase from the E38,5million recorded in Q2 2022. However, on a year on year, a 204.0% increase in premiums was observed. Class of business comparison indicates that the short-term reinsurance amassed 87.0% of the premiums whilst the LT sector contributed the remaining balance of 13.0%. Figure 28 below illustrates the GEP over the past five reporting periods.

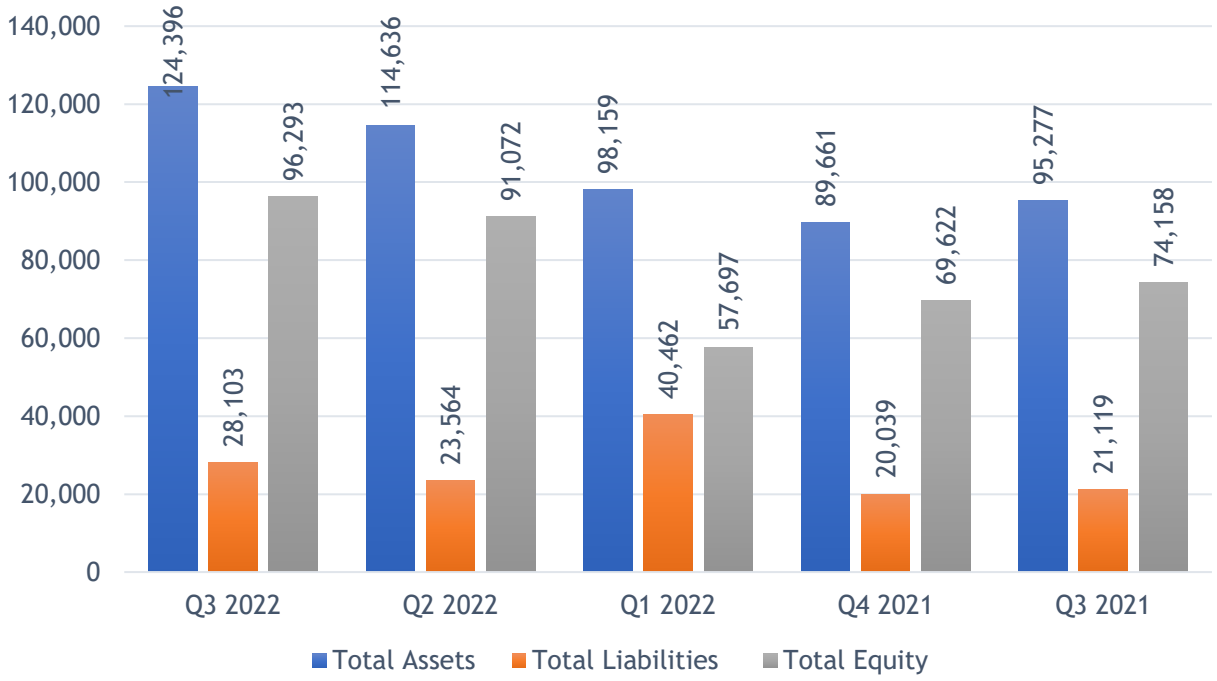
Figure 28 - Reinsurance Premiums



3.4.3.3 Assets and Liabilities

The total value of the sectors assets in this quarter under review were valued at E124,4million. This indicates an 8% increase in the value of assets quarter on quarter. Year on year, the value of assets has increased by 23% from E95,3million. The growth in value of assets, year on year is driven by a 40% increase in investment assets held by the reinsurers from E58million to E81million of which 65% is held as deposits and the balance is invested in the money market instruments. The sectors total liabilities increased by 16% quarter on quarter and by 25% year on year. The year-on-year increase is due to an increase in trade and other payables amounting to E12,3million. In terms of solvency, the sector continued to remain solvent with a 77% solvency ratio declining by 2 percentage points quarter on quarter. Figure 29 illustrates the sectors solvency over the past 5 quarters.

Figure 29 - Reinsurance Solvency



3.4.3.4 Profitability

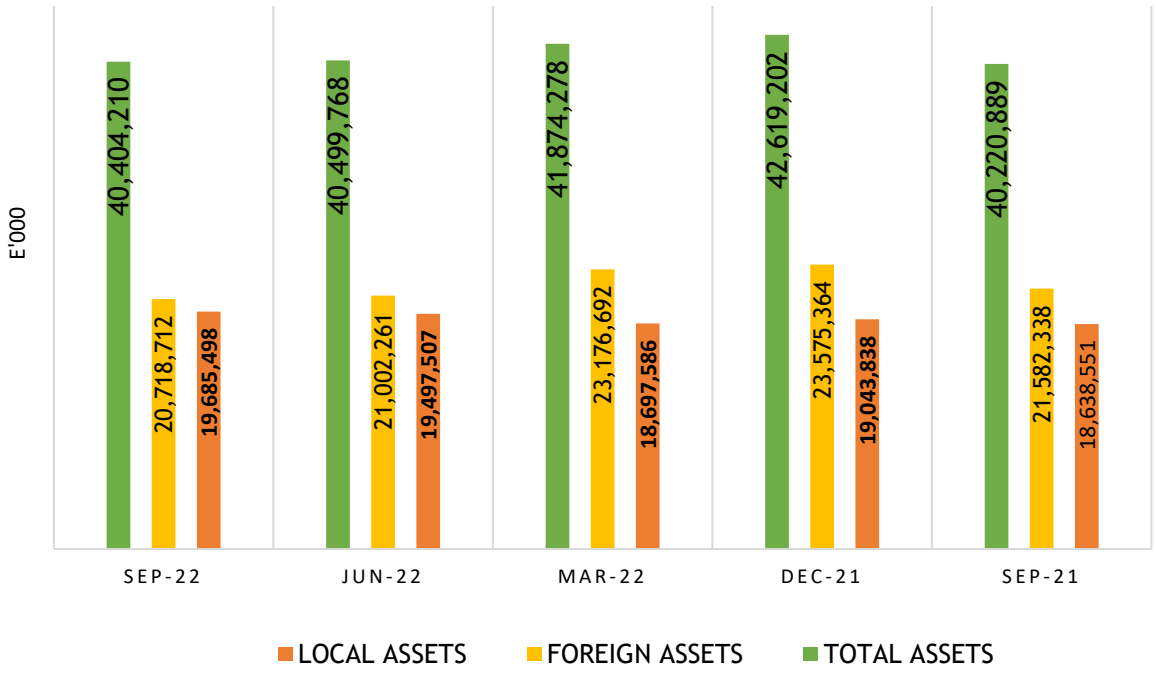
The ST reinsurance sector realised a positive underwriting income of E5,4million and a further E3,3million in investment income in the quarter under review. This resulted in E8,7million in income before tax. Similarly, the LT sector was on a rebound this quarter, recovering from a loss of E397thousand in Q2 2022 to record a modest E361 thousand in profit. Consolidated, the sector realised growth in profit from E5,5millionn to E9million quarter on quarter.

3.4 Retirement Funds

3.4.1 Retirement Fund Assets

The retirement fund industry held assets of E40.4 billion as of 30 September 2022, a slight decrease of 0.24% from the previous quarter was observed whereas a 0.5% year on year increase was observed. The quarter-on-quarter decline in investments is mostly reflected in the negative performances in international financial markets in equity and debt markets due to inflationary and interest rate pressures. The year-on-year increase in assets is however attributable to improved market performance following the sluggish performance resulting from the pandemic, additional member contributions have also contributed to the increase in the value of Investments. Validation checks of investments limits were done, and the industry follows the local 30% asset holding. It is noted that there is an increasing trend on local investments as the local assets holding had increased from 46% as of 30 September 2021 to 49% as of 30 September 2022. The increase in local asset holding has also filtered through to the asset managers as the review of their asset allocation showed an increase in domestic holdings.

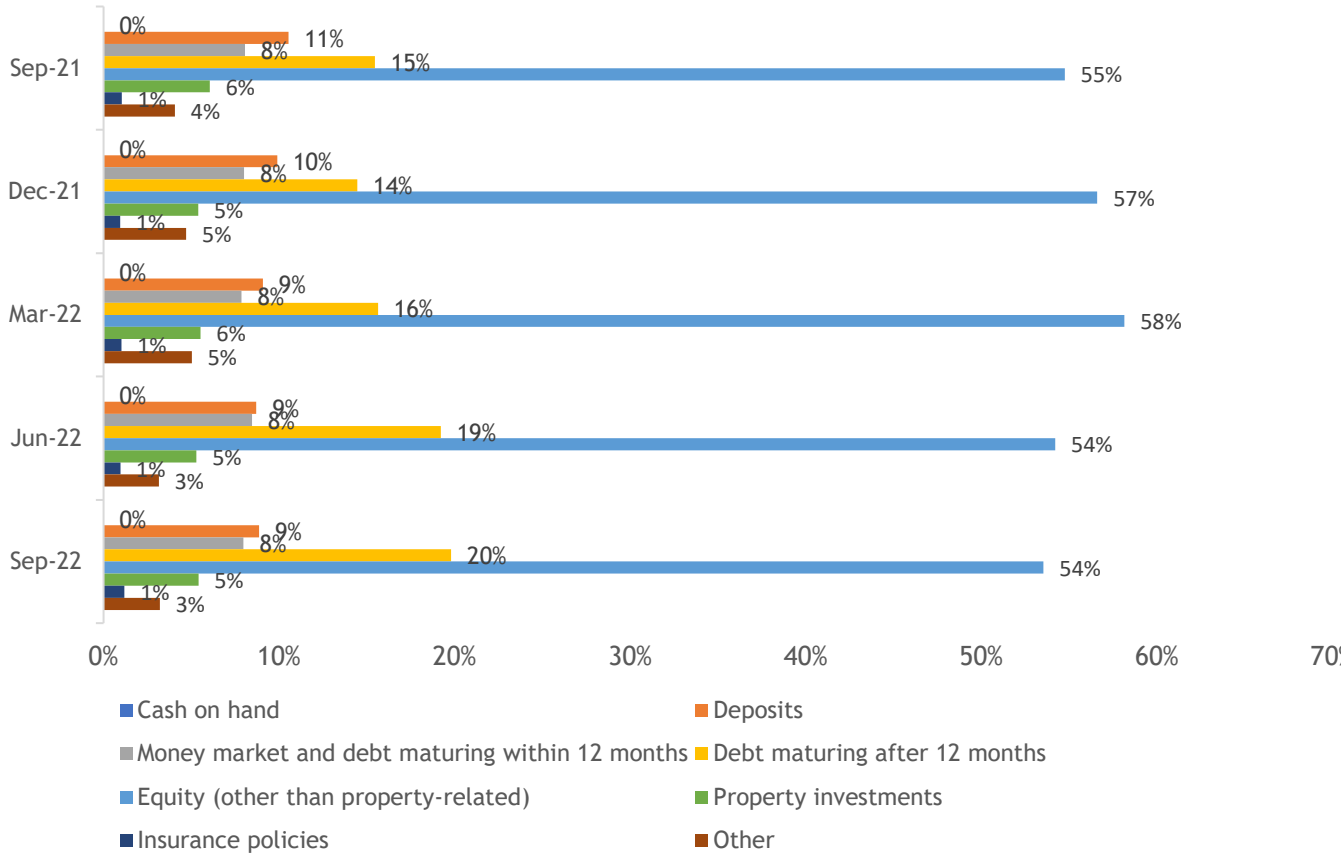
Figure 30 - Assets by Location



3.4.2.1 Allocation of Investments

54% of the retirement funds investment were held in equities which remained unchanged from the previous quarter. However, on a year-on-year basis a 1 percentage point decrease was observed. The long-term growth of equities is commensurate with the industry's long-term liabilities, hence the volatility in the equities do not warrant a change in the investment strategy of retirement funds. The asset class with the second highest exposure was the debt maturing after 12 months mostly in the Eswatini government bonds with an investment holding of 20%, followed by deposits with exposure of 9% then money market and debt maturing within 12 months with exposure of 8%. The other asset classes i.e. property and insurance policies remained stable with minimal movements and exposure of below 5% per asset class.

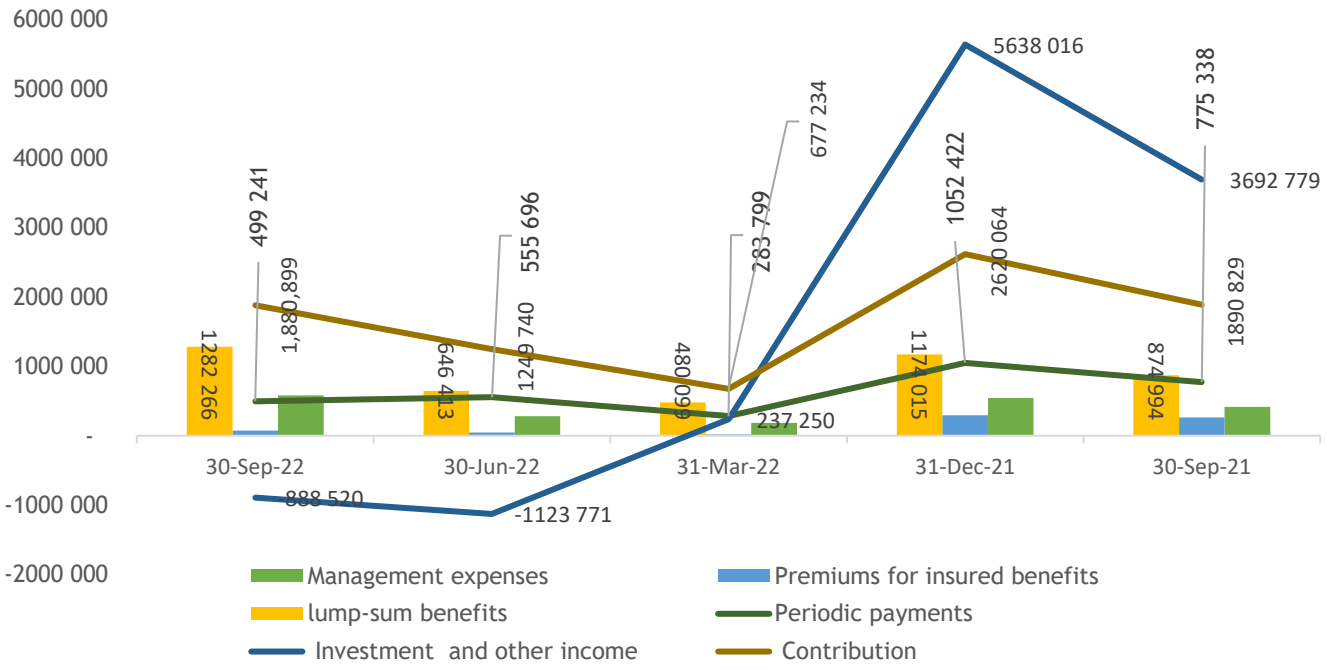
Figure 31 - RF Investment Allocation



3.4.2.2 Income and Expenditure

In respect of income, the retirement funds sector income decreased by 19% during the quarter when compared to the same time in 2021. This decrease is a result of a significant decline in investment income resulting from the unrealised fair value losses in financial assets, this is expected as an outcome of the continuous pressure on markets due to inflationary and interest rate pressure. Contributions received increased by 10% quarter-on-quarter and decreased by 1% year-on-year, to E1.8 billion for the quarter ended 30 September 2022. The decrease in contributions correlated with the marginal decrease in active members during the quarter under review. In respect of expenses, a year-on-year 13% increase was observed, and this was mainly influenced by an increase to lump-sum benefits driven by instances of withdrawals due to retirement and to other retirement funds, death, and voluntary early retirement. Figure 32 below illustrates the sector's income and expenditure as discussed above.

Figure 32: RF Income and Expenditure

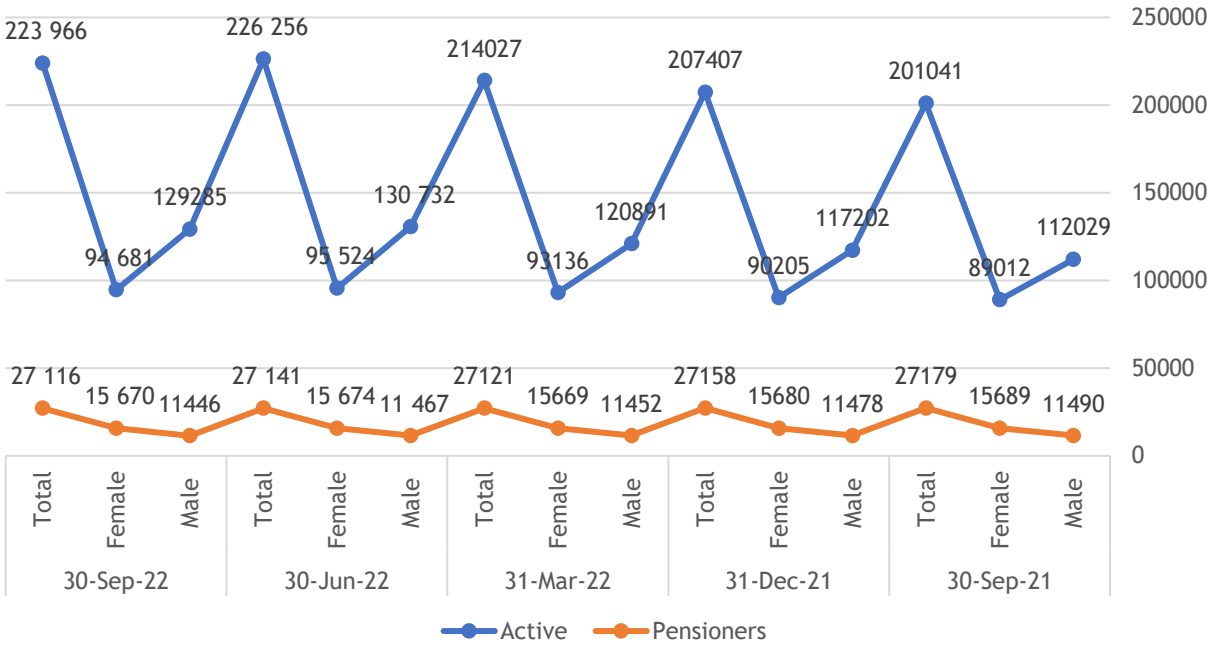


3.4.2.3 Retirements Funds Membership

As of September 2022, membership continued to grow albeit at a slow rate, it increased by 11% when compared to the same period last year. The slow growth rate in the quarter was mainly due to a stagnate increase rate of active members which is largely due to the dampened economic activity.

The retirement funds sector however continues to be dominated by males with more males in the active phase of the retirement savings (accumulation phase) and more females in the pension phase (withdrawal phase) as they earn the surviving spouses' pension. There was no significant change of pensioners during the quarter when compared to last quarter. Figure 27 Shows the changes in membership throughout the year.

Figure 33: Retirement Fund Membership

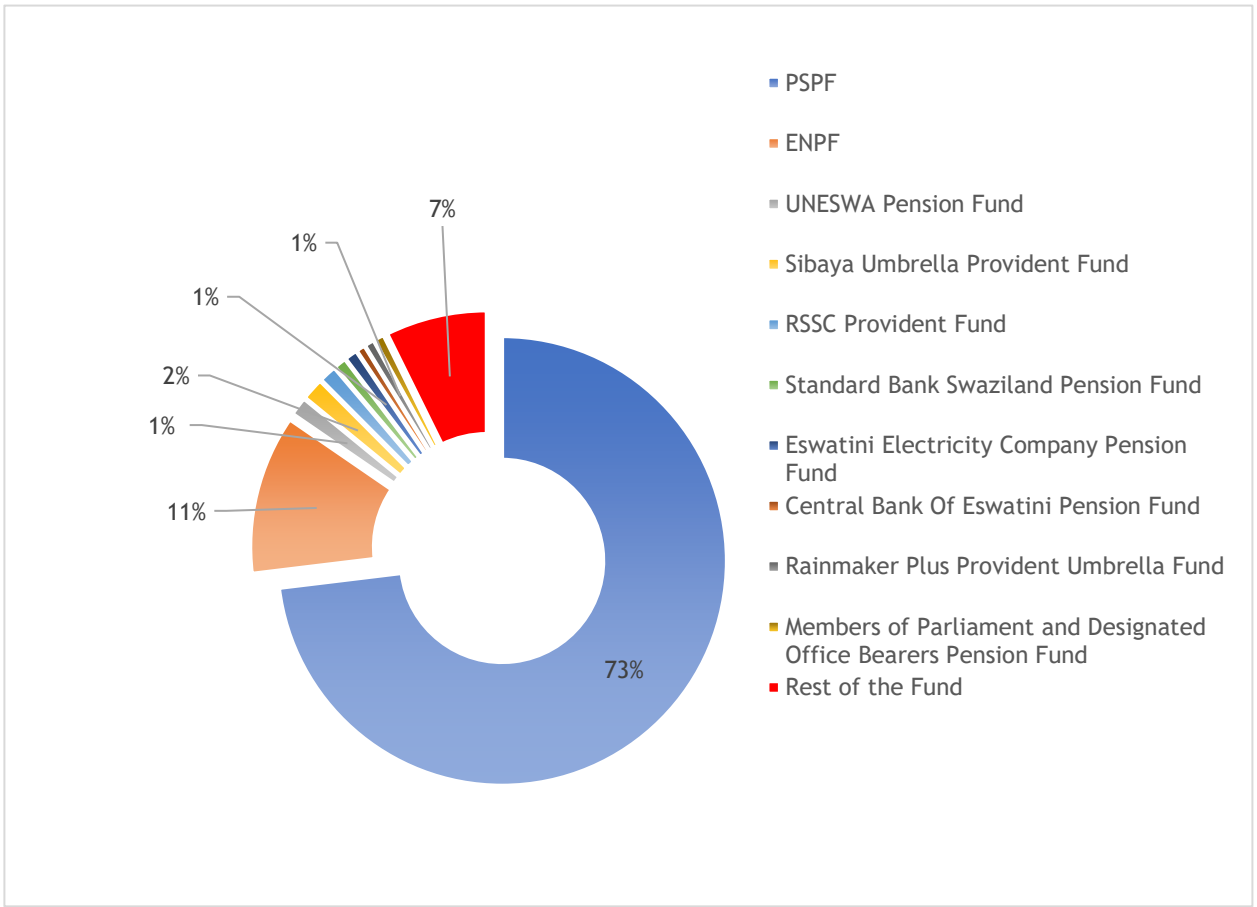


3.4.2.4 Retirement Funds Market Share

There are 71 retirement funds licensed by the FSRA, the 71 retirement funds are dominated by the statutory funds i.e., PSPF and ENPF who command approximately 84% of the market share.

The industry is highly concentrated, 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 below illustrates the sector's market share and shows that the top 11 retirement funds account for 93 % of the sector's assets.

Figure 34: Retirement Funds Market Share



ANNEXURES

Annexure 1: Number of Licensed Financial Service Providers

	30 Sept 2022	30 June 2022
Collective Investment Scheme Managers	6	6
Investment Advisors	12	12
Trustees	2	2
Exempt Dealers	1	1
Securities Brokers	1	1
Securities Exchanges	1	1
Credit Providers (Non-deposit taking)	132	127
SACCOs	61	57
Building Societies	2	2
Credit Bureaus	2	2
Debt Counsellors	1	1
Reinsurers	2	2
Insurers	15	15
Insurance Brokers	34	31
Corporate Agents	37	37
Individual Agents	142	142
Standalone Funds	57	57
Umbrella Funds	14	14
Beneficiary Funds	3	3
Foreign funds	18	20
Fund Administrators	8	8
Medical Schemes	3	3
	554	**544**

NB: There are 291 participating employers under the 14 licensed Umbrella Funds.

Annexure 2: CISs – Funds under Management

	Sep-22	Jun-22
Geographic Allocation		
Domestic	4,889,321,371.90	4,710,135,731.21
Common Monetary Area	2,473,238,250.78	2,523,939,059.40
Offshore	608,729,820.93	546,710,782.60
Total Assets under Management		
Asset Allocation		
Cash	508,378,305.54	615,434,630.65
Negotiable Certificate of Deposit	510,220,161.06	835,190,762.52
Banker's Acceptance	296,957,216.97	50,254,794.62
Commercial Paper	284,786,311.64	195,743,719.90
Treasury Bill	997,272,954.52	995,514,658.42
Corporate Bonds	216,967,104.11	277,572,773.97
Bonds/Debentures	362,127,454.26	455,767,793.05
Equity with Primary lisiting	597,613,520.66	843,750,919.40
Equity with Secondary Lisiting	34,956,724.00	36,335,750.00
Equity Index-Linked Securities	-	-
Listed Securities: Debt	18,312,219.18	8,125,698.63
Unlisted Securities: Equity	-	-
Unlisted Securities: Debt	2,075,086.07	429,788,141.91
Collective Investment Schemes	346,646,740.30	224,365,396.96
Collective Investment Schemes (Associated Entity)	957,598,923.61	1,137,790,099.83
Property - Shares	-	779,177.00
Property - Land	-	-
Property - Buildings	-	-
Other Portfolio Assets	749,977,916.71	1,674,371,257.12
Total	**5,883,890,638.63**	**7,780,785,573.98**

Annexure 3: CISs Source of Funds

	Sept- 2022	June - 2022
Retail Investors	1 179 483 900,95	984,344,610.68
	45 621 227,77	
Politically Exposed Persons	-	44,057,702.69
High Net Worth Individuals	30 000,00	-
Professional Investors	2 731 587 312,27	30,000
Institutional - Retirement Funds	46 361 358,56	3,279,064,146.17
Institutional - Medical Aid Schemes	48 433 921,01	55,552,515.56
Institutional - Insurance ST	247 944 212,48	58,881,742.54
Institutional - Insurance LT	1 214 337 846,90	310,994,151.93
Collective Investment Schemes	-	1,236,451,819.84
Institutional - Credit providers	106 803 577,13	-
Institutional - SACCOs	-	95,511,547.56
Companies	1 636 977 214,58	1,517,418,783.61
Institutional - other	240 673 959,93	200,554,525.04
Total	7 498 254 531,58	7,780,785,573.98

Annexure 4: IAs - Funds under Advisory

Geographic Allocation	Sept- 2022	June - 2022
Domestic	7 625 090 800,60	7,344,815,641.47
Common Monetary Area	12 938 766 419,02	12,111,079,994.94
Offshore	3 452 971 031,95	3,847,841,057.73
Total Assets Under Management	24 016 828 251,57	23,303,736,694.14
IA Source of Funds		
Retail Investors	1 063 913,67	1,050,907.47
Politically Exposed Person	-	-
High Net Worth Individuals	-	-
Professional Investors	-	-
Institutional - RFs	16 690 956 828,84	19,273,911,946.28
Institutional - Medical aid schemes	115 130 243,00	-
Institutional - Insurance ST		-
Institutional - Insurance LT	1 228 633 280,46	1,271,640,843.75
Collective Investment Schemes	1 196 237 815,84	1,179,008,453.00
Institutional - Credit providers	21 536 257,01	-
Institutional - SACCOs		-
Institutional - Banks	298 047 726,19	-
Companies	648 775 173,98	565,815,794.90
Institutional - Other	1 239 479 448,31	1,012,308,749.08
Total	21 439 860 687,29	**23,303,736,694.48**

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

	Sept-2022	June-2022
	E'000	E'000
Cash and Cash Equivalents	**236 242**	**255 990**
Prepayments & Sundry Receivables	**4 378**	**6 106**
Financial Investments	**365 932**	**339 508**
Net Loan Portfolio	**1 653 090**	**1 620 427**
Gross Loan Portfolio	**1 688 148**	**1 653 104**
Less: Provision for Loan Loss	**35 058**	**32 677**
Accounts Receivables	**92 735**	**114 559**
Unremitted Salary Deductions	41 452	40 490
Staff loans	6 045	4 553
Tax Recoverable	0	0
Unallocated Funds	4 956	16 683
Other Accounts Receivables	40 282	52 833
Property & Equipment & Other assets	**96 448**	**99 499**
Land & Buildings	82 211	79 296
Plant & Equipment	13 477	15 708
Prepaid Lease rentals	7	7
Intangible Assets	159	36
Other Assets	595	4 452
Total Assets	**2 448 826**	**2 436 090**
Total Deposit liabilities (Note 3)	**1 780 147**	**1 743 107**
Short Term Liabilities	**207 280**	**214 800**
Accounts payable	62 227	50 024
Tax Payable	2 168	2 260
Dividends Payable	79 596	90 397
Retirement Benefits Liability	1 603	1 691
Bank Overdraft	0	0
Other Short-term liabilities	61 687	70 428
Total Short-Term Liabilities	**1 987 427**	**1 957 907**
Long Term Liabilities	**9 395**	**5 490**
External Borrowings	4 326	2 160
Other Long-Term Liabilities	5 069	3 330
Total Liabilities	**1 996 822**	**1 963 397**
EQUITY	**157 303**	**156 161**
Permanent and Non-withdrawable share (Note 4)	**156 359**	**155 217**
Capital Grants and Donations	944	944
Retained Earnings	**78 087**	**112 670**
Prior Retained Earnings	71 552	86 893
Current Surplus	**6 534**	**25 777**
Other Equity Accounts	**216 614**	**203 862**
Statutory Reserve	63 251	59 691
General Reserves	114 474	105 044
Revaluation Reserves (Not part of core capital)	14 319	14 085
Share Transfer Fund	14 808	15 419
Education Fund	10 391	9 317
Central Cooperative Fund	2 036	1 975
Adjustment to Equity	-2 667	-1 669
Total Equity	**452 004**	**472 693**
Total Liabilities and Equity	**2 448 826**	**2 436 090**

Annexure 6: Credit Institutions Statement of Financial Position

ASSETS	Sept-22	Jun-22
	E'000	E'000
Property, Plant and Equipment	15 166 400,39	15199424,9
Investments in Subsidiaries	38 471 023,70	38471023,7
Deferred Tax	6 476 466,63	6314380,063
Loans and Advances (long term) portion)	2 701 577 694,93	2499808773
Other Assets	254 344 569,32	189382970,3
Total Non-current Assets	3 016 036 154,97	2749176572
Current Assets	-	
Amounts Owing by Related Parties	554 954 929,70	625558640,1
Current Tax Receivable	4 849 288,79	99056,84
Loans and Advances (short term) portion)	289 216 424,58	290563065,7
Trade and other Receivables	36 691 722,24	42928289,59
Cash at Bank (with financial institutions)	260 764 807,58	161613765,4
Cash in Hand	402 257,14	639075,5
Total Current Assets	1 146 879 430,03	1121401893
Total Assets	4 162 915 585,00	3870578465
EQUITY AND LIABILITIES	-	
Equity	-	
Share Capital	135 631 261,00	135633583
Reserves	95 139 313,40	74364276,34
Retained Income	562 749 104,83	531266529,5
Total Equity	793 519 679,23	741264388,8
Non-current Liabilities	-	
Security Deposits	100,00	0
Amounts Owing to Related Parties	1 517 940 433,89	1368384891
Other Financial Liabilities	1 245 416 032,01	1401681873
Deferred Tax	(18 130 770,00)	-16242353
Total Non-current Liabilities	2 745 225 795,90	2753824411
Current Liabilities	-	
Amounts owing to Related Parties	134 279 285,75	10814063,08
Trade and Other Payable	77 373 192,84	50099541,56
Current tax payable	21 171 457,81	16453184,72
Other financial liabilities	391 346 173,46	298122876,3
Total Current Liabilities	624 170 109,86	375489665,7
Total Liabilities and Equity	4 162 915 584,99	3870578465

Annexure 7: Developmental Finance Institutions Statement of Financial Position

	Sept - 2022	June - 2022
ASSETS	**E '000**	**E '000**
Property, Plant and Equipment	203 600 649,48	131732100,2
Investments in Subsidiaries	949 028 690,71	858194916,6
Deferred Tax	15 562 326,67	6938616,55
Loans and Advances (long term) portion)	401 190 585,51	439341218,3
Other Assets	30 119 290,00	29780
Total Non-current Assets	1 599 501 542,37	1436236632
Current Assets	-	
Amounts Owing by Related Parties	551 693 292,00	506166850
Current Tax Receivable	12 635 720,00	12635720
Loans and Advances (short term) portion)	-	-
Trade and other Receivables	57 291 350,99	16684644,38
Cash at Bank (with financial institutions)	102 672 739,53	103344002,8
Cash in Hand	11 613,00	58514
Total Current Assets	724 304 715,52	638889731,2
Total Assets	2 323 806 257,89	2 075 126 362,85
EQUITY AND LIABILITIES	-	
Equity	-	
Share Capital	93 049 690,00	74149079
Reserves	609 511 279,08	514124257,6
Retained Income	426 257 332,62	329372261,5
Total Equity	1 128 818 301,70	917645598,1
Non-current Liabilities	-	
Security Deposits	12 678 234,00	12744561
Amounts Owing to Related Parties	15 095 000,00	15095
Other Financial Liabilities	1 083 994 319,21	1052744947
Deferred Tax	-	0
Total Non-current Liabilities	1 111 767 553,21	1065504603
Current Liabilities	-	
Amounts owing to Related Parties	-	0
Trade and Other Payable	82 900 201,10	80198180,85
Current tax payable	(2 213 336,12)	8711983,56
Other financial liabilities	2 533 538,00	3065997,2
Total Current Liabilities	83 220 402,98	91976161,61
Total Liabilities and	2 323 806 257,89	2 075 126 362,85

Annexure 9: Building Societies Statement of Financial Position

	Sep-22	Jun-22
NOTES AND COINS	56,779.00	51,297.00
Emalangeni Notes and Coin	56,779.00	51,297.00
Rands	-	-
DUE FROM BANKS 'NOSTRO'	61,065.00	21,854.00
Central Bank of Swaziland	19,665.00	580.00
Domestic Commercial Banks	41,017.00	12,896.00
Non resident Banks	383.00	8,378.00
INVESTMENTS	614,100.21	571,920.87
Domestic	598,985.17	553,142.18
Foreign	15,115.04	18,778.69
BILLS RECEIVABLE		-
NET LOANS AND ADVANCES	2,050,494.15	1,959,473.02
Gross Loans & Advances	2,196,577.15	2,109,090.02
Less: General Provisions	17,219.00	17,219.00
Less: Other Deductions	128,864.00	132,398.00
UNCLEARED EFFECTS		-
FIXED ASSETS (Net of Depreciation)	307,841.87	309,035.87
Land and Buildings	148,526.00	148,526.00
Furniture, Fixtures, Equipment and Vehicles	159,315.87	160,509.87
OTHER REAL ESTATE OWNED	9,375.00	11,899.00
OTHER ASSETS	105,440.14	135,004.11
TOTAL ASSETS	**3,205,824.64**	**3,060,484.14**
LIABILITIES		
DEPOSITS	1,334,129.00	1,212,290.00
Transmission/Demand	79,472.00	62,788.00
Savings	1,011,268.00	1,122,999.00
Term	243,389.00	26,503.00
DUE TO BANKS 'VOSTRO'	3,106.00	18,582.00
Central Bank of Swaziland	-	-
Domestic Commercial Banks	3,106.00	18,582.00
Nonresident Banks	-	-
BILLS PAYABLE	-	-
INTERBRANCH BALANCES IN ESWATINI (If Net Credit Balance)	-	-
OTHER BORROWINGS	-	-
OTHER LIABILITIES	74,676.00	39,225.56
TOTAL LIABILITIES	1,411,911.00	1,270,097.56
CAPITAL AND RESERVES	1,793,913.18	1,790,386.58
Paid Up / Issued Share Capital	1,254,113.43	1,239,405.36
Permanent Shares	1,021,091.99	1,018,900.99
Subscription Shares	233,021.44	220,504.37
Statutory Reserves	49,262.00	49,262.00
Retained Income (Prior Years)	415,561.00	415,561.00
Income (Loss) to Date	2,228.75	13,410.21
Revaluation Reserves	72,748.00	72,748.00
Other Reserves	-	-
TOTAL LIABILITIES, CAPITAL AND RESERVES	**3,205,824.18**	**3,060,484.14**

Annexure 10: Retirement Fund Statement of Comprehensive Income

INCOME	Sept-2022	June-2022
	AMOUNT E1,000	AMOUNT E1,000
TOTAL CONTRIBUTIONS (from C13)	1 880 899	1 249 740
Investment income	- 888 520	- 1 123 771
Transfers to the fund	51 442	34 609
Benefits paid by insurers (to the fund)	15 075	11 038
Other income	4 546	3 938
TOTAL INCOME	1 063 440	175 554
EXPENSES	-	-
Management expenses	582 246	281 063
Premiums for insured benefits (Note 4)	77 215	49 689
Annuities purchased from insurers	3 312	1 182
Lump-sum benefits:	-	-
Withdrawal - cash	236 850	163 574
Withdrawal - transfers to other retirement funds	14 837	309
Accident and sickness	1 825	1 160
Disability	819	940
Death	109 768	72 909
Retirement	911 297	403 550
Voluntary early retirement	6 869	3 970
Total lump-sum benefits	1 282 266	**646 413**
Periodic payments:	-	-
Disability	662	330
Death	380	1
Retirement	498 199	555 365
Total periodic payments	499 241	**555 696**
Other transfers	23 997	2 422
TOTAL CURRENT BENEFITS	1 808 816	**1 205 714**
Change in future benefits liability	1 788 012	
TOTAL EXPENSES	4 256 289	1 537 647
EXCESS OF INCOME OVER EXPENSES	- 3 192 848	**- 1 362 093**

Annexure 11: Retirement Funds Investments

	Sept-22	Jun-22
CONTRIBUTIONS		
Member contributions	607 689	403 161
Employer contributions	1 273 209	846 579
TOTAL CONTRIBUTIONS	1 880 899	**1 249 740**
LOCAL ASSETS		
Cash on hand	5	10
Deposits:	-	-
First National Bank	218 414	296 972
Nedbank	132 837	91 467
Eswatini Bank	111 630	109 846
Standard Bank	109 723	209 085
Swaziland Building Society	13 211	12 894
Other banks (explain)	2 718	1 065
Other non-bank financial institutions (explain)	3 185	4 403
Total deposits	591 720	725 733
Money market and debt maturing within 12 mo.:	-	-
Central Bank of Eswatini	-	2 486
Government of Eswatini	88 548	134 874
Local authorities	48 190	47 351
Parastatals	-	-
Money market collective investment schemes	1 866 303	1 948 526
Banks (debt of or loan to banks, other than deposits)	78 128	94 685
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-	-
Commercial paper and bonds	477 139	500 058
Other (explain)	181 654	181 947
Total money market and debt maturing within 12 mo.	2 739 961	2 909 926
Debt maturing after 12 months:	-	-
Central Bank of Eswatini	25 010	26 231
Government of Eswatini	2 617 864	2 456 670
Local authorities	269 602	260 050
Parastatals	1 272 820	1 315 824
Fixed income collective investment schemes	497 250	494 507
Banks (debt of or loan to banks, other than deposits)	101 932	100 040
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	2 919 454	2 764 333
Commercial bonds	91 664	82 597
Other (explain)	930	930
Total debt maturing after 12 months	7 796 526	7 501 181
Equity (other than property-related):	-	-
Ordinary shares - listed	1 004 948	978 296
Ordinary shares - unlisted	3 468 633	3 378 807
Preference shares - listed	-	20 974
Preference shares - unlisted	-	-
Convertible debentures - listed	-	-
Convertible debentures - unlisted	-	-
Equity and balanced collective investment schemes	291 384	333 715
Total equity	4 764 965	4 711 791
Property investments:	-	-
Land and buildings	1 717 394	1 678 088
Mortgages	-	-
Loans to property developers	276 762	282 692
Shares of property developers	19 110	19 110
Property collective investment schemes	-	-
Total property investments	2 013 266	1 979 890
Insurance policies	483 278	391 053
Other (explain)	1 295 778	1 277 921
TOTAL LOCAL ASSETS	19 685 498	19 497 507

Annexure 11: Retirement Funds Investments

FOREIGN ASSETS		
Cash on hand	486	101
Deposits	2 986 620	2 800 004
Money market and debt maturing within 12 mo.:	-	-
Central banks	9 391	10 146
National governments and international agencies	-	-
Local authorities	-	-
Parastatals	-	-
Money market collective investment schemes	329 702	383 492
Banks (debt of or loan to banks, other than deposits)	1 140	1 140
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-	-
Commercial paper and bonds	141 430	120 504
Other (explain)	-	-
Total money market and debt maturing within 12 mo.	481 662	515 282
Debt maturing after 12 months:	-	-
Central banks	-	-
National governments and international agencies	5 944	9 585
Local authorities	-	-
Parastatals	-	-
Fixed income collective investment schemes	157 659	217 655
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	43 326	51 024
Other (explain)	-	148
Total debt maturing after 12 months	206 929	278 412
Equity (other than property-related):	-	-
Ordinary shares - listed	14 671 774	14 927 408
Ordinary shares - unlisted	7 942	2 409
Preference shares - listed	163	163
Preference shares - unlisted	-	-
Convertible debentures - listed	1 441	1 441
Convertible debentures - unlisted	-	-
Equity and balanced collective investment schemes	2 188 242	2 312 097
Total equity	16 869 561	17 243 518
Property investments:	-	-
Land and buildings	7 631	3 869
Mortgages	840	840
Loans to property developers	-	-
Shares of property developers	141 013	139 972
Property collective investment schemes	23 970	20 263
Total property investments	173 454	164 944
Insurance policies	-	-
Other (explain)	-	-
TOTAL FOREIGN ASSETS	**20 718 712**	**21 002 261**
TOTAL ASSETS	**40 404 210**	**40 499 768**

Annexure 12: Short-term Insurers Statement of Comprehensive Income

	Sept 2022	June - 22
Gross premiums written	768 662 856	566 143 439
Direct premiums	768 662 856	566 143 439
Assumed reinsurance premiums	-	-
Less premiums ceded	331 686 701	231 951 176
Net insurance premiums revenue	436 976 155	334 192 263
Change in unearned premium and unexpired risk provision (Note 2)	- 52 947 659	73 670 422
Net earned premiums	384 028 496	407 862 685
Net incurred claims	123 464 122	79 163 135
Commission and other acquisition costs	86 787 269	62 390 908
Reinsurance commission received	56 124 654	37 465 408
Net commission expenses	30 662 615	24 925 500
Management expenses	138 672 335	84 575 618
Total underwriting expenses	292 799 072	188 664 252
Underwriting income/(loss)	91 229 424	219 198 432
Investment income	22 725 108	14 030 218
Other income	32 920 287	18 595 100
Income/(loss) before tax	146 874 820	251 823 750
Taxation	40 154 720	69 514 300
Net income for the period	106 720 100	182 309 450
Other comprehensive income net of tax	-	
Total comprehensive income for the period	106 720 100	182 309 450

Annexure 13: Short-term Insurers Statement of Financial Position

	Sept 2022	June 2022
Assets		
Property, plant and equipment	102 155 537	107 031 369
Intangible assets	7 503 374	6 978 555
Investment assets and cash	623 822 908	663 273 704
Deferred acquisition costs	18 083 401	40 832 161
Deferred income tax assets	4 281 379	4 281 379
Prepaid taxes	17 839 187	17 839 187
Reinsurance receivables	158 792 009	121 438 931
Amounts due from related parties	3 772 964	2 852 481
Premiums receivable	239 851 298	349 444 284
Loans	6 297 253	5 413 462
Other	84 281 792	78 711 523
Total Assets	**1 266 681 101**	**1 398 097 036**
Liabilities		
Insurance liabilities and technical provisions	553 195 035	542 733 386
Amounts due to related parties	8 097 592	5 370 461
Reinsurance liabilities	79 214 757	52 918 681
Borrowings	-	-
Trade and other payables	80 501 465	43 934 923
Current tax payable	- 2 821 484	- 1 008 340
Deferred income tax liabilities	8 846	19 003
Cell fund liabilities	3 236 491	2 962 304
Total Liabilities	**721 432 702**	**646 930 417**
Equity		
Share capital	34 202 000	33 212 000
Share premium	23 730 000	23 730 000
Statutory reserves	10 254 165	10 232 230
Other reserves	13 323 000	13 361 000
Retained earnings	463 731 434	670 631 220
Accumulated other comprehensive income	-	-
Total Equity	**545 240 599**	**751 166 449**
Total Equity and Liabilities	**1 266 673 301**	**1 398 096 866**

Annexure 14: Long-term Insurers Statement of Comprehensive Income

	Sept 2022	June 2022
Gross earned premiums	822 036 048	530 332 635
Direct premiums	822 036 048	530 332 635
Assumed reinsurance premiums		
Less premiums ceded	56 916 587	32 537 819
Net earned premiums	765 119 462	497 794 816
Investment income	(105 583 136)	(93 200 859)
Other income	17 992 496	9 446 903
Total income	677 528 822	414 040 860
Insurance benefits and claims	474 058 701	323 746 820
Change in policy liabilities	22 942 460	(22 199 600)
Total policy benefits	497 001 160	301 547 219
Commission and other acquisition costs	39 997 706	26 744 251
Reinsurance commission received	6 860 145	2 735 857
Net commission expenses	33 137 562	24 008 394
Management expenses	158 009 163	99 274 206
Total expenses	688 147 885	424 829 819
Income/(loss) before tax	(10 619 064)	(10 788 959)
Taxation	13 735 068	7 973 313
Net income for the period	(24 354 131)	(18 762 272)
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	(24 354 131)	(18 762 272)

Annexure 15: Long-term Insurers Statement of Financial Position

	Sept 2022	June 2022
Assets		
Property, plant and equipment	8 328 220	8 562 525
Intangible assets	8 942 000	9 850 000
Investment assets and cash	4 900 609 191	4 839 694 870
Deferred acquisition costs	17 365 212	17 411 212
Deferred income tax assets	5 181 858	10 703 988
Prepaid taxes	14 634 883	14 720 883
Reinsurance receivables	24 854 459	19 210 648
Amounts due from related parties	59 035 784	50 503 366
Premiums receivable	48 439 793	43 558 183
Loans	78 935 000	76 601 000
Other	74 870 030	81 174 271
Total Assets	5 241 196 428	5 171 990 946
Liabilities		
Insurance contract liabilities	1 634 084 410	1 621 958 257
Investment contract liabilities	2 863 662 372	2 824 809 288
Amounts due to related parties	5 919 261	2 781 548
Reinsurance liabilities	57 664 816	55 208 816
Borrowings	4 073 769	4 937 668
Trade and other payables	253 850 047	186 926 814
Current tax payable	4 225 236	674 529
Deferred income tax liabilities		
Total Liabilities	4 823 479 911	**4 697 292 920**
Equity		
Share capital	51 362 100	51 362 100
Share premium	105 871 095	105 929 507
Statutory reserves	2 400 000	2 400 000
Other reserves	10 787 488	10 787 488
Retained earnings	247 295 658	304 214 763
Accumulated other comprehensive income		
Total Equity	417 716 341	474 693 858
Total Equity and Liabilities	5 241 196 252	**5 171 990 779**

Annexure 16: Short-term Reinsurance Statement of Comprehensive Income

	Sept 2022	Jun-22
Gross premiums written (Note 1)	42 871 000	35 244 000
Direct premiums (Note 1)	42 871 000	35 244 000
Assumed reinsurance premiums (Note 1)	-	-
Less premiums ceded (Note 1)	21 759 150	18 548 690
Net insurance premiums revenue	21 111 850	16 695 310
Change in unearned premium and unexpired risk provision (Note 2)	3 792 000	2 586 000
Net earned premiums	24 903 850	19 281 310
Net incurred claims (Note 3)	5 017 000	4 428 000
Commission and other acquisition costs (Note 4)	10 608 868	9 016 000
Reinsurance commission received (Note 4)	4 383 081	3 862 740
Net commission expenses (Note 4)	6 225 787	5 153 260
Management expenses (Note 5)	8 310 240	5 245 800
Total underwriting expenses	19 553 027	14 827 060
Underwriting income/(loss)	5 350 823	4 454 250
Investment income (Note 6)	3 317 450	1 447 250
Other income (Note 7)	-	-
Income/(loss) before tax	8 668 273	5 901500
Taxation	2 830 375	2 103 338
Net income for the period	5 837 898	3 798 163
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	5 837 898	3 798 163

Annexure 17: Short-term Reinsurance Statement of Financial Position

	Sep 2022	June 2022
Assets		
Property, plant and equipment	1 143 150	1 033 800
Intangible assets	-	-
Investment assets and cash (Note 8)	**69 728 370**	61 611 200
Deferred acquisition costs (Note 9)	-	-
Deferred income tax assets (Note 9)	2 018 400	2 283 200
Prepaid taxes (Note 9)	-	-
Reinsurance receivables (Note 9)	-	-
Amounts due from related parties (Note 9)	-	-
Premiums receivable (Note 9)	30 485 000	31 885 600
Loans (Note 9)	-	-
Other (Note 9)	3 202 000	1 006 400
Total Assets	**106 576 920**	97 820 200
		-
Liabilities		-
Insurance liabilities and technical provisions (Note 10)	11 060 000	11 257 000
Amounts due to related parties (Note 11)	-	-
Reinsurance liabilities (Note 11)	3 425 000	5 236 000
Borrowings (Note 11)	-	-
Trade and other payables (Note 11)	12 265 000	6 053 600
Current tax payable (Note 11)	-	-
Deferred income tax liabilities (Note 11)	-	-
Cell fund liabilities (Note 12)	-	-
Total Liabilities	**26 750 000**	22 546 600
		-
Equity		-
Share capital (Note 13)	82 917 600	82 917 600
Share premium (Note 13)	-	-
Statutory reserves (Note 13)	-	-
Other reserves (Note 13)	- 8 551 000	(11 442 000)
Retained earnings (Note 13)	5 837 898	3 798 163
Accumulated other comprehensive income (Note 13)	- 377 000	-
Total Equity (Note 13)	**79 827 498**	75 273 763
Total Equity and Liabilities	**106 577 498**	97 820 363

Annexure 18: Long-term Reinsurance Statement of Comprehensive Income

	Sept - 2022	June-2022
Gross earned premiums	6 492,000	2 040 000
Direct premiums (Note 1)	6 492,000	2 040 000
Assumed reinsurance premiums (Note 1)	-	-
Less premiums ceded (Note 1)	1 947,600	612 000
Net earned premiums	4 544,400	1 428 000
Investment income (Note 6)	619,550	165 400
Other income (Note 7)	-	-
Total income	5 163,950	1 593 400
Insurance benefits and claims (Note 2)	2 974,500	1 529 700
Change in policy liabilities (Note 3)	-	-
Total policy benefits	2 974,500	1 529 700
Commission and other acquisition costs (Note 4)	850,576	285 600
Reinsurance commission received (Note 4)	194,760	28 560
Net commission expenses	655,816	257 040
Management expenses (Note 5)	1 172,860	472 200
Total expenses	4 803,176	2 258 940
Income/(loss) before tax	360,774	(665 540)
Taxation	99,213	-
Net income for the period	261,561	(665 540)
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	261,561	(665 540)

Annexure 19: Long-term Reinsurance Statement of Financial Position

	Sept 2022	June 2022
Assets		
Property, plant and equipment	32 550	32 550
Intangible assets	-	
Investment assets and cash (Note 8)	11 197 590	11 110 310
Deferred acquisition costs (Note 9)	-	-
Deferred income tax assets (Note 9)	504 600	570 800
Prepaid taxes (Note 9)	-	-
Reinsurance receivables (Note 9)	-	-
Amounts due from related parties (Note 9)	-	-
Premiums receivable (Note 9)	5 579 000	4 851 000
Loans (Note 9)	-	-
Other (Note 9)	505 000	251 600
Total Assets	17 818 740	**16 816 260**
	-	
Liabilities	-	
Insurance liabilities and technical provisions (Note 10)	-	-
Amounts due to related parties (Note 11)	-	-
Reinsurance liabilities (Note 11)	-	-
Borrowings (Note 11)	95 000	87 000
Trade and other payables (Note 11)	-	-
Current tax payable (Note 11)	1 258 000	930 400
Deferred income tax liabilities (Note 11)	-	-
Cell fund liabilities (Note 12)	-	-
Total Liabilities	1 353 000	**1 017 400**
	-	
Equity	-	
Share capital (Note 13)	16 204 400	16 097 000
Share premium (Note 13)	-	-
Statutory reserves (Note 13)	-	-
Other reserves (Note 13)	-	
Retained earnings (Note 13)	261 561	(298 000)
Accumulated other comprehensive income (Note 13)	-	-
Total Equity (Note 13)	16 465 961	**15 799 000**
Total Equity and Liabilities	17 818 961	**16 816 400**

