FSRA
FINANCIAL SERVICES
REGULATORY AUTHORITY



# Quarterly Statistical Bulletin

## Q4 - 2023


FSRA
Financial Services
Regulatory Authority

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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 |
| CSO | - | Central Statistical Office |
| CP | - | Credit Providers |
| CPI | - | Consumer Price Index |
| ESE | - | Eswatini Stock Exchange |
| EMDE | - | Emerging Markets and Developing Economies |
| FATF | - | Financial Action Task Force |
| 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 |

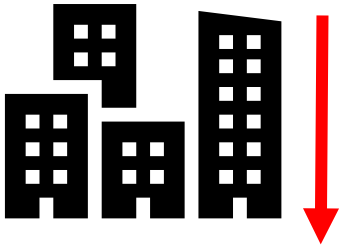
We regulate and supervise financial services to protect stakeholders and foster a stable financial system in Eswatini.

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

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

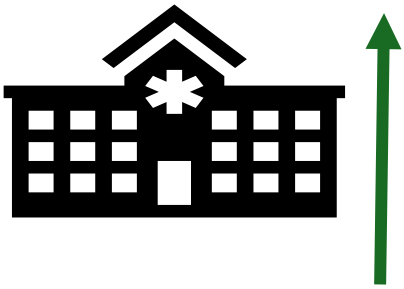
| | |
|---|---|
| Service Excellence | We have a high-performance culture that strives for professional service delivery. |
| Fairness | We ensure a level playing field for industry participants. |
| Integrity | We base our conduct on ethical principles. |
| Collaboration | We work as a team with mutual 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. |

# Q4_2023 NBFI Infographic



Licensed FSPs

504



Insurance

E6.21

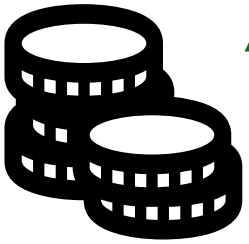
Billion



NBFI SECTOR ASSETS

E103.53

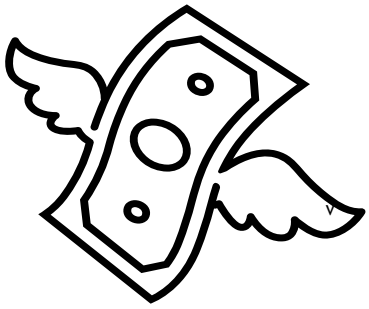
Billion



AUM & AUA

E34.77

Billion



Retirement Funds

E47.04

Billion

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

The FSRA Quarterly Statistical Bulletin is compiled to provide consolidated statistics and analysis relating to the quarterly performance of 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 by the FSRA. The quality and depth of analysis depend 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. Regulated entities are therefore required to ensure that returns are accurately completed and submitted on time.

The FSRA thanks the 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 continue to liaise with the FSRA to address the challenges encountered.

We want to thank those entities that have reached out to us to give us feedback on the bulletin and request that you continue to reach out to us to enable us to continue to improve the quality of the results we produce for you.

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.

## CEO's Remarks

The FSRA is pleased to present to you another iteration of the Statistical Bulletin whose intent remain solely to provide consolidated industry analysis of our regulated sectors. The insight and state of the financial sector presented through this Bulletin has been and continue to assist our entities understand the industry better and craft business strategies more accurately. This, we have been alerted on from time to time through various engagements with our entities. On that note, the FSRA extends appreciation to licensed entities for their compliance with the regulatory requirements relating to the submission of financial returns which enables us to package this publication to your satisfaction.

The FSRA recognizes that 2023 was an election year for the country. With that said, we would like to congratulate His Majesty the King and the country at large for the peaceful and successful elections; the Sibaya deliberations that culminated in the appointment of His Right Honourable Prime Minister of the Kingdom of Eswatini- Mr Russell Mmiso Dlamini. Equally, we welcome the re-appointment of Mr Neal Rijkenberg to the Ministry of Finance Portfolio and we are certain of continuity and implementation of government policies that are centered around serving the needs of all Swazis.

The year 2023 showed different emotions in terms of economic performance impacting the NBFI sectors operating environment. The International Monetary Fund (IMF) forecasted a decline in economic growth of the Sub-Saharan region from 3.9% to 3.6%.

The IMF further highlighted the continued heightened inflation rate to be experienced in the region. Locally, the inflation rate stood at 5.6% (Q1 2023) decreasing by 0.10%. As the year progressed and influences of the South African financial markets which also experienced shocks began to show through our foreign-denominated assets held by the NBFI sector. Despite the mix of such market movements, the NBFI remained resilient and sound.

The value of the Non-banking financial institutions assets reached the E100 billion mark for the first time this year. This reflects the significant importance of the non-bank sector to the entire financial sector ecosystem. Whilst we appreciate the continued growth in the value of assets under supervision; the FSRA realises the responsibility entrusted to it in terms of the law to safeguard these assets and support the financial stability of the sector alongside the Central Bank of Eswatini.

In the regulatory sphere, the FSRA continued to model itself amongst leading peer regulators in the regions through conformance with international standard-setting bodies with the appreciation that our dynamic industry requires our supervisory approach to evolve to remain relevant and resilient to ensure financial integrity, consumer protection and inclusivity. Conversations on Environmental, Social, and Governance requirements continue to gain prominence alongside the green evolution necessitated by the continued climatic challenges posing risks and altering our known way of life.

## CEO's Remarks

New standards such as the IFRS 17 became effective this year and will be crucial in improving transparency and comparability in the sector. With the advancement and adoption of technological means to doing business, the FSRA continues to see to receive applications seeking to deliver financial services digitally. In so doing, the FSRA is aware of the inherent risk for the digital consumer and requires assurances that the same will be conducted with due regard to conduct principles and data protection considerations.

Following the change from our sectorial approach to supervision, the FSRA successfully transitioned to a supervisory approach that comprehensively focuses on the conduct of financial service providers and their financial stability. The approach to financial services supervision globally continues to evolve however there is no one size fits all approach. Each jurisdiction has the responsibility to find a model that is suitable for their landscape. It is for that reason that after careful review and consideration of the local landscape, the Authority saw it fit to remodel its supervisory approach.

Core in this approach is the need to fully and effectively discharge our mandate in terms of the FSRA Act, 2010. Whilst we recognize that there may be teething problems as the transitional measures take place, we are confident in our abilities to continue executing our mandate effectively.

The collaborative approach to fintech in the country as championed by the Eswatini Fintech Working Group continues its strides towards creating an enabling environment for financial technologies to thrive. The FSRA continues to support the EFWG strategy and activities.

This is done with the understanding of the need to impart skills and develop capacity to tertiary students through forums like the Indaba X. The developments in the EFWG that necessitated the signing of the updated Memorandum of Understanding is applauded to include other organisations with a key role in the advancement of FinTech. With that said, the FSRA welcomes the Eswatini Revenue Services and the Royal Science and Technology Park who are key stakeholders in the fintech taxonomy. It is our considered view and belief that their expertise will further the mandate of the EFWG. Equally, the FSRA congratulates the EFWG Partners and thanks the sponsor – Alliance for Financial Inclusion for the successful national fintech landscape survey. We hope the findings will provide an impetus for growth and guide the partners on their expected roles.

It was indeed a year of forging relationships for the Authority. In the bid to counter money laundering crime and heighten consumer protection measures; the FSRA entered into a MoU with the Royal Eswatini Police Services.

## CEO's Remarks

We are confident that the formalization of this relationship will advance the interest of consumers through enhanced protection; early detection of malpractices and coordinated inspections from time to time. Consumer protection remains one of the core mandates and we are desirous to ensure protection and empowerment to promote participation in the sector.

The responsibility to ensure fair competition within the non-banking financial sector is outlined in the FSRA Act of 2010. This mandate will be effectively executed with assistance through another concluded MoU with the Eswatini Competition Commission. The FSRA's supervisory approach is anchored on best practices and collaboration for the purposes of information and knowledge sharing. Our intent to become a signatory to the IOSCO MMoU remains alive and work continues to be made towards that goal. Equal participation in IAIS, IOPS, ACCOSCA continued during the year.

During the course of the year, the FSRA Board of Directors welcomed Mr. Senzo Hlatshwayo as the new Board Chair replacing Mr Dumsani Mahlindza. On behalf of the FSRA, I extend my welcome to the new board chair and thank the outgoing chair for his guidance and expertise shared during his tenure. Key projects were initiated during his tenure, and he gave us full support with all the other board members.

Financial services laws continue to be amended and modernised to best suit the local jurisdiction. On that front, the FSRA saw the passage of the Reinsurance Act of 2023 this year. We are appreciative to all the stakeholders involved in the legislative process which ensured the bill is gazetted into law and provides a framework for reinsurance in the country. This is a win for the insurance sector and presents an opportunity to develop local capacity going into the future. We further recognise the passage of the Cooperatives (Amendment) Act, 2023 into law.

Other pieces of legislation continue to undergo the legislative process, and we are confident they will be expedited to enhance our regulation.

In ending, our work as the Regulator is effectively conducted and made possible by the commitment of the FSRA staff across their different departments.

I am proud of the contribution of every staff member within the Authority. Their contribution to our work advances our strategy and mandate. As such I would like to thank and further remind them that the task that lies ahead continues to require our focus and meticulous execution of our work on a day-to-day basis. Thank you.

_____

Ncamiso T. Ntshalintshali

FSRA CEO

## Executive Summary

As of Q4_2023, a slight increase of 2.82% was observed in the NBFI assets increasing from E100.69 billion as of Q3_2023 to E103.53 billion. Compared to Q4_2022 an increase of 9.86% was however observed, with the highest growth realised by credit providers with asset growth of 22.1%. Retirement funds and Building societies showed growth of 10.7% and 10.0% respectively. The lowest asset growth was realised by retail outlets at 1.4% while short-term insurers' growth was at 3.8%. Asset growth in the other sectors ranged between 5.7% and 9.4%.

Growth in the Retirement Funds assets both quarterly and annually also led to the growth observed in the capital markets due to the fact that 70% of the capital markets assets are invested on behalf of retirement funds.

In terms of intermediation, the NBFI loan portfolio stood at E7.89 billion with 42.08% of the loan disbursements emanating from the money lending institutions and 32.49% from Building Societies. The overall NBFI NPL ratio stood at 6.87% with Building Societies showing the highest ratio at 12.03% while money lenders ratio was at 2.67%.

Growth in the NBFI savings also continued to be observed with SACCOs experiencing a 3.91% quarterly growth and 10.24% annual growth, savings with the Building societies also realised and an annual growth of 9.09% while on a quarterly basis a decline of 2.75% was observed.

The insurance sector also realised a 2.10% growth in assets while on an annual basis asset growth was 6.8%. In terms of business written long-term insurers experienced significant growth in written premiums resulting from the increase in covers for disability, individual life and endowment. The ST sector also realised growth in written premiums resulting from the rise in the demand for covers relating to transportation, motor and health insurance.

An increase in the appetite for local investments and therefore development continues to be observed in the retirement funds sector. At the close of 2023, 48.03% of the retirement funds assets were invested locally and subsequent increases were observed in the long-term debt instruments and the local equity portfolio following the listing of FNB Eswatini.

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# Economic Developments

# 2. Economic Developments

## 2.1 Global Economic Development

The global gross domestic product was at 3.2% in the final quarter of the year, with advanced economies expected to grow by 1.6% and emerging markets and developing economies expected to grow by 4.3%. Inflation was projected to be at 6.88% globally with different economies experiencing different inflation increases. The International Monetary Fund expects inflation to decrease in the coming years as in 2024 they expect it to be 5.79% and in 2025 it is expected to be 4.62%.

As of December 2023, China was up and running again, trying to stimulate its country's economy by supporting its currency, considering the negative investor outlook on the country. The country contemplated cutting down the amount of foreign funds banks are required to hold as reserves. With the property sector still under siege, China rolled out support for the property market which is anticipated to have a positive impact on the market.

Taiwan on the other was gearing up for the upcoming elections, which were expected to determine their relationship with mainland China. Although China lifted its ban on Taiwan fish imports weeks before the election and ended tariff cuts on chemicals, the tension continued to rise.

The Russia-Ukraine war continued but global commodity prices seem to have stabilized when compared to the early days of the war. Oil on the other hand continued to ride the wave of speculation and hit a high of $86 per barrel. Israel continued to bombard Gaza, with the end goal being the elimination of Hamas, however, the end goal remains to be seen. The European Central Bank also announced an end to its interest rate increase, which was a sigh of relief for many investors who in turn started calling for a reduction in interest rates.

Nigeria’s inflation continued to spiral and shot up to 28%, leading to a further increase in the cost of living for its citizenry.

## 2.2 Global Financial Markets

Equities vs bonds, this quarter has been a battle of the titans, equities continued to be knocked around as interest rates rallied up, but just like Manny Pacquiao Vs Money May Weather no matter how hard interest rates kept going up equities continued to fight. Corporate earnings closed off the year on a high note, and the Fed announced an end to increasing interest rates, which resulted in American stocks shooting up by 25%. The MSCI World Index saw an increase of more than 20% since the start of the year. The MSCI tracks the shares in 47 different countries and just like in America, the MSCI had a rally in December as world economies decided to halt any further interest rate increases, meaning bond traders could breathe as losses would be eased.

## 2.3 South African Financial Markets

SA growth was at 0.1% and inflation had been kept under control as it fell into the required brackets of 3%-6%. Equities and bonds closed the year strongly, with returns of 9.3% and 9.7% respectively, The JSE performed reasonably well after experiencing ups and downs over the year, ending at a high of 7%. The year closed with the Rand taking a hit and depreciating by 6.7% against the dollar.

Most are hoping for interest rate cuts, which will benefit some and some will lose out. As the year closes it is worth mentioning that the crypto market especially bitcoin was on a rally with optimism that the US Securities Exchange Commission would approve them as ETF.

## 2.4 Domestic Outlook

As of December 2023, the country's reserves had accumulated to E8.8 billion, with the discount rate at 7.50% trailing behind the South African Repo rate which stood at 8.25% and the SA prime rate stood at 11.75% and the local prime rate stood at 11.00%, data has been sourced from the Central Bank of Eswatini's recent economic events reports. It could be argued that these two rates should be at par with each other as most likely investors would want to invest in economies with higher interest rates, but at the same time it has to be considered that the average liSwati has debt to finance, and if the rate was slightly higher it might have been difficult to finance some loans resulting in defaults. Inflation was contained at 4.3% in the final quarter.

1.https://www.resbank.co.za/en/home/what-we-do/monetary-policy#:~:text=South%20Africa's%20inflation%20target%20range,approach%20has%20been%20more%20successful.
2.https://www.statssa.gov.za/

## 2.5 Domestic Financial Markets

The ESE All Share Index increased by 0.62% from 469.88 as of 30 September 2023 to 472.77 as of 31 December 2023. Trading during the quarter was moderate, and the NPC share price increase together with Swaprop's share price decrease led to the net increase indicated above. Year-on-year, the All-Share Index increased from 460.11 as of 31 December 2022 to 472.77 by December 2023 reflecting a 2.75% increase. The increase on a year-on-year is due to share price increases from Nedbank, Inala, Greystone, NPC, and Swazi Empowerment Limited even though it was slightly offset by the share price decrease from Swaziland Property Investments Limited.

The two new listings from Nkonyeni Pre-cast Limited (NPC) and First National Bank of Eswatini (FNBE) did not affect the All-Share Index as they were corporate actions. Nonetheless, NPC's share price has increased since the listing and therefore has contributed to the increase in the All-Share Index of the Eswatini Stock Exchange.

**Figure 1: ESE All Share Index**

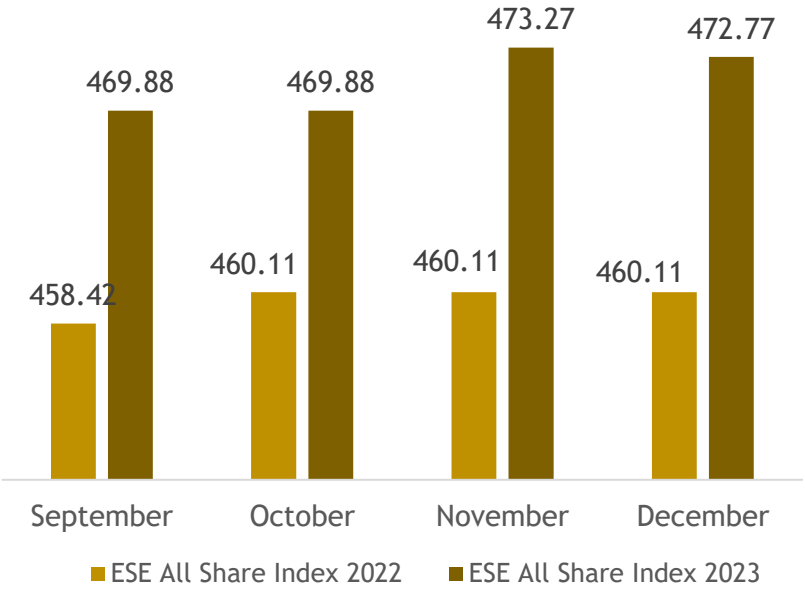
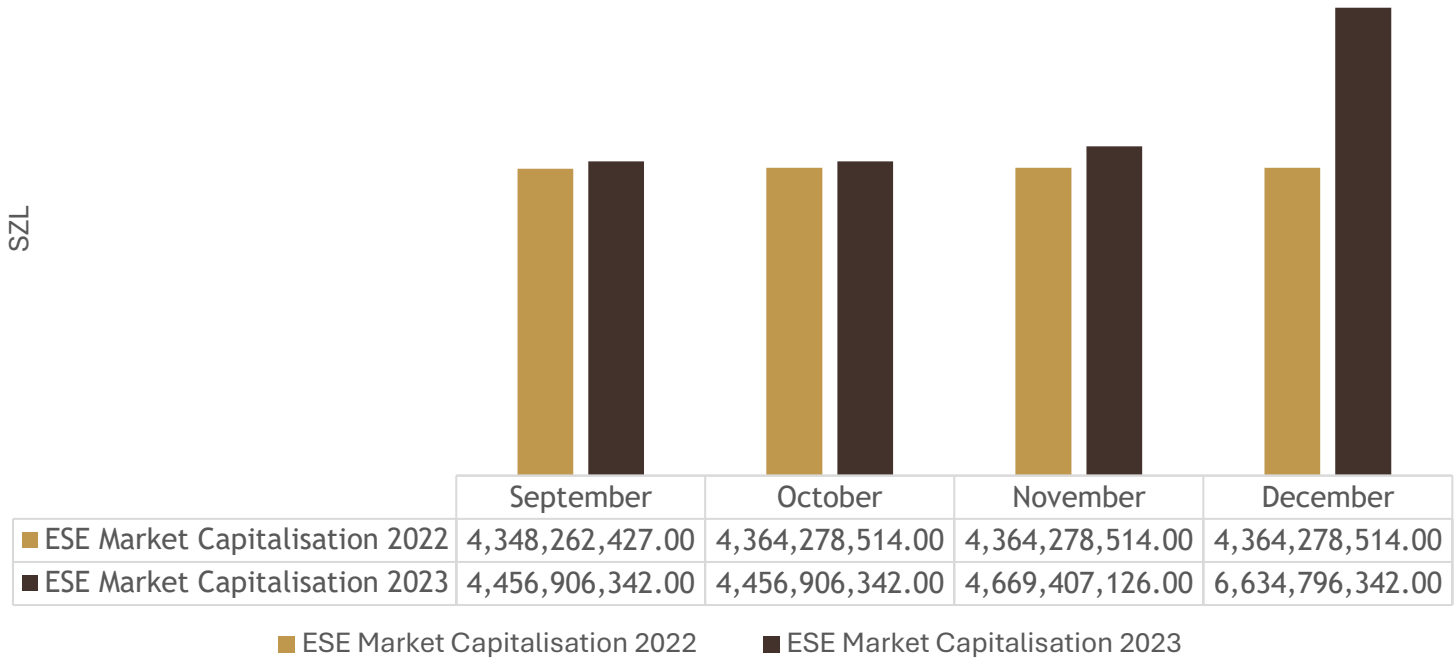



**Figure 2: - ESE Market Capitalisation**



## 2.6 Bonds Markets

The period under review realized seven new note issuances and no reopening. The ESE had eight bonds that matured in the period under review, which saw the cumulative corporate bonds outstanding as of the end of the period under review decreased to SZL1.62 billion from the previous quarter's outstanding amount of SZL1.70 billion. This marked a 4.87% decrease in total corporate bonds outstanding. A look at a Year-on-year comparison, total corporate bonds outstanding decreased by 4.96% moving from SZL1,71 billion as of December 2022 to SZL1,62 by December 2023. During the period under review, the ESE Market Committee approved the listing of Nkonyeni Pre-Cast Limited's (NPC) E200 million Medium-Term Note. It is hoped that the addition of this debt instrument to the equity it raised in November through the IPO will help optimise NPC's capital structure.

During the period under review, the Government through the Central Bank of Eswatini (CBE) maintained 32 bonds valued at SZL6,418 billion, this was a 4.28% increase from the previous quarter's close of SZL6,16 billion. This was due to the higher value of new bonds and re-openings while the value of maturities was lower in the period under review. Year-on-year, there was an 8.31% increase in the value of bonds trading from SZL5,93 billion at the end of the 3rd Quarter of 2023 to SZL6,42 billion at the end of the period under review.

# Industry Development and Performance

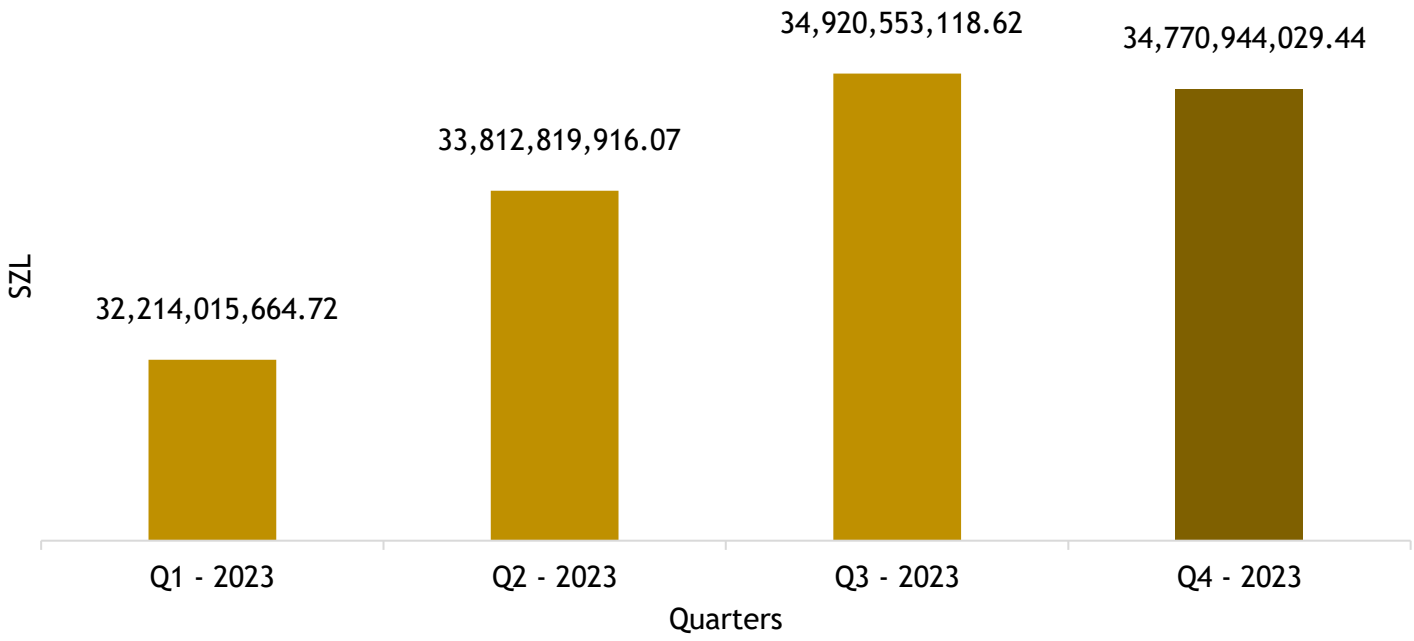
## 3.1 Capital Markets

### 3.1.1 Performance Review

As we sang jingle bells, so did our capital markets industry, but they were not as merry as total assets stood at E34.77 billion experiencing a decline of 0.43% over the quarter, as they had previously stood at E34.92 billion. Like the arms of a clock turning the decline is not a surprise as most retail and institutional investors around this time withdraw most of their investments for different projects that they had been saving for, and as for institutional investors the famous 13th cheque or bonuses are paid out.

Looking at the year-on-year movements we notice that there was an increase of 8.75%, from the E31.97 billion that was realised as of 31 December 2022 total. This increase can be attributed to the improved returns from the market resulting from several increases in the interest rates throughout the year, and additional funding received from the different players in the market.

**Figure 3 - Evolution of Capital Markets Assets**

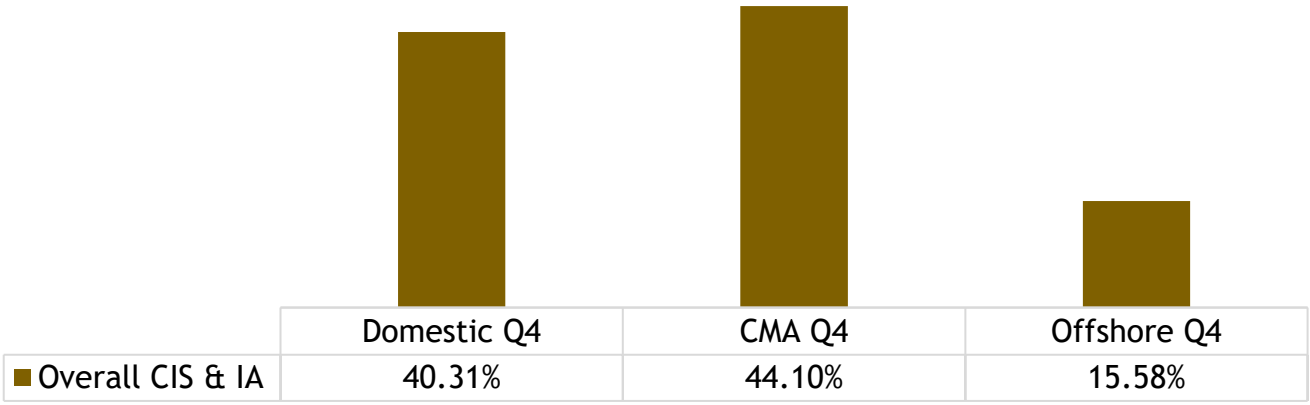


### 3.1.2 Geographical Allocation of Assets

In the period under review, 44.10% of the capital markets assets were invested in the common monetary area, a slight decline of 0.62% when compared to the previous quarter. 40.31% of the total assets were invested in the local market, with a slight decline of 2.03% when compared to the previous quarter. The offshore market seemed to be the only one receiving Christmas presents as it showed an increase of 7.68% resulting in 15.58% total asset allocation.

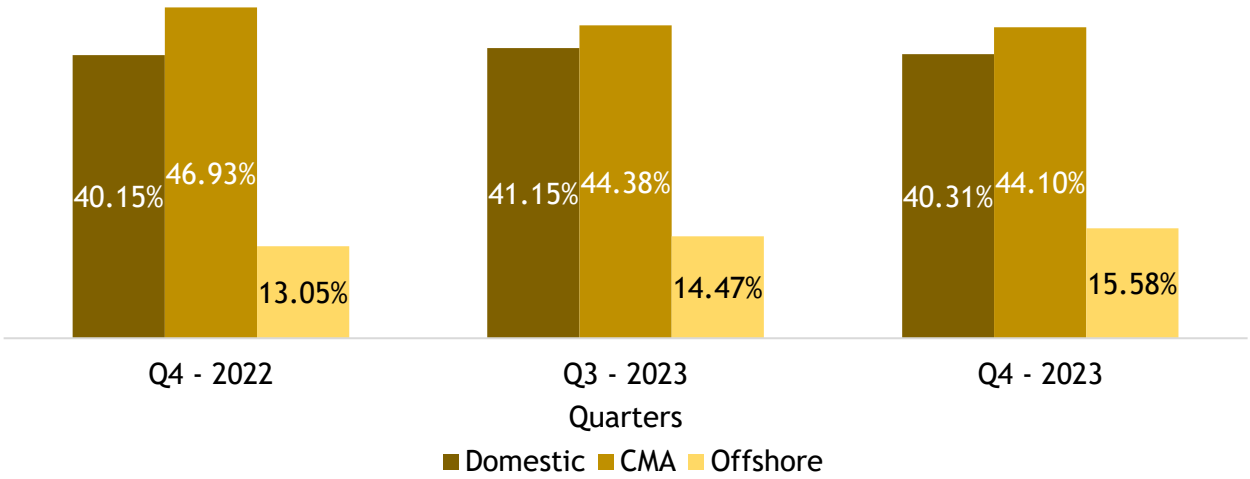
Global markets, especially the American markets have been performing well, as bonds and interest rates were at their highest, a phenomenon last seen before the 2008 financial crisis, and the offshore portfolios yielded good returns for the investors. Considering some historical events, we note some movements as expected, as allocation and strategies differ according to each asset manager's mandate, and how they want to maximise investor returns.

**Figure 4: Geographic Allocation**



| | Domestic Q4 | CMA Q4 | Offshore Q4 |
|---|---|---|---|
| Overall CIS & IA | 40.31% | 44.10% | 15.58% |

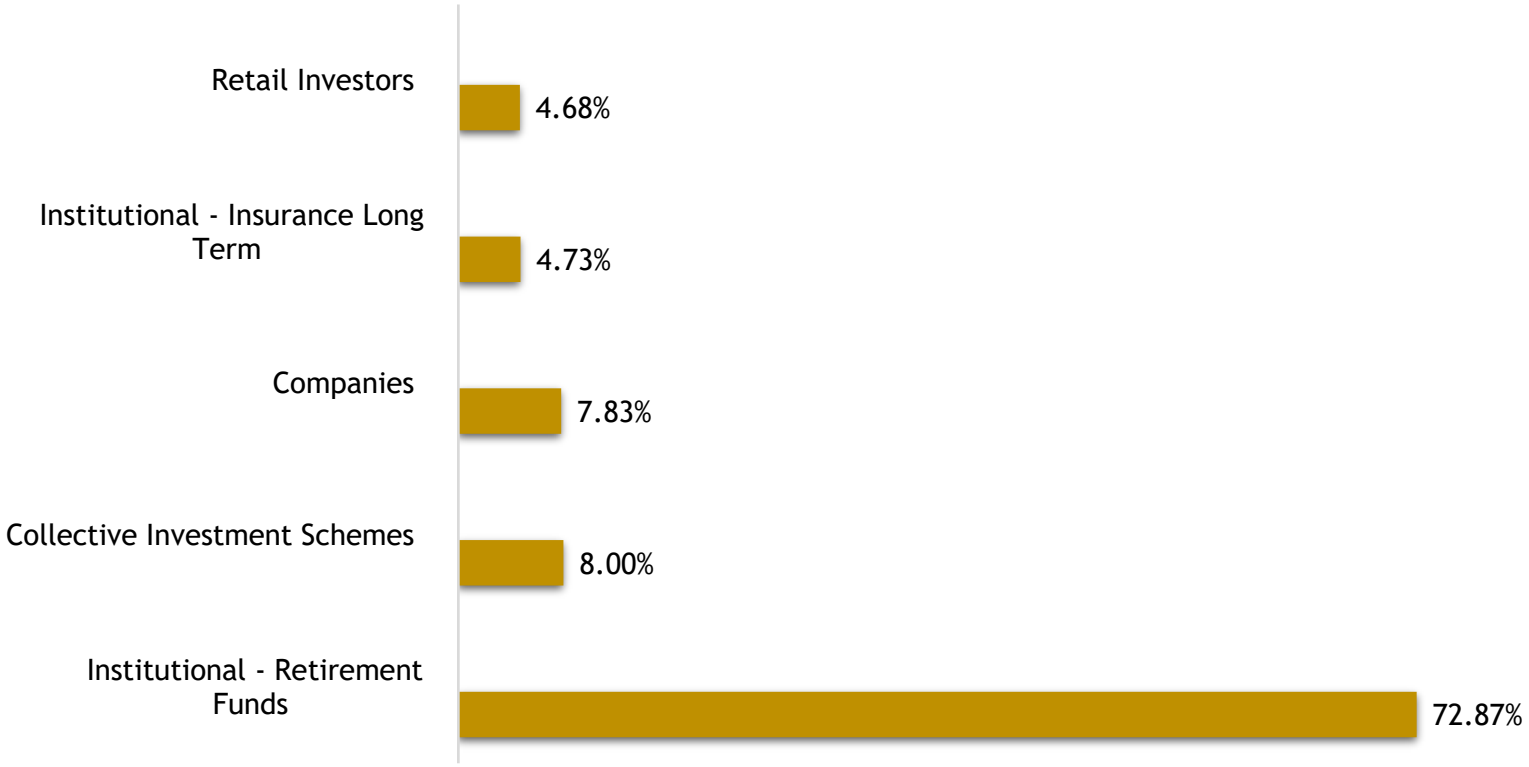
**Figure 4.1 Geographical Allocation of Asset Comparison**



As of 31 December 2023, 72.87% of the total assets held by the local asset managers were sourced from retirement funds, this is an increase of 2.45 percentage points when compared to the previous quarter, where retirement funds assets accounted for 70.42% of the capital markets assets. Collective investment schemes were responsible for 8.00% of the total funds which was a decrease of 13.98% when compared to the previous quarter. Funds sourced from companies accounted for 7.83% of the capital markets assets which was another decrease when we consider the previous quarter, where it accounted for 8.86%. Funds from retail investors however showed a slight increase, moving from 4.54% in the previous quarter to 4.68%, possibly indicating wise spending of year-end bonuses.

Funds from long-term saw insurers also showed an increase from 4.39% in the previous quarter to 4.73% in the period under review. .Funds sourced from companies accounted for 7.83% of the capital markets assets which was another decrease when we consider the previous quarter, where it accounted for 8.86%. Funds from retail investors however showed a slight increase, moving from 4.54% in the previous quarter to 4.68%, possibly indicating a wise spending of year-end bonuses. Funds from long-term saw insurers also showed an increase from 4.39% in the previous quarter to 4.73% in the period under review.

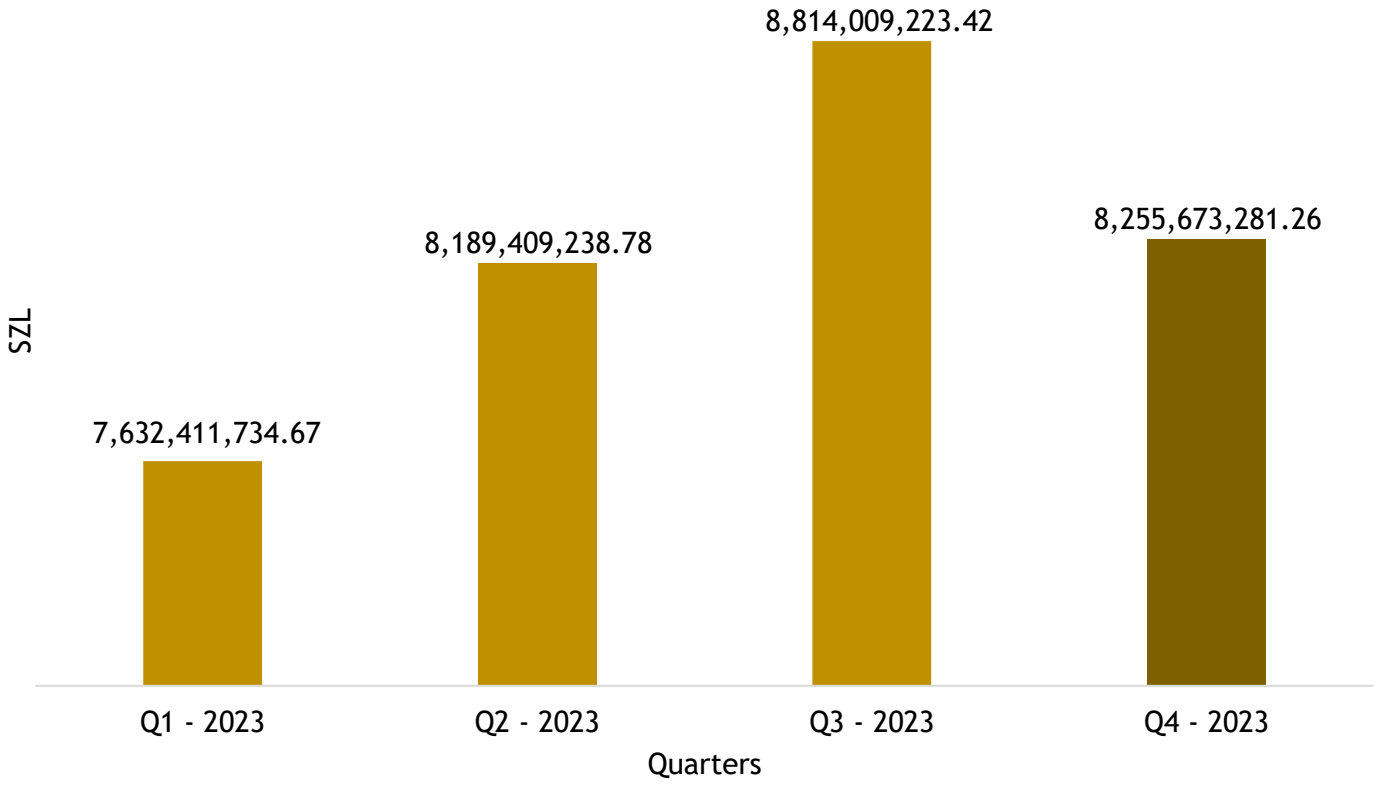
**Figure 5: Source of Funds**



### 3.1.4.1 Value of AUM

As the year rolled back the carpet, the CIS stepped back with the total assets under their management, as they moved from E8.81 billion to E8.26 billion indicating a 6.33% decline. The decline was mainly driven by the 11.38% decline in the African Alliance CIS portfolio and the 2.94% decline in the Stanlib portfolio while the other CIS portfolios showed increases ranging from 1.24% and 2.72%. Considering the time of year, part of the decrease can be attributed to disinvestments, as it is expected that companies would be withdrawing funds as they may have achieved short-term goals or longer-term goals have matured, and some retail clients who had a short-term goal investment strategy had also withdrawn from the market. A year-on-year comparison however shows an increase of 6.90% over the same period, all CIS portfolios showed growth ranging from 1.45% and 9.77% with Stanlib showing the highest annual growth.

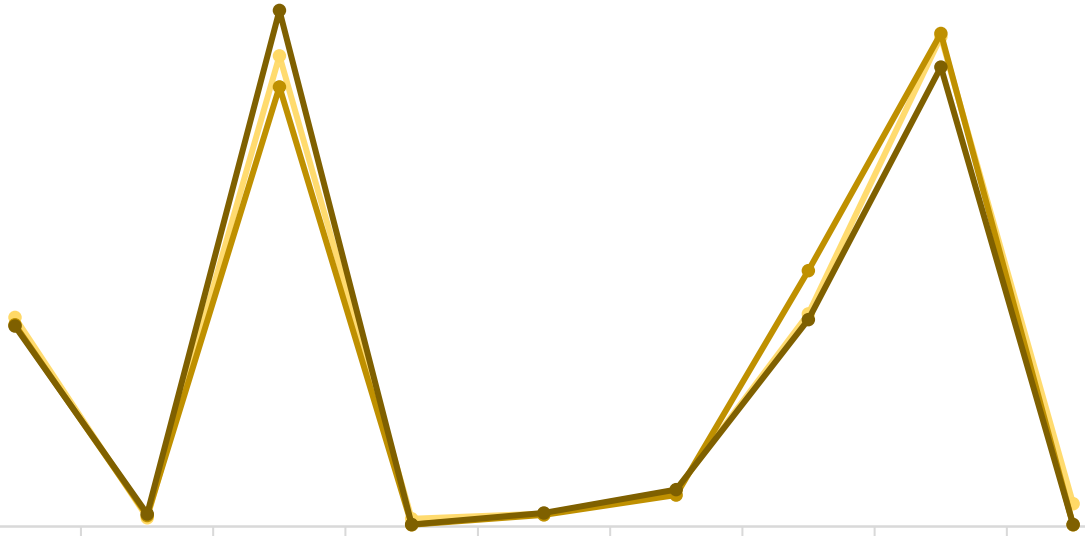
**Figure 6: Value of Assets under Management**



### 3.1.4.2 CIS Source of Funds

Retirement funds continue to be a generous giver even in this period as 34.88% of the assets under management were sourced from the retirement funds showing an increase of 5.17 percentage points when compared to the previous quarter, however a year-on-year comparison shows a 3.07 percentage points increase for assets sourced from this sector.31.06% of the assets under management were sourced from companies total assets, a decrease of 12.72% when we consider the previous period, collective investment schemes represented 13.98% of the total assets indicating a 24.30% decline, and closing the top four contributors is of course the retail clients who contributed 13.56% indicating a decline of 6.90% when we consider the previous quarter. Overall PEPs, Retirement funds, Insurance Long and Short-term term, and institutional others all saw positive increases, whereas the rest all experienced declines when a quarter-on-quarter analysis was done.

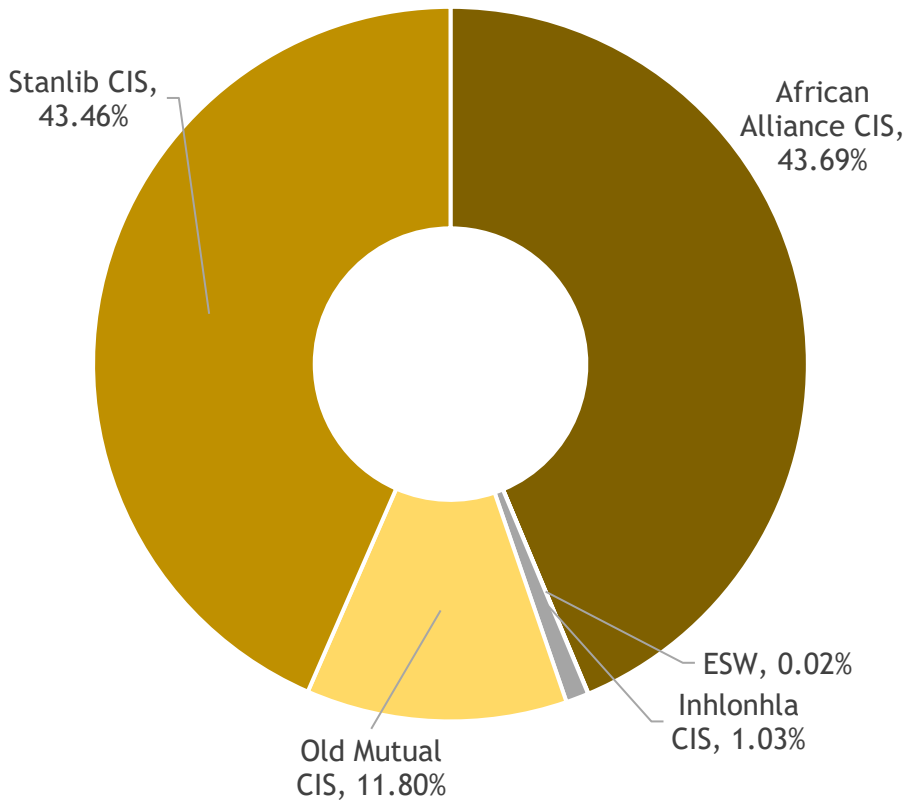
**Figure 7: CISs Source of Funds**



| | Retail Investors | Politicall y Exposed Persons | Retireme nt Funds | Medical Aid Schemes | Insurance Short Term | Insurance Long Term | Collectiv e Investme nt Schemes | Companie s | Other institutio ns |
|---|---|---|---|---|---|---|---|---|---|
| Q4 - 2022 | 14.13% | 0.60% | 31.82% | 0.52% | 0.88% | 2.46% | 14.37% | 33.11% | 1.55% |
| Q3 - 2023 | 13.64% | 0.75% | 29.71% | 0.12% | 0.79% | 2.13% | 17.30% | 33.33% | 0.13% |
| Q4 - 2023 | 13.56% | 0.84% | 34.88% | 0.13% | 0.93% | 2.50% | 13.98% | 31.06% | 0.15% |

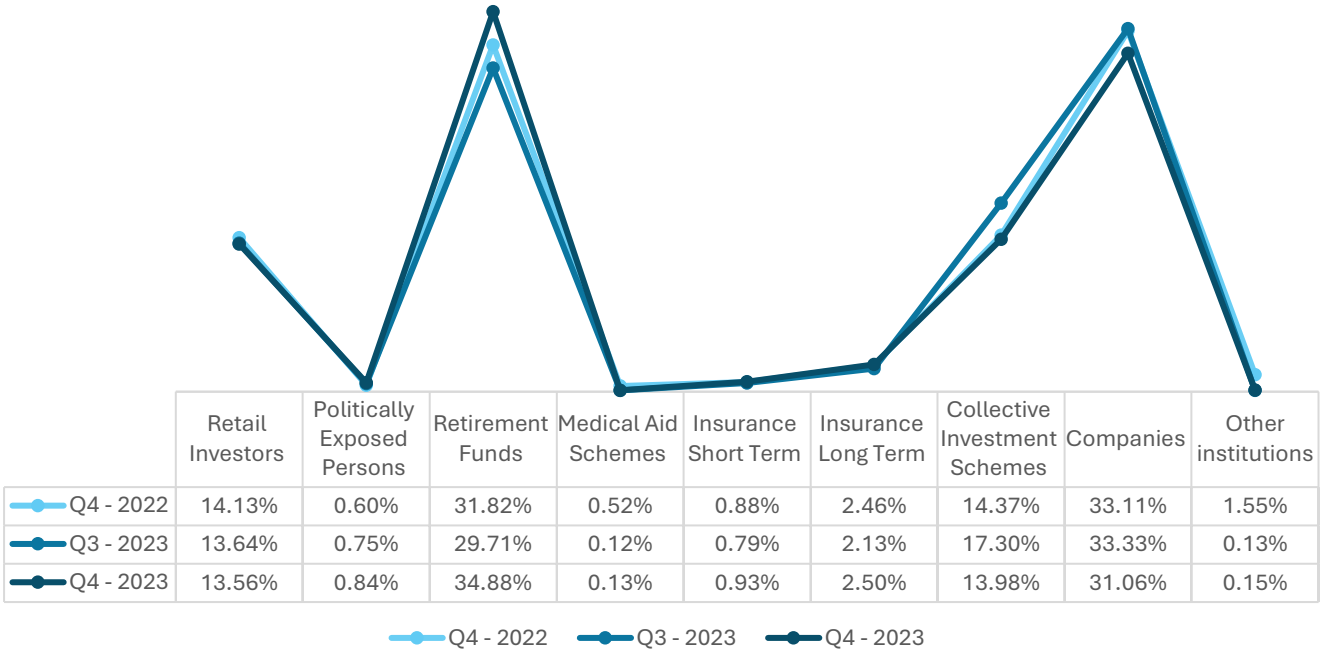
The festive might have come and gone, but the effects linger on. African Alliance continues to dominate the CIS market as they control 43.69% of the total assets , a slight decrease when compared to the previous quarter where they sat on a comfortable 46.18%. Stanlib slowly catching up with 43.46% of the assets under their management which increased when compared to the previous quarter where they controlled 41.94%. Old Mutual controlled 11.80% of the assets a sweet increase when compared to the previous quarter where they controlled 10.92% of the assets in the CIS market. Inhlonhla had an increase as it controlled 1.03% of the assets, finally breaking into the one percent category, as it only controlled 0.94% in the previous period, it should be stated that Inhlonhla has been steadily increasing every quarter. ESW Investments continued to be frozen in time holding 0.02% of total assets. Considering the Herfindahl-Hirschman Index (HHI) which measures the size of companies relative to the size of the industry they are in and the amount of competitiveness. We note that for the CIS market, it indicated an index of 3930, showing a very high concentration in the market, and competition nowhere in sight.

**Figure 8 - Market Share**



Where can returns be maximised and, how can they be maximised, these are the questions that ponder in the minds of every asset manager, when it comes to asset allocation, plus economic and political issues usually also play a role in the final decision. Treasury bills were allocated most of the funds sitting at 17.56% an increase when compared to last quarter's 15.20%, Collective investment schemes (associated entities) came in second and were allocated 17.22% an increase from last quarter where they had 15.57%, unlisted securities debt came in third with an allocation of 12.65% a decrease when the previous quarter is considered where it was allocated 14.23%. A notable mention is equity with primary listing where it was allocated 10.29% which was an increase compared to the previous quarter where it had 9.55%.

**Figure 9: CISs Investment Allocation**

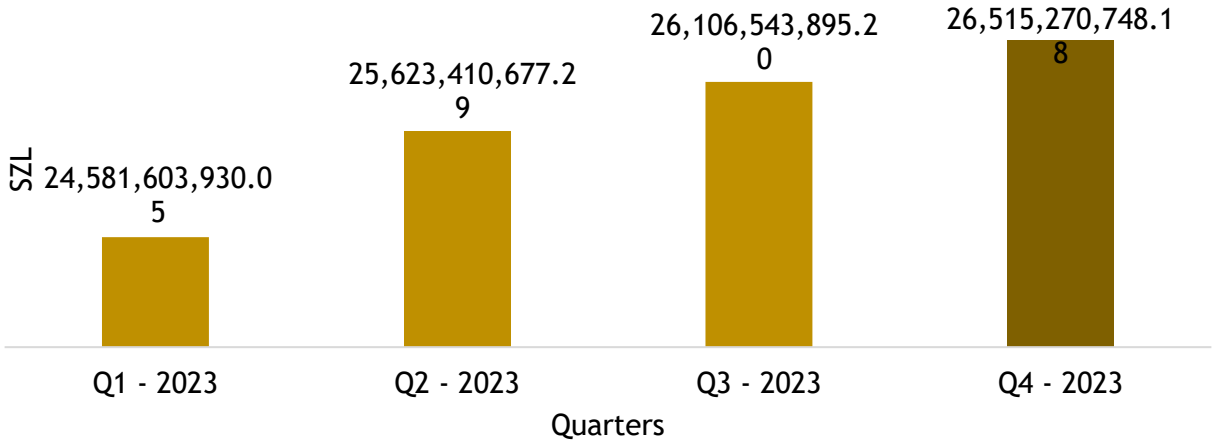



| | Retail Investors | Politically Exposed Persons | Retirement Funds | Medical Aid Schemes | Insurance Short Term | Insurance Long Term | Collective Investment Schemes | Companies | Other institutions |
|---|---|---|---|---|---|---|---|---|---|
| Q4 - 2022 | 14.13% | 0.60% | 31.82% | 0.52% | 0.88% | 2.46% | 14.37% | 33.11% | 1.55% |
| Q3 - 2023 | 13.64% | 0.75% | 29.71% | 0.12% | 0.79% | 2.13% | 17.30% | 33.33% | 0.13% |
| Q4 - 2023 | 13.56% | 0.84% | 34.88% | 0.13% | 0.93% | 2.50% | 13.98% | 31.06% | 0.15% |

### 3.1.5.1 Value of AUA

Assets under advisory had a frenzy end of the year, the true gift of givers, as they experienced growth for six consecutive quarters. The assets under advisory were valued at E26.52 billion in the period under review, an increase of 1.57% when compared to the previous period, where they were valued at E26.11 billion. However, a year-on-year review indicates an increase of 9.34%, driven mainly by the growth in assets under advisory by Aluwani, BLZI and Imbewu Yesive. When considering the geographical allocation of assets, it is noted that 50.76% of the funds are invested in the CMA region, a slight increase from the 50.63% in the previous quarter. The domestic market was allocated 32.06% a slight decline when compared to the previous quarter where it accounted for 33.15%, and finally, the offshore market accounted for 17.18% another increase when we consider that in the previous quarter, it accounted for 16.22%.

**Figure 10: Value of Assets under Advisory**

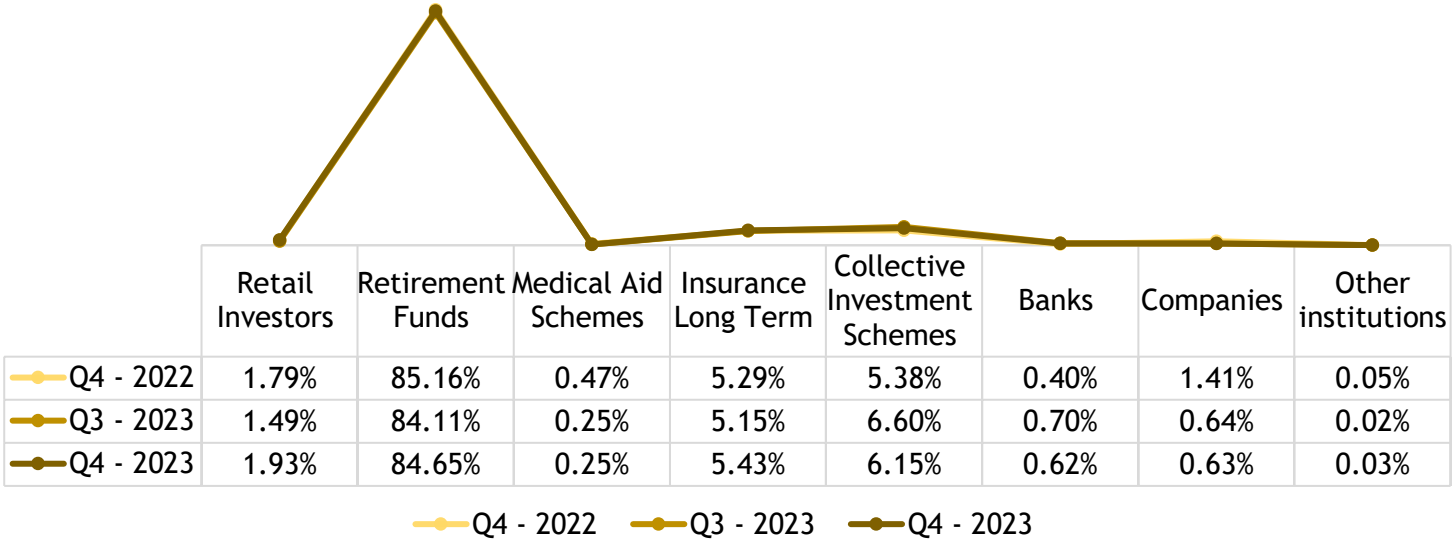


### 3.1.5.2 IA Source of Funds

Institutional retirement funds accounted for 84.65% of the total funds a slight increase from the previous period where they accounted for 84.11% of the total Assets under advisory..

Retail clients continue to tap into the AUA space as they accounted for 1.93% a move up from 1.49%. Medical aid schemes maintained their current funding at 0.25%, and companies decreased as they accounted for 0.63% a slight decrease from 0.64% noted in the previous period

**Figure 11: IA Source of Funds**

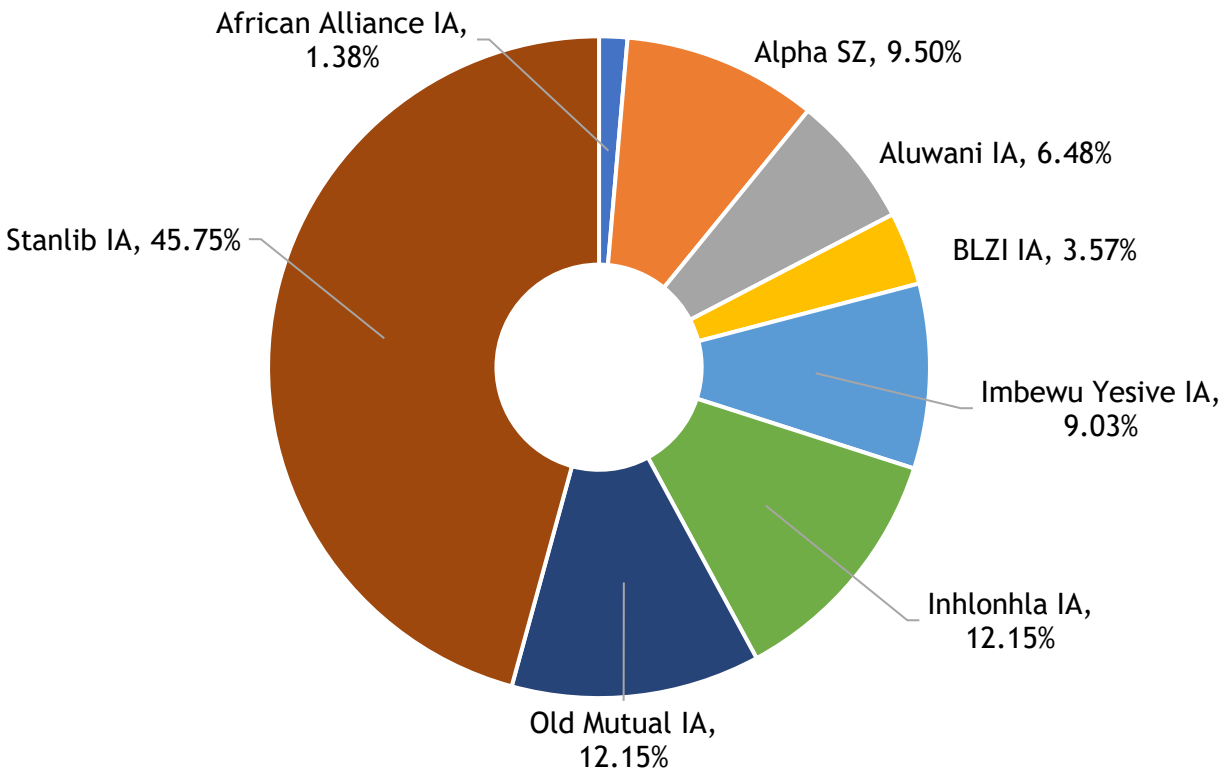


| | Retail Investors | Retirement Funds | Medical Aid Schemes | Insurance Long Term | Collective Investment Schemes | Banks | Companies | Other institutions |
|---|---|---|---|---|---|---|---|---|
| Q4 - 2022 | 1.79% | 85.16% | 0.47% | 5.29% | 5.38% | 0.40% | 1.41% | 0.05% |
| Q3 - 2023 | 1.49% | 84.11% | 0.25% | 5.15% | 6.60% | 0.70% | 0.64% | 0.02% |
| Q4 - 2023 | 1.93% | 84.65% | 0.25% | 5.43% | 6.15% | 0.62% | 0.63% | 0.03% |

Similar to the CISs, Stanlib's market share showed a slight increase as it moved from 44.49% in the previous quarter to 45.75% in the current quarter, Old Mutual took a slight knock falling from 12.82% in the previous quarter to 12.15% in the current one, sharing the number two spot with Inhlonhla, which also took a slight knock from 12.51% in the previous period to 12.15%.

AlphSZ ended the quarter at 9.50% a slight increase from the previous period as they inch closer to attaining double digits. Imbewu Yesive continued its increases as it controlled 9.03% of the total AUA. The HHI index for the AUA market indicated an index of 3658.00, showing a very high concentration in the market, and competition was nowhere in sight.

**Figure 12: Market Share in terms of AUA**

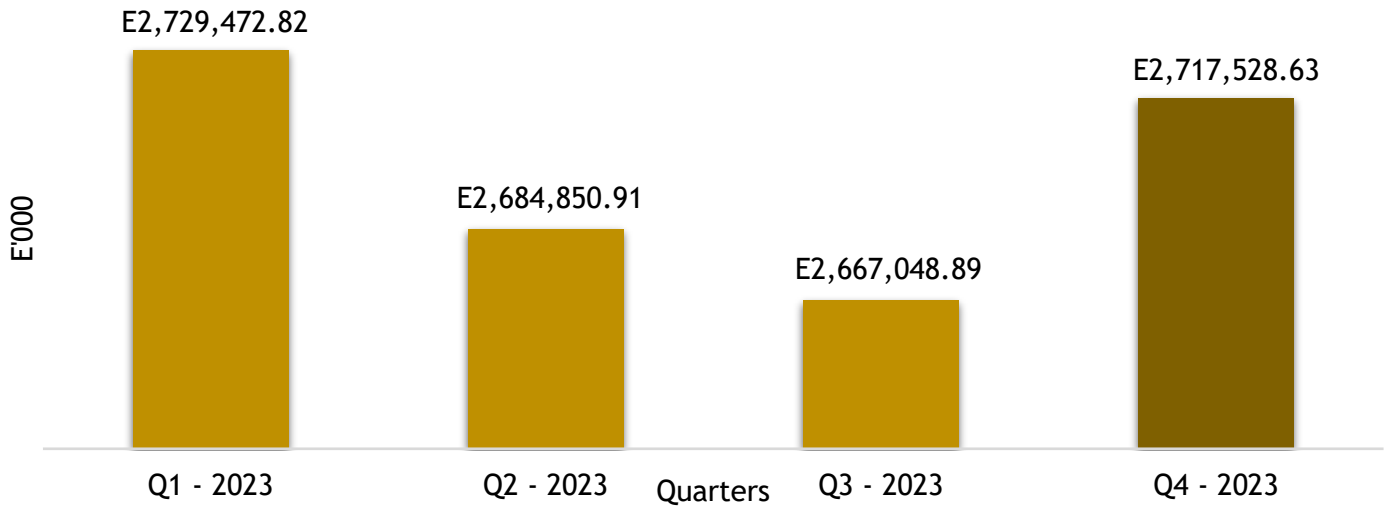


### 3.2.1 Savings and Credit Co-operative Societies

#### Assets

Total assets shot up to E2.72 billion in the quarter an increase of 1.89% when compared to the previous quarter where total assets were valued at E2.67 billion. Comparison of year-on-year an increase of 9.21% was observed. Cash and cash equivalents continued a downward spiral as they experienced another decline of 24.78%. when compared to the previous period. Net loans however increased by 6.63% a change from the previous quarter's decline of 0.18%. Property, plant, and equipment increased by 1.41% in the current period a slightly lower growth rate than last quarter when it increased by 3.34%.

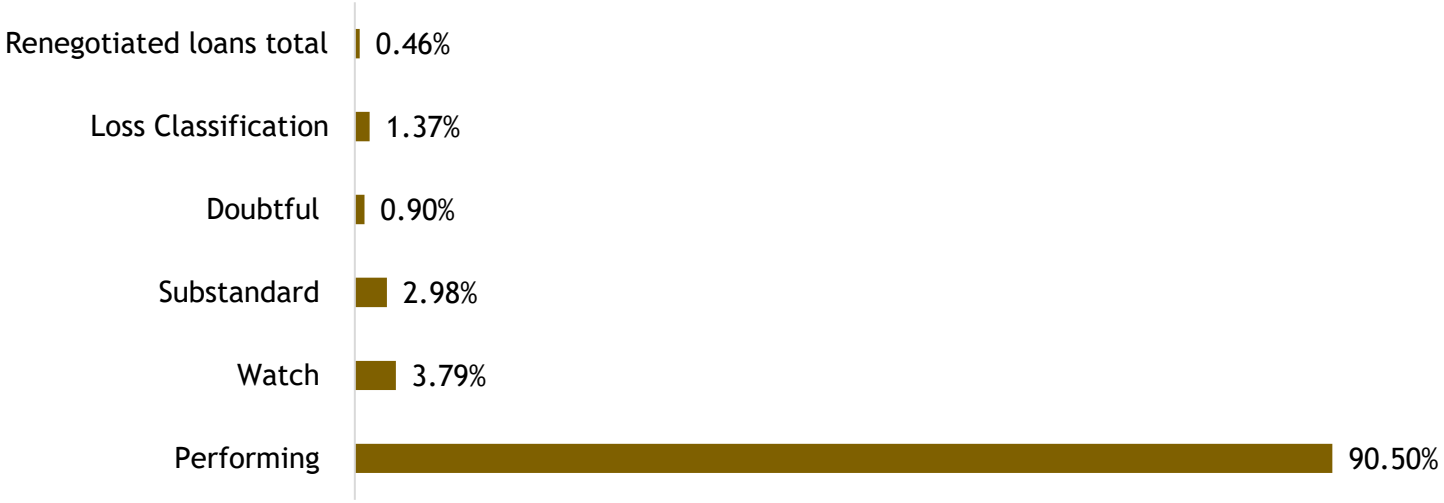
**Figure 13: SACCO's Asset Evolution**



The quarter closed off with loans and advances sitting at E2.07 billion an increase of 4.44% when compared to the previous quarter where the loans and advances were valued at E1.98 billion. 9.50% of the loans and advances were deemed as non-performing while the provision for loan losses decreased by 53.46% when compared to the previous period.

Performing loans showed a slight decrease of 0.03 percentage points as they moved down to 90.50% from 90.53%. Loans requiring close monitoring increased to 3.79%, while doubtful debts showed a decline of 0.90%, with loss classification dropping to 1.37%

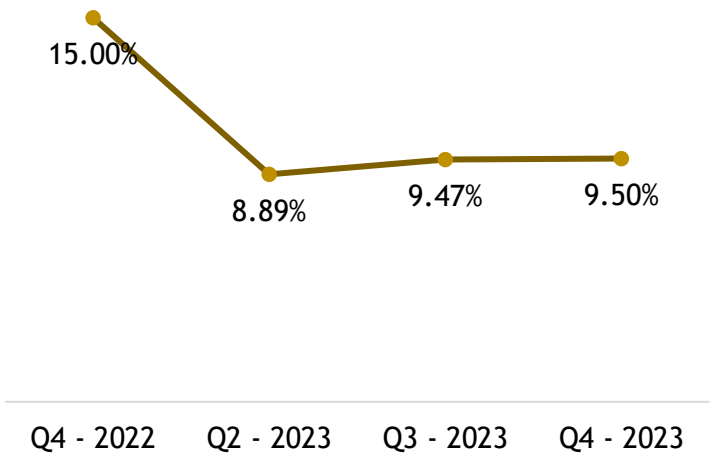
**Figure 14: SACCO Loans and Advances**



### 3.2.1.2 Portfolio at Risk

The portfolio at risk increased slightly in the period under review when compared to the previous period, an increase of 0.03%, as it moved from 9.47% to 9.50%. Based on past observations, the portfolio at risk increases during the fourth and the first quarter of the year and then eases back down in the second quarter. A year-on-year comparison we note an improvement in the portfolio's at-risk as it moved from a high of 15% in Q4 2022 to 9.50% in the period under review.

**Figure 15: SACCO's Portfolio at Risk**

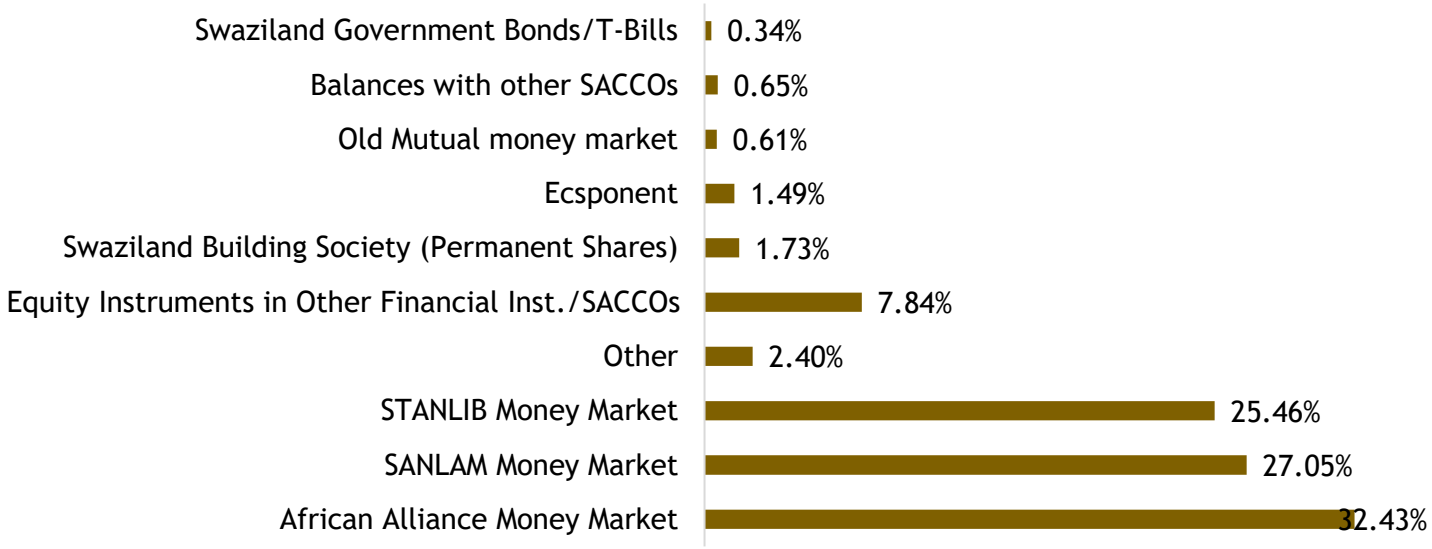



### 3.2.1.3 SACCOs Investments

The period ended with investments declining by 6.11% from E347 million in the previous quarter to E326 million in the quarter under review. Similar to the previous quarters 85.55% of the SACCOs assets were invested in the money market portfolios of different CISs.

Money market investments were closely followed by investment in equity instruments in other financial institutions at 7.84% and other investments came in with a 2.40% allocation of funds.

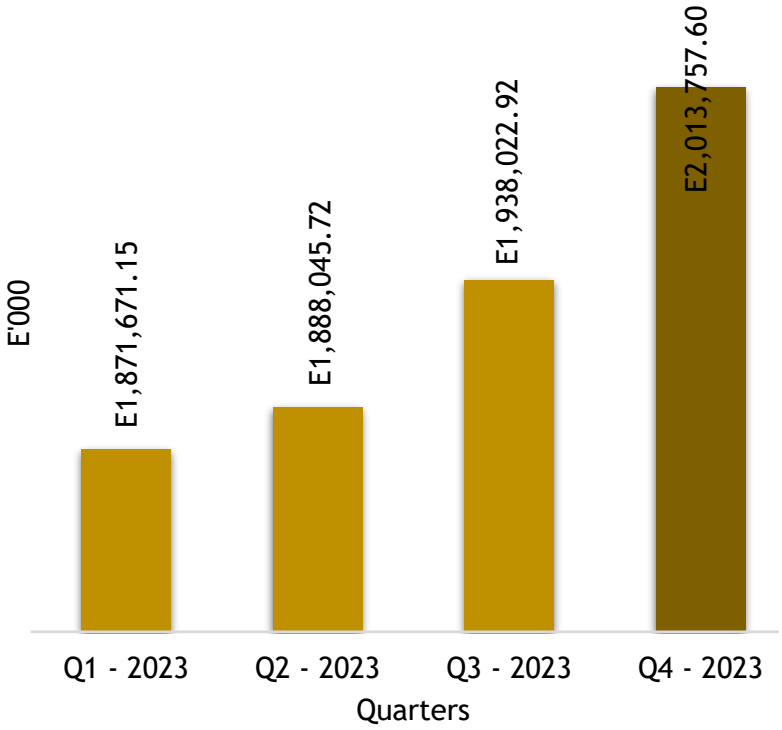
**Figure 16: SACCO's Investments**



### 3.2.1.4 SACCO's Savings

Total savings in the quarter ended with an increase of 3.91% leading to E2.01 billion in the current period, from E1.94 billion in the previous quarter. Non-withdrawable savings increased by 2.79% another steady increase from the previous quarters, while term deposits increased by 13.23%, an improvement from the previous quarter's increase of 1.18%.

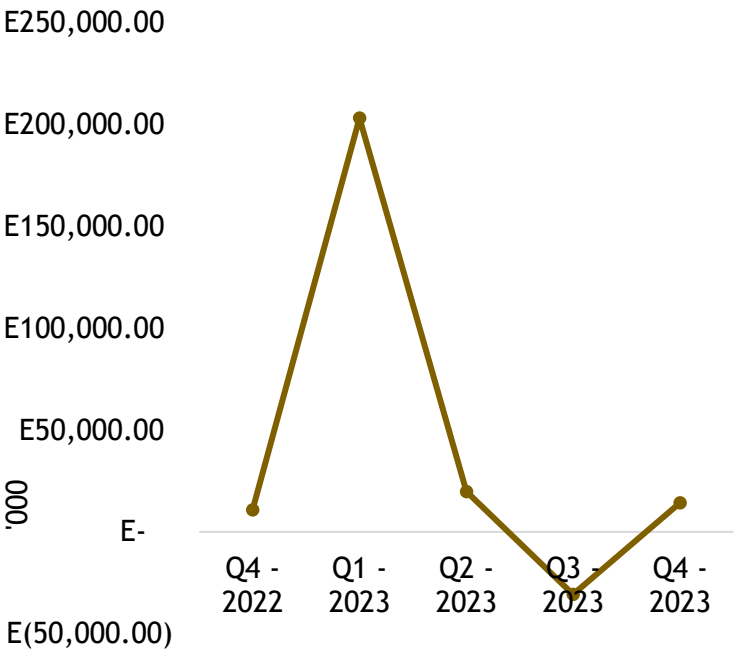
**Figure 17: SACCO's Savings Trend**




### 3.2.1.5 SACCO's Profitability

Financial income continued to decline from the previous quarter as this quarter a further decline of 15.18% was observed, income from investments also declined by 16.07% when compared to the last quarter. However, the net financial income showed a recovery of 10.41%, resulting from the 38.84% decline in financial expenses. Operating expenses across all SACCOs declined by 8.79% leading to an improvement in the SACCOs net profit.

**Figure 18: SACCO's Profitability**

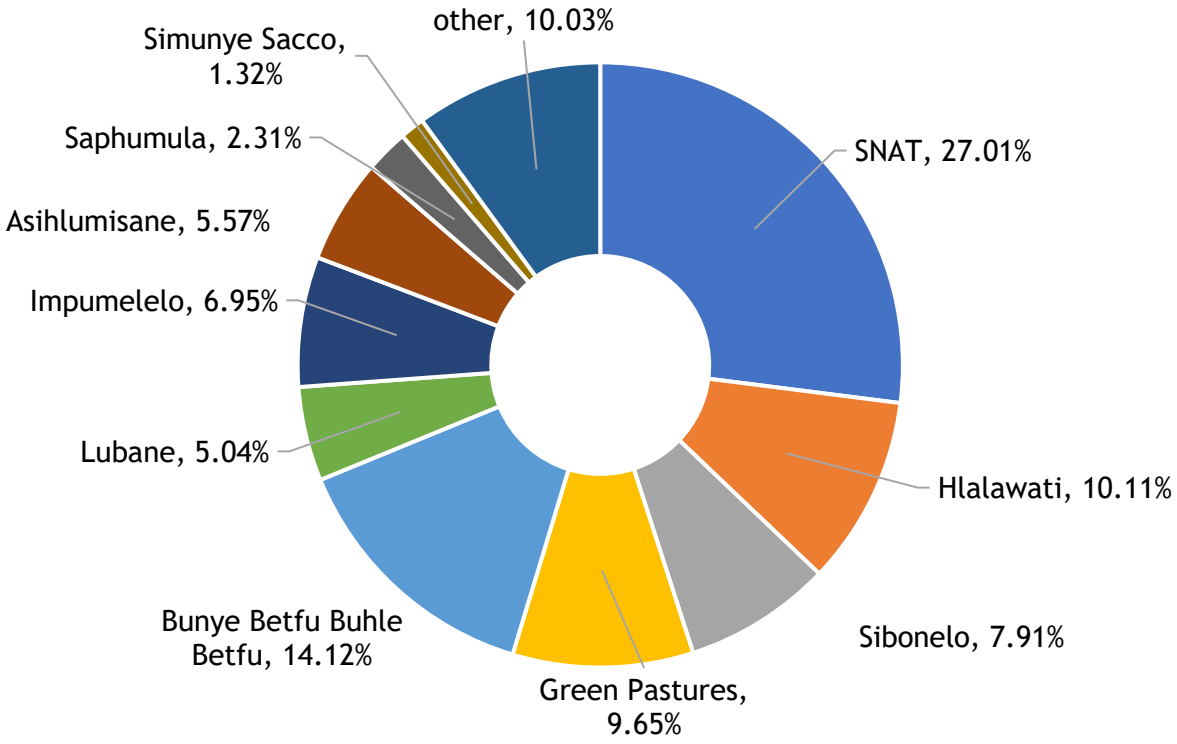


### 3.2.1.6 SACCO's Market Share

SNAT's market share declined once more from 28.27% of the SACCOs assets to 27.01%, Bunye Betfu Buhle Betfu picked up from 12.75% in the previous quarter to 14.12% in the current quarter taking the spot of second largest SACCO, Hlalawati maintained 3rd spot even though there was a decline as it previously held 10.20% falling to 10.11% in the current period, Green pastures had a slight increase moving from 9.36% in the previous quarter to 9.65% in the one under review, closing our top five SACCOs is Sibonelo which accounted for 7.91% of the market share, a decline when we consider the previous period where they accounted for 8.09%.

The HHI for SACCO's market, indicated an index of 1404, showing an acceptable level of competitiveness as the market is unconcentrated. The index measures the size of entities relative to the size of the industry they are in and the amount of competitiveness.

**Figure 19: SACCO's Market Share**



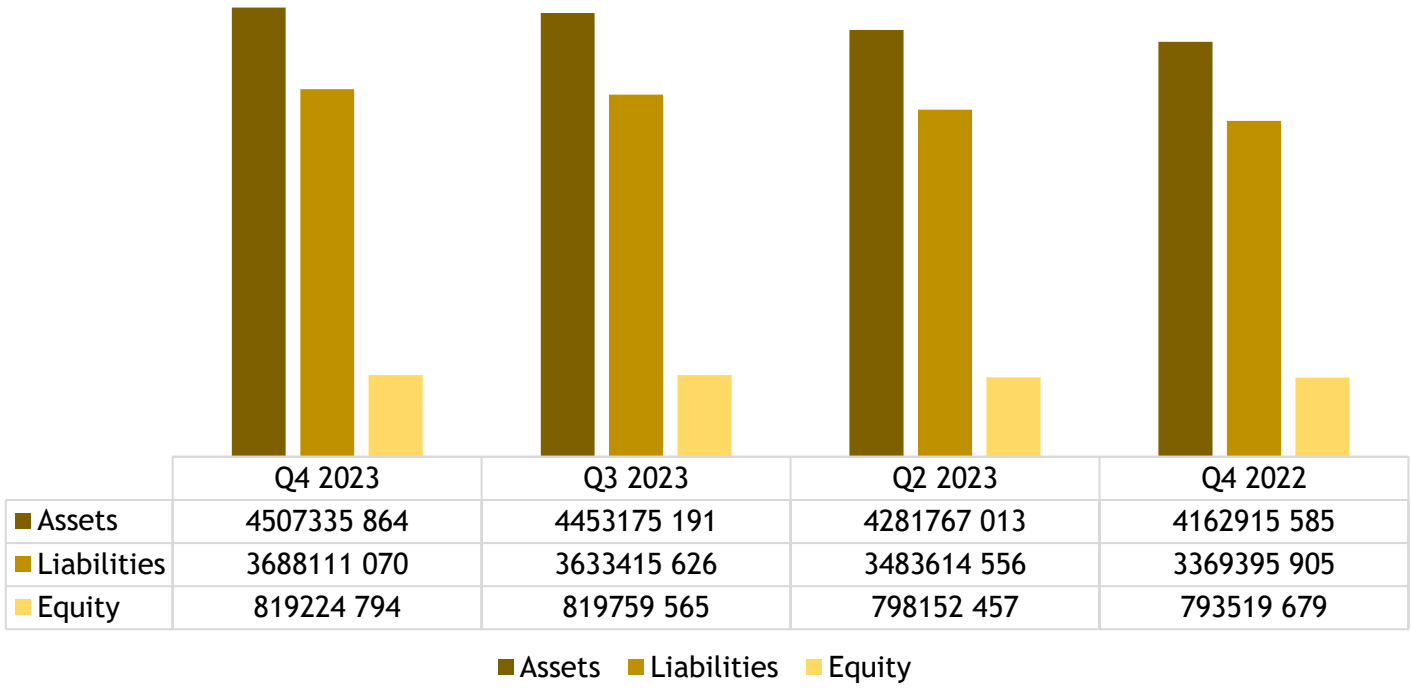
### 3.2.2.1 Credit Institutions Assets

As of December 2023, the value of credit institutions' assets showed an increase of 8.27% year-on-year and 1.22% quarter-on-quarter, reaching E4.50 billion. Consistent with previous periods, this growth in assets is predominantly fuelled by loans and advances, which account for over 73% of the total asset composition. Consequently, any fluctuations in loans and advances, as well as transactions with related parties, will significantly influence the overall asset valuation.

On the liabilities side, total liabilities experienced a modest increase, rising by 9.46% annually and 1.51% quarterly to reach E3.69 billion. This increase is primarily attributed to the increase in trade payables, other payables, and amounts owed to related parties.

Despite these changes, the sector maintained strong financial health, as evidenced by a net equity valuation of E819.22 million, reflecting a slight decrease of 0.23% from the previous quarter.

**Figure 20: Credit Institutions Assets**




| | Q4 2023 | Q3 2023 | Q2 2023 | Q4 2022 |
|---|---|---|---|---|
| Assets | 4507335 864 | 4453175 191 | 4281767 013 | 4162915 585 |
| Liabilities | 3688111 070 | 3633415 626 | 3483614 556 | 3369395 905 |
| Equity | 819224 794 | 819759 565 | 798152 457 | 793519 679 |

### 3.2.2.3 Credit Institutions Loans and Advances

A slight fluctuation of approximately +/-1% was observed in the market share of credit institutions in terms of the loan and advance portfolios, relative to the previous quarter. Notably, Select, First Finance, and Letshego have firmly established themselves as market leaders, with commanding market shares of 23.15%, 29.77%, and 24.32%, respectively. Significantly, Select leads in terms of overall assets market share, while First Finance takes the lead in the loans and advances segment.

The accompanying figure provides a clear visual representation of the distribution of market shares among these credit institutions, offering valuable insights into their competitive standings within the sector.

**Figure 21: Credit Institutions market share in share in terms of loans and advances**

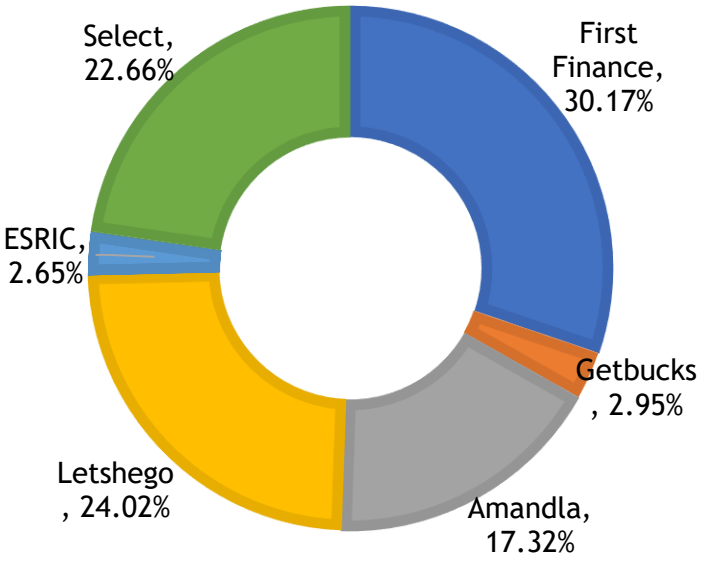
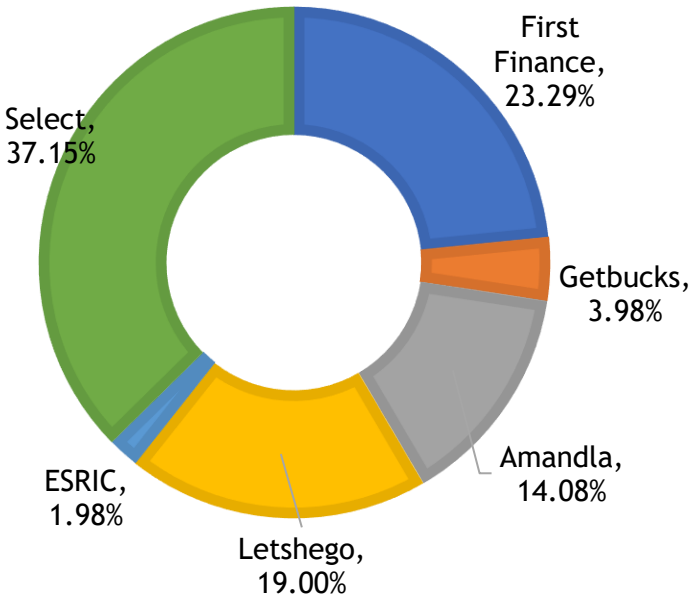



**Figure 23: Credit Institutions Market Share in terms of total assets**

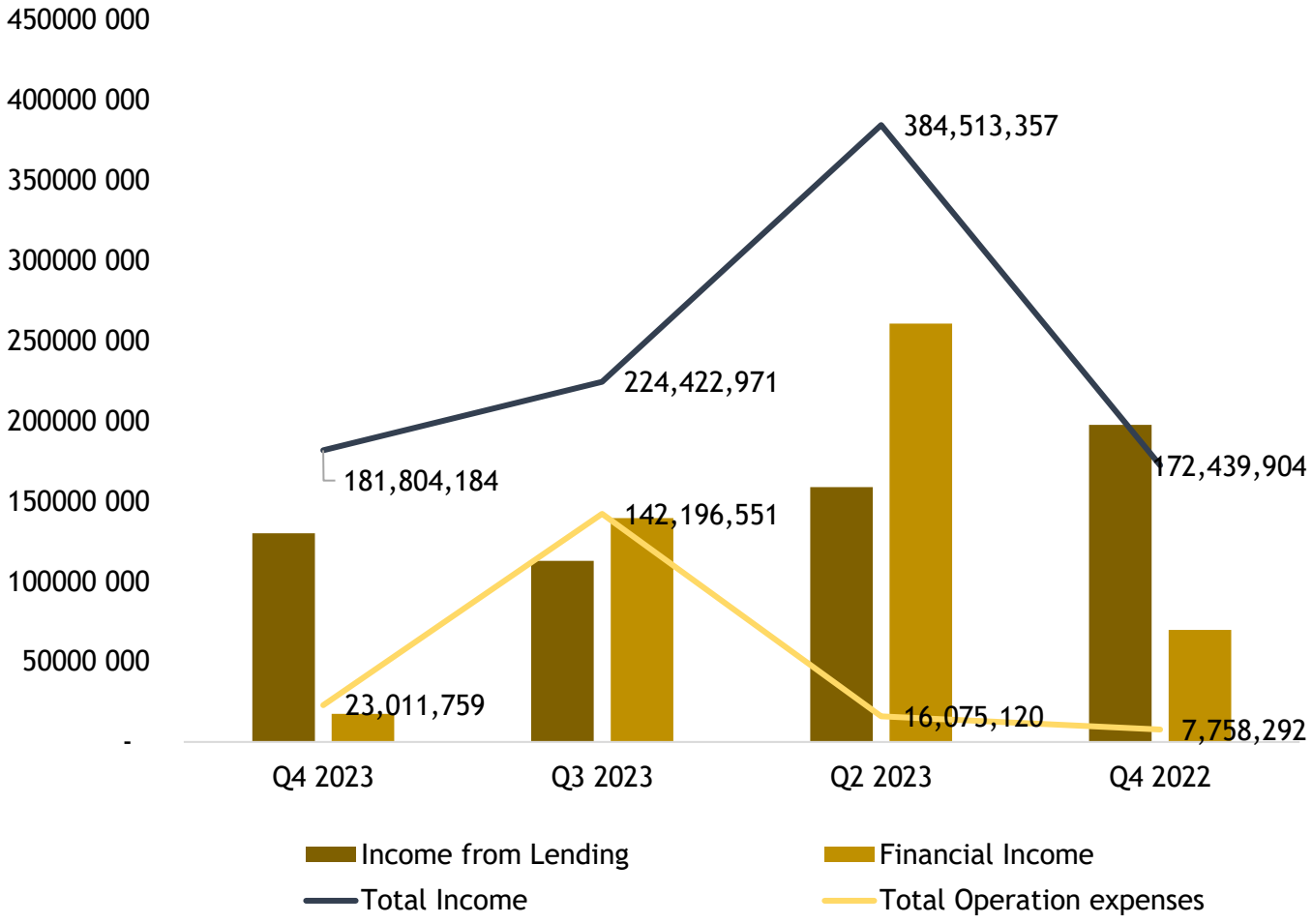


### 3.2.2.2 Credit Institutions Income

Total income reached E181.80 million, reflecting a 5.43% increase compared to the previous year. However, it demonstrated an 18.99% decline on a quarter-over-quarter basis. This quarterly decrease was primarily driven by a fall in financial income, particularly income generated through deposits with banks and other financial institutions.

Conversely, the year-over-year growth can be attributed to a robust performance in interest income from loans and the successful recovery of bad debts during the period, alongside a substantial increase in overall financial income.

**Figure 22: Credit Institutions Income**



### 3.2.3 Retail Outlets

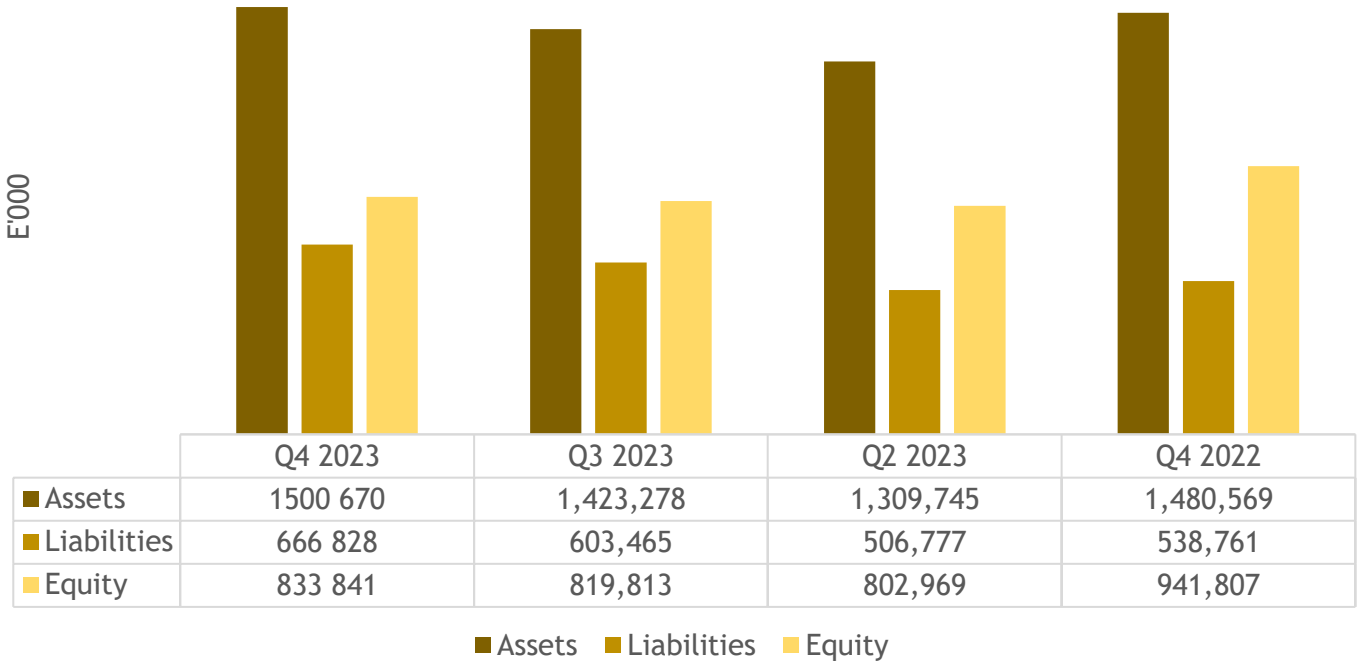
#### 3.2.3.1 Retail Outlets Assets and Liabilities

As of December 2024, the total assets of retail outlets were valued at E1.50 million, reflecting a quarterly increase of 5.44% and a year-over-year growth of 1.36%. This upward trend can be attributed primarily to an increase in gross debtors and provisions for bad debts, as well as a rise in cash and cash equivalents. On the liability side, there was a significant increase of 10.50% on a quarterly basis and a substantial 23.77% increase year-over-year, bringing total liabilities to E666.82 million.

This rise was predominantly driven by higher levels of payables and financial obligations.

Notably, the equity position also saw a slight improvement, increasing by 1.17% quarterly. However, it experienced a decline of 11.46% on an annual basis, resulting from the higher increase in liabilities when compared to assets.

**Figure 24:Retail Outlets Assets and Liabilities**

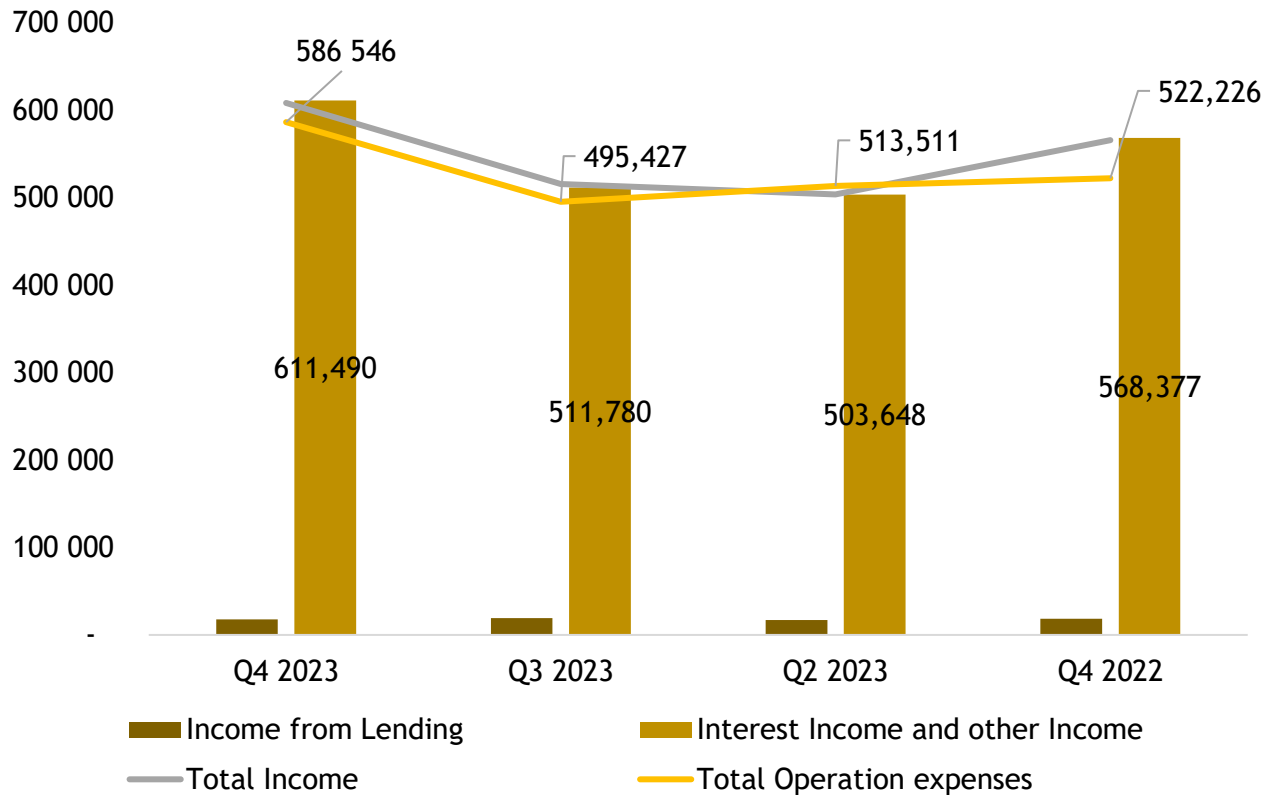



| | Q4 2023 | Q3 2023 | Q2 2023 | Q4 2022 |
|---|---|---|---|---|
| Assets | 1500 670 | 1,423,278 | 1,309,745 | 1,480,569 |
| Liabilities | 666 828 | 603,465 | 506,777 | 538,761 |
| Equity | 833 841 | 819,813 | 802,969 | 941,807 |

The retail outlets reported a remarkable financial performance, with total income surging by 18.00% quarterly and by 7.53% year-over-year. This significant quarterly increase was largely driven by a substantial rise in interest income, which soared by 19.48%. However, this growth came amid rising operating expenses, which increased by 18.39%.

The increase in operating costs was primarily attributed to elevated personnel expenses and enhanced marketing efforts aimed at bolstering brand visibility and driving sales. Despite these rising costs, the retail outlets achieved a noteworthy increase in net operating income, which rose by 8.46%, reaching E21.95 million

**Figure 25: Retail Outlets Income and Expenses**

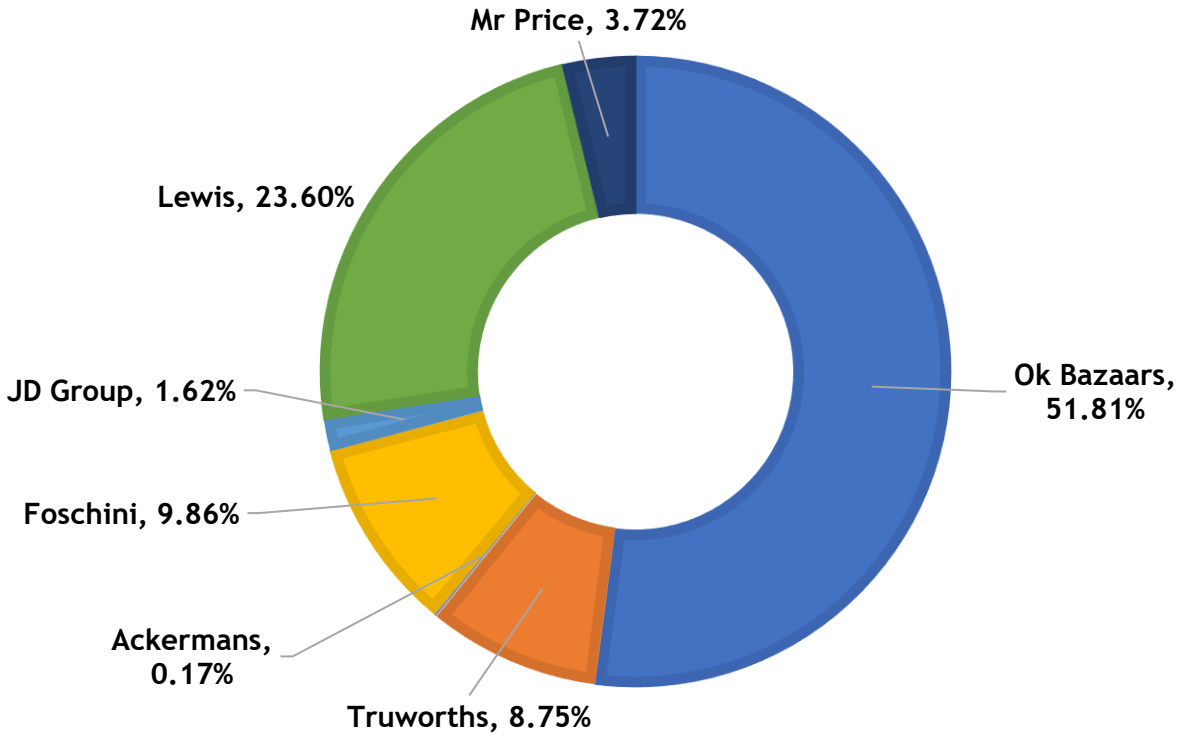


### 3.2.3.2 Retail Outlets Income and Expenses

Market share in terms of assets held indicates that OK Bazaars continues to dominate the market in terms of assets held which contributes 51.81% of the market share followed by Lewis with 23.60% market share and then Truworths with 8.75%. The rest are JD Group, Mr Price, and Ackerman with a market share of 1.62%, 3.72% and 0.17%.

When compared to the previous quarter, Truworths lost 1.02 percentage points which was gained by Ok Bazzars, the other retail outlets remained the same.

**Figure 26 : Retail Outlets Market Share in Terms of Assets**



### 3.2.5.1 Building Society Assets

As of December 2023, building societies total assets were valued at E3.54 billion, indicating a 2.93% increase quarterly and 10.00% increase yearly. The major contributors to this growth were net loans and advances which increased by 7.61% and notes and coins which also increased by 7.53%. However, on year-on-year comparison, the increase was mainly driven by other real estate owned and net loans and advances which increased by 8.44% and 17.27 respectively. This indicates that the building societies loan portfolio continues to increase over the financial periods with credit extension to mortgages accounting for 75.33% of the loan portfolio.

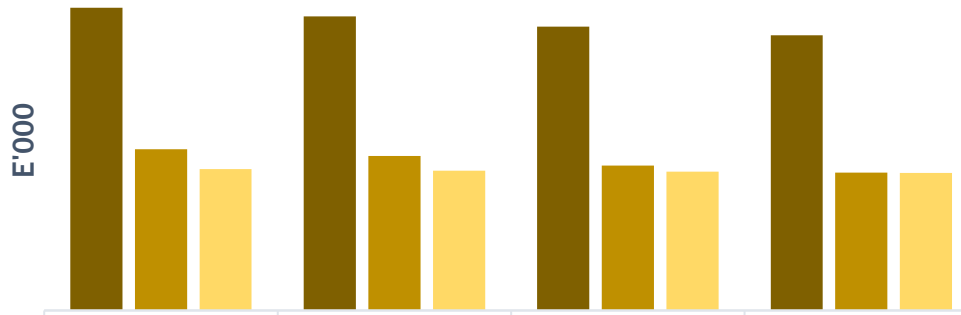
### 3.2.5.2 Building Societies Liabilities

The building societies' liabilities showed a 4.44% quarterly increase from E1.81 billion to E1.88 billion and an annual increase of 17.13% from E1.61 billion. The quarterly growth was mainly due to term deposits and Vostro accounts 'due to banks' which increased by 6.39% and 58.83% respectively. However, the yearly increase was primarily driven by growth in deposits, mostly in savings accounts and term deposits.

### 3.2.5.3 Building Societies Capital and Reserves

The sector remained solvent over the four quarters with the net equity position showing a quarterly increase of 1.20% and a yearly increase of 2.86%.

**Figure 27: Building Society Assets**




| | Q4 2023 | Q3 2023 | Q2 2023 | Q4 2022 |
|---|---|---|---|---|
| Assets | 3,542,934 | 3,443,102 | 3322 491 | 3220 733 |
| Liabilities | 1,888,295 | 1,808,080 | 1697 386 | 1612 162 |
| Capital and Reserves | 1,654,638 | 1,635,022 | 1625 104 | 1608 571 |

### 3.2.5.4 Building Societies Performance

Building Societies' net income before tax decreased significantly both on a quarterly and annual basis. Both the quarterly and annual decline were significant at 103.52% and 100.90% respectively.

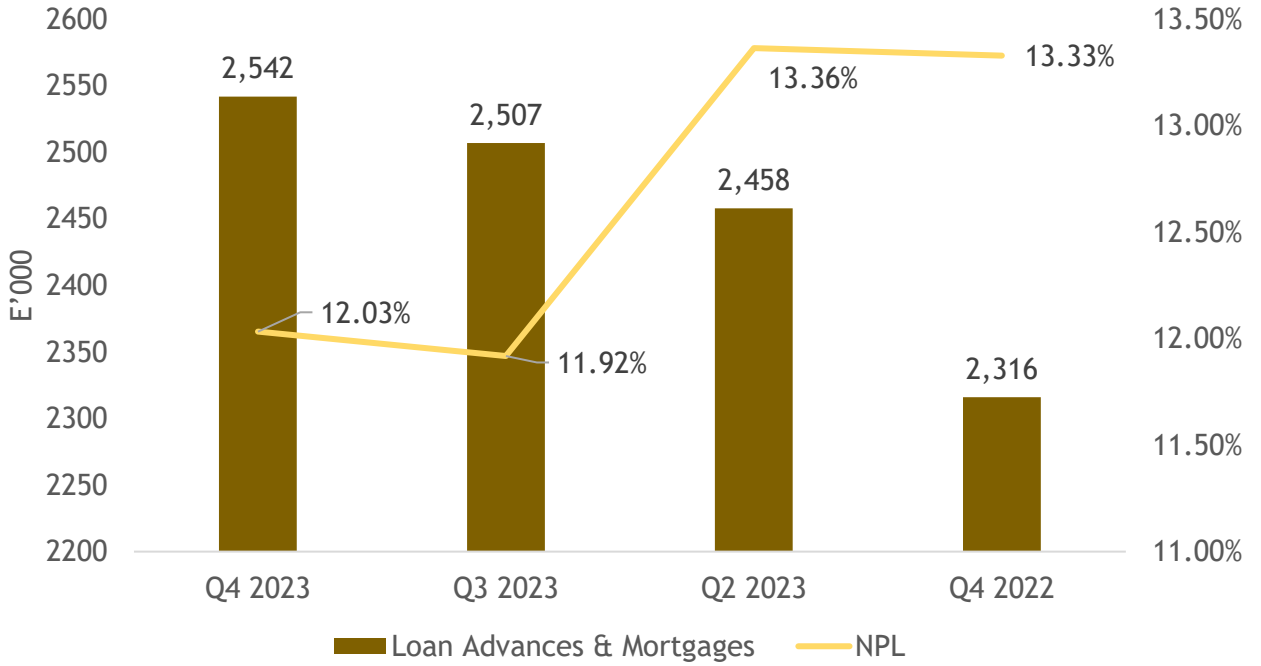
Every quarter, the main factor that contributed to the decline in net income was a 37.73% decrease in interest and dividend income on investments under both foreign and domestic investments. These declines led to the profit declining from a profit of E9.88 million to a quarterly loss of E348 thousand whereas the profit as of Q4_2023 stood at E29.01 million. The significant annual decline is mainly the result of the adverse performance of one of the societies and the 46.03% change in the provision for bad debts.

### 3.2.5.5 Building Societies Credit Provision

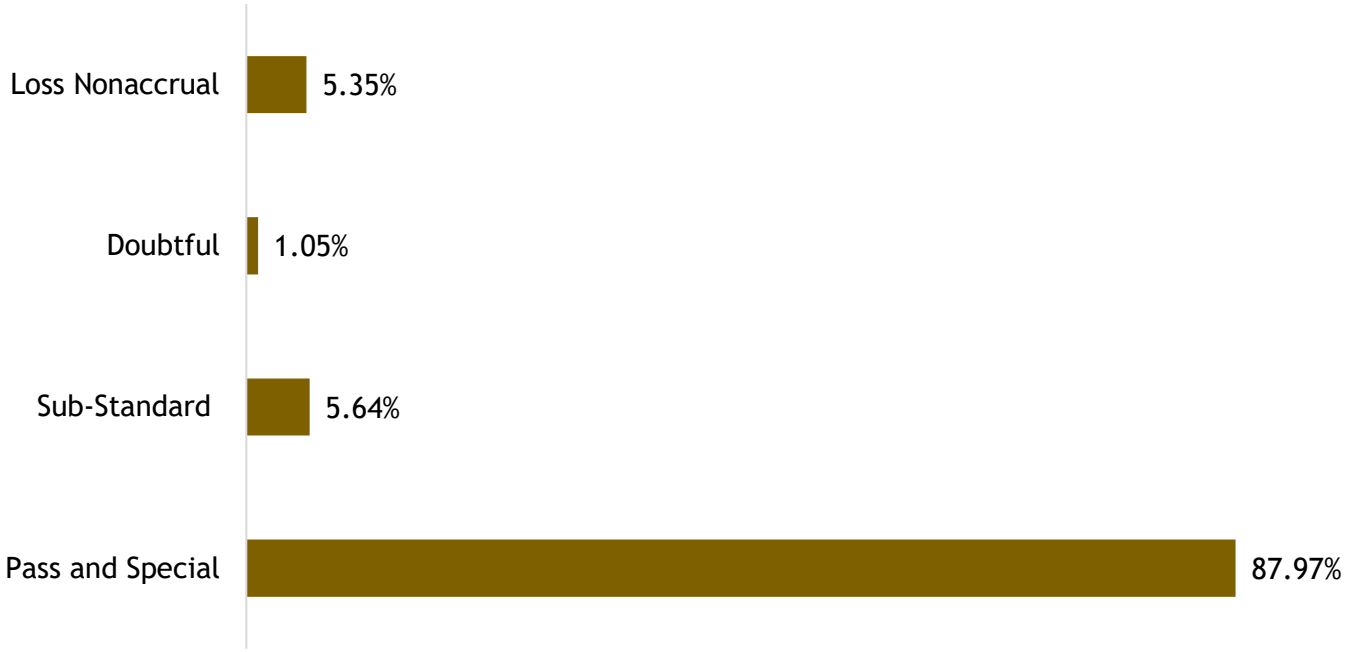
The value of loans, advances, and mortgages showed a slight increase of 1.40% quarter on quarter and an improved increase of 9.76% year-on-year, reaching a total of E2.54 billion. This growth was primarily driven by the increase in mortgages for both personal and commercial properties.

Non-performing loans (NPLs), i.e. loans that are in default or close to defaulting have shown a declining trend since March 2023. However, during Q4_2023, NPLs increased slightly by 0.11 percentage points to 12.03%, this was however an improvement of 1.30% points compared to the previous year's ratio of 13.33%. Figure 29 shows the credit provision and NPLs and Figure 30 shows the classification credit provision.

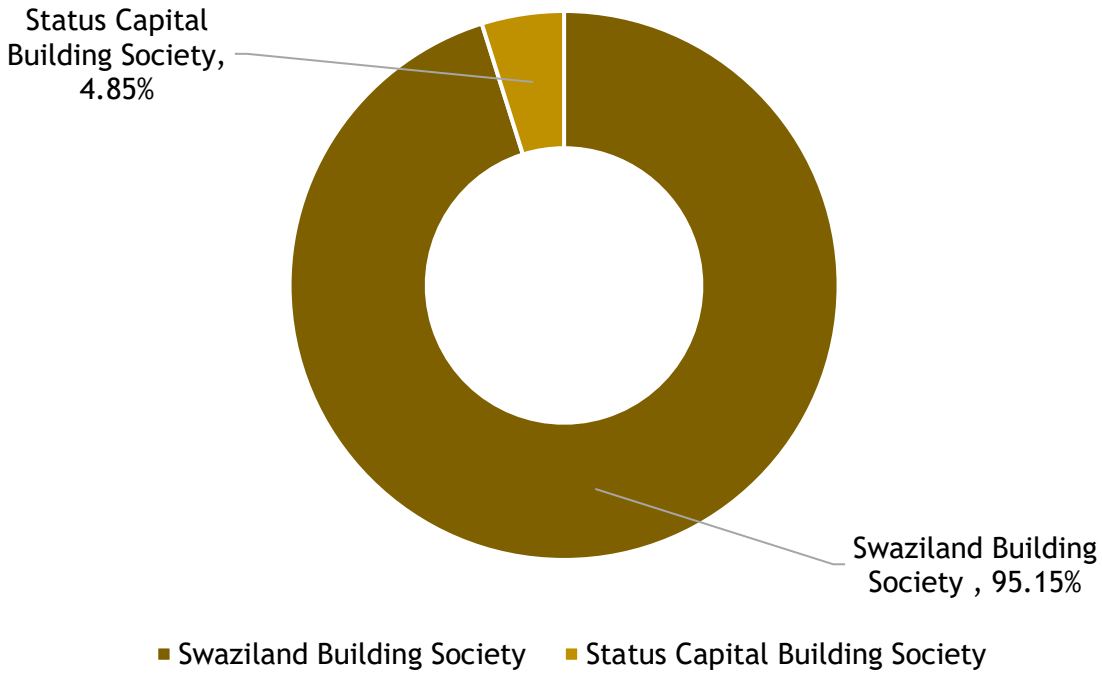
**Figure 28: Building Societies Credit Provision and NPL**



## Figure 29: Classification of loans advances and Mortgages




## Figure 30: Building Societies Market Share



### 3.2.4.1 DFI's Income

As of Q4 2023, the sector's gross income increased by 23.18% from E58.77 million to 72.40 million. The rebound from the previous quarter's decline is a result of the improvement in interest income from loan advances by 25.84 % from E47.75 million to E60.09 million quarterly. Yearly review also reveals improved performance in loans and advances due to the increases in interest income, fees, and commission on loan portfolios whilst income generated from administration fees dropped by 58.48% yearly.

The sector's net income from lending improved on both a quarterly and yearly basis, on a quarter-on-quarter basis, the net income increased from E27.70 million in the previous quarter to E45.84 million in the quarter under review. Compared to Q4_2022, the sector's net income almost doubled increasing from E23.97 million. Consistent with the performance of financial markets, the sector's financial income improved significantly by over 60.88% due to income from investment of 17.74 million increasing from E11.03 million.

Despite this quarterly increase, the yearly income from investment has declined by 73.12% from E66.01 million, and this has also contributed to the sector moving towards investing in government securities.

This is shown by income from government securities valued at E1.44 million reflected for the first time in the sector's income statement. Money parked in bank call accounts / liquid instruments generated impressive returns quarterly from E7.9 thousand to over E5.29 million contributing to the total financial income for the quarter increasing to E25.82 million.

Consistent with the quarterly improvement of financial income, net income improved as fees, commissions, and other expenses were largely contained every quarter and net income was valued at E24.31 million from E14.58 million quarterly but declined yearly from E68.80 million.

### 3.2.4 Development Finance Institutions

The sector's total income from lending and financial income was therefore valued at E70.15 million which is a 65.90% increase on a quarterly basis but fell shy of yearly value by E22.62 million. A significant portion of the sector's expenses is due to personnel expenses which are valued at E20.14 million in the quarter under review, an increase of 27.62% from the previous quarter.

Administrative expenses also increased by 54.23% quarterly and by 5.71% yearly to E14.78 million. Thus, total operating expenses when factoring in depreciation and marketing expenses were E36.99 million increasing from E27.21 million quarterly. Yearly, total expenses have increased from E34.86 million with a significant change emanating from marketing expenses.

The sector has however remained profitable with a net income after tax of E27.39 million which is an improvement from E11.48 million recorded in Q3 2023. However, compared with Q4-2022, this quarter's performance showed an annual decline of 50.94% from E55.83 recorded in 2022.

**Figure 31: DFI's Income vs Expenses**

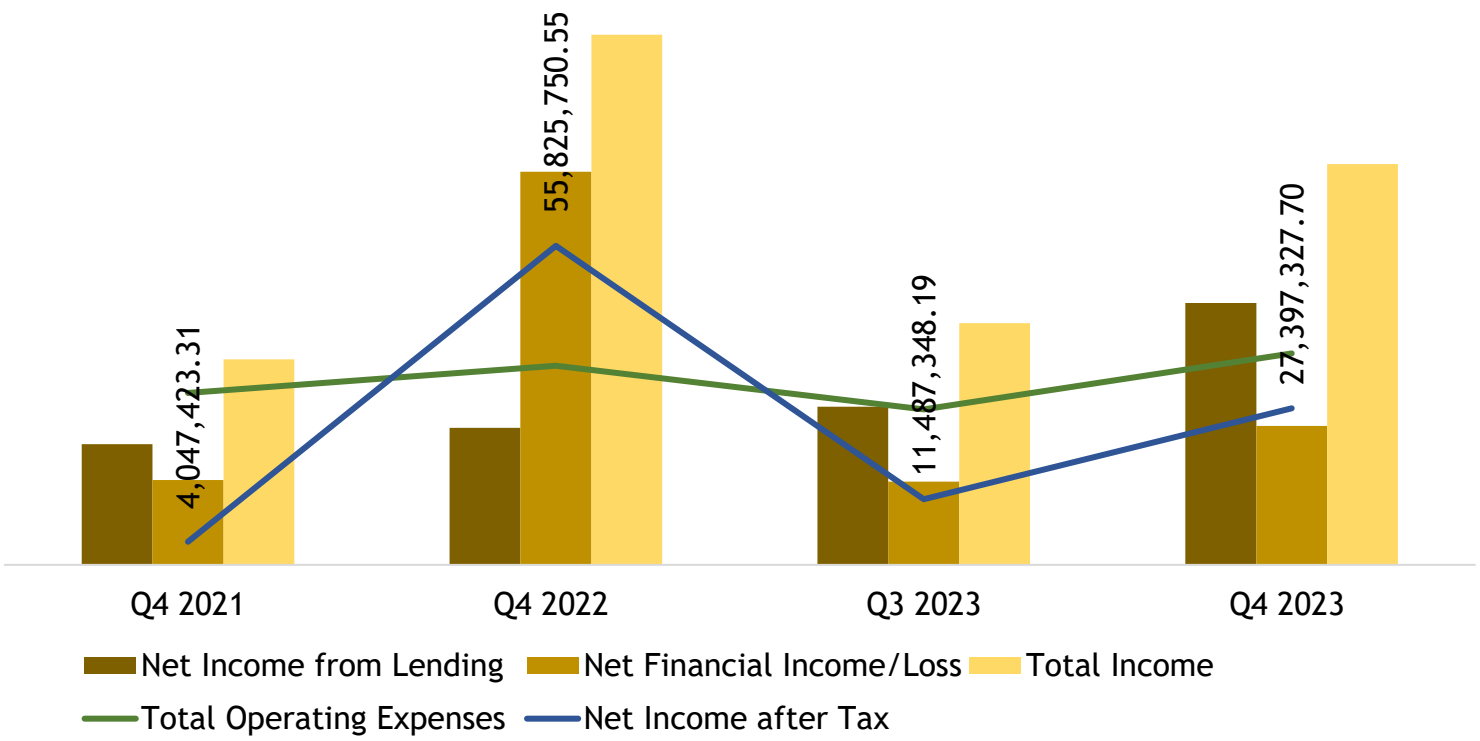
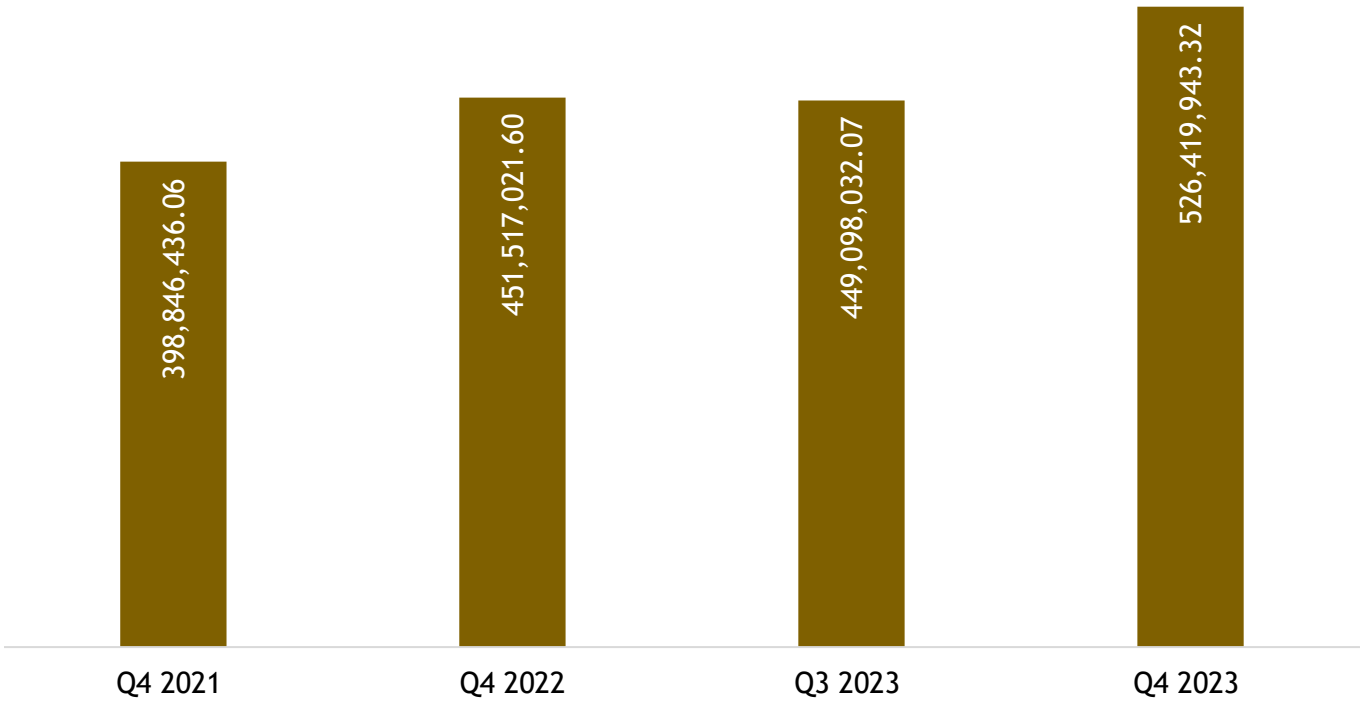



**Figure 32: DFI's Loans and Advances Trend**

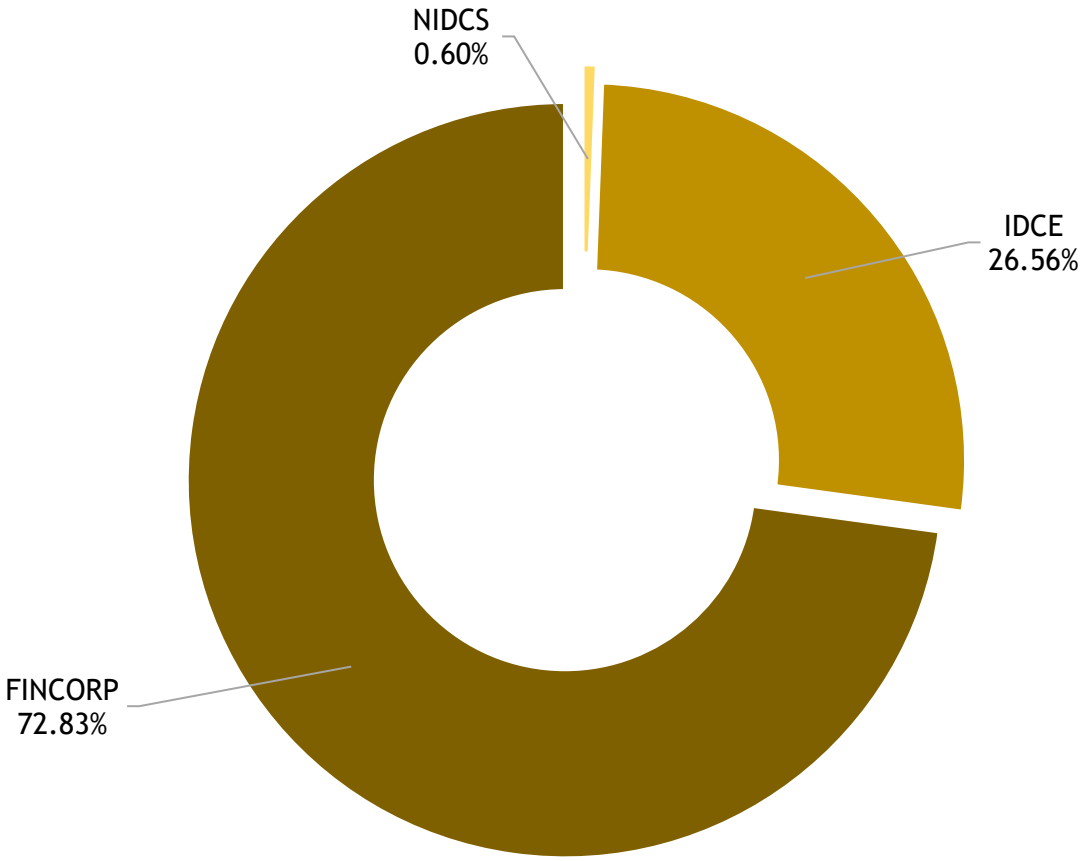


### 3.2.4.2 DFI Market Share in terms of Loans and Advances

The sector's market share remained largely unchanged every quarter. FINCORP remains the market leader with 72.83% which is a decline from 73.65% quarterly. This loss resulted in gains for IDCE which moved up to 26.56% from 25.72% quarterly.

Every year, FINCORP's market share has declined from 76.10% whilst IDCE improved from 23.34%. Figure 27 below shows the sector's market share in terms of assets.

**Figure 33: DFI's Market Share in terms of Loans and Advances**



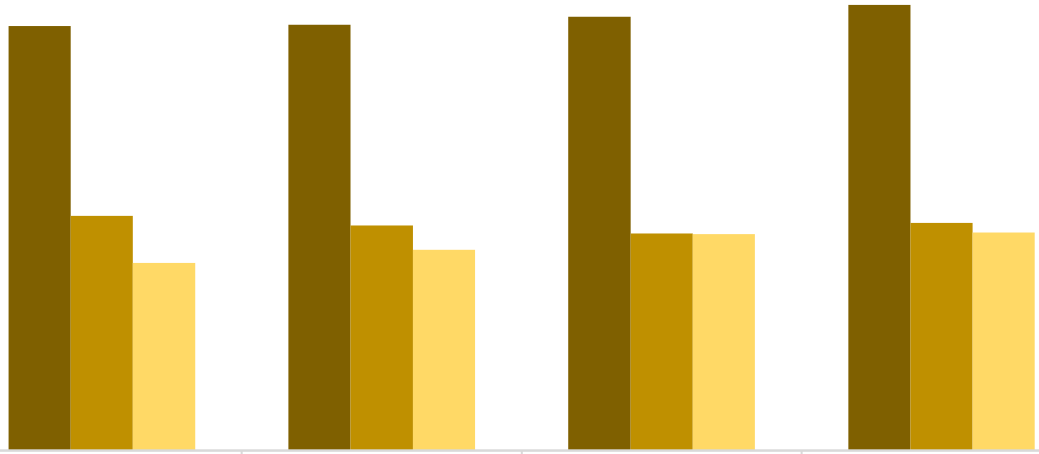
### 3.2.4.3 DFI Solvency

The DFI sector's assets realised growth on a quarterly and yearly basis. This continues its rebound from the decline realised in Q2 2023. Every quarter, the value of assets grew by 2.78% and by 4.68% yearly to E2.5 billion. The increase was largely influenced by non-current assets which realised a quarterly growth of 4.55% due to the increase in loan book value for loans and advances. The value of current assets declined as the sector's debtors settled their dues leading to a decrease in the value of amounts owed by related parties by 7.26%. Most notably, over a yearly period, the sector recouped trade and other receivables which were over E100 million in Q4 2022 to just E11.63 million in this quarter. At the close of the quarter, the funds recovered from the debtors were still parked in the sector's bank accounts as a significant increase from E130 million to E222.71 million was observed in these accounts. Liabilities showed significant growth every quarter by 4.84% from E1.21 billion to E1.27 billion.

The increase was experienced largely on the non-current liabilities whereas the contingent current liabilities declined in value quarterly. Under the non-current liabilities, the increase is seen in the growth of other financial liabilities to over E1.17 billion from E1.12 billion which is a 6.65% quarterly change. Trade and other payables under current liabilities were reduced in the period as they had accumulated to E83.36 million and settlement in this period resulted in a drop to E70.93 million. Compared to Q4 2022, the sector's liabilities increased by 1.10% from E1.26 billion to E1.28 billion.

The sector's equity position improved slightly by 0.74% quarterly due to an improvement in retained income by 1.83%. This resulted in the net equity value increasing to E1.21 billion from E1.25 billion in the previous quarter. Yearly improvement of 1.11% from E1.13 billion due to increased value of reserves and retained income was also observed. The figure below shows the sector's solvency over four periods.

**Figure 34: DFI Solvency**



| | Q4 2021 | Q4 2022 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|
| Total Assets | 2,383,589,749.11 | 2,390,268,059.30 | 2,434,558,107.87 | 2,502,199,194.70 |
| Total Liabilities | 1,317,594,417.23 | 1,263,929,166.90 | 1,218,976,073.24 | 1,277,956,978.58 |
| Total Equity | 1,053,926,383.52 | 1,126,338,891.40 | 1,215,582,036.63 | 1,224,242,225.14 |

The sectors market share reflects of upside and downside on a quarterly period. Despite being the market leader overtime, IDCE lost 1.28% in market share quarterly. Similarly, NIDCS lost market share from 7.16% to 6.95% quarterly. This resulted in gains for FINCORP quarterly moving from 43.21% to 44.69%.

on a yearly review, NIDCS has lost market share from 10.65% which has resulted in increased sector holding between FINCORP and IDCE from 42.73% and 46.62% respectively. The figure below shows the sector market share in terms of assets.

**Figure 35: DFI Market Share in terms of Assets**

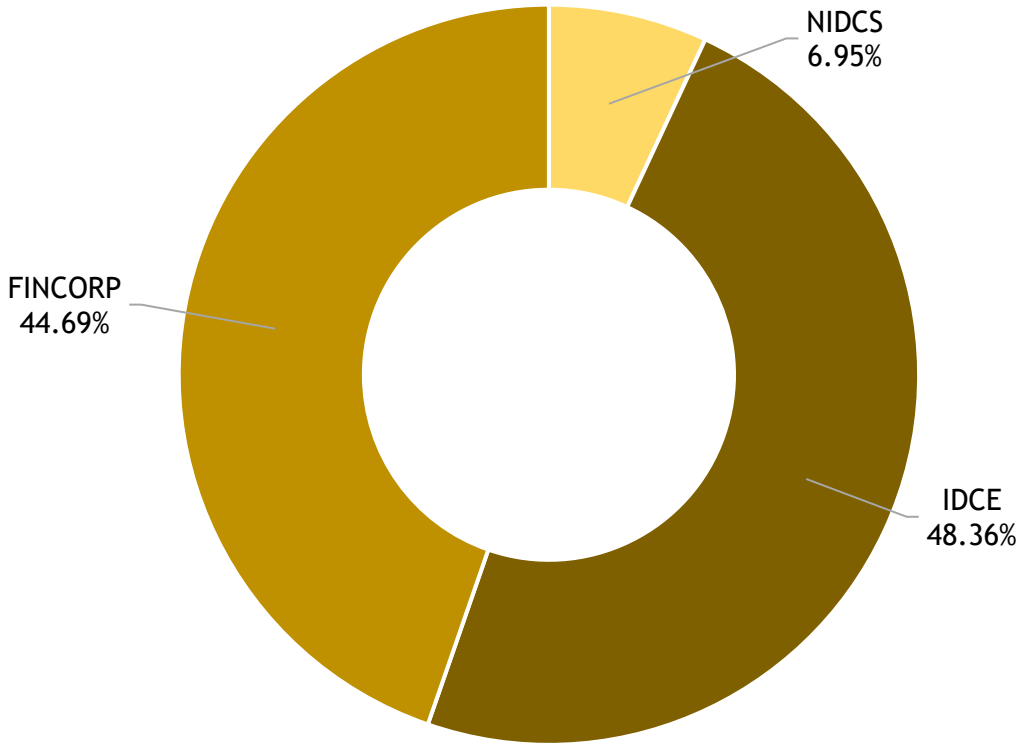
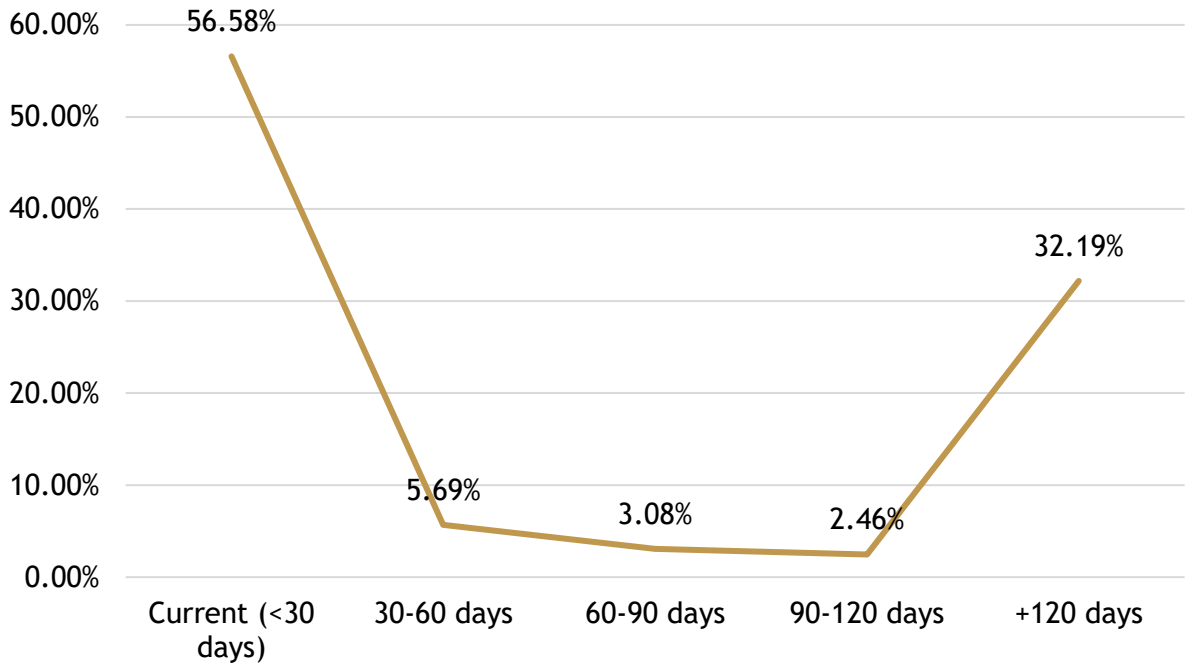


**Figure 36:** DFI Sector Age Analysis of Debtors



### 3.3.1 Long-term Insurance

#### 3.3.1.1 Gross Written Premiums

The GWP for long-term insurers showcased a 36.74% quarterly growth, while on an annual basis, a 5.60% growth was observed. On a quarter-on-quarter basis the premiums increased from E796.05 million to E1.08 billion, while a comparison with Q4_2023 the premiums increased from E1.03 billion. This growth has been primarily fuelled by the increase in business underwritten under the disability, individual life, and endowment, which saw substantial increases of 38.84%, 36.81%, and 35.04%, respectively. It is important to note, however, that the growth rates of these products have slowed in comparison to the previous quarter.

Year-on-year growth, on the other hand, has been primarily attributed to the rise in risk-related insurance products, with significant increases observed in disability, funeral, and group life insurance at 59.68%, 20.38%, and 18.72%, respectively. Conversely, a decline in premiums written for unit-linked savings and endowment products has been noted.

Furthermore, premiums ceded within the LT sector have seen a substantial increase of 53.59% quarterly and 9.39% annually, reaching E80.16 million. This growth in both GWP and ceded premiums indicates a period of improved market activity and also underscores the importance for insurers to effectively manage their risk exposure through reinsurance. Table 1 below shows the changes in the value of premiums written per class of insurance business.

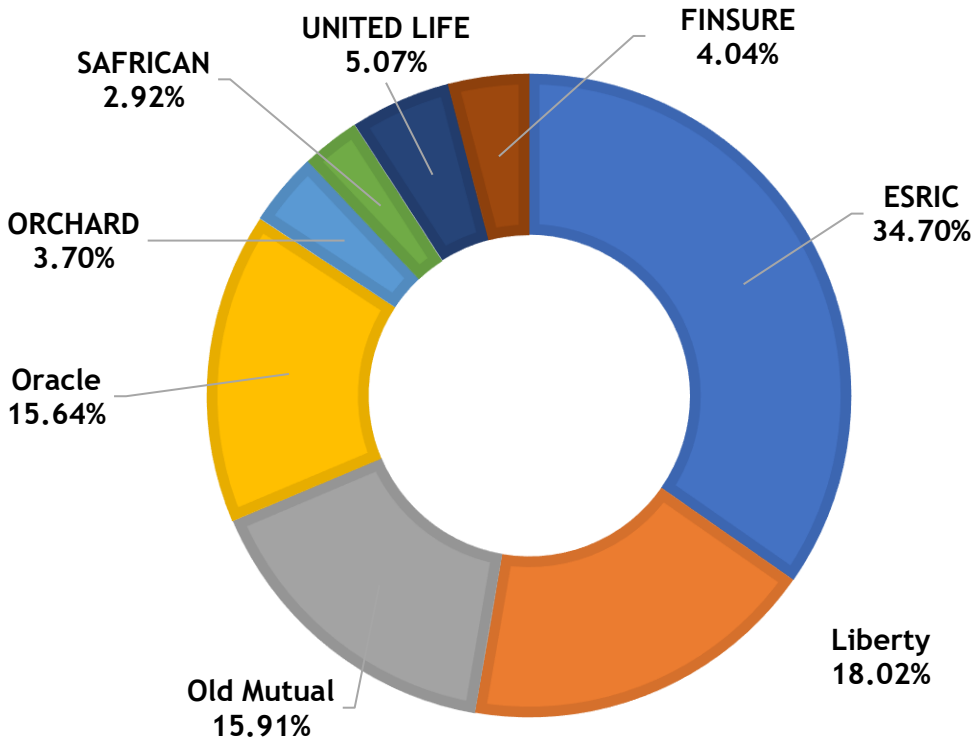
**Table 1: LTI Gross Written Premiums**

| Gross Premium | Q4 2021 | Q4 2022 | Q3 2023 | Q4 2024 |
|---|---|---|---|---|
| | E'000 | | | |
| Annuities | 42 872 | 59 816 | 54 872 | 73 282 |
| Assistance | - | - | - | - |
| Credit life | 140 968 | 158 728 | 123 881 | 170 608 |
| Disability | 15 296 | 13 845 | 15 924 | 22 108 |
| Endowment | 45 712 | 34 617 | 22 922 | 30 954 |
| Funeral | 145 712 | 153 604 | 135 613 | 184 915 |
| Group life | 108 892 | 112 473 | 96 356 | 133 531 |
| Health | - | - | - | - |
| Individual life | 109 975 | 129 665 | 95 084 | 130 085 |
| Retirement fund | 191 183 | 216 628 | 190 104 | 268 897 |
| Unit linked savings | 168 786 | 138 820 | 61 289 | 74 136 |
| Other | - | 12 627 | - | - |
| **Total** | **969 395** | **1 030 823** | **796 045** | **1 088 517** |

ESRIC and Liberty continue to dominate the market, collectively holding 52.72% of the market share in terms of premiums written. However, there has been a noticeable shift in market share compared to the same period last year. Liberty experienced a decrease of 6.11% in market share, while Oracle lost 1.65%. On the other hand, Safrican and Finsure gained market share, with Safrican increasing by 2.01% and Finsure by 2.91%.

Additionally, across all insurers, the changes from quarter to quarter were relatively small, with most changes falling within the range of +/- 1% and 2%. This suggests that the market is relatively stable in terms of market share distribution, with minor fluctuations occurring over the quarters.

**Figure 37: LTI Market Share in Terms of GWP**



### 3.3.1.3 LTI Net Claims and Policy Benefits

The long-term insurance industry saw a notable increase in claims of 24.54% from E435.48 million to E542.33 million every quarter. However, there was a significant decline of 62.51% year-on-year from E1.44 billion. The quarterly rise in claims was primarily fuelled by investment-related policies rather than risk policies. This could be attributed to the settlement of policy benefits under investment contracts, particularly from endowments and annuities, which experienced increases of 52.06% and 21.10% respectively.

Conversely, the industry experienced a year-on-year decrease in claims mainly due to a substantial decline in unit-linked savings and funeral claims, which decreased by 96.21% and 52.73% respectively. When comparing the incurred claims to the earned premiums, the claims ratio increased both quarterly and annually by 5.41% and 7.36% respectively.

**Table 2: Claims and Policy Benefits**

| | Q4 2022 | Q2 2023 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|
| | E'000 | | | |
| Annuities | 49 012 | 27 191 | 44 485 | 59 352 |
| Assistance | - | - | - | - |
| Credit life | 30 538 | 22 186 | 37 823 | 32 181 |
| Disability | 4 603 | 709 | 3 765 | 3 836 |
| Endowment | 12 314 | 9 038 | 11 283 | 18 725 |
| Funeral | 118 152 | 30 624 | 44 914 | 55 855 |
| Group life | 50 226 | 17 007 | 33 270 | 45 011 |
| Health | - | - | - | - |
| Individual life | 110 424 | 57 214 | 88 400 | 113 737 |
| Retirement fund | 159 931 | 89 032 | 121 807 | 176 621 |
| Unit linked savings | 975 529 | 28 291 | 49 738 | 37 014 |
| Total | **1 446 629** | 281 290 | **435 486** | **542 333** |

### 3.3.1.4 Total Assets and Liabilities

The LTI assets increased 3.68% quarter-on-quarter and by 7.48% year-on-year to E4.79 billion from E4.80 billion in the previous quarter and E4.63 billion in the previous quarter. Like the previous quarter, growth in the industry's investments mainly contributed to the increase in the value of assets for both quarterly and annually. Sound performance of the financial markets both locally and internationally, especially under equities on foreign markets was the leading contributor to this increase.

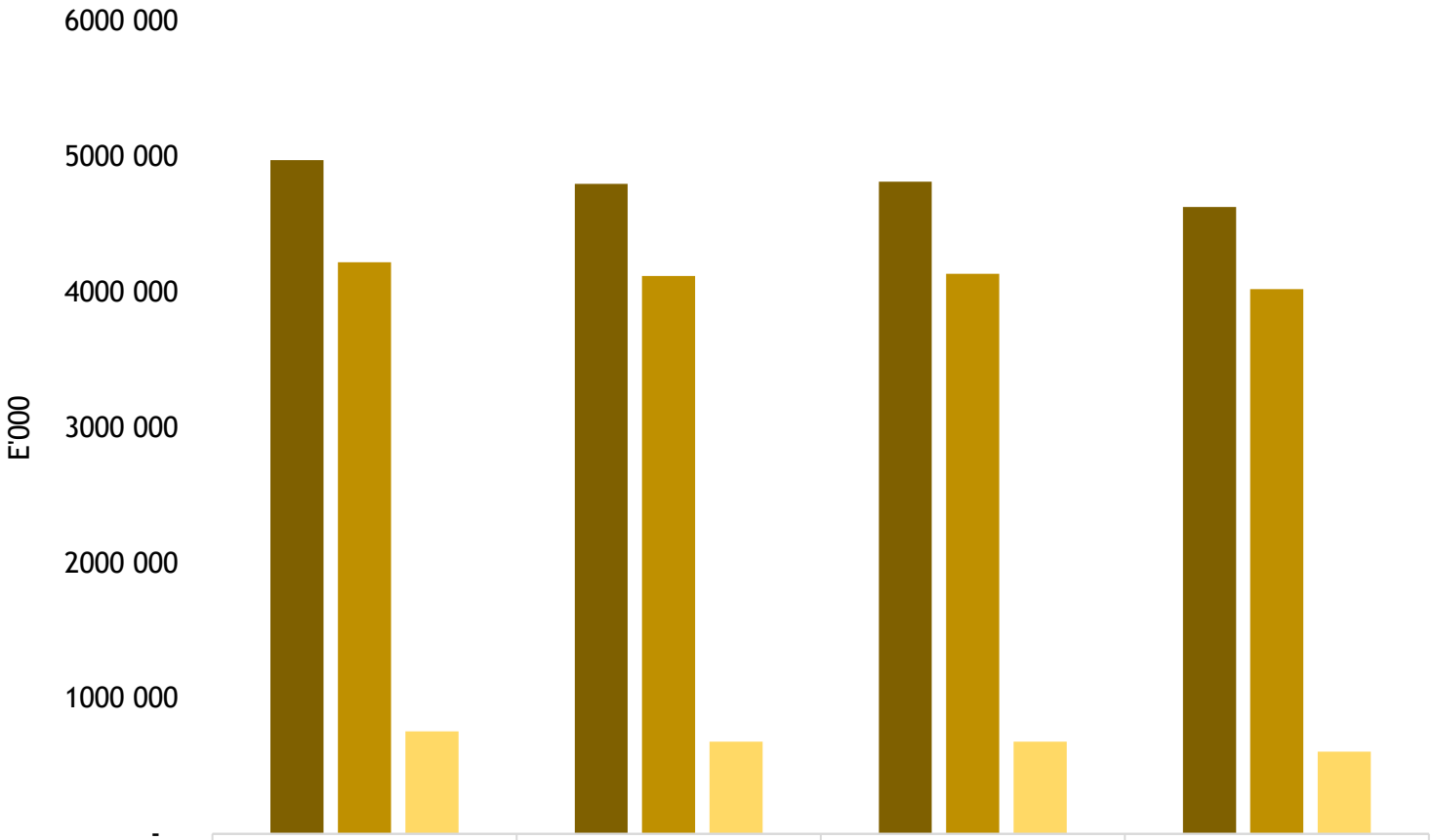
Under liabilities, the sector experienced a marginal increase of 2.46% quarterly and 4.19% annually to E4.21 billion from E4.12 billion in the previous quarter and E4.02 billion as of Q4_2022. The quarterly increase was mainly influenced by the 7.03% growth in insurance contract liabilities emanating from growth in the value of the industry's active policies. However, the annual increase was mainly driven by trade and other payables and insurance contract liabilities which increased by 66.92% and 16.37% respectively.

### 3.3.1.5 LTI Solvency

The LTI sector's solvency is based on the insurers' net equity positions wherein each insurer must maintain a positive net equity position of E2 million and above. Based on this formula all insurers' solvency margins were within acceptable cover limits during the review period.

An improvement of 11.06% quarterly and 24.51% annually was observed which was mostly driven by retained earnings on both periods.

**Figure 38: LTI Solvency Position**



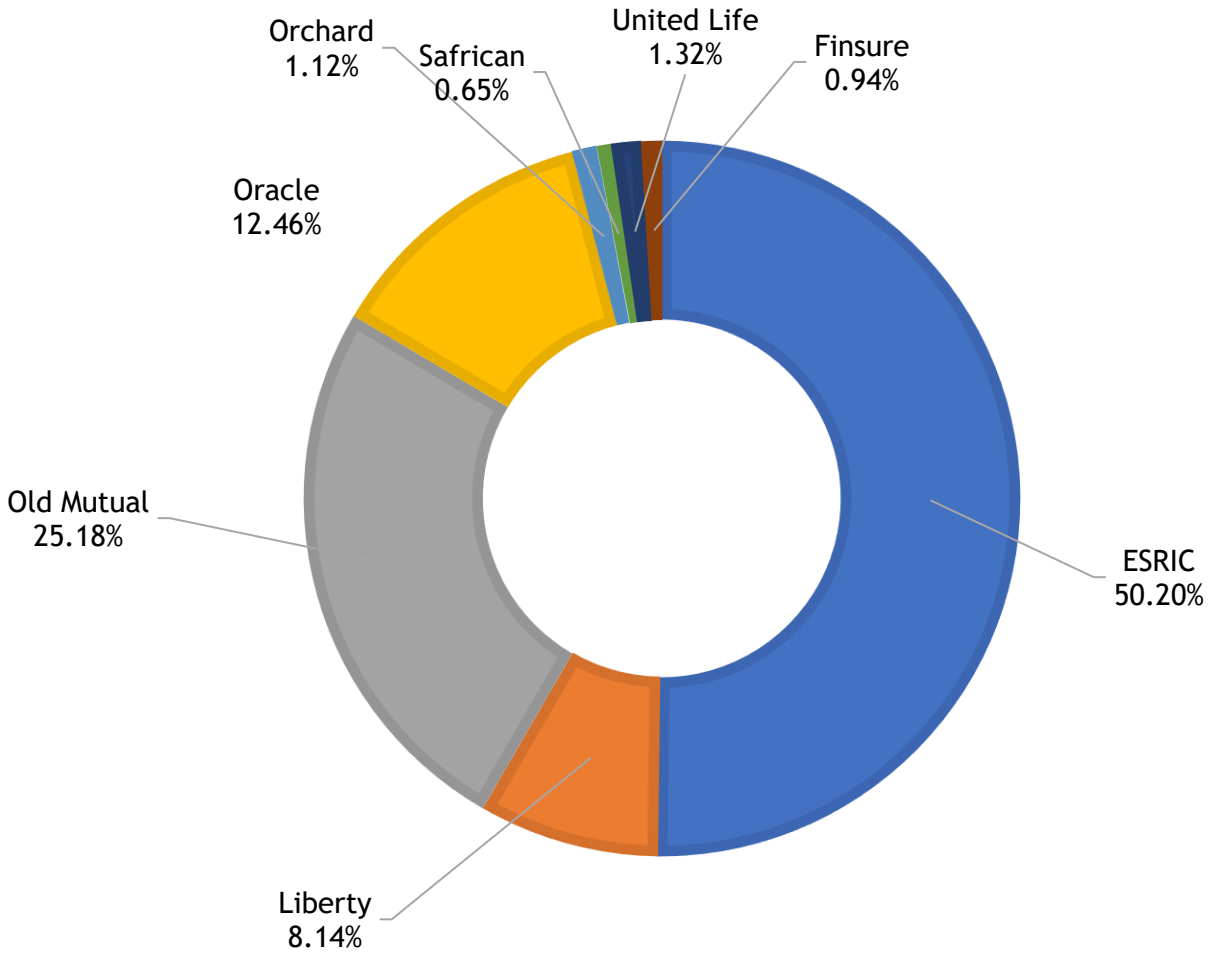

| | Q4 2023 | Q3 2023 | Q2 2023 | Q4 2022 |
|---|---|---|---|---|
| Assets | 4975 802 | 4799 188 | 4815 792 | 4629 353 |
| Liabilities | 4219 759 | 4118 433 | 4134 411 | 4022 175 |
| Net equity | 756 044 | 680 756 | 681 306 | 607 177 |

Assets Liabilities Net equity

There were no significant changes in the sector's market share in terms of assets. The changes across all the players ranged between +/- 1% and 2%. Accordingly, ESRIC and Old Mutual continued to lead the market with 50.20% and 26.20% respectively. Oracle held a 12.46% market share while Liberty's market share was 8.14%.

The other players Orchard, Safrican, United life and Finsure share the remaining 4.02% market share.

**Figure 39: LTI Market Share in terms of Assets Held**



### 3.3.1.7 Underwriting Results and Profitability

The LTI insurance industry realised an increase in net income of 63.12% quarter-on-quarter and 67.62% year-on-year, reaching E247.16 million. This impressive quarterly growth can be attributed to a remarkable 93.29% surge in investment income, resulting from the increase in unrealized fair value gains in financial instruments, especially foreign equities, and a notable 9.41% improvement in underwriting results. Annuities, unit-linked savings, and disability products stood out with strong performances in net underwriting, showing quarter-on-quarter increases of 35.21%, 123.70%, and 22.53%, respectively. On year on year, the 67.62% rise in net income was primarily driven by a remarkable 57.20% decrease in insurance benefits and claims, further bolstered by a rebound in investment income.

The positive investment performance was also evident in the investment income ratio, which saw a notable improvement of 24.45 percentage points annually and 11.49 percentage points quarterly to 38.45%. Underwriting results also showed a significant improvement of 157.38% throughout the year, resulting from the recovery of the unit-linked savings products and funeral insurance business. The return on equity and return on assets were also positive, standing at 32.69% and 4.97%, respectively. Table 3 below provides the underwriting results per class of business.

**Table 3: Underwriting results per class of business**

| | Direct premiums | Premiums ceded | Net premiums | Claims and Policy Benefits | Net Commission and Acquisition Costs | Net Underwriting Results |
|---|---|---|---|---|---|---|
| | | | E1,000 | | | |
| Annuities | 73 282 | - | 73 282 | 59 352 | 858 | 13 072 |
| Assistance | - | - | - | - | - | - |
| Credit life | 170 608 | 22 325 | 148 283 | 46 764 | 15 380 | 86 139 |
| Disability | 22 108 | 3 381 | 18 727 | 3 836 | 743 | 14 148 |
| Endowment | 30 954 | - | 30 954 | 18 725 | 1 787 | 10 442 |
| Funeral | 184 915 | 24 060 | 160 855 | 61 373 | 4 614 | 94 869 |
| Group life | 133 531 | 26 122 | 107 409 | 46 190 | 5 113 | 56 106 |
| Health | - | - | - | - | - | - |
| Individual life | 130 085 | 4 276 | 125 809 | 113 737 | 8 104 | 3 968 |
| Retirement fund | 268 897 | - | 268 897 | 200 825 | 6 631 | 61 441 |
| Unit linked savings | 74 136 | - | 74 136 | 68 295 | 1 236 | 4 604 |
| Other | - | - | - | - | 207 | (207) |
| **Total** | **1 088 517** | **80 163** | **1 008 353** | **619 098** | **44 672** | **344 583** |

*NB: 1. Commission and acquisition costs are net of the reinsurance commission received. 2. Results per class of business are exclusive of Investment Income, Other Income, and Management Expenses as the Regulatory returns do not require the items to be broken per class of business.*

### 3.3.1.8 LTI FHSIs

The LTI sector's financial health and sound indicators are calculated by focusing on capital adequacy, asset quality, reinsurance, earnings, and liquidity.

Table 4 below shows some selected FHSIs for the LTI sector.

**Table 4 - LTI Financial Health and Soundness Indicators**

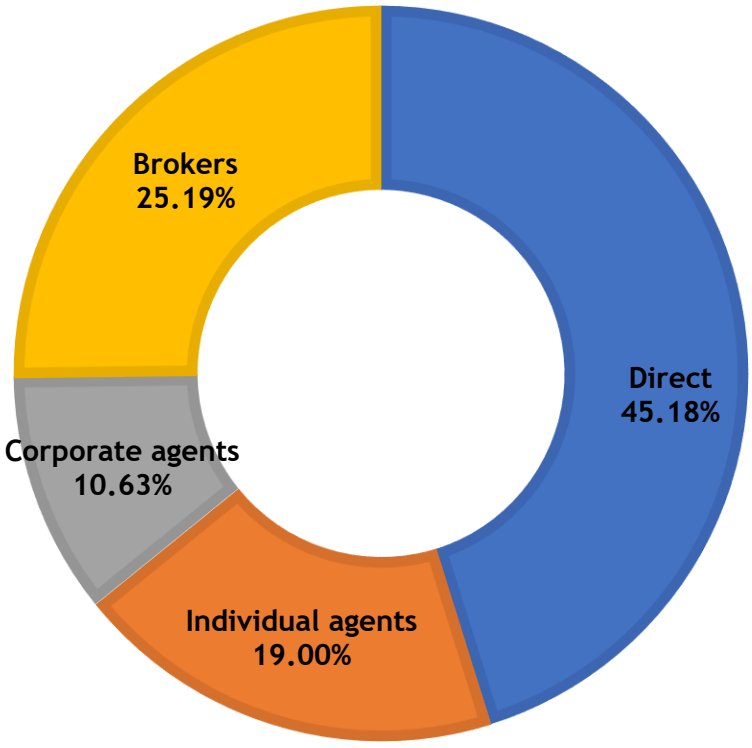
| | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|---|
| Claims ratio | 72,00% | 84,87% | 86,73% | 73,95% | 79,36% |
| Gross claims ratio | 71,00% | 83,26% | 81,74% | 77,80% | 75,82% |
| Expense ratio | 27,00% | 30,44% | 29,02% | 29,17% | 29,58% |
| Investment income ratio | 14,00% | 37,54% | 36,54% | 26,96% | 38,45% |
| Investment income/ average assets | 3,00% | 2,33% | 4,20% | 4,50% | 8,25% |
| Return on equity (ROE) | 24,00% | 9,01% | 17,27% | 29,46% | 32,69% |
| Return on assets (ROA) | 3,00% | 1,28% | 2,44% | 4,18% | 4,97% |
| Personnel expenses / GWP | 5,00% | 9,45% | 5,59% | 3,83% | 6,77% |
| Operating expenses / GWP | 21,00% | 25,35% | 23,31% | 23,22% | 23,30% |

### 3.3.2.8 Distribution of Products

As of December 2024, the LTI sector continued to demonstrate a strong reliance on intermediation services for distributing their products. Individual agents were particularly proactive during the quarter, accounting for 25.19% of the LTI GWP, followed by brokers at 19.00% and corporate agents at 10.63%. This is an increase in business sourced through individual agents, which grew by 5.69% compared to the previous quarter. In contrast, business sourced through corporate agents and brokers experienced slight decreases of 2.57% and 1.20%, respectively.

Overall, the total business sourced through intermediaries was valued at E596.72 million, representing a 7.19% increase from the previous year's value of E556.01 million. Figure 30 shows the distribution of LTI Products.

**Figure 40: Distribution of LTI Products**



## 3.3.2 Short Term Insurance

### 3.3.2.1. STI Gross Written Premiums

The ST sector experienced a significant increase in gross written premium quarter-on-quarter, with a cumulative growth of 25.01% from E850.41 million to E1.06 billion. This growth was driven primarily by a surge in demand for transportation, motor, and health insurance, which saw increases of 117.27%, 52.62%, and 46.45%, respectively. The high demand for transportation insurance was primarily driven by the elevated risk of robbery and theft faced by local trucking companies in South Africa, hence the need for an increase in insurance coverage to protect against these threats and the possible increase in premiums due to the increase of the risk attached to this line of business.

On a year-on-year basis, the sector saw a 13.88% increase in GWP from E933.55 million to E1.06 billion. This growth can be attributed to inflationary adjustments as compared to the same period in the previous year. Notably, there was a significant increase in GWP for property and transportation insurance, which rose by 168.44% and 165.05%, respectively. The need for property risk covers has increased and one of the key reasons is the changes in the weather patterns with severe storms and hail during the summer season.

**Table 5: STI Gross Written Premiums**

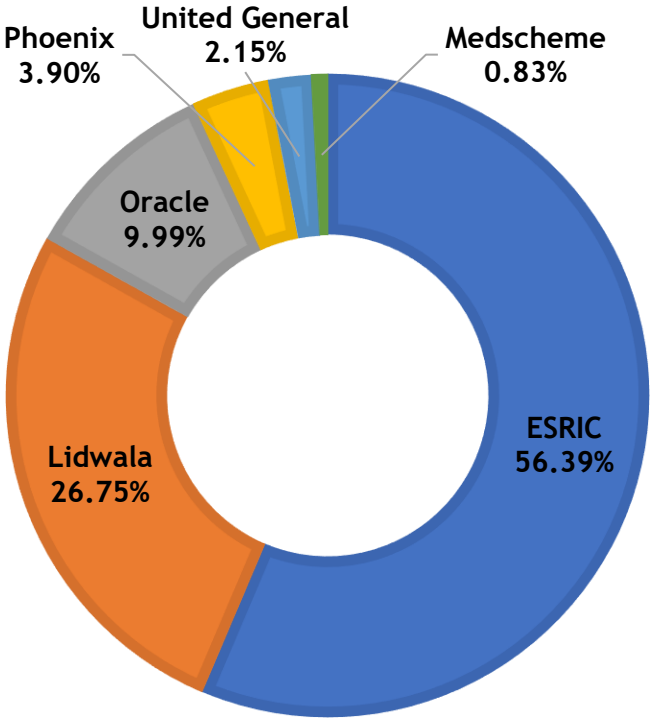
| | Gross Premiums | Net premiums | Change in unearned premium and unexpired risk | Net claims incurred | Net commission and other acquisition costs | Net underwriting results |
|---|---|---|---|---|---|---|
| | E1,000 | | | | | |
| Accident | 18 393 | 5 803 | (210) | 2 467 | (1 074) | 4 200 |
| Agriculture | 8 711 | 3 990 | (176) | 24 | (15) | 3 805 |
| Engineering | 75 426 | 24 189 | (631) | 8 170 | 978 | 14 411 |
| Guarantee | 35 983 | 14 600 | (594) | 72 | (1 426) | 15 360 |
| Health | 78 686 | 50 960 | (1 036) | 34 431 | 4 712 | 10 781 |
| Legal expenses | 625 | 315 | 12 | 134 | (91) | 284 |
| Liability | 33 951 | 14 538 | (609) | 2 349 | 1 788 | 9 793 |
| Motor | 235 017 | 158 240 | (4 286) | 97 662 | 10 823 | 45 469 |
| Property | 367 146 | 175 889 | (1 262) | 67 177 | 4 994 | 102 455 |
| Transportation | 35 568 | 12 996 | (549) | 2 902 | (411) | 9 956 |
| Travel | 2 824 | 1 294 | (57) | 0 | (5) | 1 241 |
| Workman's compensation | 122 589 | 121 430 | (4 896) | 21 568 | 5 068 | 89 898 |
| Other | 48 165 | 28 197 | (3 052) | 3 382 | 750 | 21 012 |
| **Totals** | **1 063 084** | **612 443** | **(17 346)** | **240 338** | **39 049** | **315 709** |

### 3.3.2.2. STI Market Share in terms of GWP

The market share for the quarter revealed a notable shift, with ESRIC experiencing a decrease of 5.01% to 59.80%, while Oracle saw an increase of 3.87% to 9.99%. The other insurers, including Lidwala at 26.75%, Phoenix at 3.90%, United General at 2.15%, and Medscheme at 0.83%, did not see significant changes in their market share in terms of GWP.

However, when comparing year-on-year data, Lidwala emerged as a significant gainer with a 6.45% increase, which was offset by ESRIC's 3.41% decline and Oracle's 2.11% decrease. Figure 31 illustrates a market share in terms of GWP.

**Figure 41 - STI Market Share in terms of GWP**



Net claims incurred increased by 89.25% quarterly and by 68.19% annually to E240.33 million. These increases, both quarterly and annually, were primarily driven by high-value claims observed towards the end of the fourth quarter mostly on transportation, property, and health all showed significant increases above 100%. The significant increase in transportation was mainly driven by several commercial truck thefts in South Africa, while property claims can be alluded to losses resulting from weather ailments and the increase in the health claims is commensurate with the significant increase in new business in this class.

This was also evidenced by the claims ratio which increased by 10.20 percentage points quarterly and by 12.80 percentage points annually to 40.39% indicating an escalation in claims relative to earned premiums. The increase in claims also led to a 10.87 percentage points increase in the combined ratio and a decline of 8.15 percentage points in the profitability ratio.

**Table 6: Net Claims Incurred**

| | Q4 2022 | Q2 2023 | Q3 2023 | Q4 2024 |
|---|---|---|---|---|
| | E1'000 | | | |
| Accident | 1 188 | 1 403 | 4 278 | 2 467 |
| Agriculture | 1 023 | 11 | 1 237 | 24 |
| Engineering | 2 276 | 3 736 | 4 969 | 8 170 |
| Guarantee | 1 577 | 2 276 | 2 805 | 72 |
| Health | 11 731 | 10 229 | 13 720 | 34 431 |
| Legal expenses | 97 | 63 | 79 | 134 |
| Liability | 3 835 | 4 205 | 4 940 | 2 349 |
| Motor | 61 126 | 22 047 | 32 764 | 97 662 |
| Property | 26 515 | 31 432 | 12 809 | 67 177 |
| Transportation | 253 | 876 | 969 | 2 902 |
| Travel | - | - | - | - |
| Workman's compensation | 20 186 | 10 418 | 15 073 | 21 568 |
| Other | 13 089 | 2 496 | 1 644 | 3 382 |
| **Totals** | **142 896** | **89 191** | **126 997** | **240 338** |

### 3.3.2.4 Assets and Liabilities

The STI industry assets decreased by 3.71% every quarter from E1.28 billion to E1.23 billion and increased by 3.81% annually from E1.18 billion. The quarterly decline was mainly driven by a 19.12% decrease in reinsurance receivables and premium receivables. However, the annual increase was mostly due to an increase in premiums receivable. On the liabilities side, there was a noteworthy decrease of 8.02% from E699.68 million to E643.55 million quarterly while an increase of 9.84% annually was also observed.

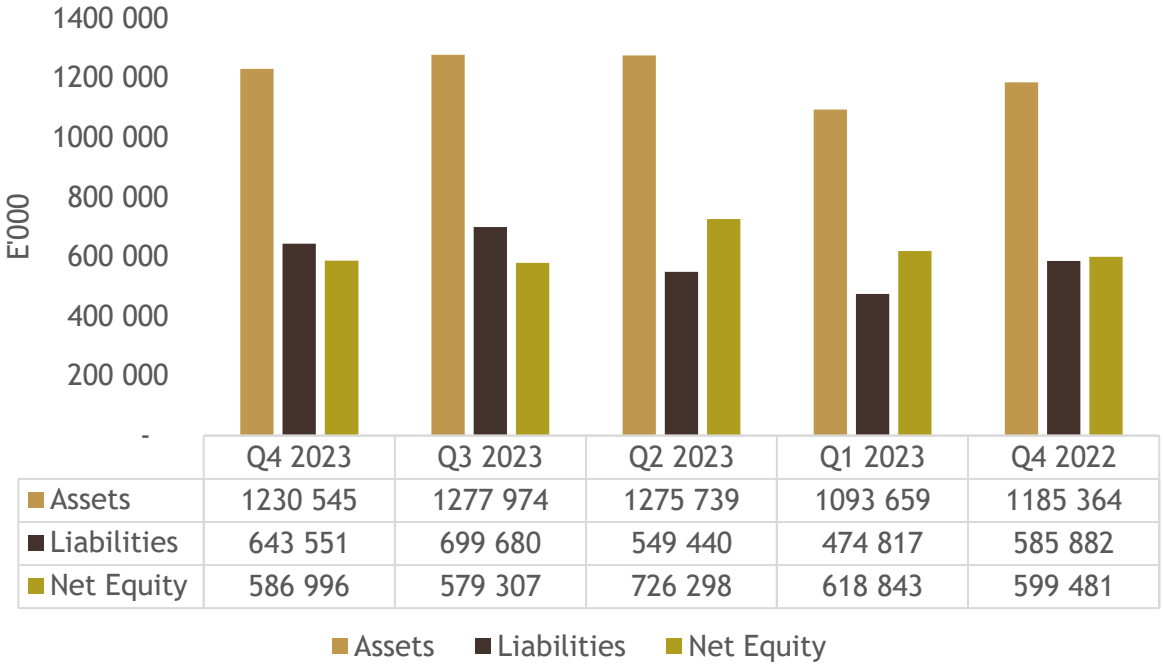
The quarterly decline was attributed to the 8.84% decrease in insurance liabilities and technical provisions, while annually the insurance liabilities and technical provisions increased by 8.89%. The annual increase in liabilities and assets shows the expansion of the short-term insurance business as shown by the increase in the underwritten business.

### 3.3.2.5 STI Solvency

The STI sector's solvency is based on the insurer's net equity position as per section 82 of the insurance act, 2005 and Form RDI 7. In terms of the provisions each insurer must maintain a positive net equity which is equal to the high of E2 million in respect of the previous financial year or 12 months preceding the date on which the amount is calculated.

Based on the net equity review all insures' solvency margins are within acceptable cover limits during the review period. An improvement of 1.33% quarterly was observed and an annual decline of 2.08%

## Figure 42 - STI Solvency




| | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 |
|---|---|---|---|---|---|
| Assets | 1230 545 | 1277 974 | 1275 739 | 1093 659 | 1185 364 |
| Liabilities | 643 551 | 699 680 | 549 440 | 474 817 | 585 882 |
| Net Equity | 586 996 | 579 307 | 726 298 | 618 843 | 599 481 |

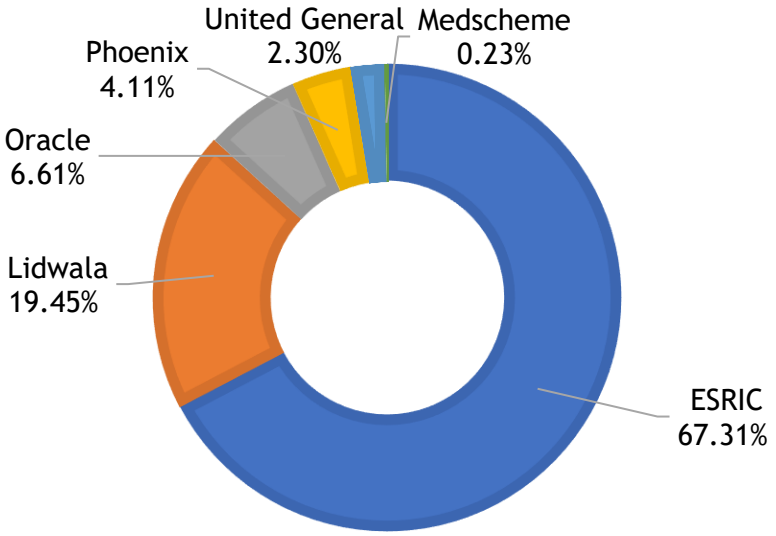
Assets Liabilities Net Equity

### 3.3.2.6 STI Market Share in Terms of Assets

The STI industry concentration showed a slight decrease of 1.09 percentage point during the quarter with a Herfindahl-Hirschman Index (HHI) at 4974 score. ESRIC continued to be the market leader with a market share of 67.31% and followed by Lidwala with 19.45% market share, then Oracle with 6.61% and Phoenix, United General as well as Medscheme with 4.11%, 2.30% and 0.23%, respectively.

When compared to previous quarter, Lidwala lost 2.15% and Oracle gained 1.59% while for the rest of the insurers there was no significant change. Year-on-year, the change across all the players ranged around +/- 2%.

## Figure 43: STI Market Share in Terms of Assets



### 3.3.2.7 Underwriting Results and Profitability

The STI continued to remain profitable in the quarter under review with an overall net income of E119.24 million. However, a decrease of 25.11% was observed year-on-year from E159.22 million. This decrease was mainly driven by the increase in the net incurred claims observed during the period coupled with a 15.72% increase in management expenses. Every quarter, the sector experienced an underwriting loss of 33.41%, however, the loss was augmented by a 46.04% increase in investment income.

In terms of financial soundness indicators, the sector continued to remain profitable as the investment income ratio increased by 0.89 percentage points quarterly and by 1.32 percentage points annually to 7.83%. However, the profitability in relation to shareholders' equity and total assets both decreased to 20.31% and 9.69%, respectively. Tables 7 and 8 provide details on the underwriting results and the sector's FHSIs.

**Table 7 - Net Underwriting Results**

| | Gross Premiums | Net premiums | Change in unearned premium and unexpired risk | Net claims incurred | Net commission and other acquisition costs | Net underwriting results |
|---|---|---|---|---|---|---|
| | E1,000 | | | | | |
| Accident | 18 393 | 5 803 | (210) | 2 467 | (1 074) | 4 200 |
| Agriculture | 8 711 | 3 990 | (176) | 24 | (15) | 3 805 |
| Engineering | 75 426 | 24 189 | (631) | 8 170 | 978 | 14 411 |
| Guarantee | 35 983 | 14 600 | (594) | 72 | (1 426) | 15 360 |
| Health | 78 686 | 50 960 | (1 036) | 34 431 | 4 712 | 10 781 |
| Legal expenses | 625 | 315 | 12 | 134 | (91) | 284 |
| Liability | 33 951 | 14 538 | (609) | 2 349 | 1 788 | 9 793 |
| Motor | 235 017 | 158 240 | (4 286) | 97 662 | 10 823 | 45 469 |
| Property | 367 146 | 175 889 | (1 262) | 67 177 | 4 994 | 102 455 |
| Transportation | 35 568 | 12 996 | (549) | 2 902 | (411) | 9 956 |
| Travel | 2 824 | 1 294 | (57) | 0 | (5) | 1 241 |
| Workman's compensation | 122 589 | 121 430 | (4 896) | 21 568 | 5 068 | 89 898 |
| Other | 48 165 | 28 197 | (3 052) | 3 382 | 750 | 21 012 |
| **Totals** | **1 063 084** | **612 443** | **(17 346)** | **240 338** | **39 049** | **315 709** |

*Note:*

- *Commission and acquisition costs are net of the 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 to be broken per class of business.*

### 3.3.2.8 STI Financial Health and Soundness Indicators

The STI sector financial health and soundness indicators are calculated focusing on the following key areas: capital adequacy, asset quality, reinsurance, earnings, and liquidity.

Table 8 below shows some selected FHSIs for the STI sector.

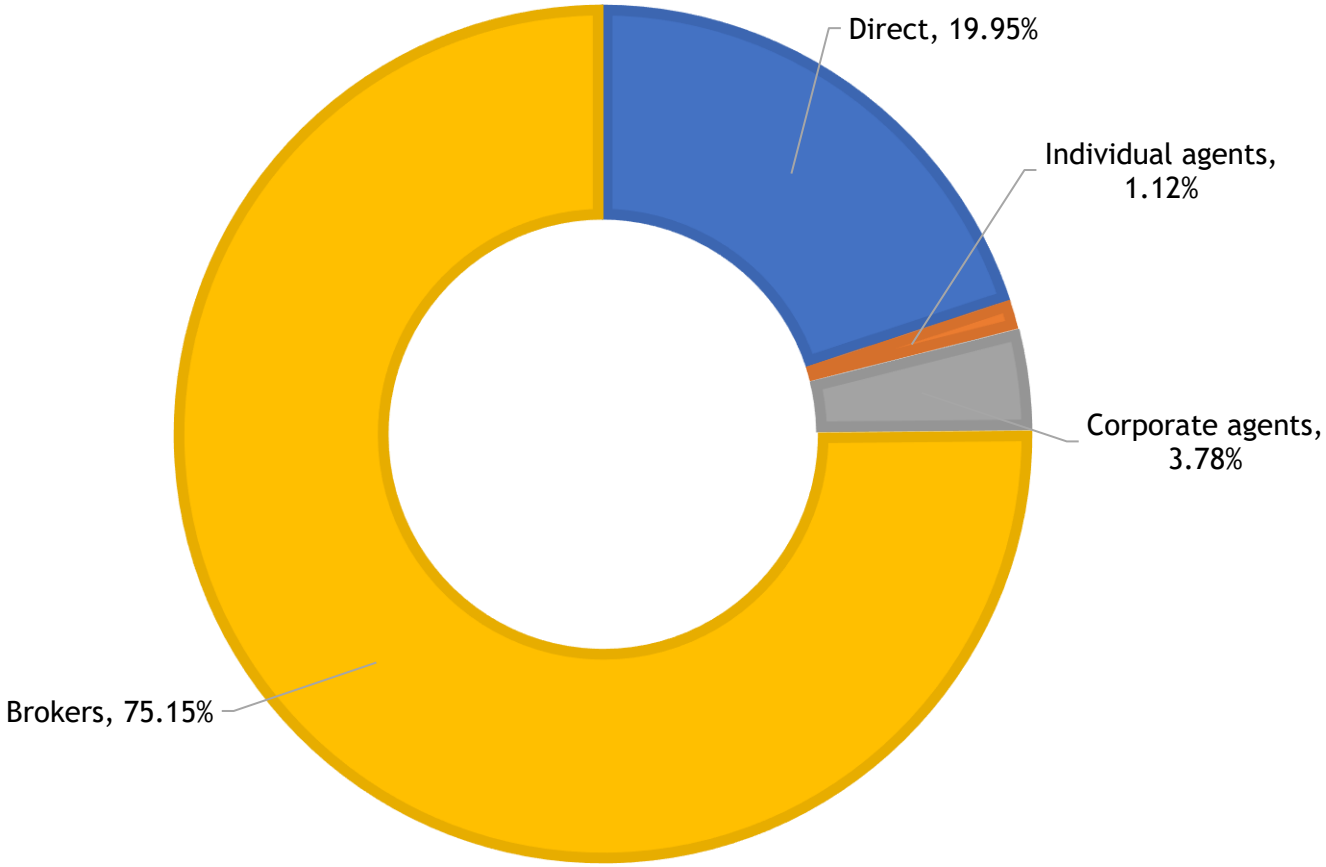
**Table 8 - Financial Health and Soundness Indicators for STI**

| Indicators | 22-Dec | 23-Jun | 23-Sep | 23-Dec |
|---|---|---|---|---|
| Claims ratio | 27,58% | 20,91% | 30,18% | 40,39% |
| Gross claims ratio | 23,82% | 11,98% | 20,92% | 9,55% |
| Expense ratio | 44,19% | 30,78% | 42,58% | 43,25% |
| Investment income ratio | 6,51% | 5,93% | 6,94% | 7,83% |
| Investment income / average invested assets | 5,28% | 3,25% | 5,57% | 7,82% |
| Combined ratio | 71,77% | 51,69% | 72,76% | 83,63% |
| Operating ratio | 65,26% | 45,76% | 65,82% | 75,80% |
| Profitability ratio | 30,73% | 41,17% | 28,19% | 20,04% |
| Return on equity (ROE) | 26,56% | 24,18% | 20,48% | 20,31% |
| Return on assets (ROA) | 13,43% | 13,76% | 9,28% | 9,69% |
| Risk retention ratio | 56,90% | 58,23% | 55,63% | 55,98% |
| Reinsurance recoveries + reinsurance commissions ratio | 28,42% | 23,00% | 31,69% | 27,07% |

### 3.3.2.9 STI Distribution of Products

Brokers remain the top choice for distributing ST insurance business, commanding a significant 75.15% market share. Direct business comes in second at 19.95%, followed by corporate agents at 3.78% and individual agents at 1.12%. These agents are exclusively employed by specific insurance companies to sell policies on their behalf. In comparison to the previous year, direct business saw a noteworthy increase of 6.95%, while brokers experienced a slight decrease of 5.65%. This trend also carried over quarterly, with business from brokers decreasing by 3.04%, corporate agents by 1.23%, and individual agents by 1.78%. Direct business saw a significant uptick of 6.05%, indicating a potential shift in consumer preferences towards this distribution channel. Figure 40 shows the distribution channels.

**Figure 44: STI Product Distribution**

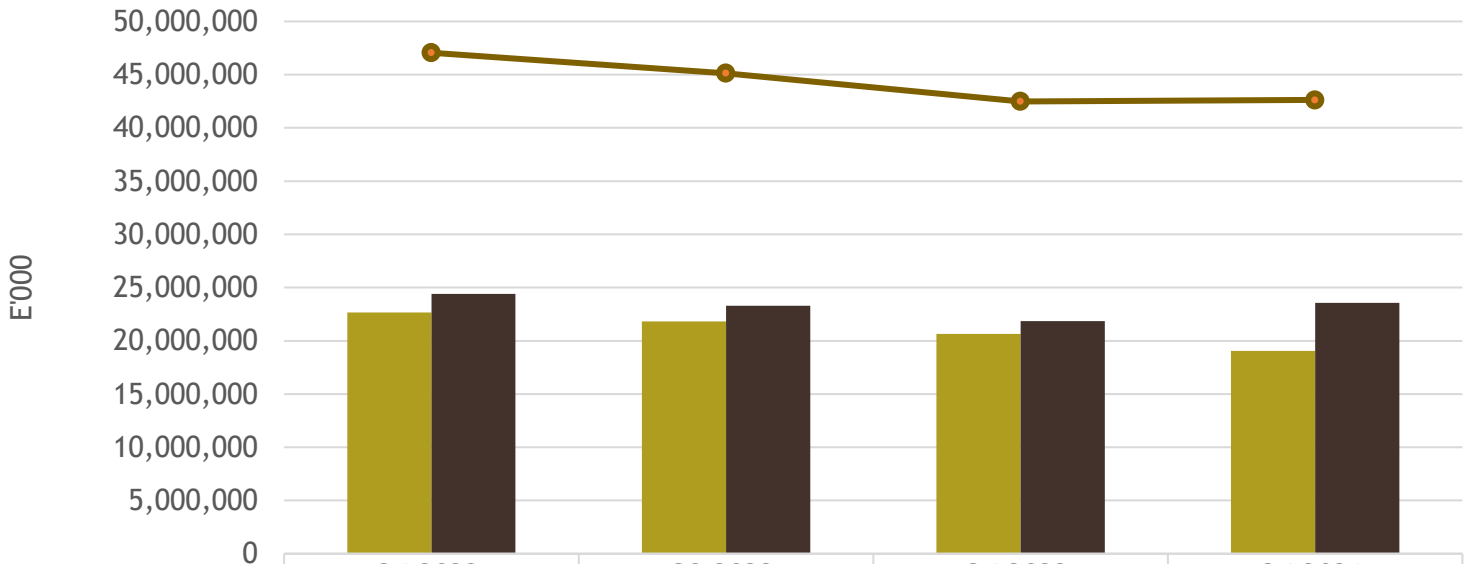


### 3.4.1 Retirement Funds Assets

Retirement funds assets increased by 4.28% quarterly to reach E47.05 billion from E45.12 billion in the previous quarter. Yearly, the value of assets increased by 11.22% from E42.48 billion as of 31 December 2022. The growth observed in the retirement funds' assets has been largely influenced by the improved performance of the equities market especially the performance of the Johannesburg Stock Exchange where over 2/3rds of the sector's foreign assets are held. As the South African economy showed signs of recovery following the previous quarter's contraction, inflation eased, and the SARB kept the repo rate unchanged and a slight appreciation in the ZAR /USD all gave positive performance sentiments to the financial markets. This meant that the South African equities market also yielded good results like the global equities, meaning that both CMA equity portfolios and offshore equity portfolios for the retirement funds yielded positive returns on a QoQ and YoY basis.

Consistent with the increase of the sector's assets, the local asset holding continued to increase in value, with a QoQ growth of 3.77% from E21.83 billion in the previous quarter to E22.64 billion in the current quarter and a YoY growth of 9.84% from E20.62 billion was also observed. The growth in the local asset portfolio was also a result of the positive performance of the equity collective investment schemes which also have exposure to foreign equities which increased on average by 21.10%. This increase was coupled with the increase in domestic bonds issued by the Government and the corporate bonds issued by other NBFIs.

**Figure 45: Assets by Geographic Location**




| | Q4 2023 | Q3 2023 | Q4 2022 | Q4 2021 |
|---|---|---|---|---|
| Local Assets | 22,649,370 | 21,827,377 | 20,637,920 | 19,043,838 |
| Foreign Assets | 24,408,035 | 23,299,766 | 21,844,447 | 23,575,365 |
| Total Assets | 47,057,405 | 45,127,142 | 42,482,367 | 42,619,203 |

### 3.4.2.1 Allocation of Investments

Retirement funds investments are subject to the provisions of the Retirement Funds Act, 2005, and the Retirement Funds Regulations of 2008 which specify the investment limits applicable across asset classes.

Commensurate with the long-term objectives of retirement funds and sound asset-liability matching principles, the sector continued to show a preference for investments in equity instruments and long-term debt instruments. The value of assets invested in equities was E28.89 billion which is an increase of 6.64% from E27.09 billion in the previous quarter. Yearly, the percentage growth of invested assets in equities was 10.77% from E22.85 billion. The second asset class with significant exposure was the long-term debt instruments which hold over 20% of the sector's assets with a value of E10.22 billion. Significant growth in the value of assets under long-term instruments is seen yearly, where growth of 16.1% from E8.80 billion was observed. Combined, equities and long-term instruments account for 83.11% of the sector's assets.

The trend indicating reduced preference for money market instruments as noted in Q3 2023 became more glaring in this period under review. The value of assets invested under money market instruments shows a decline of 8.77% quarterly and by 7.18% yearly to E 2.92 billion.

Further analysis shows that both local and foreign money market instruments have contributed to this decline. More specifically, a decline in the Money Market CIS has been noted which indirectly influences the shift in the asset class, this decline could be an indicator that the funds were temporarily holding assets intending to invest in other longer-term instruments.

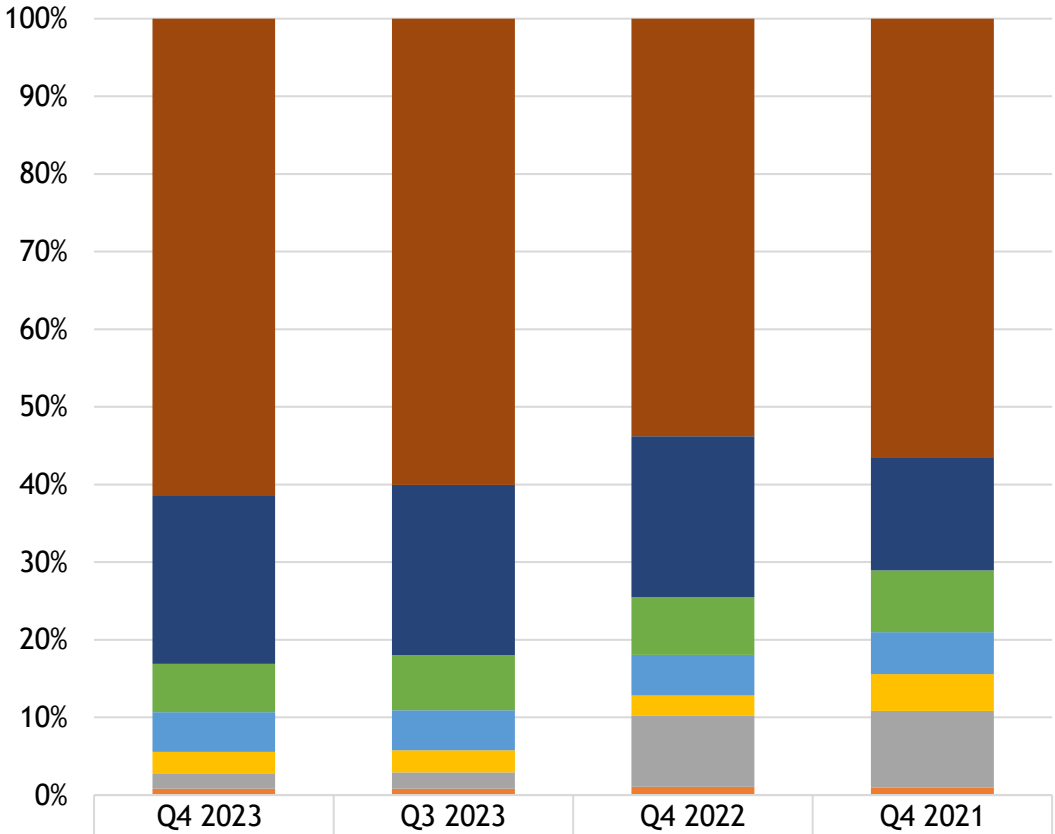
Property investments continued to show growth; as of Q4 2023, total assets invested in property were valued at E2.41 billion which is a 3.71% increase quarterly as demand for capital continues with several ongoing projects funded by the sector.

Every year, the value of assets has increased by 8.60% from E2.21 billion. Investment in alternative instruments also increased every quarter from 1.28 billion to E1.34 billion which is a 4.05% change. In terms of the investment guidelines, the value of assets invested in alternative assets has exceeded the 2% maximum threshold which points towards the extensive exploration of investment opportunities to find good returns for members and could be an indicator of the need to revise the thresholds to accommodate the growth in this asset class. Funds invested in insurance policies were valued at E386.27 million increasing from E372.26 million quarterly.

Every year this is a decline of 16.57% from E462.96 million. Investment in insurance policies is preferred by small and medium enterprises who participate in insured umbrella funds or directly opt for insured funds as they provide a certain level of capital guarantee and allow for economies of scale for cost-saving purposes.

The decline that has been observed is however reflected in the insurance sector analysis which shows that there is a persistency problem regarding the insured funds. The figure below shows the overall investment allocation of the sector

**Figure 46: Overall Investment Allocation**



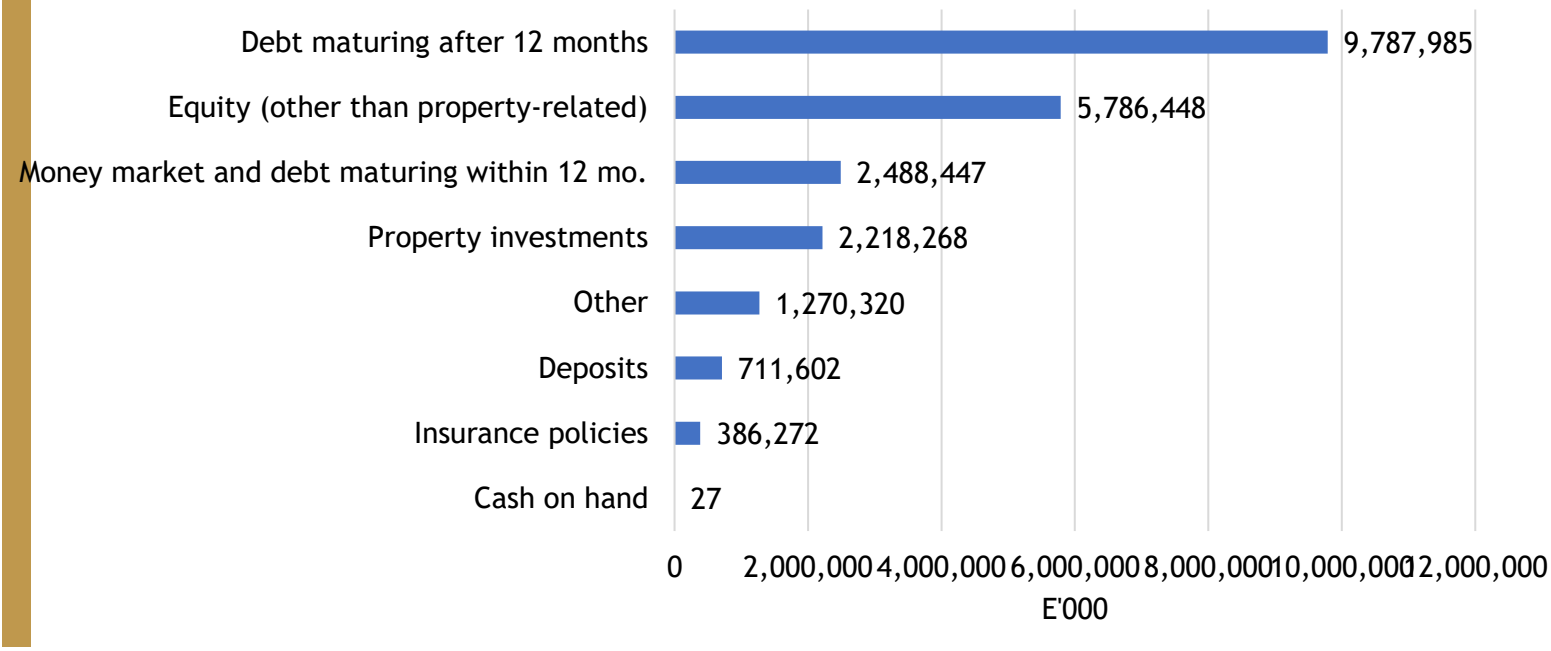

| | Q4 2023 | Q3 2023 | Q4 2022 | Q4 2021 |
|---|---|---|---|---|
| Equity (excl. property-related) | 61.38% | 60.05% | 53.80% | 56.60% |
| Debt maturing after 12 months | 21.72% | 21.92% | 20.72% | 14.46% |
| MM & debt maturing within 12mnths | 6.22% | 7.11% | 7.43% | 7.97% |
| Property investments | 5.12% | 5.15% | 5.22% | 5.39% |
| Other | 2.85% | 2.86% | 2.55% | 4.72% |
| Deposits | 1.88% | 2.09% | 9.19% | 9.90% |
| Insurance policies | 0.82% | 0.82% | 1.09% | 0.95% |
| Cash on hand | 0.00% | 0.00% | 0.00% | 0.00% |

### 3.4.2.2 Local Asset Allocation

The total value of assets invested locally by retirement funds increased by 3.77% quarterly to E22.64 billion from E21.82 billion. The increase in the value of assets was evident across all the investment classes except the money market instruments. Locally, retirement funds continue to be significantly exposed to long-term debt instruments as assets. In total, 43.22% of the assets are invested in long-term instruments equalling E9.78 billion which is a 3.37% quarterly increase and a 14.71% yearly increase. Under long-term instruments, the value of debt or loans to NBFIs was valued at E4 billion having increased by 3.88% quarterly. Compared to the total sub-categories under long-term instruments, 40.68% of the sector's assets are allocated as debt of or loans to NBFI's. Assets invested in government securities were valued at E2.94 billion increasing from E2.76 billion quarterly which could be due to subscription to government bonds issued during the period.

The sector redeemed investments in commercial bonds during the period under review resulting in a 21.37% decline in invested assets quarterly from E371.94 million to E292.45 million. Whilst there was a 3.97% decline in assets invested in the banking sector and a 2.22% decline in assets invested in parastatals, investments in local authorities have seen an inflow of assets invested towards them during this period having realised a 12.50% increase from E271.68 million to E305.63 million quarterly.

**Figure 47- Local Investment Allocation**



### 3.4.2.2 Local Asset Allocation

Investment in equities comprised 25.55% of the total assets and was valued at E5.78 billion. The value of equity assets indicates an increase every quarter of 10.16% and 15.96% yearly from E4.98 billion. Holdings of shares increased in both ordinary listed and unlisted shares by 23.87% and 3.98% respectively. The sector invested through unlisted preference shares during the period under review valued at E59.74 million for the first time in a long while.

The portfolio of assets in alternative instruments grew by 2.99% to E1.27 billion quarterly and by 17.13% yearly. Assets continue to be channelled towards property development by the sector in the local economy. In this quarter under review, invested assets in several land and buildings increased by 4.05% influencing an overall increase in the sector by 3.88% to E2.21 billion. Figure 47 below shows the local investment allocation.

### 3.4.2.3 Foreign Investments

The total value of assets invested in foreign markets grew by 4.76% quarterly and by 11.74% yearly from E21.84 billion to E24.40 billion. Foreign equities with a high domicile in the JSE - South Africa realised a 5.73% growth in value to E23.09 billion from 21.84 billion quarterly. This is a rebound from the slight decline reported on in Q3 2023 and consistent with the global equity performance during the period and the FTSE/JSE All Share Index which gained 6.9% in Q4 2023. Yearly review shows a 29.29% increase in invested assets in equities. Equity instruments - ordinary listed shares showed a 6.84% increase in value quarterly whilst equity-balanced CIS under management increased by 5.09%. As a result, the total value of invested assets in equities comprises of 94% of the total foreign assets and 61% overall inclusive of local assets.

The total value of assets invested in foreign markets grew by 4.76% quarterly and by 11.74% yearly from E21.84 billion to E24.40 billion. Foreign equities with a high domicile in the JSE - South Africa realised a 5.73% growth in value to E23.09 billion from 21.84 billion quarterly. This is a rebound from the slight decline reported on in Q3 2023 and consistent with the global equity performance during the period and the FTSE/JSE All Share Index which gained 6.9% in Q4 2023. Yearly review shows a 29.29% increase in invested assets in equities. Equity instruments - ordinary listed shares showed a 6.84% increase in value quarterly whilst equity-balanced CIS under management increased by 5.09%. As a result, the total value of invested assets in equities comprises of 94% of the total foreign assets and 61% overall inclusive of local assets.

### 3.4.2.3 Foreign Investments

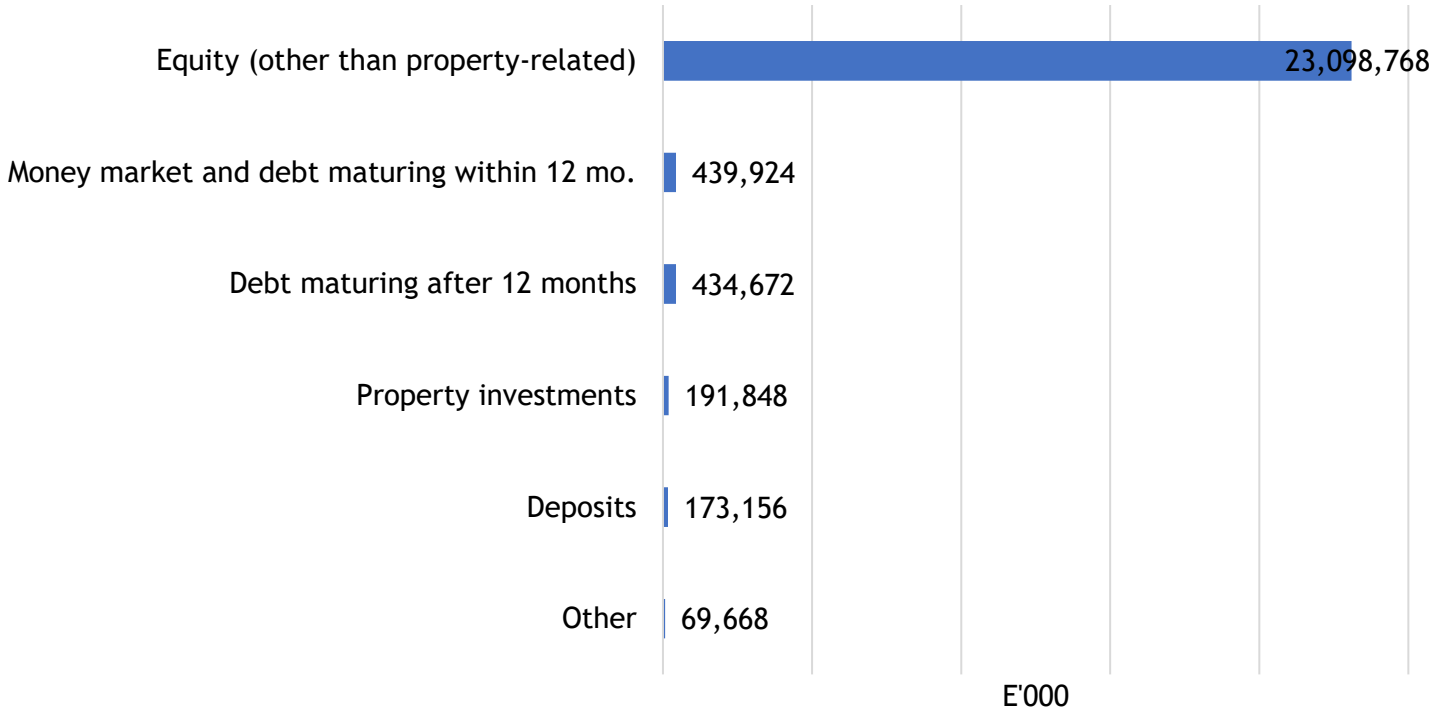
The sector for the first time invested in foreign governments and international agencies assets valued at E2.9 million under the money market asset class. As noted last quarter, invested assets in the money market continue to decline.

In the quarter under review, assets declined by 4.08% quarter but remained higher by just 0.50% yearly. Confidence in commercial paper and bonds is shown through the appreciation of 28.88% from E79.23 million quarterly and rebounding from E140.23 million yearly.

Funds held in the money market CIS asset class declined from E369.62 million to E324.85 million every quarter but continued to be higher yearly value of E288.17 million.

The bulk of assets in long-term instruments is under Fixed Income CIS's which saw an increase of 36.43% influencing an overall increase in invested assets under this assets class by 2.71% quarterly and by 61.34% yearly. The figure below shows the foreign investment allocation.

**Figure 48: Foreign Investment Allocation**



### 3.4.3 Retirement Fund Income

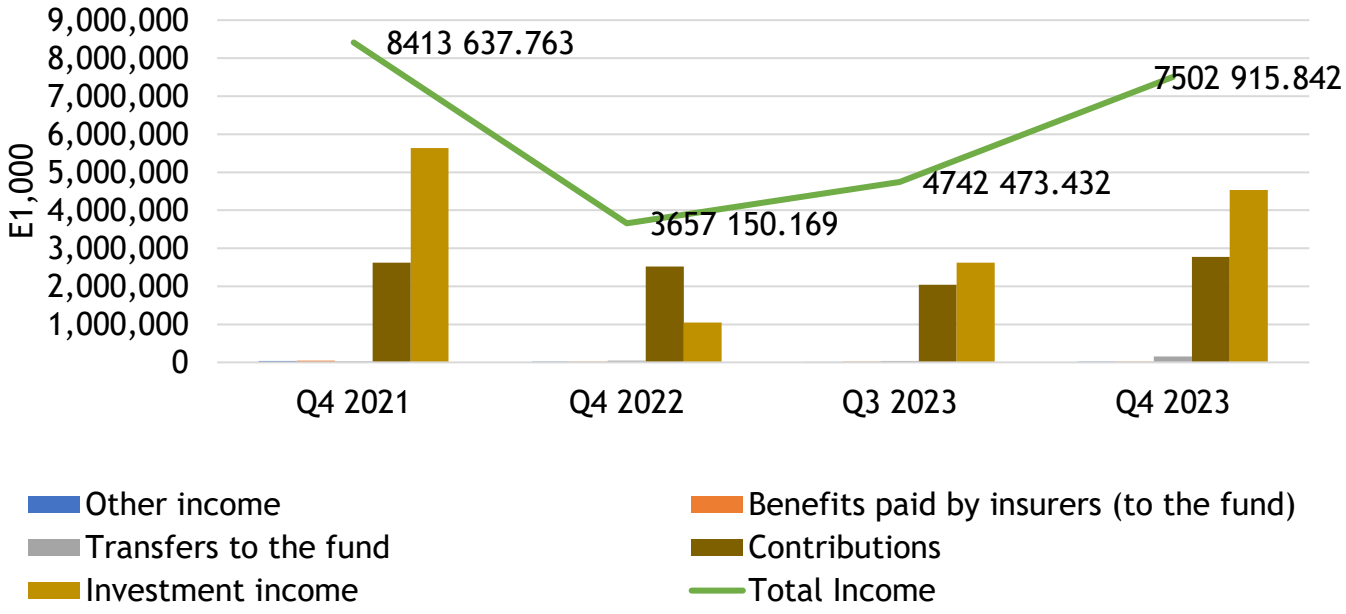
The value of contributions increased cumulatively by E2.77 billion from E 1.34 billion in the quarter under review. The value of employee contributions was E896.90 million whilst employer contributions amounted to E1.88 billion. Contributions for current service were valued at E881.51 million making 98% of the total member contribution. Additional voluntary contributions were valued at E14.57 million this quarter a drop from last quarter's value.

The positive performance of financial markets was reflected in the increase in investment income by 72.65% from E2.65 billion to E4.55 billion quarterly.

Yearly review indicates significant improvement from E1.04 billion resulting from improved markets during the period. More specifically, the increase in investment income is due to a significant return from net unrealised fair value gains during the period.

Despite the significant change in market performance, the improvement is still short of the E5.63 billion realised in Q4 2021. The value of other income sources totalled E193.34 million generated through transfers, benefits paid by insurers, and other income. Combined with other income sources, the value of total income was E7.5 billion which is a quarterly increase of 58.21% and an over 100% yearly. Figure 49 below shows

**Figure 49: RF Income**

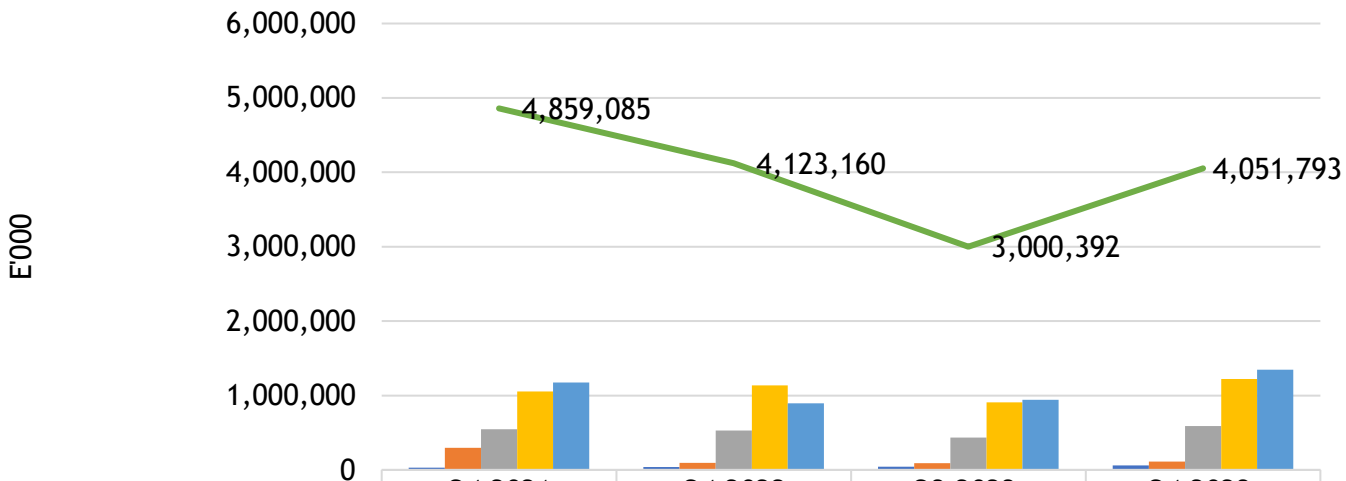


### 3.4.4 Retirement Fund Expenditure

In the quarter under review, management expenses increased to E588.43 million from E433.02 million quarterly, exceeding both yearly and Q4 2021 by 11.42% and 7.84% respectively. The increase is attributed to administration and employee benefit expenses incurred mostly by self-administered funds. As a percentage of total assets, management expenses were equivalent to 1.23% increasing from 0.96% quarterly which is an indicator of operational efficiency. Withdrawals were valued at E432.39 million increasing by 89.75% quarterly. Unlike in other periods, transfers to other funds had declined indicating that resigning members opted to cash out their benefits instead of transfer to new employer funds. Total lump sum benefits were valued at E1.34 billion increasing from E942.89 million.

The value of periodic payments was E1.22 billion and originates mostly from the payment of retirement benefits or annuities to retirees. Overall, the sector's expenses were at E2.68 billion which is a 38.85% increase quarterly and 27.00% yearly. The sector's liquidity calculated from the value of contributions against expenses and benefits paid improved slightly from 68.09% to 68.53% on a quarterly basis. Figure 50 below shows the sector's expenditure.

**Figure 50: RF Expenditure**



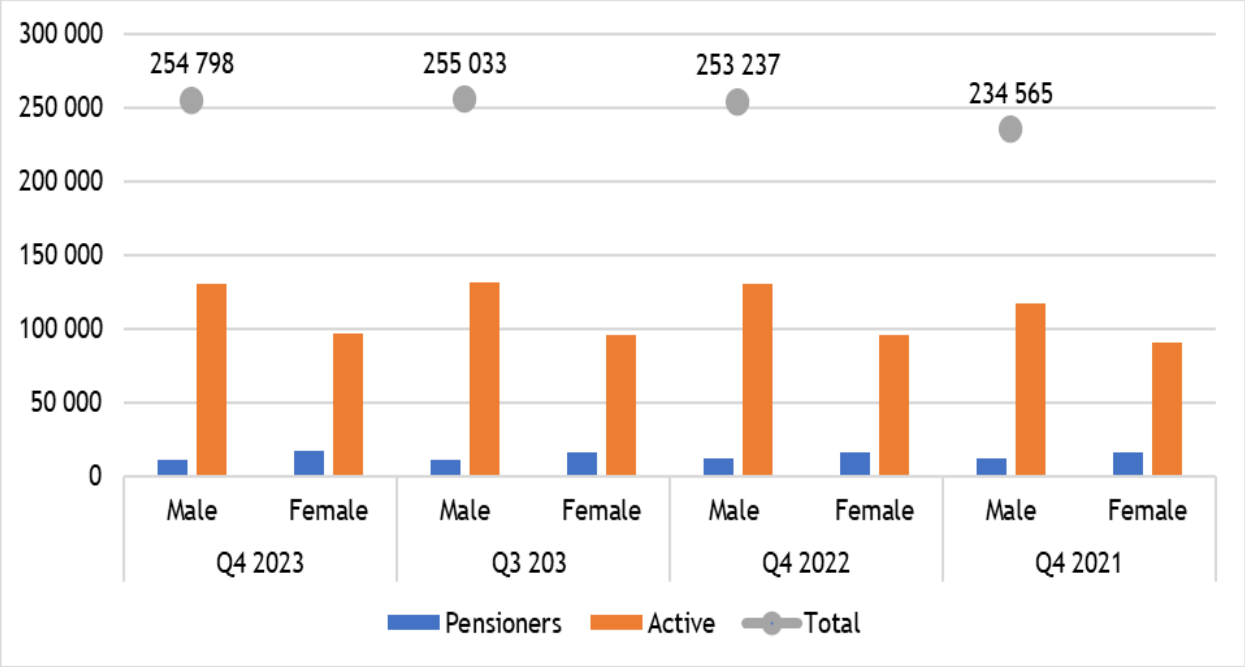

| | Q4 2021 | Q4 2022 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|
| Other transfers | 29,357 | 36,618 | 42,482 | 58,381 |
| Premiums for Insured benefits | 297,067 | 96,146 | 88,574 | 111,528 |
| Management Expenses | 545,650 | 528,119 | 433,020 | 588,431 |
| Periodic Payments | 1,052,422 | 1,135,098 | 908,065 | 1,223,256 |
| Lump-sum benefits | 1,174,015 | 895,035 | 942,894 | 1,347,340 |
| Total Expenses | 4,859,085 | 4,123,160 | 3,000,392 | 4,051,793 |

## 3.4.5 Retirement Funds Membership

As of Q4 2023, the total number of retirement funds members was 254 798 which is a quarterly decline from 255 033. Yearly review indicates a minor increase from 253 237. Split according to active and pensioners; the total number of active members were 227 114 compared to 27 684 pensioners.

Gender analysis shows that males dominate females in the active membership category by 58% to 42% whereas there are more females in the pensioner category.

**Figure 51: RF Membership**



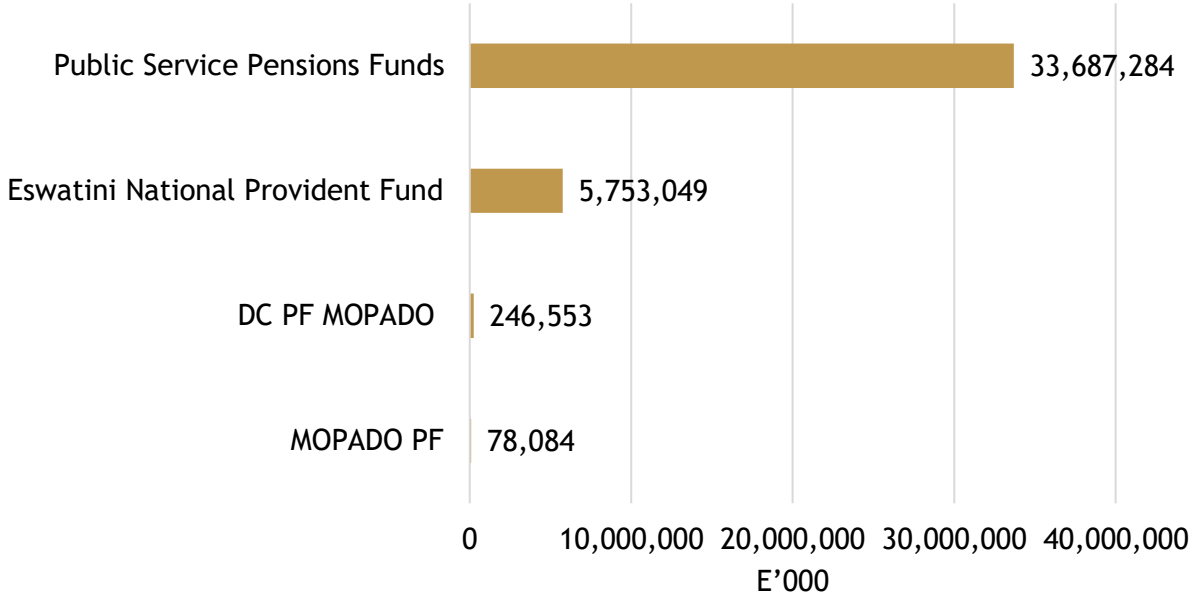

*NB: Do note the double counting effect in the number of RF members represented in the statutory fund - ENPF and again in standalone funds.*

### 3.4.6 Retirement Funds Market Share

Statutory funds which comprise PSPF; ENPF; MOPADO PF and DC MOPADO PF control 84.54% of the retirement funds assets. As of Q4 2023, the value of assets held by these funds was E39.76 billion.

This is an increase on a quarterly basis of E1.91 billion from E37.85 billion recorded in Q3 2023. Quarterly growth in assets is evident across all statutory funds with ENPF realising growth of 8.93% while only MOPADO PF realised a decline.

**Figure 52: RF Market share**

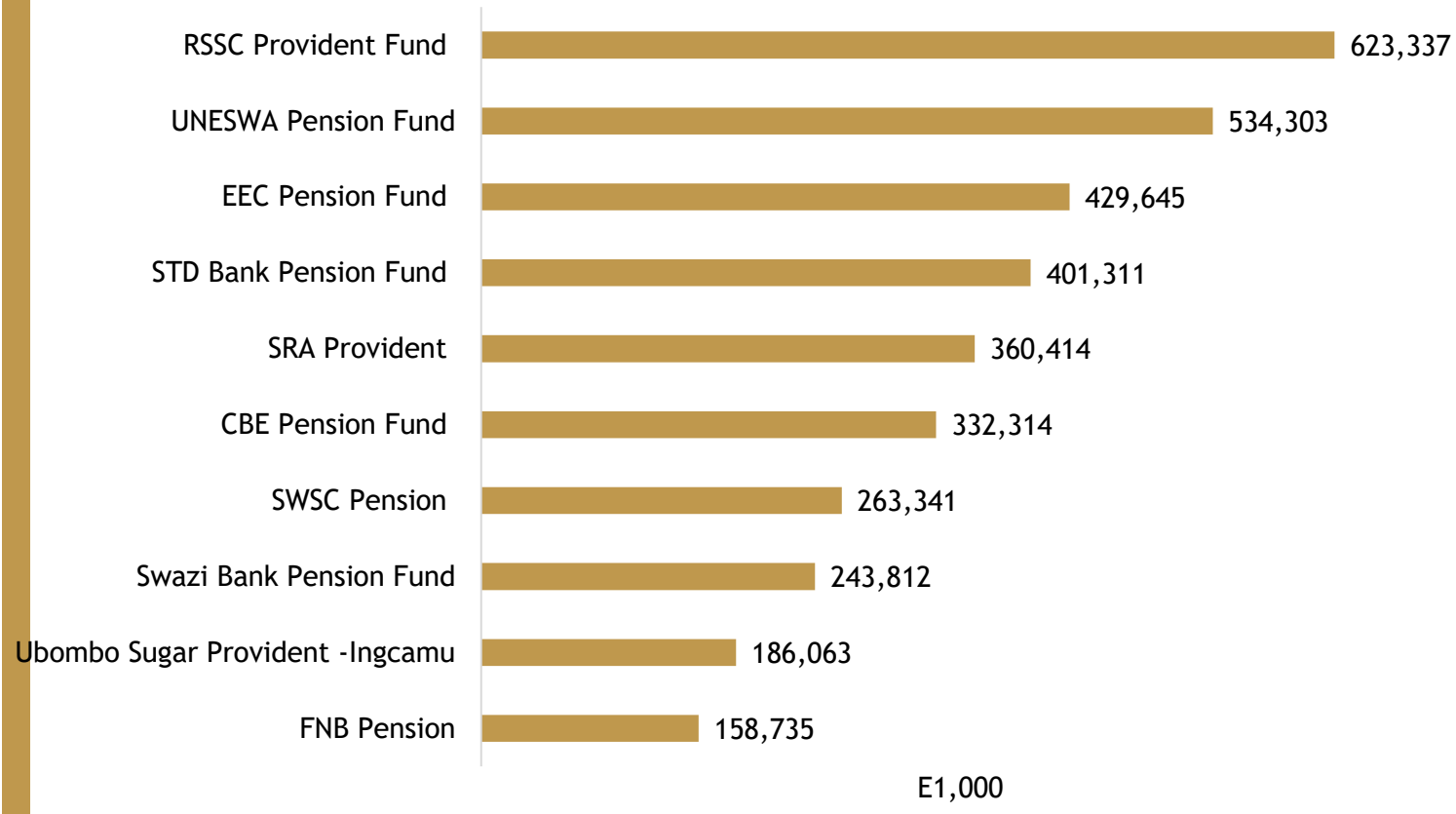


### 3.4.6 RF Top 10 Standalone Funds

The top 10 private pension funds' assets were valued at E3.53 billion increasing from E3.51 billion on a quarterly basis. UNESWA, FNB Pension Fund and Swazi Bank Pension Fund realised negative growth in assets this period despite the overall growth.

As a result, Ubombo Sugar Provident Funds assets are now higher than those of FNB Eswatini causing a shift in the rankings. SRA Pension Fund continues to be the fastest-growing fund in terms of assets amongst the top 10 having realised an 8.56% growth quarterly.

**Figure 53: RF Top 10 Standalone Funds**

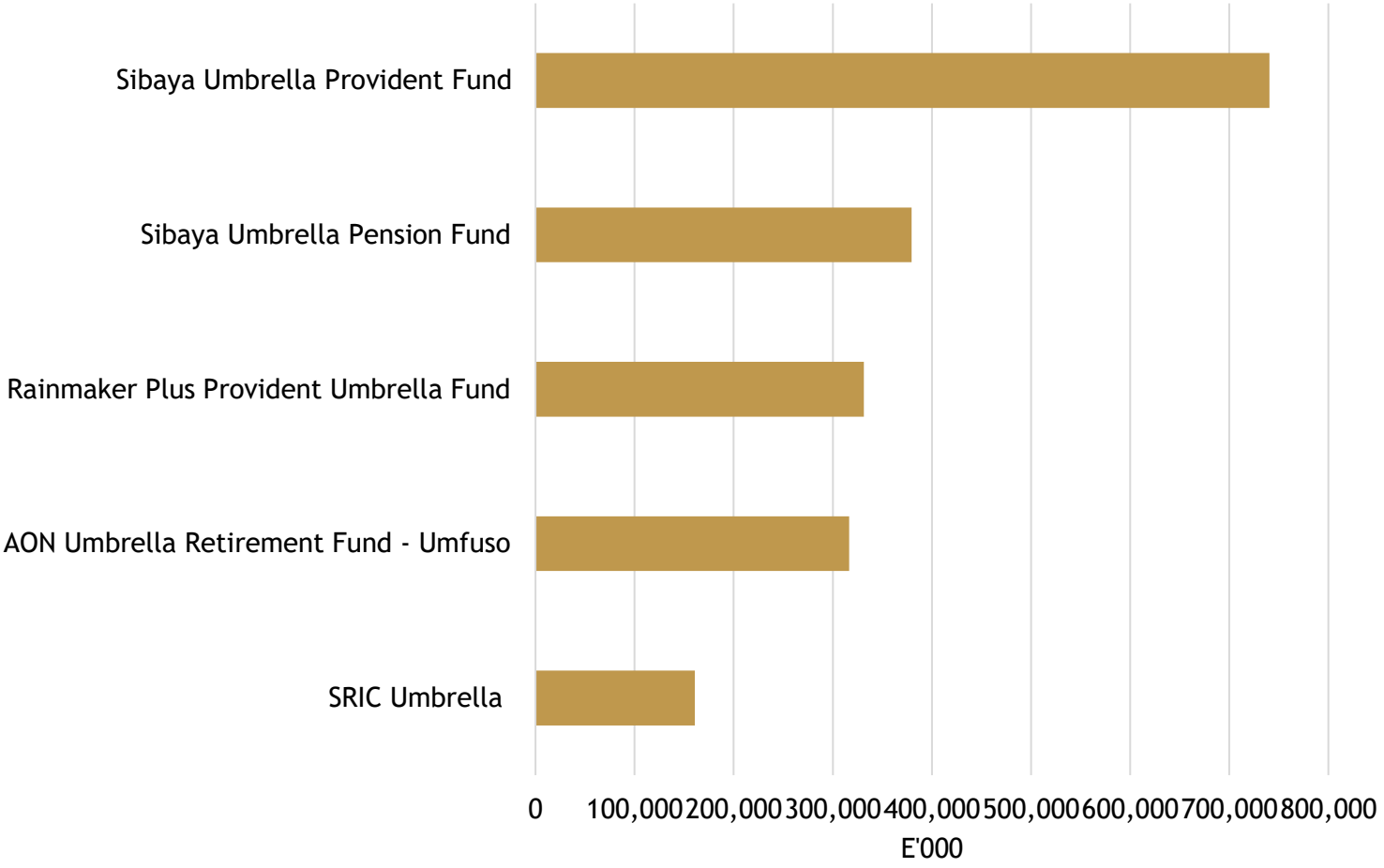


### 3.4.7 RF Top 5 Umbrella Funds Market Share

The value of assets from the top 5 multi-employer pension funds was E1.92 billion increase from E1.78 billion quarterly. The contribution of these funds to the total sector assets is 4.10% an increase from 3.96% reported in Q3 2023.

All funds realised growth in the value of assets quarterly and Sibaya Umbrella Pension realised the highest value in growth by 34.22% quarterly from E282.75 million to E379.51 million. As a result, Sibaya Umbrella Pension is now the second highest Umbrella fund in terms of assets.

**Figure 54: RF Top 5 Umbrella Funds market share**



# NBFI Sector Interconnectedness

## 4.1 NBFIs Exposure and Interconnectedness

Like any other system, the financial system does not operate in a vacuum; rather, it is connected to other variables, creating an interconnectedness. Just like a spider web, they connect from different points, with of course the starting point from which they commence.

The NBFI interconnectedness also highlights entities that might be considered systematically important, as any disruption or potential failure may lead to the whole financial system collapsing. As of December 2023, the non-bank financial sector assets stood at E103.53 billion.

### 4.2.1 Retirement Funds

The retirement funds' sector remains the anchor of the financial system accounting for 45.43% of the financial sector assets.

Retirement funds continue to increase their participation and influence in the financial sector and continue to help improve the economy at large

### 4.2.2 Banking and Building Societies

The exposure of retirement funds to banks and building societies is relatively low, with only 3.70% of total local assets allocated to deposits and loans in these financial institutions.

There is low exposure to banks as when we consider the rule of thumb, they have less than 5% held as deposits and if it were further broken down by a bank, we would note an even lesser exposure.

### 4.2.3 Local Asset Managers

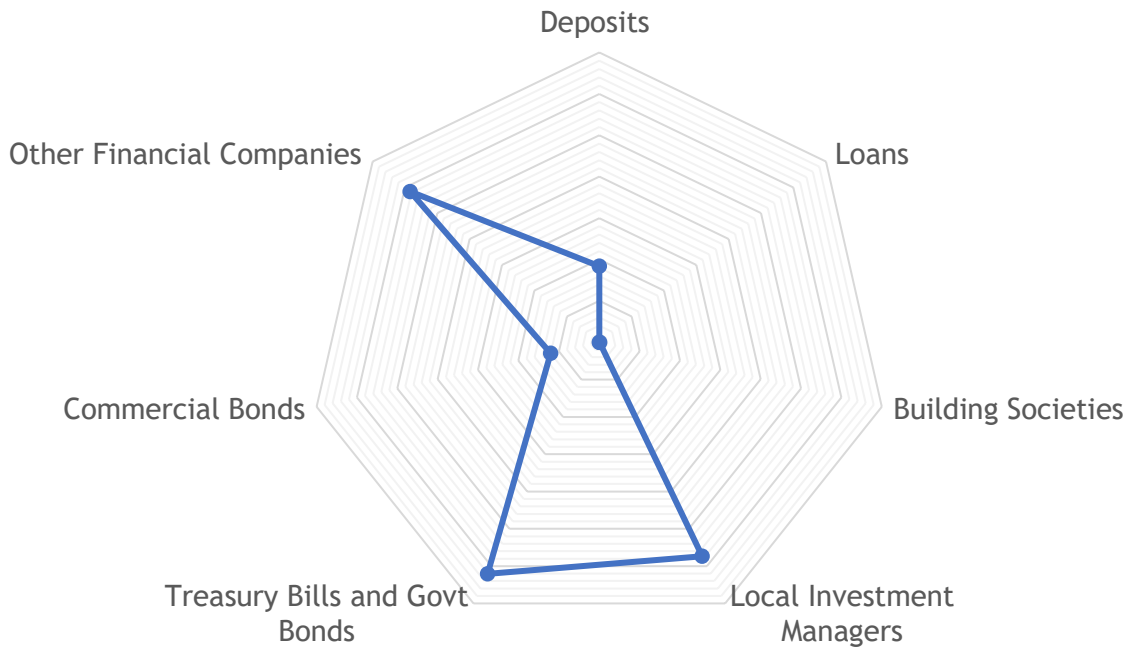
Local asset managers control 10.51% of the domestic assets, these are funds within the jurisdiction of Eswatini and do not consider funds invested outside the economy. The is however a high exposure to the asset managers but then again, the are multiple asset managers and they hold different percentages of total assets if considered at that level we may notice that their impact or immediate failure may not truly harm most retirement funds.

## 4.3 NBFI Sector Exposure

The NBFI sector is responsible for 70% of the regulated financial market with the other 30% falling to banks. As of the current period, 3.65% of the total assets were held in banks as deposits a decrease from the previous quarter where deposits were at 3.86%. A rule of thumb of efficient asset allocation is the 1/20, meaning investment instruments should not be allocated more than 5% of your asset base, or another way to look at it is the worst-case scenario you should only lose 5% of your assets at any given time. Treasury bills had 12.41% of the total asset base a decrease as of last quarter they held 12.84% of them. This allocation would normally go against the rule of thumb, but it is worth considering that Government bonds and treasury bills are considered a safe asset class, and if they would fail it would mean all the other asset classes have already failed except for foreign assets. Local Investment managers held 11.47% of the total assets a decrease from the last quarter where they had accumulated 15.15% of the NBFI sector's total assets, this would also raise the question of diversification as it would be going against the rule of thumb allocation, but investment managers/ asset managers also invest in risk-free government instruments and have a wide range of asset classes ranging from risk-free to high risk. Finally, we have other financial companies with 11.47% of the financial assets also a drop as compared to the previous period it had 15.00% of the total assets.

The exposure above paints an overall picture of the financial sector and its performance, but it may be skewed because some entities are larger and bigger than others, which then leads the financial market to be perceived in one way instead of another. A look at the interconnectedness of each entity then helps to give a clearer picture and perspective of the financial sector. The figure below indicates the skewness of the financial sector.

**Figure 55: NBFI Exposure**



# Annexures

## Annexure 1: Number of Licensed Financial Service Providers

| | Dec - 23 | Sept -23 |
|---|---|---|
| Collective Investment Scheme Managers | 5 | 5 |
| Investment Advisors | 12 | 12 |
| Trustees | 3 | 3 |
| Exempt Dealers | 1 | 1 |
| Securities Brokers | 2 | 2 |
| Securities Exchanges | 1 | 1 |
| Credit Providers (Non-deposit taking) | 115 | 115 |
| SACCOs | 56 | 56 |
| Building Societies | 2 | 2 |
| Credit Bureaus | 2 | 2 |
| Debt Counsellors | 1 | 1 |
| DFI's | 3 | 3 |
| Retail Outlets | 7 | 7 |
| Pawn Brokers | 1 | 1 |
| Reinsurers | 2 | 2 |
| Insurers | 16 | 16 |
| Micro insurers | 1 | 1 |
| Insurance Brokers | 35 | 35 |
| Corporate Agents | 36 | 36 |
| Individual Agents | 100 | 100 |
| Standalone Funds | 41 | 41 |
| Umbrella Funds | 16 | 16 |
| Beneficiary Funds | 3 | 3 |
| Insured Funds | 13 | 13 |
| Foreign funds | 19 | 19 |
| Fund Administrators | 1 | 1 |
| Medical Schemes | 3 | 3 |
| | 504 | 504 |

## Annexure 2: CIS Source of funds

| Annexure 2: CISs - Funds under Management | | |
|---|---|---|
| | Dec-23 | Sep-23 |
| Geographic Allocation | | |
| Domestic | 5,515,364,086.05 | 5,713,486,332.84 |
| Common Monetary Area | 1,876,619,496.98 | 2,280,436,678.86 |
| Offshore | 863,689,698.23 | 820,086,211.72 |
| Total Assets under Management | 8,255,673,281.26 | 8,814,009,223.42 |
| | | |
| Asset Allocation | | |
| Cash | 493,426,083.53 | 879,513,597.56 |
| Negotiable Certificate of Deposit | 486,798,979.11 | 487,098,225.03 |
| Banker's Acceptance | 476,262,700.54 | 604,573,221.50 |
| Commercial Paper | 416,608,519.53 | 385,405,715.96 |
| Treasury Bill | 1,449,997,892.98 | 1,339,897,132.18 |
| Corporate Bonds | 353,568,571.54 | 248,763,013.69 |
| Bonds/Debentures | 722,489,224.16 | 500,942,663.44 |
| Equity with Primary listing | 849,615,389.36 | 841,542,723.66 |
| Equity with Secondary Listing | 6,840,475.00 | 17,207,630.00 |
| Equity Index-Linked Securities | - | - |
| Listed Securities: Debt | 15,399,808.22 | - |
| Unlisted Securities: Equity | - | - |
| Unlisted Securities: Debt | 1,044,149,828.40 | 1,253,867,118.97 |
| Collective Investment Schemes | 20,357,202.68 | 359,119,605.62 |
| Collective Investment Schemes (Associated Entity) | 1,421,879,402.80 | 1,371,901,242.04 |
| Property - Shares | 779,177.00 | 779,177.00 |
| Property - Land | - | - |
| Property - Buildings | - | - |
| Other Portfolio Assets | 498,567,955.86 | 523,398,156.77 |
| Total | 8,256,741,210.71 | 8,814,009,223.42 |

## Annexure 3: CIS Source of funds

| Annexure 3: CISs Source of Funds | | |
|---|---|---|
| | Dec-23 | Sep-23 |
| Retail Investors | 1,114,195,056.67 | 1,196,793,306.56 |
| Politically Exposed Persons | 69,180,947.60 | 65,874,810.35 |
| High Net worth Individuals | - | - |
| Professional Investors | - | - |
| Institutional - Retirement Funds | 2,867,132,381.25 | 2,607,506,277.70 |
| Institutional - Medical Aid Schemes | 11,009,350.33 | 10,626,084.72 |
| Institutional - Insurance Short Term | 76,193,301.90 | 69,023,441.00 |
| Institutional - Insurance Long Term | 205,576,025.64 | 187,276,290.99 |
| Collective Investment Schemes | 1,149,254,683.55 | 1,518,231,821.95 |
| Institutional - Credit Providers | - | - |
| Institutional - SACCOs | 162,006,424.56 | 183,851,519.73 |
| Institutional - Banks | - | - |
| Companies | 2,552,865,611.03 | 2,925,010,447.44 |
| Institutional - Other | 12,101,990.57 | 11,159,836.73 |

| Annexure 4: IAs - Funds under Advisory | | |
|---|---|---|
| | Dec-23 | Sep-23 |
| Geographic Allocation | | |
| Domestic | 8,501,411,283.43 | 8,654,940,915.01 |
| Common Monetary Area | 13,459,010,386.64 | 13,217,818,941.50 |
| Offshore | 4,554,849,078.11 | 4,233,784,038.69 |
| Total Assets under Management | 26,515,270,748.18 | 26,106,543,895.20 |
| | | |
| IA Source of Funds | | |
| Retail Investors | 512,200,312.62 | 387,785,302.95 |
| Politically Exposed Persons | 34,757,002.03 | 163,640,243.15 |
| High Net worth Individuals | - | - |
| Professional Investors | - | - |
| Institutional - Retirement Funds | 22,444,813,127.62 | 21,957,815,075.44 |
| Institutional - Medical Aid Schemes | 65,724,256.00 | 64,442,733.00 |
| Institutional - Insurance Short Term | 46,414,584.15 | 45,248,773.62 |
| Institutional - Insurance Long Term | 1,438,703,510.15 | 1,344,993,808.23 |
| Collective Investment Schemes | 1,629,992,000.49 | 1,724,312,635.26 |
| Institutional - Credit Providers | 2,362,439.52 | 62,558,405.85 |
| Institutional - SACCOs | - | - |
| Institutional - Banks | 164,648,187.91 | 183,538,579.32 |
| Companies | 167,333,391.08 | 165,984,822.52 |
| Institutional - Other | 8,321,936.62 | 6,223,679.86 |
| Total | 26,515,270,748.18 | 26,106,544,059.20 |

## Annexure 5: Savings and Credit Co-operatives Societies Statement of Financial Position

| Savings and Credit Co-operative Societies Statement of financial Position | Dec - 23 | Sep-23 |
|---|---|---|
| | E'000 | E'000 |
| Cash and Cash Equivalents | 136,988.31 | E182,123.89 |
| Prepayments & Sundry Receivables | 9,207.62 | E3,926.37 |
| Financial Investments | 326,048.46 | E347,256.76 |
| Net Loan Portfolio | 2,033,711.58 | E1,907,182.94 |
| Gross Loan Portfolio | 2,066,796.21 | E1,978,273.16 |
| Less: Provision for Loan Loss | 33,084.63 | E71,090.22 |
| Accounts Receivables | 91,174.07 | E107,833.04 |
| Unremitted Salary Deductions | 57,245.35 | E65,496.97 |
| Staff loans | 2,883.11 | E3,558.92 |
| Tax Recoverable | - | - |
| Unallocated Funds | 244.47 | E13,030.55 |
| Other Accounts Receivables | 30,801.14 | E25,746.61 |
| Property & Equipment & Other assets | 120,398.59 | E118,725.89 |
| Land & Buildings | 93,996.90 | E83,868.76 |
| Plant & Equipment | 24,890.91 | E32,257.21 |
| Prepaid Lease rentals | 10.73 | E10.43 |
| Intangible Assets | 66.00 | E66.00 |
| Other Assets | 1,434.06 | E2,523.49 |
| Total Assets | 2,717,528.63 | E2,667,048.89 |
| Total Deposit liabilities (Note 3) | 2,013,757.60 | E1,938,022.92 |
| Short Term Liabilities | 144,556.59 | E268,798.07 |
| Accounts payable | 26,516.68 | E42,574.35 |
| Tax Payable | 2,976.96 | E2,672.26 |
| Dividends Payable | 69,054.59 | E100,942.95 |
| Retirement Benefits Liability | 1,597.65 | E1,539.16 |
| Bank Overdraft | - | E- |
| Other Short-term liabilities | 44,410.71 | E121,069.35 |
| Total Short-Term Liabilities | 2,158,314.20 | E2,206,820.99 |
| Long Term Liabilities | 3,098.71 | E6,242.45 |
| External Borrowings | 2,699.87 | E2,817.99 |
| Other Long-Term Liabilities | 398.84 | E3,424.46 |
| Total Liabilities | 2,161,412.91 | E2,213,063.44 |
| EQUITY | 175,272.49 | E170,059.60 |
| Permanent and non-withdrawable share (Note 4) | 174,097.14 | E169,115.60 |
| Capital Grants and Donations | 1,175.34 | E944.00 |
| Retained Earnings | 129,263.50 | E51,933.18 |
| Prior Retained Earnings | 114,993.63 | E82,643.07 |
| Current Surplus | 14,269.87 | -E30,709.89 |
| Other Equity Accounts | 247,246.10 | E231,992.67 |
| Statutory Reserve | 71,302.48 | E70,379.36 |
| General Reserves | 117,183.94 | E115,263.75 |
| Revaluation Reserves (Not part of core capital) | 13,737.06 | E14,254.36 |
| Share Transfer Fund | 20,164.13 | E17,346.15 |
| Education Fund | 18,294.68 | E13,086.20 |
| Central Cooperative Fund | 3,136.69 | E2,277.19 |
| Adjustment to Equity | 3,427.13 | -E614.34 |
| Total Equity | 551,687.88 | E453,985.45 |
| Total Liabilities and Equity | 2,713,100.79 | E2,667,048.89 |

## Annexure 6: Developmental Finance Institutions Statement of Financial Position

| Assets | Dec-2023 | Sept-2023 |
|---|---|---|
| Property, Plant and Equipment | 131,914,518.82 | 129 570 768,92 |
| | | 1 081 067 896,67 |
| Investments in Subsidiaries | 1,081,067,896.67 | 29 870 226,82 |
| Deferred Tax | 28,783,260.06 | 448 088 014,07 |
| Loans and Advances (long term) portion) | 525,062,563.32 | 30 119 300,00 |
| Other Assets | 30,119,300.00 | 1 718 716 206,48 |
| **Total Non-current Assets** | 1,796,947,538.87 | |
| **Current Assets** | | - |
| Amounts Owing by Related Parties | 463,823,954.00 | 500 126 481,00 |
| Current Tax Receivable | 2,997,507.00 | 2 997 507,00 |
| Loans and Advances (short term) portion) | 1,357,380.00 | 1 010 018,00 |
| Trade and other Receivables | 11,633,127.01 | 16 234 724,97 |
| Cash at Bank (with financial institutions) | 222,717,109.82 | 195 467 750,42 |
| Cash in Hand | 2,722,578.00 | 5 420,00 |
| **Total Current Assets** | 705,251,655.83 | 715 841 901,39 |
| | | |
| **Total Assets (1.6 & 2.7)** | 2,502,199,194.70 | 2 434 558 107,87 |
| | | |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Share Capital | 93,049,690.00 | 93 049 690,00 |
| Reserves | 648,270,064.89 | 648 270 064,89 |
| Retained Income/accumulated loss | 482,922,470.25 | 474 262 281,74 |
| **Total Equity** | 1,224,242,225.14 | 1 215 582 036,63 |
| | | |
| **Non-current Liabilities** | | |
| Security Deposits | 8,906,206.00 | 10 555 317,00 |
| Amounts Owing to Related Parties | 15,095,850.00 | 15 095 850,00 |
| Other Financial Liabilities | 1,176,307,853.84 | 1 102 983 808,64 |
| Deferred Tax | | |
| **Total Non-current Liabilities** | 1,200,309,909.84 | 1 128 634 975,64 |
| | | |
| **Current Liabilities** | | |
| Amounts owing to Related Parties | | |
| Trade and Other Payable | 70,936,673.80 | 83 369 144,47 |
| Current tax payable | 4,738,770.94 | 5 000 327,13 |
| Other financial liabilities | 1,971,624.00 | 1 971 624,00 |
| **Total Current Liabilities** | 77,647,068.74 | 90 341 095,60 |
| | | 0,00 |
| **Total Liabilities and Equity (4.4, 5.5 & 6.5)** | 2,502,199,203.72 | 2 434 558 107,87 |

## Annexure 7: Retail Outlets Statement of Financial Position

| | Dec - 23 | Sept- 23 |
|---|---|---|
| Assets | E'000 | E'000 |
| Property, Plant and Equipment | 87 265 | 136 675 |
| Investments | 0 | 0 |
| Gross Debtors (credit extension) | 318 631 | 323 588 |
| Provision for bad debt | 50 475 | 114 734 |
| Net debtors | 268 155 | 208 854 |
| Other assets | 875 542 | 891 148 |
| Cash and cash equivalents | 55 817 | 186 600 |
| Total Assets | 1 286 780 | 1 423 278 |
| | | |
| Equity | | |
| Share Capital | 390 | 390 |
| Retained Income | 907 138 | 819 423 |
| Total Equity | 907 528 | 819 813 |
| | | |
| Liabilities | | |
| Borrowings | 2 355 | 2 317 |
| Other payables and financial Liabilities | 376 897 | 601 148 |
| Total Liabilities | 379 252 | 603 465 |
| | | |
| Total Liabilities and Equity | 1 286 780 | 1 423 278 |

## Annexure 8: Building Societies Statement of Financial Position

| | Dec-23 | Sept-23 |
|---|---|---|
| NOTES AND COINS | 58,288 | 54 208 |
| Emalangeni Notes and Coin | 58,288 | 54 208 |
| Rands | 0 | 0 |
| DUE FROM BANKS 'NOSTRO' | 24,854 | 53 428 |
| Central Bank of Swaziland | 556 | 10 880 |
| Domestic Commercial Banks | 23,886 | 42 142 |
| Non resident Banks | 412 | 406 |
| INVESTMENTS | 489,997 | 545 588 |
| Domestic | 438,830 | 493 963 |
| Foreign | 51,167 | 51 625 |
| BILLS RECEIVABLE | 0 | 0 |
| NET LOANS AND ADVANCES | 2,851,735 | 2 362 797 |
| Gross Loans & Advances | 2,697,169 | 2 507 351 |
| Less: General Provisions | 20,763 | 20 763 |
| Less: Other Deductions | 133,803 | 123 791 |
| UNCLEARED EFFECTS | 0 | 0 |
| FIXED ASSETS (Net of Depreciation) | 312,803 | 315 930 |
| Land and Buildings | 149,253 | 147 401 |
| Furniture, Fixtures, Equipment and Vehicles | 163,550 | 168 530 |
| OTHER REAL ESTATE OWNED | 10,332 | 11 391 |
| OTHER ASSETS | 104,057 | 99 759 |
| TOTAL ASSETS | 3,852,066 | 3 443 102 |
| LIABILITIES | 0 | 0 |
| DEPOSITS | 1,676,489 | 1 722 605 |
| Transmission/Demand | 92,628 | 91 911 |
| Savings | 1,052,155 | 1 130 924 |
| Term | 531,706 | 499 770 |
| DUE TO BANKS 'VOSTRO' | 3,977 | 2 504 |
| Central Bank of Swaziland | 0 | 0 |
| Domestic Commercial Banks | 3,977 | 2 504 |
| Nonresident Banks | 0 | 0 |
| BILLS PAYABLE | 1,780 | 1 796 |
| INTERBRANCH BALANCES IN ESWATINI (If Net Credit Balance) | 0 | 0 |
| OTHER BORROWINGS | 0 | 0 |
| OTHER LIABILITIES | 206,049 | 81 175 |
| TOTAL LIABILITIES | 1,888,295 | 1 808 080 |
| CAPITAL AND RESERVES | 1,654,638 | 1 635 022 |
| Paid Up / Issued Share Capital | 1,138,745 | 1 105 711 |
| Permanent Shares | 1,098,339 | 1 065 400 |
| Subscription Shares | 40,406 | 40 311 |
| Statutory Reserves | 46,807 | 46 807 |
| Retained Income (Prior Years) | 419,405 | 419 405 |
| Income (Loss) to Date | -23,066 | -9 650 |
| Revaluation Reserves | 72,748 | 72 748 |
| Other Reserves | 0 | 0 |
| TOTAL LIABILITIES, CAPITAL AND RESERVES | 3,542,933 | 3 443 102 |

## Annexure 9: Retirement Fund Statement of Comprehensive Income

| INCOME | Dec - 2023 | Sep - 2023 |
|---|---|---|
| **TOTAL CONTRIBUTIONS (from C13)** | 2,776,781,088.93 | 2 043 046 284 |
| Investment income | 4,532,787.28 | 2 625 430 666 |
| Transfers to the fund | 157,525.63 | 41 822 620 |
| Benefits paid by insurers (to the fund) | 18,804.05 | 18 474 049 |
| Other income | 17,014.80 | 13 699 813 |
| **TOTAL INCOME** | 7,502,912.84 | 4 742 473 432 |
| **EXPENSES** | - | |
| Management expenses | 588,430.46 | 433 020 440 |
| Premiums for insured benefits (Note 4) | 111,527.05 | 88 573 547 |
| Annuities purchased from insurers | - | |
| *Lump-sum benefits:* | - | |
| Withdrawal - cash | 432,397.30 | 227 874 869 |
| Withdrawal - transfers to other RF's | | 22 315 286 |
| Accident and sickness | - | |
| Disability | 3,501.40 | 2 920 398 |
| Death | 139,718.00 | 114 037 145 |
| Retirement | 625,750.14 | 429 813 100 |
| Voluntary early retirement | 145,973.59 | 145 932 839 |
| Total lump-sum benefits | 1,347,340.42 | 942 893 637 |
| *Periodic payments:* | - | |
| Disability | 973.00 | 719 000 |
| Death | 1,642.00 | 251 000 |
| Retirement | 1,220,640.64 | 907 094 817 |
| Total periodic payments | 1,223,255.64 | 908 064 817 |
| Other transfers | 58,380.95 | 42 481 982 |
| **TOTAL CURRENT BENEFITS** | 2,628,977.01 | 1 893 440 436 |
| Change in future benefits liability | | |
| **TOTAL EXPENSES** | 3,328,934.52 | 3 000 391 633 |
| **EXCESS OF INCOME OVER EXPENSES** | 4,173,978.32 | 1 742 081 798 |

## Annexure 10: Retirement Funds Investment

| Invested Assets - Local | Dec - 2023 | Sept - 23 |
|---|---|---|
| Cash on hand | 27,038.35 | 7 368 |
| Deposits: | | |
| First National Bank | 329,901.65 | 165 255 737 |
| Nedbank | 84,031.99 | 124 557 290 |
| Eswatini Bank | 4,323.55 | 28 352 432 |
| Standard Bank | 169,576.37 | 224 553 262 |
| Swaziland Building Society | 116,534.19 | 66 776 004 |
| Other banks (explain) | 6,038.00 | 3 790 000 |
| Other non-bank financial institutions (explain) | 1,196.45 | 483 581 |
| Total deposits | 711,602.20 | 613 768 305 |
| Money market and debt maturing within 12 mo.: | | |
| Central Bank of Eswatini | 37,099.00 | 49 782 836 |
| Government of Eswatini | 131,696.05 | 128 906 729 |
| Local authorities | 40,167.00 | 57 461 000 |
| Parastatals | | |
| Money market collective investment schemes | 1,637,370.21 | 1 854 099 780 |
| Banks (debt of or loan to banks, other than deposits) | 77,523.00 | 77 970 000 |
| NBFI's(debt of or loan to NBFIs, other than deposits) | | |
| Commercial paper and bonds | 325,130.00 | 350 619 000 |
| Other (explain) | 239,462.00 | 232 297 000 |
| Total money market and debt maturing within 12 mo. | 2,488,447.27 | 2 751 136 346 |
| Debt maturing after 12 months: | | |
| Central Bank of Eswatini | 50,000.00 | 50 000 000 |
| Government of Eswatini | 2,974,578.41 | 2 765 450 412 |
| Local authorities | 305,636.72 | 271 686 719 |
| Parastatals | 1,115,769.35 | 1 141 109 772 |
| Fixed income collective investment schemes | 623,020.07 | 573 871 487 |
| Banks (debt of or loan to banks, other than deposits) | 425,543.89 | 443 144 860 |
| NBFI's (debt of or loan to NBFIs, other than deposits) | 4,000,979.33 | 3 851 518 599 |
| Commercial bonds | 292,457.00 | 371 943 000 |
| Other (explain) | | |
| Total debt maturing after 12 months | 9,787,984.76 | 9 468 724 849 |
| Equity (other than property-related): | | |
| Ordinary shares - listed | 1,291,919.12 | 1 043 003 475 |
| Ordinary shares - unlisted | 4,028,484.33 | 3 874 212 944 |
| Preference shares - listed | | |
| Preference shares - unlisted | 59,747.09 | |
| Convertible debentures - listed | | |
| Convertible debentures - unlisted | | |
| Equity and balanced collective investment schemes | 406,297.90 | 335 491 887 |
| Total equity | 5,786,448.44 | 5 252 708 306 |
| Property investments: | | |
| Land and buildings | 2,028,227.20 | 1 949 218 451 |
| Mortgages | | |
| Loans to property developers | 170,930.57 | 167 055 488 |
| Shares of property developers | 19,110.20 | 19 110 203 |
| Property collective investment schemes | | |
| Total property investments | 2,218,267.97 | 2 135 384 142 |
| Insurance policies | 386,272.49 | 372 261 119 |
| Other (explain) | 1,270,319.90 | 1 233 386 080 |
| TOTAL LOCAL ASSETS | 22,649,370.07 | 21 827 376 514 |

## Annexure 11: Retirement Funds Investment

| Invested Assets - Foreign | Dec - 2023 | Sept - 23 |
|---|---|---|
| Cash on hand | | 203 700 |
| Deposits | 173,156,374.58 | 327 793 195 |
| *Money market and debt maturing within 12 mo.:* | | |
| Central banks | 9,367.15 | 9 329 037 |
| National governments and international agencies | 2,947.00 | |
| Local authorities | | |
| Parastatals | | |
| Money market collective investment schemes | 324,852.11 | 369 621 077 |
| Banks (debt of or loan to banks, other than deposits) | | 403 228 |
| NBFI's (debt of or loan to NBFIs, other than deposits) | | |
| Commercial paper and bonds | 102,166.00 | 79 275 264 |
| Other (explain) | 591.24 | |
| Total money market and debt maturing within 12 mo. | 439,923.50 | 458 628 606 |
| *Debt maturing after 12 months:* | | |
| Central banks | | |
| National governments and international agencies | 3,754.00 | 11 817 871 |
| Local authorities | | |
| Parastatals | | |
| Fixed income collective investment schemes | 348,138.62 | 255 175 242 |
| Banks (debt of or loan to banks, other than deposits) | | |
| NBFI's(debt of or loan to NBFIs, other than deposits) | | |
| Commercial bonds | 82,779.00 | 155 744 000 |
| Other (explain) | | 475 000 |
| Total debt maturing after 12 months | 434,671.62 | 423 212 113 |
| *Equity (other than property-related):* | | |
| Ordinary shares - listed | 17,491,683.00 | 16 371 536 979 |
| Ordinary shares - unlisted | 2,992,325.47 | 2 986 765 571 |
| Preference shares - listed | | |
| Preference shares - unlisted | | |
| Convertible debentures - listed | | |
| Convertible debentures - unlisted | | |
| Equity and balanced collective investment schemes | 2,614,759.03 | 2 488 124 470 |
| Total equity | 23,098,767.50 | 21 846 427 020 |
| *Property investments:* | | |
| Land and buildings | | |
| Mortgages | | |
| Loans to property developers | | |
| Shares of property developers | 172,878.28 | 166 057 920 |
| Property collective investment schemes | 18,970.00 | 22 426 000 |
| Total property investments | 191,848.28 | 188 483 920 |
| Insurance policies | - | |
| Other (explain) | 69,667.53 | 55 017 408 |
| TOTAL FOREIGN ASSETS | 24,408,034.81 | 23 299 765 963 |
| | | |
| TOTAL ASSETS | 47,057,404,881 | 45 127 142 477 |

## Annexure 12: Short-term Insurers Statement of Comprehensive Income

| | Dec 2023 | Sept 2023 |
|---|---|---|
| | E'000 | E'000 |
| **Gross premiums written** | 1,063,084 | 850 418 |
| Direct premiums | 1,063,084 | 850 418 |
| Assumed reinsurance premiums | - | - |
| Less premiums ceded | 450,641 | 377 292 |
| **Net insurance premiums revenue** | **612,443** | 473 126 |
| Change in unearned premium and unexpired risk provision (Note 2) | 17,346 | 52 347 |
| **Net earned premiums** | **595,097** | 420 779 |
| Net incurred claims | 240,338 | 126 997 |
| Commission and other acquisition costs | 132,842 | 98 207 |
| Reinsurance commission received | 93,792 | 80 180 |
| **Net commission expenses** | **39,049** | 18 027 |
| Management expenses | 218,321 | 161 149 |
| **Total underwriting expenses** | **497,709** | 306 174 |
| **Underwriting income/(loss)** | **97,388** | 114 605 |
| Investment income | 47,973 | 32 849 |
| Other income | 17,127 | 14 684 |
| **Income/(loss) before tax** | 162,488 | 162 138 |
| **Taxation** | **43,248** | 43 503 |
| **Net income for the period** | **119,240** | 118 635 |
| **Other comprehensive income net of tax** | - | - |
| **Total comprehensive income for the period** | **119,240** | 118 635 |

## Annexure 13: Short-term Insurers Statement of Financial Position

| | Dec - 2023 | Sept - 2023 |
|---|---|---|
| | E'000 | E'000 |
| **Assets** | | |
| Property, plant and equipment | 125,878 | 114 686 |
| Intangible assets | 5,964 | 5 820 |
| Investment assets and cash | 613,545 | 590 150 |
| Deferred acquisition costs | 12,753 | 14 523 |
| Deferred income tax assets | 4,920 | 3 454 |
| Prepaid taxes | 4 | 4 |
| Reinsurance receivables | 87,797 | 108 555 |
| Amounts due from related parties | 3,993 | 3 542 |
| Premiums receivable | 319,910 | 344 076 |
| Loans | 8,676 | 8 895 |
| Other | 47,105 | 84 269 |
| **Total Assets** | **1,230,545** | 1 277 974 |
| | - | - |
| **Liabilities** | - | - |
| Insurance liabilities and technical provisions | 505,071 | 554 071 |
| Amounts due to related parties | 9,004 | 11 795 |
| Reinsurance liabilities | 81,067 | 79 224 |
| Borrowings | - | - |
| Trade and other payables | 48,352 | 51 673 |
| Current tax payable | - | - 3 970 |
| Deferred income tax liabilities | - 7,632 | - |
| Cell fund liabilities | 7,689 | 6 887 |
| **Total Liabilities** | **643,551** | 699 680 |
| | - | - |
| **Equity** | - | - |
| Share capital | 27,462 | 27 462 |
| Share premium | 23,730 | 23 730 |
| Statutory reserves | 12,333 | 12 687 |
| Other reserves | 12,418 | 11 951 |
| Retained earnings | 511,052 | 503 478 |
| Accumulated other comprehensive income | - | - |
| **Total Equity** | **586,996** | 579 307 |
| **Total Equity and Liabilities** | **1,230,547** | 1 278 987 |

## Annexure 14: Long-term Insurers Statement of Comprehensive Income

| | Dec - 2023 | Sept - 2023 |
|---|---|---|
| | E'000 | E'000 |
| Gross earned premiums | 1,088,517 | 796 045 |
| Direct premiums | 1,088,517 | 796 045 |
| Assumed reinsurance premiums | - | - |
| Less premiums ceded | 80,163 | 52 195 |
| Net earned premiums | **1,008,353** | 743 850 |
| Investment income | 387,681 | 200 567 |
| Other income | 38,175 | 19 400 |
| Total income | **1,434,209** | 963 817 |
| Insurance benefits and claims | 619,098 | 435 486 |
| Change in policy liabilities | 181,136 | 114 595 |
| Total policy benefits | **800,234** | 550 080 |
| Commission and other acquisition costs | 56,045 | 39 453 |
| Reinsurance commission received | 11,373 | 7 277 |
| Net commission expenses | **44,672** | 32 176 |
| Management expenses | 253,586 | 184 812 |
| Total expenses | **1,098,492** | 767 069 |
| Income/(loss) before tax | **335,717** | 196 748 |
| Taxation | 88,556 | 45 223 |
| Net income for the period | **247,161** | 151 525 |
| Other comprehensive income net of tax | - | - |
| Total comprehensive income for the period | **247,161** | **151 525** |
| | | |

## Annexure 15: Long-term Insurers Statement of Financial Position

| | Dec 2023 | Sept 2023 |
|---|---|---|
| **Assets** | E'000 | E'000 |
| Property, plant and equipment | 13,889 | 10 296 |
| Intangible assets | 17,510 | 15 464 |
| Investment assets and cash | 4,696,935 | 4 456 335 |
| Deferred acquisition costs | 2,281 | 2 019 |
| Deferred income tax assets | 7,604 | 8 870 |
| Prepaid taxes | - | - |
| Reinsurance receivables | 13,830 | 32 450 |
| Amounts due from related parties | 48,238 | 35 419 |
| Premiums receivable | 47,064 | 44 186 |
| Loans | 90,975 | 87 722 |
| Other | 37,475 | 106 428 |
| **Total Assets** | **4,975,802** | 4 799 188 |
| | | |
| **Liabilities** | - | - |
| Insurance contract liabilities | 1,910,398 | 1 784 847 |
| Investment contract liabilities | 2,000,272 | 2 010 849 |
| Amounts due to related parties | 9,297 | 11 034 |
| Reinsurance liabilities | 42,492 | 52 999 |
| Borrowings | 3,090 | 3 192 |
| Trade and other payables | 256,589 | 258 528 |
| Current tax payable | - 2,379 | - 3 015 |
| Deferred income tax liabilities | - | - |
| **Total Liabilities** | **4,219,759** | 4 118 433 |
| | - | - |
| **Equity** | - | - |
| Share capital | 51,362 | 51 362 |
| Share premium | 105,871 | 105 871 |
| Statutory reserves | 2,400 | 2 400 |
| Other reserves | 10,787 | 10 787 |
| Retained earnings | 571,701 | 489 105 |
| Accumulated other comprehensive income | 13,922 | 21 230 |
| **Total Equity** | 756,044 | 680 756 |
| **Total Equity and Liabilities** | **4,975,803** | 4 799 189 |

## Annexure 16: Short-term Reinsurance Statement of Comprehensive Income

| | Sept 2023 | June 2023 |
|---|---|---|
| | E'000 | E'000 |
| **Gross premiums written (Note 1)** | 81,214 | 67 456 |
| Direct premiums (Note 1) | 79,778 | 66 212 |
| Assumed reinsurance premiums (Note 1) | 1,436 | 1 244 |
| Less premiums ceded (Note 1) | 28,235 | 21 027 |
| **Net insurance premiums revenue** | **52,979** | 46 429 |
| Change in unearned premium and unexpired risk provision (Note 2) | 1,597 | 1 403 |
| **Net earned premiums** | **54,576** | 47 832 |
| Net incurred claims (Note 3) | **16,686** | 11 145 |
| Commission and other acquisition costs (Note 4) | 22,520 | 18 474 |
| Reinsurance commission received (Note 4) | 5,855 | 4 107 |
| **Net commission expenses (Note 4)** | **16,665** | 14 367 |
| Management expenses (Note 5) | 21,129 | 15 226 |
| **Total underwriting expenses** | **54,480** | 40 738 |
| **Underwriting income/(loss)** | **96** | 7 094 |
| Investment income (Note 6) | 5,003 | 3 561 |
| Other income (Note 7) | 54 | 54 |
| **Income/(loss) before tax** | **5,152** | 10 709 |
| **Taxation** | 2,729 | 2 941 |
| **Net income for the period** | **2,423** | 7 768 |
| **Other comprehensive income net of tax** | - | - |
| **Total comprehensive income for the period** | **2,423** | 7 768 |

# Annexure 17: Short-term Reinsurance Statement of Financial Position

| | Dec 2023 | Sept 2023 |
|---|---|---|
| | E'000 | E'000 |
| **Assets** | | |
| Property, plant and equipment | 1,060 | 1 157 |
| Intangible assets | 23 | - |
| Investment assets and cash (Note 8) | 81,358 | 83 365 |
| Deferred acquisition costs (Note 9) | 23 | 23 |
| Deferred income tax assets (Note 9) | 3,511 | 2 486 |
| Prepaid taxes (Note 9) | 7 | 7 |
| Reinsurance receivables (Note 9) | 462 | - |
| Amounts due from related parties (Note 9) | - | - |
| Premiums receivable (Note 9) | 36,369 | 37 861 |
| Loans (Note 9) | - | - |
| Other (Note 9) | 2,240 | 2 240 |
| **Total Assets** | **125,054** | 127 139 |
| | - | - |
| **Liabilities** | - | - |
| Insurance liabilities and technical provisions (Note 10) | 14,538 | 14 557 |
| Amounts due to related parties (Note 11) | 15,776 | 15 753 |
| Reinsurance liabilities (Note 11) | 10,227 | 6 145 |
| Borrowings (Note 11) | - | - |
| Trade and other payables (Note 11) | 3,933 | 4 758 |
| Current tax payable (Note 11) | - | - |
| Deferred income tax liabilities (Note 11) | - | - |
| Cell fund liabilities (Note 12) | - | - |
| **Total Liabilities** | **44,474** | 41 213 |
| | - | - |
| **Equity** | - | - |
| Share capital (Note 13) | 82,918 | 82 918 |
| Share premium (Note 13) | - | - |
| Statutory reserves (Note 13) | - | - |
| Other reserves (Note 13) | - | - |
| Retained earnings (Note 13) | - 2,338 | 7 768 |
| Accumulated other comprehensive income (Note 13) | - | - 4 760 |
| **Total Equity (Note 13)** | **80,580** | 85 926 |
| **Total Equity and Liabilities** | **125,054** | 127 139 |

## Annexure 18: Long-term Reinsurance Statement of Comprehensive Income

| | Dec - 2023 | Sept - 2023 |
|---|---|---|
| | E'000 | E'000 |
| Gross earned premiums | 10,087 | 6 218 |
| Direct premiums (Note 1) | 10,087 | 6 218 |
| Assumed reinsurance premiums (Note 1) | - | - |
| Less premiums ceded (Note 1) | 3,026 | 1 865 |
| **Net earned premiums** | **7,061** | 4 353 |
| Investment income (Note 6) | 559 | 308 |
| Other income (Note 7) | - | - |
| **Total income** | 7,620 | 4 661 |
| Insurance benefits and claims (Note 2) | 4,151 | 3 063 |
| Change in policy liabilities (Note 3) | - | - |
| **Total policy benefits** | **4,151** | 3 063 |
| Commission and other acquisition costs (Note 4) | - | - |
| Reinsurance commission received (Note 4) | 303 | 1 558 |
| **Net commission expenses** | - 303 | (1 558) |
| Management expenses (Note 5) | 2,427 | 1 378 |
| **Total expenses** | **6,276** | 2 883 |
| Income/(loss) before tax | **1,344** | 1 778 |
| Taxation | 370 | 489 |
| **Net income for the period** | **974** | 1 289 |
| Other comprehensive income net of tax | - | - |
| **Total comprehensive income for the period** | 974 | 1 289 |

## Annexure 19: Long-term Reinsurance Statement of Financial Position

| | Dec - 2023 | Sept - 2023 |
|---|---|---|
| **Assets** | | |
| Property, plant and equipment | 30 | 33 |
| Intangible assets | | |
| Investment assets and cash (Note 8) | 8,062 | 6 006 |
| Deferred acquisition costs (Note 9) | - | - |
| Deferred income tax assets (Note 9) | 255 | 76 |
| Prepaid taxes (Note 9) | - | - |
| Reinsurance receivables (Note 9) | - | - |
| Amounts due from related parties (Note 9) | - | - |
| Premiums receivable (Note 9) | 5,692 | 4 109 |
| Loans (Note 9) | - | - |
| Other (Note 9) | - | 1 157 |
| **Total Assets** | **14,039** | 11 380 |
| | | |
| **Liabilities** | | |
| Insurance liabilities and technical provisions (Note 10) | - | - |
| Amounts due to related parties (Note 11) | - | - |
| Reinsurance liabilities (Note 11) | - | - |
| Borrowings (Note 11) | 2,145 | 1 233 |
| Trade and other payables (Note 11) | - | - |
| Current tax payable (Note 11) | 3,055 | 994 |
| Deferred income tax liabilities (Note 11) | - | - |
| Cell fund liabilities (Note 12) | - | - |
| **Total Liabilities** | **5,200** | 2 227 |
| | | |
| **Equity** | | |
| Share capital (Note 13) | 7,865 | 7 865 |
| Share premium (Note 13) | - | - |
| Statutory reserves (Note 13) | - | - |
| Other reserves (Note 13) | - | - |
| Retained earnings (Note 13) | 974 | 1 289 |
| Accumulated other comprehensive income (Note 13) | - | - |
| **Total Equity (Note 13)** | **8,839** | 9 153 |
| **Total Equity and Liabilities** | **14,039** | 11 380 |

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