FSRA
FINANCIAL SERVICES REGULATORY AUTHORITY
Supervise. Grow. Protect

Quarterly Statistical Report

Quarter 2 2024

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Abbreviations

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

Organisational Identity

Vision
To have a fully inclusive, sound, and innovative non-bank financial sector with100% regulatory compliance



Mandate
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.



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



Values

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

STATISTICAL BULLETIN HIGHLIGHTS

NBFI INDUSTRY TOTAL ASSETS

E106.09 Bn ▲

E104.96 Billion : Q1 2024

NBFI LICENSED ENTITIES

417 ▼

CAPITAL MARKETS ASSETS

Assets Under Advisory

E26.48 Bn ▲

Assets Under Management

E8.35 Bn ▲

SACCO MEMBER'S Total Investments

376 Mn ▲

Credit Providers Total Current Liabilities

1.11 Bn ▲

INSURANCE SECTOR GWP's

E662 Mn ▲

INSURANCE SECTOR ASSETS

E6.86 Bn ▲

INSURANCE SECTOR LIABILITIES

E5.08 Bn ▲

RETIREMENT FUNDS CONTRIBUTIONS

E993 Mn ▲

RETIREMENT FUNDS ASSETS

E50.11 Bn ▲

RETIREMENT FUNDS ASSETS INVESTED IN ESWATINI

E23.58 Bn ▲

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.

Preface

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.

Disclaimer

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

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

The FSRA is in no way whatsoever providing financial or other professional advice through this publication and none of its contents should be interpreted or relied on as such. Any discrepancy may be brought to the notice of the FSRA at: research@fsra.co.sz. The FSRA reserves the right to revise/amend any information published in this Statistical Bulletin.

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

Executive Summary

As of Q2_2024,NBFI sector assets increased by 1.07% from E104.96 billion from E106.10 billion at the end of the quarter, however on a year-on-year basis a 7.22% growth was realised. Quarterly growth was mainly due to the 4.52% increase in retirement funds assets together with the notable increases in the SACCOS, Building Societies and Short-term insurers which increased by 6.07%, 6.00% and 19.40% respectively.

Although retirement funds realised a 4.52% quarterly growth, declines of 3.13% and 2.18% were observed in the assets held Collective investment schemes and Investment advisors.

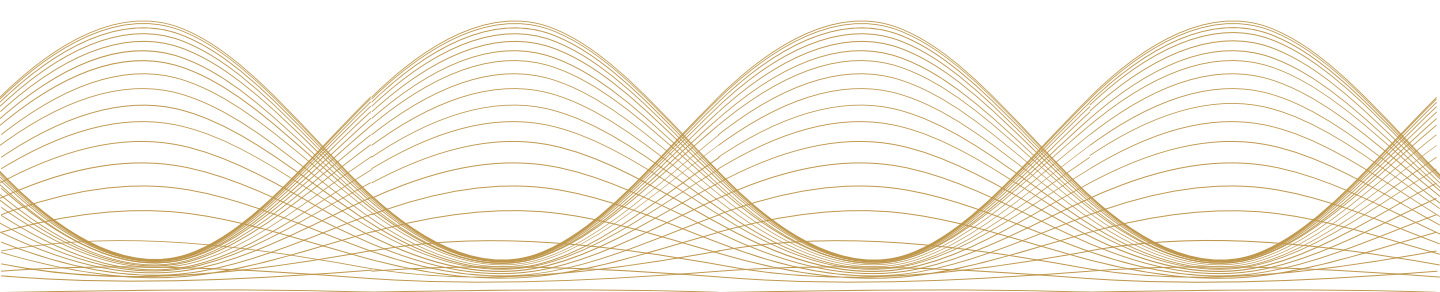
Credit providers however realised a quarterly decline of 12.45% in their asset value and this was the result of the decline in the loans and advances portfolio while development finance institutions only realised a decline of 0.88%.

Long-term insurers total assets however only showed slight growth of 1.28% quarterly but a good 5.04% on an annual basis, growth in the long term sub-sector continues to be the result on the growth in investment contracts and the increase in the fair value on financial assets.

Short-term insurers quarterly growth of 19.41% is however driven by the continued growth in the health business, a 19.7% growth in the value of investment assets mainly due to the increase the fair value of the financial assets coupled with the additions to the sectors investment portfolio.

Regarding credit intermediation, the NBFI loan portfolio declined by 1.88% from E8.70 billion as of 31 March 2024 to E8.53 billion in the current quarter. Non-performing loans however increased by 4.47%.

A decline of 0.51 percentage points was also observed in the sector's NPL ratio, due to the 2.30 percentage points decline in the building societies NPL ratio while the NPL ratio for the other sectors showed increases.



ECONOMIC DEVELOPMENTS

2 Economic Development

2.1 Global Economic Development

The global economic outlook continued to recover, with easing inflation, improved supply conditions, and strong labour markets in advanced economies supporting real income gains, consumer spending, and other economic activities according to Euro Monitor global economic outlook. Global real GDP growth is expected to reach 2.9% in Q4 2024 (0.2 percentage points higher than in the Q1 2024 estimation).

Global inflation is forecast to ease to 6.4% in 2024, before dropping further to 3.7% in 2025 according to Euromonitor.

The US economy has maintained a growth momentum in the first quarter of 2024, leading to a further upgrade in its real GDP growth forecast to 2.1% over the year, and in the eurozone, real GDP growth is expected to remain stagnant at 0.7%, amid easing inflation and expected rate cuts. Current global trade trends have turned positive, with goods trade increasing by around 1% quarter on quarter according to international trade updates. Services trade grew at approximately 1.5% quarter on quarter. The IMF outlook predicts a stronger positive trend for Q2 2024, projecting an approximate 2% increase. Geopolitics including a spate of elections, non-stop wars, and continuous escalations pose downside risks.

2.2 Global Financial Markets

The stock and bond markets had a rough start in Q2 2024 due to the dimming outlook on federal reserve interest rate cuts against a backdrop of stubbornly high inflation however, by the end of the quarter, the outlooks had brightened somewhat, as inflation news turned favourable enough that investors are more certain the Fed will be moving to lower rates in September and the strong performance of stocks benefiting from products tied to artificial intelligence continued from 2023 and the previous quarter.

Investors went into the second quarter nervous about the inflation outlook as markets had already pared back their expectations to three Fed rate cuts from five at the start of the year. A series of hotter-than-expected inflation readings in April sent stocks and bonds lower, in May, the weight on both markets began to lift as the outlook for inflation again started to look more favourable.

2.3 South African Economy

The changes in the South African political landscape leading to the formation of the Government of National Unity had an impact of the country’s financial landscape. The rand appreciated by 3.7% against the US dollar and 4.5% against the euro. According to Stats SA, South Africa's GDP grew by 0.4% in Q2 2024, an improvement from the 0.1% growth in Q1. The finance, real estate, and business services sectors were major contributors, growing by 1.3%. The FTSE/JSE All Share Index and Capped SWIX Index delivered 8.2% returns in rand terms. Financials led the gains with a notable 17.8% return, followed by listed property at 5.7% and industrials at 5.2%.

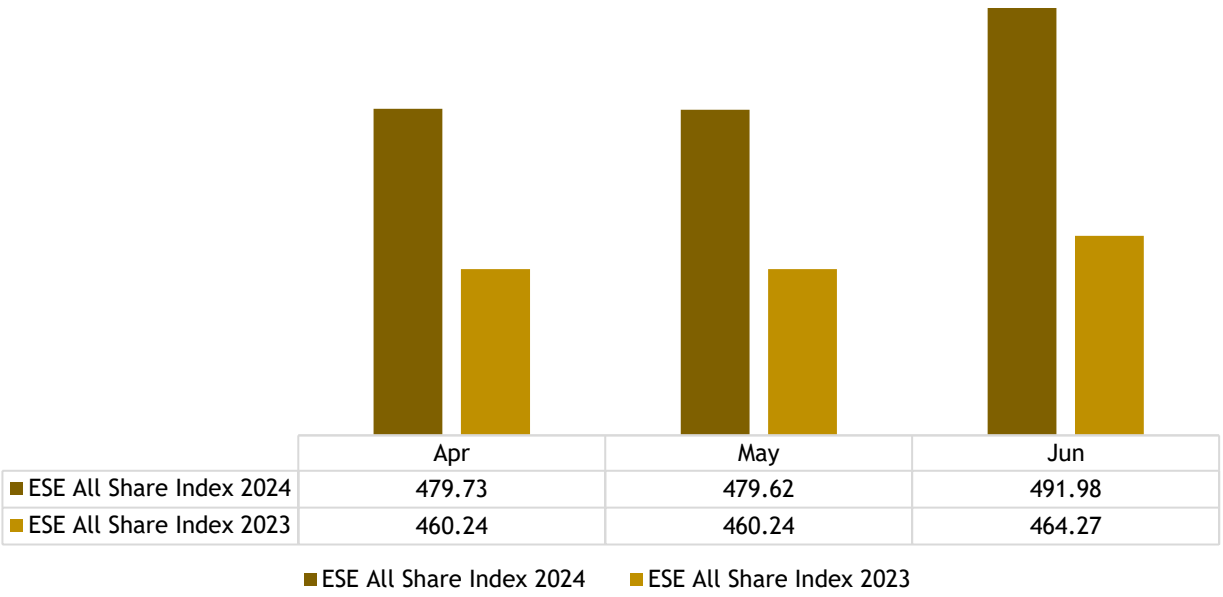
As for South African bonds, they posted a 7.5% return for the quarter, with the yield on the 10-year government bond falling from 12% to 11.25%. Inflation-linked bonds returned 2.4%.

For near- to medium-term growth, South Africa’s prospects remain constrained due to subdued export prices, low demand, a weaker rand, and the mentioned supply-side constraints to growth, together with high sovereign credit risks that increase borrowing costs and limit investment and growth with high domestic interest rates also dampen consumption expenditure growth, however, the domestic growth outlook may turn around and improve if loadshedding is reduced and rail and port infrastructure constraints are resolved.

2.4 Domestic Financial Markets

The ESE All-Share Index increased by 3.77% from 474.09 at the end of the 1st Quarter 2024 to 491.98 at the end of the 2nd Quarter 2024. Trading during the quarter was moderate, and trades managed to influence the increase in the All-Share Index. There were four (4) share price changes, Nedbank Eswatini, Swaziland Property Investments Limited (SWAPROP), Royal Eswatini Sugar Corporation, and Nkonyeni Pre-Cast Limited. The rest of the listed companies' share prices remained unchanged over the period under review. Year-on-year, the All-Share Index increased from 464.27 in the 2nd Quarter of 2023 to 491.98 in the 2nd Quarter of 2024 reflecting a 5.97% increase.

Figure 1: ESE All Share Index

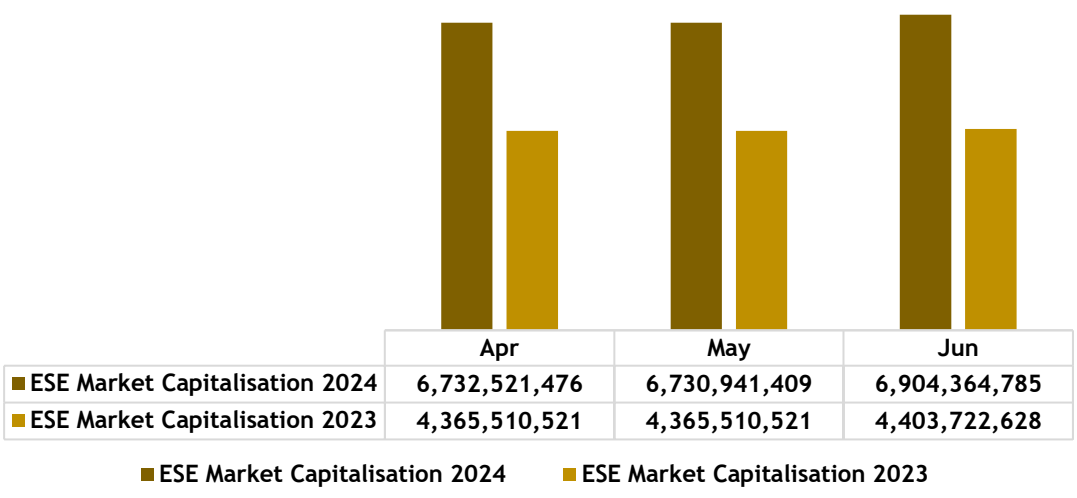


	Apr	May	Jun
ESE All Share Index 2024	479.73	479.62	491.98
ESE All Share Index 2023	460.24	460.24	464.27

Source: ESE Trading Statistics, 2024

The ESE Market Capitalisation value increased by 3.77% from SZL6,65 billion at the end of the 1st Quarter of 2024 to SZL6,90 billion at the end of the 2nd Quarter of 2024. There were four (4) share price increases from Nedbank Eswatini Limited, Nkonyeni Pre-Cast Limited, Swaziland Property Investments Limited (SWAPROP), and Royal Eswatini Sugar Corporation Limited share prices, which increased the market capitalisation. Year-on-year, the market capitalisation realised a 56.78% gain from SZL4,40 billion in June 2023 to SZL6,90 billion at the end of June 2024, which is attributed to share price increases and the listing of NPC and FNBE.

Figure 2: ESE Market Capitalisation



	Apr	May	Jun
ESE Market Capitalisation 2024	6,732,521,476	6,730,941,409	6,904,364,785
ESE Market Capitalisation 2023	4,365,510,521	4,365,510,521	4,403,722,628

Source: ESE Trading Statistics, 2024

2.6 Bonds Market

2.6.1 Corporate Bonds

The 2nd Quarter realised 9 new note issuances and no reopening while 8 bonds matured in the period under review. This saw the cumulative corporate bonds outstanding as of 30 June 2024 increase by 1.75% to E1.57 billion from the previous quarter's outstanding amount of E1.54 billion. However, an annual decline of 3.16% from E1.62 billion as of Q2 2023 was observed.

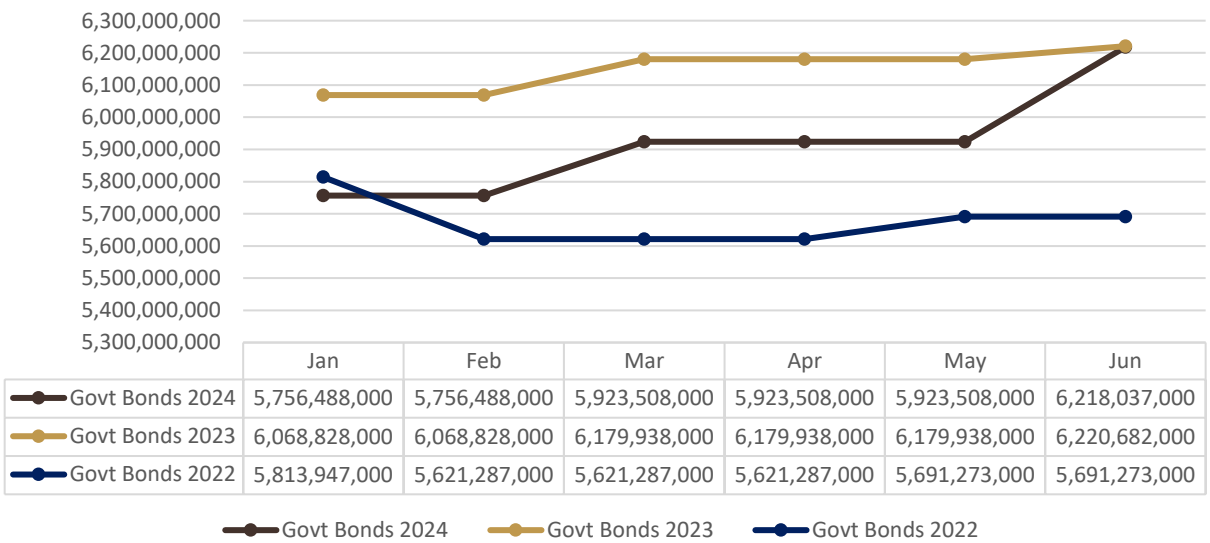
This could be due to the rising interest rates which forced companies to reduce their appetite for debt/loans as the cost of debt capital increased.

2.6.2 Government Bonds

During the period under review, the Government through the Central Bank of Eswatini (CBE) maintained 33 bonds with different maturities, ranging from 3 t 10years. The outstanding bond value at the end of the 2nd Quarter was E6.35 billion an increase of 7.24% from the previous quarter

This was due to the higher value of new bonds and re-openings while the value of maturities was low in the period under review. Year-on-year, there was a 2.12% increase in the value of bonds trading from E6.22 billion at the end of the 2nd Quarter 2023 to E6.353 billion at the end of the 2nd Quarter 2024.

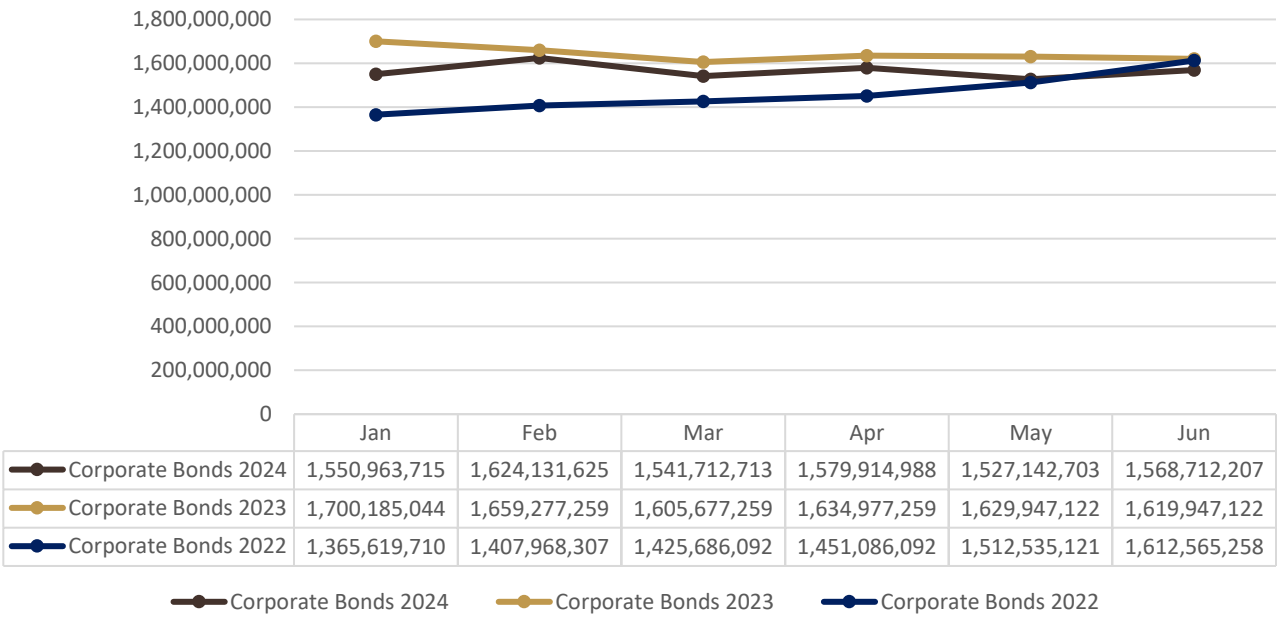
Figure 3: Government Bonds



	Jan	Feb	Mar	Apr	May	Jun
Govt Bonds 2024	5,756,488,000	5,756,488,000	5,923,508,000	5,923,508,000	5,923,508,000	6,218,037,000
Govt Bonds 2023	6,068,828,000	6,068,828,000	6,179,938,000	6,179,938,000	6,179,938,000	6,220,682,000
Govt Bonds 2022	5,813,947,000	5,621,287,000	5,621,287,000	5,621,287,000	5,691,273,000	5,691,273,000

Source: ESE Trading Statistics, 2024

Figure 4: Corporate Bonds



	Jan	Feb	Mar	Apr	May	Jun
Corporate Bonds 2024	1,550,963,715	1,624,131,625	1,541,712,713	1,579,914,988	1,527,142,703	1,568,712,207
Corporate Bonds 2023	1,700,185,044	1,659,277,259	1,605,677,259	1,634,977,259	1,629,947,122	1,619,947,122
Corporate Bonds 2022	1,365,619,710	1,407,968,307	1,425,686,092	1,451,086,092	1,512,535,121	1,612,565,258

Source: ESE Trading Statistics, 2024

Industry Development and Performance

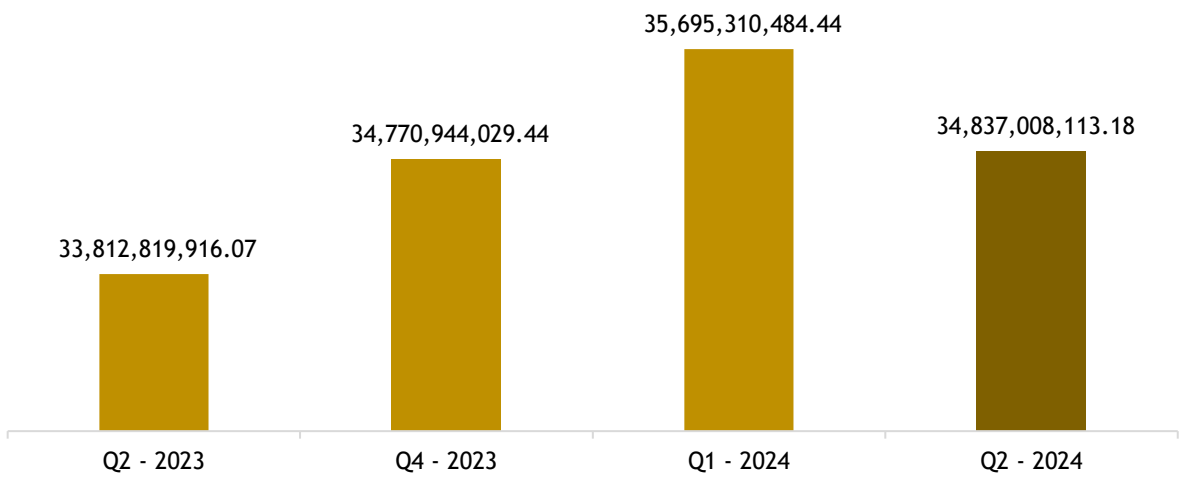
3. Industry Development and Performance

3.1 Capital Markets

3.1.1 Performance Overview

Total assets began the year with an increase of 2.66%, however, in the second quarter, the assets had dropped by 2.40% almost mirroring the increase of the previous quarter. Total assets stood at E34.83 billion coming down from E35.70 billion in the previous quarter. A year-on-year comparison notes a move of 3.03% as total assets stood at E33.81 billion. The second quarter started with speculation that interest rates might fall and by the end of the quarter the European Central Bank had cut its rates by 25 basis points according to the monetary policy statement end - June 2024, the Bank of England also had price cuts according to the Monetary Policy Report - August 2024, with more cuts expected as the year draws to a close These cuts will result in asset managers needing to reallocate funds and set new strategies as they await more rate cuts.

Figure 5: Evolution of Capital Markets Assets



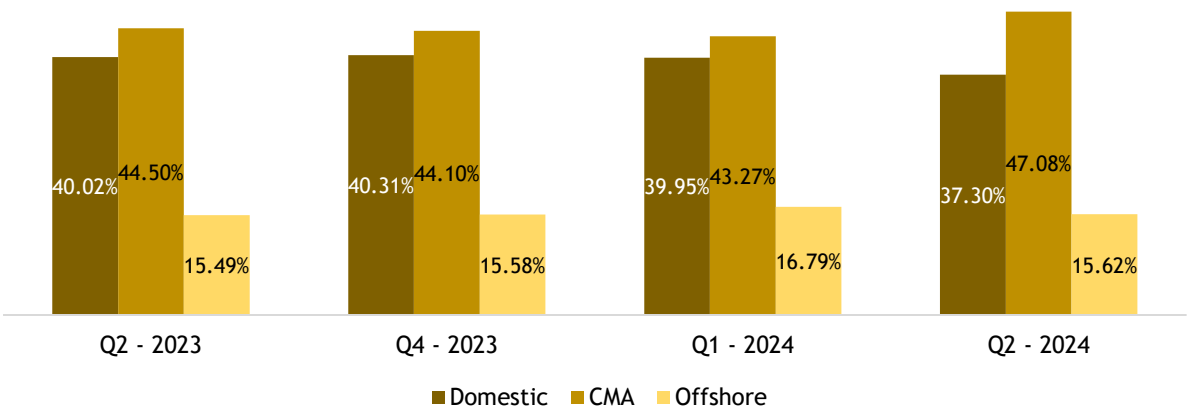
Source: Research Statistics

3.1.2 Geographical Allocation of Assets

A shift in dynamics in the quarter as the domestic market experienced a decline in investments moving from 39.95% to 37.03% in the period, it was not the only one that had an outflow of funds as the same was experienced by the offshore market as they moved from 16.79% to 15.62%. The Common Monetary Area had the spoil of the bunch as it increased over the same period as it went from 43.27% to 47.08% just 2.82% shy of touching that 50% allocation.

With the recent performance of the rand and gold prices continuing their upward trend maybe that's why most asset managers are moving funds to try to maximise returns before the November American Elections.

Figure 6: Geographical Allocation

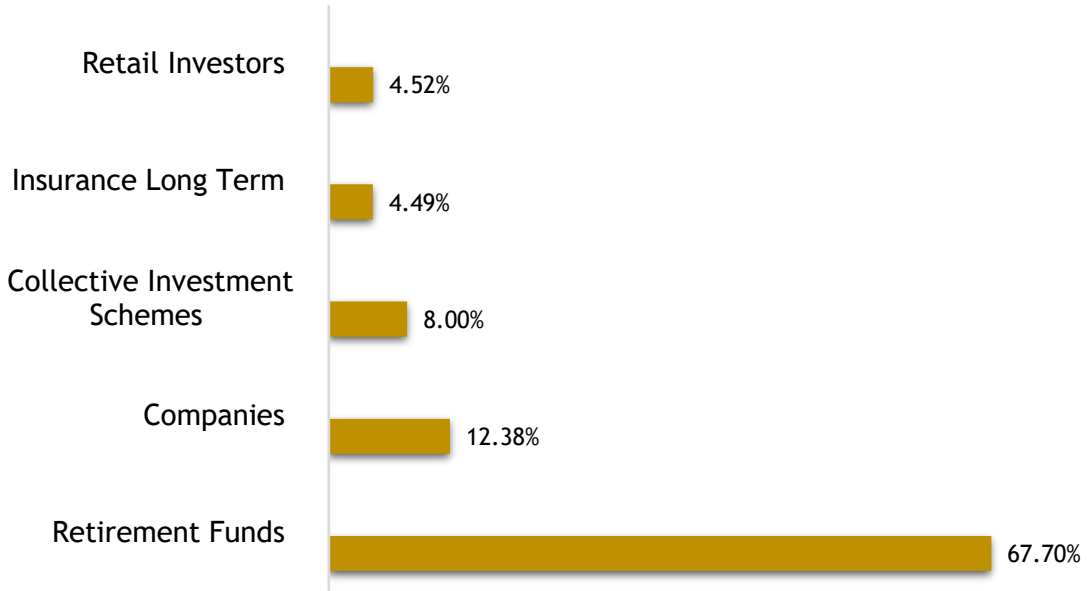


3.1.3 Sources of Fund

Retirement funds market share dominance was 67.70% a decrease from the previous period as the market share was 73.05%. companies increased market share and held 12.38% of the market which was an increase when compared to the previous period where companies held a collective 8.20%.

Collective investment schemes had a slight increase moving from 7.88% in the previous quarter to 8.00% in the period under review and retail investors had a slight increase as they moved from 4.37% to 4.52% in the period.

Figure 7: Overall Sources of Funds

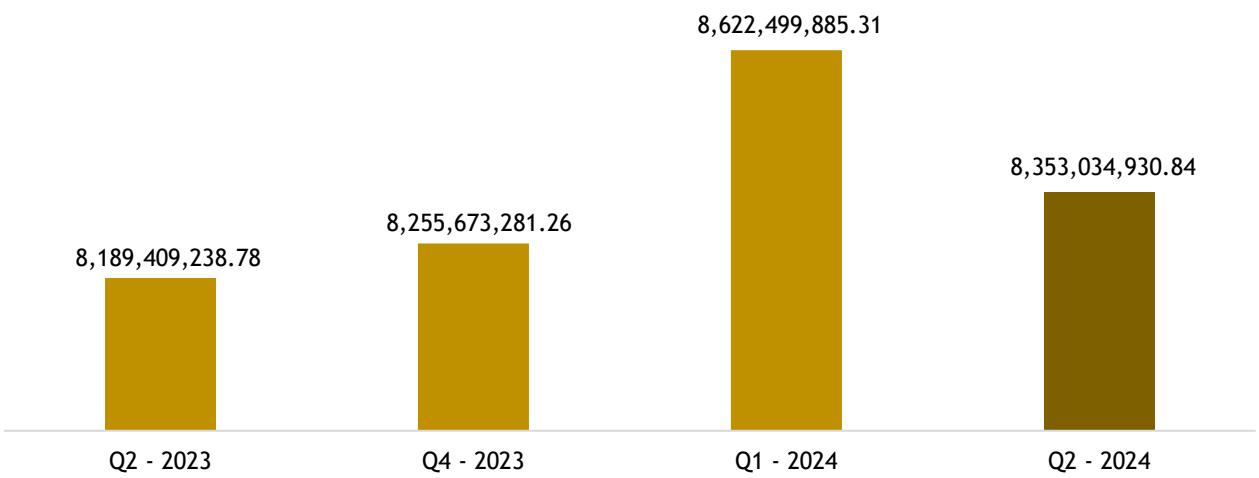


3.1.4 Collective Investment Schemes (CIS)

3.1.4.1 Value of AUM

The second quarter closed at a lower asset value under the CIS as the assets were valued at E8.35 billion, a decline of 3.13% from the previous quarter's E8.62 billion. A year-on-year comparison indicates an increase of 2.00%. Several economies like the Bank of England started their rate cuts and this is expected to influence the domestic market's decisions, but at the same time the Rand to the Dollar is gaining momentum and any fund holding dollars denoted in rands may not perform well.

Figure 8: Value of Assets under Management

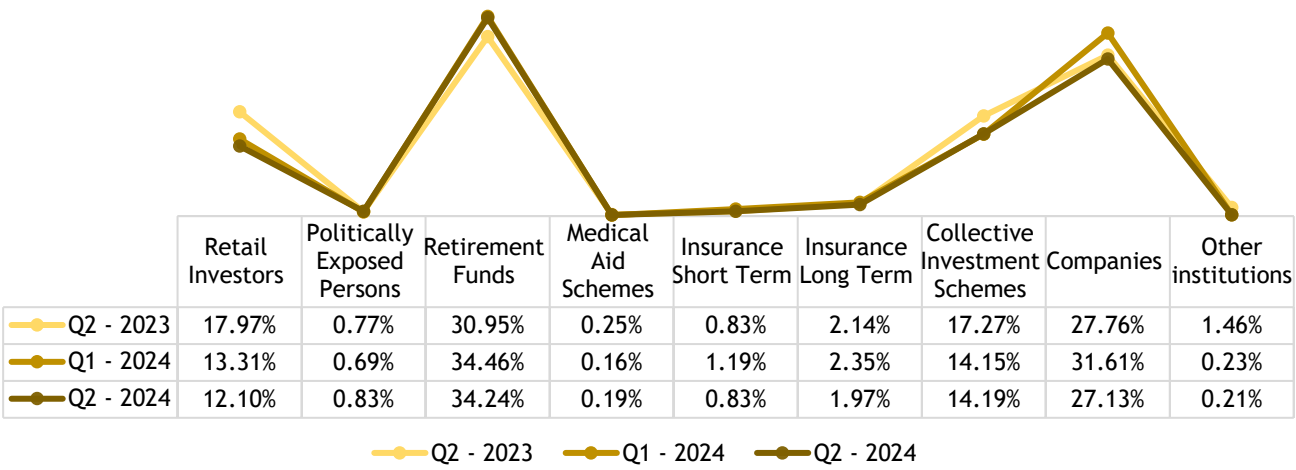


3.1.4.2 CIS Source of Funds

Retirement funds declined in market share as their invested assets were 34.46% in the previous quarter moving to 34.24% in the current period, however, the decrease also follows a trend from the previous quarter.

Companies market share was 27.13% a decrease from the previous quarter where it had accounted for 31.61%. retail clients also had a decrease as of the current period they stand at 12.10% yet in the previous quarter they stood at 13.31%.

Figure 9: CIS Sources of Funds



	Retail Investors	Politically Exposed Persons	Retirement Funds	Medical Aid Schemes	Insurance Short Term	Insurance Long Term	Collective Investment Schemes	Companies	Other institutions
Q2 - 2023	17.97%	0.77%	30.95%	0.25%	0.83%	2.14%	17.27%	27.76%	1.46%
Q1 - 2024	13.31%	0.69%	34.46%	0.16%	1.19%	2.35%	14.15%	31.61%	0.23%
Q2 - 2024	12.10%	0.83%	34.24%	0.19%	0.83%	1.97%	14.19%	27.13%	0.21%

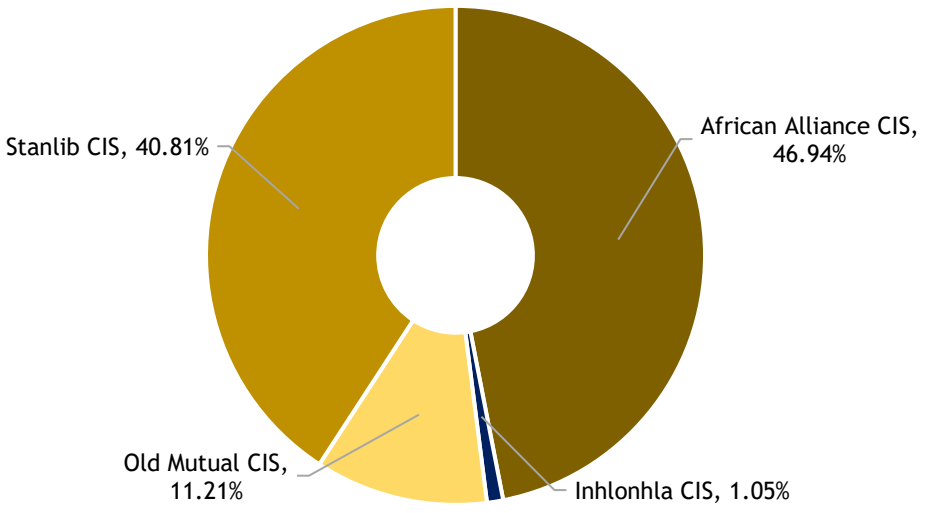
3.1.4.3 CISs Market Share

African Alliance's market share increased from 43.82% to 46.94% in the period and was the only entity to gain in the period under review, this increase can be noted from the increase in retail investor funds and SACCO's.

The second largest asset manager under the collective investment schemes had a decline as in the previous quarter it had 43.55% declining to 40.81% in the period under review, it is evident that retail investor funds have decreased even though there was an increase in funding from high net-worth individuals. Old Mutual also experienced a decline moving from 11.43% to 11.21% even though the entity had an increase in retail investor funds it experienced a decline in funds from collective investor schemes.

Inhlonhla also experienced a decline moving from 1.20% to 1.05% and it was a result of a fall in retail investor funding even though the was an increase in funding from companies.

Figure 10: CIS Market share in terms of AUM



3.1.4.4 CIS Asset Allocation

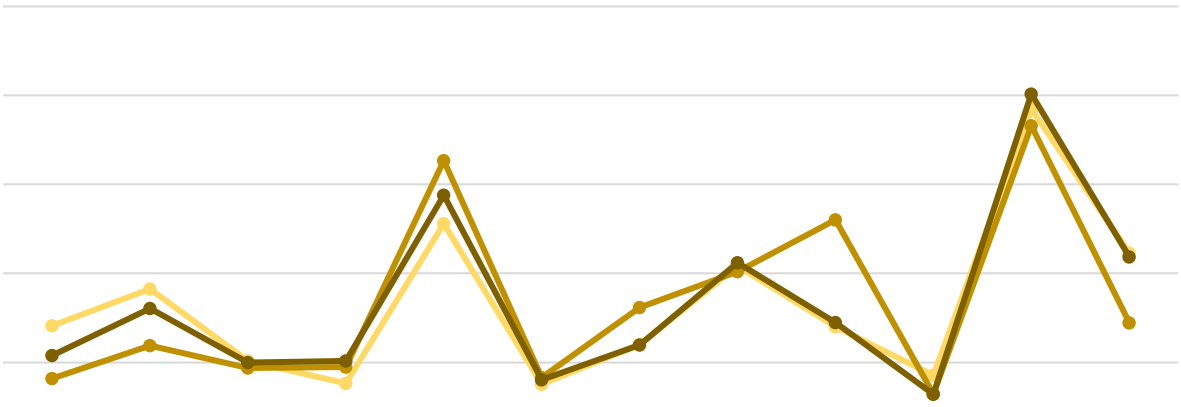
Collective investment schemes in associated entities continue to increase, as it moved from 18.30% to 20.08% in the period under review. Short-term instrument treasury bills had a slight decline as they moved from 16.34% to 14.49% but remained the second most invested asset class, closing the top three asset classes and other portfolio assets which increased from 7.22% to 10.92% in the period.

Equity in the primary listing has over the years been changing ever slightly, but has maintained investments of 10%,

Government bonds investing has been volatile as a year-on-year comparison they accounted for 6.01% to increase to 8.09% in Q4 2023 and in the period under review they decreased to 5.98%.

Commercial paper, which is another short-term instrument has been slowly increasing, a year-on-year comparison shows that it was at 3.83% in 2023 and moved to 4.75% in Q1 2024 and in the current period it sits at 5.08%.

Figure 11: CISs Investment Allocation



	Cash	Negotiable Certificate of Deposit	Banker's Acceptance	Commercial Paper	Treasury Bill	Corporate Bonds	Bonds/ Debentures	Equity with Primary lisiting	Unlisted Securities: Debt	Collective Investment Schemes	Collective Investment Schemes (Associated Entity)	Other Portfolio Assets
Q2 - 2023	7.07%	9.12%	5.08%	3.83%	12.79%	3.77%	6.01%	10.43%	7.01%	4.27%	19.24%	11.14%
Q1 - 2024	4.10%	5.95%	4.69%	4.75%	16.34%	4.15%	8.09%	10.10%	13.01%	3.22%	18.30%	7.22%
Q2 - 2024	5.40%	8.03%	4.99%	5.08%	14.40%	4.01%	5.98%	10.59%	7.24%	3.21%	20.08%	10.92%

3.2.3 CISs portfolio

In quarter 4, CIS Managers had twenty-one (21) portfolios with a minimum of two (2) portfolios amongst each CIS and a maximum of six (6).

The monthly debit orders into the portfolio start at E250.00. The risk criteria of the portfolio range from low risk to high risk.

It is worth noting that medium risk is mostly preferred by their clients in the economy as it strikes a good balance.

It is encouraged however to always assess your risk appetite to get maximum returns according to your lifestyle. Seek accredited financial advisors and planners before investing.

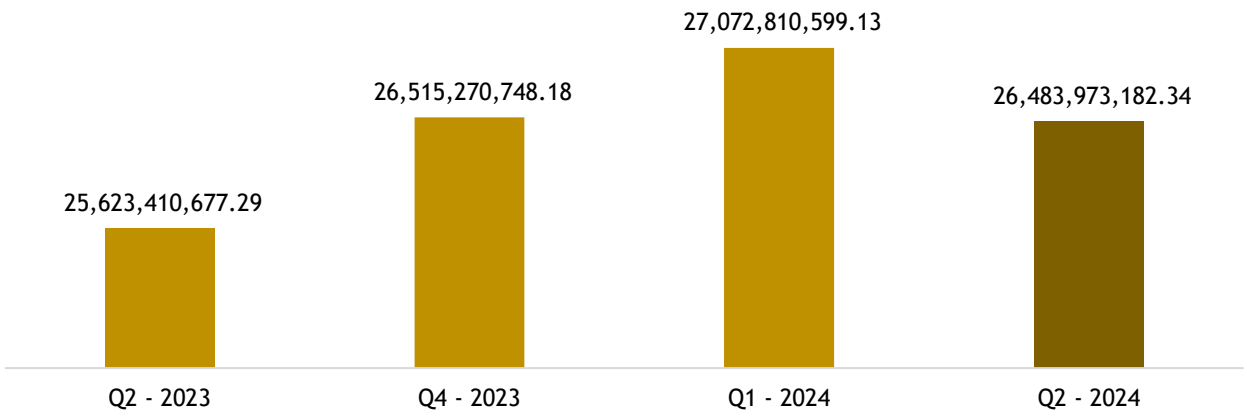
3.1.5 Investment Advisory

3.1.5.1 Value of Assets under Advisory (AUA)

Assets under advisory declined in the period under review moving from E27.07 billion to E26.48 billion, the foreign market was mostly affected as it saw funds being disinvested, in the period under review the foreign market lost 5.26% of the total assets leaving it with a market share of 18.56%.

The domestic market lost 13.57% of the total assets bringing its market share to 28.66%, a fall from the 32.44% it had in the previous quarter. The CMA has the biggest gains as it increased its market share by 6.68%, moving from 48.40% during the last quarter to 52.78% in the current period.

Figure 12: Value of Assets under Advisory

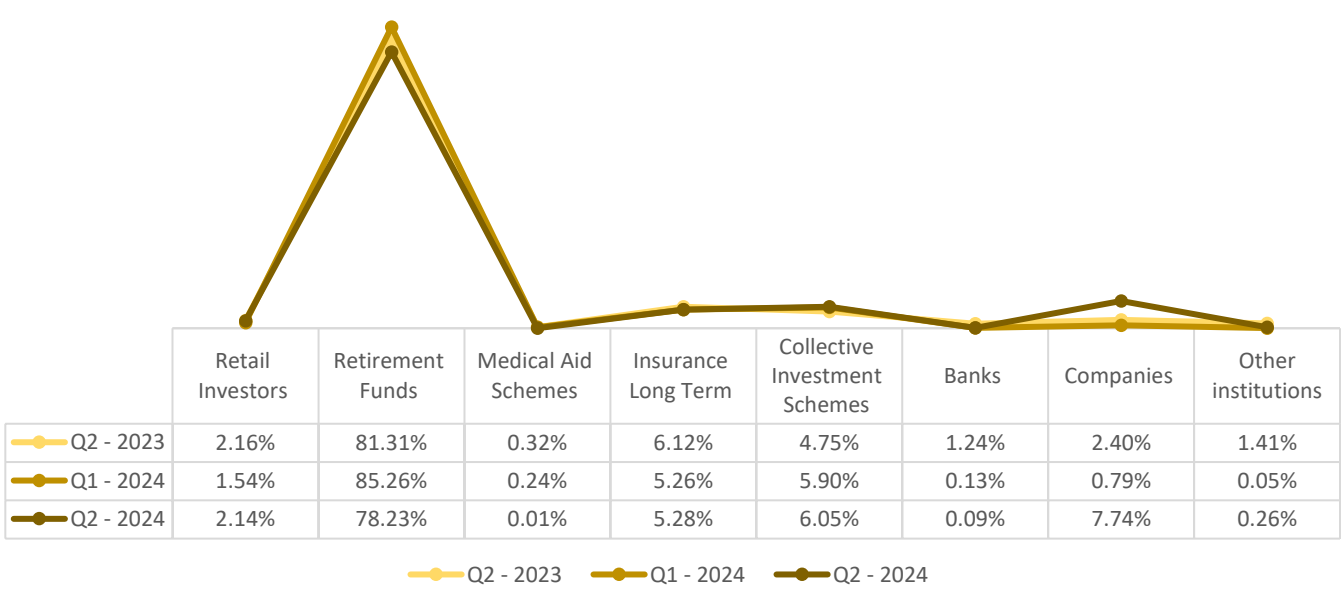


3.1.5.2 IA Source of Funds

Retirement funds continue to be the largest funders as they were responsible for 78.23% of the overall funds, a decline from the previous 85.26%. companies improved on invested funds as they were responsible for 7.74% an increase when the previous quarter is considered as it had sat at 0.79%.

Long-term insurance also increased investment as they had moved from 5.26% in the previous quarter to 5.28% in the current period and as for retail investors they improved moving from 1.54% in the previous quarter to 2.14% in the current period.

Figure 13: IA Source of Funds



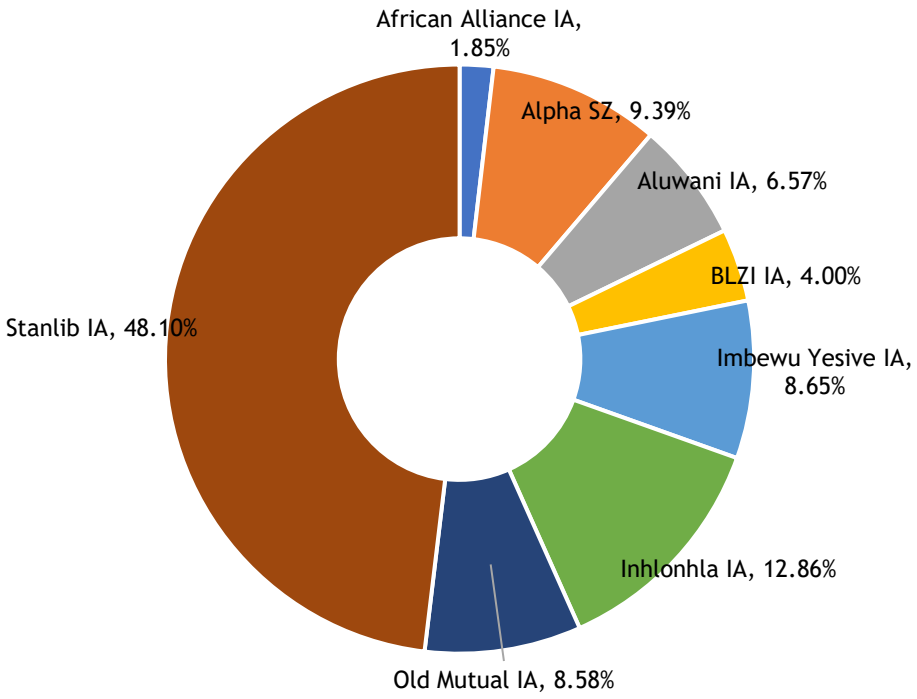
	Retail Investors	Retirement Funds	Medical Aid Schemes	Insurance Long Term	Collective Investment Schemes	Banks	Companies	Other institutions
Q2 - 2023	2.16%	81.31%	0.32%	6.12%	4.75%	1.24%	2.40%	1.41%
Q1 - 2024	1.54%	85.26%	0.24%	5.26%	5.90%	0.13%	0.79%	0.05%
Q2 - 2024	2.14%	78.23%	0.01%	5.28%	6.05%	0.09%	7.74%	0.26%

3.1.6.1 Market Share in terms of AUA

Stanlib increased its market share, moving from 46.50% to 48.10% just shy of 1.90% to control over 50% of the assets under the advisory market, Inhlohla the second largest advisor in terms of assets increased their market share as previously they stood at 12.58% and of the end of the current quarter, they went up to 12.86%,

closing the top 3 is AlphSz with a market share of 9.39% an increase from 9.31% in the previous quarter. Imbewu Yesive lost market share as it moved from 9.15% in the previous quarter to 8.65% in the current quarter, together with Old Mutual which went from 10.67% to 8.58% in the current period.

Figure 14: Market Share in terms of AUA

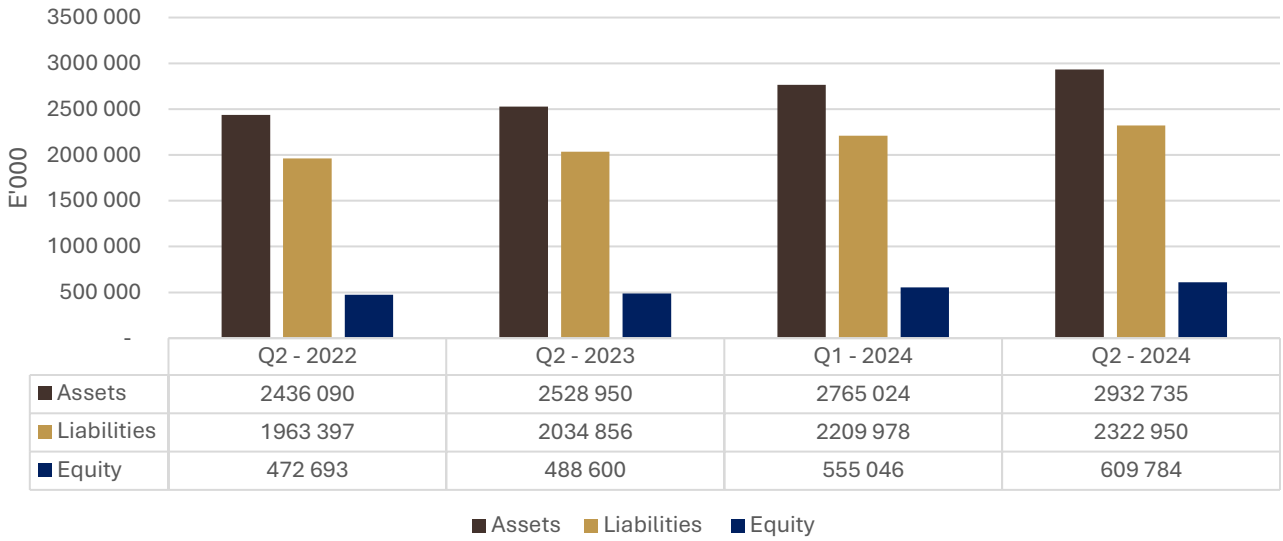


3.2.1 Savings and Credit Co-operative Societies Assets

During the review period, Total Assets continued to grow at an accelerated pace, reaching E2.93 billion, representing a 6.07% increase compared to the previous period's E2.76 billion. On a year-on-year basis, total assets rose by 15.97%, up from E2.53 billion in the corresponding period. The most significant growth was observed in cash and cash equivalents, which surged by 39.47% compared to the prior quarter. However, its overall impact on total assets remains limited as this component accounts for only 5.87% of the balance sheet.

The primary contributor to the increase in total assets was Net Loans, which grew by 2.86%, largely driven by a 3.50% expansion in the Gross Loan Portfolio on a quarterly basis. Given that Net Loans constitute 72.95% of total assets, even small changes in this component significantly influence total asset valuations. Meanwhile, financial investments posted a quarterly increase of 12.51%. In contrast, property, plant, and equipment saw a slight decline of 1.93%, but with this category comprising just 4.23% of total assets, its impact on the overall valuation was minimal.

Figure 15: SACCO's Asset Evolution



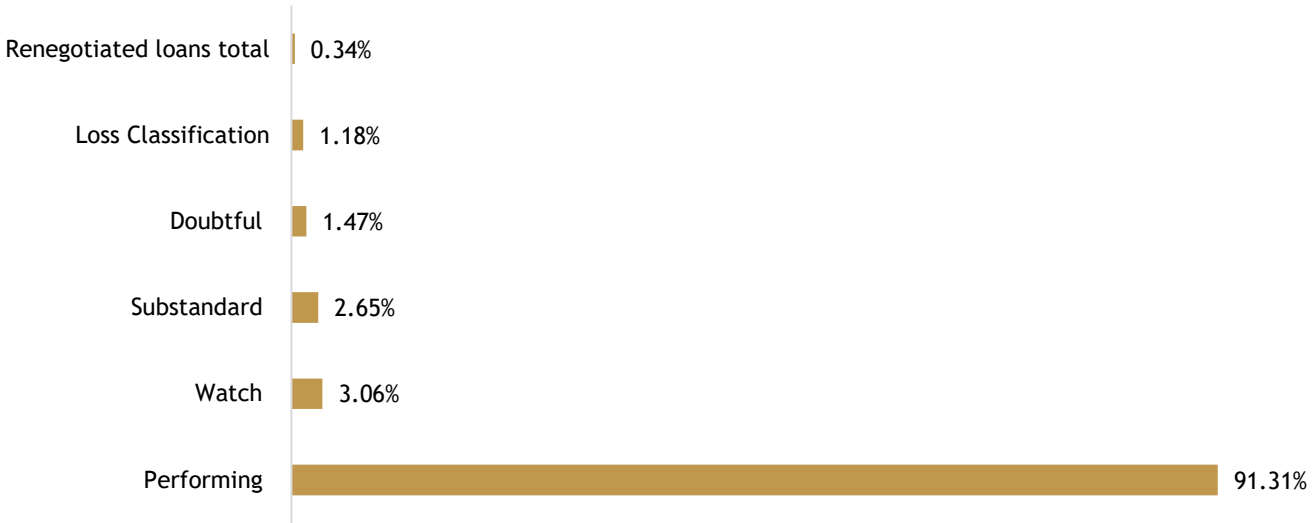
	Q2 - 2022	Q2 - 2023	Q1 - 2024	Q2 - 2024
Assets	2436 090	2528 950	2765 024	2932 735
Liabilities	1963 397	2034 856	2209 978	2322 950
Equity	472 693	488 600	555 046	609 784

3.2.2 Loans and Advances

Loans and Advances totalled E2.19 billion, reflecting a 3.45% increase from the previous quarter's E2.11 billion. On a year-on-year basis, this represents a significant growth of 18.63%. Non-performing loans (NPLs) rose slightly to 8.69%, compared to 8.65% in the previous quarter. In anticipation of potential defaults, the Provision for Loan Losses increased sharply by 39.89% quarter-on-quarter.

On a positive note, Performing Loans improved to 91.31%. However, there were slight increases in risk categories, with Doubtful Debts rising to 1.47% and the Loss Classification increasing to 1.18%, up from 1.45% in the prior quarter.

Figure 16: SACCO Loans and Advances

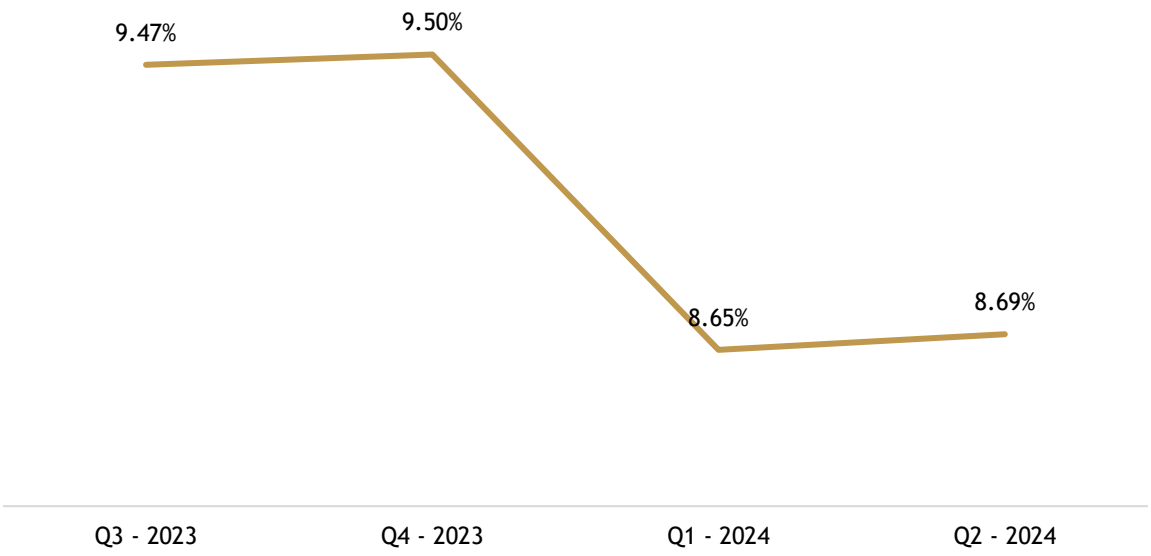


3.2.1.2 Portfolio at Risk

The Portfolio at Risk (PAR) experienced a slight increase during the review period, rising by 0.04% from 8.66% to 8.69%.

While the change is minimal, it suggests a marginal uptick in loan delinquencies, which may warrant closer monitoring to mitigate potential credit risks.

Figure 17: SACCO's Portfolio at Risk

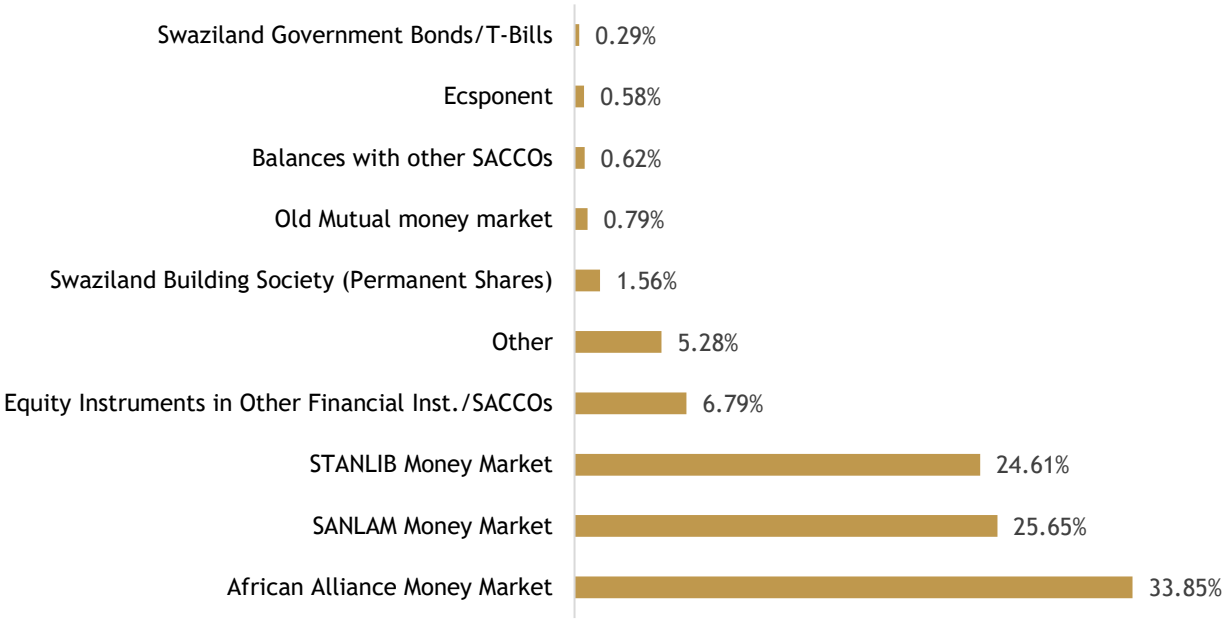


3.2.1.3 Investments

Investments closed the period on a strong note, rising by 12.59% to reach E374 million, up from E333 million in the previous quarter. Asset Managers continued to dominate the portfolio, accounting for over 80% of the total investments. In contrast, Equity Investments declined to 6.83% of the funds, down from 7.71% in the prior quarter.

This shift indicates a strategic tilt toward managed assets, potentially reflecting a preference for stability or higher anticipated returns in that category.

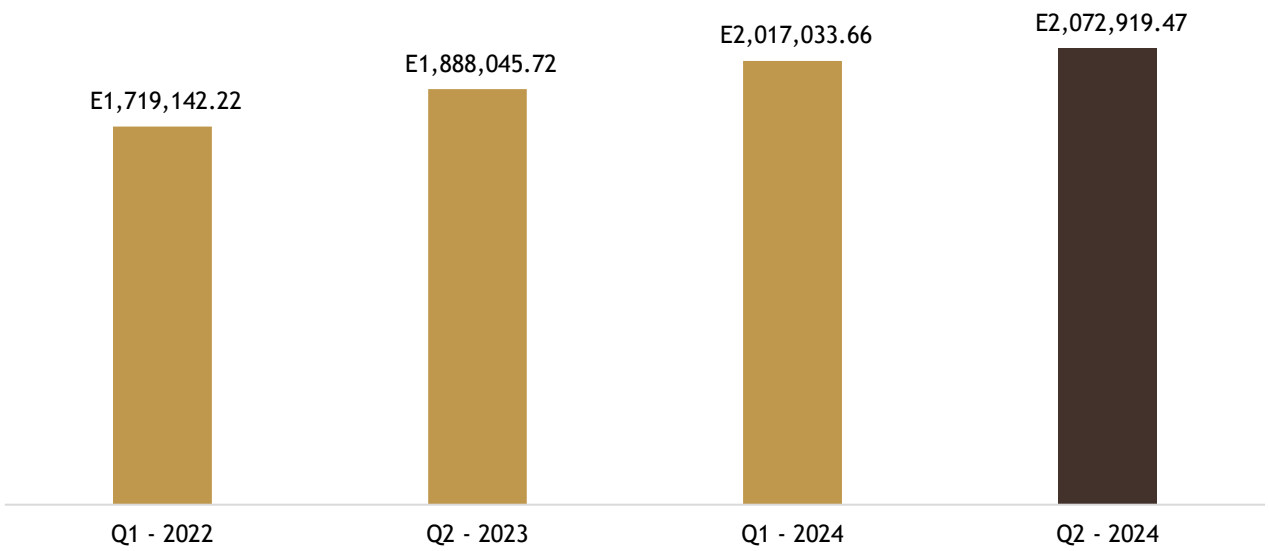
Figure 18: SACCO's Investments



3.2.1.4 SACCO's Savings

Total Savings for the quarter were valued at E2.07 billion, reflecting a 2.77% increase compared to the previous quarter's E2.02 billion. Non-Withdrawable Savings grew significantly by 4.60%, a marked improvement from the modest 0.99% increase in the prior quarter, reaching E1.76 billion. In contrast term deposit declined by 9.83% to E255 million, reversing the 8.88% growth seen in the last quarter. This shift suggests a preference among savers for more accessible savings options, possibly driven by liquidity needs or reduced demand for fixed-term commitments.

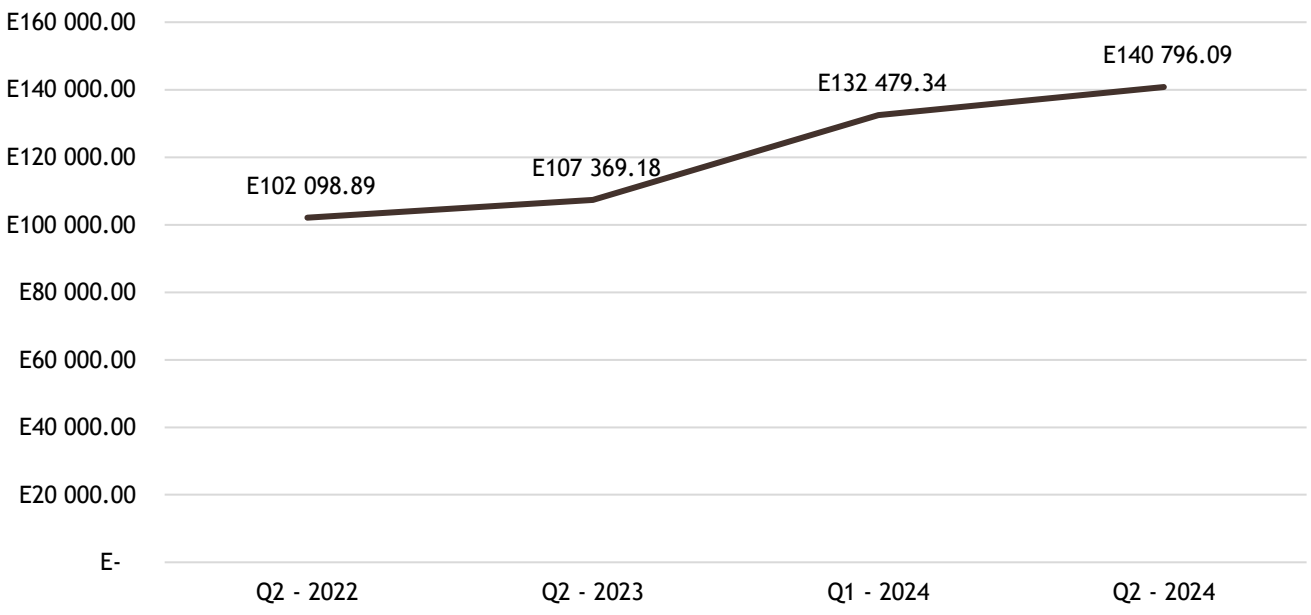
Figure 19: SACCO's Savings Trend



3.2.1.5 SACCO's Profitability

Net Financial Income for the quarter increased by 6.28% compared to the previous quarter and by 23.39% year-on-year, reaching E141 million. This growth was driven primarily by a 7.60% rise in income from investments and an 8.34% increase in income from the loans portfolio. However, the rise in income was accompanied by a 17.36% increase in financial expenses reflecting the cost of sustaining the growth. Despite this, Net Operating Income surged by 39.37%, while Net Income (before donations) rose significantly by 64.09% to E28.4 million. These results highlight robust financial management during the quarter, with income growth outpacing expenses and contributing to strong profitability during the quarter.

Figure 20: SACCO's Profitability

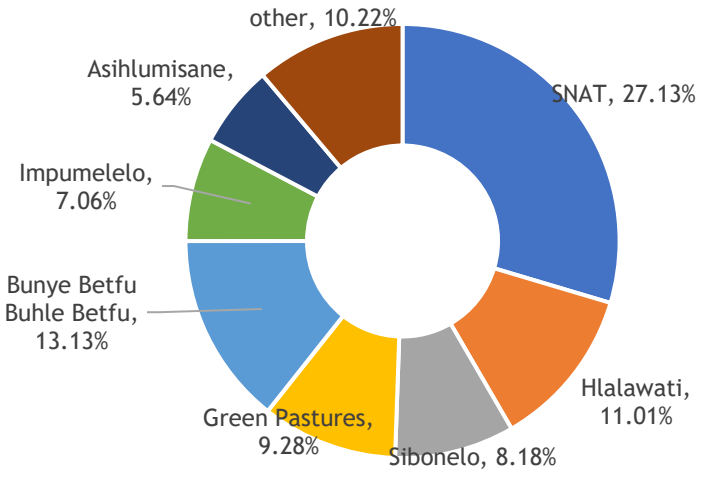


3.2.1.6 SACCO's Market Share

SNAT experienced a slight decline in its market share, dropping from 27.59% to 27.13%, though it retained its position as the largest SACCO. Dlanubeka recorded the highest growth among the top SACCOs, increasing its market share by 13.13%. Similarly, Hlalawati saw an increase, rising from 9.93% to 11.01% in the current quarter. In contrast, Green Pastures experienced a modest decline from 9.58% to 9.28%, while Sibonelo also saw a slight reduction, moving from 8.32% to 8.18%.

The Herfindahl-Hirschman Index (HHI), a measure of market concentration, declined from 1311 to 1302, indicating increased competitiveness within the SACCO sector. This decrease reflects a more equitable distribution of market shares among players, signalling a shifting landscape characterized by growing competition among key SACCOs. This trend may suggest strategic realignments or an erosion of dominance by larger entities, fostering a more dynamic market environment.

Figure 21: SACCO's Market Share



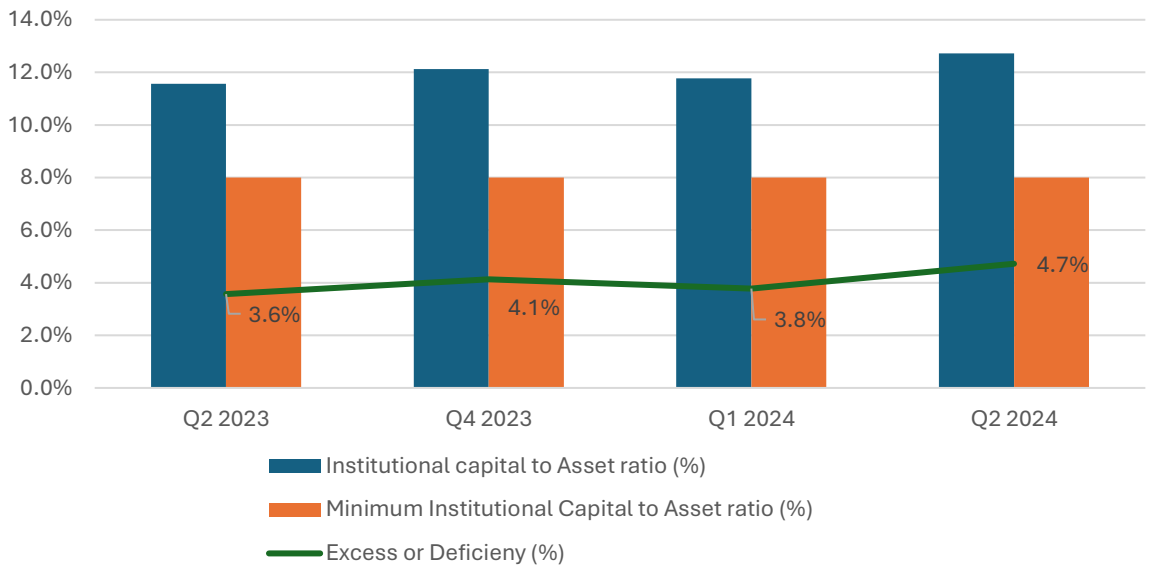
3.2.1.7 SACCOS Capital Adequacy

According to the SACCOs guidance notes, SACCO are required to at all times maintain institutional capital of not less than 8% of total assets.

The sector has consistently complied with this provision as it has consistently maintained excess capital ranging from 3.6% to 4.7%.

There are however several SACCOS that are currently under intervention for failure to meet this capital adequacy requirements.

Figure 22: Institutional Capital to Assets



3.2.2 Credit Institutions

3.2.2.1 Credit Institutions Assets

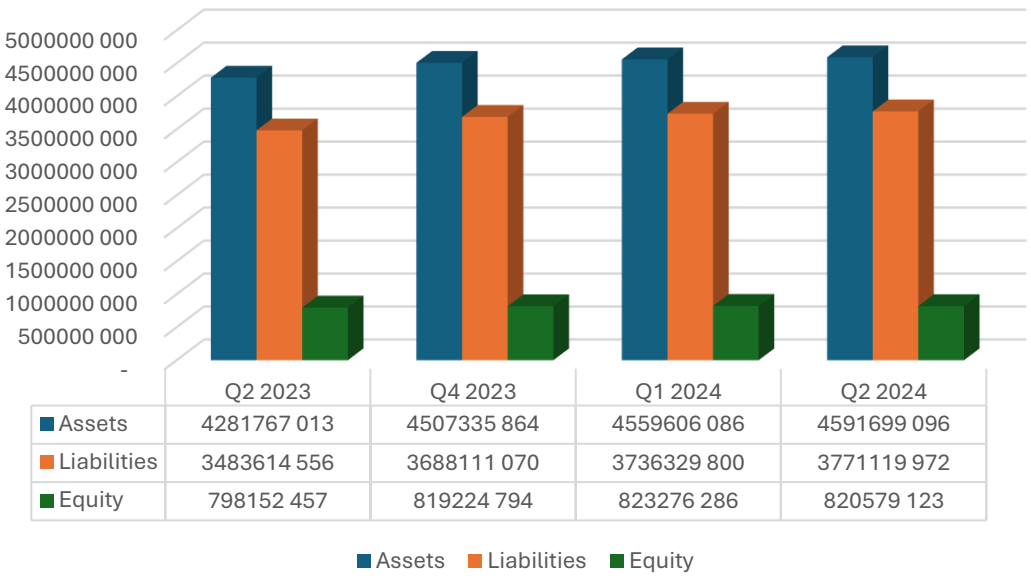
A slight decline of 0.70% was observed in the credit institutions assets, moving from E4.56 billion in the previous quarter to E4.59 billion in the current quarter. However, on a year-on-year basis an increase of 4.7% was observed. This annual growth continues to be driven by changes in loans and advances, which comprise 74.6% of total assets.

Liabilities also showed a slight 0.93 quarterly growth however an annual growth of 8.3% was observed. These changes are mainly the result of changes in the amounts owing to related parties. It is important to consider that these changes may not impact all credit providers uniformly; rather, they could be concentrated among certain key institutions.

Addressing the dynamics of these liabilities and the related assets is crucial for maintaining financial stability and managing risk within the sector.

Despite these changes, the sector remained financially sound with a net equity valuation of E820.58million. Compared to the previous quarter this is a decline of 0.33% resulting from the decline in retained earnings and reserves. On a year-on-year basis an increase of 2.8% in the sector's equity position was observed.

Figure 23: Credit Institutions Assets



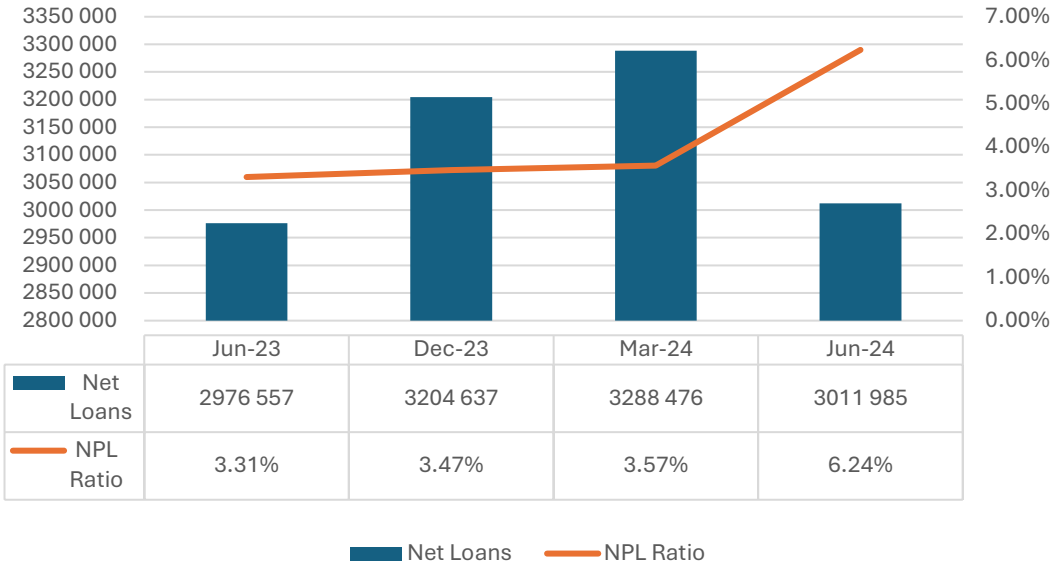
	Q2 2023	Q4 2023	Q1 2024	Q2 2024
Assets	4281767 013	4507335 864	4559606 086	4591699 096
Liabilities	3483614 556	3688111 070	3736329 800	3771119 972
Equity	798152 457	819224 794	823276 286	820579 123

3.2.2.2 Credit Institutions Loans and Advances

A review of the sector's loans and advances shows a quarterly decline of 4.5% of the long-term portion of the loans and advances while the short-term increased by 9.3%, this change is indicative of the decline in new loans and advances to. On an annual basis a slight growth of 1.6% was observed in the long-term portion of the loans and advances while the short-term portion showed a significant growth of 30.1% indicating that a higher portion of the loans and advances were due for repayment in less than year while the issuances of new advances was slowing down.

This slow down could however be the result of the heightened interest rates with credit providers implementing stringent credit underwriting measures. The interest rates may also be a deterrent for customers to apply for new loans.

Figure 24 : Credit Institutions Net Loans and NPL Ratio



	Jun-23	Dec-23	Mar-24	Jun-24
Net Loans	2976 557	3204 637	3288 476	3011 985
NPL Ratio	3.31%	3.47%	3.57%	6.24%

3.2.2.3 Credit Institutions Market Share

Considering the different business models in the sector, market share for the sector is determined based on two components i.e. the total asset size and the size of loans and advances.

In terms of total assets Select continued to be the market leader with at 36.92%.

Figure 25: Credit Institutions Market Share in terms of Total Assets

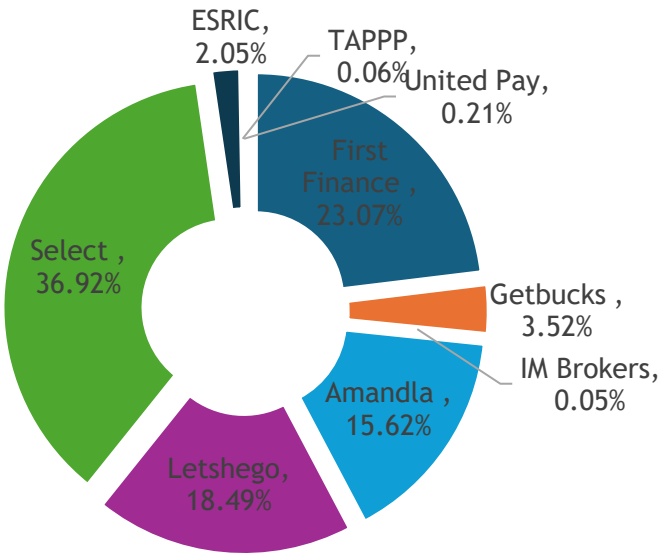
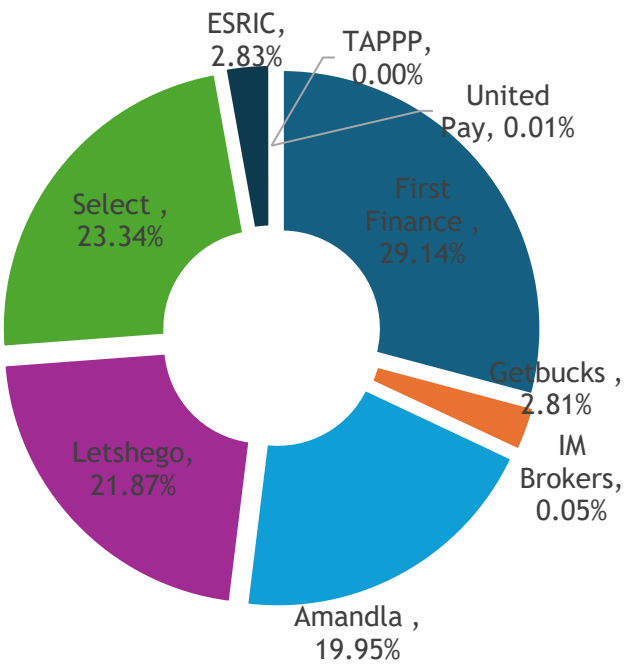


Figure 26: Credit Institutions Market share in terms of Loans and Advances



The sector's market share in terms of loans and advances however shows First Finance to be a market leader with a market share of 29.14%. Letshego shows competitiveness in the sector despite having a lower asset base in comparison to Select and First Finance as their loan portfolio accounts for 21.87% of the sector's loan book.

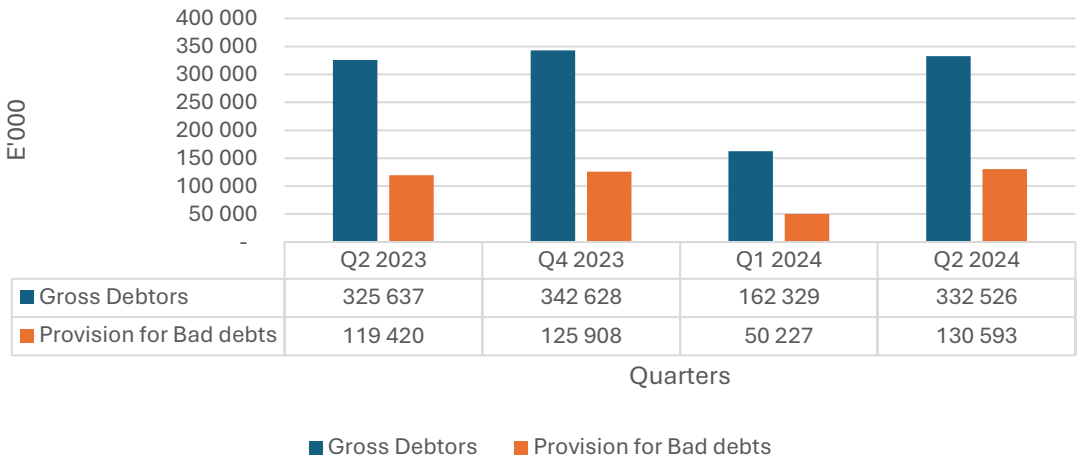
3.2.3 Retail Outlets

3.2.3.1 Retail Outlets Gross Debtors and Liabilities

Gross debtors for retail outlets experienced showed an increase from E162.33 million in the previous quarter to E332.53. However, when compared to the same period in the previous year a slight increase of 2.11% was observed.

Commensurate with the increase in gross debtors an increase in provisions for doubtful debts was observed.

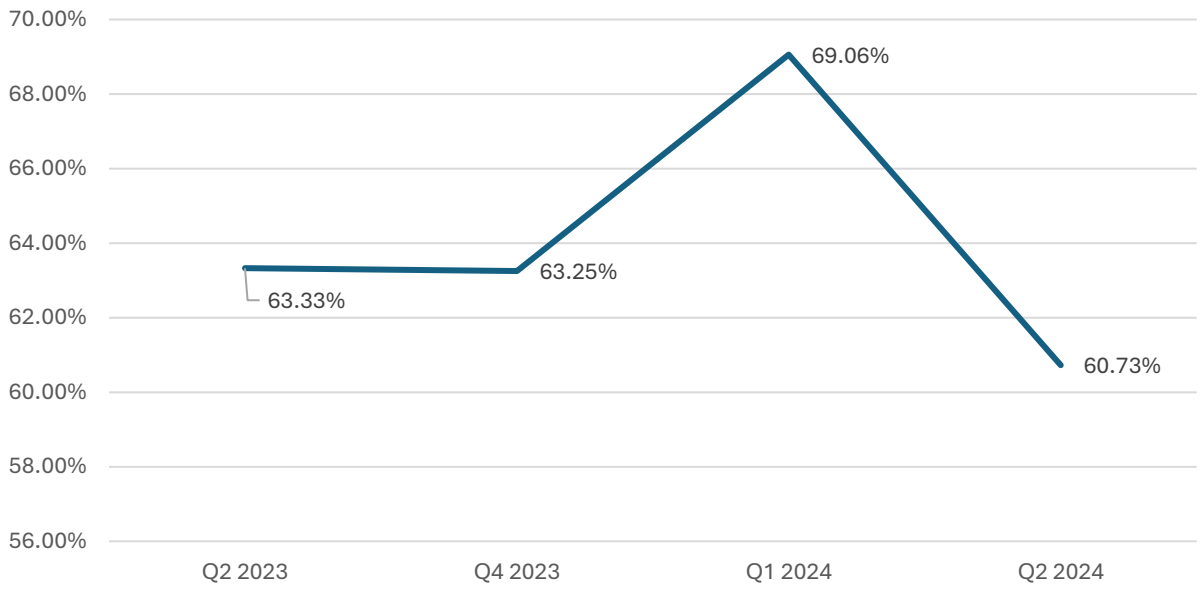
Figure 27: Retail Outlets Gross Debtors and Liabilities



Net debtors also showed an increase of 80% on a quarterly basis however a 2% annual decline was observed.

Overall, the net debtor's ratio remained above 60%, suggesting that most outstanding debts are expected to be paid. This is a positive indicator of credit quality.

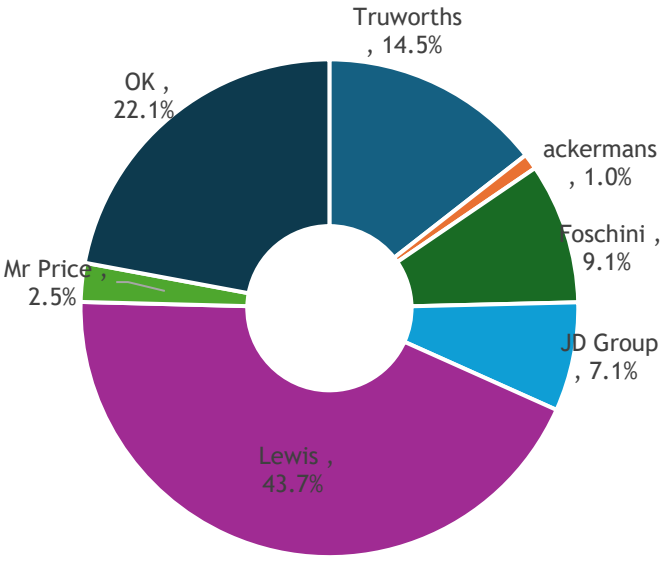
Figure 28: Retail Outlets Net Debtors' Ratio



3.2.3.2 Retail Outlets Market Share based on Credit Extension

A review of competitiveness amongst the retail outlets credit providers, outlets selling household items have shown a higher market share when compared to other retailers with Lewis leading the sector's credit book at 43,7% .

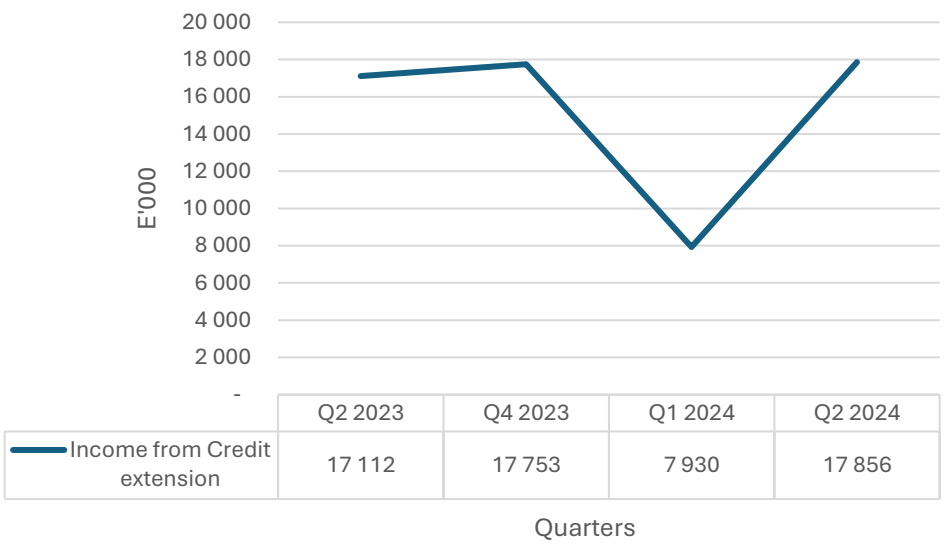
Figure 29: Retail Outlets Market Share



3.2.3.3 Retail Outlets Credit Extension income

A review of the retail outlets income, indicates that income generated from credit extension as percentage of the sector's total income is low at only 13.11% as of 30 June 2024.

Figure 30: Retail Outlets Credit extension income



3.2.4 Building Society

3.2.4.1 Building Societies Assets

As of June 2024, building societies assets increased by 1.29% from E3.60 billion to E3.71 billion. This increase was due to the increases in the society's nostro accounts, the increase in investments. Loans and advances however showed a decline of 2.30%. On an annual basis, an 11.82% growth was observed also driven by the increase in the nostro accounts, the increase in loans and advances and the increase in investments.

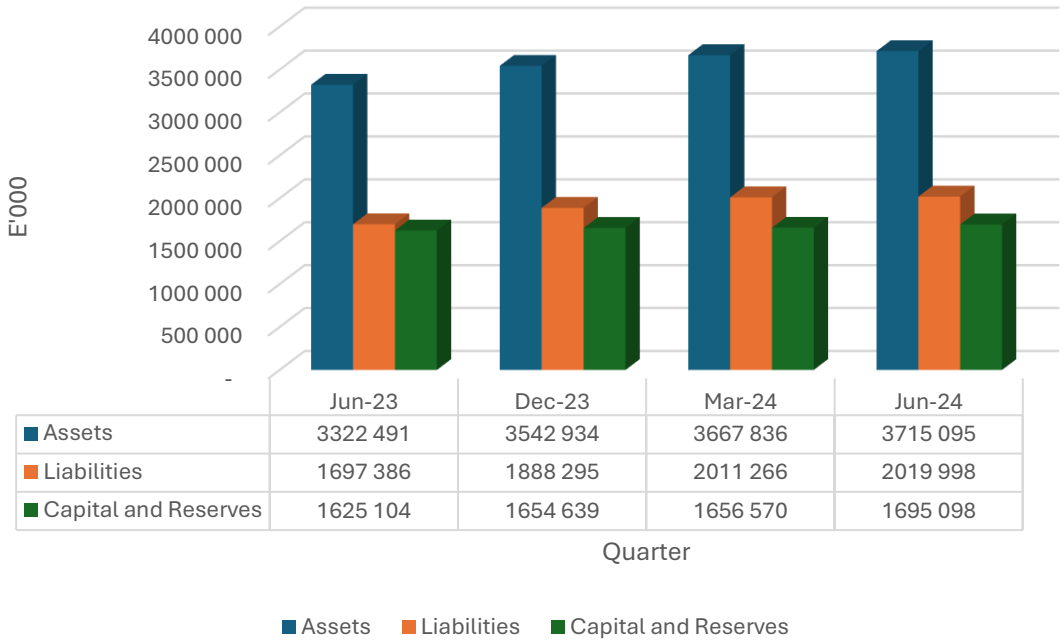
3.2.4.2 Building Societies Liabilities

The liabilities side however showed a slight growth of 0.43% when compared to the previous quarter resulting mainly from the minimal improvements in deposits held by the Societies. However, liabilities showed an annual increase of 19.01% driven by the annual increase in deposits and bills payable.

3.2.4.3 Building Societies Capital and Reserves

The sector remained solvent with capital and reserves valued at E1.69 billion as of 30 June 2024, an increase of 0.03% from the previous quarter and a 3.36% from June 2023. The minimal quarterly increase was driven by the operating losses incurred during the quarter leading to a decline in the retained earnings, the total capital to risk weighted ration declined by 19.6 basis points from 91.12% in the previous quarter to 71.43 in the current quarter.

Figure 31: Building Societies Financial Position



3.2.4.4 Building Societies Performance

In the quarter under review the sector's net income showed a sharp decrease from a profit after tax of E4.73 million in the previous quarter to a quarterly loss of E533.85 million. The decline is mainly the result of the decline in the non-interest income coupled with the slight increase in the non-interest expenses.

However a comparison with June 2023 shows that the sector had incurred a loss of E2.75 million during this period hence the June 2024 loss is an improved year-on-year performance.

A review on performance relating to the sector's core business shows that interest income declined both annually and quarterly. Annually significant declines were observed in interest earned on loans and advances and commercial mortgages.

Quarterly declines were however slight declining by 2.01% for interest income on loans and advances and 4.90% for interest income on mortgages.

3.2.4.5 Building Societies Credit Provision

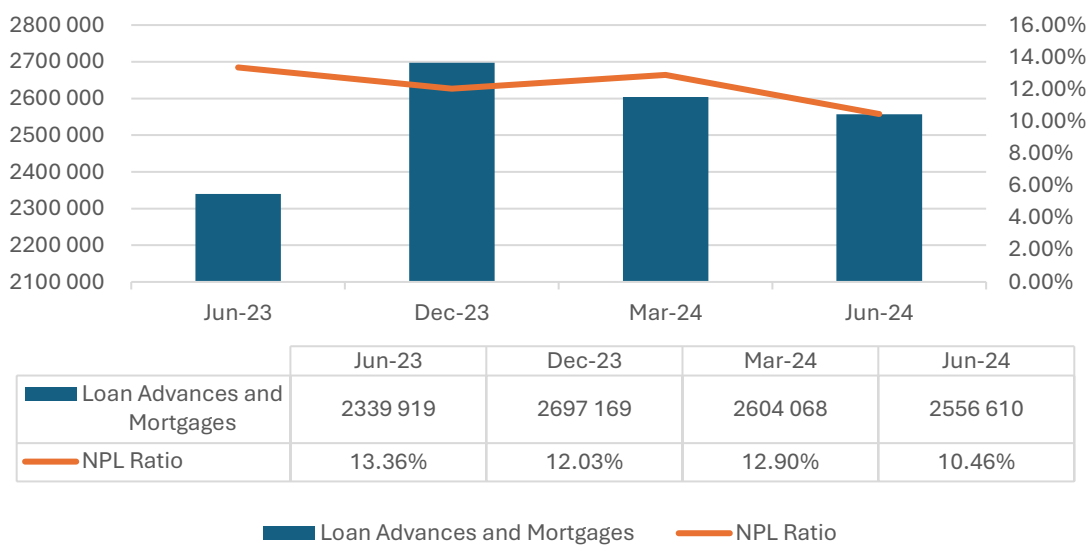
Loans and advances showed a slight quarterly decline of 0.2% from E681.13 million as of 31 March 2024 to E679.58 in the current quarter. Mortgage lending also dropped by 2.39% during the quarter with the highest decline observed in parastatal mortgages while both government and non-resident mortgages showed an increase.

The overall sector loan portfolio declined by 1.82% from E2.60 billion in the previous quarter. On an annual basis a 9.30% increase in mortgages and loans was observed and this was mainly driven by the increase in government mortgages and mortgages to non-residents

The NPL ratio showed an annual decline of 2.90 percentage points from 13.36% to 10.46% in the current quarter while a quarterly decline of 2.44 percentage points was also observed. The decline in the NPL comes alongside the reduction loans and advances from the previous quarter.

This improvement could be indicative of the improvement in the sector's credit underwriting or the complete write-off of non-performing loans

Figure 32: Building Societies Credit Provision and NPL



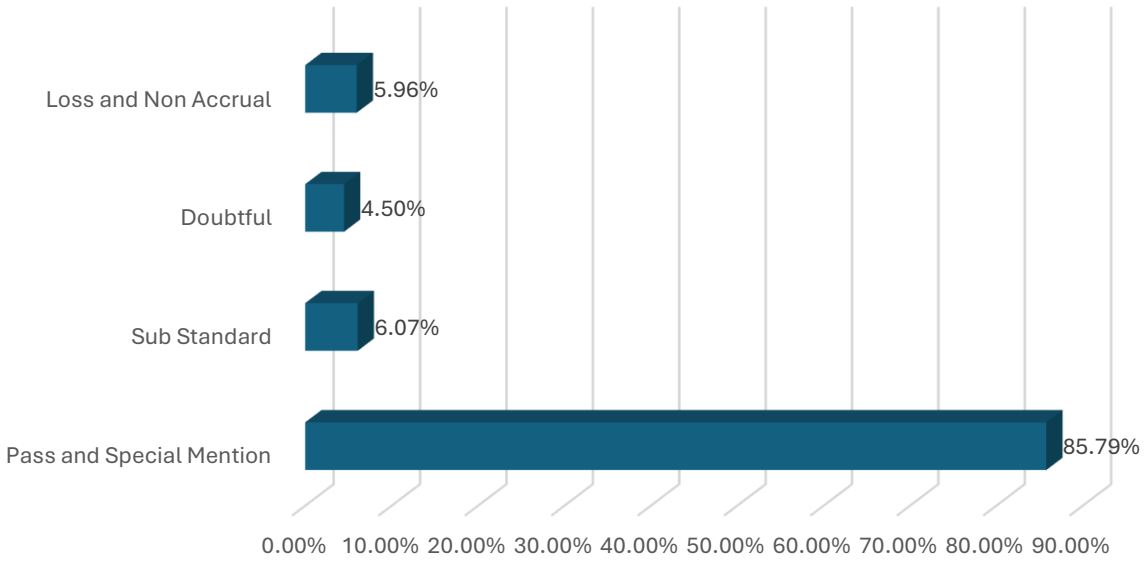
	Jun-23	Dec-23	Mar-24	Jun-24
Loan Advances and Mortgages	2339 919	2697 169	2604 068	2556 610
NPL Ratio	13.36%	12.03%	12.90%	10.46%

3.2.4.4 Loan Classification

The sector continues to maintain prudent credit underwriting as the pass loans are at 85.79% therefore indicating a good quality loan portfolio. Sub-standard loans that are starting to show signs difficulty in performance is still within the acceptable range although this is an increase 1.07 percentage points from the previous quarter.

The combined ratio of the loss and non-accrual together with the doubtful loan portfolio remains a concern and indicates that the need for increased loan provisioning and possible need for additional capital buffers to mitigate the potential impact of the write-offs that may be required in the future.

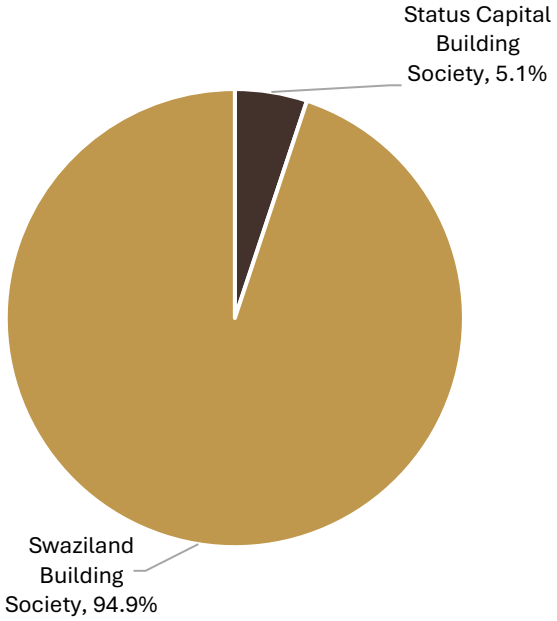
Figure 33: Classification of loans advances and Mortgages



3.2.4.5 Market Share

No changes were observed in terms of market share SBS continues to be the leader in this sector in terms of assets and core business of the societies.

Figure 34: Building Societies Market Share



3.2.5 Development Finance Institutions

3.2.5.1 DFI's Income

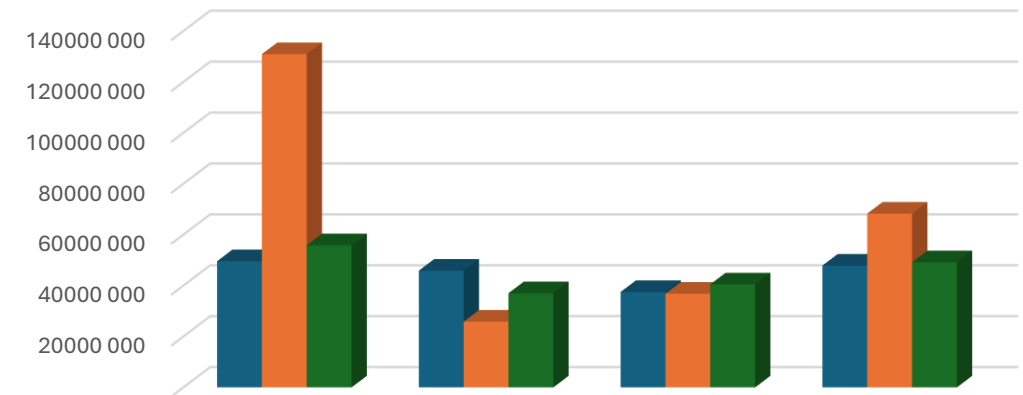
As of Q2 2024, the DFIs gross income stood at E70.21 million, indicating a 3.78% increase from the E70.15 million observed in Q4 2023. The quarter-on-quarter increase was boosted by a 26.58% increase in Interest Income on Loans. However, on a year-on-year basis, DFIs gross income declined by 26.78% from the E99.43 million earned in Q2 2023. This was largely due to a decrease of Income from Other Investments by 67.37%, from E72.07 million in Q2 2023 to E23.52 million in Q2 2024.

Net Income from Lending declined by 18.23% from E45.84 million in Q4 2023 to 37.48 million in Q2 2024, mainly due to an increase in cost of funds or interest rates. Contrary to that, year on year review revealed that DFI's Net Income from Lending increased by 90.75% from E19.65 million in Q2 2023 to 37.34 million in Q2 2024 because of an increase in Interest Income from Loans.

On a quarter-on-quarter review, Financial Income increased by 42.58%, from 25.82 million to E36.82 million. This may be attributed to higher interest rates that supported the value of DFIs Deposits with Banks and other Investments. By contrast, Financial Income decreased by 54.70% on a year-on-year basis from E81.28 million in Q2 2023 to E36.82 million in Q2 2024 as a result of the negative effects of higher interest on their business model.

DFIs operating expenses increased by 9.36% from E36.99 million in Q4 2023 to E40.45 million in Q2 2024. Personnel and Marketing were the greatest contributors to the increased operating costs, as they increased by 20.38 and 3.78%, respectively. Compared to the prior year, DFI's operational efficiency improved slightly, as costs decreased by 6.13% from E43.10 in Q2 2023 to the E40.45 recorded in Q2 2024.

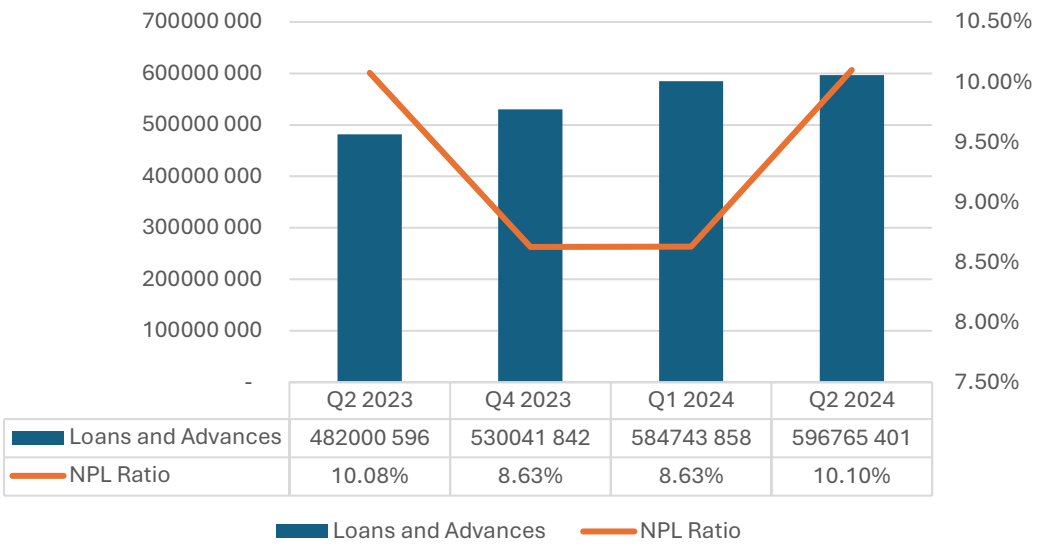
Figure 35: DFI's Income and Expenses



	Q2 2023	Q4 2023	Q1 2024	Q2 2024
Net Income from Lending	49572 398	45842 995	37483 887	47843 259
Net Financial Income	130907 083	25824 785	36821 778	68257 133
Operating Expenses	55823 504	36995 714	40459 990	49160 243

3.2.5.2 DFI Market Share in terms of Loans and Advances

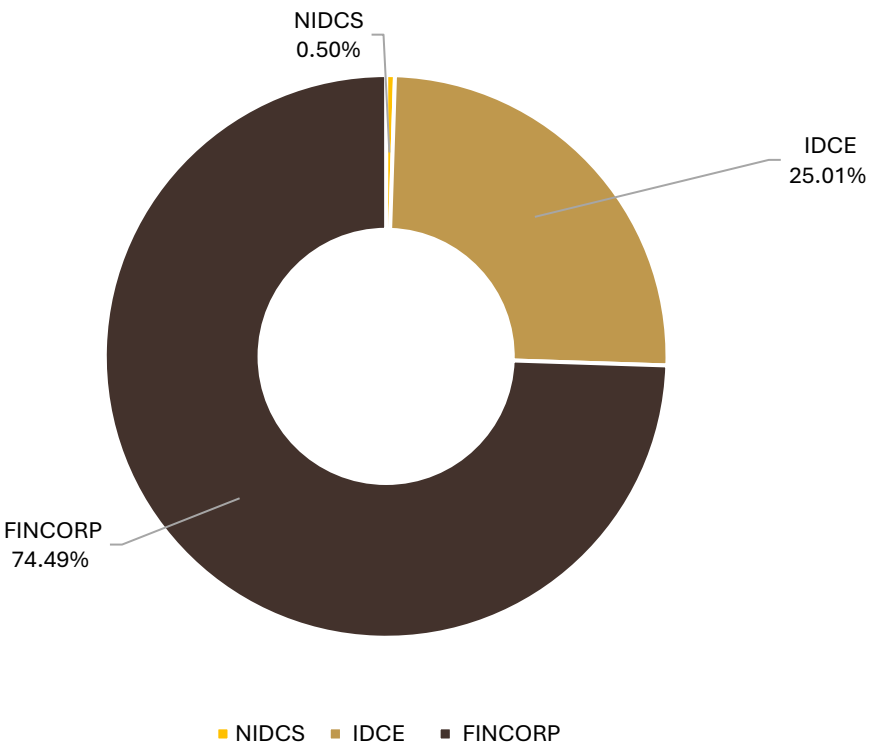
Figure 36: DFI Loans and Advances Trend



FINCORP tops the Development Finance Institutions in terms of Loans and Advances, holding about 74.49% of the market loans and advances. This was a slight increase from the 72.83% market share observed in Q4 2023.

As a result of FINCORP's gain, IDCE had lost about 1% of its market share as of Q2 2024. NIDCs market share remained relatively unchanged.

Figure 37: DFI's Market Share in terms of Loans and Advances



3.2.5.3 DFI Solvency

The DFI's Assets grew by a slight margin of 0.12% on a quarter-on-quarter basis. However, a moderate growth of 2.6% was observed when compared to the previous year, as assets grew from E2.44 billion in Q2 2023 to E2.51 billion in Q2 2024.

The growth in assets was attributable to an increase in non-current assets which grew by 4.35% quarter-on-quarter and 12.90% year-on-year. Conversely, current assets declined by 10.66% from E705.25 million in Q4 2023 to E630.09 million in Q2 2024. The yearly decrease in current assets was 19.30%, on account of a drop in trade and other receivables as well as short term loans and advances.

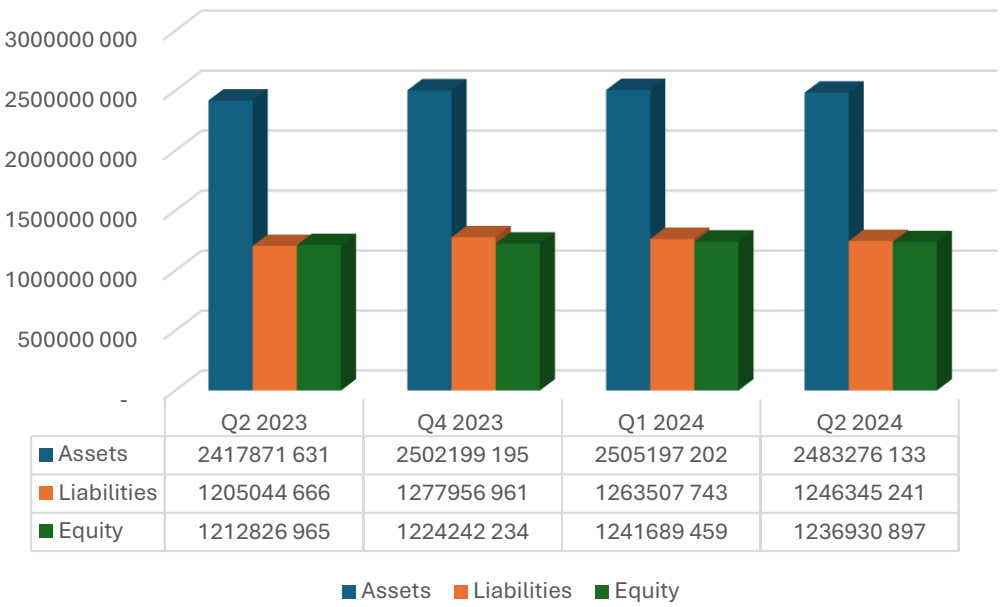
Total Liabilities indicated a 1.13% decrease from E1.27 billion in Q4 2023 to E1.26 billion in Q2 2024. Similarly, a yearly moderate decline of 3.43% was recorded as Liabilities fell from E1.31 billion in Q2 2023 to E1.26 billion in Q2 2023.

The quarterly and yearly decrease in total liabilities was due to a decrease in non-current liabilities which constitute 93.37% of the total liabilities.

The non-current liabilities decreased by 1.72% from E1.20 billion in Q4 2023 to E1.18 billion in Q2 2024. On a yearly basis, non-current liabilities dropped by 4.54% from E1.24 billion in Q2 2023 to E1.18 billion in Q2 2024. On the other hand, current liabilities increased by 7.95% and 15.49% on a quarterly and yearly basis, respectively.

The DFI sector's equity position improved by 3.40%, from E1.20 billion in Q3 2023 to E1.24 billion in Q2 2024. In the same way, the yearly growth rate also improved by 9.56% from E1.13 billion in Q2 2023 to the E1.24 billion observed in the quarter under review. This was due to an 8.87% and 16.15% retained earnings increase on a quarterly and yearly basis, respectively.

Figure 38: DFI Solvency



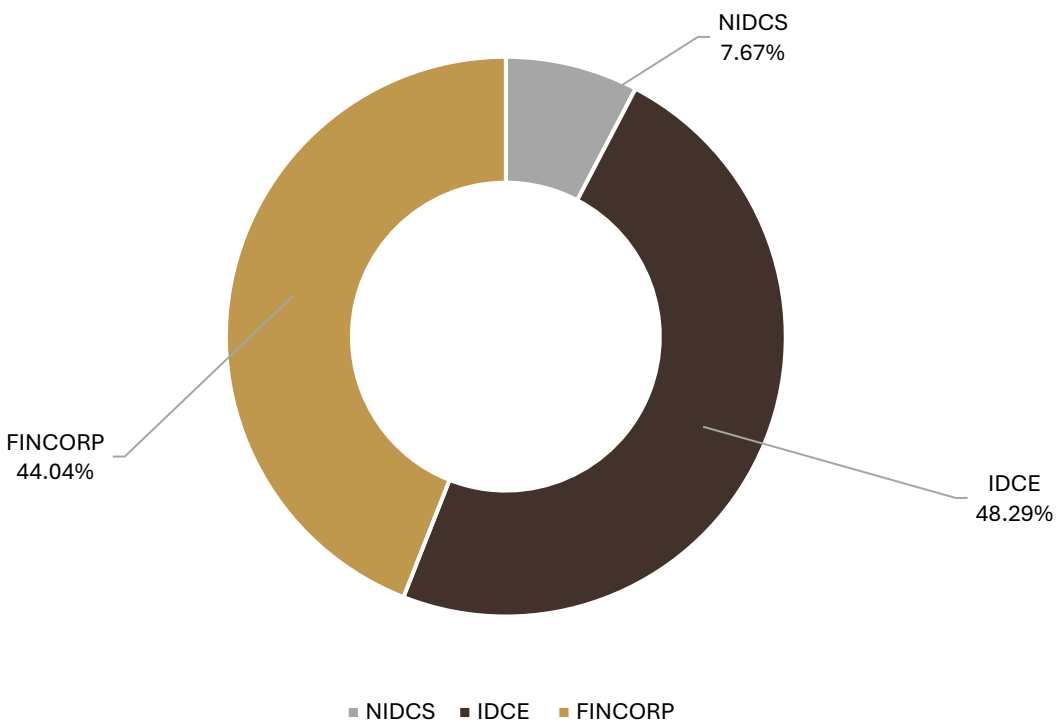
	Q2 2023	Q4 2023	Q1 2024	Q2 2024
Assets	2417871 631	2502199 195	2505197 202	2483276 133
Liabilities	1205044 666	1277956 961	1263507 743	1246345 241
Equity	1212826 965	1224242 234	1241689 459	1236930 897

3.2.5.4 DFI Market Share in terms of Assets

The DFI's Assets stood at E2.51 billion as at Q2 2024. Of this, IDCE, held the majority of DFIs Assets, about 48.29%. This was a slight decrease from the previous quarter's market share of 48.36%. Following closely was FINCORP with a market share of 44.04% which was also a decrease from the 44.69% market share recorded in Q4 2023.

NIDCS was the overall gainer from FINCORP and IDCE's falling market shares. NIDCS experienced a 10.47% gain in market share, jumping from 6.95% in Q4 2023 to 7.67% market share in Q2 2024.

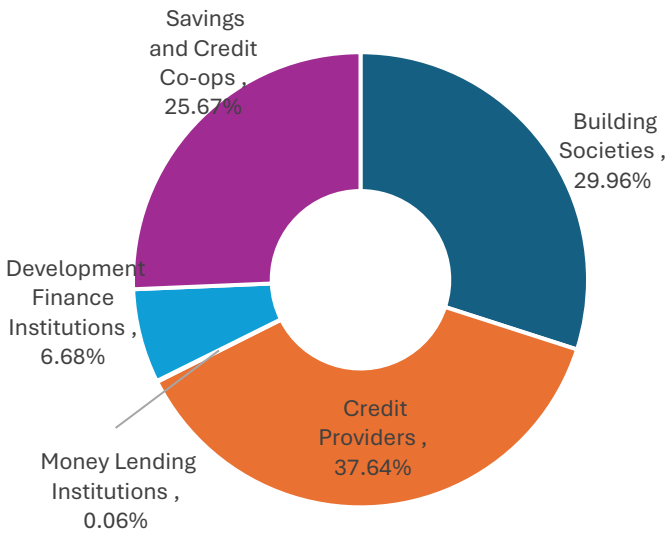
Figure 39: DFI Market Share in Terms of Assets



3.2.5.5 NBFI Loan Portfolio

As of Q2 2024 the NBFI loan portfolio was valued at E8.53 billion, an decrease of 1.88% from the previous quarter's E8.70 billion. In terms of distribution credit providers loan book accounts for 37.64% of the sector's portfolio followed by building societies and SACCOs at 29.96% and 25.57% respectively.

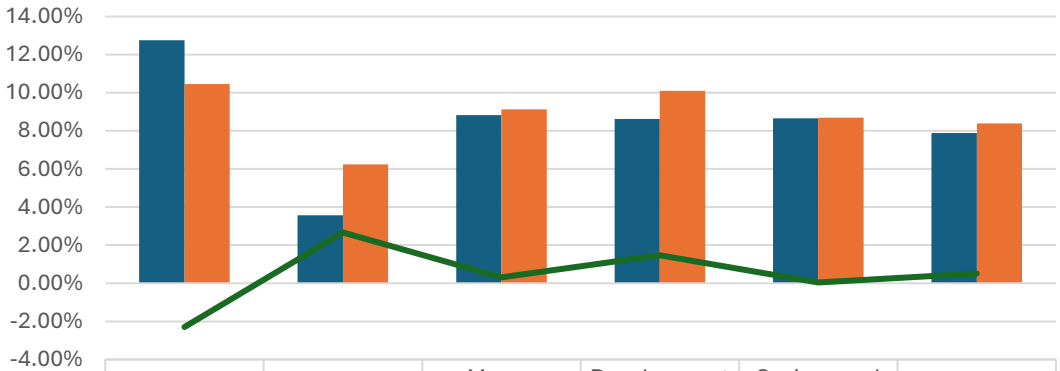
Figure 40: NBFI Loan Portfolio Distribution



3.2.5.6 Non-Performing Loans

As of Q2 2024 the non-performing loans increased by 4.47% from E685.48 million as of March 2024 to E716.09 million in the current quarter. The NPL ratio however showed a slight increase of 0.51 percentage points from 7.88% to 8.39 percentage points. The building societies sector and the DFI's both showed the highest NPL ratio above 10%, however the building societies sector's NPL ratio showed a decline in the current quarter by 2.30% while the other sector's NPL showed increases.

Figure 41: NBFI NPLs Ratio



	Building Societies	Credit Providers	Money Lending Institutions	Development Finance Institutions	Savings and Credit Co-ops	Total Loan Portfolio
Mar-24	12.75%	3.57%	8.82%	8.63%	8.65%	7.88%
Jun-24	10.46%	6.24%	9.13%	10.10%	8.69%	8.39%
	-2.30%	2.67%	0.31%	1.47%	0.04%	0.51%

3.3.1 Long-term Insurance

3.3.1.1 Gross Written Premiums

On a quarterly basis, GWP experienced a significant surge of 117.54% while on an annual basis, a 4.27% decline was observed, reaching E512.63 million in the quarter under review. The sectorial increase was mainly driven by a quarterly increase of 243.10% in retirement fund products premiums which is the largest contributor in terms of gross premiums constituting E126.70 million which is 24.72% of total sectorial contributions.

Other products with major contributors include funeral, credit life and group life constituting 18.10%, 15.36% and 12.03% respectively. It is important to note that all the variables that feed into total gross premiums in the current quarter increased by a minimum of 50% on a quarterly basis. Net earned premiums increased by 101.63% quarter-on-quarter but declined by 15.07% year-on-year.

Despite ceding 15.10% of direct premiums to reinsurers this quarter, up from 8.40% in the previous quarter, net earned premiums rose significantly from E215.84 million to E435.21 million in the quarter under review, reflecting strong underlying growth despite higher reinsurance activity. On a yearly basis, the decline in premiums was primarily driven by a 10.85% decrease in the consumption of individual life products and a 7.27% drop in unit-linked savings products.

While retirement funds saw a marginal increase of 0.97% in the current quarter, this growth was insufficient to offset the significant declines in other products such as annuities, credit life, and disability, which collectively fell by an average of 40.43% year-on-year.

Table 1: LTI Gross Written Premiums

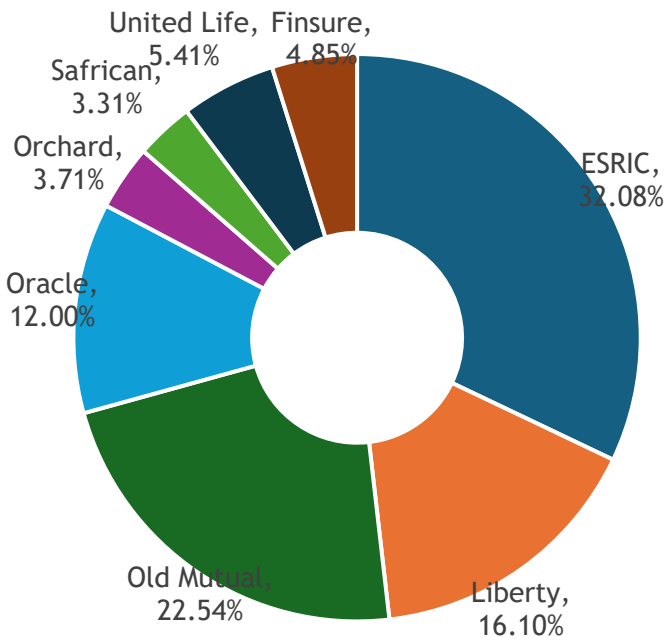
Gross Premiums	Q2 2022	Q2 2023	Q1 2024	Q2 2024
	E' 000			
Annuities	34 345	35 720	10 610	25 050
Assistance	-	-	-	-
Credit life	77 962	82 340	46 746	78 727
Disability	6 748	7 849	559	1 019
Endowment	18 088	14 171	8 132	15 447
Funeral	74 973	88 615	48 690	92 772
Group life	55 686	63 779	38 684	61 677
Health	-	629	1 987	5 134
Individual life	66 033	64 833	32 223	57 797
Retirement fund	117 296	125 483	36 927	126 698
Unit linked savings	79 202	52 091	11 091	48 305
Other	-	-	-	-
Total	**530 333**	**535 509**	**235 648**	**512 627**

3.3.1.2 Market Share in terms of GWP

ESRIC maintained its leading position in market share at 32.08%, followed by Old Mutual at 22.54%, which rose to second place from third in the previous quarter. Liberty dropped to third place with 16.10%. The most notable shift was Oracle, which doubled its market share to 12% from 6.60% in the previous quarter, gaining the market share lost by both ESRIC and Liberty.

The other players remained relatively stable compared to the previous quarter, with United Life holding 5.41%, Finsure at 4.85%, Orchard at 3.71%, and Safrican at 3.31%, showing no significant fluctuations.

Figure 42 – LTI Market Share in terms of GWP



3.3.1.3 LTI Net Claims and Policy Benefits

The LTI sector experienced an improvement in claims and policy benefits, with a 6.52% year-on-year decline. This reduction was largely attributed to significant decreases in claims for disability, retirement funds, and funerals, which dropped by 74.19%, 55.27%, and 4.36%, respectively.

In contrast to the decline observed in other business classes, group life, unit-linked savings, and endowment claims saw increases of 81.09%, 47.03%, and 16.73%, respectively.

However, claims from individual life policies improved, decreasing by 3.49% compared to the same period in 2023. The claims ratio showed mixed trends, decreasing by 2.05 percentage points quarter-on-quarter but rising by 5.53 percentage points year-on-year, reaching 60.42% during the review period.

Despite these minor fluctuations, the claims ratio has remained relatively stable and consistent when compared to prior periods.

Table 2: Claims and Policy Benefits

	Q2 2022	Q2 2023	Q1 2024	Q2 2024
Annuities	25 036	27 191	15 291	30 580
Assistance			-	
Credit life	16 417	22 186	14 378	23 098
Disability	3 173	709	- 27	183
Endowment	4 087	9 038	6 239	10 550
Funeral	70 726	30 624	14 565	29 289
Group life	37 702	17 007	17 868	30 798
Health			1 494	1 819
Individual life	46 726	57 214	25 928	55 218
Retirement fund	89 923	89 032	21 404	39 820
Unit linked savings	29 958	28 291	14 252	41 597
Other			-	
Total	**323 748**	**281 290**	**131 393**	**262 952**

3.3.1.4 Total Assets and Liabilities

The LTI sector's assets were valued at E5.14 billion during the quarter under review, marking a 1.27% quarterly increase and a 6.74% annual rise. This growth was primarily driven by a rise in investment assets, which increased by 1.43% quarter-on-quarter and 8.79% year-on-year, largely due to the appreciation in the value of financial assets. Investment assets accounted for 94.24% of total assets during the quarter, meaning even minor changes in this component significantly influenced overall asset valuations.

Contrary to the previous quarter, reinsurance receivables declined by 8.15% quarterly, while amounts due from related parties and loan receivables increased by 10.87% and 1.59%, respectively.

These three components emerged as the top contributors to asset valuations in the period under review.

Liabilities during the reviewed period rose slightly, increasing by 0.89% quarter-on-quarter and 4.00% year-on-year. This growth was primarily driven by simultaneous increases in insurance contract liabilities and investment contract liabilities, which together account for over 90% of total liabilities.

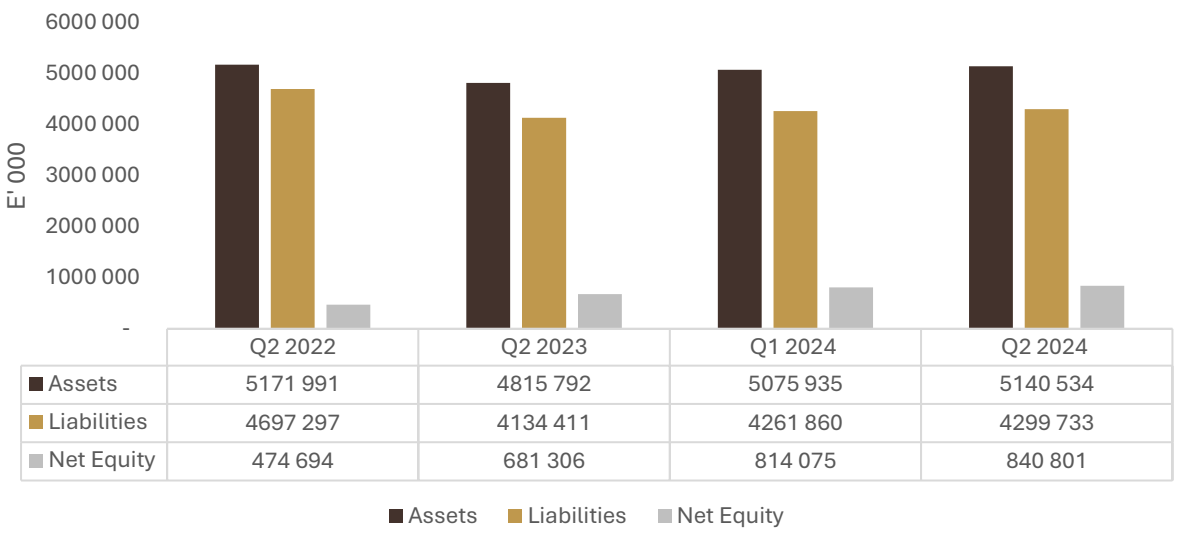
On an annual basis, these classes of liabilities grew by 9.80%, making total liabilities climb up to E4.30 billion in the quarter under review.

3.3.1.5 LTI Solvency

The sector's solvency benchmark is determined by the minimum threshold for insurers' net equity positions, requiring each regulated entity to maintain a positive net equity of at least E2 million.

During the period under review, all LTI entities met this requirement and remained solvent.

Figure 43: Industry Solvency Position



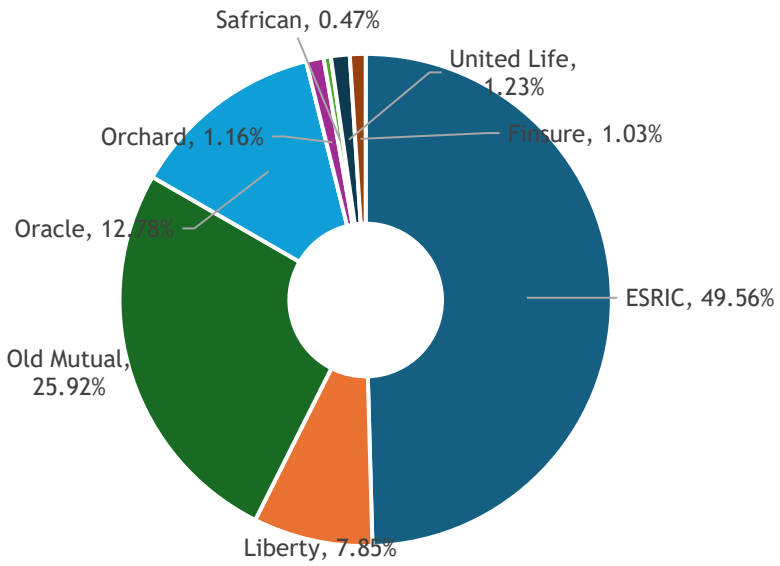
	Q2 2022	Q2 2023	Q1 2024	Q2 2024
Assets	5171 991	4815 792	5075 935	5140 534
Liabilities	4697 297	4134 411	4261 860	4299 733
Net Equity	474 694	681 306	814 075	840 801

3.3.1.6 Market Share in terms of Assets Held

In terms of market share, the sector remained consistent as the previous quarters with no significant changes both on a quarterly and year-on-year basis. As in the previous quarter, changes across all the players were fluctuating around +/-1 and 2shared the remaining 11.74%.

ESRIC continued to lead the industry with 49.56%, followed by Old Mutual with 25.92% and then Oracle with 12.78%. The other entities; Liberty, Orchard, Safrican, United Life and Finsure shared the remaining 11.74%.

Figure 44: Market Share in terms of Assets Held



3.3.1.7 Underwriting Results and Profitability

The LTI sector remained profitable in the period under review with an overall net profit after tax of E123.88 million realizing a year to date increase of 136.50% and 5.30% on a year-on-year basis. The result was mainly driven by the increase in financial market performance leading to fair value gains on financial assets and increased interest income. The year-on-year decline in insurance benefits and claims also contributed to the improved profitability. The return on equity (ROE) and return on assets (ROA) also increased by 8.94 percentage points and 1.48 percentage points respectively on a quarter-on-quarter basis.

These were influenced by the improved underwriting performance coupled with the increase in investment income and the yearly decrease in the overall total expenses.

In the period under review, most classes of insurance businesses remained profitable despite the 21.60% increase in the claims ratio. Individual life, Unit linked savings and Retirement fund were the most profitable classes of business in terms of the value of claims and commission in relation to the premiums earned for these lines of business.

Table 3 below provides the underwriting results pre class of business table 4 shows the industry's FHSIs.

Table 3: LTI Underwriting Results

	Direct Premiums	Premium ceded	Net Premiums	Claims and Policy Benefits	Net Commission and Acquisition Cost	Net Underwriting Results
	E'000					
Annuities	25 050	0	25 050	30 580	310	(5 840)
Assistance						
Credit life	78 727	9 443	69 285	23 098	5 574	40 613
Disability	1 019	408	611	183		428
Endowment	15 447		15 447	10 550	958	3 939
Funeral	92 772	14 026	78 746	29 289	2 810	46 648
Group life	61 677	12 102	49 575	30 798	4 091	14 686
Health	5 134	147	4 987	1 819	174	2 994
Individual life	57 797	2 930	54 867	55 218	6 039	(6 389)
Retirement fund	126 698	38 357	88 341	39 820	1 116	47 405
Unit linked savings	48 305		48 305	41 597	862	5 846
Other						
Total	**512 627**	**77 412**	**435 215**	**262 952**	**21 933**	**150 329**

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 pre-class of business.

3.3.1.8 LTI Financial Health and Soundness Indicators

The LTI sector financial health and soundness indicators are calculated by Focusing on capital adequacy, asset quality, reinsurance, earnings, and liquidity.

Table 4 - LTI Financial Health and Soundness Indicators

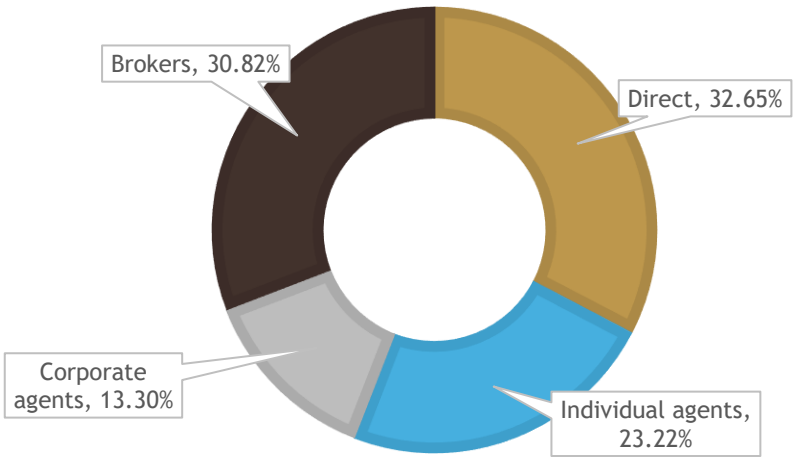
Indicators	Q2 2022	Q2 2023	Q1 2024	Q2 2024
Claims ratio	60,60%	86,73%	62,47%	79,68%
Gross claims ratio	60,20%	81,74%	74,20%	74,79%
Expense ratio	24,80%	29,02%	39,26%	35,17%
Investment income ratio	-18,70%	36,54%	25,22%	41,32%
Investment income/ average assets	-1,90%	4,20%	1,14%	35,08%
Return on equity (ROE)	-4,00%	17,27%	5,79%	14,73%
Return on assets (ROA)	-0,40%	2,44%	0,93%	2,41%
Personnel expenses / GWP	6,10%	5,59%	7,12%	7,68%
Operating expenses / GWP	19,00%	23,31%	30,59%	25,58%

3.3.2.8 Distribution of Products

The LTI sector primarily depends on intermediation services to distribute its products. By June 2024, over 50% of the gross written premium (GWP) originated from insurance intermediation. Compared to the previous quarter, direct business declined by 16.39%, settling at 32.65%.

Business generated through brokers grew by 3.98%, reaching 30.82%. The remaining business was sourced through individual agents at 23.22% and corporate agents at 13.30%. In total, E119.45 million premiums were sourced via intermediaries.

Figure 45: Distribution of LTI Products



3.3.2 Short Term Insurance

3.3.2.1. STI GWP's

The sector experienced an impressive 16.94% year-on-year growth in Gross Written Premiums (GWP) and a remarkable 242.17% increase quarter-on-quarter. GWP rose from E566.14 million to a noteworthy E662.04 million during the period under review. This substantial growth in GWP was primarily fuelled by significant expansion in key business classes, including agriculture, engineering, and health, which saw notable increases of 151.31%, 50.98%, and 47.58%, respectively, compared to the same period last year.

Conversely, some policies encountered challenges in their total contribution to GWP during the quarter under review.

Property, liability, and legal expenses witnessed declines of 70.10%, 18.05%, and 0.77%, respectively, compared to the same quarter of the previous year.

Additionally, premiums ceded to reinsurers saw a year-on-year decrease of 14.39% and a substantial quarterly decline of 283.42%, settling at E265.32 million for the current quarter.

The declines in property, liability, and legal expense contributions likely reflect shifts in market demand, reduced underwriting activity, and economic constraints, while the decrease in premiums ceded to reinsurers suggests insurers are retaining more risk, potentially due to stronger capital positions or changes in reinsurance pricing and market conditions.

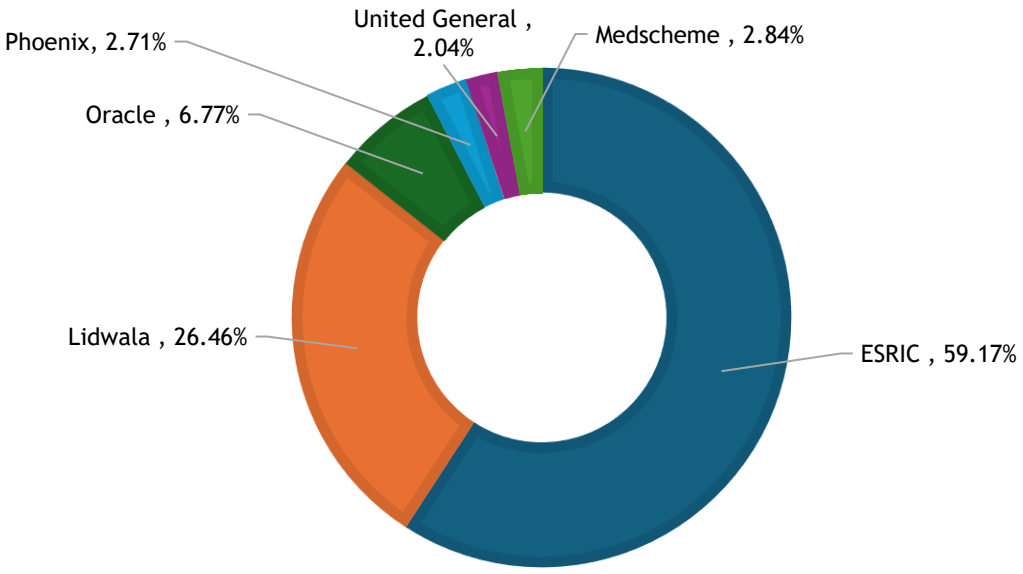
Table 5: STI GWP's

	Q2 2022	Q2 2023	Q1 2024	Q2 2024
	E'000			
Accident	11 082	11 788	1 862	14 198
Agriculture	18 262	62	26	156
Engineering	32 794	37 160	11 546	56 103
Guarantee	20 258	16 932	12 154	24 988
Health	16 486	31 691	22 690	46 456
Legal expenses	318	310	157	308
Liability	28 889	28 880	9 774	23 666
Motor	93 017	121 431	62 629	158 981
Property	95 485	187 073	20 364	55 941
Transportation	7 043	12 150	12 207	14 695
Travel			495	931
Workman's compensation	105 930	121 271	2 074	121 774
Other	136 580	28 635	37 505	143 847
Total	**566 143**	**597 384**	**193 482**	**662 044**

3.3.2.2. STI Market Share in terms of GWP's

Market share in terms of GWP saw notable shifts among major players during the current quarter compared to the previous one. ESRIC experienced a significant increase of 17.85%, rising to 59.17% and regaining its market dominance. In contrast, Lidwala recorded a 9.99% decline, dropping to 26.46%, while Oracle saw a reduction of 2.18 percentage points, reaching 6.77% during the period under review. Overall, ESRIC gained market share at the expense of all other players, solidifying its leading position in the market.

Figure 46 - STI Market Share in Terms of GWP



3.3.2.3 STI Net Claims Incurred

A cumulative increase of 37.42% in net claims was observed in the current quarter while on a year-on-year basis a 33.22% increase was observed reaching E118.82 million in the current quarter, up from E86.46 million in the previous quarter. This increase was largely driven by a 96.82% surge in health-related claims and a 37.95% rise in motor-related claims on a quarterly basis. In contrast, property-related claims decreased by 32.64% year-on-year and 8.55% quarter-on-quarter. Given that these business classes contribute significantly to total net claims incurred, fluctuations in their valuations heavily influence the overall net claims outcome.

Table 6 - Net Claims Incurred

	Q2 2022	Q2 2023	Q1 2024	Q2 2024
	E'000			
Accident	510	1 403	2 224	2 533
Agriculture	1 780	11	3	3
Engineering	546	3 736	494	538
Guarantee	1 598	2 276	222	1 535
Health	7 362	10 229	14 300	28 146
Legal expenses	40	63	73	102
Liability	3 017	4 205	3 106	3 136
Motor	26 765	22 047	25 738	35 505
Property	19 475	31 432	23 153	21 174
Transportation	87	876	78	213
Travel			-	-
Workman's compensation	11 181	10 418	9 798	11 273
Other	6 803	2 496	7 277	14 664
Totals	**79 163**	**89 191**	**86 465**	**118 822**

3.3.2.4 Assets and Liabilities

The STI industry's assets grew by 19.40% quarter-on-quarter and 9.09% year-on-year, reaching E1.39 billion, up from E1.16 billion in the previous quarter. The quarterly growth was driven by a 19.74% increase in investment assets and cash and a 5.60% rise in premium receivables

Every year, premium receivables declined by 5.97%, while investment assets increased by 12.94%. Together, these two components account for over 70% of total assets this quarter, meaning even minor changes in their values significantly impact overall asset valuations.

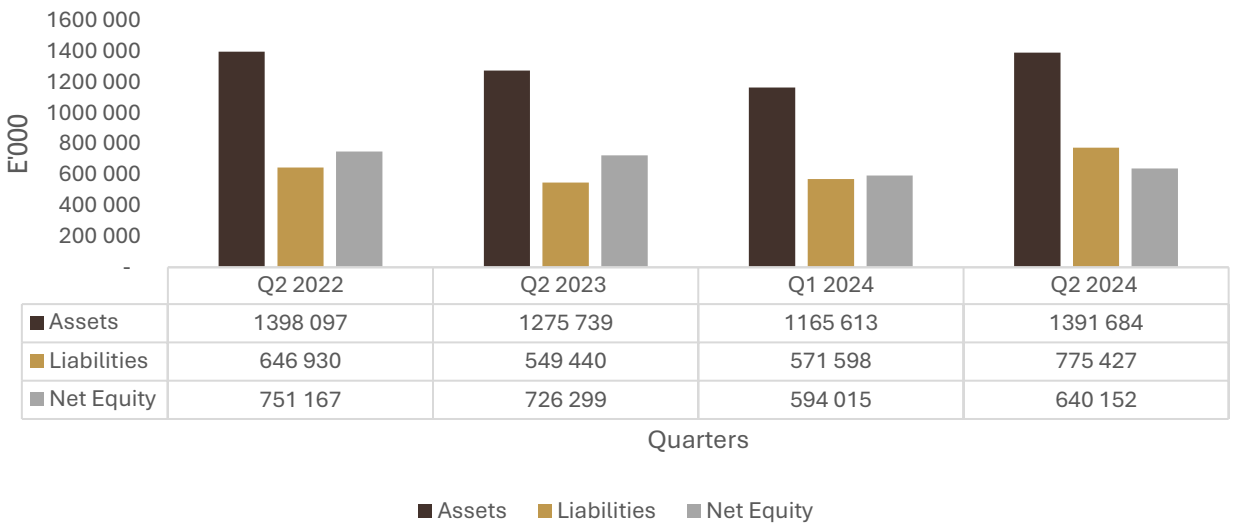
3.3.2.5 STI Solvency

The solvency of the STI sector is determined by insurers' net equity positions, requiring each entity to maintain a positive net equity exceeding either E2 million or 15% of the net premiums from the previous financial year or the preceding 12 months, whichever is higher.

The sector's liabilities rose by 35.66% quarter-on-quarter and 41.13% year-on-year, reaching E775.42 million. This quarterly growth was primarily driven by a 51.91% increase in insurance liabilities and technical provisions and a modest 2.17% rise in amounts due to related parties. Conversely, reinsurance liabilities, trade and other payables, and current tax payables all saw declines of at least 10% in both quarterly and yearly terms, except for current tax payables, which increased by up to 100%. Since insurance and technical liabilities constitute 85.21% of total liabilities, any changes in this category significantly affect overall liability valuations.

During the period under review, all insurers except one maintained solvency margins within acceptable limits as per the net equity formula. A quarterly improvement of 7.77% in solvency was observed, although it marked an 11.86% decline on a year-on-year basis.

Figure 47: STI Solvency Position

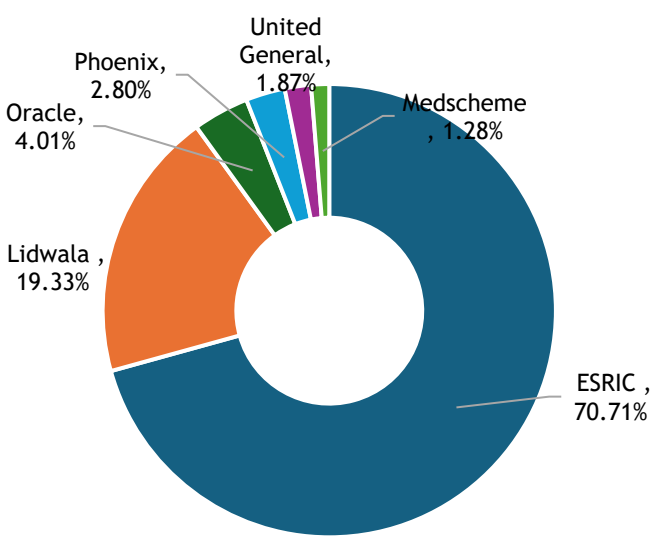


	Q2 2022	Q2 2023	Q1 2024	Q2 2024
Assets	1398 097	1275 739	1165 613	1391 684
Liabilities	646 930	549 440	571 598	775 427
Net Equity	751 167	726 299	594 015	640 152

3.3.2.6 STI Market Share in Terms of Assets

Market share in terms of assets held reveals that ESRIC continues to dominate the sector, with its share increasing by 6.3 percentage points to reach 70.71% in the current quarter. Lidwala maintains the second position despite a 2.9% decline from the previous quarter, holding 19.33% of the market. Oracle ranks third with a stable share of 4.01%, consistent with the previous period. The rest are Phoenix, United General, and Medscheme with 2.80%, 1.87% and 1,28% respectively. Phoenix and United General collectively lost an average of 1.29% in market share, which was gained by ESRIC.

Figure 48: STI Market Share in Terms of Assets



3.3.3.6 Underwriting Results and Profitability

The Short-Term Insurance (STI) sector remained profitable during the quarter under review, achieving an overall net income after tax of E68.96 million. However, profitability was concentrated, with only four insurers reporting positive results due to improved underwriting income, while the others incurred net losses after tax.

The E68.96 million represents a significant increase compared to the E27.20 million profit after tax recorded in Q1 2024, reflecting a nearly threefold growth.

This significant increase was driven by a 41.13 percentage point reduction in net incurred claims, which dropped from 78.55% in the previous quarter. As shown in the FHSI table below, the sector's combined ratio declined by 4.65% year-on-year, while remaining stable quarter-on-quarter at 5.49%.

Despite these changes, the sector continued to demonstrate strong performance, maintaining positive returns on equity (ROE), returns on assets (ROA), and an investment income ratio.

Table 7 - Net Underwriting Results

	Gross Written Premiums	Net premiums	Change in unearned premium and unexpired risk	Net Earned Premiums	Net claims incurred	Net commission and other acquisition costs	Net underwriting results
	E1,000						
Accident	14 198	7 926	-710	7 216	2 533	1 411	3 272
Agriculture	156	2	-8	-6	3	-9	0
Engineering	56 103	5 112	-3 867	1 245	538	-74	780
Guarantee	24 988	5 413	-1 114	4 299	1 535	-584	3 348
Health	46 456	37 898	-1 297	36 601	28 146	2 832	5 623
Legal expenses	308	77	2	79	102	-43	20
Liability	23 666	9 775	-3 394	6 382	3 136	1 210	2 036
Motor	158 981	135 226	-15 140	120 086	35 505	8 359	76 222
Property	55 941	38 653	-5 526	33 127	21 174	3 164	8 789
Transportation	14 695	4 489	-126	4 362	213	30	4 119
Travel	931		-47	-47		-57	10
Workman's compensation	121 774	120 907	-36 621	84 286	11 273	5 509	67 504
Other	143 847	31 249	-20 357	10 892	14 664	-3 327	-445
Totals	**662 044**	**396 727**	**-88 205**	**308 522**	**118 822**	**19 936**	**169 764**

Table 8 - FHSIS for STI

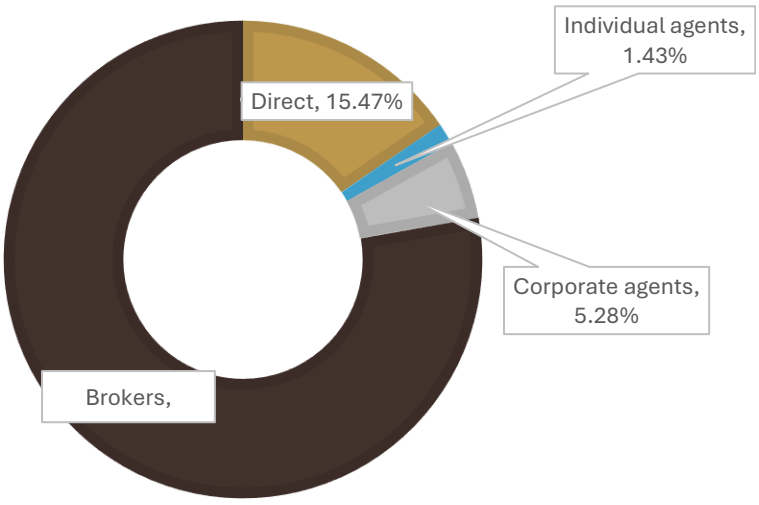
Indicators	Q2 2022	Q2 2023	Q1 2024	Q2 2024
Claims ratio	27,70%	41,02%	52,15%	38,51%
Gross claims ratio	39,00%	43,21%	34,37%	17,95%
Expense ratio	66,00%	42,90%	32,63%	40,78%
Investment income ratio	13,90%	13,99%	6,20%	5,94%
Investment income / average invested assets	1,30%	1,92%	1,29%	8,88%
Combined ratio	93,70%	83,94%	84,78%	79,29%
Operating ratio	79,80%	69,95%	78,58%	73,35%
Profitability ratio	38,70%	32,76%	16,41%	22,35%
Return on equity (ROE)	8,90%	4,90%	4,58%	10,77%
Return on assets (ROA)	4,80%	2,48%	2,33%	4,96%
Risk retention ratio	61,10%	54,19%	64,24%	46,60%
Reinsurance recoveries + reinsurance commissions ratio	43,10%	36,58%	31,01%	29,34%

3.3.2.7 STI Distribution of Products

Insurance intermediaries play a vital role in connecting insurance companies with consumers, facilitating the placement and purchase of policies. Brokers remained the primary channel, contributing 77.82% of premiums. Direct business, meanwhile, increased by 2.41 percentage points from the previous quarter, reaching 15.47%.

Corporate agents and individual agents maintained their share of insurance business from the previous quarter at 5.28% and 1.43%, respectively. The ongoing dependence on intermediation services highlights the critical role insurance intermediaries play in the sector, particularly in facilitating easy access to insurance products for policyholders.

Figure 49: STI Product Distributions



3.3.3.7 Reinsurance Business

3.3.3.7.1 Reinsurance Performance

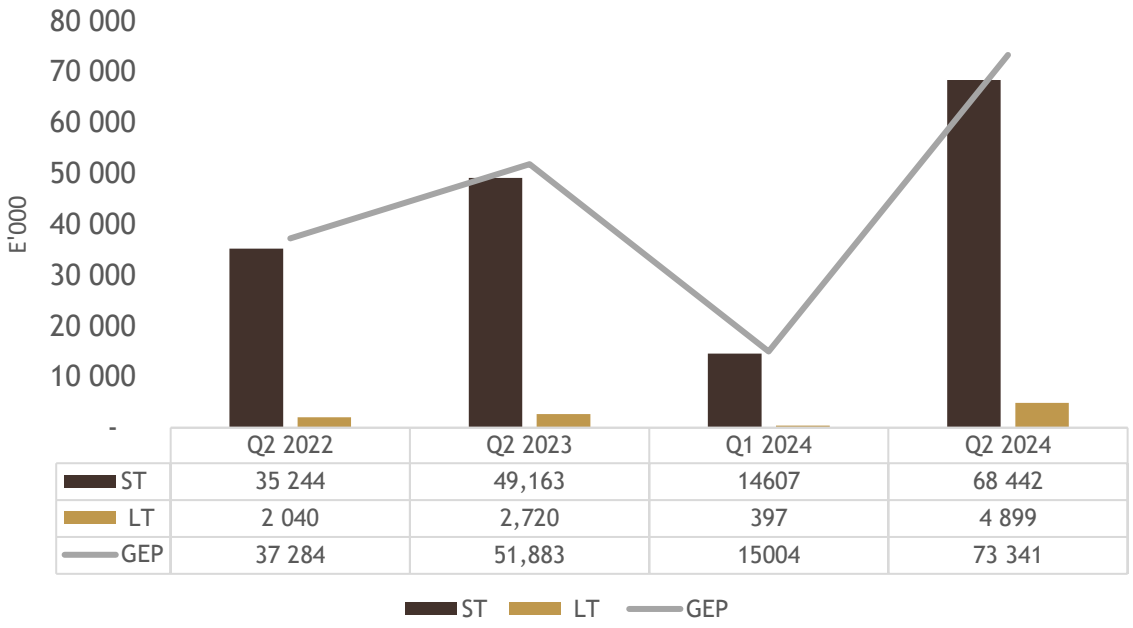
As of June 2024, the gross written premium (GWP) for short-term reinsurance business saw a year-on-year increase of 39.21%, rising from E49.16 million to E68.44 million. On a quarter-on-quarter basis, ST reinsurance business experienced significant growth of 368.56%, increasing from E14.60 million.

This quarterly increase was primarily driven by increased demand in property, engineering, and transportation sectors, as also seen under the short-term insurers. Comparatively, Ezulwini Re accounted for 81.91% of reinsurance premiums, while Eswatini Re contributed 18.09%.

For long-term reinsurance, gross written premiums of E4.89 million were observed, representing an 80.11% year-on-year increase from E2.70 million. On a quarterly basis, a significant cumulative increase from E397 thousand to E4.89 million was observed.

This growth was driven by higher uptake of credit life, which increased to 36.44%, funeral to 11.12%, and group life to 46.68% in terms of direct premiums. Figure 45 below highlights the trends in gross written premiums over the past quarters.

Figure 50: Reinsurance Premiums



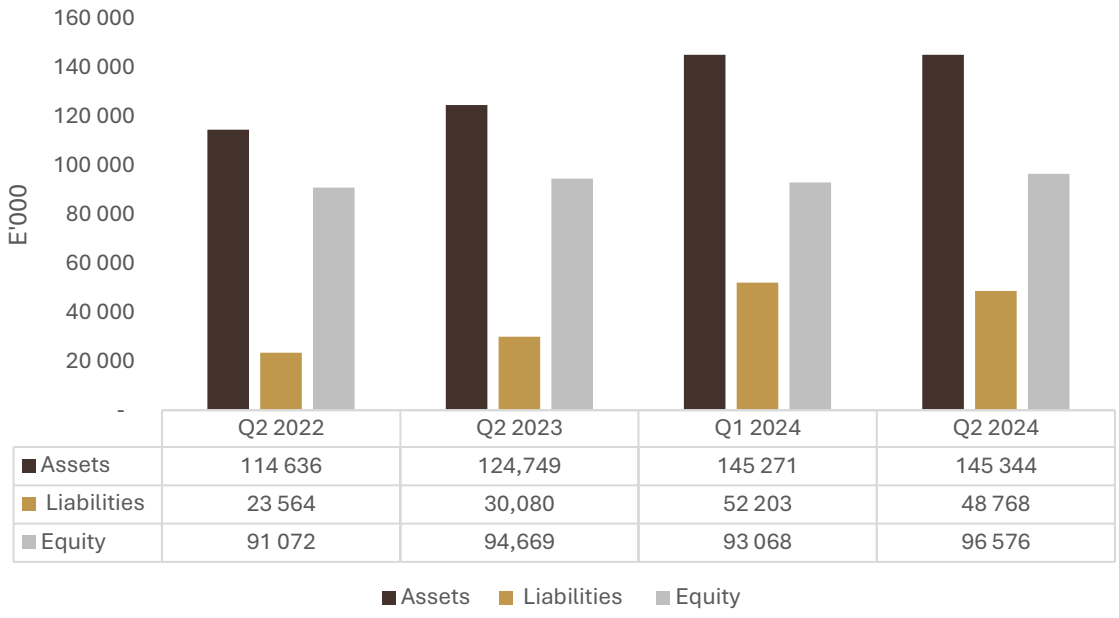
	Q2 2022	Q2 2023	Q1 2024	Q2 2024
ST	35 244	49,163	14607	68 442
LT	2 040	2,720	397	4 899
GEP	37 284	51,883	15004	73 341

3.3.3.7.2 Reinsurance Assets and Liabilities

Reinsurance assets rose by 0.05% quarter-on-quarter and 16.51% year-on-year, reaching E145.34 million. This growth was primarily driven by an increase in investment assets and cash. The performance of financial markets has a notable effect on long-term assets, given that over 50% of these assets are invested in domestic financial markets.

On the liability side, the reinsurance sector experienced a quarterly decrease of 6.58%, from E52.20 million to E48.76 million, while showing a 52.41% annual increase from E30.08 million. The year-on-year rise in total liabilities was primarily due to the settlement of insurance liabilities and technical provisions, and amounts owed to related parties. Regarding solvency, the sector maintained a solvent position with E96.57 million in equity, reflecting a modest annual increase of 2.01% and a quarterly rise of 3.77%. Figure 46 below illustrates the sector's solvency.

Figure 51: Reinsurance Solvency



	Q2 2022	Q2 2023	Q1 2024	Q2 2024
Assets	114 636	124,749	145 271	145 344
Liabilities	23 564	30,080	52 203	48 768
Equity	91 072	94,669	93 068	96 576

3.3.3.7.3 Reinsurance Profitability

The ST reinsurance sector reported a positive net income of E6.27 million, up from E3.65 million in the previous quarter. This increase was primarily driven by strong underwriting income.

In contrast, the LT reinsurance sector saw a 75.48% decrease in net income, falling to E179 thousand from E718 thousand compared to the previous quarter. This decline was primarily attributed to a substantial drop in both premiums and investment income, with each falling by over 50%.

3.3.3.7.3 Bancassurance

Local commercial banks and building societies play a vital role in insurance intermediation. Through corporate agency licenses, these intermediaries offer both short-term and long-term insurance products, in accordance with their license terms.

Banks primarily sell credit life insurance as an add-on to the loans they provide, including personal loans and mortgages.

These agency agreements also enable banks to earn commissions from insurers. Additionally, some banks offer funeral cover policies underwritten by local insurers, allowing the insurance sector to reach customers in all regions where the banks operate, without the need to establish their own branches.

As of June 2024, E54.69 million premiums were generated through the banking sector with 73.21% of which related to long-term insurance business while commission paid by the insurers to the banks was valued at E8.81 million. The Bancassurance distribution remains competitive with banks seeking opportunities to find alternative sources of revenue and expanding service offering to existing and prospective clients.

Standard Bank however is the market leader in this space with 55.70% of the premiums followed by Ned bank at 24.88% while the other 3 banks each generates less than 10% of the premiums.

Figure 52: Short-term Insurance

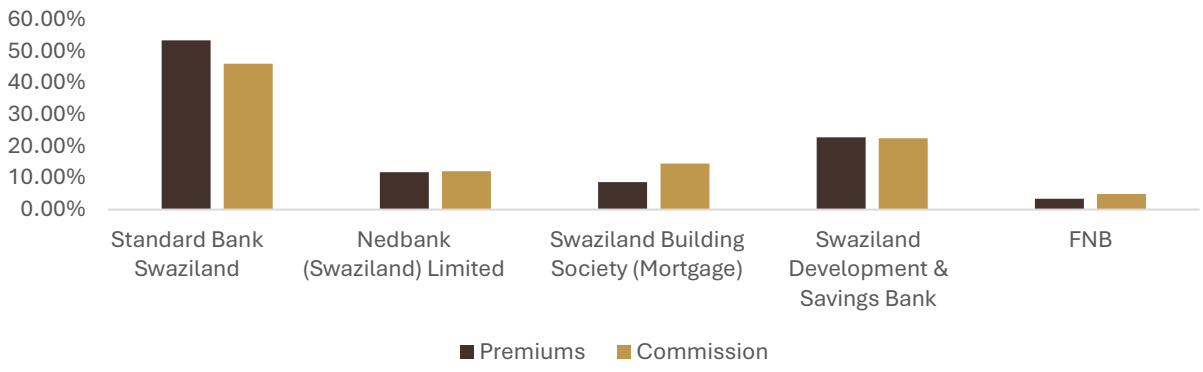


Figure 53: Long-term Insurance

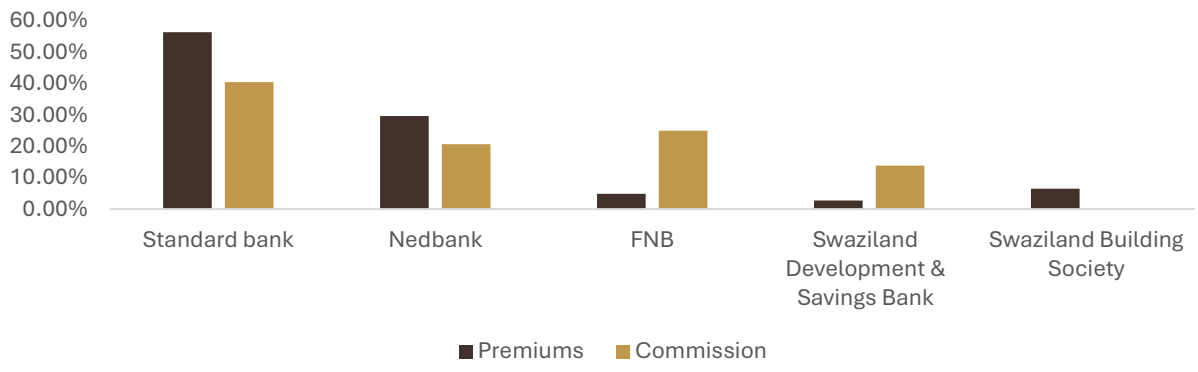
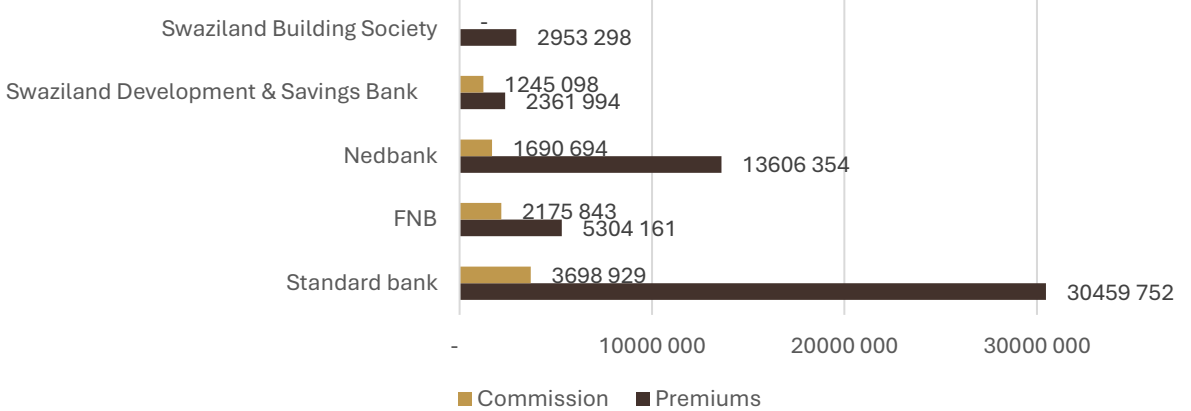


Figure 54: Bancassurance Premiums and Commission



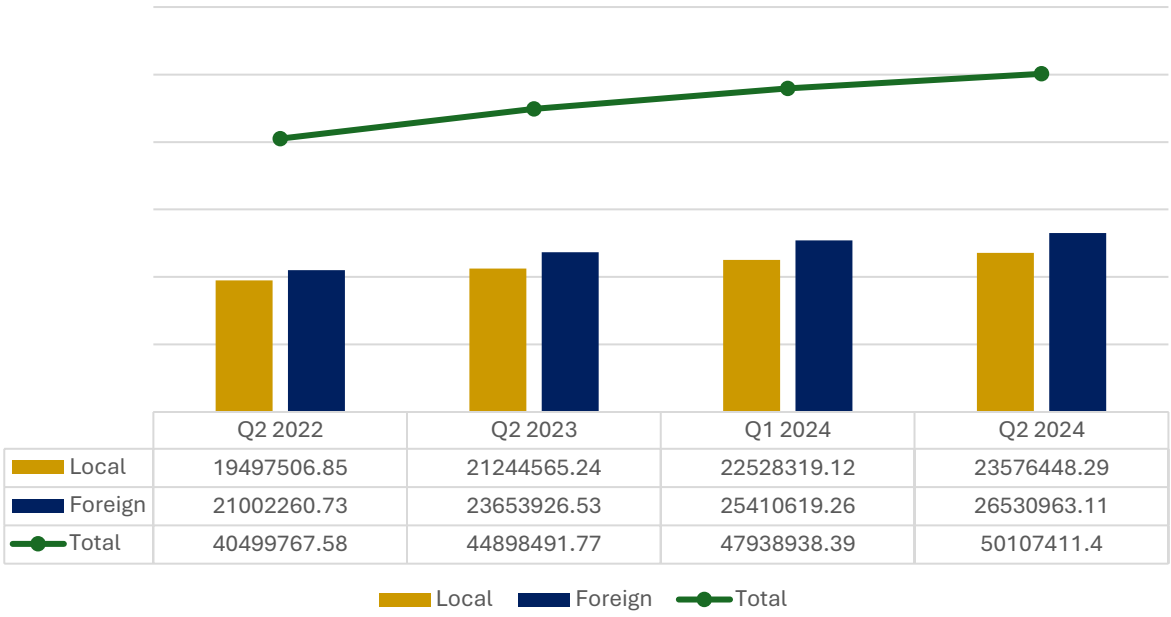
3.4 Retirement Funds Sector

3.4 Retirement Funds Sector

As at the end of June 2024, Retirement Funds assets showed a 4.52% growth, increasing from E47.94 billion in Q1 2024 to E50.12 billion in Q2 2024. On a year-on-year basis, a growth rate of 11.60% was observed from E44.89 billion. The upward trend in asset growth was fuelled by improved performance in the financial markets in South Africa and internationally.

Assets invested domestically increased by 4.65% on a quarterly basis from E22.53 billion to reach E23.58 billion at the end of June of 2024. Yearly comparison showed a 10.98% growth from E21.24 billion. The value of the Foreign asset holding increased from E25.41 billion in Q1 2024 to reach E26.53 billion in Q2 2024, indicating a 4.41% increase. Year on year, the assets grew by 12.16% from E23.65 billion.

Figure 55: RF Assets by Geographic Location



	Q2 2022	Q2 2023	Q1 2024	Q2 2024
Local	19497506.85	21244565.24	22528319.12	23576448.29
Foreign	21002260.73	23653926.53	25410619.26	26530963.11
Total	40499767.58	44898491.77	47938938.39	50107411.4

3.4.2 Allocation Of Investments

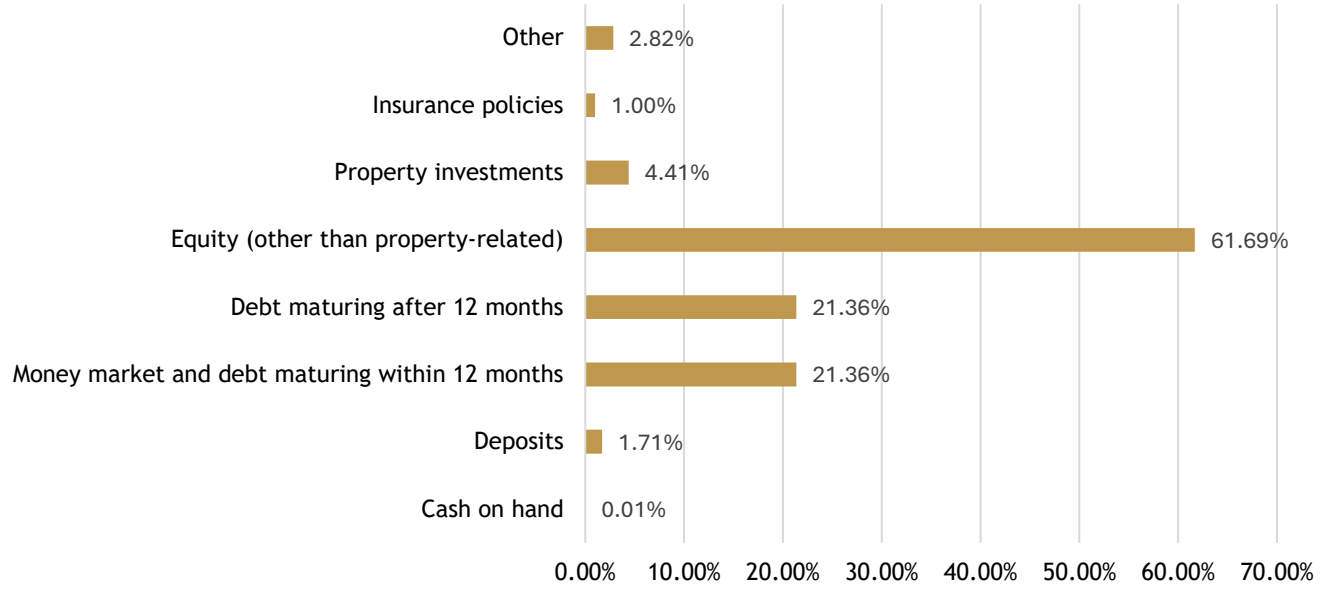
Retirement funds are subject to the Retirement Funds Act of 2005 and the Retirement Fund regulations of 2008, which prescribe the maximum investment limits applicable across the different asset allocations.

As at the end of Q2 2024, the sector's assets continued to be concentrated in two asset classes with a long-term investment outlook in line with the need to match the sector's long-term liabilities.

Equities and debt maturing after 12 months totalled E41.61 billion, constituting 83.05% of the total Retirement Funds Assets.

The Allocation in equities stood at 61.69% which was 0.89 percentage points lower than the 62.58% recorded in Q1 2024. About E10.70 billion, translating to 21.63% of the Retirement Funds assets were invested in Debt maturing after 12 months as at the end of June 2024.

Figure:56 Assets by Geographic Location

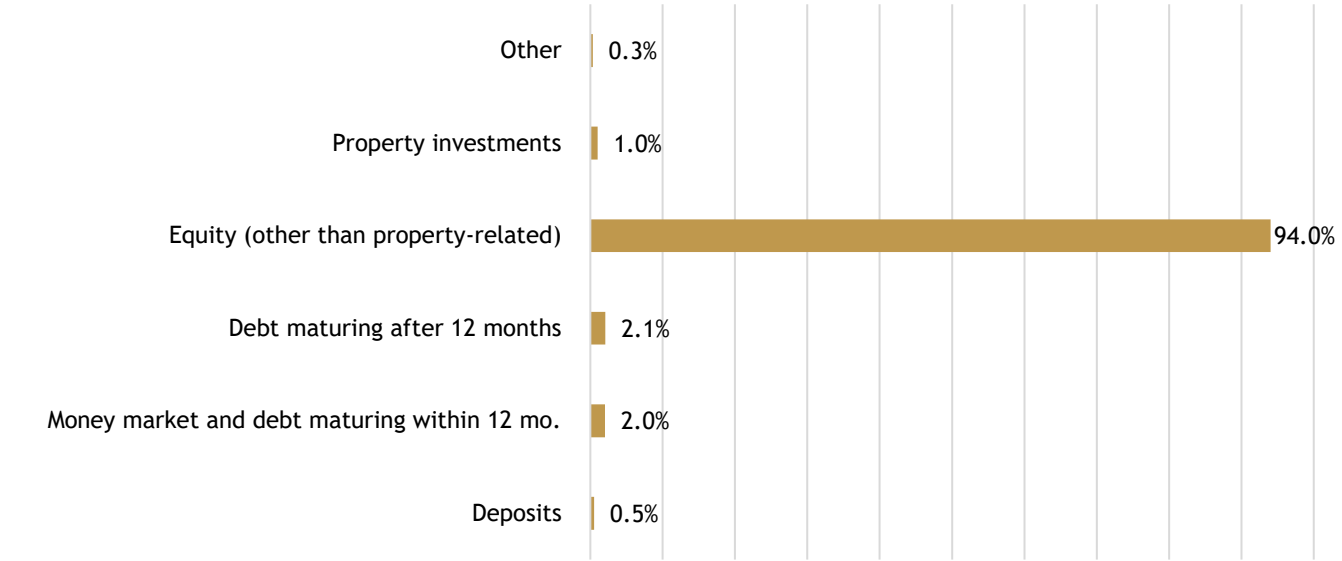


3.4.2.1 Local Investment Allocation

As of June 2024, the retirement fund's local asset holding was valued at E23.58 billion, an increase of 4.65%% compared to last quarter. Year on year, the local assets are up 10.98%. This increase was due to a 3.57% increase in the value of longer-term debt as a result of the new investments in the issued corporate and government bonds.

There was also a 13.37% increase in shorter term debt holdings in the local economy. Investments in equities declined by 0.59% from E5.99 billion in March 2024 to E5.96 billion in June 2024 due to a slight drop in the ESE All-Share Index.

Figure 57: RF Local Investment Allocation

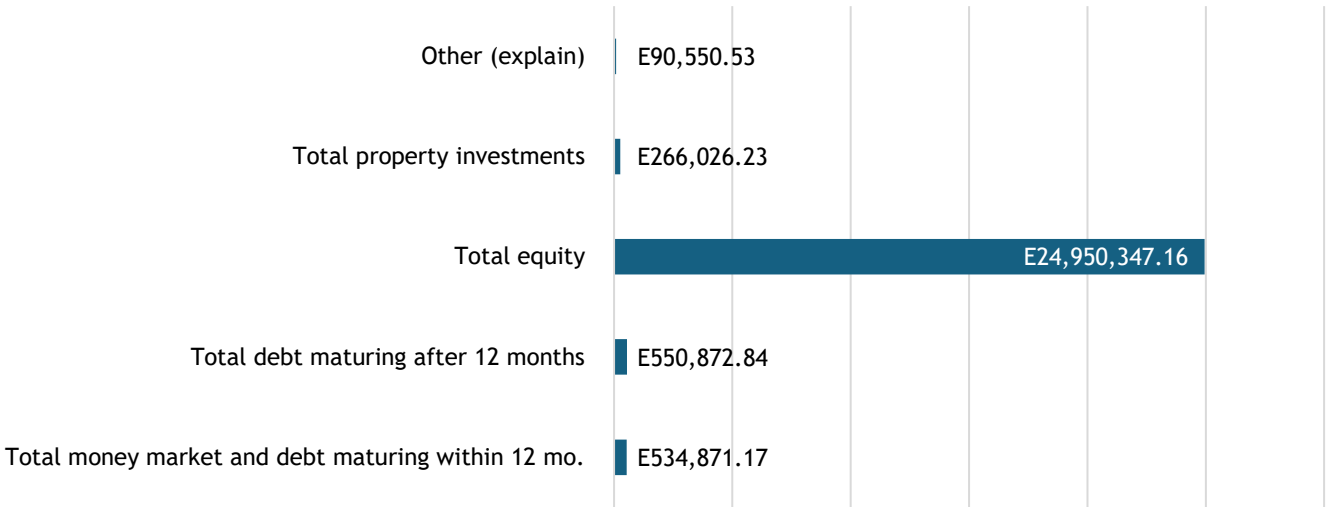


Foreign Investment Allocation

As at the end of June 2024, the value of foreign denominated assets was E26.53 billion, an increase of 4.41% when compared to the previous quarter where the assets were valued at E25.41 billion. A significant portion of the foreign assets are invested in equities totalling E24.95 billion, equivalent to 94.04% of the foreign denominated assets. Compared to the previous quarter, investments in equities increased by 3.94% due to the improved performance in the South African financial markets.

A significant increase of 25.07% was observed in long term debt investments as their value increased from E440.47 million in Q1 2024 to E550.87 million as of Q2 2024. Short term debt instruments saw a 10.83% rise from E482.59 million in Q1 2024 to E534.87 million in Q2 2024. Property Investments also showed an upward trend as they increased by 18.01% from E225.42 million in Q1 2024 to E266.03 million at the end of the quarter under review. Deposits with banks declined by 25.18% from E183.98 million to E137.66 million as higher return investments avails.

Figure 58: RF Foreign Investment Allocation

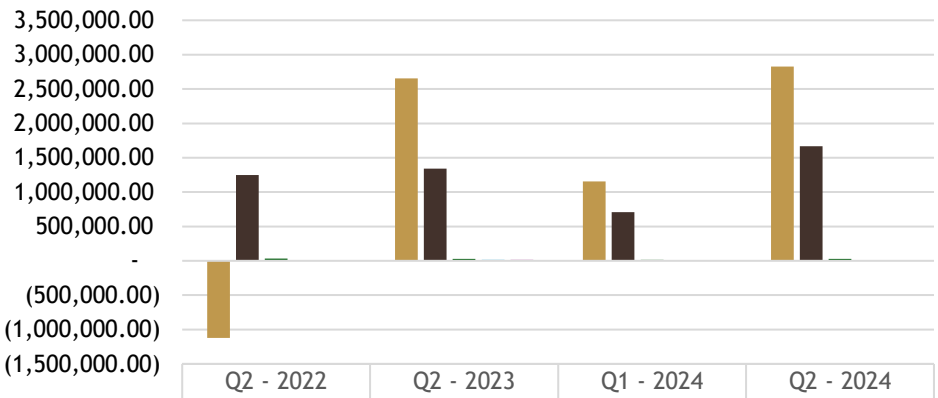


3.4.3 Retirement Fund Income & Expenditure

As of 31 June 2024, a year-on-year increase of 24.56% in contributions was observed, this increase contributed to the increase in the sector's income which increased from E4.05 billion as of 30 June 2023 to E4.53 billion as of 30 June 2024. Investment income continued to be the highest source of income for the sector contributing to over 60% of the income.

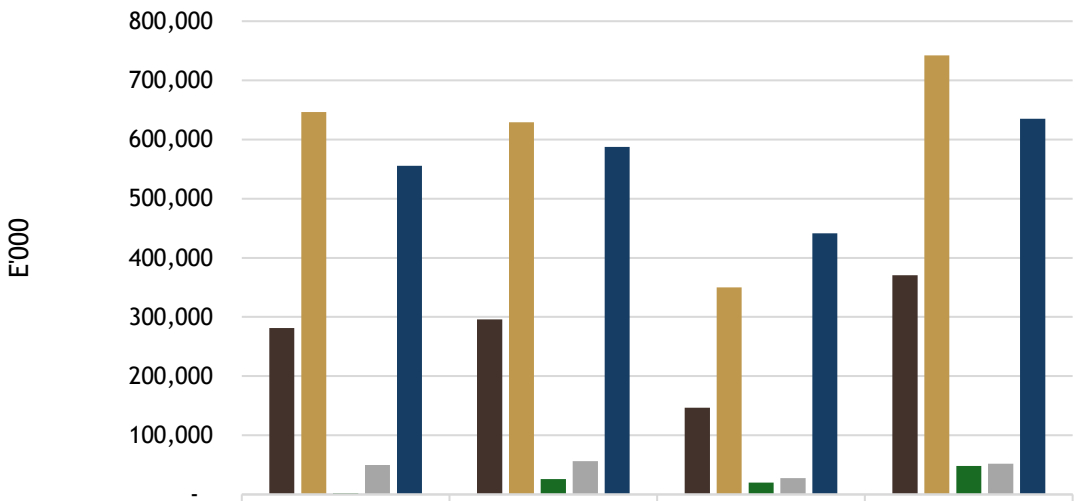
In terms of expenses, a 14.80% year on year increase was observed with the highest increase observed in payments relating to voluntary early retirement and payments relating to disability. The ratio of retirement funds current expenditure to income remained below 50% indicating the sector's ability to sustain its operations without the need to redeem investments although there are some funds facing liquidity challenges.

Figure 59: RF Income



	Q2 - 2022	Q2 - 2023	Q1 - 2024	Q2 - 2024
Investment Income	(1,123,771.00)	2,653,416.00	1,153,878.00	2,826,189.00
Contributions	1,249,740.00	1,340,145.00	709,951.00	1,669,255.00
Transfers to Fund	34,609.00	29,462.00	13,145.00	26,454.00
Benefits paid by insurers (to fund)	11,038.00	14,988.00	8,200.00	7,986.00
Other income	3,938.00	13,595.00	1,186.00	1,395.00

Figure 60: RF Expenditure



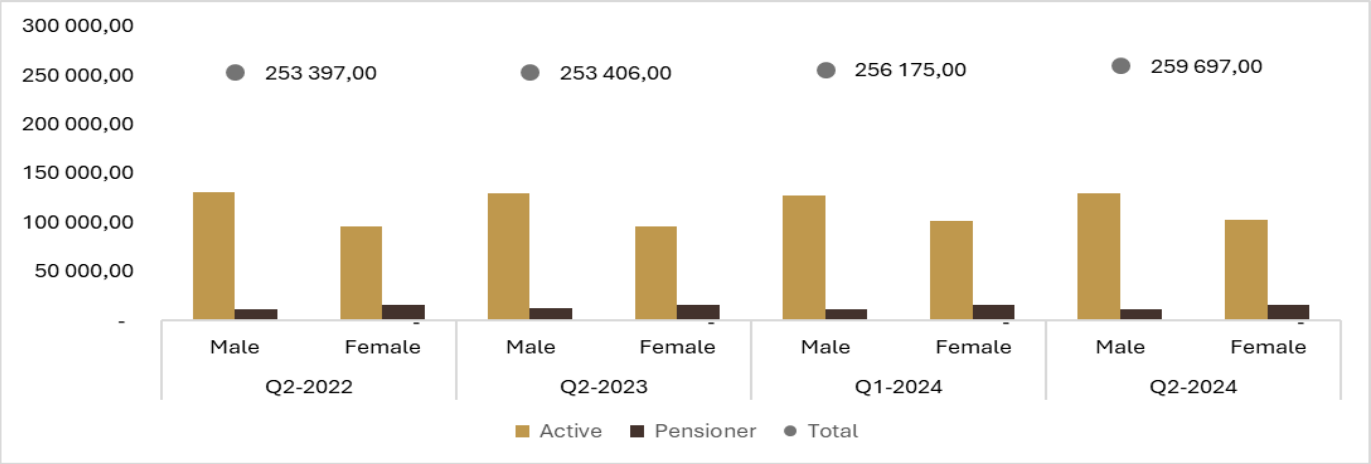
	Q2-2022	Q2-2023	Q1-2024	Q2-2024
Management Expenses	281,063	295,849	146,808	370,745
Lump sum benefits	646,413	629,231	350,257	742,286
Other Transfers	2,422	25,877	20,126	48,314
Premiums for insured benefits	49,689	56,155	27,500	51,706
Periodic Payments	555,695	587,266	441,412	635,341

Quarters

3.4.5 Retirement Funds Membership

As of June 2024, the total number of retirement fund members stood at 259, 697, indicating a 1.37% quarterly increase from 256,175 recorded as of March 2024. Males continue to dominate the active membership category by 56% to 44% females.

Figure 61: RF Membership



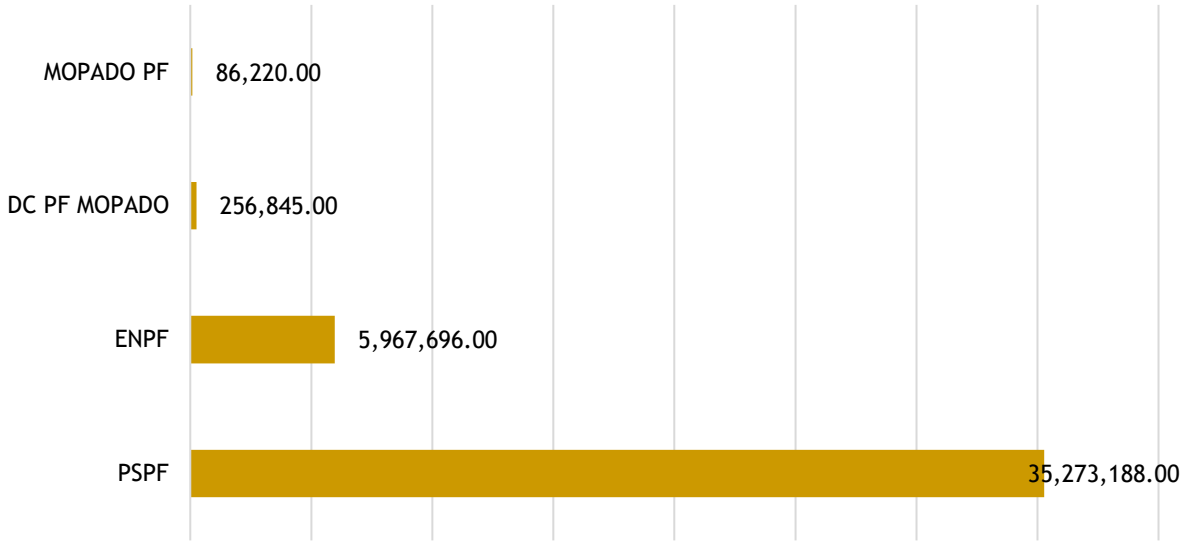
NB: Do note the double counting effect in the number of RF members represented in the statutory fund - ENPF and again in standalone funds

3.4.6 Retirement Funds Market Share

Statutory funds comprising of PSPF, ENPF, MOPADO PF and DC MOPADO PF control 82.99% of the total industry assets.

As of Q2 2024, the total value of assets shared amongst these funds was valued at E41.58 billion.

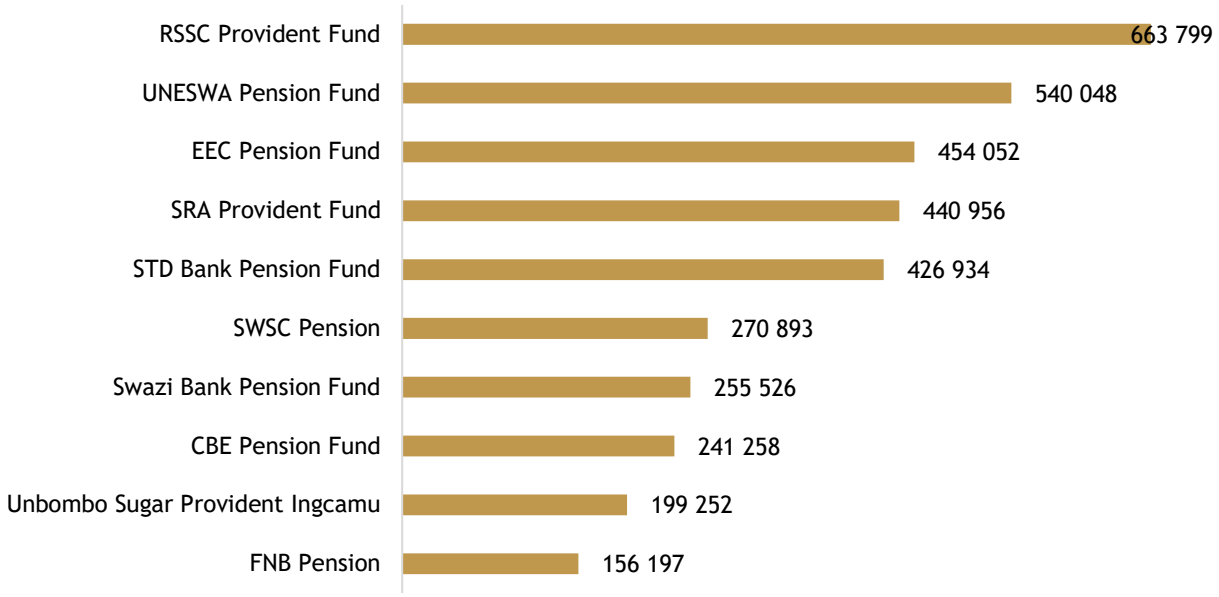
Figure 62: RF Market share



3.4.7 Standalone Funds

The value of assets held by the top 10 standalone funds declined by 0.27% when compared to the previous quarter and this was mainly driven by the 29.33% decline in assets held by the Central Bank of Eswatini pension fund while other pension funds' assets showed an increase.

Figure 63: RF top 10 standalone Funds

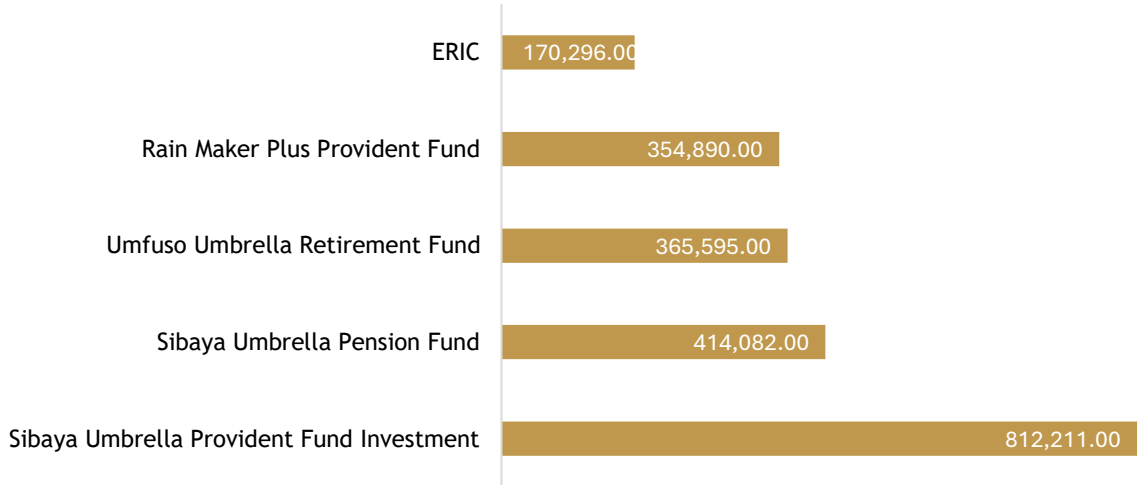


3.4.7 RF Top 5 Umbrella Funds Market Share

The value of assets from the top 5 multi-employer pension funds was E2.12 billion as of June 2024.

The contribution of these funds to the total sector assets is 4.23%.

Figure 64: RF Top 5 Umbrella Funds market share



NBFI SECTOR EXPOSURES

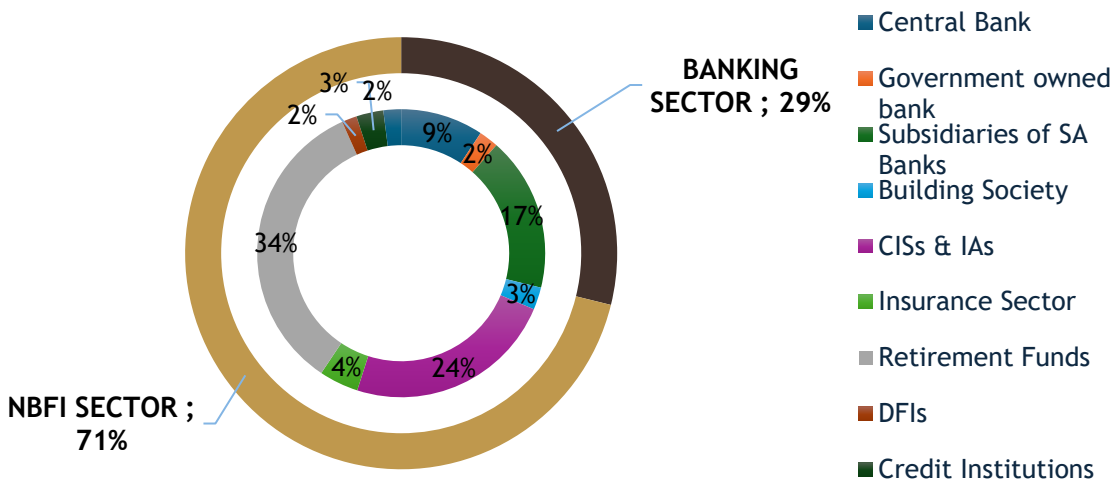
4. NBFI Sector Exposures

4.1 NBFI Exposure to the Economy

Non-bank financial institutions (NBFIs) play a pivotal role in the financial ecosystem by providing alternative sources of funding, facilitating investments, and complementing the services of traditional banks. Their operations significantly influence the local economy, particularly through their investment strategies. However, the interconnectedness and reliance on specific institutions can pose systemic risks.

This exposure analysis focuses exclusively on the domestic assets and their diversification within the Kingdom. Foreign-denominated assets are not considered in this assessment of exposure, as the analysis is confined to the risks and connections within the local economy. As of June 2024, the total assets of the financial sector stood at E147.7 billion

Figure 65: Financial Sector



Source: Financial Services Regulatory Authority and Central Bank of Eswatini

4.2 Retirement Funds

The retirement funds sector continues to play a pivotal role in the financial system, representing 33.91% of total financial sector assets. Of these assets 52.95% were invested within the domestic market, having a direct positive impact on the local economy.

This domestic investment saw a notable increase of 17.78% reaching E26.7 billion in the reviewed period from E22.5 billion in the previous quarter.

Moreover, on an annual basis, the sector experienced an over 25% surge from E21.2 billion in the same period in 2023.

Retirement funds continued to expand their participation and influence within the financial sector, playing a pivotal role in supporting economic growth and stability.

4.2.1 Banking and Building Societies

The retirement funds' exposure to banks and building societies showed a slight decrease of 0.08 percentage points from 4.53% in the previous quarter to 4.45% in the current quarter. This exposure, largely concentrated in deposits and loans, remains modest and well within acceptable limits.

Swaziland Building society maintained its lead with the highest share at 0.83% from 0.97% in the previous quarter, followed by First National Bank at 0.57% of total local assets occupying a place previously held by Standard Bank.

Exposure to Standard Bank stood at 0.56%, Nedbank at 0.50%, and Eswatini Bank at 0.24%. Despite slightly decreasing by 0.42 percentage points reaching 1.76%of total local assets in the reviewed period, loans to the banking sector retained most of this exposure even this quarter.

This level of investment highlights that the retirement funds sector remains cautious while implementing their strategic exposure to the banking sector.

Table 9: RF's deposits and loans to banks and building societies

Bank and Building Societies	RF's deposits and loans in banks and building societies	
	E	% of total local assets
First National Bank	150 897 703	0,57%
Nedbank	131 622 096	0,50%
Eswatini Bank	62 378 902	0,24%
Standard Bank	149 772 383	0,56%
Swaziland Building Society	219 247 764	0,83%
Loans to banks	467 604 135	1,76%
Total	1 181 522 983	4,45%

4.2.2 Local Asset Managers

The retirement funds' exposure to local investment managers declined by 0.86 percentage points, falling to 9.06% during the period under review, compared to 9.92% in the previous quarter. On a year-on-year basis, this represents a decrease of 2.3 percentage points.

Despite this decline, there remains a notable preference for investing through segregated mandates with investment advisors. As highlighted in the capital markets section, over two-thirds of assets under advisory are relate to retirement funds. While diversification is crucial for mitigating portfolio risk, substantial exposure to a specific group of managers could result in concentration risk.

4.2.3 Government and Corporate Bonds

Retirement funds' exposure to government bonds and treasury bills rose by 3.86 percentage points, reaching 14.71% in the current quarter, up from 10.85% in the previous quarter. These instruments are regarded as low-risk investments due to their government backing and the assurance of debt repayment, offering stability and security for investors.

This stability makes government bonds and treasury bills a preferred choice for retirement funds seeking consistent returns while preserving capital.

The recent increase in exposure likely reflects heightened uptake of government bonds, with some funds opting to invest more heavily in these secure assets.

The strong connection between retirement funds and government securities also carries potential implications for broader market stability. Conversely, commercial bonds maintained minimal exposure at 2.58%, marking a modest increase of 0.36 percentage points from 2.22% in the previous quarter.

4.2.4 Other NBFIs

Retirement funds' exposure to other financial companies, particularly private equity, holds a significant position in the local investment landscape, presenting both opportunities and risks. Currently, 15.23% of total local investments are allocated to private equity—a notable allocation given its focus on privately held companies with the potential for high returns.

Private equity offers diversification benefits and the possibility of outperforming traditional assets such as stocks and bonds.

However, this asset class carries higher risks due to its illiquid nature and longer-term investment horizon, requiring careful management and a robust risk appetite.

The 2.6% decrease in private equity exposure over the previous quarter, coupled with a steady rise in recent years, suggests that retirement funds may be actively pursuing higher returns while strategically adjusting their allocations to balance risk and reward in response to market conditions

4.3 Insurers

The insurance sector demonstrated significant interconnectedness through its exposures across various economic sectors. Combined short-term and long-term local assets amounted to E1.80 billion, marking an 8.08% quarter-over-quarter increase. Short-term insurers allocated 26.89% of their assets to local investment managers, primarily in money market instruments, which aligns with their short-term liability framework. Additionally, they increased their exposure to local banks to 46.41%, a 10.46% quarter-over-quarter rise, with a total of 49.87% of their assets allocated to banks through deposits and other financial products.

Meanwhile, they maintained minimal exposure to treasury bills at 0.55% and building societies at 4.87%, both of which are considered lower-risk investments. This diversified approach reflects a strategic balance between liquidity needs and risk management.

In contrast, long-term insurers allocated 18.61% of their assets to local investment managers and maintained a notable 26.04% exposure to treasury bills and other risk-free instruments. Their exposure to banks was comparatively lower at 13.07%, reflecting a more conservative approach to liquidity and credit risk.

This varied asset allocation underscores the differing risk profiles and investment horizons of short-term and long-term insurers, with the latter focusing on stability and long-term returns while the former prioritizes liquidity and alignment with shorter liability durations.

Table 10: Value of deposits as a % of local assets

Exposures	Short term		Long term	
	Insurers		Insurers	
	E	As a % of local assets	E	As a % of local assets
First National Bank	23 331 222	5,30%	29 396 897	2,15%
Nedbank	1 045 023	0,24%	59 353 983	4,35%
Eswatini Bank	26 913 197	6,11%	2 482 558	0,18%
Standard Bank	131 559 588	29,89%	62 841 160	4,60%
Swaziland Building Society	21 422 093	4,87%	24 141 540	1,77%
Total Exposure as a % to local assets	204 271 124	46,41%	178 216 137	13,05%

4.4 SACCOs

The interconnectedness of SACCOs is reflected in their local asset holdings, of E2.93 billion. Of this, 6.63% is held in term deposits with banks, highlighting the sector's focus on maintaining liquidity to meet the frequent credit demands of its members. The largest share of exposure, 15.54%, is allocated to local investment managers, emphasizing the goal of generating returns to grow members' savings accounts.

In contrast, SACCOs have minimal exposure to building societies at 0.28% and to treasury bills and government bonds at just 0.05%. This conservative exposure profile indicates that SACCOs prioritize liquidity and stable returns, while maintaining limited risk exposure to more volatile or long-term assets.

4.5 Overall NBFI Sector Exposure

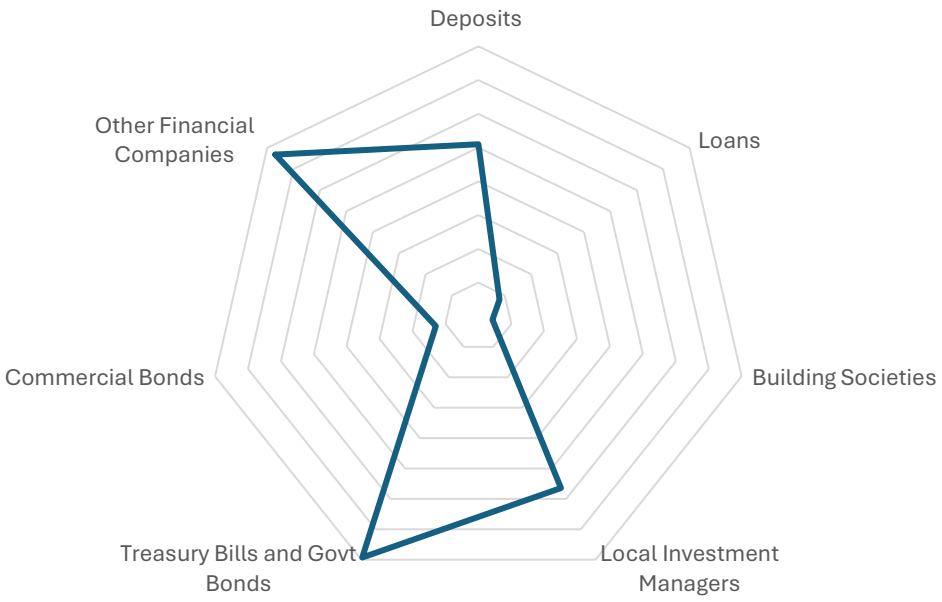
The asset value of the non-banking financial institutions (NBFI) sector is vital for maintaining economic stability, underscoring the importance of prudent oversight of licensed entities to mitigate potential risks. A significant concern lies in the high asset concentration within the local economy, particularly in the non-banking sector and specific asset classes, which amplifies the risk of systemic shocks and financial instability if not adequately managed.

As the financial system continues to grow, regulators and policymakers must take an active role in preserving stability. Regular engagement with key stakeholders through forums is critical for monitoring developments, providing guidance, and implementing strategies to address persistent risks. This proactive approach is essential to bolstering the resilience and long-term stability of the financial system.

The exposure outlined above offers a broad overview of the financial sector's performance; however, it may be skewed due to the varying sizes of entities within the sector. Larger institutions often dominate the data, potentially misrepresenting the overall health and performance of the financial market.

To gain a clearer and more nuanced understanding of the sector's dynamics, it is essential to analyze the interconnectedness and individual contributions of each entity. The figure below highlights this skewness, showcasing the disparities in size and influence among the various entities within the financial market.

Figure 66: NBFI Exposures



ANNEXURES

Annexure 1: Number of Licensed Financial Service Providers

Licensed Financial Services Providers	Count
Credit Bureau	1
Debt Counsellors	0
SACCOs	46
Building Societies	1
Retail Outlets	7
DFIs	4
Credit Providers	87
Pawn Brokers	0
Investment Advisors	11
Collective Investment Schemes	4
Dealers	2
Exempt Dealers	1
Trustee Custodian	3
Securities	1
Re-Insurance	2
Short Term Insurance	5
Composite Insurance	1
Long Term Insurance	7
Micro Insurance	3
Insurance Brokers	18
Individual Agents	120
Umbrella Funds	14
Stand Alone Funds	27
Insured Funds	12
Foreign Funds	19
Beneficiary Funds	2
Medical Aid Schemes	1
Fund Administrators	6
Corporate Agents	12
TOTAL	**417**

Annexure 2: CISs Funds under Management

Funds under Management	Jun-24	Mar-24
Geographic Allocation		
Domestic	5,403,451,243.21	5,477,435,690.19
Common Monetary Area	2,421,703,189.40	2,340,316,240.44
Offshore	527,880,498.23	804,747,954.68
Total Assets under Management	**8,353,034,930.84**	**8,622,499,885.31**
Asset Allocation		
Cash	450,671,782.19	353,562,473.90
Negotiable Certificate of Deposit	670,342,030.63	512,822,159.65
Banker's Acceptance	417,039,103.55	404,531,744.51
Commercial Paper	424,161,185.53	409,148,878.77
Treasury Bill	1,202,855,865.09	1,409,033,438.31
Corporate Bonds	335,299,410.96	357,494,720.64
Bonds/Debentures	499,727,554.31	697,422,187.74
Equity with Primary listing	884,841,874.46	870,875,682.19
Equity with Secondary Listing	4,911,931.00	6,438,836.00
Equity Index-Linked Securities	-	-
Listed Securities: Debt	-	-
Unlisted Securities: Equity	-	-
Unlisted Securities: Debt	604,465,830.27	1,121,581,388.89
Collective Investment Schemes	268,052,136.97	277,820,777.66
Collective Investment Schemes (Associated Entity)	1,677,590,070.12	1,578,129,797.68
Property - Shares	779,177.00	779,177.00
Property - Land	-	-
Property - Buildings	-	-
Other Portfolio Assets	912,296,978.76	622,858,622.37
Total	8,353,034,930.84	8,622,499,885.31

Annexure 3: CIS Sources of Funds

CISs Source of Funds	Jun-24	Mar-24
Retail Investors	1,008,823,004.52	1,140,238,190.46
Politically Exposed Persons	69,058,492.17	58,725,283.68
High Net worth Individuals	556,501,969.67	-
Professional Investors	6,321,171.32	-
Institutional - Retirement Funds	2,853,432,468.38	2,952,836,215.12
Institutional - Medical Aid Schemes	16,064,903.00	13,340,450.34
Institutional - Insurance Short Term	69,092,874.67	102,245,198.15
Institutional - Insurance Long Term	164,503,878.51	201,020,204.66
Collective Investment Schemes	1,182,813,743.04	1,212,450,079.64
Institutional - Credit Providers	-	-
Institutional - SACCOs	128,730,770.35	158,955,278.50
Institutional - Banks	-	-
Companies	2,261,613,860.08	2,708,453,705.53
Institutional - Other	17,813,833.45	19,695,825.64

Annexure 4: Funds under Advisory

Annexure 4: IAs - Funds under Advisory		
	Jun-24	Mar-24
Geographic Allocation		
Domestic	7,589,954,859.32	8,781,326,565.62
Common Monetary Area	13,979,317,392.32	13,104,058,737.19
Offshore	4,914,700,930.71	5,187,425,296.32
Total Assets under Management	26,483,973,182.34	27,072,810,599.13
IA Source of Funds		
Retail Investors	565,967,909.50	418,042,011.71
Politically Exposed Persons	1,024,373.53	183,192,315.42
High Net worth Individuals	0.00	-
Professional Investors	0.00	-
Institutional - Retirement Funds	20,717,972,927.27	23,083,235,148.76
Institutional - Medical Aid Schemes	1,734,952.60	66,303,163.00
Institutional - Insurance Short Term	37,123,630.84	36,799,156.66
Institutional - Insurance Long Term	1,398,087,260.10	1,424,711,625.54
Collective Investment Schemes	1,603,158,036.83	1,596,428,483.15
Institutional - Credit Providers	16,802,272.34	2,411,893.63
Institutional - SACCOs	0.00	-
Institutional - Banks	24,255,859.42	33,997,261.26
Companies	2,049,281,918.21	214,051,563.28
Institutional - Other	68,564,041.71	13,637,976.73
Total	26,483,973,182.34	27,072,810,599.13

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

Savings and Credit Co-operative Societies	Jun-24		Mar-24	
STATEMENT OF FINANCIAL POSITION		SZL'000		SZL'000
Cash & Cash Equivalents (Note 1)	E	172 057,96	E	123 369,13
Prepayments & Sundry Receivables	E	4 372,91	E	7 996,42
Financial Investments (Note 2)	E	376 930,82	E	335 031,90
Net Loan Portfolio	E	2 139 398,64	E	2 079 954,91
Gross Loan Portfolio	E	2 190 430,38	E	2 116 435,85
Less: Provision for Loan Loss	E	51 031,74	E	36 480,93
Accounts Receivables	E	115 856,04	E	92 111,61
Unremitted Salary Deductions	E	79 209,19	E	60 240,08
Staff loans	E	2 852,98	E	2 965,52
Tax Recoverable	E	-	E	193,78
Unallocated Funds	-E	211,30	E	168,46
Other Accounts Receivables	E	34 005,17	E	28 543,77
Property Plant Equipment & Other assets	E	124 118,61	E	126 560,08
Land & Buildings	E	107 415,63	E	97 764,14
Plant & Equipment	E	13 932,93	E	20 481,24
Prepaid Lease rentals	E	7,13	E	10,73
Intangible Assets	E	19,00	E	19,00
Other Assets	E	2 743,92	E	8 284,97
Total Assets	E	2 932 734,98	E	2 765 024,06
Total Deposit liabilities (Note 3)	E	2 072 919,47	E	2 017 033,66
Short Term Liabilities	E	233 765,86	E	189 987,47
Accounts payable	E	36 979,52	E	39 814,22
Tax Payable	E	5 347,48	E	4 796,11
Dividends Payable	E	149 582,66	E	88 819,04
Retirement Benefits Liability	E	1 806,97	E	1 656,14
Bank Overdraft	E	-	E	-
Other Short term liabilities	E	40 049,23	E	54 901,95
Total Short Term Liabilities	E	2 306 685,32	E	2 207 021,12
Long Term Liabilities	E	16 264,50	E	2 956,43
External Borrowings	E	3 052,32	E	2 614,62
Other Long Term Liabilities	E	13 212,18	E	341,81
Total Liabilities	E	2 322 949,82	E	2 209 977,55
EQUITY	E	183 342,91	E	178 216,21
Permanent and Non-withdrawable share (Note 4)	E	182 261,77	E	177 177,00
Capital Grants and Donations	E	1 081,13	E	1 039,21
Retained Earnings	E	167 159,81	E	133 914,62
Prior Retained Earnings	E	138 717,77	E	116 583,86
Current Surplus	E	28 442,04	E	17 330,76
Other Equity Accounts	E	259 281,46	E	242 915,48
Statutory Reserve	E	74 740,33	E	72 980,93
General Reserves	E	120 568,32	E	114 792,55
Revaluation Reserves (Not part of core capital)	E	14 295,52	E	13 753,34
Share Transfer Fund	E	20 817,95	E	20 165,43
Education Fund	E	17 994,01	E	18 111,98
Central Cooperative Fund	E	3 113,32	E	3 106,48
Adjustment to Equity	E	7 752,00	E	4,76
Total Equity	E	609 784,17	E	555 046,32
Total Liabilities and Equity	E	2 932 733,99	E	2 765 023,87

Annexure 6 Development Finance Institutions Statement of Financial Position

Assets	Jun-2024	Mar-2024
Property, Plant and Equipment	135,448,791.67	135 987 784,03
Investments in Subsidiaries	1,085,110,256.67	1 092 360 266,67
Deferred Tax	29,275,255.45	32 998 580,45
Loans and Advances (long term) portion)	596,525,526.18	583 636 477,53
Other Assets	30,119,300.00	30 119 300,00
Total Non-current Assets	**1,876,479,129.97**	1 875 102 408,68
Total Loan and Advances		584 743 857,53
Current Assets	-	
Amounts Owing by Related Parties	477,316,389.00	477 316 389,00
Current Tax Receivable	2,997,507.00	2 997 507,00
Loans and Advances (short term) portion)	239,875.00	1 107 380,00
Trade and other Receivables	8,645,292.59	10 118 075,44
Cash at Bank (with financial institutions)	117,510,135.14	138 467 637,44
Cash in Hand	87,804.00	87 804,00
Total Current Assets	**606,797,002.73**	630 094 792,88
Total Assets (1.6 & 2.7)	**2,483,276,132.70**	2 505 197 201,56
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	495,611,142.57	500 369 703,80
Total Equity	**1,236,930,897.46**	1 241 689 458,69
	-	
Non-current Liabilities	-	
Security Deposits	6,752,150.00	6 752 150,00
Amounts Owing to Related Parties	33,410,973.00	33 410 973,00
Other Financial Liabilities	1,137,912,366.92	
Deferred Tax	-	
Total Non-current Liabilities	**1,178,075,489.92**	1 179 687 031,72
	-	
Current Liabilities	-	
Amounts owing to Related Parties	-	-
Trade and Other Payable	63,400,707.46	73 474 661,26
Current tax payable	2,061,239.88	7 538 254,91
Other financial liabilities	2,807,804.00	2 807 804,00
Total Current Liabilities	**68,269,751.34**	83 820 711,15
Total Liabilities	1,246,345,241.26	1 263 507 742,87
Total Liabilities and Equity (4.4, 5.5 & 6.5)	**2,483,276,138.72**	**2 505 197 201,56**

Annexure 7: Retail Outlets Statement of Financial Position

Assets	Jun 2024	Mar 2024
Property, Plant and Equipment	58,237.16	129 145,99
Investments		0,00
Gross Debtors (credit extension)	332,526.34	162 329,83
Provision for bad debt	130,592.88	50 227,13
Net debtors	**201,933.46**	112 102,70
Other assets	521,967.66	646 851,56
Cash and cash equivalents	56,683.28	139 809,11
Total Assets	**1,301,940.79**	1 027 909,35
Equity		
Share Capital	190.00	290,00
Retained Income	557,985.72	528 181,92
Total Equity	**558,175.72**	528 471,92
Liabilities		
Borrowings	3,225.57	3 399,42
Other payables and financial Liabilities	277,420.28	496 038,00
Total Liabilities	**280,645.85**	499 437,42
Total Liabilities and Equity	**838,821.57**	1 027 909,34

Annexure 8: Building Societies Statement of Financial Position

ASSETS	Dec 2023	Mar 2024
		E'000
NOTES AND COINS	45,397.00	35 386,00
Emalangeni Notes and Coin	45,397.00	35 386,00
Rands	-	-
DUE FROM BANKS 'NOSTRO'	94,333.18	38 695,66
Central Bank of Swaziland	19,577.00	1 470,00
Domestic Commercial Banks	74,333.18	36 811,66
Non-resident Banks	423.00	414,00
INVESTMENTS	562,317.29	444 554,85
Domestic	506,956.16	389 449,98
Foreign	55,361.13	55 104,87
BILLS RECEIVABLE	-	-
NET LOANS AND ADVANCES	2,522,902.66	2 566 156,70
Gross Loans & Advances	2,694,110.66	2 723 762,70
Less: General Provisions	20,763.00	20 763,00
Less: Other Deductions	150,445.00	136 843,00
UNCLEARED EFFECTS	-	-
FIXED ASSETS (Net of Depreciation)	344,068.54	310 819,25
Land and Buildings	182,161.71	149 253,00
Furniture, Fixtures, Equipment and Vehicles	161,906.83	161 566,26
OTHER REAL ESTATE OWNED	12,690.00	10 505,00
OTHER ASSETS	133,386.67	98 818,81
TOTAL ASSETS	**3,715,095.34**	3 504 936,27
LIABILITIES	-	-
DEPOSITS	1,821,370.38	1 636 562,81
Transmission/Demand	95,820.09	97 915,60
Savings	1,052,858.32	1 019 947,01
Term	672,691.97	518 700,19
DUE TO BANKS 'VOSTRO'	391.00	3 367,00
Central Bank of Swaziland	-	-
Domestic Commercial Banks	391.00	3 367,00
Non-resident Banks	-	-
BILLS PAYABLE	1,874.16	1 709,04
INTERBRANCH BALANCES IN SWAZILAND (If Net Credit Balance)	-	-
OTHER BORROWINGS	-	-
OTHER LIABILITIES	196,362.00	209 655,00
TOTAL LIABILITIES	2,019,997.54	1 851 293,85
CAPITAL AND RESERVES	1,695,098.07	1 653 642,89
Paid Up / Issued Share Capital	1,174,754.61	1 136 600,30
Permanent Shares	1,132,311.59	1 098 051,19
Subscription Shares	42,443.02	38 549,11
Statutory Reserves	44,463.00	44 463,00
Retained Income (Prior Years)	398,313.00	398 313,00
Income (Loss) to Date	(7,660.54)	1 518,59
Revaluation Reserves	85,228.00	72 748,00
Other Reserves	-	-
TOTAL LIABILITIES, CAPITAL AND RESERVES	3,715,095.61	3 504 936,74

Annexure 9: Retirement Fund Statement of Comprehensive Income

INCOME	Mar 2024
TOTAL CONTRIBUTIONS (from C13)	E 993,136.66
Investment income(Note 1)	E 886,658.15
Transfers to the fund	E 26,454.00
Benefits paid by insurers (to the fund)	E 7,985.79
Other income(Note 2)	E 268.60
TOTAL INCOME	**E 1,914,503.20**
EXPENSES	
Management expenses(Note 3)	E 185,719.81
Premiums for insured benefits (Note 4)	E 49,539.70
Annuities purchased from insurers	E -
Lump-sum benefits:	
Withdrawal - cash	E 150,234.93
Withdrawal - transfers to other retirement funds	E 4,731.67
Accident and sickness	E -
Disability	E 2,833.64
Death	E 34,994.58
Retirement	E 176,688.14
Voluntary early retirement	E 219,884.46
Total lump-sum benefits	**E 589,367.42**
Periodic payments:	
Disability	E 535.00
Death	E 161.00
Retirement	E 48,225.99
Total periodic payments	**E 48,921.99**
Other transfers	E 14,206.00
TOTAL CURRENT BENEFITS	E 652,495.40
Change in future benefits liability	E 358,394.62
TOTAL EXPENSES	**E 1,246,149.54**
EXCESS OF INCOME OVER EXPENSES	**E 668,353.66**

Annexure 10: Retirement Funds Investment

Invested Assets-Local	E'000
Cash on hand	**2,669.07**
Deposits:	
First National Bank	150,897.70
Nedbank	131,622.10
Eswatini Bank	62,378.90
Standard Bank	149,772.38
Swaziland Building Society	219,247.76
Other banks (explain)	3,732.00
Other non-bank financial institutions (explain)	2,463.94
Total deposits	**720,114.79**
Money market and debt maturing within 12 mo.:	
Central Bank of Eswatini	34,827.90
Government of Eswatini	179,524.52
Local authorities	3,945.00
Parastatals	-
Money market collective investment schemes	1,802,840.38
Banks (debt of or loan to banks, other than deposits)	60,124.00
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-
Commercial paper and bonds	426,014.33
Other (explain)	468,838.00
Total money market and debt maturing within 12 mo.	**2,976,114.13**
Debt maturing after 12 months:	-
Central Bank of Eswatini	60,618.01
Government of Eswatini	2,955,690.74
Local authorities	286,983.70
Parastatals	1,078,273.28
Fixed income collective investment schemes	689,606.16
Banks (debt of or loan to banks, other than deposits)	407,480.14
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	4,292,486.24
Commercial bonds	380,277.00
Other (explain)	-
Total debt maturing after 12 months	**10,151,415.26**
Equity (other than property-related):	-
Ordinary shares - listed	1,072,983.06
Ordinary shares - unlisted	4,484,623.42
Preference shares - listed	-
Preference shares - unlisted	62,860.91
Convertible debentures - listed	-
Convertible debentures - unlisted	-
Equity and balanced collective investment schemes	340,169.36
Total equity	**5,960,636.75**
Property investments:	
Land and buildings	1,750,550.79
Mortgages	-
Loans to property developers	171,583.77
Shares of property developers	19,110.20
Property collective investment schemes	-
Total property investments	**1,941,244.76**
Insurance policies	501,148.65
Other (explain)	1,323,104.89
TOTAL LOCAL ASSETS	**23,576,448.29**

Annexure 11: Retirement Funds Investment

Invested Assets-Foreign	
Cash on hand	
Deposits	138,295.00
Money market and debt maturing within 12 mo.:	-
Central banks	28,728.35
National governments and international agencies	1,727.00
Local authorities	-
Parastatals	-
Money market collective investment schemes	388,141.52
Banks (debt of or loan to banks, other than deposits)	-
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-
Commercial paper and bonds	116,274.30
Other (explain)	-
Total money market and debt maturing within 12 mo.	**534,871.17**
Debt maturing after 12 months:	-
Central banks	-
National governments and international agencies	4,014.00
Local authorities	-
Parastatals	-
Fixed income collective investment schemes	422,508.84
Banks (debt of or loan to banks, other than deposits)	-
Non-bank financial institutions (debt of or loan to NBFIs, other than deposits)	-
Commercial bonds	124,350.00
Other (explain)	-
Total debt maturing after 12 months	**550,872.84**
Equity (other than property-related):	-
Ordinary shares - listed	18,539,780.96
Ordinary shares - unlisted	3,253,983.07
Preference shares - listed	-
Preference shares - unlisted	-
Convertible debentures - listed	-
Convertible debentures - unlisted	-
Equity and balanced collective investment schemes	3,156,583.13
Total equity	**24,950,347.16**
Property investments:	-
Land and buildings	-
Mortgages	-
Loans to property developers	-
Shares of property developers	231,378.23
Property collective investment schemes	34,648.00
Total property investments	**266,026.23**
Insurance policies	-
Other (explain)	90,550.53
TOTAL FOREIGN ASSETS	**26,530,962.93**
TOTAL ASSETS	**50,107,411.22**

Annexure 12: Short-term Insurers Statement of Comprehensive Income

Short-term Insurance Income Statement	24-Mar	24-Jun
	E'000	E'000
Gross premiums written (Note 1)	193 482	662 044
Direct premiums (Note 1)	193 482	662 044
Assumed reinsurance premiums (Note 1)	-	-
Less premiums ceded (Note 1)	69 198	265 318
Net insurance premiums revenue	124 284	396 727
Change in unearned premium and unexpired risk provision (Note 2)	41 512	- 88 205
Net earned premiums	165 797	308 522
Net incurred claims (Note 3)	86 465	118 822
Commission and other acquisition costs (Note 4)	23 969	72 144
Reinsurance commission received (Note 4)	16 192	52 208
Net commission expenses (Note 4)	7 777	19 936
Management expenses (Note 5)	46 321	105 879
Total underwriting expenses	140 563	244 637
Underwriting income/(loss)	25 234	63 885
Investment income (Note 6)	7 708	23 571
Other income (Note 7)	3 411	7 554
Income/(loss) before tax	36 353	95 010
Taxation	9 148	26 049
Net income for the period	27 206	68 962
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	27 206	68 962

Annexure 13: Short-term Insurers Statement of Financial Position

Assets	Mar-24	Jun-24
	E'000	E'000
Property, plant and equipment	117 674	120 689
Intangible assets	5 839	5 735
Investment assets and cash note 8	598 578	716 764
Deferred acquisition costs note 9	13 523	17 304
Deferred income tax assetsnote 9	5 935	7 328
Prepaid taxes note 9	4	52 521
Reinsurance receivables note 9	107 603	130 477
Amounts due from related parties note 9	4 028	2 383
Premiums receivable note 9	254 407	268 666
Loans note 9	9 537	9 401
Other note 9	48 485	60 417
Total Assets	1 165 613	1 391 684
Liabilities		
Insurance liabilities and technical provisions note 10	434 947	660 742
Amounts due to related parties note 11	14 364	14 676
Reinsurance liabilities note 11	58 072	50 156
Borrowings note 11	-	-
Trade and other payables note 11	54 579	40 201
Current tax payable note 11	44	-
Deferred income tax liabilities note 11	-	-
Cell fund liabilities note 12	9 592	9 654
Total Liabilities	571 598	775 427
Equity		
Share capital note 13	27 462	27 462
Share premium note 13	23 730	23 730
Statutory reserves note 13	16 177	13 607
Other reserves note 13	10 682	17 540
Retained earnings note 13	515 964	557 814
Accumulated other comprehensive income note 13	-	-
Total Equity note 13	594 015	640 152
Total Equity and Liabilities	1 165 613	1 415 579

Annexure 14: Long-term Insurers Statement of Comprehensive Income

	Mar-24	Jun-24
	E'000	E'000
Gross earned premiums	235 648	512 627
Direct premiums (Note 1)	235 648	512 627
Assumed reinsurance premiums (Note 1)	-	-
Less premiums ceded (Note 1)	19 804	77 412
Net earned premiums	215 844	435 215
Investment income (Note 6)	54 433	179 848
Other income (Note 7)	8 533	47 913
Total income	278 809	662 976
Insurance benefits and claims (Note 2)	131 393	262 952
Change in policy liabilities (Note 3)	3 441	83 833
Total policy benefits	134 834	346 785
Commission and other acquisition costs (Note 4)	10 405	27 711
Reinsurance commission received (Note 4)	2 615	5 778
Net commission expenses	7 790	21 933
Management expenses (Note 5)	71 710	131 148
Total expenses	214 334	499 867
Income/(loss) before tax	64 475	163 109
Taxation	12 096	39 231
Net income for the period	52 379	123 878
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	52 379	123 878

Annexure 15: Long-term Insurers Statement of Financial Position

Assets	Mar-24	Jun-24
	E'000	E'000
Property, plant and equipment	12 857	12 332
Intangible assets	16 975	14 753
Investment assets and cash (Note 8)	4 776 457	4 844 666
Deferred acquisition costs (Note 9)	2 470	2 629
Deferred income tax assets (Note 9)	7 910	7 863
Prepaid taxes (Note 9)	-	3 669
Reinsurance receivables (Note 9)	41 535	38 150
Amounts due from related parties (Note 9)	65 287	72 385
Premiums receivable (Note 9)	35 024	30 801
Loans (Note 9)	93 870	95 358
Other (Note 9)	23 405	17 927
Total Assets	5 075 790	5 140 534
	-	-
Liabilities	-	-
Insurance contract liabilities (Note 10)	1 872 149	1 907 386
Investment contract liabilities (Note 10)	2 114 532	2 190 800
Amounts due to related parties (Note 11)	3 215	3 265
Reinsurance liabilities (Note 11)	62 309	57 615
Borrowings (Note 11)	2 763	4 846
Trade and other payables (Note 11)	205 618	133 158
Current tax payable (Note 11)	1 275	2 662
Deferred income tax liabilities (Note 11)	-	-
Total Liabilities	4 261 860	4 299 733
	-	-
Equity	-	-
Share capital (Note 12)	51 362	51 362
Share premium (Note 12)	105 871	105 871
Statutory reserves (Note 12)	2 400	2 400
Other reserves (Note 12)	10 787	10 787
Retained earnings (Note 12)	623 618	657 125
Accumulated other comprehensive income (Note 12)	20 033	13 256
Total Equity	814 072	840 801
Total Equity and Liabilities	5 075 932	5 140 534

Annexure 16: Short-term Reinsurance Statement of Comprehensive Income

	24-Mar	24-Jun
	E'000	E'000
Gross premiums written (Note 1)	14 607	68 442
Direct premiums (Note 1)	13 356	66 893
Assumed reinsurance premiums (Note 1)	1 251	1 549
Less premiums ceded (Note 1)	2 955	23 858
Net insurance premiums revenue	11 652	44 584
Change in unearned premium and unexpired risk provision (Note 2)	458	1 157
Net earned premiums	12 110	45 741
Net incurred claims (Note 3)	734	5 050
Commission and other acquisition costs (Note 4)	2 681	24 055
Reinsurance commission received (Note 4)	576	1 925
Net commission expenses	2 105	22 130
Management expenses (Note 5)	5 944	13 413
Total underwriting expenses	8 783	40 593
Underwriting income/(loss)	3 327	5 148
Investment income (Note 6)	1 221	3 082
Other income (Note 7)	65	72
Income/(loss) before tax	4 613	8 302
Taxation	955	2 027
Net income for the period	3 658	6 276
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	3 658	6 276

Annexure 17: Short-term Reinsurance Statement of Financial Position

Assets	Mar-24 E'000	Jun-24 E'000
Property, plant and equipment	1 083	1 149
Intangible assets	-	-
Investment assets and cash (Note 8)	70 889	80 213
Deferred acquisition costs (Note 9)	23	23
Deferred income tax assets (Note 9)	2 483	2 715
Prepaid taxes (Note 9)	3	3
Reinsurance receivables (Note 9)	561	561
Amounts due from related parties (Note 9)	-	-
Premiums receivable (Note 9)	44 335	49 316
Loans (Note 9)	-	-
Other (Note 9)	774	1 541
Total Assets	120 151	135 521
		-
Liabilities		-
Insurance liabilities and technical provisions (Note 10)	9 045	14 558
Amounts due to related parties (Note 11)	16 028	15 975
Reinsurance liabilities (Note 11)	10 112	12 430
Borrowings (Note 11)	-	-
Trade and other payables (Note 11)	8 482	2 449
Current tax payable (Note 11)	-	-
Deferred income tax liabilities (Note 11)	-	-
Cell fund liabilities (Note 12)	-	-
Total Liabilities	43 667	45 412
		-
Equity		-
Share capital (Note 13)	81 345	92 354
Share premium (Note 13)	-	-
Statutory reserves (Note 13)	-	-
Other reserves (Note 13)	-	-
Retained earnings (Note 13)	3 660	6 276
Accumulated other comprehensive income (Note 13)	- 8 521	- 8 521
Total Equity (Note 13)	76 484	90 109
Total Equity and Liabilities	120 151	135 521

Annexure 18: Long-term Reinsurance Statement of Comprehensive Income

	Mar-24	Jun-24
	E'000	E'000
Gross earned premiums	397	4 899
Direct premiums (Note 1)	397	4 899
Assumed reinsurance premiums (Note 1)	-	-
Less premiums ceded (Note 1)	119	1 470
Net earned premiums	278	3 429
Investment income (Note 6)	209	177
Other income (Note 7)	-	-
Total income	486	3 606
Insurance benefits and claims (Note 2)	46	2 795
Change in policy liabilities (Note 3)	-	-
Total policy benefits	46	2 795
Commission and other acquisition costs (Note 4)	34	-
Reinsurance commission received (Note 4)	12	147
Net commission expenses	22	(147)
Management expenses (Note 5)	1 136	782
Total expenses	1 204	3 430
Income/(loss) before tax	-718	176
Taxation	-	-
Net income for the period	-718	176
Other comprehensive income net of tax	-	-
Total comprehensive income for the period	-718	176

Annexure 19: Long-term Reinsurance Statement of Financial Position

	Mar-24	Jun-24
	E'000	E'000
Property, plant and equipment	30	30
Intangible assets	-	
Investment assets and cash (Note 8)	12 530	4 863
Deferred acquisition costs (Note 9)	-	-
Deferred income tax assets (Note 9)	191	79
Prepaid taxes (Note 9)	-	-
Reinsurance receivables (Note 9)	-	-
Amounts due from related parties (Note 9)	-	-
Premiums receivable (Note 9)	12 150	3 979
Loans (Note 9)	-	-
Other (Note 9)	219	872
Total Assets	25 120	9 823
Liabilities		
Insurance contract liabilities (Note 10)	4 664	2 145
Investment contract liabilities (Note 10)	-	-
Amounts due to related parties (Note 11)	-	-
Reinsurance liabilities (Note 11)	1 645	1 080
Borrowings (Note 11)	-	-
Trade and other payables (Note 11)	2 227	131
Current tax payable (Note 11)	-	-
Deferred income tax liabilities (Note 11)	-	-
Total Liabilities	8 536	3 356
Equity		
Share capital (Note 12)	17 302	6 291
Share premium (Note 12)	-	-
Statutory reserves (Note 12)	-	-
Other reserves (Note 12)	-	-
Retained earnings (Note 12)	- 718	176
Accumulated other comprehensive income (Note 12)	-	-
Total Equity	16 585	6 467
Total Equity and Liabilities	25 120	9 823



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P. O. Box 3365 Mbabane
Tel: (+268) 2406 8000
Website: https://www.fsra.co.sz/about/bulletin/
Email: research@fsra.co.sz
for any comments on the information published on the Bulletin