

2021 STATISTICAL BULLETIN



Foreword

The Annual Statistical Bulletin of the Non-Bank Financial Institutions Regulatory Authority (**NBFIRA**), also known as **the Regulatory Authority**, aims to disseminate information on the financial performance of regulated non-bank financial sector entities for use by the wider public, in particular, policy makers, regulated entities, regulators and scholars. The report provides industry aggregates for financial performance, financial position capital adequacy and other key financial stability ratios of the Non-Bank Financial Institutions (NBFIs). The published data is primarily based on audited financial information as submitted to **the Regulatory Authority** by regulated entities. In addition, other information on the financial sector and / or the global macro-economic statistics deemed to be relevant is also included.

The information disclosure is done in accordance with the provisions of **Section 17 of the NBFIRA Act, CAP 46:08** which, inter alia, provides that **NBFIRA** may:

- (a) Disclose a summary or collection of information that is prepared so that information relating to any particular person cannot be found from it;
- (b) Disclose the name of a licensed financial institution;
- (c) Disclose the address where a financial institution carry-on business;
- (d) Disclose any other information reasonably necessary to enable members of the public to contact non-bank financial institutions.

Furthermore, other disclosures are authorised by Section 17 (4), such as those required by financial services law.

Volume 1 of the 2021 Annual Statistical Bulletin is the eighth edition since the inaugural document published in year 2014. The Bulletin presents audited financial information submitted by regulated NBFIs during the year ended December 31, 2020. The 2021 Annual Statistical Bulletin is published online in **the Regulatory Authority's** website (www.nbfira.org.bw). It is envisaged that future Bulletins will be published for each industry and hence provide more detailed and insightful information on the performance of the business sectors. In addition, quarterly statistical bulletins will be published in the future to provide updates on recent developments.

The Regulatory Authority welcomes comments on the content of the publication from all stakeholders in order to better service their information needs. The Board, Management and Staff of NBFIRA convey their gratitude and appreciation to all stakeholders for their support and co-operation during the data collection and compilation. These include regulated NBFIs, Government agencies, in particular Statistics Botswana, as well as other authorities and institutions.

Finally, appreciation also goes to all NBFIRA staff for their contribution to the successful production of this document.



Oduetse A. Motshidisi
CHIEF EXECUTIVE OFFICER

Disclaimer

While all care has been taken in the preparation of this Statistical Bulletin, the Non-Bank Financial Institutions Regulatory Authority (**NBFIRA**) does not, in any way whatsoever, warrant expressly the accuracy and completeness of the contents of this document 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 statistics collected through Statutory Returns and other submissions have been prepared as a general overview. The Non-Bank Financial Institutions Regulatory Authority is in no way whatsoever providing financial or other professional advice through this Statistical Bulletin and none of its contents should be interpreted or relied on as such.

Any discrepancy may be brought to the notice of **the Regulatory Authority** through email: info@nbfira.org.bw.

The Non-Bank Financial Institutions Regulatory Authority reserves the right to revise / amend any information published in this Statistical Bulletin.

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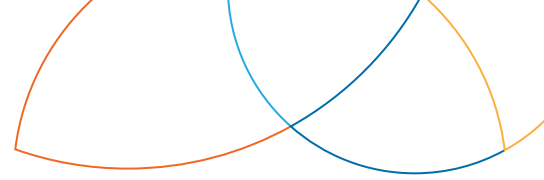


Contents

1. INTRODUCTION	06
1.1 About the NBFIRA Annual Statistical Bulletin	07
1.1.1 Sources of data	07
1.1.2 Reporting Period	07
1.1.3 Reporting Currency	07
1.2. Selected Economic Indicators	07
1.2.1 Economic Growth	07
1.2.2 Prices and Inflation	07
1.3 Types of Regulated Non-Bank Financial Institutions (NBFIs)	11
1.4 An Overview of Regulated Non-Bank Financial Institutions (NBFIs)	12
1.5 NBFIs Reporting for year ending December 31	13
2. FINANCIAL PERFORMANCE OVERVIEW	14
2.1 Overview of Financial Performance of the regulated NBFIs during the year ended December 31, 2020	15
2.2 Capital Management of the NBFi Sector Balance Sheet	15
2.3 Liabilities	15
2.4 Assets Under Management (AUM)	17
3. SECTORIAL OVERVIEW	19
3.1 Insurance Industry	20
3.1.1 Insurers and Reinsurers	20
3.1.2 Insurance Brokers	23
3.1.3 Medical Aid Funds	24
3.2 Retirement Funds Industry	25
3.2.1 Summary of Financial Performance of Retirement Funds	25
3.3 Capital Markets Industry	26
3.3.1 Summary of Financial Performance of the Botswana Stock Exchange (BSE)	26
3.3.2 Summary of Financial Performance of Central Securities Depository (CSD)	26
3.3.3 Summary of Financial Performance of Securities Brokers/Dealers	27
3.3.4 Summary of Financial Performance of Management Companies (Mancos) for CIUs	27
3.3.5 Summary of Financial Performance of Asset Managers	27
3.3.6 Financial Performance of Capital Markets participants	28
3.4 Lending Activities Industry	28
3.4.1 Summary of Financial Performance of Micro Lenders	28
4. FIVE YEAR PERIOD NBFi SECTOR OVERVIEW (2016-2020)	29
4.1. Insurance	30
4.1.1 Insurers and Reinsurers	30
4.1.2 Insurance Brokers	36
4.2 Retirement Funds	38
4.2.1 Summary of Financial Performance of Retirement Funds	38
4.3 Capital Markets	39
4.3.1 Primary Market Activities	39
4.3.2 Secondary Market Activities	41
4.3.3 Assets Under Management ("AUM") In Botswana	44
4.4. Lending Activities	53
4.4.1 Financial Performance of Micro Lenders	53

List of Tables

		Page No:
Table 1	Global Economic Growth (Real GDP-Percent annual growth)	8
Table 2:	Selected Economic Indicators for Botswana	8
Table 3	Non-Bank Financial Institutions (NBFIs) Regulated under the Provisions of the NBFIRA Act, Cap 46:08	11
Table 4:	Number of Active NBFIs during the year ending December 31	12
Table 5:	NBFIs Submitting Regulatory Returns/ Reports during Year Ending December 31	13
Table 6a:	Financial Performance of the NBFIs during the year ending December 31: Statement of Financial Position	16
Table 6b:	Financial Performance of NBFIs for the year ending December 31: Income Statement	17
Table 7:	Assets Under Management relative to Gross Domestic Product at Market Prices	18
Table 8	Statement of Comprehensive Income of Life Insurers	20
Table 9:	Statement of Financial Position of Life Insurers	20
Table 10:	Statement of Comprehensive Income of General Insurers	21
Table 11:	Statement of Financial Position of General Insurers	21
Table 12:	Statement of Comprehensive Income of Re-Insurers	22
Table 13:	Statement of Financial Position of Re-Insurers	22
Table 14:	Statement of Comprehensive Income of Insurance Brokers	23
Table 15:	Statement of Financial Position of Insurance Brokers	23
Table 16:	Statement of Comprehensive Income of Medical Aid Funds	24
Table 17:	Statement of Financial Position of Medical Aid Funds	24
Table 18:	Financial Performance of Retirement Funds	25
Table 19:	Financial Performance of the BSE	26
Table 20:	Financial Performance of Central Securities Depository	26
Table 21:	Financial Performance of Securities Brokers / Dealers	27
Table 22:	Financial Performance of Management Companies for Collective Investment Undertakings (CIUs)	27
Table 23:	Financial Performance of Asset Managers	27
Table 24:	Financial Performance of Capital Market Participants	28
Table 25:	Financial Performance of Micro Lenders	28
Table 26:	Financial Performance of Life Insurance Business	30
Table 27:	Financial Position of Life Insurance Business	30
Table 28:	Annual Growth Rates of the Life Insurance Business	31
Table 29:	Actual Capital Adequacy Levels for the Life Insurance Business	31
Table 30:	Financial Stability Ratios for Life Insurers	31
Table 31:	Financial Performance of General Insurance Business	32
Table 32:	Financial Position of General Insurance Business	32
Table 33:	Annual Growth Rates of the General Insurance Business	33
Table 34:	Actual Capital Levels for General Insurance Business	33
Table 35:	Financial Stability Ratios for General Insurers	33
Table 36:	Financial Performance of Reinsurance Business	34
Table 37:	Financial Position of Reinsurance Business	34
Table 38:	Annual Growth Rates for Reinsurance Business	35
Table 39:	Actual Capital Levels for Reinsurance Business	35
Table 40:	Financial Stability Ratios for Reinsurance Business	35
Table 41:	Financial Performance of Insurance Brokers	36
Table 42:	Financial Position of Insurance Brokers	36
Table 43:	Annual Growth Rates for Insurance Brokers	37
Table 44:	Actual Capital Levels for Insurance Brokers	37
Table 45:	Financial Stability Ratios of Insurance Brokers	37
Table 46:	Financial Performance of Retirement Funds	38
Table 47:	Financial Performance of the Botswana Stock Exchange (BSE)	39

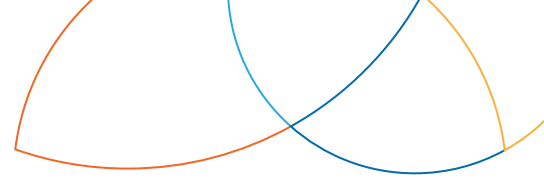


List of Tables (cont.)

		Page No:
Table 48:	Financial Performance of the Central Securities Depository (CSD)	39
Table 49:	Financial Performance of Securities Brokers / Dealers	39
Table 50:	Capital Raised Through Equity Market	40
Table 51:	Number of Companies Listed	41
Table 52:	Botswana Stock Exchange Market Capitalization	41
Table 53:	Market Capitalization by Sector	42
Table 54:	Equity Trading Statistics	42
Table 55:	Botswana Stock Exchange Indices	42
Table 56:	Equity Turnover Activity at the Botswana Stock Exchange	43
Table 57:	Statistics on Shares Issued at the Botswana Stock Exchange	43
Table 58:	Secondary Market Bond Trades at the Botswana Stock Exchange	44
Table 59:	Bond Market Indicators (Selected Ratios)	44
Table 60:	Total Assets Under Management by Structure	44
Table 61:	Total Assets Under Management by Structure	45
Table 62:	CIU Assets Breakdown by Type of Clients	46
Table 63:	Financial Performance of Selected Micro-Lenders	53
Table 64:	Geographical Spread of NBFIRA registered Lending Activities Entities	54
Table 65:	Licensed / Exempted Status of Lending Activities Sector	54

List of Figures

		Page No:
Figure 1:	Botswana's Nominal and Real GDP Growth	10
Figure 2:	Botswana's Inflation Trends (Percent)	10
Figure 3:	Capital Raised through Equity Market	40
Figure 4:	Capital Raised through Equity Market by issue type	41
Figure 5:	Overall AUM of CIU and Non-CIU for the last 5 years	45
Figure 6:	Non-CIU and CIU Assets Breakdown by Type of client	46
Figure 7:	Overall AUM Market share by Structure (Percent)	47
Figure 8:	Overall AUM Growth (Percent)	47
Figure 9:	Overall AUM as Percentage of Nominal GDP	48
Figure 10:	Non-CIU AUM by Institutional Clients	48
Figure 11:	Non-CIU AUM Market Share by Institutional Clients (Percent)	49
Figure 12:	Non-CIU AUM by Individuals / Private Clients	49
Figure 13:	Non-CIU AUM as Percentage of Nominal GDP	50
Figure 14:	CIU AUM Market share by Type of Client	50
Figure 15:	CIU AUM by Type of Client (Percent)	51
Figure 16:	CIU AUM by Institutional Clients	51
Figure 17:	CIU AUM Market Share by Institutional Clients	52
Figure 18:	CIU AUM as percentage of Nominal GDP	52



1. Introduction

1.1 ABOUT THE NBFIRA ANNUAL STATISTICAL BULLETIN

1.1.1 Sources of Data

The NBFIRA Statistical Bulletin presents information sourced from Audited Financial Statements and other returns submitted to *the Regulatory Authority*. Where feasible, the document will include results of thematic surveys conducted by *the Regulatory Authority*.

1.1.2 Reporting Period

The 2021 NBFIRA Annual Statistical Bulletin presents data submitted for the year-ending December 31, 2020 and is compared to the recent and preceding five-year period.

1.1.3 Reporting Currency

All figures are in the Botswana Pula (BWP) and as of December 31, 2020 1BWP = 0.0927 USD or 1USD = 10.62 BWP (BoB, 2021)¹.

1.2 SELECTED ECONOMIC INDICATORS

1.2.1 Economic Growth

Global economic activity was severely impacted by the outbreak of COVID-19 in the first quarter of the year 2020. The second and third quarters of the year performed better than expected because of additional support in advanced economies and the effective deployment of COVID-19 vaccinations across most countries. The surge in infections and emergence of new variants of the virus led to economies tightening restrictions and as a result caused most economies to experience a slowdown of growth in the fourth quarter. As depicted under Table 1, global GDP contracted by 3.3 percent in 2020 compared to a growth of 2.9 recorded in 2019. The Euro area, which experienced the hardest hit of the pandemic recorded the largest fall of 6.6 percent. The domestic output recorded a contraction of 7.9 percent in 2020, compared to a 3.0 percent growth in the previous year as shown under Table 2. The decline in output was caused by the negative impact of the COVID-19 pandemic, which resulted in a contraction in the production of both the mining and non-mining sectors. The mining sector output registered a significant decline of 26.2 percent against a lesser decline of 4.1 percent recorded in 2019, due to a slow demand and sales of rough diamonds which were affected by the pandemic international travel restrictions, as well as other mining subsectors. The non-mining sector registered a contraction of 2.0 percent in 2020, from a 2.9 percent growth in 2019, mainly due to the decline in the output of trade, hotels and restaurants. The agriculture sector increased its output by 2.3 percent from a 0.1 percent decline in 2019, as a result of increased production from all the subsectors (Statistics Botswana, 2020)².

1.2.2 Prices and Inflation

Global inflation decreased from 3.8 percent in 2019 to 2.7 percent in 2020 (see Table 1). Sub-Saharan Africa recorded an increase of 1.5 percent in inflation from 9.6 percent in 2019 to 11.1 percent in 2020. All other regions registered a decrease in inflation rates from the previous year, with the Euro area recording a significant decrease from 1.3 percent in 2019 to below zero in 2020. The decline in aggregate demand, as a result of measures put in place to reduce the spread of the pandemic, led to the reduction of oil prices and fossil fuel-based energy.

¹ Bank of Botswana, Botswana Financial Statistics, December 2021

² Statistics Botswana, Gross Domestic Product: Fourth Quarter of 2020

1. Introduction (Cont.)

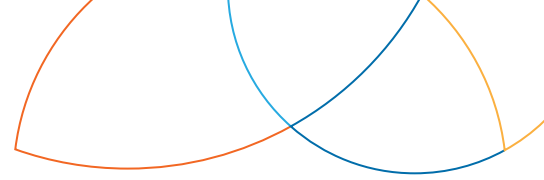
Table 1: Global Economic Growth (Real GDP- Percent annual growth)

Region	2016	2017	2018	2019	2020
Real GDP					
Euro Area	2.0	2.5	1.9	1.2	(6.6)
Emerging Markets	4.6	4.8	4.5	3.7	(2.2)
Sub Saharan Africa	1.4	2.9	3.2	3.1	(1.9)
Developing Asia, of which:	6.7	6.6	6.4	4.8	(1.0)
China	6.7	6.8	6.6	6.1	2.3
India	8.1	7.2	6.8	4.2	(8.0)
World Output	3.4	3.8	3.6	2.9	(3.3)
Inflation					
Euro Area	1.1	1.3	1.5	1.3	(0.3)
Emerging Markets	4.2	4.5	5.0	5.6	4.4
Sub Saharan Africa	11.6	10.1	7.8	9.6	11.1
Developing Asia	2.6	2.7	2.3	4.7	1.2
World Inflation	3.0	3.3	3.6	3.8	2.7

Source: IMF World Economic Outlook, 2021

Table 2: Selected Economic Indicators for Botswana

Economic Indicators		2016	2017	2018	2019	2020
S/N	Gross Domestic Product					
1	GDP at Current Prices (Pula, Millions)	170,564	180,102	189,869	197,504	180,799
2	Annual Growth at current price (Percent)	16.8	5.6	5.4	3.9	(8.5)
3	GDP at Constant Prices (Pula, Millions)	89,787	92,398	96,513	99,454	91,604
4	Annual Growth at Constant Price (Percent)	4.3	2.9	4.5	3.0	(7.9)
	GDP Per Capita					
5	GDP Per Capita at Current Prices (Pula, Millions)	76,841	79,903	82,959	82,999	76,136
6	Annual GDP Per Capita Growth at Current Prices (Percent)	15.0	4.0	8.0	0.05	(8.3)
7	GDP Per Capita at Constant Prices (Millions)	40,450	40,993	42,169	41,820	38,575
8	Annual GDP Per Capita Growth at Constant Prices (Percent)	2.7	1.3	2.9	(0.83)	(7.8)
	GDP by End Use at Constant Price (Percent)					
9	Government Final Consumption	20.9	20.7	20.5	20.5	23.8
10	Household Final Consumption	49.5	51.3	51.1	51.3	52.1
11	Changes in Inventories	(2.0)	(3.0)	(3.1)	2.1	3.9
12	Gross Fixed Capital Formation	35.3	31.3	32.3	33.4	31.9
13	Gross Domestic Expenditure	103.7	100.2	100.8	107.4	111.7
14	Total Exports (Goods and Services)	52.2	42.5	43.7	35.4	29.7
15	Total Imports (Goods and Services)	(54.6)	(41.8)	(44.8)	(46.4)	(46.4)
	Foreign Currency Per 1 Pula (end of period)					
16	USD	0.0939	0.1013	0.0932	0.0956	0.0927
17	GBP	0.0765	0.0736	0.0734	0.0729	0.0680
18	EURO	0.0891	0.0848	0.0815	0.0853	0.0754
19	JPY	10.95	11.42	10.28	10.26	9.56
20	ZAR	1.2792	1.2563	1.34	1.3243	1.3561
	Inflation (Percent)					

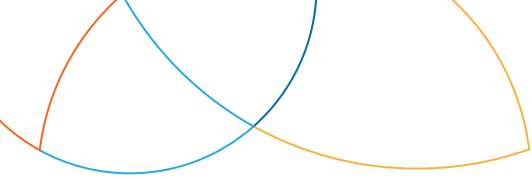


1. Introduction (Cont.)

Table 2: Selected economic Indicators for Botswana (continued)

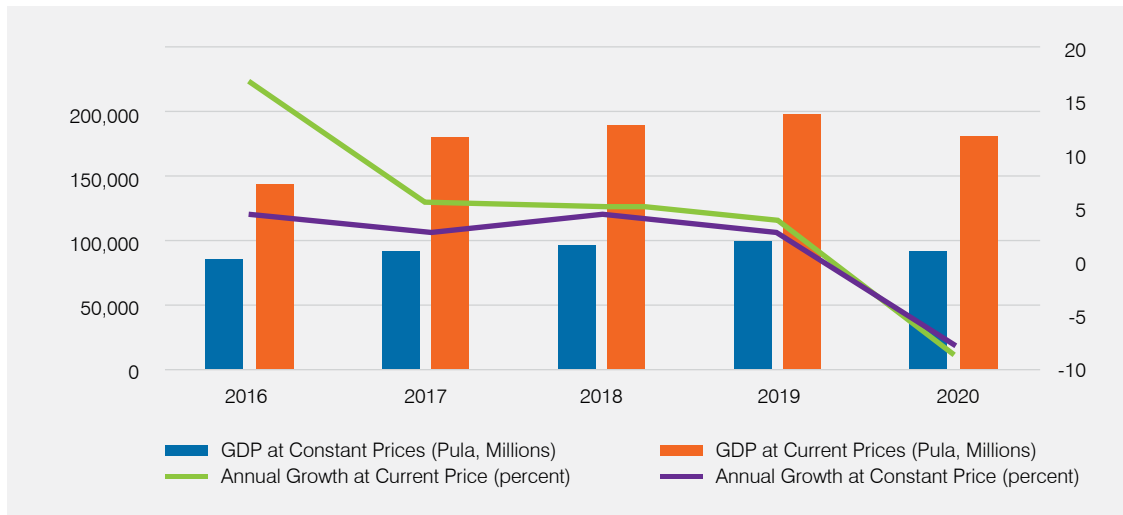
Economic Indicators		2016	2017	2018	2019	2020
S/N	Gross Domestic Product					
21	Consumer Price Index (ave)	2.8	3.3	3.2	2.8	1.9
22	Consumer Price Index (eop)	3.0	3.2	3.5	2.2	2.2
Interest Rates (End of Period)						
23	Bank Rate	5.5	5.0	5.0	4.75	3.75
24	Prime Lending Rate	7.0	6.5	6.5	6.25	5.25
Public Finance / Government Budget						
25	General Government Revenue (Pula, Millions)	47,420	57,398	56,411	53,470	54,300
26	Total Government Revenue (Percent of GDP)	27.8	31.9	29.7	27.1	30.0
27	Total Government Expenditure (Pula, Millions)	54,411	56,275	58,393	62,351	65,444
28	Total Government Expenditure (Percent of GDP)	32.1	31.2	30.8	31.6	36.2
29	Total Government Deficit/Surplus (Pula, Millions)	(6,991)	1,124	(1,982)	(8,881)	(11,144)
30	Total Government Deficit/Surplus (Percent of GDP)	4.1	0.6	1.04	4.5	(6.2)
31	Total Government Debt and Guarantees (Pula, Millions)	35,342	36,857	32,994	34,298	38,170
32	Total Government Debt and Guarantees (Percent of GDP)	21.9	21.1	18.1	17.7	21.1
Trade and Balance of Payments						
33	Current Account Balance	13,222	9,613	3,522	(12,022)	
34	Current Account Balance (Percent of GDP)	7.8	5.3	1.9	(7.6)	
35	Merchandise Exports (Pula, Millions)	80,260	61,406	65,066	56,514	49,112
36	Merchandise Exports Growth (Percent Change)	9.1	(23.5)	5.96	(13.4)	(12.8)
37	Merchandise Imports (Pula, 2.2 Millions)	64,282	53,207	61,882	70,615	74,481
38	Merchandise Imports Growth (Percent Change)	(9.2)	(19.1)	16.3	9.8	9.6
39	Merchandise Trade (Pula, Millions)	16,262	9,622	3,522	(14,100)	(25,369)
40	Trade Balance (Percent of GDP)	2.0	5.3	1.9	(5.9)	(0.01)
Labour Markets						
41	Government (Central & Local excluding Ipelegeng)	128,279	129,009	129,009	156,785	152,973
42	Parastatals	19,101	19,469	19,733	23,497	18,993
43	Private Sector	197,110	193,480	195,198	250,778	250,715

Source: Bank of Botswana Annual Report, 2020 and Botswana Financial Statistics, December 2021



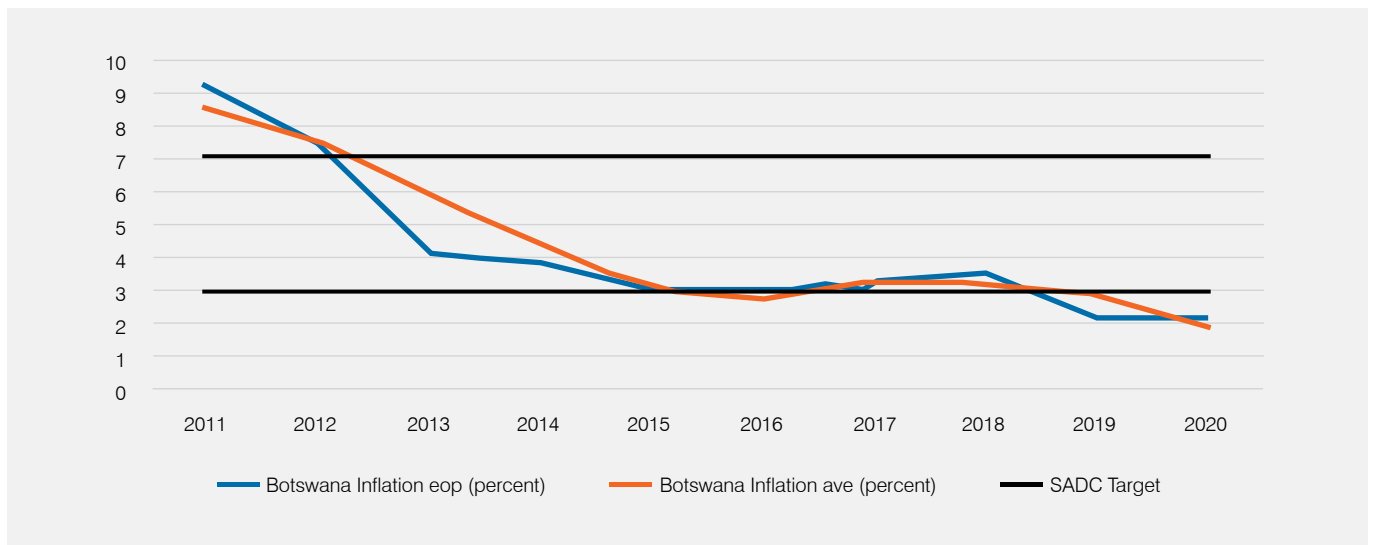
1. Introduction (Cont.)

Figure 1: Botswana's Nominal and Real GDP Growth

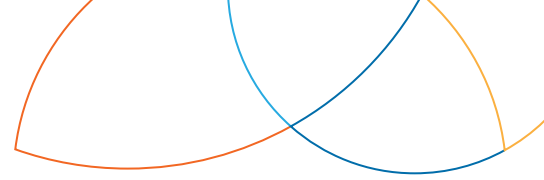


Source: Bank of Botswana Financial Statistics, December 2021

Figure 2: Botswana's Inflation Trends (Percent)



Source: Bank of Botswana Financial Statistics, December 2021



1. Introduction (Cont.)

1.3 TYPES OF REGULATED NON-BANK FINANCIAL INSTITUTIONS (NBFIS)

Table 3: NBFIs Regulated under the Provisions of the NBFIRA Act, CAP 46:08

Serial No.	Regulated NBFIs/Activities	Section 2(1)
Insurance		
1	Insurance Agent	(i)
2	Insurance Broker	(j)
3	An Insurer	(k)
4	International Insurance Firm	(l)
5	A medical aid fund	(v)
Retirement Funds		
6	An Administrator of a Retirement fund	(b)
7	A friendly Society	(h)
8	A Retirement fund	(q)
Capital Markets		
9	An Asset Manager	(a)
10	A central counterparty	(c)
11	A central securities depository	(d)
12	A Custodian	(f)
13	Investment Advisor	(m)
14	A Management Company for a Collective Investment Under-taking	(n)
15	A market maker	(o)
16	A Securities Dealer / Broker	(r)
17	A Securities Exchange	(s)
18	A transfer agent or transfer secretary	(t)
19	A Securities Institution	(x)
20	A Collective Investment Undertaking (CIU)	(e)
Non-Bank Lending Companies		
21	A pawnshop	(bb)
22	Finance or Leasing Companies	(g)
23	A Micro Lender	(p)
24	A pawnbroker	(u)
25	A micro lending agent	(z)
Other NBFIs		
26	A participant	(aa)
27	A trustee	(cc)
28	A person declared by the Minister to be a non- bank financial institution by notice in the Gazette.	(dd)
29	A trustee of a collective investment undertaking or a retirement fund	(w)
30	A financial group	(y)

Source: NBFIRA Act, 2016

1. Introduction (Cont.)

1.4 AN OVERVIEW OF REGULATED NON-BANK FINANCIAL INSTITUTIONS (NBFIS) SECTOR

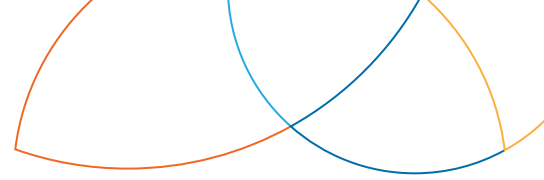
Table 4: Number of Active NBFIs during the Year- ending December 31

NBFIs by Categories	2017	2018	2019	2020	2021
Insurance Industry	2,538	2,716	2,510	3,271	3,171
Reinsurance Companies	3	3	3	3	4
General Insurance Companies	12	12	12	12	12
Life Insurance Companies	9	9	8	8	9
Medical Aids Funds (MAFs)	10	10	5	5	5
Insurance Brokers	51	51	56	57	57
Corporate Insurance Agents	161	161	150	139	157
Insurance Agents and Sub-Agents	2,292	2,470	2,276	3,024	2,997
Retirement Funds	89	88	85	86	92
Stand Alone Funds	82	81	75	76	80
Umbrella Funds	5	5	6	6	7
Fund Administrators	2	2	4	4	5
Capital Markets	72	82	84	101	112
Of which:					
Stock Exchange	1	1	1	1	1
Central Securities Depository	1	1	1	1	1
Stockbrokers/Securities Dealers	4	4	5	4	3
IFSC Accredited Global Businesses	5	5	4	2	1
Asset Managers	14	22	21	19	21
Management Companies for CIUs	7	7	7	8	8
CIUs/Funds	17	19	19	39	41
Investment company with Variable Capital	2	2	2	2	1
Trustees for CIUs	2	3	3	3	3
Custodians	3	3	3	3	3
Investment Advisors	16	15	18	19	21
Nominated Transfer Secretaries	0	0	0	0	4
Buying and Selling of Securities	0	0	0	0	1
Market Maker	0	0	0	0	1
Externally Licensed Funds ²	75	81	81	81	83
Lending Activities	311	310	324	376	356
Of which:					
Micro-lenders	219	214	216	230	233
Pawn shops*	72	76	82	87	59
Finance and Leasing Companies*	20	20	44	59	64

Note: Some entities may hold more than one license; to avoid duplication, data on core business of the licensees have been reported. Some entities issue multi-cover policies. Hence, summations across classes of business may be invalid as a policy may contain more than one cover (class of business) leading to double counting

² The Externally Licensed CIU Funds have been added to the list of entities but do not count as licensed entities as **the Regulatory Authority** has not licensed them.

*Represent entities which have been granted exemptions.



1. Introduction (Cont.)

1.5 NBFIS REPORTING FOR YEAR ENDING DECEMBER 31

Table 5 below presents active NBFIs by industry and business sector. It also shows the number of entities submitting the regulatory returns during the year ending December 31.

Table 5: NBFIs Submitting Regulatory Returns/ Reports during Year Ending December 31

NBFIs by Categories	Number of Active NBFIs		Number of NBFIs Submitting Reports	
	2020	2021	2020	2021
Insurance Industry	3,271	3,171	83	87
Reinsurance Companies	3	4	3	3
Short Term Insurance Companies	12	12	12	12
Long Term Insurance Companies	8	9	8	8
Insurance Brokers	57	57	55	57
Insurance Agents	139	157	-	-
Representatives	3,024	2,927	-	-
Medical Aid Funds	5	5	5	5
Retirement Funds	82	87	82	87
Stand Alone Funds	76	80	76	80
Umbrella Funds	6	7	6	7
Of which:				
Sub-Funds	320	331	320	331
Capital Markets	101	115	74	115
Stock Exchange	1	1	1	1
Central Securities Depository	1	1	1	1
Stockbrokers/Securities Dealers	4	3	4	3
IFSC Accredited Global Businesses	2	1	-	1
Asset Managers	19	22	19	22
Management Companies for CIUs	8	8	8	8
CIUs/Funds	39	41	39	41
Trustees for CIUs	3	3	-	3
Custodians	3	3	-	3
Investment Advisers	19	21	-	21
Market Maker	0	1	-	2
Investment Company with Variable Capital ¹	2	1	1	1
Nominated Transfer Secretaries	0	4	-	4
Buying and Selling of Securities	0	1	-	2
Lending Activities	376	356	80	80
Micro-lenders	230	233	80	80
Pawn shops	87	53	-	-
Finance or Leasing Companies	59	57	-	-
IFSC Accredited Global Businesses	2	2	2	2

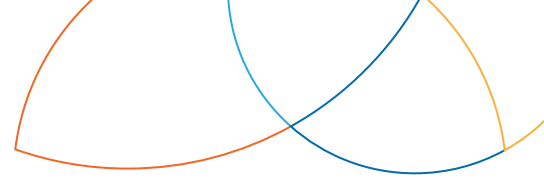
Source: NBFIRA

¹ One Investment Company with Variable Capital is currently going through litigation and not reporting to *the Regulatory Authority*.



2

Financial Performance Overview



2. Financial Performance Overview

2.1 OVERVIEW OF FINANCIAL PERFORMANCE OF THE REGULATED NBFIS DURING THE YEAR ENDED DECEMBER 31, 2020

2.1.1 Tables 6 (a) and 6 (b) present the key items of the statements of financial position and comprehensive income for the regulated non-bank financial institutions during the year ended December 31, 2020 compared to the prior year. The NBFIs sector remained resilient despite the harsh impact of the COVID 19 outbreak on the economy. The sector registered an asset growth of 2.5 percent in 2020, although lower than the 2019 growth of 4 percent. The retirement funds industry continues to dominate the sector with a market share of 71 percent at P92 billion in 2020, registering an increase of 3.7 percent from P89 billion recorded in 2019. All sectors, save for capital markets, recorded increases in total assets from 2019. Albeit lower than the increase of 7.3 percent recorded in 2019, the insurance industry increased by 6.1 percent to P22, 878 million in 2020 from P21, 556 million in 2019. Lending Activities increased by 17 percent from P5, 431 million in 2019 to P6, 369 million recorded in 2020. The Capital Markets industry registered an improved decrease of 23 percent to P8, 075 million in 2020 from the decrease of 27 percent (P10,483 million) recorded in 2019. Overall, the NBFIs assets ended the year at P129 billion from P126 billion recorded in 2019.

2.1.2 The NBFIs sector revenues decreased by 23.6 percent to P17 billion in 2020, from P23 billion in 2019. When expressed as a percentage of nominal GDP, the revenues were 9.5 percent, reflecting a decrease from 11 percent recorded in the prior year.

2.2 CAPITAL MANAGEMENT OF THE NBFIS SECTOR BALANCE SHEET

2.2.1 The sector remained well capitalised and ended the year at P8.1 billion from P7.5 billion in 2020. The capital and reserves of the sector, excluding Retirement Funds registered a lower increase of 8.8 percent compared to the 10.5 percent recorded in 2019 as shown under Table 6a. Capital Markets recorded a decrease of 8.5 percent, while the Insurance and Lending Activities industries registered growths of 10 percent and 9.7 percent, respectively.

2.3 LIABILITIES

2.3.1 The NBFIs sector recorded an increase of 3 percent in total liabilities in 2020 compared to a decrease of 13.2 percent recorded in 2019. Capital Markets however, registered a decline of 74 percent in total liabilities to P309 million from P1, 177 million in 2019, due a significant decline of 95 percent in management companies and 73 percent in asset managers (Table 6a refers).

2. Financial Performance Overview (Cont.)

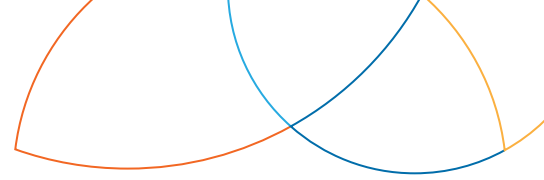
Table 6a: Financial Performance of the NBFIs for the Year-ending December 31: Statement of Financial position

NBFIs By Categories	Total Assets in Pula (Millions)			Capital & Reserves (Millions)			Liabilities (Millions)		
	2019	2020	Annual Change	2019	2020	Annual Change	2019	2020	Annual Change
	2019	2020	Percent	2019	2020	Percent	2019	2020	Percent
Insurance Industry	21,556	22,878	6.1	4,813	5,295	10.0	16,744	17,583	5.0
Reinsurance Companies	505	536	6.1	189	191	1.1	315	346	9.8
General Insurance Companies	2,270	2,417	6.5	773	848	9.7	1,498	1,568	4.7
Life Insurance Companies	17,182	18,041	5.0	2,754	2,894	5.1	14,429	15,147	5.0
Insurance Brokers	470	463	(1.5)	189	213	12.7	281	250	(11.0)
Medical Aid Funds	1,129	1,421	25.9	908	1,149	26.5	221	272	23.1
Capital Markets	10,483	8,075	(23)	448	410	(8.5)	1,177	320	(72.8)
Stock Exchange	87.5	90	2.9	65	76	16.9	23	15	(34.8)
Central Securities Depository	35.6	33	(7.3)	26	23	(11.5)	10	10	-
Stockbrokers/Securities Dealers	45	38	(15.6)	20	14	(30.0)	24.5	24	(2.0)
Asset Managers	1,213	523	(56.9)	305	262	(14.1)	913	260	(71.5)
Management Companies for CIUs	239	45	(81.2)	32	35	9.4	206	11	(94.7)
AUM (Retail & Private)	8,863	7,346	(17.1)	-	-	-	-	-	-
Lending Activities	5,431	6,369	17.3	2,216	2,430	9.7	3,211	3,875	20.7
Micro Lenders	5,431	6,369	17.3	2,216	2,430	9.7	3,211	3,875	20.7
Pawnshops	0	0	-	0	0	-	0	0	-
Finance or Leasing Companies	0	0	-	0	0	-	0	0	-
Sub Total (NBFI excluding RF)	37,470	37,306	(0.4)	7,477	8,135	8.8	21,132	21,778	3.1
Retirement Funds**	88,573	91,823	3.7	0	0	-	0	0	-
Grand Total***	126,043	129,145	2.5	7,477	8,135	8.8	21,132	21,778	3.1

Source: NBFIRA

** Retirement Funds Assets based on Management accounts as at December 31, 2020 are P105 billion.

*** Grand Totals different from the 2021 Annual Report due to the revision of some of the figures.



2. Financial Performance Overview (Cont.)

Table 6b: Financial Performance of the NBFIs for the Year-ending December 31: Income Statement

NBFIs By Categories	Gross Income in Pula (Millions)			Total Expenditure (Millions)			Profit/Loss before Tax		
	2019	2020	Percent Change	2019	2020	Percent Change	2019	2020	Percent Change
Insurance Industry	8,038	8,589	6.9	6,502	6,850	5.3	845	1,288	45
Reinsurance Companies	405	453	11.9	59	30.5	(48.3)	33	69	109.1
General Insurance Companies	1,502	1,469	(2.2)	267	271	1.5	98	162	65.3
Life Insurance Companies	3,856	4,133	7.2	4,097	4,305	5.1	570	656	15.1
Insurance Brokers	439	496	13.0	364	404	11.0	74	91	23.0
Medical Aid Funds*	1,836	2,038	11.0	1,715	1,839	7.2	70	250	257.1
Capital Markets	969.9	444	(54.2)	883.6	325	(63.2)	86.3	101	17.0
Stock Exchange	32.6	36	10.4	26	25	(3.8)	7	11	57.1
Central Securities Depository	6.8	4	(41.2)	7	7	-	-0.6	-3	400.0
Stockbrokers/Securities Dealers	30.5	15	(50.8)	28.6	21	(26.6)	1.9	-6	(415.8)
Asset Managers	863	369	(57.2)	789	274	(65.3)	74	95	28.4
Management Companies for CIUs	37	20	(45.9)	33	-2	(106.1)	4	4	-
Lending Activities	1,700	1,930	14	1,013	1,198	18	687	735	7
Micro Lenders	1,700	1,930	13.5	1,013	1,198	18.3	687	735	7.0
Pawnshops	0	0	-	0	0	-	0	0	-
Finance or Leasing Companies	0	0	-	0	0	-	0	0	-
Sub Total	10,708	10,963	2	8,399	8,373	0	1,618	2,064	28
Pension Funds	11,800	6,225	(47.2)	3,747	4,485	19.7	8,053	1,740	-78
Grand Total	22,508	17,188	(23.6)	12,146	12,858	5.9	9,671	3,804	(60.7)

Source: NBFIRA

* Total Expenditure of Medical Aids is the sum of Non-Health Expenses and Total Claims Paid

2.4 ASSETS UNDER MANAGEMENT (AUM)

Assets under Management (AUM) of the NBFIs recorded an increase of 2.5 percent from P49.9 billion in 2019 to P51.1 billion in 2020 as depicted under Table 7. This increase was due to the assets of Non-CIUs growing by 3.5 percent from P36.6 billion in 2019 to P37.9 billion in 2020. When expressed as a percentage of GDP at current prices, AUM of local investment institutions registered growth of 3 percent from 25.3 percent in 2019 to 28.3 percent in 2020. Retirement fund investments by local managers had an increase of 6.8 percent from P38.5 billion in 2019 to P41.1 billion in 2020 despite the adverse negative impact of COVID-19 on the economy. In addition, CIU assets recorded a slight decline of 0.3 percent from P13.3 billion in 2019 to P13.2 billion in 2020.

2. Financial Performance Overview (Cont.)

Table 7: Assets under Management Relative to Gross Domestic Product at Market Prices

Indicators	2019	2020	Annual Change Percent
	In Pula (Millions)	In Pula (Millions)	
Nominal Gross Domestic Product (Pula Millions)	197,269	180,799	(8.5)
Real Gross Domestic Product (Pula Millions)	99,396	91,604	(7.9)
Collective Investment Undertakings ("CIUs") Funds	13,257	13,218	(0.3)
Discretionary ("Non-CIUs")	36,597	37,861	3.5
Overall AUM (CIUs and Non-CIUs)	49,854	51,079	2.5
of which:			
Retirement Fund investments (Local Managers)	38,512	41,138	6.8
Other Institutions and retail	11,342	9,941	(12.4)
CIU Assets / GDP	6.7	7.3	8.9
Non-CIU Assets/GDP	18.6	20.9	12.6
Overall AUM / GDP	25.3	28.3	11.7
Retirement Funds Assets	88,573	91,823	(1.4)

Source: NBFIRA



Sectorial Overview

3. Sectorial Overview

3.1 INSURANCE INDUSTRY

3.1.1 Insurers and Re-insurers

Table 8: Statement of Comprehensive Income of Life Insurers

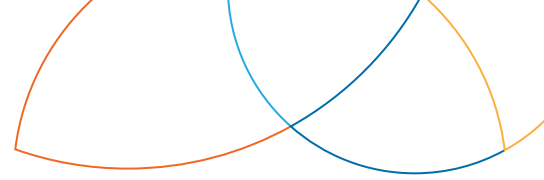
	2019 (P'000)	2020 (P'000)	Annual Growth Percent
Gross Premium Written	3,856,053	4,132,867	7.2
Premiums Ceded	124,007	113,349	(8.6)
Net Premiums Written	3,742,817	3,997,637	6.8
Investment Income	752,884	865,490	15.0
Reinsurance Recoveries	69,028	68,763	(0.4)
Reinsurance Commission and Rebates	3,639	5,310	45.9
Other Income	98,133	23,123	(76.4)
Total Revenue	4,666,502	4,960,323	6.3
Gross Benefits Paid	2,147,502	2,174,549	1.3
Change in net policyholder liabilities	616,471	367,628	(40.4)
Gross Acquisition Costs	771,110	753,025	(2.3)
Operating Expenses	534,611	544,583	1.9
Reinsurance Commission Paid	-	(1,079)	-
Other Costs	26,839	465,947	1636.1
Net incurred claims	2,078,474	2,105,785	1.3
Net acquisition costs	768,561	747,716	(2.7)
Total Expenses	4,096,533	4,304,654	5.1
Net Profit Before Taxes	569,969	655,669	15.0
Annual Growth (Percent)	22.9	15	(34.5)
Tax	118,864	122,480	3.0
Net Income After Tax	451,105	533,189	18.2

Source: NBFIRA

Table 9: Statement of Financial Position of Life Insurers

	2019 (P'000)	2020 (P'000)	Annual Growth Percent
Cash and Equivalents	2,069,187	1,142,574	(44.8)
Non-Current Assets	989,637	13,263,672	1240.3
Other Current Assets	14,123,967	3,634,334	(74.3)
Total Assets	17,182,791	18,040,580	5.1
Insurance Liabilities	13,363,534	13,779,885	3.1
Long-term Liabilities	250,561	310,179	23.8
Other Current Liabilities	815,068	1,056,592	29.6
Total Liabilities	14,429,163	15,146,655	5.0
Share Capital	311,161	286,161	(8.0)
Reserves	1,025,934	1,058,258	3.2
Retained Earnings	1,416,532	1,554,375	9.7
Total Capital	2,753,628	2,893,924	5.1
Total Liabilities & Equity	17,182,791	18,040,580	5.1

Source: NBFIRA



3. Sectorial Overview (Cont.)

There has been a growth of 7.2 percent in the Gross Written Premiums of Life Insurers from P3.9 billion in 2019 to P4.1 billion in 2020 (refer to Table 8). Overall, the assets of the Life sector also registered an increase of 5 percent from P17.2 billion in 2019 to P18.0 billion in 2020 as shown under Table 9.

Table 10: Statement of Comprehensive Income of General Insurers

	2019 (P'000)	2020 (P'000)	Annual Growth Percent
Gross Premium Written	1,502,201	1,469,289	(2.2)
Premium Ceded	551,081	581,845	5.6
Net Premium Written	951,120	887,444	(6.7)
Change in UPR	(70,044)	15,728	(122.5)
Net Premiums Earned	881,076	903,172	2.5
Gross Incurred Claims	755,683	698,958	(7.6)
Less Reinsurance share of claims	270,170	257,849	(4.6)
Claims Recovered and Claims Expenses		1,768	-
Net Incurred Claims	485,419	439,340	(9.5)
Gross Acquisition Costs	210,187	227,441	8.2
Less Reinsurance commission	114,088	114,403	0.3
Net acquisition costs	96,099	113,037	17.6
Operating Expenses	266,542	271,318	1.8
Underwriting Expenses	848,189	823,801	(2.9)
Total Underwriting Income	32,887	79,371	141.3
Investments Income	39,189	41,209	5.2
Other Income	26,156	41,783	59.8
Net Profit Before Taxes	98,232	162,364	65.3
Tax	31,430	40,081	27.5
Net Income After Tax	66,802	122,282	83.1

Source: NBFIRA

Table 11: Statement of Financial Position of General Insurers

	2019 (P'000)	2020 (P'000)	Annual Growth Percent
Cash and Equivalents	830,270	921,619	11.0
Fixed Assets	93,866	112,469	19.8
Other Current Assets	1,345,954	1,382,698	2.7
Total Assets	2,270,090	2,416,786	6.5
Insurance Liabilities	1,157,168	1,184,477	2.4
Long-term Liabilities	2,766	18,056	552.8
Other Current Liabilities	337,625	365,942	8.4
Total Liabilities	1,497,559	1,568,474	4.7
Share Capital	315,023	320,923	1.9
Reserves	376,809	397,984	5.6
Retained Earnings	81,549	129,406	58.7
Total Capital	773,382	848,312	9.7
Equity	2,270,941	2,416,786	6.4

Source: NBFIRA

3. Sectorial Overview (Cont.)

Table 12: Statement of Comprehensive Income of Re-Insurers

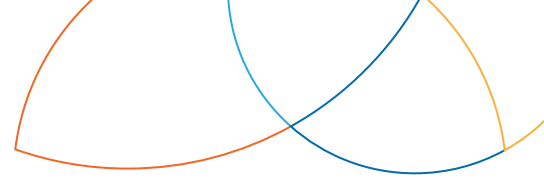
	2019 (P'000)	2020 (P'000)	Annual Growth Percent
Gross Premium Written	405,074	452,550	11.7
Premiums Ceded	167,321	166,460	(0.5)
Net Premiums Written	237,753	286,091	20.3
Change in UPR	(6,561)	(33,014)	403.2
Net Premiums Earned	231,191	253,076	9.5
Gross Incurred Claims	143,217	120,768	(15.7)
Less Reinsurance share of claims	64,416	36,629	(43.1)
Net claims	85,649	84,139	(1.8)
Gross Acquisition Costs	70,073	104,124	48.6
Less Reinsurance commission	23,725	30,385	28.1
Net acquisition costs	56,612	73,740	30.3
Operating Expenses	59,450	30,550	(48.6)
Underwriting Expenses	201,711	188,428	(6.6)
Total Underwriting Income	29,480	64,648	119.3
Investments Income	(2,202)	6,491	(394.8)
Other Income	5,613	(2,411)	(143.0)
Net Profit Before Taxes	32,891	68,728	109.0
Tax	6,696	16,061	139.9
Net Income After Tax	26,195	52,666	101.1

Source: NBFIRA

Table 13: Statement of Financial Position of Re-Insurers

	2019 (P'000)	2020 (P'000)	Growth Percent
Cash and Equivalents	209,729	174,651	(16.7)
Fixed Assets	10,718	4,403	(58.9)
Other Current Assets	284,333	357,314	25.7
Total Assets	504,781	536,368	6.3
Insurance Liabilities	255,366	312,088	22.2
Long-term Liabilities	18	189	950.0
Other Current Liabilities	60,030	33,492	(44.2)
Total Liabilities	315,414	345,769	9.6
Share Capital	146,366	95,630	(34.7)
Reserves	26,319	31,420	19.4
Retained Earnings	16,682	63,549	280.9
Total Capital	189,367	190,599	0.7
Total Liabilities and Equity	504,781	536,368	6.3

Source: NBFIRA



3. Sectorial Overview (Cont.)

3.1.2 Insurance Brokers

Table 14: Statement of Comprehensive Income of Insurance Brokers

	2019	2020	Annual Change
	(P'000)	(P'000)	Percent
Commission Earned	361,258	409,563	13.4
Other Revenue	77,424	86,603	11.9
Total Revenue	438,681	496,166	13.1
Operating expenses	337,525	393,690	16.6
Other Expenses	25,773	9,769	(62.1)
Related party expenses	1,505	629	(58.2)
Total Expenses	363,876	404,088	11.1
Net Income Before tax	73,879	91,135	23.4
Tax	22,140	24,181	9.2
Net Income After Tax	51,739	68,342	32.1

Source: NBFIRA

Table 15: Statement of Financial position of Insurance Brokers

	2019	2020	Annual Change
	(P'000)	(P'000)	Percent
Current Assets	350,124	326,427	(6.8)
Related Party Loans and assets	15,627	23,993	53.5
Non- Current Assets	99,804	112,897	13.1
Total Assets	465,555	463,317	(0.5)
Trade Payables	209,299	181,401	(13.3)
Shareholders Loans / Related party payables	12,520	5,688	(54.6)
Other Liabilities	58,668	63,413	8.1
Total Liabilities	281,120	250,501	(10.9)
Capital	41,559	53,316	28.3
Reserves and Retained Earnings	146,976	159,500	8.5
Total Capital	188,535	212,816	12.9
Total Capital and Liabilities	469,655	463,317	(1.3)

Source: NBFIRA

3. Sectorial Overview (Cont.)

3.1.3 Medical Aid Funds

Table 16: Statement of Comprehensive Income of Medical Aid Funds

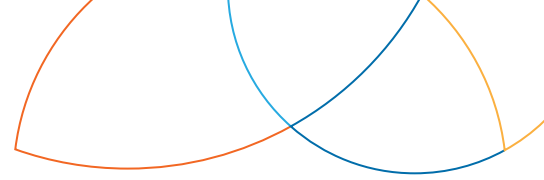
	2019 (P'000)	2020 (P'000)	Annual Growth Percent
Contributions	1,835,799	2,038,420	11.0
Claims	1,583,098	1,587,998	0.3
Net income from contributions	252,702	450,422	78.2
Depreciation of PPE	(2,230)	(2,710)	21.5
Dividend income	5,461	5,428	(0.6)
Other income	36,746	45,953	25.1
Fair value loss	(5,680)	(5,973)	5.2
Non Health expenditure	(131,749)	(250,542)	90.2
Interest paid	14,730	-	(100.0)
Finance cost	(4,177)	(3,987)	(4.6)
Share of profit on investments	7,226	13,117	81.5
Surplus before taxation	70,202	250,029	256.2
Annual Growth (Percent)	27,305,90	256,16	(99.1)
Taxation	2,767	5,215	88.5
Net Surplus	67,435	244,814	263

Source: NBFIRA

Table 17: Statement of Financial Position of Medical Aid Funds

	2019 (P'000)	2020 (P'000)	Growth Percent
Cash and Equivalents	322,260	520,303	61.5
Fixed Assets	484,450	697,508	44.0
Other Current Assets	322,179	202,517	(37.1)
Total Assets	1,128,889	1,420,328	25.8
Non -Current Liabilities	52,645	50,073	(4.9)
Trade & Other Payables	105,361	115,941	10.0
Borrowings	2,022	1,560	(22.9)
Other Current Liabilities	60,843	104,203	71.3
Total Liabilities	220,870	271,777	23.1
Stated capital	3	3	0.0
Low claims reserve	17,992	462	(97.4)
Retirement reserve	224,937	258,948	15.1
Property revaluation reserve	191,045	204,223	6.9
Available for sale reserve	7,803	8,374	7.3
Accumulated funds	466,238	676,541	45.1
Total Equity	908,018	1,148,551	26.5
Total Liabilities & Equity	1,128,889	1,420,328	25.8

Source: NBFIRA



3. Sectorial Overview (Cont.)

3.2 RETIREMENT FUNDS INDUSTRY

3.2.1 Summary of Financial Performance of Retirements Funds

Table 18: Financial Performance of Retirement Funds (Pula 000')

	2019 (P'000)	2020 (P'000)	Annual Change Percent
No. of Retirement Funds	86	87	1.2
Defined Benefits (DB) Only	3	3	0
Defined Contributions (DC) Only	81	82	1.2
Mixed DC and DB	2	2	0
No. of Active Members	230,588	246,541	6.92
No. of Deferred Members	21,310	18,071	(15.20)
Pensioners	12,693	15,639	23.21
Value of Retirement Funds as per submitted Audited Financial Statements			
Member Contributions	1,500,000	1,602,000	6.80
Employer Contributions	3,073,000	3,632,000	18.19
Investment Income	6,968,000	777,000	(88.85)
Income from life insurance	18,600	34,000	(81.72)
Other Income	240,000	180,000	(25.00)
Total Income	11,799,600	6,225,000	(47.32)
Benefit payments	2,962,000	3,704,000	25.05
Insurance Premiums	18,000	19,000	5.56
Administration, Management Expenses and Fees Other expenses	767,000	762,000	(0.65)
Total Expenditure	3,747,000	4,485,000	19.70
Retirement Funds Investment Assets Botswana Equities ('000)	13,155,000	12,814,000	(2.59)
Exchange Traded Funds	737,000	1,002,000	35.96
Botswana Unlisted Equities	2,348,000	2,349,000	0.04
Pula Bonds	8,987,000	9,674,000	7.64
Pula Cash/ Near Cash	8,988,000	7,993,000	(11.07)
Botswana Property	1,802,000	3,160,000	75.36
Total Botswana Investments	36,017,000	36,992,000	2.71
Offshore Equities	42,939,000	52,041,000	21.20
Offshore Bonds	6,087,000	6,398,000	5.11
Offshore Cash/Near Cash	1,083,000	1,059,000	(2.22)
Dual Listed Equities	1,382,000	1,361,000	(1.5)
Alternative Investments	5,626,000	7,325,000	30.2
Total Offshore Investments	57,117,000	68,184,000	19.4
Total Investments	93,134,000	105,176,000	12.9

Source: NBFIRA

3. Sectorial Overview (Cont.)

3.3 CAPITAL MARKETS INDUSTRY

3.3.1 Summary of Financial Performance of the Botswana Stock Exchange (BSE)

Table 19: Financial Performance of the BSE

BSE Financials	2019 (P'000)	2020 (P'000)	Annual Change Percent
Total Revenue	32,661	35,947	10.06
Total Expenses	25,633	25,011	(2.43)
Profit Before Tax	7,028	10,936	55.61
Tax	-	-	-
Profit after tax	7,028	10,936	55.61
Total Assets	87,505	90,372	3.28
Capital and Reserves	64,663	75,598	16.91
Total Liabilities	22,843	14,774	(35.32)
Total Liabilities and Equity	87,505	90,372	3.28

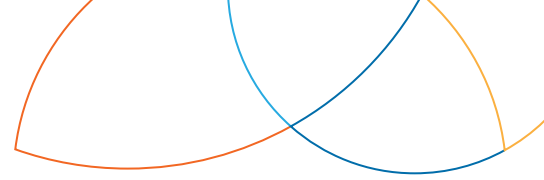
Source: NBFIRA

3.3.2 Summary of Financial Performance of Central Securities Depository (CSD)

Table 20: Financial Performance of Central Securities Depository

CSD Financials	2019 (P'000)	2020 (P'000)	Annual Change Percent
Total Revenue	6,766	4,159	(38.53)
Total Expenses	7,390	7,000	(5.28)
Profit before tax	(624)	(2,841)	355.29
Tax	-	-	-
Profit after tax	(624)	(2,841)	355.29
Total Assets	35,641	33,055	7.26
Equity/Capital	25,895	23,054	10.97
Total Liabilities	9,746	10,001	2.62
Total Liabilities and Equity	35,641	33,055	7.26

Source: NBFIRA



3. Sectorial Overview (Cont.)

3.3.3 Summary of Financial Performance of Securities Brokers/Dealers

Table 21: Financial Performance of Securities Brokers/ Dealers

	2019	2020	Annual Change
Securities Brokers/Dealers Financials	(P'000)	(P'000)	Percent
Total Revenue	30,494	14,937	(51.02)
Total Expenses	28,634	20,985	(26.71)
Profit Before Tax	1,860	(6,012)	(423.23)
Tax	(590)	(147)	(124.92)
Profit after tax	4,571	(5,865)	(228.31)
Total Assets	44,645	38,219	(14.39)
Capital and Reserves	20,142	13,786	(31.56)
Total Liabilities	24,503	24,433	(0.29)
Total Liabilities and Equity	44,645	38,219	(14.39)

Source: NBFIRA

3.3.4 Summary of Financial Performance of Management Companies (Mancos) for CIUs

Table 22: Financial Performance of Management Companies for Collective Investment Undertakings

	2019	2020	Annual Change
MANCOS Financials	(P'000)	(P'000)	Percent
Total Revenue	37,357	19,815	(46.96)
Total Expenses	(33,093)	(2,033)	(93.86)
Profit Before Tax	4,263	4,358	2.23
Tax	1,098	1,216	10.75
Profit After Tax	5,362	3,003	(43.99)
Total Assets	238,788	45,498	(80.95)
Capital and Reserves	32,354	34,636	7.05
Other Liabilities	206,435	10,862	(94.74)
Total Liabilities (Includes capital)	238,788	45,498	(80.95)

Source: NBFIRA

3.3.5 Summary of Financial Performance of Asset Managers

Table 23: Financial Performance of Asset Managers

	2019	2020	Annual Change
Asset Managers Financials	(P'000)	(P'000)	Percent
Total Revenue	862,818	369,131	(57.22)
Total Expenses	(788,977)	274,115	(134.74)
Profit Before Tax	73,841	95,016	28.68
Tax	(7,104)	21,405	(401.31)
Profit After Tax	62,345	73,627	18.10
Total Assets	1,212,600	523,596	(56.82)
Capital	305,211	262,028	(14.15)
Total Liabilities	913,343	260,568	(71.47)
Total Liabilities (Includes capital)	1,212,600	522,596	(56.90)

Source: NBFIRA

3. Sectorial Overview (Cont.)

3.3.6 Summary of Financial Performance of Capital Markets Participants

Table 24: Financial Performance of Capital Markets Participants

	2019	2020	Annual Change
Capital Markets Participants	(P'000)	(P'000)	Percent
Total Revenue	970,096	443,989	(54.23)
Total Expenses	817,541	325,078	(60.24)
Profit Before Tax	86,368	101,457	17.47
Tax	8,792	22,474	155.62
Profit After Tax	78,682	78,860	0.23
Total Assets	1,619,179	730,740	(54.87)
Capital and Reserves	448,265	409,102	(8.74)
Total Liabilities	1,176,870	320,638	(72.76)
Total Liabilities and Equity	1,619,179	729,740	(54.93)

Source: NBFIRA

3.4 LENDING ACTIVITIES INDUSTRY

3.4.1 Summary of Financial Performance of Micro Lenders

Table 25: Financial Performance of Micro Lenders

	2019	2020	Annual Change
Micro Lenders Financials	(P'000)	(P'000)	Percent
Interest Income	1,432,023	1,519,043	6.1
Other Income	312,990	411,244	31.4
Total Income	1,745,013	1,930,287	10.6
Interest Expenses	308,335	338,480	9.8
Other Expenses	701,079	859,963	22.7
Total Expense	1,009,414	1 198 ,443	18.7
Net Income Before Tax	735,599	734,727	(0.1)
Tax	173,343	163,203	(5.8)
Net Income After Tax	568,038,	571,544	0.6
Loan Book Values	4,551,067	5,099,747	12.1
Other Assets	993,352,843	1,172,826	(99.9)
Total Assets	5,544,411	6,369,178	14.9
Capital & Reserves	2,237,191	2,429,880	8.6
Other Liabilities	3,307,291	3,939,298	19.1
Total Capital and Liabilities	5,544,482	6,369,178	14.9

Source: NBFIRA



4

Five Year Period NBFI Sector Overview (2016-2020)

4. Five Year Period NBF1 Sector Overview (2016-2020)

4.1. INSURANCE

4.1.1 Insurers and Reinsurers

4.1.1.1 Performance of Life Insurance Business

Table 26: Financial Performance of Life Insurance Business

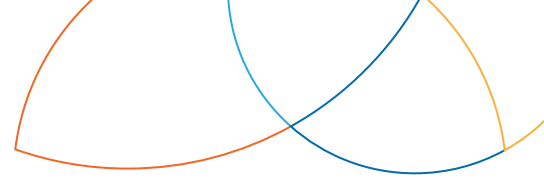
	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Gross Premium Written	3,162,724	3,729,751	4,083,944	3,856,053	4,132,867
Premiums Ceded	82,792	106,804	105,316	124,007	113,349
Net Premiums Written	3,079,932	3,622,947	3,979,681	3,742,817	3,997,637
Investment Income	1,055,476	1,149,049	646,054	752,884	865,490
Reinsurance Recoveries	-	-	37,525	69,028	68,763
Reinsurance Commission and Rebates	3,149	4,008	3,545	3,639	5,310
Other Income	296,368	130,281	140,370	98,133	23,123
Total Revenue	4,434,925	4,906,285	4,807,174	4,666,502	4,960,323
Gross Benefits Paid	-	-	2,019,461	2,147,502	2,174,549
Change in net policyholder liabilities	-	-	1,058,660	616,471	367,628
Gross Acquisition Costs	584,021	622,518	669,927	771,110	753,025
Operating Expenses	808,325	797,779	467,614	534,611	544,583
Reinsurance Commission Paid	3,149	4,008	-	-	(1,079)
Other Costs	-	-	127,609	26,839	465,947
Net incurred claims	1,893,730	1,757,542	1,981,936	2,078,474	2,105,785
Net acquisition costs	580,873	618,510	666,382	768,561	747,716
Total Expenses	1,395,495	1,424,306	4,343,271	4,096,533	4,304,654
Net Profit Before Taxes	701,165	702,542	463,903	569,969	655,669
Annual Growth (Percent)	(21.3)	0.2	(34.0)	22.9	15.0
Tax	127,284	120,905	121,458	118,864	122,480
Net Income After Tax	573,881	581,637	342,445	451,105	533,189

Source: NBFIRA

Table 27: Financial Position of Life Insurance Business

	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Cash and Equivalents	757,258	988,080	824,939	2,069,187	1,142,574
Non-Current Assets	15,585,322	12,100,393	12,503,135	989,637	13,263,672
Other Current Assets	2,950,955	8,336,295	2,894,165	14,123,967	3,634,334
Total Assets	19,293,534	21,424,768	16,222,240	17,182,791	18,040,580
Insurance Liabilities	6,763,753	17,387,159	12,705,181	13,363,534	13,779,885
Long-term Liabilities	8,923,180	106,196	185,865	250,561	310,179
Other Current Liabilities	698,612	990,366	753,071	815,068	1,056,592
Total Liabilities	16,385,544	18,483,720	13,644,116	14,429,163	15,146,655
Share Capital	312,107	322,597	276,161	311,161	286,161
Reserves	1,079,429	1,110,038	1,183,583	1,025,934	1,058,258
Retained Earnings	1,516,455	1,508,412	1,118,379	1,416,532	1,554,375
Total Capital	2,907,990	2,941,047	2,578,123	2,753,628	2,893,924
Total Liabilities & Equity	19,293,534	21,424,768	16,222,240	17,182,791	18,040,580

Source: NBFIRA



4. Five Year Period NBFBI Sector Overview (2016-2020) (Cont.)

Table 28: Annual Growth Rates of Life Insurance Business

Annual Growth (Percent)	2016	2017	2018	2019	2020
Total Assets	(0.9)	11.1	(24.3)	5.9	5.0
Total Liabilities	(1.7)	12.8	(26.2)	5.8	5.0
Total Capital	3.8	1.1	(12.3)	6.8	5.1
Total Liabilities and Equity	(0.9)	11.1	(24.3)	5.9	5.0

Source: NBFIRA

CAPITAL ADEQUACY LEVELS

Table 29: Actual Capital Levels for Life Insurers

Year	Share Capital	Reserves	Retained Earnings	Total Capital	Average Assets	Capital Ratios
				a	b	a/b (Percent)
Life Insurers						
2016	312	1,079	1,516	2,908	19,381	15.0
2017	323	1,110	1,508	2,941	20,360	14.4
2018	276	1,184	1,118	2,578	18,824	13.7
2019	311	1,026	1,417	2,754	16,703	16.5
2020	286	1,058	1,554	2,894	17,612	16.4

Source: NBFIRA

Table 30: Financial Stability ratios for Life Insurers

Annual Growth (Percent)	2016	2017	2018	2019	2020
Concentration Ratio (Top 3 Life insurers/ Total Life assets*100)	69.96	66.39	21.07	7.46	14.64
Penetration Ratio (Assets/Nominal GDP)	11.37	11.90	8.52	8.70	9.98
Liquidity Ratio (Current Assets/ Current Liabilities)	0.50	0.51	0.28	1.14	0.32
Risk retention ratio (Net premium written/GWP)	0.97	0.97	0.97	0.97	0.97
Return on Equity(Net profit after Tax/ Average Capital)	0.13	0.13	0.08	0.11	0.12
Return on Assets (Net profit after Tax/ Avg. Assets)	0.02	0.02	0.01	0.02	0.02
Nominal GDP	169,688,000	180,113,000	190,365,000	197,396,000	180,799,000

Source: NBFIRA

4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

4.1.1.2 Performance of General Insurance Business

Table 31: Financial Performance of General Insurance Business

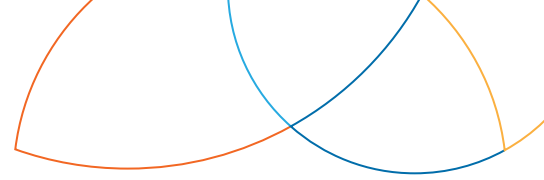
	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Gross Premium Written	1,291,941	1,261,692	1,365,826	1,502,201	1,469,289
Premium Ceded	490,377	445,697	505,061	551,081	581,845
Net Premium Written	801,565	815,995	860,765	951,120	887,444
Change in UPR	1,858	4,462	52,524	(70,044)	15,728
Net Premiums Earned	795,063	812,381	835,157	881,076	903,172
Gross Incurred Claims	616,447	631,227	548,772	755,683	698,958
Less Reinsurance share of claims	158,621	150,268	125,913	270,170	257,849
Claims Recovered and Claims Expenses	-	-	-	-	1,768
Net Incurred Claims	457,319	480,959	422,859	485,419	439,340
Gross Acquisition Costs	185,228	184,146	209,669	210,187	227,441
Less Reinsurance commission	94,493	57,209	89,755	114,088	114,403
Net acquisition costs	90,734	121,185	119,914	96,099	113,037
Operating Expenses	219,943	241,406	247,792	266,542	271,318
Underwriting Expenses	767,996	843,549	790,747	848,189	823,801
Total Underwriting Income	27,067	(31,168)	44,410	32,887	79,371
Investments Income	38,211	30,141	37,231	39,189	41,209
Other Income	11,959	37,053	28,871	26,156	41,783
Net Profit Before Taxes	77,237	36,026	110,512	98,232	162,364
Annual Growth (Percent)	(57.74)	(53.36)	206.76	(11.11)	65.29
Tax	19,343	17,252	16,672	31,430	40,081
Net Income After Tax	61,053	23,589	98,587	66,802	122,282

Source: NBFIRA

Table 32: Financial Position of General Insurance Business

	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Cash and Equivalents	496,508	559,340	736,950	830,270	921,619
Fixed Assets	367,182	111,180	89,281	93,866	112,469
Other Current Assets	1,074,593	1,203,275	1,153,338	1,345,954	1,382,698
Total Assets	1,938,284	1,873,795	1,979,569	2,270,090	2,416,786
Insurance Liabilities	866,848	838,458	1,055,900	1,157,168	1,184,477
Long-term Liabilities	20,104	25,620	1,801	2,766	18,056
Other Current Liabilities	230,756	278,774	187,279	337,625	365,942
Total Liabilities	1,117,707	1,142,852	1,244,981	1,497,559	1,568,474
Share Capital	229,616	307,376	295,440	315,023	320,923
Reserves	314,771	316,418	353,730	376,809	397,984
Retained Earnings	276,190	107,148	85,419	81,549	129,406
Total Capital	820,577	730,943	734,589	773,382	848,312
Total Liabilities & Equity	1,938,284	1,873,795	1,979,569	2,270,941	2,416,786

Source: NBFIRA



4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

Table 33: Annual Growth Rates of General Insurance Business

Annual Growth (Percent)	2016	2017	2018	2019	2020
Total Assets	8.69	(3.33)	5.64	14.68	6.46
Total Liabilities	12.49	2.25	8.94	20.29	4.74
Total Capital	(3.27)	(10.92)	0.50	5.28	9.69
Total Liabilities and Equity	8.69	(3.33)	5.64	14.72	6.42

Source: NBFIRA

CAPITAL ADEQUACY LEVELS

Table 34: Actual Capital Levels for General Insurers

Year	Share Capital	Reserves	Retained Earnings	Total Capital	Average Assets	Capital Ratios
				a	b	a/b (Percent)
General Insurers						
2015	220	303	267	790	1,747	45.2
2016	230	315	276	821	1,861	44.1
2017	307	316	107	731	1,906	38.45
2018	295	354	85	735	1,927	38.1
2019	315	377	82	773	2,125	36.4
2020	321	398	129	848	2,343	36.2

Source: NBFIRA

Table 35: Financial Stability ratios for General Insurers

Annual Growth (Percent)	2016	2017	2018	2019	2020
Concentration Ratio (Top 3 SIEs/Total General insurers assets)	49.65	47.02	64.28	70.72	69.74
Penetration Ratio (GWP/Nominal GDP)	0.01	0.01	0.01	0.01	0.01
Liquidity Ratio (Current Assets/ Current Liabilities)	1.43	1.58	1.52	1.46	1.49
Risk retention ratio (Net premium written/GWP)	1.61	1.55	1.59	1.58	1.66
Return on Equity (Net profit after Tax/ Average Capital)	0.07	0.03	0.13	0.09	0.15
Return on Assets (Net profit after Tax/ Average Total Assets)	0.03	0.01	0.05	0.03	0.05
Nominal GDP	169,688,000	180,113,000	190,365,000	197,396,000	180,799,000

Source: NBFIRA

4. Five Year Period NBFISector Overview (2016-2020) (Cont.)

4.1.1.3 Performance of Reinsurance Business

Table 36: Financial Performance of Re-Insurance Business

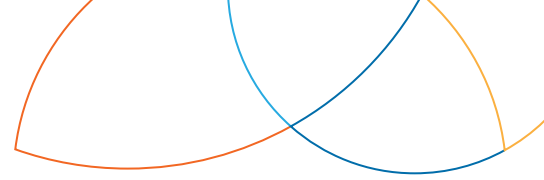
	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Gross Premium Written	175,374	189,969	262,497	405,074	452,550
Premiums Ceded	47,482	57,351	99,032	167,321	166,460
Net Premiums Written	127,892	132,619	163,465	237,753	286,091
Change in UPR	7	2,396	27,777	(6,561)	(33,014)
Net Premiums Earned	127,884	130,223	121,582	231,191	253,076
Gross Incurred Claims	39,378	69,375	45,173	143,217	120,768
Less Reinsurance share of claims	0	(937)	6,006	64,416	36,629
Net claims	53,157	70,311	51,215	85,649	84,139
Gross Acquisition Costs	47,485	49,652	53,385	70,073	104,124
Less Reinsurance commission	9,704	6,086	12,395	23,725	30,385
Net acquisition costs	37,781	43,565	40,990	56,612	73,740
Operating Expenses	32,918	35,536	43,297	59,450	30,550
Underwriting Expenses	123,856	149,413	84,287	201,711	188,428
Total Underwriting Income	4,028	(19,190)	(13,919)	29,480	64,648
Investments Income	462	2,355	4,153	(2,202)	6,491
Other Income	3,571	(1,691)	36,792	5,613	(2,411)
Net Profit Before Taxes	8,063	(18,526)	27,026	32,891	68,728
Annual Growth (Percent)	(57.2)	(329.8)	(245.9)	21.7	109.0
Tax	2,116	1,445	4,242	6,696	16,061
Net Income After Tax	5,946	(19,971)	22,783	26,195	52,666

Source: NBFIRA

Table 37: Financial Position of Re-Insurance Business

	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Cash and Equivalents	120,514	97,201	171,813	209,729	174,651
Fixed Assets	4,121	3,825	2,858	10,718	4,403
Other Current Assets	124,266	153,168	219,461	284,333	357,314
Total Assets	248,901	254,194	394,131	504,781	536,368
Insurance Liabilities	84,885	131,724	183,439	255,366	312,088
Long-term Liabilities	794	335	1,019	18	189
Other Current Liabilities	47,827	25,461	45,309	60,030	33,492
Total Liabilities	133,506	157,520	229,766	315,414	345,769
Share Capital	91,864	93,383	95,630	146,366	95,630
Reserves	12,447	14,285	66,316	26,319	31,420
Retained Earnings	11,085	(10,995)	2,419	16,682	63,549
Total Capital	115,395	96,673	164,365	189,367	190,599
Total Liabilities and Equity	248,901	254,193	394,131	504,781	536,368

Source: NBFIRA



4. Five Year Period NBFBI Sector Overview (2016-2020) (Cont.)

Table 38: Annual Growth Rates of Re-Insurance Business

Annual Growth (Percent)	2016	2017	2018	2019	2020
Total Assets	6.4	2.1	55.1	28.1	6.3
Total Liabilities	7.7	18.0	45.9	37.3	9.6
Total Capital	4.9	(16,2)	70.0	15.2	0.7
Total Liabilities and Equity	6.4	2.1	55.1	28.1	6.3

Source: NBFIRA

CAPITAL ADEQUACY LEVELS

Table 39: Actual Capital Levels for Re-Insurance Business

Year	Share Capital	Reserves	Retained Earnings	Total Capital	Average Assets	Capital Ratios
				a	b	a/b (Percent)
General Insurers						
2016	91,864	12,447	11,085	115,395	249,017	46.3
2017	93,383	14,285	10,995	96,673	378,645	25.5
2018	95,629	66,316	2,419	164,365	521,228	31.5
2019	146,366	26,319	16,682	189,367	701,846	27.0
2020	95,630	31,420	63,549	190,599	788,758	24.2

Source: NBFIRA

Table 40: Financial Stability Ratios for Re-Insurance Business

Annual Growth (Percent)	2016	2017	2018	2019	2020
Penetration Ratio (GWP/Nominal GDP)	1.03	1.05	1.38	2.05	2.50
Liquidity Ratio (Current Assets/ Current Liabilities)	5.12	9.83	8.64	8.23	15.88
Risk retention ratio (Net premium written/GWP)	0.73	0.70	0.62	0.59	0.63
Return on Equity (Net profit after Tax/ Capital)	0.05	(0.21)	0.14	0.14	0.28
Return on Assets (Net profit after Tax/ Total Assets)	0.02	(0.08)	0.06	0.05	0.10
Nominal GDP	169,688	180,113	190,365	197,396	180,799

Source: NBFIRA

4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

4.1.2 Insurance Brokers

Table 41: Financial Performance of Insurance Brokers

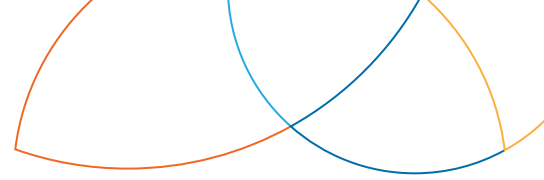
	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Commission Earned	231,889	257,701	304,358	361,258	409,563
Other Revenue	151,987	107,483	76,861	77,424	86,603
Total Revenue	383,876	365,184	381,219	438,681	496,166
Operating Expenses	260,301	266,825	307,735	337,525	393,690
Other Expenses	4,298	23,652	14,696	25,773	9,769
Related Party Expenses	685	12,960	415	1,505	629
Total Expenses	265,284	303,437	322,846	363,876	404,088
Net Income Before Tax	118,592	60,950	58,373	73,879	91,135
Annual Growth (Percent)	17.8	(48.6)	(4.2)	26.6	23.4
Tax	26,761	17,441	14,961	22,140	24,181
Net Income After Tax	91,831	44,399	43,412	51,739	68,342

Source: NBFIRA

Table 42: Financial Position of Insurance Brokers

	2016	2017	2018	2019	2020
	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Current Assets	295,298	250,641	297,688	350,124	326,427
Related Party Loans and assets	14,200	49,655	21,997	15,627	23,993
Non- Current Assets	83,610	87,612	93,681	99,804	112,897
Total Assets	393,108	387,909	413,367	465,555	463,317
Trade Payables	158,314	150,501	192,217	209,299	181,401
Shareholders Loans / Related Party Payables	10,449	15,724	14,941	12,520	5,688
Other Liabilities	41,255	65,420	44,535	58,668	63,413
Total Liabilities	210,019	231,644	251,692	281,120	250,501
Capital	26,486	28,775	37,623	41,559	53,316
Reserves and Retained Earnings	156,604	127,490	124,052	146,976	159,500
Total Capital	183,089	156,264	161,675	188,535	212,816
Total Capital and Liabilities	393,108	387,909	413,367	469,655	463,317

Source: NBFIRA



4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

Table 43: Annual Growth Rates of Insurance Brokers

Annual Growth (Percent)	2016	2017	2018	2019	2020
Total Assets	0.7	(1.3)	6.6	12.6	(0.5)
Total Liabilities	(2.0)	10.3	8.7	11.7	(10.9)
Total Capital	3.9	(14.7)	3.5	16.6	(12.9)
Total Capital and Liabilities	0.7	(1.3)	6.6	13.6	(1.3)

Source: NBFIRA

CAPITAL ADEQUACY LEVELS

Table 44: Actual Capital Levels of Insurance Brokers

Year	Reserves and Retained Earnings	Total Capital	Average Assets	Capital Ratios
		a	b	a/b (Percent)
Insurance Brokers				
2016	156 604	183 089	696 095	26.3
2017	127 490	156 264	672 239	23.2
2018	124 052	161 675	607 322	26.6
2019	146 976	188 535	584 463	32.3
2020	159 500	212 816	588 332	36.2

Source: NBFIRA

Table 45: Financial Stability Ratios of Insurance Brokers

Annual Growth (Percent)	2016	2017	2018	2019	2020
Liquidity Ratio (Current Assets/ Current Liabilities)	1.75	1.51	1.44	1.58	1.74
Return on Equity (Net profit after Tax/ Average Capital)	0.34	0.18	0.18	0.19	0.22
Return on Assets (Net profit after Tax/ Average Assets)	0.16	0.08	0.07	0.08	0.10
Nominal GDP	169,688	180,113	190,365	197,396	180,799

Source: NBFIRA

4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

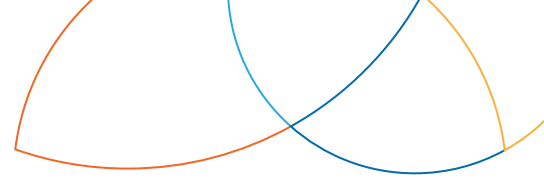
4.2 RETIREMENT FUNDS

4.2.1 Summary of Financial Performance of Retirement Funds

Table 46: Financial Performance of Retirement Funds

	2016	2017	2018	2019	2020
Retirement Funds	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
No. of Retirement Funds	86	86	85	86	87
Defined Benefits (DB) Only	2	2	3	3	3
Defined Contributions (DC) Only	78	78	81	81	82
Mixed DC and DB	6	6	2	2	2
No. of Active Members	209,629	230,006	232,439	230,588	246,541
No. of Deferred Members	16,734	17,326	18,607	21,310	18,078
Pensioners	11,662	11,969	12,051	12,693	15,639
Retirement Funds (BWP) ('000)					
Member Contributions ('000)	1,013,000	1,066,000	1,130,000	1,500,000	1,602,000
Employer Contributions ('000)	2,765,000	2,925,000	3,152,000	3,073,000	3,632,000
Investment Income ('000)	3,328,000	4,108,000	2,500,000	6,968,000	777,000
Income from Life Insurance ('000)	7,000	14,000	12,000,000	18,600	34,000
Other Income ('000)	498,000	323,000	201,000	240,000	180,000
Total Income ('000)	7,611,000	8,436,000	6,995,000	11,817,000	6,225,000
Benefit payments	3,764,000	2,816,000	3,794,000	2,962,000	3,704,000
Insurance Premiums	18,000	17,800	17,000	18,000	19,000
Administration, Management Expenses and Fees and Other expenses	641,000	695,000	710,000	767,000	762,000
Total Expenditure	4,423,000	3,528,000	4,046,694	3,747,000	4,485,000
Botswana Equities ('000)	13,898,000	14,189,000	13,034,000	13,155,000	12,814,000
Exchange Traded Funds ('000)	409,000	411,000	580,000	737,000	1,002,000
Pula Bonds ('000)	8,169,000	8,021,000	8,432,000	8,987,000	9,674,000
Pula Cash/ Near Cash ('000)	2,760,000	3,596,000	6,619,000	8,988,000	7,993,000
Botswana Property ('000)	371,000	370,000	1,494,000	1,802,000	3,160,000
Botswana Unlisted Equities	2,082,000	2,070,000	2,114,000	2,348,000	2,349,000
Total Botswana Investments ('000)	27,690,000	28,657,000	32,273,000	36,017,000	36,992,000
Offshore Equities ('000)	36,795,000	39,418,000	36,610,000	42,939,000	52,041,000
Offshore Bonds ('000)	8,176,000	9,934,000	5,846,000	6,087,000	6,398,000
Offshore Cash/Near Cash ('000)	187,000	1,874,000	1,137,000	1,083,000	1,059,000
Dual Listed Equities	2,281,000	1,527,000	1,333,000	1,382,000	1,361,000
Alternative Investment	0	594,000	1,773,000	5,626,000	7,323,000
Total Offshore Investments ('000)	47,438,000	53,346,000	46,699,000	57,117,000	68,184,000
Total Investments ('000)	75,129,000	82,004,000	78,972,000	93,134,000	105,176,000

Source: NBFIRA



4. Five Year Period NBFISector Overview (2016-2020) (Cont.)

4.3. CAPITAL MARKETS

4.3.1 Primary Market Activities

Table 47: Financial Performance of Botswana Stock Exchange (BSE)

	2016	2017	2018	2019	2020
BSE	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Total Revenue	28,178	32,815	31,754	32,661	35,947
Total Expenses	22,310	25,969	31,411	25,633	25,011
Profit Before Tax	5,868	6,845	7,284	7,028	10,936
Tax	-	-	-	-	-
Profit After Tax	5,868	6,845	7,181	7,028	10,936
Total Assets	63,953	71,553	76,472	87,505	90,372
Capital and Reserves	57,286	64,116	57,634	64,663	75,598
Total Liabilities	6,667	7,437	18,837	22,843	14,774
Total Liabilities and Equity	63,953	71,553	76,472	87,505	90,372

Source: NBFIRA

Table 48: Financial Performance of Central Securities Depository (CSD)

	2016	2017	2018	2019	2020
CSD	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Total Revenue	8,742	7,870	6,941	6,766	4,159
Total Expenses	6,202	6,271	6,838	7,390	7,000
Profit Before Tax	2,540	1,600	102	(624)	(2,841)
Tax	0	0	0	0	0
Profit After Tax	2,540	1,600	102	(624)	(2,841)
Total Assets	27,117	30,766	30,955	35,641	33,055
Capital and Reserves	26,567	29,917	26,519	25,895	23,054
Total Liabilities	550	849	4,436	9,746	10,001
Total Liabilities and Equity	27,117	30,766	30,955	35,641	33,055

Source: NBFIRA

Table 49: Financial Performance of Securities Brokers/Dealers

	2016	2017	2018	2019	2020
Securities Brokers/Dealers	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Total Revenue	47,949	34,794	32,691	30,494	14,937
Total Expenses	27,130	29,901	33,268	28,634	20,985
Profit Before Tax	20,819	12,423	(577)	1,860	(6,012)
Tax	5,088	9,306	2,431	590,213	(147)
Profit After Tax	15,731	3,117	(1,043)	4,571	(5,865)
Total Assets	75,672	59,173	39,653	4,645	38,219
Capital and Reserves	30,674	26,858	21,247	20,142	13,786
Total Liabilities	44,997	32,315	18,406	24,503	24,433
Total Liabilities and Equity	75,672	59,173	39,653	44,645	38,219

Source: NBFIRA

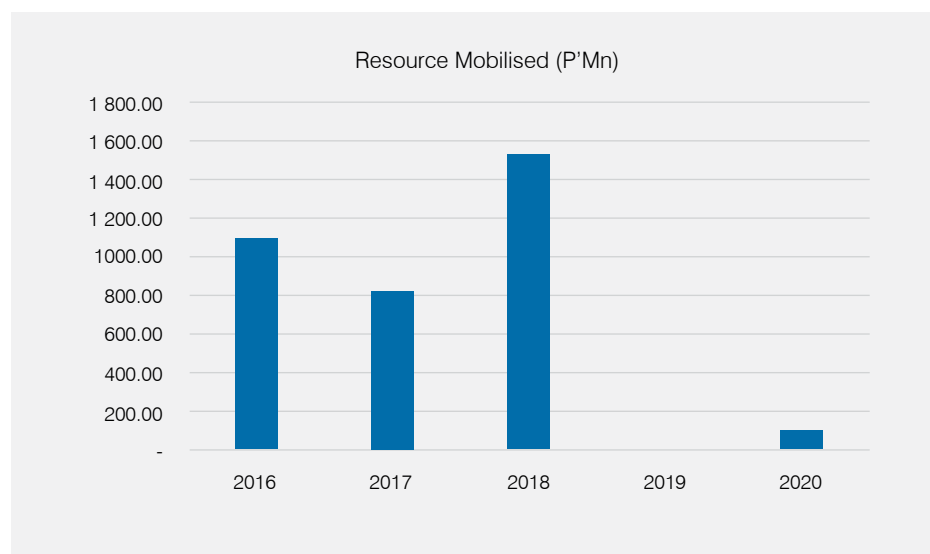
4. Five Year Period NBFI Sector Overview (2016-2020) (Cont.)

Table 50: Capital Raised through the Equity Market (P Mn)

	2016	2017	2018	2019	2020
Rights Issues	351.0	200.8	-	-	59.54
Issues for Cash	-	-	53.6	-	42.78
Share Incentive Scheme	75.6	81.2	467.6	15.91	1.59
IPO's	513.4	51.9	289.2	-	-
Private placement	154.2	522.6	7.6	539.76	-
Share Purchase Plan	-	-	-	290.07	-
Acquisition	-	-	355.7	-	-
Resource Mobilised (P'Mn)	1,094.2	823.7	1525.2	-	103.91

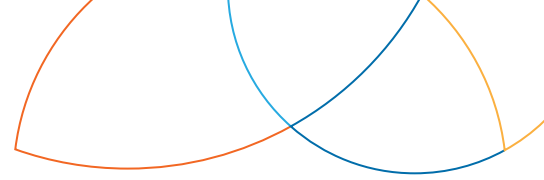
Source: Botswana Stock Exchange

Figure 3: Capital raised through equity market: 2016 to 2020



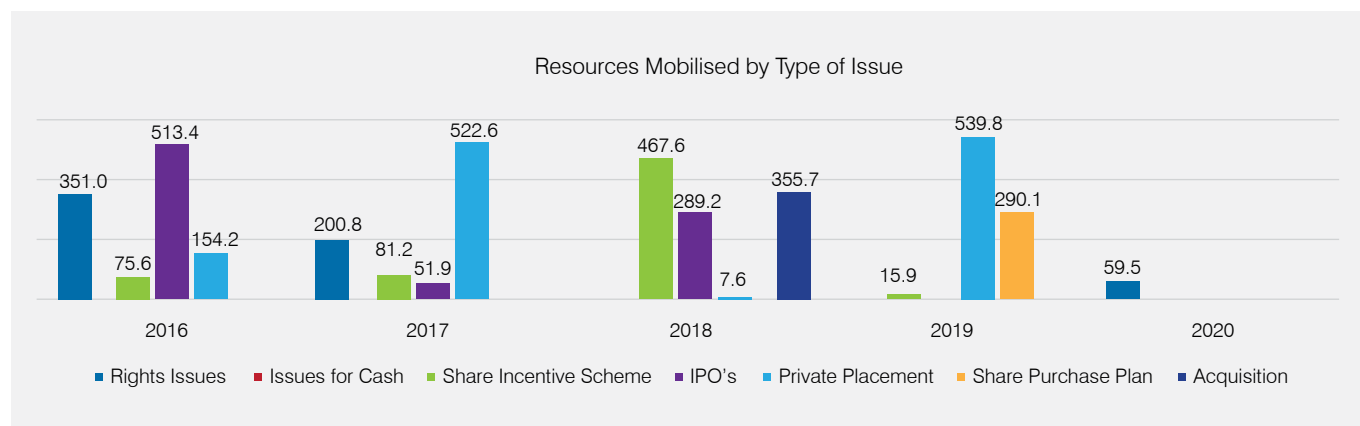
Source: Botswana Stock Exchange

Note: There were no resources mobilised in 2019.



4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

Figure 4: Capital raised through equity market by issue type: 2016 to 2020



Source: Botswana Stock Exchange

Table 51: Number of Companies Listed

Listing Status	2016	2017	2018	2019	2020
No. of New Listings	2	3	2	0	0
No. of De-listings	0	2	2	3	0
Foreign Listings	10	11	9	8	98
Domestic Listings	24	24	26	24	24
Total Listings	34	35	35	32	32

Source: Botswana Stock Exchange

4.3.2 Secondary Market Activities

Table 52: BSE Market Capitalization as at year ended December 31

Listing Status	2016	2017	2018	2019	2020
Domestic Market Capitalisation (P'Mn)	46,572	44,408	42,421	38,709	35,630
Percentage Change in Domestic Market Capitalisation	(7.3)	(4.7)	(4.47)	(8.75)	(8.0)
Foreign Market Capitalisation (P'Mn)	374,741	373,736	370,747	369,165	355,592
Percentage Change in Foreign Market Capitalisation	1.06	(0.3)	(0.80)	(0.43)	(3.7)
Total Market Capitalisation (P'Mn)	421,313	418,144	413,168	407,874	391,222
Percentage Change in total Equity Market Capitalisation	0.05	(0.8)	(1.2)	(1.3)	(4.1)
Total Equity Market Capitalisation/GDP (Percent)	248.3	232.2	217.0	206.8	216.4
Domestic Equity Market Capitalisation/GDP (Percent)	29.6	26.4	23.8	21.2	20.8
Total Equity Turnover/Domestic Equity Market Capitalisation (Percent)	5.3	5.4	4.4	4.6	2.0
Market Capitalisation (Percent)	0.6	0.6	0.5	0.4	0.2

Source: Botswana Stock Exchange

4. Five Year Period NBFI Sector Overview (2016-2020) (Cont.)

Table 53: Market Capitalization by sector as at year ended December 31

	2016	2017	2018	2019	2020
Banking	14,196	12,705	13,264	13,899	12,049
Financial Services & Insurance	28,968	28,773	25,755	23,791	23,792
Retailing & Wholesaling	10,381	10,002	7,346	7,286	7,106
Property & Property Trust	6,728	7,010	6,655	6,752	6,550
Mining & Materials	355,972	353,375	352,393	350,829	337,162
Security Services	326.4	319.2	291	280	272
Information Technology	1,0290	1,932	998	998	861
Funeral Services	0	0	0.0	0	0
Energy	1,565	1,693	1,661	1,656	1,642
Tourism	2,148	2,335	2,719	1,240	1,083
Agriculture	0	0	2,086	1,142	706

Source: Botswana Stock Exchange

Table 54: Equity Trading Statistics

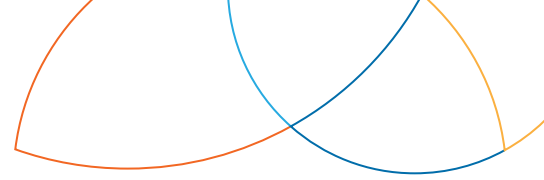
Equity Trading	Reporting period				
	2016	2017	2018	2019	2020
Volume Traded (Mn)	778	775	583	628	430
Value Traded (P'Mn)	2,541	2,477	1,862	1,811	699
No. of Deals	13,707	13,707	9,198	7,880	5,346
Liquidity Ratio	5.3	5.4	4.4	4.5	1.9

Source: Botswana Stock Exchange

Table 55: BSE Indices as at year ended December 31

Listing Status	Reporting period				
	2016	2017	2018	2019	2020
DCI	9,401	8,860	7,852	7,495	6,879
FCI	1,586	1,575	1,570	1562	1,547
LASI	786	785	804	844	842
DFSI	1,095	1,078	1,058	1,055	1,013
FRSI	734	730	744	778	780
DCFFI	2,813	2,874	Discontinued	Discontinued	Discontinued
DFSFFI	3,658	3,544	Discontinued	Discontinued	Discontinued
LASFFI	2,659	2,623	Discontinued	Discontinued	Discontinued

Source: Botswana Stock Exchange



4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

Table 56: Equity Turnover Activity at the BSE

	2016	2017	2018	2019	2020
Value of Domestic shares traded (P' Mn)	2,529	2,435	1,666	1,771	683
Value of Foreign shares traded (P'Mn)	12	42	196	39	16
Total Value Shares Traded (PMn)	2,541	2,477	1,862	1810	699
Domestic Turnover (Percent)	99.5	98.3	89.5	97.8	97.7
Foreign Turnover (Percent)	0.5	1.7	10.5	2.2	2.3
Total Domestic Turnover (Percent)	100	100	100	100	100
	2016	2017	2018	2019	2020
Domestic Companies Turnover (P'Mn)	1,489	1,444	990	1,027	356
Domestic Individuals Turnover (P'Mn)	104	141	84	179	63
Domestic Companies Turnover (Percent)	59	58.3	53.2	56.7	50.9
Domestic Individuals Turnover (Percent)	4.1	5.7	4.5	9.9	9.5
Foreign Equity Turnover	2016	2017	2018	2019	2020
Foreign Companies Turnover (P'Mn)	910	852	756	582	246
Foreign Individuals Turnover (P'Mn)	33	32	24	22	31
Foreign Companies Turnover (Percent)	35.8	34.4	40.6	32.1	35
Foreign Individuals Turnover (Percent)	1.3	1.3	1.3	1.2	4.4

Source: Botswana Stock Exchange

Table 57: Statistics on Shares issued at the BSE

Shares Issued	Reporting period					
	2015	2016	2017	2018	2019	2020
Domestic shares issued (Mn)	11,466	12,878	13,302	13,705	13,608	13,671
Foreign shares issued (Mn)	12,383	12,799	13,581	5,436	4,811	4,930
Total shares issued (Mn)	23,849	25,678	26,884	19,141	18,419	18,601
Domestic shares issued (Percent)	48.1	50.2	49.5	71.6	73.9	73.5
Foreign shares issued (Percent)	51.9	49.8	50.5	28.4	26.1	26.5
Total percentage shares issued	100	100	100	100	100	100
Shares Traded						
Domestic shares traded (Mn)	771	771	761	530	617	425.9
Foreign shares traded (Mn)	32	8	14	53	11	4.5
Total shares traded (Mn)	803	778	775	583	628	430.4
Domestic share traded over domestic shares issued (Percent)	7.0	6.0	5.7	3.9	4.5	3.1
Foreign share traded over foreign shares issued (Percent)	0.2	0.6	0.1	1.0	0.2	0.1
Overall percentage shares traded/shares issued	3.3	3.0	2.9	3.0	3.4	2.3
Average Daily Equity Turnover (P' Mn)	12.2	10.2	10.0	7.5	7.3	2.8
Total Equity Turnover / Market Cap	0.7	0.6	0.6	0.5	0.4	0.2

Source: Botswana Stock Exchange

4. Five Year Period NBFI Sector Overview (2016-2020) (Cont.)

Table 58: Secondary Market Bond Trades at the BSE

Issuer-Type	Amounts (P'Mn)	Reporting period					
		2015	2016	2017	2018	2019	2020
Government	Turnover	858	447	485	2,177	782.4	2,503.0
	Outstanding amount	6,356	8,288	9,083	9,588	11,859	14,957.0
Quasi	Turnover	0	0	0.1	0.0	0.025	28
	Outstanding amount	410	190	190	190	90	90
Parastatal	Turnover	0	35	14	14	5.6	173.1
	Outstanding amount	1,499	1,584	1,265	1,189	1,114.1	1,173.2
Corporate	Turnover	0	2	37	32	28.7	23.0
	Outstanding amount	1,788	2,165	3,469	3,811	3,124	3.8

Source: Botswana Stock Exchange

Table 59: Bond Market Indicators - Selected Ratios

Bond Market	Reporting period					
Selected Indicators	2015	2016	2017	2018	2019	2020
Total Debt Turnover (P'Mn)	858.0	484	535.6	2,222.7	816.7	2,727.0
Total debt Market Capitalisation (P'Mn)	10,053	12,227	14,267	15,038	17,288	20,293.1
Total debt Turnover debt Market Capitalisation (Percent)	8.5	4.0	3.8	14.8	4.7	13.4
Debt Turnover /GDP (Percent)	0.6	0.3	0.3	1.2	0.4	1.5
Debt Market Capitalisation/GDP (Percent)	6.9	7.7	7.9	8.0	8.8	11.4

Source: Botswana Stock Exchange

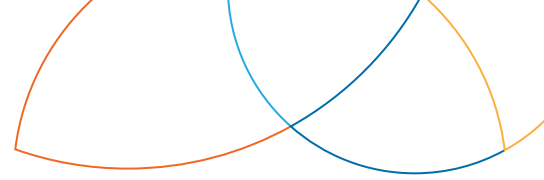
4.3.3 Assets Under Management (“AUM”) In Botswana

4.3.3.1 Overall CIU and Non-CIU Assets Under Management

Table 60: Total Assets Under Management by Structure

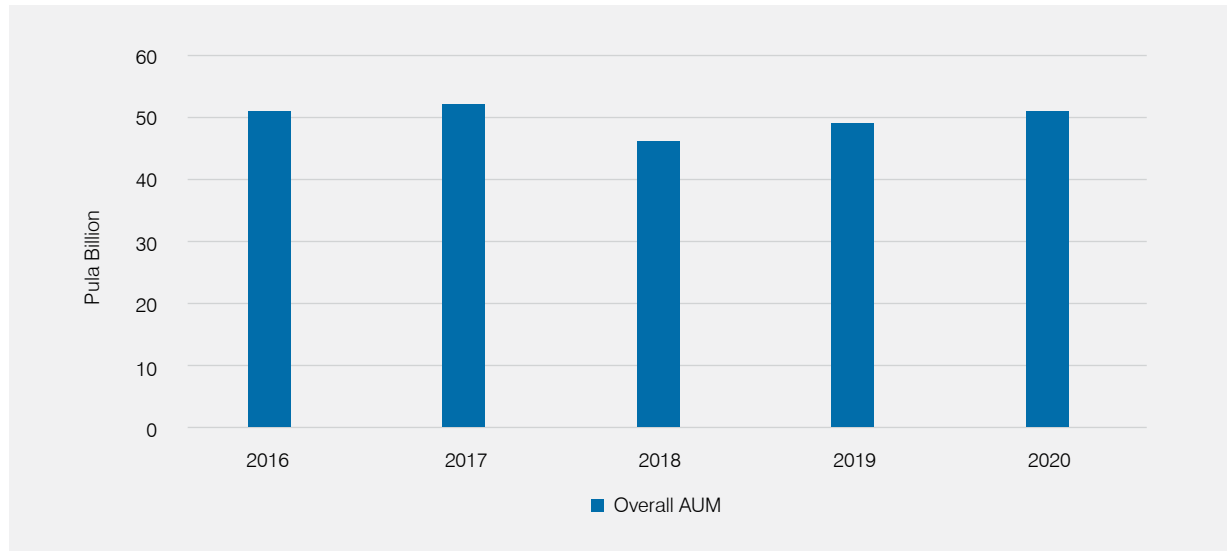
Assets Under Management	Reporting period				
	2016 (P'000)	2017 (P'000)	2018 (P'000)	2019 (P'000)	2020 (P'000)
Collective Investment Undertakings (CIU)	6,664,987	7,293,981	7,435,542	13,257,172	13,218,056
Percent market share (CIU)	14	13.9	16.0	26.6	25.9
Discretionary (Non-CIU)	43,852,224	45,179,290	38,968,313	36,597,027	37,860,523
Percent market share (Non-CIU)	86	86.1	84.0	73.4	74.1
Overall AUM	50,517,211	52,473,271	46,403,855	49,854,199	51,078,579
Total AUM growth (Percentage change from previous year)	0.9	3.9	(11.6)	7.4	2.5

Note: CIU- Collective Investment undertaking, assets are managed on a pooled basis



4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

Figure 5: Overall AUM of CIU and Non-CIU for the last 5 years



Source: NBFIRA

Table 61: Total AUM by Structure (BWP Billions)

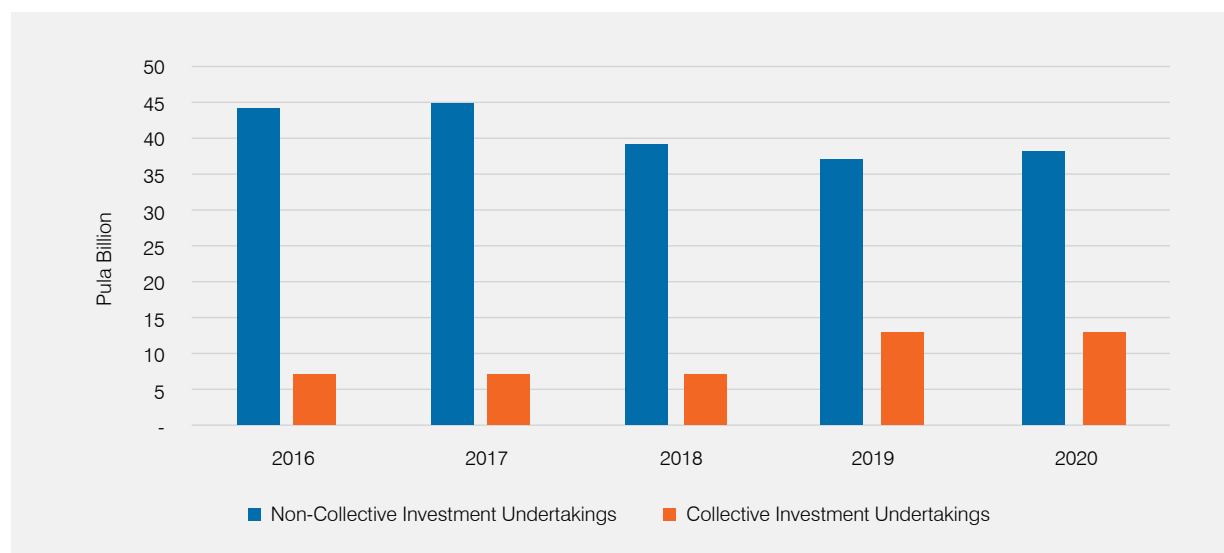
Non-CIU Client Type	Reporting period				
	2016 (P'000)	2017 (P'000)	2018 (P'000)	2019 (P'000)	2020 (P'000)
Institutional- Pension	39,182,839	39,518,239	33,759,460	33,747,786	35,375,471
Market share Institutional- Pension (percent)	89.4	87.5	86.6	92.2	93.4
Institutional- Insurance	2,697,573	2,841,389	2,757,079	267,148	234,631
Market share Institutional- Insurance (percent)	3.8	5.8	5.8	6.5	5.4
Institutional – Other					
Market share Institutional - Other (percent)	279,749	211,316	208,375	205,559	217,446
Individual Private Clients					
Market share Individuals / Private Clients (percent)	0.02	0.5	0.5	0.6	0.6

Source: NBFIRA

4. Five Year Period NBFISector Overview (2016-2020) (Cont.)

4.4.1.2 Breakdown of Non-CIU Assets Under Management by Type of Client

Figure 6: Non-CIU and CIU Assets Breakdown by Type of Client



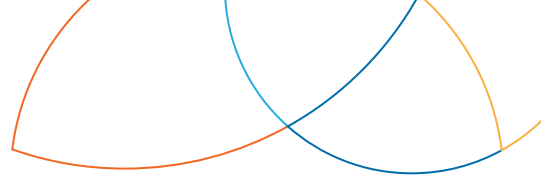
Source: NBFIRA

4.3.4 Breakdown of CIU Assets under Management

Table 62: CIU Assets breakdown by Type of Clients

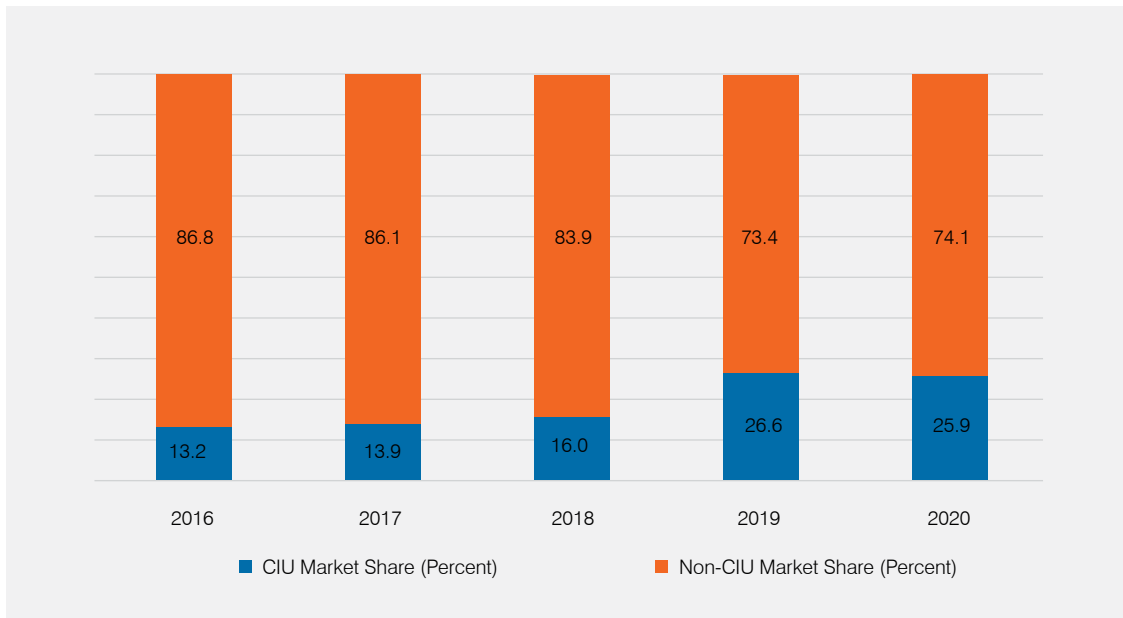
CIU Client Type	Reporting period				
	2016 (P'000)	2017 (P'000)	2018 (P'000)	2019 (P'000)	2020 (P'000)
Institutional- Pension	1,546,589	1,235,600	1,157,383	4,764,216	5,762,077
Market share Institutional- Pension (percent)	33.2	16.9	15.5	35.9	43.6
Institutional- Insurance	69,902	488,266	695,652	2,211,796	2,360,158
Market share Institutional- Insurance (percent)	1.5	6.7	9.3	16.7	17.9
Institutional – Other	3,037,094	4,426,378	4,450,877	2,731,848	1,969,956
Market share Institutional - Other (percent)	65.2	60.7	59.7	20.6	14.9
Individual Private Clients	5,600	1,143,738	1,155,428	3,549,313	3,125,864
Market share Individuals / Private Clients (percent)	0.12	15.7	15.5	26.8	23.6

Source: NBFIRA



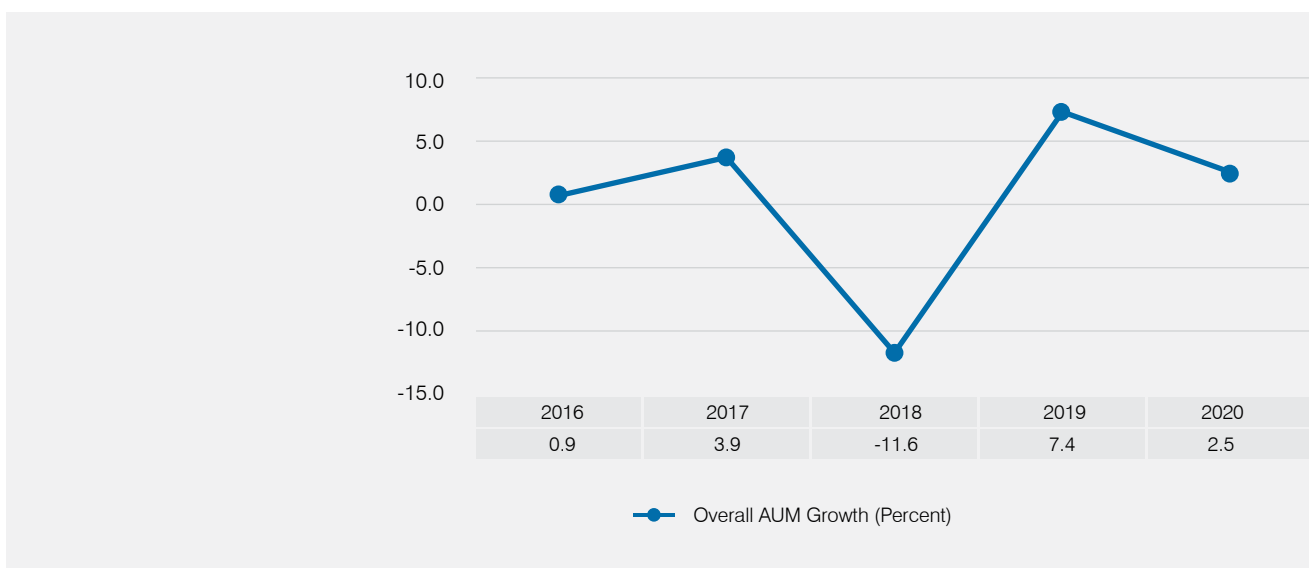
4. Five Year Period NBFBI Sector Overview (2016-2020) (Cont.)

Figure 7: Overall AUM Market share by Structure (percent)



Source: NBFIRA

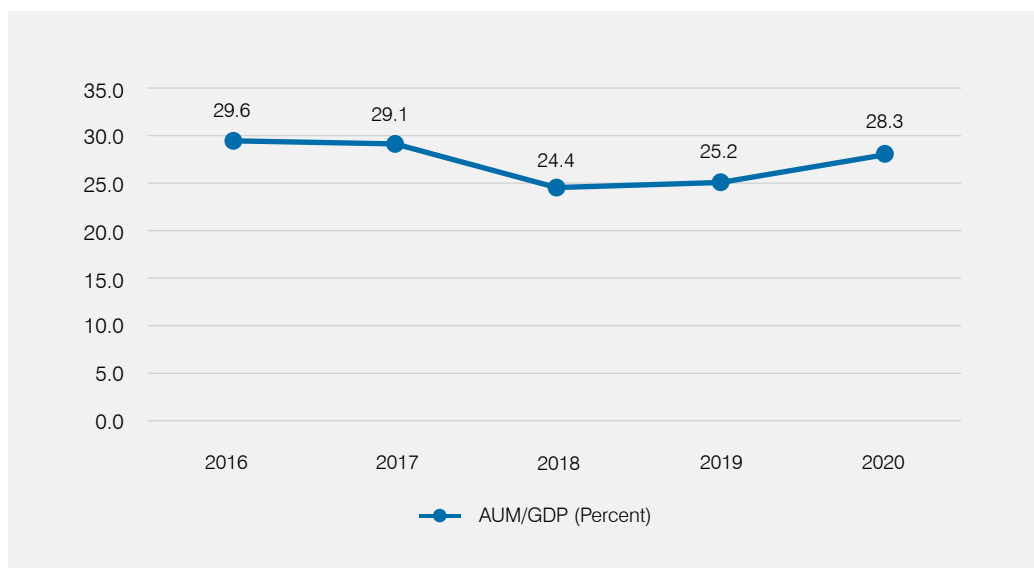
Figure 8: Overall AUM Growth (Percent)



Source: NBFIRA

4. Five Year Period NBFI Sector Overview (2016-2020) (Cont.)

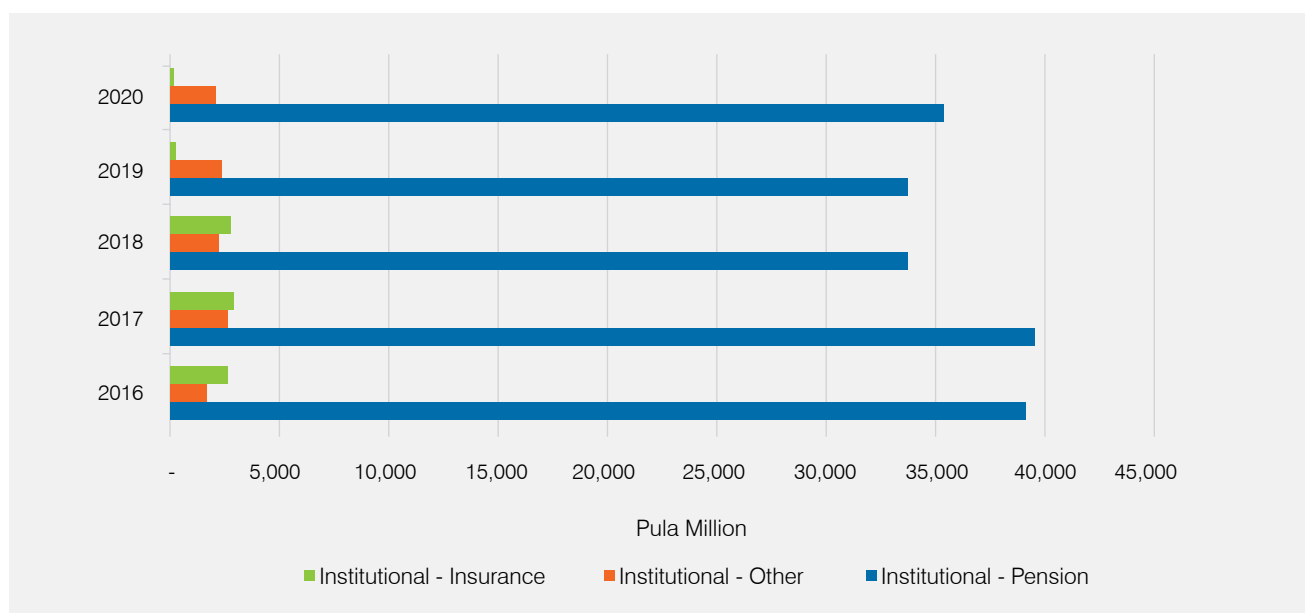
Figure 9: Overall AUM as Percentage of Nominal GDP



Source: NBFIRA

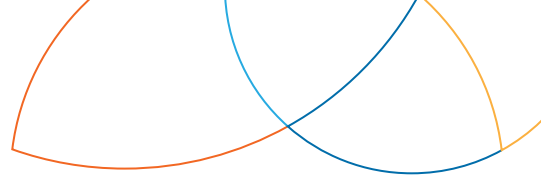
4.4.4. Graphical Presentation of Non-CIU Institutional Assets Under Management

Figure 10: Non-CIU AUM by Institutional Clients



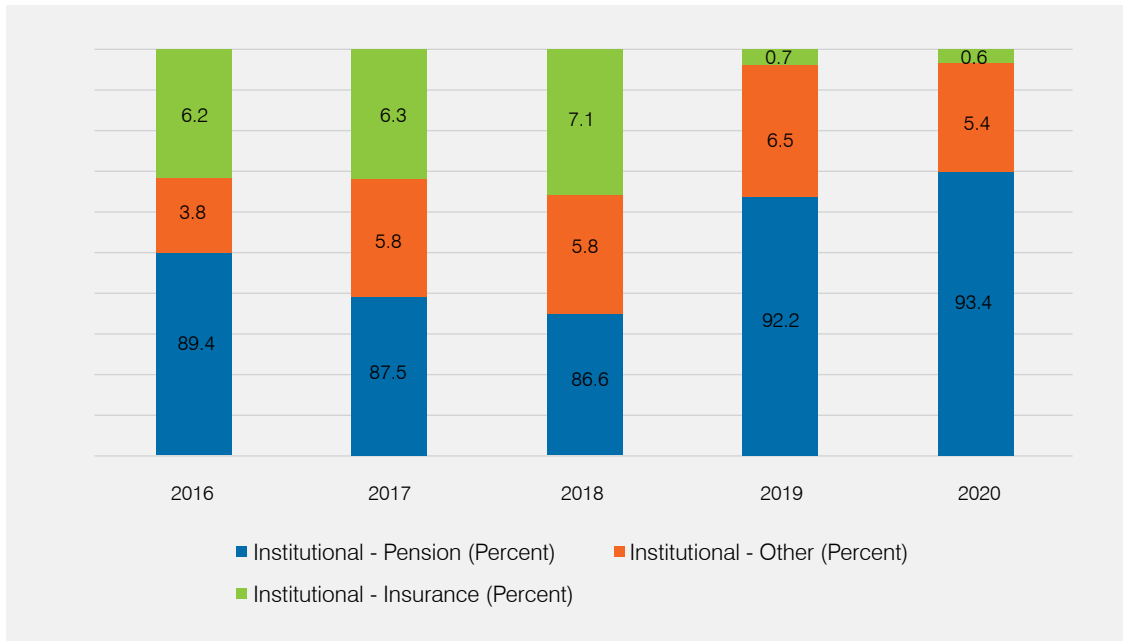
Note: Other Institutional clients' means corporate clients apart from Insurance Funds and Pension Funds.

Source: NBFIRA



4. Five Year Period NBFI Sector Overview (2016-2020) (Cont.)

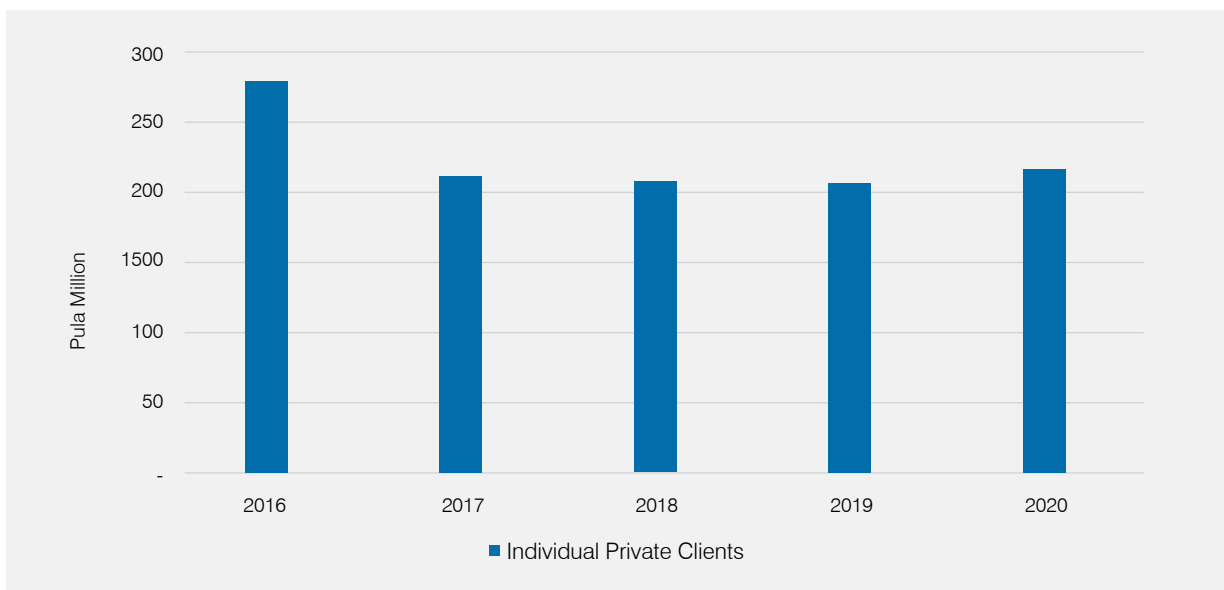
Figure 11: Non-CIU AUM Market share by Institutional Clients (Percent)



Note: Other Institutional clients' means corporate clients apart from Insurance Funds and Pension Funds.

Source: NBFIRA

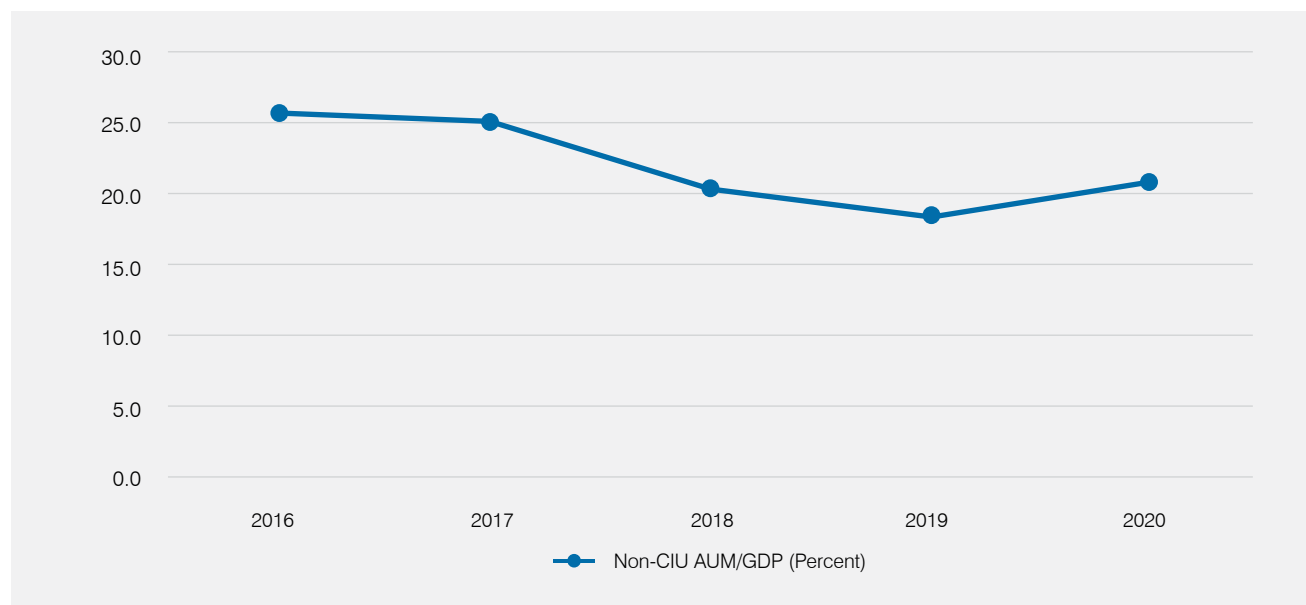
Figure 12: Non-CIU AUM by Individuals / Private Clients



Source: NBFIRA

4. Five Year Period NBFISector Overview (2016-2020) (Cont.)

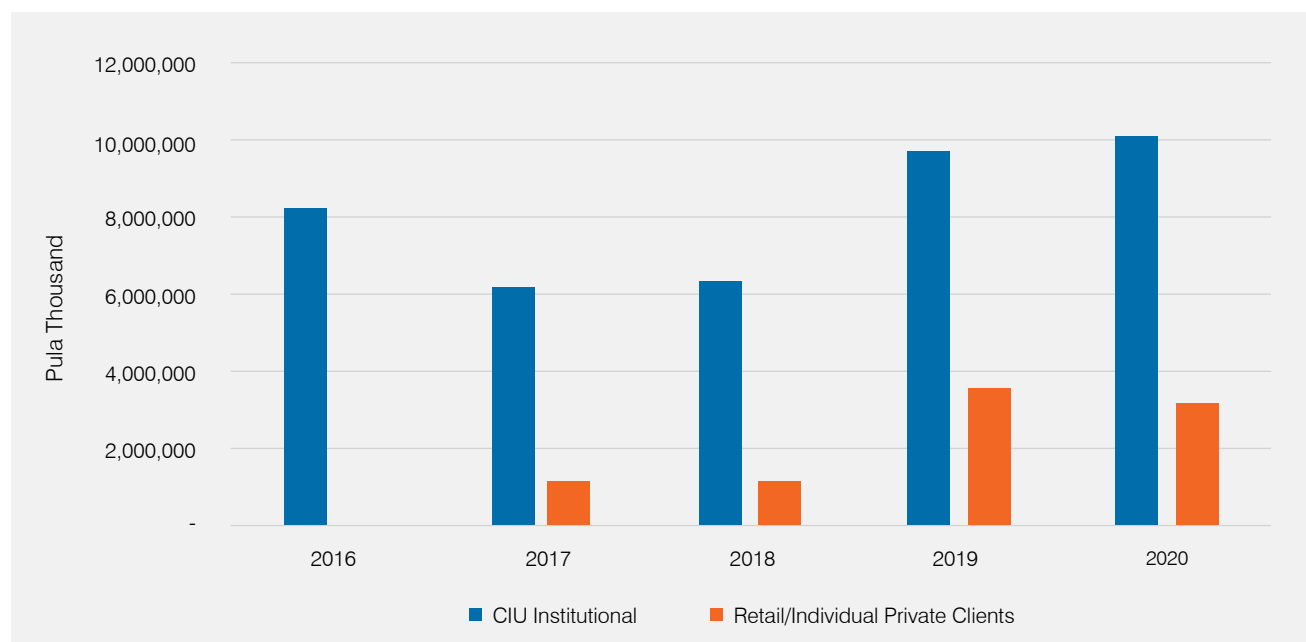
Figure 13: Non-CIU AUM as Percentage of Nominal GDP



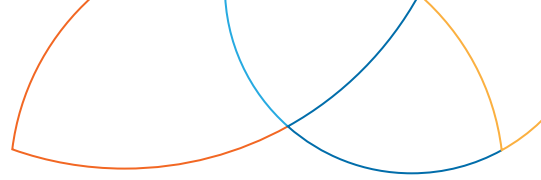
Source: NBFIRA

4.4.5 Breakdown of CIU Assets Under Management

Figure 14: CIU AUM Market share by Type of Client

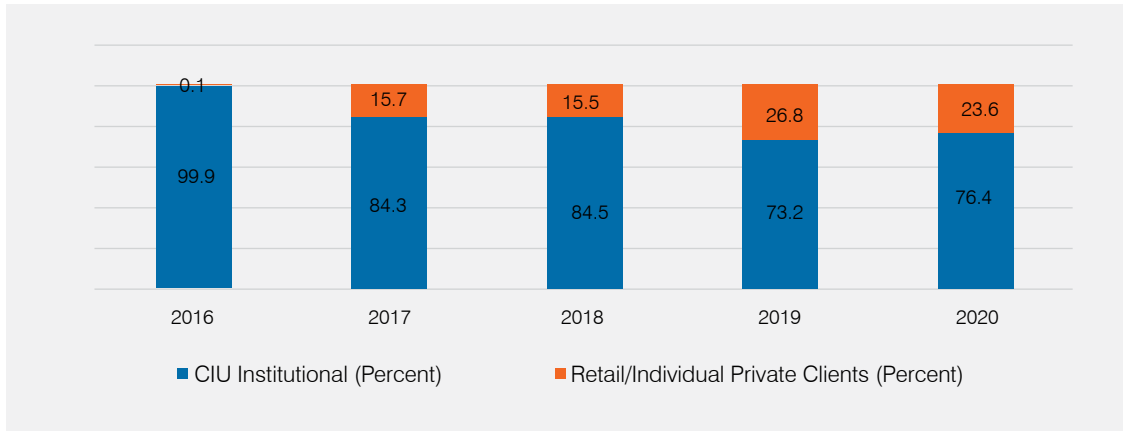


Source: NBFIRA



4. Five Year Period NBFI Sector Overview (2016-2020) (Cont.)

Figure 15: CIU AUM Market share by Type of Client (Percent)



Note: Retail means individual/ public investors.

Source: NBFIRA

Figure 16: CIU AUM by Institutional Clients (BWP 000)

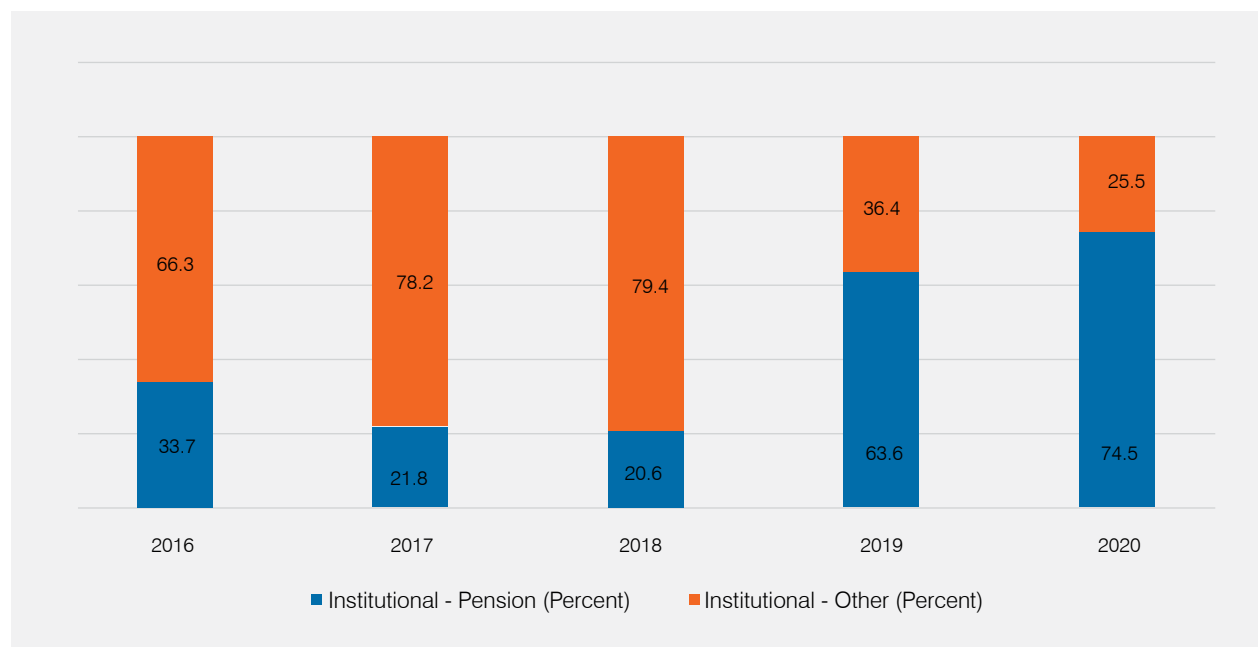


Note: Other Institutional clients' means corporate clients apart from Insurance Funds and Pension Funds.

Source: NBFIRA

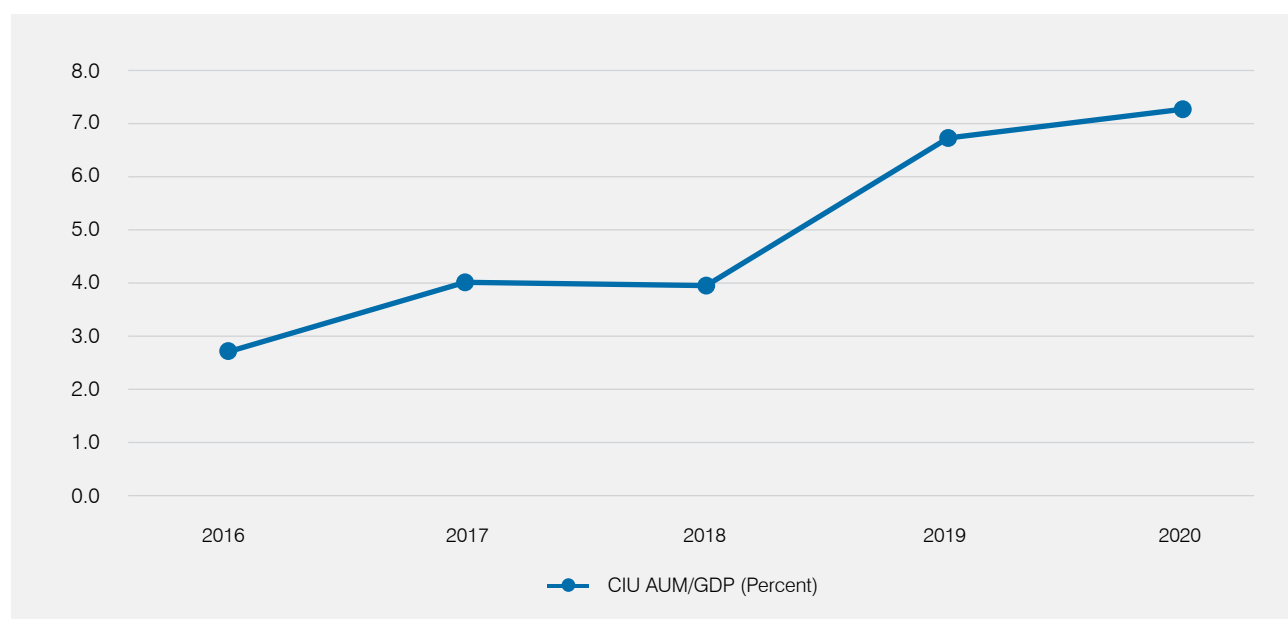
4. Five Year Period NBFBI Sector Overview (2016-2020) (Cont.)

Figure 17: CIU AUM Market share by Institutional Clients (Percent)

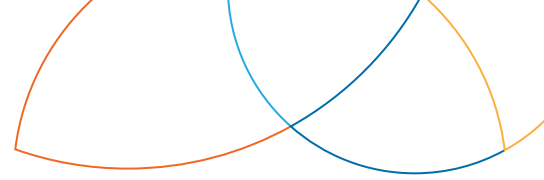


Source: NBFIRA

Figure 18: CIU AUM as Percentage of Nominal GDP



Source: NBFIRA



4. Five Year Period NBFi Sector Overview (2016-2020) (Cont.)

4.4. LENDING ACTIVITIES

4.4.1 Financial Performance of Micro lenders

Table 63: Financial Performance of Micro lenders

	2016	2017	2018	2019	2020
Financials	(P'000)	(P'000)	(P'000)	(P'000)	(P'000)
Interest Income	1,070,918	1,126,569	1,188,302	1,432,023	1,519,043
Other Income	96,876	186,349	203,211	312,990	411,244
Total Income	1,167,794	1,312,918	1,391,513	1,745,013	1,930,287
Interest Expenses	177,205	220,059	250,979	308,335	338,480
Other Expenses	462,042	580,938	813,086	701,079	859,963
Total Expense	639,204	800,997	1,064,064	1,009,414	1,198,443
Net Income Before Tax	528,926	511,921	507,640	735,599	734,727
Tax	119,275	128,434	123,603	173,343	163,203
Net Income After Tax	414,416	384,258	386,553	568,038	571,544
Loan Book Values	3,223,874	3,537,989	3,891,992	4,551,067	5,099,747
Other Assets	620,983	694,300	865,269,935	993,352,843	1,172,826
Total Assets	3,844,857	4,232,290	4,757,262	5,544,411	6,369,178
Capital & Reserves	1,705,753	2,020,508	1,866,755	2,237,191	2,429,880
Other Liabilities	2,138,335	2,211,782	1,030,569	3,307,291	3,939,298
Total Capital and Liabilities	3,844,088	4,232,290	2,897,324	5,544,482	6,369,178

Source: NBFIRA

4. Five Year Period NBFIRA Sector Overview (2016-2020) (Cont.)

Table 64: Geographical spread of NBFIRA registered Lending Activities Entities as at December 2020

Financials	Micro Lenders	Finance Companies	Pawnshops	Leasing Companies
Bokaa	1	0	0	0
Francistown	24	0	14	0
Gabane	1	0	0	0
Gaborone	127	56	40	4
Jwaneng	13	0	1	0
Kanye	2	0	0	0
Kasane	1	0	0	0
Letlhakane	18	0	2	0
Lobatse	3	0	2	0
Mahalapye	3	0	1	0
Masunga	1	0	0	0
Maun	5	1	5	0
Maunatlala	1	0	0	0
Mogoditshane	0	0	7	0
Molepolole	1	1	1	0
Mopipi	1	0	0	0
Mosupa	1	0	0	0
Otse	0	0	1	0
Palapye	12	1	5	1
Rakops	1	0	1	0
Ramotswa	0	0	1	0
Seleka	0	0	1	0
Selibe Phikwe	12	0	3	0
Serowe	1	0	4	0
Sowa	1	0	0	0
Tati Siding	1	0	0	0
Tlokweng	0	0	4	0
Tobane	0	0	1	0
Tonota	2	0	0	0
Tsabong	1	0	0	0
Total	234	59	94	5

Source: NBFIRA

Table 65: Licensed / Exempted Status of Lending Activities Sector

Financials	2019	2020
Micro Lenders	230	233
Finance Companies	54	59
Pawnshops	87	59
Leasing Companies	5	5

Source: NBFIRA





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