



NBFIRA

Non-Bank Financial
Institutions Regulatory
Authority



Annual Statistical Bulletin

2017

FOREWORD

The annual statistical bulletin of the Non-Bank Financial Institutions Regulatory Authority (**NBFIRA**) aims to disseminate information on the financial performance of regulated non-bank financial sector entities for use by the wider public, in particular, the regulated entities, regulators and scholars. The published data is based primarily 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 (Section 17(2)):

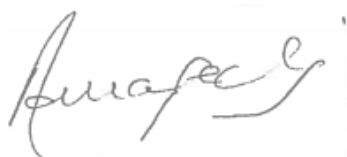
- (i) *Disclose a summary or collection of information that is prepared so that information relating to any particular person cannot be found from it;*
- (ii) *Disclosure of the name of a licensed financial institution;*
- (iii) *Disclosure of the address where a financial institution carry-on business;*
- (iv) *Disclosure of any other information reasonably necessary to enable members of the public to contact nonbank financial institutions.*

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

Volume 1 of The 2017 Annual Statistical Bulletin is a fourth publication edition since the inaugural document for the year 2014. The Bulletin presents audited financial information submitted by regulated NBFIs during the year ended **December 31, 2016**. The 2017 Annual Statistical Bulletin is published on line 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.

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 conveys their gratitude and appreciation to all stakeholders for their support and co-operation during the data collection, compilation and publication processes. These includes regulated NBFIs, Government Departments and other institutions.

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



Ramasedi O.M. (Mr)
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 Statistical Bulletin 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 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.

© 2017 Published by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), Botswana

TABLE OF CONTENTS

| | | |
|-------------|--|-----------|
| 1. | INTRODUCTION | 9 |
| 1.1 | About the NBFIRA Annual Statistical Bulletin | 9 |
| 1.1.1 | Sources of data | 9 |
| 1.1.2 | Reporting Period | 9 |
| 1.1.3 | Reporting Currency | 9 |
| 1.2. | Selected Economic Indicators of the World | 10 |
| 1.3 | Selected Economic Indicators of Botswana | 11 |
| 1.4 | Types of Regulated Non-Bank Financial Institutions (NBFIs) | 13 |
| 1.5 | An Overview of Regulated Non-Bank Financial Institutions (NBFIs) Sector | 14 |
| 1.6 | NBFIs Reporting for Year Ending December 31 | 15 |
| 2. | FINANCIAL PERFORMANCE OVERVIEW | 16 |
| 2.1 | Overview of Financial Performance of the regulated NBFIs during the year ended December 31, 2016 | 17 |
| 2.2 | NBFI Sector relative to Gross Domestic Product at Market Prices | 20 |
| 3. | SECTORIAL OVERVIEW | 22 |
| 3.1 | INSURANCE | 22 |
| 3.1.1 | Insurers and Reinsurers | 23 |
| 3.1.2 | Insurance Brokers | 25 |
| 3.1.3 | Medical Aid Funds and Medical Aid Fund Administrators | 27 |
| 3.2 | RETIREMENT FUNDS | 27 |
| 3.2.1 | Summary of Financial Performance of Retirement Funds | 28 |
| 3.3.1 | Summary of Financial Performance of the Botswana Stock Exchange (BSE) | 29 |
| 3.3 | CAPITAL MARKETS | 29 |
| 3.3.2 | Summary of Financial Performance of Central Securities Depository (CSD) | 30 |
| 3.3.3 | Summary of Financial Performance of Securities Brokers/Dealers | 30 |
| 3.4 | INVESTMENT INSTITUTIONS | 31 |
| 3.4.1 | Summary of Financial Performance of Asset Managers | 31 |
| 3.5 | LENDING ACTIVITIES | 32 |
| 3.5.1 | Summary of Financial Performance of Micro Lenders | 32 |
| 4. | FIVE YEAR PERIOD NBFI SECTOR OVERVIEW (2012 – 2016) | 33 |
| 4.1. | INSURANCE | 34 |
| 4.1.1 | Insurers and Reinsurers | 34 |
| 4.1.2 | Financial Performance of Insurance Brokers | 40 |
| 4.2 | RETIREMENT FUNDS | 42 |
| 4.2.1 | Summary of Financial Performance of Retirement Funds | 42 |
| 4.3. | SECURITIES MARKETS | 43 |
| 4.3.1 | Financial Performance of Botswana Stock Exchange (BSE) | 43 |
| 4.3.2 | Secondary Market Activities | 47 |
| 4.4. | INVESTMENT INSTITUTIONS | 52 |
| 4.4.1 | Assets Under Management (“AUM”) In Botswana | 52 |
| 4.4.1.2 | Breakdown of Non-CIU Assets Under Management | 54 |
| 4.4.1.3 | Breakdown of CIU Assets Under Management | 54 |
| 4.4.1.4 | Graphical Presentation of Non-CIU Institutional Assets Under Management | 56 |
| 4.4.1.5 | Breakdown of CIU Assets Under Management | 58 |
| 4.4.1.6 | Overall CIU & Non-CIU Asset Allocation | 64 |
| 4.5. | LENDING ACTIVITIES | 65 |
| 4.5.1 | Overview | 65 |

LIST OF TABLES

| | | |
|-----------|---|----|
| Table 1 | Global Economic Growth (Real GDP- % annual growth) | 10 |
| Table 2: | Selected economic Indicators of Botswana | 11 |
| Table 3 | Non-Bank Financial Institutions (NBFIs) Regulated under the Provisions of the NBFIRA Act, Cap 46:08 | 13 |
| Table 4: | Number of Active NBFIs during the year ending December 31 | 14 |
| Table 5: | NBFIs Submitting Regulatory Returns/ Reports during Year Ending December 31 | 15 |
| Table 6a: | Financial Performance of the NBFIs during the year ending December 31 | 18 |
| Table 6b: | Financial Performance of NBFIs for the Year ending December 31:Income Statement | 19 |
| Table 7: | Assets Under Management relative to Gross Domestic Product at Market Prices | 20 |
| Table 8 | Financial Performance of Life / Long term Insurance Business: Income statement and Balance sheet | 22 |
| Table 9: | Financial Performance of General /Short term Insurance Business: Income Statement and Balance Sheet | 23 |
| Table 10: | Financial Performance of Re-Insurance Business: Income Statement and Balance Sheet | 24 |
| Table 11: | Financial Performance of Insurance Brokers: Income Statement | 25 |
| Table 12: | Financial Performance of Insurance Brokers: Balance Sheet | 26 |
| Table 13: | Financial Performance of Medical Aid Funds | 27 |
| Table 14: | Financial Performance of Retirement Funds | 27 |
| Table 15: | Financial Performance of the BSE | 29 |
| Table 16: | Financial Performance of Central Securities Depository | 29 |
| Table 17: | Financial Performance of Securities Brokers/ Dealers | 30 |
| Table 18: | Financial Performance of Capital Market Participants | 30 |
| Table 19: | Financial Performance of Asset Managers | 31 |
| Table 20: | Financial Performance of Management Companies for Collective Investment Undertakings | 31 |
| Table 21: | Financial Performance of Selected Micro Lenders in 2016 | 32 |
| Table 22: | Financial Performance of Life Insurance Business: Five years Income Statements | 34 |
| Table 23: | Financial Performance of Life Insurance Business: Five years Balance Sheet | 35 |
| Table 24: | Financial Performance of General Insurance Business: Five years Income Statements | 36 |
| Table 25: | Financial Performance of General Insurance Business: Five Years Balance Sheet | 37 |
| Table 26: | Financial Performance of Re-Insurance Business: Five Years Income Statement | 38 |
| Table 27: | Financial Performance of Re-Insurance Business: Five Year Balance Sheet | 39 |
| Table 28: | Financial Performance of Insurance Brokers: Five Years Income Statement | 40 |
| Table 29: | Financial Performance of Insurance Brokers: Five Years Balance Sheet | 41 |
| Table 30: | Financial Performance of Retirement Funds - Five year Period | 42 |
| Table 31: | Financial Performance of Botswana Stock Exchange (BSE) - Five year Period | 43 |
| Table 32: | Financial Performance of Central Securities Depository (CSD) - Five Year Period | 43 |
| Table 33: | Financial Performance of Securities Brokers / Dealers - Five Years | 44 |
| Table 34: | Financial Performance of Capital Markets Participants - Five Years | 44 |
| Table 35: | Capital Raised Through the Equity Market | 45 |
| Table 36: | Number of Companies Listed | 46 |
| Table 37: | BSE Market Capitalization as at Year end December 31 | 47 |
| Table 38: | Market Capitalization by Sector as at Year end December 31 | 48 |
| Table 39: | Equity Trading Statistics | 48 |
| Table 40: | BSE Indices as at year ended December | 49 |
| Table 41: | Equity Turnover Activity at the BSE | 49 |
| Table 42: | Statistics on Shares issued at the BSE | 50 |
| Table 43: | Secondary Market Bond Trades at the BSE | 51 |
| Table 44: | Bond Market Indicators - Selected Ratios | 51 |
| Table 45: | Total Assets Under Management By Structure | 52 |
| Table 46: | Non CIU Assets Breakdown by Type of Client | 53 |
| Table 47: | CIU Assets breakdown by Type of Clients | 54 |
| Table 48: | Overall CIU and Non CIU asset allocation by Region | 64 |
| Table 49: | Overall CIU and Non CIU asset allocation by class/instrument (%) | 64 |
| Table 50: | Geographical Spread of NBFIRA registered Micro Lenders | 65 |
| Table 51: | Geographical Spread of NBFIRA registered Pawnshops | 66 |
| Table 52: | Geographical Spread of NBFIRA registered Finance & Leasing | 66 |
| Table 53: | Registered Micro Lenders by Citizenship | 66 |

LIST OF FIGURES

| | | |
|------------|---|----|
| Figure 1: | Botswana's Nominal and Real GDP Growth | 12 |
| Figure 2: | Botswana's Inflation Trend (%) | 12 |
| Figure 3: | Retirement Fund Asset Local/Offshore Split Over 5 Year Period | 28 |
| Figure 4: | Capital Raised through Equity Market: 2012 to 2016 | 45 |
| Figure 5: | Capital Raised through Equity Market by Issue Type : 2012 to 2016 | 46 |
| Figure 6: | Overall AUM of CIU and Non CIU for the last 5 years | 53 |
| Figure 7: | Non CIU Asset Breakdown by Type of Client | 54 |
| Figure 8: | Overall AUM Market share by Structure (%) | 55 |
| Figure 9: | Overall AUM Growth (%) | 55 |
| Figure 10: | Overall AUM as Percentage of Nominal GDP (%) | 56 |
| Figure 11: | Non CIU AUM by Institutional Clients | 56 |
| Figure 12: | Discretionary (Non CIU) AUM Market share by Institutional Clients | 57 |
| Figure 13: | Non CIU AUM by Individuals / Private Clients | 57 |
| Figure 14: | Non CIU AUM as Percentage of Nominal GDP | 58 |
| Figure 15: | CIU AUM Market share by Type of Client | 58 |
| Figure 16: | CIU AUM Market share by Type of Client | 59 |
| Figure 17: | Breakdown of CIU AUM by Institutional Clients (BWP Billions) | 59 |
| Figure 18: | CIU AUM Market share by Institutional Clients | 60 |
| Figure 19: | CIU AUM as Percentage of Nominal GDP | 60 |
| Figure 20: | Overall CIU and Non CIU asset allocation by Region (%) | 61 |
| Figure 21: | Non CIU asset allocation by Region (%) | 61 |
| Figure 22: | CIU asset allocation by Region (%) | 62 |
| Figure 23: | Overall CIU and Non CIU asset allocation by class/instruments (%) | 62 |
| Figure 24: | Non CIU asset allocation by class/instruments (%) | 63 |
| Figure 25: | CIU asset allocation by class/instruments (%) | 63 |

1

INTRODUCTION

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 statutory 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 **2017 NBFIRA Annual Statistical Bulletin** presents data submitted during the five year period ending December 31, 2016.

1.1.3 Reporting Currency

All figures are in the Botswana Pula (BWP) and as at December 31, 2016 1BWP = 0.0939 USD or 1USD = 10.65 BWP.

1.2 Selected Economic Indicators

1.2.1 Economic Growth

Botswana's real GDP growth rate registered a 4.3 % increase in 2016 following a slump of -1.7 % in 2015. While representing a significant turnaround, the economic growth remains below the targeted 7% growth rate and the economy is expected to register lower growth in 2017 weighed down by the impact of the closure of the BCL copper-nickel mine and other mines in 2016. Going forward the economy will depend on the stability of international markets for increased diamond production and sales.

The IMF world economic outlook report of October 2017, forecast global economic expansion with growth projected to rise to 3.6% in 2017 and 3.7 % in 2018. Thus registering the fastest economic growth since 2010, and is underpinned by the bounce back in trade and investment in the G20 economies; and new fiscal stimuli in the United States and Germany. However, competing challenges with negative impact for growth and jobs is anticipated in growing trade tensions and rising interest rates amid high debt and asset price vulnerabilities.

1.2.2 Prices and Inflation

Botswana inflation rate reached a historical low of an average rate of 2.8 % in 2016 following four-year consecutive declines and has remained within the Bank of Botswana Monetary Policy Committee target range of 3-6 % since 2013. Subsequently, inflation picked up slightly to 3.2 % in December 2017, but remains low by historical standards and within the expected range. On the background of slow economic growth and subdued inflation, interest rates were cut, to their lowest level since the Pula was introduced in 1976. The Bank rate was reduced to 5.5 % during the year ending December 2016 from 6% in the prior year.

On the other hand world inflation urged up slightly to 3.1% following a period of successive declines over the past five years. The increase in world inflation is primarily due to Sub-Saharan Africa block with inflation being contained in the rest of the world. Global inflation is forecast to rise slowly leading to interest rate normalization from accommodative policy stance of the recent past to tight stance, albeit at different speeds.

Table 1: Global Economic Growth (Real GDP and Inflation - % annual growth)

| REGION | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------------|------------|------------|------------|------------|------------|
| Real GDP | | | | | |
| Euro Area | (0.9) | (0.2) | 1.3 | 2.0 | 1.8 |
| Emerging Markets | 5.4 | 5.1 | 4.7 | 4.3 | 4.3 |
| Sub Saharan Africa | 4.4 | 5.3 | 5.0 | 3.4 | 1.4 |
| Developing Asia, of which: | 6.3 | 6.8 | 6.6 | 6.7 | 6.5 |
| China | 7.9 | 7.9 | 7.3 | 6.9 | 6.7 |
| India | 5.5 | 6.4 | 7.5 | 8.0 | 7.1 |
| World Output | 3.4 | 3.3 | 3.4 | 3.4 | 3.2 |
| Inflation | | | | | |
| Euro Area | 2.2 | 0.8 | (0.2) | 0.0 | 0.2 |
| Emerging Markets | 5.8 | 5.0 | 4.7 | 4.7 | 4.3 |
| Sub Saharan Africa | 8.2 | 6.1 | 6.1 | 8.2 | 12.5 |
| Developing Asia | 4.5 | 4.5 | 3.1 | 2.7 | 2.7 |
| World Inflation | 4.2 | 4.0 | 3.3 | 2.9 | 3.1 |

Source: IMF World Economic Outlook Report October 2017

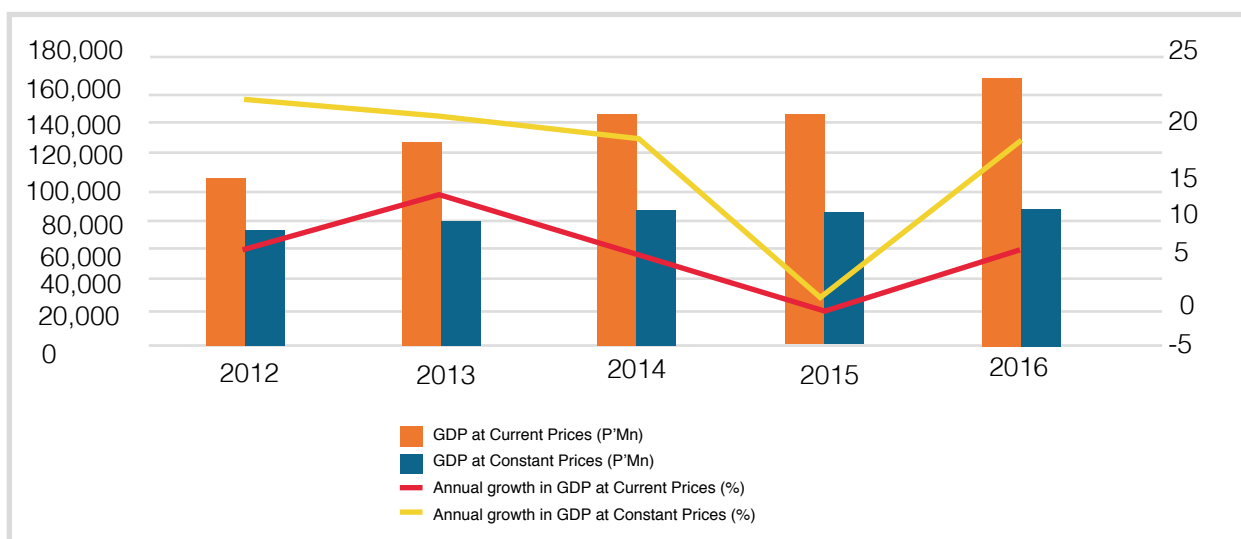
Table 2: Selected Economic Indicators For Botswana

| ECONOMIC INDICATORS | | Reporting Period | | | | |
|--|---|------------------|---------|---------|---------|---------|
| S/N | | 2012 | 2013 | 2014 | 2015 | 2016 |
| Gross Domestic Product | | | | | | |
| 1 | GDP at Current Prices (Pula, Millions) | 104,980 | 125,158 | 145,868 | 145,923 | 169,688 |
| 2 | Annual Growth at current price (%) | 20.9 | 19.2 | 16.5 | 0.03 | 16.3 |
| 3 | GDP at Constant Prices (Pula, Millions) | 75,515 | 84,081 | 87,569 | 86,081 | 89,775 |
| 4 | Annual Growth at Constant Price (%) | 4.5 | 11.3 | 4.1 | (1.7) | 4.3 |
| GDP Per Capita | | | | | | |
| 5 | GDP Per Capita at Current Prices (Pula, Millions) | 53,116 | 59,314 | 67,868 | 66,757 | 76,446 |
| 6 | Annual GDP Per Capita Growth at Current Prices (%) | 2.5 | 11.7 | 14.4 | (1.6) | 14.8 |
| 7 | GDP Per Capita at Constant Prices (Millions) | 36,507 | 39,847 | 40,743 | 39,380 | 40,445 |
| 8 | Annual GDP Per Capita Growth at Constant Prices (%) | 2.3 | 9.1 | 2.2 | (3.3) | 2.7 |
| GDP by End Use at Constant Price (%) | | | | | | |
| 9 | Government Final Consumption | 18.7 | 19.2 | 20.5 | 21.3 | 20.6 |
| 10 | Household Final Consumption | 49.9 | 49.3 | 47.7 | 50.5 | 49.5 |
| 11 | Changes in Inventories | 2.6 | (1.8) | (2.7) | 1.4 | (6.7) |
| 12 | Gross Fixed Capital Formation | 35.9 | 32.9 | 32.1 | 35.5 | 35.3 |
| 13 | Gross Domestic Expenditure | 107.2 | 99.7 | 97.5 | 108.8 | 98.6 |
| 14 | Total Exports (Goods and Services) | 47.0 | 57.6 | 59.6 | 50.2 | 54.9 |
| 15 | Total Imports (Goods and Services) | (58.5) | (58.2) | (55.6) | (56.8) | (51.1) |
| Foreign Currency Per 1 Pula (end of period) | | | | | | |
| 16 | USD | 0.1286 | 0.1147 | 0.1051 | 0.0890 | 0.0939 |
| 17 | GBP | 0.0796 | 0.0696 | 0.0675 | 0.0600 | 0.0765 |
| 18 | EURO | 0.0975 | 0.0832 | 0.0865 | 0.0814 | 0.0891 |
| 19 | JPY | 11.07 | 12.02 | 12.58 | 10.72 | 10.95 |
| 20 | ZAR | 1.0901 | 1.1963 | 1.2169 | 1.3830 | 1.2792 |
| Inflation (%) | | | | | | |
| 21 | Consumer Price Index (ave) | 7.5 | 5.9 | 4.4 | 3.0 | 2.8 |
| | Consumer Price Index (eop) | 7.4 | 4.1 | 3.7 | 3.1 | 3.0 |
| Interest Rates (End of Period) | | | | | | |
| 22 | Bank Rate | 9.5 | 7.5 | 7.5 | 6.0 | 5.5 |
| 23 | Prime Lending Rate | 11.0 | 9.0 | 9.0 | 7.5 | 7.0 |
| Public Finance | | | | | | |
| 24 | General Government Revenue (Pula, Millions) | 38,486 | 41,658 | 48,951 | 55,904 | 47,420 |
| 25 | General Government Revenue (% of GDP) | 34.5 | 33.5 | 34.4 | 38.4 | 27.8 |
| 26 | General Government Expenditure (Pula, Millions) | 38,668 | 40,736 | 41,730 | 50,564 | 54,411 |
| 27 | General Government Expenditure (% of GDP) | 34.6 | 32.8 | 29.3 | 34.7 | 32.1 |
| 28 | General Government Deficit/Surplus (Pula, Millions) | (181) | 922 | 7,222 | 5,340 | (6,991) |
| 29 | General Government Deficit/Surplus (% of GDP) | (0.2) | 0.7 | 5.1 | 3.7 | 4.1 |
| 30 | General Government Debt and Guarantees (Pula, Millions) | 30,184 | 30,184 | 33,533 | 33,770 | 37,110 |
| 31 | General Government Debt and Guarantees (% of GDP) | 26.5 | 23 | 22.7 | 22.8 | 21.9 |
| Trade and Balance Payment | | | | | | |
| 32 | Current Account Balance | (1,275) | 11,619 | 22,219 | 12,052 | 19,878 |
| 33 | Current Account Balance (% of GDP) | (1.1) | 9.4 | 15.6 | 7.8 | 11.7 |
| 34 | Merchandise Exports (Pula, Millions) | 44,361 | 66,564 | 76,420 | 63,673 | 69,498 |
| 35 | Merchandise Exports Growth (% Change) | 0.7 | 50.0 | 14.8 | (17.8) | 9.1 |
| 36 | Merchandise Imports (Pula, Millions) | 61,076 | 68,902 | 71,745 | 72,788 | 66,126 |
| 37 | Merchandise Imports Growth (% Change) | 25 | 12.8 | 4.1 | 1.5 | (9.2) |
| 38 | Merchandise Trade (Pula, Millions) | (16,715) | (2,339) | (4,674) | (9,114) | (3,372) |
| 39 | Trade Balance (% of GDP) | (14.9) | (1.9) | 3.2 | 6.2 | 2.0 |
| Labour Markets | | | | | | |
| 40 | Government (Central & Local excluding Ipelegeng) | 178,033 | 130,175 | 129,918 | 130,220 | 128,279 |
| 41 | Parastatals | 17,484 | 18,838 | 18,790 | 19,411 | 19,101 |
| 42 | Private Sector | 188,531 | 189,894 | 191,399 | 191,484 | 197,110 |

Source: Statistics Botswana, Bank of Botswana Financial Statistics and Annual Reports.

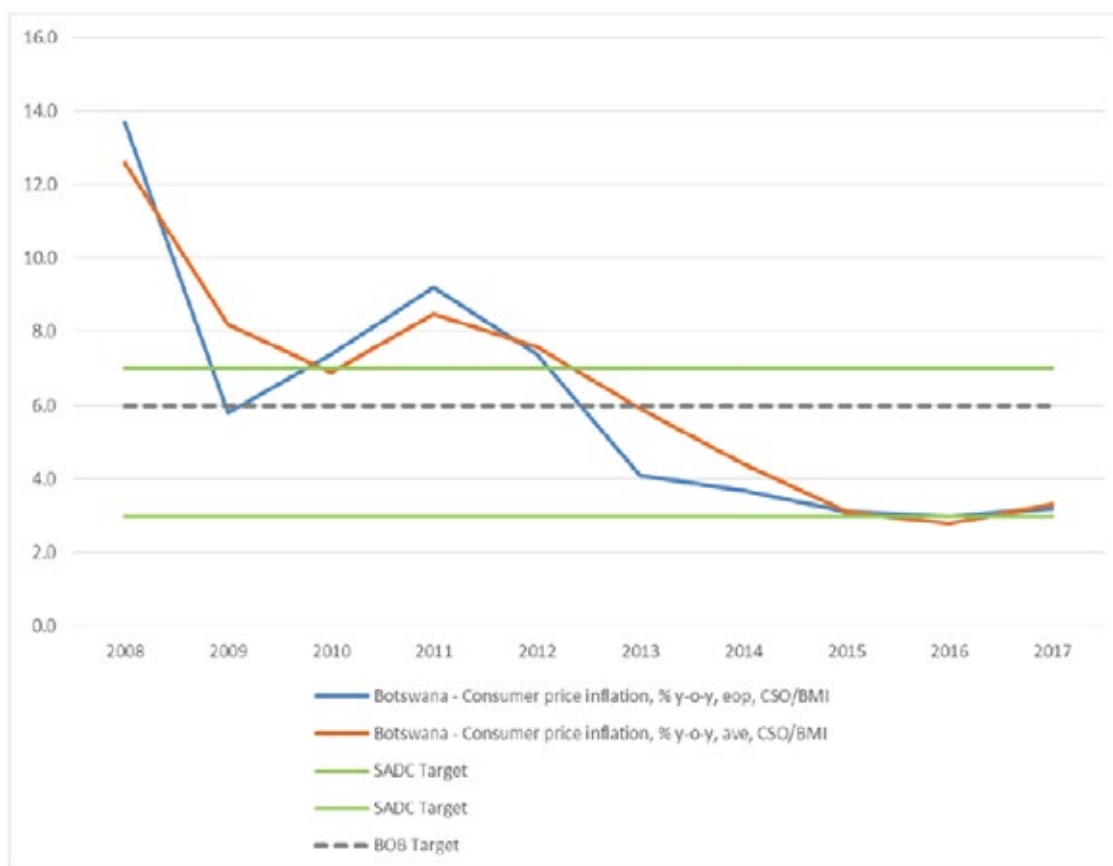
Note: All data in italics had been revised at source.

Figure 1: Botswana's Nominal and real GDP Growth



Source: Statistics Botswana, Bank of Botswana Financial Statistics and Annual Reports.

Figure 2: Botswana's Inflation Trend (%)



Source: Statistics Botswana, Bank of Botswana Financial Statistics

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 Undertaking | (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) | |
| 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

1.5 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 | Reporting Period | | | | |
|--|------------------|--------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Insurance Industry | 3,141 | 2,786 | 2,877 | 2,881 | 2,538 |
| Reinsurance Companies | 2 | 2 | 3 | 3 | 3 |
| Short Term Insurance Companies | 12 | 11 | 12 | 12 | 12 |
| Long Term Insurance Companies | 8 | 9 | 9 | 9 | 9 |
| Medical Aids Funds (MAFs) | 0 | 9 | 9 | 9 | 10 |
| Insurance Brokers | 40 | 45 | 46 | 47 | 51 |
| Corporate Insurance Agents | 204 | 187 | 191 | 194 | 161 |
| Insurance Agents and Sub-Agents | 2,875 | 2,523 | 2,607 | 2,607 | 2,292 |
| Retirement Funds | 97 | 97 | 93 | 91 | 87 |
| Stand Alone Funds | 91 | 92 | 87 | 86 | 82 |
| Umbrella Funds | 6 | 5 | 6 | 5 | 5 |
| Capital Markets | 23 | 20 | 13 | 13 | 13 |
| Stock Exchange | 1 | 1 | 1 | 1 | 1 |
| Commodities Exchange | 0 | 0 | 0 | 0 | 0 |
| Central Securities Depository | 1 | 1 | 1 | 1 | 1 |
| Stockbrokers/Securities Dealers | 4 | 4 | 4 | 4 | 4 |
| IFSC Accredited Global Businesses | 17 | 14 | 7 | 7 | 7 |
| Investment Institutions | 66 | 150 | 137 | 121 | 126 |
| Asset Managers | 12 | 12 | 12 | 11 | 14 |
| Management Companies for CIUs | 6 | 6 | 4 | 4 | 5 |
| CIUs/Funds | 25 | 25 | 16 | 17 | 17 |
| Externally Licensed Funds | - | 80 | 75 | 75 | 75 |
| Investment company with Variable Capital | - | 0 | 1 | 0 | 1 |
| Trustees for CIUs | 2 | 2 | 2 | 2 | 2 |
| Custodians | 3 | 3 | 3 | 3 | 3 |
| Investment Advisors | 18 | 22 | 22 | 6 | 6 |
| Private Equity | - | - | 2 | 3 | 3 |
| Lending Activities | 258 | 280 | 281 | 286 | 311 |
| Micro-lenders | 228 | 243 | 229 | 218 | 219 |
| Pawn shops | 29 | 33 | 42 | 57 | 72 |
| Finance and Leasing Companies | 1 | 4 | 10 | 11 | 20 |

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. Investment Advisors and Asset Managers have been issued with letters of exemption from licensing pending the promulgation of the relevant regulations.

1.6 NBFIs Reporting for Year ending December 31

Table 5 below presents active NBFIs by industry and the number of those submitting the regulatory returns during the year ending December 31, 2016

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

| NBFIS BY CATEGORIES | Number of Active NBFIs | | Number of NBFIs Submitting Reports | |
|---------------------------------|------------------------|--------------|------------------------------------|-----------|
| | 2015 | 2016 | 2015 | 2016 |
| Insurance | 2,881 | 2,538 | 75 | 75 |
| Reinsurance Companies | 3 | 3 | 3 | 3 |
| Short Term Insurance Companies | 12 | 12 | 12 | 12 |
| Long Term Insurance Companies | 9 | 9 | 9 | 9 |
| Insurance Brokers | 47 | 51 | 47 | 47 |
| Corporate Insurance Agencies | 194 | 161 | - | - |
| Insurance Agents and Sub-Agents | 2,607 | 2,292 | - | - |
| Medical Aid Funds | 9 | 10 | 4 | 4 |
| Retirement Funds | 91 | 87 | 91 | 87 |
| Stand Alone Funds | 86 | 82 | 86 | 82 |
| Umbrella Funds | 5 | 5 | 5 | 5 |
| Of which: | | | | |
| Sub-Funds | 225 | 248 | 225 | 248 |
| Capital Markets | 56 | 68 | 56 | 67 |
| Stock Exchange | 1 | 1 | 1 | 1 |
| Central Securities Depository | 1 | 1 | 1 | 1 |
| Stockbrokers/Securities Dealers | 4 | 4 | 4 | 4 |
| Global Businesses | 7 | 7 | 7 | 7 |
| Asset Managers | 11 | 14 | 11 | 14 |
| Management Companies for CIUs | 4 | 5 | 4 | 5 |
| CIUs/Funds | 17 | 17 | 17 | 17 |
| Trustees for CIUs | 2 | 3 | 2 | 3 |
| Custodians | 3 | 3 | 3 | 3 |
| Investment Advisors | 6 | 13 | 6 | 12 |
| Lending Activities | 286 | 311 | 20 | 20 |
| Micro-lenders | 218 | 219 | 20 | 20 |
| Pawn shops | 57 | 72 | 0 | 0 |
| Finance or Leasing Companies | 11 | 20 | 0 | 0 |

Source: NBFIRA Act, 2016

2

Financial Performance of the NBFIs

2. Financial Performance Overview

2.1. Overview of Financial Performance of the regulated NBFIs during the year ended December 31, 2016

- 2.1.1 Table 6 (a) and 6 (b) present the key items of the statements of financial condition and comprehensive income for the regulated non-bank financial institutions during the year ended December 31, 2016 compared to the prior year. The total assets of the NBFIs sector increased by 1 percent to P115 billion from P 113 billion in 2015. The retirement funds assets continued to be a significant proportion of the NBFIs sector assets and had registered a 2 percent increase to P75 billion in 2016 from P74 billion in the prior year. The retirement funds assets when expressed as a proportion of the NBFIs sector assets, remained unchanged at 65 percent compared to 2015.
- 2.1.2 The NBFIs sector revenues fell by P5 billion or 24 percent in 2016 from P21 billion in 2015. When expressed as a percentage of GDP at current market prices, the NBFIs sector revenues were 9 percent compared to 15 percent in 2015, which remains a significant contribution to the economy of Botswana. (In terms of assets, the NBFIs sector was 68 percent of GDP in 2016, but showed a decrease from 78 percent in the prior year).

Capital management of the NBFIs sector Balance Sheet

- 2.1.3 The NBFIs sector registered a small increase of one (1) percent increase in capital levels to P 6.7 billion in 2016 from P6.6 billion in 2015. The growth in the NBFIs sector capital was underpinned by strong growth in the insurance and capital markets, which grew by 36 percent and 25 percent, respectively.

Liabilities

- 2.1.4 Liabilities of the NBFIs sector were well contained, registering an overall decline of 1 % during the year. In general, liabilities of the NBFIs registered a decrease, except for the Lending activities whose liabilities grew by 49 percent.

Assets under Management (AUM)

- 2.1.5 During the year ended December 31, 2016, overall Assets under Management (AUM) of the NBFIs were P50 billion and only 1 percent higher than in the prior year. When expressed as percentage of GDP at Current Market prices AUM of local investment institutions fell to 30 percent in 2016 from 34 percent in 2015. The Retirement funds under management of local fund managers increased to P 41 billion in 2016 from P38 billion in the prior year.
- 2.1.6 Non - Collective Investment Undertakings (including locally managed pension funds) increased slightly by 0.3 percent on a year-on-year basis to P43.8 billion in 2016 from P43.7 billion. While CIU Assets increased by 5 percent during the same period to P6.7 billion from P 6.4 billion in 2015.

Table 6a: Financial Performance of the NBFIs for the Year-ending December 31: Balance Sheet

| NBFIs BY CATEGORIES | Total Assets in Pula (Millions) | | Percent Change | | Capital & Reserves (Millions) | | Percent Change | | Liabilities (Millions) | | Percent Change | |
|--------------------------------------|---------------------------------|----------------|----------------|------------|-------------------------------|--------------|----------------|------------|------------------------|---------------|----------------|-------------|
| | 2015 | 2016 | (%) | (%) | 2015 | 2016 | (%) | (%) | 2015 | 2016 | (%) | (%) |
| Insurance Industry | 22,655 | 22,749 | 1 | 36 | 4,410 | 4,629 | 36 | 36 | 18,231 | 18,118 | (1) | (1) |
| Reinsurance Companies | 234 | 249 | 6 | 15 | 110 | 115 | 15 | 15 | 124 | 133 | 7 | 7 |
| General Insurance Companies | 1,783 | 1,938 | 9 | 13 | 789 | 820 | 13 | 13 | 994 | 1,118 | 12 | 12 |
| Life Insurance Companies | 19,467 | 19,294 | (1) | 2 | 2,801 | 2,908 | 2 | 2 | 16,666 | 16,385 | (2) | (2) |
| Insurance Brokers* | 387 | 393 | 1 | 14 | 176 | 183 | 14 | 14 | 214 | 210 | (2) | (2) |
| Medical Aid Funds** | 784 | 875 | 33 | (8) | 534 | 603 | (8) | (8) | 233 | 272 | 17 | 17 |
| Capital Markets | 214 | 167 | (22) | 25 | 92 | 115 | 25 | 25 | 122 | 53 | (57) | (57) |
| Stock Exchange | 53 | 64 | 21 | 19 | 48 | 57 | 19 | 19 | 5 | 7 | 40 | 40 |
| Central Securities Depository | 24 | 27 | 13 | 23 | 22 | 27 | 23 | 23 | 2 | 1 | (50) | (50) |
| Stockbrokers/ Securities Dealers | 137 | 76 | (45) | 41 | 22 | 31 | 41 | 41 | 115 | 45 | (61) | (61) |
| Investment Institutions | 6,052 | 5,420 | (12) | (8) | 305 | 281 | (8) | (8) | 5,747 | 5,072 | (12) | (12) |
| Asset Managers | 5,971 | 5,337 | (12) | (12) | 267 | 236 | (12) | (12) | 5,704 | 5,034 | (12) | (12) |
| Management Companies for CIUs | 81 | 83 | 2 | 18 | 38 | 45 | 18 | 18 | 43 | 38 | (12) | (12) |
| AUM for Retail and Private Inv. | 7,194 | 7,478 | 4 | - | - | - | - | - | - | - | - | - |
| Lending Activities | 3,305 | 3,845 | 16 | (9) | 1,870 | 1,706 | (9) | (9) | 1,434 | 2,138 | 49 | 49 |
| Micro Lenders (top 20) | 3,305 | 3,845 | 16 | (9) | 1,870 | 1,706 | (9) | (9) | 1,434 | 2,138 | 49 | 49 |
| Pawnshops | - | - | - | - | - | - | - | - | - | - | - | - |
| Finance or Leasing Companies | 58 | 48 | - | - | - | - | - | - | - | - | - | - |
| Sub Total (NBFI excluding RF) | 32,226 | 32,181 | 0 | (1) | 6,677 | 6,731 | (1) | (1) | 25,534 | 25,381 | (1) | (1) |
| Retirement Funds | 73,845 | 75,129 | 2 | - | - | - | - | - | - | - | - | - |
| GRAND TOTAL | 113,323 | 114,848 | 1 | .. | .. | .. | .. | .. | .. | .. | .. | .. |

Source: NBFIRA

*The 2015 figures are different from those published in the 2016 annual report due to late submissions by some of the entities.

**Medical Aid figures for 2014 and 2015 were based on audited financial statements of four companies. As a result both figures were revised from estimates previously published in this 2015 Annual Statistical Bulletin and the 2016 Annual Report.

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

| NBFIs BY CATEGORIES | Gross Income in Pula (Millions) | | Percent Change (%) | Total Expenditure (Millions) | | Percent Change (%) | Profit/Loss before Tax (Millions) | | Percent Change (%) |
|--|---------------------------------|---------------|--------------------|------------------------------|--------------|--------------------|-----------------------------------|--------------|--------------------|
| | 2015 | 2016 | | 2015 | 2016 | | 2015 | 2016 | |
| Insurance Industry | | 6,543 | 1 | 5,558 | 4,516 | 6 | 1,095 | 922 | (24) |
| Reinsurance Companies | 146 | 175 | 20 | 95 | 124 | 31 | 19 | 51 | 168 |
| General Insurance Companies | 1,295 | 1,292 | (0.2) | 690 | 768 | 11 | 183 | 524 | 186 |
| Life Insurance Companies | 3,336 | 3,163 | (5) | 3,147 | 3,283 | 4 | 891 | (120) | (113) |
| Insurance Brokers* | 338 | 384 | 14 | 238 | 265 | 11 | 101 | 119 | 18 |
| Medical Aid Funds | 1,292 | 1,424 | 10 | 1,392 | 1,365 | (2) | (100) | 59 | (159) |
| Capital Markets | 73 | 85 | 16 | 51 | 55 | 12 | 24 | 29 | 25 |
| Stock Exchange | 29 | 28 | (3) | 21 | 22 | 5 | 8 | 6 | (25) |
| Central Securities Depository | 14 | 9 | (36) | 6 | 6 | - | 8 | 2 | (75) |
| Stockbrokers/ Securities Dealers | 30 | 48 | 60 | 22 | 27 | 23 | 8 | 21 | 150 |
| Investment Institutions | 1,025 | 650 | (34) | 887 | 302 | (66) | 138 | 348 | (152) |
| Asset Managers Management Companies for CIUs | 960 | 580 | (40) | 835 | 237 | (72) | 125 | 343 | 174 |
| | 65 | 70 | 8 | 52 | 65 | 25 | 13 | 5 | (62) |
| Lending Activities | 1,093 | 1,168 | 7 | 587 | 639 | 9 | 505 | 529 | 5 |
| Micro Lenders | 1,093 | 1,168 | 7 | 587 | 639 | 9 | 505 | 529 | 5 |
| Pawnshops | - | - | - | - | - | - | - | - | - |
| Finance or Leasing Companies | - | - | - | - | - | - | - | - | - |
| Sub Total | 8,596 | 8,446 | (2) | 7,083 | 5,512 | (22) | 1,513 | 2,934 | 94 |
| Pension Funds | 12,539 | 7,611 | (39) | 4,021 | 4,423 | 10 | 8,518 | 3,188 | - |
| GRAND TOTAL | 21,135 | 16,057 | (24) | 11,104 | 9,935 | (11) | 10,031 | 6,122 | (63) |

Note: *The 2015 figures are different from those published in the 2016 annual report due to late submissions by some of the entities

2.2 NBFi Sector Relative to Gross Domestic Product at Market Prices

Table 7 below shows Assets Under Management (“AUM”) relative to the Nominal Gross Domestic Product. AUM is the market value of assets that are managed on behalf of investors by professionals like Asset Managers and Management Companies.

Table 7: Assets Under Management relative to Gross Domestic Product at Market Prices

| INDICATORS | 2015 In Pula Millions | 2016 In Pula Millions | Percent Change |
|--|--------------------------|--------------------------|----------------|
| Gross Domestic Product at Market Prices | 145,923 | 169,688 | 16.3 |
| Collective Investment Undertakings (“CIUs”) Funds | 6,366 | 6,665 | 4.7 |
| Discretionary (“Non CIUs”) | 43,712 | 43,843 | 0.3 |
| Overall AUM (CIUs and Non CIUs) | 50,078 | 50,498 | 1 |
| of which: | | | |
| Retirement Fund Assets (Local Managers) | 38,464 | 40,729 | 5.9 |
| Other Institutions and retail Retirement Funds (Offshore Managers) | 11,614 | 9,769 | (16) |
| Total Retirement Funds | 73,845 | 75,129 | 2 |
| CIU Assets / GDP | 4.4 | 3.9 | |
| Discretionary/GDP | 30.0 | 25.8 | |
| Overall AUM / GDP | 34.3 | 29.5 | |

Source: NBFIRA Act, 2016

3

Sectorial Overview

3. SECTORIAL OVERVIEW

3.1. Insurance

3.1.1 Insurers and Reinsurers

3.1.1.1 Performance of Life Insurance Business

Table 8: Financial Performance of Life / Long term Insurance Business: Income statement and Balance sheet

| | 2015 | 2016 | Annual Change (%) To 2016 |
|---|-------------------|-------------------|------------------------------|
| | ('000) | ('000) | |
| Gross Premiums Written | 3,335,632 | 3,162,724 | (5.2) |
| Net Premiums Written | 3,259,536 | 3,079,932 | (5.5) |
| Net Premiums Earned | 1,906,094 | 2,632,248 | 38.1 |
| Net Claims Paid | 1,600,155 | 1,893,730 | 18.3 |
| Underwriting Expenses | 3,146,649 | 3,282,928 | 4.3 |
| Total Underwriting Income | (1,240,555) | (650,780) | (47.5) |
| Net Profit Before Tax | 891,281 | 701,165 | (21.3) |
| Total Assets | 19,467,082 | 19,293,534 | (0.9) |
| Liabilities | 16,665,847 | 16,385,544 | (1.7) |
| Total Capital | 2,801,235 | 2,907,990 | 3.8 |
| Total Liabilities (includes Capital) | 19,467,082 | 19,293,534 | (0.9) |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

3.1.1.2 Performance of General Insurance Business

Table 9: Financial Performance of General /Short term Insurance Business: Income Statement and Balance Sheet

| | 2015 | 2016 | Annual Change (%) To 2016 |
|---|------------------|------------------|------------------------------|
| | ('000) | ('000) | |
| Gross Premiums Written | 1,294,916 | 1,291,941 | (0.2) |
| Net Premiums Written | 793,117 | 801,565 | 1.1 |
| Net Premiums Earned | 776,188 | 795,063 | 2.4 |
| Net Incurred Claims | 391,623 | 457,319 | 16.8 |
| Underwriting Expenses | 689,615 | 767,996 | 11.4 |
| Total Underwriting Income | 86,573 | 27,067 | (68.7) |
| Net Profit Before Tax | 182,769 | 77,237 | (57.7) |
| Total Assets | 1,783,333 | 1,938,284 | 8.7 |
| Total Liabilities | 993,593 | 1,117,707 | 12.5 |
| Total Capital | 7 89,740 | 820,577 | 3.9 |
| Total Liabilities (includes Capital) | 1,783,333 | 1,938,284 | 8.7 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

3.1.1.3 Performance of Re-Insurance Business

Table10: Financial Performance of Re-Insurance Business: Income Statement and Balance Sheet

| | 2015 | 2016 | Annual Change (%) To 2016 |
|---|----------------|----------------|------------------------------|
| | ('000) | ('000) | |
| Gross Premiums Written | 146,384 | 175,374 | 19.8 |
| Net Premiums Written | 102,274 | 127,892 | 25.0 |
| Net Premiums Earned | 101,225 | 127,884 | 26.3 |
| Net Acquisition Cost | 37,473 | 37,781 | 0.8 |
| Underwriting Expenses | 95,035 | 123,856 | 30.3 |
| Total Underwriting Income (Loss) | 6,190 | 4,028 | (34.9) |
| Net Profit Before Tax | 18,832 | 8,062 | (57.2) |
| Total Assets | 233,972 | 248,901 | 6.4 |
| Total Liabilities | 123,923 | 133,506 | 7.7 |
| Total Capital | 110,050 | 115,395 | 4.9 |
| Total Liabilities (includes Capital) | 233,972 | 248,901 | 6.4 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

3.1.2 Financial Performance of Insurance Brokers

Table 11: Financial Performance of Insurance Brokers: Income Statement

| | 2015 | 2016* | Annual Change (%) To 2016 |
|------------------------------|----------------|----------------|------------------------------|
| | ('000) | ('000) | |
| Commission Earned | 236,711 | 231,890 | (2.0) |
| Other Revenue | 101,777 | 151,987 | 49.3 |
| Investment Revenue | - | - | - |
| Total Revenue | 338,488 | 383,876 | (99.9) |
| Operating expenses | 222,217 | 260,301 | 17.1 |
| Other Expenses | 5,166 | 4,298 | (16.8) |
| Related party expenses | 10,455 | 685 | (93.4) |
| Total Expenses | 237,838 | 265,284 | 11.5 |
| Net Income Before tax | 100,650 | 118,592 | 17.8 |
| Tax | 21,780 | 26,761 | 22.9 |
| Net Income After Tax | 78,871 | 91,831 | 16.4 |

Source: Audited financial statements of brokers

NOTE: * The 2015 figures are different from those published in the 2016 annual report due to late submissions by some of the entities.

Table 12: Financial Performance of Insurance Brokers: Balance Sheet

| | 2015 | 2016* | Annual Change (%) To 2016 |
|---|----------------|----------------|------------------------------|
| | ('000) | ('000) | |
| Current Assets | 293,523 | 295,298 | 0.6 |
| Related Party Loans & Assets | 26,774 | 14,200 | (47.0) |
| Non-Current Assets | 70,150 | 83,610 | 19.2 |
| Total Assets | 390,446 | 393,108 | 0.7 |
| Trade Payables | 148,762 | 158,314 | 6.4 |
| Shareholders Loans/ Related Party Payables | 15,225 | 10,449 | (31.4) |
| Other Liabilities | 50,258 | 41,255 | (17.9) |
| Total Liabilities | 214,245 | 210,019 | (2.0) |
| Capital | 41,773 | 26,486 | (36.6) |
| Reserves & Retained Earnings | 134,429 | 156,604 | 16.5 |
| Total Capital | 176,201 | 183,089 | 3.9 |
| Total Liabilities (includes Capital) | 390,446 | 393,108 | 0.7 |

Source: NBFIRA Annual Reports and Audited financial statements of brokers

NOTE: Some adjustments made to ensure consistency of presentation

* The 2015 figures are different from those published in the 2016 annual report due to late submissions by some of the entities

3.1.3 Medical Aid Funds and Medical Aid Fund Administrators

Table 13: Financial Performance of Medical Aid Funds

| | 2015 | 2016* | Annual Change (%) To 2016 |
|---|------------------|------------------|------------------------------|
| | ('000) | ('000) | |
| Total Revenue | 1,348,680 | 1,529,407 | 13.4 |
| Total Expenses | 76,386 | 76,428 | 0.1 |
| Net Profit Before Tax | 25,482 | 16,811 | (34.0) |
| Total Assets | 695,397 | 875,221 | 25.9 |
| Total Liabilities | 279,384 | 272,133 | (2.6) |
| Total Capital | 521,485 | 603,088 | 15.6 |
| Total Liabilities (includes Capital) | 800,869 | 875,221 | 9.3 |

Source: Audited financial statements of brokers

NOTE: * The 2015 figures are different from those published in the 2016 annual report due to late submissions by some of the entities.

3. 2 Retirement Funds

3.2.1 Summary of Financial Performance of Retirement Funds

Table 14: Financial Performance of Retirements Funds

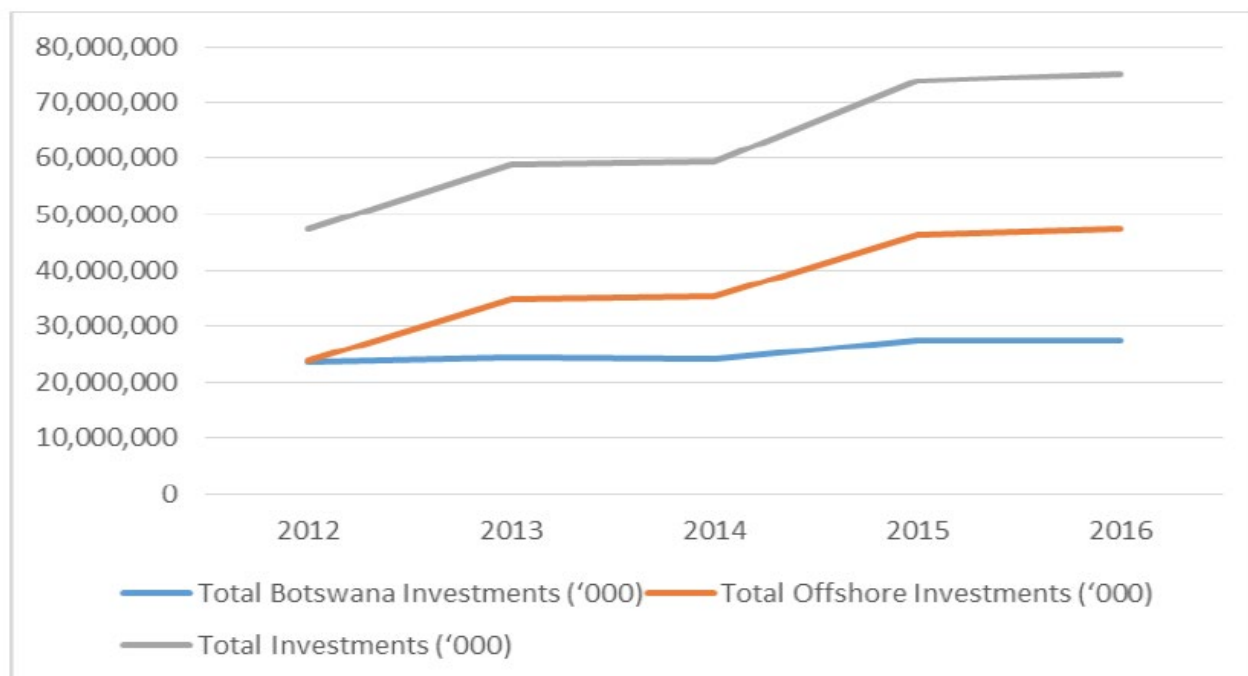
| | 2015 | 2016 | Annual Change(%) |
|--|------------|-----------|---------------------|
| No. of Retirement Funds | 87 | 86 | (1.1) |
| Defined Benefits (DB) Only | 2 | 2 | 0.0 |
| Defined Contributions (DC) Only | 77 | 78 | 1.3 |
| Mixed (DC and DB) | 8 | 6 | (25.0) |
| No. of Active Members | 206,212 | 209,629 | 1.7 |
| No. of Deferred Members | 19,969 | 6,734 | (16.2) |
| No. of Pensioners | 11,301 | 11,662 | 3.2 |
| | ('000) | ('000) | |
| Value of Funds Under Management | | | |
| Member Contributions | 908,900 | 1,013,000 | 11.5 |
| Employer Contributions | 2,504,200 | 2,765,000 | 10.4 |
| Investment Income | 8,017,900 | 3,328,000 | (58.5) |
| Income from life insurance | 8,600 | 7,000 | (18.6) |
| Other Income | 1,063,200 | 498,000 | (53.2) |
| Total Income | 12,538,900 | 7,611,000 | (39.3) |
| Expenditure | | | |
| Benefit payments | 3,305,400 | 3,764,000 | 13.9 |
| Insurance Premiums | 14,500 | 18,000 | 24.1 |

| | | | |
|--|-------------------|-------------------|------------|
| Administration, Management Expenses and Fees | 700,800 | 641,000 | (8.5) |
| Other expenses | | | |
| Total Expenditure | 4,420,700 | 4,423,000 | 0.1 |
| Retirement Funds Investment Assets | | | |
| Botswana Equities | 14,645,000 | 15,981,000 | 9.1 |
| Exchange Traded Funds | 363,000 | 409,000 | 12.7 |
| Pula Bonds | 8,947,000 | 8,169,000 | (8.7) |
| Pula Cash/ Near Cash | 3,296,000 | 2,760,000 | (16.3) |
| Botswana Property | 337,000 | 371,000 | 10.1 |
| Total Botswana Investments | 27,588,000 | 27,690,000 | 0.4 |
| Offshore Equities | 38,285,000 | 36,795,000 | (3.9) |
| Offshore Bonds | 7,853,000 | 8,176,000 | 4.1 |
| Offshore Cash/Near Cash | 118,000 | 187,000 | 58.5 |
| Total Offshore Investments | 46,256,000 | 47,438,000 | 2.6 |
| Total Investments | 73,845,000 | 75,129,000 | 1.7 |

Source: NBFIRA Audited Financial Statements

NOTE: Figures in italics changed because at the time of publishing the 2015 Statistical Bulletin, some entities submitted estimates.

Figure 3: Retirement Fund Asset Local/offshore Split Over 5 Year Period



3.3 Capital Markets

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

Table 15: Financial Performance of the BSE

| BSE FINANCIALS | 2015 ('000) | 2016 ('000) | Percentage change (%) |
|-------------------------------------|----------------|----------------|-----------------------|
| Total Revenue | 28,772 | 28,178 | (2.1) |
| Total Expenses | 20,663 | 22,310 | 8.0 |
| Profit Before Tax | 8,109 | 5,868 | (27.6) |
| Tax | - | - | - |
| Profit after tax | 8,109 | 5,868 | (27.6) |
| Total Assets | 52,861 | 63,953 | 21.0 |
| Capital and Reserves | 47,625 | 57,286 | 20.3 |
| Total Liabilities | 5,236 | 6,667 | 27.3 |
| Total liabilities and Equity | 52,861 | 63,953 | 21.0 |

Source: NBFIRA

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

Table 16: Financial Performance of Central Securities Depository

| CSD FINANCIALS | 2015 ('000) | 2016 ('000) | Percentage change (%) |
|-------------------------------------|----------------|----------------|-----------------------|
| Total Revenue | 13,805 | 8,742 | (36.7) |
| Total Expenses | 5,624 | 6,202 | 10.3 |
| Profit before tax | 8,181 | 2,540 | (69.0) |
| Tax | - | - | - |
| Profit after tax | 8,181 | 2,540 | (69.0) |
| Total Assets | 23,904 | 27,117 | 13.4 |
| Equity/Capital | 22,277 | 26,567 | 19.3 |
| Total Liabilities | 1,627 | 550 | (66.2) |
| Total Liabilities and Equity | 23,904 | 27,117 | 13.4 |

Source: NBFIRA

3.3.3 Summary of Financial Performance of Securities Brokers/Dealers

Table 17: Financial Performance of Securities Brokers/ Dealers

| | 2015 ('000) | 2016 ('000) | Percentage change (%) |
|-------------------------------------|----------------|----------------|-----------------------|
| Total Revenue | 30,375 | 47,949 | 57.9 |
| Total Expenses | 21,957 | 27,130 | 23.6 |
| Profit before tax | 8,418 | 20,819 | 147.3 |
| Tax | 2,126 | 5,088 | 139.3 |
| Profit after tax | 6,291 | 15,731 | 150.1 |
| Total Assets | 137,445 | 75,672 | (44.9) |
| Capital & Reserves | 22,310 | 30,674 | 37.5 |
| Total Liabilities | 115,135 | 44,997 | (60.9) |
| Total Liabilities and Equity | 137,445 | 75,672 | (44.9) |

Source: NBFIRA

3.3.4 Summary of Financial Performance of Capital Markets Participants

Table 18: Financial Performance of Capital Markets Participants.

| | 2015 ('000) | 2016 ('000) | Percentage change (%) |
|-------------------------------------|----------------|----------------|-----------------------|
| Total Revenue | 72,952 | 36,920 | (49.4) |
| Total Expenses | 48,245 | 55,642 | 15.3 |
| Profit before tax | 24,707 | 29,227 | 18.3 |
| Tax | 2,126 | 5,088 | 139.3 |
| Profit after tax | 22,581 | 24,139 | 6.9 |
| Total Assets | 214,210 | 166,742 | (22.2) |
| Capital & Reserves | 92,212 | 114,528 | 24.2 |
| Total Liabilities | 121,998 | 52,214 | (57.2) |
| Total Liabilities and Equity | 214,210 | 166,742 | (22.2) |

Source: NBFIRA

3.4 Investment Institutions

3.4.1 Summary of Financial Performance of Asset Managers

Table 19: Financial Performance of Asset Managers

| | 2015 ('000) | 2016 ('000) | Percentage change (%) |
|---|------------------|------------------|-----------------------|
| Total Revenue | 960,273 | 580,490 | (39.5) |
| Total Expenses | 834,548 | 147,565 | (82.3) |
| Profit before tax | 117,570 | 87,064 | (25.9) |
| Tax | 26,599 | 15,593 | (41.4) |
| Profit after tax | 91,396 | 72,715 | (20.4) |
| Total Assets | 5,971,439 | 5,270,115 | (11.7) |
| Capital | 267,241 | 235,753 | (11.8) |
| Total Liabilities | 5,704,199 | 5,034,362 | (11.7) |
| Total Liabilities (Includes Capital) | 5,971,439 | 5,270,115 | (11.7) |

Source: NBFIRA

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

Table 20: Financial Performance of Management Companies for Collective Investment Undertakings

| | 2015 ('000) | 2016 ('000) | Percentage change (%) |
|---|----------------|----------------|-----------------------|
| Total Revenue | 65,726 | 69,679 | 6.0 |
| Total Expenses | 52,028 | 65,283 | 25.5 |
| Profit before tax | 13,836 | 4,422 | (68.0) |
| Tax | 1,334 | 1,919 | 43.9 |
| Profit after tax | 10,010 | 3,747 | (62.6) |
| Total Assets | 81,356 | 83,035 | 2.1 |
| Capital & Reserves | 37,986 | 45,110 | 18.8 |
| Other Liabilities | 43,370 | 37,925 | (12.6) |
| Total Liabilities (Includes Capital) | 81,356 | 83,035 | 2.1 |

Source: NBFIRA

3.5 Lending Activities

3.5.1 Summary of Top 20 Financial Performance of Micro Lenders

Table 21: Financial Performance of Selected Micro Lenders in 2016

| | 2015 ('000) | 2016 ('000) | Percentage change (%) |
|-------------------------------|------------------|------------------|-----------------------|
| Interest Income | 968,424 | 1,070,918 | 10.6 |
| other Income | 124,226 | 96,876 | (22.0) |
| Total Income | 1,092,649 | 1,167,794 | 6.9 |
| Interest Expenses | 152,834 | 177,205 | 15.9 |
| other Expenses | 434,576 | 462,042 | 6.3 |
| Total Expense | 587,409 | 639,204 | 8.8 |
| Net Income Before Tax | 505,241 | 528,926 | 4.7 |
| Tax | 116,828 | 119,275 | 2.1 |
| Net Income After Tax | 392,289 | 414,416 | 5.6 |
| Loan Book Values | 3,011,245 | 3,223,874 | 7.1 |
| Other Assets | 293,452 | 620,983 | 111.6 |
| Total Assets | 3,304,697 | 3,844,857 | 16.3 |
| Capital & Reserves | 1,870,454 | 1,705,753 | (8.8) |
| Other Liabilities | 1,434,243 | 2,138,335 | 49.1 |
| Total Liabilities | 3,304,697 | 3,844,088 | 16.3 |

Source: NBFIRA

4

FIVE YEAR PERIOD NBFI SECTOR OVERVIEW (2012 – 2016)

4. FIVE YEAR PERIOD NBFi SECTOR OVERVIEW (2012 – 2016)

- 4.1. Insurance
- 4.1.1 Insurers and Reinsurers
- 4.1.1.1 Performance of Life Insurance Business

Table 22: Financial Performance of Life Insurance Business: Five years Income Statements

| LIFE INSURANCE INCOME STATEMENT | Reporting period | | | | |
|----------------------------------|------------------|--------------------|----------------------|--------------------|------------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Gross Premium Written | 2,534,012 | 2,564,995 | 2,761,026 | 3,335,632 | 3,162,724 |
| Premiums Ceded | 65,191 | 74,210 | 111,759 | 76,096 | 82,792 |
| Net Premiums Written | 2,468,821 | 2,490,785 | 2,649,267 | 3,259,536 | 3,079,932 |
| Change in UPR | (939,152) | (1,450,206) | 710,446 | 1,353,442 | 447,684 |
| Net Premiums Earned | 1,270,742 | 1,040,579 | 1,938,821 | 1,906,094 | 2,632,248 |
| Incurred Claims | 1,056,607 | 1,255,324 | 1,425,464 | 1,635,238 | 1,893,730 |
| Reinsurance Recoveries | 24,988 | 23,127 | 29,059 | 35,083 | 43,285 |
| Net Claims Paid | 1,031,618 | 1,232,197 | 1,391,359 | 1,600,155 | 1,893,730 |
| Net Acquisition Costs | 376,836 | 412,302 | 368,487 | 93,073 | 580,873 |
| Operating Expenses | 1,684,622 | 2,505,364 | 1,590,320 | 1,453,421 | 808,325 |
| Underwriting Expenses | 2,061,458 | 4,149,863 | 3,315,260 | 3,146,649 | 3,282,928 |
| Total Underwriting Income | (790,716) | (3,109,284) | (1,376,439.2) | (1,240,555) | (650,680) |
| Investments Income | 1,960,349 | 3,569,180 | 1,813,584 | 1,243,541 | 1,055,476 |
| Other Income | 285,798 | 97,579 | 300,679 | 889,674 | 296,368 |
| Retrocession | - | - | - | - | - |
| Net Profit Before Tax | 423,812 | 557,476 | 733,119 | 891,281 | 701,165 |
| Tax | 88,721 | 104,151 | 133,716 | 147,032 | 127,284 |
| Net Income After Tax | 335,092 | 453,325 | 563,156 | 744,250 | 573,881 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

Table 23: Financial Performance of Life Insurance Business: Five years Balance Sheet

| | Reporting period | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| LIFE INSURANCE BALANCE SHEET | | | | | |
| Non-current Assets | 11,077 | 41,560 | 40,043 | 179,375 | 303,104 |
| Cash and Investments | 546,280 | 516,238 | 504,976 | 615,462 | 757,258 |
| Financial Assets | 16,553,086 | 15,710,057 | 17,093,290 | 16,504,679 | 15,980,365 |
| Tax Related Assets | 26,239 | 32,988 | 4,869 | 1,543 | 5,843 |
| Trade & Other Receivables | 104,214 | 315,461 | 316,003 | 326,273 | 394,185 |
| Other Investments | 609,394 | 446,004 | 452,752 | 397,208 | 292,972 |
| Reinsurance Liabilities | 11,213 | 64,829 | 68,002 | 33,693 | 381,807 |
| Other Assets | 893,416 | 720,867 | 1,305,758 | 1,408,849 | 1,521,000 |
| Total Assets | 18,754,919 | 17,848,004 | 19,658,446 | 19,467,000 | 19,293,534 |
| Insurance Liabilities | 6,673,125 | 15,355,230 | 16,388,669 | 15,811,381 | 15,622,777 |
| Trade & Other Payables | 9,964,276 | 490,574 | 519,385 | 708,171 | 603,064 |
| Related Party Payables | 99,343 | 24,031 | 48,000 | 83,964 | 71,466 |
| Tax Related Liability | 18,568 | 23,441 | 52,342 | 51,743 | 41,470 |
| Other Liabilities | 378,194 | 19,239 | 8,336 | 10,587 | 46,765 |
| Total Liabilities (excluding capital) | 17,133,507 | 15,912,515 | 16,925,789 | 16,665,847 | 16,385,544 |
| Share Capital | 258,607 | 261,607 | 261,607 | 254,607 | 312,107 |
| Reserves | 712,707 | 802,365 | 1,138,768 | 1,157,292 | 1,206,552 |
| Retained Earnings | 650,061 | 871,520 | 1,367,339 | 1,389,336 | 1,389,326 |
| Total Capital | 1,621,376 | 1,935,492 | 2,732,660 | 2,801,235 | 2,907,990 |
| Total Liabilities and Equity | 18,754,882 | 17,848,007 | 19,658,448 | 19,467,082 | 19,293,534 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

4.1.1.2 Performance of General Insurance Business

Table 24: Financial Performance of General Insurance Business: Five years Income Statements

| GENERAL INSURANCE INCOME STATEMENT | Reporting period | | | | |
|------------------------------------|------------------|----------------|----------------|----------------|----------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Gross Premium Written | 1,149,673 | 1,176,177 | 1,198,856 | 1,294,916 | 1,291,941 |
| Premiums Ceded | 439,921 | 450,896 | 508,831 | 501,799 | 490,377 |
| Net Premiums Written | 709,753 | 725,281 | 690,025 | 793,117 | 801,565 |
| Change in UPB | (5,565) | (3,162) | (28,098) | 16,928.9 | 1,858 |
| Net Premiums Earned | 715,318 | 728,443 | 718,123 | 776,188 | 795,063 |
| Incurred Claims | 435,988 | 381,102 | 399,333 | 391,623 | 457,319 |
| Net Acquisition Costs | 101,842 | 98,160 | 79,391 | 99,125 | 90,734 |
| Operating Expenses | 164,125 | 179,660 | 190,621 | 198,867 | 219,943 |
| Underwriting Expenses | 701,955 | 658,923 | 669,344 | 689,615 | 767,996 |
| Total Underwriting Income | 13,363 | 69,520 | 48,779 | 86,573 | 27,067 |
| Investments Income | 59,634 | 65,359 | 50,328 | 69,768 | 38,211 |
| Other Income | 30,586 | 38,699 | 27,039 | 26,428 | 11,959 |
| Reinsurance Recoveries | 60,616 | - | 93,177 | 96,156 | 158,621 |
| Net Profit Before Tax | 164,199 | 173,578 | 126,146 | 182,769 | 77,237 |
| Tax | 32,181 | 31,890 | 21,978 | 36,563 | 19,343 |
| Net Income After Tax | 132,019 | 141,689 | 104,167 | 146,206 | 61,053 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

Table 25: Financial Performance of General Insurance Business: Five Years Balance Sheet

| GENERAL INSURANCE BALANCE SHEET | Reporting period | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Cash and Investments | 633,758 | 465,993 | 476,040 | 487,048 | 496,508 |
| Non-current assets | 96,920 | 274,752 | 79,902 | 490,043 | 367,182 |
| Other Current Assets | 882,947 | 970,200 | 1,154,982 | 806,241 | 1,074,593 |
| Total Assets | 1,613,625 | 1,710,945 | 1,710,924 | 1,783,333 | 1,938,284 |
| Insurance Liabilities | 682,054 | 693,887,831 | 754,331 | 815,164 | 866,848 |
| Long-term Liabilities | 25,046 | 12,775 | 8,160 | 11,793 | 20,104 |
| Other Current Liabilities | 316,039 | 356,078 | 251,228 | 166,636 | 230,756 |
| Total Liabilities (excluding capital) | 1,023,138 | 1,062,740 | 1,013,719 | 993,593 | 1,117,707 |
| Share Capital | 162,234 | 172,282 | 200,782 | 219,774 | 229,616 |
| Reserves | 219,377 | 251,810 | 281,803 | 302,585 | 314,771 |
| Retained Earnings | 208,876 | 224,114 | 214,621 | 267,381 | 276,190 |
| Total Capital | 590,488 | 648,205 | 697,206 | 789,740 | 820,577 |
| Total Liabilities and Equity | 1,613,625 | 1,710,945 | 1,710,924 | 1,783,333 | 1,938,284 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

4.1.1.3 Performance of Reinsurance Business

Table 26: Financial Performance of Re-Insurance Business: Five Years Income Statement

| RE INSURANCE INCOME STATEMENT | Reporting period | | | | |
|----------------------------------|------------------|----------------|----------------|----------------|----------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Gross Premium Written | 22,551 | 35,864 | 102,34 | 146,384 | 175,374 |
| Premiums Ceded | 3,507 | 10,572 | 26,555 | 44,110 | 47,482 |
| Net Premiums Written | 19,044 | 25,293 | 75,785 | 102,274 | 127,892 |
| Change in UPR | (695) | 1,928 | 6,127 | 1,049 | 7,489 |
| Net Premiums Earned | 19,739 | 23,365 | 69,658 | 101,225 | 127,884 |
| Incurred Claims | 3,790 | 6,957 | 27,587 | 28,358 | 53,157 |
| Net Acquisition Costs | 6,655 | 6,711 | 22,504 | 37,473 | 37,781 |
| Operating Expenses | 10,320 | 10,518 | 20,025 | 29,205 | 32,918 |
| Underwriting Expenses | 20,764 | 24,186 | 70,116 | 95,035 | 123,856 |
| Total Underwriting Income | (1,025) | (821) | (458) | 6,190 | 4,028 |
| Investments Income | 372 | 782 | 846 | 5,721 | 462,335 |
| Other Income (loss) | 1,532 | 1,252 | 7,082 | 7,372 | 3,571 |
| Retrocessions Recoveries | - | 136 | - | - | - |
| Net Profit Before Tax | 878 | 2,287 | 7,470 | 18,832 | 8,062 |
| Tax | 113 | 254 | 2,221 | 4,618 | 2,116 |
| Net Income After Tax | 765 | 2,033 | 5,249 | 14,214 | 5,946 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

Table 27: Financial Performance of Re-Insurance Business: Five Year Balance Sheet

| | GENERAL RE-INSURANCE BALANCE SHEET | | | | |
|--|------------------------------------|----------------|----------------|----------------|----------------|
| | Reporting period | | | | |
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Cash and Equivalents | 26,019 | 29,813 | 99,563 | 118,302 | 120,514 |
| Non-current assets | 984 | 720 | 5,641 | 4,950 | 4,121 |
| Other Current Assets | 11,791 | 19,131 | 87,592 | 110,721 | 124,266 |
| Total Assets | 38,793 | 49,664 | 192,795 | 223,972 | 248,901 |
| Insurance Liabilities | 8,235 | 14,852 | 55,727 | 70,199 | 84,885 |
| Long-term Liabilities | 5 | 6 | 303 | 949 | 793,945 |
| Other Current Liabilities | 7,499 | 9,719 | 40,182 | 52,775 | 47,827 |
| Total Liabilities (excluding capital) | 15,739 | 24,576 | 96,212 | 123,923 | 133,506 |
| Share Capital | 26,413 | 26,413 | 91,864 | 91,864 | 91,864 |
| Reserves | 1,644 | 3,026 | 6,244 | 10,242 | 12,447 |
| Retained Earnings | (5,003) | (4,352) | (1,524) | 7,944 | 11,085 |
| Total Capital | 23,054 | 25,087 | 96,584 | 110,050 | 115,395 |
| Total Liabilities and Equity | 38,793 | 49,664 | 192,795 | 223,972 | 248,901 |

Source: NBFIRA Annual Reports and Audited financial statements of insurers

NOTE: Some adjustments made to ensure consistency of presentation.

4.1.2 Financial Performance of Insurance Brokers

Table 28: Financial Performance of Insurance Brokers- Five Years Income Statement

| | INSURANCE BROKERS INCOME STATEMENT | | | | |
|------------------------------|------------------------------------|----------------|----------------|----------------|----------------|
| | Reporting period | | | | |
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Commission Earned | 180,249 | 237,569 | 220,742 | 236,711 | 231,889 |
| Other Revenue | 81,889 | 103,670 | 124,986 | 101,777 | 151,987 |
| Investment Revenue | - | - | 332,242 | - | - |
| Total Revenue | 262,137 | 341,239 | 345,728 | 338,488 | 383,876 |
| Operating expenses | 156,353 | 170,129 | 210,004 | 222,217 | 260,301 |
| Other Expenses | 7,451 | 53,157 | 15,998 | 5,166 | 4,298 |
| Related party expenses | 19,934 | 23,566 | 631 | 10,455 | 685 |
| Total Expenses | 183,737 | 246,852 | 226,633 | 237,838 | 265,284 |
| Net Income before tax | 78,401 | 94,386 | 119,095 | 100,650 | 118,592 |
| Tax | 17,215 | 20,780 | 22,771 | 21,780 | 26,761 |
| Net Income After Tax | 61,186 | 73,606 | 96,325 | 78,871 | 91,831 |

Source: NBFIRA Annual Reports and Audited financial statements of brokers

Table 29: Financial Performance of Insurance Brokers-Five Years Balance Sheet

| | INSURANCE BROKER BALANCE SHEET | | | | |
|--|--------------------------------|----------------|----------------|----------------|----------------|
| | Reporting period | | | | |
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Current Assets | 266,246 | 447,208 | 301,483 | 293,523 | 295,298 |
| Related Party Loans and assets | 17,585 | 4,433 | 21,120 | 26,774 | 14,200 |
| Non- Current Assets | 39,369 | 59,455 | 52,274 | 70,150 | 83,610 |
| Total Assets | 323,200 | 511,096 | 374,877 | 390,446 | 393,108 |
| Trade & Other Payables | 7,679 | 319,950 | 181,177 | 148,762 | 158,314 |
| Shareholders Loans / Related party payables | 22,391 | 16,332 | 8,125 | 15,225 | 10,449 |
| Other Liabilities | 147,139 | 35,227 | 28,878 | 50,258 | 41,255 |
| Total Liabilities (excluding capital) | 177,208 | 371,509 | 218,180 | 214,245 | 210,019 |
| Stated Capital | 17,678 | 26,325 | 28,898 | 41,773 | 26,486 |
| Reserves and Retained Earnings | 128,315 | 113,262 | 126,349 | 134,429 | 156,604 |
| Total Capital | 145,992 | 139,587 | 155,247 | 176,201 | 183,089 |
| Total Liabilities (Including Capital) | 323,200 | 511,096 | 373,427 | 390,446 | 393,108 |

Source: NBFIRA Annual Reports and Audited financial statements of brokers

4. 2 RETIREMENT FUNDS

4.2.1 Summary of Financial Performance of Retirement Funds

Table 30: Financial Performance of Retirement Funds - Five year Period

| | Reporting period | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| No. of Retirement Funds | 103 | 103 | 91 | 87 | 86 |
| Defined Benefits (DB) Only | 2 | 2 | 2 | 2 | 2 |
| Defined Contributions (DC) Only | 93 | 93 | 81 | 77 | 78 |
| Mixed (DC and DB) | 8 | 8 | 8 | 8 | 6 |
| No. of Active Members | 152,348 | 156,824 | 206,709 | 206,212 | 209,629 |
| No. of Deferred Members | 11,897 | 13,312 | 17,432 | 19,969 | 16,734 |
| Pensioners | 2,255 | 2,324 | 10,699 | 11,301 | 11,662 |
| Retirement Funds | 47,408,000 | 58,985,000 | 59,392,000 | 73,845,000 | 75,129,000 |
| Member Contributions ('000) | 715,235 | 748,870 | 993,200 | 908,900 | 1,013,000 |
| Employer Contributions ('000) | 1,620,131 | 1,691,495 | 2,134,300 | 2,504,200 | 2,765,000 |
| Investment Income ('000) | 3,582,678 | 3,819,589,000 | 6,345,300 | 8,017,900 | 3,328,000 |
| Income from life insurance ('000) | 5,264 | 4,930 | 7,600 | 8,600 | 7,000 |
| Other Income ('000) | 507,985 | 577,420 | 998,900 | 1,063,200 | 498,000 |
| Total Income ('000) | 6,431,293 | 6,842,304 | 10,485,500 | 12,538,900 | 7,611,000 |
| Expenditure | | | | | |
| Benefit payments | 2,470,559 | 2,835,769 | 3,203,900 | 3,305,000 | 3,764,000 |
| Insurance Premiums | 12,439 | 17,977 | 10,900 | 14,500 | 18,000 |
| Administration, Management Expenses and Fees | 340,286 | 425,733 | 718,200 | 700,800 | 641,000 |
| Other expenses | - | - | - | - | - |
| Total Expenditure | 2,823,284 | 3,279,479 | 3,933,000 | 4,020,300 | 4,423,000 |
| Retirement Funds Investment Assets | | | | | |
| Botswana Equities ('000) | 12,506,000 | 11,990,000 | 12,833,000 | 14,645,000 | 15,981,000 |
| Exchange Traded Funds ('000) | 96,000 | 119,000 | 403,000 | 363,000 | 409,000 |
| Pula Bonds ('000) | 6,531,000 | 8,417,000 | 7,847,000 | 8,946,000 | 8,169,000 |
| Pula Cash/ Near Cash ('000) | 4,038,000 | 3,470,000 | 2,639,000 | 3,296,000 | 2,760,000 |
| Botswana Property ('000) | 362,000 | 245,000 | 322,000 | 337,000 | 371,000 |
| Total Botswana Investments ('000) | 23,533,000 | 24,241,000 | 24,044,000 | 27,589,000 | 27,690,000 |
| Offshore Equities ('000) | 19,110,000 | 29,742,000 | 27,322,000 | 38,285,000 | 36,795,000 |
| Offshore Bonds ('000) | 3,605,000 | 4,159,000 | 6,015,000 | 7,853,000 | 8,176,000 |
| Offshore Cash/Near Cash ('000) | 1,160,000 | 843,000 | 2,012,000 | 118,000 | 187,000 |
| Total Offshore Investments ('000) | 23,875,000 | 34,744,000 | 35,349,000 | 46,256,000 | 47,438,000 |
| Total Investments ('000) | 47,408,000 | 58,985,000 | 59,392,000 | 73,845,000 | 75,129,000 |

Source: NBFIRA Annual Reports and Audited financial Reports

NOTE: Some adjustments made to ensure consistency of presentation.

4.3. SECURITIES MARKETS

4.3.1 Financial Performance of Botswana Stock Exchange (BSE) - Five Years

Table 31: Financial Performance of Botswana Stock Exchange (BSE) - Five Years

| Item | Reporting period | | | | |
|---|------------------|----------------|----------------|----------------|----------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Total Revenue | 22,958 | 25,651 | 27,347 | 28,772 | 28,178 |
| Total Expenses | 11,769 | 15,239 | 16,824 | 20,663 | 22,310 |
| Profit Before Tax | 11,189 | 10,412 | 10,523 | 8,109 | 5,868 |
| Tax | - | - | - | - | - |
| Profit after tax | 11,189 | 10,412 | 10,523 | 8,109 | 5,868 |
| Total Assets | 30,930 | 34,507 | 41,266 | 52,861 | 63,953 |
| Capital and Reserves | 21,570 | 29,288 | 37,399 | 47,625 | 57,286 |
| Total Liabilities | 9,360 | 5,219 | 3,867 | 5,236 | 6,667 |
| Total liabilities & Equity | 30,930 | 34,507 | 41,266 | 52,861 | 63,953 |

Source: NBFIRA

Table 32: Financial Performance of Central Securities Depository (CSD) - Five Years

| Item | Reporting period | | | | |
|---|------------------|----------------|----------------|----------------|----------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Total Revenue | 6,468 | 9,578 | 12,557 | 13,805 | 8,742 |
| Total Expenses | 4,204 | 5,125 | 5,523 | 5,624 | 6,202 |
| Profit Before Tax | 2,264 | 4,453 | 7,034 | 8,181 | 2,540 |
| Tax | - | - | - | - | - |
| Profit after tax | 2,264 | 4,453 | 7,034 | 8,181 | 2,540 |
| Total Assets | 2,937 | 7,546 | 14,520 | 23,904 | 27,117 |
| Capital and Reserves | 346 | 7,063 | 14,096 | 22,277 | 26,567 |
| Total Liabilities | 2,591 | 484 | 424 | 1,627 | 550 |
| Total liabilities & Equity | 2,937 | 7,546 | 14,520 | 23,904 | 27,117 |

Source: NBFIRA

Table 33: Financial Performance of Securities Brokers/Dealers - Five Years

| Item | Reporting period | | | | |
|---|------------------|----------------|----------------|----------------|----------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Total Revenue | 16,372 | 26,910 | 29,233 | 30,375 | 47,949 |
| Total Expenses | 17,399 | 19,539 | 20,519 | 21,957 | 27,130 |
| Profit Before Tax | (1,027) | 7,371 | 8,714 | 8,418 | 20,819 |
| Tax | 1,455 | 1,701 | 574 | 2,126 | 5,088 |
| Profit after tax | (2,482) | 5,670 | 8,140 | 6,291 | 15,731 |
| Total Assets | 39,984 | 54,430 | 59,413 | 137,445 | 75,672 |
| Capital and Reserves | 8,530 | 14,090 | 21,738 | 22,310 | 30,674 |
| Total Liabilities | 31,454 | 40,339 | 37,675 | 115,135 | 44,997 |
| Total liabilities & Equity | 39,984 | 54,430 | 59,413 | 137,445 | 75,672 |

Source: NBFIRA

Table 34: Financial Performance of Capital Markets Participants - Five Years

| Item | Reporting period | | | | |
|---|------------------|----------------|----------------|----------------|----------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Total Revenue | 45,797 | 62,139 | 69,136 | 72,952 | 36,920 |
| Total Expenses | 33,372 | 39,903 | 42,865 | 48,245 | 55,642 |
| Profit Before Tax | 12,426 | 22,236 | 26,271 | 24,707 | 29,227 |
| Tax | 1,455 | 1,701 | 574 | 2,126 | 5,088 |
| Profit after tax | 10,985 | 20,300 | 25,696 | 22,581 | 24,139 |
| Total Assets | 73,850 | 98,514 | 115,199 | 214,210 | 166,742 |
| Capital and Reserves | 30,446 | 50,441 | 73,233 | 92,212 | 114,528 |
| Total Liabilities | 43,405 | 46,042 | 41,966 | 121,998 | 52,214 |
| Total liabilities & Equity | 73,850 | 98,514 | 115,199 | 214,210 | 166,742 |

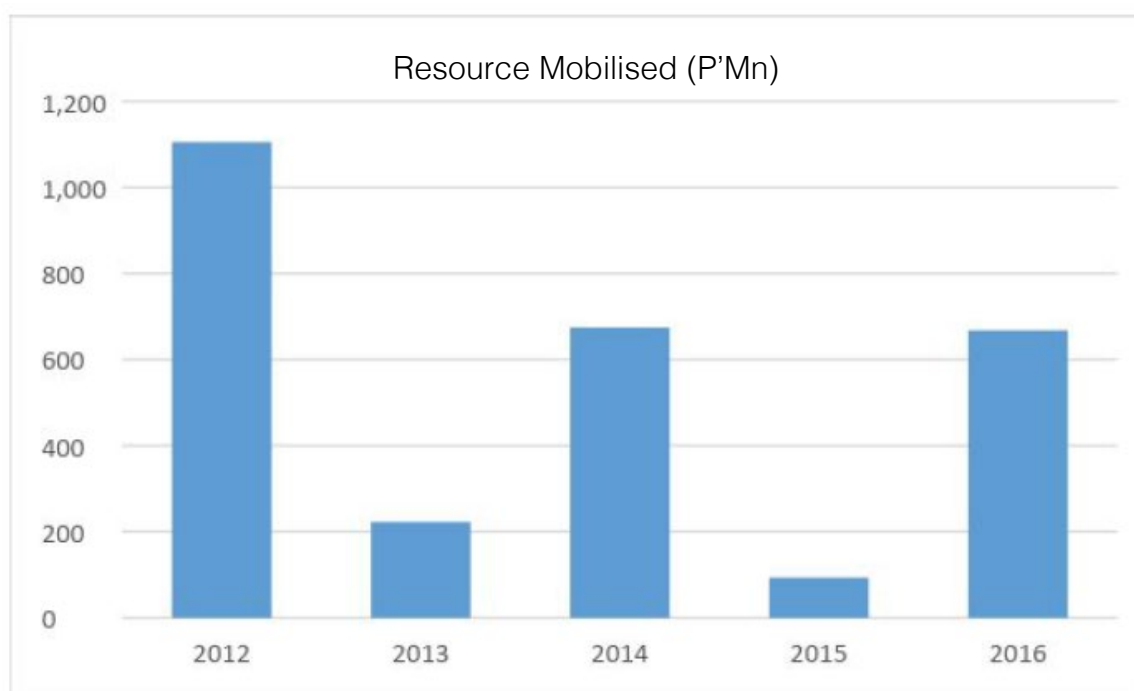
Source: NBFIRA

Table 35: Capital Raised through the Equity Market (P Mn)

| Item | Reporting period | | | | |
|----------------------------------|------------------|------------|------------|-----------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Rights Issues | 622 | - | 279 | - | 351 |
| Issues for Cash | 10 | 11 | 38 | - | - |
| Share Incentive Scheme | 21 | 206 | 333 | - | 76 |
| IPO's | 350 | - | - | 3 | 513 |
| Private placement | - | 103 | - | 91 | 154 |
| Share Purchase Plan | - | 2 | - | - | - |
| Acquisition | - | 4 | 25 | - | - |
| Resource Mobilised (P'Mn) | 1,003 | 326 | 675 | 94 | 1,094 |

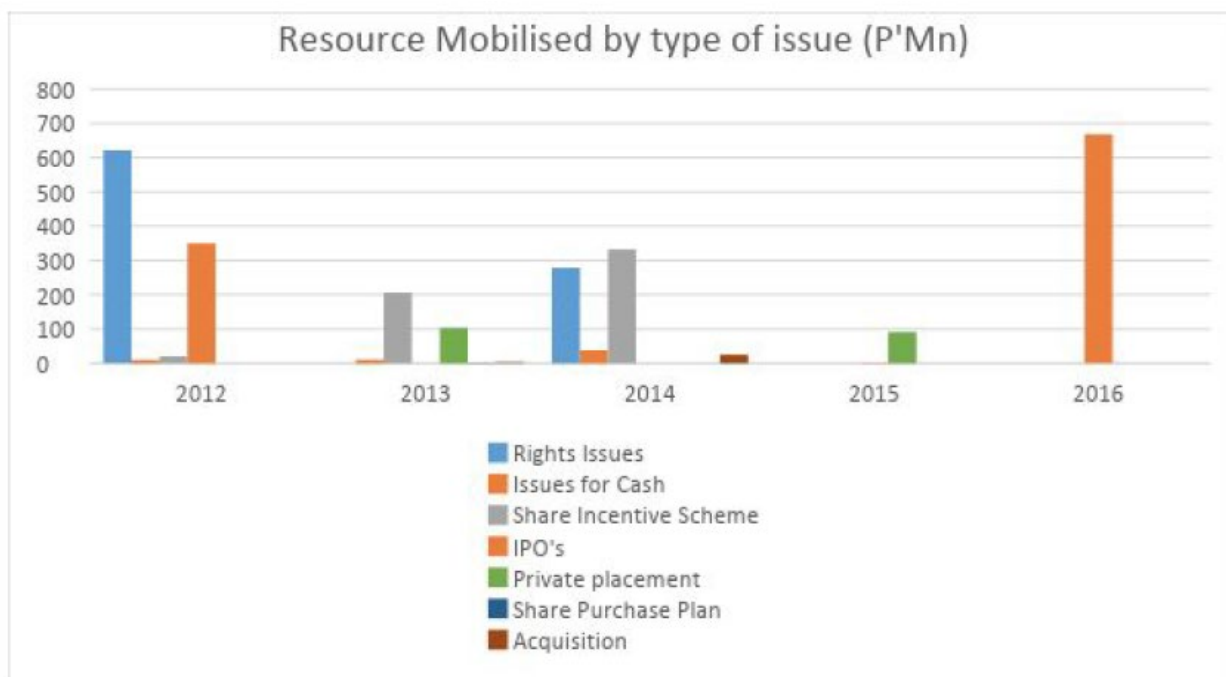
Source: Botswana Stock Exchange database, Botswana stock Exchange Annual Reports.

Figure 4: Capital raised through equity market: 2012 to 2016



Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Figure 5: Capital raised through equity market by issue type: 2012 to 2016



Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 36: Number of Companies Listed

| LISTING STATUS | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| No. of New Listings | 3 | 1 | 1 | 1 | 2 |
| No. of De-listings | 1 | 3 | 1 | 4 | 0 |
| Foreign Listings | 13 | 12 | 12 | 10 | 10 |
| Domestic Listings | 24 | 23 | 23 | 22 | 24 |
| Total Listings | 37 | 35 | 35 | 32 | 34 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

4.3.2 Secondary Market Activities

Table 37: BSE Market Capitalization as at year ended December 31

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|---------|---------|---------|---------|---------|
| Domestic Market Capitalisation (P'Mn) | 35,531 | 43,458 | 46,210 | 50,214 | 46,576 |
| % Change in Domestic Market Capitalisation | 15.8 | 22.3 | 6.3 | 8.7 | (7.3) |
| Foreign Market Capitalisation (P'Mn) | 37,6818 | 373,132 | 371,947 | 370,885 | 374,741 |
| % Change in Foreign Market Capitalisation | (1.1) | (1.0) | (0.3) | (0.3) | 1.1 |
| Total Market Capitalisation (P'Mn) | 412,349 | 416,590 | 418,157 | 421,099 | 421,313 |
| % Change in total Equity Market Capitalisation | 0.2 | 1.0 | 0.4 | 0.7 | 0.1 |
| Total Equity Market Capitalisation/GDP (%) | 366.0 | 331.0 | 295.0 | 289.0 | 265.6 |
| Domestic Equity Market Capitalisation/GDP (%) | 30.0 | 34.0 | 35.0 | 34.0 | 29.6 |
| Total Equity Turnover/Domestic Equity Market Capitalisation (%) | 2.7 | 5.9 | 4.9 | 6.0 | 5.3 |
| Total Equity Turnover/Total Equity Market Capitalisation (%) | 0.2 | 0.6 | 0.5 | 0.37 | 0.6 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 38: Market Capitalization by sector as at year ended December 31

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------------|---------|---------|---------|---------|---------|
| Banking | 16,675 | 19,815 | 17,815 | 17,005 | 14,191 |
| Financial Services & Insurance | 24,561 | 25,959 | 27,088 | 29,222 | 28,968 |
| Retailing & Wholesaling | 6,100 | 8,885 | 11,860 | 13,322 | 10,381 |
| Property & Property Trust | 3,180 | 3,604 | 4,022 | 5,322 | 6,728 |
| Mining & Materials | 359,136 | 355,342 | 354,005 | 352,643 | 355,972 |
| Security Services | 466 | 246 | 299 | 290 | 326 |
| Information Technology | 11 | 0 | 0 | 0 | 1,029 |
| Funeral Services | 157 | 297 | 285 | 0 | 0 |
| Energy | 984 | 1,297 | 1,517 | 1,358 | 1,565 |
| Tourism | 1,080 | 1,145 | 1,265 | 1,938 | 2,148 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 39: Equity Trading Statistic

| EQUITY TRADING | Reporting Period | | | | |
|---------------------|------------------|--------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Volume Traded (Mn) | 410 | 710 | 592 | 803 | 778 |
| Value Traded (P/Mn) | 895 | 2,315 | 2,177 | 3,031 | 2,541 |
| No. of Deals | 6,488 | 12,029 | 11,139 | 12,730 | 13,707 |
| Liquidity Ratio | 2.7 | 5.9 | 4.9 | 6.3 | 5.3 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 40: BSE Indices as at year ended December 31

| LISTING STATUS | Reporting period | | | | |
|----------------|------------------|-------|-------|--------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| DCI | 7,510 | 9,053 | 9,502 | 10,602 | 9,401 |
| FCI | 1,600 | 1,584 | 1,578 | 1,572 | 1,586 |
| LASI | 753 | 761 | 781 | 797 | 786 |
| DFSI | 912 | 1,067 | 1,090 | 1,212 | 1,095 |
| FRSI | 732 | 720 | 729 | 726 | 734 |
| DCFFI | 2,144 | 2,644 | 2,926 | 3,377 | 2,813 |
| DFSFFI | 3,199 | 3,901 | 4,092 | 4,363 | 3,658 |
| LASFFI | 1,892 | 2,315 | 2,575 | 2,980 | 2,659 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 41: Equity Turnover Activity at the BSE

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|------------|--------------|--------------|--------------|--------------|
| Value of Domestic shares traded (P'Mn) | 523 | 1,593 | 2,155 | 1,977 | 2,529 |
| Value of Foreign shares traded (P'Mn) | 371 | 722 | 22 | 1,086 | 12 |
| Total Value Shares Traded (P'Mn) | 895 | 2,315 | 2,178 | 3,032 | 2,541 |
| Percentage Domestic Turnover (%) | 59.0 | 68.8 | 98.0 | 64.2 | 99.5 |
| Percentage Foreign Turnover (%) | 42.0 | 31.2 | 2.0 | 35.8 | 0.5 |
| Total percentage Domestic Turnover (%) | 100 | 100 | 100 | 100 | 100 |
| Domestic Companies Turnover (P'Mn) | 428 | 1,392 | 1,017 | 1,868 | 1,489 |
| Domestic Individuals Turnover (P'Mn) | 95 | 201 | 81 | 73 | 104 |
| Percentage Domestic Companies Turnover (%) | 48 | 59.8 | 47.0 | 62.0 | 59.0 |
| Foreign Equity Turnover | | | | | |
| Foreign Companies Turnover (P'Mn) | 349 | 671 | 1,043 | 1,025 | 910 |
| Foreign Individuals Turnover (P'Mn) | 22 | 41 | 33 | 61 | 33 |
| Percentage Foreign Companies Turnover (%) | 39.0 | 29.0 | 47.9 | 33.8 | 35.8 |
| Percentage Foreign Individuals Turnover (%) | 2.5 | 2.2 | 1.5 | 2.0 | 1.3 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 42: Statistics on Shares issued at the BSE

| SHARES ISSUED | Reporting Period | | | | |
|---|------------------|---------------|---------------|---------------|---------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Domestic shares issued (Mn) | 12,935 | 11,332 | 11,377 | 11,466 | 12,878 |
| foreign shares issued (Mn) | 28 | 199 | 14,117 | 12,383 | 12,799 |
| Total shares issued (Mn) | 12,963 | 11,531 | 25,494 | 23,849 | 25,678 |
| Percentage Domestic shares issued (%) | 99.8 | 98.3 | 44.6 | 48.1 | 50.2 |
| Percentage foreign shares issued (%) | 0.2 | 1.7 | 55.4 | 51.9 | 49.8 |
| Total percentage shares issued | 100 | 100 | 100 | 100 | 100 |
| Shares Traded | | | | | |
| Domestic shares traded (Mn) | 407 | 708 | 577 | 771 | 771 |
| foreign shares traded (Mn) | 3 | 2 | 15 | 32 | 8 |
| Total shares traded (Mn) | 410 | 711 | 592 | 803 | 778 |
| Domestic share traded over domestic shares issued (%) | 3.2 | 6.3 | 5.1 | 7.0 | 6.0 |
| Foreign share traded over foreign shares issued (%) | 11.1 | 1.1 | 0.1 | 0.2 | 0.1 |
| overall percentage shares traded/shares issued | 4.3 | 6.3 | 2.4 | 3.3 | 3.0 |
| Average Daily Equity Turnover / Market Cap | 4 | 9 | 9 | 12 | 10 |
| Total Equity Turnover / Market Cap | 0.2 | 0.6 | 0.5 | 0.7 | 0.6 |
| Price/Earnings Ratio (P/E) | 9.2 | 11.5 | 13.2 | 12.3 | 13.4 |
| Dividend Yield | 4.9 | 4.1 | 2.2 | 4.0 | 4.4 |
| Price/Book Value | 2.5 | 2.7 | 1.9 | 2.2 | 1.8 |
| Earnings/Price (E/P) or Earnings yield | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 43 Secondary Market Bond Trades at the BSE

| ISSUER-TYPE | Amounts (P'Mn) | Reporting Period, Amounts (P'Mn) | | | | |
|-------------|--------------------|----------------------------------|-------|-------|-------|-------|
| | | 2012 | 2013 | 2014 | 2015 | 2016 |
| Government | Turnover | 314 | 95 | 324 | 858 | 448 |
| | Outstanding amount | 5,329 | 6,045 | 6,691 | 6,356 | 8,288 |
| Quasi | Turnover | 0 | 0 | 0 | 0 | 0 |
| | Outstanding amount | 635 | 410 | 410 | 410 | 190 |
| Parastatal | Turnover | 8 | 0 | 0 | 0 | 35 |
| | Outstanding amount | 1,524 | 1,524 | 1,524 | 1,499 | 1,584 |
| Corporate | Turnover | 10 | 0 | 0 | 0 | 2 |
| | Outstanding amount | 997 | 1,272 | 1,494 | 1,788 | 2,165 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

Table 44: Bond Market Indicators - Selected Ratio

| BOND MARKET SELECTED INDICATORS | Reporting Period | | | | |
|--|------------------|-------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Total Debt Turnover (P'Mn) | 332 | 95 | 324 | 858 | 484 |
| Total debt Market Capitalisation (P'Mn) | 8,485 | 9,251 | 10,119 | 10,053 | 12,227 |
| Total debt Turnover/debt Market Capitalisation (%) | 3.9 | 1.0 | 3.2 | 8.5 | 4.0 |
| Debt Turnover /GDP (%) | 0.3 | 0.1 | 0.2 | 0.6 | 0.3 |
| Debt Market Capitalisation/GDP (%) | 7.7 | 7.4 | 0.7 | 6.9 | 7.7 |

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports.

4.4. INVESTMENT INSTITUTIONS

4.4.1 Assets Under Management (“AUM”) In Botswana

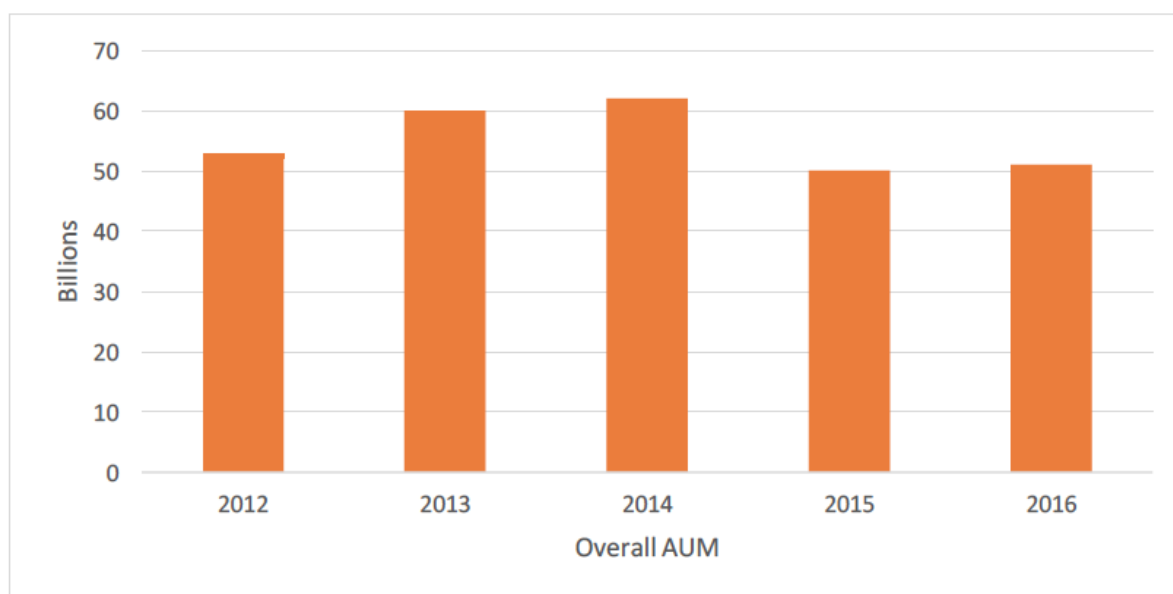
4.4.1.1 Overall CIU and Non-CIU Assets Under Management

Table 45: Total Assets Under Management By Structure

| ASSETS UNDER MANAGEMENT | Reporting Period | | | | |
|--|------------------|----------------|----------------|----------------|----------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Collective Investment Undertakings (CIU) | 3,838,533 | 4,368,173 | 3,747,933 | 6,365,691 | 6,664,987 |
| % market share (CIU) | 7.4 | 7.3 | 6.1 | 12.7 | 14 |
| Discretionary (Non-CIU) | 47,987,931 | 55,692,513 | 57,763,178 | 43,712,028 | 43,852,224 |
| % market share (Non-CIU) | 92.6 | 92.7 | 93.9 | 87.3 | 86 |
| Overall AUM | 51,826,463 | 60,060,686 | 61,511,112 | 50,077,720 | 50,517,211 |
| Total AUM growth (% change from previous year) | 12.3 | 15.9 | 2.4 | (18.6) | 0.9 |

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

Figure 6: Overall AUM of CIU and Non-CIU for the last 5 Years



Source: NBFIRA

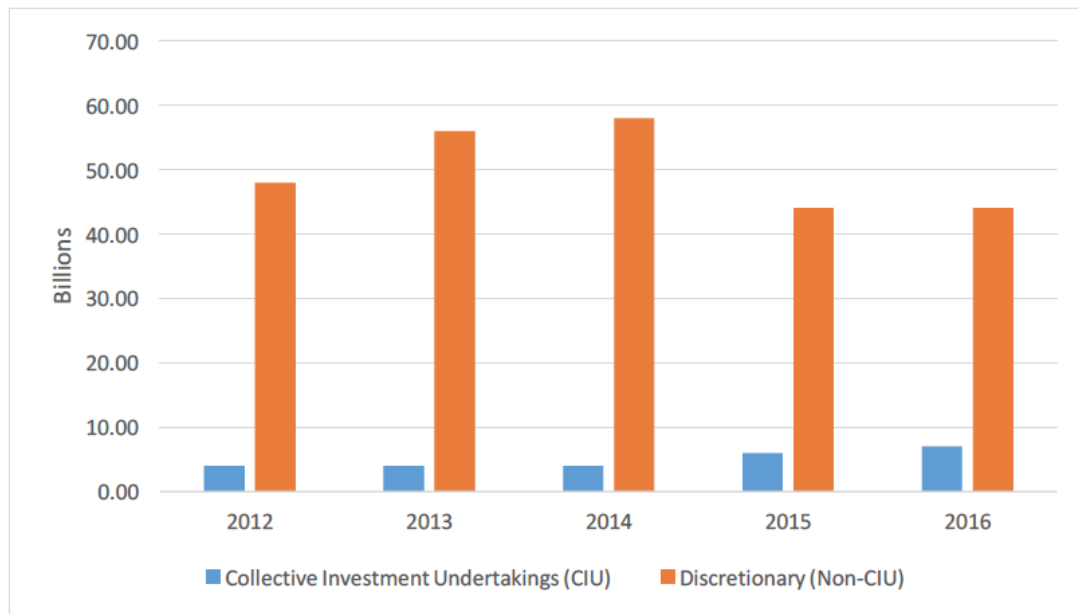
Table 46: Non CIU Assets Breakdown by Type of Client

| NON-CIU CLIENT TYPE | Reporting period | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Institutional- Pension | 43,567,874 | 53,066,337 | 37,078,837 | 37,314,714 | 39,182,839 |
| Market share Institutional - Pension (%) | 90.8 | 92.1 | 64.2 | 85.4 | 89.4 |
| Institutional- Insurance | 2,719,385 | 3,240,141 | 3,504,278 | 3,576,137 | 2,697,573 |
| Market share Institutional- Insurance (%) | 5.7 | 5.6 | 6.1 | 8.2 | 6.2 |
| Institutional – Other | 1,455,544 | 1,052,387 | 16,904,888 | 2,564,738 | 1,683,023 |
| Market share Institutional - Other (%) | 3.0 | 1.8 | 29.3 | 5.9 | 3.8 |
| Individual Private Clients | 245,128 | 273,636 | 275,175 | 256,440 | 9,040 |
| Market share Individuals / Private Clients (%) | 0.5 | 0.5 | 0.5 | 0.6 | 0.02 |

Source: NBFIRA

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

Figure 7: Non CIU Assets Breakdown by Type of Client



Source: NBFIRA

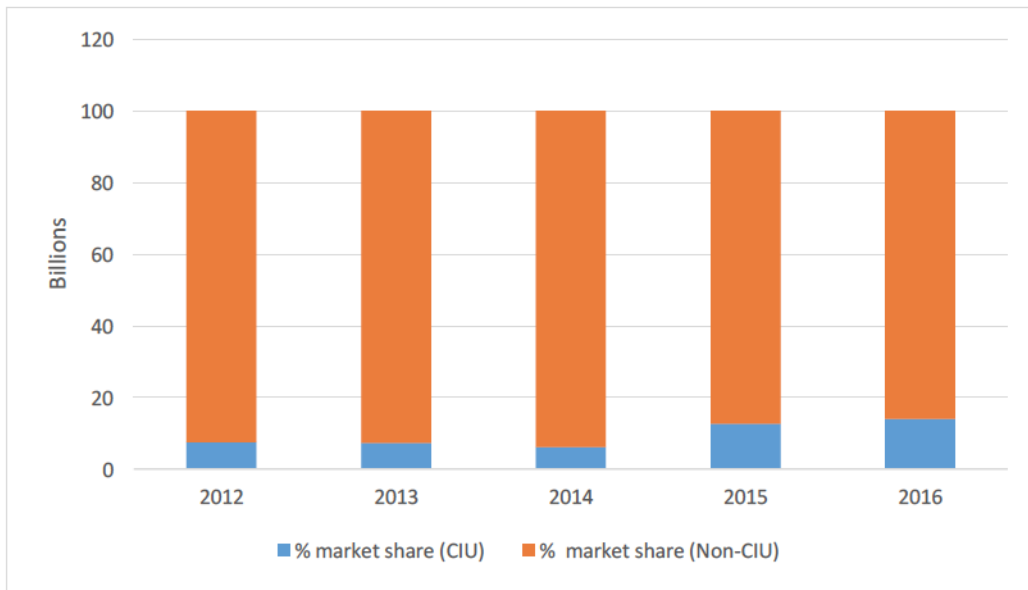
4.4.3 Breakdown of CIU Assets Under Management

Table 47: CIU Assets breakdown by Type of Client

| CIU CLIENT TYPE | Reporting period | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| | 2012 ('000) | 2013 ('000) | 2014 ('000) | 2015 ('000) | 2016 ('000) |
| Institutional- Pension | 358,462 | 1,225,272 | 1,345,035 | 1,149,509 | 1,546,589 |
| Market share Institutional- Pension (%) | 9.3 | 25.9 | 35.9 | 18.1 | 23.2 |
| Institutional- Insurance | 0 | 0 | 0 | 843,541 | 69,902 |
| Market share Institutional- Insurance (%) | 0 | 0 | 0 | 13.3 | 1.04 |
| Institutional – Other | 2,895,010 | 2,701,337 | 1,729,989 | 3,436,142 | 3,037,094 |
| Market share Institutional - Other (%) | 75.4 | 57.1 | 46.2 | 54.0 | 45.6 |
| Individual Private Clients | 585,061 | 804,586 | 672,910 | 936,500 | 5,600 |
| Market Share Individuals / Private Clients (%) | 15.2 | 17.0 | 17.9 | 14.7 | 0.1 |

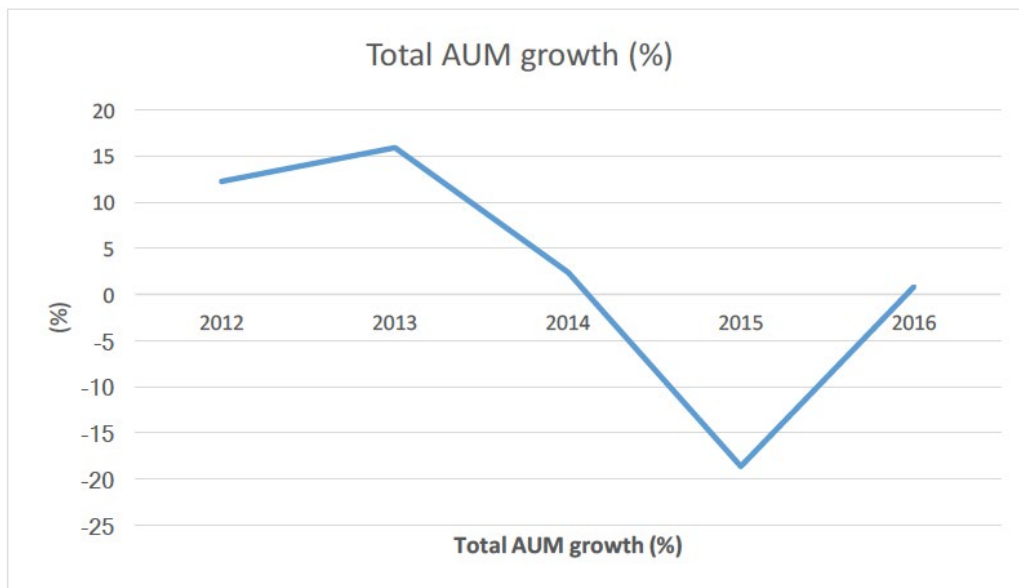
Source: NBFIRA

Figure 8: Overall AUM Market share by Structure (%)



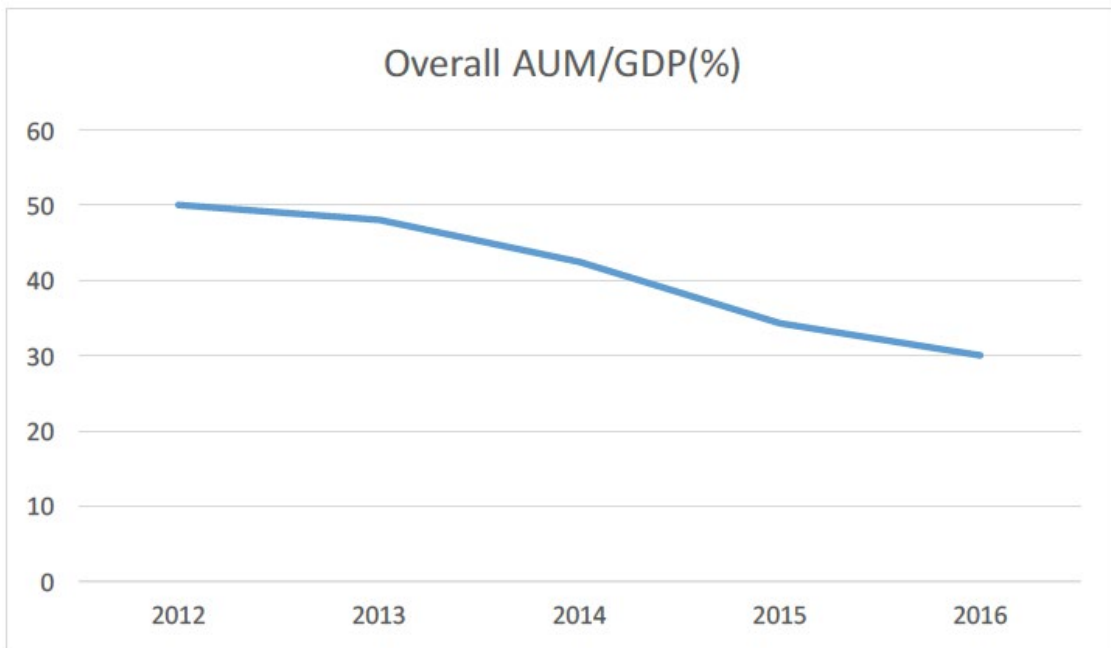
Source: NBFIRA

Figure 9: Overall AUM Growth (%)



Source: NBFIRA

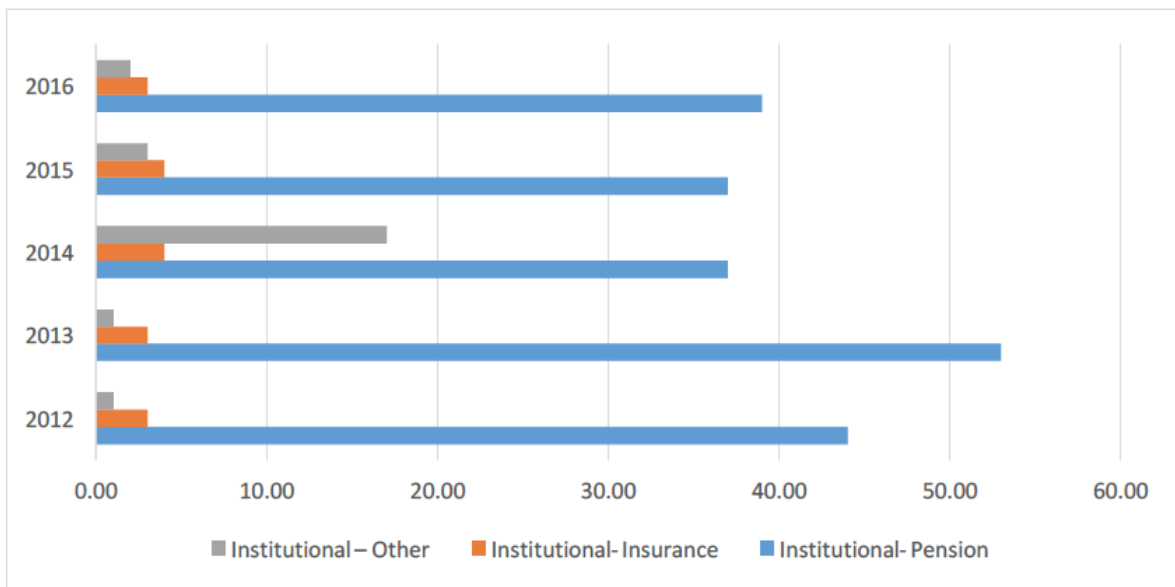
Figure 10: Overall AUM as Percentage of Nominal GDP (%)



Source: NBFIRA

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

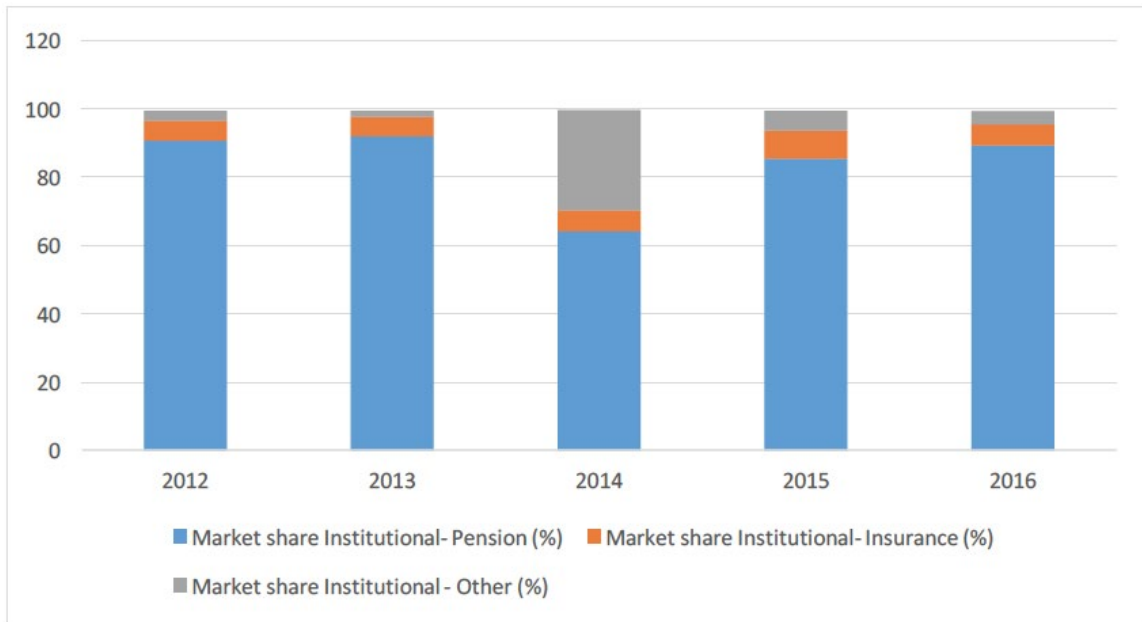
Figure 11: Non CIU AUM by Institutional Clients



Source: NBFIRA

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

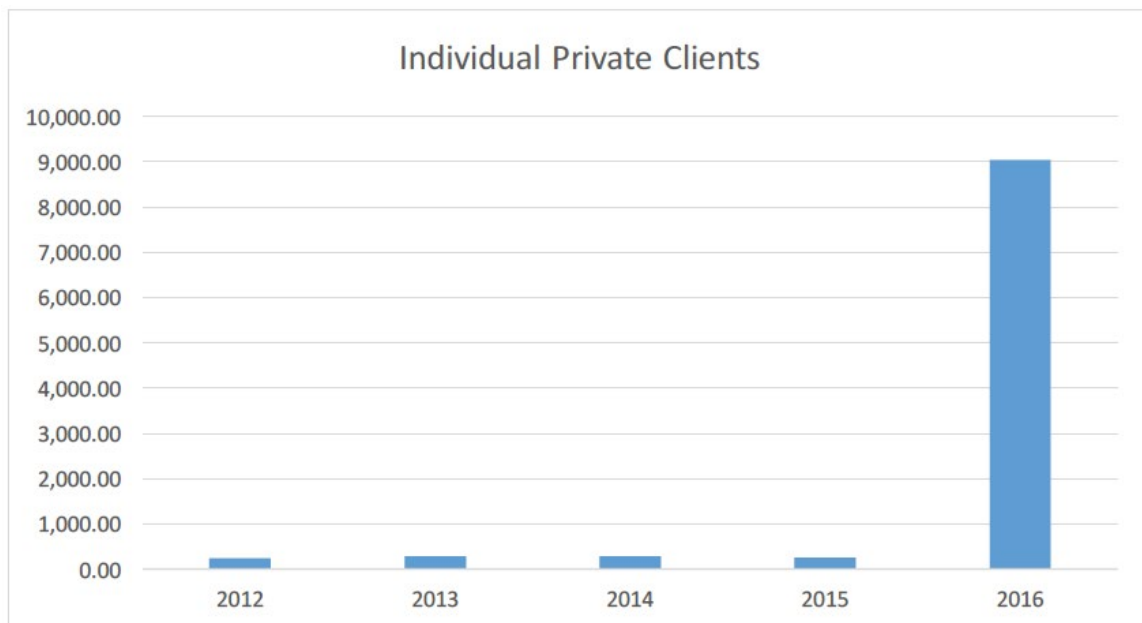
Figure 12: Discretionary (Non CIU) AUM Market share by Institutional Clients



Source: NBFIRA

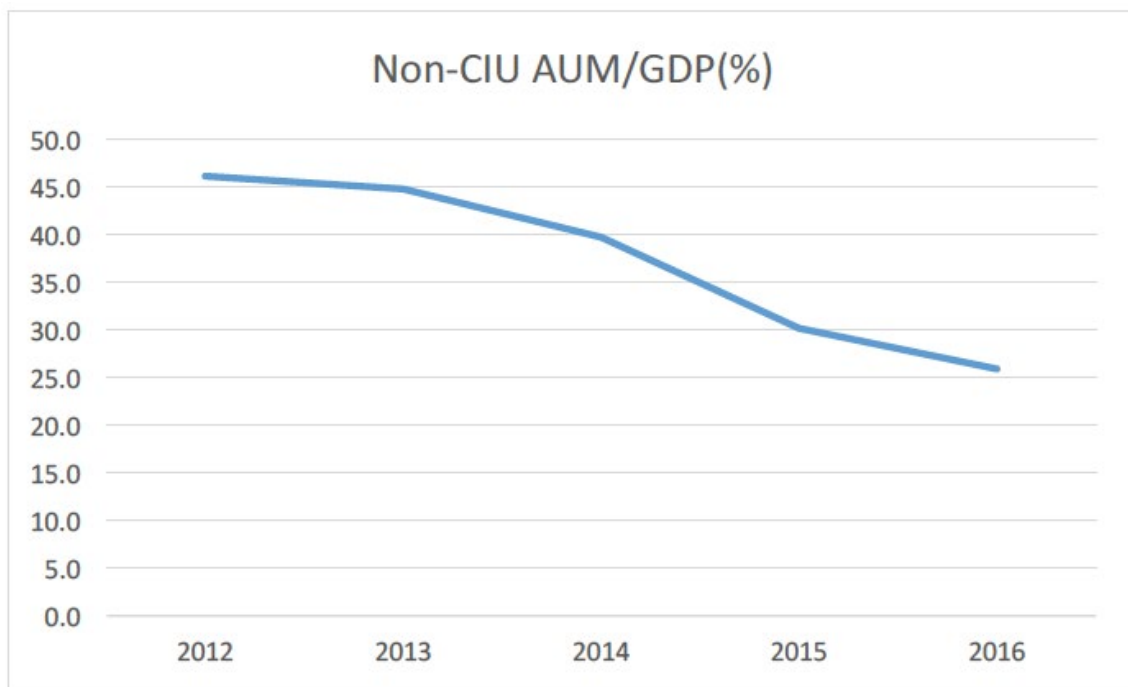
Note: Other Institutional clients' means corporate clients apart from Insurance Funds and Pension Funds

Figure 13: Non CIU AUM by Individuals / Private Client



Source: NBFIRA

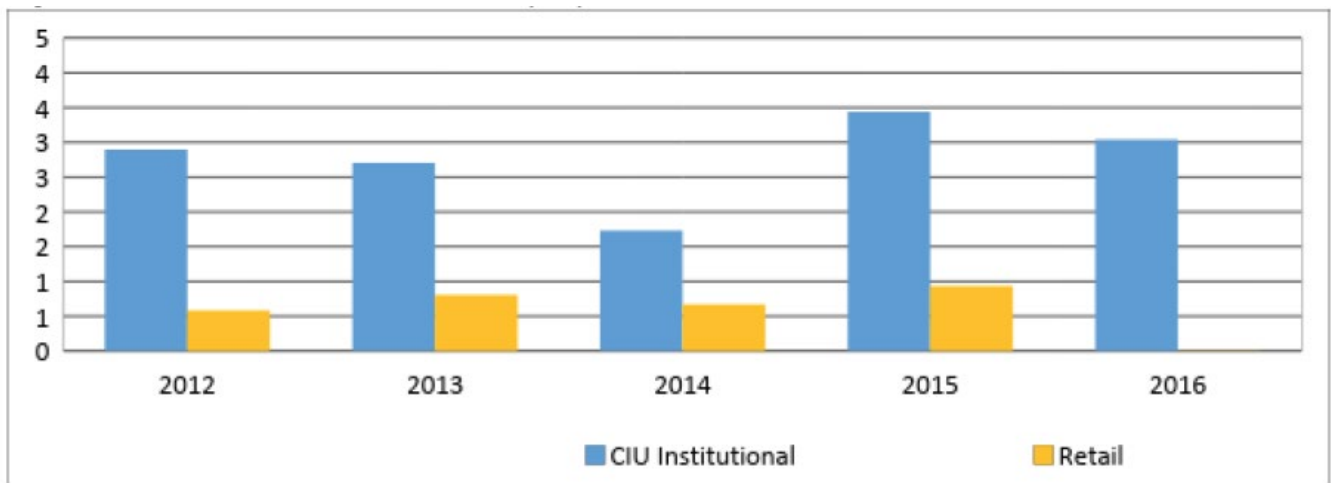
Figure 14: Non CIU AUM as Percentage of Nominal GDP



Source: NBFIRA

4.4.5 Breakdown of CIU Assets Under Management

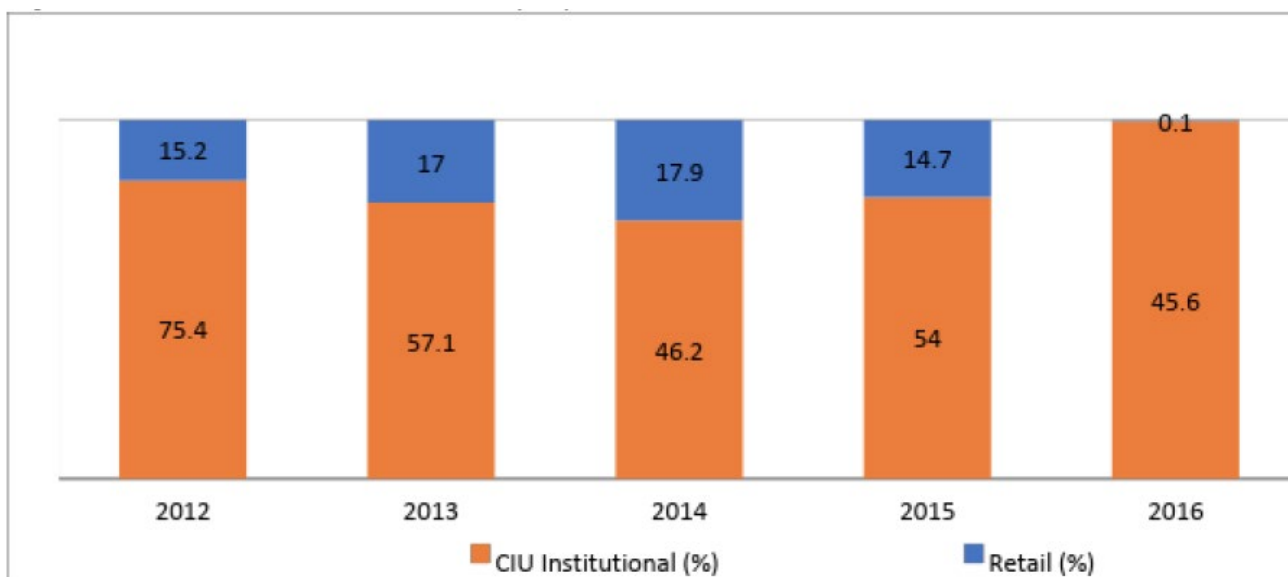
Figure 15: CIU AUM Market share by Type of Client



Source: NBFIRA

Note: Retail means individual/Public investors.

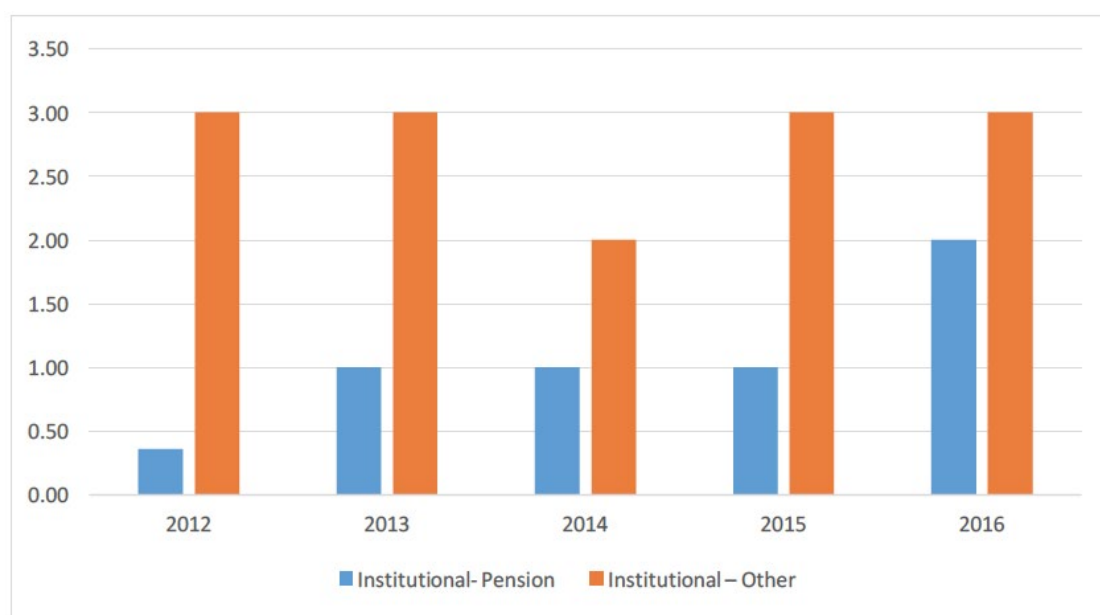
Figure 16: CIU AUM Market share by Type of Client



Source: NBFIRA

Note: Retail means individual/ public investor

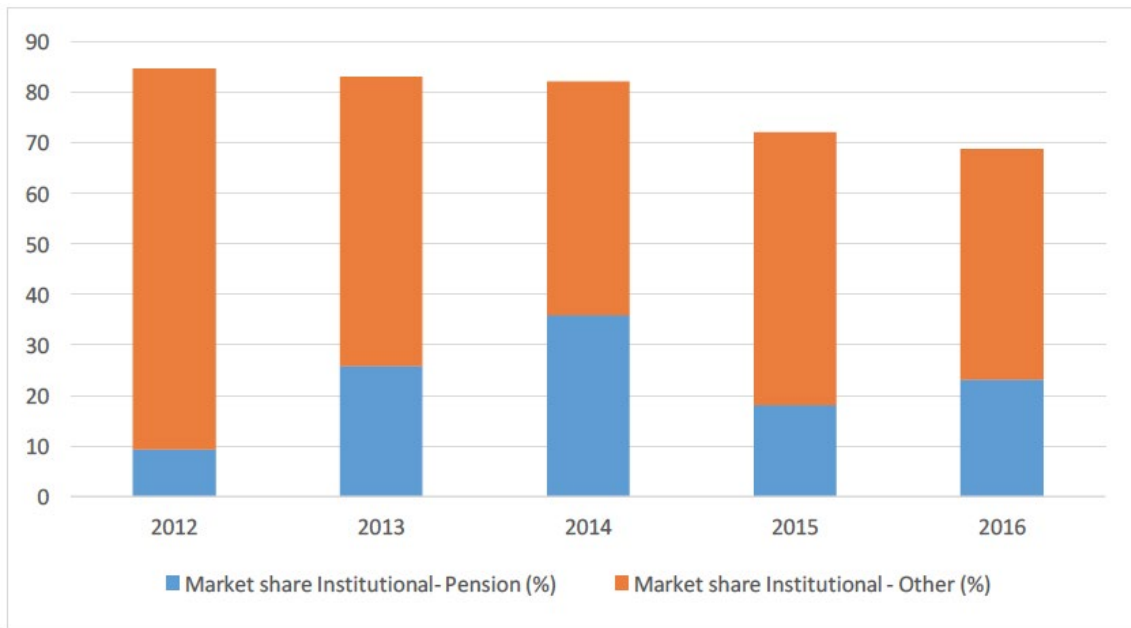
Figure17: Breakdown of CIU AUM by Institutional Clients (BWP Billions)



Source: NBFIRA

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

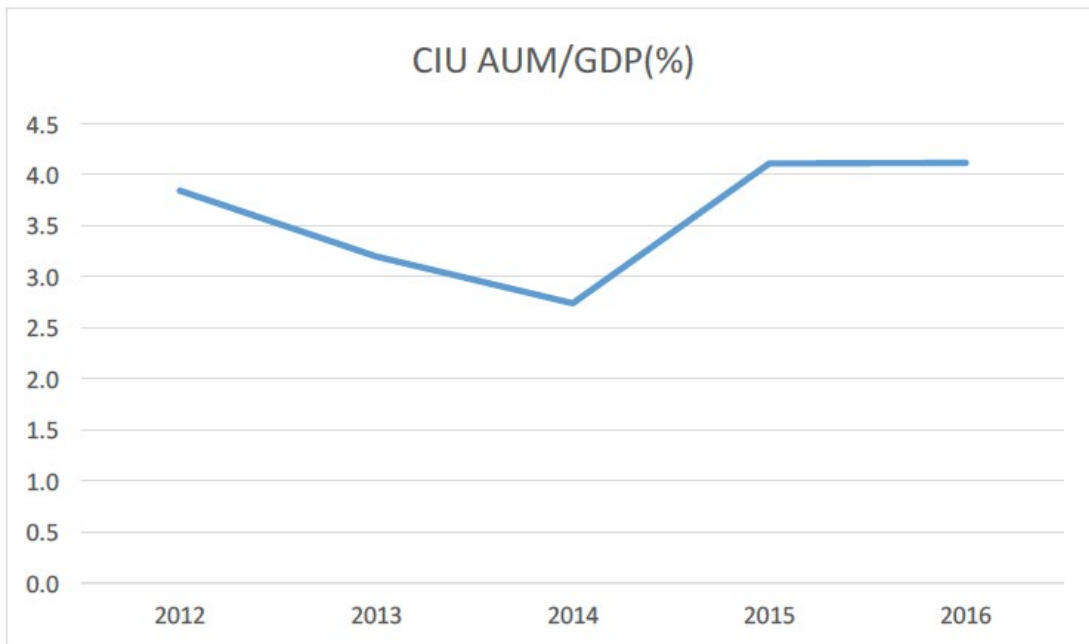
Figure 18: CIU AUM Market share by Institutional Clients



Source: NBFIRA

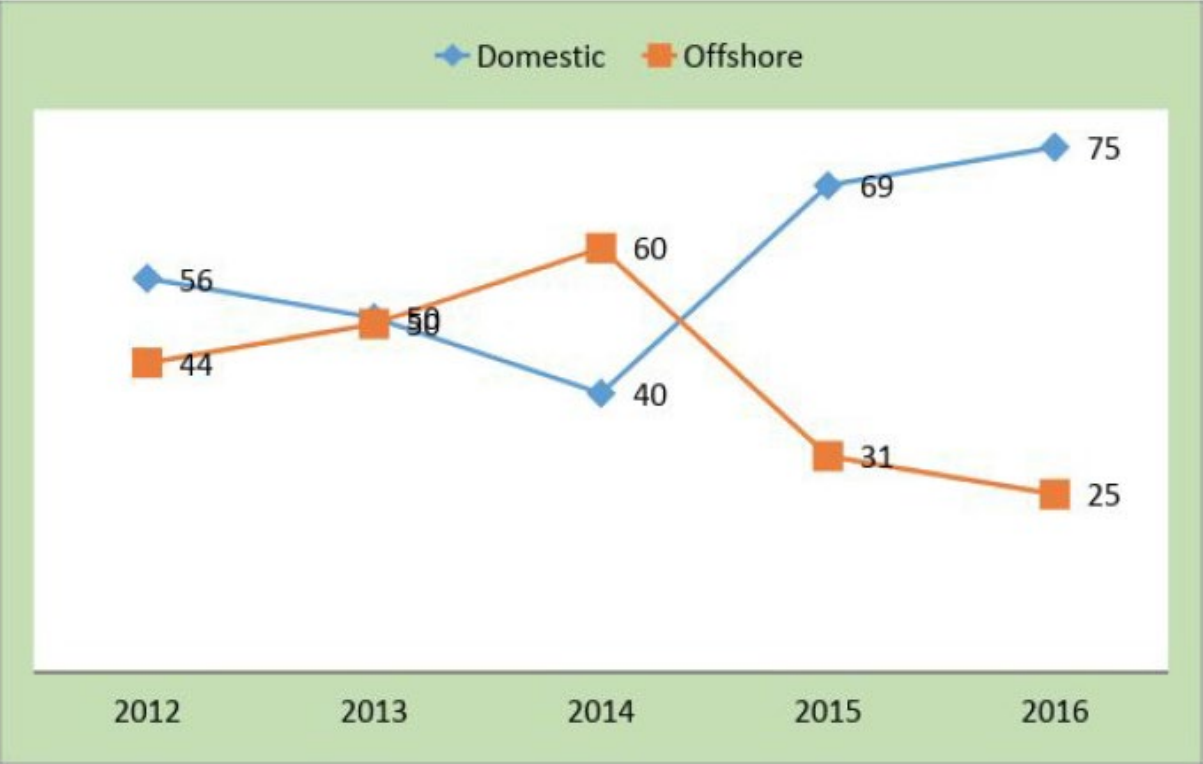
Note: *Other Institutional clients' means corporate clients apart from Insurance Funds and Pension Funds*

Figure 19: CIU AUM as Percentage of Nominal GDP



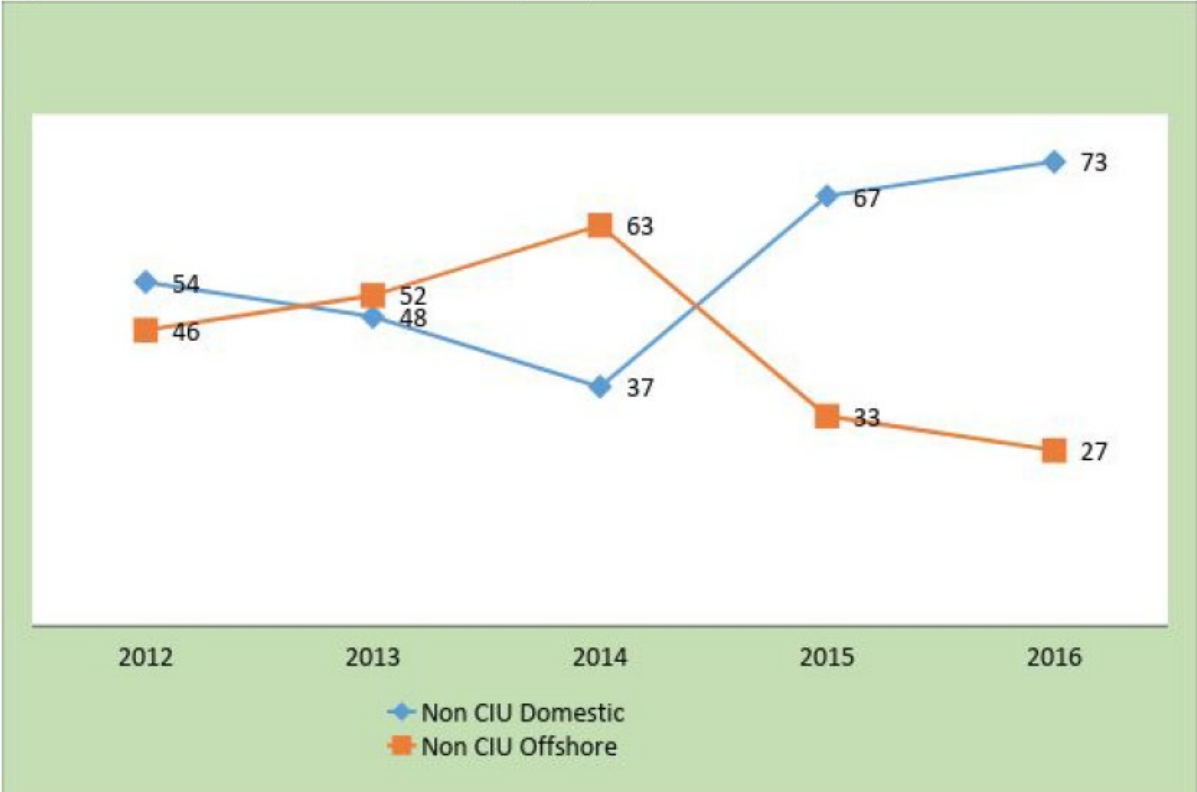
Source: NBFIRA

Figure 20: Overall CIU and Non CIU asset allocation by Region (%)



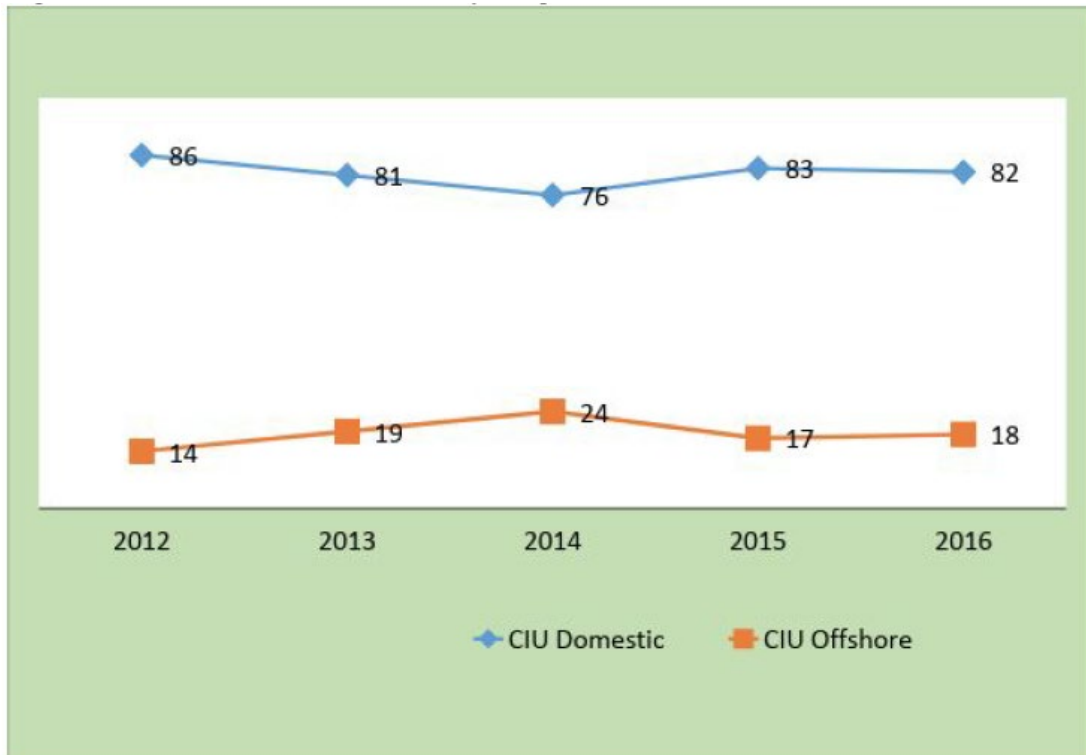
Source: NBFIRA

Figure 21: Non CIU asset allocation by Region (%)



Source: NBFIRA

Figure 22: CIU asset allocation by Region (%)



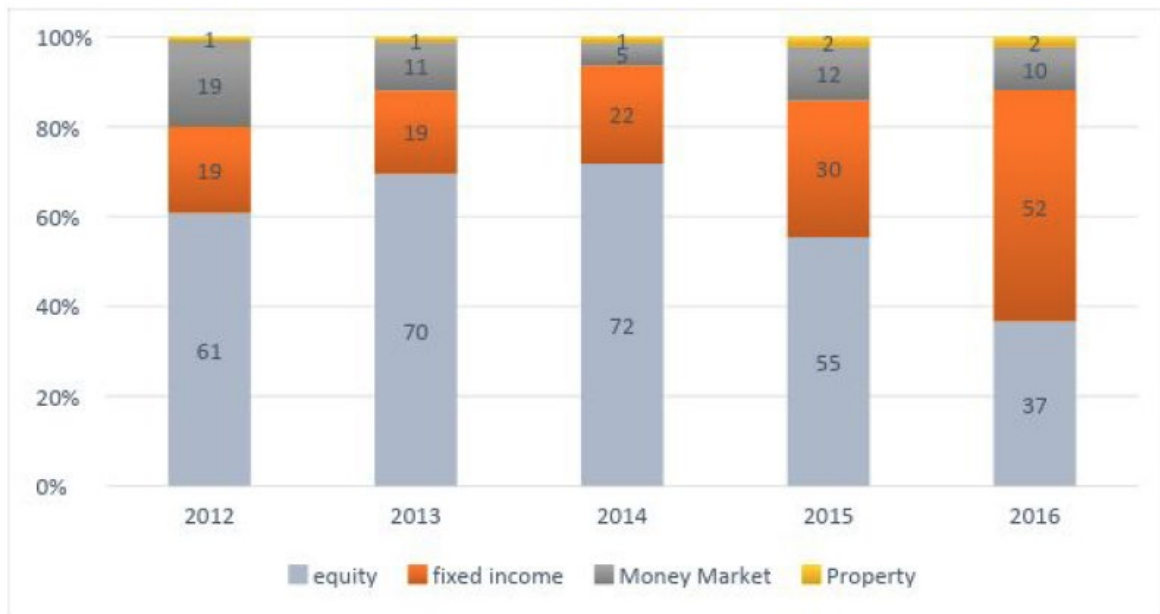
Source: NBFIRA

Figure 23: Overall CIU and Non CIU asset allocation by class/instruments (%)



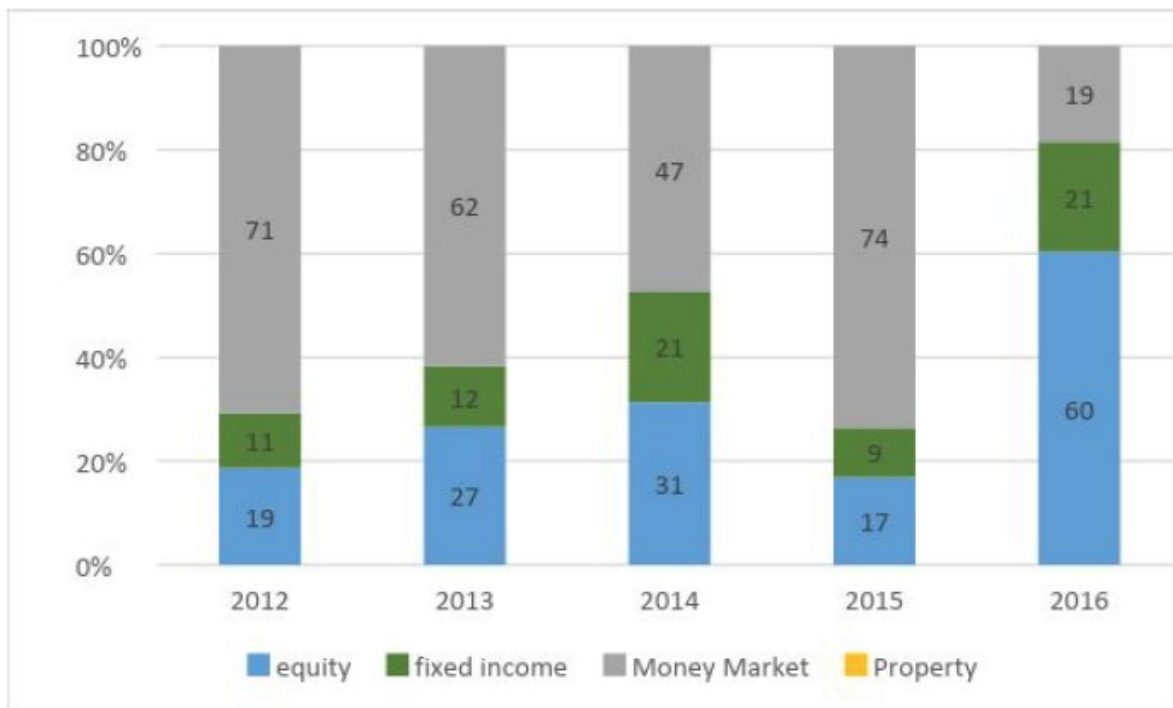
Source: NBFIRA

Figure 24: Non CIU asset allocation by class/instruments (%)



Source: NBFIRA

Figure 25: CIU asset allocation by class/instruments (%)



Source: NBFIRA

4.4.6 Overall CIU and Non CIU Asset Allocation.

Table 48: Overall CIU and Non CIU asset allocation by Region ('000)

| NON CIU ASSETS | Domestic | Offshore | TOTAL |
|-----------------------|-----------------|-----------------|-------------------|
| 2012 | 27,525,598 | 23,686,405 | 51,212,003 |
| 2013 | 28,856,517 | 30,843,622 | 59,700,139 |
| 2014 | 22,325,365 | 37,402,879 | 59,728,245 |
| 2015 | 29,267,913 | 14,286,078 | 43,553,990 |
| 2016 | 26,254,251 | 9,932,208 | 36,186,459 |
| CIU ASSETS | Domestic | Offshore | TOTAL |
| 2012 | 3,295,449 | 533,303 | 3,828,752 |
| 2013 | 3,296,996 | 761,949 | 4,058,945 |
| 2014 | 2,840,814 | 879,680 | 3,720,494 |
| 2015 | 5,408,432 | 1,115,306 | 6,523,738 |
| 2016 | 8,656,751 | 1,905,110 | 10,561,862 |
| OVERALL ASSETS | Domestic | Offshore | TOTAL |
| 2012 | 30,821,047 | 24,219,708 | 55,040,755 |
| 2013 | 32,153,514 | 31,605,570 | 63,759,084 |
| 2014 | 25,125,834 | 38,282,359 | 63,408,193 |
| 2015 | 34,676,345 | 15,401,384 | 50,077,279 |
| 2016 | 34,911,003 | 11,837,319 | 46,748,322 |

Source: NBFIRA

Table 49: Overall CIU and Non CIU asset allocation by class/instrument (P'000)

| NON CIU ASSETS | Equity | fixed income | Money Market | Property | Unallocated Funds | TOTAL |
|-----------------------|---------------|---------------------|---------------------|-----------------|--------------------------|-------------------|
| 2012 | 31,116,445 | 9,857,561 | 9,703,383 | 534,614 | - | 51,212,003 |
| 2013 | 41,510,058 | 11,066,687 | 6,393,712 | 729,681 | - | 59,700,139 |
| 2014 | 42,874,162 | 13,062,547 | 2,983,505 | 808,030 | - | 59,728,244 |
| 2015 | 21,012,053 | 11,540,363 | 4,496,480 | 860,471 | 5,644,624 | 37,909,366 |
| 2016 | 13,173,408 | 18,549,295 | 3,442,676 | 832,880 | 188,200 | 35,998,259 |
| CIU ASSETS | Equity | fixed income | Money Market | Property | Unallocated Funds | TOTAL |
| 2012 | 716,189 | 403,534 | 2,709,028 | 0 | - | 3,828,752 |
| 2013 | 1,079,375 | 475,392 | 2,504,178 | 0 | - | 4,058,945 |
| 2014 | 1,166,734 | 788,982 | 1,764,809 | 0 | - | 3,720,494 |
| 2015 | 1,037,952 | 580,823 | 4,517,268 | 0 | 387,695 | 6,136,043 |
| 2016 | 6,376,473 | 2,229,733 | 1,955,149 | 0 | (792,503) | 11,354,365 |
| OVERALL ASSETS | Equity | fixed income | Money Market | Property | Unallocated Funds | TOTAL |
| 2012 | 31,832,634 | 10,261,095 | 12,412,411 | 534,614 | - | 55,040,755 |
| 2013 | 42,589,433 | 11,542,078 | 8,897,890 | 729,681 | - | 63,759,084 |
| 2014 | 44,040,896 | 13,851,529 | 4,748,313 | 808,030 | - | 63,408,393 |
| 2015 | 22,050,005 | 12,121,186 | 9,013,746 | 860,471 | - | 50,077,279 |
| 2016 | 19,549,881 | 20,779,028 | 5,397,825 | 1,625,890 | - | 46,748,322 |

Source: NBFIRA

Note: The 2016 values are based on market values while figures from 2014 and below are based on book values

4.5. LENDING ACTIVITIES

4.5.1 Overview

Table 50: Geographical spread of NBFIRA registered Micro Lenders (318) as at December 2016

| LOCATION | NO. OF MICRO LENDERS | | y-o-y Change (%) | LOCATION | NO. OF MICRO LENDERS | | y-o-y Change (%) |
|---------------|----------------------|------------|---------------------|-------------------|----------------------|-----------|---------------------|
| | 2015 | 2016 | | | 2015 | 2016 | |
| | URBAN | | | SEMI-URBAN | | | |
| Gaborone | 112 | 132 | 18 | Maun | 6 | 14 | 133 |
| Francistown | 30 | 47 | 57 | Lethakane | 10 | 19 | 90 |
| Orapa | 0 | 2 | 2 | Bobonong | 0 | 1 | 100 |
| Selebi Phikwe | 11 | 15 | 36 | Ghanzi | 1 | 3 | 200 |
| Jwaneng | 8 | 13 | 63 | Serowe | 2 | 5 | 150 |
| Sowa Town | 0 | 1 | 100 | Moshupa | 1 | 2 | 100 |
| Lobatse | 3 | 3 | 0 | Palapye | 8 | 15 | 88 |
| Total | 164 | 213 | 30 | Mahalapye | 3 | 4 | 33 |
| | RURAL | | | Ramotswa | 1 | 1 | 0 |
| Masunga | 1 | 3 | 200 | Mochudi | 2 | 6 | 200 |
| Gabane | 0 | 2 | 200 | Molepolole | 3 | 3 | 0 |
| Rakops/Mopipi | 0 | 2 | 200 | Kanye | 3 | 8 | 167 |
| Kopong | 0 | 1 | 200 | Tutume | 1 | 0 | (100) |
| Mmadinare | 1 | 3 | 200 | Tonota | 0 | 1 | 100 |
| Manyana | 0 | 1 | 100 | Total | 42 | 84 | 100 |
| Kasane | 1 | 3 | 200 | | | | |
| Maunatlala | 1 | 1 | 0 | | | | |
| Shakawe | 1 | 2 | 100 | | | | |
| Thamaga | 0 | 1 | 100 | | | | |
| Lerala | 0 | 1 | 100 | | | | |
| Tsabong | 0 | 1 | 100 | | | | |
| Total | 5 | 21 | 320 | | | | |

Source: NBFIRA

Table 51: Geographical Spread of Pawnshops (80),2016

| LOCATION | NO. OF PAWNSHOPS | | y-o-y Change (%) | LOCATION | NO. OF PAWNSHOPS | | y-o-y Change (%) |
|---------------|------------------|-----------|---------------------|--------------|-------------------|-----------|---------------------|
| | 2015 | 2016 | | | 2015 | 2016 | |
| | URBAN | | | | SEMI-URBAN | | |
| Gaborone | 31 | 46 | 48 | Lethakane | 1 | 1 | 0 |
| Francistown | 7 | 13 | 86 | Serowe | 2 | 2 | 0 |
| Lobatse | 1 | 1 | 0 | Kasane | 0 | 1 | 100 |
| Jwaneng | 1 | 1 | 0 | Ramotswa | 1 | 1 | 0 |
| Selebi Phikwe | 2 | 1 | (50) | Maun | 3 | 4 | 33 |
| Total | 42 | 62 | 48 | Mahalapye | 1 | 2 | 100 |
| | RURAL | | | Palapye | 3 | 5 | 67 |
| Seleka | 1 | 1 | 0 | Total | 11 | 16 | 45 |
| Otse | 1 | 1 | 200 | | | | |
| Total | 2 | 2 | 0 | | | | |

Source: NBFIRA

Table 52: Geographical Spread of Finance & Leasing (23), 2016

| Location | No. Of Finance & Leasing Companies | | y-o-y Change (%) | Location | No. Of Finance & Leasing Companies | | y-o-y Change (%) |
|----------|------------------------------------|------|---------------------|--------------|------------------------------------|----------|---------------------|
| | 2015 | 2016 | | | 2015 | 2016 | |
| | URBAN | | | | SEMI-URBAN | | |
| Gaborone | 8 | 22 | 175 | Palapye | 1 | 0 | (100) |
| | | | | Molepolole | 2 | 2 | 0.0 |
| | | | | Total | 2 | 1 | 100 |

Source: NBFIRA

Table 53: Registered Micro Lenders By Citizenship

| Number of Registered Micro Lenders | | |
|------------------------------------|------------|------------|
| | 2015 | 2016 |
| Citizens | 148 | 184 |
| Non - Citizen | 59 | 96 |
| Total | 207 | 280 |

Source: NBFIRA



3rd Floor Exponential Building
Plot 54351 New CBD, Off PG Matante Road Gaborone
Private Bag 00314, Gaborone Botswana
Tel: +267 3102595/ 3686100
Facsimile +267 3102376
Website: www.nbfira.org.bw