

Non-Bank Financial Institutions Regulatory Authority



2018 Annual Statistical Bulletin

Fifth Edition: Volume 1

2018

Annual
Statistical
Bulletin

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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, policy makers, 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(3)):

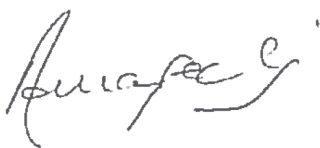
- (i) Disclose a summary or collection of information that is prepared so that information relating to any particular person cannot be found from it;
- (ii) Disclosure of the name of a licensed financial institution;
- (iii) Disclosure of the address where a financial institution carry-on business;
- (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 I of The **2018 Annual Statistical Bulletin** is the fifth 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, 2017. The 2018 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, in particular Statistics Botswana, as well as other authorities and 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 document and shall not be liable for any loss or damage (including, without limitation, damages for loss of business or loss of profits) arising in contract, tort or otherwise suffered by any person/entity relying on the information contained in this Statistical Bulletin or arising from any shortcoming, defect or inaccuracy, through inadvertence or otherwise.

The contents of this Statistical Bulletin are meant for information purposes only. The statistics collected through Statutory Returns and other submissions have been prepared as a general overview. The Non-Bank Financial Institutions Regulatory Authority is in no way whatsoever providing financial or other professional advice through this Statistical Bulletin and none of its contents should be interpreted or relied on as such.

Any discrepancy may be brought to the notice of the Regulatory Authority through [email: info@nbfira.org.bw](mailto:info@nbfira.org.bw). The Non-Bank Financial Institutions Regulatory Authority reserves the right to revise / amend any information published in this Statistical Bulletin.

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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 2018 NBFIRA Annual Statistical Bulletin presents data submitted for the year-ending December 31, 2017, and is compared to the recent five-year period.

Reporting Currency

All figures are in the Botswana Pula (BWP) and as at December 31, 2017 1BWP = 0.1013 USD or 1USD = 9.87 BWP.

1.2 Selected Economic Indicators

1.2.1 Economic Growth

The world economic growth increased to 3.8 % in 2017, from 3.2 % in 2016. Global growth was mainly due to increased demand, improving labour markets and recovery in commodity prices. Global economic expansion is expected to spill over to 2018 and is forecast at 3.9% as advanced economies continue to expand above their potential, and emerging markets and developing economies growth benefits from favourable financial conditions.

Botswana's real GDP growth rate registered a 2.4 % increase in 2017, compared to a growth rate of 4.2% in 2016, and remained below the targeted 7 percent growth rate (as per the SADC financial and investment protocol). While all sectors in the economy experienced positive growth, overall economic growth was restrained by a contraction in mining production. Nonetheless, the mining sector is expected to recover, resulting in anticipated growth in the domestic economy in 2018.

1.2.2 Prices and Inflation

Domestic inflation rate was low on average in 2017, fluctuating around the lower bound of the inflation objective range of 3-6%. Inflation averaged 3.3% in 2017, a slight increase from 2.8% in 2016. These price developments were characterized by both moderate domestic demand pressures and benign external price pressures.

The financial market conditions in 2017 were favorable, as supported by low inflation, and consequently, accommodative monetary policy stance. The Bank rate (the rate at which commercial banks borrow from the central bank) was reduced by 50 basis points to 5% in 2017 from 5.5% in 2016. Given expected lower inflation for Botswana compared to forecast inflation for trading partner countries, the nominal effective exchange rate annual rate was implemented at an upward rate of crawl of 0.26% in 2017.

Table I: Global Economic Growth (Real GDP and Inflation - % Annual Growth)

REGION	2013	2014	2015	2016	2017
Real GDP					
Euro Area	(-0.2)	1.3	2.1	1.8	2.3
Emerging Markets	5.1	4.7	4.3	4.4	4.8
Sub Saharan Africa	5.3	5.1	3.4	1.4	2.8
Developing Asia, of which:	6.9	6.8	6.8	6.5	6.5
China	7.8	7.3	6.9	6.7	6.9
India	6.4	7.4	8.2	7.1	6.7
World Output	3.5	3.6	3.5	3.2	3.8
Inflation					
Euro Area	0.8	(-0.2)	0.2	1.1	1.4
Emerging Markets	5.0	4.7	4.7	4.2	4.3
Sub Saharan Africa	6.1	6.1	8.1	12.5	10.3
Developing Asia	4.3	3.1	2.7	2.7	2.8
World Inflation	3.3	2.9	2.8	3.0	3.2

Source: IMF World Economic Outlook Report

1.3 Selected Economic Indicators for Botswana

Table 2 Selected Economic Indicators for Botswana

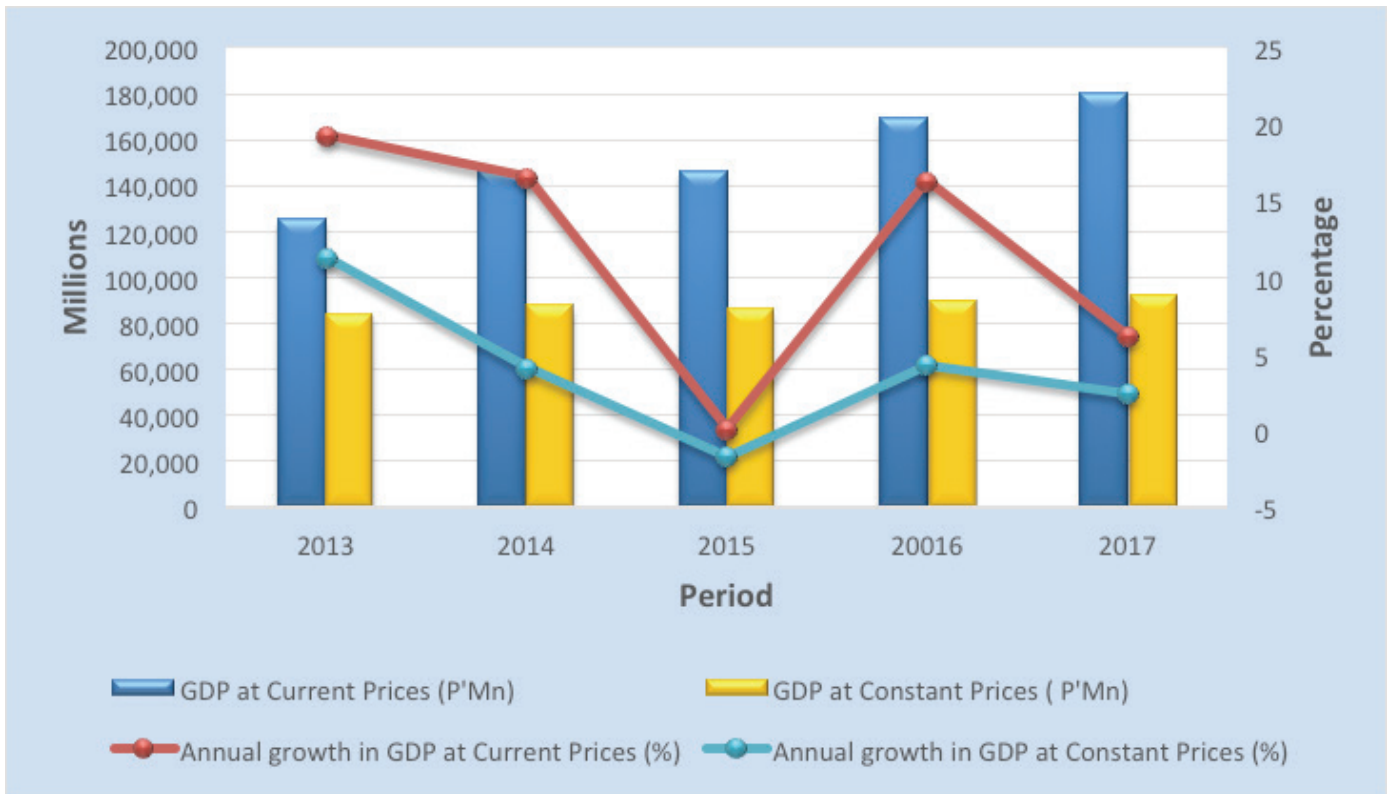
ECONOMIC INDICATORS		2013	2014	2015	2016	2017
S/N	Gross Domestic Product					
1	GDP at Current Prices (Pula, Millions) *1	125,158	145,868	145,923	170,590	180,113
2	Annual Growth at current price (%)	19.2	16.5	0.03	16.9	6.1
3	GDP at Constant Prices (Pula, Millions) *2	84,081	87,569	86,081	89,797	91,917
4	Annual Growth at Constant Price (%)	11.3	4.1	(-1.7)	4.3	2.4
	GDP Per Capita					
5	GDP Per Capita at Current Prices (Pula, Millions)	59,314	67,868	66,822	76,852	79,908
6	Annual GDP Per Capita Growth at Current Prices (%)	11.7	14.4	(-1.5)	15.0	4.0
7	GDP Per Capita at Constant Prices (Millions)	39,847	40,743	39,381	40,455	40,779
8	Annual GDP Per Capita Growth at Constant Prices (%)	11.6	2.2	(-3.3)	2.7	0.8
	GDP by End Use at Constant Price (%)					
9	Government Final Consumption	20.1	20.4	4.6	21.3	20.7
10	Household Final Consumption	48.3	48.1	51	50.6	50.2
11	Changes in Inventories	4.3	(3.5)	7.5	(1)	(0.6)
12	Gross Fixed Capital Formation	32.8	33.9	36.3	36.0	31.5
13	Gross Domestic Expenditure	106.0	98.9	116.5	106.9	101.9
14	Total Exports (Goods and Services)	52.9	56.6	41.1	48.6	41.6
15	Total Imports (Goods and Services)	(60.1)	(54.1)	(57.1)	(52.3)	(41.7)
	Foreign Currency Per 1 Pula (end of period)					
16	USD	0.1147	0.1051	0.089	0.0939	0.1013
17	GBP	0.0696	0.0675	0.06	0.0765	0.0736
18	EURO	0.0832	0.0865	0.0814	0.0891	0.0848
19	JPY	12.02	12.58	10.72	10.95	11.42
20	ZAR	1.1963	1.2169	1.383	1.2792	1.2563
	Inflation (%)					
21	Consumer Price Index (ave)	5.9	4.4	3.0	2.8	3.3
22	Consumer Price Index (eop)	4.1	3.7	3.1	3.0	3.2
23	Interest Rates (End of Period)					
24	Bank Rate	7.5	7.5	6.0	5.5	5.0
25	Prime Lending Rate	9.0	9.0	7.5	7	6.5

NOTE *1: 2016 Nominal GDP figure has been revised to 170,590

NOTE *1: 2016 Real GDP figure has been revised to 89,797

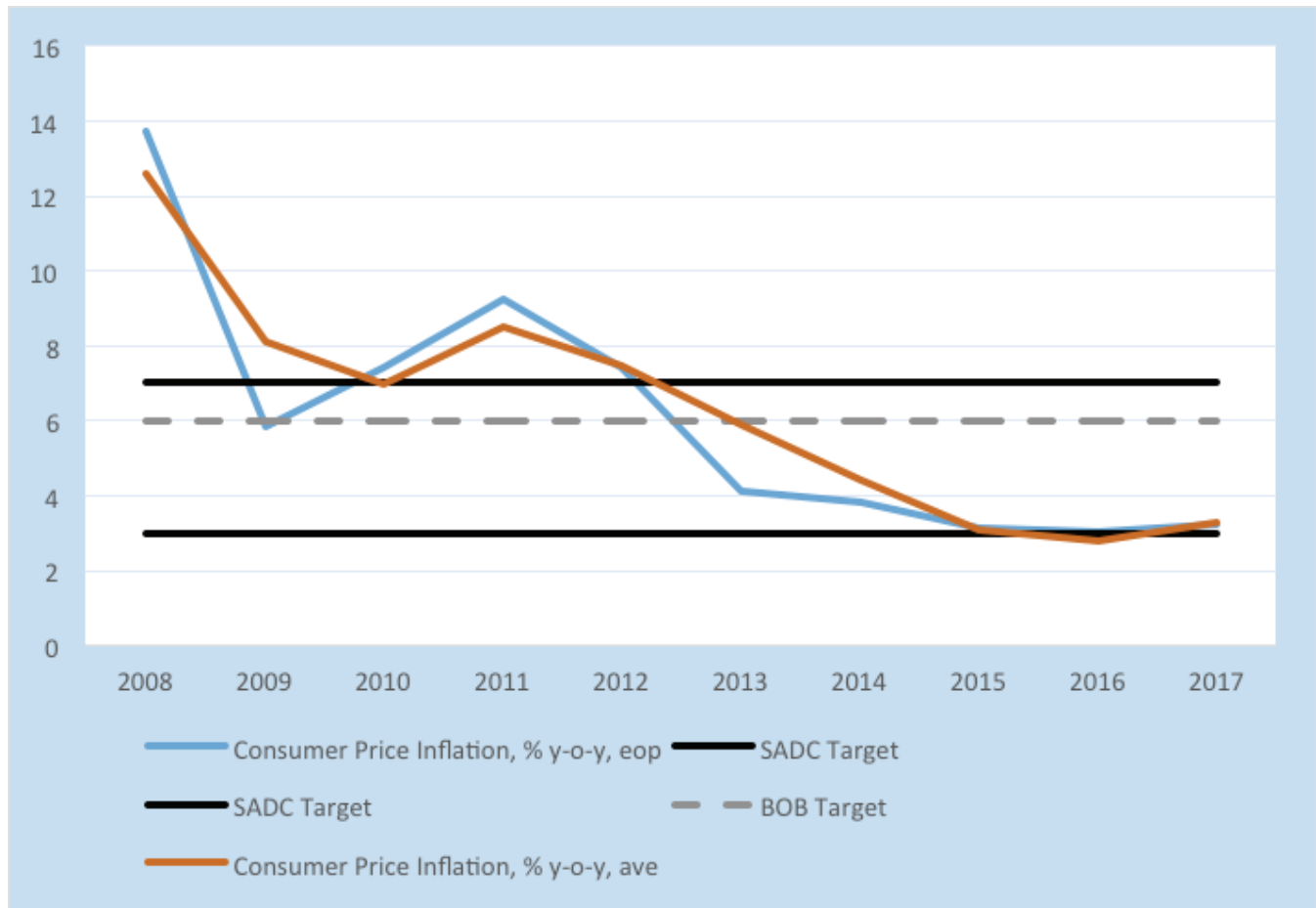
ECONOMIC INDICATORS						
		2013	2014	2015	2016	2017
	Government Revenue and Expenditure					
26	General Government Revenue (Pula, Millions)	41,658	48,951	55,904	47,420	57,398
27	Total Government Revenue (% of GDP)	33.5	34.4	38.4	27.8	31.9
28	Total Government Expenditure (Pula, Millions)	40,736	41,730	50,564	54,411	56,275
29	Total Government Expenditure (% of GDP)	32.8	29.3	34.7	32.1	31.2
30	Total Government Deficit/Surplus (Pula, Millions)	922	7,222	5,340	(6,991)	1,124
31	Total Government Deficit/Surplus (% of GDP)	0.7	5.1	3.7	4.1	0.6
32	Total Government Debt and Guarantees (Pula, Millions)	29,437	29,979	33,131	35,342	36,864
33	Total Government Debt and Guarantees (% of GDP)	23	22.7	22.8	21.9	20.5
34	Current Account Balance	9,549	19,260	8,233	23,389	22,234
35	Current Account Balance (% of GDP)	9.4	15.6	7.8	11.7	12.3
36	Merchandise Exports (Pula, Millions)	66,564	76,448	63,693	80,260	61,406
37	Merchandise Exports Growth (% Change)	50	14.8	(17.8)	9.1	(23.5)
38	Merchandise Imports (Pula, Millions)	67,280	69,617	70,281	63,998	51,784
39	Merchandise Imports Growth (% Change)	12.8	4.1	1.5	(-9.2)	(-19.1)
40	Merchandise Trade (Pula, Millions)	(716)	6,331	6,558	16,262	9,622
41	Trade Balance (% of GDP)	(1.9)	3.2	6.2	2.0	5.3
	Labour Markets					
42	Government (Central & Local excluding Ipelegeng)	130,175	129,918	130,220	128,279	129,009
43	Parastatals	18,838	18,790	19,411	19,101	19,444
44	Private Sector	189,894	191,399	191,484	197,110	193,745

Figure I: Botswana's Nominal and real GDP Growth



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

Figure 2: Botswana's Inflation Trends (%)



Source: Statistics Botswana, Business Monitor international (BMI)

1.4 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)[1]
	INSURANCE	
1	Insurance Agent	(i)
2	Insurance Broker	(j)
3	An Insurer	(k)
4	International Insurance Firm	(l)
5	A medical aid fund	(v)
	RETIREMENT FUNDS	
6	An Administrator of a Retirement Fund	(b)
7	A friendly Society	(h)
8	A Retirement Fund	(q)
	CAPITAL MARKETS	
9	An Asset Manager	(a)
10	A central counterparty	(c)
11	A central securities depository	(d)
12	A Custodian	(f)
13	Investment Advisor	(m)
14	A Management Company for a Collective Investment Under-taking	(n)
15	A market maker	(o)
16	A Securities Dealer / Broker	(r)
17	A Securities Exchange	(s)
18	A transfer agent or transfer secretary	(t)
19	A Securities Institution	(x)
20	A Collective Investment Undertaking (CIU)	
	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

I.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	2013	2014	2015	2016	2017
Insurance Industry	2,790	2,874	2,891	2,560	2,716
Reinsurance Companies	3	3	3	3	3
Short Term Insurance Companies	11	11	12	12	12
Long Term Insurance Companies	9	9	9	9	9
Medical Aids Funds (MAFs)	9	9	9	9	10
Insurance Brokers	44	44	46	41	51
Insurance Corporate Agents	191	191	205	194	161
Representatives	2,523	2,607	2,607	2,292	2,470
Retirement Funds	99	95	93	89	89
Stand Alone Funds	92	87	86	82	81
Umbrella Funds	5	6	5	5	5
Fund Administrators	2	2	2	2	3
Capital Markets	170	148	137	142	66
Of which:					
Stock Exchange	1	1	1	1	1
Central Securities Depository	1	1	1	1	1
Stockbrokers/Securities Dealers	4	4	4	4	4
IFSC Accredited Global Businesses	14	7	7	7	5
Asset Managers	12	14	14	14	20
Management Companies for CIUs	6	4	4	7	7
CIUs/Funds	25	16	17	17	-
Externally Licensed Funds	80	75	75	75	-
Investment company with Variable Capital	0	1	0	2	2
Trustees for CIUs	2	2	2	2	3
Custodians	3	3	3	3	3
Investment Advisors	22	22	6	6	16
Private Equity	-	2	3	3	2
Lending Activities	280	281	286	311	310
Of which:					
Micro-lenders	243	229	218	219	214
Pawn shops	33	42	57	72	76
Finance and Leasing Companies	4	10	11	20	20

Source: NBFIRA

I.6 NBFIs Reporting for Year ending December 31

Table 5 below presents active NBFIs by industry and business sector. It also shows the number of entities submitting the regulatory returns during the year ending December 31, 2017.

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

NBFIS BY CATEGORIES	Number of Active NBFIs		Number of NBFIs Submitting Reports	
	2016	2017	2016	2017
Insurance	2567	2716		
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	45
Insurance Corporate Agents	194	161	-	-
Representatives	2,292	2,470	-	-
Medical Aid Funds	10	10	4	6
Retirement Funds	86	86	86	86
Stand Alone Funds	81	81	81	80
Umbrella Funds	5	5	5	6
Of which:				
Sub-Funds	248	267	248	267
Capital Markets	68	77	70	60
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	14	14	14	14
Management Companies for CIUs	5	5	7	7
CIUs/Funds	17	26	17	7
Trustees for CIUs	3	3	3	3
Custodians	3	3	3	3
Investment Advisers	13	13	13	13
Lending Activities	311	315	20	20
Micro-lenders	219	219	20	20
Pawn shops	72	72	0	0
Finance or Leasing Companies	20	24	0	0

Source: NBFIRA



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, 2017

The NBFIs sector revenues increased by 12 percent to P18 billion in 2017 from P16 billion in 2016. When expressed as a percentage of GDP at current market prices, the NBFIs sector revenues were 10 percent, slightly higher than the 9 percent recorded in 2016, but remains a significant contributor to the economy of Botswana. (In terms of assets, the NBFIs sector was 68 percent of GDP in 2017, a small increase from 67 percent in the prior year).

Capital Management of the NBFIs Sector Balance Sheet

- 2.1.2 The NBFIs sector registered an increase of 6 percent in capital levels to P7 billion in 2017 from P6.7 billion in 2016. The growth in the NBFIs sector capital was underpinned by strong growth in the capital markets and non-bank lending sectors, which grew by 21 percent and 17 percent, respectively.

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

NBFIs BY CATEGORIES	Total Assets in Pula (Millions)		Percent Change	Capital & Reserves (Millions)		Percent Change (%)	Liabilities (Millions)		Percent Change (%)
	2016	2017	%	2016	2017	%	2016	2017	%
Insurance Industry	22,755	24,876	9.4	4,630	4,640	0.2	18,124	20,237	11.7
Reinsurance Companies	249	254	2	115	97	-15.7	133	158	18.8
General Insurance Companies	1,938	1,874	-3.3	820	731	-10.9	1,118	1,143	2.2
Life Insurance Companies	19,294	21,425	11	2,908	2,941	1.1	16,385	18,484	12.8
Insurance Brokers	395	380	-3.8	183	148	-19.1	213	232	8.9
Medical Aid Funds*	879	943	7.3	604	723	19.7	275	220	-20
Capital Markets	13,065	14,768	13	396	477	20.5	5,125	5,900	15.1
Stock Exchange	64	72	12.5	57	64	12.3	7	7	-
Central Securities Depository	27	31	14.8	27	30	11.1	1	1	-
Stockbrokers/Securities Dealers	76	59	-22.4	31	27	12.9	45	32	-28.9
Asset Managers	5,337	6,159	15.4	236	339	43.6	5034	5,820	15.6
Management Companies for CIUs	83	57	-31.3	45	17	62.2	38	40	5.3
AUM (Retail & Private)	7,478	8,390	56.5	-	-		-	-	
Lending Activities	3,893	4,281	10	1,706	2	17.2	2,138	2,212	3.5
Micro Lenders (Top 20)**	3,845	4,232	10.07	1,706	2,021	99.9	2,138	2,212	3.5
Pawnshops	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finance or Leasing Companies	48	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sub Total (NBFI excluding RF)	39,711	43,933	10.6	6,732	7,117	5.8	25,387	28,349	11.7
Retirement Funds	75,129	78,855***	5	-	-	-	-	-	-
GRAND TOTAL	114,840	122,788	6.9	6,732	7,117	5.8	25,387	28,349	11.7

Source: NBFIRA

Note:* The 2016 medical aid assets have been revised from P875 million to P879 million

** The 2016 Micro lenders assets have been revised from P3,287 million to P3,845 million

*** The P78,855 million is from the Annual Audited Financial Statements submitted

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

NBFIs BY CATEGORIES	Gross Income in Pula (Millions)			Total Expenditure (Millions)			Profit/Loss before Tax (Millions)		
	2016	2017	Percent Change %	2016	2017	Percent Change %	2016	2017	Percent Change %
Insurance Industry	6,576	7,209	9.6	5,908	5,802	(1.8)	177	932	426.6
Reinsurance Companies	175	190	8.6	124	149	20.2	8	19	337.5
General Insurance Companies	1,292	1,267	(1.9)	768	807	9.9	77	36	(53.2)
Life Insurance Companies	3,163	3,730	17.9	3,283	3,174	(3.3)	(120)	703	(685.8)
Insurance Brokers	387	365	(5.7)	268	312	14.3	118	52	(55.9)
Medical Aid Funds	1,559	1,657	6.3	1,465	1,360	7.6	94	122	29.8
Capital Markets	735	1,051	43	357	714	100	378	344	(9.0)
Stock Exchange	28	33	17.9	22	26	18.2	6	7	16.7
Central Securities Depository	9	8	(11.1)	6	6	0.1	3	2	(33.3)
Stockbrokers/ Securities Dealers	48	35	27.1	27	30	11.1	21	12	(42.9)
Asset Managers	580	736	26.9	237	482	103.4	343	254	(25.9)
Management Companies for CIUs	70	239	241.4	65	170	161.5	5	69	(1,280)
Lending Activities	1,168	1,313	12.4	639	801	25.4	529	512	(3.2)
Micro Lenders	1,168	1,313	12.4	639	801	25.4	529	512	(3.2)
Pawnshops	-	-	-	-	-	-	-	-	-
Finance or Leasing Companies	-	-	-	-	-	-	-	-	-
Sub Total	8,476	9,573	12.9	6,904	7,317	6	1,084	1,788	64.9
Retirement Funds	7,611	8,436	10.8	4,423	3,528	(20.2)	-	-	-
GRAND TOTAL	16,090	18,009	11.9	11,327	10,845	(4.3)	1,084	1,788	64.9

Source: NBFIRA

Note: Profits reported are gross profits before tax, while the NBFIRA Annual Report reported profits after tax.

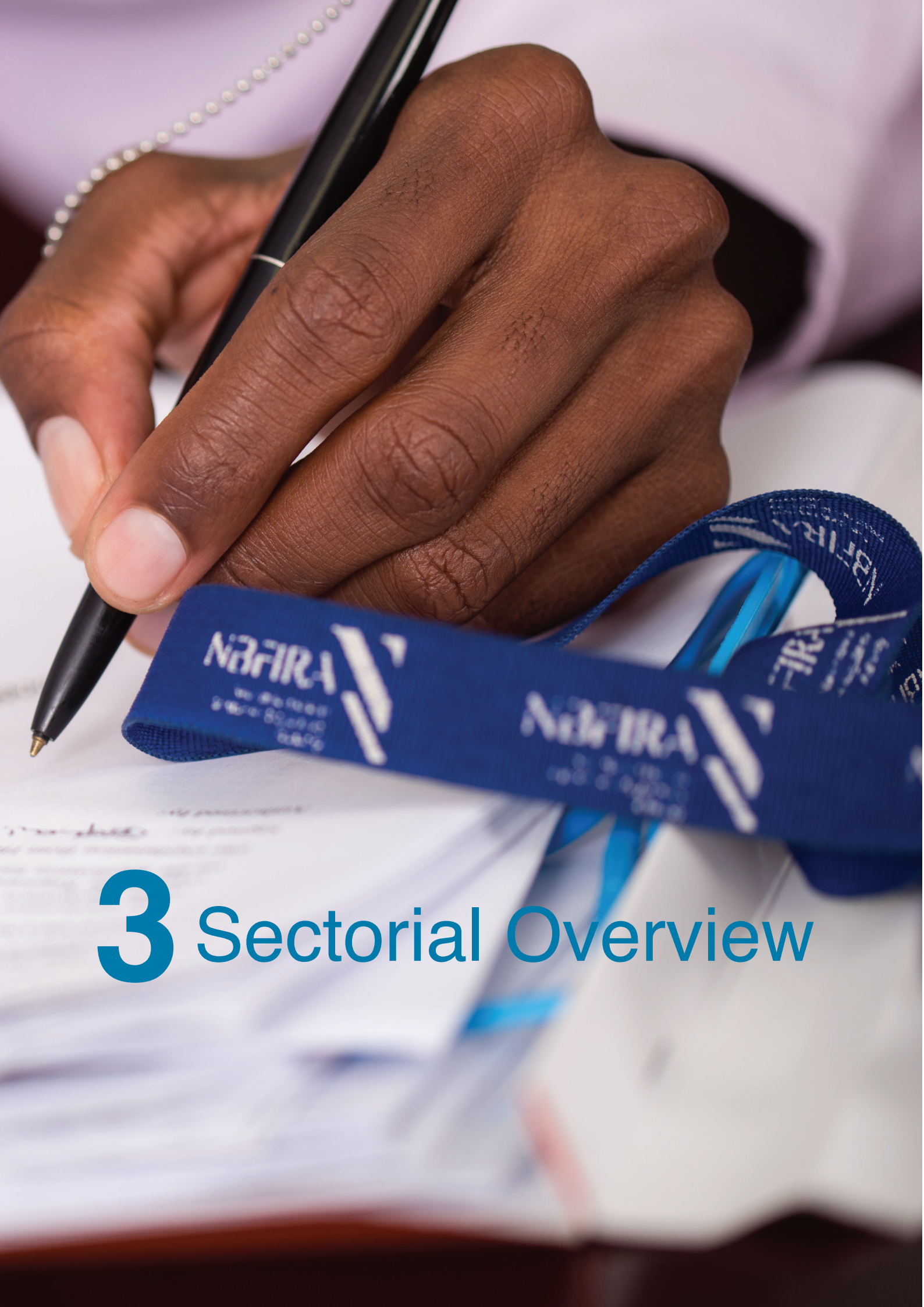
2.2 NBFi Sector Relative to Gross Domestic Product at Market Prices

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 (domestic) professionals like Asset Managers and Management Companies.

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

INDICATORS	2016	2017	Percent Change
	In Pula Millions	In Pula Millions	
Gross Domestic Product at Market Prices in Pula (Millions)	170,590	180,113	5.6
Collective Investment Undertakings (“CIUs”) Funds	6,665	7,294	9.4
Discretionary (“Non CIUs”)	43,843	45,179	3.0
Overall AUM (CIUs and Non CIUs)	50,508	52,473	3.9
of which:			
Retirement Fund Assets (Local Managers)	40,729	40,754	0.06
Other Institutions and retail	9,769	11,719	20
Retirement Funds (Offshore Managers)	47,438	53,346	12.5
Total Retirement Funds	75,129	82,004*	9.2
CIU Assets / GDP	3.9	4.0	
Non CIU Assets/GDP	25.8	25.1	
Overall AUM / GDP	29.8	29.1	

Note: * The P82 billion is recorded as at December 2017, while P79 billion is from Audited Financial Statements



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

	2016 (P'000)	2017 (P'000)	Annual Change (%) To 2017
Gross Premiums Written	3,162,724	3,729,751	17.9
Net Premiums Written	3,079,932	3,622,947	17.6
Net Premiums Earned	2,632,248	2,597,043	(1.3)
Net Claims Paid	1,893,730	1,757,542	(7.2)
Underwriting Expenses	3,282,928	3,173,831	(3.3)
Total Underwriting Income	(650,680)	(576,788)	(11.4)
Net Profit Before Tax	701,165	702,542	0.2
Total Assets	19,293,534	21,424,768	11.1
Liabilities	16,385,544	18,483,720	12.8
Total Capital	2,907,990	2,941,047	1.1
Total Capital and Liabilities	19,293,534	21,424,768	11.1

Source: NBFIRA Annual Reports and Audited financial statements of insurers

3.1.1.2 Performance of General Insurance Business

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

	2016 (P'000)	2017 (P'000)	Annual Change (%) To 2017
Gross Premiums Written	1,291,941	1,267,307	(1.9)
Net Premiums Written	801,565	823,629	2.8
Net Premiums Earned	795,063	812,380	2.2
Net Incurred Claims	457,319	477,452	4.4
Underwriting Expenses	767,996	807,020	5.1
Total Underwriting Income	27,067	5,360	(80.2)
Net Profit Before Tax	77,237	36,025	(53.4)
Total Assets	1,938,284	1,873,795	(3.3)
Total Liabilities	1,117,707	1,142,852	2.2
Total Capital	820,577	730,943	(10.9)
Total Capital and Liabilities	1,938,284	1,873,795	(3.3)

Source: NBFIRA Annual Reports and Audited financial statements of insurers

3.1.1.3 Performance of Re-Insurance Business

Table I0: Financial Performance of Re-Insurance Business: Income Statement and Balance Sheet

	2016 (P'000)	2017 (P'000)	Annual Change (%)
Gross Premiums Written	175,374	189,969	8.3
Net Premiums Written	127,892	132,619	3.7
Net Premiums Earned	127,884	130,223	1.8
Net Acquisition Cost	37,781	43,565	15.3
Underwriting Expenses	123,856	149,413	20.6
Total Underwriting Income(Loss)	4,028	(19,190)	(576.4)
Net Profit Before Tax	8,062	(18,526)	(329.8)
Total Assets	248,901	254,194	2.1
Total Liabilities	133,506	157,520	17.9
Total Capital	115,395	96,673	(16.2)
Total Capital and Liabilities	248,901	254,193	2.1

Source: NBFIRA Annual Reports and Audited financial statements of insurers

3.1.2 Financial Performance of Insurance Brokers

Table 11: Financial Performance of Insurance Brokers: Income Statement

	2016 (P'000)	2017 (P'000)	Annual Change (%) To 2017
Commission Earned	234,511	257,774	9.9
Other Revenue	152,381	107,483	(29.5)
Investment Revenue	-	-	
Total Revenue	386,892	365,256	(5.6)
Operating expenses	262,481	268,749	2.4
Other Expenses	5,280	22,035	317.3
Related party expenses	685	21,301	3009.6
Total Expenses	268,446	312,084	16.3
Net Income Before tax	118,466	52,375	(55.8)
Tax	26,831	17,012	(36.6)
Net Income After Tax	91,738	36,252	(60.5)

Source: Audited financial statements of brokers

Table 12: Financial Performance of Insurance Brokers: Balance Sheet

INSURANCE BROKERS BALANCE SHEET	Reporting period		Annual Change (%) To 2016
	2016 (P'000)	2017 (P'000)	
Current Assets	296,651	250,454	-15.6
Related Party Loans and assets	15,161	41,655	174.8
Non- Current Assets	83,555	87,615	4.9
Total Assets	395,366	379,725	-4
Trade Payables	160,676	150,829	-6.1
Shareholders Loans / Related party payables	10,565	15,724	48.8
Other Liabilities	41,270	65,058	57.6
Total Liabilities	212,512	231,610	9
Capital	18,395	28,775	56.4
Reserves and Retained Earnings	164,459	119,340	-27.4
Total Capital	182,854	148,115	-19
Total Capital and Liabilities	395,366	379,725	-4

Source: NBFIRA Annual Reports and Audited financial statements of brokers

3.1.3 Medical Aid Funds and Medical Aid Fund Administrators

Table 13: Financial Performance of Medical Aid Funds

	2016 ('000)	2017 ('000)	Annual Change (%) To 2016
Total Revenue	1,510,881	1,657,161	9.7
Total Expenses	1,259,205	1,359,774	8.0
Net Profit Before Tax	94,396	122,185	29.4
Total Assets	878,805	942,861	7.3
Total Liabilities	274,696	220,361	-19.8
Total Capital	604,109	722,500	19.6
Total Liabilities (includes Capital)	878,805	942,861	7.3

Source: NBFIRA

3.2 Retirement Funds

3.2.1 Summary of Financial Performance of Retirement Funds

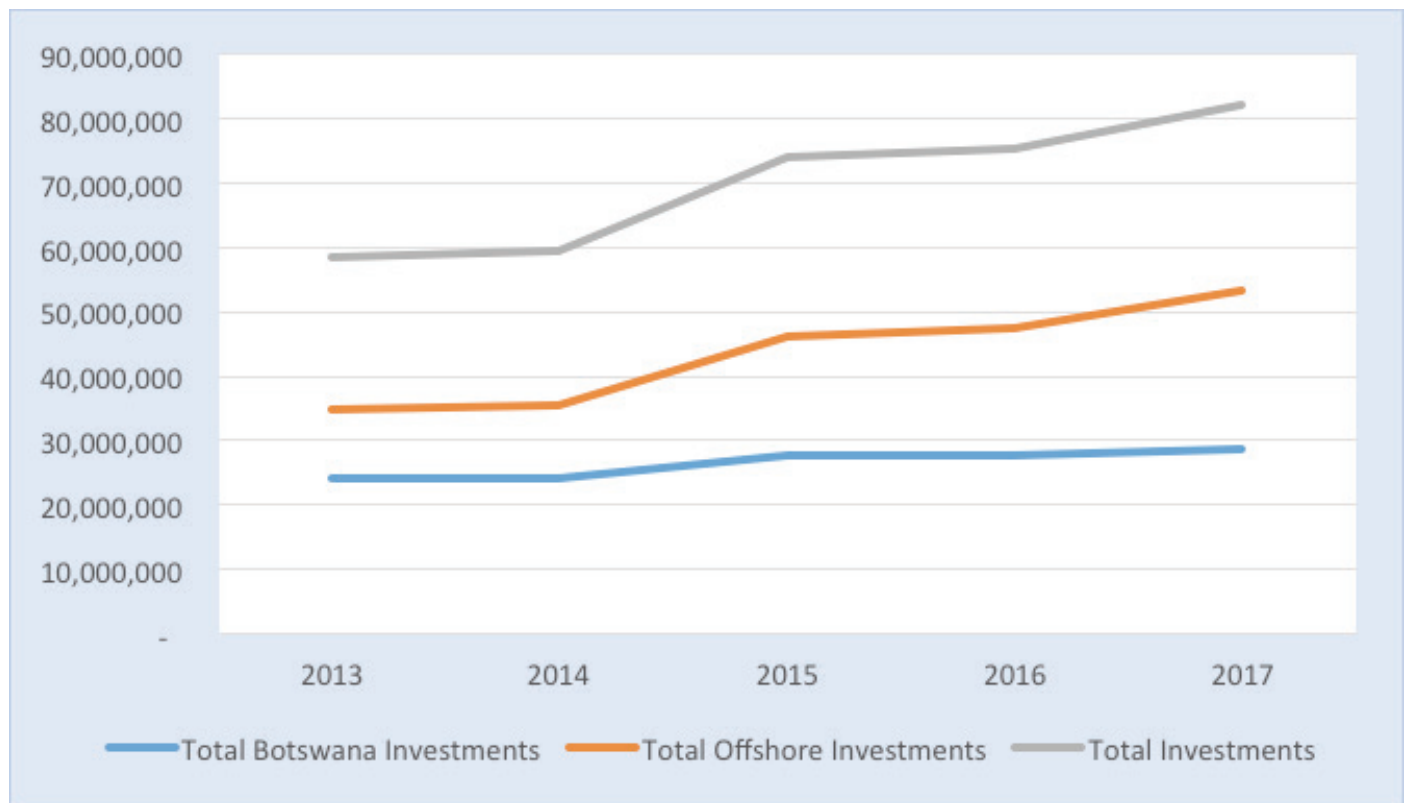
Table 14: Financial Performance of Retirements Funds (Pula 000')

	2016	2017	Annual Change (%)
No. of Retirement Funds	86	86	0
Defined Benefits (DB) Only	2	2	0
Defined Contributions (DC) Only	78	78	0
Mixed DC and DB	6	6	0
No. of Active Members	209,629	230,006	9.7
No. of Deferred Members	16,734	17,326	3.5
Pensioners	11,662	11,969	2.6
Value of Retirement Funds as per submitted Audited Financial Statements	('000)	('000)	
Member Contributions	1,013,000	1,066,000	5.2
Employer Contributions	2,765,000	2,925,000	5.8
Investment Income	3,328,000	4,108,000	23.4
Income from life insurance	7,000	14,000	100
Other Income	498,000	323,000	-35.1
Total Income	7,611,000	8,436,000	10.8
Benefit payments	3,764,000	2,816,000	-25.2
Insurance Premiums	18,000	17,800	-1.1
Administration, Management Expenses, Fees and Other expenses	641,000	695,000	8.4
Total Expenditure	4,423,000	3,528,000	-20.2
Retirement Funds Investment Assets	('000)	('000)	
Botswana Equities	13,898,000	14,189,000	2.1
Exchange Traded Funds	409,000	411,000	0.5
Botswana Unlisted Equities	2,082,000	2,070,000	-0.6
Pula Bonds	8,169,000	8,021,000	-1.8
Pula Cash/ Near Cash	2,760,000	3,596,000	30.3
Botswana Property	371,000	370,000	-0.3
Total Local Investments	27,690,000	28,657,000	3.5
Offshore Equities	36,795,000	39,418,000	7.1
Offshore Bonds	8,176,000	9,934,000	21.5
Offshore Cash/Near Cash	187,000	1,874,000	902.1
Dual Listed Equities	2,281,000	1,527,000	-33.1
Offshore Alternative Investments	0	594,000	100
Total Offshore Investments	47,438,000	53,347,000	11.2
Total Investments	75,129,000	82,004,000*	9.2

Source: NBFIRA

Note:* P82,004 million is recorded as at December 31,2017, from statutory returns

Figure 3: Pension Fund Asset Allocation and Growth during 2013 to 2017



Source: NBFIRA

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	Reporting period		
	2016 (P'000)	2017 (P'000)	Percentage change (%)
Total Revenue	28,178	32,815	16.5
Total Expenses	22,310	25,969	16.4
Profit Before Tax	5,868	6,845	16.6
Tax	-	-	-
Profit after tax	5,868	6,845	16.6
Total Assets	63,953	71,553	11.9
Capital and Reserves	57,286	64,116	11.9
Total Liabilities	6,667	7,437	11.5
Total Liabilities and Equity	63,953	71,553	11.9

Source NBFIRA

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

Table 16: Financial Performance of Central Securities Depository

CSD FINANCIALS	Reporting period		
	2016 (P'000)	2017 (P'000)	Percentage change (%)
Total Revenue	8,742	7,870	(10.0)
Total Expenses	6,202	6,271	1.1
Profit before tax	2,540	1,600	(37.0)
Tax	-	-	-
Profit after tax	2,540	1,600	(37.0)
Total Assets	27,117	30,766	13.5
Equity/Capital	26,567	29,917	12.6
Total Liabilities	550	849	54.4
Total Liabilities and Equity	27,117	30,766	13.5

Source NBFIRA

3.3.3 Summary of Financial Performance of Securities Brokers/Dealers

Table 17: Financial Performance of Securities Brokers/ Dealers

SECURITIES BROKERS/DEALERS FINANCIALS	Reporting period		
	2016 (P'000)	2017 (P'000)	Percentage change (%)
Total Revenue	47,949	34,794	(27.4)
Total Expenses	27,130	29,901	10.2
Profit Before Tax	20,819	12,423	(40.3)
Tax	5,088	-	-
Profit after tax	15,731	3,117	(80.2)
Total Assets	75,672	59,173	(21.8)
Capital and Reserves	30,674	26,858	(12.4)
Total Liabilities	44,997	32,315	(28.2)
Total Liabilities and Equity	75,672	59,173	(21.8)

Source NBFIRA

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

Table 18: Financial Performance of Management Companies for Collective Investment Undertakings

MANCOS FINANCIALS	Reporting period		
	2016 P'000)	2017 (P'000)	Percentage change (%)
Total Revenue	69,679	238,943	243
Total Expenses	65,283	169,620	160
Profit Before Tax	4,422	69,324	1,468
Tax	1,919	(561)	129
Profit After Tax	3,747	69,885	1,765
Total Assets	83,035	56,506	32
Capital and Reserves	45,110	16,773	63
Other Liabilities	37,925	39,733	5
Total Liabilities (Includes capital)	83,035	56,506	32

Source NBFIRA

3.3.5 Summary of Financial Performance of Asset Managers

Table 19: Financial Performance of Asset Managers

ASSET MANAGERS FINANCIALS	Reporting period		
	2016 (P'000)	2017 (P'000)	Percentage change (%)
Total Revenue	580,490	736,346	26.8
Total Expenses	147,565	482,304	226.8
Profit Before Tax	87,064	254,041	191.8
Tax	15,593	32,262	106.9
Profit after Tax	72,715	221,779	205
Total Assets	5,270,115	6,158,598	16.9
Capital	235,753	339,039	43.8
Total Liabilities	5,034,362	5,819,558	15.6
Total Liabilities (Includes Capital)	5,270,115	6,158,598	16.9

Source NBFIRA

3.3.6 Summary of Financial Performance of Capital Markets Participants

Table 20: Financial Performance of Capital Markets Participants

Capital Markets Participants	Reporting period		
	2016 (P'000)	2017 (P'000)	Percentage change (%)
Total Revenue	735,038	1,050,768	43
Total Expenses	268,490	714,065	166
Profit Before Tax	120,713	344,233	185.2
Tax	22,600	31,701	40.3
Profit after tax	100,601	303,226	201.4
Total Assets	5,519,892	6,376,596	15.5
Capital and Reserves	395,390	476,703	20.6
Total Liabilities	5,124,501	5,899,892	15.1
Total Liabilities and Equity	5,519,892	6,376,596	15.5

Source NBFIRA

3.4 Lending Activities

3.4.1 Summary of Top 20 Financial Performance of Micro Lenders

Table 21: Financial Performance of Selected Micro Lenders

SELECT MICRO LENDERS FINANCIALS	Reporting period		Percentage change (%)
	2016 (P'000)	2017 (P'000)	
Interest Income	1,070,918	1,126,569	5.2
Other Income	96,876	186,349	92.4
Total Income	1,167,794	1,312,918	12.4
Interest Expenses	177,205	220,059	24.2
other Expenses	462,042	580,938	25.7
Total Expense	639,204	800,997	25.3
Net Income Before Tax	528,926	511,921	(3.2)
Tax	119,275	128,434	7.7
Net Income After Tax	414,416	384,258	(7.3)
Loan Book Values	3,223,874	3,537,989	9.7
Other Assets	620,983	694,300	11.8
Total Assets	3,844,857	4,232,290	10.1
Capital & Reserves	1,705,753	2,020,508	18.5
Other Liabilities	2,138,335	2,211,782	3.4
Total Capital and Liabilities	3,844,088	4,232,290	10.1

Source NBFIRA

4. FIVE YEAR PERIOD NBFBI SECTOR OVERVIEW (2013 –2017)

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				
	2013 ('000)	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)
Gross Premium Written	2,564,995	2,761,026	3,335,632	3,162,724	3,729,750
Premiums Ceded	74,210	111,759	76,096	82,792	106,804
Net Premiums Written	2,490,785	2,649,267	3,259,536	3,079,932	3,622,947
Change in UPR	(1,450,206)	710,446	1,353,442	447,684	1,025,904
Net Premiums Earned	1,040,579	1,938,821	1,906,094	2,632,248	2,597,043
Incurred Claims	1,255,324	1,425,464	1,635,238	1,936,947	1,833,297
Reinsurance Recoveries	23,127	29,059	35,083	43,285	75,755
Net Claims Paid	1,232,197	1,391,359	1,600,155	1,893,730	1,757,542
Net Acquisition Costs	412,302	368,487		580,873	618,510
Operating Expenses	2,505,364	1,590,320	1,453,421	808,325	797,779
Underwriting Expenses	4,149,863	3,315,260	3,146,649	3,282,928	3,173,831
Total Underwriting Income	(3,109,284)	-1,376,439.20	-1,240,555	-650,680	-576,788
Investments Income	3,569,180	1,813,584	1,243,541	1,055,476	1,149,049
Other Income	97,579	300,679	889,674	296,368	130,281
Retrocession	-	-	-	-	
Net Profit Before Tax	557,476	733,119	891,281	701,165	702,542
Tax	104,151	133,716	147,032	127,284	120,905
Net Income After Tax	453,325	564,156	744,250	573,881	581,637

Source: NBFIRA Annual Reports and Audited financial statements of insurers

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

LIFE INSURANCE BALANCE SHEET	Reporting period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Non-current assets	41,560	40,043	179,375	303,780,339	423,206,042
Cash and Investments	516,238.2	504,976	615,462	757,257,568	988,079,725
Financial Assets	15,710,057	17,093,290	16,504,679	15,977,938,941	17,667,678,734
Tax Related Assets	32,987.8	4,869	1,543	6,980,000	13,427,254
Trade & Other Receivables	315,461.4	316,003	326,273	398,433,689	555,289,153
Other investments	446,004	452,752	397,208	292,972,238	327,046,371
Reinsurance Liabilities	64,828.5	68,002	33,693	38,155,615	55,487,498
Other Assets	720,867	1,305,758	1,408,849	1,513,655,736	1,394,553,065
Total Assets	17,848,004	19,658,446	19,467,000	19,289,174,126	21,424,767,842
Insurance Liabilities	15,355,230	16,388,669	15,811,381	15,555,544,476	17,386,063,180
Trade & Other Payables	490,574	519,385	708,171	675,663,934	787,879,905
Related Party Payables	24,031	48,000	83,964	74,717,762	131,324,401
Tax related Liability	23,441	52,342	51,743	34,105,652	35,631,924
Other Liabilities	19,239	8,336	10,587	47,577,961	142,821,009
Total Liabilities (excluding capital)	15,912,514.9	16,925,789	16,665,847	16,387,609,785	18,483,720,419
Share Capital	261,607	261,607	254,607	312,107,164	322,597,164
Reserves	802,365.	1,138,768	1,157,292	1,229,309,339	1,278,141,364
Retained Earnings	871,519	1,367,339	1,389,336	1,360,147,838	1,340,308,895
Total Capital	1,935,492	2,732,660	2,801,235	2,901,564,341	2,941,047,423
Total Liabilities and Equity	17,848,007	19,658,448	19,467,082	19,289,174,126	21,424,767,842

Source: NBFIRA Annual Reports and Audited financial statements of insurers

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				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Gross Premium Written	1,176,177	1,198,856	1,294,916	1,291,941	1,267,307
Premiums Ceded	450,896	508,831	501,799	490,377	443,678
Net Premiums Written	725,281	690,025	793,117	801,565	823,629
Change in UPR	-3,162	-28,098	16,929	1,858	5,378
Net Premiums Earned	728,443	718,123	776,188	795,063	812,380
Incurred Claims	381,102	399,333	391,623	457,319	477,452
Net Acquisition Costs	98,160	79,391	99,125	90,734	88,149
Operating Expenses	179,660	190,621	198,867	219,943	241,419
Underwriting Expenses	658,923	669,344	689,615	767,996	807,020
Total Underwriting Income	69,520	48,779	86,573	27,067	5,360
Investments Income	65,359	50,328	69,768		33,083
Other Income	38,699	27,039	26,428	11,959	(2,417)
Reinsurance Recoveries	-	93,177	96,156	158,621	150,268
Net Profit Before Tax	173,578	126,146	182,769	77,237	36,025
Tax	31,890	21,978	36,563	19,343	17,252
Net Income After Tax	141,689	104,167	146,206	61,053	23,588

Source: NBFIRA Annual Reports and Audited financial statements of insurers

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

GENERAL INSURANCE BALANCE SHEET	Reporting period				
	2013	2014	2015	2016	2017
Cash and Investments	465,993	476,040	487,048	496,508	559,340
Non-current assets	274,752	79,902	490,043	367,182	139,671
Other Current Assets	970,200	1,154,982	806,241	1,074,593	1,174,784
Total Assets	1,710,945	1,710,924	1,783,333	1,938,284	1,873,795
Insurance Liabilities	693,887,831	754,331	815,164	866,848	994,985
Long-term Liabilities	12,775	8,160	11,793	20,104	20,528
Other Current Liabilities	356,078	251,228	166,636	230,756	127,340
Total Liabilities (excluding capital)	1,062,740	1,013,719	993,593	1,117,707	1,142,852
Share Capital	172,282	200,782	219,774	229,616	307,376
Reserves	251,810	281,803	302,585	314,771	316,418
Retained Earnings	224,114	214,621	267,381	276,190	107,148
Total Capital	648,205	697,206	789,740	820,577	730,943
Total Liabilities and Equity	1,710,945	1,710,924	1,783,333	1,938,284	1,873,795

Source: NBFIRA Annual Reports and Audited financial statements of insurers

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				
	2013 ('000)	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)
Gross Premium Written	35,864	102,340	146,384	175,374	189,969
Premiums Ceded	10,572	26,555	44,110	47,482	57,351
Net Premiums Written	25,293	75,785	102,274	127,892	132,619
Change in UPR	1,928	6,127	1,049	7,489	2,396
Net Premiums Earned	23,365	69,658	101,225	127,884	130,223
Incurred Claims	6,957	27,587	28,358	53,157	70,311
Net Acquisition Costs	6,711	22,504	37,473	37,781	43,565
Operating Expenses	10,518	20,025	29,205	32,918	35,536
Underwriting Expenses	24,186	70,116	95,035	123,856	149,413
Total Underwriting Income	-821	-458	6,190	4,028	-19,190
Investments Income	782	846	5,271	462,335	2,355
Other income (loss)	1,252	7,082	7,372	3,571	-1,691
Retrocessions Recoveries	136	-	-	-	-
<i>Net Profit Before Taxes</i>	<i>2,287</i>	<i>7,470</i>	<i>18,832</i>	<i>8,062</i>	<i>-18,526</i>
Tax	254	2,221	4,618	2,116	1,445
Net Income After Tax	2,033	5,249	14,214	5,946	-19,971

Source: NBFIRA Annual Reports and Audited financial statements of insurers

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

RE-INSURANCE BALANCE SHEET	Reporting period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Cash and Equivalents	29,813	99,563	118,302	120,514	97,201
Non-current assets	720	5,641	4,949	4,121	3,825
Other Current Assets	19,131	87,592	110,721	124,266	153,168
Total Assets	49,664	192,795	223,972	248,901	254,194
Insurance Liabilities	14,852	55,727	70,199	84,885	131,724
Long-term Liabilities	6	303	949	793,945	335
Other Liabilities (current)	9,719	40,182	52,775	47,827	25,461
Total Liabilities (excluding capital)	24,576	96,212	123,923	133,506	157,520
Share Capital	26,413	91,864	91,864	91,864	93,383
Reserves	3,026	6,244	10,242	12,447	14,285
Retained Earnings	(4,352)	(1,524)	7,944	11,085	(10,995)
Total Capital	25,087	96,584	110,050	115,395	96,673
Total Liabilities and Equity	49,664	192,795	223,972	248,901	254,193

Source: NBFIRA Annual Reports and Audited financial statements of reinsurers

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				
	2013 ('000)	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)
Commission Earned	237,569	220,742	237,754	234,511	257,774
Other Revenue	103,670	124,986	101,792	152,381	107,483
Investment Revenue	-	-	-	-	-
Total Revenue	341,239	345,728	339,546	386,892	365,256
Operating expenses	170,129	210,004	223,240	262,481	268,749
Other Expenses	53,157	15,998	5,166	5,280	22,035
Related party expenses	23,565	631	10,455	685	21,301
Total Expenses	246,852	226,633	238,860	268,446	312,084
Net Income before tax	94,386	119,095	100,685	118,466	52,375
Tax	20,780	22,771	21,780	26,831	17,012
Net Income After Tax Income	73,606	96,324	78,905	91,738	36,252

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	2013 ('000)	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)
Current Assets	447,208	301,422	293,723	296,651	250,454
Related Party Loans and assets	4,433	21,120	26,959	15,161	41,655
Non- Current Assets	59,455	52,274	70,390	83,555	87,615
Total Assets	511,096	374,816	391,071	395,366	379,725
Trade & Other Payables	319,950	181,177	181,473	160,676	150,829
Shareholders Loans / Related party payables	16,332	8,125	15,280	10,565	15,724
Other Liabilities	35,227	30,328	18,216	41,270	65,058
Total Liabilities (excluding capital)	371,509	219,630	214,969	212,512	231,610
Stated Capital	26,325	28,898	41,802	18,395	28,775
Reserves and Retained Earnings	113,262	126,287	134,298	164,459	119,340
Total Capital	139,587	155,186.00	176,100	182,854	148,115
Total Liabilities (Including Capital)	511,096	374,816.00	391,069	395,366	379,725

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

RETIREMENT FUNDS FINANCIALS	Reporting period				
	2013	2014	2015	2016	2017
<i>No. of Retirement Funds</i>	103	91	87	86	86
<i>Defined Benefits (DB) Only</i>	2	2	2	2	2
<i>Defined Contributions (DC) Only</i>	93	81	77	78	78
<i>Mixed DC and DB</i>	8	8	8	6	6
<i>No. of Active Members</i>	156,824	206,709	206,212	209,629	230,006
<i>No. of Deferred Members</i>	13,312	17,432	19,969	16,734	17,326
<i>Pensioners</i>	2,324	10,699	11,301	11,662	11,969
Retirement Funds (BWP) (P'000)					
Member Contributions (P'000)	7,488,700	999,200	908,900	1,013,000	1,066,000
Employer Contributions (P'000)	1,691,495	2,134,300	2,504,200	2,765,000	2,925,000
Investment Income ('000)	3,819,589	6,345,300	8,017,900	3,328,000	4,108,000
Income from life insurance (P'000)	4,930	7,600	8,600	7,000	14,000
Other Income (P'000)	577,420	998,900	1,063,200	498,000	323,000
Total Income (P'000)	6,842,304	10,485,500	12,538,900	7,611,000	8,436,000
Benefit payments	2,835,769	3,203,900	3,305,000	3,764,000	2,816,000
Insurance Premiums	17,977	10,900.00	14,500	18,000	178,000
Administration, Management Expenses, Fees and Other expenses	425,733	718,200.00	700,800	641,000	695,000
Total Expenditure	3,279,479	3,933,000	4,020,300	4,423,000	3,528,000
Botswana Equities (P'000)	11,990,000	12,833,000	14,645,000	13,898,000	14,189,000
Exchange Traded Funds ('000)	119,000	403,000	363,000	409,000	411,000
Pula Bonds ('000)	8,417,000	7,847,000	8,946,000	8,169,000	8,021,000
Pula Cash/ Near Cash (P'000)	3,470,000	2,639,000	3,296,000	2,760,000	3,596,000
Botswana Property (P'000)	245,000	322,000	337,000	371,000	370,000
Botswana Unlisted Equities	-	-	-	2,082,000	2,070,000
Total Local Investments (P'000)	24,241,000	24,044,000	27,589,000	27,690,000	28,657,000
Offshore Equities	29,742,000	27,322,000	38,285,000	36,795,000	39,418,000
Offshore Bonds	4,159,000	6,015,000	7,853,000	8,176,000	9,934,000
Offshore Cash/Near Cash	843,000	2,012,000	118,000	187,000	1,874,000
Dual Listed Equities				2,281,000	1,527,000
Offshore Alternative Investment				0	594,000
Total Offshore Investments (P'000)	34,744,000	35,349,000	46,256,000	47,438,000	53,347,000
Total Investments ('000)	58,985,000	59,392,000	73,845,000	75,129,000	82,004,000

Source: NBFIRA Audited Financial Statements and Annual Reports

4.3. CAPITAL MARKETS

4.3.1 Primary Market Activities

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

Item	Reporting period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 P('000)
Total Revenue	25,651	27,347	28,772	28,178	32,815
Total Expenses	15,239	16,824	20,663	22,310	25,969
Profit Before Tax	10,412	10,523	8,109	5,868	6,845
Tax	-	-	-	-	-
Profit after tax	10,412	10,523	8,109	5,868	6,845
Total Assets	34,507	41,266	52,861	63,953	71,553
Capital and Reserves	29,288	37,399	47,625	57,286	64,116
Total Liabilities	5,219	3,867	5,236	6,667	7,437
Total liabilities and Equity	34,507	41,266	52,861	63,953	71,553

Source NBFIRA

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

Item	Reporting Period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Total Revenue	9,578	12,557	13,805	8,742	7,870
Total Expenses	5,125	5,523	5,624	6,202	6,271
Profit Before Tax	4,453	7,034	8,181	2,540	1,600
Tax	-	-	-	-	-
Profit after tax	4,453	7,034	8,181	2,540	1,600
Total Assets	7,546	14,520	23,904	27,117	30,766
Capital and Reserves	7,063	14,096	22,277	26,567	29,917
Total Liabilities	484	424	1,627	550	849
Total Liabilities and Equity	7,546	14,520	23,904	27,117	30,766

Source NBFIRA

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

Item	Reporting Period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Total Revenue	26,910	29,233	30,375	47,949	34,794
Total Expenses	19,539	20,519	21,957	27,130	29,901
Profit Before Tax	7,371	8,714	8,418	20,819	12,423
Tax	1,701	574	2,126	5,088	9,306
Profit after tax	5,670	8,140	6,291	15,731	3,117
Total Assets	54,430	59,413	137,445	75,672	59,173
Capital and Reserves	14,090	21,738	22,310	30,674	26,858
Total Liabilities	40,339	37,675	115,135	44,997	32,315
Total liabilities and Equity	54,430	59,413	137,445	75,672	59,173

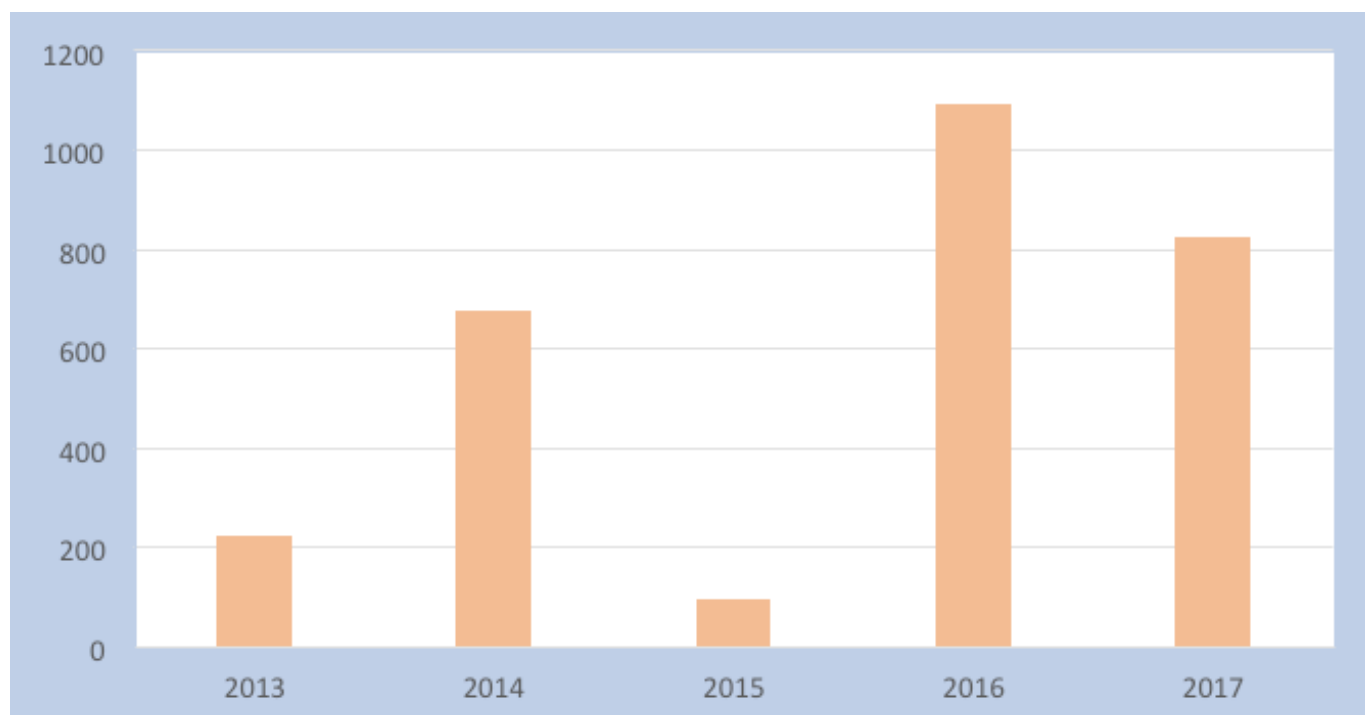
Source: NBFIRA

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

	2013	2014	2015	2016	2017
Rights Issues		279	-	351	201
Issues for Cash	11	38	-	-	-
Share Incentive Scheme	206	333	-	76	81
IPO's			3	513	52
Private placement	103		91	154	523
Share Purchase Plan	1.9		-	-	-
Acquisition	4	25	-	-	-
Resource Mobilised	223	675	94	1,094	824

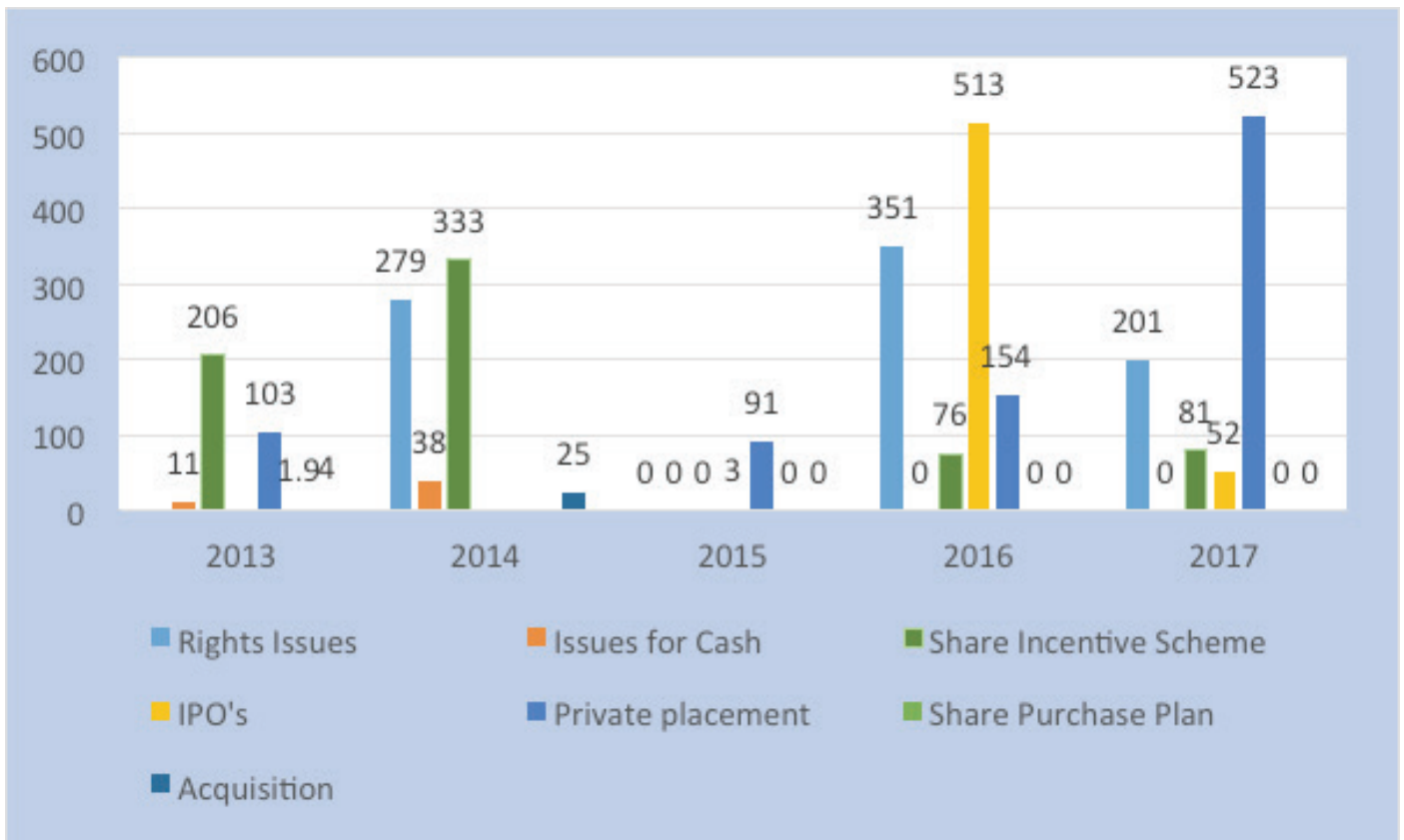
Source: Botswana Stock Exchange database, Botswana Stock Exchange Annual Reports

Figure 4: Capital raised through equity market: 2013 to 2017



Source: Botswana Stock Exchange

Figure 5: Capital raised through equity market by type of issue: 2013 to 2017



Source: Botswana Stock Exchange

Table 36: Number of Companies Listed

LISTING STATUS	2013	2014	2015	2016	2017
No. of New Listings	1	1	1	2	3
No. of De-listings	3	1	4	0	2
Foreign Listings	12	12	10	10	11
Domestic Listings	23	23	22	24	24
Total Listings	35	35	32	34	35

Source: Botswana Stock Exchange

4.3.2 Secondary Market Activities

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

	2013	2014	2015	2016	2017
Domestic Market Capitalisation (P'Mn)	43,458	46,210	50,214	46,572	44,408
% Change in Domestic Market Capitalisation	22.3	6.3	8.7	(7.3)	(4.7)
Foreign Market Capitalisation (P'Mn)	373,133	371,947	370,885	374,741	373,736
% Change in Foreign Market Capitalisation	(1.0)	(0.3)	(0.3)	1.1	(0.3)
Total Market Capitalisation (P'Mn)	416,590	418,157	421,099	421,313	418,144
% Change in total Equity Market Capitalisation	1.0	0.4	0.7	0.1	(0.8)
Total Equity Market Capitalisation/GDP (%)	331.1	294.6	288.9	248.3	232.2
Domestic Equity Market Capitalisation/GDP (%)	33.6	34.6	34.3	29.6	24.7
Total Equity Turnover/Domestic Equity Market Capitalisation (%)	5.9	4.9	6.0	5.3	5.4
Total Equity Turnover/Total Equity Market Capitalisation (%)	0.6	0.5	0.7	0.6	0.6

Source: Botswana Stock Exchange

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

	2016	2014	2015	2016	2017
Banking	19,815	17,815	17,005	14,196	12,705
Financial Services & Insurance	25,959	27,088	29,222	28,968	28,773
Retailing & Wholesaling	8,885	11,859	13,322	10,381	10,002
Property & Property Trust	3,604	4,022	5,322	6,728	7,010
Mining & Materials	355,342	354,005	352,643	355,972	353,375
Security Services	246.4	299.2	289.6	326.4	319.2
Information Technology	0	0	0	1,029	1,932
Funeral Services	297	285	0	0	0
Energy	1,297	1,517	1,358	1,565	1,693
Tourism	1,145	1,265	1,938	2,148	2,335

Source: Botswana Stock Exchange

Table 39: Equity Trading Statistics

EQUITY TRADING	Reporting period				
	2013	2014	2015	2016	2017
Volume Traded (Mn)	710	592	803	778	775
Value Traded (P'Mn)	2,315	2,177	3,031	2,541	2,477
No. of Deals	12,029	11,139	12,730	13,707	13,707
Liquidity Ratio	5.9	4.9	6.3	5.2	5.4

Source: Botswana Stock Exchange

Table 40: BSE Indices as at year ended December 31

LISTING STATUS	Reporting period				
	2013	2014	2015	2016	2017
DCI	9,053	9,502	10,602	9,401	8,860
FCI	1,584	1,578	1,572	1,586	1,575
LASI	761	781	797	786	795
DFSI	1,067	1,090	1,212	1,095	1,078
FRSI	720	729	726	734	730
DCFFI	2,644	2,926	3,377	2,813	2,874
DFSFFI	3,901	4,092	4,363	3,658	3,544
LASFFI	2,315	2,575	2,980	2,659	2,623

Source: Botswana Stock Exchange

Table 4 I: Equity Turnover Activity at the BSE

	2013	2014	2015	2016	2017
Value of Domestic shares traded (P' Mn)	1,593	2,155	1,977	2,529	2,435
Value of Foreign shares traded (P'Mn)	722	22	1,086	12	42
Total Value Shares Traded (PMn)	2315	2,178	3,032	2,541	2,477
Percentage Domestic Turnover (%)	68.8	98	64.2	99.5	98.3
Percentage Foreign Turnover (%)	31.2	2.0	35.8	0.5	1.7
Total percentage Domestic Turnover (%)	100	100	100	100	100
Domestic Companies Turnover (P'Mn)	1,392	1,017	1,868	1,489	1,444
Domestic Individuals Turnover (P'Mn)	201	81	73	104	141
Percentage Domestic Companies Turnover (%)	59.8	46.7	61.6	59	58.3
Percentage Domestic Individuals Turnover (%)	8.7	3.7	2.4	4.1	5.7
Foreign Equity Turnover					
Foreign Companies Turnover (P'Mn)	671	1,043	1,025	910	852
Foreign Individuals Turnover (P'Mn)	41	33	61	33	32
Percentage Foreign Companies Turnover (%)	29.0	47.9	33.8	35.8	34.4
Percentage Foreign Individuals Turnover (%)	2.2	1.5	2.0	1.3	1.3

Source: Botswana Stock Exchange

Table 42: Statistics on Shares issued at the BSE

SHARES ISSUED	Reporting period				
	2013	2014	2015	2016	2017
Domestic shares issued (Mn)	11,332	11,377	11,466	12,878	13,302
foreign shares issued (Mn)	199	14,117	12,383	12,799	13,581
Total shares issued (Mn)	11,531	25,494	23,849	25,678	26,884
Percentage Domestic shares issued (%)	98.27	44.6	48.1	50.2	49.5
Percentage foreign shares issued (%)	1.73	55.4	51.9	49.8	50.5
Total percentage shares issued	100	100	100	100	100
Shares Traded					
Domestic shares traded (Mn)	708	577	771	771	761
Foreign shares traded (Mn)	2	15	32	8	14
Total shares traded (Mn)	711	592	803	778	775
Domestic share traded over domestic shares issued (%)	6.25	5.07	7	6	5.7
Foreign share traded over foreign shares issued (%)	1.07	0.1	0.2	0.6	0.1
overall percentage shares traded/shares issued	6.3	2.4	3.3	3	2.9
Average Daily Equity Turnover (P' Mn)	9.3	8.8	12.2	10.2	10
Total Equity Turnover / Market Cap	0.6	0.5	0.7	0.6	0.6
	2013	2014	2015	2016	2017
Price/Earnings Ratio (P/E)	11.5	13.2	12.3	13.4	13.3
Dividend Yield	4.1	2.2	4	4.4	5.08
Price/Book Value	2.7	1.9	2.2	1.8	1.7
Earnings/Price (E/P) or Earnings yield	0.09	0.08	0.08	0.1	0.08

Source: Botswana Stock Exchange

Table 43 Secondary Market Bond Trades at the BSE

ISSUER-TYPE	Amounts (P'Mn)	Reporting period				
		2013	2014	2015	2016	2017
Government	Turnover	94.7	323.5	858	447	484.8
	Outstanding amount	6,045	6,691	6,356	8,288	9,083
Quasi	Turnover	0	0	0	0	0.1
	Outstanding amount	410	410	410	190	190
Parastatal	Turnover	0	0	0	35	13.5
	Outstanding amount	1,524	1,524	1,499	1,584	1,265
Corporate	Turnover	0	0	0	2	37.2
	Outstanding amount	1,272	1,494	1,788	2,165	3,469

Source: Botswana Stock Exchange

Table 44: Bond Market Indicators - Selected Ratios

BOND MARKET SELECTED INDICATORS	Reporting period				
	2013	2014	2015	2016	2017
Total Debt Turnover (P'Mn)	95	324	858	484	536
Total debt Market Capitalisation (P'Mn)	9,251	10,119	10,053	12,227	14,267
Total debt Turnover/debt Market Capitalisation (%)	1.0	3.2	8.5	4.0	3.8
Debt Turnover /GDP(%)	0.1	0.2	0.6	0.3	0.3
Debt Market Capitalisation/GDP (%)	7.4	0.7	6.9	7.7	7.9

Source: Botswana Stock Exchange

4.3.3 Assets Under Management (“AUM”) In Botswana

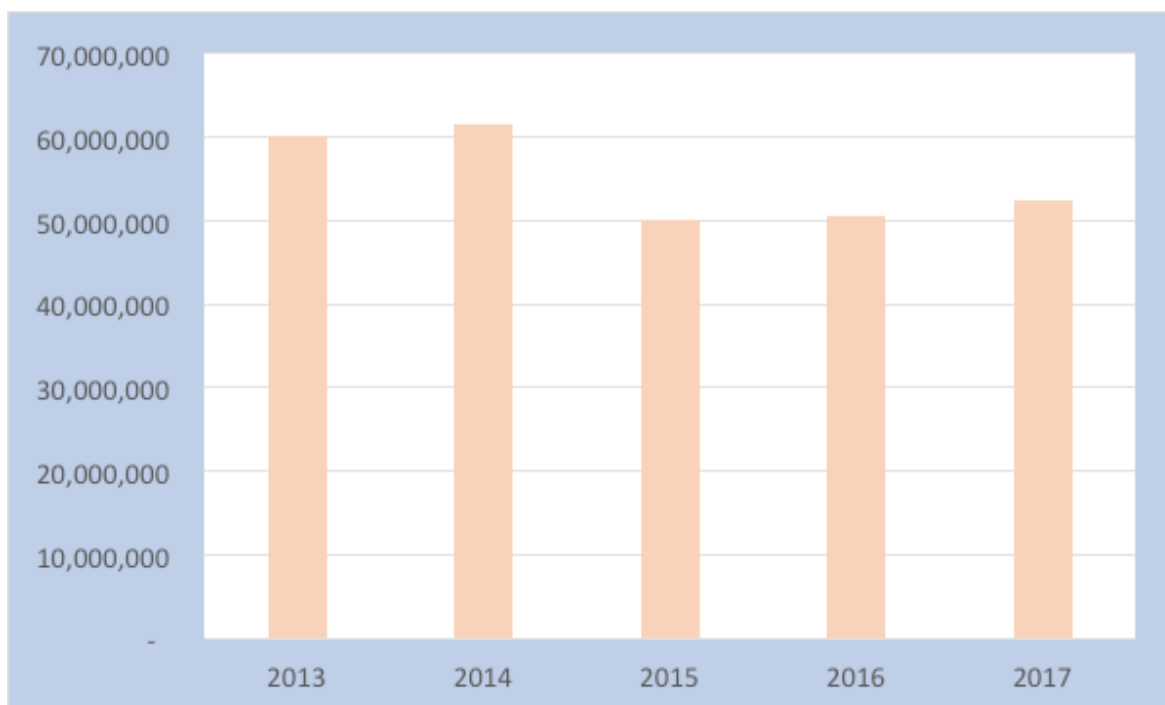
4.3.3.1 Overall CIU and Non-CIU Assets Under Management

Table 45: Total Assets Under Management By Structure

ASSETS UNDER MANAGEMENT	Reporting period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Collective Investment Undertakings (CIU)	4,368,173	3,747,933	6,365,691	6,664,987	7,293,981
% market share (CIU)	7.3	6.1	12.7	13.2	13.9
Discretionary (Non-CIU)	55,692,513	57,763,178	43,712,028	43,843,184	45,179,290
% market share (Non-CIU)	92.7	93.9	87.3	86.8	86.1
Overall AUM	60,060,686	61,511,112	50,077,720	50,508,171	52,473,271
Total AUM growth (% change from previous year)	15.9	2.4	(-18.6)	0.9	3.9

Source: NBFIRA

Figure 6: Overall AUM of CIU and Non-CIU for (2013 -2017)



Source: NBFIRA

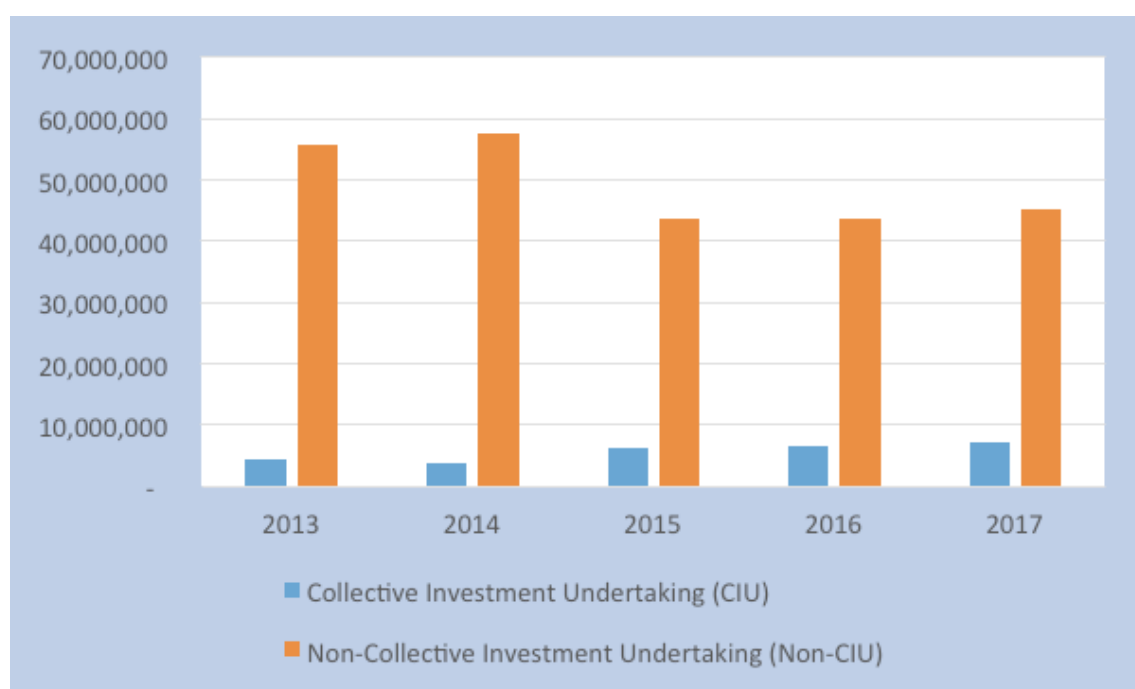
4.3.3.2 Breakdown of Non-CIU Assets Under Management by Type of Client

Table 46: Non CIU AUM by Type Client

NON-CIU CLIENT TYPE	Reporting period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Institutional- Pension	53,066,337	37,078,837	37,314,714	39,182,839	39,518,239
Market share Institutional- Pension (%)	92.1	64.2	85.4	89.4	87.5
Institutional- Insurance	3,240,141	3,504,278	3,576,137	2,697,573	2,841,389
Market share Institutional- Insurance (%)	5.6	6.1	8.2	6.2	6.3
Institutional – Other	1,052,387	16,904,888	2,564,738	1,683,023	2,608,346
Market share Institutional - Other (%)	1.8	29.3	5.9	3.8	5.8
Individual Private Clients	273,636	275,175	256,440	279,749	211,316
Market share Individuals / Private Clients (%)	0.5	0.5	0.6	0.6	0.5

Source: NBFIRA

Figure 7: Assets Under Management Structure



Source: NBFIRA

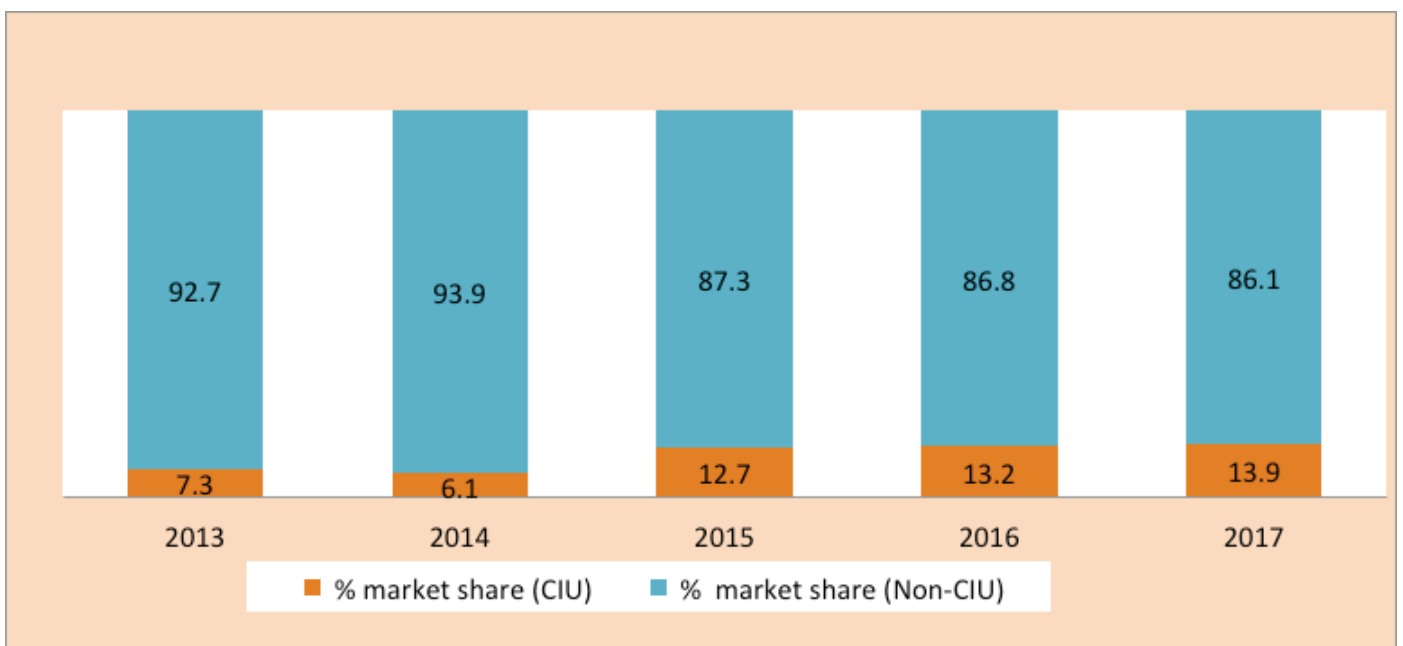
4.3.3 Breakdown of CIU Assets Under Management by Type of Client

Table 47: AUM Assets breakdown by Type of Clients

CIU Client Type	Reporting Period				
	2013 (P'000)	2014 (P'000)	2015 (P'000)	2016 (P'000)	2017 (P'000)
Institutional- Pension	1,225,272	1,345,035	1,149,509	1,546,589	1,235,600
Market share Institutional- Pension (%)	25.9	35.9	18.1	23.2	16.9
Institutional- Insurance	0	0	843,540	69,902	488,266
Market share Institutional- Insurance (%)	0	0	13.3	1.0	6.7
Institutional – Other	2,701,337	1,729,989	3,436,142	3,037,094	4,426,378
Market share Institutional - Other (%)	57.1	46.2	54.0	45.6	60.7
Individual Private Clients	804,586	672,910	936,500	2,011,400	1,143,738
Market share Individuals / Private Clients (%)	17.0	17.9	14.7	30.2	15.7

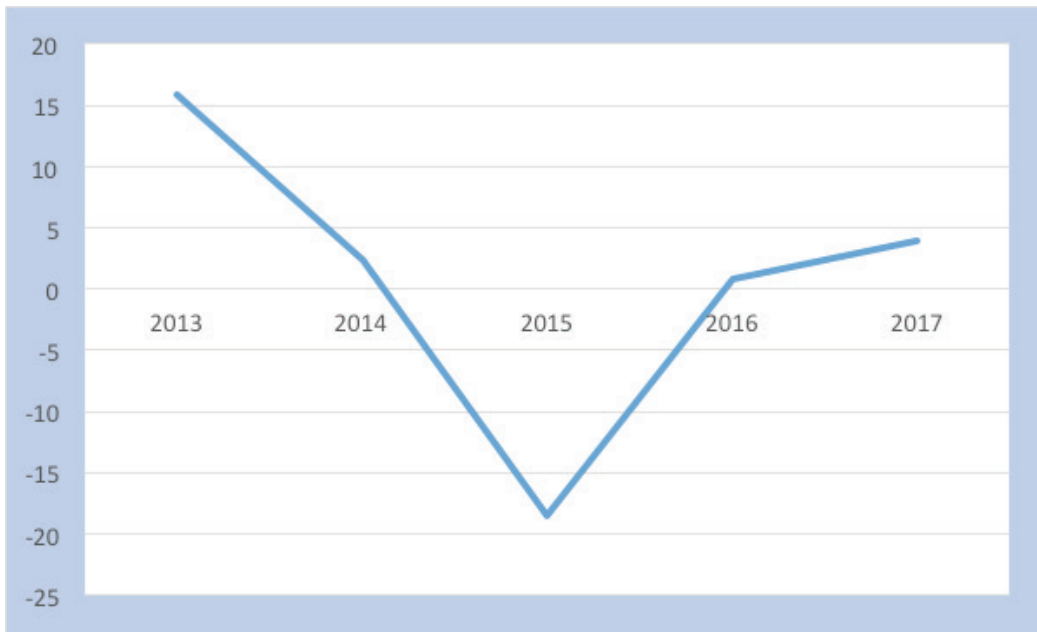
Source: NBFIRA

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



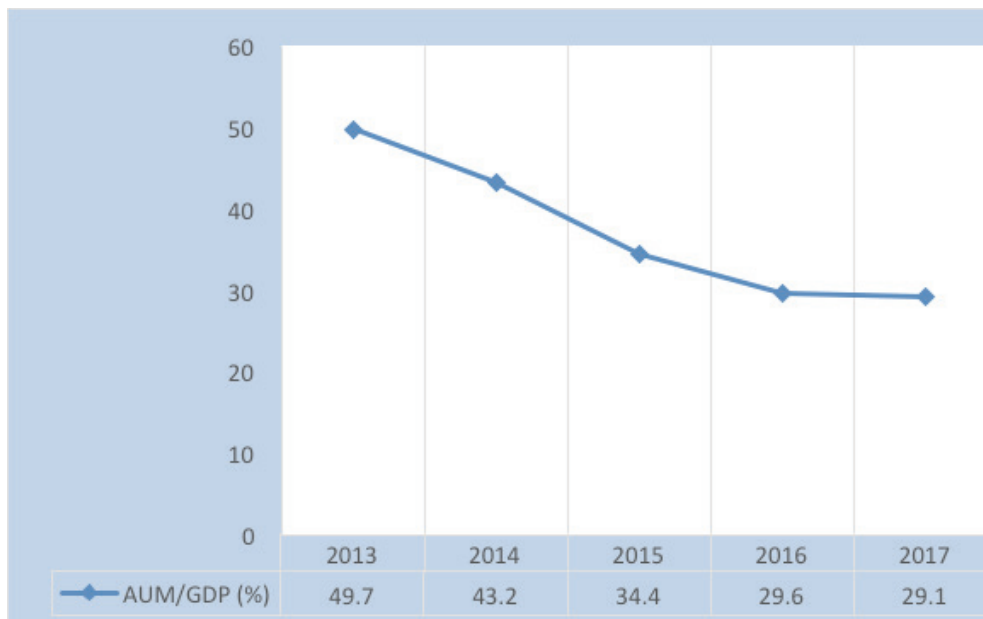
Source: NBFIRA

Figure 9: Overall AUM Growth (%)



Source: NBFIRA

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



Source: NBFIRA

Table 48: Overall CIU and Non CIU asset allocation by class/instrument (P'000)

NON CIU ASSETS	Equity	fixed income	Money Market	Property	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	37,909,366
2016	13,173,408	18,549,295	3,442,676	532,880	35,998,259
CIU ASSETS					
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	6,136,043
2016	6,376,473	2,229,733	1,955,149	0	11,354,365
OVERALL ASSETS					
2012	31,832,634	10,261,095	12,412,411	534,614	55,040,755
2013	42,589,433	11,542,079	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	50,077,379
2016	19,549,881	20,779,028	5,397,825	1,625,890	46,748,322

Source: NBFIRA

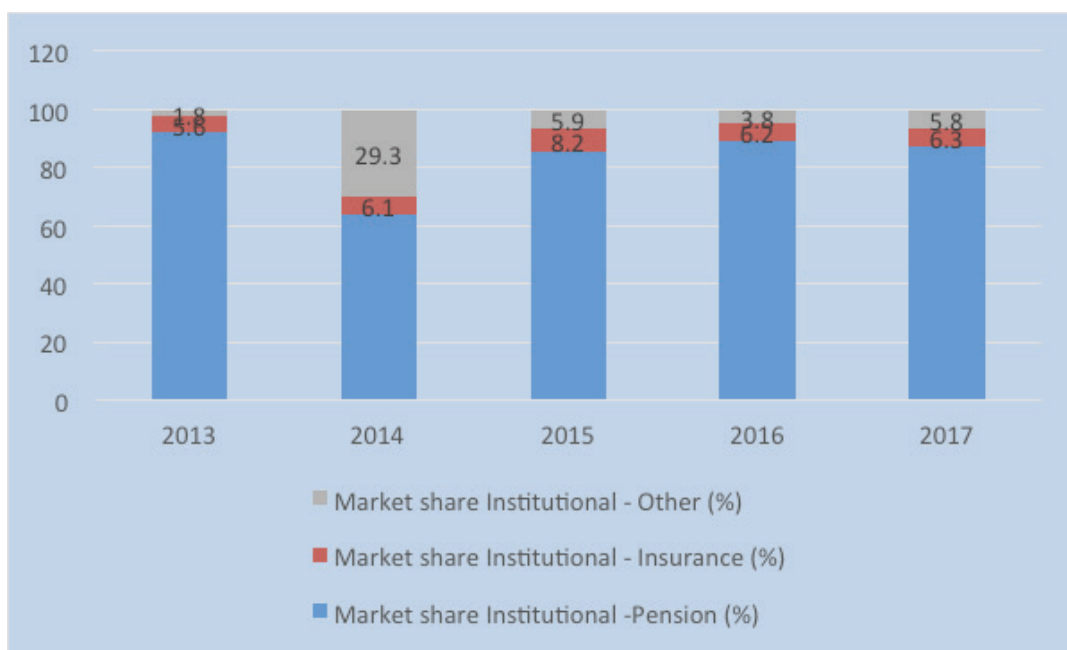
Table 49: Overall CIU and Non CIU asset allocation by Region ('000)

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			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

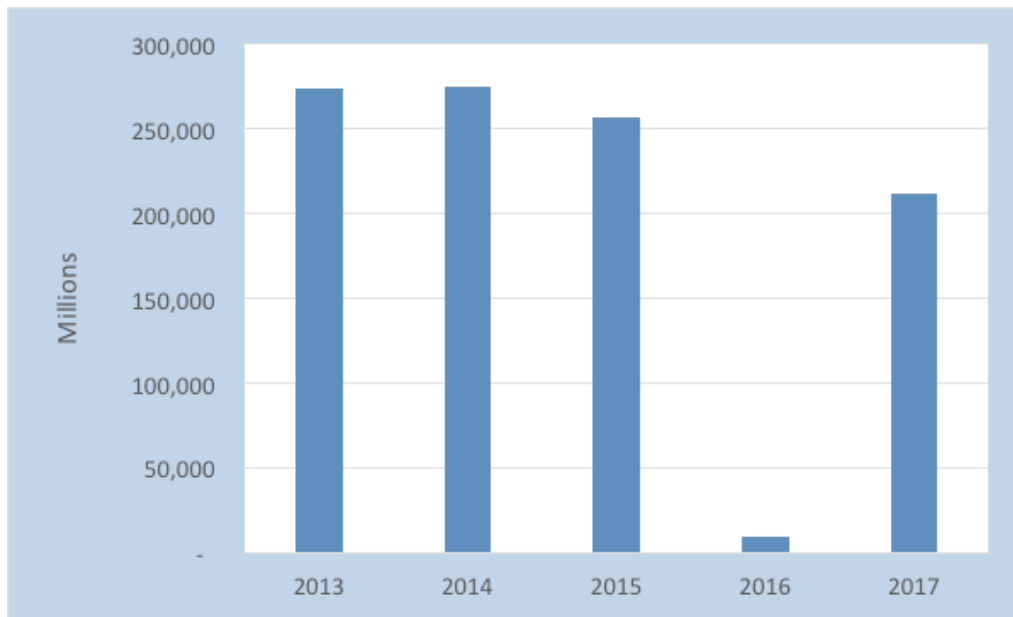
4.3.4 Graphical Presentation of Asset Under Management

Figure 11: Non CIU AUM Market share by Institutional Clients



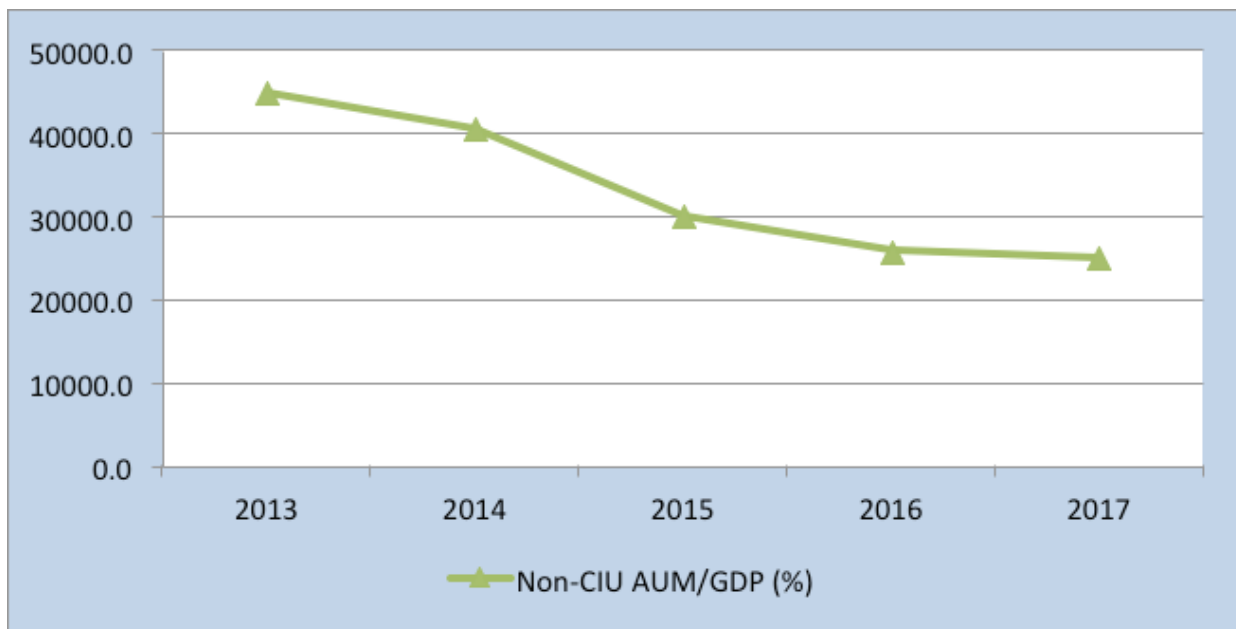
Source: NBFIRA

Figure 12 Non CIU AUM by Individuals / Private Clients



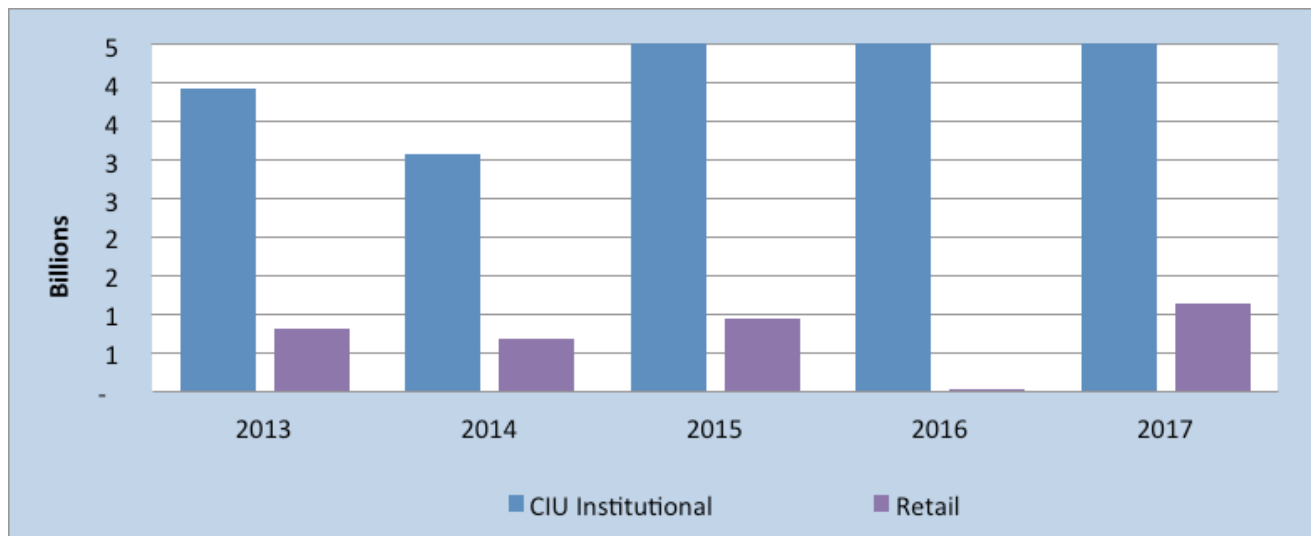
Source: NBFIRA

Figure 13: Non CIU AUM as Percentage of Nominal GDP



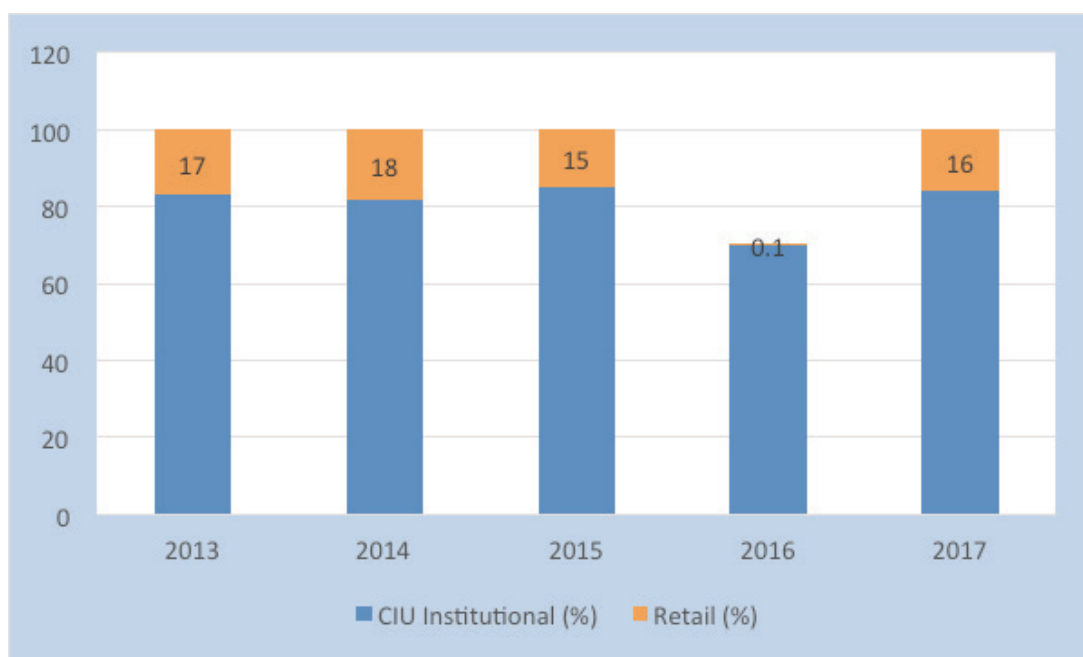
Source: NBFIRA

Figure 14: CIU AUM Market share by Type of Client



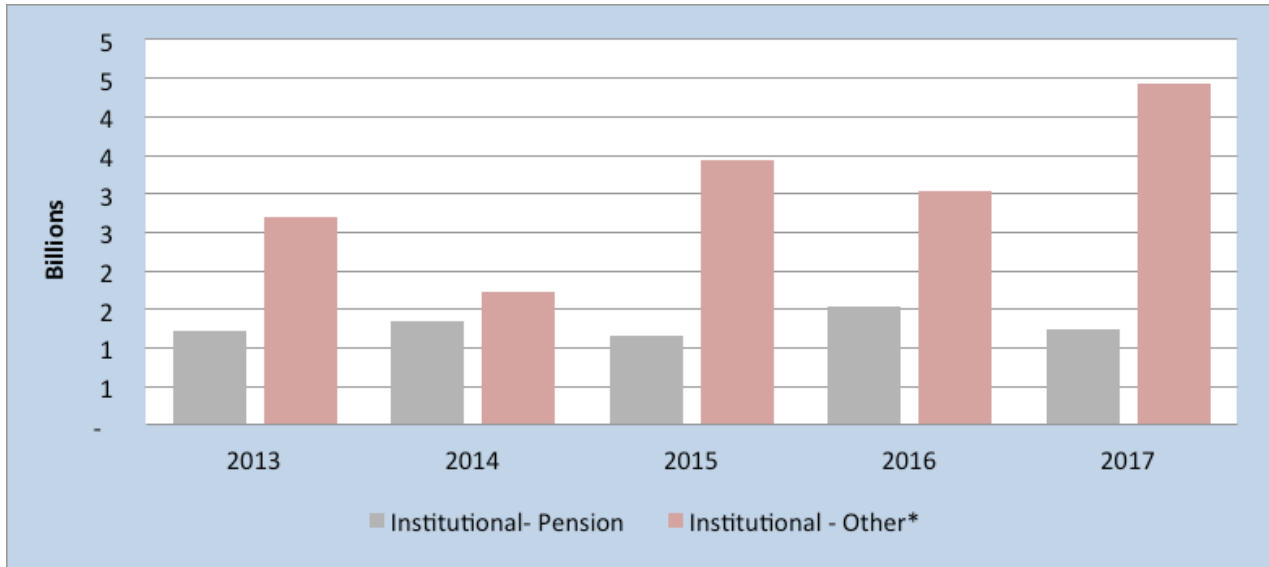
Source: NBFIRA

Figure 15 : CIU AUM Market share by Type of Client



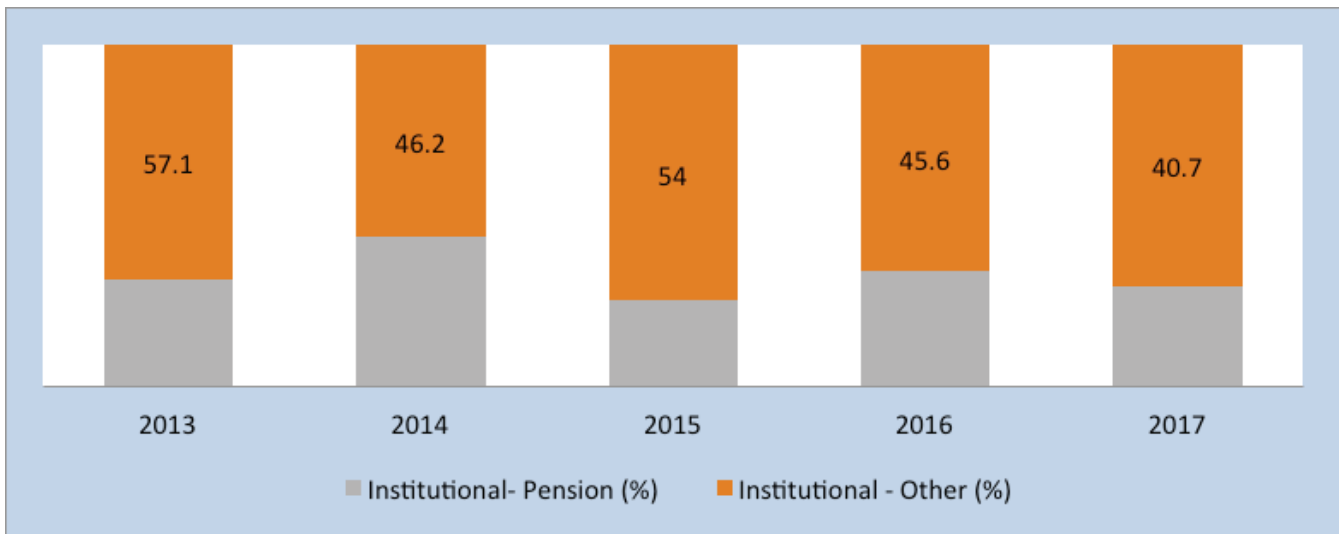
Source: NBFIRA

Figure 16: Breakdown of CIU AUM by Institutional Clients (BWP Billions)



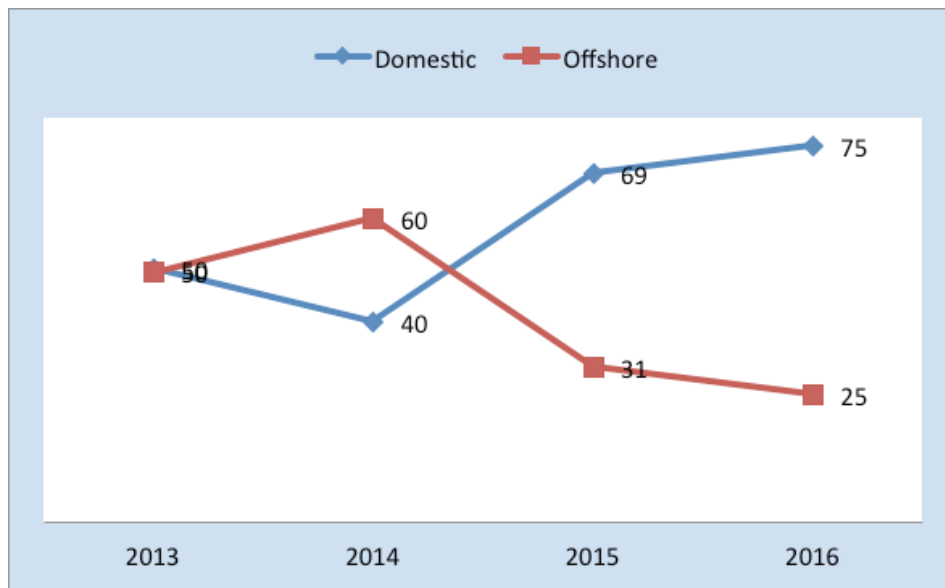
Source: NBFIRA

Figure 17: CIU AUM Market share by Institutional Clients



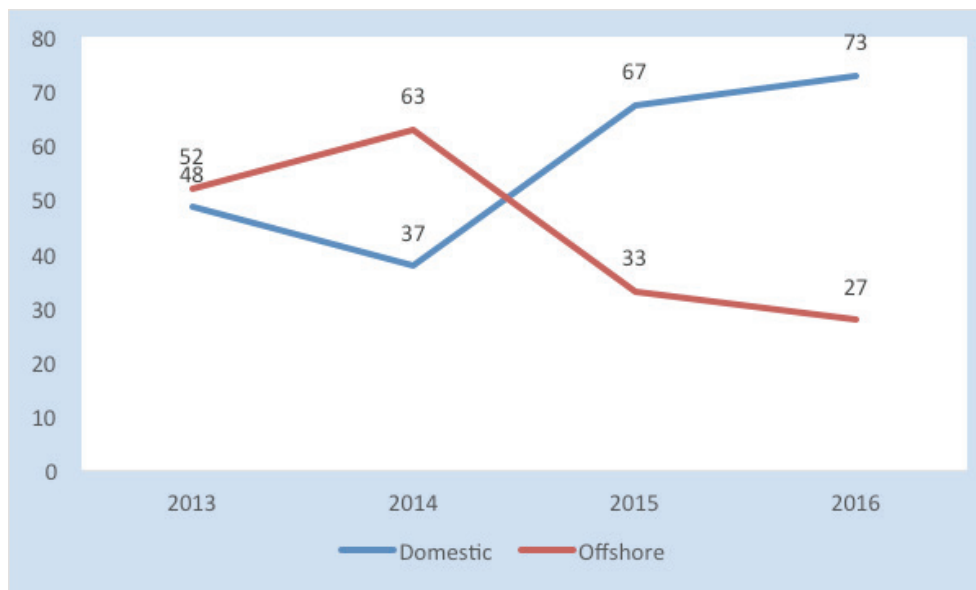
Source: NBFIRA

Figure 18: Overall CIU and Non CIU Asset Allocation by Region (%)



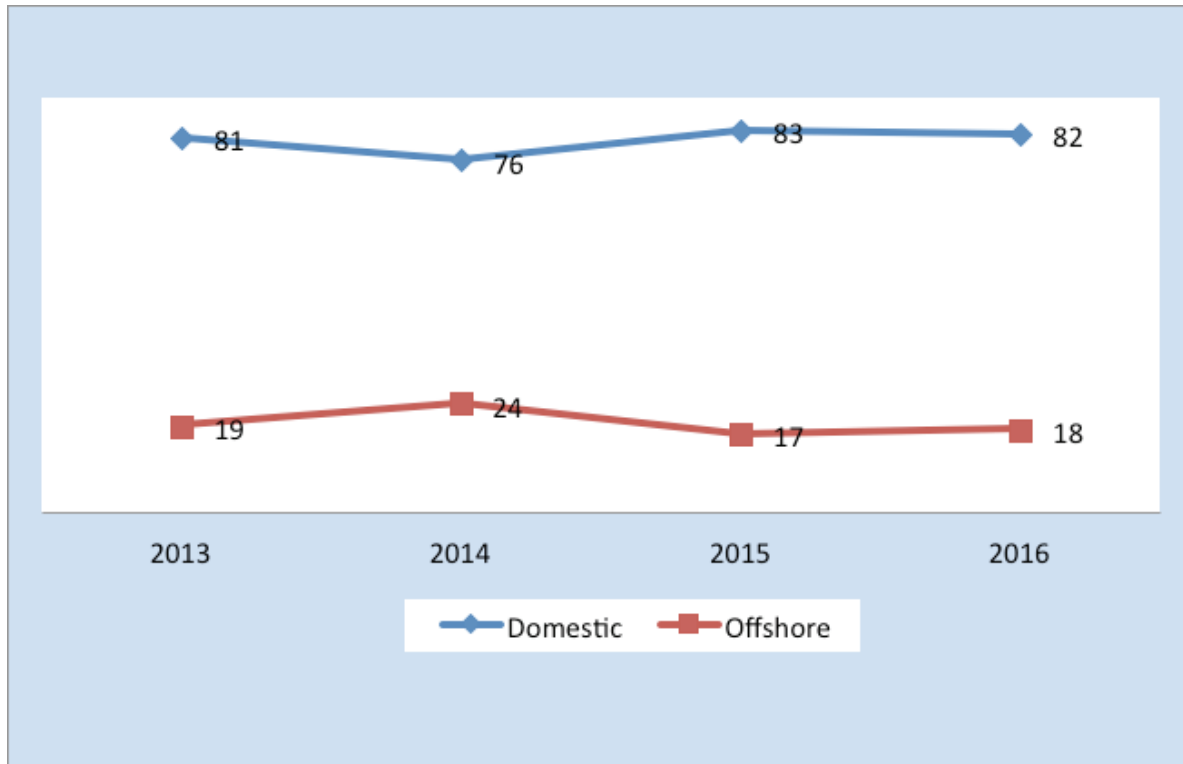
Source: NBFIRA

Figure 19: Non CIU Asset Allocation by Region (%)



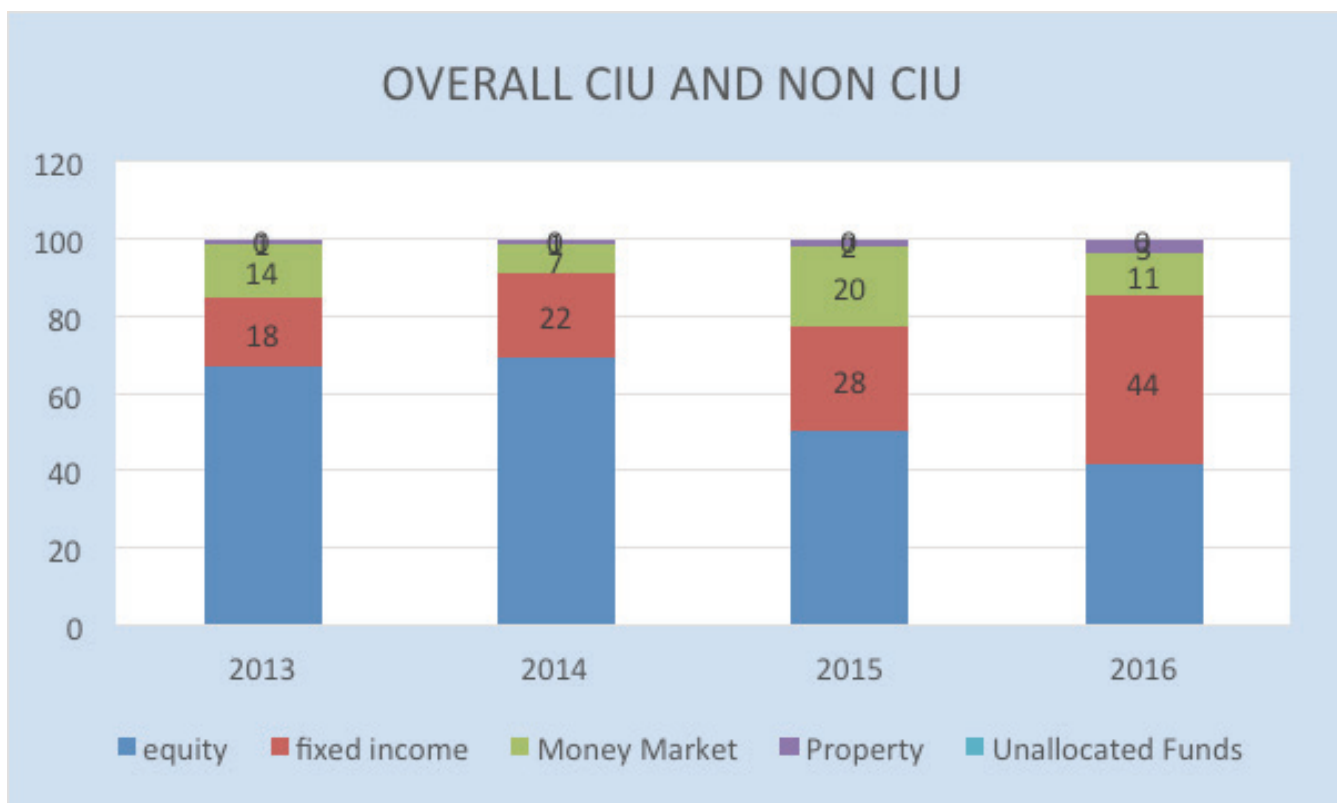
Source: NBFIRA

Figure 20: CIU Asset Allocation by Region (%)



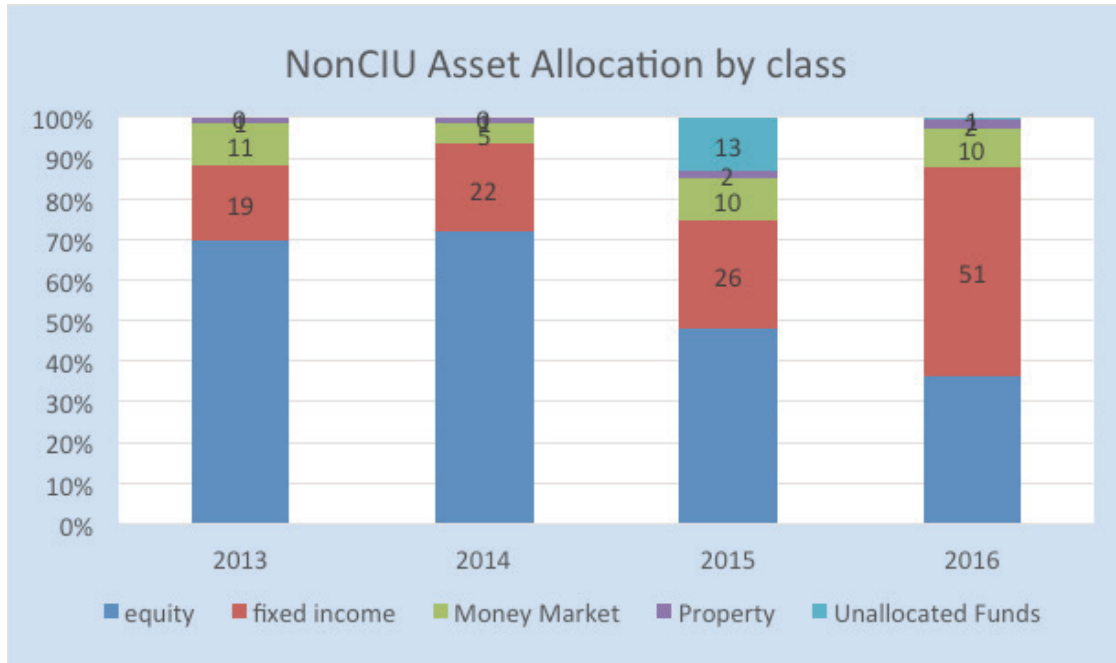
Source: NBFIRA

Figure 21: Overall CIU and Non CIU Asset Allocation by Class (%)



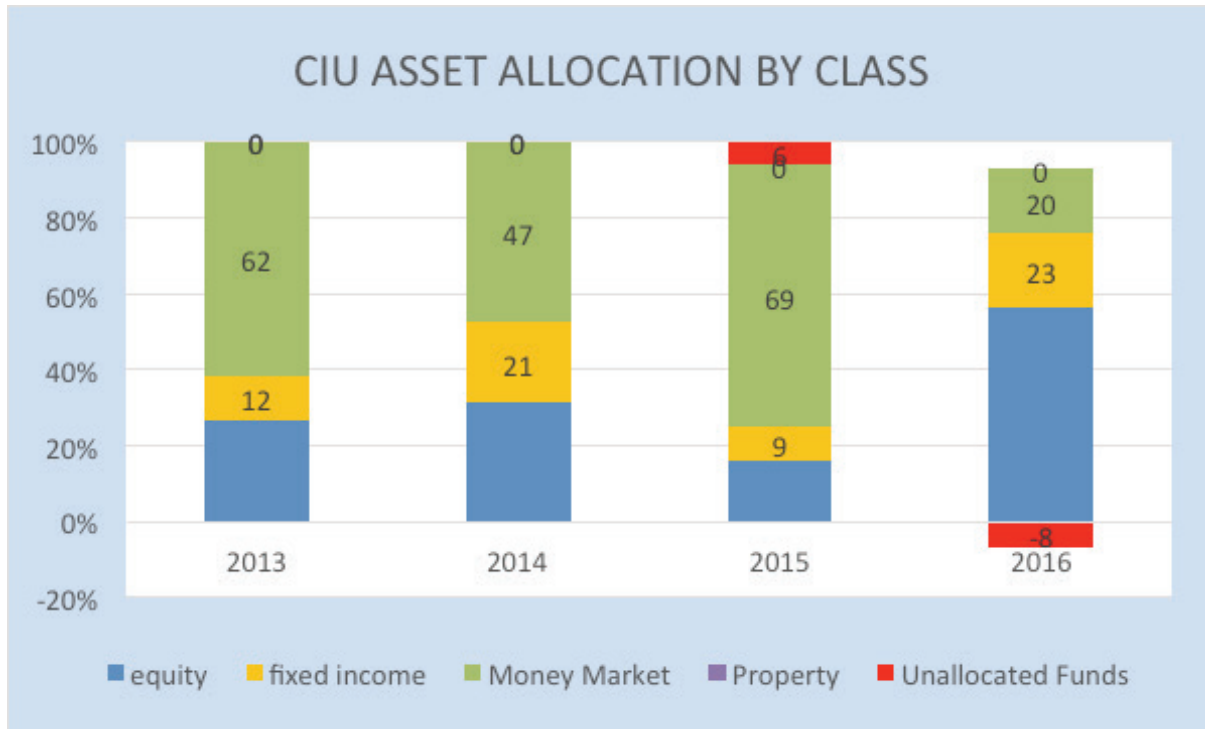
Source: NBFIRA

Figure 22: Non CIU Asset Allocation by Class (%)



Source: NBFIRA

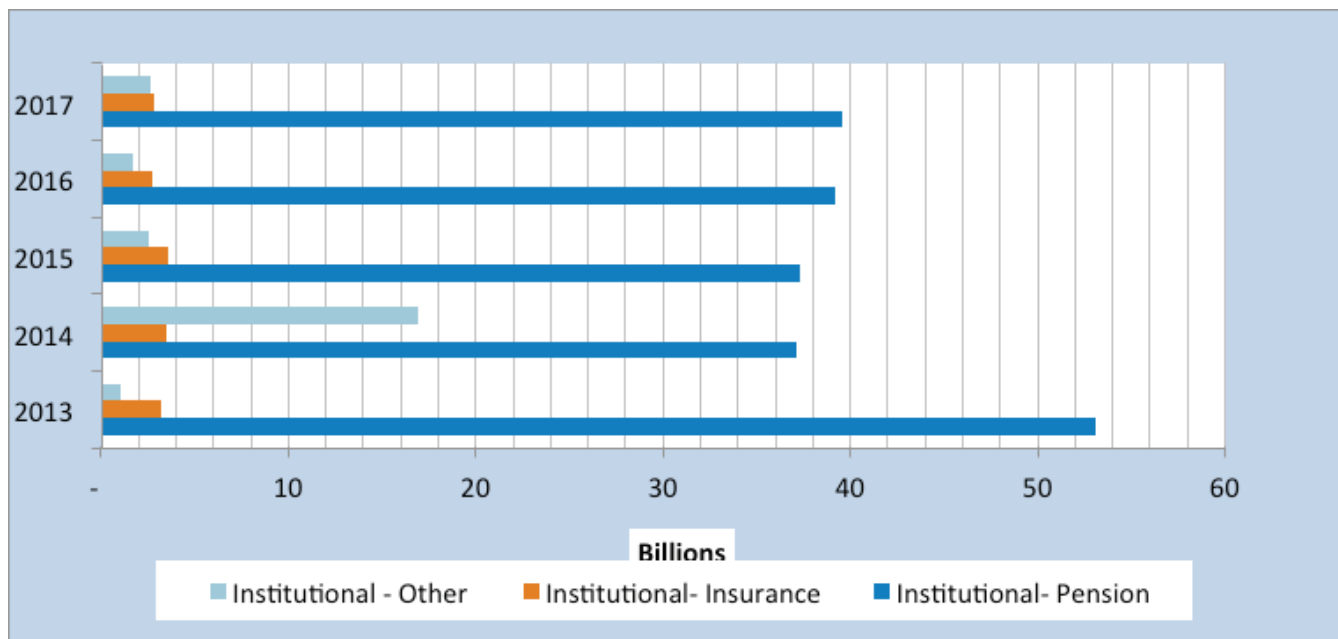
Figure 23: CIU Asset Allocation by Class



Source: NBFIRA

4.3.3.4 Graphical Presentation of Assets Under Management

Figure 24: Non CIU AUM by Institutional Clients



Source: NBFIRA

4.5. LENDING ACTIVITIES

4.5.1 Overview

Table 50: Geographical spread of NBFIRA registered Micro Lenders (243) as at December 2017

LOCATION	No. of Micro lenders		Y-o-Y Change (%)	LOCATION	No. of micro lenders		Y-o-Y Change (%)
	2016	2017			2016	2017	
	URBAN				SEMI-URBAN		
Gaborone	132	90	(31.8)	Masunga	3	1	(66.7)
Francistown	47	28	(40.4)	Kasane	3	1	(66.7)
Orapa	2	1	(50)	Maun	14	6	(57.1)
Selibe Phikwe	15	10	(33.3)	Letlhakane	19	13	(31.6)
Jwaneng	13	10	(23.1)	Bobonong	1	0	(100)
Sowa Town	1	0	(100)	Ghanzi	3	0	(100)
Lobatse	3	3	-	Serowe	5	1	(80)
TOTAL	213	142	(33.3)	Moshupa	2	1	(50)
	RURAL			Palapye	15	10	(33.3)
Gabane	2	1	(50)	Mahalapye	4	3	(25)
Rakops	2	0	(100)	Ramotswa	1	0	(100)
Kopong	1	0	(100)	Mochudi	6	1	(83.3)
Mmadinare	3	1	(66.7)	Molepolole	3	3	-
Manyana	1	0	(100)	Kanye	8	3	(62.5)
Maunatlala	1	1	-	Tutume	0	0	-
Shakawe	2	1	(50)	Tonota	1	1	-
Thamaga	1	1	-	TOTAL	88	44	(50)
Lerala	1	0	(100)				
Tsabong	1	0	(100)				
Mopipi	2	2	-				
Mmopane	1	1	-				
TOTAL	18	8	(55.6)				

Source: NBFIRA

Table 51: Geographical Spread of Pawnshops as at Decemeber 2017

LOCATION	No. of Micro lenders		Y-o-Y Change (%)	LOCATION	No. of Pawnshops		Y-o-Y Change (%)
	2016	2017			2016	2017	
	URBAN			SEMI-URBAN			
Gaborone	46	37	(19.6)	Letlhakane	1	1	-
Francistown	13	11	(15.4)	Serowe	2	2	-
Lobatse	1	1	-	Kasane	1	0	(100)
Jwaneng	1	1	-	Ramotswa	1	1	-
Selibe Phikwe	1	2	100	Maun	4	3	(25.0)
Total	62	52	16.1	Mogoditshane	2	9	350
	RURAL			Mahalapye	2	2	-
Seleka	1	1	-	Palapye	5	4	(20.0)
Otse	1	1	-	TOTAL	18	22	22.2
Mmopane	1	1	-				
Metsimotlhabe	0	1	-				
TOTAL	3	4	33.3				

Source: NBFIRA

Table 52: Geographical Spread of Finance & Leasing as at December 31, 2017

Location	No. of Finance & Leasing Companies		y-o-y % Change	Location	No. of Finance & Leasing Companies		y-o-y
	2016	2017			2016	2017	
	URBAN			SEMI-URBAN			
Gaborone	22	28	27.3	Palapye	0	1	100
				Molepolole	2	1	(50)
TOTAL	22	28	27.3	TOTAL	2	2	0

Table 53: Registered Micro Lenders by Citizenship

	Number of Registered Micro Lenders	
	2016	2017
Citizens	184	156
Non- Citizen	96	59
TOTAL	280	215

Source: NBFIRA



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