

The logo for NBFIRA, featuring a stylized 'N' composed of orange and blue geometric shapes.

**NBFIRA**

Non-Bank Financial  
Institutions Regulatory  
Authority

Sixth Edition: Volume 1



**2019**  
STATISTICAL  
**BULLETIN**

# Foreword

“ **The Regulatory Authority** welcomes comments on the content of the publication from all stakeholders in order to better service their information needs.



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 under (Section 17 (3)) that NBFIRA may:

- (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 2019 Annual Statistical Bulletin is the sixth 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, 2018. The 2019 Annual Statistical Bulletin is published on line in **the Regulatory Authority's** website ([www.nbfira.org.bw](http://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 and 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. This includes regulated NBFIs, Government agencies, in particular Statistics Botswana, as well as other authorities and institutions.

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

Sriram G.  
**Acting Chief Executive Officer**



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 2019 NBFIRA Annual Statistical Bulletin presents data submitted during the year-ending December 31, 2018, and is compared to the recent and preceding five-year period.

### 1.1.3 Reporting Currency

All figures are in the Botswana Pula (BWP) and as at December 31, 2018 1BWP = 0.1013 USD or 1USD = 9.87 BWP.

## 1.2 Selected Economic Indicators

### 1.2.1 Economic Growth

Global growth was 0.2 percentage point lower in 2018, at 3.6% from 3.8% recorded in 2017. This downward revision is as a result of mixed performance across countries and regions. There was strengthening of growth among the advanced economies, influenced by fiscal stimulus and stronger consumer demand. Although slowing slightly, due to deteriorating financial markets and trade policy uncertainties, output expansion remained strong. Furthermore, policy uncertainty and constraints to implementation of structural and policy reforms had an adverse effect on performance in the euro area, the UK and Japan.

During the year 2018, Botswana's real GDP growth rate registered a 4.5 % increase compared to a growth rate of 2.9% in 2017. The rebound in economic activity was driven by the expected recovery in the mining sector which grew by 7.4% as a result of improved output and the figures falling out of calculation for the closed mines. The non-mining sector also performed well during the year registering a 4.1% growth rate, albeit representing a decrease from 4.8% recorded in 2017. The overall economic growth was buoyed by mining output but it remained below the targeted 7 percent growth rate (as per the SADC financial and investment protocol).

The consensus economic outlook for 2019 is for growth levels to be below the 2018 level and within the range of 3.5% – 4%.

### Other Issues of Significance

The country suffered a major blow when it was grey listed on account of lack of tax transparency and exchange of information for tax compliance. In addition, the country was counted among 23 countries with strategic deficiencies in their anti-money laundering and counter-terrorism financing frameworks. The Government reacted swiftly to amend its Income Tax Act (December 2018) and Financial Intelligence Act (FIA) in June 2018. Consequently, **the Regulatory Authority** developed the Risk Based Supervisory Manual to align its supervisory processes with the FIA amendment. The manual which was effected on January 2019 takes into account the threats, vulnerabilities and impact of the consequences for failure to mitigate the risks.

### 1.2.2 Prices and Inflation

Domestic average inflation rate was stable at 3.3% in 2018; and thus remained around the lower bound of the inflation objective range of 3-6%. Inflation averaged 3.3% in 2017. 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 1: Global Economic Growth (Real GDP and Inflation - % Annual Growth)

REGION	2014	2015	2016	2017	2018
<b>Real GDP</b>					
Euro Area	1.4	2.1	2.0	2.5	1.9
Emerging Markets	4.7	4.3	4.6	4.8	4.5
Sub Saharan Africa	5.1	3.1	1.4	2.9	3.2
Developing Asia, of which:	6.8	6.8	6.7	6.6	6.4
China	7.3	6.9	6.7	6.8	6.6
India	7.4	8.2	8.1	7.2	6.8
<b>World Output</b>	<b>3.6</b>	<b>3.5</b>	<b>3.4</b>	<b>3.8</b>	<b>3.6</b>
<b>Inflation</b>					
Euro Area	-0.2	0.2	1.1	1.3	1.5
Emerging Markets	4.7	4.7	4.2	4.5	5.0
Sub Saharan Africa	6.1	8.1	12.1	10.2	8.0
Developing Asia	3.0	2.7	2.6	2.7	2.3
<b>World Inflation</b>	<b>2.9</b>	<b>2.9</b>	<b>3.0</b>	<b>3.3</b>	<b>3.6</b>

Source: IMF World Economic Outlook Report

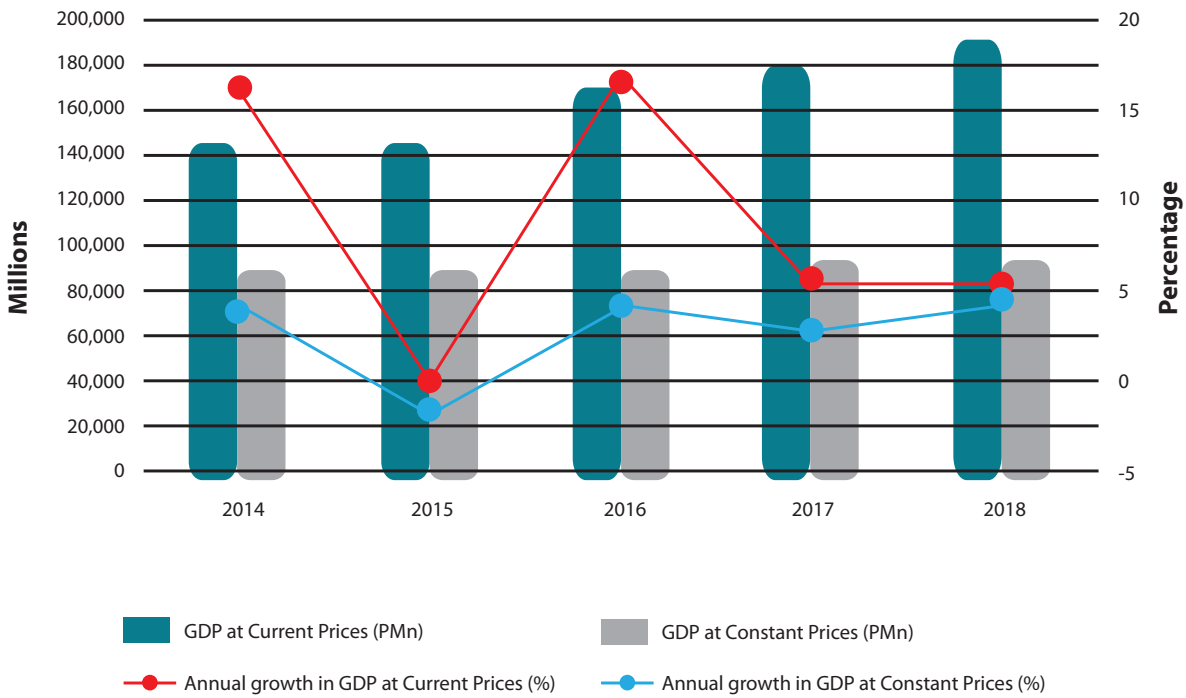
Table 2: Selected Economic Indicators for Botswana

ECONOMIC INDICATORS		2014	2015	2016	2017	2018
<b>S/N</b>	<b>Gross Domestic Product</b>					
1	GDP at Current Prices (Pula, Millions) *1	145,869	146,066	170,389	180,102	189,869
2	Annual Growth at current price (%)	16.5	0.14	16.8	5.6	5.4
3	GDP at Constant Prices (Pula, Millions)	87,570	86,083	89,787	92,398	96,513
4	Annual Growth at Constant Price (%)	4.1	(1.7)	4.3	2.9	4.5
	<b>GDP Per Capita</b>					
5	GDP Per Capita at Current Prices (Pula, Millions)	67,868	66,822	76,841	79,903	82,959
6	Annual GDP Per Capita Growth at Current Prices (%)	14.4	(1.5)	15.0	4.0	8.0
7	GDP Per Capita at Constant Prices (Millions)	40,743	39,381	40,450	40,993	42,169
8	Annual GDP Per Capita Growth at Constant Prices (%)	2.2	(3.3)	2.7	1.3	2.9
<b>8</b>	<b>GDP by End Use at Constant Price (%)</b>					
9	Government Final Consumption	29.1	30.1	31	33.1	35.4
10	Household Final Consumption	68.5	76.0	80.7	88.8	94.2
11	Changes in Inventories	(3.3)	(2.0)	(4.3)	(1.6)	(1.5)
12	Gross Fixed Capital Formation	44.4	49.6	53.0	52.4	57.5
13	Gross Domestic Expenditure	138.7	153.7	160.5	172.8	185.6
14	Total Exports (Goods and Services)	88.6	77.5	84.9	72.0	74.7
15	Total Imports (Goods and Services)	(78.7)	(79.6)	(73.6)	(61.1)	(71.7)



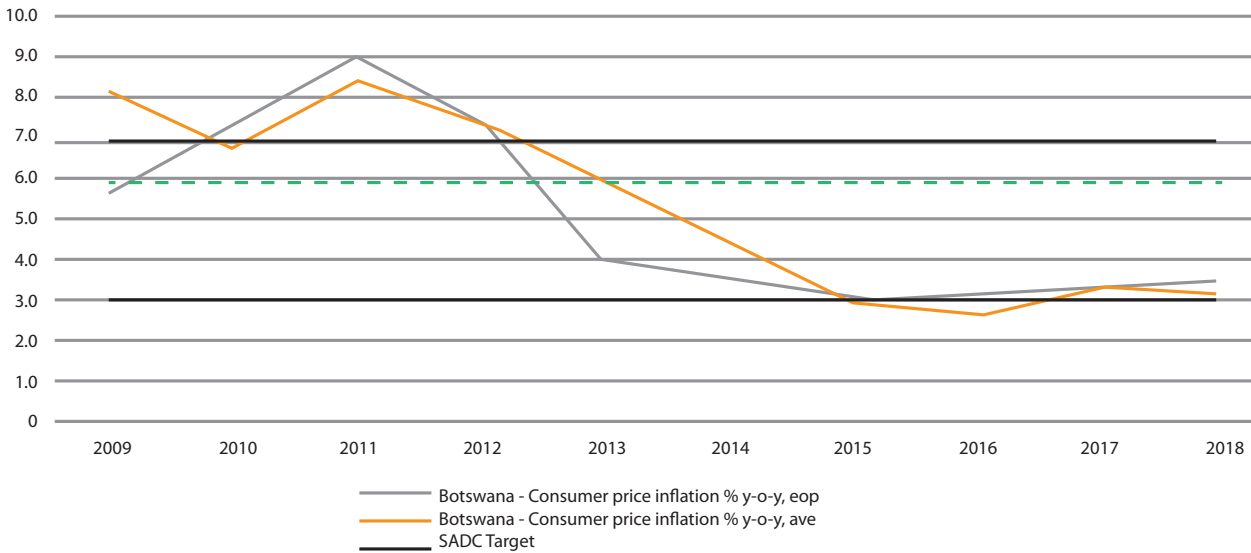
ECONOMIC INDICATORS		2014	2015	2016	2017	2018
<b>Foreign Currency Per 1 Pula (end of period)</b>						
16	USD	0.1051	0.0890	0.0939	0.1013	0.0932
17	GBP	0.0675	0.0600	0.0765	0.0736	0.0734
18	EURO	0.0865	0.0814	0.0891	0.0848	0.0815
19	JPY	12.58	10.72	10.95	11.42	10.28
20	ZAR	1.2169	1.3830	1.2792	1.2563	1.34
<b>Inflation (%)</b>						
21	Consumer Price Index (ave)	4.4	3.0	2.8	3.3	3.2
	Consumer Price Index (eop)	3.7	3.1	3.0	3.2	3.5
<b>Interest Rates (End of Period)</b>						
22	Bank Rate	7.5	6.0	5.5	5.0	5.0
23	Prime Lending Rate	9.0	7.5	7.0	6.5	6.5
<b>Fiscal Position</b>						
24	General Government Revenue (Pula, Millions)	48,951	55,904	47,420	57,398	56,411
25	Total Government Revenue (% of GDP)	34.4	38.4	27.8	31.9	29.7
26	Total Government Expenditure (Pula, Millions)	41,730	50,564	54,411	56,275	58,393
27	Total Government Expenditure (% of GDP)	29.3	34.7	32.1	31.2	30.8
28	Total Government Deficit/Surplus (Pula, Millions)	7,222	5340	(6,991)	1,124	(1,982)
29	Total Government Deficit/Surplus (% of GDP)	5.1	3.7	4.1	0.6	1.04
30	Total Government Debt and Guarantees (Pula, Millions)	29,979	33,131	35,342	36,864	32,994
31	Total Government Debt and Guarantees (% of GDP)	22.7	22.8	21.9	20.5	17.4
<b>External Trade</b>						
32	Current Account Balance	15,566	3,219	13,222	9,613	3,522
33	Current Account Balance (% of GDP)	10.7	2.2	7.8	5.3	1.9
34	Merchandise Exports (Pula, Millions)	76,448	63,693	80,260	61,406	65,066
35	Merchandise Exports Growth (% Change)	14.8	(17.8)	9.1	(23.5)	5.96
36	Merchandise Imports (Pula, 2.2 Millions)	69,794	70,640	64,282	53,207	61,882
37	Merchandise Imports Growth (% Change)	4.1	1.5	(9.2)	(19.1)	16.3
38	Merchandise Trade (Pula, Millions)	6,331	6,558	16,262	9,622	3,522
39	Trade Balance (% of GDP)	3.2	6.2	2.0	5.3	1.9
<b>Labour Markets</b>						
40	Government (Central & Local excluding Ipelegeng)	129,918	130,220	128,279	129,009	129,009
41	Parastatals	18,790	19,411	19,101	19,469	19,733
42	Private Sector	191,399	191,484	197,110	193,480	195,198

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 Trends (%)



Source: Statistics Botswana, Bank of Botswana Financial Statistics

### 1.3 Types of Regulated Non-Bank Financial Institutions (NBFIs)

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

Serial No.	REGULATED NBFIs/ACTIVITIES	Section 2(1) <sup>1</sup>
	<b>INSURANCE</b>	
1	Insurance Agent	(i)
2	Insurance Broker	(j)
3	An Insurer	(k)
4	International Insurance Firm	(l)
5	A medical aid fund	(v)
	<b>RETIREMENT FUNDS</b>	
6	An Administrator of a Retirement fund	(b)
7	A friendly Society	(h)
8	A Retirement fund	(q)
	<b>CAPITAL MARKETS</b>	
9	An Asset Manager	(a)
10	A central counterparty	(c)
11	A central securities depository	(d)
12	A Custodian	(f)
13	Investment Advisor	(m)
14	A Management Company for a Collective Investment Under-taking	(n)
15	A market maker	(o)
16	A Securities Dealer / Broker	(r)
17	A Securities Exchange	(s)
18	A transfer agent or transfer secretary	(t)
19	A Securities Institution	(x)
20	A Collective Investment Undertaking (CIU)	(e)
	<b>NON-BANK LENDING COMPANIES</b>	
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)
	<b>OTHER NBFIs</b>	
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

## 1.4 An Overview of Regulated Non-Bank Financial Institutions (NBFIs) Sector

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

<b>NBFIs BY CATEGORIES</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Insurance Industry</b>	<b>2,877</b>	<b>2,881</b>	<b>2,538</b>	<b>2,716</b>	<b>2,510</b>
Reinsurance Companies	3	3	3	3	3
General Insurance Companies	12	12	12	12	12
Life Insurance Companies	9	9	9	9	8
Medical Aids Funds (MAFs)	9	9	10	10	5
Insurance Brokers	46	47	51	51	56
Corporate Insurance Agents	191	194	161	161	150
Insurance Agents and Sub-Agents	2,607	2,607	2,292	2,470	2,276
<b>Retirement Funds</b>	<b>95</b>	<b>93</b>	<b>89</b>	<b>88</b>	<b>85</b>
Stand Alone Funds	87	86	82	81	75
Umbrella Funds	6	5	5	5	6
Fund Administrators	2	2	2	2	4
<b>Capital Markets</b>	<b>152</b>	<b>137</b>	<b>142</b>	<b>145</b>	<b>165</b>
<b>Of which:</b>					
Stock Exchange	1	1	1	1	1
Central Securities Depository	1	1	1	1	1
Stockbrokers/Securities Dealers	4	4	4	4	5
IFSC Accredited Global Businesses	7	7	7	5	4
Asset Managers	14	14	14	20	21
Management Companies for CIUs	4	4	7	7	7
CIUs/Funds	16	17	17	-	17
Investment company with Variable Capital	1	0	2	2	2
Trustees for CIUs	2	2	2	3	3
Custodians	3	3	3	3	3
Investment Advisors	22	6	6	16	18
Private Equity	2	3	3	2	2
Externally Licensed Funds	75	75	75	81	81
<b>Lending Activities</b>	<b>281</b>	<b>286</b>	<b>311</b>	<b>310</b>	<b>342</b>
<b>Of which:</b>					
Micro-lenders	229	218	219	214	216
Pawn shops	42	57	72	76	82
Finance and Leasing Companies	10	11	20	20	44

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



## 1.5 NBFIs Reporting for Year ending December 31

Table 5 below presents active NBFIs by industry and business sector. It also shows the number of entities submitting the regulatory returns during the year ending December 31, 2018.

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

NBFIs BY CATEGORIES	Number of Active NBFIs		Number of NBFIs Submitting Reports	
	2017	2018	2017	2018
<b>Insurance</b>	<b>246</b>	<b>236</b>	<b>75</b>	<b>86</b>
Reinsurance Companies	3	3	3	3
Short Term Insurance Companies	12	12	12	12
Long Term Insurance Companies	9	8	9	8
Insurance Brokers	51	58	45	58
Insurance Agents	161	150	-	-
Representatives	2470	2,276	-	-
Medical Aid Funds	10	5	6	5
<b>Retirement Funds</b>	<b>86</b>	<b>81</b>	<b>86</b>	<b>81</b>
Stand Alone Funds	81	75	81	75
Umbrella Funds	6	6	5	6
<i>Of which:</i>				
<i>Sub-Funds</i>	267	307	267	285
<b>Capital Markets</b>	<b>72</b>	<b>79</b>	<b>72</b>	<b>79</b>
Stock Exchange	1	1	1	1
Central Securities Depository	1	1	1	1
Stockbrokers/Securities Dealers	4	5	4	5
Global Businesses	7	1	7	1
Asset Managers	14	21	14	21
Management Companies for CIUs	7	7	7	7
CIUs/Funds	19	19	19	19
Trustees for CIUs	3	3	3	3
Custodians	3	3	3	3
Investment Advisers	13	18	13	18
<b>Lending Activities</b>	<b>315</b>	<b>342</b>	<b>20</b>	<b>20</b>
Micro-lenders	219	216	20	20
Pawn shops	-	-	-	-
Finance or Leasing Companies	24	44	-	-

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, 2018

2.1.1 Table 6 (a) and 6 (b) presents 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, 2018 compared to the prior year. During 2018, the total assets of the NBFIs sector increased by 4% from P117 billion to P121 billion. The retirement funds assets continued to be a significant contributor to the NBFIs sector assets, and had registered a 4% percent increase to P82 billion in 2018 from P79 billion in the prior year. The retirement funds assets when expressed as a proportion of the NBFIs sector assets were consistent at 68% between 2017 and 2018.

2.1.2 The NBFIs sector revenues decreased by 6.4% to P17 billion in 2018 from P18 billion in 2017. The NBFIs sector revenues were 9 percent, when expressed as a percentage of GDP at current market prices, a slight decrease from 10 percent recorded in the previous year, but remains a significant contributor to the economy of Botswana. (In terms of assets, the NBFIs sector was 63 percent of GDP in 2018, a small decrease from 64 percent in the prior year).

#### Capital Management of the NBFIs Sector Balance Sheet

2.1.3 The NBFIs sector decreased by 1 percent in capital levels to P6.8 billion in 2018 from P6.9 billion in 2017. The negative growth in the NBFIs sector capital was largely due to a contraction of 8% in the capital level of micro-lenders.

#### Liabilities

2.1.4 The liabilities of the NBFIs increased by 8% in 2018 compared to 12% in 2017 largely due to an increase in liabilities of the Top 20 micro-lenders.

#### Assets under Management (AUM)

2.1.5 Overall Assets under Management (AUM) of the NBFIs were P46.4 billion during the year ending December 31, 2018, having decreased by 12 percent from the prior year. When expressed as a percentage of GDP at Market prices, AUM of local investment institutions fell to 24 percent in 2018 from 29 percent in 2017. The Retirement funds under management of local fund managers also decreased to end the year at P35 billion in 2018, compared to P40 billion recorded in the prior year.

2.1.6 Non - Collective Investment Undertakings (including locally managed pension funds) registered a decrease by 14 percent on a year-on-year basis to P39 billion in 2018 from P45 billion in 2017. While CIU Assets on the other hand increased by 2 percent during the same period to P7.4 billion in 2018 from P 7.3 billion in 2017.

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

NBFIs BY CATEGORIES	Total Assets in Pula			Capital & Reserves (Millions)			Liabilities (Millions)		
	2017	2018	Percent Change	2017	2018	Percent Change	2017	2018	Percent
<b>Insurance Industry</b>	<b>18,850</b>	<b>20,074</b>	<b>6.5</b>	<b>4,364</b>	<b>4,461</b>	<b>2.2</b>	<b>14,479</b>	<b>15,613</b>	<b>7.8</b>
Reinsurance Companies	254	394	55.1	97	164	69.1	158	230	45.6
General Insurance Companies	1,874	1,980	5.7	731	735	0.5	1,143	1,245	8.9
Life Insurance Companies	15,391	16,222	5.4	2,665	2,578	(3.3)	12,726	13,644	7.2
Insurance Brokers*	388	413	6.4	148	162	9.5	232	251	8.2
Medical Aid Funds**	943	1,065	12.9	723	822	13.7	220	243	10.5
<b>Capital Markets</b>	<b>14,772</b>	<b>14,349</b>	<b>-2.9</b>	<b>479</b>	<b>490</b>	<b>2</b>	<b>5,902</b>	<b>5,823</b>	<b>(1)</b>
Stock Exchange	72	76	5.6	64	57	(11)	7	19	171
Central Securities Depository	31	31	0.0	30	27	(10)	1	4	300
Stockbrokers/ Securities Dealers	59	40	-32.2	27	21	(22)	32	18	(44)
Asset Managers	6,142	6,073	-1.1	332	352	6	5,810	5,720	(2)
Management Companies for CIUs	78	95	21.8	26	33	27	52	62	19
AUM (Retail & Private)	8,390	8,034	-4.2	-	-	-	-	-	-
<b>Lending Activities</b>	<b>4,342</b>	<b>4,806</b>	<b>10.7</b>	<b>2,035</b>	<b>1,867</b>	<b>(8.3)</b>	<b>2,258</b>	<b>2,890</b>	<b>28.0</b>
Micro Lenders (Top 20)	4,293	4,757	10.8	2,035	1,867	(8.3)	2,258	2,890	28.0
Pawnshops	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a
Finance or Leasing Companies	49	49	0.0	n/a		n/a	n/a	n/a	n/a
<b>Sub Total (NBFI excluding RF)</b>	<b>37,964</b>	<b>39,229</b>	<b>3.3</b>	<b>6,878</b>	<b>6,818</b>	<b>(0.9)</b>	<b>22,639</b>	<b>24,326</b>	<b>7.5</b>
Retirement Funds***	78,855	81,818	3.8	0		-	-		-
<b>GRAND TOTAL</b>	<b>116,820</b>	<b>121,046</b>	<b>4</b>	<b>6,878</b>	<b>6,818</b>	<b>(0.9)</b>	<b>22,639</b>	<b>24,326</b>	<b>7.5</b>

Source: NBFIRA  
 AUM excludes insurer investments

Table 6b: Financial Performance of the NBFIs in 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
	2017	2018	%	2017	2018	%	2017	2018	%
<b>Insurance Industry</b>	<b>7,204</b>	<b>7,817</b>	<b>8.5</b>	<b>6,320</b>	<b>7,046</b>	<b>19.8</b>	<b>895</b>	<b>770</b>	<b>(14.0)</b>
Reinsurance Companies	190	262	37.9	220	235	(43.6)	(19)	27	(242.1)
General Insurance Companies	1,262	1,366	8.2	1,226	1,255	(2.0)	36	111	208.3
Life Insurance Companies	3,730	4,084	9.5	3,027	3,620	36.8	703	464	(34.0)
Insurance Brokers*	365	383	4.9	312	324	5.1	53	58	9.4
Medical Aid Funds	1,657	1,722	3.9	1,535	1,612	5.5	122	110	(9.8)
<b>Capital Markets</b>	<b>1,051</b>	<b>771</b>	<b>(26.6)</b>	<b>714</b>	<b>606</b>	<b>(15.1)</b>	<b>337</b>	<b>165.7</b>	<b>(50.8)</b>
Stock Exchange	33	32	(3.03)	26	25	(3.8)	7	7	0
Central Securities Depository	8	7	(12.5)	6	7	16.7	2	0.1	(95)
Stockbrokers/ Securities Dealers	35	33	(5.7)	30	33	10	5	0.6	(88)
Asset Managers	736	658	(10.6)	482	513	6.4	254	145	(42.9)
Management Companies for CIUs	239	41	(82.8)	170	28	(83.5)	69	13	(81)
<b>Lending Activities</b>	<b>1,313</b>	<b>1,262</b>	<b>(3.9)</b>	<b>801</b>	<b>1,064</b>	<b>32.8</b>	<b>512</b>	<b>508</b>	<b>(0.8)</b>
Micro Lenders	1,313	1,262	(3.9)	801	1,064	32.8	512	508	(0.8)
Pawnshops	-	-	-	-	-	-	-	-	-
Finance or Leasing Companies	-	-	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>9,568</b>	<b>9,850</b>	<b>2.9</b>	<b>7,835</b>	<b>8,716</b>	<b>17.9</b>	<b>1,744</b>	<b>1,444</b>	<b>(17.2)</b>
Pension Funds	8,436	6,995	(17.1)	3,528	4,521	28.1	4,908	2,474	(49.6)
<b>GRAND TOTAL</b>	<b>18,004</b>	<b>16,845</b>	<b>(6.4)</b>	<b>11,363</b>	<b>13,237</b>	<b>21.2</b>	<b>6,652</b>	<b>3,918</b>	<b>(41.1)</b>

Source: NBFIRA

Gross income for Insurers is equals to Gross Written Premiums (GWP).



## 2.2 NBFi Sector Relative to Gross Domestic Product at Market Prices (2009 -2013)

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	2018	2017	Percent Change
	In Pula Millions	In Pula Millions	
Gross Domestic Product at Market Prices in Pula (Millions)	189,869	180,113	5.4
Collective Investment Undertakings (“CIUs”) Funds	7,436	7,294	1.9
Discretionary (“Non CIUs”)	38,968	45,179	(13.7)
<b>Overall AUM ( CIUs and Non CIUs)</b>	<b>46,404</b>	<b>52,473</b>	<b>(11.6)</b>
of which:			
Retirement Fund investments (Local Managers)	34,500	40,073	(13.8)
Other Institutions and retail	11,719	12,400	(5.5)
CIU Assets / GDP	3.9	4.0	(2.5)
Non CIU Assets/GDP	20.5	25.1	(18.3)
Overall AUM / GDP	24.4	29.1	(16.2)
Retirement Funds Assets	81,818	78,855	3.8

Source: NBFIRA

# 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

	2017	2018	Annual Change (%) To 2017
	(P'000)	(P'000)	
<b>Gross Premiums Written</b>	3,729,751	4,083,944	9.50
<b>Net Premiums Written</b>	3,622,947	3,979,681	9.85
<b>Net Claims Paid</b>	1,757,542	1,981,936	12.77
<b>Underwriting Expenses</b>	3,173,831	3,115,933	(1.82)
<b>Net Profit Before Tax</b>	702,542	463,903	(33.97)
<b>Total Assets</b>	15,390,422	16,222,240	5.4
<b>Liabilities</b>	12,726,264	13,644,116	7.2
<b>Total Capital</b>	2,664,157	2,578,123	(3.2)
<b>Total Capital and Liabilities</b>	15,390,422	16,222,240	5.4

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

	2017 ('000)	2018 ('000)	Annual Change (%) To 2018
<b>Gross Premiums Written</b>	1,261,698	1,365,826	8.25
<b>Net Premiums Written</b>	815,995	860,765	5.49
<b>Net Premiums Earned</b>	812,381	835,157	2.80
<b>Net Incurred Claims</b>	480,958	422,859	(12.08)
<b>Underwriting Expenses</b>	843,549	790,747	(6.26)
<b>Total Underwriting Income</b>	(31,168)	44,410	242.49
<b>Net Profit Before Tax</b>	<b>36,026</b>	<b>110,512</b>	<b>206.76</b>
<b>Total Assets</b>	<b>1,873,795</b>	<b>1,979,569</b>	5.64
<b>Total Liabilities</b>	1,142,852	1,244,981	8.94
<b>Total Capital</b>	730,943	734,589	0.50
<b>Total Capital and Liabilities</b>	<b>1, 873,795</b>	<b>1,979,569</b>	<b>5.64</b>

Source: NBFIRA Annual Reports and Audited financial statements of insurers

## 3.1.1.3 Performance of Re-Insurance Business

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

	2017 ('000)	2018 ('000)	Annual Change (%) To 2018
<b>Gross Premiums Written</b>	189,969	262,497	38.18
<b>Net Premiums Written</b>	132,619	163,465	23.26
<b>Net Premiums Earned</b>	130,223	121,582	(6.64)
<b>Net Acquisition Cost</b>	43,565	40,990	(5.91)
<b>Underwriting Expenses</b>	149,413	84,287	(43.59)
<b>Total Underwriting Income(Loss)</b>	(19,190)	(13,919)	27.47
<b>Net Profit Before Tax</b>	(18,526)	27,026	245.88
<b>Total Assets</b>	<b>254,194</b>	<b>394,131</b>	55.05
<b>Total Liabilities</b>	157,520	229,766	45.86
<b>Total Capital</b>	96,673	164,365	70.02
<b>Total Capital and Liabilities</b>	<b>254,193</b>	<b>394,131</b>	55.05

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

	2017 ('000)	2018 ('000)	Annual Change (%) To 2018
Commission Earned	257,701	304,358	18.11
Other Revenue	107,483	76,861	(28.49)
Investment Revenue	-		
<b>Total Revenue</b>	<b>365,184</b>	<b>381,219</b>	4.39
Operating expenses	266,825	307,735	15.33
Other Expenses	23,652	14,696	(37.87)
Related party expenses	12,960	415	(96.80)
<b>Total Expenses</b>	<b>303,437</b>	<b>322,846</b>	6.40
<b>Net Income Before tax</b>	<b>60,950</b>	<b>58,373</b>	(4.23)
Tax	17,440	14,961	(14.21)
<b>Net Income After Tax</b>	<b>44,399</b>	<b>43,412</b>	(2.22)

Source: Audited financial statements of brokers

Table 12: Financial Performance of Insurance Brokers: Balance Sheet

	Reporting period		Annual Change (%) To 2018
	2017 ('000)	2018 ('000)	
INSURANCE BROKERS BALANCE SHEET			
Current Assets	250,641	297,688	18.77
Related Party Loans and assets	49,655	21,997	(55.70)
Non- Current Assets	87,612	93,681	6.93
<b>Total Assets</b>	<b>387,909</b>	<b>413,367</b>	6.56
Trade Payables	150,501	192,217	27.72
Shareholders Loans / Related party payables	15,723	14,941	(4.97)
Other Liabilities	65,420	44,535	(31.92)
<b>Total Liabilities</b>	<b>231,644</b>	<b>251,692</b>	8.65
Capital	28,775	37,623	30.75
Reserves and Retained Earnings	127,489	124,052	(2.70)
<b>Total Capital</b>	<b>156,264</b>	<b>161,675</b>	3.46
<b>Total Capital and Liabilities</b>	<b>387,909</b>	<b>413,367</b>	6.56

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

	2017 ('000)	2018 ('000)	Annual Change (%) To 2018
<b>Gross Contributions</b>	1,657,337	1,722,336	3.9
<b>Total Claim Paid</b>	1,359,773	1,440,507	5.9
<b>Non-Health Expenditure</b>	208,098	212,223	2.0
<b>Net Surplus Before Tax</b>	122,185	<b>109,546</b>	(10.3)



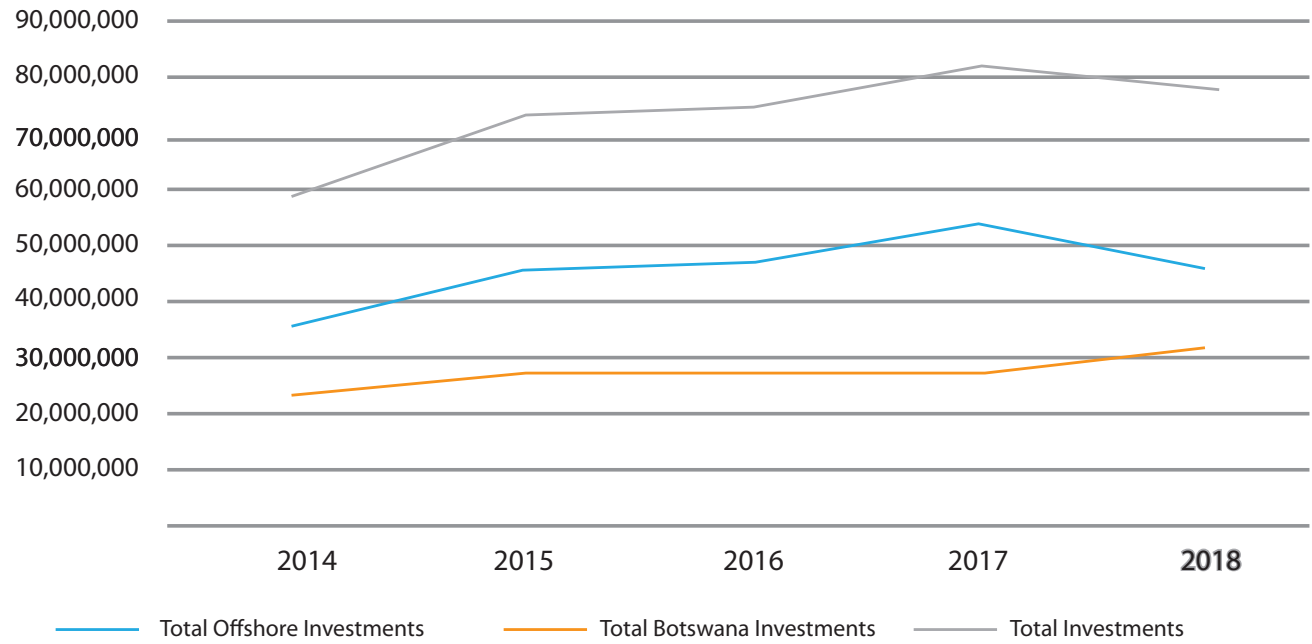
### 3.2 Retirement Funds

#### 3.2.1 Summary of Financial Performance of Retirement Funds

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

	2017	2018	Annual Change (%) To 2018
No. of Retirement Funds	86	86	0
Defined Benefits (DB) Only	2	3	50.0
Defined Contributions (DC) Only	78	81	3.85
Mixed DC and DB	6	2	(66.67)
No. of Active Members	230,006	232,439	1.06
No. of Deferred Members	17,326	18,607	7.39
Pensioners	11,969	12,051	0.69
<b>Value of Retirement Funds as per submitted Audited Financial Statements</b>			
Member Contributions	1,066,000	<b>1,129,214</b>	5.93
Employer Contributions	2,925,000	<b>3,152,000</b>	7.76
Investment Income	4,108,000	<b>2,499,343</b>	(39.16)
Income from life insurance	14,000	<b>12,331</b>	(11.92)
Other Income	323,000	<b>201,068</b>	(37.75)
<b>Total Income</b>	<b>8,436,000</b>	<b>6,987,840</b>	(17.17)
Benefit payments	2,816,000	3,794,000	34.7
Insurance Premiums	17,800	17,166	(3.6)
Administration, Management Expenses and Fees	695,000	710,000	2.2
Other expenses			
<b>Total Expenditure</b>	<b>3,528,000</b>	<b>4,521,166</b>	<b>28.1</b>
<b>Retirement Funds Investment Assets Botswana Equities ('000)</b>	14,189,000	13,034,000	(8.14)
Exchange Traded Funds	411,000	580,000	41.12
Botswana Unlisted Equities	2,070,000	2,114,000	2.13
Pula Bonds	8,021,000	8,432,000	5.12
Pula Cash/ Near Cash	3,596,000	6,619,000	84.07
Botswana Property	370,000	1,494,000	303.78
<b>Total Botswana Investments</b>	<b>28,657,000</b>	<b>32,273,000</b>	<b>12.62</b>
Offshore Equities	41,539,000	39,716,000	(4.4)
Offshore Bonds	9,934,000	5,846,000	(39.33)
Offshore Cash/Near Cash	1,874,000	1,137,000	(39.57)
<b>Total Offshore Investments</b>	<b>53,347,000</b>	<b>46,699,000</b>	<b>(12.46)</b>
<b>Total Investments</b>	<b>82,004,000</b>	<b>78,972,000</b>	<b>(3.70)</b>
<b>Of which:</b>			
<b>Dual listed Equities</b>	1,527,000	1,333,000	(12.70)
<b>Alternative Investments</b>	594,000	177,000	(70.20)

Figure 3: Pension Fund Asset Allocation and Growth during 2014 to 2018 (Pula, 000s)



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		Percentage change (%)
	2017 ('000)	2018 ('000)	
Total Revenue	32,815	31,754	(3.23)
Total Expenses	25,969	24,573	(5.38)
Profit Before Tax	6,845	7,181	4.91
Tax	-	-	-
<b>Profit after tax</b>	<b>6,845</b>	<b>7,181</b>	<b>4.91</b>
<b>Total Assets</b>	<b>71,553</b>	<b>76,472</b>	<b>6.87</b>
Capital and Reserves	64,116	57,634	(10.11)
Total Liabilities	7,437	18,837	153.29
<b>Total Liabilities and Equity</b>	<b>71,553</b>	<b>76,472</b>	<b>6.87</b>

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		Percentage change (%)
	2017 ('000)	2018 ('000)	
Total Revenue	7,870	6,940	(11.82)
Total Expenses	6,271	6,838	9.04
Profit before tax	<b>1,600</b>	<b>102</b>	<b>(93.63)</b>
Tax	-	-	-
<b>Profit after tax</b>	<b>1,600</b>	<b>102</b>	<b>(93.63)</b>
<b>Total Assets</b>	<b>30,766</b>	<b>30,955</b>	<b>0.61</b>
Capital and Reserves	29,917	26,519	(11.36)
Total Liabilities	849	4,436	422
<b>Total Liabilities and Equity</b>	<b>30,766</b>	<b>30,955</b>	<b>0.61</b>

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		Percentage change (%)
	2017 ('000)	2018 ('000)	
Total Revenue	34,794	32,691	(6.04)
Total Expenses	29,901	33,268	11.3
Profit Before Tax	12,423	(577)	(104.6)
Tax			
<b>Profit after tax</b>	<b>3,117</b>	<b>(1,043)</b>	(133.5)
<b>Total Assets</b>	<b>59,173</b>	<b>39,653</b>	(32.99)
Capital and Reserves	26,858	21,247	(20.9)
Total Liabilities	32,315	18,406	(43.0)
<b>Total Liabilities and Equity</b>	<b>59,173</b>	<b>39,653</b>	(32.99)

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		Percentage change (%)
	2017 ('000)	2018 ('000)	
Total Revenue	40,214	41,153	2.34
Total Expenses	(36,739)	(28,382)	(22.7)
<b>Profit Before Tax</b>	<b>3,475</b>	<b>12,771</b>	267.5
Tax	(720)	(3,222)	347.5
Profit After Tax	3,378	9,548	182.7
<b>Total Assets</b>	<b>78,324</b>	<b>94,833</b>	21.1
Capital and Reserves	25,941	32,805	26.46
Other Liabilities	52,383	62,028	18.4
<b>Total Liabilities (Includes capital)</b>	<b>78,324</b>	<b>94,833</b>	21.1

Source: NBFIRA



### 3.3.5 Summary of Financial Performance of Asset Managers

Table 19: Financial Performance of Asset Managers

ASSET MANAGERS FINANCIALS	Reporting period		Percentage change (%)
	2017 ('000)	2018 ('000)	
Total Revenue	715,497	657,697	(8.1)
Total Expenses	(472,047)	(513,002)	8.7
Profit Before Tax	243,450	144,695	(40.6)
Tax	(25,333)	(33,264)	31.3
<b>Profit after Tax</b>	<b>213,076</b>	<b>111,431</b>	<b>(47.7)</b>
<b>Total Assets</b>	<b>6,142,409</b>	<b>6,072,372</b>	<b>(1.1)</b>
Capital	332,435	352,316	6
Total Liabilities	5,809,974	5,720,415	(1.5)
<b>Total Liabilities (Includes Capital)</b>	<b>6,142,409</b>	<b>6,072,372</b>	<b>(1.1)</b>

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		Percentage change (%)
	2017 ('000)	2018 ('000)	
Total Revenue	831,190	770,235	(7.3)
Total Expenses	(446,645)	(476,705)	6.7
<b>Profit Before Tax</b>	<b>267,793</b>	<b>164,172</b>	<b>(38.7)</b>
Tax	(26,053)	(36,486)	40.0
<b>Profit after tax</b>	<b>228,016</b>	<b>127,219</b>	<b>(44.2)</b>
<b>Total Assets</b>	<b>6,382,225</b>	<b>6,314,285</b>	<b>(1.1)</b>
Capital and Reserves	479,267	490,521	2.3
Total Liabilities	5,902,958	5,824,122	(1.3)
<b>Total Liabilities and Equity</b>	<b>6,382,225</b>	<b>6,314,285</b>	<b>(1.1)</b>

3.4 Lending Activities

3.4.1 Summary of Top 20 Financial Performance of Micro Lenders

Table 21: Financial Performance of Selected Micro Lenders in 2014

SELECT MICRO LENDERS FINANCIALS	Reporting period		Percentage change (%)
	2017	2018	
Interest Income	1,126,569	1,188,302	5.48
Other Income	186,349	203,211	9.05
<b>Total Income</b>	<b>1,312,918</b>	<b>1,391,513</b>	<b>5.99</b>
Interest Expenses	220,059	250,979	14.05
other Expenses	580,938	813,086	39.96
<b>Total Expense</b>	<b>800,997</b>	<b>1,064,064</b>	<b>32.84</b>
<b>Net Income Before Tax</b>	<b>511,921</b>	<b>507,640</b>	<b>(0.84)</b>
Tax	128,434	123,603	(3.76)
<b>Net Income After Tax</b>	<b>384,258</b>	<b>386,553</b>	<b>0.60</b>
Loan Book Values	3,537,989	3,891,992	10.01
Other Assets	755,327	865,270	14.56
<b>Total Assets</b>	<b>4,293,316</b>	<b>4,757,262</b>	<b>10.8</b>
<b>Capital &amp; Reserves</b>	<b>2,035,316</b>	<b>1,866,755</b>	<b>(8.28)</b>
Other Liabilities	2,258,000	2,890,000	27.99
<b>Total Capital and Liabilities</b>	<b>4,293,316</b>	<b>4,757,262</b>	<b>10.8</b>

Source: NBFIRA

## 4. FIVE YEAR PERIOD NBFi SECTOR OVERVIEW (2017 – 2018)

NON-BANK FINANCIAL INSTITUTIONS REGULATORY AUTHORITY

- 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				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
<b>Gross Premium Written</b>	<b>2,761,026</b>	<b>3,335,632</b>	<b>3,162,724</b>	<b>3,729,750</b>	<b>4,083,944</b>
Premiums Ceded	111,759	76,096	82,792	<b>106,804</b>	<b>105,316</b>
<b>Net Premiums Written</b>	<b>2,649,267</b>	<b>3,259,536</b>	<b>3,079,932</b>	<b>3,622,947</b>	<b>3,979,681</b>
Change in UPR	710,446	1,353,442	447,684	1,025,904	
<b>Net Premiums Earned</b>	<b>1,938,821</b>	<b>1,906,094</b>	<b>2,632,248</b>	<b>2,597,043</b>	
Incurring Claims	1,425,464	1,635,238	1,936,947	1,833,297	1,981,936
Reinsurance Recoveries	29,059	35,083	43,285	75,755	37,525
<b>Net Claims Paid</b>	<b>1,391,359</b>	<b>1,600,155</b>	<b>1,893,662</b>	<b>1,757,542</b>	
Net Acquisition Costs	368,487	93,073	<b>580,873</b>	<b>618,510</b>	<b>666,382</b>
Operating Expenses	1,590,320	1,453,421	<b>808,325</b>	<b>797,779</b>	<b>467,614</b>
<b>Underwriting Expenses</b>	<b>3,315,260</b>	<b>3,146,649</b>	<b>3,282,928</b>	<b>3,173,831</b>	
<b>Total Underwriting Income</b>	<b>(1,376,439.2)</b>	<b>(1,240,555)</b>	<b>(650,680)</b>	<b>(576,788)</b>	
Investments Income	1,818,584	1,243,541	1,055,476	1,149,049	646,054
Other Income	300,679	889,674	296,368	130,281	140,370
Retrocession		-	-	-	-
<b>Net Profit Before Tax</b>	<b>733,119</b>	<b>891,281</b>	<b>701,165</b>	<b>702,542</b>	<b>463,903</b>
Tax	133,716	147,032	127,284	120,905	121,458
<b>Net Income After Tax</b>	<b>564,156</b>	<b>744,250</b>	<b>573,881</b>	<b>581,637</b>	<b>342,445</b>

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				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Non-current assets	40,043	179,375	303,780,339	423,206,042	820,082,524
Cash and Investments	504,976	615,462	757,257,568	988,079,725	824,939,405
Financial Assets	17,093,290	16,504,679	15,977,938,941	17,667,678,734	12,584,547,180
Tax Related Assets	4,869	1,543	6,980,000	13,427,254	26,379,321
Trade & Other Receivables	316,003	326,273	398,433,689	555,289,153	478,801,732
Other investments	452,752	397,208	292,972,238	327,046,371	1,380,019,070
Reinsurance Liabilities	68,002	33,693	38,155,615	55,487,498	55,504,837
Other Assets	1,305,758	1,408,849	1,513,655,736	1,394,553,065	51,965,455
<b>Total Assets</b>	<b>19,658,446</b>	<b>19,467,000</b>	<b>19,289,174,126</b>	<b>21,424,767,842</b>	<b>16,222,239,524</b>
Insurance Liabilities	16,388,669	15,811,381	15,555,544,476	17,386,063,180	12,802,568,713
Trade & Other Payables	519,385	708,171	675,663,934	787,879,905	688,944,022
Related Party Payables	48,000	83,964	74,717,762	131,324,401	73,197,762
Tax related Liability	52,342	51,743	34,105,652	35,631,924	7,470,000
Other Liabilities	8,336	10,587	47,577,961	142,821,009	62,968,930
<b>Total Liabilities (excluding capital)</b>	<b>16,925,789</b>	<b>16,665,847</b>	<b>16,387,609,785</b>	<b>18,483,720,419</b>	<b>13,644,136,427</b>
Share Capital	261,607	254,607	312,107,164	322,597,164	276,161,347
Reserves	1,138,768	1,157,292	1,229,309,339	1,278,141,364	1,183,582,238
Retained Earnings	1,367,339	1,389,336	1,360,147,838	1,340,308,895	1,118,378,512
<b>Total Capital</b>	<b>2,732,660</b>	<b>2,801,235</b>	<b>2,901,564,341</b>	<b>2,941,047,423</b>	<b>2,578,122,097</b>
<b>Total Liabilities and Equity</b>	<b>19,658,448</b>	<b>19,467,082</b>	<b>19,289,174,126</b>	<b>21,424,767,842</b>	<b>16,222,239,524</b>

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				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Gross Premium Written	1,198,856	1,294,916	1,291,941	1,261,692	1,365,826
Premiums Ceded	508,831	501,799	490,377	445,697	505,061
Net Premiums Written	690,025	793,117	801,565	815,995	860,765
Change in UPR	(28,098)	16,929	1,858	4,462	52,524
Net Premiums Earned	718,123	776,188	795,063	812,381	835,157
Incurred Claims	399,333	391,623	457,319	480,959	422,859
Net Acquisition Costs	79,391	99,125	90,734	121,185	119,914
Operating Expenses	190,621	198,867	219,943	241,406	247,792
Underwriting Expenses	669,344	689,615	767,996	843,549	790,747
Total Underwriting Income	48,779	86,573	27,067	(31,168)	44,410
Investments Income	50,328	69,768	38,211	30,141	37,231
Other Income	27,039	26,428	11,959	37,053	28,871
Reinsurance Recoveries	93,177	96,156	158,621	150,268	
Net Profit Before Tax	126,146	182,769	77,237	36,026	110,512
Tax	21,978	36,563	19,343	17,252	16,672
Net Income After Tax	104,167	146,206	61,053	23,589	98,587

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				
	2014	2015	2016	2017	2018
Cash and Investments	476,040	487,048	496,508	559,340	736,950
Non-current assets	79,902	490,043	367,182	111,180	89,281
Other Current Assets	1,154,982	806,241	1,074,593	1,203,275	1,153,338
<b>Total Assets</b>	<b>1,710,924</b>	<b>1,783,333</b>	<b>1,938,284</b>	<b>1,873,795</b>	<b>1,979,569</b>
Insurance Liabilities	754,331	815,164	866,848	838,458	1,055,900
Long-term Liabilities	8,160	11,793	20,104	25,620	1,801
Other Current Liabilities	251,228	166,636	230,756	278,774	187,279
<b>Total Liabilities (excluding capital)</b>	<b>1,013,719</b>	<b>993,593</b>	<b>1,117,707</b>	<b>1,142,852</b>	<b>1,244,981</b>
Share Capital	200,782	219,774	229,616	307,376	295,440
Reserves	281,803	302,585	314,771	316,418	353,729
Retained Earnings	214,621	267,381	276,190	107,148	85,419
<b>Total Capital</b>	<b>697,206</b>	<b>789,740</b>	<b>820,577</b>	<b>730,943</b>	<b>734,589</b>
<b>Total Liabilities and Equity</b>	<b>1,710,924</b>	<b>1,783,333</b>	<b>1,938,284</b>	<b>1,873,795</b>	<b>1,979,569</b>

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				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Gross Premium Written	102,340	146,384	175,374	189,969	262,497
Premiums Ceded	26,555	44,110	47,482	57,351	99,032
<b>Net Premiums Written</b>	<b>75,785</b>	<b>102,274</b>	<b>127,892</b>	<b>132,619</b>	<b>163,465</b>
Change in UPR	6,127	1,049	7,489	2,396	27,777
<b>Net Premiums Earned</b>	<b>69,658</b>	<b>101,225</b>	<b>127,884</b>	<b>130,223</b>	<b>121,582</b>
Incurring Claims	27,587	28,358	53,157	70,311	51,215
<b>Net Acquisition Costs</b>	<b>22,504</b>	<b>37,473</b>	<b>37,781</b>	<b>43,565</b>	<b>40,989</b>
Operating Expenses	20,025	29,205	32,918	35,536	43,297
<b>Underwriting Expenses</b>	<b>70,116</b>	<b>95,035</b>	<b>123,856</b>	<b>149,413</b>	<b>84,287</b>
<b>Total Underwriting Income</b>	<b>(458)</b>	<b>6,190</b>	<b>4,028</b>	<b>(19,190)</b>	<b>(13,919)</b>
Investments Income	846	5,721	462,335	2,355	4,152
Other income (loss)	7,082	7,372	3,571	(1,691)	36,792
Retrocessions Recoveries	-	-	-	-	-
<b>Net Profit Before Taxes</b>	<b>7,470</b>	<b>18,832</b>	<b>8,062</b>	<b>(18,526)</b>	<b>27,026</b>
Tax	2,221	4,618	2,116	1,445	4,242
<b>Net Income After Tax</b>	<b>5,249</b>	<b>14,214</b>	<b>5,946</b>	<b>(19,971)</b>	<b>22,783</b>

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

RE-INSURANCE BALANCE SHEET	Reporting period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Cash and Equivalents	99,563	118,302	120,514	97,201	171,813
Non-current assets	5,641	4,949	4,121	3,825	2,858
Other Current Assets	87,592	110,721	124,266	153,168	219,461
<b>Total Assets</b>	<b>192,795</b>	<b>223,972</b>	<b>248,901</b>	<b>254,194</b>	<b>394,131</b>
Insurance Liabilities	55,727	70,199	84,885	131,724	183,439
Long-term Liabilities	303	949	793,945	335	1,018
Other Liabilities (current)	40,182	52,775	47,827	25,461	45,309
<b>Total Liabilities (excluding capital)</b>	<b>96,212</b>	<b>123,923</b>	<b>133,506</b>	<b>157,520</b>	<b>229,766</b>
Share Capital	91,864	91,864	91,864	93,383	95,630
Reserves	6,244	10,242	12,447	14,285	66,316
Retained Earnings	(1,524)	7,944	11,085	(10,995)	2,419
<b>Total Capital</b>	<b>96,584</b>	<b>110,050</b>	<b>115,395</b>	<b>96,673</b>	<b>164,365</b>
<b>Total Liabilities and Equity</b>	<b>192,795</b>	<b>223,972</b>	<b>248,901</b>	<b>254,193</b>	<b>394,131</b>

Source: NBFIRA Annual Reports and Audited financial statements of reinsurers

## 4.1.1.4 Financial Performance of Insurance Brokers

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

INSURANCE BROKERS INCOME STATEMENT	Reporting period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Commission Earned	220,742	236,711	231,889	257,701	304,358
Other Revenue	124,986	101,777	151,987	107,483	76,861
Investment Revenue	332,242	-	-	-	-
<b>Total Revenue</b>	<b>345,728</b>	<b>338,488</b>	<b>383,876</b>	<b>365,184</b>	<b>381,219</b>
Operating expenses	210,004	222,217	260,301	266,825	307,735
Other Expenses	15,998	5,166	4,298	23,652	14,696
Related party expenses	631	10,455	685	12,960	415
<b>Total Expenses</b>	<b>226,633</b>	<b>237,838</b>	<b>265,284</b>	<b>303,437</b>	<b>322,846</b>
<b>Net Income before tax</b>	<b>119,095</b>	<b>100,650</b>	<b>118,592</b>	<b>60,950</b>	<b>58,373</b>
Tax	22,771	21,780	26,761	17,441	14,961
<b>Net Income After Tax Income</b>	<b>96,325</b>	<b>78,871</b>	<b>91,831</b>	<b>44,399</b>	<b>43,412</b>

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	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Current Assets	301,483	293,523	295,298	250,641	297,688
Related Party Loans and assets	21,120	26,774	14,200	49,665	21,997
Non- Current Assets	52,274	70,150	83,610	87,612	93,681
<b>Total Assets</b>	<b>374,877</b>	<b>390,446</b>	<b>393,108</b>	<b>387,909</b>	<b>413,367</b>
Trade & Other Payables	181,177	148,762	158,314	150,501	192,217
Shareholders Loans / Related party payables	8,125	15,225	10,449	15,724	14,941
Other Liabilities	28,878	50,258	41,255	65,420	44,535
<b>Total Liabilities (excluding capital)</b>	<b>218,180</b>	<b>214,245</b>	<b>210,019</b>	<b>231,644</b>	<b>251,692</b>
Stated Capital	28,898	41,773	26,486	28,775	37,623
Reserves and Retained Earnings	126,348.8	134,428.6	156,604	127,490	124,052
<b>Total Capital</b>	<b>155,247.1</b>	<b>176,201.1</b>	<b>183,089</b>	<b>156,264</b>	<b>161,675</b>
<b>Total Liabilities (Including Capital)</b>	<b>373,426.7</b>	<b>390,446.3</b>	<b>393,108</b>	<b>387,909</b>	<b>413,367</b>

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

RETIREMENT FUNDS FINANCIALS	Reporting period				
	2014	2015	2016	2017	2018
No. of Retirement Funds	91	87	86	86	85
Defined Benefits (DB) Only	2	2	2	2	3
Defined Contributions (DC) Only	81	77	78	78	81
Mixed DC and DB	8	8	6	6	2
No. of Active Members	206,709	206,212	209,629	230,006	287,000
No. of Deferred Members	17,432	19,969	16,734	17,326	84
Pensioners	10,699	11,301	11,662	11,969	301
<b>Retirement Funds (BWP) ('000)</b>	<b>59,392,000</b>	<b>73,845,000</b>	<b>75,129,000</b>	<b>82,004,000</b>	<b>78,972,000</b>
Member Contributions ('000)	999,200	908,900	1,013,000	1,066,000	<b>1,129,214</b>
Employer Contributions ('000)	2,134,300	2,504,200	2,765,000	2,918,563	<b>3,145,885</b>
Investment Income ('000)	6,345,300	8,017,900	3,328,000	4,108,000	<b>2,499,343</b>
Income from life insurance ('000)	7,600	8,600	7,000	14,000	12,331
Other Income ('000)	998,900	1,063,200	498,000	323,000	201,068
<b>Total Income ('000)</b>	<b>10,485,500</b>	<b>12,538,900</b>	<b>7,611,000</b>	<b>8,436,000</b>	<b>5,858,627</b>
Benefit payments	3,203,900	3,305,000	3,764,000	2,816,000	3,792,528
Insurance Premiums	10,900.0	14,500	18,000	17,800	17,166
Administration, Management Expenses and Fees	718,200.0	700,800	641,000	695,000	237,000
Other expenses					
<b>Total Expenditure</b>	<b>3,933,000</b>	<b>4,020,300</b>	<b>4,423,000</b>	<b>3,528,000</b>	<b>4,046,694</b>
Botswana Equities ('000)	12,833,000	14,645,000	13,898,000	14,189,000	13,034,000
Exchange Traded Funds ('000)	403,000	363,000	409,000	411,000	580,000
Pula Bonds ('000)	7,847,000	8,946,000	8,169,000	8,021,000	8,432,000
Pula Cash/ Near Cash ('000)	2,639,000	3,296,000	2,760,000	3,596,000	6,619,000
Botswana Property ('000)	322,000	337,000	371,000	370,000	1,494,000
Botswana Unlisted Equities			2,082,000	2,070,000	2,114,000
<b>Total Botswana Investments ('000)</b>	<b>24,044,000</b>	<b>27,589,000</b>	<b>27,690,000</b>	<b>28,657,000</b>	<b>32,273,000</b>
Offshore Equities ('000)	27,322,000	38,285,000	36,795,000	39,418,000	36,610,000
Offshore Bonds ('000)	6,015,000	7,853,000	8,176,000	9,934,000	5,846,000
Offshore Cash/Near Cash ('000)	2,012,000	118,000	187,000	1,874,000	1,137,000
Dual Listed Equities			2,281,000	1,527,000	1,333,000
Alternative Investment			0	594,000	1,773,000
<b>Total Offshore Investments ('000)</b>	<b>35,349,000</b>	<b>46,256,000</b>	<b>47,438,000</b>	<b>53,346,000</b>	<b>46,699,000</b>
<b>Total Investments ('000)</b>	<b>59,392,000</b>	<b>73,845,000</b>	<b>75,129,000</b>	<b>82,004,000</b>	<b>78,972,000</b>

Source: NBFIRA Audited Financial Statements and Annual Reports

The cumulative monthly figures to December 31 differ with audited figures reported in Table 6 as they cover more than 12 months in most cases.

## 4.3. CAPITAL MARKETS

## 4.3.1 Primary Market Activities

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

Item	Reporting period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Total Revenue	27,347	28,772	28,178	32,815	31,754
Total Expenses	16,824	20,663	22,310	25,969	31,411
Profit Before Tax	10,523	8,109	5,868	6,845	7,284
Tax	0	0	-	-	-
<b>Profit after tax</b>	<b>10,523</b>	<b>8,109</b>	<b>5,868</b>	<b>6,845</b>	<b>7,181</b>
<b>Total Assets</b>	<b>41,266</b>	<b>52,861</b>	<b>63,953</b>	<b>71,553</b>	<b>76,472</b>
Capital and Reserves	37,399	47,625	57,286	64,116	57,634
Total Liabilities	3,867	5,236	6,667	7,437	18,837
<b>Total liabilities and Equity</b>	<b>41,266</b>	<b>52,861</b>	<b>63,953</b>	<b>71,553</b>	<b>76,472</b>

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

Item	Reporting Period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Total Revenue	12,557	13,805	8,742	7,870	6,941
Total Expenses	5,523	5,624	6,202	6,271	6,838
Profit Before Tax	7,034	8,181	2,540	1,600	102
Tax	0	0	0	0	0
<b>Profit after tax</b>	<b>7,034</b>	<b>8,181</b>	<b>2,540</b>	<b>1,600</b>	<b>102</b>
<b>Total Assets</b>	<b>14,520</b>	<b>23,904</b>	<b>27,117</b>	<b>30,766</b>	<b>30,955</b>
Capital and Reserves	14,096	22,277	26,567	29,917	26,519
Total Liabilities	424	1,627	550	849	4,436
<b>Total Liabilities and Equity</b>	<b>14,520</b>	<b>23,904</b>	<b>27,117</b>	<b>30,766</b>	<b>30,955</b>

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

Items	Reporting Period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Total Revenue	<b>29,233</b>	<b>30,375</b>	<b>47,949</b>	<b>34,794</b>	<b>32,691</b>
Total Expenses	20,519	21,957	27,130	29,901	33,268
Profit Before Tax	<b>8,714</b>	<b>8,418</b>	<b>20,819</b>	<b>12,423</b>	<b>(577)</b>
Tax	574	2,126	5,088	9,306	2,431
<b>Profit after tax</b>	<b>8,140</b>	<b>6,291</b>	<b>15,731</b>	<b>3,117</b>	<b>(1,043)</b>
<b>Total Assets</b>	<b>59,413</b>	<b>137,445</b>	<b>75,672</b>	<b>59,173</b>	<b>39,653</b>
Capital and Reserves	21,738	22,310	30,674	26,858	21,247
Total Liabilities	37,675	115,135	44,997	32,315	18,406
<b>Total liabilities and Equity</b>	<b>59,413</b>	<b>137,445</b>	<b>75,672</b>	<b>59,173</b>	<b>39,653</b>

Table 34: Financial Performance of Management Companies – Five year Period

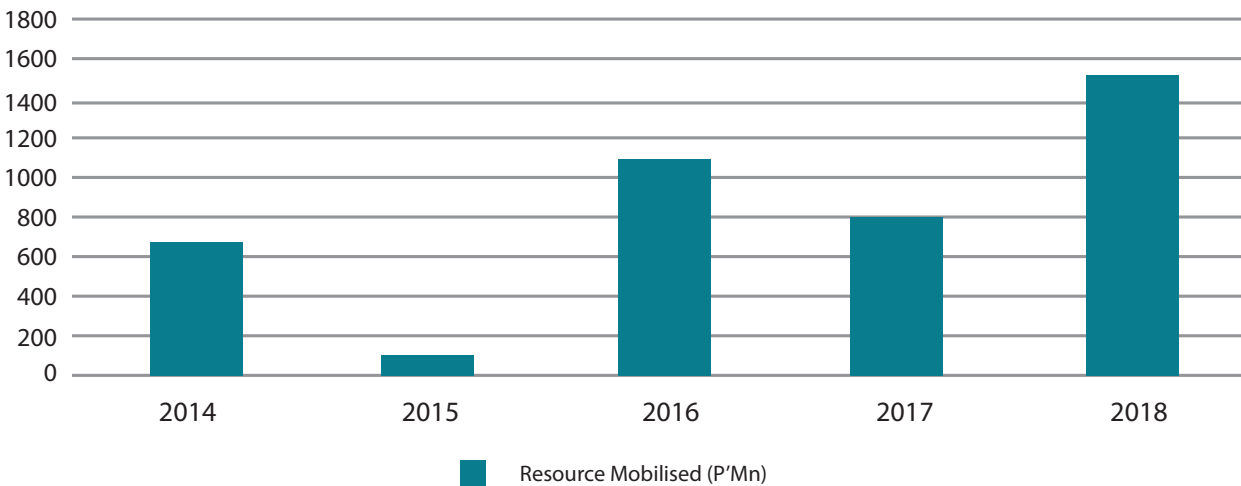
Item	Reporting Period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Total Revenue	54,374	65,726	69,679	40,214	41,153
Total Expenses	42,710	52,028	65,283	-36,739	-28,382
<b>Profit Before Tax</b>	<b>11,663</b>	<b>13,836</b>	<b>4,422</b>	<b>3,475</b>	<b>12,771</b>
Tax	3,237	1,334	1,919	-720	-3,222
<b>Profit after tax</b>	<b>7,271</b>	<b>10,010</b>	<b>3,747</b>	<b>3,378</b>	<b>9,548</b>
<b>Total Assets</b>	<b>58,378</b>	<b>81,356</b>	<b>83,035</b>	<b>78,324</b>	<b>94,833</b>
Capital and Reserves	38,480	37,986	45,110	25,941	32,805
Other Liabilities	19,899	43,370	37,925	52,383	62,028
<b>Total liabilities(includes capital)</b>	<b>58,378</b>	<b>81,356</b>	<b>83,035</b>	<b>78,324</b>	<b>94,833</b>

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

	2014	2015	2016	2017	2018
Rights Issues	278.6	-	351.0	200.8	-
Issues for Cash	38.2	-	-	-	53.6
Share Incentive Scheme	332.5	-	75.6	81.2	467.6
IPO's		2.7	513.4	51.9	289.2
Private placement		91.2	154.2	522.6	7.6
Share Purchase Plan		-	-	-	-
Acquisition	25.2	-	-	-	355.7
Resource Mobilised (P'Mn)	674.5	93.9	1,094.2	823.7	1525.2

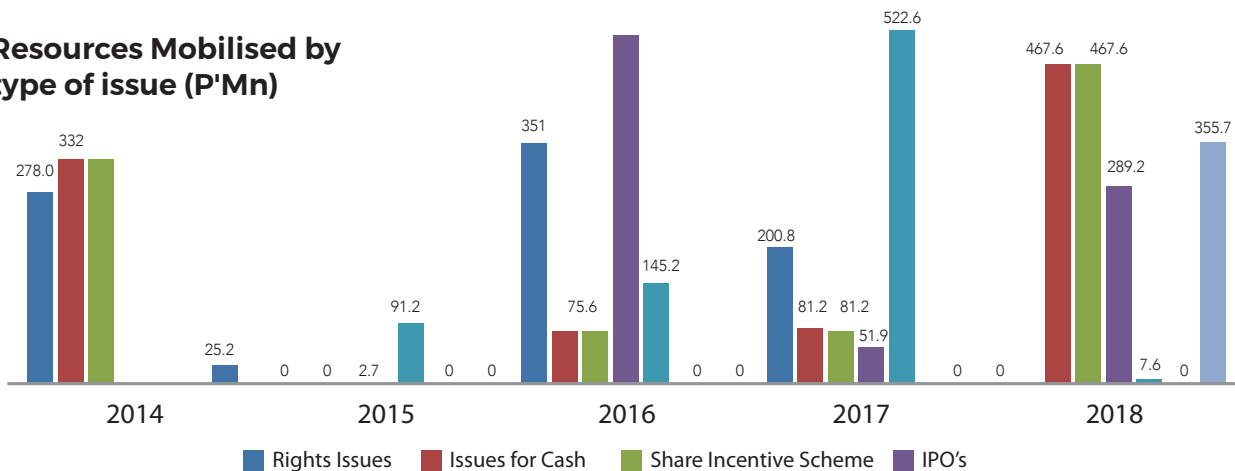
Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018.

Figure 4: Capital raised through equity market: 2014 to 2018

**Resources Mobilised (P'Mn)**

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018.

Figure 5: Capital raised through equity market by issue type: 2014 to 2018

**Resources Mobilised by type of issue (P'Mn)**

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018



Table 36: Number of Companies Listed

LISTING STATUS	2014	2015	2016	2017	2018
No. of New Listings	1	1	2	2	2
No. of De-listings	1	4	0	0	2
Foreign Listings	12	10	10	10	9
Domestic Listings	23	22	24	24	26
Total Listings	35	32	34	34	35

#### 4.3.2 Secondary Market Activities

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

	2014	2015	2016	2017	2018
<b>Domestic Market Capitalisation (P'Mn)</b>	46,210	50,214	46,572	44,408	42,421
<b>% Change in Domestic Market Capitalisation</b>	6.3	8.7	(7.3)	(4.7)	(4.47)
<b>Foreign Market Capitalisation (P'Mn)</b>	371,947	370,885	374,741	373,736	370,747
<b>% Change in Foreign Market Capitalisation</b>	(0.3)	(0.3)	1.06	(0.3)	(0.80)
<b>Total Market Capitalisation (P'Mn)</b>	418,157	421,099	421,313	418,144	413,168
<b>% Change in total Equity Market Capitalisation</b>	0.4	0.7	0.05	(0.8)	(1.2)
<b>Total Equity Market Capitalisation/GDP (%)</b>	294.6	288.9	248.3	232.2	219.8
<b>Domestic Equity Market Capitalisation/GDP (%)</b>	34.6	34.3	29.6	24.7	23.1
<b>Total Equity Turnover/ Domestic Equity Market Capitalisation (%)</b>	4.9	6.0	5.3	5.4	4.4
	<b>294.6</b>	<b>288.9</b>	<b>248.3</b>	232.2	217.6
<b>Total Equity Turnover/Total Equity Market Capitalisation (%)</b>	0.5	0.7	0.6	0.6	0.5

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018

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

	2014	2015	2016	2017	2018
Banking	17,815	17,005	14,196	12,705	13,264
Financial Services & Insurance	27,088	29,222	28,968	28,773	25,755
Retailing & Wholesaling	11,859	13,322	10,381	10,002	7,346
Property & Property Trust	4,022	5,322	6,728	7,010	6,655
Mining & Materials	354,005	352,643	355,972	353,375	352,393
Security Services	299.2	289.6	326.4	319.2	291
Information Technology	0.0	0	10,290	1,932	998
Funeral Services	285	0	0	0	0.0
Energy	1,517	1,358	1,565	1,693	1,661
Tourism	1,265	1,938	2,148	2,335	2,719

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018.

Table 39: Equity Trading Statistics

EQUITY TRADING	Reporting period				
	2014	2015	2016	2017	2018
Volume Traded (Mn)	592	803	778	775	583
Value Traded (P'Mn)	2,177	3,031	2,541	2,477	1,862
No. of Deals	11,139	12,730	13,707	13,707	9,198
Liquidity Ratio	4.9	6.3	5.3	5.4	4.4

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018.

Table 40: BSE Indices as at year ended December 31

LISTING STATUS	Reporting period				
	2014	2015	2016	2017	2018
DCI	9,502	10,602	9,401	8,860	7,852
FCI	1,578	1,572	1,586	1,575	1,570
LASI	781	797	786	785	804
DFSI	1,090	1,212	1,095	1,078	1,058
FRSI	729	726	734	730	744
DCFFI	2,926	3,377	2,813	2,874	Discontinued
DFSFFI	4,092	4,363	3,658	3,544	Discontinued
LASFFI	2,575	2,980	2,659	2,623	Discontinued

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018.

Table 41: Equity Turnover activity at the BSE

	2014	2015	2016	2017	2018
Value of Domestic shares traded (P' Mn)	2,155	1,977	2,529	2,435	1,666
Value of Foreign shares traded (P'Mn)	22	1,086	12	42	196
<b>Total Value Shares Traded (PMn)</b>	<b>2,178</b>	<b>3,032</b>	<b>2,541</b>	<b>2,477</b>	<b>1,862</b>
Percentage Domestic Turnover (%)	98	64.2	99.5	98.3	89.5
Percentage Foreign Turnover (%)	02	35.8	0.5	1.7	10.5
Total percentage Domestic Turnover (%)	100	100	100	100	100
	2014	2015	2016	2017	2018
Domestic Companies Turnover (P'Mn)	1,017	1,868	1,489	1,444	990
Domestic Individuals Turnover (P'Mn)	81	73	104	141	84
Percentage Domestic Companies Turnover (%)	46.7	61.6	59	58.3	53.2
Percentage Domestic Individuals Turnover (%)	3.7	2.4	4.1	5.7	4.5
<b>Foreign Equity Turnover</b>	2014	2015	2016	2017	2018
Foreign Companies Turnover (P'Mn)	1,043	1,025	910	852	756
Foreign Individuals Turnover (P'Mn)	33	61	33	32	24
Percentage Foreign Companies Turnover (%)	47.9	33.8	35.8	34.4	40.6
Percentage Foreign Individuals Turnover (%)	1.5	2.0	1.3	1.3	1.3

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018.

Table 42: Statistics on Shares issued at the BSE

SHARES ISSUED	Reporting period				
	2014	2015	2016	2017	2018
Domestic shares issued (Mn)	11,377	11,466	12,878	13,302	13,705
Foreign shares issued (Mn)	14,117	12,383	12,799	13,581	5,436
<b>Total shares issued (Mn)</b>	<b>25,494</b>	<b>23,849</b>	<b>25,678</b>	26,884	19,141
Percentage Domestic shares issued (%)	44.6	48.1	50.2	49.5	71.6
Percentage foreign shares issued (%)	55.4	51.9	49.8	50.5	28.4
Total percentage shares issued	100	100	100	100	100
<b>Shares Traded</b>					
Domestic shares traded (Mn)	577	771	771	761	530
Foreign shares traded (Mn)	15	32	8	14	53
<b>Total shares traded (Mn)</b>	592	803	778	775	583
Domestic share traded over domestic shares issued (%)	5.1	7.0	6.0	5.7	3.9
Foreign share traded over foreign shares issued (%)	0.1	0.2	0.6	0.1	1.0
<b>overall percentage shares traded/ shares issued</b>	2.4	3.3	3.0	2.9	3.0
<b>Average Daily Equity Turnover (P' Mn)</b>	8.8	12.2	10.2	10.0	7.5
<b>Total Equity Turnover / Market Cap</b>	0.5	0.7	0.6	0.6	0.5
Price/Earnings Ratio (P/E)	13.2	12.3	13.4	13.3	11.2
Dividend Yield	2.2	4.0	4.4	5.1	5.5
Price/Book Value	1.9	2.2	1.8	1.7	1.5
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, 2014 to 2018.

Table 43 Secondary Market Bond Trades at the BSE

ISSUER-TYPE	Amounts (P'Mn)	Reporting period				
		2014	2015	2016	2017	2018
Government	Turnover	324	858	447	485	2,177
	Outstanding amount	6,691	6,356	8,288	9,083	9,588
Quasi	Turnover	0	0	0	0.1	0.0
	Outstanding amount	410	410	190	190	190
Parastatal	Turnover	0	0	35	14	14
	Outstanding amount	1524	1,499	1,584	1,265	1,189
Corporate	Turnover	0	0	2	37	32
	Outstanding amount	1,4945	1,788	2,165	3,469	3,811

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

Table 44: Bond Market Indicators - Selected Ratios

BOND MARKET SELECTED INDICATORS	Reporting period				
	2014	2015	2016	2017	2018
Total Debt Turnover (P'Mn)	323.5	858.0	484	535.6	2,222.7
Total debt Market Capitalisation (P'Mn)	10,119	10,053	12,227	14,267	15,038
Total debt Turnover/debt Market Capitalisation (%)	3.2	8.5	4.0	3.8	14.8
Debt Turnover /GDP (%)	0.2	0.6	0.3	0.3	1.2
Debt Market Capitalisation/GDP (%)	0.7	6.9	7.7	7.9	8.0

Source: Botswana Stock Exchange database, Botswana stock Exchange annual reports, 2014 to 2018.

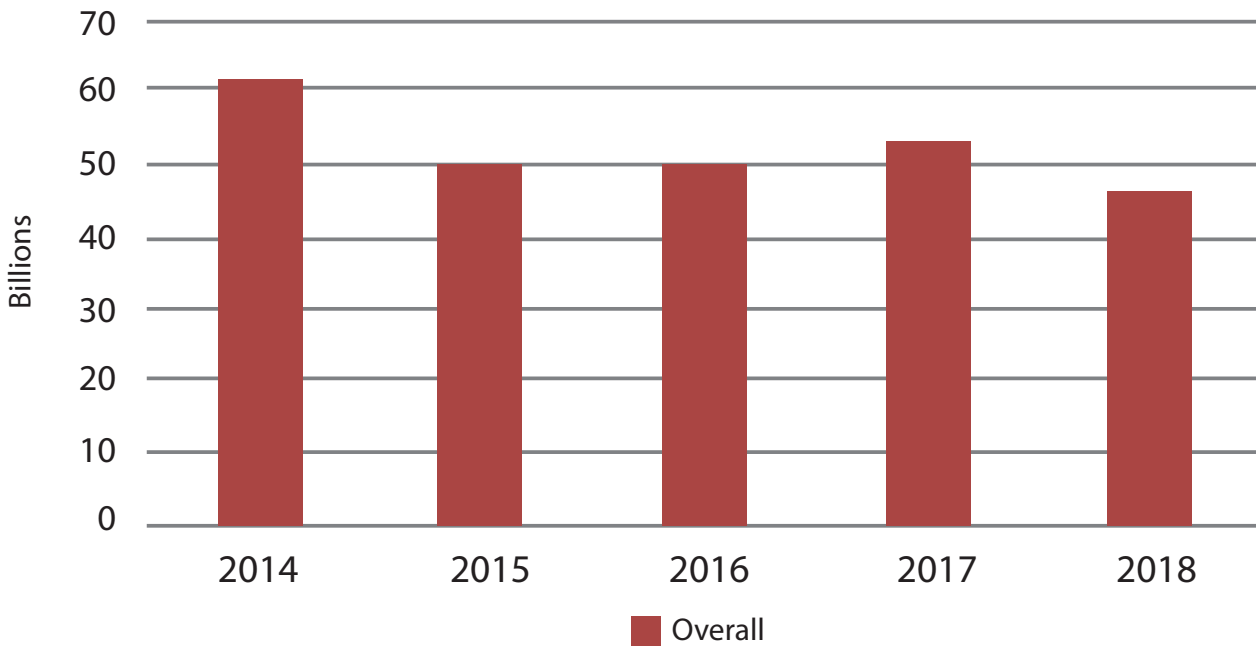
## 4.3.3.1 Overall CIU and Non-CIU Assets Under Management

Table 45: Total Assets Under Management By Structure

ASSETS UNDER MANAGEMENT	Reporting period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
Collective Investment Undertakings (CIU)	3,747,933	6,365,691	6,664,987	7,293,981	7,435,542
% market share (CIU)	6.1	12.7	14	13.9	16.0
Discretionary (Non-CIU)	57,763,178	43,712,028	43,852,224	45,179,290	38,968,313
% market share (Non-CIU)	<b>93.9</b>	<b>87.3</b>	<b>86</b>	<b>86.1</b>	<b>84.0</b>
<b>Overall AUM</b>	<b>61,511,112</b>	<b>50,077,720</b>	<b>50,517,211</b>	<b>52,473,271</b>	<b>46,403,855</b>
<b>Total AUM growth (% change from previous year)</b>	<b>2.4</b>	<b>(18.6)</b>	<b>0.9</b>	<b>3.9</b>	<b>(11.6)</b>

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

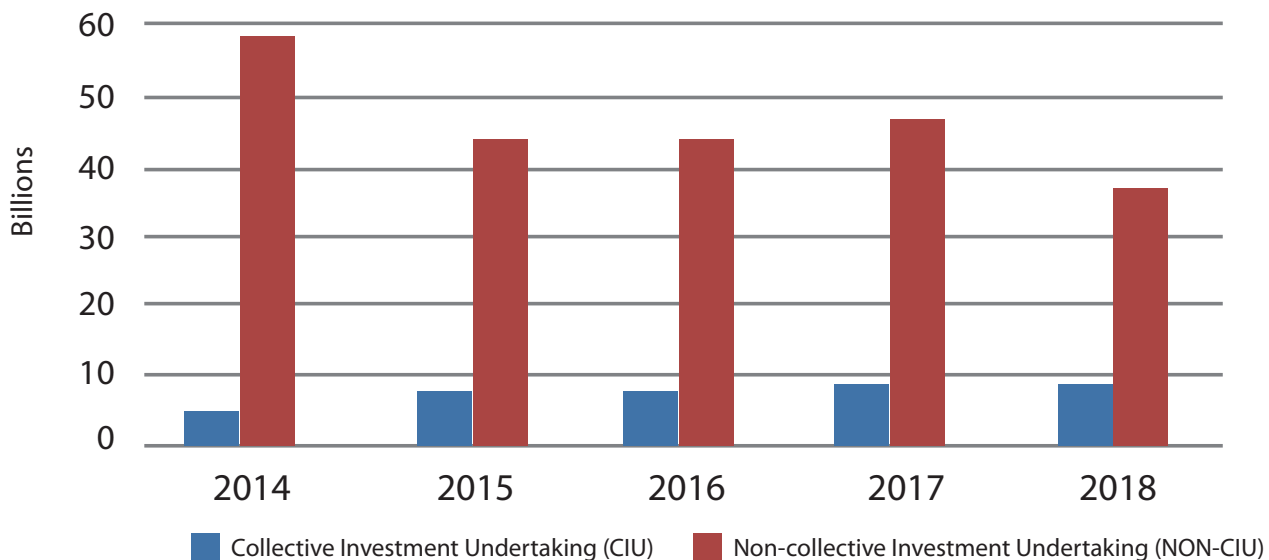
Table 46: Non-CIU AUM by Type of Client (BWP Billions)

NON-CIU CLIENT TYPE	Reporting period				
	2014 (‘000)	2015 (‘000)	2016 (‘000)	2017 (‘000)	2018
<b>Institutional- Pension</b>	<b>37,078,837</b>	<b>37,314,714</b>	<b>39,182,839</b>	<b>39,518,239</b>	<b>33,759,460</b>
Market share Institutional- Pension (%)	<b>64.2</b>	<b>85.4</b>	<b>89.4</b>	<b>87.5</b>	<b>86.6</b>
<b>Institutional- Insurance</b>	<b>3,504,278</b>	<b>3,576,137</b>	<b>2,697,573</b>	<b>2,841,389</b>	<b>2,757,079</b>
Market share Institutional- Insurance (%)	<b>6.1</b>	<b>8.2</b>	<b>6.2</b>	<b>6.3</b>	<b>7.1</b>
<b>Institutional – Other</b>	<b>16,904,888</b>	<b>2,564,738</b>	<b>1,683,023</b>	<b>2,608,346</b>	<b>2,243,399</b>
Market share Institutional - Other (%)	<b>29.3</b>	<b>5.9</b>	<b>3.8</b>	<b>5.8</b>	<b>5.8</b>
<b>Individual Private Clients</b>	<b>275,175</b>	<b>256,440</b>	<b>279,749</b>	<b>211,316</b>	<b>208,375</b>
Market share Individuals / Private Clients (%)	<b>0.5</b>	<b>0.6</b>	<b>0.02</b>	<b>0.5</b>	<b>0.5</b>

Source: NBFIRA

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

Figure 7: Non CIU Assets Breakdown by Type of Client



Source: NBFIRA

## 4.3.3.3 Breakdown of CIU Assets Under Management

Table 47: CIU Assets breakdown by Type of Clients

CIU Client Type	Reporting Period				
	2014 ('000)	2015 ('000)	2016 ('000)	2017 ('000)	2018 ('000)
<b>Institutional- Pension</b>	<b>1,345,035</b>	<b>1,149,509</b>	<b>1,546,589</b>	<b>1,235,600</b>	<b>1,157,383</b>
Market share Institutional- Pension (%)	35.9	18.1	33.2	16.9	15.5
<b>Institutional- Insurance</b>	<b>0</b>	<b>843,540.5</b>	<b>69,902</b>	<b>488,266</b>	<b>695,652</b>
Market share Institutional- Insurance (%)	0	13.3	1.5	6.7	9.3
<b>Institutional – Other</b>	<b>1,729,989</b>	<b>3,436,142</b>	<b>3,037,094</b>	<b>4,426,378</b>	<b>4,450,877</b>
Market share Institutional - Other (%)	<b>46.2</b>	<b>54.0</b>	<b>65.2</b>	<b>60.7</b>	<b>59.7</b>
<b>Individual Private Clients</b>	<b>672,910</b>	<b>936,500</b>	<b>5,600</b>	<b>1,143,738</b>	<b>1,155,428</b>
<b>Market share Individuals / Private Clients (%)</b>	<b>18.0</b>	<b>14.7</b>	<b>0.12</b>	<b>15.7</b>	<b>15.5</b>

Source: NBFIRA

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

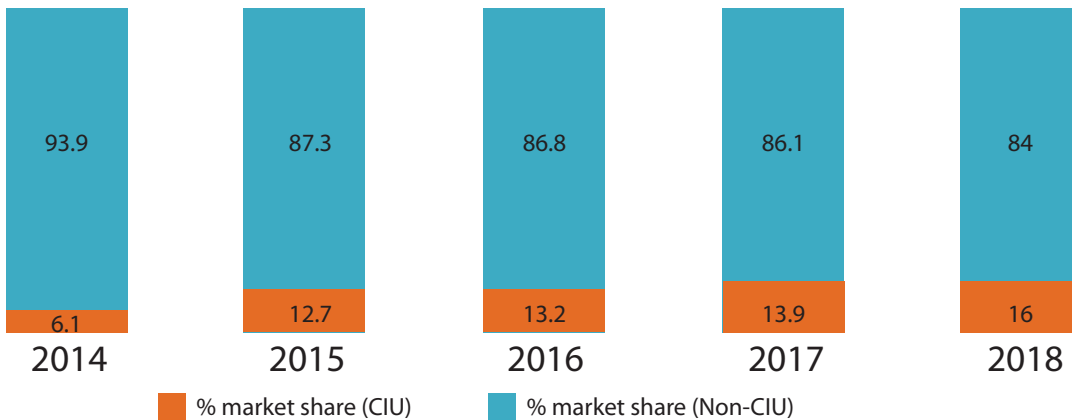
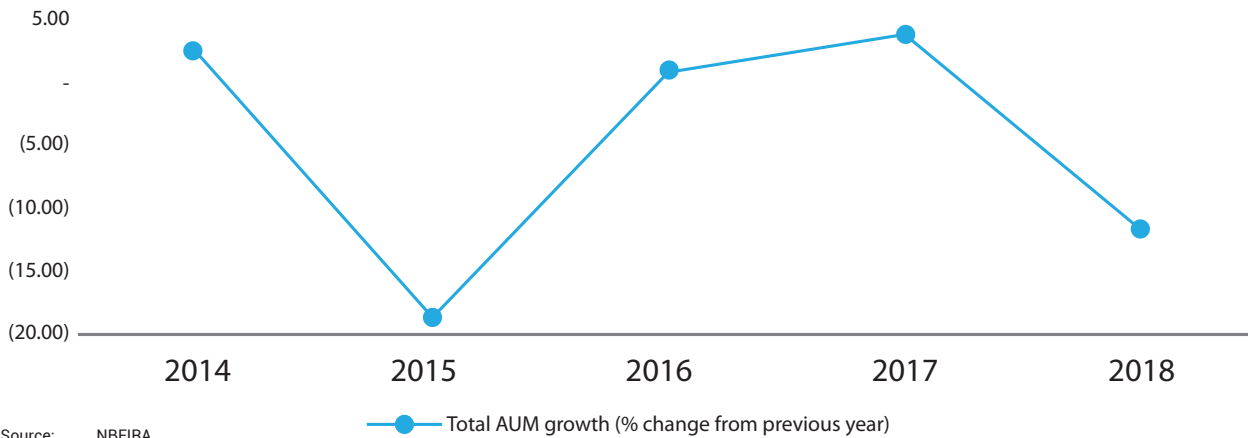


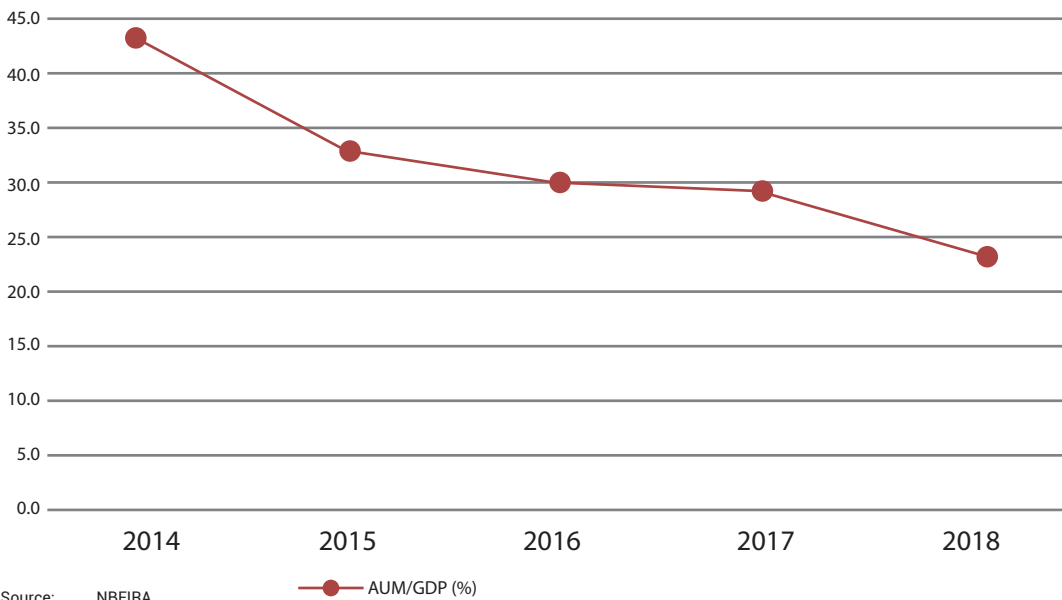


Figure 9: Overall AUM Growth(%)



Source: NBFIRA

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



Source: NBFIRA

4.3.3.4 Graphical Presentation of Non-CIU Institutional Assets Under Management

Figure 11: CIU AUM by Institutional Clients

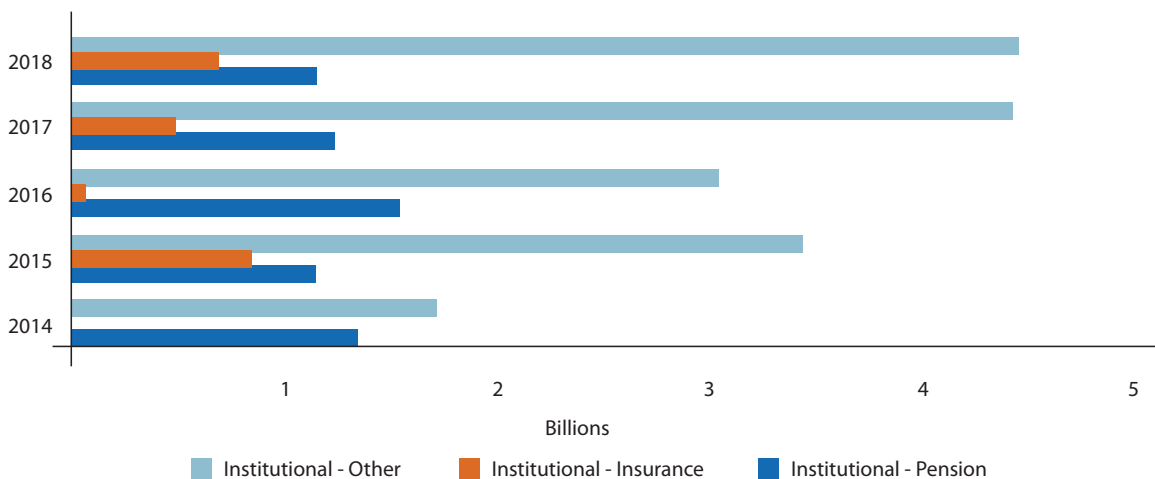
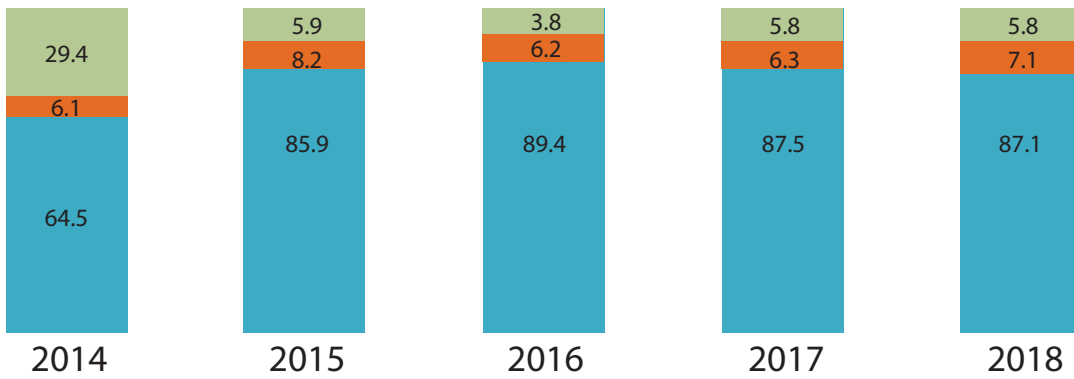


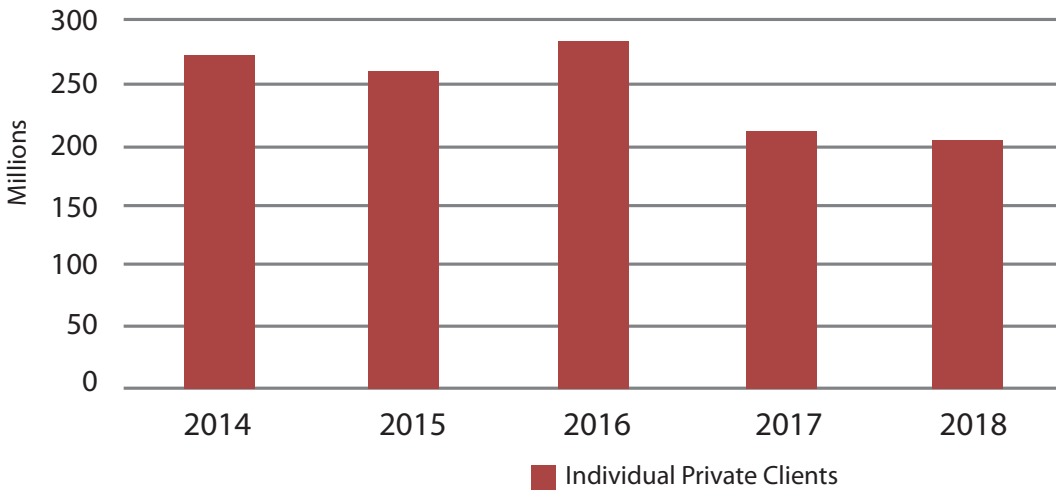
Figure 12: Non CIU AUM Market share by Institutional Clients %



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

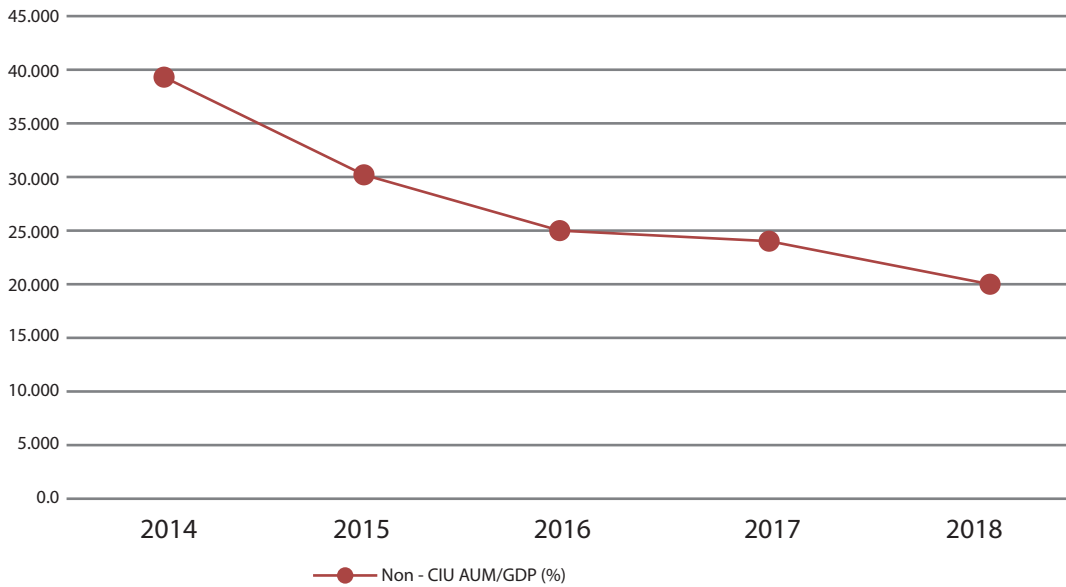
Source: NBFIRA

Figure 13: Non CIU AUM by Individuals / Private Clients



Source: NBFIRA

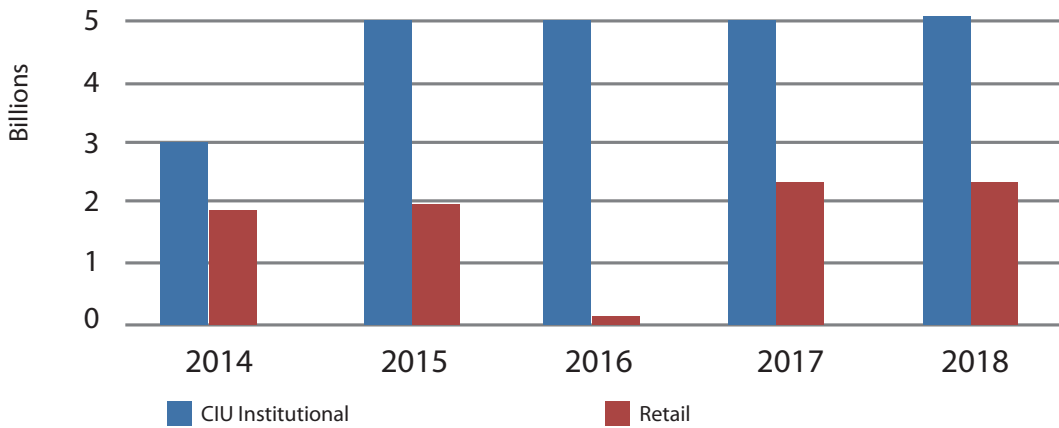
Figure 14: Non CIU AUM as Percentage of Nominal GDP



Source: NBFIRA

4.3.3.5 Breakdown of CIU Assets Under Management

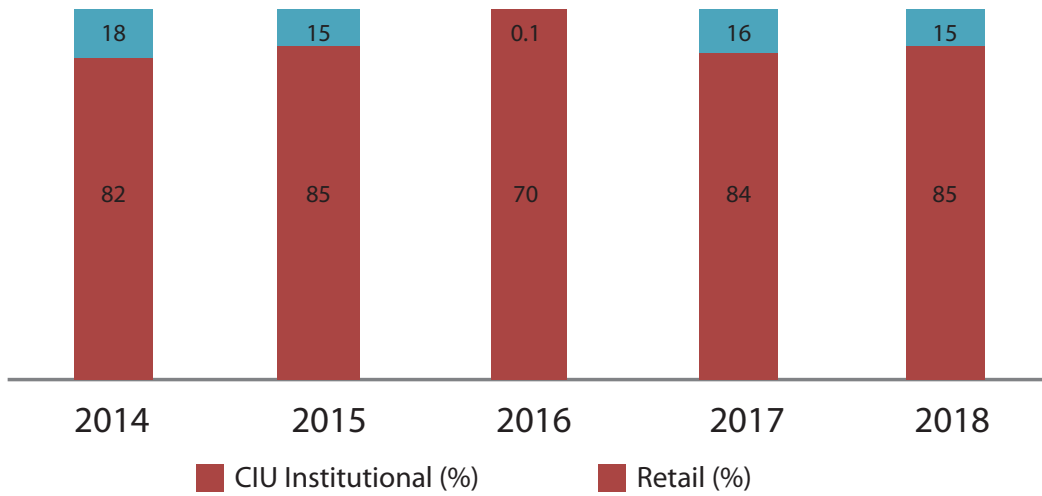
Figure 15: CIU AUM Market share by Type of Client



NOTE: Retail means individual/ public investors. (2016 retail figures missing)

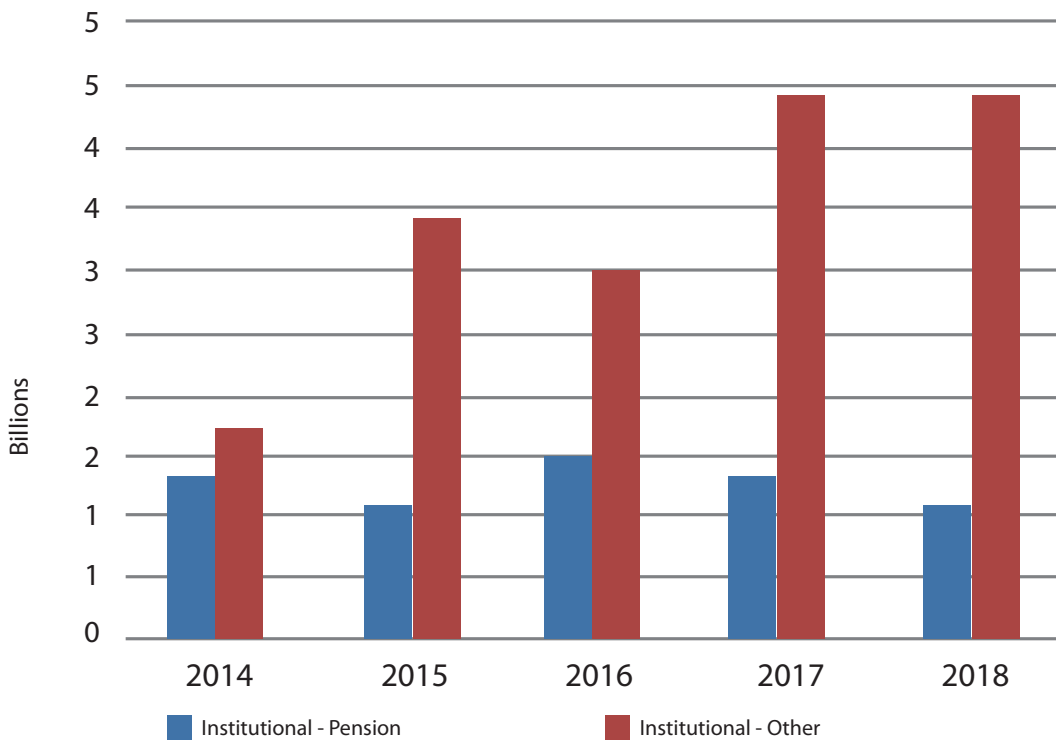
Source: NBFIRA

Figure 16: CIU AUM Market share by Type of Client (%)



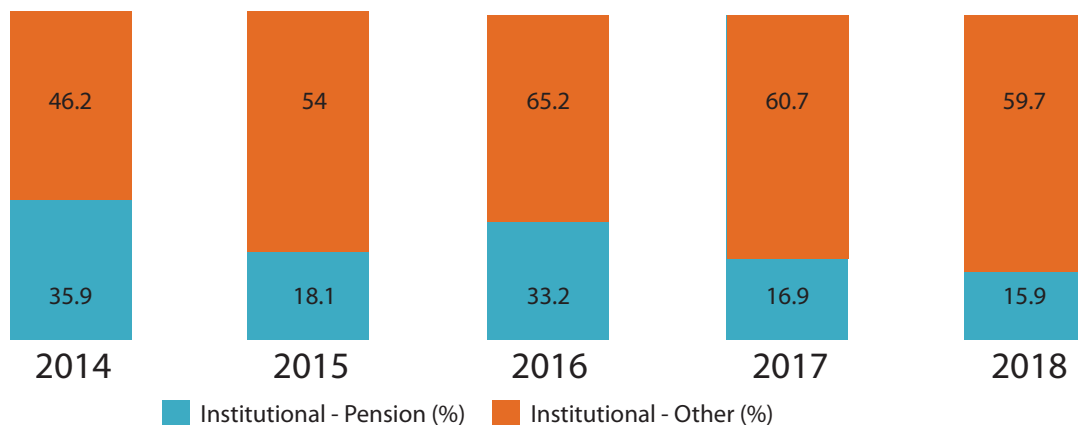
Note: Retail means individual/ public investors.  
Source: NBFIRA

Figure 17: Breakdown of CIU AUM by Institutional Clients (BWP Billions)



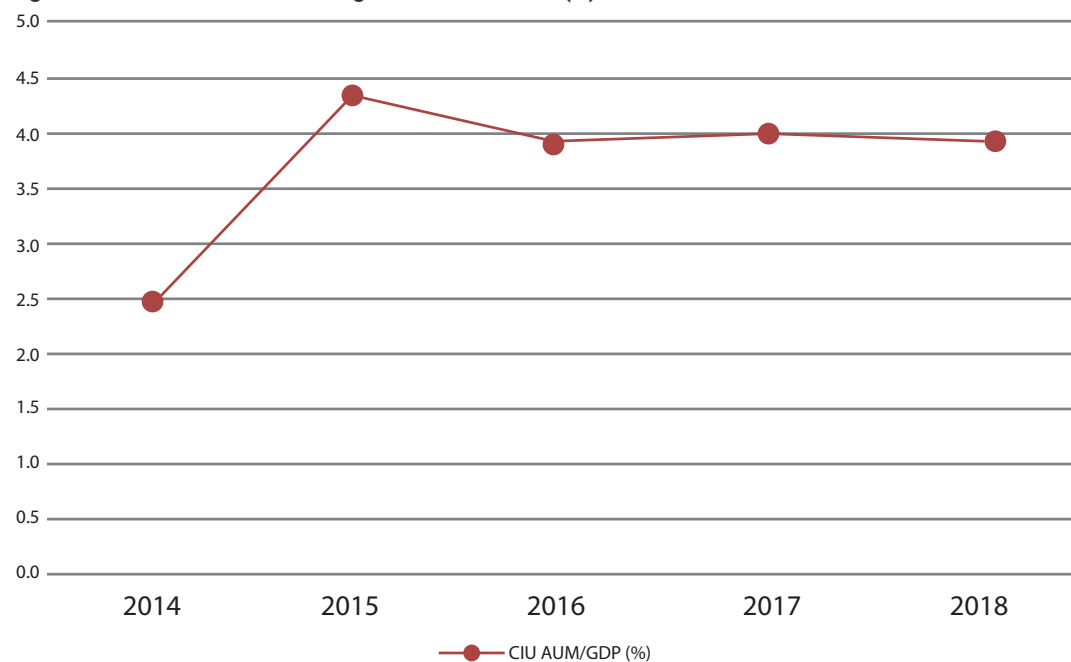
Note: Retail means individual/ public investors.  
Source: NBFIRA

Figure 18: CIU AUM Market share by Institutional Clients (%)



Source: NBFIRA

Figure 19: CIU AUM as Percentage of Nominal GDP (%)



Source: NBFIRA

4.3.3.6 Overall CIU and Non CIU Asset Allocation.

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

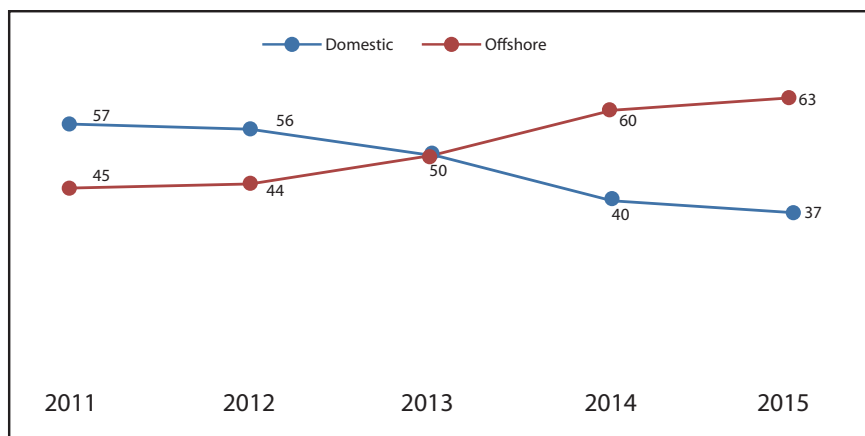
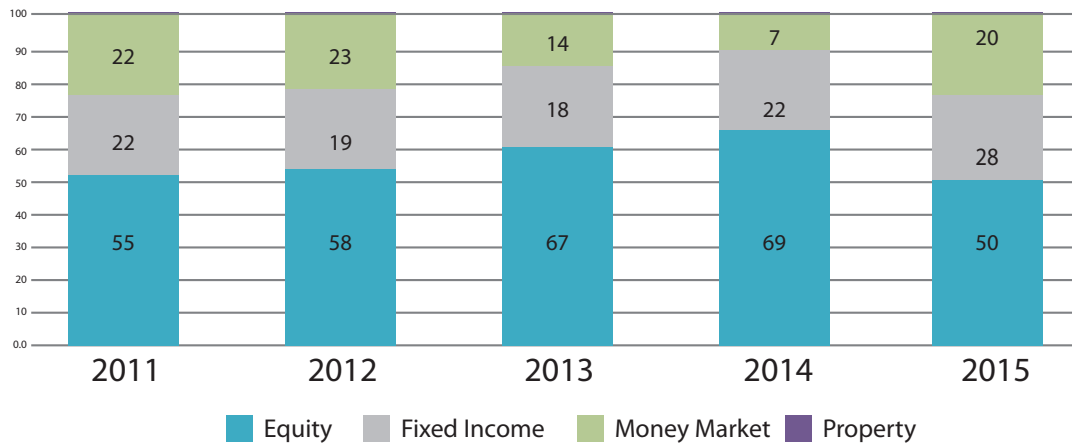
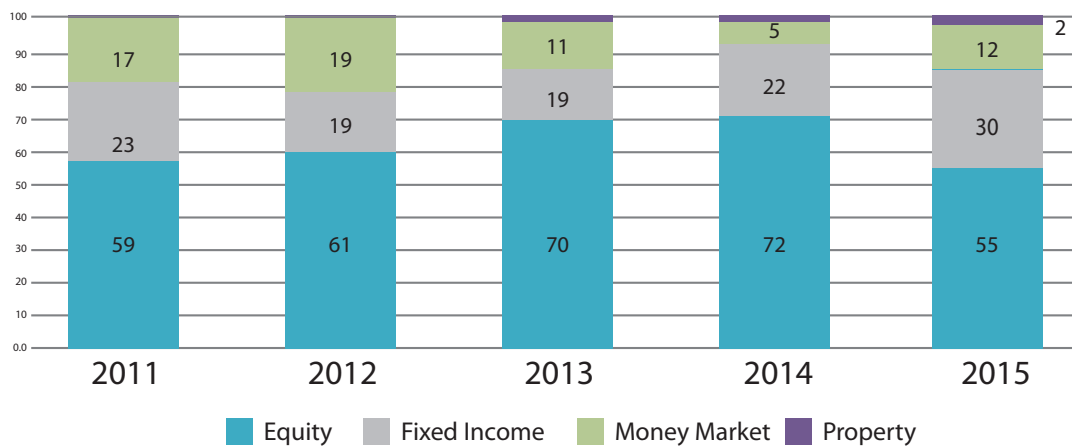


Figure 21: Overall CIU and Non CIU asset allocation by class/instruments (%)



Source: NBFIRA

Figure 22: Non CIU asset allocation by class/instruments (%)



Source: NBFIRA

Table 48: Overall CIU and Non CIU asset allocation by Region (1000)

<b>NON CIU ASSETS</b>	<b>Domestic</b>	<b>Offshore</b>	<b>TOTAL</b>
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
2017	-	-	45,100,000
2018	-	-	38,900,000
<b>CIU ASSETS</b>	<b>Domestic</b>	<b>Offshore</b>	<b>TOTAL</b>
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
2017	-	-	7,200,000
2018	-	-	7,600,000
<b>OVERALL ASSETS</b>	<b>Domestic</b>	<b>Offshore</b>	<b>TOTAL</b>
2014	25,125,834	38,282,359	63,408,193
2015	34,676,345	15,401,384	50,077,729
2016	34,911,003	11,837,319	46,748,322
2017	-	-	52,300,000
2018	-	-	46,500,000

Source: NBFIRA

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

<b>NON CIU ASSETS</b>	<b>Equity</b>	<b>fixed income</b>	<b>Money Market</b>	<b>Property</b>	<b>TOTAL</b>
<b>2013</b>	41,510,058	11,066,687	6,393,712	729,681	51,212,003
<b>2014</b>	42,874,162	13,062,547	2,983,505	808,030	59,700,139
<b>2015</b>	21,012,053	11,540,363	4,496,480	860,471	59,728,244
<b>2016</b>	13,173,408	18,549,295	3,442,676	532,880	37,909,366
<b>2017</b>	N/A	N/A	N/A	N/A	45,100,000
<b>2018</b>	N/A	N/A	N/A	N/A	38,900,000
<b>CIU ASSETS</b>	<b>Equity</b>	<b>fixed income</b>	<b>Money Market</b>	<b>Property</b>	<b>TOTAL</b>
<b>2013</b>	1,079,375	475,392	2,504,178	0	3,828,752
<b>2014</b>	1,166,734	788,982	1,764,809	0	4,058,945
<b>2015</b>	1,037,952	580,823	4,517,268	0	3,720,494
<b>2016</b>	6,376,473	2,229,733	1,955,149	0	6,136,043
<b>2017</b>	N/A	N/A	N/A	N/A	7,200,000
<b>2018</b>	N/A	N/A	N/A	N/A	7,600,000
<b>OVERALL ASSETS</b>	<b>Equity</b>	<b>fixed income</b>	<b>Money Market</b>	<b>Property</b>	<b>TOTAL</b>
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
2017	N/A	N/A	N/A	N/A	52,300,000
2018	N/A	N/A	N/A	N/A	46,500,000

Source: NBFIRA



## 4.4 LENDING ACTIVITIES

### 4.4.1 Overview

Table 50: Geographical spread of NBFIRA registered Micro Lenders (243) as at December 2018

LOCATION	No. of Micro lenders		Y-o-Y Change (%)	LOCATION	No. of micro lenders		Y-o-Y Change (%)
	2017	2018			2017	2018	
	URBAN			SEMI-URBAN			
Gaborone	90	107	18.9	Masunga	1	1	-
Francistown	28	28	-	Kasane	1	1	-
Orapa	1	2	100.0	Maun	6	6	-
Selibe Phikwe	10	10	-	Letlhakane	13	14	7.7
Jwaneng	10	11	10.0	Bobonong	0	1	
Sowa Town	0	0		Ghanzi	0	0	
Lobatse	3	3	-	Serowe	1	1	-
<b>TOTAL</b>	<b>142</b>	<b>161</b>	<b>13.4</b>	Moshupa	1	1	-
	RURAL			Palapye	10	10	-
Gabane	1	1	-	Mahalapye	3	3	-
Rakops	0	1		Ramotswa	0	0	
Kopong	0	0		Mochudi	1	1	-
Mmadinare	1	1	-	Molepolole	3	3	-
Manyana	0	0		Kanye	3	3	-
Maunatlala	1	1	-	Tutume	0	0	
Shakawe	1	1	-	Tonota	1	1	-
Thamaga	1	1	-	<b>TOTAL</b>	<b>44</b>	<b>46</b>	<b>4.5</b>
Lerala	0	0					
Tsabong	0	0					
Mopipi	2	2	-				
Mmopane	1	1	-				
<b>TOTAL</b>	<b>8</b>	<b>9</b>	<b>12.5</b>				

Source: NBFIRA records

Table 51: Geographical Spread of Pawnshops as at December 2018

LOCATION	No. of Micro lenders		Y-o-Y Change (%)	LOCATION	No. of Pawnshops		Y-o-Y Change (%)
	2017	2018			2017	2018	
	URBAN			SEMI-URBAN			
Gaborone	37	39	5.4	Letlhakane	1	1	0
Francistown	11	11	-	Serowe	2	2	0
Lobatse	1	1	-	Kasane	0	0	
Jwaneng	1	1	-	Ramotswa	1	1	0
Selibe Phikwe	2	2	-	Maun	3	3	0
Total	52	54	3.8	Mogoditshane	9	9	0
	RURAL			Mahalapye	2	2	0
Seleka	1	1	-	Palapye	4	4	0
Otse	1	1	-	<b>TOTAL</b>	<b>22</b>	<b>22</b>	<b>0</b>
Mmopane	1	1	-				
Metsimotlhabe	1	1	-				
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>-</b>				

Source: NBFIRA

Table 52: Geographical Spread of Finance &amp; Leasing as at December 31, 2018

Location	No. of Finance & Leasing Companies		y-o-y % Change	Location	No. of Finance & Leasing Companies		y-o-y % Change
	2017	2018			2017	2018	
	URBAN			SEMI-URBAN			
Gaborone	19	27	42.1	Palapye	1	1	0
				Molepolole	1	1	0
<b>TOTAL</b>	<b>19</b>	<b>27</b>	<b>42.1</b>	<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>0</b>

Table 53: Registered Micro Lenders by Citizenship

	Number of Registered Micro Lenders	
	2017	2018
Citizens	156	155
Non- Citizen	59	59
<b>Totals</b>	<b>215</b>	<b>214</b>

Source: NBFIRA



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