



Introductory Presentation - Botswana

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Presentation Outline

1. Introduction to Botswana
2. Economic Outlook
3. Organizational structure
4. Mandate of NBFIRA
5. Legislative framework
6. Insurance Market Composition
7. Market Performance – 10 year period
8. Insurance Products

Botswana



Botswana

- Landlocked country in Southern Africa
- Area 581,732 square km
- Population 2.29 million (2017)
- GDP 19.65 Billion USD (2019)
- Exchange rate: 1 USD = 10.5 Pula
- Major exports: diamonds & beef

Botswana Economic Outlook (Dec, 31, 2018)

Table 1: Selected Botswana Annual Macro-Economic Indicators

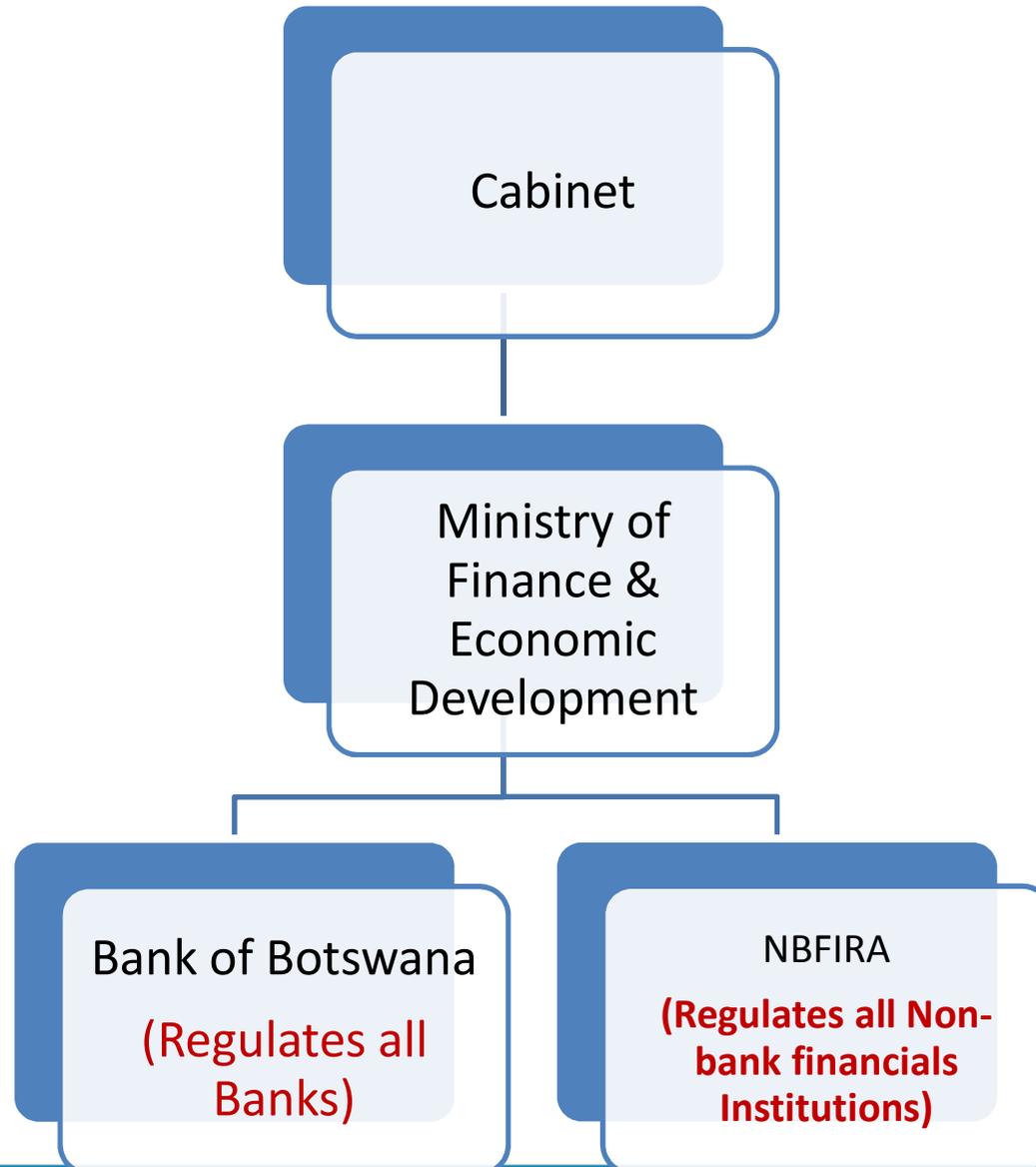
Indicator	2018	2017
Gross Domestic Product (GDP) in Millions of Pula		
Real GDP (P' Million)	96,641	91,917
% Annual Growth	4.5	2.9
Nominal GDP (P' Million)	189,869	180,113
% Annual Growth	5.4	5.6
Inflation (% Annual Growth)		
CPI (End of Period)	3.5	3.2
CPI (Average)	3.3	3.3
Interest Rates (%)		
Bank Rate	5	5
Prime Rate	6.5	6.5

Botswana Financial Sector (Dec, 31,2018)

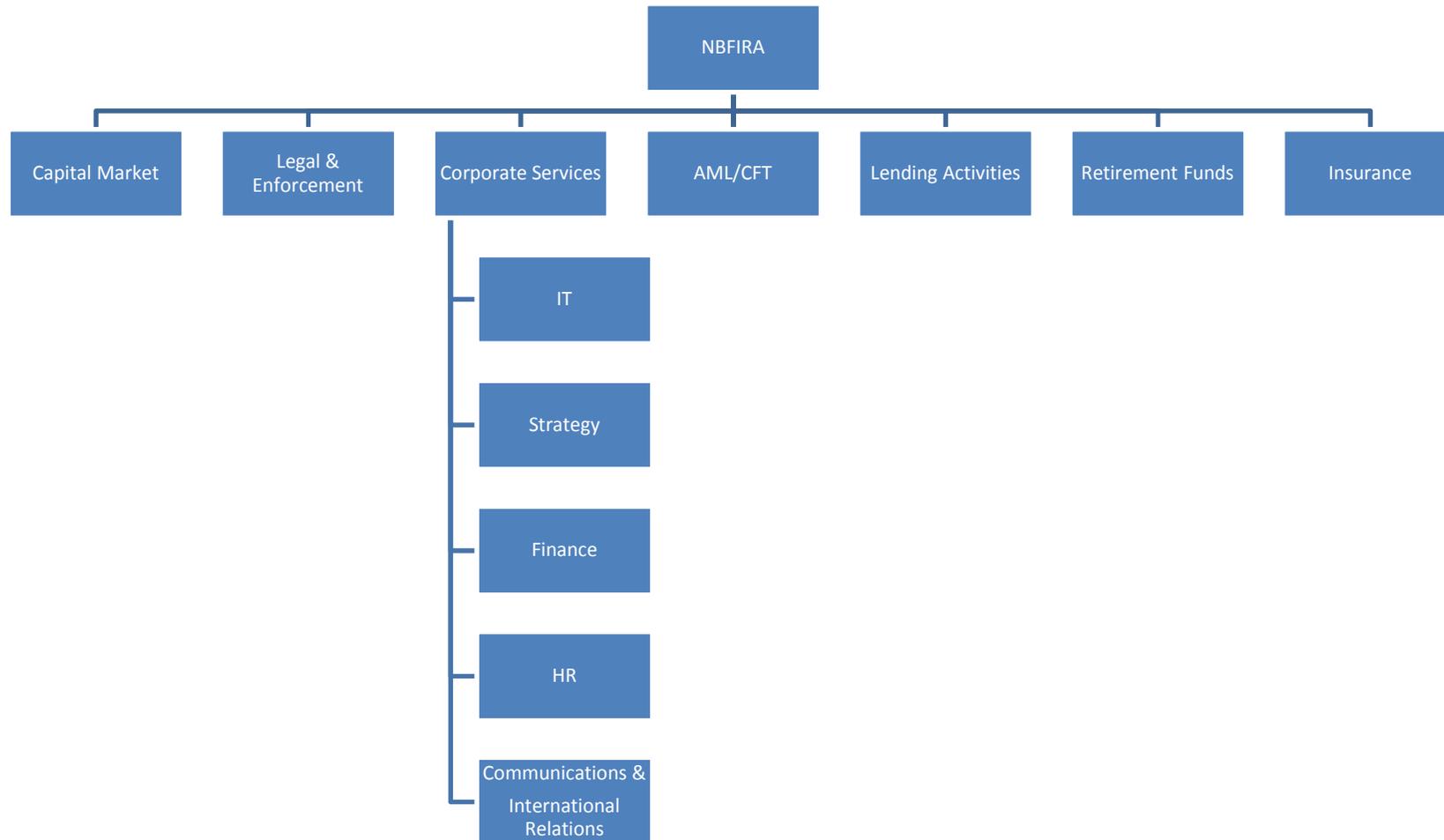
Table 2: Structure of the Botswana Financial System, as at December 31, 2018

Financial Institution	Number of institutions	Assets in P 'Million 2017	Assets in P 'Million 2018	% of Total Assets	Annual % Change
Banking Sector *1	13	91,390	98,814	45	8.1
Commercial Banks	10	83,468	91,331	42	9.4
Statutory Banks *2	2	7,922	7,483	3	(5.5)
Building Societies	1	4,261	4,017	2	(5.7)
Non-Bank Sector		116,755	121,046	55	4
Life Insurance	8	15,391	16,222	7	5.4
General Insurance	12	1,874	1,979	1	5.6
Re-Insurer	3	254	394	0	55.1
AUM for Retail & Private *3	n/a	8,390	8,034	4	(4.2)
Retirement Funds *4	87	78,855	81,818	37	3.8
Capital Markets *5	37	6,378	6,315	3	(1.0)
Micro-lenders (Top 20) *6	20	4,232	4,757	2	12.4
Others (Estimate) *7	>250	1,381	1,527	1	10.6
Grand Total * 1		208,145	219,860	100	6

Organizational structure



Organizational structure



Mandate of NBFIRA

NBFIRA exists to regulate and supervise NBFIs so as to foster:

- Safety and soundness of the non-bank financial institutions
- Highest standards of conduct of business
- Fairness, efficiency and orderliness of the NBFIs
- Reduction and deterrence of financial crime
- Assist in stability of the financial system

Legislative framework

1. NBFIRA Act (2016)
2. Insurance Industry Act 2015
3. Insurance Industry Regulations (2019)
4. International Insurance Act 2005
5. Prudential Rules 2012
6. Fit & Proper Rules 2018
7. Supervisory ladder of intervention 2018
8. Directives, Circulars, guidelines

Market Composition

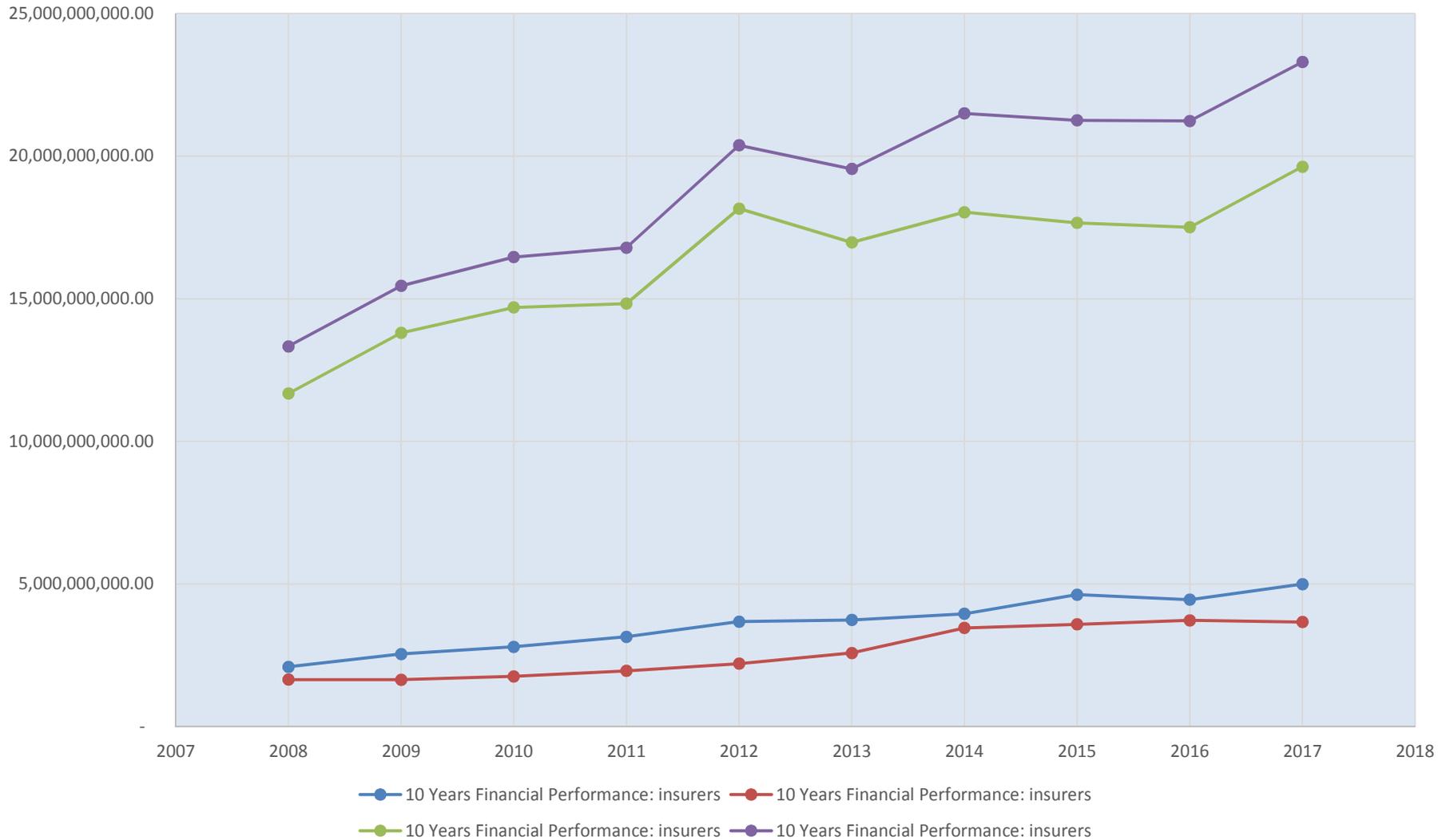
As at 31 March 2019, there were **236** entities composed of:

- ✓ 3 Re-insurers (all non-life)
- ✓ 20 Insurers (8 Life and 12 non-life)
- ✓ 58 Brokers
- ✓ 150 Corporate Agents
- ✓ 5 medical aid funds

- 2,237 representatives (individual agents)

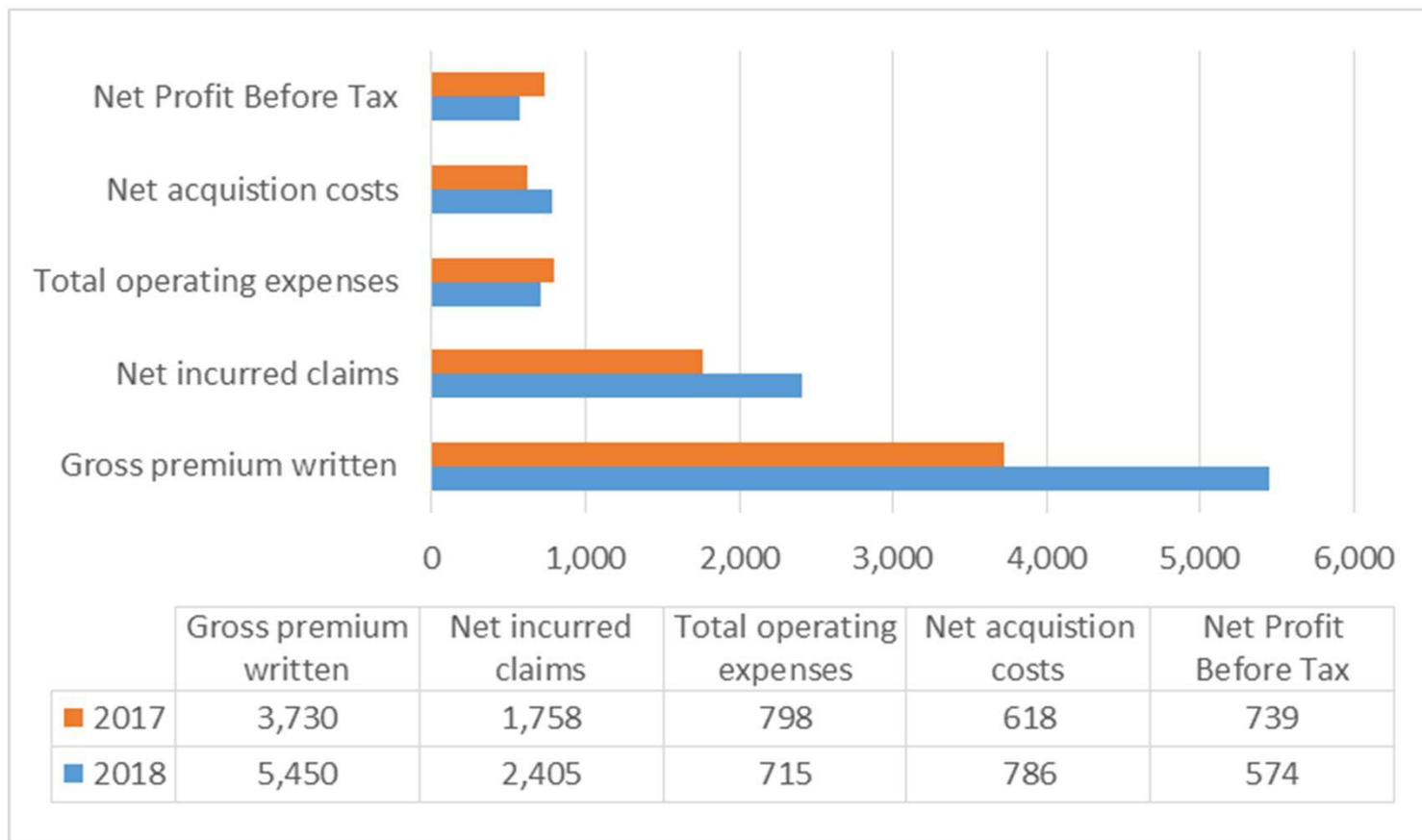
Brokers, Corporate Agents and representatives are all referred to as insurance intermediaries

Financial Performance of the Markets



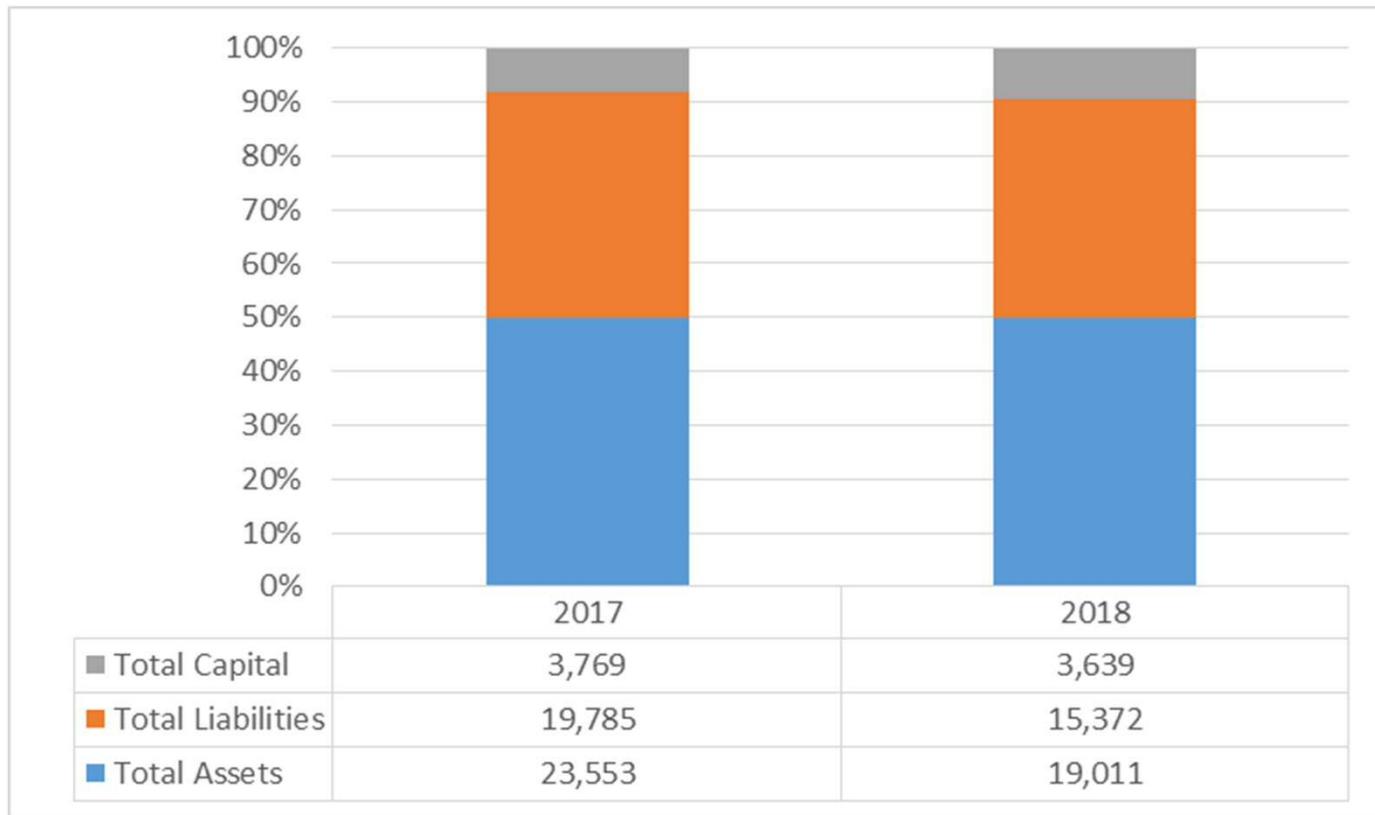
Insurance market

Table 1: Abridged statement of comprehensive income for Insurers (BWP Millions)



Insurance market

Figure 2: Abridged Statement of Financial Position for the insurance market (BWP Millions)



Insurance market

The Botswana insurance market is dominated by life insurers

Figure 1: Market Share of Gross Written Premium in The Market (%)

