

ANNUAL REPORT

2024

MEDIA LAUNCH

Kenneth S. Matomola
Chief Executive Officer



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ABOUT US

NAMFISA is established by an Act of Parliament - NAMFISA Act, 2001 (No.3 of 2001)

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MANDATE

- **Supervision**
- **Advisory**
- **Enforcement of Financial Intelligence Act, 2012**

PREPARED IN TERMS OF

- NAMFISA Act, (Act No. 3 of 2001)
- Public Enterprises Governance Act, 2019 (Act No. 1 of 2019) (PEG A)

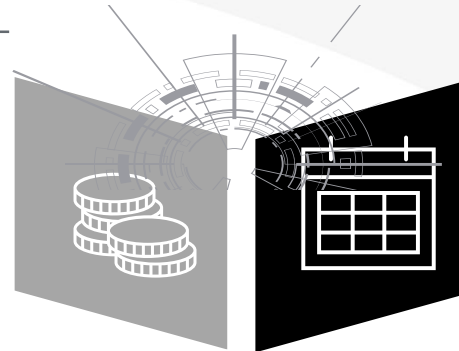


STATUTORY REQUIREMENT

NAMFISA Act requires that Annual Financial Statements and Annual Report be submitted to the Minister of Finance and Public Enterprises three (3) months and six (6) months after financial year end, respectively.

REPORTING PERIOD

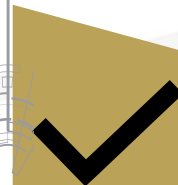
- The 2024 Annual Report covers the financial year ended 31 March 2024



PEG Act requires that the Annual Financial Statements and Annual Report be submitted to the Minister of Finance and Minister of Public Enterprises six (6) months after financial year end.

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**ANNUAL
REPORTING**



The statutory obligations were complied with by NAMFISA during the reporting period.

THE BOARD MEMBERS



Refer to pages 17-34 in the Annual Report



Ms. Selma Ambunda



Mr Jacque Jansen



Adv. Hettie Garbers-Kirsten
Chairperson



Amb. Steve Katjuanjo
Vice Chairperson



Ms. Nelao Shilongo



Ms. Selma Ambunda



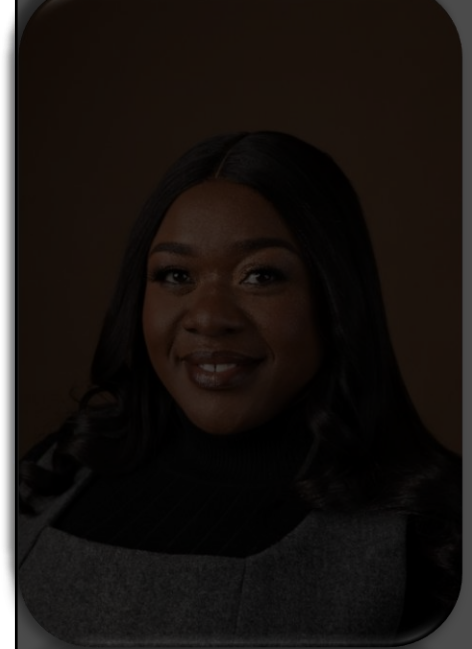
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Vice Chairperson



Ms. Nelao Shilongo

EXECUTIVE MANAGEMENT



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CORPORATE CHARTER

VISION

To **regulate** and **supervise** financial institutions and financial intermediaries to foster a **stable** and **fair** non-banking financial sector, promote **consumer protection**, and provide **sound advice** to the Minister of Finance and Public Enterprises.

MISSION

To have a **safe, stable** and **fair** financial system contributing to the **economic development** of Namibia in which consumers are **protected**.

Refer to pages 3-5 in the Annual Report

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STRATEGY AND PERFORMANCE



STRATEGIC THEMES

OPERATIONAL EFFICIENCY

An operationally efficient organization with high performing team supported by efficient and effective processes, appropriate systems and prudently managed financial resources.

STAKEHOLDER ENGAGEMENT

Improved beneficial relationships with our customers and stakeholders, premised on collaboration, trust, productive and active engagement.

INNOVATION

Adoption of technology to support automation and the inclusion of new technologies used by the sectors to promote efficiency in our service delivery and sustainability in delivering our mandate.

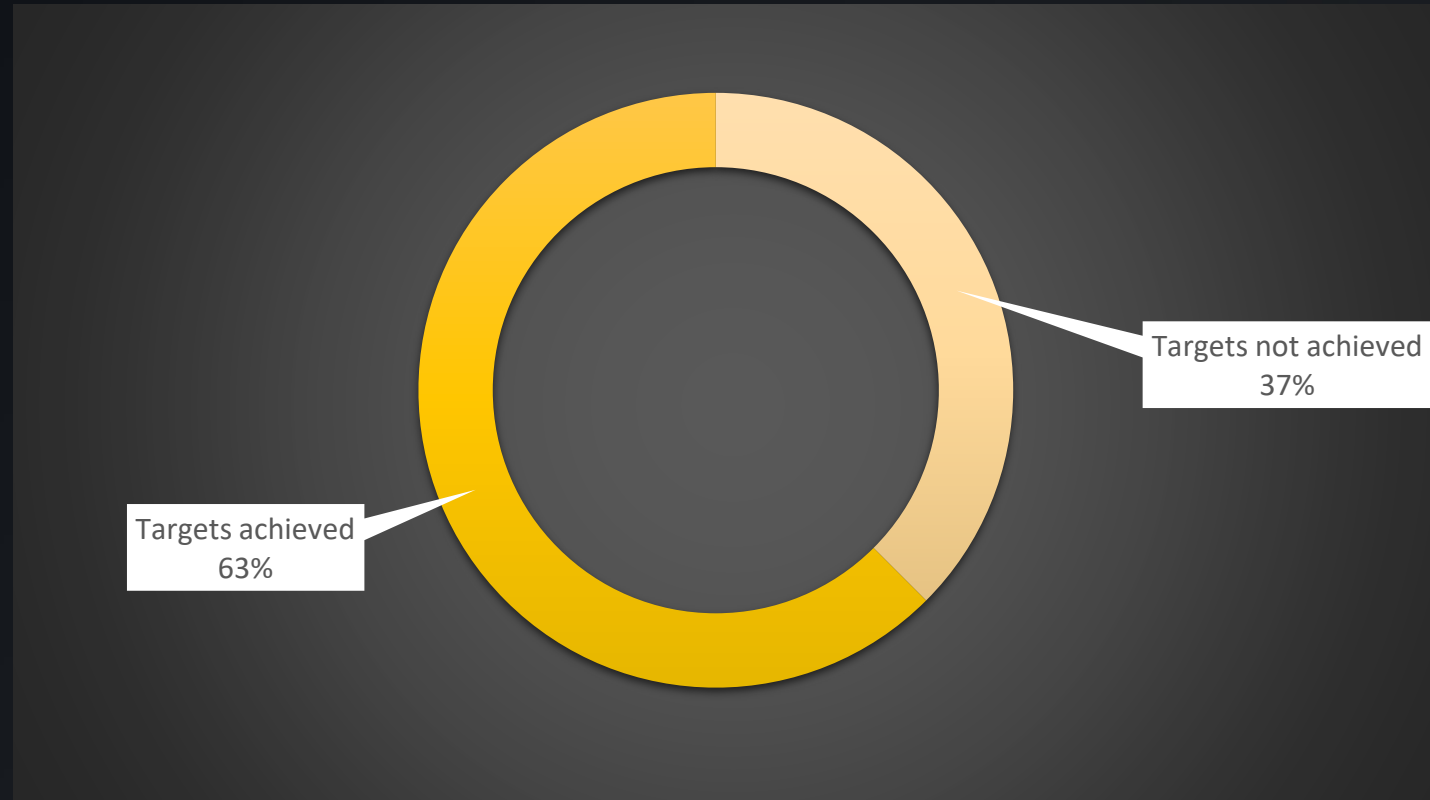
PERFORMANCE

- The 2023/24 financial year marks the second year of the Authority's Five-Year Strategy (2022-2027), which commenced on 1 April 2022.
- Eleven (11) strategic initiatives are earmarked to be achieved and completed by the end of the 2022-2027 five-year strategy.

Key focus areas were:

- Improved use of technology and innovation capabilities
- Improved data management
- Improved access to NAMFISA services
- Improved knowledge and skills
- Improved work culture
- Improved service delivery
- Improved customer and stakeholder engagement
- Improved financial sustainability

PERFORMANCE



Key Highlights



1 The staff complement, including temporary staff, stood at **185** on 31 March 2024. This represents a 1.60 percent reduction in the workforce, compared with the previous financial year.

2 NAMFISA remains an equal opportunity employer, with **57.84% female** and **42.16% male** employees.

3 The Authority places significant importance on managing performance through an effective performance management system, including leadership and values rating surveys.

4 NAMFISA continues to extend learning and development programmes to enable employees to remain relevant and skilled, and to keep pace with the changing business and regulatory environment.

Service
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HIGHLIGHTS

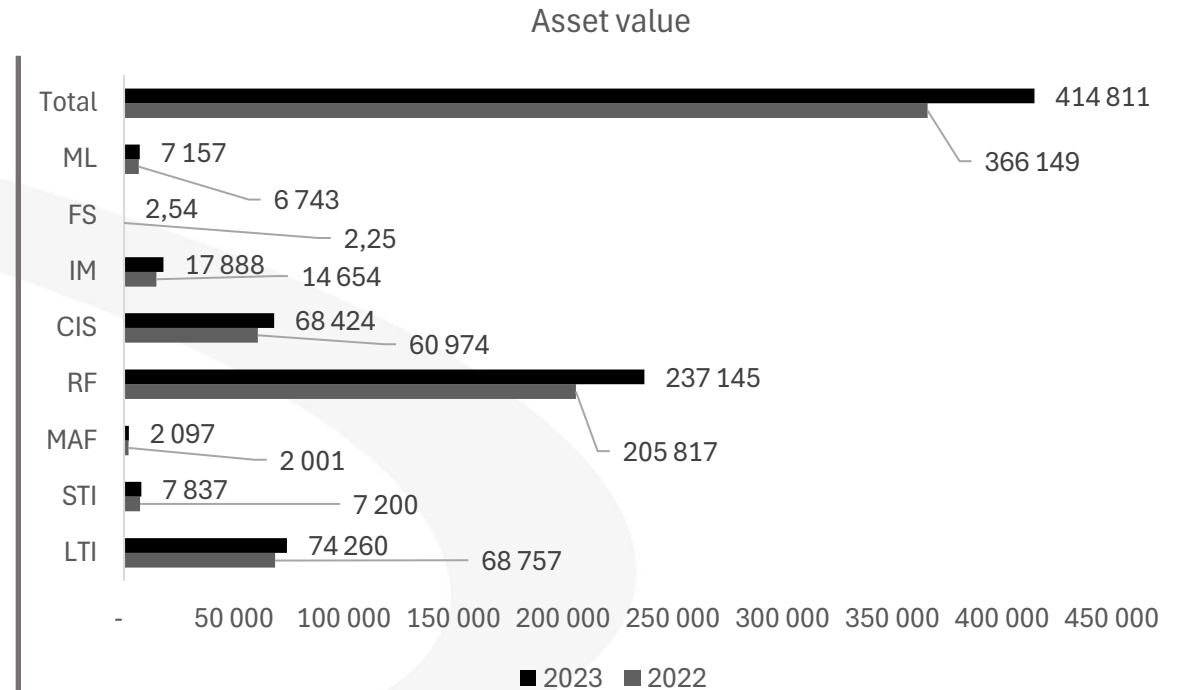
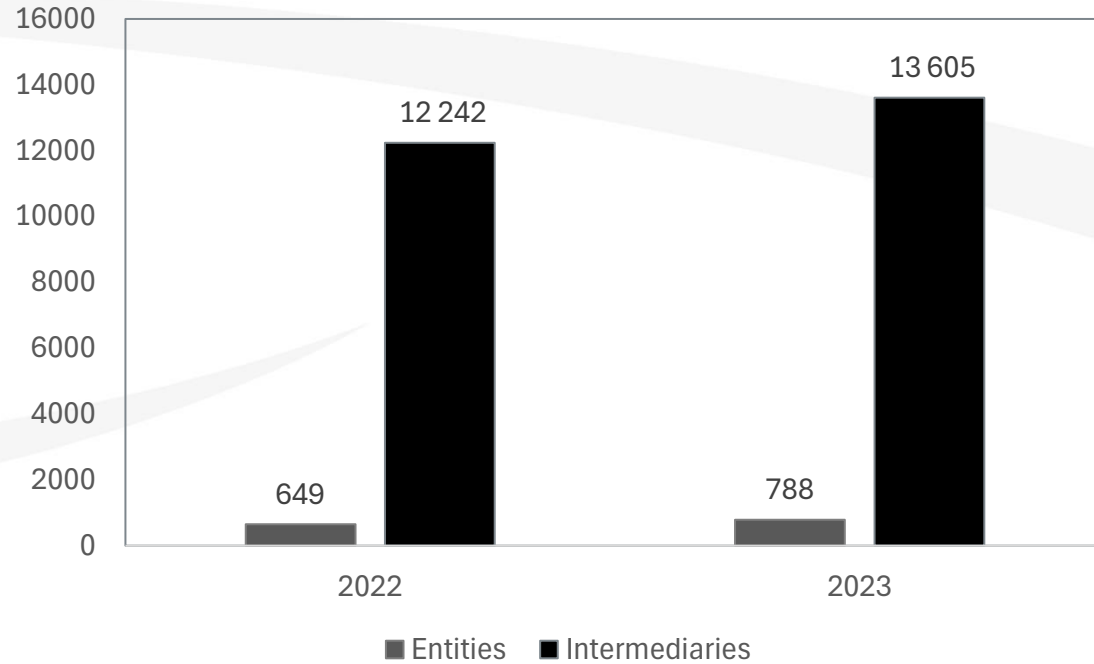
SUPERVISORY AND INDUSTRY DEVELOPMENTS

Refer to page 87-135 of the Annual Report

The Non-Bank Financial Industry (NBFI) remains **financially sound** and **stable** and **does not pose risk** to the financial system as the Authority diligently delivered on its mandate.

NBFI represents over 70% of the Financial Sector's assets.

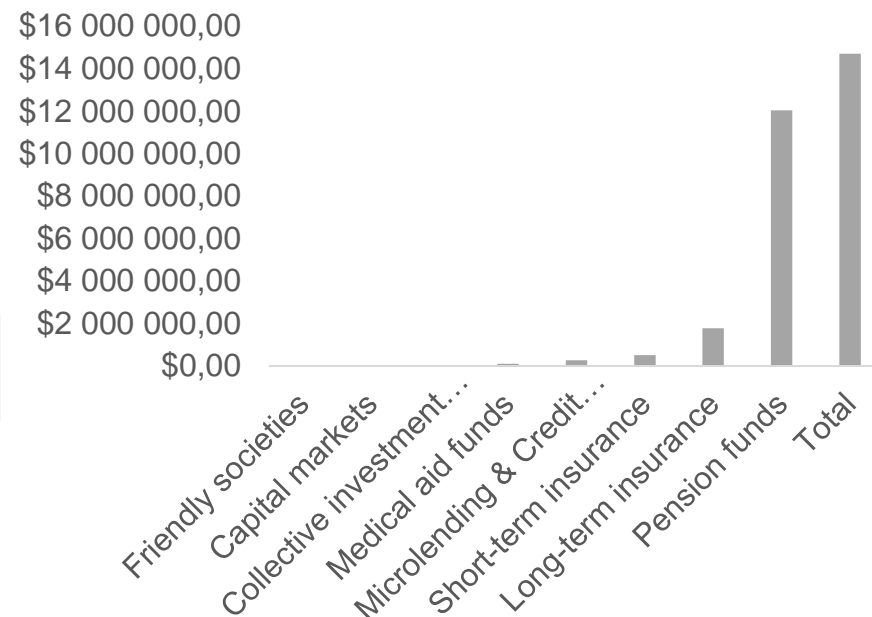
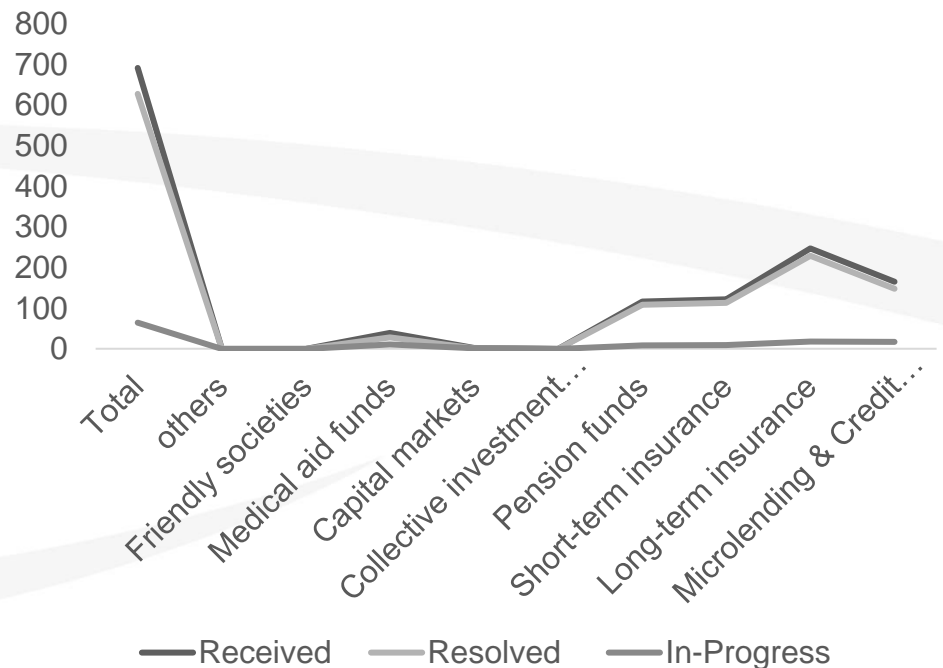
REGULATORY SCOPE



□ Despite a contractionary monetary policy environment:

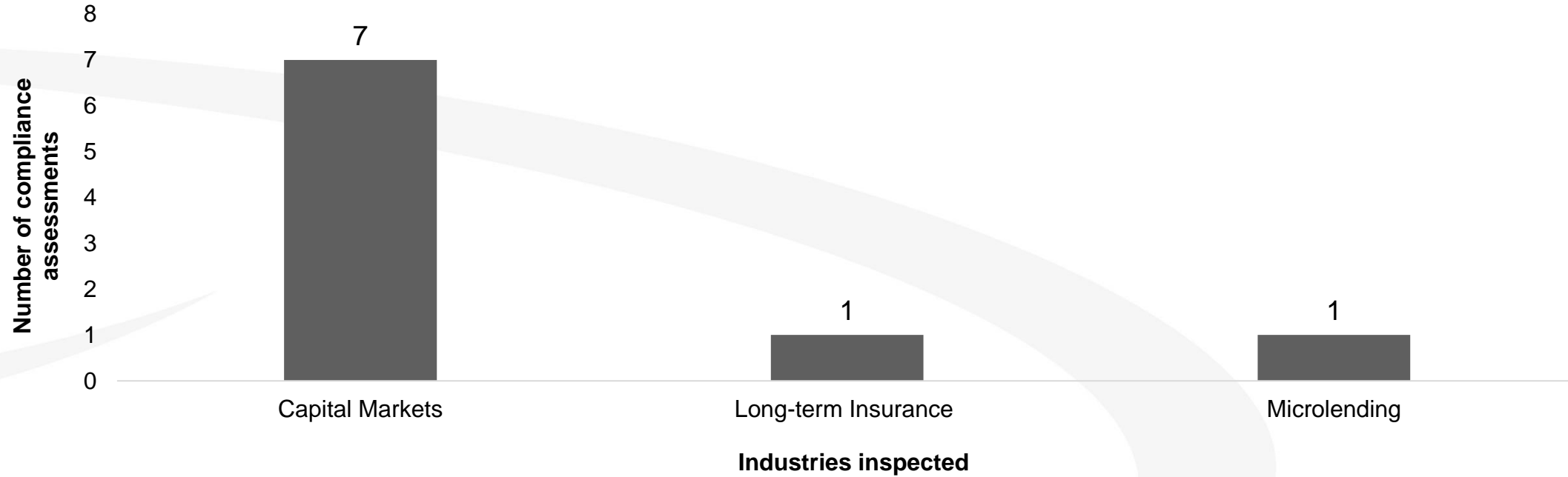
- The NBFIs assets grew by 13.3 percent to N\$414.8 billion at the end of 2023.
- The demand for NBFIs products stayed strong throughout the year.
- The total number of entities under NAMFISA oversight increased to 788 entities and 13,605 intermediaries

COMPLAINTS STATISTICS



- The Authority resolved 91.0 percent of the 691 complaints received.
- Microlending, long-term insurance, short-term insurance, and pension funds – aggregately constituted 94.1 percent of all complaints lodged during the reporting period.
- NAMFISA’s intervention in complaints resolution between entities and clients, resulted in a total of N\$14.7 million repaid to 172 complainants in 2023.

AML AND INSPECTIONS ACTIVITIES

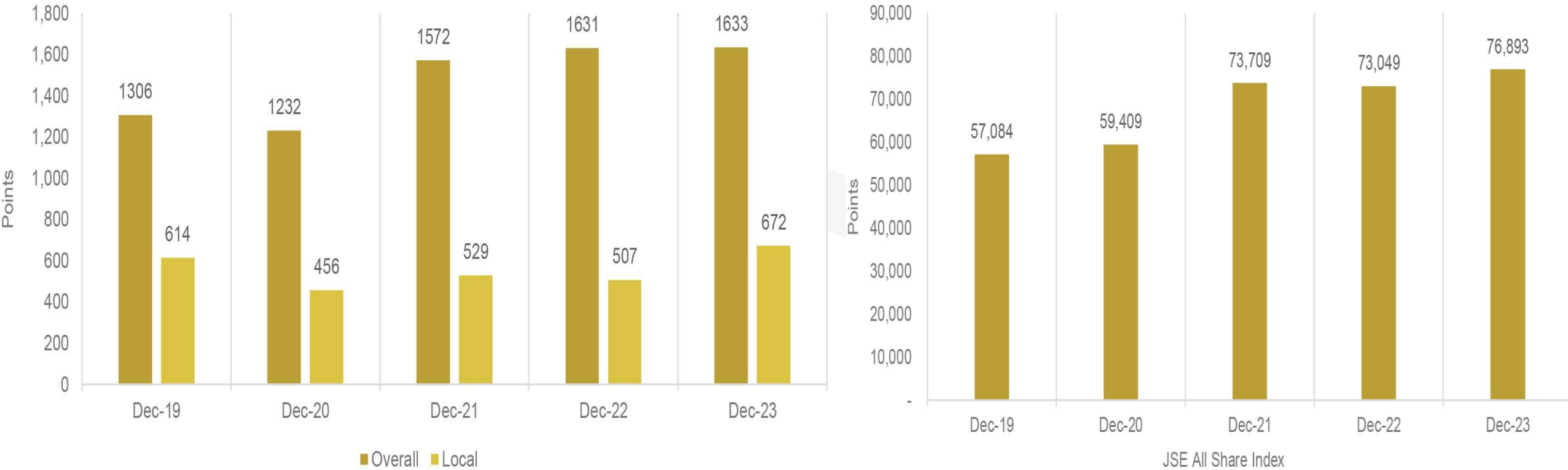


The Authority conducted nine (9) off-site AML/CFT/CPF inspections of AIs, which included seven (7) AIs in the capital markets industry, one (1) AI in the long-term insurance industry, and one (1) AI in the microlending industry.

The objective of these inspections was to assess the effectiveness of remedial measures adopted by Accountable Institutions to address control weaknesses identified during the previous inspections, and to identify compliance gaps and provide guidance.

INDUSTRY DEVELOPMENTS

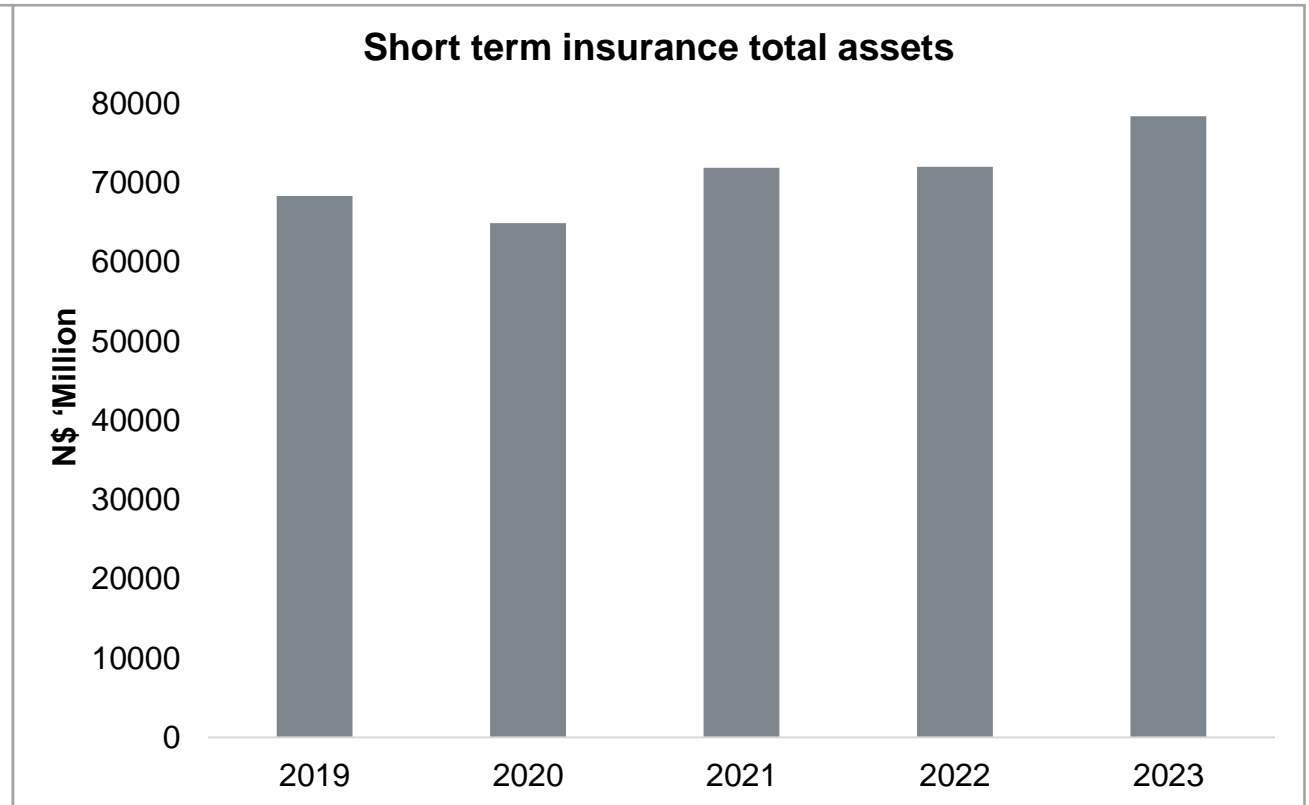
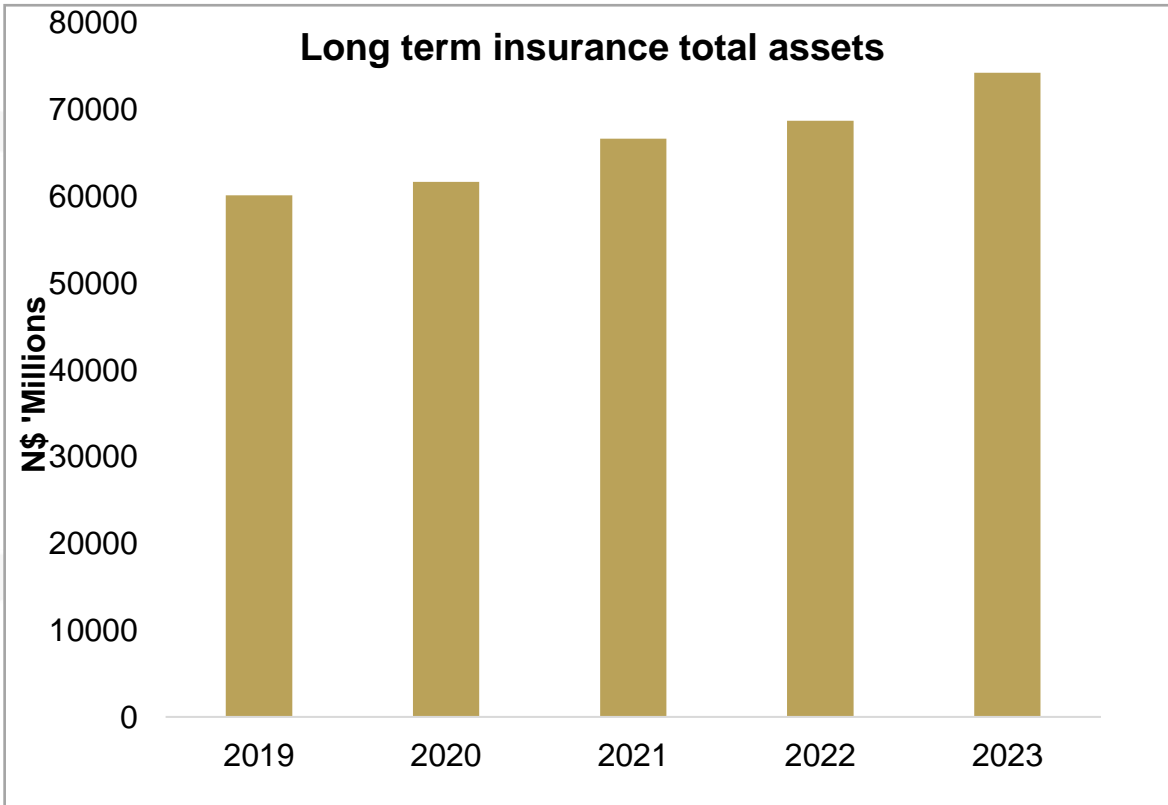
EQUITY MARKETS



- The Overall Index increased by 0.1 percent to end at 1,633.33 points, and the Local Index advanced by 32.5 percent to end at 671.73 points for the year ending 31 December 2023.
- Most shares that are dual-listed on the NSX are primary-listed on the JSE.

INDUSTRY DEVELOPMENTS

LONG- AND SHORT-TERM INSURANCE SECTOR



The insurance industry maintained a sound financial position with excess assets and solvency levels above prudential requirements.

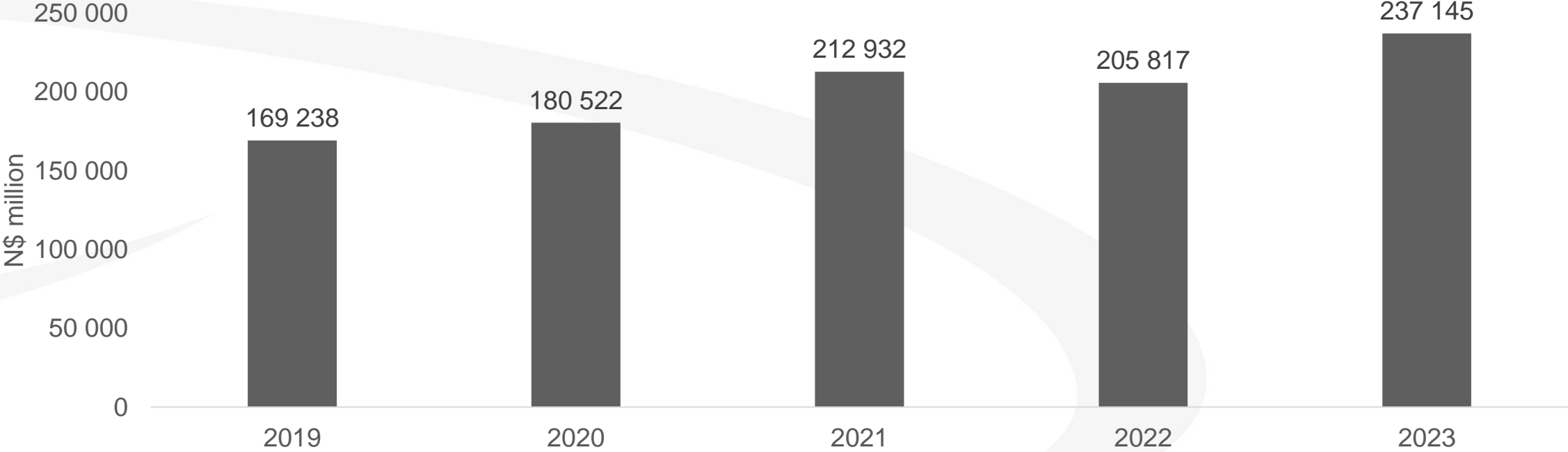
- The LTI industry's total assets increased by 8.0 percent to N\$74.3 billion as of 31 December 2023, driven by the substantial expansion of its investment portfolio.
- The STI total assets increased by 7.6 percent to N\$7.7 billion as of 31 December 2023, primarily driven by recoveries in the financial markets, particularly unit trusts

INDUSTRY DEVELOPMENTS

PENSION FUNDS SECTOR



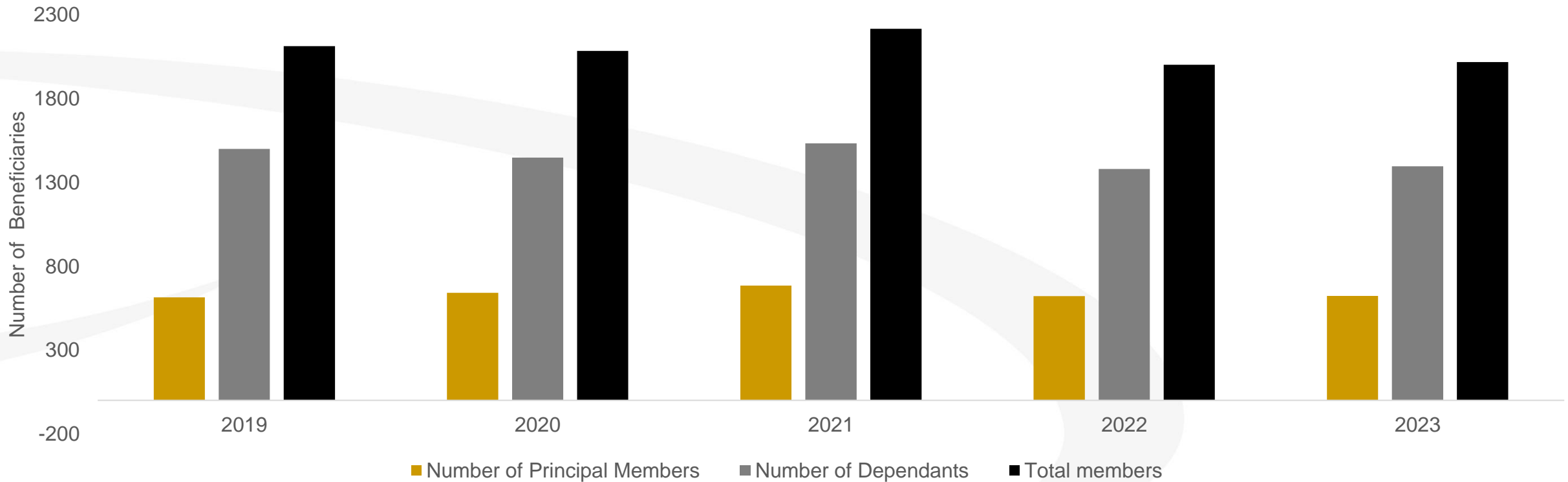
Total assets



- Pension fund assets increased by 15.2 percent to reach N\$237.1 billion in 2023.
- The asset growth was due to positive investment returns.

INDUSTRY DEVELOPMENTS

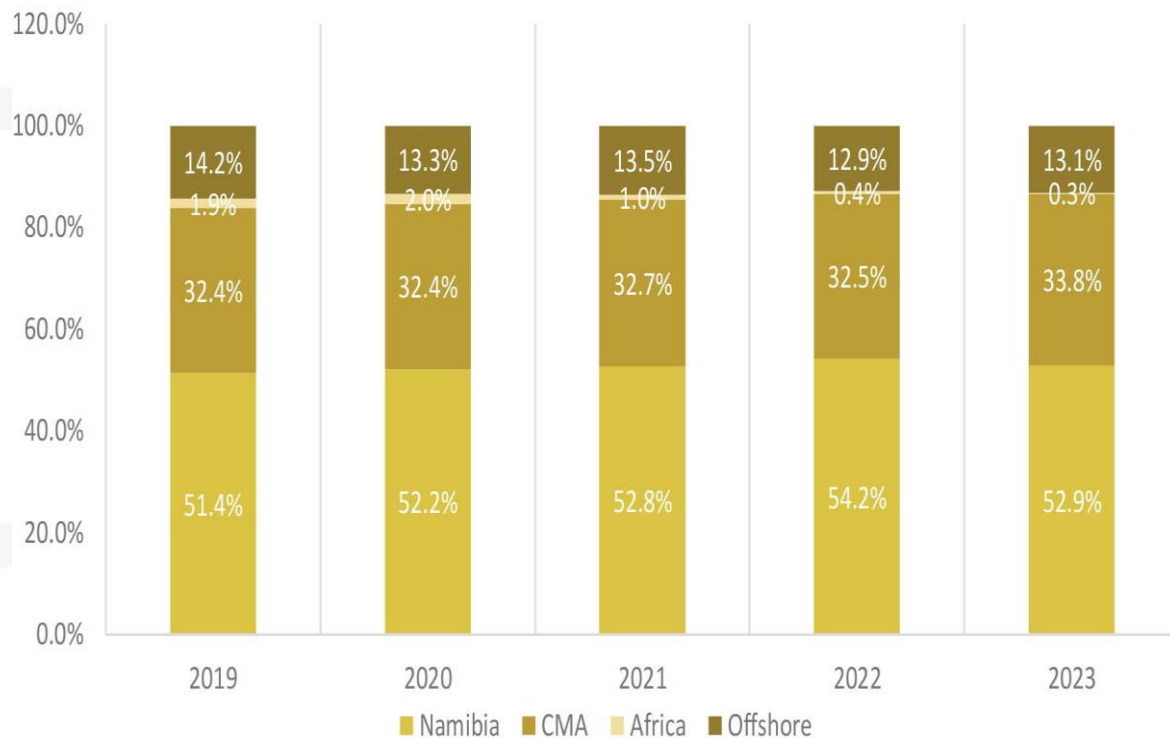
FRIENDLY SOCIETIES



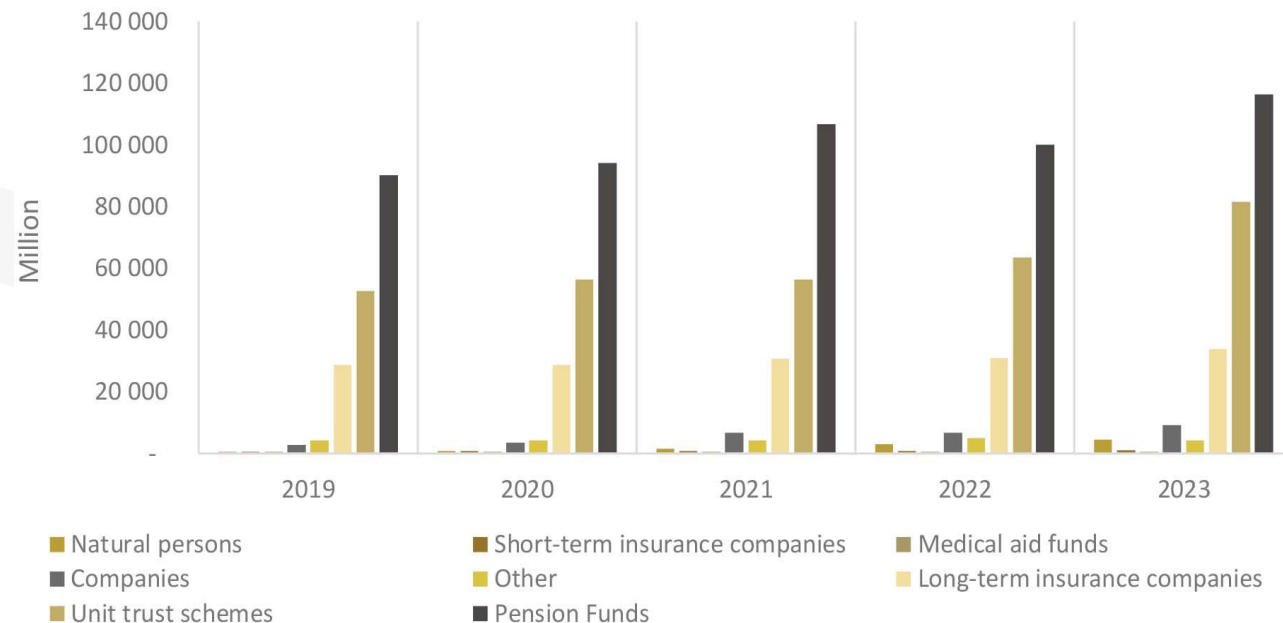
- The total number of active beneficiaries increased by 0.8 percent to 2,019 as at 31 December 2023 on account of the recruitment of new members by the single active society.
- Investment assets, primarily comprised of money market accounts, increased by 11.9 percent to N\$2.4 million as of 31 December 2023 due to capitalized investment gains and the investment of surplus cash, while cash and cash equivalents decreased by 51.2 percent to N\$24,35.

INDUSTRY DEVELOPMENTS

INVESTMENT MANAGEMENT SECTOR



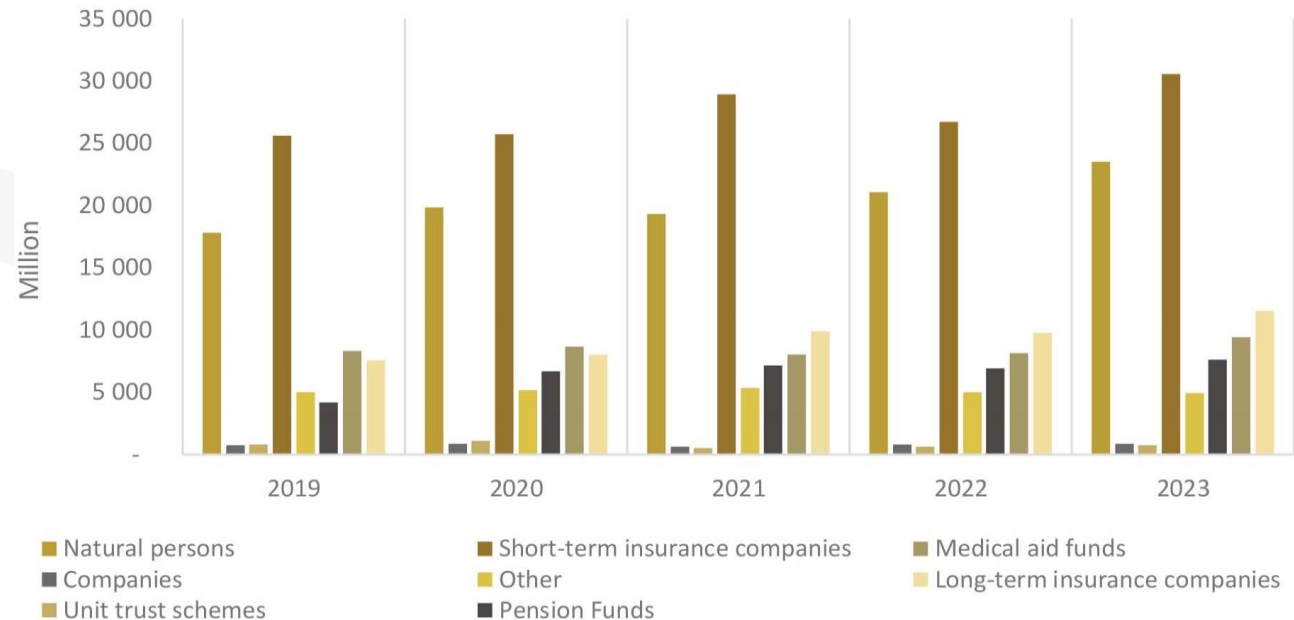
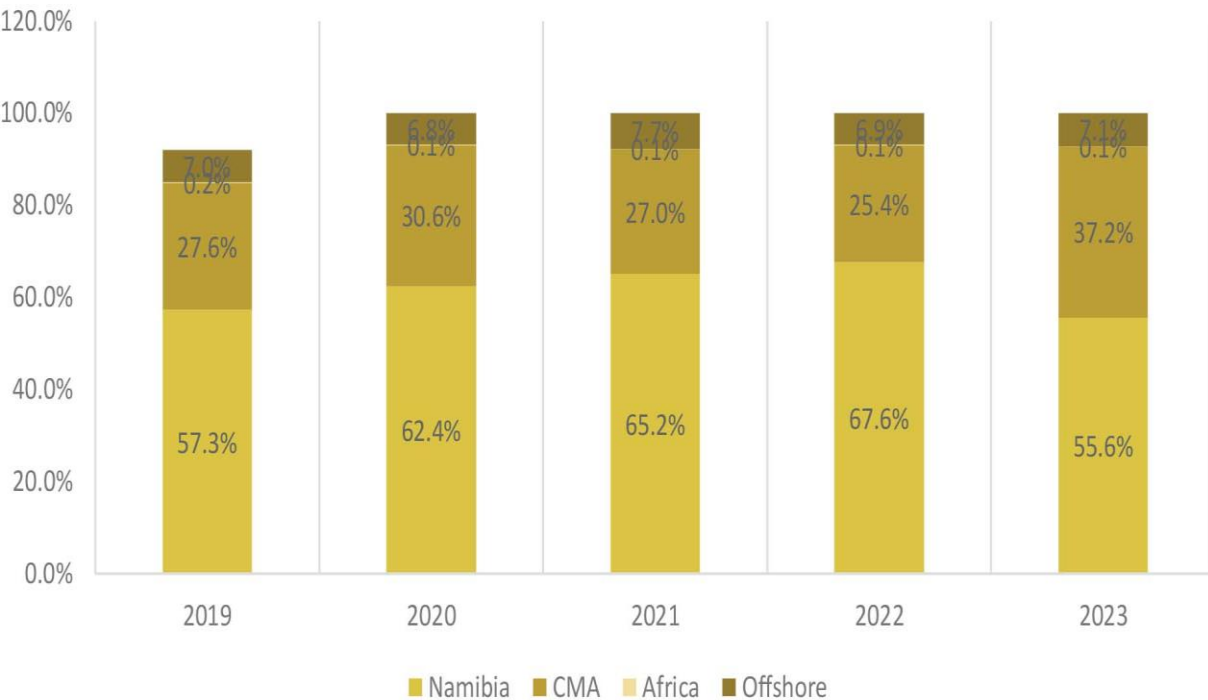
Sources of funds



- Assets under management increased by 19.3 percent to N\$251.6 billion as of 31 December 2023.
- 52.9 % of assets under management are invested domestically.
- Source of funds under management by investment managers were mainly from:
 - Pension funds - 46.2 percent
 - Unit trust schemes - 32.4 percent

INDUSTRY DEVELOPMENTS

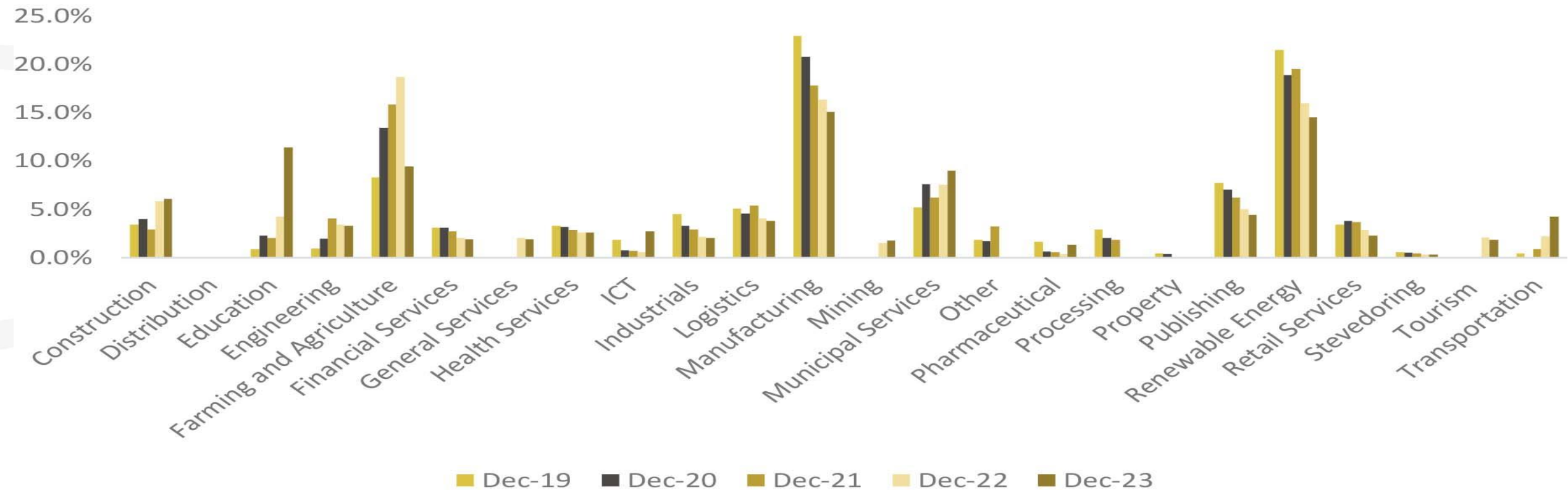
COLLECTIVE INVESTMENT SCHEMES (CIS) SECTOR



- The total assets under management by CIS increased by 12.7 percent to N\$89.2 billion as of 31 December 2023.
- Geographical allocation of investment:
 - Domestic assets - 55.6 percent
 - CMA - 37.2 percent
 - Africa (excluding CMA) – 0.1 percent
 - Offshore – 7.1 percent
- Companies and individual persons were the largest source of funds in CIS accounting for 34.3 and 26.3 percents respectively

INDUSTRY DEVELOPMENTS

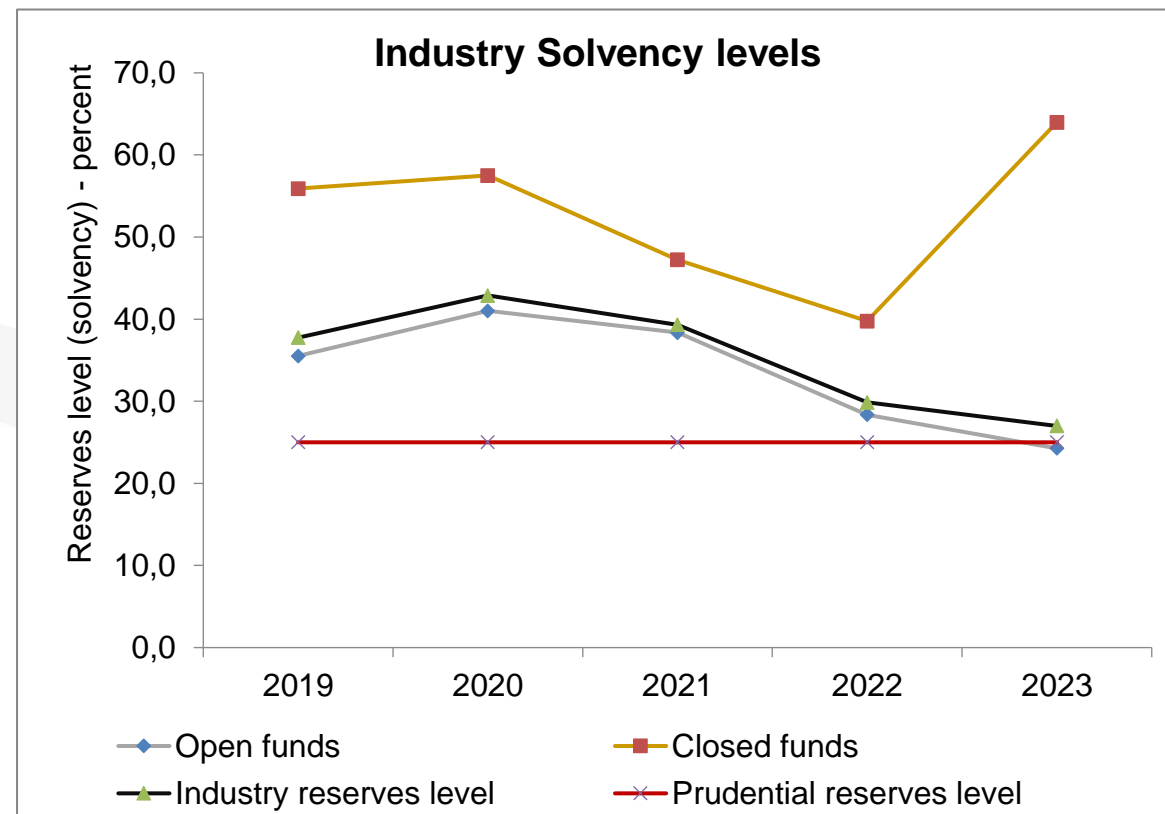
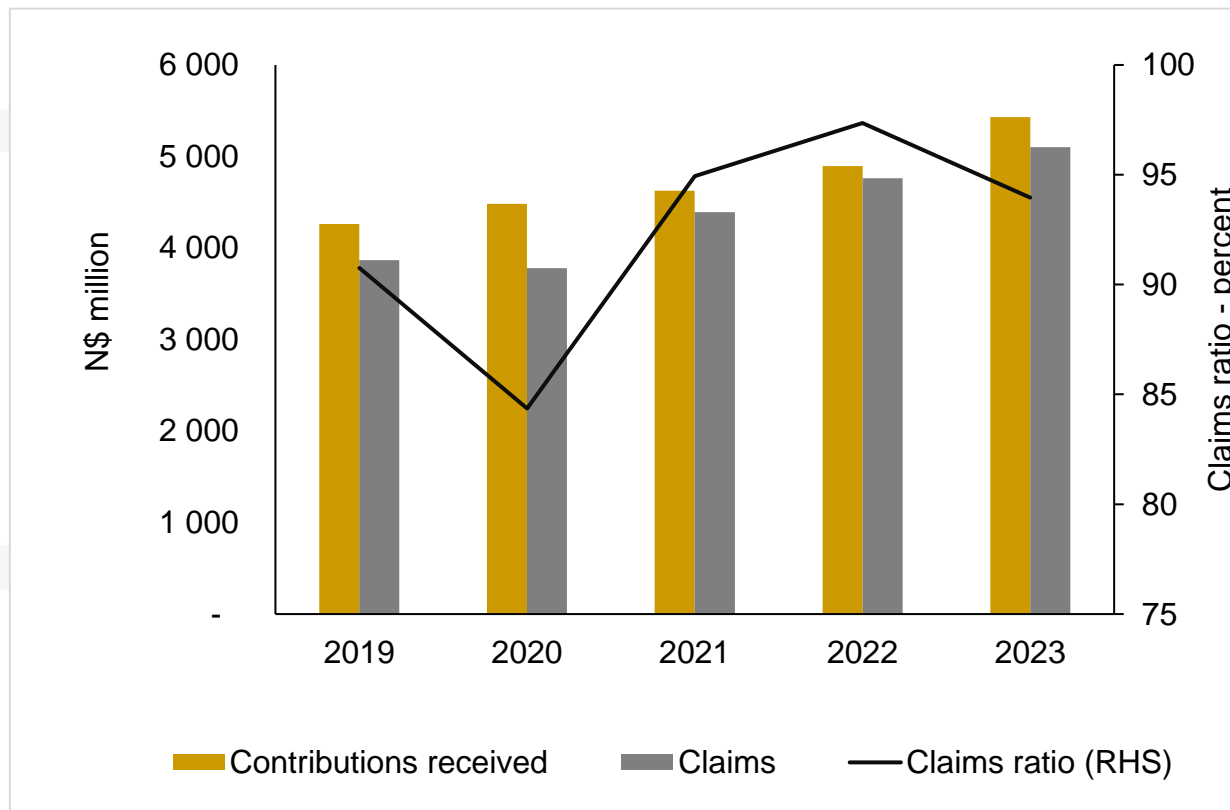
UNLISTED INVESTMENT MANAGERS



- Total investments in unlisted portfolio companies increased by 6.7 percent to N\$4.1 billion as of 31 December 2023.
- Manufacturing, renewable energy, and education were the principal sectors targeted for unlisted investments, accounting for 15 percent, 14.5 percent, and 11.4 percent, respectively.
- The unlisted investment sector reported 6,798 permanent and 1,750 temporary employment as at 31 December 2023.

INDUSTRY DEVELOPMENTS

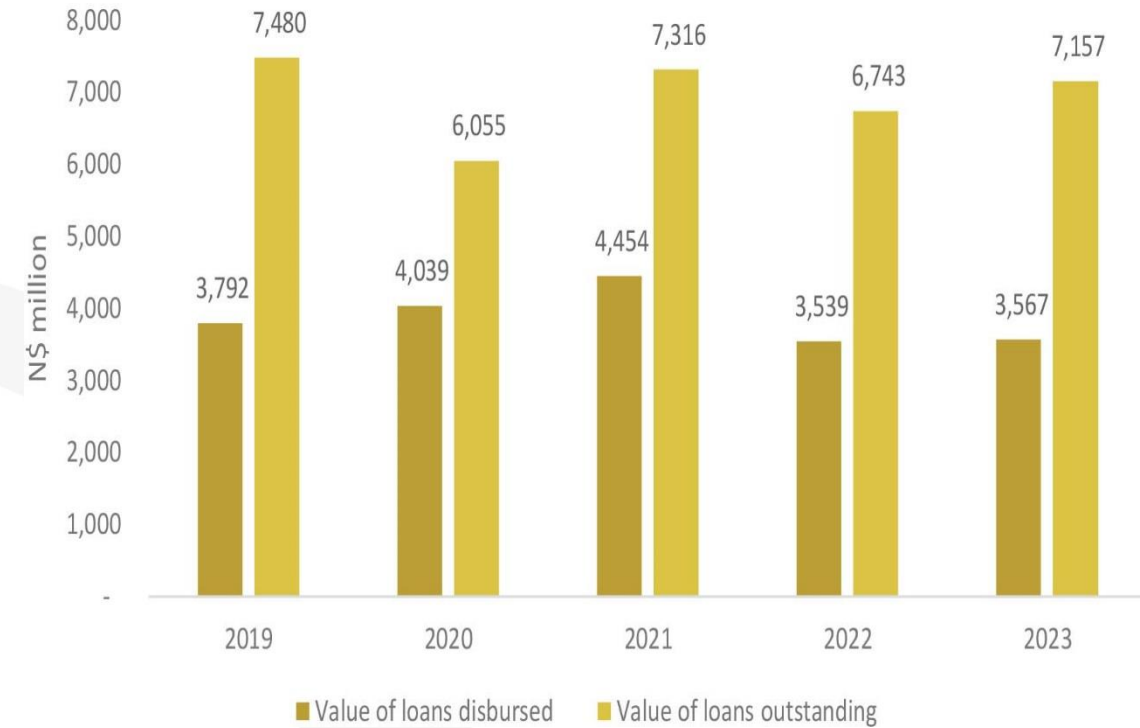
MEDICAL AID FUNDS SECTOR



- Gross contributions received increased by 11.0 percent to N\$5.4 billion for the 2023 financial year, driven by a combination of increased membership and annual increases in contributions paid by members.
- The average solvency ratio for open medical aid funds decreased to 24.3 percent as of 31 December 2023, down from 28.4 percent at the end of 2022.

INDUSTRY DEVELOPMENTS

MICROLENDING SECTOR



- The cumulative number of household borrowers declined by 9.3 percent to 221,841 beneficiaries by the end of 2023.
- The outstanding value of the loan book grew by 6.1 percent year-on-year, reaching N\$7.2 billion at the end of 2023.
- Similar to the previous year, the loan book's value was attributed to term lenders, amounting to N\$6.9 billion, representing 96 percent.

8 FINANCIAL PERFORMANCE

Refer to pages 144-207 of the Annual Report



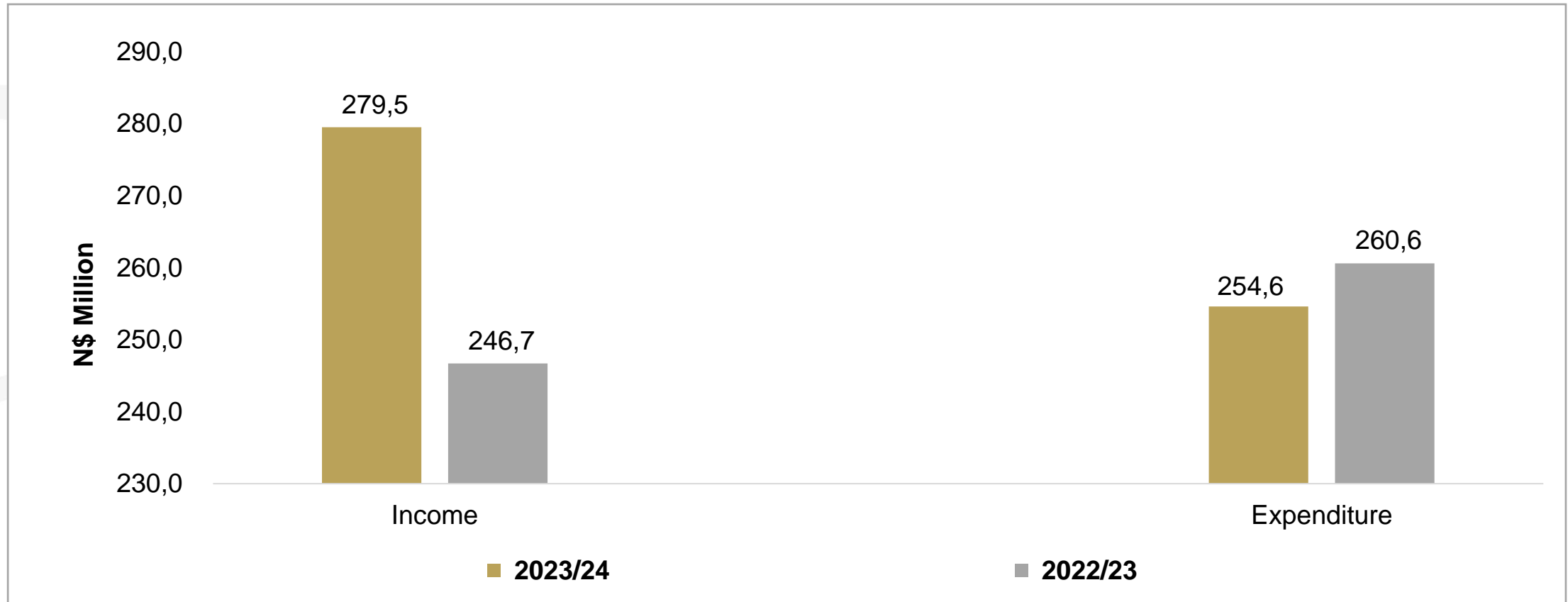
FINANCIAL PERFORMANCE

Five-Year view

N\$' Million	2019/20	2020/21	2021/22	2022/23	2023/24	Total for period
Income	227.9	223.6	238.2	246.7	279.5	1,215.9
Expenditure	(214.5)	(218.6)	(249.8)	(260.6)	(254.6)	(1,198.1)
Other comprehensive income/(loss)	1.2	6.0	(0.4)	5.0	12.8	24.6
Total comprehensive income/(loss)	14.6	11.0	(12.0)	(8.9)	37.7	42.4

- NAMFISA fosters financial sustainability by prudently managing financial resources.
- Over the past five years, the Authority achieved a total comprehensive income of N\$42.4 million.
- NAMFISA received unqualified audit reports throughout the five-year period.

FINANCIAL PERFORMANCE



- Total income increased by 13.3 percent to N\$279.5 million resulting from the financially sound and stable NBFISector
- Total expenditure decreased by 2.3 percent to N\$254.6 million mainly attributable to staff and legal costs.
- The total comprehensive surplus for the year amounted to N\$37.7 million.

FINANCIAL PERFORMANCE

Financial Position



- ① Total assets increased by 11.3% (N\$34.4 million) to N\$339.0 million as of 31 March 2024.
- ② This growth in total assets is primarily attributable to an N\$18.8 million increase in property, plant, and equipment, driven by the acquisition of additional assets and the extension of the property lease term.
- ③ Additionally, the increase in total assets was further supported by higher investment and call account balances, resulting from surplus cash generated by increased levy collections.

FINANCIAL PERFORMANCE

Financial Position

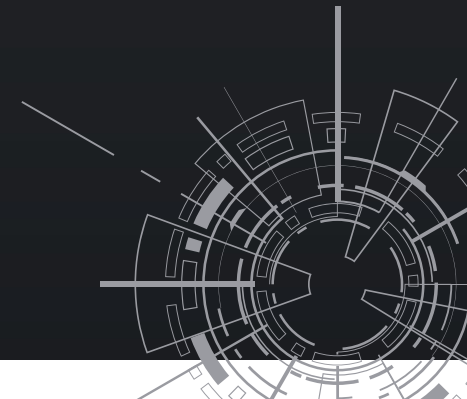
- Total liabilities decreased by 2.7% (N\$3.2 million) to N\$115.3 million as of 31 March 2024.
- This reduction primarily resulted from a significant increase of 60% (N\$15.4 million) in the long-term lease liability, which was more than offset by a 10.3% (N\$4.6 million) decrease in the post-retirement benefit obligation and a 28% (N\$13.8 million) decrease in current liabilities compared to the prior year.



CONCLUSION

- The 2024 Annual report reflects that the Authority has made significant strides in its regulatory, supervisory, and institutional reforms.
- The report attests to NAMFISA's fostering of a high standard of corporate governance in complying with the best practices as enshrined in NAMCODE and King's report.
- Despite challenging economic conditions in the country, the regulated entities are financially sound and do not pose systemic risks to the country's financial system.
- NAMFISA's financial position remains sound due to operational efficiency initiatives.
- NAMFISA continues to receive unqualified audit reports.

Best Annual Report of the in Namibia”
and
“Institutions Demonstrating Exceptional Managerial and Corporate Governance
Qualities in Namibia.”



CONCLUSION

A large, faint, grayscale image of an hourglass is positioned in the background, centered vertically and horizontally. The sand is visible in both the top and bottom bulbs, with a thin stream falling from the narrow neck. The hourglass is slightly out of focus, creating a subtle texture behind the text.

1

NAMFISA remains committed to working towards its set objectives to effectively transform the financial sector for the benefit of the consumers and the industries we serve and ultimately contribute to the Namibian economy.

2

Thanks to the Honorable Minister of Finance and Public Enterprises and his team, the Board, staff, regulated entities, consumers, media, and all relevant stakeholders.

3

The Authority looks forward to your continued support as we take on the daunting task ahead.



The electronic copy of the Annual Report is accessible on our website via this link:

[NAMFISA ANNUAL
REPORT 2024](#)