NAMFISA

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY

# QUARTERLY REPORT 2024

## SECOND QUARTER

# NAMFISA AT A GLANCE Q2 2024

**NUMBER OF ENTITIES : 901**

(NAMFISA regulated 901 entities during the second quarter of 2024)

**TOTAL ASSETS: N$ 446.5 billion**

(The total assets of the NBFIs regulated by NAMFISA was N$ 446.5 billion)

**QUARTERLY ASSETS increased: 4.6 percent**

(Total assets of the NBFI sector rose by 4.6 percent in the second quarter of 2024, compared with the first quarter of 2024)

**A TOTAL OF 94 COMPLAINTS WERE RECEIVED**

(in the second quarter of 2024)

**A TOTAL OF 74 CASES WERE RESOLVED**

(From complaints received in the second quarter of 2024, representing a 79 percent resolve rate)

**AMOUNT PAID TO CONSUMERS BY NBFIs: N$1,719,669**

(In resolved complaints during the second quarter of 2024)

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# LIST OF ABBREVIATIONS

| | |
|---|---|
| RA | Retirement Annuity |
| CAR | Capital Adequacy Requirement |
| IBNR | Incurred but not reported |
| NSX | Namibia Stock Exchange |
| JSE | Johannesburg Stock Exchange |
| LTI | Long-term insurance |
| STI | Short-term insurance |
| FS | Friendly Society |
| MAF | Medical Aid Fund |
| CMA | Common Monetary Area |
| PF | Pension Fund |
| CIS | Collective Investment Scheme |
| CM | Capital markets |
| ML | Microlending |
| CC | Consumer complaints |
| SIH | Statement of Investment Holdings |

# PREFACE

This Quarterly Report is compiled to provide consolidated statistics and analyses relating to the transactions on services rendered by the non-bank financial institutions (NBFIs) supervised by NAMFISA. The purpose of this report is to provide industry statistics, as well as the latest industry trends and developments. The report also provides information regarding NAMFISA's regulatory and supervisory activities during the quarter under review.

The data is important for supervisory purposes. First, the data enables NAMFISA to assess whether financial institutions remain financially sound, stable and safe. In this regard, NAMFISA assesses the capital of NBFIs against statutory requirements. Second, the data helps NAMFISA to determine whether any risks and, if so, what type of risks may be prevalent in the financial system. The resulting assessment is used to compile a section on the non-bank financial industry in the annual Financial Stability Report, which NAMFISA and the Bank of Namibia jointly issue.

This report is based on the regulatory returns provided by all supervised financial institutions and on the supervisory and enforcement work conducted by NAMFISA. The quality and depth of analysis depends on the data received and the accuracy of this data, as well as the industry's response rate during the data collection exercise by the respective divisions. It is important to emphasise that the industry's response to NAMFISA's data collection has been very positive. Although there is room for improvement, this positive response is evident in both the accuracy and the timely submission of the data.

Going forward, the Authority will endeavour to provide an enhanced analysis of the supervised financial institutions, financial services and risks in the NBFIs. Furthermore, quality assessment will be accorded to the regulatory and supervisory responses. In particular, NAMFISA will enhance its capacity on data analysis to improve the monitoring of both prudential and market conduct supervisory activities.

# EXECUTIVE SUMMARY

The non-bank financial institutions (NBFI) assets sector grew by 4.6 percent quarterly and by 13.3 percent annually, reaching N$446.5 billion by the end of the second quarter of 2024.

In the second quarter of 2024, the long-term insurance (LTI) industry observed moderate growth, mainly due to growth in investments, especially in equity (shares) held at the JSE. The industry's assets exhibited growth both quarter-on-quarter and year-on-year as at 30 June 2024.

The short-term insurance industry (STI) assets demonstrated growth both quarter-on-quarter and year-on-year. The solvency ratio remained constant quarter-on-quarter, but increased by 0.7 percent year-on-year to1.43 times at the end of the review period. The liquidity ratio declined by 2.2 percent quarter-on-quarter and by 1.5 percent year-on-year, standing at 1.32 times as at 30 June 2024. Profit before tax (PBT) increased significantly by 86.5 percent quarter-on-quarter and by 14.9 percent year-on-year during the review period.

The industry reported a net surplus for the quarter under review, and the industry's assets were more than its liabilities as at 30 June 2024. Additionally, the industry met the minimum prudential reserves level of 25.0 percent. The industry's net surplus reported during the quarter under review resulted in an improved reserves level during the quarter under review.

The value of retirement fund assets increased during the second quarter of 2024 on a quarterly and annual basis. The increase observed in investments during the quarter was due to the favourable performance of investment markets.

The industry consists of one active friendly society, which reported a net surplus for the quarter under review, increasing members' accumulated reserves. In addition, the society held sufficient liquid assets to settle its liabilities, and was considered financially sound and solvent as at 30 June 2024.

The investment managers' assets under management experienced an increase of 4.8 percent quarter-on-quarter and an increase of 12.2 percent year-on-year to N$265.2 billion as at 30 June 2024. The growth in assets under management can be attributed to new inflows of capital from investors, coupled with interest earned and dividend income generated from existing investments

The collective investment schemes' (CIS) assets stood at N$95.6 billion, reflecting an increase of 4.2 percent quarter-on-quarter and a 15.0 percent gain year-on-year. The increase in assets under management can be attributed to interest income, dividends received from underlying holdings, and new investments from clients. Companies and households continue to be the primary sources of funds for CIS.

Assets administered by linked investment service providers (LISPs) for the quarter ending 30 June 2024 increased by 2.4 percent to N$17.1 billion, compared with the previous quarter. The increase can be attributed to a combination of factors such as interest earned and dividends received on underlying investments held through LISPs, and new investments from clients seeking diversified investment options offered by LISPs.

The value of the loan book for microlenders increased both quarterly and annually by the end of the second quarter of 2024. This growth was primarily due to higher disbursements and a rise in the number of newly issued loans during the same period.

Total investments in unlisted portfolio companies stood at N$3.7 billion as at 30 June 2024. This represents an 18.8 percent increase over the past six months and a 16.4 percent increase year-on-year. During the period under review, the total committed capital increased slightly by 0.3 percent to N$4.97 billion as at 30 June 2024. The increase in investments in portfolio companies and committed capital can be attributed to additional funding disbursements and new investor commitments.

NAMFISA's Consumer Complaints Department received 94 complaints from financial services consumers during the second quarter of 2024, marking a 31.4 percent decrease from the previous quarter and a 51.5 percent drop compared with the same period last year. The department successfully resolved 79.0 percent of these complaints, resulting in consumers being awarded a total of N$1,719,669.00. Of this amount, 97.3 percent came from retirement funds and the short- and long-term insurance sectors.

# STRATEGIC FOUNDATION

## MISSION

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

## VISION

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

# OUR CORPORATE VALUES

## We are committed to teamwork

- We have a shared urgency to achieve our vision
- We support, respect and care for each other and are collectively responsible for our actions
- We recognise that success depends on a skilled, diverse and coordinated team committed to the highest standards of trust, hard work, cooperation and communication

## We are passionate about service

- We commit to operational, regulatory and supervisory excellence
- We provide quality service on time
- We are courteous, professional and respectful

## We act with integrity

- We act with honesty, fairness and transparency
- We treat information confidentially
- We act independently and consistently

## We are accountable

- We are accountable to our customers and stakeholders
- We are prudent in the management of our resources
- We take accountability for our decisions

## We are agile

- We commit to being adaptable to our changing environment
- We commit to embracing change while maintaining regulatory certainty
- We commit to creating innovative solutions

# STRATEGIC THEMES

## Innovation

Adopt technology to support automation, and include new technologies in the sectors to promote efficiency in our service delivery and sustainable delivery on our mandate.

## Stakeholder Engagement

Regular and qualitative advocacy with customers and stakeholders to influence and improve the changes in the sector and deliver qualitative supervisory and advisory services.

## Operational Efficiency

Improved service delivery through efficient and qualitative processes, structure and system alignment, and building a culture and human capacity to deliver on our mandate.

# LEADERSHIP CREED

## We are committed

- We take ownership of our mandate
- We have a sense of urgency to execute our strategy
- We are mutually accountable for embedding our vision and values

## We are decisive and firm

- We are consistent in our decisions
- We make timeous decisions
- We execute decisions firmly

## We are united

- We have a shared vision of being a respected regulator of financial institutions
- We stand together
- We support team decisions

## We are exemplary

- We set the leadership benchmark
- We are approachable and fair
- We encourage innovation and creativity

## We are passionate and inspired

- We are driven to achieve our vision
- We defend what we stand for
- We celebrate our achievements

## We care

- We care about the well-being of our employees
- We care about the protection of financial services consumers
- We care about the safety and soundness of the financial services sector

# BOX ARTICLE:

## FEEDBACK ON CONSUMER COMPLAINTS REPORTED IN Q2 2024: MICROLENDING, INSURANCE AND PENSION FUND INDUSTRIES

### Purpose

During the review of the complaints filed against all industries, NAMFISA identifies issues under each industry where consumers need to be educated. NAMFISA's Consumer Complaints Department received a total of 94 complaints from consumers regarding financial services during the period under review. An overwhelming majority of the total complaints originated from the microlending, short- and long-term insurance, and pension fund industries. As such, the purpose of this article is to provide consumers with feedback on the most prevalent complaints reported during the period under review, and to advise consumers on the preventative steps that can be used to proactively overcome and/or manage similar problems in the future.

### Microlending Industry

***Consumers need to:***

1. To be educated about their rights to be provided with the loan agreements and to familiarize themselves with the terms and conditions attached.
2. To be encouraged to ensure that they deal with NAMFISA registered microlenders and be educated about the benefits of dealing with registered entities from a consumer protection perspective.
3. To be educated about the requirements in the Microlending Act, that prohibit Lenders from retaining personal documents (ID, Bank Cards) and the obligation put on the consumers not to provide their personal documents to the Lenders.
4. To be educated about the applicable finance charges charged by registered microlenders and money lenders.

### Long-term Insurance Industry

***Consumers need to receive the following guidance in respect of:***

1. Policy contract – consumers must be educated about their rights and responsibility to request for a copy of the policy wording if they have not received them from the Insurers. Consumers should also familiarize themselves with the policy terms and conditions attached, for e.g., lapsing of policies, and waiting periods.

2. Documents and information – consumers must be encouraged to read their documents and information e.g., statements and quotations shared by the Insurers to avoid being misled by word of mouth at sales stage, and to ensure they are aware of the insurable amount at claim stage.

3. Provision of information – consumers must endeavor to always provide truthful information surrounding the circumstances leading up to the claim, as claims can be rejected due to misrepresentation of information.

4. Disclosure of pre-existing medical conditions – consumers must be encouraged to truthfully disclose all the medical information when answering the health questionnaire. This will allow the Insurer to make informed decisions whether to accept or not to accept the risk, and to avoid claims being rejected on the basis of no disclosure or based on the conclusion that policies were issued fraudulently for unwell family members, whose conditions were not disclosed at policy inception stage.

5. Implications of partial withdrawals – consumers must be educated about the consequences of partial withdrawals on the projected maturity values. Partial withdrawals reduce the maturity values significantly in view of the fees, charges and penalties that are deducted.

6. Over insurance – consumers must be encouraged to obtain assurance from the Insurance companies confirming that the life of an insured (at policy inception stage) is not over insured, to avoid claims being rejected based on over insurance, and premiums being refunded.

## Short-term Insurance Industry

***Consumers need to be encouraged to:***

1. To be truthful and not to submit claims under falls pretext.

2. To request for the policy contracts, read and understand the terms and conditions attached to their policies, and to know that the terms and conditions are contractual and binding.

3. To truthfully disclose information (e.g., claim history) when prompt to do so at the policy inception stages.

## Pension Fund Industry

***Consumers need to be educated about:***

1. Disability benefit and ill health benefit – consumers must be educated about the difference between disability and ill health benefits and be encouraged to engage their respective Principal Officers on the difference and what benefits can be paid out when medically boarded.

2. Employer and Employee contributions – consumers must be informed that the employer and employee contributions do not equate with the final absolute fund credit that is due to a member. There are other variables considered, such as return on investments, administration cost, pension backed home loans etc., that can be deducted and reduce the amount payable at exit stage.

3. Withholding of pension benefits – consumers must be educated about the requirements of section 37D of the Pension Funds Act, in that the Pension Funds can only withhold their benefits if there is a court order or an acknowledgement of debt.

# PART A: INDUSTRY DEVELOPMENTS

## FINANCIAL MARKETS

### Global Markets[1]

The second quarter of 2024 witnessed a shift in investor sentiment from the optimism observed earlier in the year, resulting in lower returns compared to the previous quarter. The MSCI ACWI Index, a broad measure of global equities, delivered a total return of 2.9 percent in the second quarter, down from 8.2 percent in the first quarter. Developed market equities underperformed emerging markets, with returns of 2.6 percent and 5 percent respectively. Global bonds also faced challenges, with the Bloomberg Global Aggregate Bond Index posting a negative return of 1.1 percent.

The focus remained on central bank policy, inflation control, and geopolitical events that have an impact on market volatility. Geopolitical uncertainty, including elections in France and South Africa and ongoing US-China tensions, created market volatility.

### United States

The US equity market experienced a volatile second quarter. The S&P 500 dropped by 4.3 percent, the Dow Jones Industrial fell by 1.3 percent, and the Nasdaq gained 8.5 percent. The information technology and communication services sectors performed well, driven by ongoing enthusiasm surrounding artificial intelligence. The Federal Reserve kept interest rates unchanged at its June 2024 meeting. The Consumer Price Index (CPI) fell by 0.1 percent month-on-month and rose by 3 percent year-on-year. The Core PCE Price Index, the Federal Reserve's preferred inflation gauge, came in at 2.6 percent year-on-year.[2] The first quarter real GDP increased by 1.4 percent.[3] The 10-year treasury yield ended the quarter 20 basis points higher at 4.4 percent.

#### United Kingdom

The UK equity market outperformed its global counterparts, with the FTSE 100 Index delivering a return of 3.8 percent. Several factors caused the gains, including an improving economy, a revival of merger and acquisition activity, and a fall in inflation.[4] The Bank of England maintained interest rates at 5.25 percent at its May and June meetings, citing concerns about wage inflation and the potential for temporary price declines. Inflation remained unchanged at 2 percent in June 2024.[5] The UK economy emerged from a technical recession in the first quarter, recording a GDP growth of 0.6 percent, driven by growth in the services sector in the second quarter.[6] Gilt yields mirrored moves in the US treasury market, with the 10-year yield ending the second quarter 24 basis points higher at 4.17 percent.

### Eurozone

In the Eurozone, equity markets faced challenges due to uncertainty surrounding the French elections. French assets underperformed European peers, with the CAC 40 losing 7.3 percent and Germany's DAX shedding 2.1 percent. The information technology sector gained, but the consumer discretionary sector experienced weakness. The European Central Bank cut interest rates by 25 basis points in June to 3.75 percent. The euro area annual inflation rate was 2.5 percent in June 2024, down from 2.6 percent in May. The Eurozone economy showed signs of a slowdown, with business confidence declining with GDP rising by 0.3 percent in the second quarter of 2024.[7] Overall, bond yields rose during the quarter, driven by sticky inflation and better-than-expected economic data. The rise in yields was particularly pronounced in France, with French assets selling off significantly following the snap election.

### China

China's equity markets rebounded after the People's Bank of China's (PBOC) interest rate cuts in the first quarter, with the Hang Seng and MSCI China rising by 9.2 percent and 7.2 percent, respectively. Despite initial optimism, renewed economic weakness emerged due to soft consumer demand, declining new home prices, and a depreciating yuan. The PBOC did not enact further interest rate cuts during

[1] https://ninetyone.com/en/namibia/insights/market-review-q2-2024
https://www.mandg.co.za/insights/articlesreleases/market-observations-q2-2024/
https://www.schroders.com/en/global/individual/insights/quarterly-markets-review---q2-2024/
[2] https://www.bea.gov/news/2024/personal-income-and-outlays-july-2024
[3] https://www.bea.gov/data/gdp/gross-domestic-product
[4] https://www.morningstar.co.uk/uk/news/249567/why-is-the-uk-stock-market-at-record-highs.aspx
[5] https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/june2024
[6] https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/apriltojune2024
[7] https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w/2-14082024-ap

the second quarter. China's GDP growth was 5.3 percent in the second quarter, the same as the first quarter of 2024.

## South Africa[8]

In South Africa, the JSE All Share Index rose by 6.2 percent and the Capped SWIX Index gained 8.2 percent, driven by strong performances in financials, listed property, industrials, and resources following a successful national election and the formation of a Government of National Unity.

The South African Reserve Bank (SARB) maintained its base lending rate at 8.25 percent at its July 2024 meeting, citing persistent inflation. The annual CPI was 5.1 percent in June 2024, down from 5.2 percent in May 2024,[9] but still far above the SARB's 4.5 percent target. Food and beverage products recorded the most significant annual and monthly price increases in June. The South African economy contracted slightly by 0.1 percent in the first quarter.

South African bonds posted a return of 7.5 percent for the quarter, as measured by the FTSE/JSE All Bond Index. This saw the yield on the 10-year SA government bond fall from 12 percent at the beginning of the quarter to end around 11.25 percent. South African inflation-linked bonds returned 2.4 percent. During the quarter under review, the rand gained 3.7 percent against both the US dollar and the pound sterling, and appreciated by 4.5 percent against the euro.

## Namibia

The Namibian Stock Exchange (NSX) Overall Index, which includes both local and foreign listings, closed at 1,798 index points at the end of June 2024, reflecting an increase of 17.6 percent quarter-on-quarter. The NSX Local Index, which tracks only Namibian companies, gained 0.3 percent during the same period. Year-on-year, the Overall Index outperformed the NSX Local Index, delivering a strong return of 13.5 percent compared to the Local Index's 2.2 percent increase. The strong performance of the Overall Index, driven by both local and foreign listings, suggests a favourable market sentiment and increased investor interest. Sectors that experienced notable growth during the quarter under review were led by the consumer discretionary, followed by financials and consumer staples.

The domestic economy contracted by 1.3 percent quarter-on-quarter, and posted a robust growth of 4.7 year-on-year.[10] This growth was driven by key sectors such as mining and quarrying, and the wholesale and retail trade.

The Bank of Namibia[11] maintained the repo rate at 7.75 percent in June 2024 to support the domestic economy and maintain the peg between the Namibian dollar and the South African rand.

The annual inflation rate for June 2024 stood at 4.6 percent, down from 5.3 percent recorded in June 2023. The core inflation rate[12] which excludes volatile elements such as food and energy prices, stood at 3.8 percent. However, the monthly inflation rate declined slightly to 0.2 percent in June 2024 from 0.3 percent in May 2024. Transport, food and beverages were the main contributors to this increase.[13]

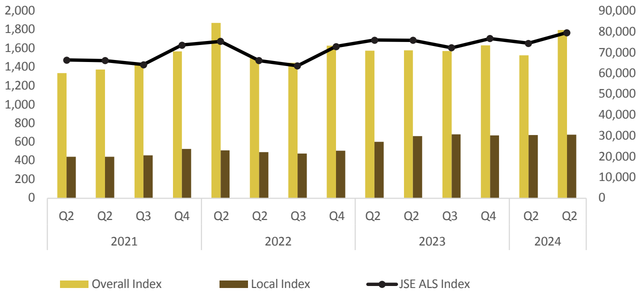
## Overall Market Capitalisation

As at 31 June 2024, the main board market capitalisation rose by 3.4 percent quarter-on-quarter and by 24.4 percent year-on-year to N$2.4 trillion for the quarter under review (Figure 2).

The NSX Overall Index closed at 1,798 index points at the end of June 2024, gaining 17.6 percent quarter-on-quarter and 13.5 percent year-on-year as at the end of the second quarter of 2024 (Figure 1). Likewise, the FTSE/JSE All Share Index (ALSI) rose by 6.9 percent quarter-on-quarter and by 13.5 percent year-on-year to close at 79,707 index points over the reporting period (Figure 1).

[8] https://www.mandg.co.za/media/37270/15042024_sandile-marketobservation.pdf
https://www.schroders.com/en/global/individual/insights/quarterly-markets-review---q1-2024/
https://ninetyone.com/en/south-africa/insights/market-review-q1-2024
[9] https://www.statssa.gov.za/?page_id=1854&PPN=P0141&SCH=73806
[10] https://nsa.org.na/publications/
[11] https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/32/32af9213-0008-45e8-b8a0-5802fc65ae32.pdf
[12] As of April 2024, the NSA has started to compile a core inflation rate.
[13] https://nsa.org.na/publications/

**Figure 1:** **Indices, points**




*(Source: NSX)*

## Local Market Capitalisation

The NSX had 12 primary listed companies as at 30 June 2024. The local market capitalisation, representing the value of locally listed stocks, grew by 1.4 percent quarter-on-quarter and by 8.2 percent year-on-year to N$45.4 billion (Figure 2).

The Local Index rose by 0.3 percent quarter-on-quarter and by 2.2 percent year-on-year to 679 index points as at 30 June 2024 (Figure 1). The values of securities traded declined by 36.7 percent quarter-on-quarter and by 60.4 percent year-on-year to N$146 million as at 30 June 2024.

**Figure 2:** **Market capitalisation (N$ million)**

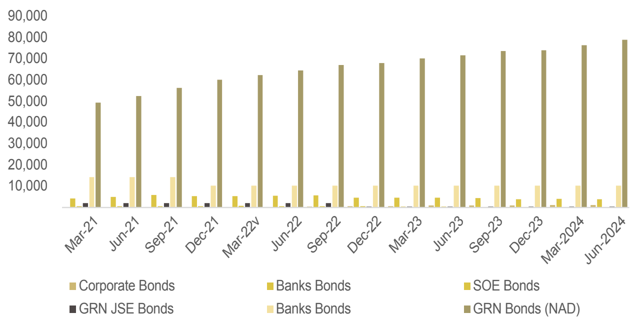

*(Source: NSX)*

## Debt Market

In the debt market, the total nominal government debt outstanding remained unchanged at N$148.8 billion for the second quarter of 2024.[14] As a result, the government's total debt as a percentage of GDP increased by 1.4 percent to 66.0 percent at the end of March 2024,[15] exceeding the SADC benchmark of 60 percent.

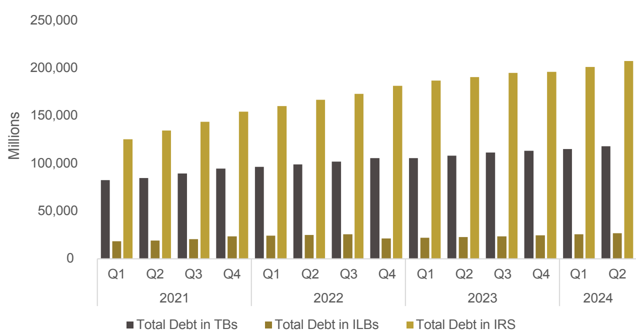
The total domestic government debt outstanding, including foreign-denominated bonds (JSE bonds), amounted to N$124.2 billion (Figures 3 and 4), an increase of 3.2 percent for the quarter under review. This increase can be attributed to the Bank of Namibia issuing a total of N$4.0 billion in treasury bills (TBs), inflation-linked bonds (ILB), and internal registered stock (IRS) in the second quarter of 2024, an increase of 15.2 percent compared to the N$3.5 billion raised in the fourth quarter of 2024. This increase in debt issuance can be attributed to the government's strategy to address a larger budget deficit or to stimulate economic growth through increased spending.

**Figure 3:** **Nominal debt issued (outstanding) (N$ million)**




*(Source: NSX)*

**Figure 4:** **Total domestic debt stock (N$ million)**




*(Source: NSX and BoN)*

[14] The BoN's quarterly report contains government debt data only up to quarter three of 2023 (see the link in the following footnote).
[15] https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/5b/5b924f83-48e9-4800-9596-261a9229afe0.pdf

# LONG-TERM INSURANCE

## Performance Review

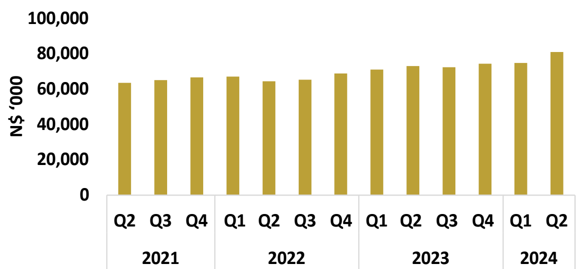
The long-term insurance (LTI) industry observed moderate growth in the second quarter of 2024, due mainly to growth in investments, especially in equity (shares) held at the JSE. The industry's assets exhibited growth both quarter-on-quarter and year-on-year as at 30 June 2024. Excess assets grew by 13.7 percent quarterly and by 11.6 percent annually to N$11.9 billion as at 30 June 2024.

The industry's profit after tax increased significantly by 91.7 percent quarter-on-quarter and by 53.4 percent year-on-year to N$1.6 billion during the period under review. The industry's solvency ratio increased by 0.9 percent quarter-on-quarter and remained constant year-on-year during the period under review.

## Total Assets

The industry's assets grew by 8.3 percent quarter-on-quarter and by 10.9 percent year-on-year growth, reaching N$80.9 billion as at 30 June 2024. These increases in assets resulted mainly from recovery in investments held at the JSE, driven by strong performances in financial markets following a successful national election and the formation of a Government of National Unity of the Republic of South Africa. In addition, a significant increase in the profitability of the industry contributed to the growth of the asset base.

**Figure 5:** Total assets

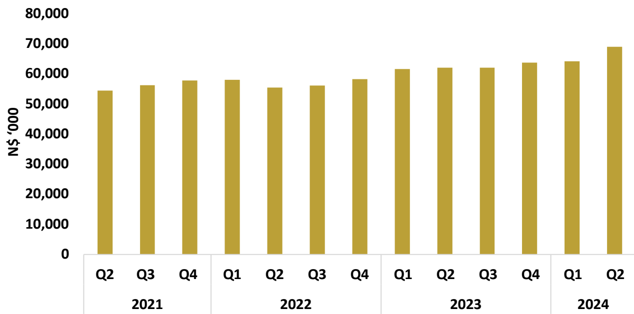



## Total Liabilities

Total liabilities for the industry increased by 7.4 percent quarter-on-quarter and by 10.7 percent year-on-year, reaching N$69.0 billion as at 30 June 2024. The rise in liabilities for both periods was driven primarily by growth in policyholders' liabilities due to an increase in new policies underwritten during the second quarter of 2024.

Policyholder liabilities constitute approximately 94.0 percent of the total liabilities, which makes any fluctuation within this category a significant factor that influences changes in the industry's overall liabilities.

**Figure 6:** Total liabilities




## Capital Adequacy Requirement

The capital adequacy requirement (CAR) is provided for in the Long-Term Insurance Act, 1998 (No. 5 of 1998). For an insurer registered for all classes of long-term insurance business, the minimum requirement is N$4.0 million; for an insurer registered for one class only, except for funeral insurance, the CAR is N$1.0 million; and for an insurer registered for funeral insurance only, the CAR is N$100,000. During the second quarter of 2024, free assets to the CAR indicated that all insurers complied with the CAR requirements (Table 1).

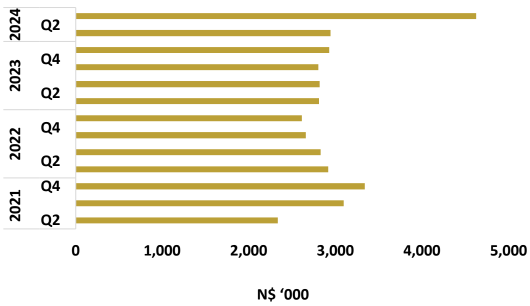
**Table 1:** Capital requirements: Cover by number of insurers

| Free assets to the CAR | Number of insurers | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
| Covered 0-1 times | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Covered 1-2 times | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Covered 2-5 times | 2 | 2 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Covered 5-10 times | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 1 | 2 | 2 | 2 |
| Covered 10+ times | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 11 | 11 | 11 |
| Total | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |

## Gross Written Premiums

The gross written premiums (GWPs) showed a significant increase by 57.2 percent quarter-on-quarter and by 64.1 percent year-on-year, reaching N$4.6 billion by the end of the second quarter of 2024. The growth in GWPs for both periods is predominantly due to the rise in new policies underwritten throughout the quarter, particularly in the credit life and funeral and fund life business categories (Figure 7).

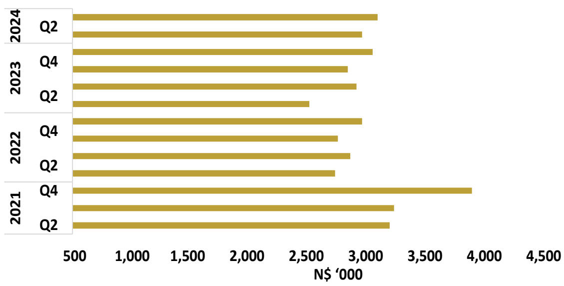
**Figure 7: Gross written premiums**




## Claims and Expenses

The value of claims increased by 5.4 percent quarter-on-quarter and by 7.5 percent year-on-year, reaching N$2.6 billion at the end of the review period. The quarterly and yearly increases in total claims were driven by high claims experienced in the fund investments categories. These high claims were the result of disinvestment from a fund to reallocate the investment assets associated with investment contracts to a new service provider.

**Figure 8: Claims paid**



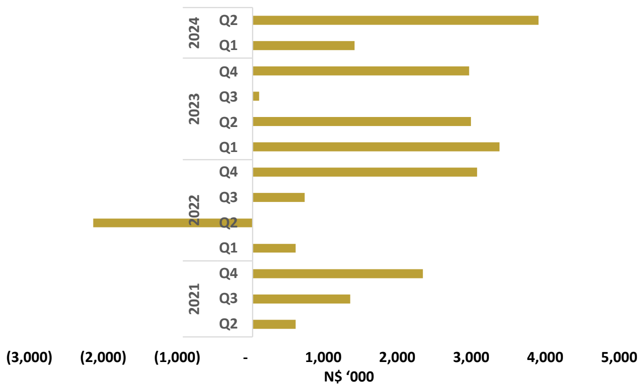

Industry expenses rose by 3.9 percent quarter-on-quarter and by 24.9 percent year-on-year, reaching N$639.9 million during the review period. The increase in expenses for both periods was primarily due to higher staff costs, investment fees, and consulting fees for projects such as IFRS 17.

The industry's commission incurred increased by 65.6 percent quarter-on-quarter and by 63.5 percent year-on-year, totalling N$323.1 million. The increase in commissions for both periods can be attributed to the significant growth of new policies underwritten during the review period.

## Investment Income

The industry's investment income saw a significant increase of 180.8 percent quarter-on-quarter and 30.0 percent year-on-year, reaching N$3.9 billion. This significant quarterly increase was mainly driven by a robust recovery in listed investments, particularly on the JSE, which is where most of the industry's assets are held. The recovery in share prices was further supported by improved investor sentiment following a successful South African national election. The year-on-year increase in investment income was driven by the improved overall performance of the financial markets, boosted by positive investor sentiment.

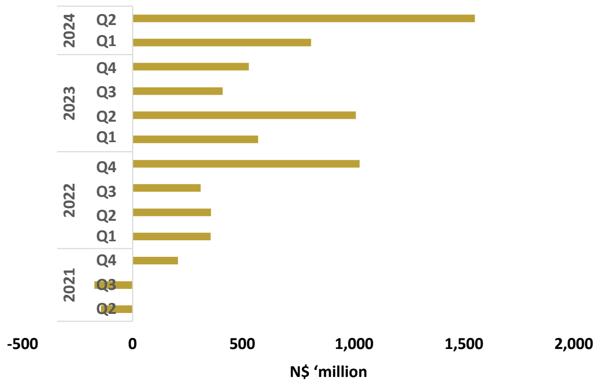
**Figure 9: Investment income**




## Profit before Tax

The industry's profit before tax (PBT) increased significantly by 91.7 percent quarter-on-quarter and by 53.4 percent year-on-year, reaching N$1.6 billion at the end of the second quarter of 2024. This substantial growth in PBT for both periods can be mainly attributed to the increase in premium income, which outpaced the increase in claims and expenses during the review period. In addition, the increase in investment income contributed to the growth in profit before tax.

Figure 10: **Profit before tax**



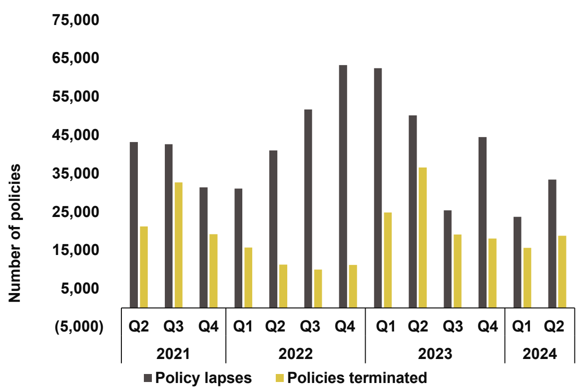

## Policy Statistics

The number of active policies rose by 1.6 percent quarter-on-quarter and by 5.8 percent year-on-year to reach 1,975,150 policies as of 30 June 2024. This increase in active policies was primarily driven by growth in new policies underwritten during the quarter.

The number of new policies increased by 25.7 percent quarter-on-quarter and by 45.3 percent year-on-year, totalling 102,597 policies underwritten by the end of the review period. The growth in demand particularly for credit risk and funeral policies mainly contributed to the increase in new policies underwritten during the quarter.

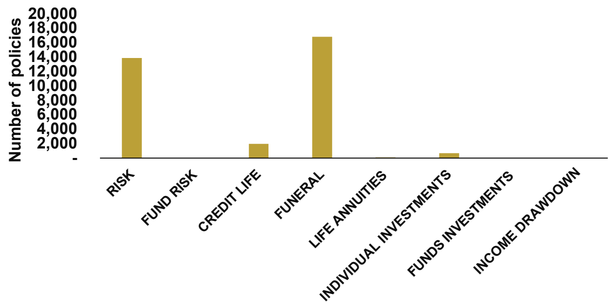
Policy lapses increased by 40.9 percent quarter-on-quarter and declined by 20.7 percent year-on-year, totalling 33,451 policies during the review period. The increase in policy lapses on a quarterly basis is due to the lapse of a funeral group scheme during the period under review.

Figure 11: **Policy movements**



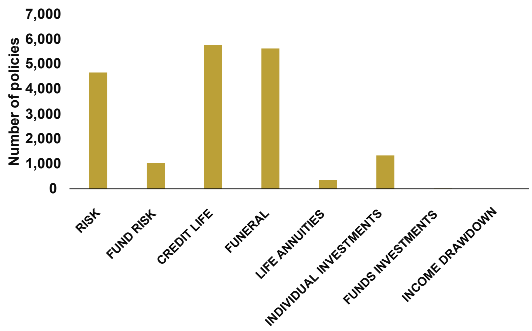

During the second quarter of 2024, the funeral and risk classes of insurance business were the primary contributors to the number of policy lapses, accounting for 50.3 percent and 41.5 percent, respectively (Figure 12).

Figure 12: **Number of lapses per class of insurance**




Regarding policy termination, the credit life and funeral risk classes of insurance were the primary contributors to terminated policies during the second quarter, accounting for 30.7 percent and 24.8 percent, respectively (Figure 13).

Figure 13: **Terminations per class of insurance**



## SHORT-TERM INSURANCE

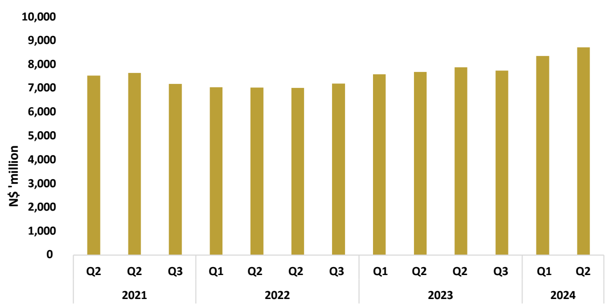
### Performance Review

The short-term insurance industry assets demonstrated both quarter-on-quarter and year-on-year growth. The solvency ratio remained constant quarter-on-quarter but increased by 0.7 percent year-on-year to1.43 times at the end of the review period. The liquidity ratio declined by 2.2 percent quarter-on-quarter and by 1.5 percent year-on-year, standing at 1.32 times as at 30 June 2024. Profit before tax increased significantly by 86.5 percent quarter-on-quarter and by 14.9 percent year-on-year during the review period.

### Total Assets

The industry's assets increased by 4.3 percent quarter-on-quarter and 13.3 percent year-on-year, reaching N$8.7 billion as at 30 June 2024, driven by significant growth in profitability of the industry. In addition, strong performances in the unit trust and money markets contributed to this growth in assets. The outstanding performance in these markets resulted from recovery in the financial markets following a successful election in South Africa.

**Figure 14: Total assets**

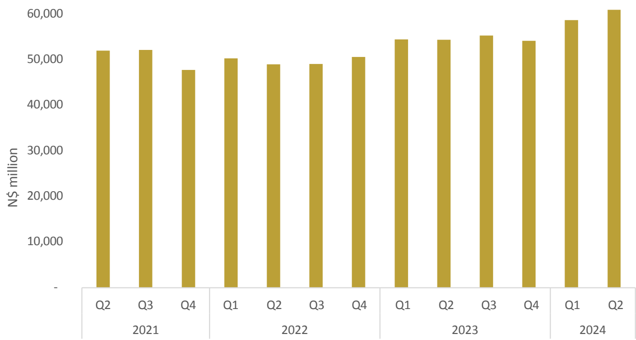



### Total Liabilities

The industry's liabilities rose by 3.8 percent quarter-on-quarter and by 12.0 percent year-on-year, reaching 6.1 billion (Figure 15). Similar to the preceding period, the increase in liabilities for both periods was driven primarily by growth in the gross provision for unearned premiums and trade and other payables. The increase in the gross provision for unearned premiums was due to the realignment of gross premiums written, with changes in the provision for unearned premiums to include premium debtors that were previously excluded.

Additionally, the increase in trade and other payables resulted from high operational costs experienced during the same period.

**Figure 15: Total liabilities**




### Solvency

The solvency ratio remained constant quarter-on-quarter but increased by 0.7 percent year-on-year at 1.43 times at the end of the review period. The yearly improvement in the industry's solvency position resulted from the expansion of the total assets at a rate that surpassed the growth in total liabilities. Subsequently, the industry maintained its strong and solvent status as at 30 June 2024, with assets proving adequate to cover its liabilities (Table 2).

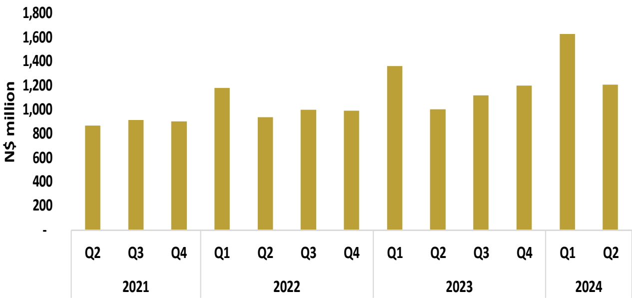
**Table 2: Solvency ratio**

| Net asset ratio range | Number of insurers | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
| < 1 time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1.0-2.0 times | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| 2.1-2.5 times | 2 | 1 | 0 | 2 | 1 | 1 | 0 | 1 | 0 | 0 | 0 |
| 2.6 – 3.0 times | 0 | 1 | 2 | 1 | 2 | 2 | 3 | 1 | 2 | 2 | 2 |
| 3.1-3.5 times | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 2 | 2 | 2 |
| > 3.5 times | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Total insurers | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |

## Gross Written Premiums

During the review period, the industry's gross written premiums declined by 25.9 percent quarter-on-quarter and increased by 20.2 percent year-on-year to N$1.2 billion (Figure 16). This quarterly decline in gross written premiums can be attributed to the underwriting of low-value policies during the period under review. The yearly rise in gross written premiums was due mainly to the increase of new policies underwritten during the review period.

**Figure 16: Gross written premiums**



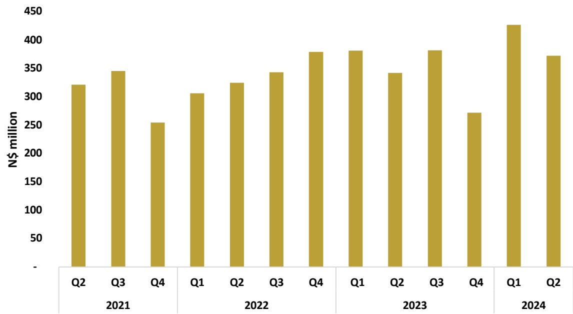

## Claims and Expenses

The industry experienced a decline in claims of 12.7 percent quarter-on-quarter, and the claims increased by 8.9 percent year-on-year to N$372.6 million during the review period (Figure 17). The quarterly decline in claims was due to favourable claims resulting from seasonal factors, as lower claim activity typically occurs in the second quarter of each year. The annual increase in claims, however, was driven by a surge in claims following the festive season experienced in the preceding quarter.

The industry expenses declined by 4.3 percent quarter-on-quarter and increased by 28.9 percent year-on-year to N$329.5 million. The quarter-on-quarter decrease in expenses was due mainly to a decline in management expenses (i.e. consulting fees) at the end of the quarter. The year-on-year increase was due mainly to an increase in staff cost and consulting fees for new product development.

Similar to the previous period, the motor-only commercial, motor-only personal, and property personal classes were the highest contributors to the total industry claims, accounting for 33.4 percent, 25.8 percent and 17.8 percent, respectively.

**Figure 17: Net claims**



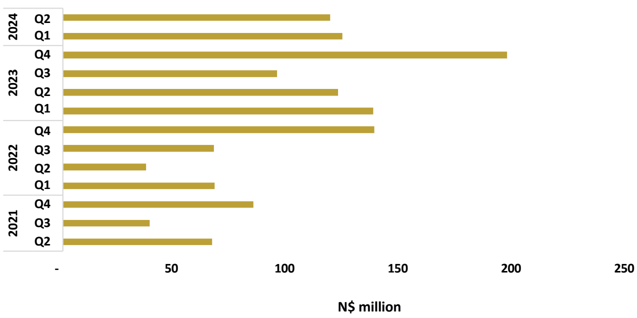

The industry's total commission paid declined by 1.8 percent quarter-on-quarter and increased by 16.1 percent year-on-year, reaching N$150.3 million. The quarter-on-quarter decline in commissions paid was due to low-value policies underwritten during the period under review. In contrast, the year-on-year increase in commission paid resulted mainly from a growth in new business underwriting during the period under review.

The property commercial and motor-only commercial insurance classes remained the primary contributors to commission experienced during the second quarter, accounting for 24.1 percent and 21.9 percent, respectively, at the end of the second quarter.

## Investment Income

The industry's investment income declined by 4.3 percent quarter-on-quarter and by 2.9 percent year-on-year, totalling N$118.1 million (Figure 18). The quarterly and yearly decline in investment income was primarily due to fair value losses on certain domestic financial instruments (i.e. debentures), stemming from the revaluation of the value of the financial instrument due to overstatement.

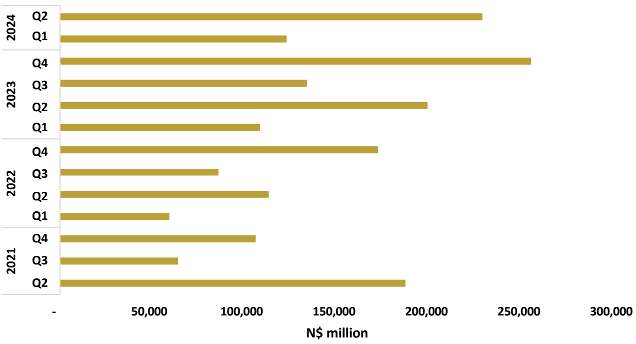
**Figure 18: Investment income**



## Profit Before Tax

The industry's profit before tax increased significantly by 86.5 percent quarter-on-quarter and by 14.9 percent year-on-year, totalling N$228.6 million. The significant quarter-on-quarter increase in profit before tax was largely driven by a reduction in the industry's expenses.

**Figure 19: Profit before tax**




## Policy Statistics

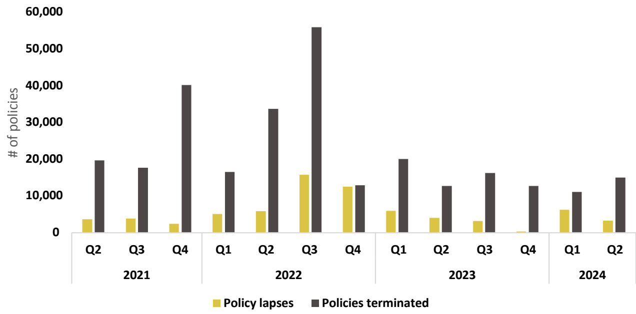
The number of active policies increased by 0.4 percent quarter-on-quarter and by 1.5 percent year-on-year to 619,327 policies at the end of the second quarter. The marginal increase in the number of active policies for both periods resulted mainly from an increase in the number of new policies.

The number of new policies increased by 22.7 percent quarter-on-quarter and by 40.2 percent year-on-year, reaching 18,713 policies by the end of the second quarter of 2024. The increase in new policies for both periods was fuelled by the continuous increase in demand for personal insurance products, legal expenses, and motor-only personal and motor-only commercial insurance, accounting for 25.3 percent, 22.5 percent, 11.2 percent and 9.5 percent, respectively.

Policy lapses within the industry saw a notable decline of 47.0 percent quarter-on-quarter and of 17.5 percent year-on-year, totalling 3,336 policies by the end of the second quarter of 2024. This decline in policy lapses for both periods was primarily due to the seasonality of low-frequency claim activities during the quarter.

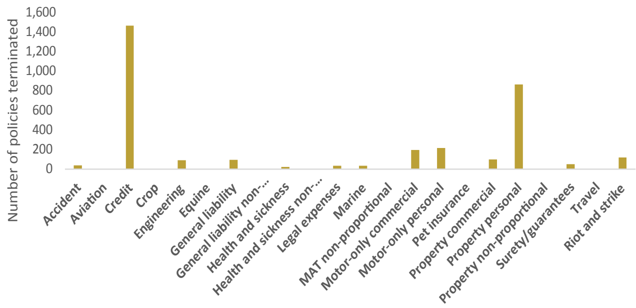
Terminated policies increased by 35.0 percent quarter-on-quarter and by 17.9 percent annually to 15,040 policies during the review period. These increases in terminated policies are due mainly to voluntary cancellation on account of unaffordability.

**Figure 20: Policy movements**



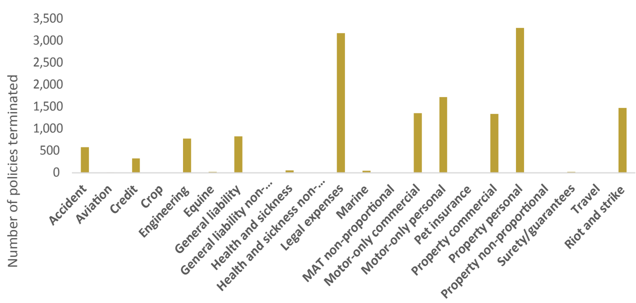

The credit life and property personal classes of insurance recorded the highest lapses, accounting for 44.0 percent and 26.0 percent, respectively. The increase in policy lapses can be primarily attributed to individuals cancelling policies at the end of the second quarter of 2024 on account of ongoing economic pressures.

**Figure 21: Lapses per class of insurance**




Property personal and legal expenses constituted the highest policies terminated at the end of the second quarter of 2024, with 21.9 percent and 21.1 percent, respectively.

**Figure 22: Terminations per class of insurance**



## Lloyd’s and non-Lloyd’s market

The premium leaving the country under the Lloyd’s market increased significantly by 155.7 percent quarter-on-quarter and by 43.8 percent year-on-year to N$46.3 million at the end of the second quarter. These quarterly and yearly increases in the premium leaving the country were due to a surge in Lloyd’s insurance activities under the marine and miscellaneous categories.

The non-Lloyd’s premiums leaving the country increased by 117.0 percent quarter-on-quarter and reduced by 69.1 percent year-on-year to N$86.7 million during the period under review. Most premiums leaving the country under the non-Lloyd’s market were observed in the marine and aviation classes of insurance during the second quarter of 2024.

Given the continuous increase of premiums leaving the country in both markets, the Authority continues to encourage the development of the local underwriting capacity of these classes of insurance to enhance and develop the local insurance market (Table 3).

**Table 3: Exemptions for Lloyd’s and non-Lloyd’s**

| Lloyd’s (N$ ’000) | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 |
| **Marine** | 4,840 | 6,600 | 4,087 | 3,203 | 10,422 | 7,424 | 12 079 | 1,552 | 14 337 | 8 119 | 9 029 |
| **Miscellaneous** | 1,921 | 3,023 | 5,024 | 6,410 | 21,201 | 4,000 | 6 147 | 23,307 | 8 770 | 4 459 | 33 231 |
| **Fire** | - | - | - | - | - | - | - | - | - | - | - |
| **Aviation** | 3,122 | 3,636 | 4,871 | 5,787 | 6,350 | 2,043 | 3 553 | 21,736 | 9 086 | 5 534 | 4 045 |
| **Personal** | - | - | - | - | - | - | - | - | - | - | - |
| **TOTAL** | **9,883** | **13,259** | **13,982** | **15,400** | **37,972** | **13,466** | **21 779** | **46,596** | **32 193** | **18 112** | **46 305** |

| Non-Lloyd’s (N$ ’000) | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 | N$’000 |
| **Marine** | 86,195 | 7,724 | 38,197 | 173,941 | 8,882 | 13,685 | 57 466 | 110 396 | 5 138 | 16 921 | 61 827 |
| **Miscellaneous** | 21,143 | 24,505 | 2,628 | 11,421 | 82,051 | 902 | 5 217 | 14,016 | 236 964 | 17 137 | 11 632 |
| **Fire** | 4,981 | - | - | 180 | - | 6,543 | 1 971 | - | 28 914 | 5 654 | - |
| **Aviation** | 14,612 | 1,791 | 6,339 | 2,628 | 8,151 | 2,158 | 8 167 | 1,446 | 9 599 | 233 | 13 233 |
| **Guarantees** | - | 35,666 | - | - | - | - | - | - | - | - | - |
| **Personal** | - | | - | - | - | - | - | - | - | - | - |
| **Vehicles** | - | | - | - | - | - | - | - | - | - | - |
| **TOTAL** | **126,930** | **69,686** | **47,165** | **188,170** | **99,084** | **23,288** | **72 821** | **125859** | **280 635** | **39 947** | **86 693** |
| **Overall premiums leaving** | **136,813** | **82,945** | **61,147** | **203,570** | **137,056** | **36,754** | **94 600** | **251,717** | **312 828** | **58 059** | **132 997** |

# MEDICAL AID FUNDS

## Performance Review

The industry reported a net surplus for the quarter under review, and the industry's assets were more than the industry's liabilities as at 30 June 2024. Additionally, the industry met the minimum prudential reserves level of 25.0 percent. The industry's reported net surplus during the quarter under review resulted in an improved reserves level during the quarter under review.

## Total Assets

As at 30 June 2024, the industry held total assets of N$2.3 billion, an increase of 5.0 percent from the previous quarter, and an increase of 14.3 percent on an annual basis. Compared with the reporting as at 31 March 2024, the industry reported a higher investment balance as at 30 June 2024 due to new investments made with surplus cash available and growth in the value of investments during the quarter under review.

## Total Liabilities

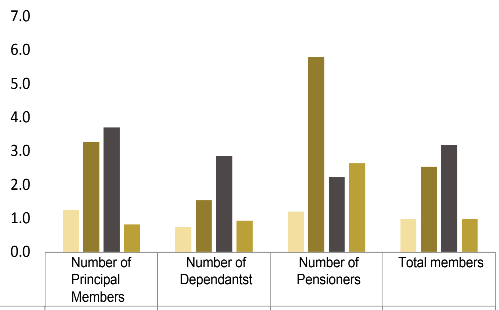
The industry's current liabilities decreased by 0.5 percent quarter-on-quarter and by 1.4 percent year-on-year to N$601.9 million, which was primarily due to lower accounts payable and rollover benefits. However, the industry's investment of N$2.0 billion as at 30 June 2024 was sufficient to settle these liabilities.

## Membership

Total membership increased by 1.0 percent quarter-on-quarter and by 2.5 percent year-on-year to 217,838 beneficiaries as at 30 June 2024.

The number of pensioner beneficiaries increased by 1.2 percent during the quarter under review and by 5.8 percent on an annual basis. The growth in the number of pensioners may indicate the ageing of current members rather than the enrolment of pensioners as new members. The sustained annual increase in pensioner members in the absence of enrolment of sufficient new and younger members is expected to present higher claim risks for the industry. This is mainly because pensioner beneficiaries are generally expected to incur more healthcare costs than younger beneficiaries over the long term. Therefore, enrolling younger and healthier beneficiaries at a higher rate than pensioner beneficiaries would be beneficial, as it would contribute to the long-term sustainability of the industry.

**Figure 23: Change in membership**




| | Number of Principal Members | Number of Dependantst | Number of Pensioners | Total members |
|---|---|---|---|---|
| Quarter-on-quarter changett | 1.3 | 0.7 | 1.2 | 1.0 |
| Year-on-year change | 3.3 | 1.5 | 5.8 | 2.5 |
| Q2 2022 to Q2 2023 change | 0.7 | 2.9 | 2.2 | 3.2 |
| Q2 2021 to Q2 2022 change | 0.8 | 0.9 | 2.6 | 1.0 |

## Industry Membership Ratios

### *Pensioner ratio*

The proportion of pensioners to total beneficiaries in the industry was 6.4 percent as at 30 June 2024, unchanged from the ratio reported as at 31 March 2024 and higher than the 6.2 percent reported as at 30 June 2023. The pensioner ratio for open funds stood at 6.1 percent, and the pensioner ratio for closed funds was significantly higher at 12.6 percent. The higher ratio for closed funds can be attributed to the high number of continuation[16] members within the closed medical aid fund[17] sub-industry.

### *Dependency ratio*

The industry's dependency ratio[18] stood at 1.20 as at 30 June 2024. This indicates that, on average, for every 100 principal members there are approximately 120 dependants. This ratio was lower than the ratio of 1.21 reported for the previous quarter, and lower than the 1.22 reported as at 30 June 2023 (Table 4). Closed fund principal members receive higher contribution subsidies from their employers than open fund members, which enables the affordability of enrolling more dependants.

[16] Continuation members are members who have retired from employment (normal or early retirement), but continue to be members of the medical aid fund to which they belonged during employment.
[17] Closed medical aid funds restrict membership to individuals who work for a particular company (companies) or industry, or as part of a professional body, etc.
[18] The principal member to dependant ratio ('dependency ratio') measures the average number of dependants per principal member.

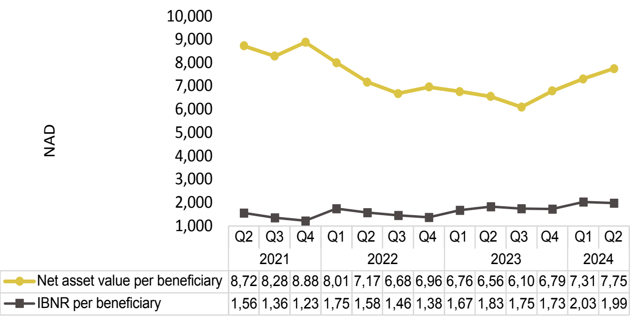
**Table 4: Average membership ratios, Q2 2024 vs Q4 2023 and Q1 2023**

| Q1 of 2024 | Open funds | Closed funds | Total industry |
|---|---|---|---|
| Number of dependants per principal member | 1.19 | 1.53 | 1.20 |
| **Q4 of 2023** | **Open funds** | **Closed funds** | **Total industry** |
| Number of dependants per principal member | 1.19 | 1.53 | 1.20 |
| **Q1 of 2023** | **Open funds** | **Closed funds** | **Total industry** |
| Number of dependants per principal member | 1.20 | 1.45 | 1.22 |
| **Q1 of 2022** | **Open funds** | **Closed funds** | **Total industry** |
| Number of dependants per principal member | 1.21 | 1.47 | 1.23 |
| **Q1 of 2021** | **Open funds** | **Closed funds** | **Total industry** |
| Number of dependants per principal member | 1.21 | 1.47 | 1.23 |

### *Net asset value*

The industry's net asset value (NAV) per beneficiary stood at N$7,757 as at 30 June 2024, an increase of 6.0 percent from the previous quarter. The growth in the NAV was driven by a 5.0 percent increase in the total net assets and the total membership increased by 1.0 percent. Despite the NAV trending downward for seven quarters of the past 13 quarters, the NAV remained sufficient to settle incurred but not reported claims (IBNR) per beneficiary, which was N$1,990 as at 31 March 2024 (Figure 24).

**Figure 24: Industry NAV per beneficiary and IBNR per beneficiary**



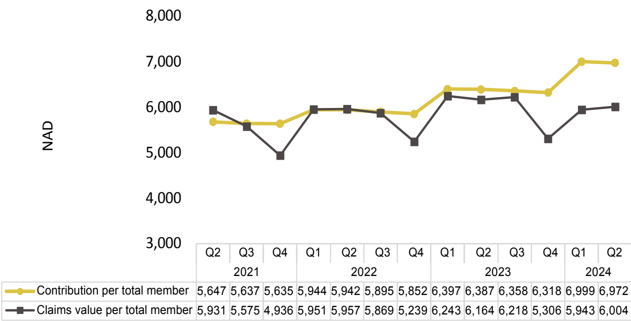

| | 2021 Q2 | 2021 Q3 | 2021 Q4 | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2023 Q1 | 2023 Q2 | 2023 Q3 | 2023 Q4 | 2024 Q1 | 2024 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net asset value per beneficiary | 8,72 | 8,28 | 8.88 | 8,01 | 7,17 | 6,68 | 6,96 | 6,76 | 6,56 | 6,10 | 6,79 | 7,31 | 7,75 |
| IBNR per beneficiary | 1,56 | 1,36 | 1,23 | 1,75 | 1,58 | 1,46 | 1,38 | 1,67 | 1,83 | 1,75 | 1,73 | 2,03 | 1,99 |

## Contributions and Expenses

### *Contributions*

The total contributions increased by 0.6 percent to N$1.5 billion for the quarter ended 30 June 2024, and grew by 11.9 percent on an annual basis. The quarterly increase in the contributions received was in alignment with the increase in membership during the quarter under review. The average contribution income per beneficiary was N$6,973 for the quarter ended 30 June 2024, which was 0.4 percent lower than the figure reported for the quarter ended 31 March 2024, and 9.2 percent higher than the figure reported for the quarter ended 30 June 2022 (Figure 25). The average claims per beneficiary increased by 1.0 percent quarter-on-quarter, but decreased by 2.6 percent year-on-year to N$6,004. Compared with the second quarter of 2023, the improved claims experienced during the second quarter of 2024 was due to measures implemented by medical aid funds to control the level of utilisation since the start of 2024.

**Figure 25: Average contributions and claims per beneficiary**




| | 2021 Q2 | 2021 Q3 | 2021 Q4 | 2022 Q1 | 2022 Q2 | 2022 Q3 | 2022 Q4 | 2023 Q1 | 2023 Q2 | 2023 Q3 | 2023 Q4 | 2024 Q1 | 2024 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Contribution per total member | 5,647 | 5,637 | 5,635 | 5,944 | 5,942 | 5,895 | 5,852 | 6,397 | 6,387 | 6,358 | 6,318 | 6,999 | 6,972 |
| Claims value per total member | 5,931 | 5,575 | 4,936 | 5,951 | 5,957 | 5,869 | 5,239 | 6,243 | 6,164 | 6,218 | 5,306 | 5,943 | 6,004 |

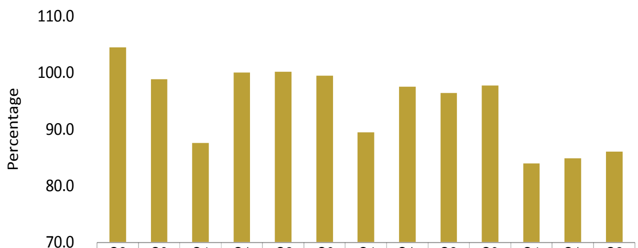
### *Healthcare expenditure*

The industry's healthcare expenditure (claims) increased by 2.0 percent to N$1.3 billion during the second quarter of 2024 and decreased by 0.1 percent year-on-year. The increase in claims was due to the combination of members' claims behaviour and adjustments to claims provision liability. Measures introduced by medical aid funds to temper the rate at which healthcare costs increase influenced the reduction in year-on-year healthcare costs.

### *Claims ratio*

The industry reported an average claims ratio of 86.1 percent during the first quarter of 2024, which was slightly higher than the 84.9 percent reported in the previous quarter and lower than the 96.5 percent reported for the corresponding quarter of 2023 (Figure 26). This ratio represents the percentage of claims costs incurred in relation to the contributions received. A claims ratio of between 65.0 and 87.0 percent is considered ideal, as this would allow a proportion of contributions to be used to build reserves after expenses have been settled. The industry reported a claims ratio that was higher than the upper limit of 87.0 percent for 10 of the past 13 quarters.

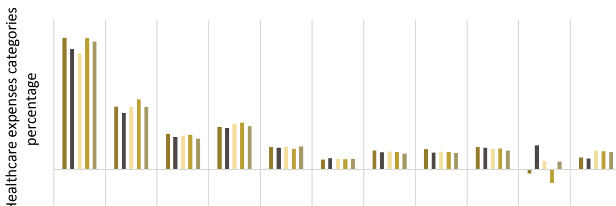
**Figure 26: Claims ratio**




| | 2021 | | | 2022 | | | | 2023 | | | | 2024 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4. | Q1 | Q2 | Q3 | Q4. | Q1 | Q2 | Q3 | Q4. | Q1 | Q2 |
| Claims ratio | 104. | 99.8 | 87.6 | 100. | 100. | 99.6 | 89.5 | 97.6 | 96.5 | 97.8 | 84.0 | 84.9 | 86.1 |

During the quarter under review, 72.8 percent of the total health expenditure can be attributed to hospital admissions, medicines dispensed by pharmacists, and visits to general practitioners and specialists. This percentage was higher than the 67.0 percent reported for the previous quarter and the 68.8 percent reported for the corresponding quarter of 2023.

**Figure 27: Distribution of claims typology[19]**

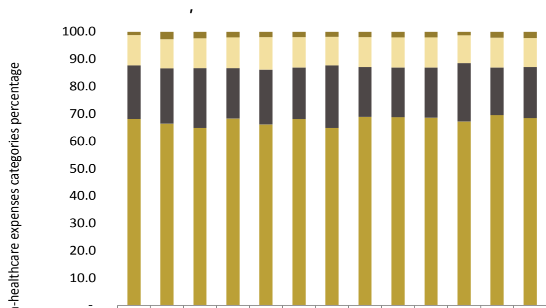



| | Hospitals | Pharmacies/Medicine | General Practitioners | Specialists | Pathologists | Optometrists | Dentists | Auxilliary Services | Radiologists | IBNR Movement | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Q2-2024 | 35.2 | 16.7 | 9.5 | 11.4 | 6.0 | 2.6 | 5.0 | 5.4 | 6.0 | (1.1) | 3.2 |
| Q1-2024 | 32.2 | 15.1 | 8.7 | 11.0 | 5.8 | 3.0 | 4.6 | .4.5 | 5.8 | 6.4 | 2.9 |
| Q2-2023 | 30.9 | 16.6 | 9.0 | 12.2 | 6.0 | 2.8 | 4.8 | .4.7 | 5.5 | 2.3 | 5.0 |
| Q2-2022 | 35.1 | 18.7 | 9.3 | 12.5 | 5.5 | 2.7 | 4.6 | 4.6 | 5.6 | (3.5) | 4.9 |
| Q2-2021 | 34.1 | 16.7 | 8.2 | 11.6 | 6.2 | 2.9 | 4.2 | 4.4 | 5.0 | 2.1 | 4.7 |

## *Non-healthcare Expenditure*

Non-healthcare expenditure incurred by medical aid funds consists of administration costs, managed healthcare costs (fees for managing health benefits), operational expenditure, and net-reinsurance expenditure. The industry incurred non-healthcare expenses amounting to N$142.8 million during the quarter ended 30 June 2024, which represents an increase of 2.8 percent from the previous quarter and an increase of 5.2 percent on an annual basis. Administration costs remained the highest contributor to the total non-healthcare expenditure (Figure 28).

**Figure 28: Non-healthcare expenditure**

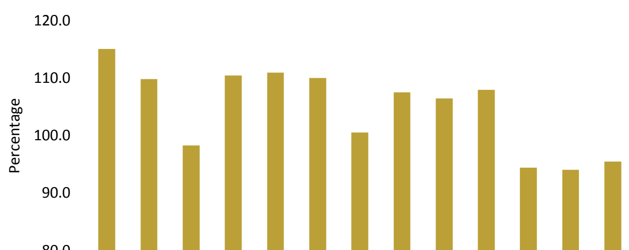



| | 2021 | | | 2022 | | | | 2023 | | | | 2024 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Net Reinsurance expenses | 1.1 | 2.7 | 2.4 | 2.0 | 1.9 | 2.0 | 1.9 | 1.9 | 2.0 | 2.0 | 1.3 | 2.1 | 2.2 |
| Managed Care: management services | 11.2 | 10.6 | 10.9 | 11.3 | 12.0 | 11.1 | 10.4 | 11.0 | 11.0 | 11.1 | 10.1 | 10.9 | 10.6 |
| Operational expenses | 19.5 | 20.2 | 21.8 | 18.4. | 20.0 | 18.8 | 22.9 | 18.2 | 18.2 | 18.3 | 21.4 | 17.5 | 18.8 |
| Administrative expenses | 68.2 | 66.5 | 65.0 | 68.3 | 66.1 | 68.1 | 64.9 | 68.9] | 68.8 | 68.7 | 67.2 | 69.5 | 64.4 |

## *Loss ratio*

The industry reported a loss ratio of 95.5 percent, which indicates that the industry's total expenditure was lower than its total contributions received for the quarter ended 30 June 2024. The reported loss ratio for the second quarter of 2024 is slightly higher than the ratio of 94.1 percent reported for the previous quarter, and lower than the 111.0 percent loss ratio reported for the corresponding quarter of 2023 (Figure 29). The industry's loss ratio was higher than 100.0 percent for nine of the past 13 quarters; however, the industry reported loss ratios lower than 100.0 percent for the past three consecutive quarters.

**Figure 29: Total costs as a percentage of contributions received (loss ratio)**



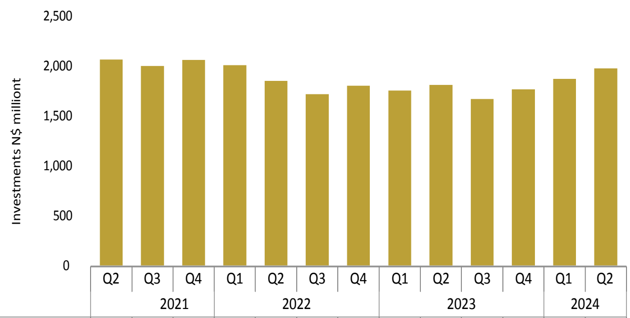

| | 2021 | | | 2022 | | | | 2023 | | | | 2024 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Loss ratio | 115. | 109. | 98.4 | 110. | 111. | 110. | 100. | 107. | 106. | 108. | 94.5 | 94.1 | 95.5 |

[19] The category 'Other' includes mainly dental specialists and therapists, psychiatric institutions, and optic benefit claims.

*Investments*

The industry's total investments increased by 5.6 percent quarter-on-quarter and by 9.0 percent year-on-year to N$2.0 billion (Figure 30). As the industry invested surplus cash during the quarter due to a lower total expenditure, the investments increased during the quarter under review.

**Figure 30: Total investments**




| | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investments | 2,068 | 2,006 | 2,064 | 2,012 | 1,854 | 1,722 | 1,809 | 1,759 | 1,815 | 1,675 | 1,772 | 1,874 | 1,978 |

As at 30 June 2024, 62.5 percent of the medical aid fund industry's investments were held in Namibia, therefore complying with Regulation 2(1) (Government Notice No. 6688) of the Medical Aid Funds Act, 1995 (No. 23 of 1995), which requires that all medical aid funds hold a minimum of 45.0 percent of their investment assets in Namibia.

**Table 5: Industry investment allocation (percentage)**

| Investment class | Q2 2021 | Q2 2022 | Q2 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| | Percentage | | | | |
| Unit trust schemes | 58.1 | 48.4 | 32.7 | 42.5 | 41.6 |
| Cash and equivalents (money market) | 10.7 | 12.0 | 31.7 | 19.0 | 19.2 |
| Shares/equities | 4.6 | 15.3 | 17.1 | 8.2 | 4.8 |
| Fixed interest | 13.0 | 16.9 | 17.7 | 29.8 | 33.9 |
| Properties | 1.1 | 1.2 | 0.7 | 0.4 | 0.5 |
| Unlisted investment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other investments | 12.5 | 6.1 | 0.1 | 0.0 | 0.0 |
| **Total investment assets** | 100. | 100.0 | 100.0 | 100.0 | 100.0 |

The industry continued to hold the majority of its investments in liquid assets such as unit trusts, cash and cash equivalents to ensure sufficient funds to settle unexpected healthcare expenses.

## Accounts Receivable

The industry's accounts receivable balance of N$41.3 million as at 30 June 2024 comprised contributions receivable amounting to N$33.6 million, and other receivables amounting to N$8.2 million. The outstanding contributions ratio, which represents the outstanding contributions for more than 30 days as a ratio of the contributions was 0.4 percent as at 30 June 2024. This ratio was lower than the figure reported as at 31 March 2024, which is lower than the acceptable ratio of 1.5 percent. The industry considers these outstanding contributions to be recoverable, and their recovery will be closely monitored.

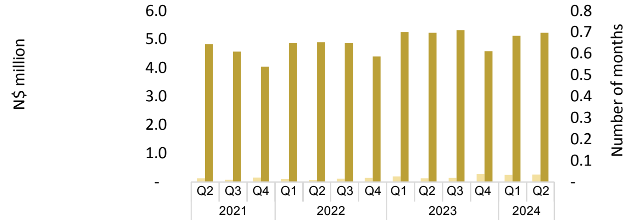
## Medical Aid Fund Liquidity

Liquidity refers to a fund's ability to pay claims using cash and cash equivalents. The industry's liquidity gap (i.e. the difference between current assets and current liabilities) was positive: the current assets exceeded the current liabilities by N$1.4 billion as at 30 June 2024.

## Cash Coverage Ratio

The cash coverage ratio indicates the number of months for which the industry can pay claims from existing cash and cash equivalents. During the quarter under review, the claims paid and cash and cash equivalents were higher than reported for the previous quarter. As a result, the cash coverage ratio was 0.6 as at 30 June 2024. This ratio was unchanged from the ratio of 0.6 reported as at 30 March 2023, and was better than the ratio of 0.3 reported for the corresponding quarter of 2023. The ratio indicates that the industry's cash and cash equivalents were not sufficient to settle one month's worth of claims as at 30 June 2024 (Figure 31). However, the industry held sufficient liquid investments to disinvest to settle claims where cash resources were insufficient

**Figure 31: Cash coverage of claims**




| | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | 0.3 | 0.3 | 0.3 |
| Healthcare expenditure (annualised) | 4.8 | 4.6 | 4.0 | 4.9 | .4.9] | 4.9 | 4.4 | 5.3 | 5.2 | 5.3 | 4.6 | 5.1 | 5.2 |
| Months of cover (RHS) | 0.3 | 0.2 | 0.5 | 0.3 | 0.2 | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 | 0.7 | 0.6 | 0.6 |

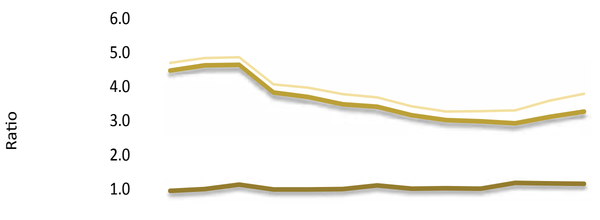
## Liquidity Ratio

During the quarter under review, the industry experienced a 4.7 percent growth in current assets due to growth in investments and accounts receivable, and a decrease of 0.5 percent in current liabilities. Consequently, the liquidity ratio improved from 3.1:1 as at 31 March 2024 to 3.3:1 as at 30 June 2024. This ratio is higher than the ratio of 3.0:1 reported as at 30 June 2023. An ideal liquidity ratio typically falls between 1.5:1 and 3:1, which indicates that the industry's reported ratio is favourable.

## Solvency Ratio

The solvency ratio compares the total assets with the total liabilities. The industry's solvency ratio increased to 3.8:1 as at 30 June 2024 from the ratio of 3.6:1 reported as at 31 March 2024, and it was higher than the ratio of 3.3:1 reported as at 31 March 2023. A solvency ratio above 1 indicates that the industry's total assets exceed its total liabilities, which is considered satisfactory. In addition, the industry held most of its assets in liquid investments, which contributed to the liquidity and solvency of the industry for the quarter under review.

**Figure 32: Liquidity indicators and solvency**




| | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Current ratio (current assets/current liabilities) | 4.5 | .IQ | .4. | 3.8 | 3.7 | 3.5 | 3.4 | 3.2 | 3.0 | 3.0 | 2.9 | 3.1 | 3.3 |
| Quick ratio (contributions/claims) | 1.0 | 1.0 | 1.1 | 1.0 | 1.0 | 1.0 | 1.1 | 1.0 | 1.0 | 1.0 | 1.2 | 1.2 | 1.2 |
| Solvency ratio (assets/liabilities) | 4.7 | 4.9 | 4.9 | 4.1 | 4.0 | 3.8 | 3.7 | 3.4 | 3.3 | 3.3 | 3.3 | 3.6 | 3.8 |

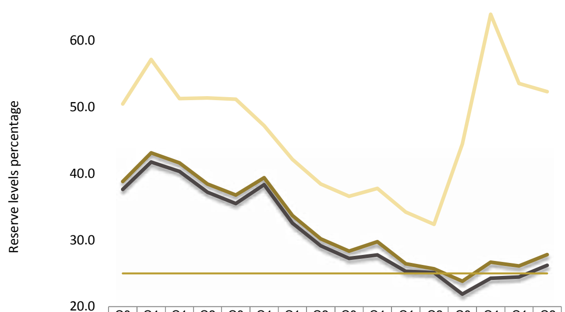
## Reserves

The industry's accumulated funds/reserves (total assets less total liabilities) increased by 7.1 percent quarterly and by 21.2 percent annually to N$1.7 billion as at 30 June 2024 due to a net surplus reported during the quarter under review. Medical aid funds are required to maintain a minimum prudential reserves level or solvency margin of 25.0 percent of the gross contributions. The industry's reserves level increased by 1.7 percent to 27.8 percent as at 30 June 2024.

The open funds industry reported a reserves level of 26.2 percent, an increase of 1.7 percent, and the closed funds industry reported a decrease of 1.2 percent to 52.3 percent.

However, two (2) open medical aid funds, which represented 18.6 percent of the industry's total beneficiaries as at 30 June 2024, reported a reserves level below the prudential requirement. These entities are required to submit to the Registrar strategies to meet the minimum prudential reserves requirement, and to report on their performance in respect of these strategies. In addition, these funds are closely monitored (i.e. the submission of monthly management accounts is required).

**Figure 33: Industry reserves levels (percentage)**




| | Q3 2021 | Q4 2021 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Open Funds | 37.7 | 41.8 | 40.3 | 37.2 | 35.5 | 38.4 | 32.6 | 29.1 | 27.3 | 27.8 | 25.3 | 25.1 | 21.9 | 24.3 | 24.5 | 26.2 |
| Closed Funds | 50.5 | 57.2 | 51.3 | 51.4 | 51.2 | 47.2 | 42.2 | 38.4 | 36.6 | 37.8 | 34.2 | 32.4 | 44.4 | 64.0 | 53.6 | 52.3 |
| Industry average | 38.8 | 43.1 | .41.6 | 38.4 | 36.8 | 39.4 | 33.7 | 30.2 | 28.4 | 29.7 | 26.5 | 25.7 | 23.8 | 26.7 | 26.1 | 27.8 |
| Benchmark | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |

# RETIREMENT FUNDS

## Performance Review

The value of the retirement fund assets increased on a quarterly and annual basis during the second quarter of 2024. The increase observed in investments during the quarter was due to the favourable performance of investment markets.

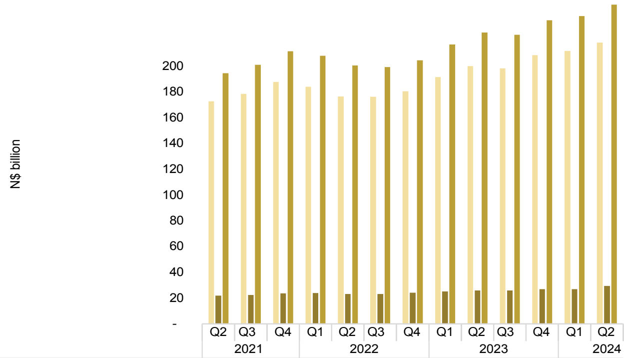
The geographical allocation of investments also changed during the quarter. Investments collectively held in the Common Monetary Area (CMA) and Africa regions constituted 17.2 percent, and the industry's domestic investment holdings increased to 50.1 percent, which remained in line with the 45.0 percent minimum domestic asset requirement.

## Total Investment Assets

The total retirement fund investments (including insurance policies) increased by 3.7 percent quarter-on-quarter and by 9.6 percent year-on-year to N$247.9 billion as at 30 June 2024. Investments held in insurance policies amounted to 11.9 percent of the industry's total investments.

Investments held directly by retirement funds increased by 3.1 percent quarter-on-quarter and by 9.1 percent year-on-year to N$218.4 billion during the quarter ended 30 June 2024. The increase in investments directly held by retirement funds followed the increases in local and CMA equity and higher local bond index values. An increase was noted in the Namibia All Bonds Index (ALBI). Due to negative performance of information technology shares in the US, the Dow Jones Industrial index decreased during the quarter under review. However, the JSE All Share and Top40 indexes increased due to gains in financial and telecommunications equities. Investors' positivity that a Government of National Unity can deliver stable economic policies and positive South African consumer sentiments added to the positive performance of the JSE All Share and Top40 indexes. Insured retirement funds (i.e. funds that hold investments in insurance policies) increased by 8.8 percent quarter-on-quarter and increased by 13.0 percent year-on-year to N$29.4 billion during the quarter under review.

**Figure 34:** **Total retirement fund investments (including insurance policies)**




| | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investments | 172.7 | 178.7 | 188.0 | 184.1 | 176.6 | 176.2 | 180.5 | 191.7 | 200.1 | 198.4 | 208.7 | 211.9 | 218.4 |
| Other Assets (Insurance Policies) | 22.0 | 22.5 | 23.6 | 24.0 | 23.2 | 23.1 | 24.1 | 25.3 | 26.0 | 26.1 | 27.1 | 27.1 | 29.4 |
| Total Investments | 194.7 | 201.2 | 211.6 | 208.1 | 200.8 | 199.3 | 204.6 | 217.0 | 226.2 | 224.5 | 238.9 | 238.9 | 247.9 |

## Asset Allocation

Investments of retirement funds are subject to the provisions of Regulation 13, which specifies the minimum and maximum investment limits applicable across the asset classes. Validation checks of investments against the Regulation 13 limits were carried out; evidently, the retirement fund industry is in compliance with the set prudential limits (Table 6).

**Table 6:** **Allocation per asset**

| Asset class | Q4 2024 | Q1 2024 | Q2 2023 | Q2 2022 | Q2 2021 | Change (Q4 2023 to Q1 2024) | Regulation 13 limit |
|---|---|---|---|---|---|---|---|
| | Percentage | | | | | | |
| Credit balances | 8.3 | 8.4 | 8.3 | 6.1 | 8.0 | -0.1 | **95** |
| Government bonds | 16.4 | 16.1 | 16.0 | 14.0 | 14.3 | 0.3 | **95** |
| SOE BONDS | 0.1 | 0.1 | 0.1 | 0.1 | 7.2 | 0.0 | **50** |
| Corporate bonds | 10.0 | 10.1 | 10.4 | 11.2 | 1.5 | -0.1 | **50** |
| Foreign bonds | 7.6 | 7.9 | 7.7 | 5.3 | 5.6 | -0.3 | **50** |
| Property | 5.4 | 5.5 | 5.5 | 4.7 | 4.7 | -0.1 | **25** |
| Shares | 47.4 | 47.0 | 46.8 | 42.3 | 53.5 | 0.4 | **75** |
| Other claims | 1.1 | 1.1 | 1.2 | 1.0 | 1.1 | 0.0 | **25** |
| Other assets | 2.4 | 2.3 | 2.6 | 2.8 | 2.9 | 0.1 | **2.5** |
| Unlisted investment[20] | 1.4 | 1.5 | 1.4 | 1.2 | 1.2 | -0.1 | **Min. 1.75** |
| **Max. 3.5** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | | |
| **Total assets** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | | |

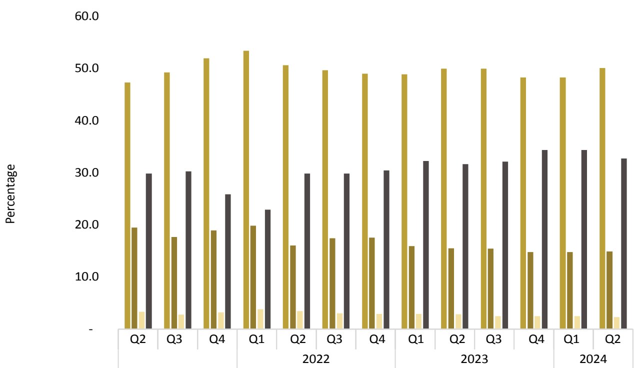
[20] These are drawn-down amounts, while compliance is measured at committed capital amounts.

## *Geographical asset allocation*

The industry reported domestic investment assets amounting to 50.1 percent of its total investment assets as at 30 June 2024, which was higher than the 48.3 percent reported as at 31 March 2024 (Figure 35). The industry complied with the 45.0 percent domestic asset requirement, which has been in effect since 31 March 2019, as per Regulation 13. The CMA assets stood at 14.9 percent, the African assets (excluding the CMA) at 2.3 percent, and the international assets at 32.7 percent as at 30 June 2024.

The industry held 47.4 percent of its investments in equities. The long-term growth of equities is commensurate with the industry's long-term liabilities. The asset class with the second highest exposure was Namibian government bonds with an investment holding of 16.4 percent, followed by Namibian corporate bonds at 10.0 percent. The unlisted investments class recorded drawn-down capital of 1.4 percent and committed capital of 2.2 percent (within the allowable range of 1.75 percent to 3.5 percent). The total value of capital committed for unlisted investments was N$5.3 billion, of which 57.4 percent was drawn down as at 30 June 2024. All other asset classes, as defined in Regulation 13, remained stable with minimal movement and exposure below 10.0 percent per asset class.

**Figure 35: Geographical asset allocation**




| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 2022 | | | | 2023 | | | 2024 | |
| Namibia | 47.3 | 49.3 | 52.0 | 53.4 | 50.6 | 49.7 | 49.0 | 48.9 | 50.0 | 49.9 | 48.3 | 48.3 | 50.1 |
| CMA | 19.5 | 17.7 | 19.0 | 19.9 | 16.0 | 17.4 | 17.5 | 15.9 | 15.5 | 15.4 | 14.8 | 14.8 | 14.9 |
| Africa (Excl CMA) | 3.3 | 2.8 | 3.2 | 3.8 | 3.5 | 3.1 | 2.9 | 2.9 | 2.8 | 2.5 | 2.5 | 2.5 | 2.3 |
| International | 29.9 | 30.3 | 25.8 | 22.9 | 29.9 | 29.8 | 30.5 | 32.3 | 31.7 | 32.1 | 34.4 | 34.4 | 32.7 |

## *Overarching limits*

The industry complied with the overarching limits as prescribed in sub-regulations 13(1)(a) and (b) and the holding of domestic shares in companies incorporated outside Namibia as per sub-regulation 13(3)(e).

These provisions prescribe that the aggregate market value of investments in property and shares, expressed as a percentage of the total assets, may not exceed 90.0 percent; and that the aggregate market value of investments in property, shares, other claims and other assets, expressed as a percentage of the total assets, may not exceed 95.0 percent. In addition, 8.5 percent of the industry's assets were invested in dual listed shares during the review period, in compliance with the 10.0 percent limit applicable from 1 January 2018 as per sub-regulation 13(3)(e) (Table 7).

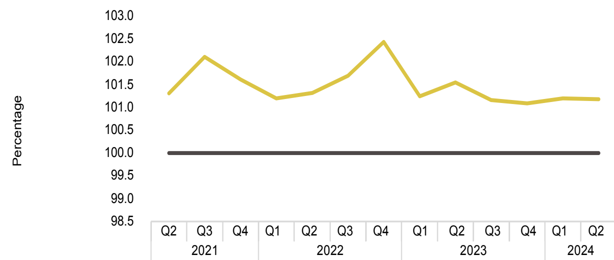
**Table 7: Overarching limits**

| Overarching limit | Q2 2024 | Q4 2023 | Q1 2023 | Q1 2022 | Q1 2021 | Change | Regulation 13 limit |
|---|---|---|---|---|---|---|---|
| Percentage | | | | | | | |
| Regulation 13(1)(a) | 52.8 | 52.5 | 52.4 | 46.9 | 58.3 | 0.3 | <90.00 |
| Regulation 13(1)(b) | 56.3 | 55.9 | 56.2 | 50.7 | 62.2 | 0.4 | <95.00 |
| Regulation 13(2)(c) | 50.1 | 48.3 | 48.9 | 47.3 | 47.9 | 1.8 | >45.00 |
| Regulation 13(3)(e) | 8.5 | 7.5 | 7.5 | 7.4 | 8.8 | 1.0 | <10.00 |
| Regulation 13(5) | 2.2 | 2.3 | 2.5 | 2.3 | 2.6 | -0.1 | <3.50 |

## Funding Level

The funding level is determined by matching the assets and liabilities of retirement funds. The funding level was 101.2 percent as at 30 June 2024 (Figure 36). A funding level below 100 percent indicates that the assets are not sufficient to cover liabilities. The industry has maintained a funding level between 101.1 percent and 102.4 percent over the past 13 quarters.

**Figure 36: Funding level**



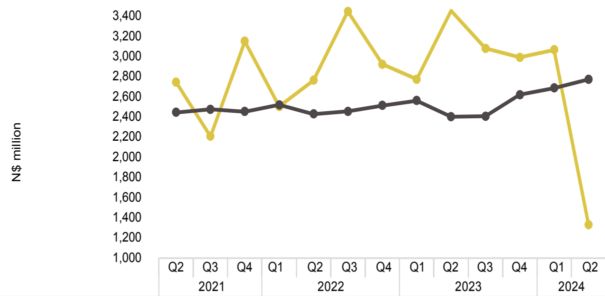

| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2021 | | | 2022 | | | | 2023 | | | 2024 | |
| Funding Level | 101.3 | 102.1 | 101.6 | 101.2 | 101.3 | 101.7 | 102.4 | 101.2 | 101.5 | 101.2 | 101.1 | 101.2 | 101.2 |
| Prudential funding level | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

The funding level was unchanged as at 30 June 2024 from the level reported for the previous quarter, as assets and members' liabilities grew at the same rate during the quarter under review. The industry was able to maintain a funding level higher than 100 percent, despite the impact of economic challenges, which include high oil and other commodity prices, high inflation, high interest rates, and financial market fluctuations that persisted during the past 13 quarters.

## Benefits and Contributions

In respect of benefits paid, the retirement fund industry reported a quarter-on-quarter decrease of 56.6 percent and a year-on-year decrease of 61.5 percent on an annual basis to N$1.3 billion for the quarter ending 30 June 2024 (Figure 37).

**Figure 37: Transfers and benefits paid and contributions**




| | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Transfers and benefits paidt | 2,745 | 2,206 | 3,150 | 2,503 | 2,762 | 3,446 | 2,923 | 2,772 | 3,453 | 3,079 | 2,990 | 3,064 | 1,329 |
| Contributions received | 2,444 | 2,474 | 2,453 | 2,520 | 2,429 | 2,454 | 2,513 | ,5,562 | 2,402 | 2,407 | 2,620 | 2,686 | 2,773 |

During the past 13 quarters, benefits related to death, retirement, early withdrawal due to resignation, and dismissals and retrenchments caused stark fluctuations in the sum of benefits paid. During the quarter under review, the industry reported lower instances of withdrawals due to retirement, early withdrawals, disability and death, compared with the previous quarter.

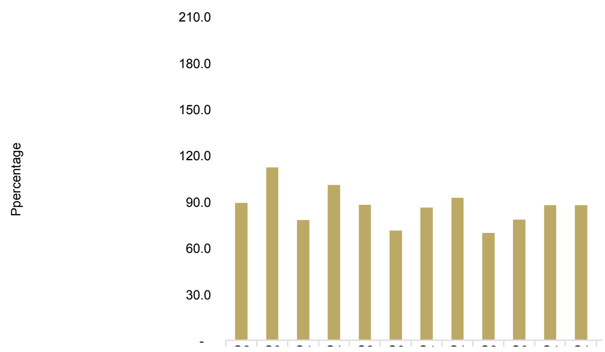
Contributions received by the industry increased by 3.2 percent quarter-on-quarter and by 15.4 percent year-on-year to N$2.8 billion for the quarter ended 30 June 2024. The quarterly increase in contributions coincided with an increase in membership and salary increments effected by employer groups during the quarter under review.

## Liquidity

Benefits paid increased at a rate similar to the contributions received during the quarter under review. Therefore, the quick ratio (contributions divided by benefits paid) of 87.3 percent for the quarter ended 30 June 2024 was slightly lower than the 87.6 percent reported as at 31 March 2024, and higher than the ratio of 89.0 percent reported for the quarter ending 30 June 2023 (Figure 38).

The current quarter is one of three quarters during which the quick ratio exceeded 100 percent, indicating that more contributions were made to retirement funds than the benefits by retirement funds.

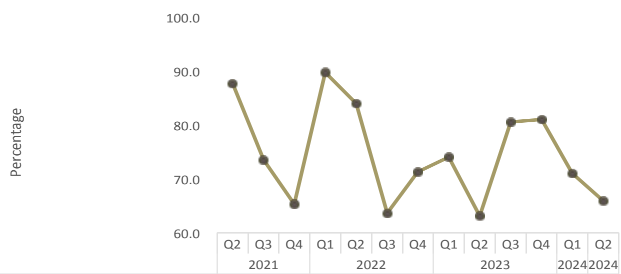
**Figure 38: Quick ratio**




The current ratio (current assets divided by current liabilities) worsened from 71.0 percent as at 31 March 2024 to 65.9 percent as at 30 June 2024. The current ratio reported at the end of the quarter under review was higher than the 63.1 percent reported as at 30 June 2023 (Figure 39).

The liquidity ratios of the industry will be closely monitored to ensure timely responses in order to avoid detrimental impacts of the declining liquidity position of the industry.

**Figure 39: Liquidity ratio**




| | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Liquidity ratio (Current assest/ Current liabilities) | 87.7 | 73.5 | 65.3 | 89.8 | 84.0 | 63.7 | 71.3 | 74.1 | 63.1 | 80.5 | 81.0 | 71.0 | 65.9 |

# FRIENDLY SOCIETIES

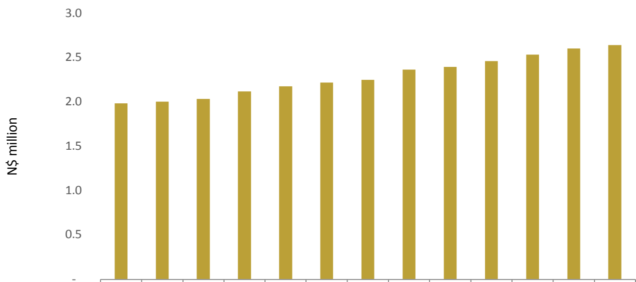
### Performance Review

The industry comprised one (1) active friendly society, which reported a net surplus for the quarter under review, which increased members' accumulated reserves. In addition, as the society held sufficient liquid assets to settle its liabilities, it was considered financially sound and solvent as at 30 June 2024.

## Assets and Liabilities

The friendly society's assets increased by 1.5 percent quarter-on-quarter and by 10.4 percent year-on-year to N$2.7 million as at 30 June 2024 (Figure 40). The quarter-on-quarter increase can be attributed to growth in the investments of the society due to the net surplus experienced for the quarter.

**Figure 40: Total assets**




| | 2021 | | | 2022 | | | | 2023 | | | | 2024 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Total assets | 2.0 | 2.0 | 2.0 | 2.1 | 2.2 | 2.2 | 2.3 | 2.4 | 2.4 | 2.5 | 2.5 | 2.6 | 2.6 |

The balance for trade and other receivables increased by 11.1 percent quarter-on-quarter and decreased by 23.2 percent year-on-year to N$20,129 as at 30 June 2024. The society's contribution receivables ratio (outstanding contributions aged 30 days and above as a percentage of the total contributions) was 27.4 percent as at 30 June 2024 and above the prudential acceptable range of 1.5 percent. This indicates that the society remains exposed to the risk of bad debts from quarter to quarter. However, the level of the receivable's ratio does not raise significant risks for the society, as its rules stipulate that no claims will be settled for members whose contributions are outstanding for two or more months, and that members whose contributions are outstanding for six months will have their membership automatically terminated.

The total liabilities decreased by 0.6 percent quarter-on-quarter and by 11.8 percent year-on-year to N$93,591 as at 30 June 2024. This comprised accounts payable of N$43.591 and the provision for claims amounting to N$50,000.

## Investments

Investment income (comprising interest received on money market investments) received during the second quarter of 2024 increased by 26.9 percent quarter-on-quarter and by 7.4 percent year-on-year to N$58,180. After accounting for claims, operational expenditure and investment returns, a net surplus of N$48,208 was reported for the quarter under review. The reinvestment of investment income increased investment assets by 4.3 percent quarter-on-quarter and by 13.5 percent year-on-year to N$2.6 million as at 30 June 2024.

## Contributions and Expenses

Contributions received increased by 3.0 percent quarter-on-quarter and decreased by 1.7 percent year-on-year to N$51,480. Total beneficiaries increased by 2.9 percent quarter-on-quarter and decreased by 0.7 percent year-on-year to 1,920 beneficiaries. Members exited the society during the quarter under review. The society's operational costs increased from N$12,506 reported for the first quarter of 2024 to N$37,318 reported for the second quarter of 2024, which is more than the amount of N$29,926 reported for the quarter ended 30 June 2023.

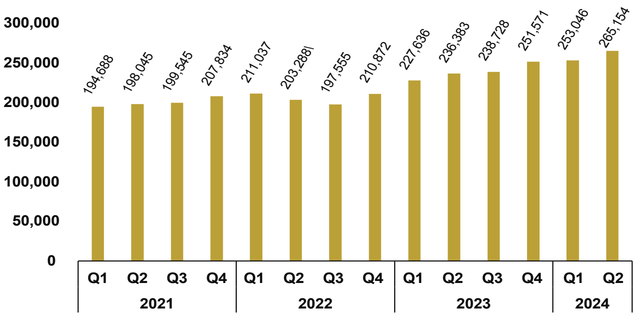
# CAPITAL MARKETS

## INVESTMENT MANAGEMENT

### Performance Review

The investment managers' assets under management experienced an increase of 4.8 percent quarter-on-quarter and of 12.2 percent year-on-year to N$265.2 billion as at 30 June 2024 (Figure 41). The growth in assets under management can be attributed to new inflows of capital from investors coupled with interest earned and dividend income generated from existing investments.

**Figure 41: Assets under management (N$ million)**

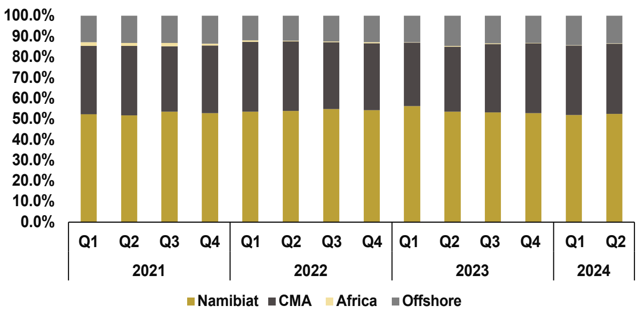



### Geographical Allocation

The assets under management based on geographic allocation indicate that Namibian domiciled assets constituted 52.5 percent, investments in the CMA constituted 34 percent, investments in the offshore market constituted 13.3 percent, and the remaining 0.2 percent was invested in other African markets outside the CMA as at 30 June 2024.

Investments in Namibia increased by 6.0 percent quarter-on-quarter and by 10.1 percent year-on-year to N$139.1 billion. Investment in the CMA increased by 5.9 percent quarter-on-quarter and by 21 percent year-on-year to N$90.3 billion at the end of the review period (Figure 42).

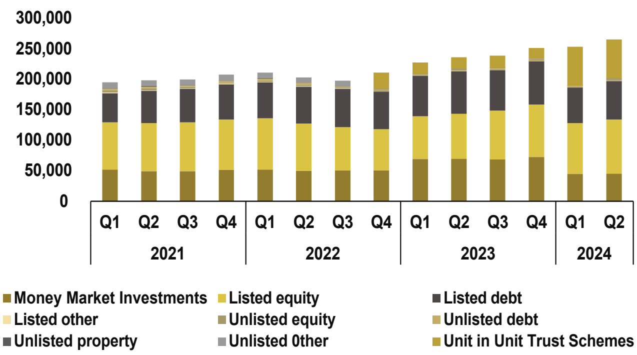
**Figure 42: Assets per geographic allocation (percentage of total)**




### Asset Allocation

In terms of asset allocation, the bulk of the funds remained invested in listed equities, listed debt and money market instruments, accounting for 33.5 percent, 23.8 percent, and 17.1 percent, respectively (Figure 43). Listed equity investments increased by 6.1 percent quarter-on-quarter and by 20.8 percent year-on-year to N$88.8 billion in the second quarter of 2024. Over the same period, listed debt increased by 8.3 percent quarter-on-quarter and decreased by 8.7 percent year-on-year to N$63.2 billion. Similarly, money market instruments increased by 2.0 percent quarter-on-quarter and decreased by 35.3 percent year-on-year to N$45.3 billion.

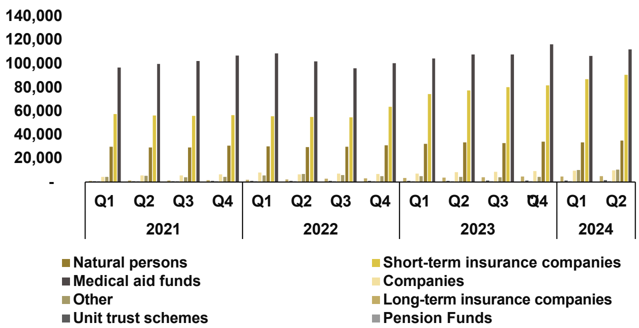
**Figure 43: Assets per class (N$ million)**




### Sources of Funds

Pension funds continued to be the largest source of funds for investment managers' assets under management, representing 42.2 percent of the total assets, an increase of 5.1 percent to N$111.9 billion as at 30 June 2024. Unit trust schemes and long-term insurers accounted for 34.2 percent and 13.2 percent, respectively, at the end of the second quarter of 2024 (Figure 44).

**Figure 44: Assets per investor (N$ million)**

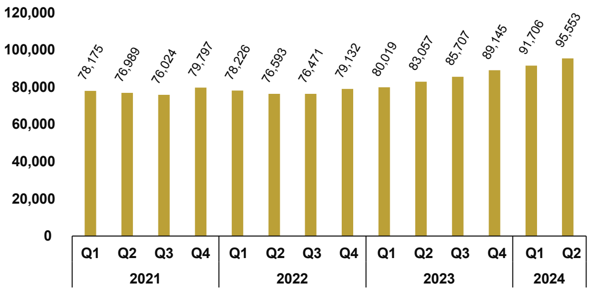


# COLLECTIVE INVESTMENT SCHEMES

## Performance Review

The collective investment schemes' (CIS) assets stood at N$95.6 billion, reflecting an increase of 4.2 percent quarter-on-quarter and a 15.0 percent gain year-on-year (Figure 45). The increase in assets under management can be attributed to interest income, dividends received from underlying holdings, and new investments from clients. Companies and households continue to be the primary source of funds for CIS.

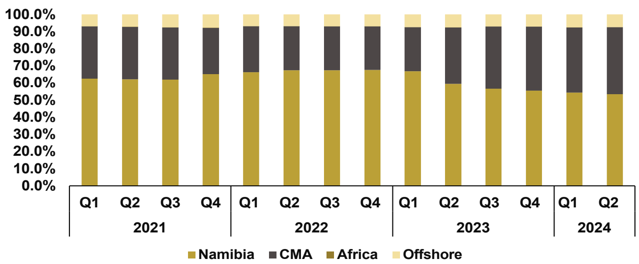
**Figure 45: Assets under management (N$ million)**




## Geographic Allocation

The CIS continued to invest mostly in Namibia, where local investments constituted 53.5 percent, followed by the CMA, which constituted 38.9 percent of the total assets invested. Investments in the offshore market constituted 7.4 percent and the remaining 0.1 percent was invested in other African markets outside the CMA during the second quarter of 2024 (Figure 46). Investments in the Namibian market increased by 2.6 percent quarter-on-quarter and by 3.4 percent year-on-year to N$51.1 billion at the end of the second quarter of 2024. Investments in the CMA increased by 7.0 percent quarter-on-quarter and by 36.7 percent year-on-year to N$37.2 billion. Offshore investments increased by 2.1 percent quarter-on-quarter and by 13.4 percent year-on-year to N$7.1 billion during the second quarter of 2024.

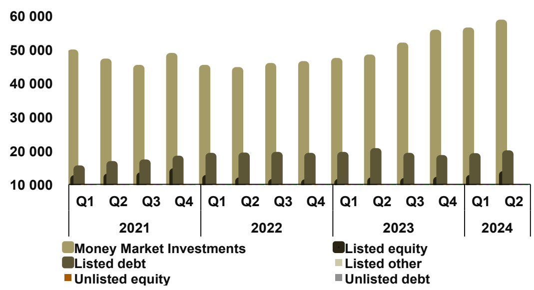
**Figure 46: Assets per geographic allocation (percentage of total)**




## Asset Allocation

Money market instruments account for 60.2 percent of the assets under management as at 30 June 2024. Listed debt represented 19.8 percent for the quarter under review, and the remaining 20 percent is spread amongst unlisted debt, listed and unlisted equity, and unit trust schemes. The availability of money market funds in the financial markets, as well as their stable nature, makes money market funds the most attractive asset class for the largest investor class (i.e. companies and households). Money market funds are used as a preservation mechanism for most investors, hence the domination of money market instruments in the CIS's overall asset allocations.

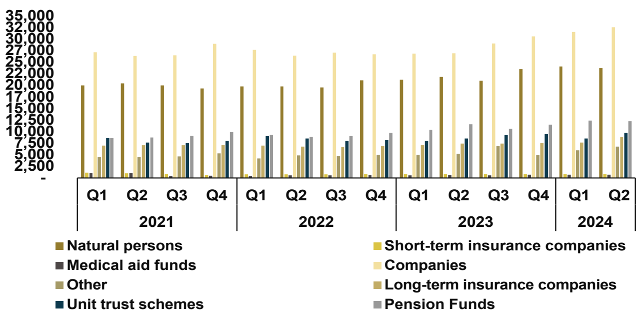
**Figure 47: Assets per class (N$ million)**




## Sources of Funds

Companies remain the largest investors in CIS, accounting for 34.1 percent, an increase of 3.3 percent to N$32.6 billion in the second quarter of 2024. Households are the second largest source of funds, accounting for 24.8 percent. Pension funds and unit trust schemes are the third and fourth largest sources of funds, accounting for 12.8 percent and 10.2 percent, respectively (Figure 48). It therefore follows that a substantial portion of CIS funds is sourced from retail clients, which supports the Regulator's need for the continuous promotion and enhancement of retail investor education and protection strategies.

**Figure 48: Assets per investor (percentage of total)**

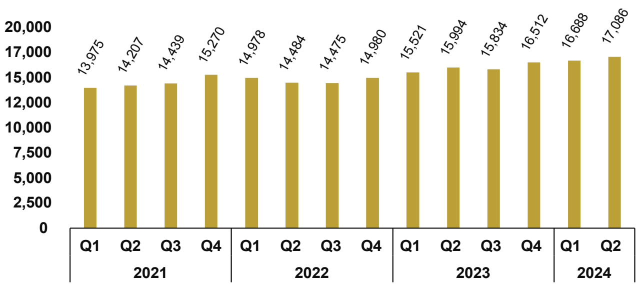


# LINKED INVESTMENT SERVICE PROVIDERS

## Performance Review

Assets administered by linked investments service providers (LISPs) for the quarter ending 30 June 2024 increased by 2.4 percent to N$17.1 billion, compared with the previous quarter (Figure 49). This increase can be attributed to a combination of factors, including interest earned and dividends received on underlying investments held through LISPs, as well as new investments from clients seeking diversified investment options offered by LISPs.

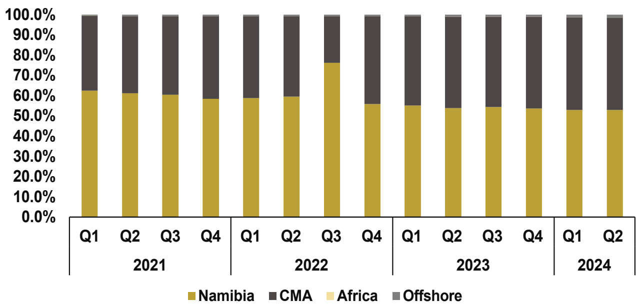
**Figure 49: Assets under administration (N$ million)**




## Geographical Allocation

Assets under administration based on geographic allocation indicate that Namibian domiciled assets constituted 52.9 percent of the total assets. A total of 47.1 percent of assets under administration were invested outside Namibia. Out of this, investment managers kept 1.3 percent in the offshore markets, 45.8 percent in the CMA, and a mere 0.01 percent in Africa (outside the CMA) as at 30 June 2024 (Figure 50).

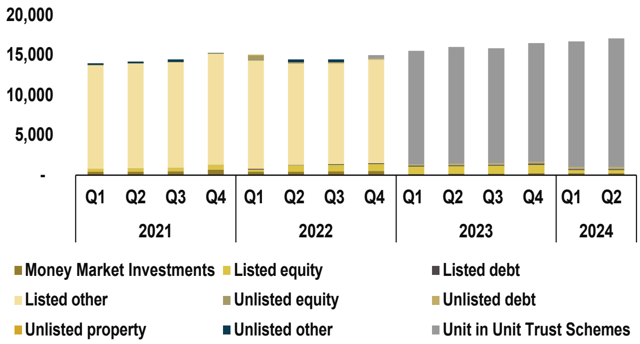
**Figure 50: Assets per geographic allocation (percentage of total)**




## Asset Allocation

Unit trust schemes accounted for 93.9 percent of the assets under management during the second quarter of 2024. Listed equity represented 2.1 percent for the quarter under review. The remaining 3.9 percent is spread among money market instruments, listed debt, unlisted equity, unlisted debt, and unlisted property (Figure 51).

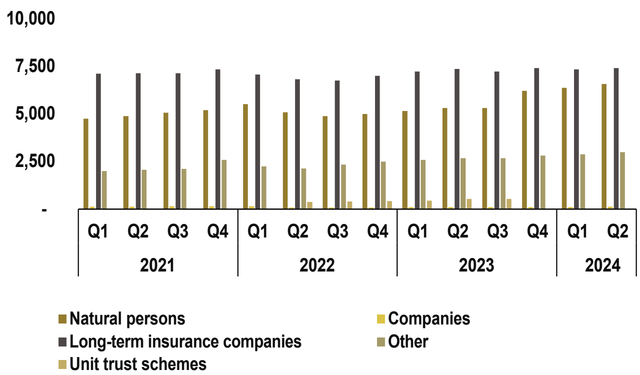
**Figure 51: Assets per class (N$ million)**




## Source of Funds

Assets under administration per source of funds indicate that long-term insurance companies constituted the biggest portion of assets under management, with a 43.3 percent share of the total assets constituting N$7.4 billion held by LISPs as at 30 June 2024. This is an increase of 1.0 percent from N$7.3 billion in the previous period. Natural persons constituted the second largest source of funds, with total assets of N$6.6 billion, representing 38.4 percent of the total assets under administration sourced from individuals or households. Funds from other sources (e.g. NGOs, churches, trusts) constituted 17.3 percent and the remaining 0.7 percent was sourced from companies (Figure 52).

**Figure 52: Assets per investor (N$ million)**



# UNLISTED INVESTMENT SECTOR

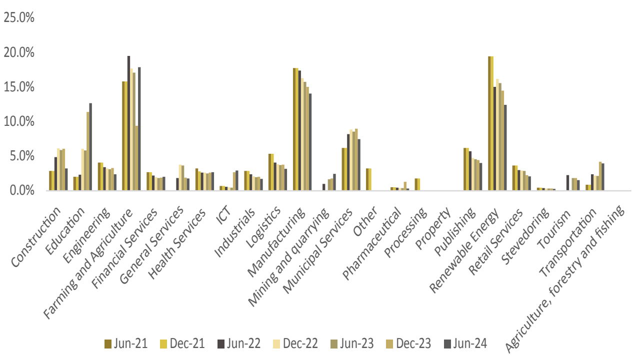
## Performance Review

The unlisted investment industry receives data on a bi-annual basis (i.e. 30 June and 31 December). This section provides an analysis of the unlisted investments industry for the first and second quarters of 2024 (1 January 2024 to 30 June 2024).

Total investments in unlisted portfolio companies stood at N$3.7 billion as at 30 June 2024. This represents an 18.8 percent increase over the past six months and a 16.4 percent increase year-on-year, compared with 30 June 2023. During the period under review, the total committed capital increased slightly by 0.3 percent to N$4.97 billion as at 30 June 2024. This increase in investments in portfolio companies and committed capital can be attributed to additional funding disbursements and new investor commitments.

The total composition of unlisted investments has remained with debt financing. As at 30 June 2024, debt funding accounted for 52.8 percent of the total investment share, up from 50.1 percent during the previous reporting period. Conversely, equity funding has decreased to 47.2 percent from 49.9 percent in the previous reporting period. This suggests a continued preference for channelling new funds through debt-focused special purpose vehicles (SPVs).

**Figure 53: Investments per sector (percentage of total)**

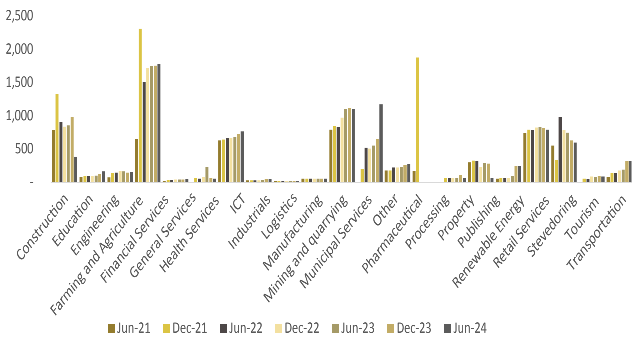



The primary sectors of focus are the farming and agricultural industry, mining and quarrying, and the education sector, which accounted for 17.9 percent, 14.1 percent and 12.7 percent, respectively, of the total investments in unlisted companies.

During the reporting period, a total of 8,268 jobs were created, of which 6,075 were permanent jobs and 2,193 were temporary jobs. This is a decrease of 3.3 percent, compared with the previous period ending 31 December 2023, which saw 8,548 jobs created. Temporary positions increased by 443 jobs and permanent positions declined by 723 jobs.

The farming and agriculture industry led job creation within the portfolio companies, employing 1,783 individuals. This is a decrease of 26 jobs compared to 1,757 jobs recorded during the previous period. The mining and quarrying, and manufacturing sectors followed with 1,172 and 1,104 employees, respectively.

**Figure 54: Employment per sector (percentage of total)**



# MICROLENDING

## Performance Review

The value of the loan book for microlenders increased both quarterly and annually by the end of the second quarter of 2024. This growth was primarily due to higher disbursements and a rise in the number of newly issued loans during the same period.

Similarly, in the banking sector, credit extended to households increased on a quarterly and yearly basis at the end of the review period.[21] This upward trending trajectory was mainly driven by four categories of loans: other loans and advances, instalment, leasing, and mortgage loans.[22]

## Loan Book Value

The loan book value in the microlending sector grew by 1.7 percent quarter-on-quarter and by 11.7 percent year-on-year, reaching N$7.3 billion (Figure 55a). Term lender loans remained dominant, with a quarter-on-quarter increase of 1.0 percent and a year-on-year growth of 9.9 percent, bringing the total to N$6.9 billion. Term lender loans accounted for 95.0 percent of the total loan book (Figure 55b).

**Figure 55a: Loan book value**

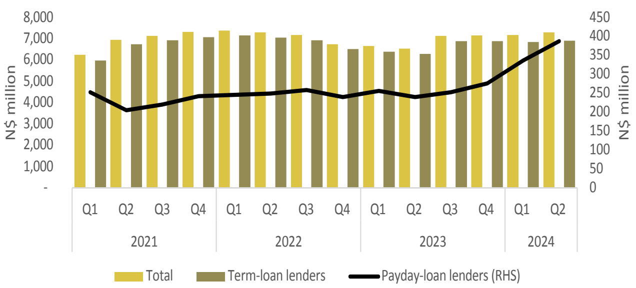
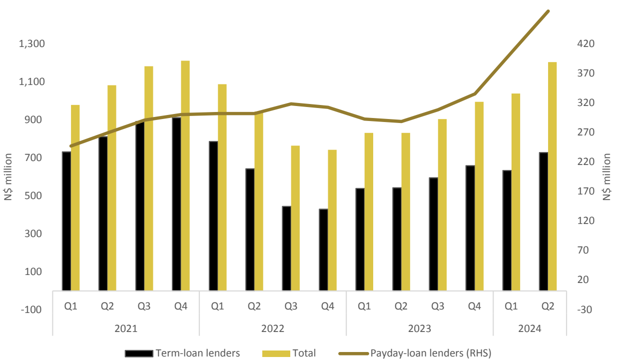



**Figure 55b: Loan book value share (percentage)**




## Disbursements

The monetary value of disbursements increased by 15.9 percent quarter-on-quarter and by 43.8 percent year-on-year, reaching N$1.2 billion at the end of the second quarter of 2024 (Figure 56a). This growth was driven by a surge in lending transactions by both term lenders and payday lenders. Term lenders contributed 60.0 percent of the total disbursements, and payday lenders accounted for the remaining 40.0 percent (Figure 56b).

**Figure 56a: Disbursement values**

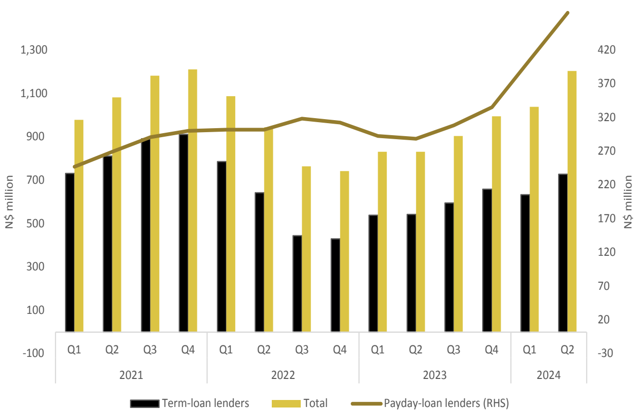
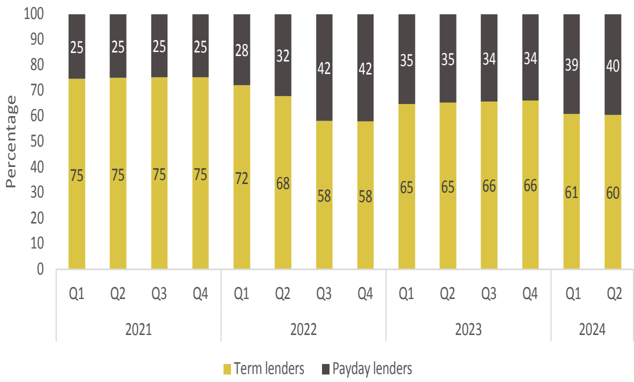



**Figure 56b: Disbursement shares**




## Debt Period Analysis on Current Payments and Arrears

The total arrears showed a downward trend, declining by 2.7 percent quarter-on-quarter but edging up slightly by 0.7 percent year-on-year to N$1.4 billion at the end of the second quarter of 2024 (Figure 57a). Arrears represented 20.0 percent of the total loan book value at the close of this period (Figure 57b), which indicates the potential risk of borrowers facing difficulties in repaying their loans.

[21] An upward trending stock value of the banking sector was observed at the end of the second quarter of 2024, with a slight increase of 1.1 percent quarter-on-quarter and 2.7 percent year-on-year to N$67.6 billion.
[22] Bank of Namibia, 2024.

**Figure 57a:** **Total arrears**

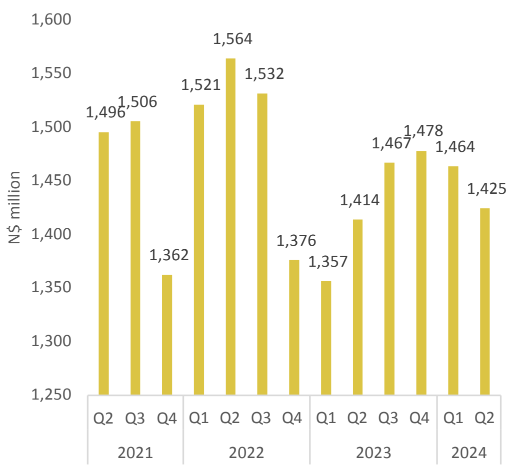
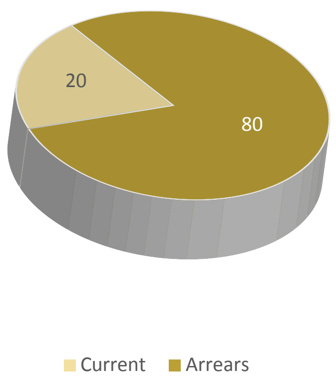



**Figure 57b:** **Payment in current period and arrears in (percentage)**




## *Arrears - Term borrowers*

The total arrears for term borrowers amounted to N$1.3 billion at the end of the second quarter of 2024 (Figure 58a), representing a default rate of 19.0 percent of the loan book value for term lenders (Figure 58b). This marks a decrease from the previous quarter, with arrears falling by 3.6 percent quarter-on-quarter and 1.6 percent year-on-year. The category for arrears exceeding 120 days comprised the largest portion, representing 12.0 percent of the total value, and the 30-60 days arrears category made up 6.0 percent (Figure 58b).

**Figure 58a:** **Arrears - Term lenders**

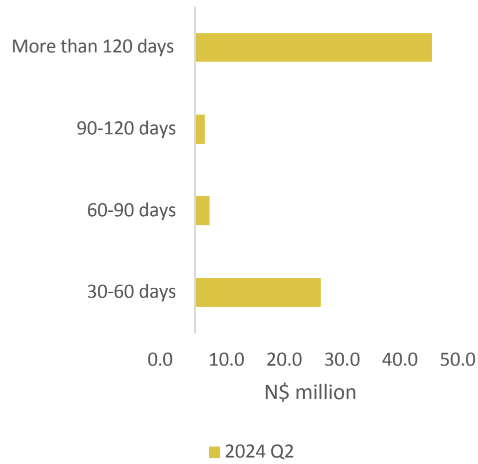
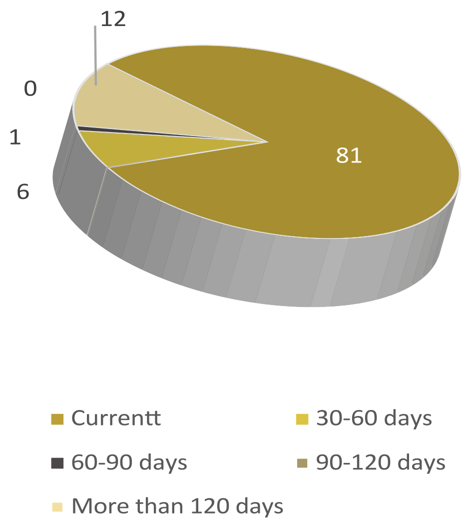



**Figure 58b:** **Loan book distribution – Lenders (age categories)**




## *Arrears – Payday borrowers*

The arrears for payday borrowers totalled N$84.9 million, translating to a default rate of 21.9 percent and representing 78 percent of payments due in the second quarter of 2024 (Figure 59a). Among the various age categories, arrears exceeding 120 days constituted the largest share, accounting for 11.0 percent of the total arrears by the end of the second quarter of 2024 (Figure 59b).

**Figure 59a: Arrears - Payday lenders**

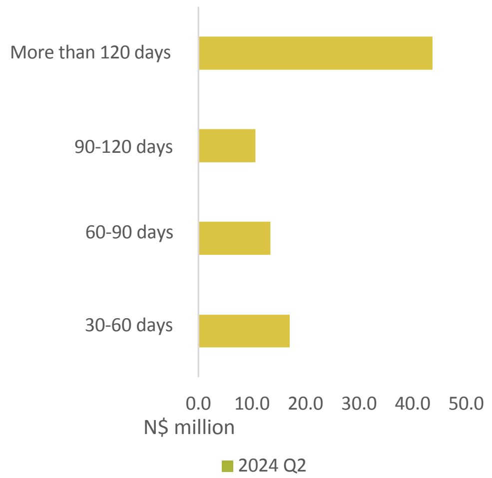



**Figure 59b: Loan book distribution - Payday lenders**

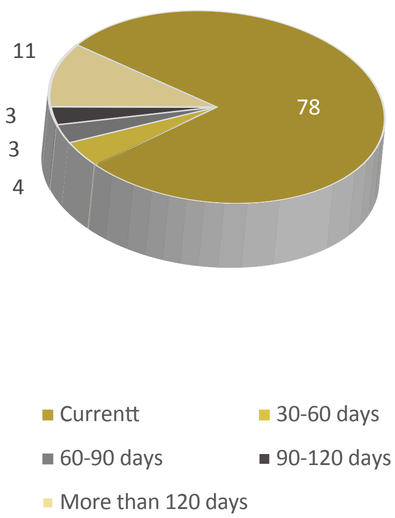



**Figure 60a: Household borrowers**

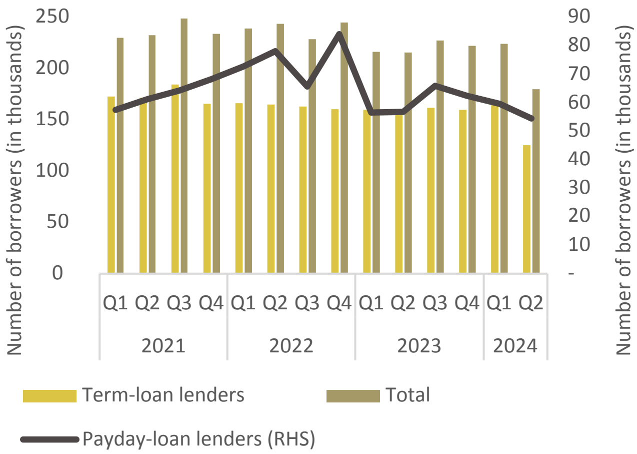
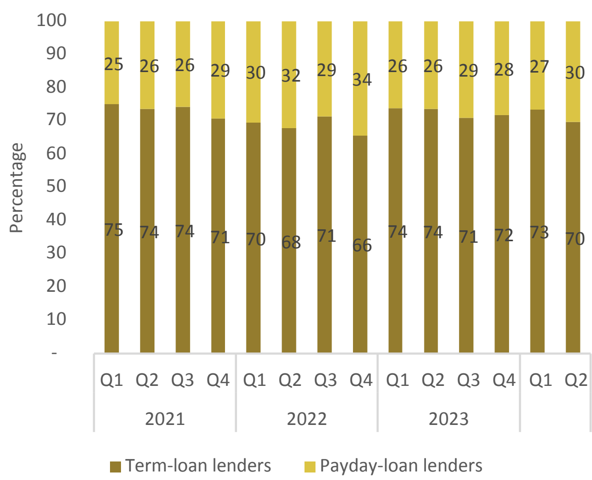



**Figure 60b: Household borrowers shares (percentage)**




## Number of Household Borrowers

The total number of household borrowers decreased by 19.7 percent quarter-on-quarter and by 17.5 percent year-on-year by the end of the second quarter of 2024, totalling 180,078 (Figure 60a). This reduction was mainly observed among borrowers using both term and payday lenders. In addition, term borrowers continued to outnumber payday borrowers at the end of the reporting period (Figure 60b).

## Number of New loans

The number of new loans issued rose in the second quarter of 2024, reflecting an increase in the value of disbursements, reaching a total of 173,916 loans (Figure 61a). This represents a 4.5 percent increase quarter-on-quarter and a 20.8 percent increase year-on-year. The growth in new loans is consistent with the rise in loans issued by both term and payday lenders. In respect of distribution, payday lenders were the most prominent, issuing 82.0 percent of all new loans, and term lenders accounted for the remaining 18.0 percent (Figure 61b).

**Figure 61a:** **New loans**

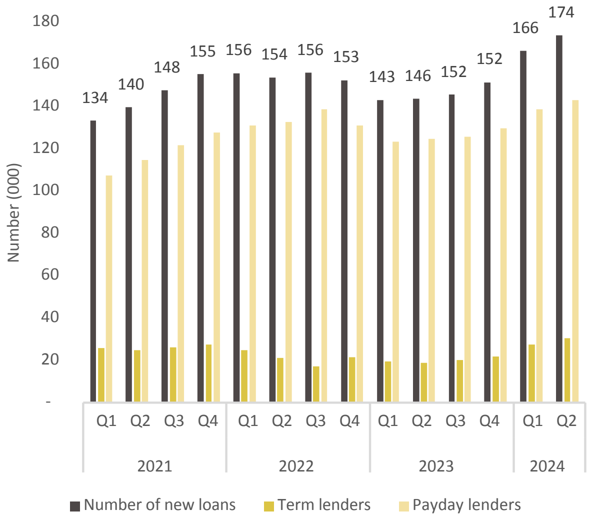
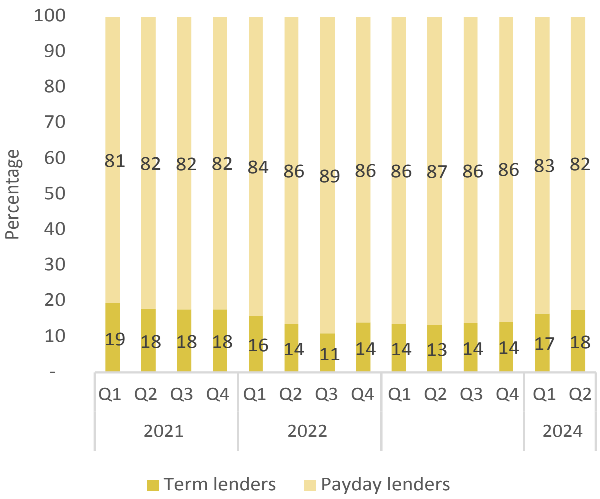



**Figure 61b:** **New loans shares (percentage)**




## Average Loan Values

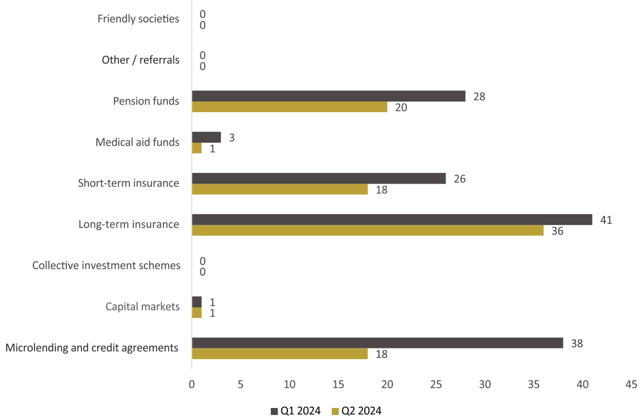
The average disbursement values for term lenders decreased on a quarterly basis and increased on a yearly basis in the second quarter of 2024. Conversely, the average disbursement values for payday lenders rose both quarter-on-quarter and year-on-year. Specifically, the average disbursement value for term lenders stood at N$23,778, and the average disbursement value for payday lenders amounted to N$3,318 (Figure 62).

**Figure 62:** **Average loan amounts**


# CONSUMER COMPLAINTS

NAMFISA's Consumer Complaints Department received 94 complaints from consumers of financial services, marking a 31.4 percent decrease from the previous quarter and a 51.5 percent drop compared with the same period last year (Figure 63).

**Figure 63:** **Complaints received per industry**




The department successfully resolved 79.0 percent of these complaints, resulting in consumers being awarded a total of N$1,719,669. Of this amount, 97.3 percent came from retirement funds and the short-term and long-term insurance sectors (Table 8). These payments broadly relate to wrongful deductions, unpaid pension benefits, the non-payment of motor vehicle accident claims, the non-payment of beneficiary benefits, and the non-payment of funeral benefits. NAMFISA continues to ensure that consumers are protected in line with its vision.

**Table 8: Number of complaints vs resolved complaints, Q2 2024**

| Division | Total number of complaints received | Total number of complaints resolved | Funds recovered (N$) |
|---|---|---|---|
| Microlending | 18 | 13 | 23,909.00 |
| Capital markets | 1 | 1 | 23,009.25 |
| Collective investment schemes | 0 | 0 | - |
| Long-term insurance | 36 | 29 | 205,061.53 |
| Short-term insurance | 18 | 14 | 1,001,080.60 |
| Medical aid funds | 1 | 0 | - |
| Pension funds | 20 | 17 | 466,609.10 |
| Friendly societies | 0 | 0 | |
| Others/referrals | 0 | 0 | |
| **Total** | **94** | **74** | **1,719,669** |

# PART B: SUPERVISORY AND REGULATORY DEVELOPMENTS

## NAMFISA SUPERVISORY LADDER

Table 9 presents a summary of all the NBFI's compliance ratings per industry. The Ladder of Supervisory Intervention is a classification system that ranks regulated entities according to their viability and the risks they may face.

Overall, the NBFIs achieved a full compliance status of 66.8 percent, where 602 out of the total number of entities were categorised as Stage 1 entities. In contrast, 5.1 percent (or 46 out of the total number of registered entities) were non-compliant and categorised as Stage 5 entities.

The non-compliance of microlenders in Stages 4 and 5 ordinarily pertains to the non-submission of returns, the non-payment of levies, and a history of non-compliance (i.e. the failure to respond to inspection findings and the failure to implement remedial actions that have emanated from inspections and dormancy).

**Table 9: Supervisory and regulatory developments**

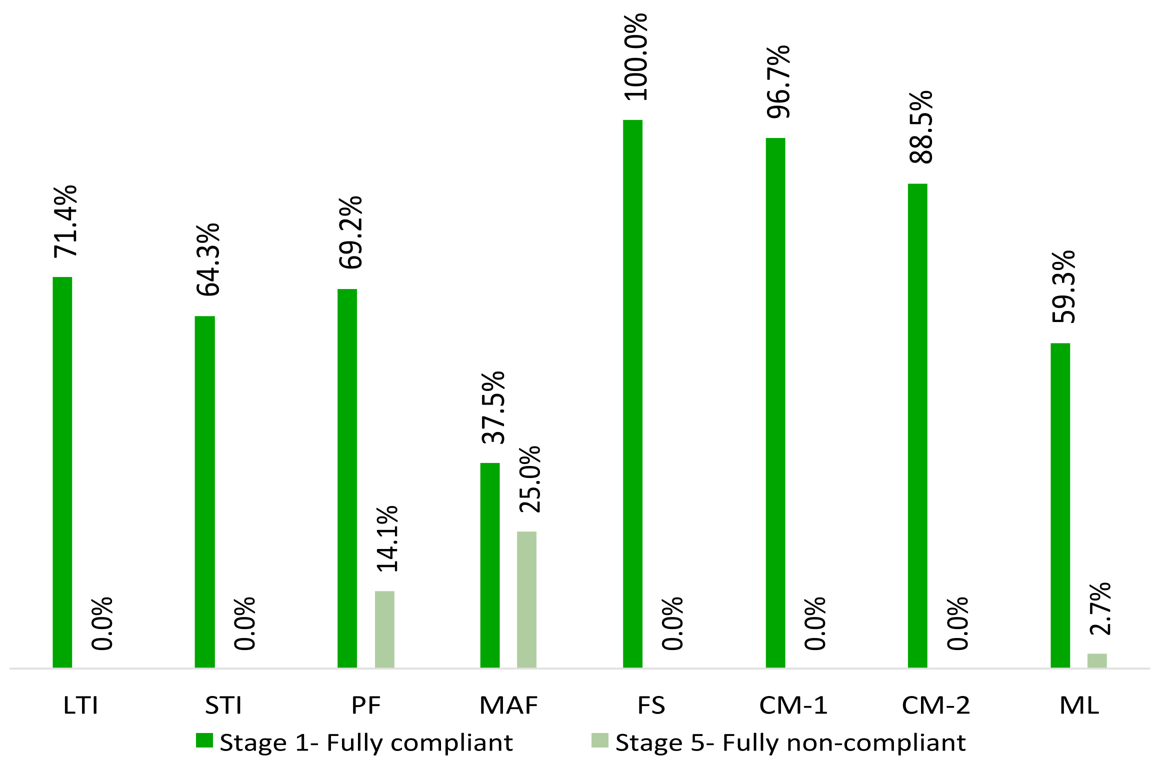
| Indicators for supervisory concerns | | | Q4 2023 | Q1 2024 | Q2 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Stage of intervention | Description | Rating code | Total (%) | Total (%) | LTI | STI | PF | MAF | FS | CM1 | CM2 | ML | Total (actu-als) | Total (%) |
| Stage 1 | Submission of returns and AFS; payment of levies | | 63.2% | 65.0% | 11 | 9 | 55 | 5 | 1 | 57 | 46 | 418 | 602 | 66.8% |
| Stage 2 | Staggered submission of returns; resultant levies not paid | | 15.0% | 12.1% | 1 | 4 | 10 | 0 | 0 | 4 | 4 | 91 | 114 | 12.7% |
| Stage 3 | Irregular submission of returns; irregular submission of levies | | 13.6% | 14.9% | 0 | 0 | 0 | 1 | 0 | 2 | 0 | 66 | 69 | 7.7% |
| Stage 4 | No trading; no submission of AFS; no submission of returns; some payment of levies | | 3.0% | 4.6% | 2 | 1 | 1 | 0 | 0 | 0 | 1 | 65 | 70 | 7.8% |
| Stage 5 | Dormancy; no payment of levies; no submission of returns; owing NAMFISA levies | | 5.2% | 3.5% | 0 | 0 | 11 | 2 | 0 | 0 | 0 | 33 | 46 | 5.1% |
| Total | | | 100% | 100.0% | 14 | 14 | 77 | 8 | 1 | 63 | 51 | 600 | 901 | 100.0% |

In terms of conducted compliance monitoring, as per the Ladder of Supervisory Intervention, 66.8 percent (602) of regulated institutions were fully compliant and no regulatory problems were posed to the financial system. In addition, 5.1 percent (46) were classified as Stage 5 (fully non-compliant), dominated mostly by 33 microlenders.

**Full compliance status (Stage 1):** capital markets-1 (listed entities) recorded the highest level of full compliance at 90.5 percent, followed by capital markets-2 (unlisted entities) at 90.2 percent, and long-term insurance at 76.8 percent.

**Full non-compliance status (Stage 5):** medical aid funds reported the highest level of full non-compliance at 25.0 percent, followed by pension funds at 14.3 percent (Figure 64).

**Figure 64: Comparison per industry (Stage 1 vs Stage 5) – Ladder of Supervisory Intervention**



# REGULATORY REVIEW

## Legislative Developments

The legislative developments during the period under review include the following:

- The provision for a National Collateral Registry in the Bill was disregarded.
- NAMFISA collaborated with key project stakeholders to solicit input from industry players (e.g. credit providers, credit bureaus, debt collectors and consumers of credit) and the public-at-large to the fourth Draft of the Consumer Credit Bill (CCB) via public consultation. The public consultations included requests for written comments, consultative sessions held in all 14 regions, and peer reviews by the National Credit Regulator (SA) and the World Bank during and until the end of 2023. This wide-reaching consultative process garnered substantial comments from both public and private sector stakeholders on the draft legislation. The Steering Committee (which is tasked with overseeing the development and promulgation of the Consumer Credit Bill and comprises representatives from stakeholders such as NAMFISA, the Ministry of Finance and Public Enterprises, the Bank of Namibia, and the Ministry of Trade and Industry) has commenced with the review of comments for consideration into the final draft of the CCB. It is anticipated that submission will take place at the end of 2024.
- The commencement dates of the Namibia Financial Institutions Supervisory Authority (NAMFISA) Act and the Financial Institutions and Markets (FIM) Act are still to be determined by the Minister.
- 99% of the critical regulations and standards have been approved by the Board.

# SUPERVISORY DEVELOPMENTS AND REGULATORY INTERVENTIONS

## Long-term Insurance

### *Complaints*

During the review period, 36 complaints were filed against long-term insurance companies. Of these complaints, 29 were resolved, of which 15 were settled in favour of the complainants (policyholders). During the current quarter, the amount of N$205,061.53 was recovered on behalf of the complainants.

### *Industry forums and meetings*

No meetings or forums were held during the review period.

## Regulatory interventions

| Intervention | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **Intervention** | | | | | |
| General | | | | | |
| Cautionary notices and information | 0 | 0 | 0 | 0 | 0 |
| Voluntary licence cancellations | 0 | 0 | 0 | 0 | 0 |
| **Inspections** | | | | | |
| Scheduled | 14 | 14 | 14 | 14 | 14 |
| Targeted/prompted | 0 | 0 | 0 | 0 | 0 |
| **Remedial actions taken** | **0** | **0** | **0** | **0** | **0** |
| **Penalties imposed** | **N$0** | **N$0** | **N$0** | **N$0** | **N$0** |

## Short-term Insurance

### *Complaints*

A total of 18 complaints were received during the second quarter of 2024. Of these complaints, 14 were resolved, of which three (3) were resolved in favour of the complainants. The amount of N$1,001,080.60 was recovered on behalf of the complainants.

### *Industry forums and meetings*

No meetings or forums were held during the review period.

### *Regulatory interventions*

| Intervention | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **General** | | | | | |
| Cautionary notices and information | 0 | 0 | 0 | 0 | 0 |
| Voluntary licence cancellations | 0 | 0 | 0 | 0 | 0 |
| **Inspections** | | | | | |
| Scheduled | 14 | 15 | 14 | 18 | 14 |
| Targeted/prompted | 0 | 0 | 0 | 0 | 0 |
| **Remedial actions taken** | 0 | 0 | 0 | 0 | 0 |
| **Penalties imposed** | **N$0** | **N$0** | **N$0** | **N$0** | **N$0** |

## Retirement Funds Industry

### *Registration and deregistration of pension funds as at 30 June 2024*

The total number of registered funds was 147 at the end of the reporting quarter. Of the total funds, 77 were domestic and the remaining 70 were foreign funds. No new registrations for pension funds occurred during the review period.

### *Inspections*

No inspections were conducted during the review period.

### *Industry forums and meetings*

No meetings or forums were held during the review period.

## Supervisory and enforcement actions

| Supervisory interventions | Pension funds and friendly societies |
|---|---|
| **Follow-up on-site inspections** | 1 |
| **Notices to cancel** | 0 |
| **Actual cancellation of registration (incl. voluntary)** | 1 |
| **Number of penalties imposed** | 5 |
| **Value of penalties imposed** | N$0.00 |

## Medical Aid Funds

### *Regulatory interventions*

The following table provides statistics on the regulatory interventions with regard to the medical aid funds industry as at 30 June 2024, compared with 31 March 2024

| **Medical aid funds** | | |
|---|---|---|
| **Intervention** | **Q2 2024** | **Q1 2024** |
| **Rule amendments** | | |
| - Rule amendment applications received | 1 | 5 |
| - Rule amendment applications approved | 1 | 4 |
| - Rule amendment applications declined | 0 | 0 |
| - Contributions change applications received | 0 | 0 |
| - Contributions change applications approved | 0 | 0 |
| - Contributions change applications declined | 0 | 0 |
| **Inspections** | | |
| - Off-site inspections | 6 | 6 |
| - On-site inspections | 0 | 0 |
| - Follow-up inspections | 0 | 0 |
| **Consumer complaints** | | |
| - Complaints lodged with NAMFISA | 1 | 3 |
| - Complaints resolved | 1 | 2 |
| - Complaints (work in progress) | 0 | 1 |

### *Industry forums and meetings*

No meetings or forums were held during the review period.

## Friendly Societies

### *Classification of societies*

As at 30 June 2024, the Authority had only one (1) friendly society (i.e. the Old Apostolic Church Burial Society) under its supervisory ambit. This friendly society was established with the objective to provide funeral benefits to its members.

### *Industry forums and meetings*

No meetings or forums were held during the review period.

## Capital Markets

The Capital Markets Division supervised a total of 115 companies as at 30 June 2024.

| Regulated entity | 31 March 2024 | Registrations | Deregistrations | 30 June 2024 |
|---|---|---|---|---|
| Investment managers | 32 | - | - | 32 |
| Management companies | 21 | - | - | 21 |
| LISPs | 4 | - | - | 4 |
| Stockbrokers | 4 | - | - | 4 |
| Stock exchange | 1 | - | - | 1 |
| Central securities depository | 1 | - | - | 1 |
| Unlisted investment managers | 31 | - | - | 31 |
| Special purpose vehicles | 21 | - | 1 | 20 |
| **Total** | **115** | **-** | **1** | **114** |

### *Industry forums and meetings*

No meetings or forums were held during the review period.

## Microlending

No inspections were conducted during the review period.

### *Registrations, deregistrations, suspensions, and cancellations*

As indicated in the following table (in terms of Section 10 of the Microlending Act), 34 entities' registration licences lapsed during the period under review.

A total of 107 entities were registered under Section 5 of the Microlending Act, bringing the total number of registered microlenders to 673 for the quarter ended 30 June 2024.

| Movement | December 2023 | March 2024 | June 2024 |
|---|---|---|---|
| Total registered entities at the beginning of the quarter | 504 | 560 | 600 |
| New registrations | 79 | 62 | 107 |
| Cancelled/declined registration licences for the period under review | 0 | 0 | 0 |
| Lapsed registration licences | (23) | (22) | (34) |
| Total registered microlenders at the end of the quarter | 560 | 600 | 673 |

### *Penalties and/or fines*

No penalties were issued during the period under review.

### *Industry forums and meetings*

No meetings or forums were held during the period under review.

### *Drafting, issuing and/or implementation of circulars/directives*

A cautionary notice in respect of unregistered microlenders, namely Stellar Group (PTY) Ltd ('Auto Cash') and Quick Bucks Investment CC ('Quick Bucks'), was issued to the public on 17 May 2024. The purpose of the notice was to caution the public to not enter into microlending transactions with the aforenamed entities, as such transactions would be in contravention with the Microlending Act, 2018 (No. 7 of 2018).

### *Consumer education developments*

No consumer education developments took place during the period under review.

# PART C: STATISTICAL APPENDIX

## CONTENTS

## Table 1: Registered Entities

| | Entities as at end | Entities registered during | Entities de-registered during | Entities as at end |
|---|---|---|---|---|
| | **Q1-2024** | **Q2-2024** | **Q2-2024** | **Q2-2024** |
| **Financial Institutions:** | | | | |
| Long-term insurers (LTIs) | 14 | 0 | 0 | 14 |
| Short-term insurers (STIs) | 14 | 0 | 0 | 14 |
| Reinsurers (both LTIs and STIs) | 1 | 0 | 0 | 1 |
| Medical aid funds | 8 | 0 | 0 | 8 |
| Pension funds | 78 | 0 | 0 | 78 |
| Management companies | 20 | 0 | 0 | 20 |
| Investment managers | 33 | 0 | 0 | 33 |
| Special Purpose Vehicles (SPVs) | 21 | 0 | 1 | 20 |
| Unlisted Investment Managers | 31 | 0 | 0 | 31 |
| Microlenders | 600 | 107 | 34 | 673 |
| Stock exchanges | 1 | 0 | 0 | 1 |
| Stock brokers (including sponsors) | 4 | 0 | 0 | 4 |
| Linked Investment Services Provider (LISPS) | 4 | 0 | 0 | 4 |
| Friendly societies | 1 | 0 | 0 | 1 |
| **Sub-total** | **830** | | | **902** |
| | | | | |
| **Financial Intermediaries:** | | | | |
| Long-term insurance brokers | 1,499 | 65 | 2 | 1,562 |
| Long-term insurance agents | 9,391 | 176 | 10 | 9,557 |
| Short-term insurance brokers | 864 | 24 | 3 | 885 |
| Short-term insurance agents | 1,976 | 91 | 2 | 2,065 |
| **Sub-total** | **13,245** | **356** | **17** | **13,584** |
| **Total** | **14,075** | **356** | **17** | **14,486** |

## Table 2: Indicators for Supervisory Concerns

| Indicators for Supervisory Concerns | | | | Q1 2024 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Stage of intervention** | **Rating Description** | **Rating Code** | **Description** | **LTI** | **STI** | **PF** | **MAF** | **FS** | **CM-1** | **CM-2** | **ML** | **Total (actuals)** | **Total (%)** |
| **Stage 1** | No significant problems | | Submission of returns and AFS, payment of levies | 10 | 9 | 54 | 3 | 1 | 59 | 46 | 356 | 538 | 65.0% |
| **Stage 2** | Early Warning | | Staggered submission of returns. Resultant levies not paid | 2 | 3 | 12 | 2 | 0 | 2 | 4 | 75 | 100 | 12.1% |
| **Stage 3** | Risk to Viability or Solvency | | Irregular submission of returns. Irregular submission of levies. | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 121 | 123 | 14.9% |
| **Stage 4** | Future Viability in Serious Doubt | | No trading, no submission of AFS, no submission of returns, some payment of levies | 2 | 1 | 1 | 0 | 0 | 0 | 2 | 32 | 38 | 4.6% |
| **Stage 5** | Entity Not Viable or Insolvency Imminent | | Dormancy, no payment of levies, no submission of returns and owe NAMFISA levies | 0 | 0 | 11 | 2 | 0 | 0 | 0 | 16 | 29 | 3.5% |
| **Total** | | | | **14** | **14** | **78** | **8** | **1** | **61** | **52** | **600** | **828** | **100.0%** |

## Table 3: Income and Expenses

### Long-term Insurance

### N$ 000

| STATEMENT OF COMPREHENSIVE INCOME | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Single Premiums | 896,868 | 952,720 | 1,104,669 | 929,128 | 1,085,346 |
| Recurring Premiums | 1,918,397 | 1,846,890 | 1,821,138 | 2,014,015 | 3,535,843 |
| **Gross premiums written** | **2,815,265** | **2,799,610** | **2,925,807** | **2,943,143** | **4,621,189** |
| Less: Reinsurance premium | 146,158 | 146,980 | 169,852 | 136,830 | 126,044 |
| **Net premiums written** | **2,669,107** | **2,652,630** | **2,755,955** | **2,806,313** | **4,495,145** |
| | | | | | |
| Gross policyholder benefits paid | 2,392,234 | 2,318,890 | 2,528,796 | 2,440,884 | 2,571,788 |
| Reinsurance recoveries | 58,090 | 83,510 | 47,061 | 70,033 | 89,890 |
| **Net policyholders benefits** | 2,334,144 | 2,235,380 | 2,481,735 | 2,370,851 | 2,481,898 |
| Change in policyholder liabilities | 1,707,167 | (547,489) | 2,041,840 | 274,227 | 3,583,750 |
| Commission paid | 197,523 | 202,964 | 244,502 | 195,082 | 323,047 |
| **POLICYHOLDER BENEFITS AND COMMISSION** | **4,238,834** | **1,890,855** | **4,768,077** | **2,840,160** | **6,388,695** |
| | | | | | |
| **GROSS PROFIT/(LOSS)** | **(1,569,727)** | **761,775** | **(2,012,122)** | **(33,847)** | **(1,893,550)** |
| | | | | | |
| **NET INCOME OVER EXPENSES** | 2,585,478 | (351,950) | | | |
| Investment income | 2,972,834 | 89,766 | 2,926,692 | 1,376,311 | 3,864,054 |
| Other income | 124,765 | 94,441 | 114,208 | 86,295 | 227,950 |
| **TOTAL INCOME** | 3,097,599 | 184,207 | 3,040,900 | 1,462,606 | 4,092,004 |
| Management expenses | 512,121 | 536,157 | 500,002 | 615,671 | 639,854 |
| Other expenses | - | - | - | - | - |
| Finance costs | - | - | - | - | - |
| **TOTAL EXPENSES** | 512,121 | 536,157 | 500,002 | 615,671 | 639,854 |
| **PROFIT BEFORE TAXATION** | **1,015,751** | **409,825** | **528,776** | **813,088** | **1,558,600** |

## Table 4: Assets and Liabilities

### Long-term Insurance

### N$ 000

| STATEMENT OF FINANCIAL POSITION | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Immovable Property | 301,300 | 301,300 | 301,800 | 301,800 | 298,600 |
| Property, plant and equipment | 162,632 | 164,027 | 166,587 | 170,507 | 171,239 |
| Intangible assets | 139,864 | 131,845 | 138,274 | 139,701 | 139,460 |
| Deferred tax | - | 332,618 | - | - | - |
| Other assets | 1,369,166 | 1,068,839 | 1,364,684 | 2,379,098 | 1,482,890 |
| Investments | 54,862,618 | 54,382,552 | 55,808,629 | 55,076,038 | 59,801,074 |
| **NON-CURRENT ASSETS** | **56,835,580** | **56,381,181** | **57,779,974** | **58,067,144** | **61,893,264** |
| Reinsurer's debtors | 438,569 | 525,129 | 550,131 | 697,877 | 739,886 |
| Premium debtors | 240,638 | 270,708 | 298,007 | 305,409 | 308,720 |
| **TECHNICAL ASSETS** | **679,207** | **795,837** | **848,138** | **1,003,286** | **1,048,606** |
| Cash and cash equivalents | 1,910,613 | 2,112,917 | 2,213,769 | 2,206,367 | 2,262,762 |
| Receivables | 2,513,790 | 1,755,754 | 2,354,140 | 2,075,448 | 2,505,968 |
| Investments | 11,078,107 | 11,267,217 | 11,064,442 | 11,389,297 | 13,225,710 |
| **CURRENT ASSETS** | **15,502,510** | **15,135,888** | **15,632,351** | **15,671,112** | **17,994,440** |
| **TOTAL ASSETS** | **73,017,297** | **72,312,906** | **74,260,463** | **74,741,542** | **80,936,310** |
| | | | | | |
| Ordinary share capital | 66,467 | 66,467 | 66,467 | 66,467 | 66,467 |
| Share premium | 2,426,993 | 2,426,993 | 2,426,993 | 2,426,993 | 2,426,993 |
| Retained earnings | 9,260,149 | 8,828,246 | 9,073,994 | 9,064,412 | 10,500,099 |
| Other reserve | (1,072,438) | (1,072,438) | (1,070,394) | (1,070,392) | (1,069,953) |
| **CAPITAL AND RESERVES** | **10,681,171** | **10,249,268** | **10,497,060** | **10,487,480** | **11,923,606** |
| | | | | | |
| Deferred taxation | 8,652 | 5,395 | 772 | 595 | 1,554 |
| Other liabilities | 610,861 | 486,790 | 409,795 | 508,200 | 536,895 |
| **NON CURRENT LIABILITIES** | **619,513** | **492,185** | **410,567** | **508,795** | **538,449** |
| Policyholder liabilities | 58,203,758 | 58,037,414 | 60,666,450 | 60,971,563 | 64,670,965 |
| Reinsurance creditors | 427,373 | 417,643 | 566,777 | 565,649 | 336,369 |
| **TECHNICAL LIABILITIES** | **59,160,918** | **59,004,530** | **61,245,401** | **61,548,582** | **65,471,474** |
| Trade and other payables | 2,019,970 | 1,602,812 | 1,571,938 | 1,516,875 | 1,887,922 |
| Current income taxation | 17,864 | 22,418 | 220,512 | 219,424 | 259,179 |
| CAR | - | - | - | - | - |
| Other liabilities | 517,862 | 941,697 | 314,984 | 460,390 | 855,681 |
| **CURRENT LIABILITIES** | **2,555,696** | **2,566,927** | **2,107,434** | **2,196,689** | **3,002,782** |
| **TOTAL LIABILITIES** | **62,336,127** | **62,063,642** | **63,763,402** | **64,254,066** | **69,012,705** |
| **TOTAL EQUITY AND LIABILITIES** | **73,017,298** | **72,312,910** | **74,260,462** | **74,741,546** | **80,936,311** |
| **Excess Assets** | **10,681,170** | **10,249,264** | **10,497,061** | **10,487,476** | **11,923,604** |

## Table 5: Income and Expenses

### Short-term Insurance
### N$ 000

| Income statement | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| | | | | | |
| **Gross premiums written** | **1,005,216** | **1,121,845** | **1,200,122** | **1,630,673** | **1,208,229** |
| Less: Reinsurance expense | 292,951 | 295,940 | 363,525 | 443,915 | 281,279 |
| Net premiums written | **712,265** | **825,905** | **836,597** | **1,186,758** | **926,950** |
| Change in provision for UPR | 18,006 | 100,754 | 186,830 | 388,955 | 83,420 |
| Net Premiums earned | **694,259** | **725,151** | **649,767** | **797,803** | **843,530** |
| | | | | | |
| Gross claims and loss adjustment expenses | 538,829 | 500,866 | 452,477 | 513,773 | 527,284 |
| Change in IBNR | (15,523) | 14,829 | (68,708) | 32,416 | (30,919) |
| Less: Gross claims and loss adjustment expenses recovered from reinsurers | 181,064 | 134,025 | 111,514 | 119,161 | 123,751 |
| **Net Claims incurred** | **342,242** | **381,670** | **272,255** | **427,028** | **372,614** |
| Commission incurred | 129,419 | 135,634 | 138,751 | 152,942 | 150,257 |
| Less: Commission earned | 82,880 | 84,226 | 94,049 | 100,533 | 97,147 |
| **Net commission incurred** | **46,539** | **51,408** | **44,702** | **52,409** | **53,110** |
| **CLAIMS AND COMMISSION** | **388,781** | **433,078** | **316,957** | **479,437** | **425,724** |
| | | | | | |
| **Underwriting surplus** | **305,478** | **292,073** | **332,810** | **318,366** | **417,806** |
| | | | | | |
| Management expenses | 255,724 | 279,606 | 299,257 | 344,480 | 329,515 |
| Finance costs | - | - | - | - | - |
| Investment income | 121,553 | 94,642 | 196,084 | 123,349 | 118,073 |
| Other income | 27,575 | 26,462 | 25,180 | 25,366 | 22,245 |
| Other Expenses | - | - | - | - | - |
| | | | | | |
| **Profit before tax** | **198,882** | **198,882** | **254,817** | **122,601** | **228,609** |
| LESS: Est. taxation (Current + def.) | 69,260 | 69,260 | 29,876 | 23,681 | 24,591 |
| PROFIT FOR THE YEAR | 129,622 | 129,622 | 224,941 | 98,920 | 204,018 |
| Other comprehensive income for the quarter | - | - | - | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE QUARTER** | **129,622** | **136,631** | **224,941** | **98,920** | **204,018** |
| | | | | | |
| **Industry Performance Ratios** | **Q2 2023** | **Q3 2023** | **Q4 2024** | **Q1 2024** | **Q2 2024** |
| Cession ratio | 29% | 26% | 30% | 27% | 23% |
| Net loss ratio | 49% | 53% | 42% | 54% | 44% |
| Expense ratio | 44% | 46% | 53% | 50% | 57% |
| Net combined ratio | 93% | 98% | 95% | 103% | 101% |

## Table 6: Balance sheet

### Short-term Insurance

### N$ 000

| INDUSTRY STATEMENT OF FINANCIAL POSITION | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| | N$ 000 | | | | |
| **NON-CURRENT ASSETS** | 543,901 | 542,085 | 531,764 | 528,776 | 786,308 |
| Immovable property | - | - | - | - | - |
| Property, plant and equipment | 58,406 | 84,523 | 72,496 | 79,431 | 248,832 |
| Intangible assets | 51,128 | 50,527 | 58,899 | 48,840 | 44,793 |
| Deferred tax | 43,653 | 45,397 | 47,137 | 47,910 | 36,073 |
| Other assets | 105,301 | 96,674 | 89,359 | 93,098 | 112,824 |
| Investments | 285,413 | 264,964 | 263,873 | 259,497 | 343,786 |
| | | | | | |
| **TECHNICAL ASSETS** | **1,127,266** | **1,027,460** | **968,032** | **1,009,435** | **973,533** |
| Reinsurers' share of unearned premiums | 520,123 | 511,329 | 545,141 | 560,431 | 493,499 |
| Reinsurers' share of outstanding claims | 318,573 | 267,113 | 179,093 | 202,272 | 246,780 |
| Reinsurers' share of claims incurred but not reported | 112,619 | 124,405 | 82,074 | 66,636 | 59,965 |
| Commission Receivable | 6,574 | 6,516 | 5,847 | 6,228 | 6,228 |
| Premium debtors | 169,377 | 118,097 | 155,877 | 173,868 | 167,061 |
| | | | | | |
| **CURRENT ASSETS** | **6,028,303** | **6,317,876** | **6,337,209** | **6,819,318** | **6,961,048** |
| Cash and cash equivalents | 755,475 | 813,403 | 764,302 | 1,561,934 | 1,067,394 |
| Other Receivables | 567,987 | 547,061 | 630,206 | 627,753 | 685,754 |
| Investments | 4,704,841 | 4,957,412 | 4,942,701 | 4,629,631 | 5,207,900 |
| **TOTAL ASSETS** | **7,699,470** | **7,887,421** | **7,837,005** | **8,357,529** | **8,720,889** |
| | | | | | |
| **CAPITAL AND RESERVES** | **2,264,633** | **2,364,832** | **2,426,455** | **2,493,341** | **2,633,516** |
| Ordinary share capital | 73,624 | 73,623 | 73,623 | 73,624 | 73,623 |
| Share premium | 257,777 | 257,779 | 247,779 | 247,277 | 247,278 |
| Retained earnings | 1,658,368 | 1,759,944 | 1,831,767 | 1,869,598 | 1,982,015 |
| Contingency reserve | 91,590 | 92,477 | 93,276 | 93,276 | 93,276 |
| Other reserve | 183,274 | 181,009 | 180,010 | 209,566 | 237,324 |
| | | | | | |
| **NON CURRENT LIABILITIES** | **106,348** | **103,173** | **110,582** | **79,110** | **64,694** |
| Deferred taxation | 38,154 | 35,276 | 35,923 | 41,442 | 43,655 |
| Other liabilities | 68,194 | 67,897 | 74,659 | 37,668 | 21,039 |
| | | | | | |
| **TECHNICAL LIABILITIES** | **4,807,523** | **4,685,393** | **4,617,536** | **5,021,519** | **5,123,953** |
| Gross provision for unearned premiums | 3,245,847 | 3,324,713 | 3,409,684 | 3,784,509 | 3,958,300 |
| Gross outstanding claims | 588,058 | 592,929 | 444,621 | 565,308 | 600,793 |
| Gross claims incurred but not reported | 336,384 | 319,594 | 304,076 | 256,632 | 226,131 |
| Commission Due | 98,130 | 101,319 | 88,629 | 8,737 | 14,327 |
| Reinsurance creditors | 539,104 | 346,838 | 370,526 | 406,333 | 324,402 |
| | | | | | |
| **CURRENT LIABILITIES** | **520,966** | **734,023** | **682,432** | **763,559** | **898,726** |
| Trade and other payables | 428,464 | 622,220 | 453,699 | 566,551 | 645,765 |
| Current income taxation | 1,393 | 1,431 | 1,060 | 1,721 | 884 |
| Other liabilities | 91,109 | 110,372 | 227,673 | 195,287 | 252,077 |
| **TOTAL LIABILITIES** | **5,434,837** | **5,522,589** | **5,410,550** | **5,864,188** | **6,087,373** |
| **TOTAL EQUITY AND LIABILITIES** | **7,699,470** | **7,887,421** | **7,837,005** | **8,357,529** | **8,720,889** |
| | | | | | |
| **Solvency Ratio (EQUITY/TOTAL ASSETS)** | **29%** | **30%** | **31%** | **30%** | **30%** |

## Table 7: Experience ratio

### Short-term Insurance

| | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **Premium earned by class (% of total)** | | | | | |
| Aviation | 0% | 0% | 0% | 1% | 0% |
| Fire | 8% | 20% | 7% | 13% | 5% |
| Guarantee | 1% | -1% | -9% | 1% | 4% |
| Marine | 1% | 1% | 1% | 1% | 1% |
| Miscellaneous | 28% | 17% | 34% | 25% | 31% |
| Personal | 37% | 36% | 37% | 36% | 36% |
| Vehicles | 25% | 27% | 31% | 25% | 24% |
| **Loss ratio by class** | | | | | |
| Aviation | 0% | 0% | -1% | 0% | 0% |
| Fire | 14% | 12% | 14% | 19% | 7% |
| Guarantee | 1% | 0% | 0% | 1% | 0% |
| Marine | 2% | 1% | 1% | 2% | 1% |
| Miscellaneous | 21% | 16% | -5% | 9% | 15% |
| Personal | 37% | 41% | 49% | 42% | 44% |
| Vehicles | 26% | 30% | 42% | 27% | 33% |
| Co-insurance Business | 0% | 0% | 0% | 0% | 0% |
| **Underwriting results (% of premiums earned)** | | | | | |
| Aviation | 0% | 0% | 0% | 1% | 0% |
| Fire | -3% | 25% | -3% | 13% | 2% |
| Guarantee | 2% | -3% | -18% | 1% | 8% |
| Marine | 2% | 1% | 1% | 0% | 0% |
| Miscellaneous | 37% | 23% | 22% | 20% | 47% |
| Personal | 39% | 32% | 28% | 26% | 29% |
| Vehicles | 22% | 23% | 22% | 20% | 13% |
| Co-insurance Business | 0% | 0% | 0% | 0% | 0% |

## Table 8: Membership

### Medical Aid Funds

| Membership | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Number of Principal Members | 89,686 | 90,351 | 90,883 | 91,474 | 92,618 |
| Number of Dependants | 109,546 | 110,301 | 111,162 | 110,415 | 111,241 |
| Number of Pensioners | 13,213 | 13,524 | 13,721 | 13,812 | 13,979 |
| **Total Members** | **212,445** | **214,176** | **215,766** | **215,701** | **217,838** |

## Table 9: Contributions, income and expenses

### MAFs
### N$ 000

| Income and expenses | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Gross Contribution received | 1,357,002 | 1,361,787 | 1,363,373 | 1,509,725 | 1,518,960 |
| Savings Plan Contributions/Roll-Over Contributions | - | - | | | |
| Add: Net Reinsurance income | - | - | | | |
| **Net Contribution** | **1,357,002** | **1,361,787** | **1,363,373** | **1,509,725** | **1,518,960** |
| Less: Net Claims Incurred | 1,309,573 | 1,331,863 | 1,145,021 | 1,282,046 | 1,307,920 |
| **Underwriting surplus** | **47,429** | **29,924** | **218,352** | **227,679** | **211,040** |
| Less: Administrative expenses | 93,336 | 95,161 | 95,977 | 96,538 | 97,673 |
| Less: Operational expenses | 24,106 | 24,573 | 30,019 | 23,743 | 26,188 |
| Less: Managed Care: management services | 14,930 | 15,334 | 14,418 | 15,129 | 15,155 |
| Less: Consultant Fees/Professional fees | 542 | 748 | 589 | 506 | 593 |
| Less: Net Reinsurance expenses | 2,758 | 2,784 | 1,867 | 2,954 | 3,162 |
| **Total Expenses** | **135,672** | **138,600** | **142,870** | **138,870** | **142,771** |
| **Surplus/(Deficit) from operations** | **(88,243)** | **(108,676)** | **75,482** | **88,809** | **68,269** |
| Add: Other income (Sundry income) | 1,236 | 856 | 1,519 | 3,303 | (324) |
| Add: Net Investment income | 61,959 | 22,745 | 76,338 | 41,008 | 56,765 |
| **Net Surplus/(Loss)** | **(25,048)** | **(85,075)** | **153,339** | **133,120** | **124,710** |

## Table 10: Balance Sheet (Continued)

### Investments

| N$ 000 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current Assets** | | | | | |
| Property, Plant & Equipment | 157,292 | 171,124 | 242,732 | 294,244 | 314,947 |
| Investments | 4,579 | 5,057 | 5,458 | 5,218 | 5,403 |
| | 152,713 | 166,067 | 237,274 | 289,026 | 309,544 |
| Current assets | | | | | |
| Investments | 1,846,907 | 1,705,181 | 1,854,127 | 1,888,611 | 1,976,641 |
| Accounts receivable (Debtors) | 1,662,477 | 1,509,287 | 1,534,503 | 1,584,823 | 1,668,792 |
| Cash & cash equivalents | 56,908 | 48,131 | 46,911 | 49,771 | 41,832 |
| | 127,522 | 147,763 | 272,713 | 254,017 | 266,017 |
| **Total Assets** | **2,004,199** | **1,876,305** | **2,096,859** | **2,182,855** | **2,291,588** |
| | | | | | |
| **FUNDS AND LIABILITIES** | | | | | |
| **Members' Funds** | | | | | |
| Accumulated funds | 1,393,870 | 1,307,197 | 1,465,835 | 1,577,844 | 1,689,688 |
| Other Reserves | 1,384,611 | 1,297,938 | 1,456,576 | 1,577,844 | 1,689,688 |
| **Non-current liabilities** | 9,259 | 9,259 | 9,259 | - | - |
| Long-term loans (Borrowings) | - | - | - | - | |
| | - | - | - | - | |
| **Current liabilities** | **610,329** | **569,108** | **631,024** | **605,011** | **601,900** |
| Accounts payable (creditors) | 203,055 | 151,771 | 175,577 | 161,729 | 161,477 |
| Provision for outstanding claims/IBNR | 389,535 | 375,715 | 374,104 | 438,370 | 433,583 |
| Bank overdraft | - | - | - | - | - |
| Savings plan liability (other liabilities) | 17,739 | 41,622 | 81,343 | 4,912 | 6,840 |
| Provision for bad debt | - | - | - | - | - |
| Short-Term Loans (Borrowings) | - | - | - | - | |
| | | | | | |
| **Total Funds and Liabilities** | **2,004,199** | **1,876,305** | **2,096,859** | **2,182,855** | **2,291,588** |

## Table 11: Claims Typology

### MAFs

### N$ 000

| Claims typology | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Auxiliary Services | 61,908 | 69,148 | 61,546 | 57,595 | 70,855 |
| Dental Specialists | 5,842 | 6,070 | 5,840 | 5,097 | 5,546 |
| Dental Therapists | 3,675 | 3,705 | 3,302 | 4,418 | 3,496 |
| Dentists | 62,775 | 66,658 | 58,766 | 58,480 | 65,862 |
| General Practitioners | 118,250 | 130,886 | 108,037 | 110,902 | 124,226 |
| Hospitals | 405,122 | 458,927 | 388,237 | 412,893 | 459,009 |
| IBNR movement | 29,903 | 50,042 | 31,897 | 82,215 | (14,440) |
| Optic Payouts | - | - | - | - | - |
| Optometrists | 37,301 | 34,720 | 34,125 | 38,139 | 34,480 |
| Other | 53,065 | (15,311) | 1,904 | 24,501 | 28,905 |
| Pathologists | 78,121 | 69,408 | 62,419 | 74,470 | 78,017 |
| Pharmacies/Medicine | 217,849 | 209,297 | 170,381 | 193,434 | 218,470 |
| Psychiatric Institutions | 3,294 | 3,426 | 3,686 | 3,748 | 4,062 |
| Radiologists | 72,391 | 72,570 | 62,860 | 74,569 | 77,767 |
| Specialists | 160,077 | 172,317 | 152,021 | 141,585 | 148,703 |
| **Total** | **1,309,573** | **1,331,863** | **1,145,021** | **1,282,046** | **1,304,958** |

## Table 12: Membership

### Friendly Societies

| Membership | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Principal Members | 595 | 610 | 623 | 571 | 591 |
| Dependants | 1,339 | 1,378 | 1,396 | 1,294 | 1,329 |
| **Total members** | **1,934** | **1,988** | **2,019** | **1,865** | **1,920** |

## Table 13: Balance Sheet

### Friendly Societies

| Balance Sheet (N$) | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current Assets** | - | - | - | - | - |
| Long-term Investments | - | - | - | - | - |
| | | | | | |
| **Current assets** | **2,404,808** | **2,469,934** | **2,545,550** | **2,614,258** | **2,652,942** |
| Accounts receivable | 26,195 | 19,512 | 24,359 | 18,121 | 20,129 |
| Cash & cash equivalents | 89,632 | 56,881 | 75,862 | 105,424 | 33,968 |
| Short-term Investments | 2,288,981 | 2,393,541 | 2,445,329 | 2,490,713 | 2,598,845 |
| | | | | | |
| **Total Assets** | **2,404,808** | **2,469,934** | **2,545,550** | **2,614,258** | **2,652,942** |
| | | | | | |
| **FUNDS AND LIABILITIES** | | | | | |
| **Members' Funds** | **2,289,650** | **2,367,266** | **2,452,479** | **2,511,144** | **2,559,351** |
| Accumulated funds | 2,289,650 | 2,367,266 | 2,452,479 | 2,511,144 | 2,559,351 |
| | | | | | |
| **Current liabilities** | **115,158** | **102,668** | **93,071** | **103,114** | **102,591** |
| Accounts payable (creditors) | 47,658 | 35,168 | 17,071 | 44,114 | 43,591 |
| Provision for outstanding claims/IBNR | 58,500 | 58,500 | 67,000 | 50,000 | 50,000 |
| Savings plan liability(other liabilities) | - | - | | | |
| Provision for bad debt | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| | | | | | |
| **Total Funds and Liabilities** | **2,404,808** | **2,469,934** | **2,545,550** | **2,614,258** | **2,661,942** |

### INVESTMENTS

| | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **Investments in Namibia** | **2,378,613** | **2,450,422** | **2,521,191** | **2,596,137** | **2,632,813** |
| Cash & Equivalents (Call Accounts) | 2,378,613 | 2,450,422 | 2,521,191 | 2,596,137 | 2,632,813 |
| Investments | - | - | - | - | |
| | | | | | |
| **Investments outside Namibia** | | | | | |
| | | | | | |
| **Total investments** | **2,378,613** | **2,450,422** | **2,521,191** | **2,596,137** | **2,632,813** |
| **% of local assets to total investments** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |
| **% of foreign assets to total investments** | **0.00%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** |

## Table 14: Income and expenses

### Friendly Societies

| Income Statement (N$) | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Contributions received | 52,350 | 53,340 | 54,540 | 49,980 | 51,480 |
| | | | | | |
| Claims | 34,000 | 17,000 | 17,000 | 25,163 | 25,500 |
| **Underwriting surplus / (deficit)** | **18,350** | **36,340** | **37,540** | **24,817** | **25,980** |
| | | | | | |
| Administration fees | - | - | - | - | - |
| Operational expenses | 29,926 | 13,857 | 4,675 | 12,506 | 37,318 |
| Investment Management Costs | - | - | - | - | - |
| Consultant fees/professional fees | - | - | - | - | - |
| **Total Expenses** | **29,926** | **13,857** | **4,675** | **12,506** | **37,318** |
| | | | | | |
| Surplus/ (deficit) operations | **(11,576)** | **22,483** | **32,865** | **12,311** | **(11,338)** |
| | | | | | |
| Other income | 792 | 450 | 480 | 510 | 1,366 |
| Investment income | 54,176 | 54,683 | 51,867 | 45,844 | 58,180 |
| **Net Surplus / (Deficit)** | **43,392** | **77,616** | **85,212** | **58,665** | **48,208** |

## Table 15: Investment of Funds

### Pension Funds

### N$ million

| Total Investments | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Investments | 200,131 | 198,384 | 208,723 | 211,852 | 218,432 |
| Other Assets (Insurance Policies) | 26,049 | 26,067 | 27,088 | 27,069 | 29,442 |
| **Total Investments** | **226,180** | **224,451** | **235,810** | **238,921** | **247,874** |

## Table 16: Geographical Asset Allocation

### Pension Funds

| Geographical Asset Allocation | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Namibia | 49% | 50% | 50% | 48% | 50% |
| CMA | 16% | 16% | 15% | 15% | 15% |
| Africa (Excl CMA) | 3% | 3% | 3% | 3% | 2% |
| International | 32% | 32% | 32% | 34% | 33% |
| **Total** | **100%** | **100%** | **100%** | **100%** | **100%** |

## Table 17: Income Statement

### Pension Funds

### N$ million

| | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **Contributions received** | 2,402.18 | 2,407.39 | 2,619.74 | 2,685.69 | 2,772.85 |
| - Employers' Gross | 1,454.45 | 1,404.90 | 1,575.67 | 1,574.99 | 1,676.40 |
| - Members' Gross | 947.73 | 976.24 | 1,044.07 | 1,110.69 | 1,096.44 |
| Contributions transferred from reserve accounts | 0.56 | 3.15 | 4.74 | 4.59 | 4.73 |
| **Net investment income** | **10,253.50** | **(1,125.85)** | **12,018.12** | **3,849.77** | **8,743.85** |
| - Total investment income | 10,564.85 | (711.51) | 12,128.54 | 4,685.21 | 9,105.07 |
| - Total investment fees | 311.34 | 414.34 | 110.43 | 835.44 | 361.22 |
| Reinsurance proceeds | 31.26 | 42.43 | 34.64 | 20.86 | 37.37 |
| **Other income** | **53.26** | **298.53** | **119.87** | **94.04** | **24.97** |
| - Rental income | 0.66 | 0.47 | 1.32 | 1.80 | (0.23) |
| - Other income | 52.60 | 298.06 | 118.55 | 92.24 | 25.20 |
| **Administration expenses** | **183.33** | **222.26** | **207.73** | **210.38** | **201.89** |
| Reinsurance premiums | 95.39 | 101.64 | 98.25 | 106.80 | 107.53 |
| | | | | | |
| **Net income before transfers and benefits** | **12,462.05** | **1,301.76** | **14,491.13** | **6,337.77** | **11,274.35** |
| | | | | | |
| Transfers and benefits | 3,453.34 | 3,078.97 | 2,990.04 | 3,064.41 | 3,174.90 |
| | | | | | |
| Transfers from other funds | 328.74 | 324.00 | 360.66 | 540.33 | 2,425.57 |
| Transfers to other funds | 48.72 | 120.60 | 79.18 | 1,034.23 | 2,026.82 |
| Benefits | 3,733.36 | 3,282.38 | 3,271.53 | 2,570.51 | 3,573.66 |
| | | | | | |
| **Net income after transfers and benefits** | **9,008.70** | **(1,777.22)** | **11,501.09** | **3,273.36** | **8,099.44** |

## Table 18: Balance Sheet
### Pension Funds
### N$ million

| | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **Non-Current Assets** | **225,329.04** | **223,897.72** | **235,228.84** | **237,987.85** | **247,251.22** |
| Property, plant and equipment | 211.37 | 233.05 | 242.88 | 244.33 | 241.25 |
| Investments (Excl. Housing loans) | 224,752.21 | 223,286.09 | 234,552.41 | 237,315.45 | 246,542.36 |
| - Investments held in Namibia | 111,003.20 | 112,980.11 | 118,632.49 | 116,008.19 | 125,170.69 |
| - Total Investments: Offshore | 113,749.02 | 110,305.97 | 115,919.91 | 121,307.26 | 121,371.67 |
| Housing Loans | 365.46 | 378.58 | 433.55 | 428.08 | 467.62 |
| Other | - | - | - | - | - |
| | | | | | |
| **Current Assets** | **2,042.63** | **1,909.11** | **1,916.28** | **1,888.71** | **1,785.49** |
| | | | | | |
| Contributions Receivable | 503.32 | 546.94 | 512.52 | 148.00 | 608.09 |
| Accounts Receivable | 120.54 | 111.72 | 117.39 | 105.80 | 124.36 |
| Transfers Receivable | - | - | - | 0.31 | - |
| Cash at Bank | 1,419.31 | 1,164.48 | 1,257.20 | 1,605.74 | 1,027.45 |
| - Cash and Cash equivalents held in Namibia: Cash at Bank | 1,355.63 | 1,123.46 | 1,253.38 | 1,590.64 | 1,026.67 |
| - Cash and Cash equivalents held outside Namibia(Pension Funds) | 8.47 | - | - | - | - |
| - Cash in transit | 55.21 | 41.02 | 3.82 | 15.10 | 0.78 |
| Cash on hand | 0.26 | - | 0.57 | - | - |
| Other Current Assets | (0.80) | 85.97 | 28.59 | 28.87 | 25.59 |
| | | | | | |
| **Total Assets** | **227,371.67** | **225,806.82** | **237,145.11** | **239,876.56** | **249,036.72** |
| | | | | | |
| **FUNDS AND LIABILITIES** | | | | | |
| | | | | | |
| **Accumulated or Members Funds** | **220,641.84** | **219,383.05** | **230,491.29** | **233,892.04** | **241,848.89** |
| | | | | | |
| Active Members' Accounts | 118,527.48 | 118,820.08 | 121,449.35 | 122,335.99 | 123,682.87 |
| Pensioners' Accounts | 38,917.76 | 38,817.27 | 39,098.05 | 39,014.68 | 39,250.68 |
| Accumulated funds | 63,196.60 | 61,745.70 | 69,943.89 | 72,539.63 | 78,913.67 |
| Other | - | - | - | 1.74 | 1.68 |
| | | | | | |
| **Reserves** | **3,260.23** | **3,820.53** | **4,098.56** | **3,139.59** | **4,282.43** |
| | | | | | |
| General Reserve | 3,250.89 | 3,811.19 | 4,089.23 | 3,130.25 | 4,273.10 |
| Other reserves | 9.34 | 9.34 | 9.34 | 9.34 | 9.34 |
| | | | | | |
| **Non-current Liabilities** | **232.62** | **232.31** | **190.55** | **185.54** | **196.29** |
| | | | | | |
| Financial liabilities | - | - | - | - | - |
| Provisions | - | - | - | - | - |
| Unclaimed benefits - Non-current | 232.62 | 232.31 | 190.55 | 185.54 | 196.29 |
| | | | | | |
| **Current Liabilities** | **3,236.99** | **2,370.94** | **2,364.71** | **2,659.40** | **2,709.11** |
| | | | | | |
| Benefits Payable | 2,299.48 | 2,050.58 | 1,975.70 | 2,325.09 | 2,227.68 |
| Accounts Payable | 909.76 | 308.33 | 360.90 | 289.02 | 410.64 |
| - Accrued expenses | 43.17 | 36.38 | 31.91 | 32.10 | 87.15 |
| - Other Accounts Payable | 866.59 | 271.95 | 329.00 | 256.92 | 323.49 |
| Unclaimed Benefits - Current | 27.75 | 12.03 | 28.11 | 45.29 | 70.79 |
| | | | | | |
| **Total Funds and Liabilities** | **227,371.67** | **225,806.82** | **237,145.11** | **239,876.56** | **249,036.72** |

## Table 19: Allocation of Funds under Management

### CIS

### N$ million

| Country allocation | | | | | |
|---|---|---|---|---|---|
| | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
| Namibia | 49,461 | 48,534 | 49,541 | 49,861 | 51,158 |
| Common Monetary Area | 27,229 | 31,111 | 33,167 | 34,795 | 37,218 |
| Offshore | 6,367 | 6,062 | 6,436 | 7,050 | 7,178 |
| **Total country allocation** | **83,057** | **85,707** | **89,144** | **91,706** | **95,554** |
| | | | | | |
| **Asset allocation** | | | | | |
| Money market investments | 47,269 | 50,827 | 54,627 | 55,267 | 57,548 |
| *Treasury bills* | 11,283 | 13,785 | 15,352 | 16,939 | 19,625 |
| *Negotiable certificates of deposit* | 15,309 | 16,517 | 17,625 | 17,518 | 15,458 |
| *Banker's Acceptances* | - | - | | | |
| *Debentures* | 658 | 657 | 657 | 656 | 657 |
| *Notice, call and other deposits* | 15,381 | 15,869 | 16,396 | 15,561 | 16,281 |
| *Other* | 4,636 | 4,000 | 4,597 | 4,592 | 5,527 |
| Listed equity | 10,918 | 10,674 | 11,071 | 11,649 | 12,776 |
| Listed debt | 19,527 | 18,133 | 17,464 | 18,023 | 18,902 |
| Listed other | - | - | - | 0 | |
| Unlisted equity | 1,132 | 1,137 | 1,107 | 1,139 | 1,112 |
| Unlisted debt | 1,968 | 2,127 | 2,054 | 2,239 | 1,873 |
| Unlisted property | - | - | - | - | 12 |
| Other assets | - | - | - | - | - |
| Units in Unit Trust Scheme Equity | 1,069 | 1,080 | 1,174 | 1,243 | 1,255 |
| Units in Unit Trust Scheme Debt | 703 | 1,126 | 1,082 | 1,394 | 1,385 |
| Units in Unit Trust Scheme Property | 17 | 19 | 17 | 18 | 14 |
| Units in Unit Trust Scheme Money Market | 447 | 578 | 542 | 728 | 670 |
| Units in Unit Trust Scheme Other | 6 | 6 | 7 | 6 | 7 |
| **Total asset allocation** | **83,057** | **85,707** | **89,145** | **91,706** | **95,554** |

## Table 20: Geographical Asset Allocation

### CIS

### N$ Million

| Sources | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 |
|---|---|---|---|---|---|
| Pension funds | 104,259 | 107,660 | 107,542 | 116,312 | 106,479 |
| Short-term insurance companies | 961 | 1,009 | 1,140 | 1,170 | 1,169 |
| Long-term insurance companies | 32,291 | 33,421 | 32,993 | 33,998 | 33,392 |
| Medical aid funds | 586 | 589 | 529 | 631 | 743 |
| Unit trust schemes | 74,307 | 77,228 | 80,088 | 81,571 | 86,906 |
| Companies | 7,073 | 8,478 | 8,499 | 9,133 | 9,548 |
| Natural persons | 3,337 | 3,646 | 4,031 | 4,508 | 4,755 |
| Other | 4,822 | 4,353 | 3,905 | 4,247 | 10,054 |
| **Total Assets** | **227,636** | **236,383** | **238,728** | **251,571** | **253,046** |

## FINANCIAL MARKETS

### Table 21: Equity Market Perfomance

| Sources | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q1 2024 |
|---|---|---|---|---|---|
| **NSX overall index (points)** | 1,583 | 1,573 | 1,633 | 1,529 | 1,798 |
| NSX local index (points) | 665 | 683 | 672 | 677 | 679 |
| JSE All Share Index (points) | 76,028 | 72,383 | 76,893 | 74,536 | 79,707 |
| | | | | | |
| **Securities Traded** | | | | | |
| Overall value of equity securities traded (N$ m) | 3,418 | 1,876 | 1,694 | 1,574 | 1,708 |
| **Local value of equity securities traded (N$ m)** | 233 | 134 | 86 | 146 | 89 |
| Overall volume of securities traded (m) | 20 | 9 | 38 | 32 | 28 |
| Local volume of securities traded (m) | 4 | 4 | 6 | 8 | 6 |
| | | | | | |
| **Shares In Issue** | | | | | |
| Overall market shares in issue (m) | 42,364 | 42,506 | 41,525 | 50,207 | 51,580 |
| Local market shares in issue (m) | 3,177 | 3,204 | 3,274 | 3,274 | 3,324 |
| Total shares in issue (m) DCB | 4,547 | 4,741 | 5,169 | 5,292 | 5,563 |
| Total shares in issue (m) ETFs | 388 | 390 | 380 | 466 | 482 |
| | | | | | |
| **Market Capitalization** | | | | | |
| Overall market capitalization (N$ m) | 2,128,459 | 2,122,479 | 2,205,684 | 2,069,990 | 2,427,495 |
| Local market capitalization (N$ m) | 41,926 | 43,493 | 44,088 | 44,739 | 45,364 |
| | | | | | |
| **Liquidity (%)** | | | | | |
| **Overall market** | **0.15%** | **0.00%** | **0.08%** | **0.00%** | **0.00%** |
| **Local market** | **0.56%** | **0.00%** | **0.20%** | **0.33%** | **0.20%** |

## Table 22: Allocation of Funds under Management

### Investment Management

**N$ million**

| Country allocation | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| Namibia | 126,336 | 126,854 | 133,004 | 131,233 | 139,147 |
| Common Monetary Area | 74,606 | 79,117 | 84,924 | 85,229 | 90,284 |
| Offshore | 35,441 | 32,756 | 32,987 | 36,103 | 35,723 |
| **Total country allocation** | **236,383** | **238,728** | **250,914** | **252,566** | **265,154** |
| | | | | | |
| **Asset allocation** | | | | | |
| Money market investments | 69,983 | 68,622 | 72,691 | 44,370 | 45,266 |
| *Treasury bills* | 12,167 | 14,853 | 16,829 | 10,772 | 13,058 |
| *Negotiable certificates of deposit* | 18,030 | 19,071 | 18,814 | 7,571 | 6,035 |
| *Banker's Acceptances* | - | - | - | - | - |
| *Debentures* | 658 | 657 | 657 | 251 | 250 |
| *Notice, call and other deposits* | 34,502 | 29,682 | 31,890 | 24,004 | 25,364 |
| *Other* | 4,626 | 4,358 | 4,502 | 1,774 | 560 |
| Listed equity | 73,493 | 80,290 | 85,748 | 83,691 | 88,756 |
| Listed debt | 69,246 | 66,111 | 70,926 | 58,367 | 63,227 |
| Listed other | - | - | 11 | 34 | 40 |
| Unlisted equity | 1,348 | 1,462 | 1,537 | 1,252 | 1,273 |
| Unlisted debt | 2,320 | 2,262 | 2,142 | 1,815 | 1,308 |
| Unlisted property | 411 | 401 | 412 | 384 | 416 |
| Unlisted Other | - | - | - | 21 | 15 |
| Unit in Unit Trust Scheme Equity | 11,111 | 10,612 | 9,879 | 10,415 | 10,326 |
| Unit in Unit Trust Scheme Debt | 3,605 | 4,059 | 3,446 | 19,108 | 19,559 |
| Unit in Unit Trust Scheme Property | 240 | 139 | 142 | 325 | 312 |
| Unit in Unit Trust Scheme Money Market | 4,620 | 4,765 | 4,630 | 29,647 | 31,321 |
| Unit in Unit Trust Scheme Other | 5 | 5 | 6 | 3,616 | 3,335 |
| **Total asset allocation** | **236,383** | **238,728** | **251,571** | **253,046** | **265,154** |

## Table 23: Sources of Funds

### Investment Management

**N$ million**

| Source | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| | | | | | |
| Pension funds | 107,660 | 107,542 | 116,312 | 106,479 | 111,859 |
| Short-term insurance companies | 1,009 | 1,140 | 1,170 | 1,169 | 1,483 |
| Long-term insurance companies | 33,421 | 32,993 | 33,998 | 33,392 | 34,977 |
| Medical aid funds | 589 | 529 | 631 | 743 | 825 |
| Unit trust schemes | 77,228 | 80,088 | 81,571 | 86,906 | 90,606 |
| Companies | 8,478 | 8,499 | 9,133 | 9,548 | 9,742 |
| Natural persons | 3,646 | 4,031 | 4,508 | 4,755 | 5,030 |
| Other | 4,353 | 3,905 | 4,247 | 10,054 | 10,632 |
| | | | | | |
| **Total** | **236,383** | **238,728** | **251,571** | **253,046** | **265,154** |

## Table 24: Microlender Credit Extension

### Microlending

| | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **Value of loans disbursed (N$ million)** | **836,764** | **904,432** | **994,477** | **1,038,746** | **1,203,475** |
| Term lenders | 542,948 | 595,619 | 658,744 | 633,109 | 728,000 |
| Payday lenders | 293,816 | 308,814 | 335,733 | 405,636 | 475,476 |
| | | | | | |
| **Number of loans** | **143,929** | **145,869** | **151,660** | **166,452** | **173,916** |
| Term lenders | 19,005 | 20,112 | 21,743 | 27,601 | 30,616 |
| Payday lenders | 124,924 | 125,757 | 129,917 | 138,851 | 143,300 |
| | | | | | |
| **Average amounts (N$)** | | | | | |
| Term lenders | 28,569 | 29,615 | 30,297 | 22,938 | 23,778 |
| Payday lenders | 2,352 | 2,456 | 2,584 | 2,921 | 3,318 |
| | | | | | |
| **Total value of loan book (N$ million)** | **6,530,059** | **7,128,845** | **7,157,098** | **7,171,900** | **7,294,509** |
| Term lenders | 6,284,207 | 6,876,183 | 6,881,224 | 6,835,701 | 6,907,441 |
| Payday lenders | 245,852 | 252,663 | 275,874 | 336,199 | 387,068 |
| | | | | | |
| **Number of clients** | **218,233** | **227,285** | **221,841** | **224,124** | **180,078** |
| Term lenders | 158,979 | 161,390 | 159,436 | 164,442 | 125,587 |
| Payday lenders | 59,254 | 65,895 | 62,405 | 59,682 | 54,491 |

## Table 25: Consumer Complaints

| Complaints Received | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| | | | | | |
| Microlending | 48 | 53 | 42 | 38 | 18 |
| Capital markets | 0 | 0 | 1 | 1 | 1 |
| Collective investment schemes | 0 | 0 | 0 | 0 | 0 |
| Long-term insurance | 61 | 72 | 52 | 41 | 36 |
| Short-term insurance | 30 | 37 | 26 | 26 | 18 |
| Medical aid funds | 18 | 8 | 6 | 3 | 1 |
| Pension funds | 37 | 28 | 26 | 28 | 20 |
| Others/referrals | 0 | 0 | 0 | 0 | 0 |
| Friendly Societies | 0 | 0 | 0 | 0 | 0 |
| **Total** | **194** | **198** | **153** | **137** | **94** |

## Table 26: Consumer Complaints Progress

| | Q4 2024 | | | Q2 2024 | | |
|---|---|---|---|---|---|---|
| **Division** | **Total no of complaints received** | **No of resolved complaints** | **Funds recovered (N$)** | **Total no of com-plaints received** | **No of resolved complaints** | **Funds recovered (N$)** |
| Microlending | 38.00 | 26.00 | 11,657.42 | 13.00 | 6.00 | 23,909.00 |
| Capital Markets | 1.00 | | | 1.00 | 1.00 | 23,009.25 |
| Collective Investment Schemes | - | | | - | - | - |
| Long-Term Insurance | 41.00 | 29.00 | 13,749.96 | 29.00 | 10.00 | 205,061.53 |
| Short-Term Insurance | 26.00 | 16.00 | 359,959.67 | 14.00 | 3.00 | 1,001,080.60 |
| Medical Aid Funds | 3.00 | 2.00 | - | - | - | - |
| Pension Funds | 28.00 | 17.00 | 5,503,129.87 | 17.00 | 8.00 | 466,609.10 |
| Others / Referrals | | | | - | - | - |
| Friendly Spcieties | | | | - | - | - |
| **Total complaints** | **137** | **90** | **5,888,496.9** | **74** | **28** | **1,719,669.5** |

## Table 27: Consumer Complaints Typology

| The total number of complaints received per quarter | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 | Q2 2024 |
|---|---|---|---|---|---|
| **Microlending** | **48** | **53** | **42** | **38** | **18** |
| | | | | | |
| Amount Handed over to debt collectors | 0 | 0 | 0 | 0 | 0 |
| Asset repossession | 0 | 0 | 0 | 0 | 0 |
| Amendment of Contract | 0 | 5 | 1 | 0 | 0 |
| Breach of Contract | 1 | 1 | 1 | 0 | 3 |
| Dispute: Outstanding loan balance | 1 | 1 | 1 | 0 | 0 |
| Dispute - Correctness of amount paid | 0 | 0 | 1 | 0 | 0 |
| Double deduction | 0 | 2 | 0 | 0 | 1 |
| Extension of the loan period | 1 | 3 | 4 | 2 | 1 |
| Fraudulent Loan | | | 1 | 0 | 0 |
| Illegal Deductions | 5 | 1 | 5 | 7 | 0 |
| Identity theft | | | | 3 | 0 |
| Listing on Compuscan | 0 | 0 | 0 | 0 | 0 |
| Listing on Credit Bureau | 1 | 2 | 0 | 1 | 0 |
| Loan Amount not Disbursed | 0 | 3 | 0 | 0 | 0 |
| Marketing Issues | 0 | 0 | 0 | 0 | 0 |
| Negotiate repayment of loan agreement | 2 | 4 | 0 | 1 | 1 |
| Non-cancellation of contract | 1 | 1 | 1 | 1 | 0 |
| Non-payment of refunds | 7 | 8 | 3 | 1 | 1 |
| Non-payment of disability claim | 0 | 0 | 0 | 0 | 0 |
| Non-payment of credit life insurance | 3 | 0 | 0 | 1 | 0 |
| Non-provision of information | 2 | 0 | 1 | 1 | 1 |
| Non-Replacement of Items | 0 | 0 | 0 | 0 | 0 |
| Outstanding balance | 0 | 1 | 0 | 0 | 0 |
| Overcharged interest | 18 | 16 | 15 | 13 | 6 |
| Misrepresentation of information | 1 | 0 | 0 | 0 | 0 |
| Query: Arrears on loan | 0 | 1 | 0 | 0 | 0 |
| Query: Conditional Selling of Long Term Insurance | 0 | 0 | 0 | 0 | 0 |
| Query: Outstanding balance | 0 | 1 | 0 | 0 | 0 |
| Query: Illegal charges | 0 | 0 | 0 | 0 | 0 |
| Query: Reckless lending | 0 | 0 | 0 | 0 | 0 |
| Query: Request for Settlement Letter | 0 | 0 | 0 | 0 | 0 |
| Repudiation of property insurance claim | 0 | 0 | 0 | 0 | 0 |
| Repudiation of funeral benefits | 0 | 0 | 0 | 0 | 0 |
| Request to negotiate repayment period | 0 | 0 | 0 | 0 | 0 |
| Request to write off debt | 0 | 0 | 0 | 0 | 0 |
| Retention of ATM card | 0 | 0 | 0 | 0 | 0 |
| Retention of ID card/ Assets Repossession | 1 | 2 | 5 | 6 | 2 |
| Service not acceptable | 2 | 1 | 3 | 1 | 0 |
| Unauthorized deductions | 2 | 0 | 0 | 0 | 2 |

| | | | | | |
|---|---|---|---|---|---|
| **Capital Markets** | **1** | **0** | **1** | **1** | **1** |
| | | | | | |
| Dispute: Correctness of Payment Received | 0 | 0 | 0 | 0 | 0 |
| Erroneous funds transfer | 0 | 0 | 0 | 0 | 0 |
| Fraudulent transaction | 0 | 0 | 1 | 0 | 0 |
| Illegal deductions | 0 | 0 | 0 | 1 | 1 |
| Non-payment of refunds | 1 | 0 | 0 | 0 | 0 |
| Low investment/saving value | 0 | 0 | 0 | 0 | 0 |
| Service not Acceptable | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| **Collective Investment Schemes** | **0** | **0** | **0** | **0** | **0** |
| | | | | | |
| Low investments / Savings value | 0 | 0 | 0 | 0 | 0 |
| Query | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| **Long-Term Insurance** | **61** | **72** | **52** | **41** | **36** |
| | | | | | |
| Amendment of contract | 1 | 1 | 2 | 1 | 1 |
| Arrears Premium | 1 | 1 | 0 | 0 | |
| Benefit depleted | 1 | 1 | 1 | 0 | 1 |
| Cancellatiof contract | 3 | 1 | 2 | 1 | 2 |
| Claim Dispute | 0 | 1 | 1 | 0 | 0 |
| Delay in disability/funeral benefit payment | 0 | 0 | 0 | 0 | 0 |
| Dispute: Correctness of payment received | 2 | 0 | 3 | 4 | 4 |
| Dipute: disability payment claim | 1 | 1 | 0 | 0 | 0 |
| Erroneous funds transfer | 0 | 1 | 0 | 0 | 0 |
| Erroneous Stop/Debit Order deductions | 0 | 0 | 0 | 0 | 0 |
| Fraudulent policies | 4 | 6 | 10 | 7 | 0 |
| Illegal amendment done on the policy | 0 | 0 | 0 | 0 | 0 |
| Illegal deductions | 1 | 1 | 1 | 1 | 1 |
| Low investment/savings value | 1 | 1 | 0 | 0 | 0 |
| Non-cancellation of insurance policy/contract | 4 | 5 | 1 | 1 | 2 |
| Non-payment of beneficiary claim | 0 | 0 | 0 | 0 | 0 |
| Non-payment of disability benefits | 0 | 1 | 0 | 0 | 3 |
| Non-payment of maternity benefits | 0 | 0 | 0 | 0 | 0 |
| Non-payment of maturity value | 0 | 1 | 0 | 0 | 0 |
| Non-payment of credit life assurance claim | 0 | 0 | 0 | 0 | 0 |
| Non-payment of death benefit | 15 | 3 | 1 | 1 | 0 |
| Non-payment of retrenchment benefits | 1 | 1 | 0 | 0 | 0 |
| Non-payment of funeral benefit | 0 | 6 | 2 | 4 | 8 |
| Non-payment of hospital benefits | 0 | 0 | 0 | 0 | 0 |
| Non-payment of insurance claim | 0 | 0 | 1 | 1 | 0 |
| Non-payment of insurance premium | 0 | 0 | 1 | 1 | 0 |
| Non-payment of refunds | 0 | 0 | 0 | 0 | 1 |
| Non-payment of retirement annuity | 0 | 1 | 0 | 0 | 0 |
| Non-payment of savings | 0 | 1 | 0 | 0 | 0 |
| Non-payment of severe illness claim | 0 | 2 | 1 | 1 | 1 |
| Non-provision of information | 3 | 4 | 7 | 1 | 1 |
| Maturity value payment delayed | 0 | 2 | 0 | 0 | 0 |
| Misrepresentation of terms of policy | 0 | 1 | 0 | 0 | 1 |
| Policy administration enquiry | 0 | 0 | 0 | 0 | 0 |
| Partial Surrender payment delayed | 0 | 0 | 0 | 0 | 0 |
| Policy lapsed | 3 | 8 | 9 | 8 | 7 |
| Premium adjustments | 0 | 0 | 0 | 0 | 0 |
| Premium arrears on the policy | 0 | 0 | 0 | 0 | 0 |
| Policy lapses | 0 | 0 | 0 | 1 | 0 |
| Query: Policy Paid out | 0 | 0 | 0 | 0 | 0 |
| Query: Cancellation of disability monthly income | 0 | 0 | 0 | 0 | 0 |
| Query: removal of an Insured | 0 | 0 | 0 | 0 | 0 |
| Repudiation of death benefit | 4 | 3 | 1 | 0 | 0 |
| Repudiation of credit life insurance | 0 | 0 | 0 | 0 | 0 |
| Repudiation of disability benefit | 2 | 3 | 0 | 0 | 0 |
| Repudiation of funeral benefit | 10 | 13 | 7 | 5 | 0 |
| Repudiation of insurance claim | 0 | 0 | 0 | 0 | 0 |

## Consumer Complaints Typology (Continued)

| | | | | | |
|---|---|---|---|---|---|
| Repudiation of medical benefit claim | 0 | 0 | 0 | 0 | 1 |
| Repudiation of Severe Illness claim | 1 | 1 | 0 | 0 | 1 |
| Service not acceptable | 3 | 1 | 1 | 3 | 0 |
| Service not delivered | 0 | 0 | 0 | 0 | 1 |
| Unauthorised Withdrawals | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| **Short-Term Insurance** | **30** | **37** | **26** | **26** | **18** |
| | | | | | |
| Amendment done on the policy | 0 | 1 | 0 | 0 | |
| Dispute- Correctness of amount paid | 4 | 3 | 3 | 1 | 1 |
| Dispute: motor vehicle accident claim | 0 | 0 | 0 | 0 | 5 |
| Dispute: claim settlement | 0 | 0 | 1 | 3 | 1 |
| Dispute: Property insurance claim | 0 | 0 | 0 | 0 | 1 |
| Double deductions | 0 | 0 | 1 | 0 | 0 |
| Delay in motor claim payment | 0 | 0 | 0 | 0 | 0 |
| Delays in payment of insurance claim | 0 | 0 | 1 | 0 | 0 |
| Fraudulent policy | 0 | 0 | 0 | 2 | 0 |
| Illegal deduction | 0 | 1 | 0 | 0 | 0 |
| Non-cancellation of insurance policy/contract | 2 | 1 | 0 | 0 | 1 |
| Non-payment on the claim | 0 | 3 | 0 | 0 | 0 |
| Non-payment of funeral benefit | 2 | 2 | 0 | 0 | 0 |
| Non-payment of hospital claim | 1 | 1 | 0 | 0 | 0 |
| Non-payment of insurance premium | 2 | 1 | 1 | 2 | 0 |
| Non-payment of property insurance claim | 0 | 0 | 0 | 0 | 3 |
| Non-payment of withdrawal benefits | 0 | 0 | 0 | 0 | 0 |
| Non-payment of conveyance claim | 0 | 0 | 0 | 0 | 0 |
| Non-payment of motor vehicle accident claim | 0 | 0 | 0 | 0 | 1 |
| Non-payment of third-party claim | 0 | 0 | 0 | 0 | 1 |
| Non-provision of information | 0 | 1 | 0 | 1 | 0 |
| Non-replacement of item | 0 | 1 | 0 | 0 | 0 |
| Premium increase | 0 | 0 | 0 | 0 | 0 |
| Non-payment of Refund | 0 | 0 | 4 | 2 | 0 |
| Poor information on insurance cover | 0 | 0 | 0 | 0 | 0 |
| Policy lapsed | 0 | 2 | 0 | 1 | 0 |
| Queries | 0 | 0 | 0 | 0 | 0 |
| Repudiation of credit life insurance | 0 | 0 | 0 | 0 | 0 |
| Repudiation of property insurance claim | 0 | 0 | 1 | 2 | 0 |
| Repudiation of legal insurance claim | 4 | 5 | 1 | 0 | 0 |
| Repudiation of funeral benefits | 0 | 1 | 1 | 0 | 0 |
| Repudiation of insurance claim | 4 | 1 | 2 | 6 | 0 |
| Repudiation of medical insurance claim | 0 | 1 | 0 | 0 | 0 |
| Repudiation of motor claims (rental, motor cycle, etc.) | 0 | 0 | 0 | 0 | 0 |
| Repudiation of motor vehicle accident | 8 | 9 | 9 | 3 | 3 |
| Repudiation of personal claim | 0 | 0 | 0 | 0 | 0 |
| Repudiation of household content | 0 | 0 | 0 | 0 | 0 |
| Repudiation of property insurance claim | 3 | 2 | 0 | 0 | 1 |
| Request for Ex-gratia payment | 0 | 0 | 0 | 0 | 0 |
| Service not acceptable | 0 | 1 | 1 | 3 | 0 |

## Consumer Complaints Typology (Continued)

| | | | | | |
|---|---|---|---|---|---|
| **Medical Aid Funds** | **18** | **8** | **6** | **3** | **1** |
| | | | | | |
| Dispute | 0 | 2 | 0 | 1 | 0 |
| Query | 0 | 0 | 0 | 1 | 0 |
| Repudiation of hospital benefit | 0 | 3 | 0 | 0 | 0 |
| Illegal Deduction | 0 | 0 | 0 | 0 | 0 |
| Increment of tariffs | 0 | 0 | 0 | 1 | 0 |
| Memembership Lapsed | 0 | 0 | 0 | 0 | 0 |
| Non- approval of Ex-gratia payment | 0 | 0 | 0 | 0 | 0 |
| Non-payment of medical claim | 0 | 0 | 3 | 0 | 1 |
| Non-payment of hospital claim | 7 | 2 | 0 | 0 | 0 |
| Non-payment of refund | 10 | 0 | 2 | 0 | 0 |
| Non-cancellation of contract | 0 | 0 | 0 | 0 | 0 |
| Non-provision of information | 0 | 0 | 0 | 0 | 0 |
| Payment holiday grant | 0 | 0 | 0 | 0 | 0 |
| Repudiation of medical benefit | 0 | 0 | 0 | 0 | 0 |
| Service not acceptable | 1 | 1 | 0 | 0 | 0 |
| Service not delivered | 0 | 0 | 1 | 0 | 0 |
| | | | | | |
| **Pension Funds** | **36** | **28** | **26** | **28** | **20** |
| | | | | | |
| Cancellation of policy | 0 | 0 | 1 | 0 | 1 |
| Fraudulent policy | 0 | 0 | 1 | 0 | 0 |
| Low investments/saving values | 0 | 0 | 0 | 0 | 0 |
| Non-payment of beneficiary benefit | 0 | 0 | 0 | 0 | 0 |
| Reduction in pension Benefit | 0 | 0 | 0 | 0 | 0 |
| Delay in pension benefit payment | 0 | 0 | 0 | 0 | 0 |
| Dispute: correctness of payment received | 3 | 4 | 2 | 1 | 0 |
| Claim Dispute | 0 | 1 | 0 | 0 | 0 |
| Dispute : Pension Benefit Transferred | 0 | 0 | 0 | 0 | 0 |
| Erroneous of Funds Transfer | 0 | 0 | 0 | 0 | 0 |
| Increment on monthly allowance | 0 | 0 | 0 | 0 | 0 |
| Illegal deductions | 1 | 0 | 0 | 0 | 0 |
| Non-deductuion of premiums | 0 | 0 | 0 | 0 | 0 |
| Non-payment of death benefit | 5 | 3 | 4 | 2 | 2 |
| Non-payment of disability benefit claim | 0 | 1 | 0 | 0 | 0 |
| Non-payment of pension benefits | 20 | 14 | 16 | 23 | 11 |
| Non-payment of employee's contribution | 0 | 0 | 0 | 0 | 0 |
| Non-payment of pension contribution by employer | 2 | 1 | 0 | 0 | 0 |
| Non-payment of retirement annuity | 2 | 2 | 0 | 0 | 0 |
| Non-payment of pension surplus | 0 | 1 | 0 | 0 | 0 |
| Non-payment of living annuity income | 0 | 0 | 0 | 0 | 0 |
| Non-provision of information | 3 | 0 | 1 | 2 | 0 |
| Pension administration enquiry | 0 | 0 | 0 | 0 | 0 |
| Policy lapsed | 0 | 1 | 0 | 0 | 0 |
| Query: Provision of pension benefits | 0 | 0 | 0 | 0 | 0 |
| Repudiation of disability benefit claims | 0 | 0 | 0 | 0 | 0 |
| Withholding Pension Benefit | 0 | 0 | 0 | 0 | 2 |
| Service not acceptable | 0 | 0 | 1 | 0 | 4 |
| | | | | | |
| **Friendly Societies** | **0** | **0** | **0** | **0** | **0** |
| | | | | | |
| Queries | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| **General (miscallenous complaints)** | **0** | **0** | **0** | **0** | **0** |
| | | | | | |
| **Total complaints** | **194** | **198** | **153** | **137** | **94** |

# PART D: GLOSSARY OF TERMS

### FinTech

An approach to explore the concepts and evolution of technology in the Non- Bank financial sector by connecting NAMFISA with industry who are the leading players in technological and digital transformation.

### Payday Lender

A microlender that provides loans, referred to as pay-day loans, to clients on a monthly basis that are repayable within 30 days.

### Pension

A regular periodic payment made to or received by a pensioner, i.e., a person who has retired from employment.

### Policy Lapsed

An insurance policy which has been terminated because premiums have not been paid.

### Policy Terminated

A policy that has been cancelled by way of a specific instruction from the policyholder to cancel the policy prior to its normal or contractual termination date or in terms of the taking place of pre-determined event(s) as specified in the policy contract.

### Policy Matured or Expired

A policy which paid the contractual benefits due to a policyholder upon the reaching of the maturity date of the policy as agreed in the policy contract.

### Reinsurance

Reinsurance refers to the business in terms of which an insurer or reinsurer is insured by another person in respect of the insurer's or reinsurer's contractual obligations.

### Reserves

Liability established to provide all future claims of policyholders net of liability ceded to reinsurance companies.

### Sandbox

A regulatory sandbox is a regulatory approach that allows real time testing of innovations within a controlled environment overseen by a regulator.

### Solvency

For insurers, means having sufficient assets (capital, surplus, reserves) and being able to satisfy financial requirements to be able to transact insurance business and meet liabilities.

### Surplus (capital)

The excess of assets over liabilities. Statutory surplus is an insurer's or reinsurer's capital as determined under statutory accounting rules.

### Term Lender

A microlender that provides loans, referred to as term loans, for a specified period of time that exceeds six months but not exceeding 60 months.

### Underwriting Expense Ratio

The ratio of direct and ceding commission expenses and other underwriting expenses less policy fees and other administration revenue to premiums earned.

The underwriting expense ratio measures a company's operational efficiency in producing, underwriting and administering its insurance business.

## NOTES

# NOTES

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