NAMFISA

NAMIBIA FINANCIAL
INSTITUTIONS SUPERVISORY AUTHORITY

2026 ANNUAL REPORT

NAMFISA

NAMIBIA FINANCIAL
INSTITUTIONS SUPERVISORY AUTHORITY

The Namibia Financial Institutions Supervisory Authority (NAMFISA) exists to regulate and supervise the business of financial institutions and financial services and to advise the Minister of Finance on matters relating to financial institutions and financial services in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (No. 3 of 2001; hereinafter, the NAMFISA Act).



CHAPTERS

01 About Us

02 Corporate Governance and Executive Management

03 Risk Management

04 Strategy, Performance and organisational Development

05 Divisional Activities

06 Supervisory Update

07 Regulatory Developments

08 Industry Developments

09 Annual Financial Statements

TABLE OF CONTENTS

List of Tables vii
List of Figures viii
List of Legislation x
List of Abbreviations xi

01. ABOUT US 1
Our Mission 2
Our Vision 2
Our Values 2
Our Core Functions 3
Our Leadership Creed 4
Strategic Themes 4
2025 at a Glance 5
Foreword by the Board Chairperson 7
Review by the Chief Executive Officer 11

02. CORPORATE GOVERNANCE AND EXECUTIVE MANAGEMENT 14
The Board 15
Board Member Profiles 16
Composition 19
Ethical and Value-based Leadership 21
Delegation of Authority 23
Training and Development 24
Meetings 24
Board Committees 25
Audit and Risk Committee 25
Human Resources Committee 27
Legal and Supervisory Committee 29
Board Fees 31
Application of the NamCode 32

03. RISK MANAGEMENT 33
Risk Management Overview 34
Risk Management Framework and Approach 34
Risk Environment and Emerging Risks 34
Risk Philosophy and Culture 35
Risk Governance and Oversight 35
Risk Appetite Statement 36
Strategic Risks 37
Change Management Risk 37
Reputational Risk 37
Corporate Governance Risk 38
Security Risk 38
Technology Risk 39
Sustainability Risk 39

04. STRATEGY, PERFORMANCE AND ORGANISATIONAL DEVELOPMENT 41
Overview of Strategic Themes 42
Progress on Strategic Initiatives 44
Organisational Culture and People Development 45
Staff Development 45
Human Resources Overview 48
Executive or Key Employee Changes 48
Staff Turnover 48

Staff Complement.... 48
Corporate Social Responsibility and Investment 49
Financial Performance 51
Financial Sustainability 51
Overall Performance 51
Income 51
Expenditure 52
Financial Position 53
NAMFISA Key Priorities for 2026/27 53

05. DIVISIONAL ACTIVITIES 56
Prudential Supervision Function 58
Insurance and Medical Aid Funds Division 58
Capital Markets Division 58
Pension Fund and Friendly Societies Division 60
Research, Policy and Statistics Division 60
Market Conduct and Operations Function 63
Market Conduct Division 63
Information and Communications Technology Division 66
Finance and Administration Division 68
Legal and Licensing Services Division 68
Human Resources Division 70

06. SUPERVISORY UPDATE 76
Overview of Supervisory Approach 77
Supervisory Principles 77
Ladder of Supervisory Intervention 77
Prudential Supervision Function 79
Long-term Insurers 79
Short-term Insurers 80
Medical Aid Funds 80
Pension Funds 81
Capital Markets 81
Market Conduct and Compliance Function 82
Anti-Money Laundering and the Combating of Terrorist and Proliferation Financing (AML/CFT/CPF) 82
Conduct and Compliance 84
Consumer Complaints 84
Consumer Education 87

07. REGULATORY DEVELOPMENTS 95
New and Amended Legislation 96

08. INDUSTRY DEVELOPMENTS 97
Global and Regional Economic Developments 98
Global Economy 98
Domestic Economy 98
Overview of Non-bank Institutions Sector Performance 99
Long-term Insurance 100
Short-term Insurance 104
Medical Aid Funds 109
Friendly Societies 116
Pension Funds 116
Microlending 124
Capital Markets 126

09. ANNUAL FINANCIAL STATEMENTS 137

LIST OF TABLES

Table 1: Board Member Profiles 16
Table 2: Membership and Attendance of Board and Board Committee Meetings 24
Table 3: Board fees, 2025/26 31
Table 4: Application of the NamCode to Guide Governance-related Aspects 32
Table 5: NAMFISA Risk Appetite Statement 36
Table 6a: Management Appointment 48
Table 6b: Management Terminations 48
Table 7: Staff Complement 49
Table 8: CSR Sponsorship Beneficiaries 50
Table 9: Strategic Objectives and Key Strategic Initiatives Planned for FY 2026/27 54
Table 10: Ladder of Supervisory Intervention 77
Table 11: Supervisory and Regulatory Development 78
Table 12: Long-term Insurers: Key Supervisory Findings 79
Table 13: Long-term Insurers: Directives and Circulars Issued 79
Table 14: Short-term Insurers: Key Findings from Off-site Inspections, 2025 80
Table 15: Long-term Insurers: Directives and Circulars Issued 81
Table 16: AML/CFT/CPF: On-site Inspections for Accountable Institutions 82
Table 17: AML/CFT/CPF: Off-site Inspections for Accountable Institutions 83
Table 18: AML/CFT/CPF: Number of Accountable Institutions Issued Directives and Closure Letters 83
Table 19: Complaints Received per Industry, 2021-2025 85
Table 20: Top Complaints per Industry 86
Table 21: Workplace Forum Attendance per Region and Town 88
Table 22: Mall Activation Attendance 89
Table 23: Social Media Platform Performance Summary 93
Table 24: Purpose and Status of New Regulatory Instruments in Development 96
Table 25: Non-bank Financial Institutions Sector: Asset Size 99
Table 26: Long-term Insurers: Cover in Terms of Capital Adequacy Requirements 101
Table 27: Short-term Insurance Industry: Solvency Ratio, 2021-2025 105
Table 28: Short-term Insurance Exemptions: Lloyd's and Non-Lloyd's Cover 108
Table 29: Medical aid Fund Beneficiaries 109
Table 30: Medical Aid Funds Industry: Distribution of Healthcare Benefits Paid in 2024 and 2025 111
Table 31: Medical aid Funds Industry: Percentage of Change in Gross Contributions and Gross Expenditure vs NCPI Inflation Rate, 2021-2025 113
Table 32: Medical Aid Funds Industry: Ratio of Healthcare Costs (Claims) to Administration Costs, 2021-2025 113
Table 33: Pension Fund Industry: Cost Experience, 2021-2025 118
Table 34: Pension Fund Industry: Assets, 2021-2025 118
Table 35: Pension Fund Industry: Liabilities, 2021-2025 118
Table 36: Pension Fund Liquidity Experiences, 2021-2025 122
Table 37: Pension Fund Industry Compliance with Regulation 13, 2025 123

LIST OF FIGURES

Figure 1: Board Governance Structure 19
Figure 2: Strategic Focus Areas and Expected Outcomes for the 2025/26 Financial Year 22
Figure 3: Impact of NAMFISA's Strategy 42
Figure 4: NAMFISA Strategy Map 42
Figure 5: Strategy Performance, FY 2025/26 44
Figure 6: Strategic Initiatives Performance Breakdown, FY 2025/26 44
Figure 7: Staff Development 45
Figure 8: Study Aid 46
Figure 9: Graduate Development Programme 46
Figure 10: Employment Equity 47
Figure 11: Staff Complement 48
Figure 12: Levy Income per Industry 52
Figure 13: Operating Expenditure 52
Figure 14: Financial Position 53
Figure 15: Complaints Received, Resolved and in Progress per Industry, 2025 85
Figure 16: Payments to Complainants per Sector 87
Figure 17: Consumer Education: Regional Attendance 90
Figure 18: Domestic GDP Growth Rate 98
Figure 19: Long-term Insurance Industry: Total Assets 100
Figure 20: Long-term Insurance Industry: Total Liabilities 101
Figure 21: Long-term Insurance Industry: Gross Written Premium 102
Figure 22: Long-term Insurance Industry: Investment Income 102
Figure 23: Long-term Insurance Industry: Gross Claims Paid 103
Figure 24: Long-term Insurance Industry: Policy Statistics 103
Figure 25: Long-term Insurance Industry: Profit Before Tax 104
Figure 26: Short-term Insurance Industry: Total Assets 104
Figure 27: Short-term Insurance Industry: Total Liabilities 105
Figure 28: Short-term Insurance Industry: Gross Written Premium 106
Figure 29: Short-term Insurance Industry: Investment Income 106
Figure 30: Short-term Insurance Industry: Claims and Expenses 107
Figure 31: Short-term Insurance Industry: Policy Statistics 107
Figure 32: Short-term Insurance Industry: Profit Before Tax 108
Figure 33: Medical aid Funds Industry: Dependant and Pensioner Ratios, 2021-2025 109
Figure 34: Medical aid Funds Industry: Gross Contributions vs Gross Expenditure 110
Figure 35: Medical aid Funds Industry: Healthcare Expenditure Growth vs Namibia Consumer Price Index 111

LIST OF FIGURES

Figure 36a: Medical aid Funds Industry: Claim Seasonality, 2021-2025 112
Figure 36b: Medical Aid Funds Industry: Annual Healthcare Expenditure 112
Figure 37: Medical Aid Funds Industry: Operational Surplus and Net Surplus, 2021-2025 114
Figure 38: Medical Aid Funds Industry: Liquidity by Cash Coverage of Claims, 2021-2025 115
Figure 39: Medical Aid Funds Industry: Solvency Trend, 2021-2025 115
Figure 40: Friendly Societies: Total Beneficiaries 116
Figure 41: Contributions and Benefits 2021-2025 117
Figure 42: Pension Fund Industry: Funding Level, 2021-2025 119
Figure 43: Pension Fund Asset Allocations Per Asset Class, 2021-2025 119
Figure 44: Pension Fund Assets, Per Geographic Allocation 120
Figure 45: Pension Fund Investments, 2021-2025 120
Figure 46: Return on Investments, 2021-2025 121
Figure 47: Pension Funds: Growth in Net Investment Income vs Growth in Investment Management Fees, 2021-2025 121
Figure 48: Membership, 2021-2025 123
Figure 49: Value of Microlending Disbursements and the Loan Book 124
Figure 50: Average Microlending Loan Amounts 125
Figure 51: Number of New Microlending Loans Disbursed 125
Figure 52: Number of Microlending Borrowers 126
Figure 53: NSX Values Traded 127
Figure 54: NSX Indices 127
Figure 55: FTSE/JSE All Share Index 128
Figure 56: Debt Markets: Debt Outstanding 128
Figure 57: Debt Markets: Treasury Bills Outstanding 129
Figure 58: Investment Managers' Assets Under Management, Per Geographic Allocation 129
Figure 59: Investment Managers' Assets Under Management, Per Asset Class 130
Figure 60: Investment Managers' Assets Under Management, Per Source of Funds (investor) 130
Figure 61: Collective Investment Scheme Assets Under Management, Per Geographic Allocation 131
Figure 62: Collective Investment Scheme Assets Under Management, Per Asset Class 132
Figure 63: Collective Investment Scheme Assets Under Management, Per Source of Funds (Investor) 132
Figure 64: Linked Investment Service Providers, Per Geographical Allocation 133
Figure 65: Linked Investment Service Providers, Assets Under Management, Per Asset Class 133
Figure 66: Linked Investment Service Providers, Per Source of Funds (Investors) 134
Figure 67: Investments (Contributed Capital) Versus Committed Capital 134
Figure 68: Unlisted Investment Managers' Assets Under Management, Per S --ector, as at 31 December 2025 ... 135

LIST OF LEGISLATION

Banking Institutions Act, 1998 (No. 2 of 1998)
Credit Agreements Act, 1980 (No. 75 of 1980)
Financial Institutions (Investment of Funds) Act, 1984 (No. 39 of 1984)
Financial Institutions and Markets Act, 2021 (No. 2 of 2021)
Financial Intelligence Act, 2012 (No. 13 of 2012)
Friendly Societies Act, 1956 (No. 25 of 1956)
Income Tax Act, 1981 (No. 24 of 1981)
Labour Act, 2007 (No. 11 of 2007)
Long-term Insurance Act, 1998 (No. 5 of 1998)
Medical Aid Funds Act, 1995 (No. 23 of 1995)
Microlending Act, 2018 (No. 7 of 2018)
Namibia Financial Institutions Supervisory Authority Act, 2001 (No. 3 of 2001)
Namibia Financial Institutions Supervisory Authority Act, 2021 (No. 3 of 2021)
Pension Funds Act, 1956 (No. 24 of 1956)
Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (No. 4 of 2014)
Public Enterprises Governance Act, 2019 (No. 1 of 2019)
Public Procurement Act, 2015 (No. 15 of 2015)
Short-term Insurance Act, 1998 (No. 4 of 1998)
Stock Exchanges Control Act, 1985 (No. 1 of 1985)
Unit Trusts Control Act, 1981 (No. 54 of 1981)
Usury Act, 1968 (No. 73 of 1968)
Value-added Tax Act, 2000 (No. 10 of 2000)

LIST OF ABBREVIATIONS

AIs	Accountable Institutions
AML	Anti-money Laundering
AML/CFT/CPF	Anti-money Laundering, Combating the Financing of Terrorism, and Combating Proliferation Financing
CAR	Capital Adequacy Requirement
CCB	Consumer Credit Bill
CEO	Chief Executive Officer
CFT	Combating the Financing of Terrorism
CISNA	Committee of Insurance, Securities and Non-banking Financial Authorities
CMA	Common Monetary Area
CPF	Combating Proliferation Financing
CSD	Central Securities Depository
CSR	Corporate Social Responsibility
DCEO	Deputy Chief Executive Officer
EDD	Enhanced Due Diligence
ELPA	Ending Learning Poverty for All in Africa
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ERS	Electronic Regulatory System
ETP	Exchange-traded Products
FIMA	Financial Institutions and Markets Act, 2021 (No. 2 of 2021)
FinTech	Financial Technology
GDP	Gross Domestic Product
GWP	Gross Written Premium
IAIS	International Association of Insurance Supervisors
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IOPS	International Organisation of Pension Supervisors
IOSCO	International Organization of Securities Commissions
MCSF	Market Conduct Supervisory Framework
ML/TF/PF	Money Laundering, Terrorism Financing, and Proliferation Financing
NamCode	Corporate Governance Code for Namibia
NAMFISA	Namibia Financial Institutions Supervisory Authority
NBFI	Non-bank Financial Institution
NCPI	Namibia Consumer Price Index
NUST	Namibia University of Science and Technology
NSX	Namibian Securities Exchange
OCoA	One Chart of Accounts
PDMS	Payroll Deduction Management System
PIPs	Prominent Influential Persons
RBS	Risk-based Supervision
SADC	Southern African Development Community
SPV	Special Purpose Vehicle
SRO	Self-regulatory Organisation
TFS	Targeted Financial Sanctions

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ABOUT US

This chapter outlines NAMFISA's mandate, core functions, and organisational foundation,including its mission, vision, and values. It also highlights leadership perspectives and provides a snapshot of the Authority's performance and impact during the year.

OUR MISSION, VISIONS & VALUES

OUR MISSION

The Authority's mission is to regulate and supervise financial institutions and financial intermediaries to foster a stable and fair non-bank financial sector, promote consumer protection, and provide sound advice to the Minister of Finance.

OUR VISION

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

OUR VALUES

NAMFISA's values demonstrate the desire and aspiration of the entire workforce to work together as one team, to commit to rendering the required services, to act professionally, and to not accept sub-standard delivery of services.

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

OUR CORE FUNCTIONS

The Namibia Financial Institutions Supervisory Authority (NAMFISA) exists to supervise and regulate the business of financial institutions and financial services and to advise the Minister of Finance on matters relating to financial institutions and financial services in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (No. 3 of 2001) (NAMFISA Act).

CORE FUNCTION 1

Supervision

To supervise the business of financial institutions and financial services.

CORE FUNCTION 2

Advice

To advise the Minister of Finance on matters relating to financial institutions and financial services.

AUXILIARY FUNCTION

Anti-money Laundering / Combating the Financing of Terrorism / Combating Proliferation Financing (AML/CFT/CPF) Supervision

To supervise, monitor and enforce compliance with the Financial Intelligence Act, 2012 (No. 13 of 2012) (FIA) as amended in respect of all accountable and reporting institutions supervised by NAMFISA in terms of the NAMFISA Act.

OUR 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 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 decisive and firm
- We are consistent in our decisions
- We make timeous decisions
- We execute decisions firmly

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

STRATEGIC THEMES

Operational efficiency	Stakeholder engagement	Innovation
Improved service delivery through efficient and qualitative processes, structure and system alignment, and building a culture and human capacity to deliver on our mandate.	Regular and qualitative advocacy with customers and stakeholders to influence and improve the changes in the sector and deliver qualitative supervisory and advisory services.	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.

2025 AT A GLANCE

N$552.8 billion
Value of the total assets of the non-bank financial institutions regulated by NAMFISA

16,800 regulated entities
NAMFISA regulates 1,193 financial institutions and 15,607 financial intermediaries

375 (93.0 percent)
Total consumer complaints resolved out of 403 complaints received

N$4.4 million
Total amount paid out to 81 complainants

67
Pension funds

7
Medical aid funds

1
Friendly society

15 (12,184)
Long-term insurance companies (intermediaries)

14 (3,423)
Short-term insurance companies (intermediaries)

26
Special purpose vehicles

21
Unit trust management companies

35
Investment managers

37
Unlisted investment managers

958
Microlenders

2
Reinsurers for long-term and short-term insurance

1
Stock exchange

4
Linked investment service providers

4
Stockbrokers (including sponsors)

1
Central Securities Depository



FOREWORD BY THE BOARD CHAIRPERSON

Hettie Garbers-Kirsten
Board Chairperson



Their professionalism, integrity, and commitment to sound governance were central to the effective execution of the Board's oversight responsibilities. Under our collective leadership, the Board ensured robust decision making, transparency, accountability, and adherence to good governance principles, thereby strengthening confidence in NAMFISA as a credible and forward-looking regulator.

It has been a profound honour to serve as Chairperson of the Board of the Namibia Financial Institutions Supervisory Authority (NAMFISA). As I conclude my term, I do so with deep appreciation for the opportunity to have led the Authority during a period marked by significant regulatory reform, strengthened governance, institutional maturity, and sustained financial sector stability.

I extend my sincere gratitude to the Board members with whom I served during my tenure. Their professionalism, integrity, and commitment to sound governance were central to the effective execution of the Board's oversight responsibilities. Under our collective leadership, the Board ensured robust decision making, transparency, accountability, and adherence to good governance principles, thereby strengthening confidence in NAMFISA as a credible and forward-looking regulator.

I would also like to express my heartfelt appreciation to NAMFISA's Executive Management and staff. Their dedication, technical competence, and professionalism were instrumental in translating the Board's strategic direction into tangible outcomes. During this period, notable progress was made in nurturing a strengthened organisational culture anchored in ethical conduct, accountability, collaboration, and a shared commitment to regulatory excellence. This improved culture has enhanced internal cohesion and positioned the Authority to effectively deliver on its mandate in an increasingly complex regulatory landscape.

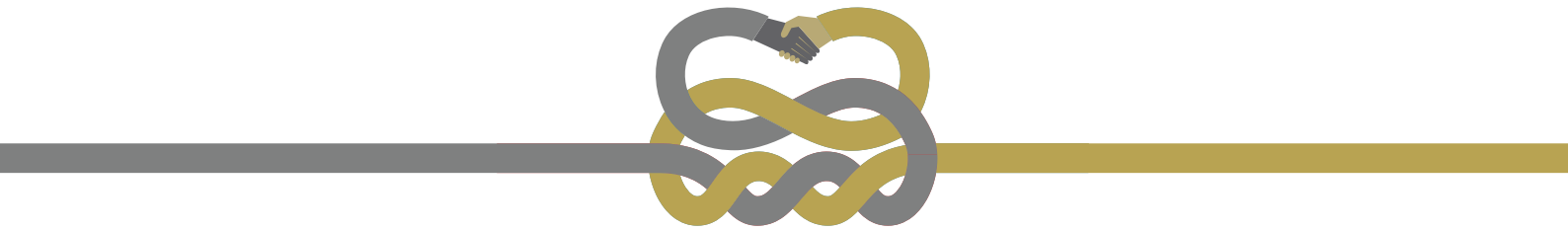
During my tenure, Namibia's non-bank financial services industry remained stable and resilient, despite global and regional economic uncertainties. This stability reflects the strength of NAMFISA's supervisory and regulatory framework, supported by effective governance structures and constructive engagement with stakeholders. I wish to acknowledge and thank the non-bank financial services industry for its cooperation, responsiveness, and commitment to regulatory compliance and market integrity.

Several important regulatory milestones were achieved during this period. Among these was the passing of the NAMFISA Act, which provides a strengthened legislative foundation for the Authority's governance framework, operational independence, and supervisory powers, while enhancing alignment with international best practices. Significant progress was also made in advancing the Consumer Credit Bill, which is expected to further strengthen consumer protection, promote responsible lending, and enhance fairness and transparency within the credit market once enacted.

Furthermore, the development and successful implementation of the Financial Institutions and Markets Act, 2021 (No. 2 of 2021) (FIMA) marked a pivotal achievement during my tenure. FIMA provides a structured, data driven approach to measuring and tracking financial inclusion, supporting evidence-based policymaking, enhanced coordination, and improved outcomes in advancing inclusive and sustainable financial services.

As I hand over to the incoming Board, I do so with confidence that the established strong governance foundation, institutional culture, and regulatory framework will continue to guide NAMFISA's work. I wish the new Chairperson and Board members every success as they assume stewardship of the Authority and build on the progress achieved. I am grateful for the opportunity to have served and remain optimistic about the future of NAMFISA, the non-bank financial sector, and the broader financial system it regulates.

Hettie Garbers-Kirsten
Board Chairperson





REVIEW BY THE CHIEF EXECUTIVE OFFICER



Kenneth S. Matomola
Chief Executive Officer



Ethical leadership remains a foundational principle of NAMFISA's operations. During the year, continued emphasis was placed on integrity, accountability, teamwork, agility, and service excellence in providing service delivery at all levels of the organisation. These values underpin a strengthened organisational culture and reinforce public confidence in NAMFISA as a trusted and principled regulator.

I am pleased to present this Annual Report, which reflects a year of strong institutional performance and sustained progress in the N amibia Financial Institutions Supervisory Authority's delivery of its mandate. During the period under review, NAMFISA remained focused on safeguarding the stability and integrity of the non-bank financial sector, protecting financial consumers, and supporting inclusive and sustainable financial sector development.

NAMFISA performed commendably in the execution of its supervisory and regulatory responsibilities, underpinned by sound governance, ethical leadership, and a clear strategic focus. Despite a challenging and evolving operating environment, the Authority maintained effective oversight of the non-bank financial sector, contributing to continued market confidence and sector resilience.

Strategic delivery and performance

The Authority's performance during the year was guided by key strategic themes, notably operational efficiency, stakeholder engagement, and innovation, which collectively strengthened NAMFISA's regulatory effectiveness and institutional sustainability.

Operational efficiency remained a priority, with deliberate efforts undertaken to enhance internal processes, optimise resource utilisation, and strengthen risk based supervision and market conduct oversight. These initiatives improved regulatory responsiveness, consistency, and effectiveness, enabling NAMFISA to deliver on its mandate in a timely and efficient manner.

Stakeholder engagement continued to play a central role in NAMFISA's approach to regulation. Constructive interaction with the non-bank financial sector, policymakers, consumer representatives, and regional and international partners fostered greater transparency, regulatory certainty, and mutual understanding. This engagement supported improved compliance outcomes and strengthened trust between the Authority and its stakeholders.

Innovation was actively embraced as an enabler of supervisory effectiveness. NAMFISA leveraged data driven tools, strengthened analytical capabilities, and adopted modern regulatory approaches to respond to emerging risks and market developments. A notable achievement in this regard was the continued implementation of FinTech through our Regulatory Sandbox, which provides an evidence based foundation for policymaking and coordinated action in advancing financial inclusion.

Regulatory and institutional milestones

The enactment of the NAMFISA Act represented a significant milestone, reinforcing the Authority's legal framework, governance architecture, and supervisory powers. This development enhanced regulatory clarity, institutional independence, and alignment with international best practices. In addition, meaningful progress was made in advancing the Consumer Credit Bill, which remains critical to strengthening consumer protection, promoting responsible lending, and ensuring fairness and transparency in the credit market.

Sector stability and resilience

I am pleased to reaffirm that the non-bank financial services sector remained stable and resilient throughout the reporting period. This resilience reflects both the robustness of the regulatory framework and the soundness of industry practices, supported by ongoing supervisory engagement and risk monitoring. NAMFISA remains vigilant in identifying emerging risks and stands ready to respond proactively to safeguard financial stability and protect consumers.

Ethical leadership and organisational culture

Ethical leadership remains a foundational principle of NAMFISA's operations. During the year, continued emphasis was placed on integrity, accountability, teamwork, agility, and service excellence in providing service delivery at all levels of the organisation. These values underpin a strengthened organisational culture and reinforce public confidence in NAMFISA as a trusted and principled regulator.

Acknowledgements and outlook

I wish to express my sincere appreciation to the Board for its strategic guidance and oversight during the year under review. I also extend my gratitude to the Honourable Minister of Finance and the officials at the Ministry of Finance for their continued support, policy direction, and constructive engagement, which have contributed significantly to the advancement of NAMFISA's mandate.

I further extend my gratitude to NAMFISA's management and staff for their dedication, professionalism, and commitment to excellence, which remain central to the Authority's strong performance.

I also acknowledge the cooperation and engagement of the non-bank financial services industry and our broader stakeholders. As we look ahead, NAMFISA remains committed to regulatory excellence, innovation, ethical leadership, and collaboration in pursuit of a stable, inclusive, and sustainable financial system for Namibia.

Kenneth S. Matomola
Chief Executive Officer





CORPORATE GOVERNANCE

This chapter outlines the corporate governance activities for the review period. In this regard, it details the Board's fiduciary duties in pursuit of NAMFISA's mandate and objectives and elaborates on the principles of good corporate governance required by the NAMFISA Act and internationally accepted best practice.

THE BOARD



Hettie Garbers-Kirsten
Board Chairperson



Amb. Steve Katjiuanjo
Deputy Board Chairperson



Mr Jauque Jansen
Board Member



Ms Selma Ambunda
Board Member



Ms Nelao Shilongo Alexander
Board Member

Members of the Board 2025/2026

Table 1: Board member profiles



Adv. Hettie Garbers-Kirsten

- Board Chairperson
- Member, Legal and Supervisory Committee
- Reappointed 2021; first appointment 2017
- LLB
- BLC
- Member, Law Society of Namibia
- Member, Society of Advocates of Namibia

Ms Garbers-Kirsten has extensive experience in various fields of the legal profession. She is currently a practising advocate.

External directorships and interests

- Member, Merensky Court Properties CC
- Member, Wilmar Properties No. 9 CC
- Trustee, Piet Botha Family Trust
- Member, Social Work and Psychology Council of Namibia



Ms Nelao Shilongo Alexander

- Chairperson, Legal and Supervisory Committee
- Appointed 2021
- BJuris
- LLB
- Member of the Law Society of Namibia
- Notary Public

Ms Shilongo-Alexander has extensive experience in various areas of the legal field. She is a Director at Sisa Namandje & Co Incorporated. She litigates in the Magistrate Court, High Court, Labour Court and Supreme Court of Namibia.

External directorships and interests

- Director, Sisa Namandje & Co. Incorporated
- Member, Sisa Namandje & Co. Properties CC



Ms Selma Ambunda

- Chairperson, Human Resources Committee
- Appointed 2021
- MA Business Administration
- MA Human Resources Development
- BA Human Resources Development
- Diploma Human Resources Management

Ms Ambunda is a human resources specialist.
She is currently employed as a Human Capital Executive at the Namibia Power Corporation (Pty) Ltd.

External directorships and interests

- Board Member, New Era Publication Corporation

Members of the Board 2025/2026





Amb. Steve Katjiuanjo

- Deputy Board Chairperson
- Member, Human Resources Committee, Audit and Risk Committee
- Appointed 2021
- Master of Arts 2005 (MA)
- Bachelor of Social Science (Hons)
- Bachelor of Arts (BA)

Amb. Katjiuanjo is a seasoned diplomat who represented the country at various postings. He is experienced in various fields, including Finance, Industrial Sociology, Public Policy and Administration, and Labour matters. He has served as a director at various public and private companies for over 25 years. He is currently an active farmer.

External directorships and interests

- Chairman and CEO of Tuauana Farming in the Omaheke and Otjozondjupa Regions

Mr Jauque Jansen

- Chairperson, Audit and Risk Committee
- Reappointed 2021; first appointment 2017
- Chartered Accountant
- BCompt (Hons) Accounting
- PG Diploma Future Studies

Mr Jansen has extensive experience in managing finances in a large corporate environment. He is currently employed as the Chief Financial Officer of Debmarine Namibia.

External directorships and interests

- Namdeb Hospital Pharmacy (Pty) Ltd
- OMDis Town Transform Agency
- Debmarine - Namdeb Foundation

CHIEF EXECUTIVE OFFICER AND DEPUTY CEOs

Mr Kenneth S. Matomola
Chief Executive Officer



Ms Erna Motinga
Deputy Chief Executive Officer:
Prudential Supervision

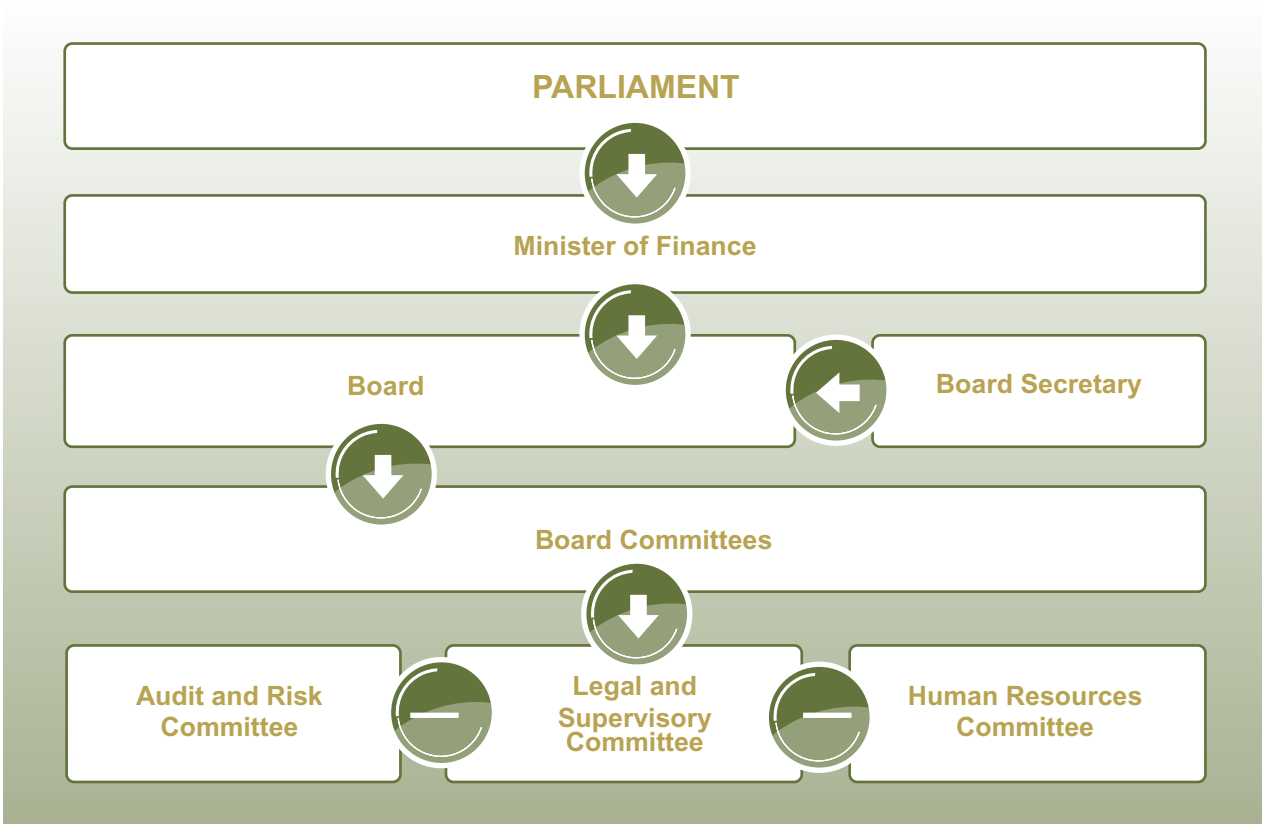


Mr Johannes Smit
Deputy Chief Executive Officer:
Market Conduct and Operations



The Board is established in terms of section 10 of the NAMFISA Act and provides strategic direction of and control over the Authority's affairs (Table 3). The Board is also the custodian of corporate governance for the Authority's affairs. It has established committees and has agreed with the Chief Executive Officer (CEO) on an appropriate level of delegation of authority while reserving certain functions for itself. The delegation of authority also sets out several material factors for the matters decided by the various governance forums within the Authority (Figure 1).

Figure 1: Board governance structure



Composition

The Minister of Finance appoints Board members in terms of the NAMFISA Act and the Public Enterprises Governance Act, 2019 (No. 1 of 2019) for a three-year term. The current Board members' appointments were effective on 1 September 2021 for three years and came to an end on 31 August 2024. The terms were extended for a consolidated period of 14 months until 31 March 2026. The Board members remain independent from the Authority's operations and from the industry it regulates. The balance of skill and experience of the current Board is appropriate for the execution of the Authority's mandate.

The Board exercises its oversight function through the following three principal committees:

- Audit and Risk
- Human Resources
- Legal and Supervisory

The CEO attends Board meetings but has no voting rights. Board members have access to the advice and services of a Board Secretary. The Board Secretary is responsible for advising the Board on governance and for guiding the Board in its duties as set out in the NAMFISA Act and other relevant legislation and best practices, including the Corporate Governance Code for Namibia (NamCode).

OFFICE OF THE CEO



Ethical and value-based leadership

The Board continued to provide ethical and value-based leadership during the period under review, setting the tone at the top and reinforcing a culture of integrity, accountability, and responsible conduct across the Authority. In line with the principles of the NamCode and King IV, the Board ensured that its leadership approach was grounded in ethical values, sound governance practices, and a commitment to the long-term sustainability of the Authority. Ethical leadership remained central to decision-making processes, guiding both strategic direction and operational oversight.

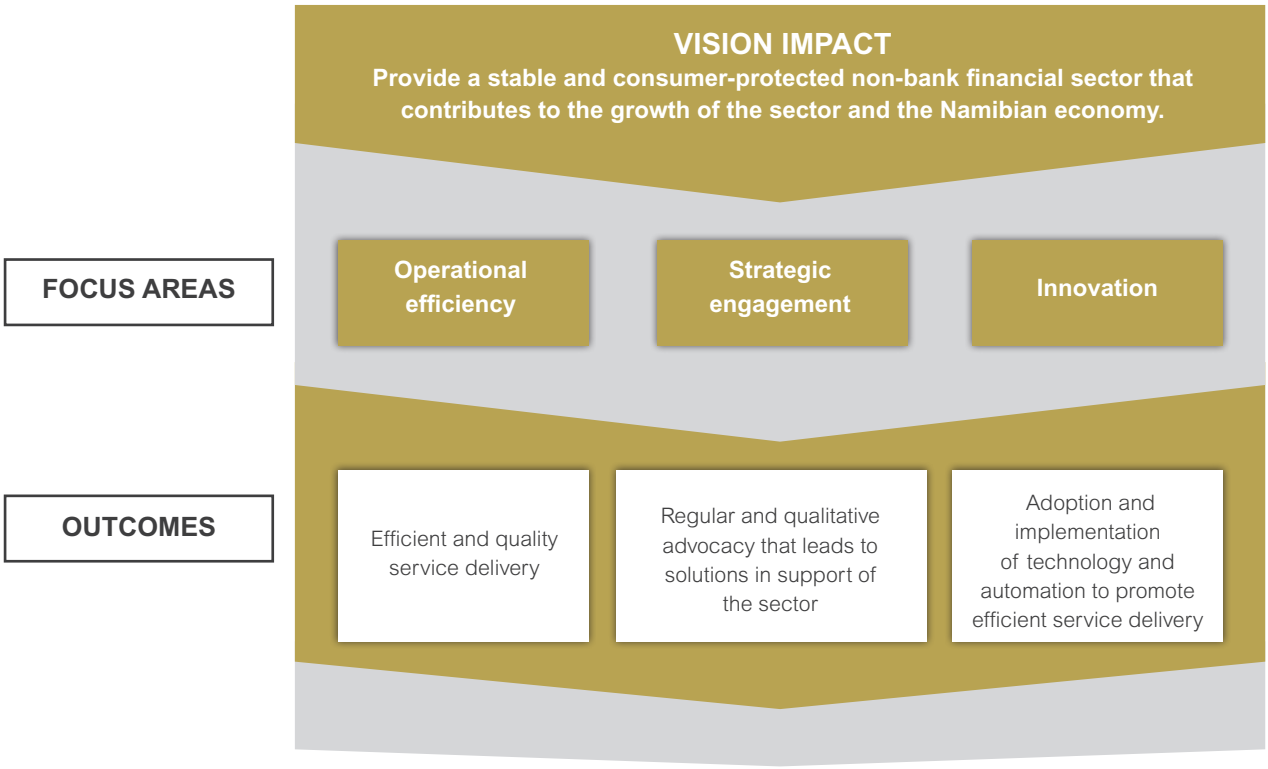
The Authority's Code of Ethics continued to serve as the cornerstone of its ethical framework, providing clear standards of conduct for Board members, Executive Management, and staff. The Board exercised oversight over the implementation of the Code of Ethics, ensuring that ethical principles were consistently applied and embedded into the Authority's governance and operational practices.

During the period under review, the Authority sustained its Ethics Programme, which focused on promoting awareness, strengthening accountability, and fostering an ethical organisational culture. Key elements of the programme included declarations of interests monitoring, ongoing ethics awareness initiatives, and the maintenance of a whistleblowing mechanism to enable the reporting of unethical conduct in a safe and confidential manner. The Board further ensured that appropriate mechanisms were in place to manage conflicts of interest and to promote transparency in decision-making. Declarations of interests were monitored, and processes were implemented to ensure that any potential conflicts were identified, disclosed, and appropriately managed.

Through these measures, the Authority continued to strengthen its ethical culture, reinforcing trust among stakeholders and supporting the effective discharge of its regulatory mandate.

As part of the strategy for 2022 to 2027, the Board set out the Authority's vision and strategic themes for the next five years. Regarding the strategic themes, the Authority has set out its key strategic focus areas and the expected outcomes for the 2025/26 financial year (Figure 2).

Figure 2: Strategic focus areas and expected outcomes for the 2025/26 financial year



The Board ensures that the Authority achieves its strategic objectives. In this regard, the highlights for the 2025/26 financial year are as follows:

Operational efficiency

- The 2024/25 Annual Financial Statements (AFS) and NAMFISA Annual Report 2025 were approved, ensuring the integrity of financial reporting and disclosures.
- The 2026/27 NAMFISA Budget and Annual Business Plan were approved, aligned with strategic priorities and financial sustainability objectives.
- The quarterly financial performance was reviewed, monitoring income, expenditure, reserves, and liquidity to ensure prudent financial management.
- The Metropol Financing and Governance Structure was overseen, including approval of Addendum No. 2 to the Loan Agreement, supporting the development of the NAMFISA Head Office.
- Internal control effectiveness was monitored through Internal Audit Reports, Procurement Audit Reports, and follow-up actions on audit findings.
- The Internal Audit Charter (2026/27) and Internal Audit Plan (2026/27) were approved, strengthening the assurance framework.
- Organisational structure enhancements were approved, including restructuring within the Pension Funds and Friendly Societies Division to improve operational efficiency.
- The CEO Performance Appraisal and Performance Contract was evaluated and approved, ensuring accountability and performance alignment.

Strategic engagement

- Oversight and strategic direction on the implementation of the 2022-2027 NAMFISA Strategy was provided, including the improvement of strategy execution, monitoring, and reporting integrity.
- The Risk Management Plan (2026/27) and Compliance Management Plan (2026/27) were approved, strengthening enterprise-wide risk and compliance management.
- Risk Register review updates were approved, ensuring relevance and the alignment of risks to the Authority's strategic objectives.
- Key regulatory reforms and strategic initiatives were overseen, including:
  - » FIMA implementation readiness
  - » Consumer Credit Bill development
  - » New Dawn Project (Risk-based Supervision Framework)
- Progress on strategic and capital projects was monitored, including the NAMFISA building project, enterprise resource planning (ERP), and sector reform initiatives.
- The Authority's response to significant legal matters, including the Prowealth Asset Managers' judgement and its financial implications, were considered and guided.
- Supervisory and regulatory performance was overseen through market conduct, prudential supervision, and legal and licensing reports.
- Stakeholder engagement, consumer protection, and financial sector advocacy initiatives aligned with national priorities such as the NDP6 and financial sector transformation were strengthened.

Innovation

- Strategic oversight on the development of the Digital Transformation Strategy and information and communications technology (ICT) was provided, guiding the Authority's long-term digital direction.
- ERP implementation was directed to be aligned within the broader Digital Transformation Strategy, based on benchmarking outcomes. Implementation and/or updates of key digital systems were monitored, including:
  - » Electronic Regulatory System
  - » Enterprise Resource Planning Project
  - » E-Recruitment System
  - » Key Regulatory Standards and Governance Frameworks were approved, including:
  - » GEN S.10.28 – Transfer and Amalgamation Standard
  - » Standard 3.13 – Application for Self-regulatory Organisations (SROs)
  - » Standard 3.14 – Certificate of SRO
  - » Standard FM.S.3.10 – Governance Standard
  - » Standard CIS.S.4.19 – Governance Standard
  - » GEN.S.10.3 – Notification of appointment and termination of auditors
  - » GEN.S.10.4 – Notification of appointment and termination of valuators
  - » GEN.S.10.5 – Notification of appointment and termination of principal officers
- The adoption of technology, automation, and data management was promoted to enhance service delivery, regulatory effectiveness, and operational sustainability.
- Ongoing innovation in supervision and governance was supported through digital enablement and system integration.

Delegation of authority

The Board has an approved Delegation of Authority Framework but reserves specific powers for itself. These powers include:

- authority to approve the NAMFISA strategy and budget;
- employment of the CEO and termination of his/her contract;
- remuneration of the CEO;
- institution of disciplinary procedures against the CEO;
- amendment of NAMFISA's organisational structure,

including the creation of new positions and their respective gradings;

- approval of the annual report and annual financial statements;
- approval of policies; and
- approval of standards.

Certain matters are delegated to the three Board committees. The scope of the mandate of each committee is set out in its respective Charter. The Chairperson of the Board is not only responsible for setting the ethical tone for the Board and the Authority but also for providing overall leadership, overseeing the development of the Board Plan, and presiding over board meetings.

The CEO is responsible for directing and leading the Authority's operations. The CEO's duties include ensuring operational efficiency, strategic planning, the execution of agreed strategic initiatives, and the implementation of Board-approved policies and resolutions.

Training and development

Board members are presented with opportunities to gain new skills and/or enhance their existing skills with continuous education, training and development on matters relevant to the Authority. During the period under review, from 20 to 22 August 2025, members of the Board participated in a virtual Committee of Insurance, Securities and Non-banking Financial Authorities (CISNA) Capacity Building Programme. The training, which was organised by the CISNA Secretariat in collaboration with the Financial Services Commission of Mauritius, focused on strengthening governance practices across member authorities and enhancing the strategic oversight capabilities of Board members.

Meetings

Board meetings are held once per quarter and special meetings are convened as the need arises. There were four (4) ordinary Board meetings and two (2) special Board meetings during the reporting period (Table 2). Both special meetings were held to discuss pertinent issues related to disciplinary proceedings and the approval of standards in line with preparations for the implementation of the FIMA.

The NAMFISA Act requires the CEO to attend Board meetings. The Deputy CEO for Prudential Supervision, the Deputy CEO for Market Conduct and Operations, and other Executive Committee members attend Board and Board Committee meetings at the invitation of the CEO.

Table 2: Membership and attendance of Board and Board Committee meetings

Member	NAMFISA Board	Audit and Risk Committee (4 meetings)	Human Resources Committee (4 meetings)	Legal and Supervisory Committee (4 meetings)
Adv. H. Garbers-Kirsten	5/6	n/a	n/a	4/4
Amb. S. Katjiuanjo	6/6	4/4	4/4	n/a
Ms S. Ambunda	6/6	n/a	4/4 (Chairperson)	n/a
Mr J. Jansen	6/6	4/4 (Chairperson)	n/a	n/a
Ms N. Shilongo-Alexander	6/6	n/a	n/a	4/4 (Chairperson)

Board Committees

Audit and Risk Committee

Committee Charter

The Audit and Risk Committee was constituted under section 19 of the NAMFISA Act. The committee assists the Board in fulfilling its oversight responsibilities for financial reporting, internal control, the audit process, and risk management. The committee consists of two Board members, where one is appointed as the Chairperson. Meetings are held once per quarter, with the Chairperson and a member in attendance. The committee may make decisions on a round-robin basis, and meetings may be held separately with the Head of Internal Audit and the Head of External Audit.

The Audit and Risk Committee is responsible for various duties, including integrated reporting, internal control, and the internal and external audits. The committee evaluates financial risk management, internal control systems, and internal audit functions. In addition, the committee reviews the annual budget and any disagreements between management and external auditors; the Authority's statement on internal controls, procedures for identifying business risks, fraud prevention, and compliance with regulatory requirements; external auditors' engagement letters and the proposed audit scope, approach, fee, and the coordination of audit efforts with the internal audit. The committee also reviews the Authority's approach to cybersecurity risks and operational risk within the financial system.

Membership and attendance of Board Committee meetings

The Audit and Risk Committee consisted of Mr J. Jansen (Chairperson), and Amb. S. Katjiuanjo for the 2025/26 financial year. Members of Management, external auditors, and internal auditors attend committee meetings by invitation. The terms of office of these committee members coincide with their terms of office as Board members.

As required, the committee held four (4) quarterly meetings during the financial year to deliberate on the matters delegated to them. Table 2 details attendance of the committee's meetings.

Key activities during 2025/26

Operational efficiency

- The 2024/25 Annual Financial Statements (AFS) and NAMFISA Annual Report 2025 were reviewed and recommended, ensuring accuracy and compliance with reporting standards.
- The quarterly financial reports, monitoring income, expenditure, and budget performance were reviewed to support financial discipline.
- The External Audit Final Report was considered and recommended and the audit outcomes and key risk areas were assessed.
- The External Audit Strategy (2026), including audit scope, materiality, and key risk focus areas, was reviewed and recommended.
- The effectiveness of internal controls was overseen through the review of Internal Audit Activity Reports and audit findings.
- Progress on the implementation of audit recommendations was monitored and the timely resolution of findings was ensured.
- The Internal Audit Charter (2026/27) and Internal Audit Plan (2026/27) were reviewed and recommended.
- Financial governance matters, including funding structures and financial sustainability of key projects, were assessed.

Strategic engagement

- The Governance, Risk and Compliance (GRC) Reports were reviewed and monitored, assessing the Authority's risk profile and mitigation strategies.
- Movements in inherent and residual risk ratings were overseen, ensuring risks remained within acceptable levels.
- The Risk Management Plan (2026/27), including the Business Continuity and Ethics Management components, was reviewed and recommended.
- The Compliance Management Plan (2026/27) was reviewed and recommended to strengthen regulatory compliance oversight.
- The Non-compliance Log and key regulatory compliance risks, including FIMA implementation readiness, were monitored.
- Strategic risk areas, including governance, reputational, operational, and sector-related risks, were overseen.

- Significant financial and legal matters, including the Prowealth judgement and its financial implications, were considered.
- Progress on strategic initiatives and projects were monitored through strategy and project reports.

Innovation

- ICT and digital transformation initiatives, including cybersecurity, infrastructure resilience, and system performance, were reviewed and monitored.
- The implementation and enhancement of key systems was overseen, including:
  - » Electronic Regulatory System
  - » Enterprise Resource Planning Project
- Cybersecurity risks, including phishing incidents, vulnerability management, and system monitoring controls, were monitored.
- Disaster recovery testing and business continuity arrangements were overseen to ensure operational resilience.
- Benchmarking outcomes were reviewed, and guidance on the future direction of ERP and digital transformation initiatives was provided.
- The automation of business processes and data management improvements were monitored to support efficient service delivery.
- The Combined Assurance Model, ensuring alignment across assurance providers under the three lines of defence framework, was overseen.

Key focus areas for 2026/27

In fulfilling its oversight responsibilities, as guided by its Charter and the NAMFISA Act, the Audit and Risk Committee's key areas of focus for the 2026/27 financial year include:

Operational efficiency:

- strengthen financial oversight and sustainability, including monitoring of budget performance, reserves, and funding of strategic initiatives;
- oversee the implementation of the 2026/27 Annual Business and Financial Plan, ensuring alignment between financial resources and strategic priorities;
- enhance internal control systems through strengthened audit processes, improved control frameworks, and effective monitoring of audit findings;
- ensure effective implementation of the Internal Audit Plan (2026/27) and continuous improvement of the internal audit function; and
- monitor cost pressures, particularly in ICT, legal, and strategic project expenditure, to ensure prudent financial management.

Strategic engagement:

- provide oversight on the implementation of the final year of the 2022-2027 Strategy, focusing on closing performance gaps and achieving strategic targets;
- monitor and guide the execution of key regulatory reforms, including FIMA implementation, the Consumer Credit Bill, and the New Dawn Programme (Risk-based Supervision Framework);
- strengthen oversight of enterprise risk management, including monitoring of strategic, operational, and emerging risks;
- oversee implementation of the Risk Management Plan (2026/27) and Compliance Management Plan (2026/27) ;
- monitor the Authority's contribution to national priorities (NDP6 and NFSTS), particularly in financial sector stability and consumer protection;
- ensure effective oversight of legal and regulatory risks, including litigation exposures and compliance obligations;
- oversee the development of the Authority's new Five-Year Integrated Strategy (2027-2031), ensuring alignment with national priorities, emerging sector risks, and the evolving regulatory landscape;
- guide and review the formulation of a revised Risk Appetite Statement, aligned with the new strategic direction and regulatory mandate;
- oversee the review and redesign of the Enterprise Risk Management Framework, including the development of updated strategic and operational risk registers;
- ensure alignment between the new strategy, risk appetite, and risk registers, including clear linkages between strategic objectives, key risks, and mitigation measures;
- provide oversight on the integration of emerging risks, including digital transformation, cybersecurity, financial sector innovation, and regulatory change into the new strategy and risk framework; and
- monitor the transition from the current strategy to

the new strategic cycle, ensuring continuity, stability, and effective implementation planning.

Innovation:

- oversee the implementation of the ICT and Digital Transformation Strategy, with a focus on improving automation and system integration;
- monitor progress on key digital initiatives, including Electronic Regulatory System enhancements, enterprise resource planning implementation, and data analytics and data visualisation initiatives;
- strengthen data management and governance frameworks, including implementation of the Data Management Framework;
- drive improvements in process automation and integrated systems, addressing current gaps in ERP and system integration;
- enhance cybersecurity oversight, disaster recovery, and ICT resilience to support operational continuity; and
- promote the adoption of SupTech and RegTech solutions to improve supervisory effectiveness and efficiency.

Cross-cutting strategic priorities:

- improve service delivery and turnaround times through process alignment and system improvements;
- enhance stakeholder engagement and access to NAMFISA services, including consumer-focused initiatives;
- strengthen consumer protection frameworks and complaint resolution mechanisms;
- support initiatives aimed at improving financial system stability within the non-bank financial sector; and
- build organisational capacity through skills development, culture improvement, and digital capability enhancement.

Human Resources Committee

Committee Charter

The Human Resources Committee was established under the NAMFISA Act. The committee's purpose is to ensure appropriate remuneration for Senior Management and staff, evaluate the adequacy of the corporate governance structure, and consider and recommend remuneration policies for all levels of the staff complement. The committee is composed of two NAMFISA Board members (appointed by the NAMFISA Board), where one is appointed as Chairperson for a term of three years. The committee holds four scheduled meetings per year as well as additional meetings at the request of the CEO or the Board. The committee reviews the annual talent strategy, the workforce plan, the organisational structure, the management succession plan, the labour relations strategy, the corporate scorecard, and related human resource policies. The committee's members must act in the interests of the Authority.

Remuneration philosophy

NAMFISA strives to be an employer of choice in its chosen market by creating an environment where people deliver great results. The Authority understands that remuneration and reward policies and practices play a critical role in attracting, motivating, and retaining solid and high-performance individuals as well as people with scarce and/or critical skills.

NAMFISA's remuneration philosophy provides for guaranteed pay packages. The Board sets the Authority's performance scorecard and targets, which are in turn cascaded to all staff. The remuneration model is linked to the Performance Management System, and bonus payments are provided for above-average performers on a sliding-scale basis. The remuneration of employees is based on the Total Guaranteed Package. This approach offers certain flexible structuring choices to employees.

The remuneration of the Board is set out in regulations issued as part of the Public Enterprises Governance Act, 2019 (No. 1 of 2019). Board fees comprise a retainer fee as well as a sitting fee; the latter is only paid to members who attend a meeting. The Authority covers expenses incurred by the Board regarding the execution of Board duties.

Membership and attendance of Human Resources Committee meetings

The Human Resources Committee consisted of Ms S. Ambunda (Chairperson) and Amb. S. Katjiuanjo for the 2025/26 financial year. Members of Senior Management attend committee meetings by invitation from the CEO. The terms of office of these committee members coincide with their terms of office as Board members.

As required, the committee held four (4) quarterly meetings during the financial year and one (1) extra ordinary meeting to deliberate on the matters delegated to them. Table 2 details attendance of the committee's meetings.

Key activities during 2025/26

Operational efficiency

- The Performance Management Report (2025/26) was reviewed and recommended, ensuring alignment between employee performance and organisational objectives.
- Workforce planning and organisational structure optimisation, including the restructuring of the Pension Funds and Friendly Societies Division, were overseen to improve efficiency and resource allocation.
- Updates to the Human Resources and Corporate Annual Work Plan and Charter were reviewed and recommended, ensuring alignment with operational priorities and eliminating duplication of activities.
- Workforce metrics, including vacancy rates, staff turnover, and employment levels, were monitored, ensuring optimal staffing levels and improved retention.
- The implementation of performance management systems, including performance reviews, improvement plans, and alignment to organisational targets, was overseen.

Strategic engagement

- The CEO Performance Contract (2025/26 and 2026/27) was reviewed and recommended, ensuring alignment with strategic objectives, governance requirements, and performance expectations.
- The NAMFISA Annual Report 2025 was considered and recommended, ensuring appropriate governance and stakeholder positioning.
- The 2026/27 Annual Business and Financial Plan, with emphasis on people, culture, and skills as strategic enablers, was reviewed and noted.
- Labour relations, including salary negotiations with NAFINU, was overseen, resulting in agreed increases for the 2025/26 and 2026/27 financial years.
- Oversight of employee relations and disciplinary matters was provided, ensuring fair and consistent application of policies.
- The implementation of organisational culture and employee engagement initiatives, including the Culture Improvement Action Plan (2024-2027), was monitored.

Innovation

- The implementation of organisational assessment and realignment initiatives, aimed at improving organisational design and capability, was overseen.
- The development of skills and capacity-building programmes, including leadership coaching, mentoring, and training interventions, was supported.
- Progress on digital HR initiatives, including automation, e-recruitment, and integration of HR systems, was monitored.
- The adoption of modern workforce practices aligned with digital transformation and future skills requirements was promoted.
- •he implementation of health and safety initiatives, including training, emergency preparedness, and workplace improvements, was overseen.

Key focus areas for 2026/27

The Human Resources Committee's key areas of focus for the 2026/27 financial year include:

Operational efficiency:

- strengthen workforce planning and organisational design to support the full implementation of the FIMA and the new NAMFISA Act;
- align human capital capacity with evolving regulatory requirements, including risk-based supervision, market conduct, and expanded supervisory mandates;

- enhance performance management systems to ensure clear linkage between individual performance, strategic objectives, and regulatory outcomes;
- monitor and optimise the staff complement, vacancy rates, and critical skills coverage, particularly in specialised supervisory, ICT, legal, and risk functions; and
- ensure effective implementation of remuneration and reward frameworks that support the retention of scarce and critical skills in a competitive regulatory environment.

Strategic engagement:

- oversee the development of the new Five-year Integrated Strategy (2027-2031), ensuring strong alignment between organisational capacity and future regulatory priorities;
- support the transition to the new regulatory regime through alignment of the human capital strategy with the FIMA and NAMFISA Act, including institutional readiness and capability development;
- oversee the implementation of the 2026/27 Business Plan strategic objectives, in particular regard to improving knowledge and skills, improving work culture, improving service delivery, and improving customer and stakeholder engagement;
- strengthen oversight of labour relations and stakeholder engagement, ensuring stability during a period of regulatory and organisational transition; and
- guide leadership development and succession planning, ensuring continuity in key roles during the transition to the new strategy cycle.

Innovation:

- drive the implementation of capacity-building programmes that are focused on risk-based supervision, market conduct supervision, and digital and data-driven regulation (SupTech and RegTech);
- support the Authority's digital transformation agenda, ensuring that staff capabilities evolve in line with automation, system integration, and data analytics initiatives;
- oversee the execution of the Organisational Assessment and Realignment Strategic Initiative, ensuring the structure supports an increasingly technology-enabled and risk-focused regulator;
- promote a high-performance and adaptive organisational culture, aligned with agility, innovation, and regulatory excellence; and
- strengthen organisational readiness to respond to emerging risks, including cybersecurity, financial innovation, and evolving supervisory expectations.

Additional strategic focus (regulatory transition):

- support organisational readiness for the full implementation of the FIMA and the new NAMFISA Act, including alignment of organisational structures and roles, enhancement of supervisory and technical competencies, and strengthening governance and accountability frameworks;
- ensure alignment between the new strategy, human capital requirements, and regulatory mandate, including the integration of new functions and expanded supervisory scope;
- oversee the development of a future-fit workforce model that is capable of supporting a modern, integrated, and technology-enabled regulator; and
- support the Authority's broader transition into a more proactive, risk-based, and data-driven supervisory institution.

Legal and Supervisory Committee

Committee Charter

The Legal and Supervisory Committee was established under section 19 of the NAMFISA Act. The committee's purpose is to study, analyse, review, and advise on legal proceedings by and against NAMFISA, its Board, the CEO, or the Registrar.

The committee receives reports from the CEO regarding the enforcement, supervising, and regulating powers of the Authority with regard to the issuance of licences as well as the withdrawal and cancellation thereof. The committee receives and reviews standards, according to various Acts under its management, for recommendation to the Board. The committee's responsibilities include ensuring compliance with all relevant statutory and legal requirements; monitoring policies, processes, and

practices; providing strategic guidance; and overseeing the registration, deregistration, and licensing processes of the Authority. The committee monitors the prudential and market conduct supervision activities of the Authority.

Membership and attendance of Board Committee meetings

The Legal and Supervisory Committee consisted of Ms N. Shilongo-Alexander (Chairperson) and Ms H. Garbers-Kirsten for the 2025/26 financial year. Members of Senior Management attend committee meetings by invitation of the CEO. The terms of office of these committee members coincide with their terms of office as Board members.

As required, the committee held four (4) quarterly meetings during the financial year to deliberate on the matters delegated to them. Table 2 details attendance of the committee's meetings.

Key activities during 2025/26

- Oversight was provided during the finalisation of the implementation project relating to the new NAMFISA Act and the FIMA.
- The quarterly Legal Services Reports, which detailed ongoing and potential legal matters involving the Authority, were reviewed. These reports included litigation proceedings, arbitration matters, and appeals before statutory tribunals such as the NAMFISA Appeal Board and Licensing Committee.
- The Quarterly Prudential Supervision and Market Conduct Supervision Reports were received and reviewed at each meeting. These reports highlighted compliance trends, supervisory interventions, sector risks, and enforcement actions across the regulated non-bank financial institutions (NBFIs).
- Oversight was exercised for the registration, deregistration, and licensing processes, ensuring that the Authority's licensing framework remained effective, fair, and compliant with relevant legislation.
- As required by the FIMA, the NAMFISA Act, and various laws that fall within the Authority's mandate, the committee reviewed proposed regulatory standards prior to submission to the Board.
- The implementation of the Microlending Act and its regulations was monitored.
- The drafting of the Consumer Credit Bill was monitored.

Key focus areas for 2026/27

The Legal and Supervisory Committee holds the pivotal role of safeguarding the integrity and effectiveness of NAMFISA's Legal and Regulatory Framework. As part of its delegated responsibilities by the Board, the committee will continue to guide the Authority's legal, supervisory, and regulatory direction in alignment with the NAMFISA Act as well as the various laws under its mandate and the Authority's strategic priorities.

The Legal and Supervisory Committee's key areas of focus for the 2026/27 financial year include:

Operational efficiency:

- strengthen the regulatory licensing and approval processes, ensuring efficiency, consistency, and alignment with the FIMA and the new NAMFISA Act;
- enhance the processing and turnaround times for licensing applications, registrations, renewals, and approvals across all regulated sectors;
- improve the management of legal proceedings, including civil litigation, appeals, and enforcement actions, ensuring timely resolution and reduced legal exposure;
- strengthen regulatory enforcement mechanisms, including directives, penalties, and corrective supervisory actions for non-compliant entities; and
- enhance operational efficiency within legal and supervisory functions through process optimisation and system alignment, including the Electronic Regulatory System (ERS).

Strategic engagement:

- oversee and guide the full implementation of the FIMA and the new NAMFISA Act, including the transition to a standards-based regulatory framework;
- lead the development, review, and recommendation of regulatory standards, regulations, and subordinate instruments under the FIMA;
- provide oversight on the Consumer Credit Bill and related legislative reforms, ensuring alignment with the Authority's mandate;
- strengthen the oversight of prudential and market conduct supervision, including monitoring sector soundness, consumer protection, and regulatory compliance;

- guide the Authority's response to legal risks, constitutional challenges, and complex regulatory matters, including ongoing litigation;
- support the alignment of supervisory activities with national priorities (NDP6, financial sector transformation) and evolving regulatory expectations; and
- oversee the transition of the committee into the Standards, Legal and Supervisory Committee, reflecting its expanded statutory mandate under the FIMA.

Innovation:

- support the transition to a modern, risk-based, and data-driven supervisory framework, including the implementation of risk-based supervision;
- promote the adoption of SupTech and RegTech solutions to enhance supervision, licensing, enforcement, and compliance monitoring;
- oversee the development and implementation of digital regulatory processes, including the automation of licensing, reporting, and supervisory workflows;
- strengthen the Authority's capability to regulate emerging financial products, market innovations, and new entrants, including FinTech-related activities; and
- enhance data-driven supervision, including the improved use of sector data, analytics, and reporting tools to support decision-making.

Additional strategic focus (regulatory transformation):

- oversee the finalisation and gazetting of the FIMA regulations, standards, and subordinate legislation, ensuring readiness for full implementation;
- ensure alignment between the new regulatory framework, supervisory practices, and organisational capability;
- strengthen consumer protection and market conduct frameworks, including improved complaint resolution, enforcement, and public communication;
- enhance the oversight of high-risk entities and sectors, including entities within higher stages of the Ladder of Supervisory Intervention; and
- support the Authority's transition into a fully integrated, risk-based, and forward-looking regulator.

Board Fees

Table 3 sets out the fees paid to Board members during the 2025/26 financial year.

Table 3: Board fees , 2025/26

Name	Retainer fee (N$)	Sitting fee (N$)	Total Board remuneration (N$)	Daily subsistence allowance (N$)	Total per member (N$)
Ms H. Garbers-Kirsten	104,125.68	95,675.60	199,801.28	14,140.00	213,941.28
Mr J. Jansen	85,058.16	75,531.15	160,589.31		160,589.31
Amb. S. Katjiuanjo	85,058.16	83,500.98	168,559.14	116,560.00	285,119.14
Ms S. Ambunda	85,058.16	68,552.67	153,610.83		153,610.83
Ms N. Shilongo-Alexander	85,058.16	75,531.15	160,589.31		160,589.31
Total	**444,358.32**	**398,791.55**	**843,149.87**	**130,700.00**	**973,849.87**

Application of the NamCode

The Board is committed to upholding sound corporate governance practices in line with the requirements of the NAMFISA Act, the Public Enterprises Governance Act, 2019 (No. 1 of 2019), and international best practices as outlined in the NamCode. The Authority applies these principles to ensure effective oversight, ethical leadership, accountability, and transparency in all aspects of its operations.

Table 4 summarises how the NamCode principles are applied by NAMFISA to guide governance practices.

Table 4: Application of the NamCode to guide governance-related aspects

#	Governance principle	How the Authority applies the NamCode
1	Ethical leadership and corporate citizenship	The Board leads with integrity, setting the tone for ethical behaviour across the Authority. NAMFISA has implemented a comprehensive Corporate Social Responsibility and Investment Programme and an approved Ethics Programme, which are managed by the designated Manager and Chief Ethics Officer, respectively. These initiatives promote responsible conduct both internally and externally.
2	Board and Board members	The Board provides strategic direction and oversight across critical areas, including ICT governance, ethics, risk, internal control, stakeholder engagement, and integrated reporting. This ensures that robust reporting mechanisms and governance frameworks are in place and functioning effectively.
3	Audit and Risk Committee	The Audit and Risk Committee, chaired by an independent Board member, provides oversight of internal and external audits, financial reporting, risk management, compliance, and ICT governance. The committee regularly reviews the capacity and competence of the finance, internal audit, risk, and compliance functions.
4	Governance of risk	Risk governance is delegated to the Audit and Risk Committee, which sets the risk appetite and oversees the implementation of the Risk Management Framework by Management. Periodic and ad hoc risk reports are escalated to the Board, and Executive Management participates in committee meetings as needed.
5	Governance of ICT	The Board has approved an ICT Governance and Security Framework and related ICT policies, aligned with its strategic mandate. The governance of ICT and cybersecurity remains a priority area, and is supported by appropriate infrastructure and oversight.
6	Compliance with laws, codes, rules and standards	The Authority applies a structured Regulatory Risk Management Framework, which defines the parameters for compliance risk. The Board receives regular updates from the Head of Compliance on emerging compliance risks and mitigation efforts.
7	Internal Audit	Internal Audit operates under a Board-approved Internal Audit Charter, employing a risk-based audit approach. The Head of Internal Audit participates in Executive Management meetings, ensuring strategic alignment and contribution to continuous control improvement.
8	Governing stakeholder relationships	Stakeholder management is guided by a Stakeholder Engagement Plan, which is delegated to Management. Reputation risk, as a strategic concern, is monitored by the CEO and addressed through proactive engagement. The NAMFISA Act outlines dispute resolution mechanisms for regulated entities, with supplementary channels available to broader stakeholders.
9	Integrated reporting and disclosure	The Board ensures the integrity of the Annual Report by engaging external specialists. The report includes information on NAMFISA's sustainability, operational impact, and value creation, in alignment with integrated reporting principles.



RISK MANAGEMENT

Risk management is the identification and evaluation of actual and potential risk areas as they pertain to the Authority in its totality, followed by a process of avoiding, sharing or transferring, accepting, or mitigating each risk, or a response that combines two or more of these treatments. Risks may stem from a variety of sources, including financial uncertainty, legal liabilities, strategic management errors, accidents, and natural disasters.

RISK MANAGEMENT

Risk Management Overview

The Authority maintained a robust, integrated and evolving Enterprise Risk Management (ERM) Framework during the period under review, supporting the effective achievement of its mandate to protect consumers, promote financial stability, and foster a fair and efficient non-bank financial sector.

The ERM Framework is aligned with internationally recognised standards and frameworks, including ISO 31000:2018, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Framework, the NamCode, and the King IV Report on Corporate Governance. This integrated approach ensures that both principles-based and control-based perspectives are applied in managing risk, strengthening governance, enhancing internal controls, and supporting informed decision-making across the Authority.

Risk management remained embedded across all levels of the Authority and was actively integrated into strategic planning, decision-making, and operational processes. During the year, the Authority placed increased emphasis on strengthening risk culture, enhancing organisational resilience, and proactively responding to emerging risks within the financial sector.

Risk Management Framework and Approach

The Authority's ERM Framework provides a structured and systematic approach to identifying, assessing, managing, and monitoring risks that may impact the achievement of its strategic and operational objectives.

The framework incorporates:

- a formally approved Risk Appetite Statement aligned with the Authority's five-year strategy;
- structured risk identification and assessment processes;
- implementation of appropriate risk mitigation strategies;
- continuous monitoring and reporting of key risks; and
- integration of risk considerations into organisational decision-making.

During the period under review, the Authority continued to strengthen the practical application of the framework, ensuring that risk management remains dynamic, responsive, and aligned with the evolving regulatory, technological and macroeconomic environment.

The integration of ISO 31000 and the COSO Framework enables the Authority to balance a principles-based approach to risk management with a structured internal control and assurance environment. While ISO 31000 provides guidance on risk identification, assessment, and integration into strategic processes, the COSO Framework strengthens internal control, risk governance, and assurance practices. This combined approach, supported by the NamCode and King IV, enhances the Authority's ability to manage risks holistically, improve organisational resilience, and ensure effective oversight.

Risk Environment and Emerging Risks

The Authority operates within a dynamic and evolving risk landscape shaped by global, regional and domestic developments as well as structural changes within the financial sector.

During the period under review, the Authority enhanced its environmental scanning capability, which resulted in a more comprehensive and forward-looking identification of emerging risks.

Key emerging risks identified during the year included:

- Cybersecurity and digitalisation risks

Cybersecurity risks intensified significantly, with increasing incidents of phishing, spoofing, fraud, and third-party system vulnerabilities. The rapid digitalisation of financial services, including the growth of FinTech activities, has expanded the attack surface across the non-bank financial sector. This necessitated enhanced supervisory focus on:

  - » ICT governance frameworks; and
  - » incident reporting mechanisms.

- Global and geopolitical risks

The global risk landscape was characterised by geopolitical instability, economic uncertainty, misinformation, and climate-related disruptions.

These risks, as highlighted in global risk assessments, create a 'polycrisis' environment where interconnected risks amplify systemic vulnerabilities. For NAMFISA, these dynamics present indirect but material risks through:

- » financial market volatility;
- » reduced investor confidence; and
- » increased pressure on financial institutions.

- Regulatory and legislative transition risks (FIMA)

The transition toward the FIMA has introduced regulatory and operational risks, particularly in relation to:

- » system readiness;
- » stakeholder expectations; and
- » phased implementation of regulatory instruments.

While significant progress was made in drafting and consulting on the regulatory frameworks, full operationalisation remains a key dependency, which has an impact on organisational readiness and system utilisation.

- Industry structural risks

Specific sector-level risks were identified, including:

- » National pension fund risk: The proposed National Pension Fund Framework presents potential structural disruption to the pension funds industry, including sustainability concerns and industry consolidation risks.
- » Financial reporting transition risk (IFRS 17): The transition to IFRS 17 introduces complexity in financial reporting, with potential implications for supervisory assessment and data reliability of the insurance sector and medical aid funds during implementation phases.

Risk Philosophy and Culture

The Authority's risk philosophy is grounded in a proactive, forward-looking approach to risk management, where risks are identified, assessed, and addressed before they materialise. Risk management is fully integrated into strategic planning, supervisory activities, and operational processes, ensuring that decision-making is informed by a comprehensive understanding of associated risks and opportunities. The Authority continues to apply a risk-based approach across its regulatory, supervisory, and operational activities, ensuring that resources and interventions are proportionate to risk exposure.

During the period under review, the Authority placed increased emphasis on strengthening risk culture across the organisation. This included promoting accountability for risk ownership at all levels, enhancing the quality and relevance of risk reporting, and fostering open communication on risk-related matters. In this regard, the Authority conducted targeted risk culture training for Executive Management, which was aimed at strengthening leadership accountability and embedding risk-informed decision-making at the highest level. Plans have further been developed to roll out this training to all staff and the Board, ensuring a consistent and organisation-wide risk-aware culture.

The Authority continues to cultivate a transparent and risk-aware environment, ensuring that risks and mitigation strategies are effectively communicated to Executive Management and the Board. This approach reinforces shared accountability and supports informed and timely decision-making.

Risk Governance and Oversight

The Board retains ultimate accountability for risk governance and ensures that an effective and appropriate risk management system is maintained.

The Audit and Risk Committee supports the Board in discharging its oversight responsibilities by:

- overseeing the effectiveness of the Risk Management Framework;
- monitoring key risk exposures and mitigation strategies;
- assessing the adequacy of internal controls; and
- ensuring the integrity of financial reporting.

The governance, risk and compliance function is responsible for coordinating and administering the Risk Management Framework, while risk ownership and implementation responsibilities reside with line management across the Authority.

The internal audit function provides independent assurance on the effectiveness of the risk management processes and internal control environment, thereby strengthening governance and oversight. This integrated framework ensures alignment between risk management, internal control, and governance processes, enabling the Board to exercise effective oversight across both strategic and operational risk domains.

Risk Appetite Statement

The Authority's Risk Appetite Statement defines the level and types of risk it is willing to accept in pursuit of its strategic objectives. The statement promotes a fair, efficient and stable non-bank financial sector in which consumers and investors are protected, while supporting a risk-based approach to regulation and supervision.

It provides a structured basis for decision-making and ensures alignment between risk-taking and the Authority's mandate.

During the period under review, the Authority continued to operationalise the Risk Appetite Statement in alignment with its five-year strategy, with ongoing monitoring of risk exposures against defined appetite thresholds.

Table 5: NAMFISA Risk Appetite Statement

NAMFISA RISK APPETITE STATEMENT

Positioning: Principle and risk-based approach to regulation and supervision

Risk category	Regulatory		Supervisory	Policy advice	Operational	Governance
Risk Appetite Statements	Promote a fair, efficient and stable NBFI sector in which consumers and investors are protected • Prudential	• Market conduct	All regulated entities must fully comply with applicable laws	Sound advice to inform national policy	Continuously improve the usage of resources to efficiently execute the mandate	Implement best corporate governance principles and practices
Principles	• Foster a financially stable NBFI sector • Deterrence of financial crime	• Appropriate adjudication mechanism • Fair treatment of consumers • Promote continuous financial education	• Risk and principle-based supervisory approach • Reduce likelihood and impact of financial institution failures • Clearly define systemically important financial institutions • Identify and address material market conduct and compliance issues • Predictability (legal certainty) • Effectiveness • Efficiency • Accountability • Collaboration	• Accurate • Relevant • Timely • Best practice • Advice concerning: » prudential » market conduct • Implementation of plans, laws and regulations as per national priorities	• Target a financial break-even in executing the mandate • Efficiency: » cost-effective » budget management • Accountability • Supportive organisational structure and culture • Performance management systems • Continuous improvement of processes and systems • Combined assurance implementation • Drive innovation initiatives • Funding structure must not place an undue financial burden on consumers of financial services	• Full compliance with applicable laws and regulations • Adoption of Namcode principles (King IV) • Zero tolerance of not abiding by the NAMFISA values • Components: » code of ethics and managing conflicts of interest » strategic planning and implementation » risk management » reasonable assurance (management controls, internal and external assurance) » governance of IT » stakeholder relationships management

Common principles:
Accountability to the industry, intermediaries, policy makers and consumers.
Adoption of relevant principles: International Organisation for Pension Supervisors (IOPS), International Association of Insurance Supervisors (IAIS), International Organization of Securities Commissions (IOSCO), Committee of Insurance, Securities and Non-banking Authorities (CISNA).
Compliance: Financial Action Task Force (FATF), applicable and relevant laws and regulations.
Adherence: Best practice, NamCode, King Code.
Methodology: Risk-based supervision approach.

The Risk Appetite Statements presented in Table 5 were approved by the Board for implementation in line with the Authority's five-year strategy that spans the 2022-2027 strategic period. During the year under review, the Authority began to monitor risks identified with the updated Risk Appetite Statement and the five-year strategy.

Strategic Risks

Change management risk

Contributing factors

The Authority continues to navigate significant organisational transformation arising from legislative reforms, organisational development initiatives, and the adoption of new technologies. These changes require effective change management practices to ensure staff readiness, operational continuity, and successful implementation of strategic initiatives.

Risk update

Change management risk remained low during the reporting period due to the structured implementation and continuous monitoring of key transformation initiatives. The Authority maintained formal change management processes that were supported by regular monitoring mechanisms to oversee organisational changes, legislative implementation requirements, and technology adoption.

The Culture Improvement Plan, approved by EXCO in August 2024, achieved an implementation rate of 92 percent by 31 March 2026, and the Risk-based Supervision (RBS) Action Plan for 2025/26 reached 99 percent implementation. Outstanding activities were limited to User Acceptance Testing submissions and the approval of the Governance Structure Terms of Reference.

To support the implementation of the Market Conduct Supervisory Framework (MCSF), an Early Change Readiness Pulse Assessment was conducted to evaluate stakeholder awareness and preparedness. The findings informed broader change management interventions, and identified capacity gaps were addressed through World Bank-supported training sessions conducted from 23 to 27 March 2026.

Technology utilisation remained at 100% in support of the implementation of the FIMA. Furthermore, AFRONEX Consultants continued with the Organisational Assessment and Realignment Strategic Initiative. The diagnostic phase confirmed that the Authority's organisational structure is generally aligned with industry best practice, with improvement opportunities primarily relating to operating model effectiveness. The project progressed to the benchmarking and organisational design phase, which is expected to conclude during May 2026.

Although the ERP project remained temporarily on hold, the successful implementation of the E-Recruitment System contributed significantly to the Authority's digital transformation agenda by enhancing recruitment efficiency and reducing manual processes.

Reputational risk

Contributing factors

The Authority's reputation may be affected by legal challenges, stakeholder perceptions, organisational culture, service delivery experiences, and its ability to respond effectively to emerging regulatory developments, including financial technology innovation.

Risk update

Reputational risk remained moderate to low during the reporting period, supported by strong governance controls, proactive stakeholder engagement, and ongoing organisational culture initiatives. The Authority continued to mitigate legal and governance-related risks through strict adherence to its Delegation of Authority Framework and Legal Policy, ensuring that regulatory and supervisory actions were appropriately reviewed and authorised.

To address the risks associated with the evolving FinTech landscape, the Authority implemented various measures aimed at strengthening institutional capacity and stakeholder engagement. These measures included initiatives to enhance the competitiveness of the FinTech Specialist role, participation in industry platforms such as ScaleUp Namibia and BimaLab Africa, and the continued enhancement of the Regulatory Sandbox Framework. In addition, the Joint Sandbox Agreement with the Bank of Namibia was signed to strengthen collaboration within the FinTech ecosystem. A future operating model for the FinTech function, comprising a Senior FinTech Specialist supported by a Junior Specialist, was also proposed for consideration.

Internally, reputational risk drivers linked to staff morale and organisational culture continued to be addressed through the implementation of the Culture Improvement Plan, which reached 92% completion by the end of the reporting period. Additional interventions included structured CEO engagement sessions, the approval of Succession Planning Guidelines, strengthened change communication initiatives through Change Champions, and ongoing monitoring of departmental meetings to promote transparency and organisational alignment.

The approved RBS Action Plan achieved a 99% implementation rate. The MCSF readiness assessment survey was completed, and its results are currently being analysed to inform the broader change management strategy ahead of the anticipated finalisation of the framework during the 2026/27 financial year.

Corporate governance risk

Contributing factors

Corporate governance risk arises from succession planning challenges, uncertainty surrounding the Authority's exemption under the Public Enterprises Governance Act, 2019 (No. 1 of 2019), the effectiveness of delegated authorities, and the impact of ministerial directives on governance arrangements.

Risk update

Corporate governance risk remained moderate but controlled during the reporting period. Key drivers included succession planning considerations, potential changes relating to the Authority's exemption status under the Public Enterprises Governance Act, 2019 (No. 1 of 2019), the effectiveness of the Delegation of Authority Framework, and ongoing legislative transition requirements.

To strengthen governance continuity, the Minister of Finance retained one Board member and appointed four new Board members with effect from 1 April 2026. In addition, Management submitted a report to the Board regarding the employment contracts of the CEO and Deputy Chief Executive Officers (DCEOs), emphasising the need for timely decisions to ensure leadership continuity during the implementation of the FIMA and NAMFISA Act.

Executive succession planning remained a key governance focus area, particularly in light of the upcoming contract expirations of the DCEO: Prudential Supervision in November 2026, the DCEO: Market Conduct and Operations in April 2027, and the CEO in July 2027. The Board was therefore requested to commence succession planning processes to mitigate potential leadership continuity risks.

To strengthen accountability and decision-making structures, the Legal Division and the Governance, Risk and Compliance Division initiated a comprehensive review of the Delegation of Authority Framework to align it with legislative requirements and governance best practice. Pending completion of this review, Registrar-related functions continued to be exercised by the CEO in accordance with the provisions of the FIMA and NAMFISA Act.

The Authority also continued to monitor developments relating to its exemption under the Public Enterprises Governance Act, 2019 (No. 1 of 2019). Following indications from the Ministry of Finance that the exemption may be withdrawn, the Authority submitted formal representations supporting the retention of the exemption. Feedback from the ministry remained outstanding at the reporting date.

Overall, the measures implemented during the reporting period strengthened governance oversight, accountability, and institutional stability during a period of significant legislative and organisational transition.

Security risk

Contributing factors

Security risk is driven by increasing cyber threats, the need to maintain system availability, and the requirement to protect the Authority's information assets and infrastructure in an increasingly digital operating environment.

Risk update

Security risk remained low during the reporting period due to the continued implementation of robust cybersecurity controls, infrastructure upgrades, and system resilience measures. The Authority maintained a proactive approach to cybersecurity through staff awareness programmes, routine data backup processes, and continuous technology enhancements.

During the reporting period, all scheduled data backups, system restorations, and failover tests were successfully completed, providing assurance regarding the Authority's disaster recovery capability and operational

resilience. Planned upgrades and testing of servers, switches, and firewalls were also completed, further strengthening cybersecurity controls and business continuity readiness.

These initiatives collectively enhanced system integrity, improved operational resilience, and strengthened the Authority's ability to respond to emerging cyber threats.

Technology risk

Contributing factors

Technology risk arises from the need to maintain secure and reliable technology infrastructure while supporting regulatory requirements, digital transformation objectives, and operational efficiency improvements.

Risk update

Technology risk remained moderate to low during the reporting period, supported by ongoing infrastructure improvements, cybersecurity awareness initiatives, and the successful execution of key technology projects.

A significant milestone was the successful migration of non-FIMA processes onto the FIMA system environment. The migration reduced system fragmentation risks and strengthened alignment between regulatory requirements and operational processes. The project remained on track for its planned go-live date in May 2026.

The Authority also successfully implemented the E-Recruitment System, which enhanced operational efficiency, improved digital service delivery, and reduced manual administrative processes. Furthermore, the automation of administrative forms was completed, contributing to improved process efficiency and supporting the Authority's broader digital transformation objectives.

These initiatives continued to strengthen the Authority's technological capability and readiness to support its evolving regulatory mandate.

Sustainability risk

Contributing factors

Sustainability risk is influenced by external economic conditions, litigation exposure, revenue performance, operational efficiency requirements, and the Authority's ability to maintain adequate financial resources to support its long-term mandate.

Risk update

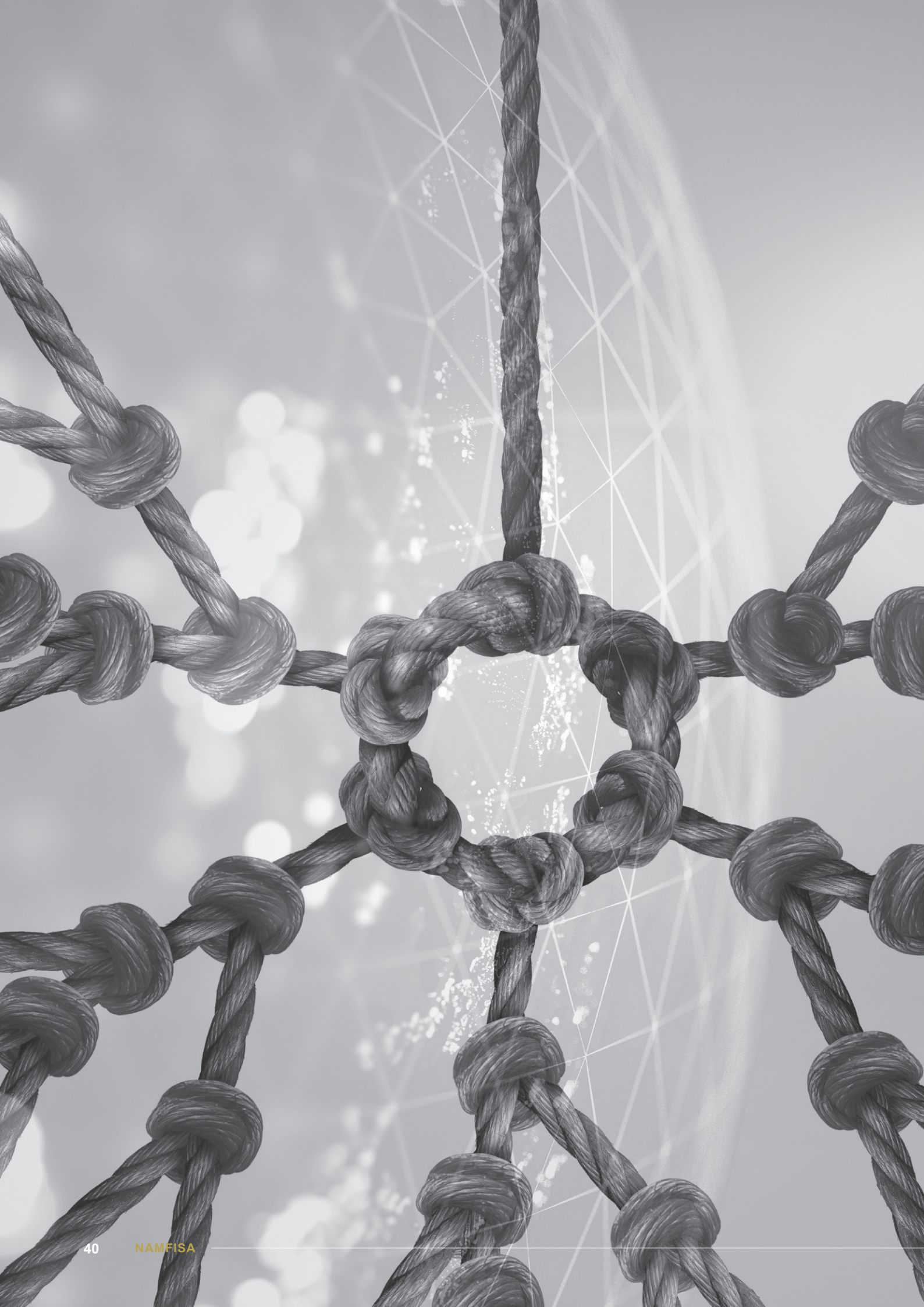
Sustainability risk remained moderate but controlled during the reporting period. Despite ongoing economic pressures and litigation-related uncertainties, the Authority continued to maintain a strong financial position through prudent financial planning, active stakeholder engagement, and strategic growth initiatives.

Regarding the Pro-Wealth litigation matter, no material changes occurred during the quarter. Management continued to assess the potential financial impact through scenario-based projections, including a possible once-off settlement payment of N$60 million. These projections indicated that the Authority would retain sufficient reserves and continue to comply with all applicable loan covenant requirements, even under the projected settlement scenario.

Subsequent to the reporting period, judgement on the quantum was delivered, resulting in an award of N$35.1 million to the second plaintiffs, together with interest at 20 percent per annum from 4 March 2022 until settlement as well as legal costs to be determined. Standard Bank, which continues to receive quarterly management account updates, did not raise any concerns regarding the Authority's financial position.

The Authority's financial sustainability remained strong, with revenue performance exceeding the budget by 19 percent as at 31 March 2026. In addition, the planned organisational structure review is expected to support future operational efficiency and resource optimisation.

Several initiatives under the strategic objective that relate to top-line growth also remained in progress and are scheduled for implementation during the 2026/27 financial year. These initiatives are expected to further strengthen the Authority's long-term financial sustainability and support the achievement of its strategic objectives.





STRATEGY, PERFORMANCE AND ORGANISATIONAL DEVELOPMENT

This chapter presents an overview of NAMFISA's strategic direction and performance during the reporting period. It highlights progress on strategic initiatives, organisational culture and people development, and key human resources metrics. The chapter also outlines corporate social responsibility activities, summarises financial performance, and sets out the Authority's key priorities for the 2026/27 financial year.

Overview of Strategic Themes

In its 2022-2027 Integrated Strategic Business Plan, the Authority articulated its vision and strategic themes for the five-year period. The strategy is designed to ensure a stable, well-regulated, and consumer-protected non-banking financial sector that supports sustainable sectoral growth and contributes to the Namibian economy.

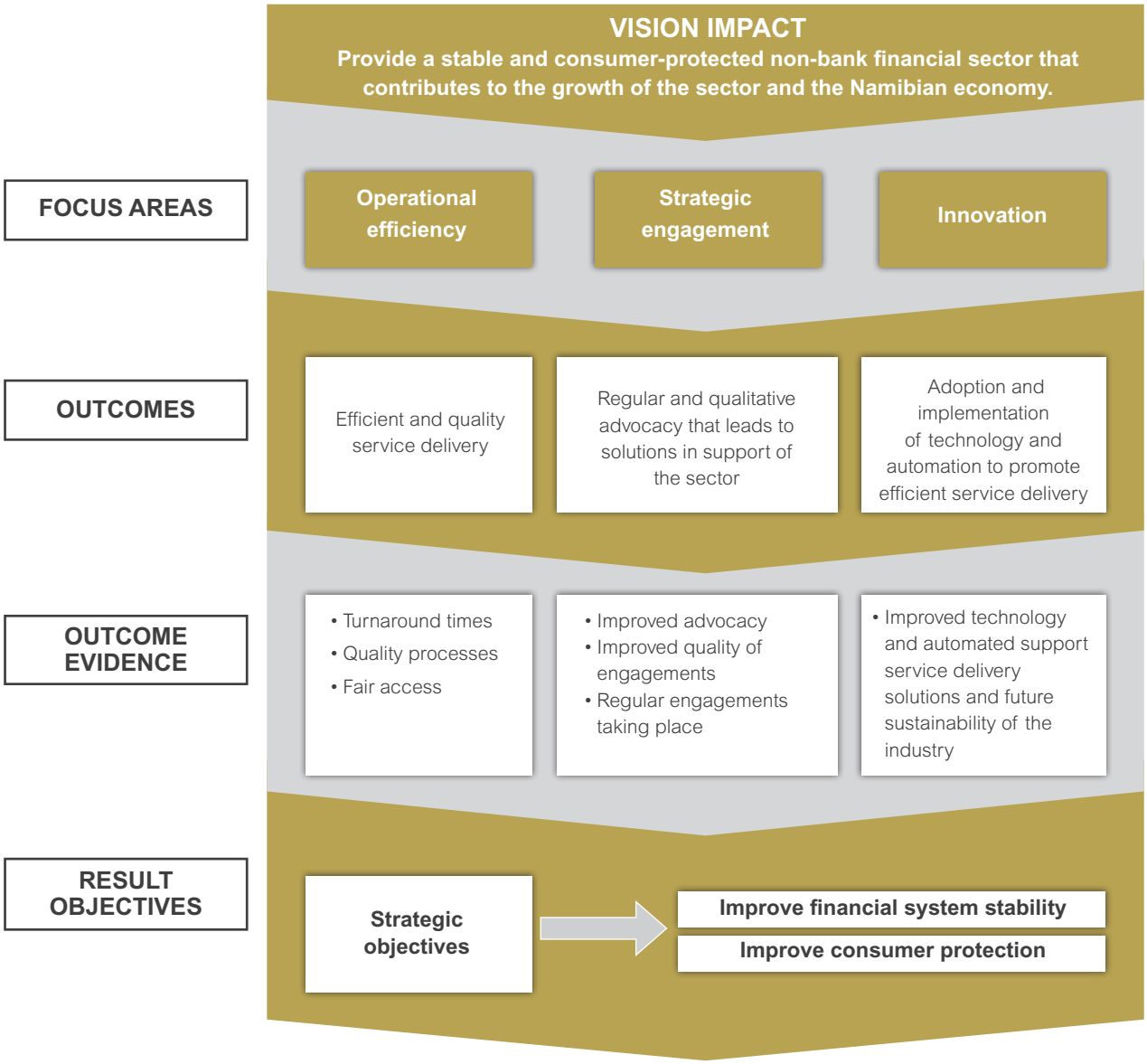
The strategy further seeks to enhance operational efficiency by strengthening service delivery through streamlined and effective processes, improved organisational and systems alignment, and the development of a capable and performance-driven workforce to deliver on the Authority's mandate.

A strong emphasis is placed on effective stakeholder engagement through structured and continuous advocacy with consumers and industry participants, aimed at influencing positive sector development and strengthening the quality of supervisory and advisory services.

In addition, the strategy prioritises innovation through the adoption of technology to support automation and the responsible integration of emerging technologies within the sector, thereby improving service delivery efficiency and ensuring the sustainability of the Authority's regulatory mandate.

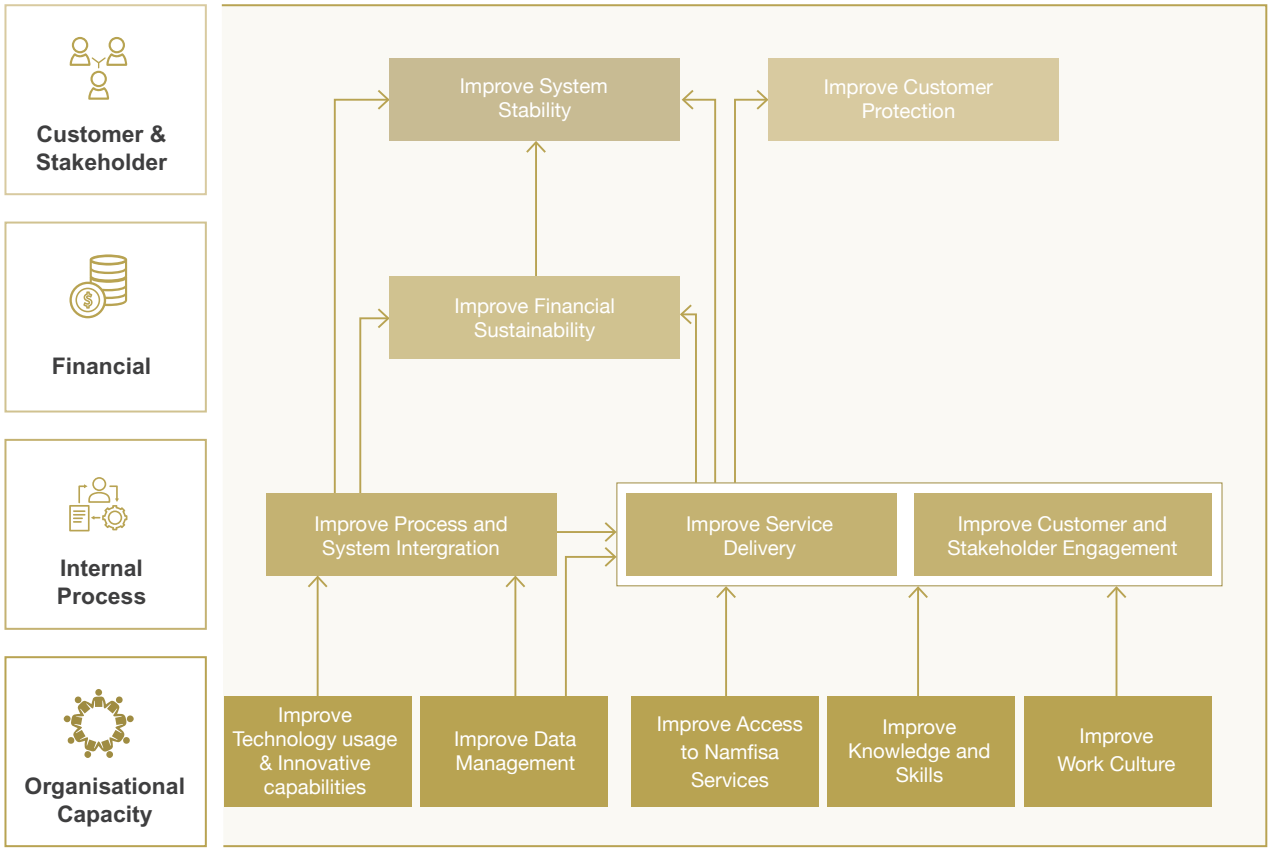
The strategy identifies key expected outcomes and the strategic themes that guide implementation, as presented in Figure 3.

Figure 3: Impact of NAMFISA's strategy



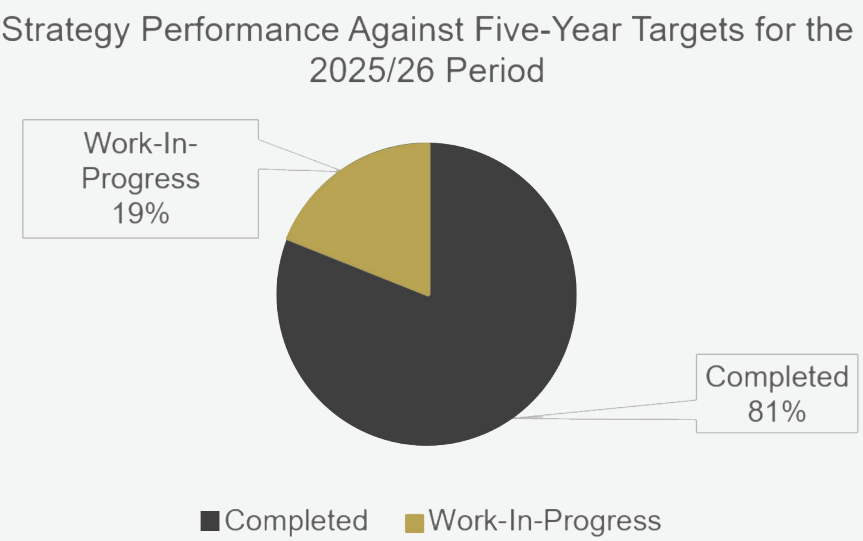
These outcomes and strategic themes are translated into action through eleven (11) strategic objectives, as presented in Figure 4

Figure 4: NAMFISA Strategy Map



By the end of March 2026, the Authority had completed the fourth year of its five-year strategy, with progress towards the five-year targets set across its eleven (11) strategic objectives standing at 81 percent, as presented in Figure 5.

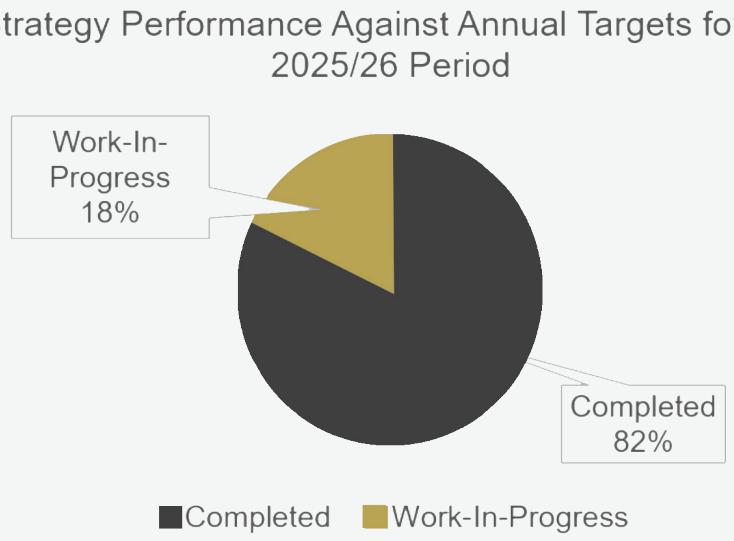
Figure 5: Strategy performance, FY 2025/26



Progress on Strategic Initiatives

With respect to the annual targets set for FY2025/26, the overall performance of the strategic objectives reflects an achievement of 82 percent, as illustrated in Figure 6.

Figure 6: Strategic initiatives performance breakdown, FY 2025/26



Performance for FY2025/26 demonstrates consistent progress against the Authority's strategic objectives, with the majority of measures meeting or exceeding both annual and cumulative targets. Overall, the Authority remains on track to achieve the intended outcomes of the current strategic cycle, while laying a strong foundation for the next ISBP.

Organisational Culture and People Development

Staff development

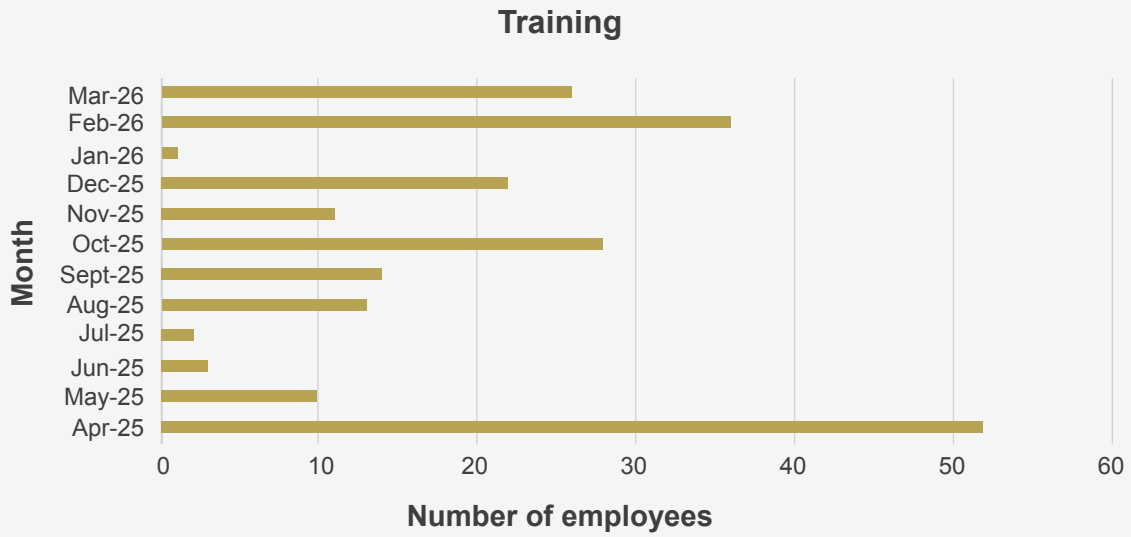
Performance management

NAMFISA prioritises performance management to support mandate delivery, continuously refining governance tools and performance agreements to align with best practice. Performance is monitored through ongoing reviews, biannual formal assessments, and one-on-one sessions, with identified gaps addressed through targeted development interventions.

Learning and development

The Authority continues to invest in both long-term programmes and short-term, targeted training to address immediate skills needs. Staff participated in technical, compliance, leadership, and role-specific training delivered through in-person and virtual platforms, supporting operational efficiency, closing skills gaps, and reinforcing continuous learning.

Figure 7: Staff development



In line with our commitment to fostering a culture of continuous learning and professional growth, NAMFISA reinstated its interest-free study aid scheme, effective 1 April 2025, following the lifting of the previous moratorium. This initiative forms a key part of our broader talent development strategy, enabling employees to pursue further education and acquire skills aligned with both personal career aspirations and NAMFISA's long-term capability needs.

By removing financial barriers to education, we aim to strengthen our internal talent pipeline, enhance employee engagement, and build a more skilled workforce capable of delivering on current and future business priorities.

During the reporting period, 32 employees actively participated in the Study Aid Scheme, as illustrated in Figure 8.

Figure 8: Study aid

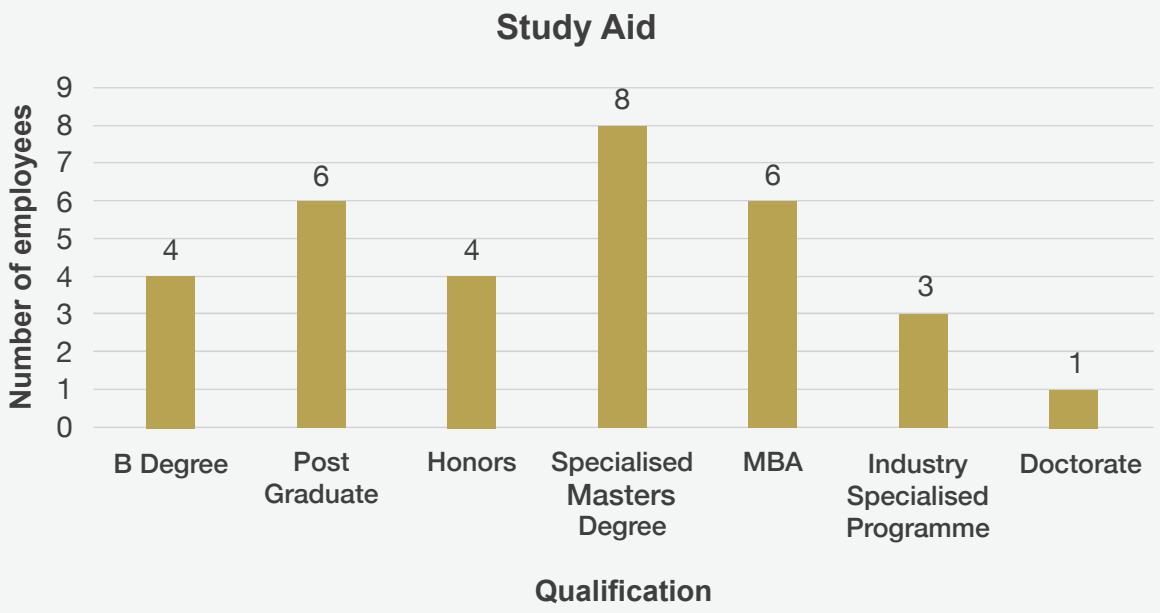
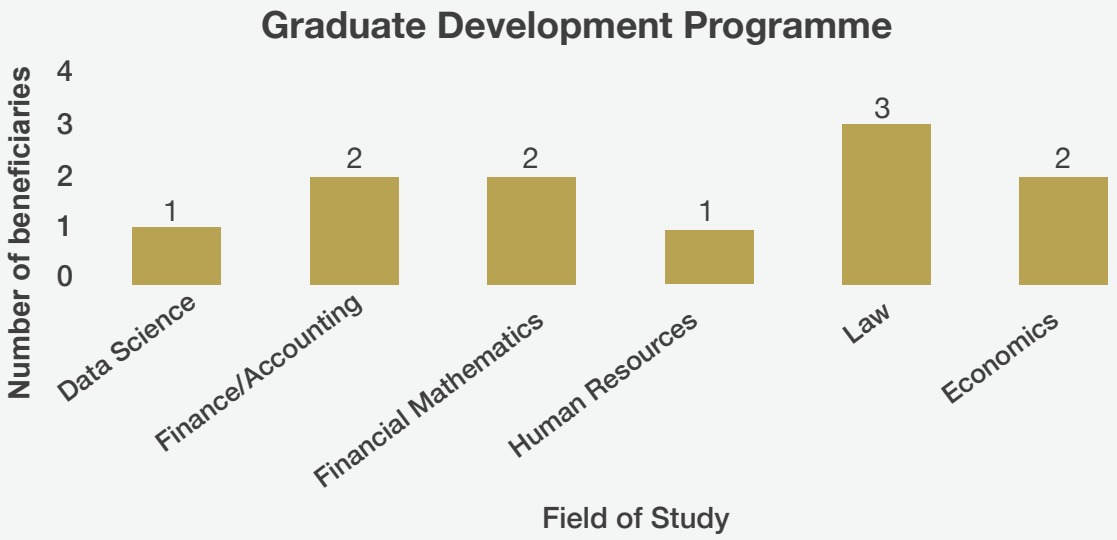


Figure 9 illustrates the number of graduates recruited to join the NAMFISA Graduate Development Programme during the reporting period.

Figure 9: Graduate Development Programme



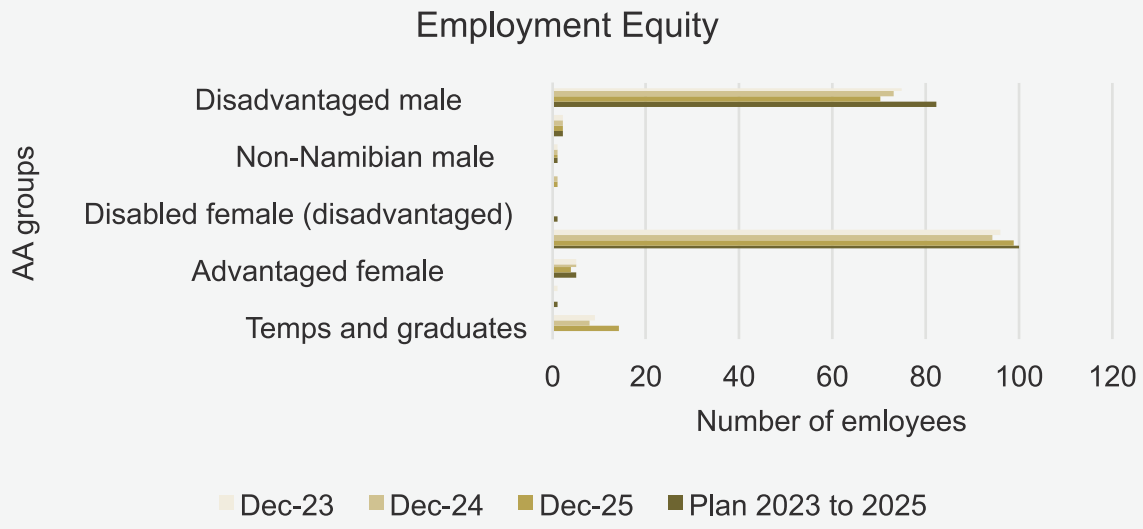
Graduate Development Programme

NAMFISA continued to support eight (8) existing graduates and three (3) newly recruited graduates during the reporting period, strengthening its pipeline of future talent for critical roles. The programme is designed to build high-performing professionals through rotational assignments, structured mentorship, and a blended learning approach that combines on-the-job experience, formal training, and targeted professional development, as reflected in Figure 10.

Employment equity

NAMFISA remains committed to the Employment Equity Code of Good Practice and reports quarterly on the progress of the Employment Equity Plan to Management and the Board. As illustrated in Figure 11, the 2023-2025 Affirmative Action targets for disadvantaged male and female groups have been exceeded. However, due to national scarcity of actuarial skills, the actuarial position remains filled by an expatriate on a work permit. The Authority continues to engage with the Disability Council of Namibia to further strengthen inclusion and improve workforce diversity across under-represented categories.

Figure 10: Employment equity



Human Resources Overview

Executive or key employee changes

Table 6a presents the new appointments made at the Management level to ensure the Authority's mandate and strategy are properly executed.

Table 6a: Management appointments

Seniority	Name	Position	Date of appointment
Management	Mr Josef Kasera	Manager: Business Systems and Services	1 March 2026

Table 6b: Management terminations

Seniority	Name	Position	Date of appointment
Management	Mr Pascalius Haingura	Manager: Business Systems and Services	14 September 2025

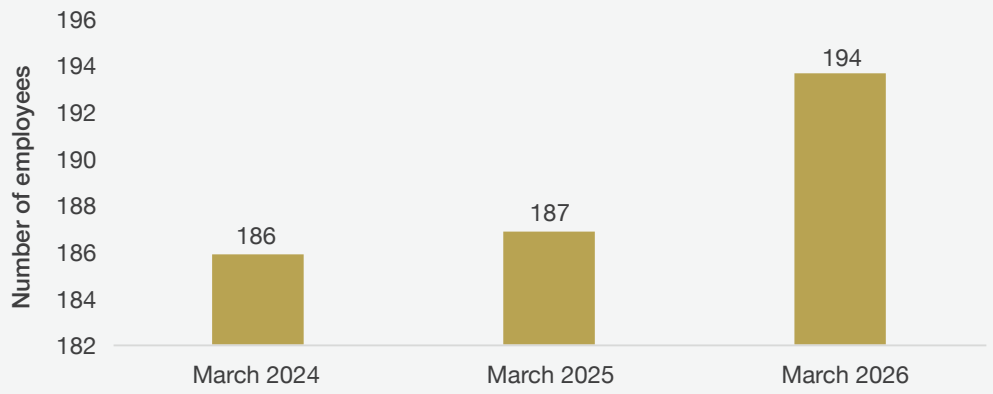
Staff turnover

The staff turnover rate as at 31 March 2026 was 4.5 percent, compared with 6.8 percent for the previous reporting period. This is below the institutional target limit of 5.0 percent. Human Resources will focus its staff retention strategies to assist in retaining employees.

Staff complement

The staff complement, including temporary staff, stood at 194 on 31 March 2026. This represents a 3.6 percent increase in the workforce, compared with the previous financial year (Figure 12 and Table 7).

Figure 11: Staff complement



NAMFISA remains an equal opportunity employer. In this regard, the reporting period saw a majority of female staff (55.6 percent) compared with male employees (44.4 percent).

Table 7: Staff complement

Division	Permanent staff		Temporary staff		Total staff			% per division
	Females	Males	Females	Males	Females	Males	Total	
Finance and Administration	17	7	0	3	17	10	27	13.9
Human Resources	6	2	0	1	6	3	9	4.6
Insurance and Medical Aid	13	9	1	0	14	9	23	11.9
Capital Markets	10	7	0	0	10	7	17	8.8
Information Technology	3	9	0	0	3	9	12	6.2
Legal and Licensing Services	15	7	1	1	16	8	24	12.4
Office of the CEO	7	7	0	0	7	7	14	7.2
Research, Policy and Statistics	4	11	1	1	5	12	17	8.8
Market Conduct	19	8	3	1	22	9	31	16.0
Pension Funds	9	8	2	1	11	9	20	10.3
Total	**103**	**75**	**8**	**8**	**111**	**83**	**194**	**100**

Corporate Social Responsibility and Investment

"As a responsible corporate citizen, NAMFISA is committed to supporting initiatives that improve lives, build resilience, and promote confidence in our communities. This sponsorship reflects our dedication to education, culture, and community development."

– NAMFISA Chief Executive, Kenneth S. Matomola

NAMFISA sponsored N$285,300 to meaningfully impact beneficiaries across Namibia.

NAMFISA allocated N$285,300 during the reporting period to support beneficiaries across different regions, reinforcing its role as a responsible corporate citizen. Guided by its updated CSR Policy – overseen by a Board-approved committee – the initiative focused on education, arts and culture, and community development, contributing to financial literacy, cultural preservation, and inclusive growth.

General educational and consumer activities motivation

The sponsorship supported consumer education and financial literacy aimed at improving public awareness and enabling informed financial decision-making, thereby strengthening community resilience.

Arts and culture motivation

Funding was directed toward arts and cultural initiatives that promote national identity, creativity, and the preservation of Namibia's diverse cultural heritage.

Community support and development motivation

The initiative supported community-based projects that strengthen social structures, assist vulnerable groups, and promote inclusive development across regions.

Table 8 indicates the institutions, communities, and initiatives that benefited from NAMFISA's CSR initiative.

Table 8: CSR sponsorship beneficiaries

Project initiative	Region	Summary of request	Monetary value
Smileys National Charity	Omusati	Sponsorship included supporting senior citizens and children, specifically food donations.	10,000
Choral Games	Erongo	Sponsorship included support for the hosting of a choral competition aimed at youth engagement and keeping young people off the streets.	10,000
UNAM Foundation	Khomas	Sponsorship included supporting the institution's efforts to equip its facilities to better accommodate students living with disabilities.	70,000
Rehoboth Youth Talent Festival	Hardap	Sponsorship toward the festival, which aims to empower youth through music, dance, poetry, sport, and visual arts while promoting financial literacy and community pride.	20,000
Lizauli Combined School	Zambezi	Sponsorship included the purchase of a heavy-duty photocopier to serve their 450 students.	27,000
One Economy Foundation	National	Sponsorship included supporting the expansion of youth-focused programmes, including the #BeFree Youth Campus and Cares Clinic, mobile health outreach, and the YO! Youth Opportunities Platform, which provide integrated health, psychosocial, educational, and economic empowerment services to vulnerable youth. It also funds the BreakFree initiative, which offers trauma-informed healing, legal support, and survivor-centred assistance for victims of gender-based violence and related challenges.	30,000
Elim Primary School	Khomas	Sponsorship request included the purchase of a projector to be used during classes as well as parents' training.	4,300
Independence Day	National	Sponsorship included the national celebrations.	40,000
Namibia Sports Annual Awards	National	Sponsorship request included support for the hosting of the Namibia Sports Annual event.	15,000
Ministry of Health and Social Services	Otjozondjupa	Sponsorship included a contribution toward the commemoration of World AIDS Day in the Otjozondjupa region.	10,000
Okongue Pensioners' Day	Erongo	Sponsorship included a contribution toward the Okongue Pensioners' Day at the Okongue Village during the festive season, including the purchase of blankets for 40 pensioners in need.	14,000
Prime Minister's Charity Foundation	National	Sponsorship towards the Prime Minister's Charity Foundation to assist vulnerable people in Namibia.	20,000
National Disability Foundation	National	Sponsorship included a contribution toward the Community Assistive Device Drive.	15,000

NAMFISA demonstrated its commitment to community upliftment through targeted sponsorships that delivered tangible social impact across Namibia.

Okongwe Pensioners' Day

The Okongwe pensioners and their organising committee acknowledged NAMFISA's N$14,000 contribution, which provided essential items such as blankets and daily necessities for elderly beneficiaries. The support enhanced dignity, comfort, and wellbeing, making Pensioners' Day a meaningful and joyful occasion for the community.

One Economy Foundation

The One Economy Foundation recognised NAMFISA's contribution to its tenth Annual Fundraising Soirée, noting that the support played a key role in the event's success and contributed to youth empowerment initiatives and broader development efforts.

Smiley's National Charity House

The Smiley's National Charity House expressed their appreciation for NAMFISA's N$10,000 sponsorship, which supported a Christmas lunch for 210 vulnerable individuals in Uukwanandjenga. The support was further leveraged into long-term impact through the construction of a community centre, transforming immediate relief into sustainable community development.

Overall impact

Through these initiatives, NAMFISA reinforced its commitment to social responsibility by supporting vulnerable groups, strengthening community wellbeing, and contributing to sustainable socio-economic development across Namibia.

Financial Performance

Financial sustainability

The Authority and its subsidiary Metropol (Pty) Ltd. (hereinafter, the Group) managed their financial resources prudently, in line with the approved budget. Financial reporting is done on a six-monthly basis to the Minister of Finance and on a quarterly basis to the Board through the Audit and Risk Committee. Executive Management continually monitors budget implementation, which ensures compliance with budgetary requirements and financial transparency.

During the year under review, the Group recorded a total comprehensive deficit of N$31.3 million (2025: surplus of N$46.5 million). The movement is primarily attributable to a single, non-recurring legal charge of N$83.6 million that arose from the Supreme Court judgement in the Alwyn Petrus van Straten matter handed down on 21 November 2025. Excluding this exceptional charge, the Group's underlying operating result remained sound, supported by continued revenue growth and disciplined control of recurring operating costs.

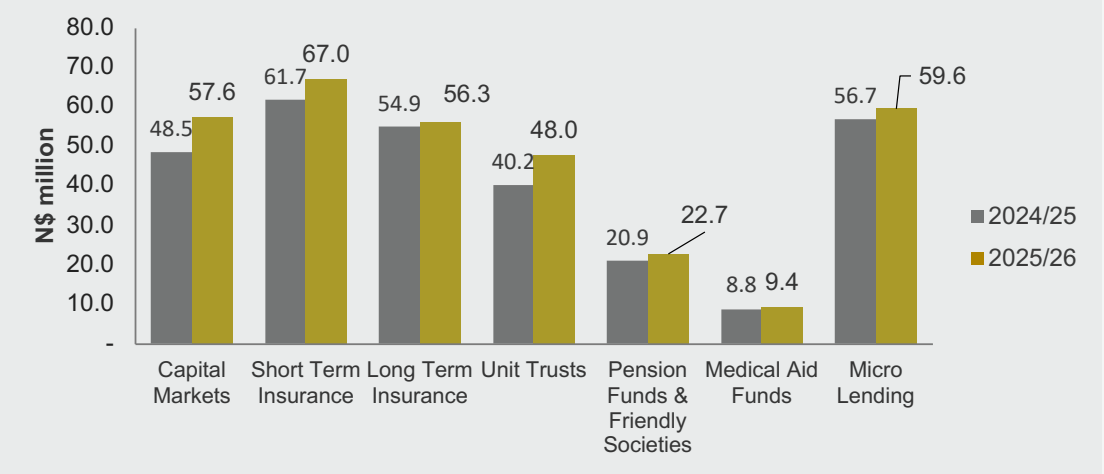
Overall performance

The Group's total income for the year ended 31 March 2026 amounted to N$343.1 million and expenditure totalled N$371.5 million. Other comprehensive losses amounted to N$2.9 million. The total comprehensive deficit for the year amounted to N$31.3 million, compared with a budgeted surplus of N$109.7 thousand. The total comprehensive deficit of N$31.3m (2025: N$46.5m surplus) was primarily driven by the N$83.6m legal charge that arose from the Van Straten Supreme Court judgement on 21 November 2025. Setting aside the exceptional legal charge, recurring expenditure grew by approximately 6.9 percent year-on-year, reflecting continued expenditure discipline and sustained revenue growth.

Income

During the review period, levy income amounted to N$320.6 million (Figure 13). This represents an increase of 9.9 percent, compared with the levy income recorded for the previous financial year. The increase in levy income shows that the NBFIs remained financially stable, sound, and resilient. Investment Income grew by 2.3 percent to N$14.4 million (2025: N$ 14.1 million) and other income grew by 33.6 percent to N$6.5 million (2025: N$4.9 million).

Figure 12: Levy income per industry



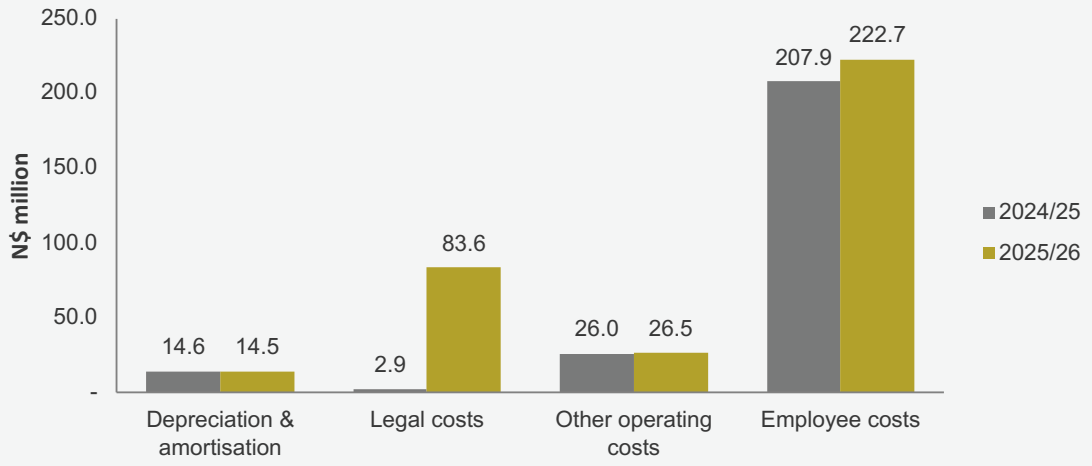
Expenditure

The Group incurred a total expenditure of N$371.5 million during the review period (Figure 14). This constitutes a N$103.2 million (38.5 percent) increase, compared with the previous financial year's total expenditure.

As a regulator, NAMFISA is highly reliant on its human resources. Consequently, staff costs make up the largest share (60 percent) of the total expenditure. Staff costs increased by 7.1 percent to N$222.7 million, compared with the previous financial year. Contributors to this increase include the approval of a salary increment and a short-term incentive payment.

Legal costs increased substantially by N$80.7 million (2785 percent), compared with the previous financial year. The charge was dominated by the Van Straten matter following the Supreme Court judgement on 21 November 2025, and the quantum was determined at N$35.11 million plus 20 percent interest from 4 March 2022. The full amount plus interest was accrued at year-end. Construction of the new head office was paid through Metropol (Pty) Ltd. Project payments of N$60.95 million at year-end were funded entirely from NAMFISA's own cash, as part of the committed N$70 million equity contribution from the General Reserve. No drawdowns have yet been made on the N$185 million Standard Bank development facility.

Figure 13: Operating expenditure

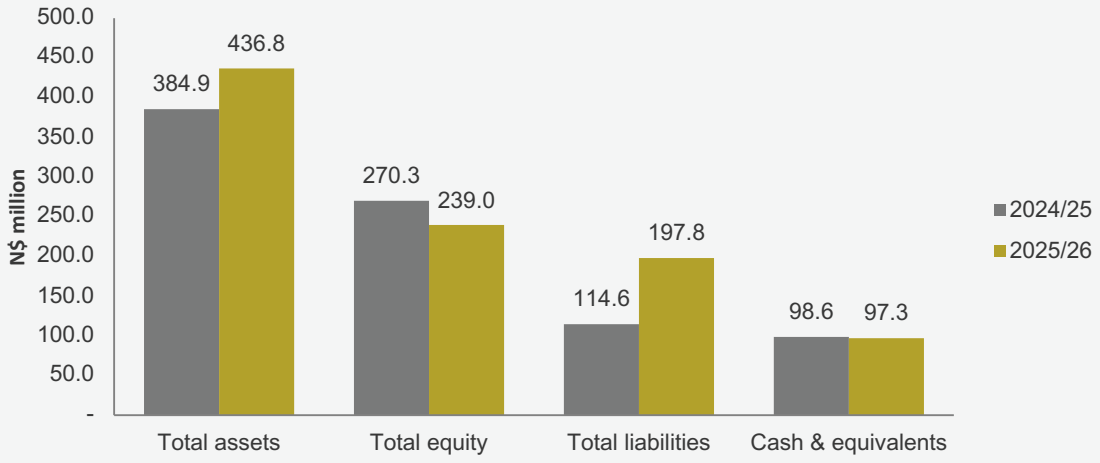


Financial position

The Group's total assets increased by N$51.9 million (13.5 percent) to N$436.8 million as at 31 March 2026. The increase is the result of the growth in property plant and equipment and in other financial assets.

Total liabilities recorded an increase of N$83.2 million (72.6 percent). The increase in liabilities results mainly from accounts payable rising to N$121.3 million (2025: N$28.4 million), reflecting the accrued legal liability and the unpaid building contractor retention amounts at year-end.

Figure 14: Financial position



NAMFISA Key Priorities for 2026/27

As part of its governance and performance management processes, the Authority conducts an annual strategy review to assess strategic performance, reflect on progress, and refocus priorities to ensure continuous improvement. Accordingly, the Annual Business and Financial Plan for the 2026/27 financial year has been developed, outlining the strategic initiatives aligned with the 11 strategic objectives depicted in the NAMFISA Strategy Map (Figure 4).

While NAMFISA identifies specific strategic initiatives as priority focus areas for each financial year, these initiatives do not encompass the full scope of the Authority's operations. Instead, they serve to guide decision-making on thematic projects and highlight areas that require targeted attention to support the effective delivery of the Authority's core mandate. Table 9 presents the strategic objectives and key strategic initiatives that will drive performance during the 2026/27 financial year.

Table 9: Strategic objectives and key strategic initiatives planned for FY 2026/27

Strategic objectives	Key strategic initiatives
Improved use of technology and innovative capabilities	• Implement the ICT Strategy
Improved data management	• Review and implement the Data Management Framework
Improved access to NAMFISA services	• Implement the Consumer Research Study recommendations • Develop the Capital Markets Master Plan • Facilitate and enable the agriculture insurance sector
Improved knowledge and skills	• Implement organisational assessment and realignment
Improved work culture	• Implement the Culture Improvement Plan
Improved process and systems integration	• Key initiatives such as the ERS Project, data visualization, HR automation, and the integration of HR, GP, and ERS serve as primary enablers for achieving the intended result of the objective, which are executed under 'improved use of technology and innovative capabilities and 'improved data management'.
Improved service delivery	• Develop the five-year NAMFISA Integrated Strategic Business Plan • Implement the New Dawn Programme (implement an effective legislative framework that protects the consumer and ensures financial stability) • Implement the Consumer Credit Bill
Improved customer and stakeholder engagement	• Collaborative stakeholder and customer engagement plans
Improved financial sustainability	• Monitor budget variance • Implement top-line growth
Improved consumer protection	• Redraft the Financial Service Adjudicator
Improved system stability (non-bank financial sector)	• Implement the Crisis Simulation Response Plan • Implement the integrated reporting of significantly important financial institutions



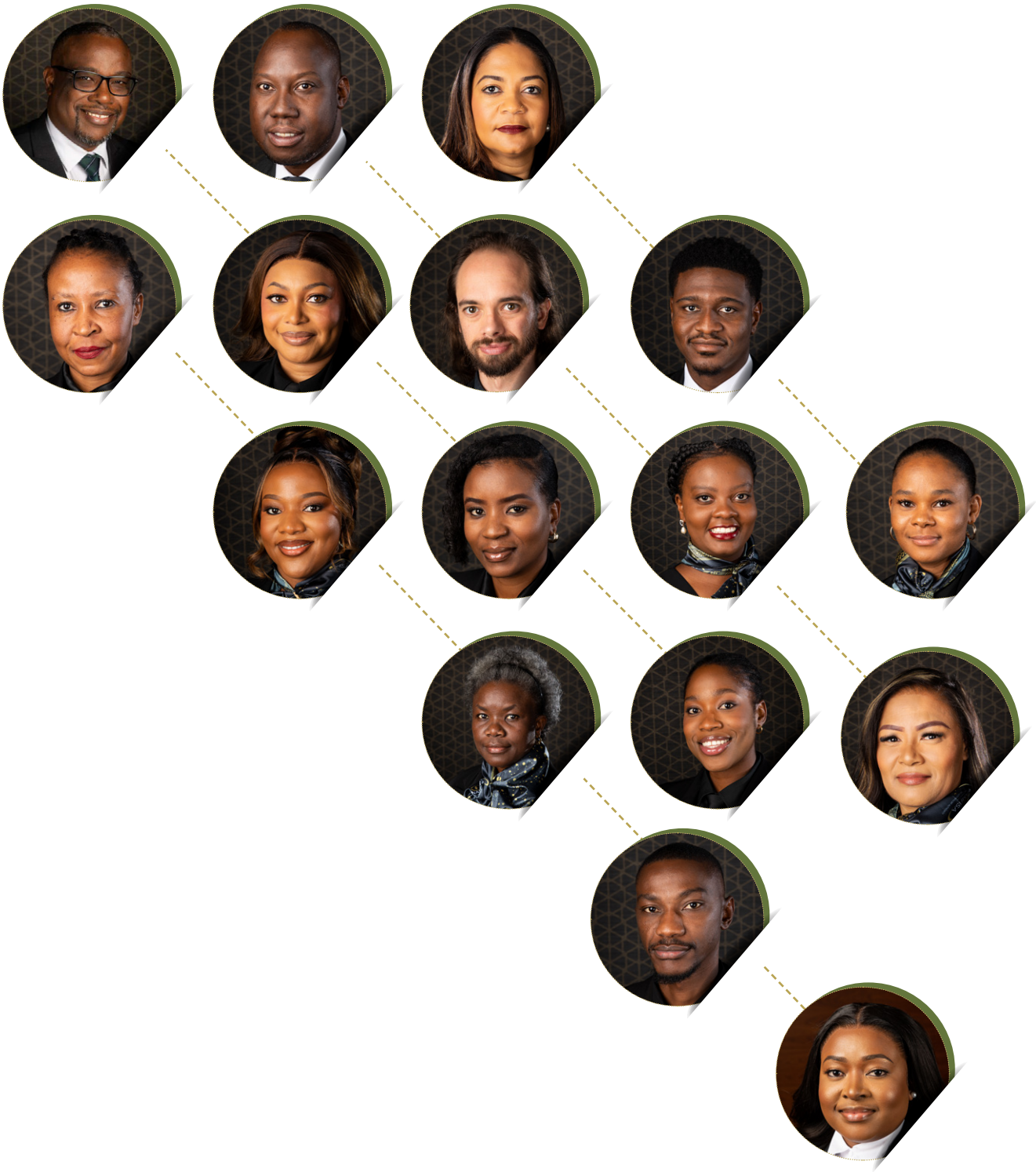
05

DIVISIONAL ACTIVITIES

This chapter outlines NAMFISA's supervisory activities and regulatory interventions during the reporting period. It provides an overview of the supervisory approach, key highlights from prudential and market conduct supervision, and legal and licensing activities. The chapter also presents enforcement actions undertaken and offers an assessment of the stability and performance of the regulated sectors.

PRUDENTIAL SUPERVISION FUNCTION

Insurance and Medical Aid Funds Division



Prudential Supervision Function

NAMFISA supervises insurers, medical aid funds, pension-related entities, microlenders, and capital markets to ensure financial soundness and compliance with legislation. The Insurance and Medical Aid Funds, Pension Funds and Friendly Societies, and Capital Markets Divisions apply a risk-based supervision approach, prioritising high-risk entities to improve early risk detection, strengthen market discipline, and enhance consumer and investor protection.

Insurance and Medical Aid Funds Division

The Insurance and Medical Aid Funds Division oversees the insurance and medical aid fund industries in Namibia, ensuring compliance with the Short-term Insurance Act, 1998 (No. 4 of 1998); the Long-term Insurance Act, 1998 (No. 5 of 1998); and the Medical Aid Funds Act, 1995 (No. 23 of 1995). The Division has adopted a risk-based supervision approach to focus regulatory efforts on high-risk areas, enhancing financial stability, regulatory efficiency, and consumer protection.

Key activities during 2025/26

- Staff capacity was strengthened through participation in regional supervisory colleges, the IAIS Sub-Saharan Africa Regional Seminar, IFRS 17 training, and FSI Connect insurance supervision modules.
- The Division collaborated with the Financial Stability Institute (FSI) on research into the future of insurance supervision and supervisory resource allocation.
- Regulatory readiness was enhanced by advancing the NAMFISA ERS to support IFRS 17 reporting requirements.
- The annual return compilation guidelines for long-term insurers were finalised to improve reporting consistency, accuracy, and compliance.
- The Division conducted 28 off-site inspections and one (1) on-site inspection across registered medical aid funds to assess compliance, financial soundness, and risk exposure.
- Liquidation accounts for a medical aid fund prior to its deregistration in compliance with the Medical Aid Funds Act, 1995 (No. 23 of 1995) were successfully reviewed and finalised.
- Rule amendment applications relating to benefit structures, contribution rates, and sustainability measures within medical aid funds were assessed and processed.
- The Division continued to implement a proactive risk-based supervisory approach to strengthen industry resilience, consumer protection, and regulatory effectiveness.

Capital Markets Division

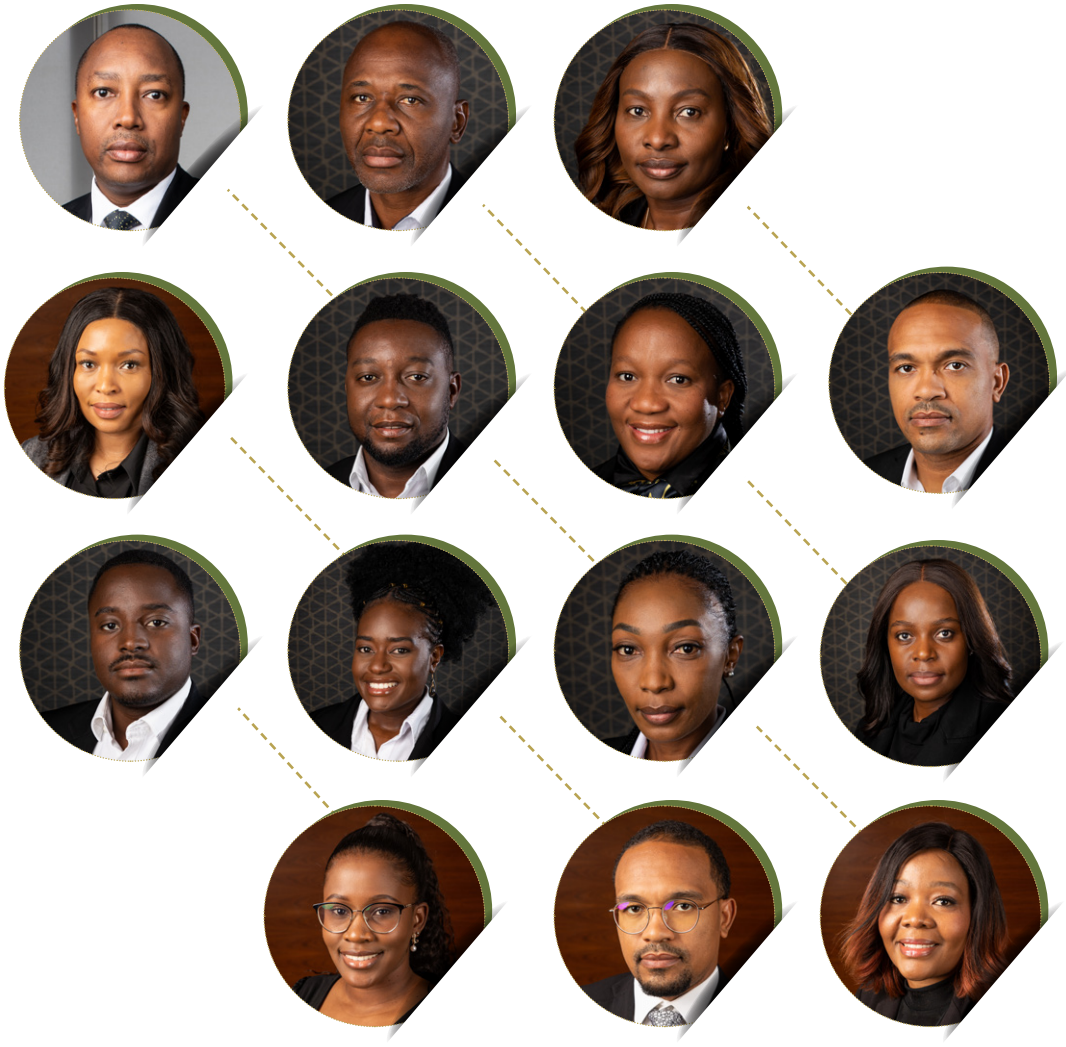
The Capital Markets Division regulates and supervises capital market entities in terms of key statutes, including the Unit Trusts Control Act, 1981 (No. 54 of 1981); the Financial Institutions (Investment of Funds) Act, 1984 (No. 39 of 1984); the Stock Exchanges Control Act, 1985 (No. 1 of 1985); and part 8 of the Pension Funds Regulations. The Division oversees entities such as the stock exchange, stockbrokers, Central Securities Depository, investment managers, unit trust companies, linked investment service providers, unlisted investment managers, and special purpose vehicles (SPVs).

Key activities during 2025/26

- Pension Fund Regulations were jointly reviewed with the Pension Funds and Friendly Societies Division and 11 amendments were proposed, pending approval.
- The Division continued to review industry feedback on FIMA standards (Chapters 3 and 4) and conducted refresher training to support implementation readiness.

PRUDENTIAL SUPERVISION FUNCTION

Capital Markets Division



- Risk-based supervision on-site inspections, follow-up reviews, and ongoing off-site monitoring using financial analysis and early warning indicators were conducted.
- The One Chart of Accounts (OCoA) Project was advanced through form development, the automation of returns, and International Monetary Fund-aligned validation processes.
- The Business Policies, Processes and Procedures Manual (BPPPM) was reviewed and updated to align with systems, Delegation of Authority, Service Level Commitments, and risk-based supervision requirements.
- The Division participated in additional risk-based supervision training to strengthen supervisory capacity and effectiveness.
- A Crisis Simulation Exercise was conducted in collaboration with the Bank of Namibia and the Ministry of Finance.
- The Division explored revenue growth opportunities and strengthened market integrity initiatives.
- A Market Conduct Supervisory Framework was developed together with the Conduct and Compliance Department.

Pension Fund and Friendly Societies Division

The Pension Funds and Friendly Societies Division supervises pension funds and friendly societies to ensure sound governance, compliance with funding requirements, and protection of members' retirement benefits through ongoing supervision and monitoring.

Key activities during 2025/26

The Division focused on maintaining financial stability and safeguarding members through strengthened supervision, operational efficiency, and preparation for the FIMA.

Key activities included:

- stakeholder engagement with funds, members, and the public;
- reviews of audited financial statements and actuarial valuation reports;
- off-site and on-site inspections, including follow up on remedial actions;
- staff training on governance, risk management, compliance, and legislative changes; and
- capacity building on the Risk-based Supervision Framework.

Research, Policy and Statistics Division

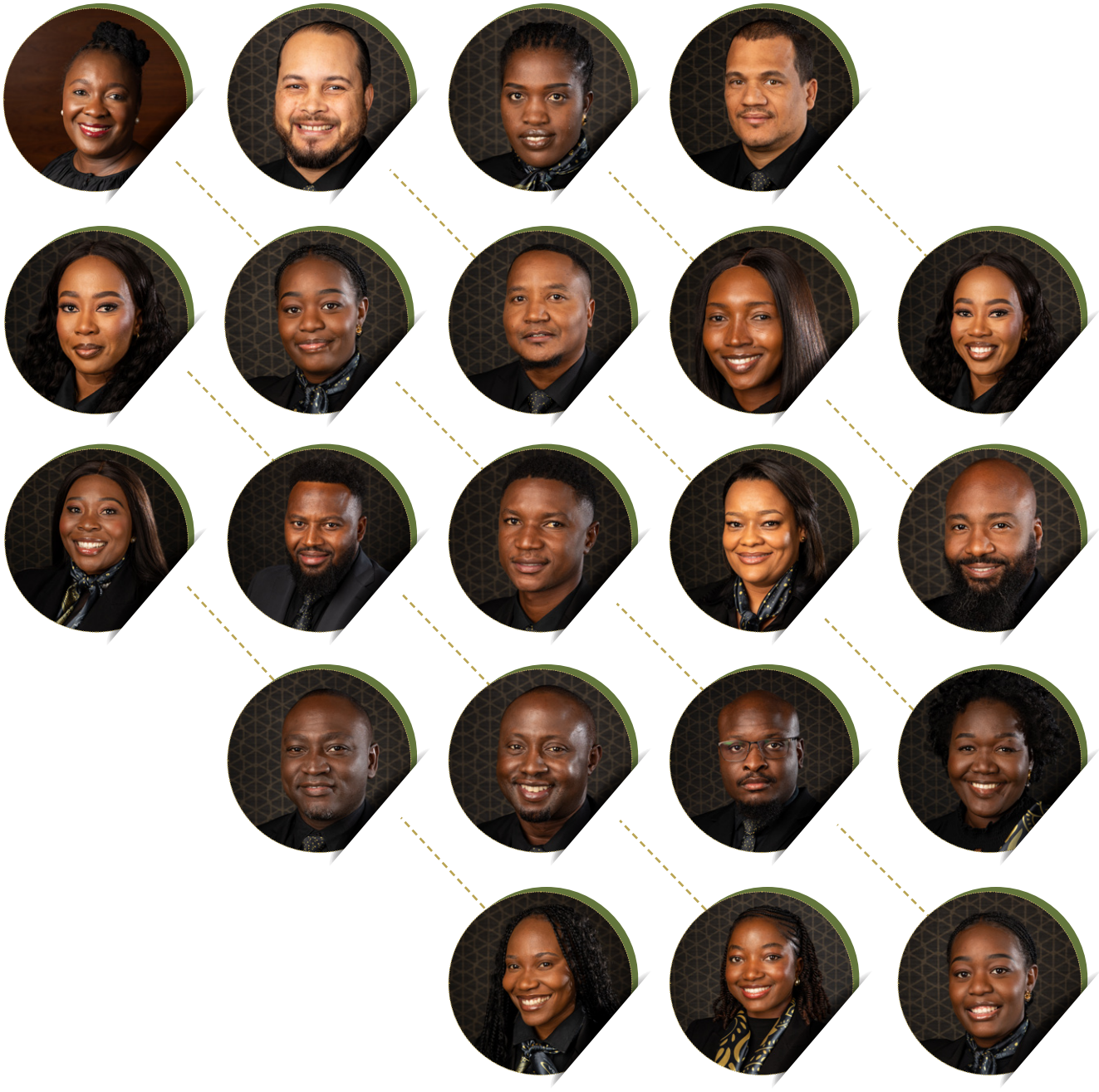
The Research, Policy and Statistics Division supports regulatory decision-making through research, policy development, and statistical analysis. The Division provides technical and actuarial support, ensures alignment with international standards, and produces statutory reports that enhance transparency and sector insight.

Key activities during 2025/26

- The Division strengthened the regulatory framework through FIMA-related policy development, impactful research, financial stability initiatives, and stakeholder collaboration.
- Policy development and regulatory support: The FIMA implementation was advanced through subordinate legislation drafting and stakeholder consultations, work was also done on Consumer Credit Bill advisory support.
- Strategic sector initiatives: National reforms, including the Financial Sector Transformation Strategy and capital market development efforts, were supported.
- Research and policy studies: High-impact research on ESG, climate risk, insurance reforms, healthcare costs, and emerging sector opportunities was delivered.
- Research implementation: Key recommendations on linked investment service provider regulation and alternative finance models were operationalised.
- Financial stability and risk monitoring: Systemic risk oversight was strengthened through stress testing and crisis simulation exercises.
- Institutional strengthening: Regulatory capacity and stakeholder coordination was enhanced across the financial sector.

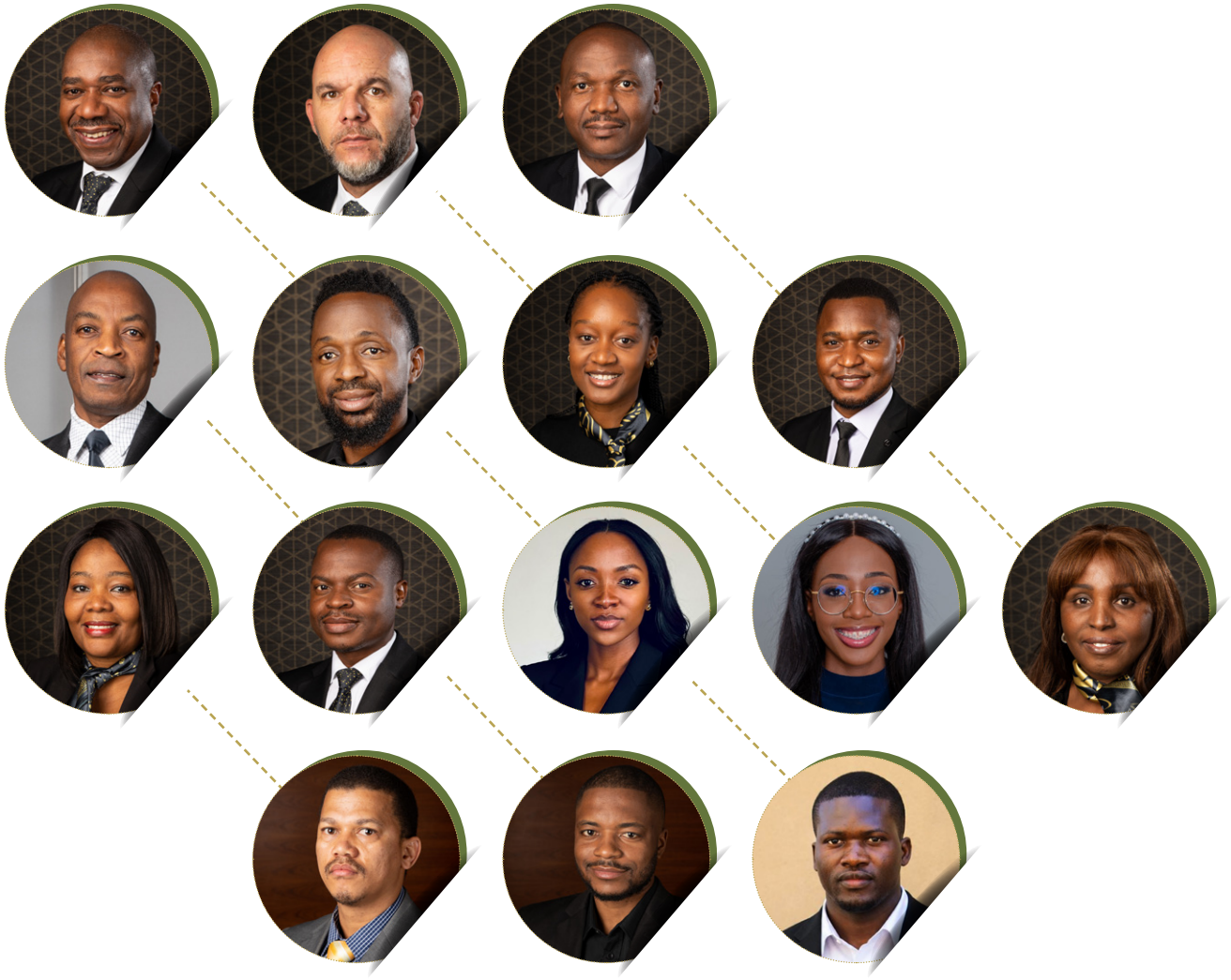
PRUDENTIAL SUPERVISION FUNCTION

Pension Funds and Friendly Societies Division



PRUDENTIAL SUPERVISION FUNCTION

Research, Policy and Statistics Division



Market Conduct and Operations Function

Market Conduct Division

This function ensures fair treatment of consumers through complaints resolution, AML/CFT supervision, and conduct compliance. It investigates complaints, conducts risk-based inspections, and enforces compliance with consumer protection and anti-money laundering requirements.

Consumer Complaints Department

The Consumer Complaints Department manages the intake and resolution of complaints from consumers of NBFI services, promoting fair treatment across the sector.

Key activities during 2025/26

- The Department remained focused on consumer protection through effective complaint handling, resolving 93.0 percent of 403 complaints received in 2025.
- The Department implemented Circular MCD/2/2023, which required NBFIs to establish complaint-handling procedures, resulting in 462 consumers being referred to NBFIs for resolution.
- Ongoing engagement with NBFIs addressed the root causes of complaints, including eight (8) targeted engagements with entities that recorded high complaint volumes or recurring issues.
- Quarterly focus areas were developed to inform consumer education initiatives.

Anti-money Laundering and Inspections Department

The Anti-money Laundering and Inspections Department performs two key functions: supervising accountable institutions (AIs) for compliance with anti-money laundering, counter-terrorist financing, and proliferation financing measures; and conducting targeted inspections of licensed and unlicensed entities. Supervision is risk-based and guided by an annual supervisory plan, and complex inspections may involve forensic inspectors.

Key activities during 2025/26

The Department implemented a Risk-based Supervisory Plan that covers supervision, monitoring, and enforcement, contributing to Namibia's efforts to exit the FATF grey list.

Key activities included:

- conducting on-site and off-site inspections as well as outreach to strengthen compliance on beneficial ownership, prominent influential persons (PIPs), enhanced due diligence (EDD), and targeted financial sanctions (TFS); and
- enforcing compliance through proportionate and dissuasive sanctions, with follow-up inspections to ensure remedial actions.

Conduct and Compliance Department

The Conduct and Compliance Department oversees consumer protection and market conduct across microlenders, insurers, and intermediaries, ensuring regulatory compliance and fair treatment of consumers to support a stable NBFI sector.

Key activities during 2025/26

The Department implemented its Supervisory Plan, focusing on fair conduct, consumer protection, and emerging risks.

Market conduct and consumer protection

- The Microlending Act, 2018 (No. 7 of 2018) was enforced through directives, cancellations, and penalties.
- Directive No. MC/CCD/1/2026 was issued, targeting unregistered microlending by pawnbrokers and dealers.
- Insurance sector oversight was strengthened by improving complaints-handling, addressing fraud (e.g. brokers and forged certificates), and mitigating risks in funeral insurance (e.g. over-insurance, lack of insurable interest, unethical practices).

Stakeholder engagement

- Industry engagements, including broker forums and quarterly sessions with the Namibia Insurance Brokers Association, were conducted.
- Regional microlending sessions (Omaheke, Oshana, Khomas, Erongo), quarterly reporting training, and compliance induction for new microlenders were conducted.

Market Conduct Supervisory Framework

- The revised framework was advanced with World Bank support, including capacity building, benchmarking, and integration into risk-based supervision.

Internal Audit Department

The Internal Audit Department provides independent assurance on governance, risk, and internal controls using a risk-based audit approach that is aligned with international Global Internal Audit Standards. The Department reports to the Audit and Risk Committee and supports improved accountability and control effectiveness.

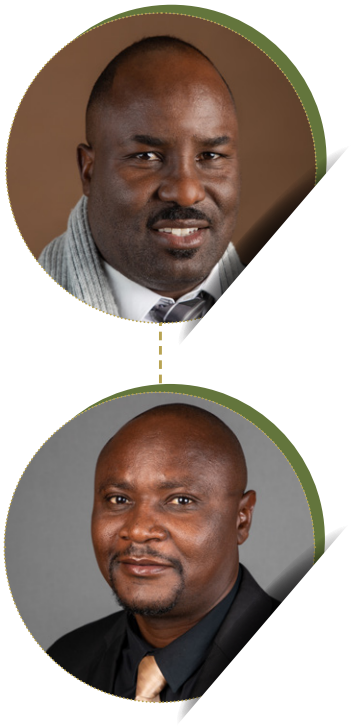


Key activities during 2025/26

- The approved risk-based Internal Audit Plan for 2025/26 enabled the Department to provide comprehensive assurance and consulting services with regard to the Authority's risk management, control, and governance processes.
- The Department executed its audits in accordance with the approved plan, achieving adequate audit coverage through the completion of planned reviews. All identified significant and material issues were reported to the appropriate levels of management and to the Audit and Risk Committee.
- The follow-up of management actions and the tracking of issues raised in the audit reports were prioritised through quarterly reporting to both the Risk Management Committee and the Audit and Risk Committee.
- The action implementation rate during the period under review was satisfactory.

Governance, Risk and Compliance Department

The Governance, Risk and Compliance Department oversees enterprise risk management, governance, and compliance. The Department supports the Board, applies structured risk frameworks, and strengthens combined assurance to improve transparency and organisational resilience.



Key activities during 2025/26

Operational efficiency

- The Enterprise Risk Management Framework was strengthened, ensuring alignment with ISO 31000 and COSO, and embedding risk management into strategic and operational processes.
- The Authority's risk profile, including movements in inherent and residual risk ratings, was monitored, and the implementation of mitigation actions across Divisions was ensured.
- The enterprise risk register, including updates to risk assessments and control effectiveness, was maintained and reported on.
- Internal control and compliance monitoring processes, including policy reviews and tracking of regulatory obligations, were strengthened.
- The Non-Compliance Log was maintained, ensuring timely identification, escalation, and resolution of compliance breaches.
- Governance and secretariat support was provided to the Board and its committees, ensuring effective oversight and reporting.

Strategic engagement

- The Audit and Risk Committee was supported through the provision of quarterly Governance, Risk and Compliance Reports, including risk profile updates, emerging risks, and mitigation strategies.
- Key and emerging risks were monitored and managed, which included:
  - » medical aid fund sustainability;
  - » national pension fund developments;
  - » political and regulatory developments; and
  - » public health-related risks.
- Strategic risks, including change management, reputational risk, corporate governance, cybersecurity, financial sustainability, and technology risks, were overseen and monitored.
- Ethics governance, including achieving full compliance with Declarations of Interest and providing guidance on ethical matters, was strengthened.
- Compliance with key legislation, including the NAMFISA Act, Public Enterprises Governance Act, Procurement Act, and Income Tax Act, was monitored.
- The alignment of governance, risk, and compliance activities with the Authority's Corporate Governance Framework and Board oversight responsibilities was supported.

Innovation

- Risk management maturity, including improved risk identification, assessment, and reporting practices, was enhanced.
- A risk-aware culture was promoted through ongoing engagement between Management and staff on risk and ethics-related matters.

- Business continuity capabilities, including conducting a Business Continuity Simulation Exercise to test organisational resilience, was strengthened.
- The integration of governance, risk, compliance, and business continuity functions into a cohesive Governance, Risk and Compliance Framework was improved.
- The evolution towards a more proactive, integrated, and forward-looking risk management approach was supported.
- Through these activities, the governance, risk and compliance function:
- strengthened enterprise risk management and internal control effectiveness;
- enhanced compliance and governance oversight; and
- promoted a risk-aware and ethical organisational culture.

These activities contributed to a robust control environment, improved organisational resilience, and effective support to the Board and its committees.

Corporate Communications and Consumer Education Department

The Corporate Communications and Consumer Education Department manages communications, stakeholder engagement, consumer education, and CSR initiatives. The Department drives awareness campaigns, media engagement, and financial literacy programmes to strengthen trust, visibility, and public engagement.

Key activities during 2025/26

- NAMFISA strengthened its Communications, Advocacy and Stakeholder Engagement Framework through the Board's approval of the revised Communications and Corporate Social Responsibility (CSR) Policies, enhancing governance and strategic alignment.
- Significant progress was achieved in the implementation of the FIMA Advocacy Plan (80 percent completion).



- The implementation process for the Stakeholder and Customer Engagement Plan and the Service Level Agreement achieved 100 percent completion, improving stakeholder engagement, service delivery, and accountability.
- Media engagement initiatives performed strongly, achieving a 92.0 percent media effectiveness score, reflecting high-impact communication and visibility.

Information and Communications Technology Division

The Information and Communications Technology Division provides ICT infrastructure, systems, and digital support to enable efficient operations, supervision, and data management, while ensuring technological reliability and security.

Key activities during 2025/26

- Activities were mainly centred around building the all-encompassed ERS, including both FIMA- and non-FIMA-related required functionalities, providing post go-live support to the already automated functions, and improving the automation of reports.
- The creation of the all-encompassed ERS was finalised during the year, and it has been ready for deployment into production since end February 2026.
- Improvement of the NAMFISA Data Warehouse/ Business Intelligence and the Analytics platforms continued during the period under review.
- The compilation of the Authority Digital Transformation Strategy commenced during the year, and the exercise is expected to be completed during the first quarter of FY 2026/27.
- The Division carried out infrastructure maintenance and support as well as cyber security-related activities, which have resulted in a stable ICT environment throughout the period under review.

Strategy and Projects Department

The Strategy and Projects Department leads strategic planning, performance monitoring, and project execution through the use of recognised methodologies. The Department ensures alignment between organisational strategy, operational plans, and regulatory objectives.

Key activities during 2025/26

Under the stewardship of the Strategy and Projects Office, one of NAMFISA's strategic projects was to prepare the Authority for the full operationalisation of promulgated legislation such as the new NAMFISA Act and the FIMA. These laws stand as major achievements for NAMFISA, marking a significant step towards comprehensive legislative reform in Namibia's non-bank financial sector. These legislations provide a robust regulatory framework that enhances the supervision, stability, and transparency of financial institutions and markets. By addressing key gaps in previous legislation, the NAMFISA Act and the FIMA will enable more effective regulation and therefore ensure greater consumer protection, financial system integrity, and market confidence.

The FIMA allows for responsiveness as it addresses regulatory and supervisory matters by issuing subordinate legislation. In this regard, NAMFISA has finalised the development of all essential subordinate legislation, which will ensure the successful implementation of the FIMA. Furthermore, NAMFISA has successfully implemented a Risk-based Supervision Framework, which has revolutionised the Authority's supervisory function.

In addition, as part of the legislative reform initiatives, the Department was tasked to co-manage the drafting and consultation of the Consumer Credit Bill in collaboration with key stakeholders, including the Bank of Namibia; the Ministry of Industries, Mines and Energy; and the Ministry of Finance. NAMFISA submitted the first draft Consumer Credit Bill to the Minister of Finance for review and tabling at Parliament. This envisaged legislation plays a crucial role in addressing disparities regarding access to credit, promoting responsible lending practices, and safeguarding consumer rights.









Finance and Administration Division

The Finance and Administration Division manages financial operations, procurement, budgeting, and administration. The Division ensures financial reporting, compliance, and efficient resource use to support institutional sustainability.

Key activities during 2025/26

- The Division focused on strengthening financial governance and supporting the Authority's strategic priorities. Key activities included the preparation of the annual financial statements, coordination of the external audit, and compilation and monitoring of the budget.
- The Division continued to review and update its policies and procedures to improve compliance and internal controls. Initial work was undertaken to assess the funding needs linked to upcoming regulatory reforms such as the FIMA, the Consumer Credit Bill, the Market Conduct Supervisory Framework, and the Authority's expanding mandate.
- The review of the NAMFISA Levy Gazette continued, with the aim of improving sustainability and alignment with future regulatory responsibilities.
- The Division provided financial oversight of the Head Office building project, ensuring timely payments, effective cash flow management, and ongoing monitoring.

Legal and Licensing Services Division

The Legal and Licensing Services Division manages licensing, regulatory approvals, and legal advisory services. The Division ensures compliant market entry and exit, supports enforcement, and safeguards the integrity of the regulatory framework.

MARKET CONDUCT AND OPERATION FUNCTION

Finance and Administration



Licensing and Registration Department

Key activities during 2025/26

- The Department processed registrations, deregistrations, and related applications; issued certificates of good standing; and conducted targeted staff training to address skills gaps.
- The Department updated standard operating procedures and improved service delivery through enhanced website information and guidance for applicants.

Legal Services Department

Key activities during 2025/26

- The Department focused on drafting and reviewing subordinate legislation under the FIMA and the NAMFISA Act.
- Public comments on the Consumer Credit Bill were reviewed and incorporated; the Bill was submitted to the Minister of Finance; and a second round of targeted public consultations was conducted (February-March 2026).
- The Department supported the Regulatory Sandbox, and provided ongoing legal advice and enforcement support.

Human Resources Division

The Human Resources Division manages workforce strategy, talent development, and employee relations. The Division promotes performance, engagement, and compliance while strengthening organisational capability and supporting NAMFISA as an employer of choice.

Key activities during 2025/26

- The updated Recognition Agreement between NAMFISA and NAFINU was signed on 1 April 2025. The Recognition Agreement governs the relationship between the two parties, fostering a strong and collaborative partnership that provides mutual support and benefits to both organisations.
- An E-Recruitment System was introduced during the third quarter of the financial year, with full implementation going live in January 2026.
- NAMFISA continues on a Culture Change journey for the entire institution. So far, the organisation has implemented most of the action plans to bring about a conducive working environment and guarantee employee psychological safety.

MARKET CONDUCT AND OPERATION FUNCTION

Legal and Licensing Services Division



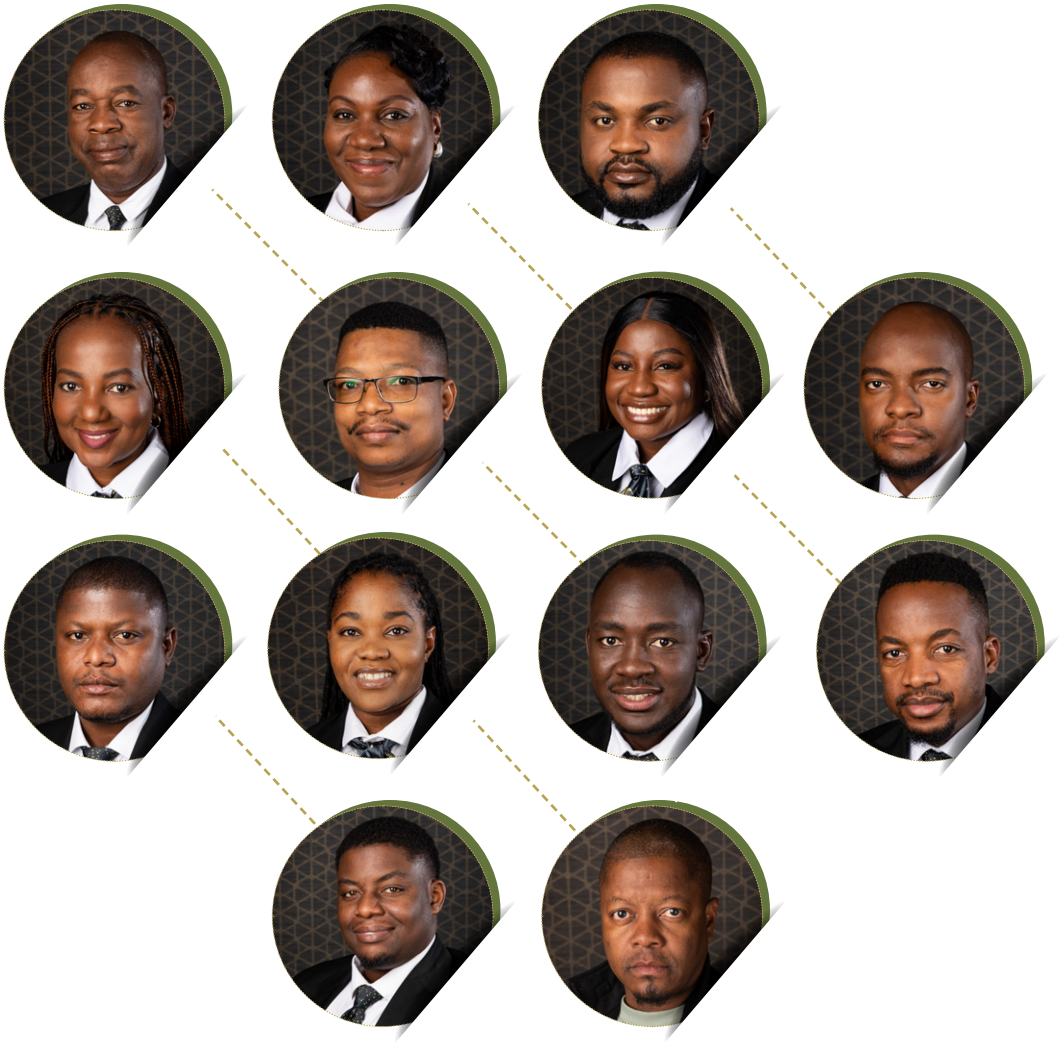
MARKET CONDUCT AND OPERATION FUNCTION

Human Resources Division



MARKET CONDUCT AND OPERATION FUNCTION

Information and Communications Technology Division



MARKET CONDUCT AND OPERATION FUNCTION

Market Conduct Division







SUPERVISORY UPDATE

NAMFISA supervises its regulated entities in accordance with the NAMFISA Act. It also subscribes to principles adopted by various international standard-setting bodies.

Overview of Supervisory Approach

Supervisory principles

NAMFISA's supervisory principles include the following:

- International Organisation for Pension Supervisors (IOPS) standards for the supervision of pension funds
- International Association of Insurance Supervisors (IAIS) core principles of supervision for insurance
- International Organization of Securities Commissions (IOSCO) principles and standards for securities regulation
- SADC Committee of Insurance, Securities and Non-banking Financial Authorities (CISNA) guidelines
- Financial Action Task Force (FATF) International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation

A key principle that guides NAMFISA is the continuous review of its policies and practices to ensure effectiveness, efficiency, and alignment with international best practice while responding to the needs of Namibia's financial sector.

Non-bank financial institutions within banking groups are supervised on a consolidated basis through a Joint Supervision Framework and Memorandum of Understanding with the Bank of Namibia, enabling the exchange of supervisory information to support effective group-wide oversight.

Ladder of Supervisory Intervention

Various Acts provide for a wide range of discretionary intervention powers for the Authority to address situations that give it cause for concern. NAMFISA, therefore, devised a guide to its Ladder of Supervisory Intervention (Table 10). This sets out the procedures that the Authority will generally follow when it has cause for concern regarding the operations of a regulated entity or when a regulated entity does not comply with applicable NAMFISA legislation, regulations, standards, guidelines, or directives.

Table 10: Ladder of Supervisory Intervention

Indicator category	Stage of intervention	Reason for or nature of intervention
No significant problems	Stage 1	Pursuant to its mandate, the Authority carries out ongoing supervisory and regulatory activities on a regulated entity.
Early warning	Stage 2	The Authority identifies some deficiencies in policies or procedures or the existence of other practices, conditions and circumstances that could lead to the development of problems requiring a Stage 3 intervention.
Risk to viability or solvency	Stage 3	Situations or problems exist that, although not presenting an immediate threat to viability or solvency, could deteriorate into a Stage 4 situation if not addressed promptly.
Future viability in serious doubt	Stage 4	Situations or problems described at Stage 3 pose a material threat to future viability or solvency unless prompt, effective and corrective measures are applied.
Entity not viable or insolvency imminent	Stage 5	Severe financial, operational or market conduct difficulties are indicated, which will result in one or more of the following: • Failure or imminent failure of the regulated institution to meet capital adequacy and solvency requirements, coupled with an inability to rectify the situation within a short period. • Failure of the regulated institution to develop and implement an acceptable business plan, thus making either of the two preceding circumstances inevitable within a short period. • Prolonged and consistent failure to comply with the Registrar's directives.

The objectives of the guide to the Ladder of Supervisory Intervention are to:

- identify areas of concern early and to intervene effectively to protect the users of financial services;
- promote awareness and enhance the transparency of the system of intervention for regulated entities and other stakeholders;
- summarise the circumstances under which intervention measures may be expected; and
- set out NAMFISA's core supervisory principles, outline its supervisory activities, and provide the framework for remedial supervisory intervention.

Table 11 presents a summary of all the NBFIs' 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.

Of the total number of regulated NBFI entities, 61.4 percent (732 entities) were categorised as Stage 1 entities. In contrast, 5.2 percent (or 62 out of the total number of registered entities) were non-compliant and categorised as Stage 5 entities, with microlending accounting for 85.5 percent of these 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 11: Supervisory and regulatory development

Indicators for supervisory concerns			2024	2025										
Stage of intervention	**Description**	**Rating code**	**Total (%)**	**LTI**	**STI**	**R**	**PF**	**MAF**	**FS**	**CM1**	**CM2**	**ML**	**Total (actuals)**	**Total (%)**
Stage 1	No significant problems		**60.5%**	12	11	2	23	3	1	62	55	563	**732**	**61.4%**
Stage 2	Early warning		**12.0%**	1	2	0	33	3	0	3	6	204	**252**	**21.1%**
Stage 3	Risk to viability or solvency		**13.6%**	0	0	0	5	0	0	1	0	104	**110**	**9.2%**
Stage 4	Future viability or solvency in serious doubt		**5.0%**	2	1	0	0	0	0	0	0	34	**37**	**3.1%**
Stage 5	Entity not viable or insolvency imminent		**9.0%**	0	0	0	6	1	0	0	2	53	**62**	**5.2%**
Total			**100.0%**	**15**	**14**	**2**	**67**	**7**	**1**	**66**	**63**	**958**	**1,193**	**100.0%**

Prudential Supervision Function

This section presents NAMFISA's prudential supervisory developments and key enforcement actions during the review period.

Long-term insurers

Key inspection findings

During the reporting period, the Authority conducted a joint on-site inspection with the South African Prudential Authority on Momentum Metropolitan Namibia Limited, and 57 off-site inspections, whose key supervisory findings are indicated in Table 12.

Table 12: Long-term insurers: Key supervisory findings

6.1	**Governance and strategic planning gaps**
	▪ Absence of SMART operational strategies ▪ Weak cost management frameworks
6.2	**Reinsurance and risk transfer weaknesses**
	▪ Insufficient assessment of: o reinsurance arrangements o risk mitigation effectiveness
6.3	**Intragroup and related party risks**
	▪ Elevated exposure to: o intercompany transactions o shared operational structures ▪ These arrangements pose: o contagion risk o reduced transparency o potential prudential concerns
6.4	**Operational and compliance deficiencies**
	▪ Late or incomplete regulatory submissions ▪ Data integrity and reporting challenges

Directives and circulars issued

Table 13 presents the directives and circulars issued to date during the year under review.

Table 13: Long-term insurers: Directives and circulars issued

Directive or circular number	Directive or circular name	Date issued	Date effective
AML/02/2025	Guidelines on the identification of beneficiaries of insurance and investment-related insurance policies	5 April 2025	5 April 2025
MC/CCD/1/2026	Insurable interest and over-insurance relating to funeral insurance policies	20 February 2026	20 February 2026

Short-term insurers

Key inspection findings

The key inspection findings that arose from the off-site inspections in 2025 are presented in Table 14.

Table 14: Short-term insurers: Key findings from off-site inspections, 2025

1	Some insurer's board composition does not follow the best practice recommendations of the NAMCODE Principle C2-18 and Insurance Core Principle 7 – Corporate Governance. Certain observations were made with regard to weaknesses in adherence to good corporate governance practices. These observations reflect instances of non-alignment with established governance principles and indicate potential areas of non-compliance with the FIMA, once operational.
2	The absence of entity-level Board committees in the governance framework of some insurers was observed. This arrangement is not aligned with the requirements of section 398 of the FIMA, which provides that the Board of a financial institution may appoint committees from among its own members to support the discharge of its governance and oversight responsibilities.
3	Significant exposure to contagion and liquidity risks and other resultant spillover effects due to extensive related party transactions and balances that insurers have with related parties.
4	A low claims ratio was observed for some insurers. This raises the concern that some insurers may not be conducting bona fide insurance business or may be repudiating otherwise valid claims.
5	Some insurers failed to comply with sections 22 and 23 of the Short-term Insurance Act. 1998 (No. 4 of 1998), which compels registered insurers to submit annual financial statements and supporting financial information certified by an auditor, together with the auditor's report to the Registrar within six months of financial yearend.
6	Some insurers reported an expense ratio higher than the prudential benchmark ratio of 40% for the non-life insurance industry. These high expenses continue to limit the accumulation of reserves, which in turn constrain capital and solvency and increases exposure to operational risks.
7	Non-compliance with Directive Letters I/STI/01/2018 and I/LTI/01/2018 to ensure the accuracy of data submitted in the Quarterly Return. Some insurers continue to submit incorrect quarterly returns, which stretches the timelines required to finalise analysis and reporting.

Directives and circulars issued

No new directives or circulars were issued during the year under review.

Medical aid funds

Key inspection findings

The Division conducted 28 off-site inspections across seven (7) registered funds, complemented by one (1) on-site inspection, to assess compliance, financial soundness, and risk exposure.

A summary of the off-site inspection findings include:

- outstanding contributions: high credit balances and increases in accounts payable;
- sustainability of the fund: inadequate reserves and solvency issues;
- Principal Officer Fit and Proper Assessment;
- reduction in membership;
- inaccurate financial information;
- non-compliance with approved fund rules and sections 30(3) and 31(1) of the Medical Aid Funds Act, 1995 (No. 23 of 1995); and
- equity and fair treatment of members.

Directives and circulars issued

Table 15 presents the directives and circulars issued to date during the year under review.

Table 15: Long-term insurers: Directives and circulars issued

Directive or circular number	Directive or circular name	Date issued	Date effective
I/MAF/01/2025	Compliance with the Medical Aid Funds Act, 1995: audited annual financial statements for the year ended 31 December 2023 and subsequent audited annual financial statements	12 March 2025	12 March 2025
I/MAF/CIR/02/2025	Submission of rule amendments and contributions and benefit changes of medical aid funds	4 December 2025	1 January 2025

Pension funds

Key inspection findings

NAMFISA conducted three (3) on-site inspections of pension and provident funds, and initiated a forensic inspection of the Namibia Building Workers Pension Fund due to ongoing financial reporting and governance concerns. Seven (7) off-site inspections were completed, of which five (5) are still in progress, ensuring continued supervisory oversight of the sector.

Key findings from the off-site inspections revealed governance, compliance, and operational weaknesses, including non-compliance with legislation, misaligned fund rules, weak board oversight, and inadequate governance structures. Operational issues included late or inaccurate reporting, absence of service level agreements, weak oversight of trustees and service providers, poor member tracing, and gaps in risk management and actuarial implementation.

Directives and circulars issued

In response, NAMFISA issued directives requiring alignment with fund rules, strengthened trustee accountability, improved reporting accuracy, compliance with regulatory requirements, full insurance of risk benefits, and submission of governance documentation to reinforce compliance and improve fund governance and operational discipline.

Capital markets

Key inspection findings

NAMFISA conducted four (4) full-scope risk-based supervision inspections on investment-related entities, alongside quarterly and bi-annual off-site reviews across all regulated firms, including low-impact entities. Institutions were required to submit corrective action plans to address identified deficiencies.

Key findings presented compliance and operational weaknesses, including late or missing statutory submissions (levy returns, quarterly returns, audited financial statements) and weak Board assessments. Operational gaps included staffing constraints, lack of succession planning, weak oversight of service providers, limited risk and cyber security awareness, weak documentation, inadequate capital management oversight, and inaccurate investment reporting.

Directives and circulars issued

The entities were directed to implement corrective action plans, strengthen governance and risk management, improve regulatory reporting, enhance oversight of service providers, and reinforce documentation and internal control systems to improve compliance and operational effectiveness.

Market Conduct and Compliance Function

This section presents the Authority's supervisory developments in respect of NBFI market conduct and compliance during the review period.

Anti-Money laundering and the combating of terrorist and proliferation financing (AML/CFT/CPF)

NAMFISA has a statutory mandate to supervise AIs under its purview for AML/CFT/CPF purposes. As a result, supervisory activities are conducted in terms of the Annual Supervisory Plan on a risk-sensitive basis. In executing this plan during the reporting period, the Authority conducted various on- and off-site inspections.

On-site inspections

The Authority conducted five (5) on-site inspections during the review period. The scope of the on-site inspections was determined according to the FATF Joint Group's recommended actions in light of Namibia's grey-listing. Similarly, the types of inspected AIs were selected based on the FATF Joint Group's recommended actions in light of Namibia's grey-listing. In this regard, AIs of different sizes and risk profiles from different sub-sectors were subject to on-site inspections.

Table 16 illustrates the number of on-site inspections conducted for each type of AI.

Table 16: AML/CFT/CPF: On-site inspections for accountable institutions

Type of accountable institution	Number of on-site inspections conducted
Unit trust management companies	3
Stockbrokers	2

Inspection outcomes

NAMFISA found that two (2) AIs (i.e. a stockbroker and a unit trust management company) maintained strong controls with no adverse findings; however, three (3) AIs recorded varying levels of non-compliance.

Key findings

Key weaknesses included misalignment with the Financial Intelligence Amendment Act, 2023 (No. 6 of 2023), weak risk management frameworks, inadequate CDD/ODD/EDD processes, failure to screen against UN sanctions lists, poor record-keeping, and gaps in audit and staff training.

Supervisory interventions undertaken

Administrative sanctions and remedial measures were imposed on affected stockbrokers and unit trust companies to enforce compliance and correct identified deficiencies. These actions aimed to strengthen governance, risk management, and regulatory adherence.

Off-site inspections

A total of 54 off-site inspections were conducted across medium-low and low-risk institutions, reinforcing ongoing risk-based supervision and continuous regulatory monitoring.

Table 17 illustrates the number of off-site inspections conducted for each type of AI.

Table 17: AML/CFT/CPF: Off-site inspections for accountable institutions

Type of accountable institution	Number of off-site inspections conducted
Investment/asset managers	16
Microlenders	18
Long-term (life) insurers	12
Unlisted investment managers	8

Key findings

NAMFISA aligned the off-site inspections with Namibia's grey-listing requirements, strengthening focus on preventative AML/CFT measures and compliance obligations. The findings reflected weaknesses in risk management frameworks, inadequate CDD/ODD/EDD processes, insufficient sanctions screening, gaps in internal responses to positive matches, and deficiencies in transaction monitoring and STR/SAR reporting. These gaps indicate ongoing challenges with regard to the consistent implementation of AML controls across entities.

Supervisory interventions undertaken

Directives were issued to non-compliant institutions, including asset managers, microlenders, life insurers, and unlisted investment managers, requiring corrective action within set timelines. Upon satisfactory remediation, closure letters were issued, reinforcing accountability and improving overall compliance and AML/CFT control effectiveness.

Table 18: AML/CFT/CPF: Number of accountable institutions issued directives and closure letters

Type of remedial action	Number of institutions
Directives	16
Closure letters	28

Conduct and compliance

Inspections

NAMFISA conducted five (5) inspections in 2025 to strengthen market conduct oversight, improve compliance, and mitigate risks to consumer protection.

On-site inspections

Two (2) on-site inspections targeted higher-risk entities, including an unregistered microlender (follow-up on regulatory directives) and a registered microlender (assessment of affordability practices and over-indebtedness risks). Reviews are ongoing, from which the final findings are pending completion.

Off-site inspections

Two (2) follow-up inspections on microlenders assessed remediation progress, particularly with regard to complaints handling and loan agreement compliance. A thematic review of a long-term insurer evaluated complaints processes against fair-treatment standards.

Key findings

Microlenders showed gaps in complaints communication, staff awareness, disclosure requirements, and loan agreement terms (notably early settlement provisions). The insurer lacked a formal complaints policy, defined timelines, clear communication, and adequate root-cause analysis.

Ongoing compliance reviews

Continuous reviews identified non-compliance, including failure by microlenders to submit statutory returns and the absence of professional indemnity cover among insurance brokers. Enforcement actions included cancellations and penalty notices, with opportunities provided for remediation.

Overall outcome

Supervisory actions enhanced regulatory oversight, drove corrective measures, and reinforced compliance, contributing to improved consumer protection and fair market conduct.

Consumer complaints

NAMFISA continued to strengthen its consumer protection mandate, recording an 8 percent increase in complaints to 403 as at 31 December 2025. The increase was largely driven by issues in the short-term insurance, long-term insurance, and microlending sectors, mainly relating to delayed claims processing, claim repudiations, and overcharged interest.

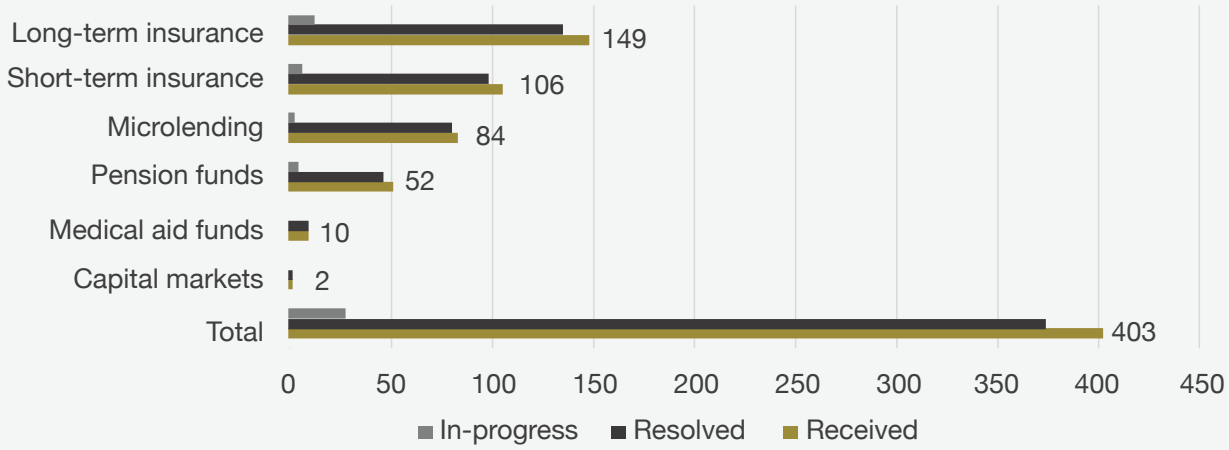
Despite the rise in complaints, the Authority maintained a high resolution rate, with 93 percent of the cases successfully resolved during the year. The remaining 7 percent were still in process at year-end and carried over into 2026 for final resolution.

Table 19: Complaints received per industry, 2021-2025

Industry	Number of complaints received				
	2021	2022	2023	2024	2025
Long-term insurance	321	220	247	138	149
Short-term insurance	151	144	122	89	106
Microlending and credit agreement	178	172	165	75	84
Pension funds	116	156	116	59	52
Medical aid funds	15	35	39	10	10
Capital markets	1	3	2	2	2
Total received	782	730	691	373	403
Total resolved	742	682	629	358	375
Resolution rate	95%	93%	91%	96%	93%

All complaints that were received and resolved and which are still in progress per industry are depicted in Figure 15.

Figure 15: Complaints received, resolved and in progress per industry, 2025



The long-term insurance industry recorded the highest number of complaints (149), followed by short-term insurance (106), microlending (84), pension funds (52), medical aid funds (10), and capital markets (2) (Table 19).

Complaints in the long-term insurance, short-term insurance, microlending, and pension funds industries remained the most significant, collectively accounting for 97.0 percent of the total complaints during the reporting period.

- The top five complaint categories included:
- unsatisfactory or undelivered services;
- repudiation of insurance claims;
- overcharged interest;
- delays in funeral claim payments; and
- disputes over amounts paid.

Table 20 provides a breakdown of these top five complaint categories across the long-term insurance, short-term insurance, microlending, pension funds, medical aid funds, and capital markets industries.

Table 20: Top complaints per industry

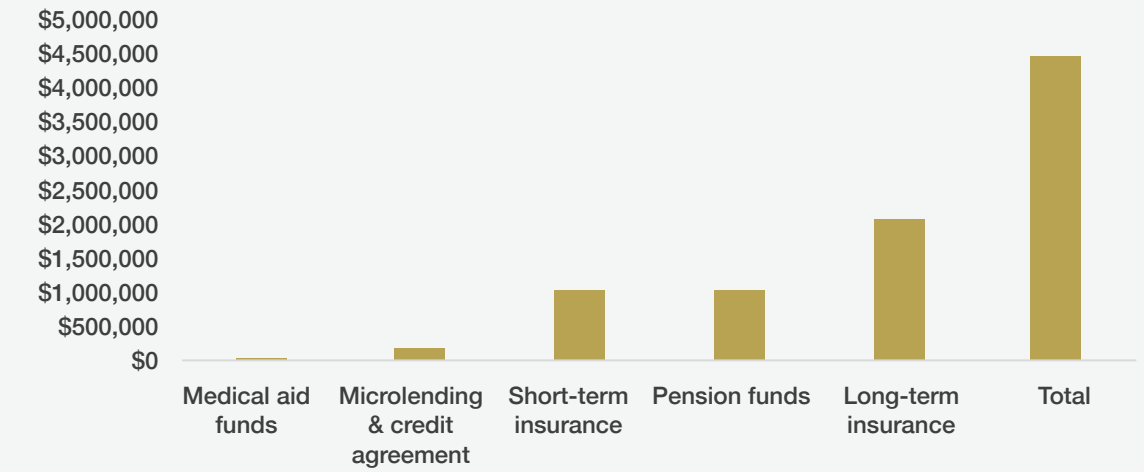
Industry	Type of complaint
Long-term insurance	• Delays in payment of funeral claims • Services either not acceptable or not delivered • Disagreements of amounts paid • Repudiation of funeral benefit claims • Lapsed policies
Short-term insurance	• Repudiation of insurance claims • Repudiation of motor vehicle accident claims • Services either not acceptable or not delivered • Delays in payment of insurance claims • Disagreements of settlement amounts offered
Microlending	• Overcharging of interest • Delays in payment of refunds • Fraudulent loans • Illegal deductions • Services either not acceptable or not delivered
Pension funds	• Delays in payment of pension benefits • Non-provision of information • Services either not acceptable or not delivered • Disagreements of amounts paid • Delays in payment of death benefits and contributions • Withholding of pension benefits
Medical aid funds	• Services either not acceptable or not delivered • Delays in payment of medical claims
Capital markets	• Delays in cancellation of annuity products • Delays in payment of investments

Across various industries, the root causes for the recurrence of some of the complaints include:

- poor customer service or unprofessional conduct;
- ineffective communication, particularly regarding delays in claim processing;
- overcharged interest;
- misrepresentation of facts at the claim stage;
- leaving motor vehicle accident scenes before the arrival of traffic officers and/or medical personnel;
- signing contracts or agreements without reading or fully understanding the contents; and
- failure by NBFIs to properly explain terms and conditions to consumers.

The total value of payments made to complainants per sector during the review period are illustrated in Figure 16.

Figure 16: Payments to complainants per sector



The total payments to complainants decreased to N$4.4 million in 2025 from N$11.8 million in 2024, benefiting 81 complainants. Recoveries were mainly from long-term insurance (N$2.1 million), pension funds (N$1.1 million), short-term insurance (N$1.0 million), microlending (N$204,000), and medical aid funds (N$54,000), reflecting improved sector remediation.

Consumer education

NAMFISA continued its financial literacy mandate through targeted nationwide initiatives, promoting financial awareness, responsible behaviour, and protection against market misconduct.

NAMFISA workplace forums

Workplace forums formed part of NAMFISA's consumer education outreach, delivering financial literacy to employees, educators, students, and communities. The initiative improved the understanding of financial products and consumer rights, encouraged responsible financial behaviour, promoted savings, and helped reduce over-indebtedness through practical and accessible education.

Table 21: Workplace forum attendance per region and town

Region (8)	Town (16)	Institution	Number of institutions	Attendance
Erongo	Karibib	Air Force Base	1	78
	Otjimbingwe	Da-Palm Senior Secondary School, Otjimbingwe Primary School	2	49
	Swakopmund	Vrede Rede, Town Hall	2	34
	Henties Bay	Municipality	1	26
	Walvis Bay	NAMPORT, Fisheries Observer Agency, Naval Base Namibia, Fish Consumption Trust, Rooikop, Military Base, Erongo Marine, Etosha Fishing, J.P. Brand Primary School	9	382
Khomas	Windhoek	Elim Primary School, Namibia Qualifications Authority, Amazing Kidz Private School, National Theatre of Namibia, NUST	5	841
Kunene	Outjo	End Learning Poverty for All in Africa (EPLFA),	1	Not quantified
Otjozondjupa	Okahandja Grootfontein	Osona Military Base, Grootfontein Education Circuit	2	773
Omaheke	Gobabis	Gobabis Military Base, Government agencies (10)	11	122
//Kharas	Berseba	Village council and school	2	27
	Tses	School and Police	2	47
	Keetmanshoop	Regional Council Office	1	54
Hardap	Mariental	Regional Council Office, DD Guibeb Primary School, Danie Joubert Combined School, Namibia Wildlife Resorts, Municipality	5	136
	Gibeon	Cornelius //Oaseb Senior Secondary School, Captain Reverend Doctor Hendrik Witbooi Primary School, Dr W.M. Jod Primary School	3	18
	Stampriet	Stampriet Primary School, Jakob Soul Primary School	2	41
Oshana	Ongwediva	Ongwediva Trade Fair	1	614
			50	**3,242**

Mall activations

Mall activations are an important outreach tool as they provide direct access to a broad and diverse group of financial consumers in high-traffic public spaces, enabling real-time engagement, awareness, and education on financial products, rights, and responsibilities. During the year under review, these activations were successfully implemented, enhancing NAMFISA's visibility and strengthening consumer understanding through accessible and interactive engagements.

Table 22: Mall activation attendance

Location	Attendees
Karibib Service Station	56
Mondesa Woermann	76
Swakopmund Shoprite	33
Kuisebmund Woermann	141
Vineta Sports Field	25
Total	331

Trade fairs and exhibition engagements

NAMFISA maintained strong national visibility through its mobile office at major trade fairs and exhibitions, using these platforms to deliver interactive consumer education, promote financial rights awareness, and strengthen the understanding of its regulatory mandate.

Ongwediva Annual Trade Fair

At the Ongwediva Annual Trade Fair, more than 614 consumers engaged with the NAMFISA stand, accessing financial education materials, receiving one-on-one guidance, and gaining assistance with complaints. The engagement improved awareness of financial products and consumer rights, particularly among first-time users, and strengthened public confidence in NAMFISA's consumer protection role.





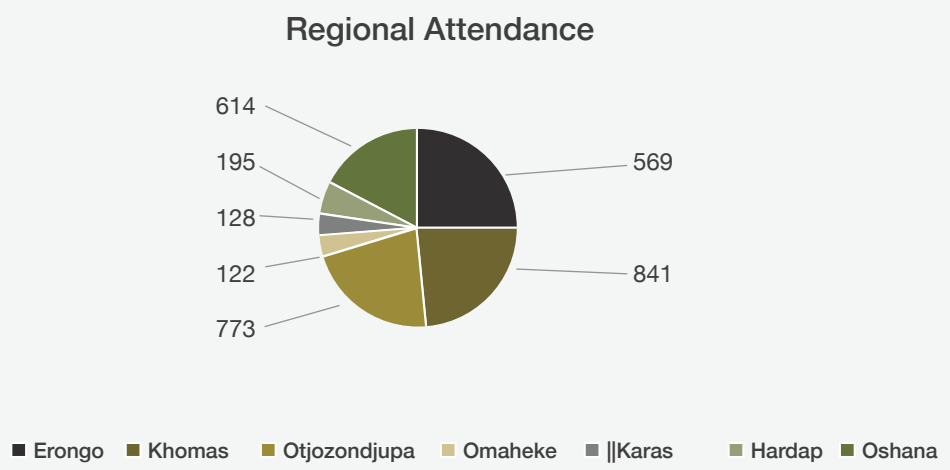
Windhoek Industrial and Agricultural Show

NAMFISA engaged over 6,000 consumers at the Windhoek Industrial and Agricultural Show, focusing on pension benefits, microlending, and insurance awareness. The engagement improved the understanding of financial products, complaint processes, and consumer support mechanisms through direct interaction.

Regional attendance

Regional engagement showed the highest participation in Khomas (841) through strong institutional engagement, followed by Otjozondjupa (773) via the Grootfontein Education Circuit, the Ongwediva Trade Fair (614), and Erongo (569), driven by the Walvis Bay and mall activations. The Military Base outreaches contributed meaningfully to the reach, and smaller rural engagements, though lower in numbers, enhanced geographic inclusivity and outreach coverage.

Figure 17: Consumer education: Regional attendance



Consumer Protection Month campaign (October 2025)

NAMFISA delivered its flagship Consumer Protection Month campaign under the theme 'Know Your Rights, Secure Your Future', using a nationwide multimedia approach across television, radio, digital, print, and in-person engagements. The campaign achieved a broad national reach and improved access to practical financial education across urban and rural communities. The campaign translated awareness into measurable outcomes by strengthening consumer understanding of financial rights, improving financial literacy, and promoting responsible financial behaviour such as budgeting, saving, and fraud prevention. Targeted tools, including the Tulonga mascot, improved engagement among youth and first-time consumers. Overall, the campaign increased consumer confidence, strengthened trust in the regulator, and reinforced a more informed and financially responsible public.



Key highlights

Television and radio engagements

During the 2025/2026 financial year, NAMFISA dedicated 62 percent of its Good Morning Namibia television interviews to financial education topics including consumer rights, market conduct, and the FIMA. This was complemented by vernacular radio outreach, ensuring wider accessibility and improved understanding among rural and underserved communities. The combined approach strengthened financial awareness and promoted informed participation in the financial sector.

Promoting consumer education and impact

These consumer education engagements simplified complex financial topics, promoted responsible financial behaviour, and enabled consumers to better understand and exercise their rights. The high participation levels and improved public awareness demonstrated stronger financial knowledge, greater confidence in financial decision-making, and progress toward a more financially literate and protected society.

Radio campaigns and interviews

NAMFISA used multilingual radio campaigns, interviews, and commercial stations to achieve wide national reach, increasing awareness of consumer protection, insurance, complaints processes, and the FIMA. The initiative improved consumer understanding and engagement with financial services, and it strengthened outreach to rural and underserved communities through vernacular programming.

Media collaboration

Through partnership with NAMPA, NAMFISA expanded national coverage and strengthened visibility, ensuring consistent messaging and greater public awareness of consumer protection initiatives. This improved the reach and credibility of regulatory communications during key campaigns.

Other collaborative engagements

Partnerships with institutions such as the Namibia University of Science and Technology and the Financial Literacy Initiative expanded outreach, improving access to financial education and strengthening stakeholder collaboration across communities. These collaborations also enabled the delivery of more targeted and context-specific financial literacy.

Ending Learning Poverty for All in Africa (ELPA)

Participation in the ELPA aligned financial literacy with broader development goals, supporting foundational education priorities and reinforcing links to long-term frameworks such as AU Agenda 2063. It also positioned financial literacy as a key contributor to national human capital development.

Grootfontein Circuit: All staff conference and awards

NAMFISA delivered financial education to over 400 participants, strengthening financial awareness and equipping educators with practical tools for improved financial management and knowledge transfer. The engagement further supported the integration of financial literacy into education environments.

Career VX 2025

Engagement with youth provided practical financial guidance on decision-making and careers, strengthening early financial capability and responsible economic participation. It also reinforced awareness of long-term financial planning among young participants.

Digital education

The Consumer Education website and social media platforms served as a central information hub, improving access to financial education, increasing engagement, and contributing to better financial decisions and reduced complaints. Continuous content updates ensured relevance and responsiveness to emerging consumer needs.

Internal FIMA education campaign

The internal FIMA education campaign strengthened staff understanding of the FIMA through simplified learning tools, achieving high engagement and adoption. The campaign improved internal confidence, consistency in communication; reinforced organisational alignment, with a success rate of 90-95 percent; and supported stronger internal ownership of regulatory responsibilities across divisions.





Comic booklet publications and thought leadership articles

NAMFISA enhanced consumer education through accessible tools, including comic booklets, articles, and news features, which are designed to simplify financial concepts and reach diverse audiences.

Comic book initiative

The "Multiple Cessions on a Single Life Insurance Cover" comic booklet uses storytelling and visual content to explain insurance, financial planning, and risk management. This approach has improved understanding, particularly among youth and first-time users, making key concepts more relatable and memorable.





Consumer awareness news and articles

A series of articles and news features addressed key topics such as annual general meeting participation, FinTech developments, and outreach activities. These publications increased awareness of financial governance, emerging risks, and consumer protection, supporting more informed decision-making.

Thought leadership in local newspapers

Thought leadership articles on the FIMA strengthened public understanding of market conduct and consumer protection. These contributions positioned NAMFISA as a credible voice while reinforcing the importance of regulatory safeguards in the financial sector.

Targeted consumer awareness briefs

Targeted briefs, including alerts on unregistered microlenders, addressed emerging risks and promoted responsible financial behaviour. This improved consumer vigilance and encouraged verification of financial service providers.

Overall impact

These initiatives have expanded outreach and improved financial literacy through engaging, practical content. The combined approach has strengthened consumer confidence, encouraged responsible behaviour, and ensured that financial education is accessible, relevant, and impactful.

Social media

NAMFISA's digital footprint continued to expand across platforms, solidifying its position as a credible and authoritative voice on consumer protection and financial literacy. While overall growth remained steady, it was uneven across platforms, reflecting varying engagement patterns and audience demographics.

Table 23: Social media platform performance summary

Platform	Followers (2025)	Previous period	Growth	Remarks
Facebook	12,600	12,000	+600	Consistent engagement with an average of 8.6 likes per post
Instagram	12,800	11,400	+1,400	Steady growth among youth audiences
LinkedIn	25,054	23,379	+1,675	Strong professional audience retention
X (formerly Twitter)	883	878	+5	Modest engagement; content strategy under review
TikTok	294	133	+161	Emerging platform
WhatsApp	779	112	+667	Launched during the previous reporting period (2025)
TOTAL	52, 410	47,902	4,508	Growth of 5.1 percent from the previous period

Total followers across tracked platforms: 52, 410.

The Authority continues to explore innovative ways to leverage digital platforms for consumer education, stakeholder engagement, and brand positioning. Future efforts will focus on expanding digital storytelling, strengthening analytics, and tailoring content to suit platform-specific audiences





07

REGULATORY DEVELOPMENTS

This chapter highlights key regulatory and policy developments, including new legislation, regulatory instruments, and progress on the implementation of the NAMFISA Act, the FIMA, and related reforms. In line with its mandate, the Authority advanced legislative reviews to support the transition to risk-based supervision and strengthen consumer protection.

New and Amended Legislation

The Namibia Financial Institutions Supervisory Authority Act, 2021 (No. 3 of 2021) (NAMFISA Act), the Financial Institutions and Markets Act, 2021 (No. 2 of 2021) (FIMA), together with the Regulations and Standards made thereunder, came into operation on 1 May 2026.

Table 24 summarises the purpose and status of the abovementioned pieces of legislation affecting NAMFISA's regulatory and supervisory mandates.

Table 24: Purpose and status of new regulatory instruments in development

Title of regulatory instrument	Purpose	Status
Namibia Financial Institutions Supervisory Authority Act, 2021 (No. 3 of 2021) (NAMFISA Act)	To reform the Authority by expanding its mandate, increasing its regulatory and supervisory powers, and improving its governance capacity.	The NAMFISA Act was promulgated in October 2021 and came into operation on 1 May 2026.
Financial Institutions and Markets Act, 2021 (No. 2 of 2021) (FIMA)	To consolidate and modernise the laws that govern all industries that the Authority currently regulates, except for the Usury Act, 1968 (No. 73 of 1968), the Microlending Act, 2018 a (No. 7 of 2018), and the Credit Agreements Act, 1980 (No. 75 of 1980).	The FIMA was promulgated in October 2021 and came into operation on 1 May 2026.
The Consumer Credit Bill	To consolidate, harmonise and reform the laws regulating the provision of credit and credit agreements; to establish the Consumer Credit Regulators; to provide for the regulation of credit providers, credit bureaus and debt collectors; to provide for the regulation of credit agreements in terms of which movable and immovable goods are purchased on credit, services are rendered on credit and the borrowing of money; to provide for the limitation and disclosure of interest, costs, fees and other charges levied in respect of the provision of credit; to provide for improved standards of consumer protection; to promote responsible lending and borrowing practices and market conduct; to repeal the Usury Act, 1968, the Credit Agreements Act, 1980, and the Microlending Act, 2018; and to provide for related incidental matters.	The completed Consumer Credit Bill (CCB) was submitted to the Ministry of Finance (MOF) for approval on 17 December 2024. A second round of public consultations was undertaken. After the submission of the final draft CCB to the MOF on 14 October 2025, the MOF approved an additional Targeted Public Consultation, consisting of a final 30-day written public consultation, focused exclusively on new issues arising from the revised October 2025 draft CCB. The second call for public input was published on 13 February 2026. The comments received by the closing date of 13 March 2026 are currently being reviewed and incorporated.
Standards under the FIMA	Subordinate legislation	The Minister of Finance published eight standards in the Government Gazette, which came into operation on 1 May 2026. NAMFISA will continue to publish new proposed drafts of standards for consultation, and following the consultation process, issue the final standards by publication in the Gazette.



INDUSTRY DEVELOPMENTS

This chapter presents an overview and analysis of developments in the global, regional, and domestic economies and financial systems.

INDUSTRY DEVELOPMENTS

Global and Regional Economic Developments

Global economy

During 2025, global economic growth remained broadly resilient, shaped by a complex interplay of shifting monetary policy stances, persistent geopolitical risks, and structural headwinds in key economies.

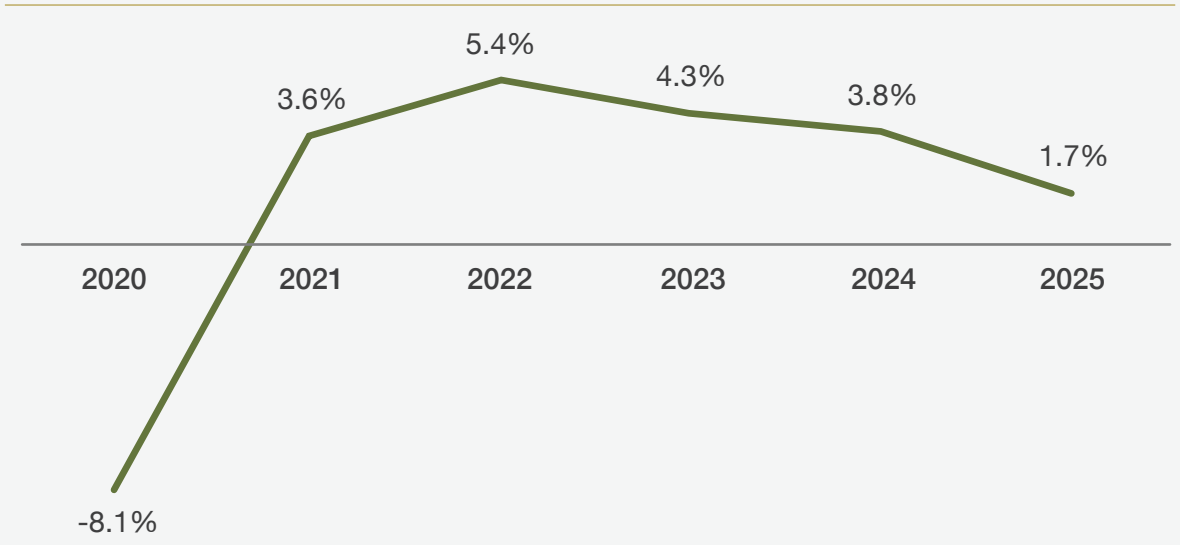
According to the International Monetary Fund's (IMF) January 2026 World Economic Outlook update, global growth in 2025 was broadly in line with the 3.3 percent projected for 2026, remaining below its long-run historical average. Growth in advanced economies registered 1.7 percent in 2025, with the United States benefiting from a gradual shift towards monetary easing in the latter half of the year, while the euro area's performance remained subdued amid unresolved structural headwinds and weak industrial demand. Growth in emerging markets and developing economies hovered around 4.0 percent, with China remaining a key contributor despite ongoing real estate sector challenges and deflationary pressures.

Global headline inflation continued its downward trajectory during 2025, with advanced economies moving closer to their respective targets and emerging markets recording broadly favourable outcomes. The IMF projected global inflation to decelerate further to 3.8 percent in 2026, reflecting softening demand and lower energy prices. However, the escalation of geopolitical tensions in the Middle East, notably the disruption of shipping through the Strait of Hormuz, drove Brent crude prices above US$106 per barrel and reintroduced upside risks to the inflation outlook, with the global geopolitical risk index surging by 65 percent between October 2025 and March 2026.

Domestic economy

The expansion of the domestic economy decelerated in 2025, growing by 1.7 percent, down from 3.8 percent recorded in 2024. This deceleration was primarily driven by a contraction in primary industries, which declined by 7.2 percent, weighed down by weak performance in mining and quarrying, which contracted by 9.4 percent. Diamond mining, the sector's principal contributor, fell by 19.4 percent, reflecting persistent weakness in global demand for natural diamonds and increased competition from laboratory-grown alternatives. Secondary and tertiary industries recorded growth of 2.1 percent and 4.2 percent, respectively, in 2025.

Figure 18: Domestic GDP growth rate



(Source: Namibia Statistics Agency

The Central Government budget deficit for fiscal year 2025/26 was estimated to widen to 6.6 percent of GDP, exceeding the October 2025 mid-year review projection of 5.9 percent, owing to lower-than-expected revenue collections in income tax, diamond company taxes, and value-added tax. The total government debt stood at N$172.5 billion at the end of 2025, an increase of 5.3 percent during the year under review. Despite this increase, the debt-to-GDP ratio edged marginally lower to 65.8 percent, a decline of 0.2 percentage points, supported by nominal GDP growth of 7.9 percent; however, it remained above the SADC benchmark of 60 percent.

The stock of foreign reserves declined to N$51.6 billion during the review period, down from N$63.0 billion at the close of 2024, due primarily to the government's redemption of the sovereign Eurobond in October 2025 and lower SACU receipts. As a result, import cover declined to 3.3 months from 4.2 months; however, it remained above the international benchmark of three months. Headline inflation decelerated from 4.3 percent in 2024 to 3.5 percent in 2025, driven by disinflationary pressures in transport, housing, and alcoholic beverages, supporting the Bank of Namibia's decision to maintain its repo rate at 6.50 percent.

Overview of Non-bank Institutions Sector Performance

Aggregate NBFI assets expanded by 16.6 percent to N$552.8 billion in 2025, representing an acceleration in the pace of asset accumulation, compared with 14.3 percent in 2024. The sector's financial stability remained intact throughout the review period, with solvency, liquidity and capital adequacy indicators for each subsector assessed as broadly sound and no threshold breaches recorded in any primary prudential metric.

Table 25: Non-bank financial institutions sector: Asset size

Total assets per subsector	2021	2022	2023	2024	2025
	(N$ million)				
Long-term insurance	66,672	68,757	74,260	83,837	97,120
Short-term insurance	7,188	7,200	7,745	9,121	10,207
Medical aid funds	2,287	2,001	2,097	2,796	3,596
Retirement funds	212,909	205,817	237,145	262,777	303,465
Collective investment schemes*	61,622	60,974	68,424	80,027	97,555
Investment managers*	12,584	14,654	17,888	27,453	33,257
Friendly societies	2	2	2	3	3
Microlenders	7,316	6,743	7,157	8,071	7,551
Total	370,582	366,149	414,811	474,084	552,755
Annual growth	13.5%	-1.2%	13.3%	14.3%	16.6%

(Source: NAMFISA)

*The assets under the two subsectors' management were recalculated, deducting funds managed on behalf of the other NBFI subsectors. This correction serves to guard against double counting in the determination of aggregate NBFI assets.

Long-term insurance

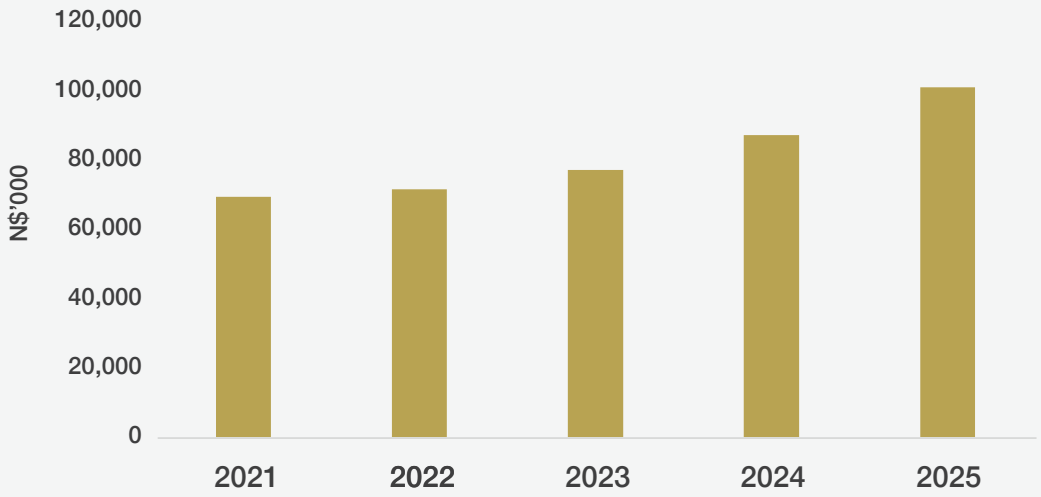
Performance review

The long-term insurance sector experienced growth in its assets, largely driven by the increase in investments throughout the year. The industry's excess assets increased by a moderate 15.8 percent, supported by a relatively higher growth in total assets compared with total liabilities. The sector continues to uphold its solvency and liquidity, maintaining levels that are considered sufficient to meet the minimum prudential requirements.

Assets

The value of the industry's assets rose by 15.8 percent to N$97.1 billion as at 31 December 2025, compared with the previous year (Figure 19). This growth was primarily driven by a significant expansion in the industry's investment portfolio, supported by strong recoveries across global financial markets in 2025 and exceptional equity market performance on the Johannesburg Stock Exchange, largely driven by surging commodity prices and renewed foreign investment inflows, particularly from international investors into mining and resource-linked equities. This resurgence in investor confidence supported broad-based improvements across most asset classes, thereby contributing to the continued growth of the investment portfolio.

Figure 19: Long-term insurance industry: Total assets

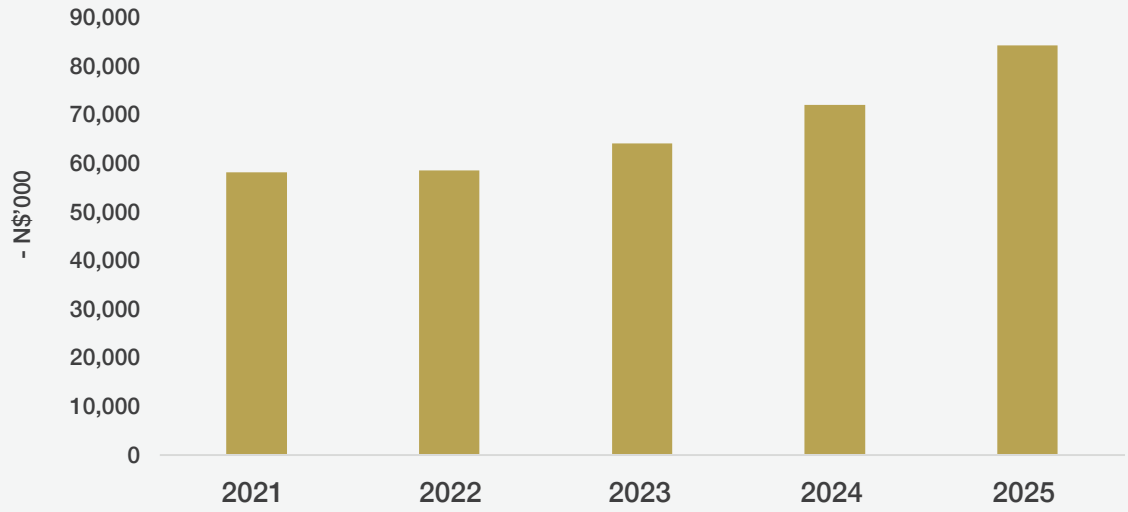


Liabilities

The value of the industry's total liabilities increased by 17.0 percent to N$83.9 billion as at 31 December 2025 (Figure 20). The increase in liabilities was primarily driven by the growth in policyholders' liabilities as a result of the growth in new business underwritten during the year. The individual risk, life annuities, and fund risk class categories accounted for the highest new business underwritten, representing 30 percent, 15.8 percent, and 14.3 percent, respectively.

Policyholders' liabilities, which constitute the core business of the industry, make up over 95 percent of the total industry liabilities. As such, significant changes in policyholder liabilities have a substantial impact on the overall liability fluctuations.

Figure 20: Long-term insurance industry: Total liabilities



Capital adequacy requirement

The financial soundness of long-term insurers is assessed by calculating the ratio of excess assets to the capital adequacy requirement (CAR). The cover ratio increased by 22.7 percent to 248.5 times as at 31 December 2025, driven by a modest growth in excess assets.

Table 26 presents an overview of industry solvency by comparing the free assets/excess assets with the capital requirements of each insurer. All the insurers met the recommended ratio of one-time coverage, and 12 insurers maintained a coverage greater than 10 times, indicating a strong solvency position.

Liquidity levels decreased by 12.1 percent to 7.6 times, compared with the previous year. This decrease in liquidity was driven by a reduction in current assets alongside an increase in current liabilities as at 31 December 2025.

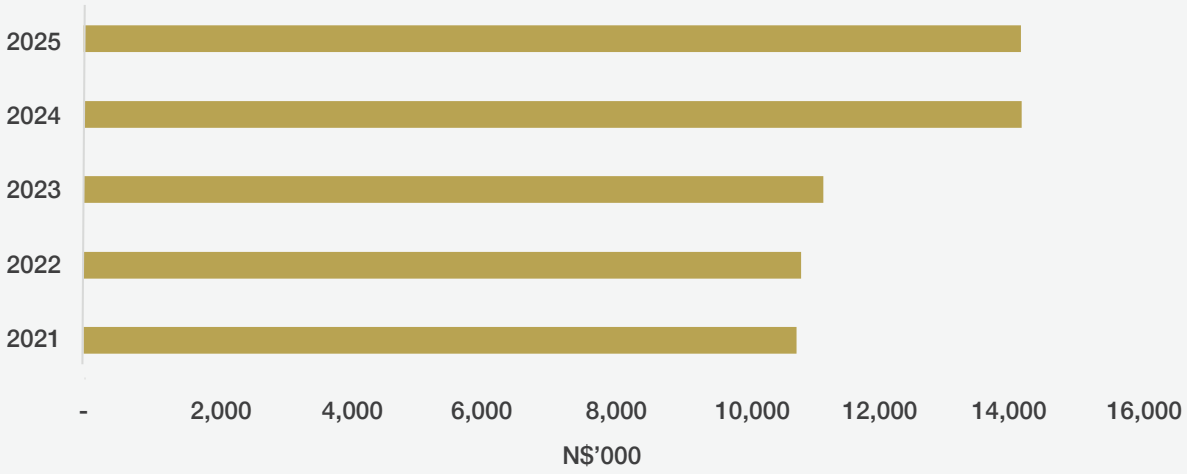
Table 26: Long-term insurers: Cover in terms of capital adequacy requirements

Ratio of surplus assets to capital adequacy requirement (CAR cover)	Number of long-term insurers				
	2021	2022	2023	2024	2025
Cover 1 time	0	0	0	0	0
Cover 1-2 times	0	1	0	1	2
Cover 2-5 times	2	2	2	0	0
Cover 5-10 times	0	0	1	2	1
Cover 10+ times	12	11	11	11	12
Total	**14**	**14**	**14**	**14**	**15**

Gross written premium

The industry's gross written premium (GWP) decreased slightly by 0.1 percent, reaching N$14.4 billion as at 31 December 2025 (Figure 21). The decline was primarily driven by a 3.1 percent reduction in single premiums, reflecting lower once-off contributions from policyholders during the year.

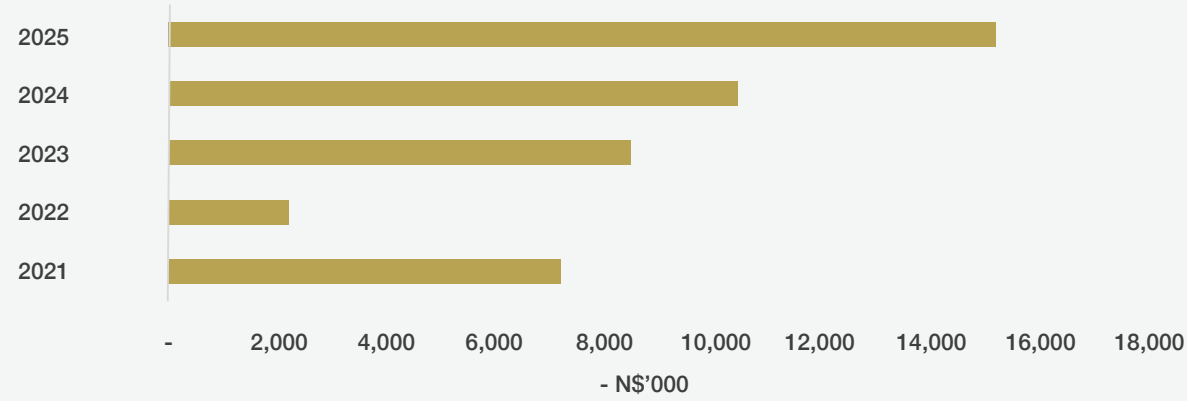
Figure 21: Long-term insurance industry: Gross written premium



Investment income

The industry's investment income experienced a significant increase of 45.6 percent, reaching N$15.3 billion during the year (Figure 22). This remarkable growth is largely attributable to the strong growth in the industry's investment portfolio. The robust performance in financial markets was driven by substantial reinvestments, fuelled by renewed investor confidence both locally and internationally.

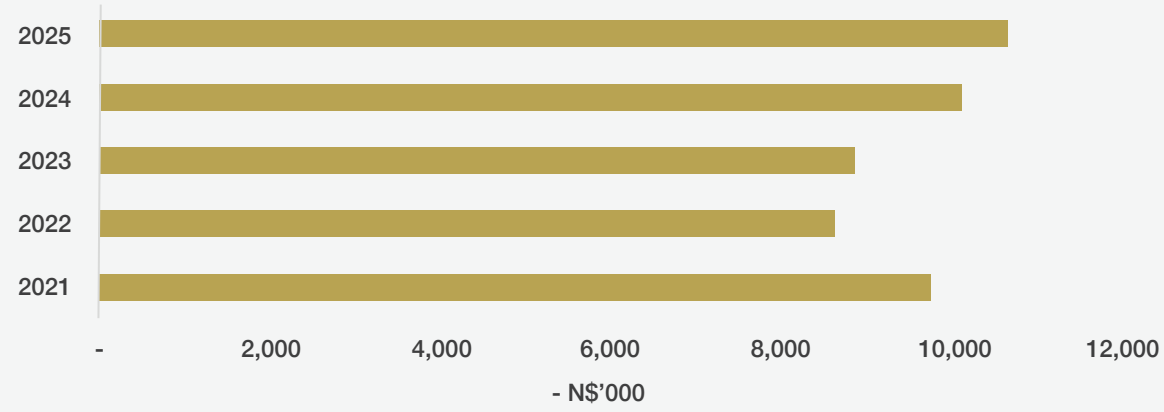
Figure 22: Long-term insurance industry: Investment income



Claims and expenses

The industry's net claims paid rose by 5.0 percent to N$10.8 billion by the end of the review period (Figure 23). The increase in total claims was mainly driven by fund insurance business policy claims due to changes in policyholders' investment preferences. Most insurance claims were attributed to the funeral, risk and credit life classes, accounting for 38.4 percent, 20.6 percent, and 18.3 percent, respectively.

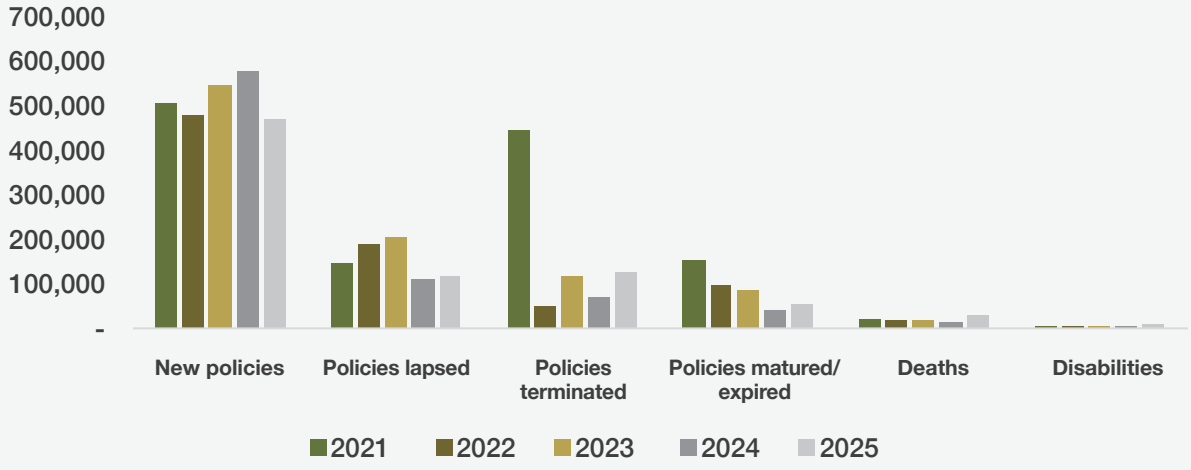
Figure 23: Long-term insurance industry: Gross claims paid



Life insurance policy statistics

The total number of active policies grew by 7.7 percent to 2,334,098 policies by the end of 2025 (Figure 24). The increase was primarily driven by the higher volume of new policies underwritten during the year, contributing to the overall growth in active policies by the end of the review period.

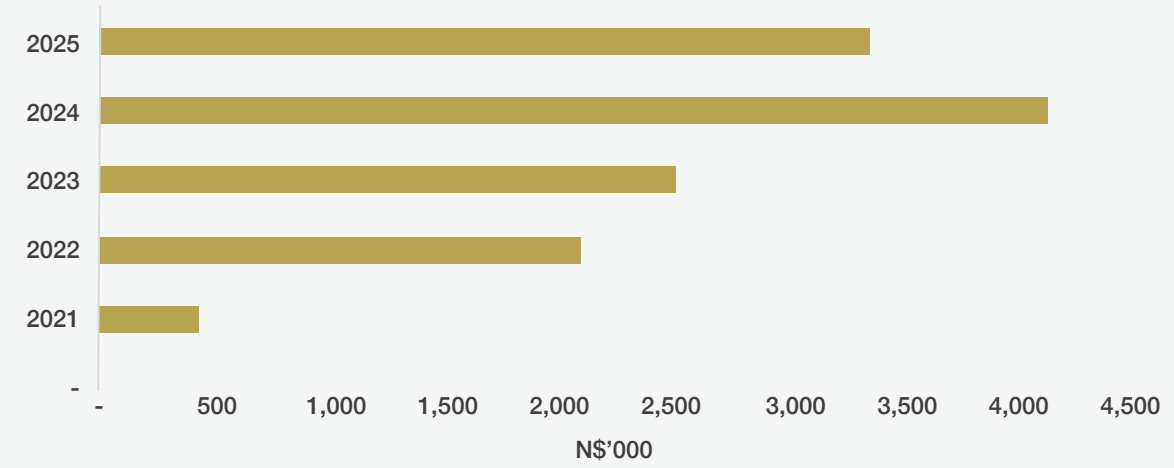
Figure 24: Long-term insurance industry: Policy statistics



Profit before tax

The industry's profit before tax decreased by 18.8 percent to N$3.4 billion by the end of the year (Figure 25). This significant decrease in profit was primarily driven by the decrease in underwriting performance, driven by a substantial increase in policyholder benefits and liabilities.

Figure 25: Long-term insurance industry: Profit before tax



Short-term insurance

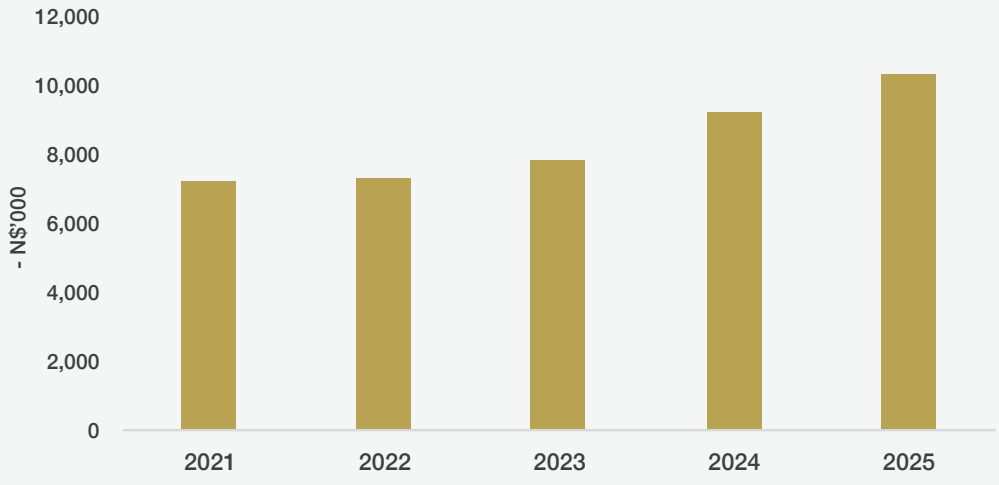
Performance review

The short-term insurance sector experienced growth, driven by strong performance in financial markets, and demonstrated resilience throughout the year. The industry's excess (surplus) assets decreased slightly by 0.5 percent to N$2.8 billion as at 31 December 2025. Solvency positions experienced a slight decline of 4.7 percent, and liquidity levels increased significantly by 31.7 percent.

Assets

The value of the industry's total assets rose by 11.0 percent to N$10.2 billion as at 31 December 2025 (Figure 26). The growth in industry assets was driven by a rise in investments, which in turn was driven by favourable performance in the financial markets. This increase was primarily due to increased performance in financial markets, particularly in unit trusts and the money market, during the year.

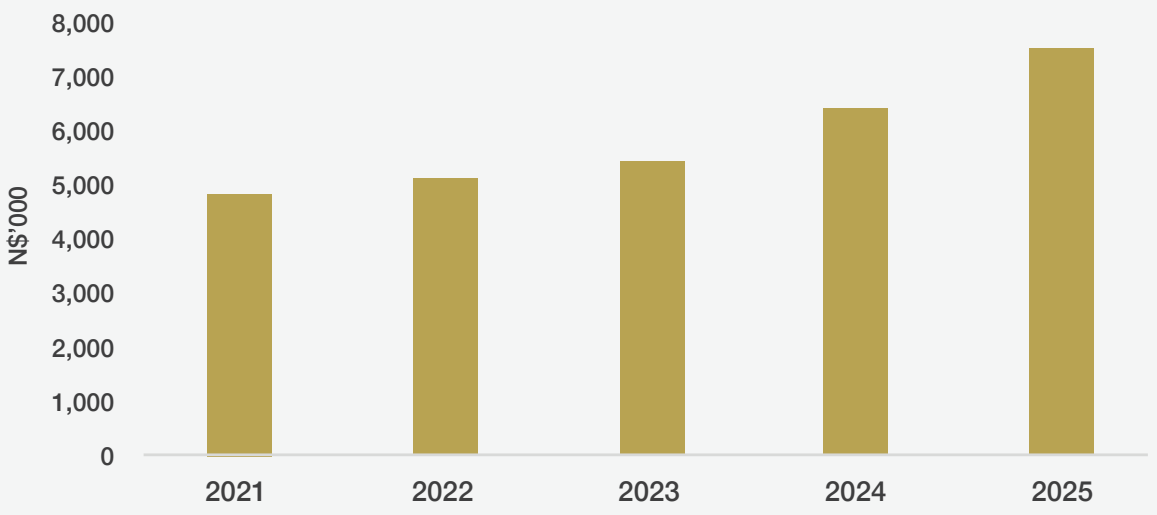
Figure 26: Short-term insurance industry: Total assets



Liabilities

The industry's total liabilities grew by 17.4 percent to N$7.4 billion as at 31 December 2025 (Figure 27). The increase in the industry's liabilities stemmed primarily from the expansion of technical liabilities due to an increase in the gross provision for unearned premiums, aligned with the growth in GWPs. In addition, the increase in gross outstanding claims stems from growth in the number of claims experienced by the industry during the review period.

Figure 27: Short-term insurance industry: Total liabilities



Solvency

The short-term insurance industry's solvency ratio declined by 4.7 percent to 1.37 times as at 31 December 2025. As shown in Table 27, all insurers met the minimum prudential requirements; however, the Authority will continue to monitor these insurers closely. In the event of an adverse occurrence, a solvency ratio of 1.37 times is sufficient to cover the core financial obligations of the industry. The liquidity position increased significantly by 31.7 percent to 12.1 times, compared with the previous reporting period.

Table 27: Short-term insurance industry: Solvency ratio, 2021-2025

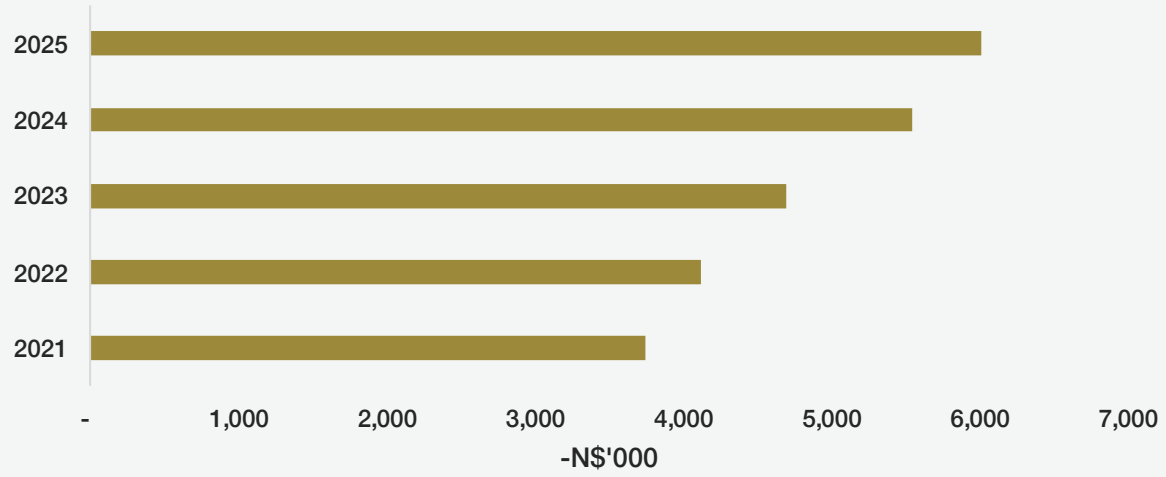
Solvency ratio	Number of short-term insurance companies				
	2021	2022	2023	2024	2025
1-20%	9	9	9	10	1
21-25%	2	1	0	0	11
26-30%	0	2	2	1	1
31-35%	1	0	2	2	1
>35%	2	2	1	1	0
Total	**14***	**14**	**14**	**14**	**14**

*One (1) insurer was deregistered during the period under review.

Gross written premium

The industry's GWP rose by 8.3 percent to N$6 billion for the year ending 31 December 2025 (Figure 28). The increase was primarily driven by growth in the number of policies underwritten, supported in part by increased motor vehicle sales amid improved business activity during the year. The motor-only commercial, property commercial, and general liabilities sectors accounted for the largest proportions of the observed GWP, representing 19.5 percent, 17 percent, and 15.4 percent, respectively.

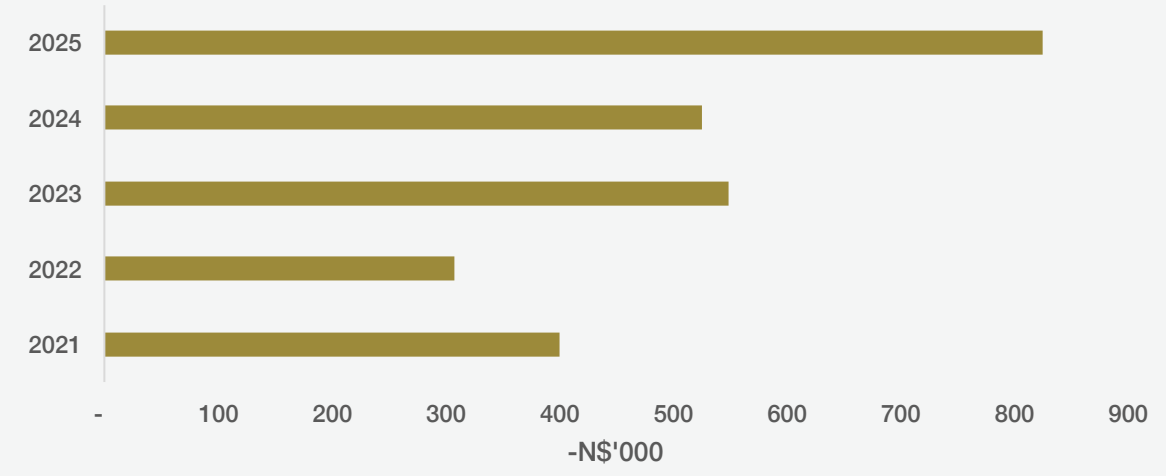
Figure 28: Short-term insurance industry: Gross written premium



Investment income

The industry observed an increase in investment income by 57.2 percent to N$826.2 million at the end of the year (Figure 29). This increase is largely attributable to the strong growth in the industry's investment portfolio over the year.

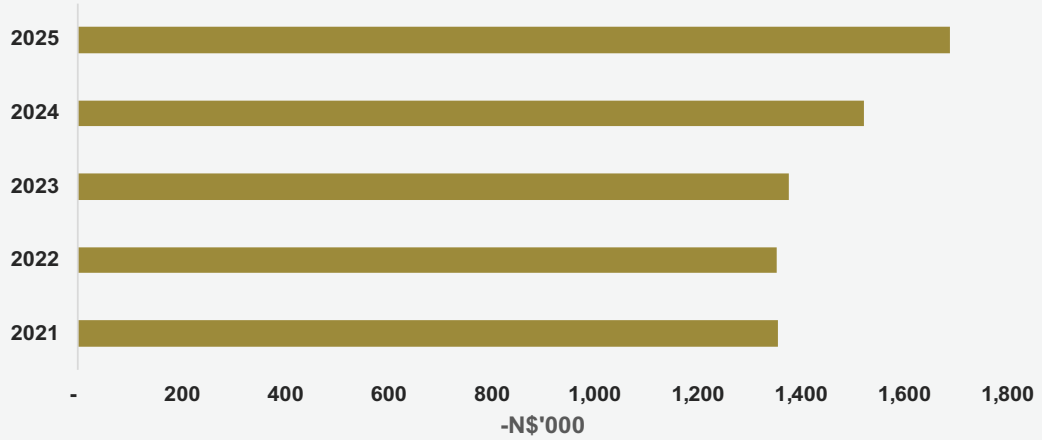
Figure 29: Short-term insurance industry: Investment income



Claims and expenses

The industry's net claims increased by a moderate 10.9 percent, reaching N$1.7 billion as at 31 December 2025 (Figure 30). The increase in net claims was primarily driven by growth in 'incurred but not reported' (IBNR) balances, reflecting ongoing claims development across key insurance classes.

Figure 30: Short-term insurance industry: Claims and expenses



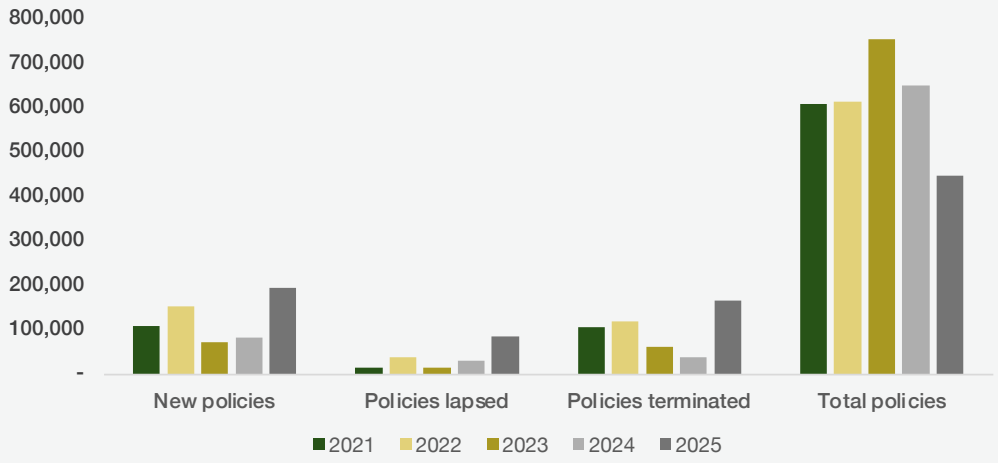
Management expenses increased by 4.5 percent to N$1.4 billion during the review period. The rise in management expenses is primarily attributed to costs associated with the increase in staff.

The industry's commission paid increased by 9 percent to N$648.4 million during the year. The increase in the industry's commission is mainly attributed to the increase in the number of new policies recorded in 2025. The property commercial and motor-only commercial sectors accounted for the largest proportions of the observed GWP, with 22.5 percent and 17.7 percent, respectively.

Policy statistics

The number of total active policies decreased by 31.4 percent, falling to 440,870 policies as at 31 December 2025 (Figure 31). The decline in active policies is due primarily to an increase in lapses and terminations. Despite this reduction in total active policies, the industry experienced growth in the number of new policies underwritten during the year.

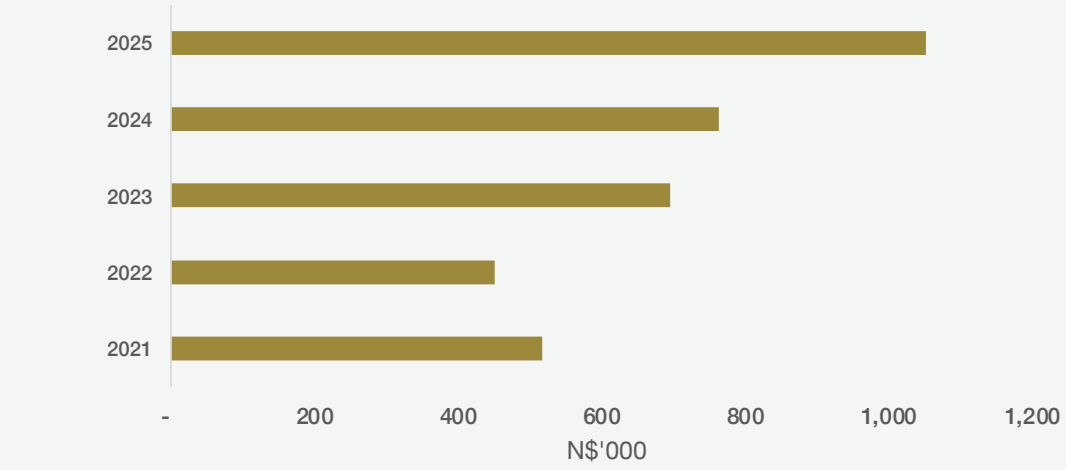
Figure 31: Short-term insurance industry: Policy statistics



Profit before tax

The industry's profit before tax rose significantly by 37.9 percent to N$1 billion for the period ending 31 December 2025 (Figure 32). The increase in profit was driven by an increase in investment income and underwriting profits.

Figure 32: Short-term insurance industry: Profit before tax



Foreign insurance and reinsurance

Table 28 provides an overview of insurance coverage by foreign insurers over the previous five reporting years, following the Authority's granting of exemptions to foreign insurers in terms of sections 2(2), 3(1)(c)(ii) and 65 of the Short-term Insurance Act, 1998 (No. 4 of 1998) to issue reinsurance policies in Namibia for risks that local insurers have no appetite or capacity to underwrite. These figures include the business of Lloyd's and non-Lloyds, which are approved insurers in terms of the Short-term Insurance Act and the Long-term Insurance Act, 1998 (No. 5 of 1998).

Table 28: Short-term insurance exemptions: Lloyd's and non-Lloyd's cover (N$'000)

Class of insurance	2021	2022	2023	2024	2025
Aviation	48,159	39,553	57,788	64,289	33,365
Fire	5,131	180	37,428	25,561	28,791
Marine	167,613	253,056	222,078	217,982	255,871
Miscellaneous	84,418	156,263	299,324	175,661	195,289
Vehicle	-	-	-	-	-
Personal	-	-	-	583	425
Guarantee	25,247	35,666	-	-	-
Co-insurance	-	-	20	-	-
Total	**330,568**	**484,718**	**616,638**	**484,076**	**547,154**
Number of exemptions	**236**	**258**	**321**	**330**	**269**

The value of foreign insurance exemptions granted by the Registrar increased by 13 percent to N$547.2 million in 2025. The marine and miscellaneous classes of insurance contributed the most to the increase in premiums leaving the country for both Lloyd's and non-Lloyd's coverage, accounting for 17.4 percent and 11.2 percent, respectively.

The Lloyd's and non-Lloyd's markets primarily underwrite marine, miscellaneous, and aviation insurance risks, which have the potential to significantly impact individual insurers; therefore, a substantial portion of these risks is insured outside the country. The Namibian insurance market has demonstrated limited capacity to insure or retain such high-risk exposures. Consequently, the Registrar encourages local insurers to enhance their underwriting capacity through various interventions aimed at developing and strengthening local capabilities.

Medical aid funds

Performance review

The medical aid funds industry reported a net surplus for the period under review and remained well capitalised. The industry's claims ratio reduced slightly during 2025, and the industry's reserves level exceeded the minimum prudential reserves level requirement of 25.0 percent. Therefore, the industry is deemed to be financially sound.

Beneficiaries

The number of beneficiaries increased by 2.0 percent to 224,276 as at 31 December 2025. The increase in membership was primarily due to employers enrolling additional staff in medical aid funds (Table 29).

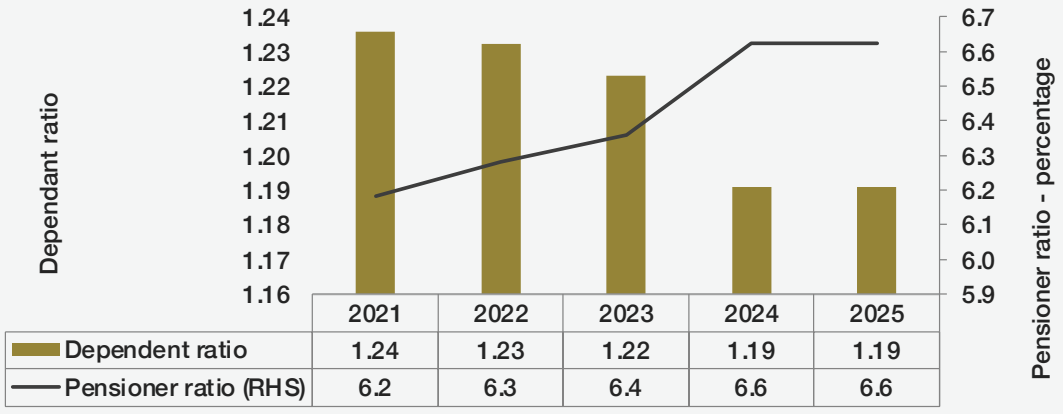
Table 29: Medical aid fund beneficiaries

Total industry membership	2021	2022	2023	2024	2025
Principal members	85,902	96,985	90,883	93,677	96,357
Dependants	106,156	112,560	111,162	111,556	112,773
Pensioners	12,655	12,861	13,721	14,557	15,146
Total beneficiaries	**204,713**	**209,545**	**215,766**	**219,790**	**224,276**
			Percentage		
Change in principal members	2.2	2.6	3.1	3.1	2.9
Change in dependants	1.8	2.3	2.4	0.4	1.1
Change in pensioners	3.6	1.6	6.7	6.1	4.0
Change in total beneficiaries	**2.3**	**2.4**	**3.0**	**1.9**	**2.0**

Dependant and pensioner ratios

The dependant ratio measures the average number of dependants per principal member, and stood at 1.19 for 2025, unchanged from the ratio reported for the previous year (Figure 33). A low dependant ratio is desirable, as higher-contributing principal members outnumbering lower-contributing dependants reduces financial pressure on medical aid funds. Pensioner beneficiaries[1] accounted for 6.6 percent of all beneficiaries as at 31 December 2025. The pensioner beneficiaries[1] level has increased over the past five years. This increase could raise the claims expenditure of the industry in the future, as older beneficiaries tend to suffer from more serious health ailments that require more costly treatment. The pensioner beneficiaries increased by 4.0 percent to 15,146 during 2025.

Figure 33: Medical aid funds industry: Dependant and pensioner ratios, 2021-2025

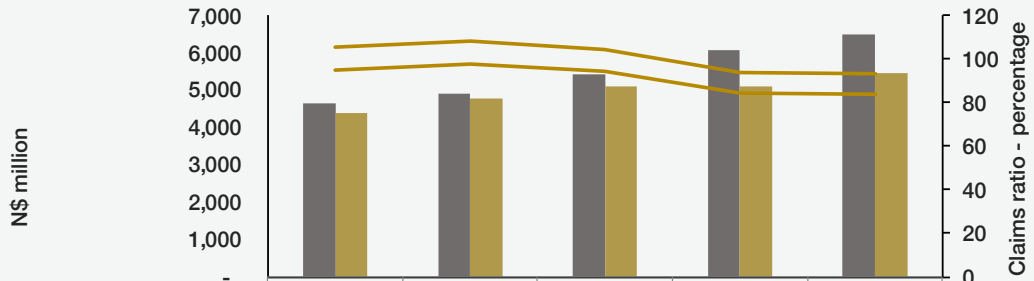


[1] Pensioner beneficiaries are principal members and dependants of 60 years or older.

Income

Gross contributions received increased by 6.9 percent to N$6.5 billion in 2025. The increase in contributions was due to a combination of member enrolment and annual increases in contributions paid by members. On average, gross contributions increased by 8.8 percent over the last five years, and claims grew at a lower average rate of 5.5 percent over the same five-year period. In addition, the claims ratio was above 90.0 percent for three of the past five years (Figure 34). Contributions were therefore sufficient to settle healthcare expenditure, with excess funds available to cover a portion of the non-healthcare expenses.

Figure 34: Medical aid funds industry: Gross contributions vs gross expenditure



	2021	2022	2023	2024	2025
Contributions received	4,626	4,893	5,429	6,071	6,489
Claims	4,391	4,764	5,101	5,100	5,441
Claims ratio (RHS)	94.9	97.4	94.0	84.0	83.9
Loss ratio (RHS)	105.6	107.9	104.1	93.4	93.4

Healthcare expenditure

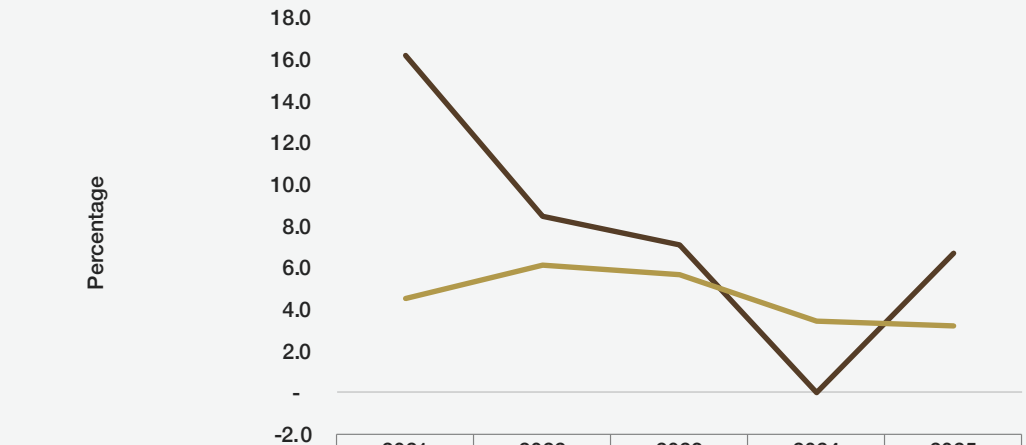
Healthcare expenditure paid is the sum of the benefits paid from the risk pool of medical aid funds. During the year 2025, the healthcare expenditure amounted to N$5.4 billion, which is higher than the N$5.1 billion healthcare expenditure reported for the previous year. The increase observed during the benefit year under review was due to a combination of higher utilisation by beneficiaries and an increase in healthcare services and products. The medical aid funds industry utilises cost containment measures to manage the growth in healthcare expenditure, the effectiveness of which is continually monitored. The average healthcare expenditure amount per beneficiary per annum (PBPA) reported for 2025 was N$24,261, which is 4.6 percent higher than in 2024.

Table 30: Medical aid funds industry: Distribution of healthcare benefits paid in 2024 and 2025

Health service provider	2024	2025
	Percentage	
Hospitals	34.8	34.9
(Pharmacies (medicines dispensed	15.7	15.1
Specialists	11	10.9
General practitioners	9.3	9.4
Pathologists	5.7	6.1
Radiologists	5.7	6.1
Auxiliary services	5.1	5.4
Dentists	5	5.2
Optometrists	2.8	3.1
Other	1.7	2
IBNR movement	2.1	0.6
Dental specialists	0.4	0.5
Psychiatric institutions	0.3	0.4
Dental therapists	0.3	0.3
Optic pay-outs	0	0

As experienced in previous years, hospitals, pharmacies, medical specialists, and general practitioners comprised the bulk of healthcare expenditure in 2025 (Table 30). Claims associated with these four groups accounted for 70.3 percent or N$3.8 billion of the total benefits paid. Hospital claims were the highest at N$1.9 billion, followed by pharmacies (medicines dispensed) at N$821.1 million. Specialist claims paid amounted to N$594.6 million, and general practitioners amounted to N$509.6 million. During 2025, healthcare expenditure increased at a rate higher than the Namibia Consumer Price Index (NCPI), contrary to 2024 but in line with the trend years 2021 to 2023 (Figure 35).

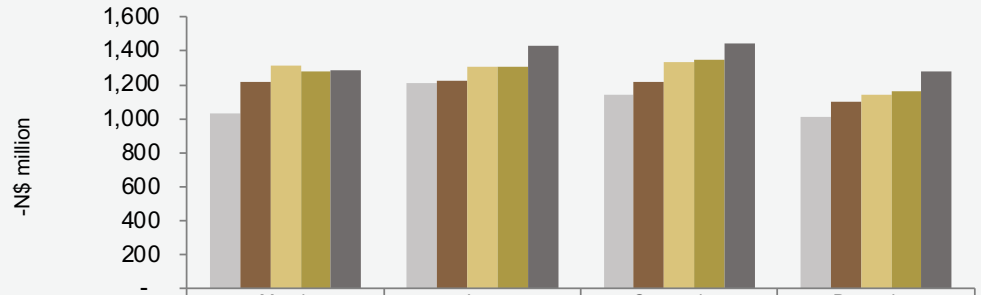
Figure 35: Medical aid funds industry: Healthcare expenditure growth vs Namibia Consumer Price Index



	2021	2022	2023	2024	2025
Healthcare costs increases	16.2	8.5	7.1	-0.0	6.7
NCPI	4.5	6.1	5.7	3.4	3.2

Depending on the time of the year, medical aid funds experience fluctuations in benefit claim patterns. In this regard, a trend can be observed for different quarters of the year, where claims in the second and third quarters are generally higher, covering the maladies associated with the winter season (Figure 36a). Nonetheless, healthcare expenditure has steadily increased over the past five years (Figure 36b).

Figure 36a: Medical aid funds industry: Claim seasonality, 2021-2025



	March	June	September	December
2021	1,029	1,209	1,142	1,011
2022	1,220	1,227	1,218	1,099
2023	1,315	1,310	1,332	1,145
2024	1,282	1,305	1,352	1,160
2025	1,288	1,432	1,444	1,277

Claims generally increase during the first quarter, ending 31 March, as members gain access to new benefits, and the lowest frequency of claims is experienced in the last quarter as the benefits are depleted. Furthermore, beneficiaries often do not access extensive health treatment during the last quarter of the year; instead, beneficiaries opt to postpone such treatment to the first quarter of the new benefit year when annual benefits are renewed. Finally, the lower claims generally experienced in the fourth quarter stem from fewer people becoming sick during the summer months, beneficiaries whose annual benefits have run out, and beneficiaries being on holiday travels (Figure 36a).

Figure 36b: Medical aid funds industry: Annual healthcare expenditure



	2021	2022	2023	2024	2025
Claims	4,391	4,764	5,101	5,100	5,441

Non-healthcare expenditure

The medical aid funds' non-healthcare expenditure increased by 8.2 percent to N$606.7 million in 2025, driven mainly by administration, managed care, operational costs, and consultancy fees. Administration costs remained the largest component, rising by 6.7 percent to N$416.9 million due to inflation-linked fee adjustments and higher member activity, and accounted for 68.7 percent of the total non-healthcare expenditure (Table 31).

Overall, both gross contributions and non-healthcare costs grew faster than the NCPI, indicating continued cost pressures in the medical aid fund sector.

Table 31: Medical aid funds industry: Percentage of change in gross contributions and gross expenditure vs NCPI inflation rate, 2021-2025

	Gross contributions received	Gross healthcare costs	Gross non-healthcare costs	NCPI
Reporting period	**Percentage change**	**Percentage change**	**Percentage change**	
2021	3.2	16.2	6.1	4.5
2022	5.8	8.5	5.0	6.1
2023	11.0	7.1	6.8	5.7
2024	11.8	0.0	3.6	3.4
2025	6.9	6.7	8.2	3.2

Managed care costs increased by 9.2 percent to N$65.6 million in 2025, driven by higher hospitalisation and elective procedure activity. Managed care accounted for 10.8 percent of the total non-healthcare costs and 1.0 percent of the gross contributions, and combined managed care and administration costs represented 7.4 percent of the contributions.

Overall, total healthcare and non-healthcare expenditure accounted for 93.4 percent of the gross contributions (Table 32), indicating that the industry remained financially sound with sufficient contributions to cover expenses, build reserves, and support investment growth.

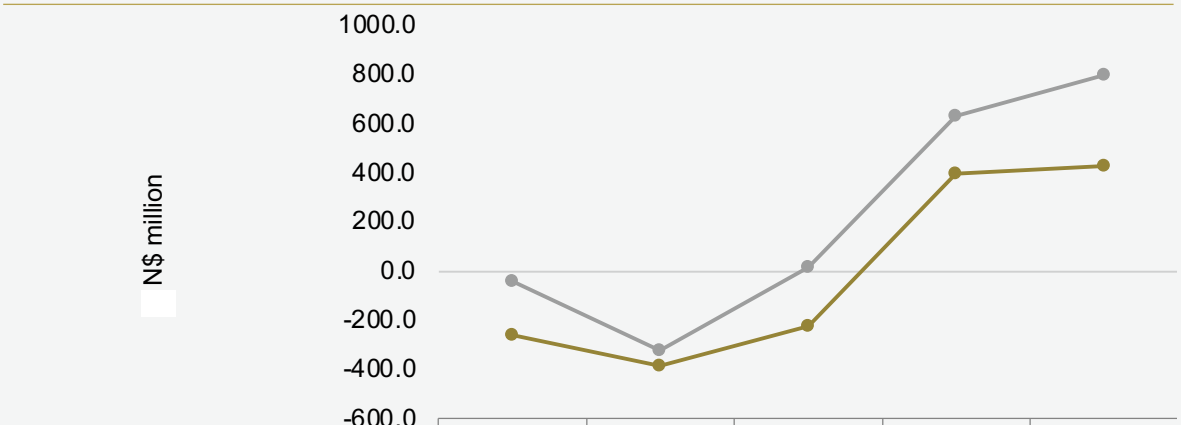
Table 32: Medical aid funds industry: Ratio of healthcare costs (claims) to administration costs, 2021-2025

	For the period ended 31 December				
Item	**2021**	**2022**	**2023**	**2024**	**2025**
Healthcare costs as a percentage of gross (contributions (percent	94.9	97.4	94.0	84.0	83.9
Non-healthcare costs as a percentage of (gross contributions (percent	7.2	10.6	10.1	9.4	9.5
Healthcare costs and non-healthcare costs as (a percentage of gross contributions (percent	102.1	107.9	104.1	93.4	93.4

Net healthcare results

The industry reported an operational surplus (the result after deducting healthcare and non-healthcare costs from net contributions before investment and other income) of N$428.6 million for 2025, which was an improvement on the operational surplus of N$398.0 million reported for 2024. Total expenditure increased at a slightly lower rate than contributions, hence the operational surplus reported for the 2025 financial year. The trend in the operational results and the net surplus of the medical aid fund industry fluctuated over the period 2021 to 2025 but continued to trend upward during 2025 (Figure 37).

Figure 37: Medical aid funds industry: Operational surplus and net surplus, 2021-2025



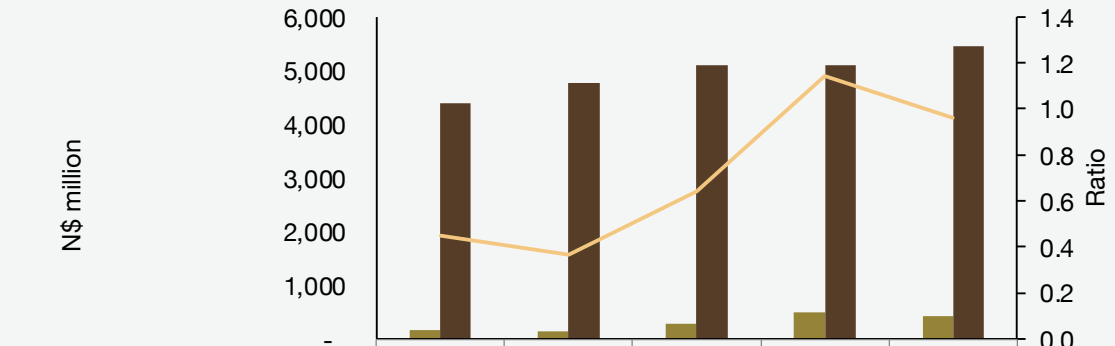
	2021	2022	2023	2024	2025
Underwriting surplus(deficit)	-258.1	-387.3	-223.0	398.0	428.6
Net surplus(deficit)	-41.7	-321.9	14.8	630.8	797.4

The medical aid funds industry recorded a stronger financial position in 2025, with the net surplus increasing from N$630.8 million to N$797.4 million (Figure 38). Open funds contributed N$732.6 million and closed funds contributed N$64.8 million, supported mainly by higher investment income, which rose to N$364.8 million due to strong debt and equity market performance.

The total assets increased by 28.6 percent to N$3.6 billion, and liabilities declined by 2.6 percent to N$710.7 million, reflecting improved financial stability. Receivables also declined and the arrear contributions ratio improved to zero percent, well below the 1.5 percent prudential limit. Liquidity remained strong, with a liquidity gap of N$2.3 billion and a current ratio of 4.3:1, exceeding the acceptable benchmark range of 1.5:1 to 3:1.

Cash coverage indicators further confirmed the industry's strong ability to meet claims obligations, demonstrating sustained financial resilience (Figure 38).

Figure 38: Medical aid funds industry: Liquidity by cash coverage of claims, 2021-2025



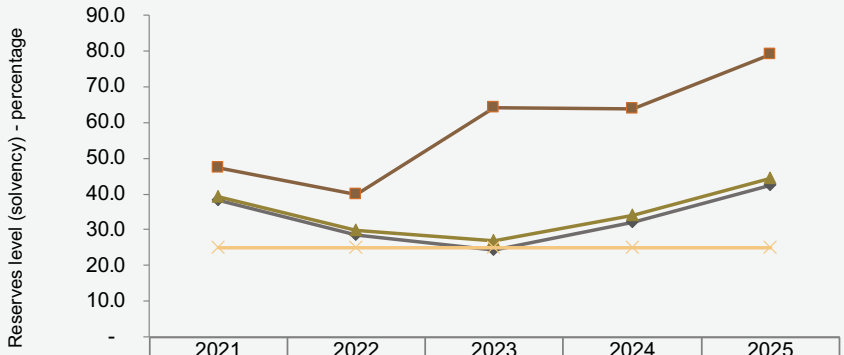
	2021	2022	2023	2024	2025
Cash and cash equivalents	164	146	273	486	435
Healthcare expenditure	4,391	4,764	5,101	5,100	5,441
Months of cover (RHS)	0.4	0.4	0.6	1.1	1.0

The cash coverage of claims ratio declined to 1.0 in 2025, indicating that the industry held sufficient cash to cover approximately one month of claims. The decline was mainly due to reduced cash balances and higher healthcare expenditure, although liquidity management remained stable and adequate (Figure 39). This reflects continued pressure from rising claims costs, despite prudent cash management practices.

Total investments increased by 37.7 percent to N$3.1 billion, driven by reinvested income and positive market performance, with 57.2 percent held locally in line with Regulation 9 requirements. The portfolio remained conservatively positioned, with 50.8 percent in unit trusts and 35.7 percent in interest-bearing instruments, supporting liquidity and risk management objectives.

Net assets (reserves) increased by 39.6 percent to N$2.9 billion, with the industry maintaining a solvency ratio of 44.5 percent, above the 25.0 percent prudential requirement (Figure 40). However, one open fund remained below the minimum threshold and is subject to enhanced supervision, including monthly reporting and corrective action monitoring to restore compliance.

Figure 39: Medical aid funds industry: Solvency trend, 2021-2025



	2021	2022	2023	2024	2025
Open funds	38.4	28.4	24.3	32.1	42.4
Closed funds	47.2	39.8	64.0	63.9	79.1
Industry reserves level	39.3	29.9	27.0	34.0	44.5
Prudential reserves level	25.0	25.0	25.0	25.0	25.0

Friendly societies

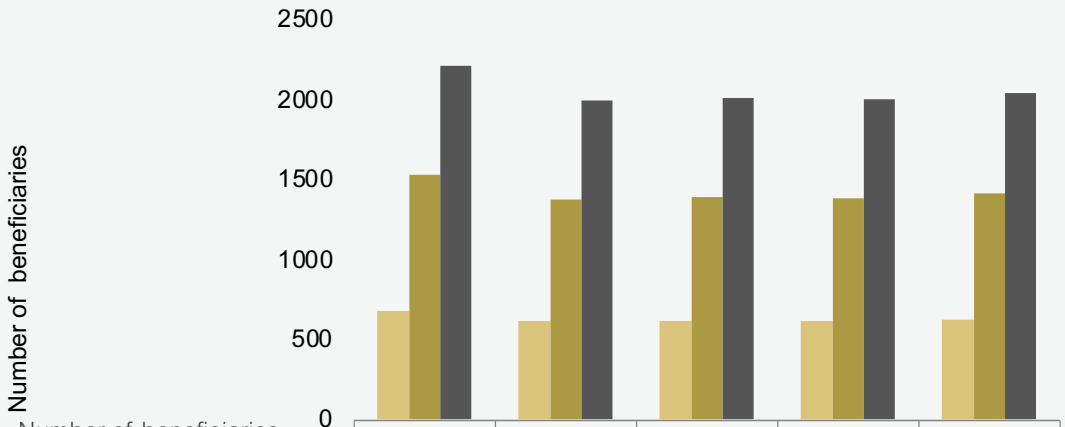
Performance review

The friendly societies industry, which comprised a single friendly society, remained financially sound in 2025. The industry's assets were significantly more than its liabilities and it held sufficient cash and cash equivalents to settle obligations when they became due.

Membership

The total number of active beneficiaries increased by 2.0 percent to 2,048 as at 31 December 2025 on account of new members enrolling in the society (Figure 40).

Figure 40: Friendly societies: Total beneficiaries



Number of beneficiaries	2021	2022	2023	2024	2025
Number of principal members	684	622	623	620	630
Number of dependants	1,533	1,381	1,396	1,387	1,418
Total members	2,217	2,003	2,019	2,007	2,048

Contributions and expenses

The total contributions declined slightly by 1.7 percent to N$211,920, and membership increased by 1.6 percent to 630 members. Claims expenditure decreased by 8.8 percent to N$85,000 due to fewer burial claims. Operational expenses rose by 17.8 percent to N$71,131, driven by regulatory levies, audit, actuarial, and trustee-related costs.

Investments and investment income

Investments increased by 8.3 percent to N$2.9 million, supported by reinvested gains, while cash and cash equivalents rose by 51.3 percent to N$127,454. Investment income increased marginally by 0.3 percent to N$226,380, reflecting steady interest earnings and compounding effects.

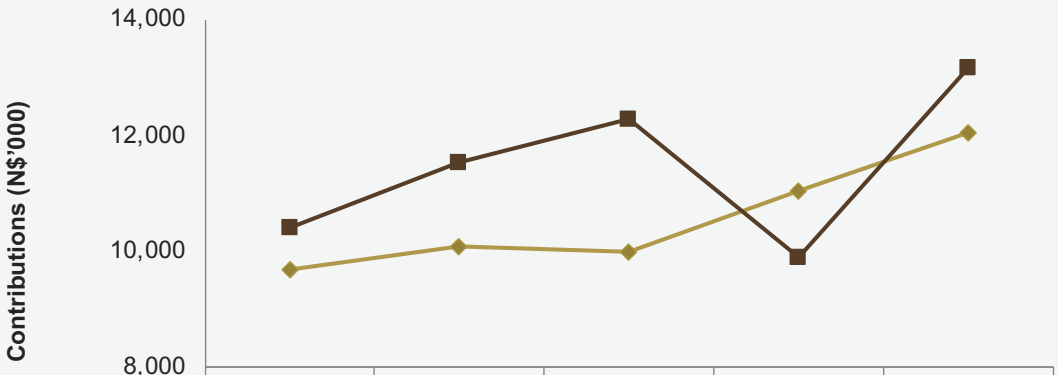
Assets and liabilities

Total assets grew by 9.5 percent to N$3.1 million, driven by investment growth and higher cash balances. Receivables increased to N$30,201 (14.3 percent of contributions), but credit risk remained contained due to automatic termination of long-overdue memberships. The solvency ratio improved to 14.6:1 from 13.1:1, remaining well above the prudential requirement of 0.25:1.

Pension funds

The pension funds industry recorded strong investment-led growth, with contributions increasing by 9.2 percent to N$12.1 billion, outperforming inflation of 3.2 percent in 2025. Growth was driven by higher salaries and increased active membership, and the industry maintained a funding level above 100 percent, confirming continued financial stability (Figure 41).

Figure 41: Contributions and benefits 2021-2025



	2021	2022	2023	2024	2025
Total contributions	9,702	10,099	10,000	11,044	12,062
Total Benefits	10,409	11,534	12,295	9,900	13,180

The total benefits paid in 2025 amounted to N$13.2 billion, an increase of 33.1 percent from the previous year (Figure 42). The increase in the benefits correlated with more retirements, withdrawals, and lower levels of preservation of retirement savings during changes in employment.

Expenses

The industry's total expenses decreased by 15.0 percent to N$2.6 billion due to decreases in investment management fees. Investment management fees decreased by 36.1 percent to N$1.1 billion for the 2025 year. Investment management fees include performance fees, which are often paid after the period during which investments performed well. While investment management fees decreased in spite of the growth in investments, it is anticipated that performance fees will be settled during subsequent periods.

Administration fees and other costs (including, among others, actuarial, audit, consultancy, legal and principal officer fees, and levies) increased by 17.8 percent to N$1.1 billion for 2025, and insurance premiums increased by 3.4 percent to N$436.5 million for the same period. The increase in administration and other costs resulted from, among others, higher actuarial fees, benefit consultancy, and variable administration costs. Insurance premiums increases were in line with the risk cover held by pension funds to maintain coverage for members.

Investment management fees were the largest component of expenses at 43.0 percent, followed by administration and other costs at 40.5 percent. Insurance premiums were the smallest component of expenses at 16.5 percent (Table 33).

Table 33: Pension fund industry: Cost experience, 2021-2025

Cost category	Amount (N$ '000)				
	2021	2022	2023	2024	2025
Administration fees and other costs	939,711	742,469	796,988	907,101	1,068,981
Insurance premiums	390,716	438,602	410,642	422,262	436,537
Investment management fees	2,519,951	562,519	1,342,116	1,776,066	1,135,290
Total	**3,850,378**	**1,743,590**	**2,549,746**	**3,105,429**	**2,640,808**
Cost category	**Percentage of total**				
Administration fees and other costs	24.4	42.6	31.3	29.2	40.5
Insurance premiums	10.1	25.2	16.1	13.6	16.5
Investment management fees	65.4	32.3	52.6	57.2	43.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Assets and liabilities

Pension fund assets increased by 15.5 percent to N$303.5 billion in 2025 (Table 34), and current liabilities decreased by 8.5 percent to N$3.0 billion as at 31 December 2025. The decrease in current liabilities resulted from the lower benefits payable balance reported as at 31 December 2025.

Table 34: Pension fund industry: Assets, 2021-2025

	Amount (N$ million)				
Balance sheet	**2021**	**2022**	**2023**	**2024**	**2025**
Non-current assets	210,811	204,101	235,229	260,783	301,522
Current assets	2,120	1,716	1,916	2,078	1,943
Total assets	**212,932**	**205,817**	**237,145**	**262,861**	**303,465**
Accumulated funds and reserves	209,538	203,176	234,590	259,583	300,464
Current liabilities	3,394	2,641	2,555	3,279	3,001
Total funds and liabilities	**212,932**	**205,817**	**237,145**	**262,862**	**303,465**

The active members' share account increased by 6.5 percent to N$135.9 billion as at 31 December 2025, and the pensioner accounts increased by 42.5 percent N$55.8 billion during 2025. Additionally, the amount in reserve accounts increased by 17.1 percent to N$108.8 billion as at 31 December 2025 (Table 35). The increases in the active member pensioner and reserve accounts correlate with the growth in membership and the growth in investments that were credited to the aforementioned accounts.

Table 35: Pension fund industry: Liabilities, 2021-2025

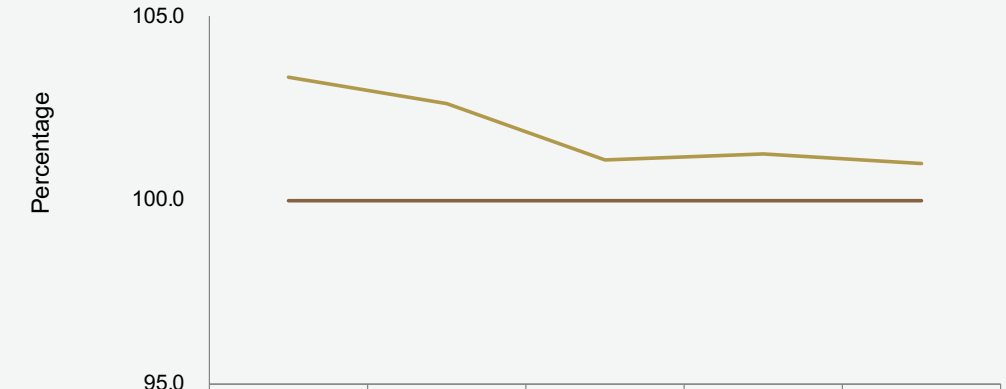
	Amount (N$ million)				
	2021	2022	2023	2024	2025
Active members' accounts	112,401	113,932	121,449	127,559	135,902
Pensioners accounts	25,807	38,348	39,098	39,135	55,771
Reserve accounts	67,541	48,282	69,944	92,887	108,792
Others [(1)]	244	0	4,099	2	0
Total liabilities	**205,993**	**200,562**	**234,590**	**259,583**	**300,464**

Note:
[(1)] 'Other reserves' comprise unallocated reserves that are normally allocated during the actuarial review period every three years.

The industry reported an unclaimed benefits balance of N$340.7 million as at 31 December 2025, higher than the N$272.5 million reported as at 31 December 2024. This indicates that more members (or their dependants) whose pension benefits became due were not traced during the year ended 31 December 2025. The industry continually makes the effort of tracing pension fund members who have not claimed their benefits.

The funding level is assessed by matching the assets and liabilities of retirement funds. A funding level below 100 percent shows that assets are not sufficient to cover benefits. The industry has maintained a funding level between 101.0 percent and 103.4 percent for the five-year period of 2021-2025 (Figure 42).

Figure 42: Pension fund industry: Funding level, 2021-2025

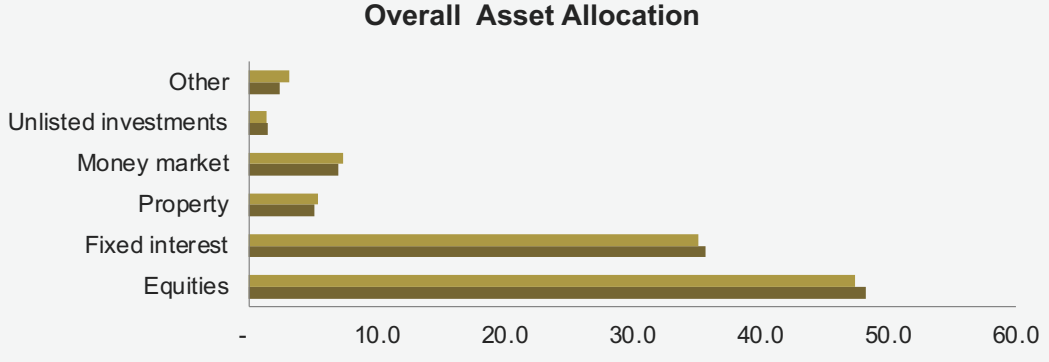


	2021	2022	2023	2024	2025
Funding Level	103.4	102.6	101.1	101.3	101.0
Prudential limit	100.0	100.0	100.0	100.0	100.0

Assets by class allocation

Shares comprised 48.3 percent of the total investments, which is commensurate with the long-term nature of pension funds (Figure 43). Fixed interest-bearing assets were 35.7 percent of the total investments, compared with 34.2 percent reported for 2024, which was the second highest asset class after investments in shares. The industry held 17.4 percent of its investments in Namibian government bonds (Table 37). Exposure to asset classes such as property, money market, and other classes was lower than 10.0 percent of the total investments.

Figure 43: Pension fund asset allocations per asset class, 2021-2025



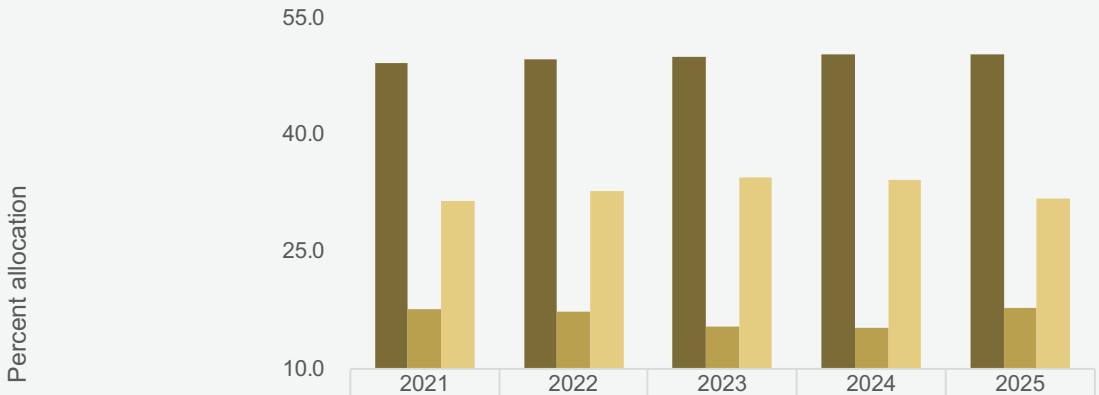
	Equities	Fixed interest	Property	Money market	Unlisted investments	Other
2024	47.4	35.2	5.4	7.4	1.4	3.2
2025	48.3	35.7	5.1	6.9	1.5	2.4

Assets by geographic allocation

Exposure to Namibian assets stood at 50.3 percent as at 31 December 2025, which is unchanged from the Namibian investment exposure reported for 2024. The level of exposure to Namibian assets was due to the industry's required compliance with the domestic investment levels as set out in Regulation 13.

Investments in the Common Monetary Area (CMA) increased to 17.9 percent from 15.4 percent and investments outside the CMA decreased to 31.9 percent, from 34.3 percent reported as at 31 December 2024 (Figure 44). The industry complied with Regulation 13, which requires it to hold at least 45.0 percent of its total investments in Namibia.

Figure 44: Pension fund assets, per geographic allocation

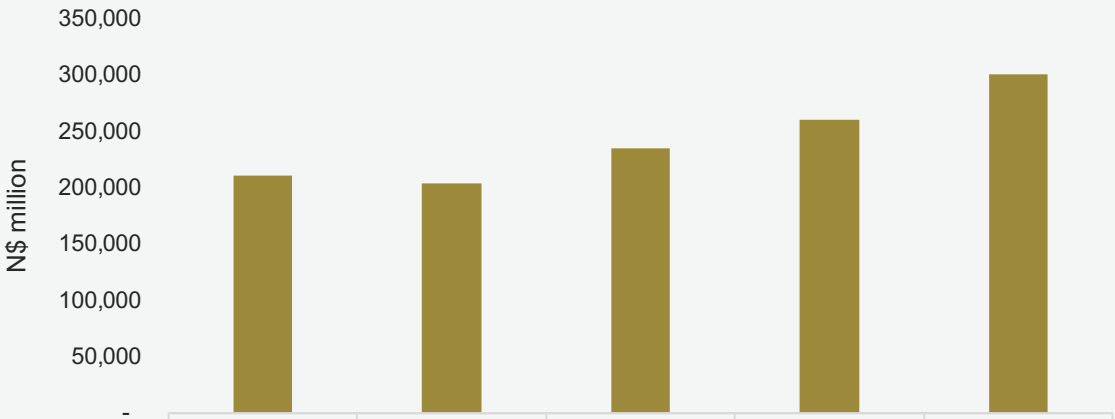


	2021	2022	2023	2024	2025
Namibia	49.3	49.7	50.0	50.3	50.3
Common Monetary Area (CMA)	17.7	17.4	15.4	15.4	17.9
Outside CMA	31.6	32.9	34.6	34.3	31.9

Investments

The total investments increased by 15.5 percent to N$301.6 billion as at 31 December 2025 (Figure 45). The direct investments held by the industry increased by 15.3 percent to N$265.1 billion, and the value of insurance policies increased by 17.0 percent to N$36.5 billion as at 31 December 2025.

Figure 45: Pension fund investments, 2021-2025

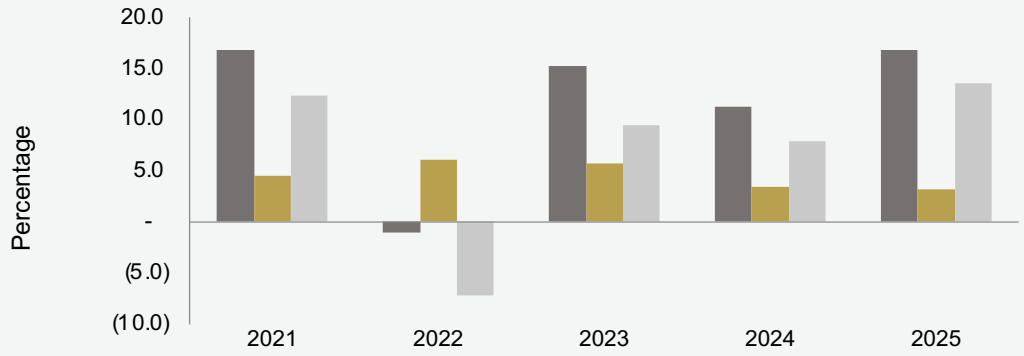


	2021	2022	2023	2024	2025
(N$) 'million	211,649	204,595	235,810	261,212	301,594

Return on investments

The industry's investment returns were positive for four out of the past five years, with the nominal return on investments ranging from -1.1 percent to 16.8 percent (Figure 46). The return on investments comprised components such as interest and dividend income, returns on sale of investment assets, and changes in the capital value of investment assets.

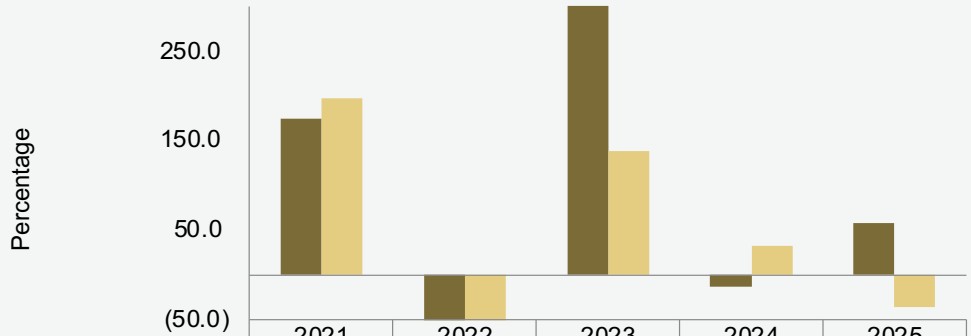
Figure 46: Return on investments,[2] 2021-2025



	2021	2022	2023	2024	2025
ROI (Nominal)	16.8	(1.1)	15.2	11.2	16.8
NCPI	4.5	6.1	5.7	3.4	3.2
ROI (Real)	12.3	(7.2)	9.5	7.8	13.6

The Namibian All Bonds Index (ALBI) grew by 15.7 percent and the Namibia Stock Exchange (NSX) Overall Index increased by 18.9 percent during 2025. The Johannesburg Stock Exchange All Share Index (JSE ALSI), Johannesburg Stock Exchange Top 40 (JSE Top 40) Index, and the Dow Jones Industrial Average (DJIA) Indexes increased by 37.7 percent, 43.2 percent, and 13.0 percent, respectively, during 2025. Profits were reported by companies in various sectors including finance, technology, mining, and industrial equities.

Figure 47: Pension funds: Growth in net investment income vs growth in investment management fees, 2021-2025



	2021	2022	2023	2024	2025
Growth in Net Investment income	174.7	(105.2)	2,015.3	(13.0)	58.6
Growth in Investment costs	197.3	(77.7)	138.6	32.3	(36.1)

Liquidity

Liquidity is a measure of the ability of funds to meet their short-term financial obligations as they fall due. In the retirement funds industry, monthly contributions play an important role in meeting the fund's liquidity needs as they are used to pay for the fund's ongoing liability (benefits); therefore reducing the need to disinvest money from the market to pay for benefit claims when they fall due. The industry's liquidity is measured as a ratio of contributions due and received to expenses and benefits due and paid. A ratio of 100 percent means that the contributions would be sufficient to cover the payment of the costs and benefits, and a value of less than 100 percent indicates that the contributions received would fall short.

During 2025, the industry's liquidity worsened from 84.9 percent to 76.2 percent. The decrease in liquidity reflects the 9.2 percent increase in contributions received, compared with the 21.7 percent increase in benefits and expenses paid during the year under review. The industry relied on investment income to cover the liquidity gap in 2025, as has been the case for the last four years. The industry's liquidity will be monitored by the Authority to ensure that timely corrective action is taken to avoid the realisation of risks to the viability of the pension industry.

Table 36: Pension fund liquidity experiences, 2021-2025

	Amount (N$'000)				
Liquidity	**2021**	**2022**	**2023**	**2024**	**2025**
Contributions due and received	9,699,089	9,903,934	9,991,169	11,044,411	12,061,972
Expenses and benefits due and paid	11,739,108	12,864,048	14,844,488	13,004,954	15,820,630
Ratio[4] (percent)	82.6	77.0	67.3	84.9	76.2

Compliance with Regulation 13

Investments of pension funds' assets are regulated in terms of Regulation 13 of the Pension Funds Act, 1956 (No. 24 of 1956). Table 37 illustrates the industry's exposure to different asset classes as at 31 December 2025 regarding the maximum exposure limits as prescribed under Regulation 13. To assess the industry's compliance with Regulation 13, the assets invested in insurance policies are excluded as they are not regarded as assets of the fund for the purposes of Regulation 13. The industry complied with all limits in various investment classes as at 31 December 2025.

[3] The industry reported a net investment income of N$32.8 billion in 2021, a net investment loss of N$1.7 billion in 2022, a net investment income of N$32.4 billion in 2023, a net investment income of N$28.2 billion in 2024, and a net investment income of N$44.7 billion in 2025.
[4] Contributions due and received, and expenses and benefits due and paid.

Table 37: Pension fund industry compliance with Regulation 13, 2025

No.	Asset class	Percentage of aggregate of investments	Reg. 13 limit
1	Credit balances	6.9	95.0
2	Government bonds	17.4	95.0
3	State-owned enterprise; local authority and regional council bonds	0.0	50.0
4	Corporate bonds	10.7	50.0
5	Foreign bonds	7.6	50.0
6	Property	5.1	25.0
7	Shares	48.3	75.0
8	Other claims	1.0	25.0
9	Other assets	1.4	2.5
10	Unlisted investments (drawn-down capital)	1.5	1,75 - 3,50
	Other limits		
1	Regulation 13(1)(a)	53.4	90.0
2	Regulation 13(1)(b)	55.8	95.0
3	Regulation 13(2)	50.2	45.0
4	Regulation 13(3)(e)	8.4	10.0
5	Regulation 13(5)	2.1	1,75 - 3,50

Domestic asset limit

The industry complied with the minimum domestic asset requirement of 45.0 percent, as prescribed under Regulation 13(2), due to increased investment in the Namibian market during the 2025 year.

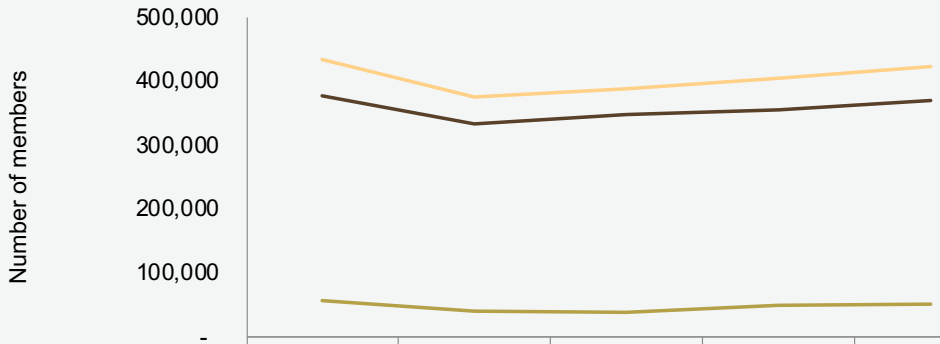
Other limits

The industry's committed capital to unlisted investments was 2.1 percent of their investments and drawn-down capital was 1.5 percent (Table 37). Compliance is measured at committed capital and should be between 1.75 percent and 3.5 percent, as per Regulation 13(5)(e). The industry complied with the investment limits as per Regulation 13.

Membership

The total retirement fund industry membership increased by 4.3 percent to 423,475 as at 31 December 2025, which comprised 371,070 active members and 52,405 pensioners (Figure 48). The increase in membership was due to new entrants into the sector owing to various factors such as additional employment and more employed persons being offered retirement benefits.

Figure 48: Membership, 2021-2025



	2021	2022	2023	2024	2025
Active Members	377,050	334,362	348,895	355,871	371,070
Pensioners	57,217	40,587	39,508	49,463	52,405
Total	434,267	374,949	388,403	405,334	423,475

Microlending

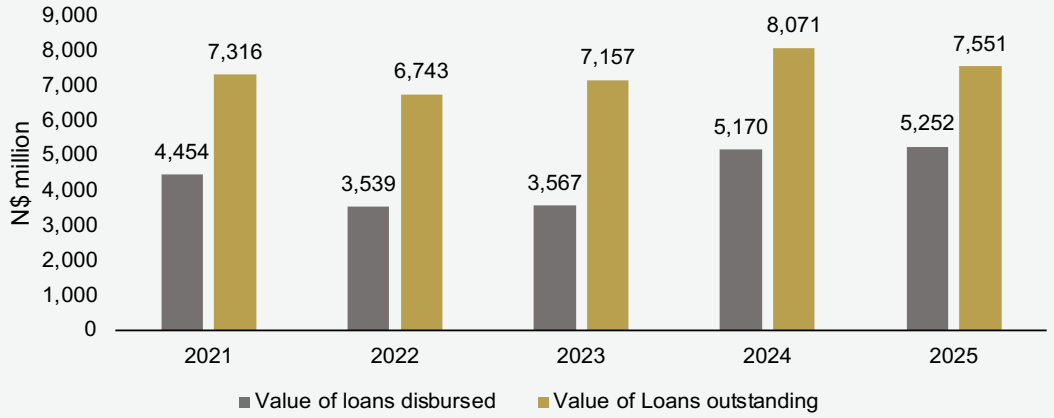
Performance review

The microlending loan book experienced a year-on-year decline in value by the end of 2025, despite a marginal increase in disbursements. Although disbursement values remained relatively stable, the number of borrowers and loan uptake continued to grow, indicating sustained demand for credit, particularly within the payday lending segment.

Loan book value

The outstanding value of the loan book declined by 6.4 percent year-on-year, reaching N$7.6 billion at the end of 2025 (Figure 49). Consistent with previous periods, term lenders continued to account for the largest share of the loan book, although their dominance moderated slightly. The contraction in the loan book is primarily attributed to the discontinuation of the Payroll Deduction Management System (PDMS), which significantly affected term lending portfolios.

Figure 49: Value of microlending disbursements and the loan book



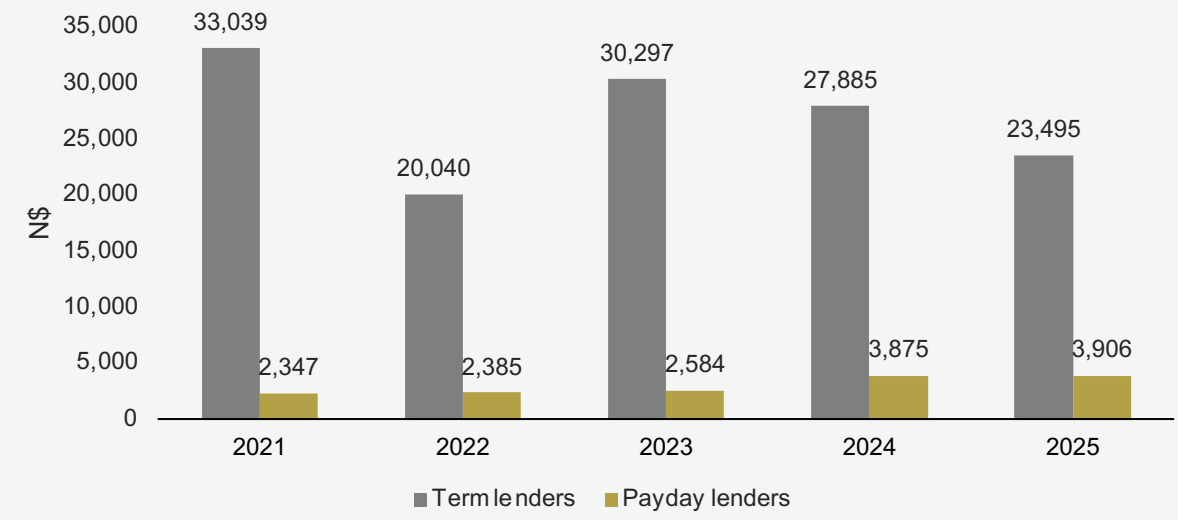
Disbursements

In 2025, the total value of disbursed loans increased marginally by 1.6 percent year-on-year, reaching N$5.3 billion (Figure 50). The subdued growth represents a significant slowdown compared with 2024, reflecting the impact of structural changes in the market following the discontinuation of the PDMS.

Average loan amount

Term lenders continued to provide significantly higher average loan amounts compared to payday lenders. However, the average loan size for term lenders declined by 15.7 percent year-on-year, settling at approximately N$23,495. In contrast, payday lenders recorded a slight increase of 0.8 percent, with average loan amounts reaching approximately N$3,906 (Figure 50).

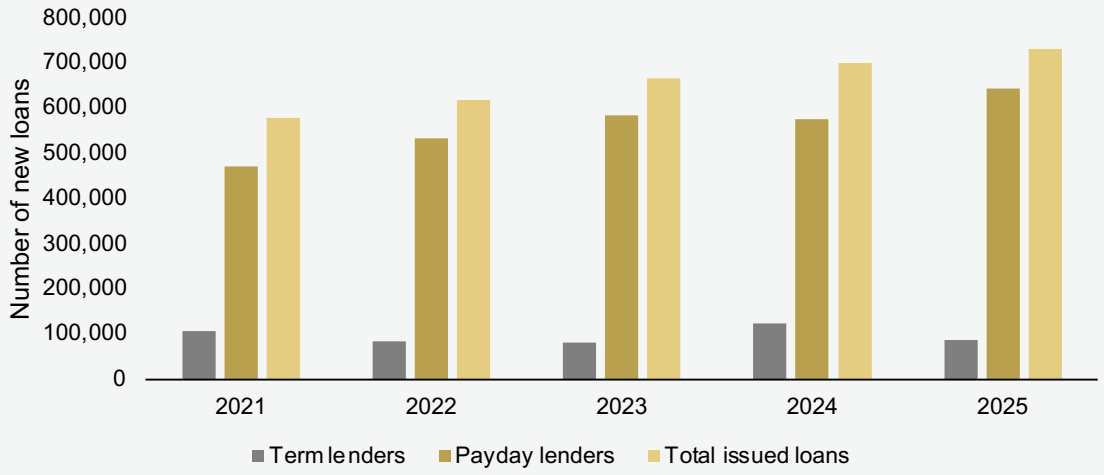
Figure 50: Average microlending loan amounts



Number of new loans

The total number of new loans issued increased by 4.4 percent year-on-year, reaching 730,868 loans by the end of 2025 (Figure 51). This growth was primarily driven by payday lenders, which recorded a strong increase of 11.7 percent. The number of loans issued by term lenders declined by 29.6 percent.

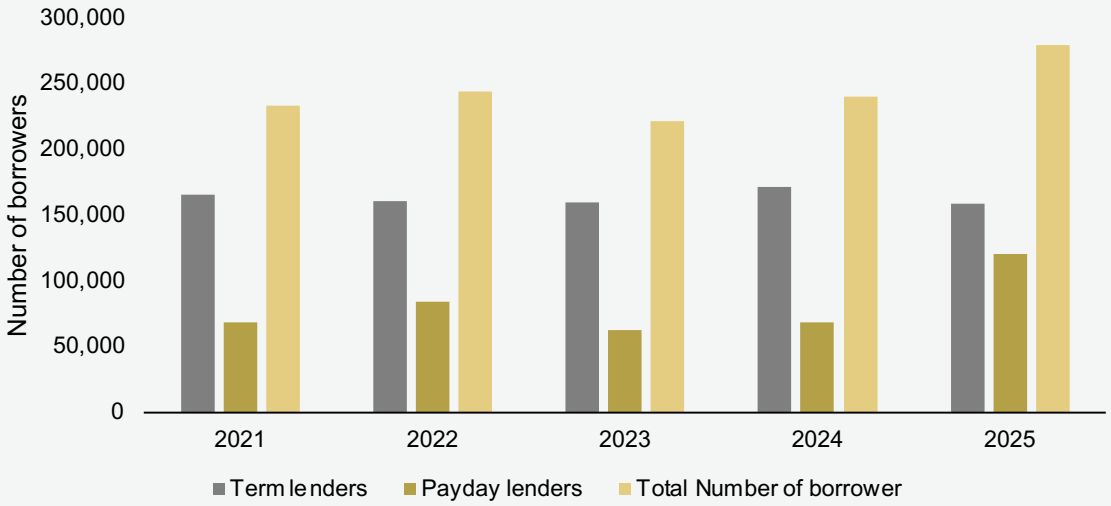
Figure 51: Number of new microlending loans disbursed



Number of borrowers

The cumulative number of borrowers increased by 16.3 percent year-on-year, reaching 279,594 beneficiaries at the end of 2025 (Figure 52). The growth was largely driven by a significant rise in payday borrowers, which recorded a 75.9 percent increase. The number of term borrowers declined by 7.6 percent. Despite this shift, term lending remains an important component of the microlending market. However, the data indicates a structural transition toward payday lending, which is largely attributable to the discontinuation of the PDMS.

Figure 52: Number of microlending borrowers



Capital markets

Performance review

The overall market capitalisation[5] of companies listed on the NSX rose by 11.8 percent, compared with the previous year, ending at N$2.8 trillion as at 31 December 2025. In line with this upward trend adjustment, the NSX Overall Index[6] increased by 18.9 percent, ending at 2141 points, and the NSX Local Index increased by 16.8 percent, ending at 808 points.

Investment managers' assets under management increased by 19.1 percent to N$338.2 billion as at 31 December 2025, compared with the previous period. Investment managers play an important role in integrating the financial system, linking institutional investors to financial markets and banks, and managing funds on behalf of pension funds, insurance companies, collective investment schemes, medical aid funds, and other wholesale investors.[7] Investment managers continue to be the main conduit between NBFIs and other sectors within the financial system.

Pension fund assets maintained the biggest portion of assets under management by investment managers, accounting for 42.1 percent of the total as at 31 December 2025. The second-largest source of funds was from unit trust schemes, which constituted 34.6 percent of the total assets under management. Long-term insurers contributed 12.4 percent. The remaining 10.9 percent was attributed to natural persons, short-term insurers, medical aid funds, companies, and other entities. In terms of geographical distribution, domestic assets constituted 56.5 percent of the funds in collective investment schemes, followed by 35.9 percent in the CMA, 7.5 percent in offshore markets, and 0.1 percent in Africa outside of the CMA.

Securities and investment markets

Equity markets

The NSX had 61 securities listed as at 31 December 2025, a 22 percent increase in the number of securities listed in the previous year. The companies concerned included 30 listings on the Main Board, of which 12 were primary listings; nine (9) on the Development Capital Board; 21 on the Exchange-traded Products (ETP) Board; and two (2) companies were quoted on the Over-the-counter Board. In the same period, 10 FNB Exchange Traded Notes listed on the ETP Board of the NSX.

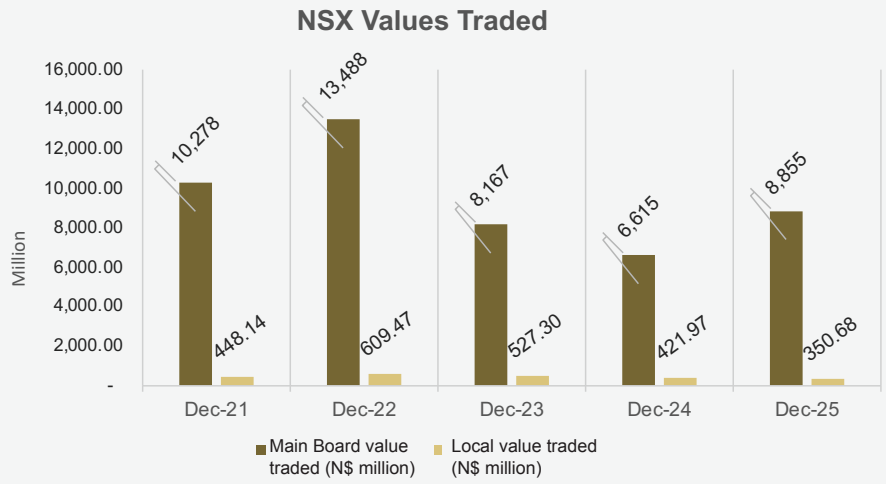
[5] Market capitalisation, which is commonly referred to as the market cap, is calculated by multiplying a company's outstanding shares by the current market price of one share.
[6] A market index (plural: indices) is a hypothetical portfolio of investment holdings (shares listed on an exchange), which represents a segment of the financial market (e.g. Top 40, medium-caps companies, small-caps companies, or the overall market). The calculation of the index value is derived from the prices of the underlying holdings/shares. Some indices have values based on market-cap weighting, revenue-weighting, float-weighting, or fundamental-weighting. Weighting is a method of adjusting the individual impact of items in an index.
Wholesale investors are high net-worth individuals or companies with minimum balances of at least N$1,000,000.

The market capitalisation of securities listed on the NSX Main Board rose by 11.8 percent from N$ 2.4 trillion on 31 December 2024 to N$2.8 trillion on 31 December 2025. The local market capitalisation increased by 17.7 percent from the end of 2024 to N$54.6 billion at the end of 2025, due to the positive market performance. The local market capitalisation comprised 1.9 percent of the Main Board market capitalisation. The market capitalisation of ETPs increased by 43 percent to N$101.4 billion, compared with the previous reporting period of N$70.9 billion.

The capitalisation on the Development Capital Board rose by 43 percent to N$36.4 billion as at 31 December 2025, from N$25.4 billion in 31 December 2024.

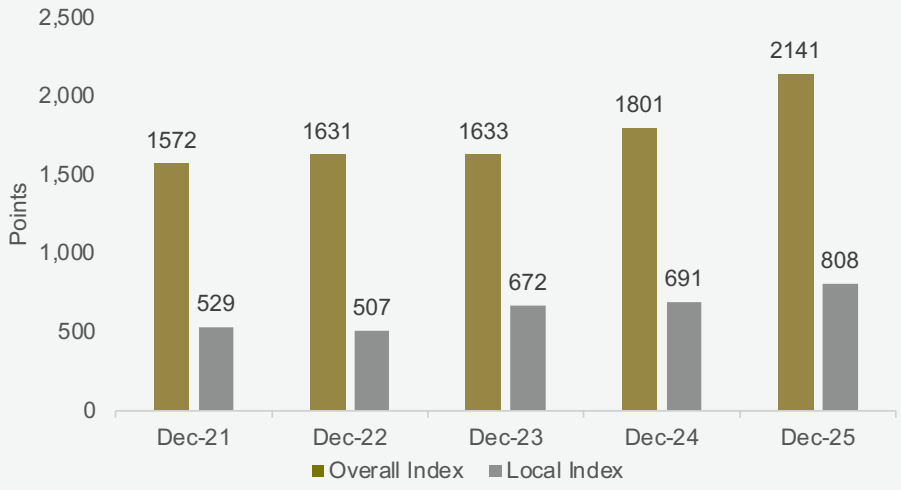
In terms of values traded, the overall securities traded between 31 December 2024 and 31 December 2025 increased by 35 percent to N$8.9 billion (Figure 53) from N$6.6 billion. Similarly, the local value of securities traded fell by 17 percent from N$421.9 million to N$350.7 million during the same period.

Figure 53: NSX values traded



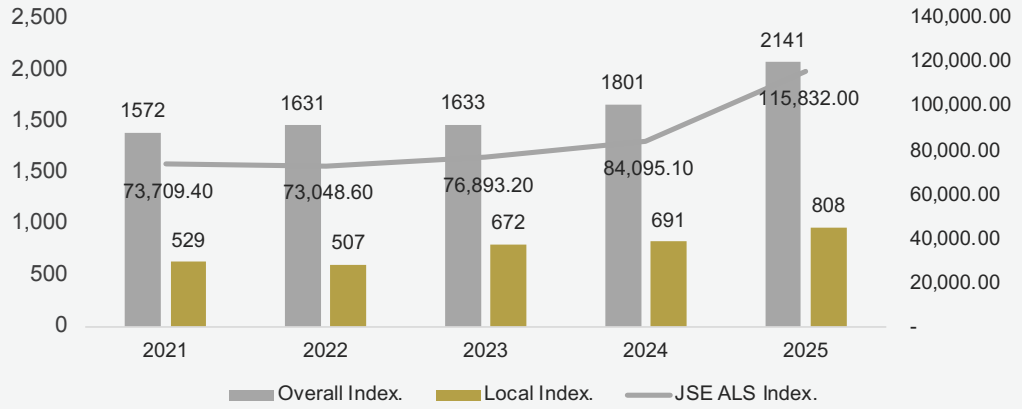
In line with the increase in market capitalisation, the Overall Index increased by 18.9 percent to end at 2141 points, and the Local Index advanced by 16.8 percent to end at 808 points for the year ending 31 December 2025 (Figure 54).

Figure 54: NSX indices



The FTSE[8] /JSE[9] All Share Index returned 37.7 percent, relative to 2024 levels, ending at 115,832 points as at 31 December 2025. Most shares that are dual-listed on the NSX are primary-listed on the JSE. The dual-listed shares accounted for 98.1 percent of the overall NSX market capitalisation, making the FTSE/JSE All Share Index an important and widely followed index in Namibia (Figure 55).

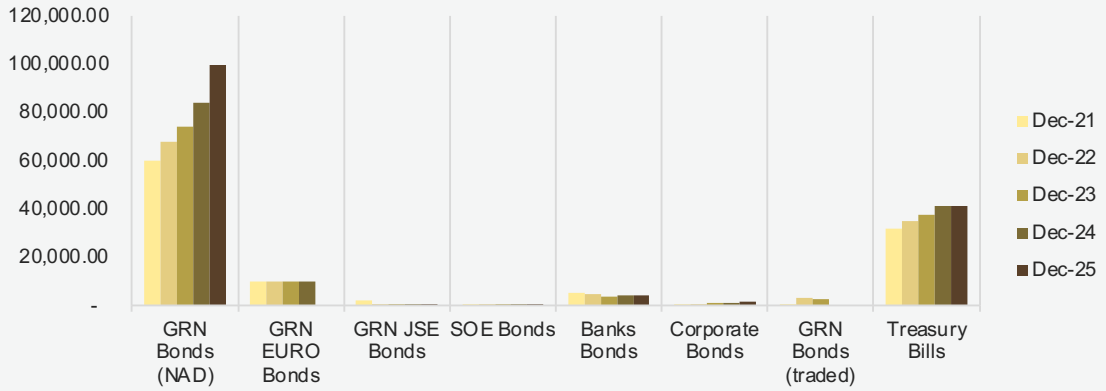
Figure 55: FTSE/JSE All Share Index



Debt markets

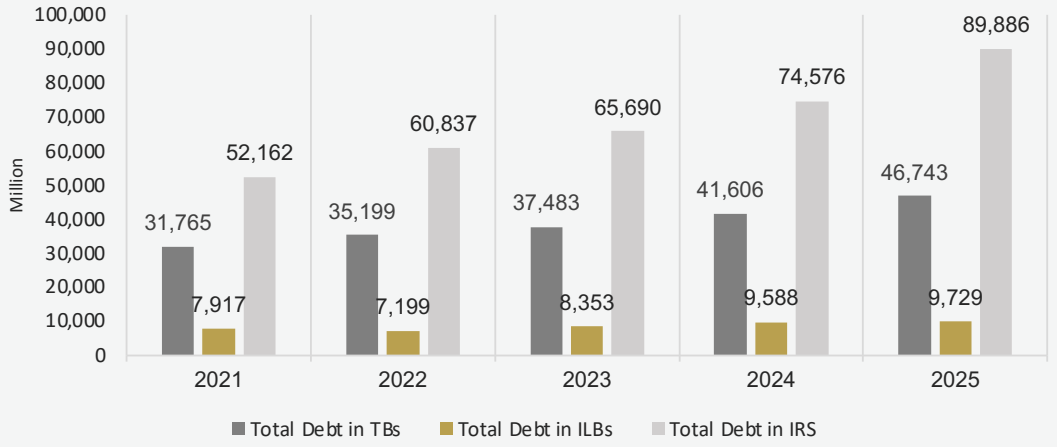
The total listed debt increased from N$142.3 billion as at 31 December 2024 to N$147.7 billion by the end of December 2025, driven largely by an increase in total government bonds, corporate bonds, and bank bonds. In the same period, the total government debt increased by 5.4 percent to register at N$172.7billion at the end of 2025. The rise in domestic debt resulted from an increase in the issuance of both treasury bills and Internal Registered Stock. The total debt as a percentage of the GDP decreased to 64 percent at the end of December 2025, a decrease of 1.6 percent from the previous year.[10] Treasury bills increased by 12 percent to N$46.7 billion from N$41.6 billion during the reporting period. Debt issuance by banking institutions in listed debt increased by 5.2 percent to end at N$4.5 billion by 31 December 2025, and corporate bonds were up by 25.8 percent to N$1.5 billion. There was no change in the debt incurred by public enterprises, which remained at N$130 million by 31 December 2025.

Figure 56: Debt markets: Debt outstanding



[8] Financial Times Stock Exchange.
[9] Johannesburg Stock Exchange Ltd.
[10] https://www.bon.com.na/Economic-information/Quarterly-Bulletins/Quarterly-Bulletins-Publication.aspx.

Figure 57: Debt markets: Treasury bills outstanding

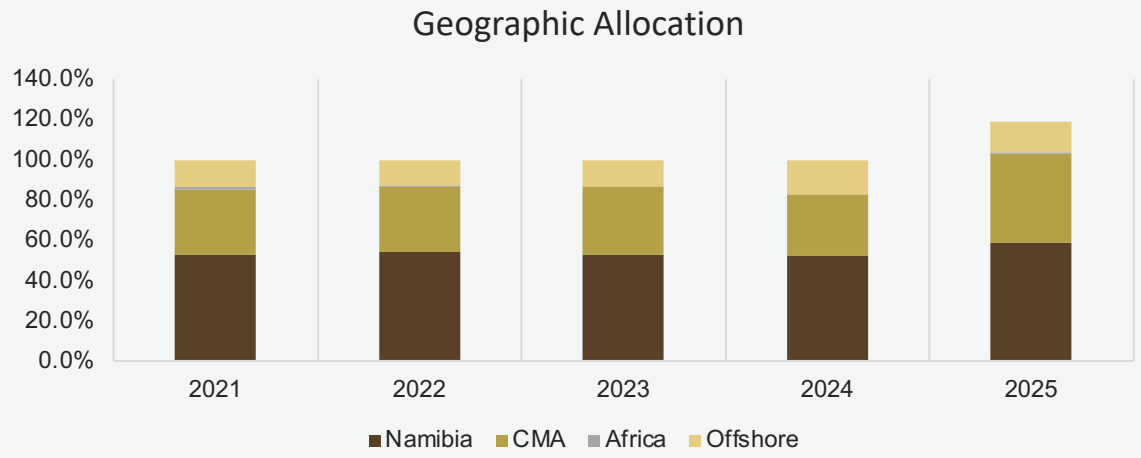


Investment management

Investment managers' assets under management increased by 19.1 percent to N$338.2 billion as at 31 December 2025, compared with the previous period. Pension funds and unit trust schemes accounted for the biggest inflows, contributing 42.1 percent and 34.6 percent, respectively.

In terms of the geographic allocation of assets under management, domestic assets constituted 49.3 percent of the total (Figure 58). Although Regulation 13(2) of the Regulations under the Pension Funds Act increased the minimum domestic asset investments by pension funds to 45 percent as from 31 March 2019, investment managers have continued to hold at least 50 percent of their total assets in domestic assets since then.

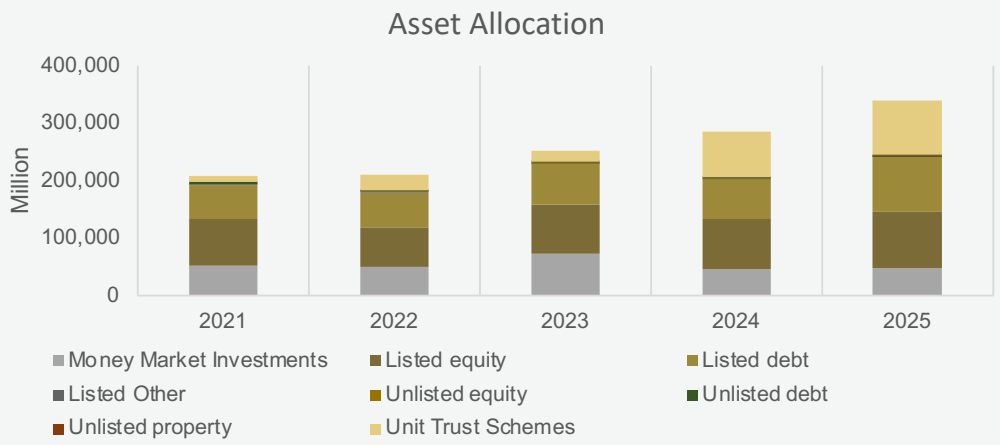
Figure 58: Investment managers' assets under management, per geographic allocation



A total of 50.7 percent of investment managers' assets under management were invested outside Namibia as at the end of the 2025 reporting period. Of this, 37.5 percent was invested in the CMA, predominantly in South African securities, and 13.1 percent was invested in offshore markets. A total of 0.1 percent was invested in the rest of Africa.

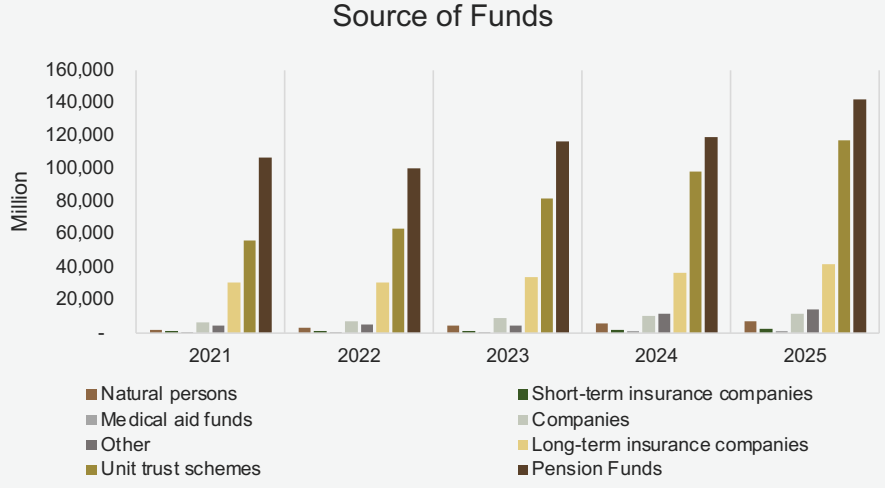
In terms of investment instruments, the assets under management indicate that investment managers held 28.9 percent of investments in listed equity as at 31 December 2025. Unit trust schemes accounted for 27.6 percent, listed debt stood at 27.2 percent, and money market instruments accounted for 15.1 percent. Collectively, 42.3 percent of the total assets was invested in fixed-income (debt and money market) instruments. Unlisted equity, unlisted debt, and unlisted property accounted for 2.5 percent of the total assets during the review period (Figure 59).

Figure 59: Investment managers' assets under management, per asset class



In respect of sources of funds, pension fund assets maintained the biggest portion of assets under management by investment managers, accounting for 42.1 percent of the total as at 31 December 2025. The second-largest source of funds was from unit trust schemes, which constituted 34.6 percent of the total assets under management. Long-term insurers contributed 12.4 percent. The remaining 10.9 percent was attributed to natural persons, short-term insurers, medical aid funds, companies, and other entities. (Figure 60).

Figure 60: Investment managers' assets under management, per source of funds (investor)



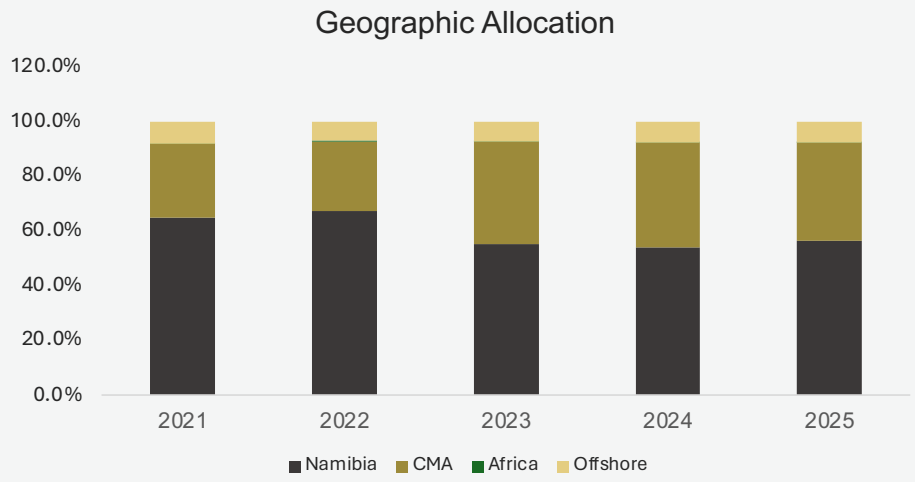
Collective investment schemes

The total assets under management in respect of collective investment schemes increased by 19.2 percent to N$123.4 billion as at 31 December 2025, compared with 2024. In terms of geographical distribution, domestic assets constituted 56.5 percent of the funds in collective investment schemes, followed by 35.9 percent in the CMA, 7.5 percent in offshore markets, and 0.1 percent in Africa outside of the CMA.

The mandate of a collective investment scheme specifies the asset class and the geographic location in which the investment manager may invest. Compared with the previous reporting year, assets under management as at 31 December 2025 reveal that assets invested in the Namibian market rose by 24.5 percent to N$69.7 billion and those invested in the CMA rose by 11.6 percent to N$44.3 billion.

Offshore investments increased by 19.2 percent to N$9.2 billion during the reporting period. Investments in the rest of Africa increased by 17 percent, compared with 2024, registering N$123 million by the end of 2025 (Figure 61).

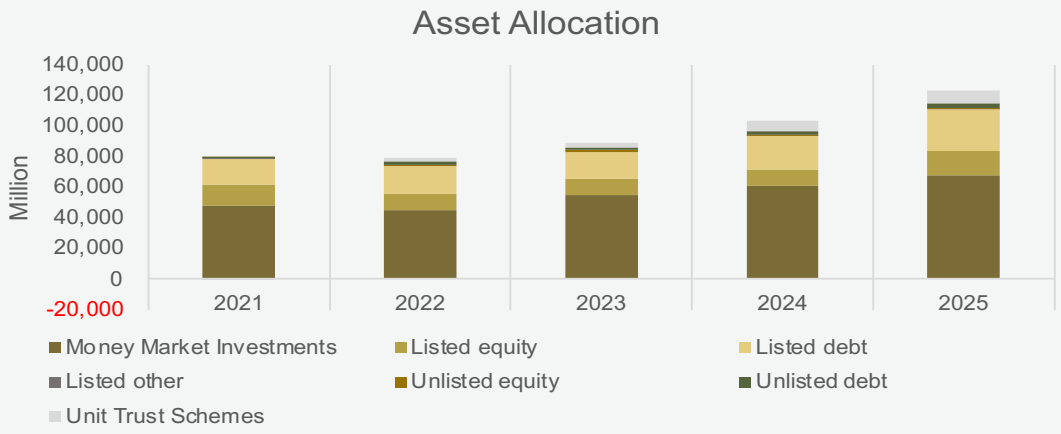
Figure 61: Collective investment scheme assets under management, per geographic allocation



The asset allocations per investment instrument show that money market investments continued to be the asset class of choice, accounting for 55 percent of the total assets under management during the reporting period.

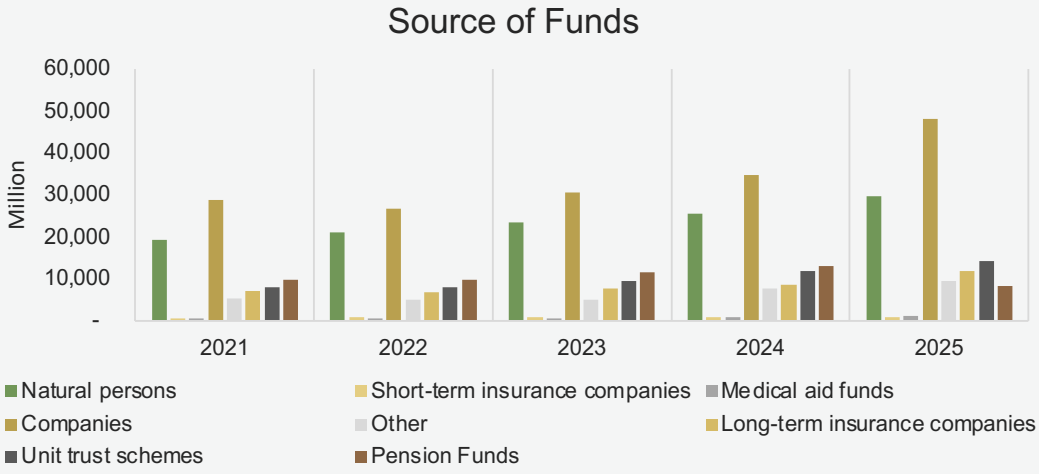
Listed debt constituted 22.2 percent of the total assets for 2025, and the remaining 22.8 percent was spread among listed and unlisted equities, unlisted debt, and unit trust schemes (Figure 62).

Figure 62: Collective investment scheme assets under management, per asset class



In terms of allocation per source of funds, companies were the largest source at 38.9 percent, followed by individual persons, who had a 24 percent share of the total collective investment scheme funds at 31 December 2025. Pension funds held 11.5 percent of the total collective investment scheme funds, and unit trust schemes held 9.5 percent. Other sources of funds include institutional investors such as long-term insurers and other collective investment schemes, all of which collectively held 16.1 percent of the total funds (Figure 63).

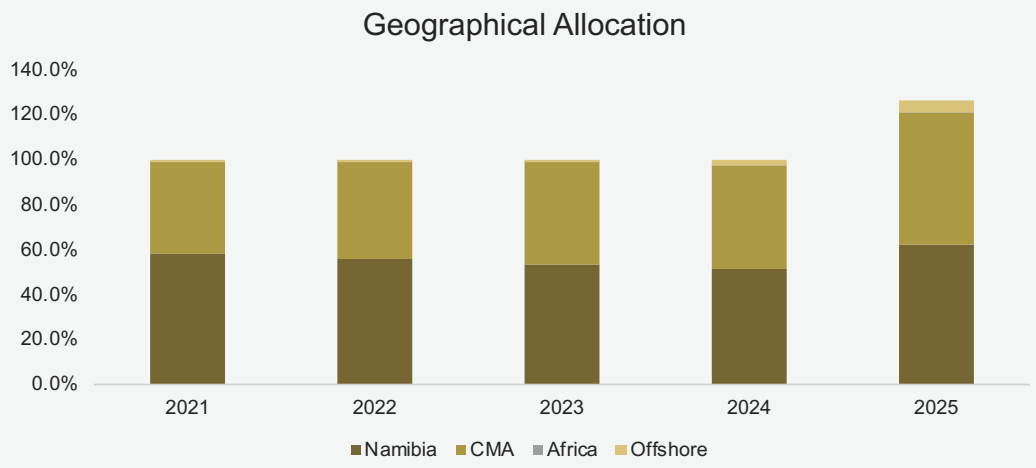
Figure 63: Collective investment scheme assets under management, per source of funds (investor)



Linked investment service providers

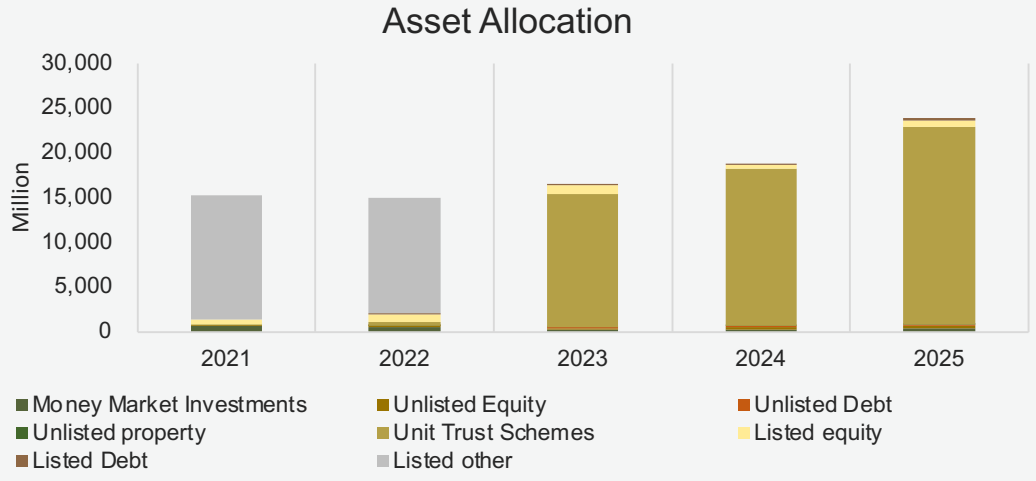
The total assets under administration in respect of linked investment service providers increased by 26.5 percent to N$23.8 billion as at the end of December 2025, compared with the N$18.8 million registered at the end of 2024. The geographic allocation of assets under administration indicates that 49.3 percent was invested in domestic assets, 46.4 percent in the CMA, 4.3 percent in offshore markets, and 0.001 percent in Africa outside of the CMA (Figure 64).

Figure 64: Linked investment service providers, per geographical allocation



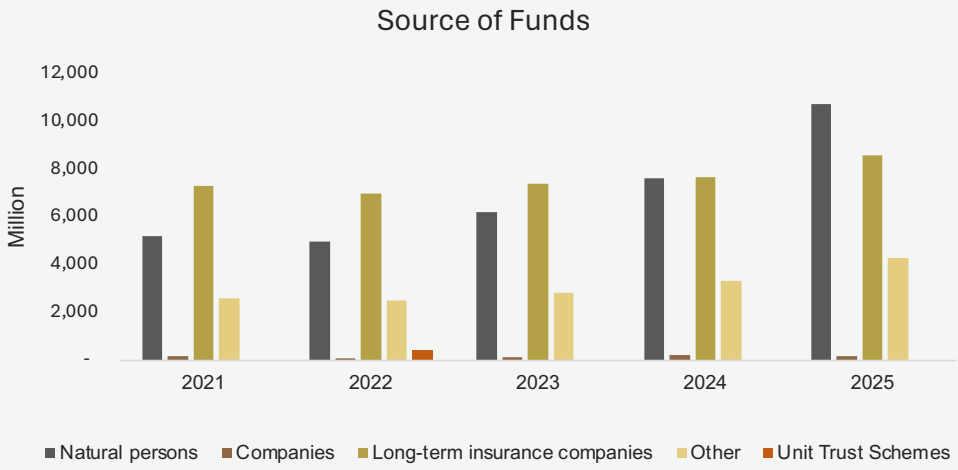
The asset allocations per type of investment instrument show that unit trust schemes are the asset class of choice, accounting for 92.8 percent of the total assets under administration during the reporting period. Listed equity constituted 3.1 percent of the total assets for 2025, and the remaining 4 percent was spread among money market instruments, listed debt, unlisted equity, and unlisted property (Figure 65).

Figure 65: Linked investment service providers, assets under management, per asset class



The bulk of the assets administered were sourced from natural persons (45.2 percent), followed by long-term insurance companies (36.2 percent). The remaining 18 percent was sourced from other sources (e.g. churches, NGOs, and trusts) and companies (Figure 66).

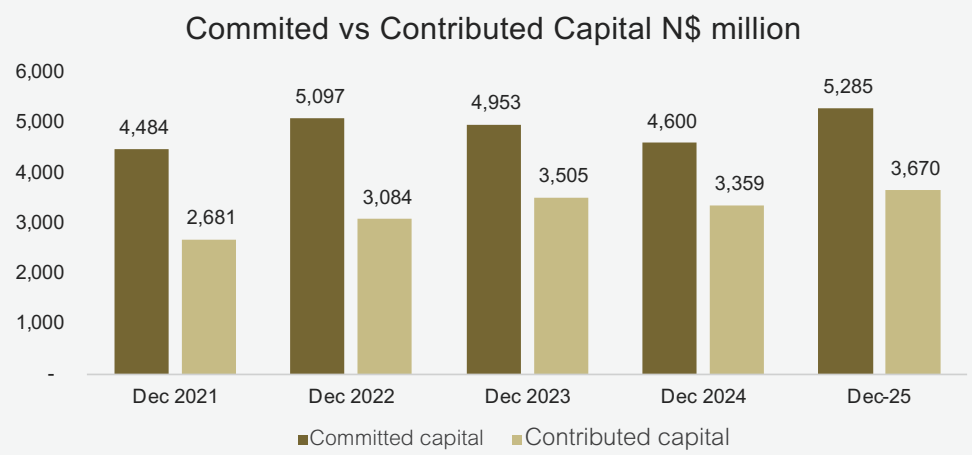
Figure 66: Linked investment service providers, per source of funds (investors)



Unlisted investments

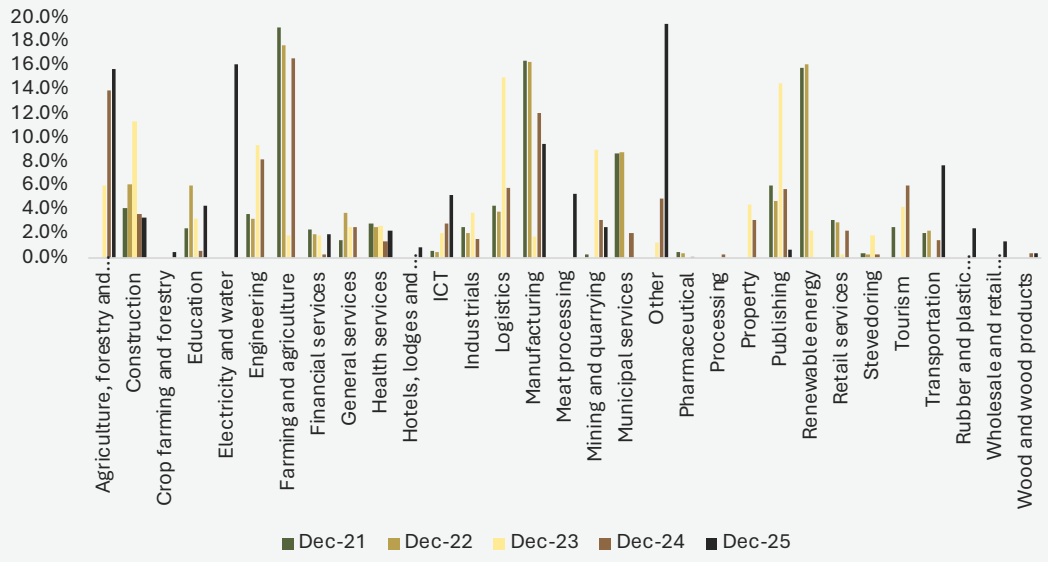
The total investments (contributed capital) in unlisted portfolio companies stood at N$5 billion as at 31 December 2025, an increase of 48.2 percent on an annual basis from the previous reporting period ended 31 December 2024. By the end of the review period, the total committed capital increased by 13.3 percent from N$ 4.6 billion to N$5.3 billion. The increase in committed capital is attributable to the new signed subscription agreements and additional capital allocations to SPVs.

Figure 67: Investments (contributed capital) versus committed capital



The composition of unlisted investments continues to reflect a strong trend of debt financing. Equity investments increased from 60.9 percent to 63.5 percent, and debt funding declined to 36.5 percent from 39.1 percent during the review period.

Figure 68: Unlisted investment managers' assets under management, per sector, as at 31 December 2025



The principal sectors targeted for unlisted investments include other, electricity and water, agriculture, and forestry and fishing (Figure 68). These three sectors accounted for 19.5 percent, 16.1 percent, and 15.7 percent, respectively, of the total investments in unlisted companies.





ANNUAL FINANCIAL STATEMENTS

NAMIBIA FINANCIAL INSTITUTIONS SUPERVSORY AUTHORITY AND SUBSIDIARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

TABLE OF CONTENTS

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

CONTENTS	PAGE
Board's responsibility for financial reporting	139
Board's approval of the annual financial statements	139
Report of independent auditors	140-141
Report of the Board	142-146
Statements of surplus or deficit and other comprehensive income	147
Statements of financial position	148
Statements of changes in reserves	149
Statements of cash flows	150
Notes to the annual financial statements	151-193

BOARD'S RESPONSIBILITY FOR FINANCIAL REPORTING

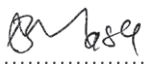
The Board of the Authority is responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The annual financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Namibia Financial Institutions Supervisory Authority Act, (Act No. 3 of 2001), ("NAMFISA Act"). The Authority's independent external auditors have audited the annual financial statements and their report appears on pages 140 to 141.

The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by experienced personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Authority will not remain a going concern for the foreseeable future.

BOARD'S APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 142 to 193 was approved and authorised for issue by NAMFISA Board and are signed on its behalf by:



Brian S Masule (Mr.)
Chairperson: Board

29 June 2026
Date



Jacob Nyambe (Prof.)
Chairperson: Audit and Risk Committee

29 June 2026
Date

Grand Namibia
Chartered Accountants & Auditors

INDEPENDENT AUDITOR'S REPORT

To the Member of Namibia Financial Institutions Supervisory Authority and its subsidiary

Opinion

We have audited the consolidated and separate annual financial statements of the Namibia Financial Institutions Supervisory Authority ("the Authority") and its Subsidiary ("the Group") set out on pages 142 to 193 which comprise the consolidated and separate statements of financial position as at 31 March 2026, and the consolidated and separate statements of surplus or deficit and other comprehensive income, the consolidated and separate statements of changes in reserves and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including a summary of material accounting policies and the report of the Board.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Authority as at 31 March 2026, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the IASB, the requirements of the Namibia Financial Institutions Supervisory Authority Act (Act 3 of 2001) and the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Authority in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in Namibia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Board's responsibility for financial reporting report, which we obtained prior to the date of th is auditor's report. The other information does not include the consolidated and the separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with IFRS® Accounting Standards as issued by the IASB and the requirements of the Namibia Financial Institutions Supervisory Authority Act (Act 3 of 2001) and the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the Group and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Authority and/or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Authority's internal control.

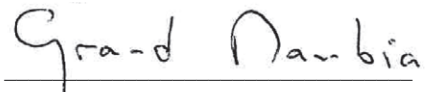
- Evaluate the appropriateness of accounting policies used and the rea sonablene ss of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: R Theron
Partner
Windhoek
29June 2026

REPORT OF THE BOARD

31 March 2026

The Board of the Authority has pleasure in presenting their report on the activities of the Namibia Financial Institutions Supervisory Authority ("NAMFISA") and its subsidiary (the "Group") for the year ended 31 March 2026 ("the period").

GENERAL REVIEW

NAMFISA was established by the Government of the Republic of Namibia on 14 May 2001 in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No.3 of 2001) ("NAMFISA Act").

NAMFISA was established to exercise supervision over the businesses of financial institutions and over financial services, and to advise the Minister of Finance on matters related to financial institutions and financial services.

NAMFISA also has an auxiliary function to supervise, monitor and enforce compliance with the Financial Intelligence Act, 2012 (Act No. 13 of 2012) in respect of all accountable and reporting institutions supervised by NAMFISA in terms of the NAMFISA Act.

RESULTS

The financial results of NAMFISA and the Group are set out in the attached annual financial statements on pages 147 to 193.

BOARD MEMBERS AND SECRETARY

The composition of the Board is as follows:

Board members	Designation	Date
Hettie Garbers-Kirsten (Adv.)	Chairperson	Term Expiry: 31 March 2026
Steve Katjiuanjo (Mr.)	Deputy-Chairperson	Term Expiry: 31 March 2026
Jauque Jansen (Mr.)	Member	Term Expiry: 31 March 2026
Nelao Shilongo Alexander (Ms.)	Member	Term Expiry: 31 March 2026
Brian S Masule (Mr.)	Chairperson	Appointed: 1 April 2026
Selma Ambunda (Ms.)	Deputy-Chairperson	Re-appointed: 1 April 2026
Veneranda Shoombe (Ms.)	Member	Appointed: 1 April 2026
Damoline Muruko (Ms.)	Member	Appointed: 1 April 2026
Jacob Nyambe (Prof.)	Member	Appointed: 1 April 2026

The secretary to the Board of NAMFISA is Bryan Kandjiriomuini, appointed as from 01 December 2017.

REGISTERED OFFICE

The registered office for the secretary and NAMFISA is:

Business address:
51-55 Werner List Street
Gutenberg Plaza
WINDHOEK
Namibia

Postal address:
P O Box 21250
WINDHOEK
Namibia

FINANCIAL YEAR END

The financial year end of NAMFISA is defined in the NAMFISA Act as 28 March of every year. The Board is of the view that the intention of the legislature was that the year-end be 31 March, and therefore the financial statements have been prepared as of 31 March. The Board's view is in line with the new Namibia Financial Institutions Supervisory Authority Act, 2021 (Act No. 3 of 2021), which has become effective on 1 May 2026.

SUBSIDIARY

NAMFISA acquired Metropol (Pty) Ltd on 27 October 2014. The company is an investment property holding company and owns a property situated in Independence Avenue, Windhoek. The investment in the subsidiary is listed in note 8 of the annual financial statements. The financial year-end of the subsidiary is the same as that of the holding entity.

SUBSEQUENT EVENTS

The Board are not aware of any fact or circumstance, which occurred between the end of the financial year and the date of this report, which might influence an assessment of the authority's affairs.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that NAMFISA will be able to meet the repayment of its liabilities. The authority has recognized a deficit after tax for the year ended 31 March 2026 of N$28 985 848 (Group: N$28 381 400) and, as at that date, current assets exceed current liabilities by N$253 089 008 (Group: N$126 126 619).

Management asserts that NAMFISA is well-prepared to navigate economic downturns, considering various resilience factors outlined in these financial statements. The evaluation of NAMFISA's financial sustainability, especially regarding levy collection from regulated entities, is informed by factors outlined in the NAMFISA and Bank of Namibia Financial Stability Report. NAMFISA's levy collection may encounter pressure due to slower economic activity affecting regulated entities' financial health. Increasing household and corporate debt, albeit at a slower pace, could affect these entities' ability to meet levy obligations. However, the demonstrated resilience of the non-banking financial institutions (NBFIs) sector amidst a contractionary monetary policy environment evidenced in the revenue collection suggests stability in revenues.

Overall, NAMFISA maintains a strong financial position with ample capital and liquidity to support operational activities and debt obligations. The Authority's strategies and policies for budgeting, credit risk, and liquidity risk management are detailed in its annual financial statements. NAMFISA is expected to continue as a going concern.

OTHER MATTERS

Post-retirement medical liability:

In terms of NAMFISA's staff rules it is a condition for staff to be members of a medical aid fund approved by NAMFISA in order to qualify for the Post-Retirement Medical Aid benefit. As at 31 March 2026, there are some employees who do qualify for Post-Retirement Medical Aid benefit but are not currently on an approved medical aid scheme. The contingent liability for these employees amounts to N$4 743 000 at 31 March 2026 (2025: N$10 311 000). See note 24.1 in the annual financial statements for the contingent liability.

Construction of NAMFISA Head Office:

During the year under review, construction of the new Head Office on Erf 1503, Independence Avenue, through its wholly owned subsidiary, Metropol (Pty) Ltd, continued. This strategic infrastructure investment forms part of NAMFISA's long-term objective to enhance operational sustainability, optimise rental costs, and consolidate its operations into a single premises.

Following the successful appointment of the main contractor by the Central Procurement Board of Namibia in the prior year, ground was broken in July 2024 and construction activities commenced shortly thereafter. The project is expected to span approximately 30 months and remains on track.

To fund the development, Metropol (Pty) Ltd secured a financing facility with Standard Bank Namibia comprising:

- A N$185 million development loan facility repayable over 10 years, with a 50% bullet repayment at maturity;
- A N$20 million revolving VAT facility to manage indirect tax cash flows during the construction period;

A N$70 million equity contribution by NAMFISA has been committed from the General Reserve and will also be utilised to fund the building of the NAMFISA head office.

As at 31 March 2026, no drawdowns had been made on the debt facilities. Project payments made to date, amounting to N$60.95 million, have been funded from the NAMFISA's own cash and cash equivalents as part of the committed equity contribution. The Authority continues to monitor liquidity closely to ensure prudent utilisation of internal resources before external financing is accessed. Refer to note 12.

OTHER MATTERS (CONTINUED)

Litigation:

Hendrik Christian

The opposed motion (rescission application) was scheduled to be heard on 30/01/2026. The hearing was postponed to 20/03/2026 on account of the ill health of Mr Christian.

Following the Supreme Court judgment of 7 October 2019, H. Christian caused his bill of costs (disbursements) to be taxed and allowed in the amount of N$29 201.50. H. Christian attempted to enforce payment by launching an ex parte application in terms of Rule 72(2) and Rule 107. The Court did not grant the relief sought. Instead, on 27 February 2026, the Court found that Christian had pursued the incorrect remedy and removed the matter from the roll, while indicating that he may proceed by issuing writs and executing in the ordinary course.

NAMFISA had earlier obtained taxed allocaturs against Christian in separate taxation proceedings. The first allocatur, in the amount of N$52 318.37 was taxed and signed on 4 August 2021. The second allocatur, in the amount of N$48 135.85 was taxed and signed on 12 August 2021. Writs of execution were subsequently issued in respect of those taxed amounts. When the Deputy Sheriff attempted to execute the writs against H. Christian's movable property, the execution proved unsuccessful, and the writs were returned nulla bona, confirming that no sufficient attachable property could be located to satisfy the judgment debts.

Alwyn Petrus van Straten//NAMFISA

NAMFISA is a co-defendant in a case brought against the Authority by Alwyn Petrus van Straten N.O. and others on 12 March 2012.

On 21 November 2025 the Supreme Court ordered that:

1. The appeal is upheld with costs, to include the costs of one instructing and two instructed legal practitioners.
2. The order of the High Court is set aside and replaced with the following order:
    - The Defendant is liable to the Second Plaintiff for the losses of Plaintiffs who have not withdrawn their claims and which arose after 31 August 2005, to be determined in due course.
    - The Defendant is to pay Plaintiffs' costs, to include the costs of one instructing and three instructed legal practitioners.

The quantum of the Second Appellants' claim was determined by the Court on 21 May 2026 to be N$35 111 583.04 plus interest of 20% per annum from 4 March 2022 to date of full and final payment. The amount plus interest was accrued for at 31 March 2026.

On 29 January 2026 our legal practitioners attended a taxation hearing in the Supreme Court. An allocatur in the amount of N$1 337 548.97 and on 20 February 2026 NAMFISA attended to payment of the allocatur in full.

Taxation in the High Court determined an allocatur of N$5 101 373.56 on 28 April 2026. NAMFISA paid the amount on 12 May 2026 and accrued for at 31 March 2026. Refer to note 12 for details.

Heritage Health Medical Aid

During June 2021, the Registrar of Medical Aid Funds lodged an application in terms whereof the Registrar, inter alia, sought an order to place Heritage Health Medical Aid Fund under a provisional order of liquidation in the hands of the Master of the High Court.

OTHER MATTERS (CONTINUED)

Litigation: (continued)

"Heritage Health Medical Aid (continued)

On 17 October 2023 the taxation hearing was held. An allocatur in the amount of N$755 362.07 was issued.

Considering the appeal lodged, the Registrar did not attend to payment of the taxed costs until such time that the appeal has been finalised.

On 19 December 2025 the Registrar brought an application to the Supreme Court in terms whereof the Registrar requests an order in the following terms:

- Granting leave to the Registrar to put further evidence before Court by way of a supplementary founding affidavit (annexed to the supporting affidavit to the application).
- Granting further leave to Heritage Health Medical Aid Fund (should the Fund so elect) to answer thereto by way of a supplementary answering affidavit.
- Further and/or alternative relief.
- Costs of the application, only in the event of the application being opposed, such costs to include the costs of one instructing and one instructed counsel.

On 07 January 2026 Heritage Health Medical Aid Fund filed its answering affidavit.

On 16 January 2026 the Registrar of Medical Aid Funds filed his replying affidavit.

On 29 January 2026 the Registrar of Medical Aid Funds filed his heads of argument.

On 16 February 2026 Heritage Health Medical Aid Fund filed its heads of argument.

The Appeal Hearing was held on 02 March 2026 and the judgment in this matter is reserved.

On 2 April 2026 (SA 48/2023) the Supreme Court dismissed the Registrar's appeal with costs and refused his application to lead further evidence, confirming that Heritage Health Medical Aid Fund will not be wound up. Costs taxed at N$755 362.07, together with the costs awarded on appeal, are payable by the Registrar. The Registrar was directed to reconsider the Fund's contribution and benefit proposals for 2019 onwards and to reconsider cancelling only those penalties linked to the self-funding-gap increments within the timelines set by the Court.

Aiso Cash Loan CC & Others//NAMFISA

NAMFISA is a respondent in a constitutional challenge initiated in 2018 by a consortium of twenty-six (26) microlending companies operating in Namibia, contesting the validity of various provisions of the Microlending Act regulating these companies. The relief sought against NAMFISA is non-monetary in nature, the matter concerning the validity of legislative provisions and not the recovery of any sum of money from the Authority. The matter is approaching the trial stage. NAMFISA's legal practitioners have estimated the legal costs of defending the matter, which is conducted by a team of three instructed counsel, one of whom is senior counsel, at approximately N$10 million. As no monetary claim is sought against the Authority, there is no claim amount against NAMFISA. Should the court rule against NAMFISA, the unsuccessful party would ordinarily bear costs; the quantum of any such adverse costs order is not presently determinable. NAMFISA's own legal costs are expensed as incurred.

Loan Guarantee:

As part of the financing arrangements for the construction of the Authority's new Head Office, NAMFISA, as the parent entity, has issued a corporate guarantee in favour of Standard Bank Namibia on behalf of its wholly owned subsidiary, Metropol (Pty) Ltd.

The guarantee relates to a development loan facility of N$185 million granted to Metropol (Pty) Ltd to fund the construction of the Head Office situated on Erf 1503, Independence Avenue. The key terms of the facility include:

- A 10-year term with a 50% bullet repayment at maturity;
- Security in the form of a mortgage bond over the property and lease-back agreement with NAMFISA;
- A revolving VAT facility of N$20 million, also guaranteed by NAMFISA.

OTHER MATTERS (CONTINUED)

Loan Guarantee: (continued)

As at 31 March 2026, no drawdowns occurred on either the development loan or the VAT facility, and all contractual conditions precedent remained in effect.

The guarantee represents a contingent liability to the Group, as it constitutes a possible obligation dependent on the occurrence of a future uncertain event, namely a default by Metropol (Pty) Ltd. At the reporting date:

- No breach of loan covenants had occurred;
- No demand had been made on the guarantee;
- The probability of default was assessed as remote.

Accordingly, no provision has been recognised in the financial statements. Management will continue to assess the financial exposure associated with the guarantee on an ongoing basis, in line with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY

STATEMENTS OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	GROUP		AUTHORITY	
		2026	2025	2026	2025
		N$	N$	N$	N$
Revenue from exchange transactions	2	1 565 839	1 588 870	1 565 839	1 588 870
Income from non-exchange transactions	2	320 630 606	291 714 433	320 630 606	291 714 433
Investment income	3	14 402 497	14 079 102	14 238 190	14 066 607
Other income	4	6 512 431	4 875 951	6 512 431	4 875 951
Total Income		**343 111 373**	**312 258 356**	**342 947 066**	**312 245 861**
Consumer education costs		(1 269 942)	(721 933)	(1 269 942)	(721 933)
Employee costs	6	(222 729 269)	(207 892 940)	(222 729 269)	(207 892 940)
Other operating costs	6	(26 487 006)	(26 040 431)	(25 471 756)	(25 101 773)
Depreciation of right-of-use assets	7	(11 632 228)	(12 120 532)	(11 632 228)	(12 120 532)
Depreciation and amortisation of other assets	7&9	(2 840 150)	(2 429 161)	(2 840 150)	(2 429 161)
Impairment of investment in subsidiary	8	-	-	(860 717)	(946 314)
Impairment of loan to subsidiary	19.3	-	-	(604 448)	(170 857)
Expected credit losses – movement	11	(5 523 711)	2 595 340	(5 523 711)	2 595 340
Finance charges – Lease liabilities	14	(3 552 721)	(5 416 019)	(3 552 721)	(5 416 019)
Office rental expenses	14	(840 474)	(789 983)	(840 474)	(789 983)
Municipal charges		(4 444 369)	(4 532 668)	(4 444 369)	(4 532 668)
Interest Cost – Post-retirement benefits	16.1	(6 207 000)	(6 215 455)	(6 207 000)	(6 215 455)
Inspection and enforcement costs		(305 421)	(72 158)	(305 421)	(72 158)
Legal costs	6	(83 612 735)	(2 898 145)	(83 612 735)	(2 898 145)
Professional and consulting fees		(2 047 748)	(1 740 696)	(2 037 973)	(1 720 546)
Total Expenses		**(371 492 774)**	**(268 274 781)**	**(371 932 914)**	**(268 433 144)**
(DEFICIT) / SURPLUS FOR THE YEAR BEFORE TAXATION	6	**(28 381 400)**	**43 983 575**	**(28 985 848)**	**43 812 717**
Taxation	5	-	-	-	-
(DEFICIT) / SURPLUS FOR THE YEAR AFTER TAXATION		**(28 381 400)**	**43 983 575**	**(28 985 848)**	**43 812 717**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Actuarial (loss) / gain - Post-retirement medical benefits	16.1	(3 131 000)	2 438 000	(3 131 000)	2 438 000
Actuarial gain - Severance benefits	16.1	241 000	94 000	241 000	94 000
TOTAL COMPREHENSIVE (DEFICIT) / SURPLUS FOR THE YEAR		**(31 271 400)**	**46 515 575**	**(31 875 848)**	**46 344 717**

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	GROUP		AUTHORITY	
		2026	2025 Restated	2026	2025
ASSETS		N$	N$	N$	N$
Non-current assets					
Property, plant and equipment	7	177 066 977	151 194 527	19 187 405	39 264 636
Intangible assets	9	1 806 581	2 301 236	1 806 581	2 301 236
Investment in subsidiary	8	-	-	29 941 535	30 802 252
Total non-current assets		**178 873 558**	**153 495 763**	**50 935 521**	**72 368 124**
Current assets					
Accounts receivable	11	23 301 879	18 902 218	16 929 388	15 723 334
Other financial assets	10	137 313 680	113 922 546	137 313 680	113 922 546
Loan to subsidiary	19.3	-	-	133 708 059	84 444 104
Cash and cash equivalents	13	97 314 196	98 588 236	85 174 144	96 096 352
Total current assets		**257 929 754**	**231 413 000**	**373 125 271**	**310 186 336**
TOTAL ASSETS		**436 803 312**	**384 908 763**	**424 060 792**	**382 554 460**
RESERVES AND LIABILITIES					
Reserves					
Accumulated income		56 002 899	140 274 300	55 027 251	139 903 099
General reserve	17	183 000 000	130 000 000	183 000 000	130 000 000
Total equity		**239 002 899**	**270 274 300**	**238 027 251**	**269 903 099**
Non-current liabilities					
Post-retirement benefit obligations	16.1	57 520 604	45 808 604	57 520 604	45 808 604
Long-term lease liabilities	14	8 476 674	27 525 432	8 476 674	27 525 432
Total non-current liabilities		**65 997 278**	**73 334 036**	**65 997 278**	**73 334 036**
Current liabilities					
Accounts payable	12	121 339 307	28 442 773	109 572 435	26 459 671
Short-term lease liabilities	14	10 463 828	12 857 654	10 463 828	12 857 654
Total current liabilities		**131 803 135**	**41 300 427**	**120 036 263**	**39 317 325**
TOTAL EQUITY AND LIABILITIES		**436 803 312**	**384 908 763**	**424 060 792**	**382 554 460**

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY

STATEMENTS OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

	ACCUMULATED INCOME		GENERAL RESERVE	REVAL-UATION SURPLUS	TOTAL RESERVES	
	Group	Authority	Authority & Group	Group	Group	Authority
	N$	N$	N$	N$	N$	N$
Balance at 31 March 2024	**111 758 725**	**111 558 382**	**112 000 000**	**-**	**223 758 725**	**223 558 382**
Surplus for the year	43 983 575	43 812 717	-	-	43 983 575	43 812 717
Other comprehensive income	2 532 000	2 532 000	-	-	2 532 000	2 532 000
Total Comprehensive surplus	**46 515 575**	**46 344 717**	**-**	**-**	**46 515 575**	**46 344 717**
Transfer (to)/ from general reserve	(18 000 000)	(18 000 000)	18 000 000	-	-	-
Balance at 31 March 2025	**140 274 300**	**139 903 099**	**130 000 000**	**-**	**270 274 300**	**269 903 099**
Deficit for the year	(28 381 400)	(28 985 848)	-	-	(28 381 400)	(28 985 848)
Other comprehensive loss	(2 890 000)	(2 890 000)	-	-	(2 890 000)	(2 890 000)
Total Comprehensive surplus	**(31 271 400)**	**(31 875 848)**	**-**	**-**	**(31 875 848)**	**(31 875 848)**
Transfer (to)/ from general reserve	(53 000 000)	(53 000 000)	53 000 000	-	-	-
Balance at 31 March 2026	**56 002 899**	**55 027 251**	**183 000 000**	**-**	**239 002 899**	**238 027 251**

See note 17 for the disclosure of the General Reserve

STATEMENTS OF CASH FLOWS

AS AT 31 MARCH 2026

	Notes	GROUP		AUTHORITY	
		2026	2025 Restated	2026	2025
		N$	N$	N$	N$
Cash flows from operating activities					
Net cash generated by operating activities	21	72 365 061	58 103 492	66 799 922	59 651 994
Cash flows from investing activities					
Acquisition of property, plant and equipment	7	(48 512 574)	(24 563 192)	(2 562 893)	(495 070)
Proceeds on disposal of equipment		742 270	60 093	742 270	60 093
Acquisition of intangible assets	9	(143 382)	(1 206 716)	(143 382)	(1 206 716)
Loan to subsidiary	19.2	-	-	(49 868 403)	(27 574 580)
Interest received	3	6 010 613	5 923 765	5 846 306	5 911 270
Additions of investment	10	(125 000 000)	(110 000 000)	(125 000 000)	(110 000 000)
Withdrawal of investments	10	110 000 750	119 693 056	110 000 750	119 693 056
Net cash utilized in investing activities		(56 902 323)	(10 092 994)	(60 985 352)	(13 611 947)
Cash flows from financing activities					
Interest paid on lease liability	14	(3 552 721)	(5 416 019)	(3 552 721)	(5 416 019)
Acquisition /(Repayment) of lease liabilities	14	(13 184 058)	(11 109 792)	(13 184 058)	(11 109 792)
Net cash utilized by financing activities		(16 736 779)	(16 525 811)	(16 736 779)	(16 525 811)
Net increase in cash and cash equivalents		(1 274 041)	31 484 687	(10 922 208)	29 514 236
Cash and cash equivalents at beginning of the year		98 588 236	67 103 549	96 096 352	66 582 116
Cash and cash equivalents at end of the year	12	97 314 195	98 588 236	85 174 144	96 096 352

1. ACCOUNTING POLICIES

The annual financial statements of NAMFISA and the Group are prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB. The Authority uses International Public Sector Accounting Standards Board's ("IPSASB") International Public Sector Accounting Standards ("IPSAS") 23 for the recording and recognition of Revenue from non-exchange transactions as allowed for in IFRS.

The annual financial statements of NAMFISA and the Group are prepared on the historical cost basis except for the following financial assets and liabilities that have been measured at fair value:

- Financial assets and financial liabilities classified as held for trading;
- Financial assets and financial liabilities designated at their fair value; and
- Financial assets classified as at fair value.
- Land

Non-current assets held for sale are stated at the lower of its carrying amount and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements with the exception of revised standards adopted in the current year.

In the preparation of the financial statements, NAMFISA and the Group recorded various assets and liabilities on the presumption that the Group is a going concern.

1.1. Adoption of new and revised standards

The Authority adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASI that are relevant to its operation and effective for the first time for 31 March 2026 year-end. However, the adoption of the Standards and Interpretations did not result in any material adjustments to the reported figures.

The following table contains International Financial Reporting Standards and International Accounting Standards issued and effective for the 31 March 2026 year-end:

Number	Effective date	Summary
Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2026 (Issued: 15 August 2023)	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after 1 January 2026 (Issued: 15 July 2020)	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.
Annual Improvements to IFRS Accounting Standards - Volume 11	Annual periods beginning on or after 1 January 2026	The pronouncement comprises the following amendments: IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	Annual periods beginning on or after 1 January 2026 (Issued: 18 December 2024)	The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.

1. ACCOUNTING POLICIES (CONTINUED)

1.1. Adoption of new and revised standards (Continued)

The following table contains International Financial Reporting Standards and International Accounting Standards recently issued but not yet effective, which have not been early adopted by the authority and that might affect future financial periods:

Number	Effective date	Summary
IFRS 18, 'Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027	This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.
IFRS 19, Subsidiaries without Public Accountability: Disclosures	Annual periods beginning on or after 1 January 2027	FRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Refer to notes 20 and 25 for details.

The Authority uses International Public Sector Accounting Standards Board's ("IPSASB") International Public Sector Accounting Standards ("IPSAS") 23 for the measurement and recognition of Revenue from non-exchange transactions as allowed for in IFRS.

1.2.1. Critical accounting estimates and judgements in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the annual financial statements.

1.2.1.1. Contingencies

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

1.2.1.2. Recovery of deferred tax assets

Judgement is required to determine which arrangements are considered to be a tax on income as opposed to an operating cost. Judgement is also required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods. Refer note 1.10 and 6.

1. ACCOUNTING POLICIES (CONTINUED)

1.2.2. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

1.2.2.1. Calculation of loss allowance

When measuring expected credit losses (ECL), the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Refer to notes 11 and 20.1.

1.2.2.2. Levy estimates

Included in income is an estimate of levies resulting from late submission of returns by institutions. The value of the estimate is based on the previous half-yearly returns submitted during the year by the institutions. Refer to note 20.2.

1.2.2.3. Post-retirement benefits

Severance benefits as well as Post-retirement medical benefits are provided to all qualifying employees who are entitled to the benefit in accordance with their employment agreements. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, healthcare inflation cost and rates of increase in compensation costs. Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates are included in note 16.

1.3. Investment in Subsidiaries

Investments in subsidiaries, for the preparation of separate financial statements, are carried at cost less any accumulated impairment. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the entity; plus
- any costs directly attributable to the purchase of the subsidiary.

1.4. Property, plant and equipment

1.4.1. Recognition and Measurement

Land held for use in operations or administrative purposes is stated at revalued amounts, which represent the fair value at the revaluation date, less any accumulated depreciation and impairment. Revaluations are conducted with sufficient regularity to ensure that the carrying amounts closely align with fair values.

Any increase resulting from revaluation is recognized in other comprehensive income, except when it reverses a previous decrease recorded in profit or loss. Decreases are recognized in profit or loss, limited to any previous revaluation surplus related to the asset.

Properties under construction are carried at cost, which includes related professional fees and borrowing costs capitalized as per the Group's policy. Depreciation begins when assets are ready for their intended use.

1. ACCOUNTING POLICIES (CONTINUED)

1.4.2. Depreciation and Derecognition

Revalued buildings are depreciated and the depreciation expense is recognized in profit or loss. Each significant part of an item is depreciated separately. Depreciation rates are reviewed at each period-end.

Freehold land is not depreciated.

Assets are derecognized upon disposal or when no future economic benefits are expected. Any gain or loss on disposal is calculated as the difference between sales proceeds and the carrying amount.

The depreciation rates applicable are as follows:

Computer equipment	3 – 20 years
Office equipment	3 – 20 years
Furniture and fittings	10 – 20 years
Motor vehicles	5 – 10 years

1.5. Intangible assets

The Group carries capitalised software assets at cost less amortisation and any impairment losses and amortises these assets on a straight-line basis at a rate applicable to the expected useful life of the asset but not exceeding fifteen (15) years.

1.6. Investment property

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.7. Revenue and income recognition

1.7.1. Revenue from exchange transactions

Revenue comprises fees for registration applications and license renewals.

Revenue from registration and licence fees is recognised at the point in time when the Authority has a present right to receive payment of fees for registration applications and license renewals in terms of the relevant legislation.

Revenue is measured at the prescribed fee as per relevant legislation.

1. ACCOUNTING POLICIES (CONTINUED)

1.7. Revenue and income recognition (continued)

1.1.2. Income from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

This income is recognized when the asset is recognized and if obligation arises from the receipt of the asset, the income is recognized to the extent that there is no further obligation. Income from non-exchange transactions comprises levies. All registered entities are required to pay annual levies to maintain their licences in terms of the NAMFISA Act 3 of 2001. Levies are raised in terms of the regulations published in the Government Gazette and are accounted for on an accrual basis.

There is no direct link between the levy paid by a specific consumer and the value provided (performance obligation) by NAMFISA to that specific consumer in return. As such the criteria of recognition and measurement of IFRS15 in terms of related performance obligations are not fully met.

As per IAS 8 guidance, the Authority considered the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in paragraph 11. [IAS 8.12]. The Authority has therefore adopted International Public Sector Accounting Standards ("IPSAS") 23 in respect of Levy income as it does not conflict with the concepts discussed in IAS 8.11 -12.

In terms of IPSAS 23 Levy income is recognised and measured as Income from non-exchange transactions.

Where levy payments are received in advance it is recognised as a current liability and accounted for as Levy Creditors.

1.1.3. Other Income

Fines and penalties for late submissions of returns are recognized on an accrual basis. This Income from fines and penalties is credited to the Statements of Surplus or Deficit and Other Comprehensive Income, but as this income is not considered to form part of the normal operating activities of NAMFISA, it is recorded under Other income.

1.1.4. Investment Income

Investment income comprise interest and dividend income received. Interest income is accrued on an apportionment basis, with reference to the principal outstanding using the effective interest method.

Dividend income is recognised when NAMFISA's right to receive payment is established.

1.8. Interests in subsidiaries

In NAMFISA's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the authority; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

1. ACCOUNTING POLICIES (CONTINUED)

1.10. Taxation

The Authority is exempt from income tax, but the group is subject to taxation. Income tax expense or revenue is based on the current period's taxable income adjusted for changes in deferred tax assets and liabilities due to temporary differences and unused tax losses.

Current income tax charge is based on applicable tax rates enacted or substantively enacted by the end of the financial year. Management evaluates tax return positions and establishes provisions where necessary based on expected payments to tax authorities.

Deferred income tax is provided using the liability method for temporary differences between tax bases and carrying amounts. Deferred tax is not recognized if it arises from initial recognition of an asset/liability in a transaction not affecting accounting or taxable profit. Tax rates enacted by the reporting date and expected to apply when the deferred tax asset is realized or liability settled are used.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses if future taxable amounts will be available to utilize them. Current tax is recognized in profit and loss, except for items in other comprehensive income or directly in equity.

1.11. Employee Benefits

1.11.1. Retirement benefits

Contributions to the NAMFISA provident fund are calculated so as to provide funding at a constant percentage of pensionable remuneration. Contributions are therefore charged to profit or loss as incurred.

1.11.2. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

1.11.3. Post-retirement benefits

1.11.3.1. Medical benefits

The Group provides for post-retirement medical benefits in the form of a medical aid scheme for eligible employees and pensioners. The cost of providing benefits is determined using the Projected Unit Credit Method prescribed by IAS19 Employee Benefits. The liability for the Group's contribution to the scheme is in respect of current and future periods, provided for by means of a liability on the statement of financial position. The magnitude of the liability is based on an annual actuarial valuation. Actuarial gains and losses on the post-retirement medical benefits are accounted for in the year in which they arise.

The amount recognised in the statement of position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs.

1. ACCOUNTING POLICIES (CONTINUED)

1.11. Employee Benefits (continued)

1.11.3. Post-retirement benefits (continued)

1.11.3.2. Severance pay

In accordance with the Namibian Labour Act of 2007, severance benefits are payable to an employee, if:

- Is dismissed for reasons of retrenchment;
- Dies while employed; or
- Retires on reaching the age of 65.

Due to NAMFISA's normal retirement age being 60 years, staff will not be able to retire on reaching the age of 65. Provision is therefore not made for the payment of severance benefits on reaching the age of 65.

The obligation for severance benefits to current employees is actuarially determined in respect of all its employees and is provided for in full. The cost of providing benefits is determined using the Projected Unit Credit Method, prescribed by IAS 19 Employee Benefits, with actuarial valuations being carried out at each reporting date.

Actuarial gains and losses on severance pay are accounted for in the year in which they arise. The magnitude of the liability is based on an annual actuarial valuation. The amount recognised in the statement of financial position represents the fair value of the severance pay obligation adjusted for unrecognised actuarial gains and losses.

1.12. Financial Instruments

Recognition and Initial Measurement

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs are added or deducted as appropriate, except for those at fair value through profit or loss (FVTPL), where costs are recognized immediately in profit or loss.

1.12.1. Financial Assets

Classification and Subsequent Measurement

Debt instruments classified under the amortized cost category are held primarily to collect contractual cash flows consisting of principal and interest. Debt instruments classified as Fair Value Through Other Comprehensive Income (FVTOCI) are held to both collect contractual cash flows and sell the asset. Debt instruments that do not meet the criteria for amortized cost or FVTOCI, as well as those designated at Fair Value Through Profit or Loss (FVTPL) to eliminate or reduce an accounting mismatch, are classified under the FVTPL category.

Equity instruments are classified as Fair Value Through Profit or Loss (FVTPL) unless they are designated as Fair Value Through Other Comprehensive Income (FVTOCI). An irrevocable designation to FVTOCI can be made at initial recognition, provided the equity instruments are not held for trading or as contingent consideration arising from a business combination. Financial assets at FVTPL are measured at fair value with gains or losses recognized in profit or loss, including any dividends or interest earned.

Foreign Exchange Gains and Losses

Financial assets denominated in a foreign currency are translated at the spot rate at the end of each reporting period:

- Amortized Cost: Exchange differences recognized in profit or loss.
- FVTOCI Debt Instruments: Exchange differences on amortized cost recognized in profit or loss; others in other comprehensive income.
- FVTPL: Exchange differences recognized in profit or loss.
- FVTOCI Equity Instruments: Exchange differences recognized in other comprehensive income.

1. ACCOUNTING POLICIES (CONTINUED)

1.12 Financial Instruments (Continued)

1.12.1 Financial Assets (Continued)

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses (ECL) on financial assets measured at amortized cost or FVTOCI, lease receivables, trade receivables, contract assets, and financial guarantee contracts. ECLs are updated at each reporting date.

- Lifetime ECL: Recognized for trade receivables, contract assets, and lease receivables.
- 12-Month ECL: Recognized for other financial instruments unless there is a significant increase in credit risk.

Significant Increase in Credit Risk

The Group assesses whether credit risk has increased significantly since initial recognition using quantitative and qualitative information, including:

- Deterioration in credit ratings
- Significant increases in credit spreads or default swap prices
- Adverse changes in business, financial, or economic conditions
- Increases in credit risk on other financial instruments of the same debtor

The Group presumes a significant increase in credit risk if payments are more than 30 days past due unless otherwise supported.

Low Credit Risk

A financial instrument is considered low credit risk if:

- Low risk of default
- Strong capacity to meet obligations
- Economic or business conditions are unlikely to affect the debtor's ability to meet obligations

Assets rated 'investment grade' or 'performing' are considered low credit risk.

Default Definition

An event of default for internal credit risk management is when:

- There is a breach of financial covenants by the debtor; or
- The debtor is unlikely to pay its creditors in full.

Default is presumed when a financial asset is more than 90 days past due unless otherwise supported.

Credit-Impaired Financial Assets

A financial asset is credit impaired if:

- Significant financial difficulty of the issuer or borrower
- A breach of contract (e.g., default or past due)
- Lender concessions due to financial difficulty
- Probable bankruptcy or financial reorganization
- Disappearance of an active market due to financial difficulties

1. ACCOUNTING POLICIES (CONTINUED)

1.12 Financial Instruments (Continued)

1.12.1 Financial Assets (Continued)

Write-Off Policy

Financial assets are written off when recovery is not realistic, such as in cases of liquidation or bankruptcy, or when trade receivables are over two years past due. Recoveries are recognized in profit or loss.

Measurement and Recognition of Expected Credit Losses

ECLs are based on the probability of default, loss given default, and exposure at default, considering historical data and forward-looking information.

De-Recognition of Financial Assets

A financial asset is de-recognized when:

- Contractual rights to cash flows expire, or
- The asset and substantially all risks and rewards are transferred.

The difference between the asset's carrying amount and consideration received is recognized in profit or loss, except for equity instruments at FVTOCI, where gains or losses are transferred to retained earnings.

1.12.2. Financial liabilities and equity

Classification as Debt or Equity

Debt and equity instruments are classified as financial liabilities or equity based on the substance of the contractual arrangements.

Equity Instruments and Compound Instruments

Equity instruments, evidencing residual interest in assets after deducting liabilities, are recognized at proceeds received net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity without impacting profit or loss.

Convertible loan notes are classified separately into financial liabilities and equity based on contractual arrangements. The liability component is recorded at fair value using the market interest rate and amortized using the effective interest method. The equity component is the residual amount after deducting the liability component from the fair value of the compound instrument. Transaction costs are allocated proportionally between liability and equity components.

Financial Liabilities at FVTPL

- Classified as FVTPL if they are contingent consideration in a business combination, held for trading, or designated as FVTPL.
- Held for trading if acquired for repurchase in the near term, part of a short-term profit-taking portfolio, or a derivative not part of a hedging relationship.
- Designation as FVTPL to eliminate accounting inconsistencies, manage on a fair value basis, or include embedded derivatives.

Financial liabilities at FVTPL are measured at fair value with gains or losses recognized in profit or loss, except for changes in credit risk, which are recognized in other comprehensive income unless it creates an accounting mismatch.

1. ACCOUNTING POLICIES (CONTINUED)

1.12 Financial Instruments (Continued)

1.12.3. Financial liabilities and equity (continued)

Subsequent Measurement at Amortized Cost

Financial liabilities not classified as FVTPL are measured at amortized cost using the effective interest method. This method allocates interest expense over the liability's life, incorporating all related fees and transaction costs.

Financial Guarantee Contracts

Initially measured at fair value, subsequently at the higher of the loss allowance per IFRS 9 or the amount initially recognized less cumulative amortization.

Foreign Exchange Gains and Losses

Foreign exchange gains and losses for financial liabilities at amortized cost are recognized in profit or loss unless part of a designated hedging relationship. For liabilities at FVTPL, gains or losses include the foreign exchange component.

De-Recognition of Financial Liabilities

Financial liabilities are de-recognized when discharged, cancelled, or expired. Differences between the carrying amount and consideration paid are recognized in profit or loss. Substantial modifications or exchanges of debt instruments are treated as extinguishments, with new liabilities recognized.

1.13. Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at the revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.14. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

1. ACCOUNTING POLICIES (CONTINUED)

1.15. Leases

1.15.1. Leases in terms of IFRS 16

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate of prime plus 0.5%.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

1. ACCOUNTING POLICIES (CONTINUED)

1.15. Leases (continued)

1.15.1. Leases in terms of IFRS 16 (continued)

The Group as a lessee (continued)

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other operating expenses' in surplus or deficit.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. INCOME

An analysis of the Authority's income for the year is as follows:

	GROUP		AUTHORITY	
	2026 N$	2025 N$	2026 N$	2025 N$
Revenue from contracts with customers	1 565 839	1 588 870	1 565 839	1 588 870
Income from non-exchange transactions	320 630 606	291 714 433	320 630 606	291 714 433
Levies per Industry segment				
Unit Trusts	47 970 857	40 166 916	47 970 857	40 166 916
Capital Markets	57 647 305	48 481 923	57 647 305	48 481 923
Short Term Insurance	67 022 009	61 744 472	67 022 009	61 744 472
Long Term Insurance	56 279 869	54 916 095	56 279 869	54 916 095
Pension Funds and Friendly Societies	22 679 401	20 865 145	22 679 401	20 865 145
Medical Aid Funds	9 388 777	8 794 483	9 388 777	8 794 483
Micro Lending	59 642 388	56 745 399	59 642 388	56 745 399
	320 630 606	291 714 433	320 630 606	291 714 433

3. INVESTMENT INCOME

	GROUP		AUTHORITY	
	2026 N$	2025 N$	2026 N$	2025 N$
Interest received				
- Investments at amortized cost	-	307 693	-	307 693
- Bank and call deposits	6 010 613	5 616 072	5 846 306	5 603 577
	6 010 613	5 923 765	5 846 306	5 911 270
Dividend received				
- Unit trusts	8 391 884	8 155 337	8 391 884	8 155 337
	14 402 497	14 079 102	14 238 190	14 066 607

4. OTHER INCOME

	GROUP		AUTHORITY	
	2026 N$	2025 N$	2026 N$	2025 N$
Interest on late payments	1 708 154	1 040 697	1 708 154	1 040 697
Rules amendments	5 860	1 635	5 860	1 635
NTA levy claims	1 561 801	406 296	1 561 801	406 296
Penalty fees	3 068 500	2 593 450	3 068 500	2 593 450
Sundry income	68 116	91 409	68 116	91 409
Sponsorship received	100 000	742 464	100 000	742 464
	6 512 431	4 875 951	6 512 431	4 875 951

5. TAXATION

1.1. Authority

The Authority is exempted from income taxes in terms of section 16(1) l of the Income Tax Act, No 24 of 1981. The below figures relate only to the subsidiary.

1.2. Group

Namibian Normal taxation	2026 N$	2025 N$
Current tax – current year	-	-
Deferred tax – current year	-	-
	-	-
Income tax expense		
Income tax – current year	-	-
Deferred income tax – current year	-	-
	-	-
Reconciliation of the tax expense		
Loss before tax	(860 717)	(946 314)
Tax at applicable tax rate of 30% (2025: 30%)	(258 215)	(283 894)
Tax effect of adjustments on taxable income		
Deferred tax asset not recognized	258 215	283 894
	-	-

The current tax expense is N$ Nil (2025: N$ Nil). The Group does not have any current tax as the subsidiary did not have any taxable income.

Deferred tax assets are not brought to account as the generation of sufficient future taxable income to utilise such asset is not probable.

6. SURPLUS FOR THE YEAR BEFORE TAXATION

Surplus for the year is derived after taking into account the following items:	GROUP		AUTHORITY	
	2026	2025	2026	2025
	N$	N$	N$	N$
Employee costs:				
- Salaries and bonuses	146 750 037	135 775 398	146 750 037	135 775 398
- Housing and transport allowances	33 783 474	31 688 256	33 783 474	31 688 256
- Defined contribution pension plan	17 818 503	17 289 472	17 818 503	17 289 472
- Defined benefit medical aid plan	2 941 000	2 650 000	2 941 000	2 650 000
- Other medical aid costs	11 282 646	10 350 851	11 282 646	10 350 851
- Training and development	4 133 970	3 413 602	4 133 970	3 413 602
- Other employee costs	6 019 639	6 725 361	6 019 639	6 725 361
	222 729 269	207 892 940	222 729 269	207 892 940
Legal expenses				
Legal expenses (Refer to note 12)	83 612 735	2 898 145	83 612 735	2 898 145
Other operating expenses:				
Audit fees				
External auditor fees – audit	738 513	702 433	640 263	608 983
Board members' emoluments – for services as Board members:				
Hettie Garbers-Kirsten Chairperson	214 174	210 894	214 174	210 894
Steve Katjiuanjo Vice-Chairperson	176 687	159 034	176 687	159 034
Jauque Jansen	168 717	146 632	168 717	146 632
Selma Ambunda	161 739	161 739	161 739	161 739
Nelao Shilongo Alexander	168 717	140 387	168 717	140 387
Total Board members' emoluments	890 034	818 686	890 034	818 686
(Profit)/ Loss on disposal of fixed assets	(203 013)	(50 641)	(203 013)	(50 641)
Industry meetings & consultations	1 720 614	2 098 424	1 720 614	2 098 424
Information and communication technology	7 928 353	6 839 295	7 928 353	6 839 295
Insurance	528 826	508 215	528 826	508 215
Municipal Charges	910 443	836 298	-	-
Regulatory seminars	4 078 979	4 238 396	4 078 979	4 238 396
Social responsibility	594 193	447 239	594 193	447 239
Stakeholder engagement & publications	2 422 966	3 101 428	2 422 966	3 101 428
Stationery and printing	350 432	583 475	350 432	583 475
Subscriptions and membership fees	2 800 952	2 372 819	2 800 952	2 372 819
Telephone expenses	1 280 471	1 305 198	1 280 471	1 305 198
Other expenses	2 445 243	2 239 166	2 438 686	2 230 256
Total Other operating expenses	26 487 005	26 040 431	25 471 756	25 101 773

7. PROPERTY, PLANT AND EQUIPMENT

Authority	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Right-of-use assets	Total
	N$	N$	N$	N$	N$	N$
Cost						
At 31 March 2024	3 190 190	5 729 313	857 490	12 359 799	88 906 636	111 043 428
Additions	-	21 818	25 743	447 509	-	495 070
Lease adjustment	-	-	-	-	-	-
Disposals	-	(20 001)	(7 129)	(531 867)	-	(558 998)
At 31 March 2025	3 190 190	5 731 130	876 104	12 275 441	88 906 636	110 979 501
Additions	756 661	106 269	37 677	1 662 286	-	2 562 893
Lease adjustment	-	-	-	-	(8 258 526)	(8 258 526)
Disposals	(756 661)	(7 372)	(83 458)	(416 335)	-	(1 223 826)
At 31 March 2026	3 230 190	5 830 027	830 323	13 521 392	80 648 110	104 060 042
Accumulated depreciation						
At 31 March 2024	1 868 229	2 268 827	649 102	8 942 512	44 464 684	58 193 354
Depreciation for the year	442 673	522 663	52 025	933 161	12 120 532	14 071 054
Disposals	-	(10 789)	(7 033)	(531 721)	-	(549 543)
At 31 March 2025	2 310 902	2 780 701	694 094	9 343 952	56 585 216	71 714 865
Depreciation for the year	449 141	528 199	55 590	1 169 181	11 632 228	13 834 339
Disposals	(200 356)	(6 572)	(80 185)	(389 454)	-	(676 567)
At 31 March 2026	2 559 687	3 302 328	669 499	10 123 679	68 217 444	84 872 636
Carrying amount						
At 31 March 2025	879 288	2 950 429	182 010	2 931 489	32 321 420	39 264 636
At 31 March 2026	670 503	2 527 699	160 824	3 397 713	12 430 666	19 187 406

The Authority reviewed the useful lives of all items used for the purposes of depreciation calculations during the period. The impact of the review is reflected in note 25. The carrying value of property, plant and equipment is assessed on an annual basis.

The Authority leases office buildings and office equipment. The Group does not recognise right-of-use assets for office equipment as they are regarded as low value leases. The average lease term for office buildings is 7 years (2025: 7 years). Refer to note 14.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Property	Building WIP and borrowing cost	Motor vehicles	Furni-ture and fittings	Office equip-ment	Computer equipment	Right-of-use assets	Total
	N$	N$	N$	N$	N$	N$	N$	N$
Cost								
At 31 March 2024	37 120 000	50 741 769	3 190 190	5 729 313	857 490	12 359 799	88 906 636	198 905 197
Additions	-	24 068 122	-	21 818	25 743	447 509	-	22 674 117
Disposals	-	-	-	(20 001)	(7 129)	(531 867)	-	(558 997)
At 31 March 2025	37 120 000	74 809 891	3 190 190	5 731 130	876 104	12 275 441	88 906 636	222 909 392
Additions	-	45 949 681	756 661	106 269	37 677	1 662 286	-	48 512 574
Lease adjustment	-	-	-	-	-	-	(8 258 526)	(8 258 526)
Disposals	-	-	(756 661)	(7 372)	(83 458)	(416 335)	-	(1 223 826)
At 31 March 2026	37 120 000	120 759 572	3 230 190	5 830 027	830 323	13 521 392	80 648 110	261 939 614
Accumulated depreciation								
At 31 March 2024	-	-	1 868 229	2 268 827	649 102	8 942 512	44 464 684	58 193 354
Depreciation for the year	-	-	442 673	522 663	52 025	933 161	11 632 228	13 760 441
Disposals	-	-	-	(10 789)	(7 033)	(531 721)	-	(549 543)
At 31 March 2025	-	-	2 310 902	2 780 701	694 094	9 343 952	56 585 216	71 714 865
Depreciation for the year	-	-	449 141	528 199	55 590	1 169 181	11 632 228	13 834 339
Disposals	-	-	(200 356)	(6 572)	(80 185)	(389 454)	-	(676 568)
At 31 March 2026	-	-	2 559 687	3 302 328	669 499	10 123 679	68 640 521	84 872 636
Carrying amount								
At 31 March 2025	37 120 000	74 809 891	879 288	2 950 429	182 010	2 931 489	32 321 420	151 194 527
At 31 March 2026	37 120 000	120 759 572	670 503	2 527 699	160 824	3 397 713	12 430 666	177 066 977

The Group reviewed the useful lives of all items used for the purposes of depreciation calculations during the period. The impact of the review is reflected in note 25. The carrying value of property, plant and equipment is assessed on an annual basis.

The Group leases office buildings and office equipment. The Group does not recognise right-of-use assets for office equipment as they are regarded as low value leases. The average lease term for office buildings is 7 years (2025: 7 years). Refer to note 14.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

7.1. Property

This property consists of land on Erf 1503, Independence Avenue, Windhoek, which is held by Metropol (Pty) Ltd, a 100%-owned subsidiary of the Authority. Refer to note 8.

During the 2015 financial year NAMFISA acquired 100% shareholding in the company. At acquisition date the investment property in the company was valued by two independent professionally qualified valuators who hold recognised relevant professional qualifications and have experience in the locations and segments of the property valued. The valuators, Pierewiet Wilders Valuations and FA Frank-Schultz Property Valuer/Town Planner valued the property at N$39 295 000 and N$45 700 000 respectively. NAMFISA and the seller reached agreement that N$42 000 000 represented the fair market value of the investment property.

The old building previously standing on the property was demolished in the 2017 financial year in accordance with the building project plan to construct the office of NAMFISA on the land.

An independent professional valuator performs a valuation of the property on an annual basis with the next valuation due during the 2026 financial year.

	2026	2025
	N$	N$
Cost at acquisition	42 000 000	42 000 000
- Fair value adjustments – 2018	5 400 000	5 400 000
- Fair value adjustments – 2021	(3 480 000)	(3 480 000)
- Fair value adjustments – 2022 – Profit & Loss	(2 560 000)	(2 560 000)
- Fair value adjustments – 2022 – Other Comprehensive Income	(1 920 000)	(1 920 000)
- Fair value adjustments – 2023 – Profit & Loss	(2 320 000)	(2 320 000)
- Fair value adjustments – 2024, 2025 and 2026	-	-
	37 120 000	37 120 000

As at 31 March 2026 the fair value of the investment property equates the highest and best use of approximately N$37 120 000 (2025: N$37 120 000). Independent professional valuation was received from Property Valuations Namibia for the land at N$37 120 000. Management opted to maintain the property's value without adjustment.

7.2. Building work in progress

7.2.1. NAMFISA Head Office Construction Project

In line with its long-term strategic infrastructure objectives, NAMFISA commenced construction of its new Head Office during the financial year ended 31 March 2026. The development is situated on Erf 1503, Independence Avenue, which is held by Metropol (Pty) Ltd, a 100%-owned subsidiary of the Authority. Metropol (Pty) Ltd was acquired in 2014 to serve as the special purpose vehicle for the development and ownership of the office premises, which will ultimately be leased to NAMFISA.

The construction project is a key component of NAMFISA's organisational sustainability agenda, designed to:

- Mitigate the shortage of office accommodation due to expanding regulatory mandates;
- Strengthen the Authority's balance sheet through capital investment in owned property;
- Reduce recurrent rental expenses;
- Improve corporate presence and accessibility for stakeholders.

Following the finalisation of procurement processes by the Central Procurement Board of Namibia and fulfilment of all pre-construction conditions, the site was handed over in June 2024, and construction commenced shortly thereafter. The project is expected to be completed over a 30-month period.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

7.2. Building work in progress (continued)

7.2.1. NAMFISA Head Office Construction Project (continued)

Capitalisation of Costs

As at 31 March 2026, an amount of N$ 119 040 916 (2025: N$74 809 891) has been capitalised under Property, Plant and Equipment – Building work in progress, representing costs directly attributable to bringing the asset to its intended use. These include:

- Construction contractor costs including retention fees;
- Professional fees (architectural, engineering, quantity surveying);
- Contractor mobilisation and preliminary site works;
- Regulatory and compliance-related expenditure.

Independent professional valuation was received from Property Valuations Namibia for 100% improvements at N$218 510 000 (2025: N$218 510 000).

The building will be mainly used as the holding company's head office as owner-occupied property and therefore accounted for under IAS 16 PPE. An insignificant part of the building is expected to be rented to third parties.

Upon completion, the building will be recognised using the cost model and not the not the revaluation model. Therefore, carrying amount of the building work in progress will be measured at accumulated construction costs less impairment.

Financing Structure

The Authority, through Metropol (Pty) Ltd, secured financing to support the development through a structured facility with Standard Bank Namibia, finalised during the year under review. The financing structure comprises:

1. Development Loan Facility – N$185 million
   - » Tenure: 10 years
   - » Repayment: Amortising loan with a 50% bullet repayment at maturity
   - » Purpose: To fund construction costs and related capital expenditure
   - » Security: Guaranteed by NAMFISA; supported by a pledge of lease rental flows and mortgage bond over the property
2. Equity Injection – N$70 million
   - » Funded from NAMFISA's General Reserve
   - » Contributed directly to Metropol (Pty) Ltd as project equity, reducing reliance on debt
3. VAT Facility – N$20 million
   - » Revolving credit facility to finance VAT outflows during construction
   - » Repayable on a cash sweep basis following term debt service
   - » Available for drawdown up to 12 months after practical completion

This blended financing approach ensures optimal capital structure for the project, balancing fiscal prudence with operational flexibility. Interest that will be incurred during the construction period will be capitalised to the cost of the asset, in accordance with IAS 23 – Borrowing Costs.

Capital Commitments

At year-end, outstanding contractual commitments in respect of the construction project amounted to N$175 223 374 based on signed contracts less costs incurred to date.

8. INVESTMENT IN SUBSIDIARY

	PERCENTAGE HELD		AUTHORITY	
	2026	2025	2026	2025
	%	%	N$	N$
32 970 ordinary shares of N$2 each	100%	100%	42 000 000	42 000 000
Impairment loss			12 058 465	11 197 748
Total shares at cost			29 941 535	30 802 252

Loss: N$860 717 (2025 Loss: N$946 314).

9. INTANGIBLE ASSETS

	Group and Authority
	Computer Software
	N$
Cost	
At 31 March 2024	11 811 067
Additions	458 025
Additions - WIP	748 692
Disposal	(273 294)
At 31 March 2025	12 744 490
Additions	892 074
Adjustment -WIP	(748 692)
Disposal	-
At 31 March 2026	12 887 872
Depreciation & Amortisation	
At 31 March 2024	10 237 909
Charge for the year	478 639
Disposal	(273 294)
At 31 March 2025	10 443 254
Charge for the year	638 037
Disposal	-
At 31 March 2026	11 081 291
Carrying amount	
At 31 March 2025	2 301 236
At 31 March 2026	1 806 581

The Group annually assesses intangible assets for impairment. The recoverable amount of the assets is determined as the greater of market value less costs to sell or value in use. The key assumptions for the market value are those regarding current prices of computer software, obsolescence, demand for second hand assets and general availability of these particular assets. The assessment did not indicate a requirement for an adjustment to the carrying values used in the current or prior year.

10. OTHER FINANCIAL ASSETS (GROUP AND AUTHORITY)

	2026 N$	2025 N$
Investments carried at fair value through profit and loss (FVTPL)		
Unit trusts – Opening balance	113 922 547	115 460 266
- Invested	125 000 000	110 000 000
- Withdrawal	(110 000 750)	(119 693 056)
- Dividends received	8 391 883	8 155 336
Total other financial assets	137 313 680	113 922 546

Unit trusts are classified as current financial assets as it is the intention of the Authority to utilise the funds within a period not extending more than 1 year. The Board considers that the carrying amount of these financial assets approximate their fair value. The Expected Credit Loss impact on investments was immaterial. Refer to note 23.6 for more details.

Refer to note 12 Cash and Cash Equivalents on financial assets at amortised cost at the end of the financial year.

11. ACCOUNTS RECEIVABLE

	GROUP		AUTHORITY	
	2026 N$	2025 N$	2026 N$	2025 N$
Gross receivables	22 831 509	18 221 219	22 831 509	18 221 219
Allowance for expected credit losses	(17 198 409)	(11 677 773)	(17 198 409)	(11 677 773)
Net levies receivable	5 633 100	6 543 446	5 633 100	6 543 446
Deposits held	1 425 875	1 425 875	1 425 875	1 425 875
Prepaid expenses and accrued income	7 900 179	6 314 891	7 900 179	6 314 891
Staff advances – study loans	1 970 234	1 439 122	1 970 234	1 439 122
Debtors in subsidiary – VAT receivable	6 372 491	3 178 883	-	-
	23 301 879	18 902 218	16 929 388	15 878 174

AUTHORITY AND GROUP – MOVEMENT IN ALLOWANCE FOR ECL

Authority	Capital Markets	Life Insurance	Short term Insurance	Micro Lenders	Pension Funds	Medi-cal Aid Funds	Other	Carrying Amount
Balance at 31 March 2024	819 412	5 011 502	1 661 960	4 403 158	241 471	1 793 852	401 627	14 332 983
ECL-movement	(280 044)	(293 383)	(167 412)	(3 227 704)	(149 555)	1 522 259	-	(2 595 839)
Amounts written off as uncollectable	-	(45 873)	(13 499)	-	-	-	-	(59 371)
Balance at 31 March 2025	539 368	4 672 246	1 481 050	1 175 454	91 916	3 316 112	401 627	11 677 773
ECL-movement							-	
Amounts written off as uncollectable	64 734	1 792 806	993 346	424 815	887 713	1 646 412	(285 190)	5 520 636
Balance at 31 March 2026	604 102	6 465 053	2 474 395	1 600 269	979 629	4 962 524	112 437	17 198 409

12. ACCOUNTS PAYABLE

	GROUP		AUTHORITY	
	2026	2025 Restated	2026	2025
	N$	N$	N$	N$
Payables and other accruals	16 842 479	5 033 069	5 272 847	3 143 992
Audit fees	837 504	703 008	640 263	608 983
Accrual for legal expenses	68 840 921	-	68 840 921	-
Provision for legal expenses	4 218 050	-	4 218 050	-
Levy creditors	11 295 195	6 299 888	11 295 195	6 299 888
Accrued employee costs	3 259 303	2 412 936	3 259 304	2 412 936
Employee leave benefits	16 045 849	13 993 872	16 045 849	13 993 872
	109 572 435	28 442 773	109 572 435	26 459 671

The Board considers the carrying amount of trade and other payables to approximate its fair value.

Legal expenses accrual

Accrual for legal expenses relate mainly to a claim in Alwyn Petrus van Straten vs NAMFISA case. The quantum of the Second Appellants' claim in Alwyn Petrus van Straten vs NAMFISA was determined by the Court to be N$35 111 583.04 plus interest of 20% per annum from 4 March 2022 to date of full and final payment. The amount plus interest was accrued for at 31 March 2026.

Taxation in the High Court determined an allocatur of N$5 101 373.56 on 28 April 2026. NAMFISA paid the amount on 12 May 2026 and the amount was also included in accruals at 31 March 2026.

The provision to legal expenses relates opposition supreme court legal fees and expert fees still to be taxed by the court.

13. CASH AND CASH EQUIVALENTS

	GROUP		AUTHORITY	
	2026	2025	2026	2025
	N$	N$	N$	N$
Call account bank balances at amortised cost	89 731 913	95 971 624	84 215 168	94 211 865
Current account bank balances at amortised cost	7 582 283	2 616 612	958 976	1 884 487
Cash and bank balances at amortised cost	97 314 196	98 588 236	85 174 144	96 096 352

Term deposits are presented as cash equivalents if they are repayable with 24 hours' notice with no loss of interest.

14. LEASES

Until the 2019 financial year, leases of property, plant and equipment were classified as operating leases. From 1 April 2019, qualifying leases are recognised as a right-of-use asset and a corresponding lease liability is raised at the date at which the leased asset is available for use by the group.

The Group leases office buildings and office equipment. Right-of-use assets are disclosed under Note 7 above.

Amounts recognized in surplus	2026	2025
	N$	N$
- Depreciation of right-of-use assets	11 632 228	12 120 532
- Interest expense on lease liabilities	3 552 721	5 416 019
- Total low value and short-term leases	840 474	789 983
Expense relating to leases of low value items	619 589	572 336
Expense relating to short-term leases	220 885	217 647
	16 025 423	18 326 534
Lease liabilities		
Analysed as:		
Current	10 463 828	12 857 654
Non-current	8 476 674	27 525 432
1 to 2 years	8 476 674	27 525 432
2 years to 3 years	-	-
	18 940 502	40 383 086

NAMFISA entered into a lease agreement with United Africa Group from 1 January 2020 until March 2020. Up to relocating to leased offices at Gutenberg Plaza in June 2020, NAMFISA was leasing office buildings from Broll Namibia on a month-to-month basis. The leased offices located at Gutenberg Plaza was occupied from 15 June 2020. The lease at Gutenberg Plaza is for a period of 5 years and 6 months, termination date of 30 November 2025, with an option to renew for a further period of 2 years. During the previous year, the lease liability and right of use assets has been adjusted to reflect the extension of the lease for a period of 2 years. On 1 December 2025, the lease was renewed for an additional 18 months to 31 May 2027.

The total cash outflow for leases amount to N$17 578 295 (2025: N$ 17 314 752) of which N$841 516 is in respect of short-term and low value leases (2025: N$789 983).

The municipal charges are variable lease payments related to water, electricity, rates and taxes payable to the lessor.

15. LOAN FACILITY – METROPOL (PTY) LTD

In support of the development of NAMFISA's new Head Office, a financing arrangement was concluded between Metropol (Pty) Ltd, a wholly owned subsidiary of NAMFISA, and Standard Bank Namibia during the financial year ended 31 March 2025. The financing structure was established to fund construction of the building situated on Erf 1503, Independence Avenue, and comprises both debt and equity components as outlined below.

15. LOAN FACILITY – METROPOL (PTY) LTD (CONTINUED)

15.1. Development Loan Facility

Metropol (Pty) Ltd secured a loan facility of N$185 million with Standard Bank Namibia. The key terms of the facility are as follows:

- Purpose: To finance construction and development costs for the NAMFISA Head Office
- Tenure: 10 years
- Structure: Amortising loan with a bullet repayment of 50% at maturity
- Security: Lease agreement with NAMFISA, mortgage over property, and corporate guarantee by NAMFISA
- Status: As at 31 March 2026, no drawdowns had been made on the loan facility. Disbursement is subject to compliance with project milestones and drawdown conditions stipulated in the loan agreement.

15.2. VAT Revolving Facility

A separate VAT facility of N$20 million has been made available to finance VAT-related payments during construction. This facility operates as a revolving credit line, repayable on a cash sweep basis following scheduled term debt service. The VAT facility will remain available up to twelve (12) months after practical completion of the project.

- Status: No drawdowns had been made on the VAT facility as at year-end.

15.3. Equity Injection

NAMFISA committed to contribute N$70 million toward the project as equity funding. This contribution is being disbursed progressively as construction costs arise. As of 31 March 2026, a total of N$ 60 949 223 (2025: N$ 22 179 047) had been paid by NAMFISA to contractors and professional service providers from this commitment.

To manage liquidity efficiently, these payments have been made from NAMFISA's cash and cash equivalents, specifically from operational and call accounts, to avoid unnecessary disinvestment from money market instruments. Given the high liquidity of these investments, no material liquidity risk has been identified.

15.4. Covenant Compliance

The loan agreement with Standard Bank Namibia includes specific financial and operational covenants applicable to Metropol (Pty) Ltd, with NAMFISA acting as guarantor. The key covenants include:

- Maintenance of a minimum debt service coverage ratio (DSCR)
- Limits on additional borrowings
- Periodic financial reporting requirements
- Restriction on dividend distributions without lender approval

As at 31 March 2026, no drawdowns had been made on the facility, and all conditions precedent were in the process of being fulfilled. There were no covenant breaches during the reporting period, and NAMFISA confirms full compliance with the covenants applicable to its role as guarantor.

Ongoing compliance will be monitored in line with lender reporting obligations.

16. RETIREMENT BENEFIT PLANS

16.1. Defined benefit plans

	2026	2025
	N$	N$
Post-retirement medical aid benefits	55 177 149	43 729 149
Severance pay benefits	2 343 455	2 079 455
	57 520 604	45 808 604

Post-retirement medical aid benefits

NAMFISA provides post-retirement medical benefits to all qualifying employees who are entitled to the benefit in accordance with their employment agreements. The post-retirement medical aid benefits are unfunded. For the following year, the expected benefits to be paid is N$578 000 (2025: N$652 000).

The post-retirement medical aid benefits expose the authority to actuarial risks such as discount rate risk, medical aid inflation risk and mortality rate risk.

Discount rate	The nominal and real zero yield curves as at 31 March 2026 supplied by the JSE to determine the discount rate and consumer price inflation was used. The implied duration used in determining the discount rate to use was calculated to be 15 to 20 years as at 31 March 2026 (2025: 15 to 20 years), which is also the weighted average duration of the obligation. The recommended discount rate used is 10.61% as at 31 March 2026 (2025: 13.27%).
Medical aid inflation	The rate of medical aid inflation was set as the calculated value of CPI plus 2.5% (2025: 2.5%)
Mortality rate	Mortality before retirement has been based on the SA 85-90 mortality tables. Mortality post-employment has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to HIV/AIDS.

An actuarial valuation has been performed at 31 March 2026 to determine the present value of the employer's subsidy towards the post-employment medical scheme of current and future pensioners of NAMFISA. A provision for the liability has been created which covers the total liability, i.e. the accumulated post-retirement medical benefits at present value. The present value of the obligation and the related current service cost and past service cost was measured using the projected unit credit method. For the period under review, the current service cost and interest is accounted for as reflected in the actuarial valuation report as at 31 March 2026.

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

Post-retirement medical aid benefits (continued)	2026 N$	2025 N$
The amounts recognized in the statement of financial position are as follows:		
Net liability at beginning of the year	43 729 149	38 205 149
Service cost – current	2 941 000	2 650 000
Interest cost	5 954 000	5 967 000
Re-measurement (gains)/losses:		
Actuarial losses from changes in economic assumptions	4 529 000	1 730 000
Actuarial gains – demographic and experience adjustments	(1 398 000)	(4 168 000)
Benefits paid	(578 000)	(655 000)
Net liability recognized in the statement of financial position	55 177 149	43 729 149
The amounts recognized in the statement of surplus or deficit and other comprehensive income are as follows:		
Current service cost	2 941 000	2 650 000
Benefits paid	(578 000)	(655 000)
	2 363 000	1 995 000
Interest on obligation	5 954 000	5 967 000
Actuarial losses from changes in economic assumptions	4 529 000	1 730 000
Actuarial gains – demographic and experience adjustments	(1 397 000)	(4 168 000)
Total	11 449 000	5 524 000

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the cost of providing post-retirement medical aid benefits are mortality rate and medical aid inflation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented below may not be representative of the actual change in the cost of providing post-retirement medical aid benefits, as it is unlikely that the changes in assumptions would occur in isolation of one another. In presenting the below sensitivity analysis, the present value of cost of providing post-retirement medical aid benefits has been calculated using the projected unit credit funding method at the end of the reporting period, which is the same as that applied in calculating the obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The effect of 1 year movement in the assumed mortality age rating is as follows:

At 31 March 2026	1 year down rate	Valuation assumption	1 year up rate
- Effect on defined benefit obligation	56 941 000	55 177 149	53 412 000
- Effect on Interest cost	6 204 000	6 008 000	5 817 000
- Effect on service cost	3 666 000	3 552 000	3 429 000

The effect of 1% movement in the assumed medical aid inflation is as follows:

At 31 March 2026	-1% Medical aid inflation	Valuation assumption	+1% Medical aid inflation
- Effect on defined benefit obligation	45 717 000	55 177 149	67 302 000
- Effect on Interest cost	4 971 000	6 008 000	7 344 000
- Effect on service cost	2 869 000	3 552 000	4 442 000

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

Post-retirement medical aid benefits (continued)	2026	2025
Key assumptions used:	31/03/2026	31/03/2025
Discount rate	10.61%	13.27%
Consumer price inflation rate	5.72%	7.86%
Medical aid contribution inflation rate	8.22%	10.36%
Medical inflation risk premium	2.5%	2.5%

Current service and interest cost in the analysis are based on the valuation assumption for the year following the valuation date.

The expected maturity analysis of the post-retirement medical benefits is as follows:

	2026	2025
	N$	N$
Less than one year	-	-
Between 1 and 2 years	3 055 000	226 000
Between 2 and 5 years	7 702 000	6 266 000
Beyond 5 years	44 420 149	37 237 149
Total	55 177 149	43 729 149
Present value of obligation:		
2026	55 177 149	-
2025	43 729 149	43 729 149
2024	38 205 149	38 205 149
2023	42 832 149	42 832 149
2022	39 797 149	39 797 149

Severance benefits liability

In accordance with the Namibian Labour Act of 2007, NAMFISA has an obligation to provide for severance pay benefits to all staff members. The severance benefits liability is unfunded. For the following year, the expected benefits to be paid is N$ 172 000 (2025: N$ 148 000). The severance pay benefits expose the authority to actuarial risks such as discount rate risk, salary inflation risk and mortality rate risk.

Discount rate	The nominal and real zero yield curves as at 31 March 2026 supplied by the JSE to determine our discount rate and consumer price inflation was used. The implied duration used in determining the discount rate to use was calculated to be 10 years as at 31 March 2026 (2025: 10 years), which is also the weighted average duration of the obligation. The recommended discount rate used is 9.72% as at 31 March 2026 (2025: 11.49%).
Salary inflation	The rate of salary inflation was set as the calculated value of CPI plus 2.0% (2025: 2.0%)
Mortality rate	Mortality before retirement has been based on the SA 85-90 mortality tables. No explicit assumption was made about additional mortality or health care costs due to HIV/AIDS.

An actuarial valuation has been performed at 31 March 2026 to determine the present value of the employer's obligation in terms of severance benefits towards current eligible employees of NAMFISA. The present value of the obligation and the related current service cost and past service cost was measured using the projected unit credit method. For the period under review, the current service cost and interest is accounted for as reflected in the actuarial valuation done at 31 March 2026.

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

Severance benefits liability (continued)

	2026 N$	2025 N$
The amounts recognized in the statement of financial position are as follows:		
Net liability at the beginning of the year	2 079 455	1 787 000
Current Service cost	252 000	224 000
Interest cost	253 000	248 455
Re-measurement (gains)/losses:		
Actuarial loss/(gain) from changes in economic assumptions	134 000	(123 000)
Actuarial (gain)/loss – demographic and experience adjustments	(375 000)	220 000
Benefits paid – Estimate	-	(86 000)
Net liability recognized in the statement of financial position	2 343 455	2 079 455

The amounts recognized in the statement of surplus or deficit and other comprehensive income are as follows:		
Current service cost	252 000	224 000
Interest on obligation	253 000	248 455
Actuarial loss/(gain) from changes in economic assumptions	134 000	(123 000)
Actuarial (gain)/loss – demographic and experience adjustments	(375 000)	220 000
Benefits paid	-	(86 000)
Total	264 000	292 455

Sensitivity Analyses:

Significant actuarial assumptions for the determination of the cost of providing severance pay benefits are mortality rate and salary inflation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented below may not be representative of the actual change in the cost of providing severance pay benefits, as it is unlikely that the changes in assumptions would occur in isolation of one another.

In presenting the below sensitivity analysis, the present value of cost of providing severance pay benefits has been calculated using the projected unit credit funding method at the end of the reporting period, which is the same as that applied in calculating the obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The effect of 1 year movement in the assumed mortality age rating is as follows:

At 31 March 2026	1 year down rate	Valuation assumption	1 year up rate
-Effect on defined benefit obligation	2 500 000	2 343 455	2 202 000
-Effect on service cost	284 000	268 000	254 000
-Effect on Interest cost	248 000	232 000	219 000

The effect of 1% movement in the assumed salary inflation is as follows:

At 31 March 2026	-1% normal salary inflation	Valuation assumption	+1% normal salary inflation
- Effect on defined benefit obligation	2 116 000	2 343 455	2 604 000
- Effect on service cost	236 000	268 000	304 000
- Effect on Interest cost	209 000	232 000	259 000

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

Severance benefits liability (continued)

Key assumptions:	31/03/2026	31/03/2025
Discount rate	9.72%	11.49%
Consumer price inflation rate	4.90%	6.04%
Normal salary increase inflation rate	6.90%	8.04%
Salary inflation risk premium	2.00%	2.00%

Current service and interest cost in the analysis are based on the valuation assumption for the year following the valuation date.

The expected maturity analysis of the severance benefits liability is as follows:	2026 N$	2025 N$
Less than one year	-	-
Between 1 and 2 years	8 000	-
Between 2 and 5 years	115 000	64 000
Beyond 5 years	2 220 455	2 015 455
Total	2 343 000	2 079 455

Present value of obligation:		
2026	2 343 455	-
2025	2 079 455	2 079 455
2024	1 787 000	1 787 000
2023	1 771 000	1 771 000
2022	1 752 000	1 752 000

16.2. Defined contribution plans

The Authority established the NAMFISA Provident Fund on 1 April 2007. The Fund is a defined contribution fund for all qualifying employees. The total expense recognized in the statement of surplus or deficit and other comprehensive income represents the contributions payable to the Fund at the rate of 16% of pensionable remuneration. Employees contribute to the Fund at a rate of 7% of pensionable remuneration. The fund was last valued as at 31 March 2022 and was found to be sound.

	2026 N$	2025 N$
The total value of the contributions to the pension fund during the year amounted to:		
Employer contributions	17 818 503	17 289 472
Employee contributions	7 795 595	7 564 144
Total contributions for the period	25 614 098	24 853 616

17. GENERAL RESERVE

In terms of the reserves policy, the Authority is required to hold sufficient reserves to fund unforeseen expenses, income shortfalls and significant once-off expenditures. The amount to be held in the general reserve is determined at the beginning of the Authority's strategic cycle and represents the desired general reserve balance as at the end of the specific strategic cycle. As at 31 March 2026, NAMFISA held N$ 183 million (2025: N$130 million) in reserves.

18. CAPITAL COMMITMENTS

As at the end of the financial year, the Group had no contracted capital expenditures, which were not recognized in the financial statements.

19. RELATED PARTY TRANSACTIONS

NAMFISA regards the Ministry of Finance and Public Enterprises and other state-owned enterprises falling under the same ministry as related parties as well as Board members and key management who can exercise control and influence over the affairs of the Authority.

19.1. Government of Namibia and/ or state-owned enterprises

During the year, the Authority entered into the following transactions with the Government of Namibia and/or state-owned enterprises:

State owned enterprises – March 2026	Expenses	Income	Amount owed by party
	N$	N$	N$
Government of Namibia	339 449	178 409	-
Namibia Post Limited	1 728	40 956	1 169 029
Other state-owned enterprises	5 055 903	2 041 425	-
	5 397 080	2 260 790	1 169 029

State owned enterprises – March 2025	Expenses	Income	Amount owed by party
	N$	N$	N$
Government of Namibia	284 958	-	-
Namibia Post Limited	1 479	39 262	1 124 386
Other state-owned enterprises	5 068 254	821 523	-
	5 354 691	860 785	1 124 386

Amounts owed by Namibia Post Limited relates to funds held on a call account. The balance will be settled in cash. No guarantees have been given or received. No provision for expected credit losses have been raised against the amount outstanding, and no expense has been recognised during the period in respect of expected losses from related parties.

19.2. Subsidiary

An amount of N$49 263 955 was transferred to Metropol (Pty) Ltd as loan (2025: N$27 574 581). Details of the inter-company loan is disclosed under note 19.3.

19.3. Related party balances

Loan to subsidiary	2026	2025
	N$	N$
Metropol (Pty) Ltd	133 708 059	84 444 104

The loan to the subsidiary is unsecured, interest free and repayable on demand. Management performed an assessment of the impairment of the loan and recognized an accumulated impairment loss of N$975 648 at 31 March 2026 (2025: N$371 200).

19. RELATED PARTY TRANSACTIONS (CONTINUED)

19.4. Compensation of Board members and key management personnel

At 31 March 2026	Short Term benefits	Post-Retirement benefits	Total
	N$	N$	N$
Board member's fees	890 034	-	890 034
Other key management	28 630 607	3 127 092	31 757 699
	29 520 641	3 127 092	32 647 734
At 31 March 2025			
Board member's fees	818 686	-	818 686
Other key management	28 953 074	797 484	29 750 558
	29 771 760	797 484	30 569 244

NAMFISA Board members are remunerated in accordance with Government Gazette No. 6572 dated 16 April 2018. Other bord expenses amounted to N$130 700 (2025: N$120 040). Key management refers to General Managers, Deputy Chief Executive Officers and the Chief Executive Officer.

19.5. Loans to key management personnel

The loans granted to key management constitute study loans granted in terms of the Authority's learning and development policy. 50% of the funds advanced are repayable by the employees on a monthly basis, commencing the first practical pay day after the loan has been advanced. As at 31 March 2026 loans granted to key management amounted to N$ 494 612 (2025: N$356 097)

20. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

20.1. Calculation of expected credit loss allowance

When measuring Expected Credit Losses, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring Expected Credit Losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. A total expected credit loss allowance of N$17 198 409 (2025: N$11 677 773) exists at the end of the current year. Refer to note 11.

20.2. Levy estimates

NAMFISA has included in income, an estimate of levies amounting to N$1 249 985 (2025: N$1 495 541). The estimates are as a result of late submission of returns by the institutions and the calculation was based on the previous half-yearly returns submitted during the year.

20. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

20.3. Post-retirement benefits

Severance benefits as well as post-retirement medical benefits are provided to all qualifying employees who are entitled to the benefit in accordance with their employment agreements. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, healthcare inflation cost and rates of increase in compensation costs. Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates are included in note 16 – Retirement Benefit plans.

21. RECONCILIATION OF SURPLUS TO CASH GENERATED BY OPERATIONS

	GROUP		AUTHORITY	
	2026	2025	2026	2025
	N$	N$	N$	N$
(Deficit)/ Surplus for the year before taxation	(28 381 400)	43 983 575	(28 985 848)	43 812 717
Adjusted for:				
Depreciation and amortization	14 472 378	14 549 693	14 472 378	14 549 693
Finance charges on leases	3 552 721	5 416 019	3 552 721	5 416 019
Lease adjustment – effect of initial costs	-	-	-	-
Receivables and payables age difference written off	4 926	-	4 926	-
Interest received	(6 010 613)	(5 923 765)	(5 846 306)	(5 911 270)
Dividends received	(8 391 884)	(8 155 337)	(8 391 884)	(8 155 337)
Profit on disposal of equipment and intangibles	(203 013)	(50 641)	(203 013)	(50 641)
Decrease in expected credit losses net of write off	-	(59 371)	-	(59 371)
Fair value loss adjustment on property		-		-
Impairment of investment in subsidiary	-	-	860 717	946 315
Impairment of loan to subsidiary	-	-	604 448	170 857
Increase in employee benefit obligations	8 822 000	8 348 455	8 822 000	8 348 455
Operating (deficit)/surplus before working capital changes	(16 134 886)	58 061 744	(15 109 861)	59 020 553
Working capital changes	88 499 947	(1 894 210)	81 909 783	584 557
Increase in accounts receivable	(4 396 584)	(4 673 196)	(1 202 978)	(2 266 484)
Increase / (Decrease) in accounts payable	92 896 531	2 778 985	83 112 761	2 851 041
Cash generated by operations	72 365 061	56 214 417	66 799 922	59 651 994

22. CREDIT FACILITIES

The Authority maintains current accounts at First National Bank of Namibia Ltd and Standard Bank of Namibia Ltd as well as credit card and fleet management facilities at Standard Bank of Namibia Ltd.

	2026	2025
	N$	N$
The following is a summary of facilities maintained:		
Fleet management	30 000	30 000
Credit cards	200 000	200 000
Performance Guarantee – City of Windhoek	-	120 000
	230 000	350 000

22. CREDIT FACILITIES (CONTINUED)

The performance guarantee was issued by Standard Bank of Namibia on behalf of NAMFISA to City of Windhoek to serve as security for NAMFISA's performance of certain obligations in terms of the construction of the office building. The guarantee expired on 31 December 2025.

The subsidiary obtained a development loan facility of N$185 000 000 to construct the parent (NAMFISA) head office building and a further N$20 000 000 VAT financing facility. Both facilities were obtained from Standard Bank Namibia Limited. Refer to note 15 for more details.

23. FINANCIAL INSTRUMENTS

23.1. Categories of financial instruments

	GROUP		AUTHORITY	
	2026	2025	2026	2025
Financial assets	N$	N$	N$	N$
Financial assets at amortized cost	-	-	-	-
Loans and receivables	24 347 430	19 843 212	17 974 939	16 664 329
Loan to subsidiary at amortized cost	-	-	133 708 059	84 444 104
Cash and cash equivalents at amortized cost	97 314 196	98 588 236	85 174 144	96 096 352
Financial assets at FVTPL	137 313 681	113 922 546	137 313 680	113 922 546
Financial liabilities				
Amortized cost	140 279 809	68 825 859	128 512 937	66 842 757

23.2. Market risk

The Group's exposure to market risk is principally regarding interest rates on cash placed with banks and investment houses.

23.3. Significant accounting policies

Details of the accounting policies and methods adopted (including the criteria for recognition, the basis of measurement, and the basis of recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 1.12

23.4. Capital risk management

The Authority's objective in managing its capital is to safeguard the Group's ability to continue as a going concern by ensuring a sufficient cushion against unexpected deficits. There is no statutory capital adequacy requirements imposed upon the Group and capital comprises of accumulated income and reserves.

23.5. Interest rate risk management

As part of the process of managing the Authority's interest rate risk, interest rate characteristics of new investments and the refinancing of existing investments are positioned according to expected movements in interest rates.

The sensitivity analysis below has been determined based on the exposure to interest rates for both variable and fixed interest rate instruments at the reporting date. A 50 basis point increase or decrease is used to compute interest rate sensitivity and represents the Authority's assessment of reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables held constant, the Group's income for the year ended 31 March 2026 would increase/decrease by N$ 1 145 231(2025: N$1 033 850). This is mainly attributable to the Authority's exposure to interest rates on variable rate financial assets held.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6. Credit risk management

The Group is exposed to credit risk through its cash surpluses that it places with banks and investment houses as well as the defaulting of levy payments by the regulated industry players. The Authority only invests with banks and investment houses of high quality credit standing. Exposure to banks and investment houses are monitored on a regular basis and surplus funds are spread across approved financial institutions in accordance with the Investment Policy which limits the exposure to 25% for any given institution. Receivables are spread across industry segments. The Group does not have any significant credit risk exposure to any single counterparty. Concentration of credit risk did not exceed 6% of gross monetary assets at 31 March 2026 (2025: 6%). Exposure to credit risk related to receivables is mitigated by fully providing for impaired receivables.

The table below shows the maximum exposure to credit risk relating to receivables, before and after taking allowance for doubtful debts into account:

	Maximum credit risk			
	GROUP		AUTHORITY	
	2026	2025	2026	2025
	N$	N$	N$	N$
Exposure per industry segment:	29 086 499	21 801 730	22 714 009	18 622 846
Capital Markets	1 205 958	1 267 175	1 205 958	1 267 175
Collective Investments	24 300	-	24 300	-
Life Insurance	7 502 982	6 624 333	7 502 982	6 624 333
Short term insurance	3 006 705	1 859 252	3 006 705	1 859 252
Microlenders	3 863 842	3 319 643	3 863 843	3 319 643
Pension Funds and Friendly Societies	1 308 399	485 022	1 308 399	485 022
Medical Aid Funds	5 695 402	4 614 234	5 695 402	4 614 234
Other	6 478 911	3 632 072	106 420	453 188
	29 086 499	21 801 730	22 714 009	18 622 846

	GROUP		AUTHORITY	
	2026	2025	2026	2025
	N$	N$	N$	N$
Age analysis:				
Older than 120 days	24 994 926	14 805 614	18 622 435	14 805 614
60 to 120 days	604 737	543 443	604 737	543 443
Less than 60 days	3 486 837	6 452 673	3 486 837	3 273 789
	29 086 499	21 801 730	22 714 008	18 622 846
Allowance for Expected Credit Losses	(17 198 408)	(11 677 773)	(17 198 408)	(11 677 773)
Net exposure	5 515 726	10 123 957	5 515 600	6 945 073

At year-end the Group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6. Credit risk management (continued)

Impairment of financial assets

The group applies the expected credit loss model on the following financial assets:

Cash and cash equivalents

For the purposes of impairment assessment, the bank deposits are considered to have low credit risk as the counterparties to these financial assets had ratings better than BBB- as determined by the Global Credit Rating Company (Pty) Ltd. towards the end of 2024. The identified impairment loss was immaterial.

Intercompany loan

NAMFISA holds 100% shareholding in Metropol, and there is no historical evidence of Metropol defaulting on its obligations, nor NAMFISA. NAMFISA can recover the loan portion equating the property value from sale. Impairment loss on the intercompany loan was determined to be immaterial.

Employee study loans

The loans granted to employees constitute study loans granted in terms of the Authority's learning and development policy. 50% of the funds advanced is repayable by the employees on a monthly basis, commencing the first practical pay day after the loan has been advanced. As at 31 March 2026 loans granted to employees amounted to N$1 971 097 (2025: N$361 642).

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6. Credit risk management (Continued)

Trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of trade receivables over a period of 24 months before 31 March 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the economic indicators in Ladder of Supervisory Interventions report of NAMFISA to be the most relevant factors, and accordingly adjusts the historical loss rates based on those economic indicators past default rates. Other relevant economic factors are also adjusted for.

The Group writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of receivables based on the Group's provision matrix and the loss allowance as at 31 March 2026.

	Current	60 to 90 days	> 120 days	Total
2026:				
Gross receivables excluding credit balances	3 486 837	604 737	18 622 435	22 714 008
Expected credit loss rate	8%	109%	87%	
Expected credit losses - 2026	295 627	657 660	16 245 121	17 198 408
2025:	Current	60 to 90 days	> 120 days	Total
Gross receivables excluding credit balances	3 273 788	543 443	14 805 614	18 622 845
Expected credit loss rate	15%	114%	71%	
Expected credit losses - 2025	475 602	619 736	10 582 435	11 677 773

The table below indicates the exposure in other financial assets spread among banks and other investment institutions:

Institution	Amortised cost investments	Investments at FVTPL	Total
	N$	N$	N$
Bank Windhoek	-	42 825 011	42 825 011
First National Bank	-	21 172 544	21 172 544
Simonis Storm Securities	-	18 736 092	18 736 092
Old Mutual	-	34 457 542	34 457 542
Momentum	-	20 122 491	20 122 491
Balance as at 31 March 2026	**-**	**137 313 680**	**137 313 680**
Bank Windhoek	-	34 928 836	34 928 836
First National Bank	-	14 913 727	14 913 727
Simonis Storm Securities	-	22 432 581	22 432 581
Old Mutual	-	25 636 515	25 636 515
Momentum	-	16 010 887	16 010 887
Balance as at 31 March 2025	-	113 922 546	113 922 546

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7. Liquidity risk management

The Authority has minimized its liquidity risk by ensuring adequate cash balances and maintaining adequate reserves.

Summary of exposure to interest rate risk:

	GROUP		AUTHORITY	
Liabilities	2026	2025	2026	2025
	N$	N$	N$	N$
Non-financial labilities 1 – 12 months	16 045 849	13 993 872	16 045 849	13 993 872
Staff leave provision	16 045 849	13 993 872	16 045 849	13 993 872
Non-interest bearing financial liabilities	14 588 290	8 747 443	14 588 290	8 747 443
1 to 3 months				
Levy creditors	11 295 203	6 299 888	11 295 203	6 299 888
Staff accruals	3 293 087	2 447 555	3 293 087	2 447 555
Financial liabilities at amortized cost				
Interest bearing 1 to 3 months	90 705 170	5 701 456	78 938 298	3 718 356
Accounts payables accruals	16 842 479	4 998 448	5 272 847	3 109 373
Audit fees provision	837 504	703 008	640 263	608 983
Accrual for legal expenses	68 840 921	-	68 840 921	-
Legal fees provision	4 218 050	-	4 218 050	-
Lease liabilities				
Payments analysed as:				
Current	10 463 828	12 857 654	10 463 828	12 857 654
Non-current	8 476 674	27 525 432	8 476 674	27 525 432
2 years	8 476 674	27 525 432	8 476 674	27 525 432
More than 2 years	-	-	-	-
	140 279 804	68 825 859	128 512 931	66 842 758

Financial assets

The following table shows expected maturity for financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where cash flow may occur in a different period.

Variable interest rate instruments: FVTPL				
Less than 1 month	97 314 196	98 588 236	85 174 144	96 096 352
1 to 3 months	137 313 681	113 922 546	137 313 680	113 922 546
	234 627 877	212 510 782	222 487 824	210 018 898
Fixed interest rate instruments: Amortized Cost				
1 to 3 months	5 193 322	6 543 446	5 193 322	6 543 446
3 months to 1 year		-		-
	5 193 322	6 543 446	5 193 322	6 543 446
Weighted average return	6.58%	7.18%	6.58%	7.18%
Non-interest bearing instruments:				
1 to 3 months	17 668 778	12 358 771	11 296 288	9 179 888
3 months to 1 year	-	-	-	-
	17 668 778	12 358 771	11 296 288	9 179 888
	257 929 754	231 413 000	239 417 212	225 742 232

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.8. Foreign currency risk management

As required, the Group may undertake transactions denominated in foreign currencies and consequently exposures to exchange rate fluctuations arise. The Group may enter into Foreign Exchange Cover for foreign denominated transactions in order to obtain certainty of foreign currency risks and hence hedge foreign currency risks. As at 31 March 2026, the Group had foreign currency denominated current financial liabilities amounting to USD 7 006 and EUR 17 745 (31 March 2025: Nill).

23.9. Fair value measurements

23.9.1. Valuation

In terms of IFRS, the Group is required to measure certain assets and liabilities at fair value. The Group has established control frameworks and processes to independently validate its valuation techniques and inputs used to determine its fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date i.e. an exit price. Fair value is therefore a market based measurement and when measuring fair value, the Group uses the assumptions that market participants would use when pricing an asset or liability under current market conditions, including assumptions about risk. When determining fair value, it is presumed that the entity is a going concern, and the fair value is therefore not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

Fair value measurements are determined by the group on both a recurring and non-recurring basis.

Financial instruments

When determining the fair value of a financial instrument, where the financial instrument has a bid or ask price (for example in a dealer market), the Group uses the price within the bid-ask spread that is most representative of fair value in the circumstances. Although not a requirement, the group uses the bid price for financial assets or the ask/offer price for financial liabilities where this best represents fair value.

When determining the fair value of a financial liability or the Group own equity instruments the quoted price for the transfer of an identical or similar liability or own equity instrument is used. Where this is not available, and an identical item is held by another party as an asset, the fair value of the liability or own equity instrument is measured using the quoted price in an active market of the identical item, if that price is available, or using observable inputs (such as the quoted price in an inactive market for the identical item) or using another valuation technique.

Where the group has any financial liability with a demand feature the fair value is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid where the time value of money is significant.

Non-financial assets

When determining the fair value of a non-financial asset, a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use, is taken into account. This includes the use of the asset that is physically possible, legally permissible and financially feasible.

Non-recurring fair value measurements

Non-recurring fair value measurements are those triggered by particular circumstances and include the classification of assets and liabilities as non-current assets or disposal groups held for sale under IFRS 5 where fair value less costs to sell is the recoverable amount, IFRS 3 business combinations where assets and liabilities are measured at fair value at acquisition date, and IAS 36 impairments where fair value less costs to sell is the recoverable amount. These fair value measurements are determined on a case by case basis as they occur.

Other fair value measurements

Other fair value measurements include assets and liabilities not measured at fair value but for which fair value disclosures are required under another IFRS e.g. financial instruments at amortised cost. The fair value for these items is determined by using observable quoted market prices where these are available or in accordance with generally acceptable pricing models such as a discounted cash flow analysis. For all other financial instruments at amortised cost the carrying value is equal to or a reasonable approximation of the fair value.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.9. Fair value measurements (continued)

23.9.2. Fair value hierarchy and measurements

The Group classifies assets and liabilities measured at fair value using a fair value hierarchy that reflects whether observable or unobservable inputs are used in determining the fair value of the item. If this information is not available, fair value is measured using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The valuation techniques employed by the Group include, inter alia, quoted prices for similar assets or liabilities in an active market, quoted prices for the same asset or liability in an inactive market, adjusted prices from recent arm's length transactions, option-pricing models, and discounted cash flow techniques.

Level 1

Fair value is determined using unadjusted quoted prices in active markets for identical assets or liabilities where this is readily available and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis.

Level 2

Fair value is determined using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly such as quoted prices for similar items in an active market or for an identical item in an inactive market, or valuation models using observable inputs or inputs derived from observable market data.

Level 3

Fair value is determined using a valuation technique and significant inputs that are not based on observable market data (i.e. unobservable inputs) such as an entity's own assumptions about what market participants would assume in pricing assets and liabilities.

Land

Level 3 values of the land have been derived using the sale comparison method, investment method and income approach and with reference to market evidence of the value of similar properties, analysing the land's capacity to generate income. The value of the land as determined by valuation of the independent valuator is N$37.12 million at 31 March 2026 (2025: N$37.12 million).

The inputs underlying the valuations by the independent valuators include market rent, business profitability, forecast growth rates, yields, discount rates, construction costs, professional fees, planning fees, developer's profit including contingencies, planning and construction timelines, lease re-gear costs, planning risk and sales prices based on known market transactions for similar properties. The inputs underlying the internal assessment of the value of the land by the independent valuators include consideration of the asking prices for comparable properties.

The table below sets out the valuation techniques applied by the Group for recurring fair value measurements of assets and liabilities categorised as Level 1 to Level 3 in the fair value hierarchy:

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Significant unobservable inputs of Level 3 items
Fixed Deposits	Level 2	Discounted cash flows	The future cash flows are discounted using a market related interest rate. Inputs to these models include information that is consistent with similar market quoted instruments, where available.	Market interest rates and curves	Not applicable
Unit Trusts/ Treasury Bills	Level 2	Discounted cash flows	The future cash flows are discounted using a market related interest rate. Inputs to these models include information that is consistent with similar market quoted instruments, where available.	Market interest rates and curves	Not applicable

23. FINANCIAL INSTRUMENTS (CONTINUED)

1.9. Fair value measurements (continued)

1.1.2. Fair value hierarchy and measurements (continued)

Instrument	Fair value hierarchy level	Valuation technique	Description of valuation technique and main assumptions	Observable inputs	Significant unobservable inputs of Level 3 items
Land	Level 3	Valuation by the Board and/or independent valuators	Sale comparison method, investment method and income approach and with reference to market evidence of the value of similar properties, analysing the properties' capacity to generate income	Yields and discount rates	Market rent, business profitability, forecast growth rates, lease re-gear costs, planning risk and sales prices based on known market transactions for similar properties

During the year there were no changes in the valuation techniques used by the Group or changes in the Level 1- 3 classifications.

24. CONTINGENT LIABILITY

24.1. Post-retirement medical benefits

In terms of NAMFISA's staff rules it is a condition for staff to be members of a medical aid fund approved by NAMFISA in order to qualify for the Post-Retirement Medical Aid benefit. As at 31 March 2026, there are some employees who do qualify for Post-Retirement Medical Aid benefit but are not currently on an approved medical aid scheme. The contingent liability for these employees amounts to N$4 743 000 at 31 March 2026 (2025: N$10 311 000). See note 16.1 in the annual financial statements.

Members not on medical scheme	2025	2025
Number of Members	13	16
Contingent Liability (N$)	4 743 000	10 311 000

24. CONTINGENT LIABILITY (CONTINUED)

24.2. Litigation cases

Alwyn Petrus van Straten//NAMFISA

NAMFISA is a co-defendant in a case brought against the Authority by Alwyn Petrus van Straten N.O. and others on 12 March 2012.

On 21 November 2025 the Supreme Court ordered that:

The appeal is upheld with costs, to include the costs of one instructing and two instructed legal practitioners.

The order of the High Court is set aside and replaced with the following order:

- The Defendant is liable to the Second Plaintiff for the losses of Plaintiffs who have not withdrawn their claims and which arose after 31 August 2005, to be determined in due course.
- The Defendant is to pay Plaintiffs' costs, to include the costs of one instructing and three instructed legal practitioners.

The quantum of the Second Appellants' claim was determined by the Court on 21 May 2026 to be N$35 111 583.04 plus interest of 20% per annum from 4 March 2022 to date of full and final payment. The amount plus interest was accrued for at 31 March 2026.

On 29 January 2026 our legal practitioners attended a taxation hearing in the Supreme Court. An allocatur in the amount of N$1 337 548.97 and on 20 February 2026 NAMFISA attended to payment of the allocatur in full.

Taxation in the High Court determined an allocatur of N$5 101 373.56 on 28 April 2026. NAMFISA paid the amount on 12 May 2026 and accrued for at 31 March 2026.

Heritage Health Medical Aid

During June 2021, the Registrar of Medical Aid Funds lodged an application in terms whereof the Registrar, inter alia, sought an order to place Heritage Health Medical Aid Fund under a provisional order of liquidation in the hands of the Master of the High Court.

On 17 October 2023 the taxation hearing was held. An allocatur in the amount of N$755 362.07 was issued.

Considering the appeal lodged, the Registrar did not attend to payment of the taxed costs until such time that the appeal has been finalised.

On 19 December 2025 the Registrar brought an application to the Supreme Court in terms whereof the Registrar requests an order in the following terms:

- Granting leave to the Registrar to put further evidence before Court by way of a supplementary founding affidavit (annexed to the supporting affidavit to the application).
- Granting further leave to Heritage Health Medical Aid Fund (should the Fund so elect) to answer thereto by way of a supplementary answering affidavit.
- Further and/or alternative relief.
- Costs of the application, only in the event of the application being opposed, such costs to include the costs of one instructing and one instructed counsel.

On 07 January 2026 Heritage Health Medical Aid Fund filed its answering affidavit.

On 16 January 2026 the Registrar of Medical Aid Funds filed his replying affidavit.

On 29 January 2026 the Registrar of Medical Aid Funds filed his heads of argument.

On 16 February 2026 Heritage Health Medical Aid Fund filed its heads of argument.

The Appeal Hearing was held on 02 March 2026 and the judgment in this matter is reserved.

24. CONTINGENT LIABILITY (CONTINUED)

24.2. Litigation cases (continued)

Aiso Cash Loan CC & Others//NAMFISA

NAMFISA is a respondent in a constitutional challenge initiated in 2018 by a consortium of twenty-six (26) microlending companies operating in Namibia, contesting the validity of various provisions of the Microlending Act regulating these companies. The relief sought against NAMFISA is non-monetary in nature, the matter concerning the validity of legislative provisions and not the recovery of any sum of money from the Authority. The matter is approaching the trial stage. NAMFISA's legal practitioners have estimated the legal costs of defending the matter, which is conducted by a team of three instructed counsel, one of whom is senior counsel, at approximately N$10 million. As no monetary claim is sought against the Authority, there is no claim amount against NAMFISA. Should the court rule against NAMFISA, the unsuccessful party would ordinarily bear costs; the quantum of any such adverse costs order is not presently determinable. NAMFISA's own legal costs are expensed as incurred. As no monetary claim is sought and any adverse costs order is dependent on the outcome of the litigation, the recognition criteria for a provision in terms of IAS 37 are not met and no provision has been recognised.

24.3. Loan guarantee

As part of the financing arrangements for the construction of the Authority's new Head Office, NAMFISA, as the parent entity, has issued a corporate guarantee in favour of Standard Bank Namibia on behalf of its wholly owned subsidiary, Metropol (Pty) Ltd.

The guarantee relates to a development loan facility of N$185 million granted to Metropol (Pty) Ltd to fund the construction of the Head Office situated on Erf 1503, Independence Avenue. The key terms of the facility include:

- A 10-year term with a 50% bullet repayment at maturity;
- Security in the form of a mortgage bond over the property and lease-back agreement with NAMFISA;
- A revolving VAT facility of N$20 million, also guaranteed by NAMFISA.

As at 31 March 2026, no drawdowns had occurred on either the development loan or the VAT facility, and all contractual conditions precedent remained in effect.

The guarantee represents a contingent liability to the Group, as it constitutes a possible obligation dependent on the occurrence of a future uncertain event, namely a default by Metropol (Pty) Ltd. At the reporting date:

- No breach of loan covenants had occurred;
- No demand had been made on the guarantee;
- The probability of default was assessed as remote.

Accordingly, no provision has been recognised in the financial statements. Management will continue to assess the financial exposure associated with the guarantee on an ongoing basis, in line with the requirements of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

25. CHANGE IN ACCOUNTING ESTIMATE

Revision of useful life of property, plant, equipment and intangible assets

During the year, the Authority revised the useful life of property, plant, equipment and intangible assets by increasing their useful lives. The revision of the useful life was treated as a change in accounting estimates and therefore accounted for prospectively in the financial statements, i.e. the effect of the change was incorporated in the current financial year. The effect of the change in the accounting estimate in the current accounting financial year is reflected below:

Financial statement item	GROUP 2026 N$	AUTHORITY 2026 N$
Decrease in depreciation and amortization	4 521 173	4 521 173
Increase in carrying amount of property, plant equipment	3 043 346	3 043 346
Increase in carrying amount of intangible assets	1 477 827	1 477 827

The amount of the effect in future periods is not disclosed because estimation of it is impracticable.

26. PRIOR PERIOD ERROR - CONSTRUCTION RETENTION AMOUNTS

During the current financial year, management identified that retention amounts relating to construction contract for the building project were incorrectly excluded from construction work in progress and related liabilities in the prior financial year.

The omitted retention amounts related to directly attributable construction costs that should have been capitalised in accordance with IFRS. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the error has been corrected retrospectively, and the comparative information has been restated. The effect of the restatement on the statement of financial position is as follows:

Statement of financial position	Previously reported N$	Adjustment N$	Restated N$
Construction work in progress	72 920 816	1 889 075	74 809 891
Trade and other payables	94 027	1 889 075	1 983 102

NOTES

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