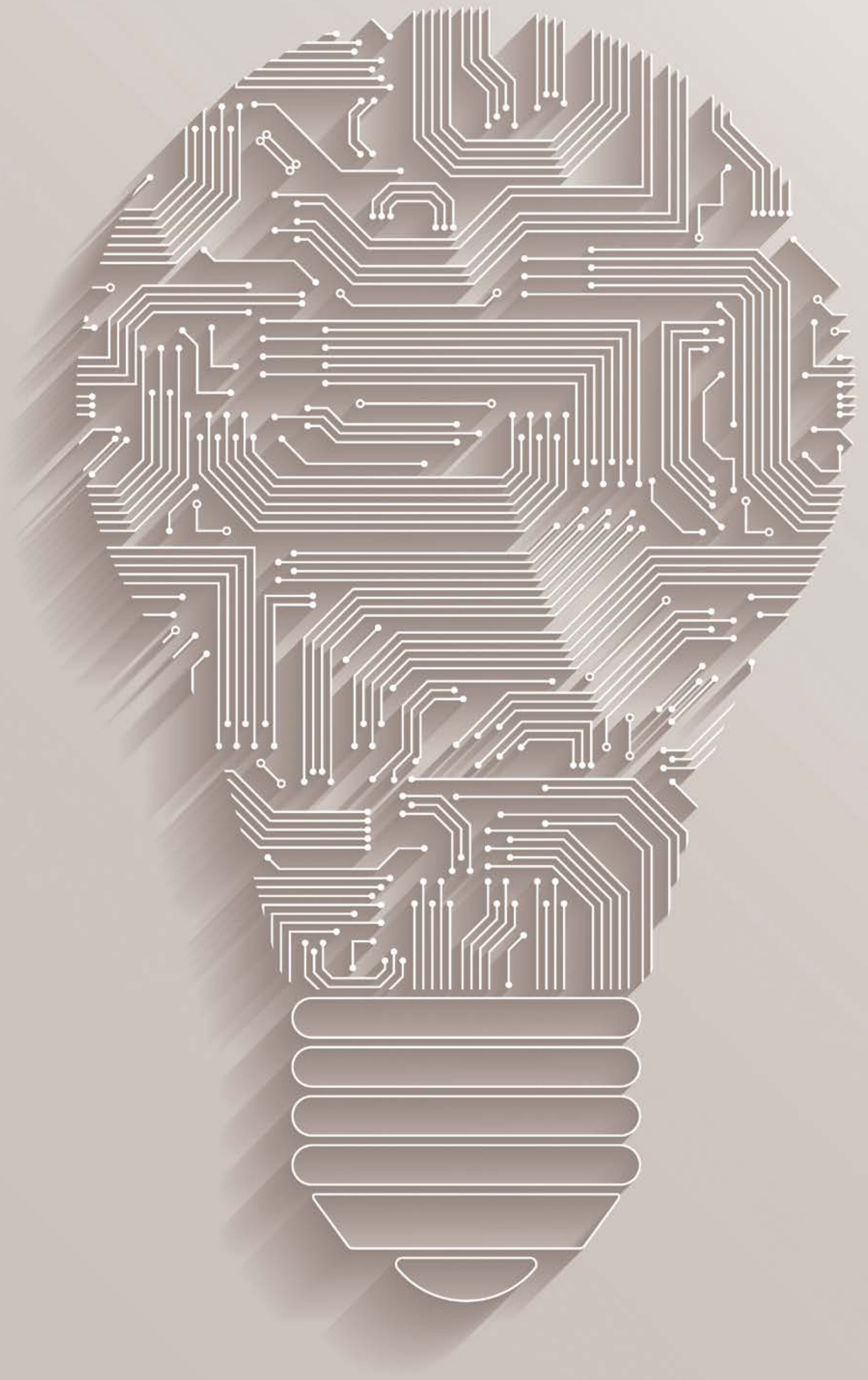
NAMFISA

NAMIBIA FINANCIAL
INSTITUTIONS SUPERVISORY AUTHORITY

2025
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).

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LIST OF ABBREVIATIONS

AI	Accountable Institution
AML	Anti-money Laundering
AML/CFT/CPF	Anti-money Laundering, Combating the Financing of Terrorism, and Combating Proliferation Financing
BCP	Business Continuity Plan
CAR	Capital Adequacy Requirement
CEO	Chief Executive Officer
CFT	Combating the Financing of Terrorism
CMA	Common Monetary Area
COVID-19	Coronavirus Disease 2019
CPF	Combating Proliferation Financing
CSD	Central Securities Depository
CSR	Corporate Social Responsibility
CSRI	Corporate Social Responsibility and Investment
ERP	Enterprise Resource Planning
ERS	Electronic Regulatory System
FIA	Financial Intelligence Act, 2012 (No.13 of 2012)
FIC	Financial Intelligence Centre
FIM Bill	Financial Institutions and Markets Bill
FIMA	Financial Institutions and Markets Act
FinTech	Financial Technology
FSA Bill	Financial Services Adjudicator Bill
GDP	Gross Domestic Product
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
ME	Mutual Evaluation
MER	Mutual Evaluation Report
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
NSX	Namibian Securities Exchange
OCoA	One Chart of Accounts
PACOTPAA	Prevention and Combating of Terrorist and Proliferation Activities Act, 2014 (No. 4 of 2014)
POPR	Post-observation Period Report
Q4	Fourth Quarter
RBS	Risk-based Supervision
RI	Reporting Institution
SADC	Southern African Development Community
SIFI	Significantly Important Financial Institution
SPV	Special Purpose Vehicle
UIM	Unlisted Investment Managers
WEO	World Economic Outlook

01

ABOUT US

This chapter presents a synopsis of the value of assets and number of entities regulated by NAMFISA. It conveys our organisational charter, which comprises our core functions, mission, vision, values, leadership creed, and strategic themes. Furthermore, it contains the foreword by the Board Chairperson and review by the Chief Executive Officer.

2024 AT A GLANCE

N$474.1 billion

Value of the total assets of the non-bank financial institutions regulated by NAMFISA.

15,733 regulated entities

NAMFISA regulates 1,032 financial institutions and 14,701 financial intermediaries.

358 (96.0 percent)

Total consumer complaints resolved out of 373 complaints received.

N$11.8 million

Total amount paid out to 87 complainants in 2024.

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; hereinafter, the 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 CORPORATE CHARTER

OUR MISSION

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

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 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.

NUMBER OF ENTITIES AND VALUE OF ASSETS

NAMFISA regulates a sector that comprises several different financial institutions and intermediaries.[1] The number of entities regulated by the Authority as at 31 December 2024 is reflected in Table 1.

Table 1: Number of regulated entities as at 31 December 2024

Regulated financial institution or intermediary, by subsector	Number of entities per subsector, 31 December 2023	Number of entities per subsector, 31 December 2024
Active pension funds	78	75
Active medical aid funds	8	8
Active friendly societies	1	1
Long-term insurance companies (intermediaries)	14 (10,812)	14 (11,565)
Short-term insurance companies (intermediaries)	14 (2,793)	14 (3,137)
Special purpose vehicles	21	21
Unit trust management companies	21	21
Investment managers	31	34
Unlisted investment managers	31	36
Microlenders	560	796
Reinsurers for long- and short-term insurance	2	2
Stock exchanges	1	1
Linked investment services providers	4	4
Stockbrokers, including sponsors	4	4
Central Securities Depository	0	1
Total (intermediaries)	**788 (13,605)**	**1,032 (14,701)**

[1] Section 36 of the NAMFISA Act states the following: "This Act does not affect the operation of any bank registered in terms of the Banking Institutions Act, 1998 (No. 2 of 1998), or the Building Societies Act, 1986 (No. 2 of 1986), in respect of any bank or building society business carried on by that bank or building society in accordance with the provisions of those Acts."

The non-bank financial institutions (NBFIs) sector demonstrated remarkable resilience in 2024, with aggregate assets growing by 14.3 percent to N$474.1 billion despite global economic challenges. The expansion was due to favourable financial market conditions, declining interest rates, and moderating inflation, which enhanced consumer purchasing power. This sector plays a significant role in Namibia's fiscal stability.

Table 2: Total assets per industry sector, 2020-2024 (N$ million)

Total assets per industry sector	2020	2021	2022	2023	2024
Long-term insurance	61,681	66,672	68,757	74,260	83,837
Short-term insurance	6,056	7,188	7,200	7,837	9,121
Medical aid funds	2,359	2,287	2,001	2,097	2,796
Pension funds	182,234	212,909	205,817	237,145	262,777
Collective investment schemes*	59,390	61,622	60,974	68,424	68,424
Investment managers**	8,775	12,584	14,654	17,888	27,453
Friendly societies	1.94	2.04	2.25	2.54	2.54
Microlenders	6,055	7,316	6,743	7,157	8,071
Total	**326,551**	**370,582**	**366,149**	**414,811**	**474, 084**

* To avoid double counting, the collective investment scheme assets under management were adjusted by the sum of funds sourced from the following sectors: pension funds, long-term insurance, short-term insurance, and medical aid funds.

** Similar adjustments were affected on funds sourced from the following sectors: pension funds, long-term insurance, short-term insurance, medical aid funds, and unit trusts.

02

FOREWORD BY THE BOARD CHAIRPERSON

Hettie Garbers-Kirsten
Board Chairperson

FOREWORD BY THE BOARD CHAIRPERSON

Hettie Garbers-Kirsten
Board Chairperson

As Chairperson of the Board of the Namibia Financial Institutions Supervisory Authority (NAMFISA), I am honoured to reflect on our key achievements and priorities for the past financial year. Upholding strong corporate governance, effective risk management, and meaningful stakeholder engagement remains at the heart of our mission.

Corporate Governance and Risk Management

NAMFISA's success is built on strong corporate governance, ensuring accountability and financial system integrity. Recognising this, the NAMFISA Board provides strategic oversight with diligence, continuously strengthening risk management to address evolving challenges while setting clear policies and guiding the Authority in alignment with its regulatory mandate.

In response to the complexities of today's financial landscape, NAMFISA has placed a premium on refining its risk assessment strategies.

Since the previous reporting period, NAMFISA has achieved significant progress in enhancing its Risk-based Supervision (RBS) Framework. By adopting a more predictive and data-informed approach, the organisation has improved its capacity for regulatory oversight. This evolution includes the development of refined supervisory tools and the incorporation of advanced regulatory risk models, which enable a more accurate assessment of risk profiles across regulated entities. Consequently, supervisory interventions can now be tailored more precisely, promoting greater efficiency and responsiveness.

In addition, the Board has directed the implementation of internal risk monitoring mechanisms that facilitate the early detection of vulnerabilities within the financial ecosystem. Through regular scenario planning, stress testing, and the use of both qualitative and quantitative indicators, NAMFISA has reinforced its preparedness to respond swiftly and effectively to potential threats. These measures bolster financial stability, consumer protection, and investor confidence, which is core to NAMFISA's mission.

Stakeholder Engagement

Stakeholder engagement remains a cornerstone of NAMFISA's approach. We understand that the financial sector impacts a broad spectrum of individuals, businesses, and communities. As such, NAMFISA prioritises open dialogue with the government, industry, and consumers. Regular consultations with stakeholders ensure policies reflect diverse needs, fostering trust and collaboration.

Consumer Protection and Regulatory Reform

Consumer protection remains a top priority for NAMFISA. Our goal is to foster a financial environment where consumers are well-informed, protected, and confident in their financial dealings. We safeguard consumers through fair regulations and financial literacy initiatives.

Simultaneously, regulatory reforms ensure agility in a fast-changing global financial landscape, promoting compliance and innovation.

Innovation in the Financial Industry

In today's fast-paced world, innovation is essential for the growth and evolution of the financial sector. NAMFISA recognises the need to embrace technological advancements and new business models. NAMFISA supports financial technology (FinTech) and digital transformation, balancing innovation with financial stability. We encourage industry-wide progress in efficiency, inclusivity, and consumer-centric solutions.

Conclusion

NAMFISA's role as a regulator is to ensure that the financial sector operates efficiently, fairly, and securely for all stakeholders. The Authority remains committed to a resilient, competitive, and inclusive financial sector.

I thank my fellow Board members, the Executive team, and our dedicated staff and valuable stakeholders for their unwavering commitment and contributions. I also extend my appreciation to our stakeholders, including the former Minister of Finance and Public Enterprises, Honourable Iipumbu Shiimi, for his leadership and ongoing support and collaboration. We welcome Honourable Ericah Shafudah, the new Minister of Finance, and we look forward to advancing Namibia's financial transformation together with her.

Together, we drive the stability and prosperity of the financial sector.

Hettie Garbers-Kirsten
Board Chairperson

03

REVIEW BY THE CHIEF EXECUTIVE OFFICER

Kenneth S. Matomola
Chief Executive Officer

As we reflect on the period under review, I am honoured to present this Annual Report, which highlights the notable strides made by NAMFISA in fulfilling its mandate: advancing our strategic goals, safeguarding consumers, and maintaining the stability of Namibia's non-bank financial sector.

Strategic Focus and Execution

NAMFISA's strategy remains centred on strengthening the regulatory and supervisory framework, ensuring financial stability, and protecting consumers. This year, we have diligently pursued our mandate, advancing our vision to have a safe, stable, and fair financial system that contributes to the economic development of Namibia, in which consumers are protected. Our work in fostering a sound, stable, and competitive financial sector is central to Namibia's economic prosperity.

Key priorities include enhancing regulatory oversight, promoting financial literacy, and modernising financial markets. We have made progress through digital transformation, improved regulatory tools for non-bank financial institutions, and a stronger Risk-based Supervisory Framework. Together, these efforts reinforce our commitment to a resilient and adaptive financial sector.

Our Foundation: Core Values

NAMFISA's success is built on our unwavering commitment to integrity, teamwork, agility, service excellence, and accountability. These values guide every decision we make, ensuring fairness, transparency, and trust for all stakeholders – the policymakers, consumers, and industries, which we serve alike.

Our People

NAMFISA places great value on its human capital and has embedded a leadership creed that emphasises care, inclusivity, and respect. Through a comprehensive culture change programme, we are fostering a supportive and empowering work environment. Our consistently low staff turnover (below 8 percent) reflects strong employee satisfaction and effective retention strategies.

We invest in leadership and staff development to ensure organisational excellence. Senior management programmes focus on strategic and agile leadership, while ongoing learning opportunities enable all employees to grow and meet the evolving demands of our industry. Together, these initiatives support a high-performance culture built on innovation and shared success.

A Stable Non-bank Financial Industry

I am pleased to report that the non-bank financial sector remains stable and resilient. Through proactive oversight and stakeholder collaboration, we have maintained a secure environment that supports growth while mitigating risks in the non-bank financial sector.

Authority's Financial Sustainability

NAMFISA's financial sustainability remains a cornerstone in fulfilling its mandate to safeguard the integrity and stability of the non-bank financial sector. The Authority continues to demonstrate sound financial stewardship, ensuring that operational and strategic priorities are effectively resourced without compromising long-term sustainability. Through disciplined cost management and the ongoing investment in staff retention and development, NAMFISA maintains the financial capacity to execute its regulatory and supervisory responsibilities with agility and foresight while positioning itself to adapt to emerging industry dynamics and national development goals.

REVIEW BY THE CHIEF EXECUTIVE OFFICER

Strategic Priorities for 2025/26

Our 2025/26 Business Plan (available on our website) focuses on:

- enhancing regulatory and operational efficiency through digital transformation and automation;
- strengthening financial sector resilience with improved risk-based supervision, positioning Namibia's non-bank financial sector for sustainable growth;
- promoting innovation through our Regulatory Sandbox, allowing the safe testing of new financial solutions;
- advancing the adoption of FinTech through initiatives such as the FinTech Square, fostering collaboration between regulators, innovators, and policymakers; and
- ensuring financial sustainability for both NAMFISA and the institutions we oversee.

To effectively deliver on the focus areas, NAMFISA has identified the following key initiatives for the 2025/26 financial year:

- Digital transformation: Strengthening processes for faster, data-driven decision-making.
- Consumer protection: Implementing the revised NAMFISA Act, the Financial Institutions and Markets Act, the Consumer Credit Bill, and the Financial Adjudicator Bill to ensure a fair and stable financial system.
- Crisis preparedness: Conducting a 2025 Crisis Simulation Exercise to strengthen sector resilience.
- Financial literacy: Empowering consumers through targeted education programmes.

Acknowledgements

I extend my deepest appreciation to the NAMFISA Board for their strategic leadership. Equally, I extend special thanks to Honourable Iipumbu Shiimi, the former Minister of Finance and Public Enterprises, for his invaluable contribution and support. I also warmly welcome Honourable Ericah Shafudah, the new Minister of Finance. Finally, I would like to acknowledge our dedicated staff, whose hard work ensures we deliver on our mandate with excellence.

Conclusion

NAMFISA remains committed to fostering a stable, innovative, and consumer-protected financial sector. With the support of our stakeholders, we will continue to position Namibia as a leader in financial regulation and innovation. I look forward to continuing our journey toward achieving even greater success in the coming year. Together, we build a stronger financial future.

Kenneth S. Matomola
Chief Executive Officer

02

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 it elaborates on the principles of good corporate governance required by the NAMFISA Act and internationally accepted best practice.

THE BOARD

Members of the Board 2024/25

Table 3: 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

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 Chief Executive Offier of Tuauana Farming in the Omaheke and Otjozondjupa regions

Mr Jauque Jansen
Chairperson, Audit and Risk Committee
Reappointed 2021; first appointment 2017

- CA (Nam)
- 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
- Debmarine-Namdeb Foundation

Members of the Board 2024/25

Ms Selma Ambunda
Chairperson, Human Resources Committee
Appointed 2021

- MA Business Administration
- MA Human Resources Development
- Bachelor of Laws (LLB)
- BA Human Resources Development
- Diploma Human Resources Management
- Executive Development Programme (EDP)

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

Ms Nelao Shilongo Alexander
Chairperson, Legal and Supervisory Committee
Appointed 2021

- BJuris
- LLB
- Member, 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

CHIEF EXECUTIVE OFFICER AND DEPUTY CEOs

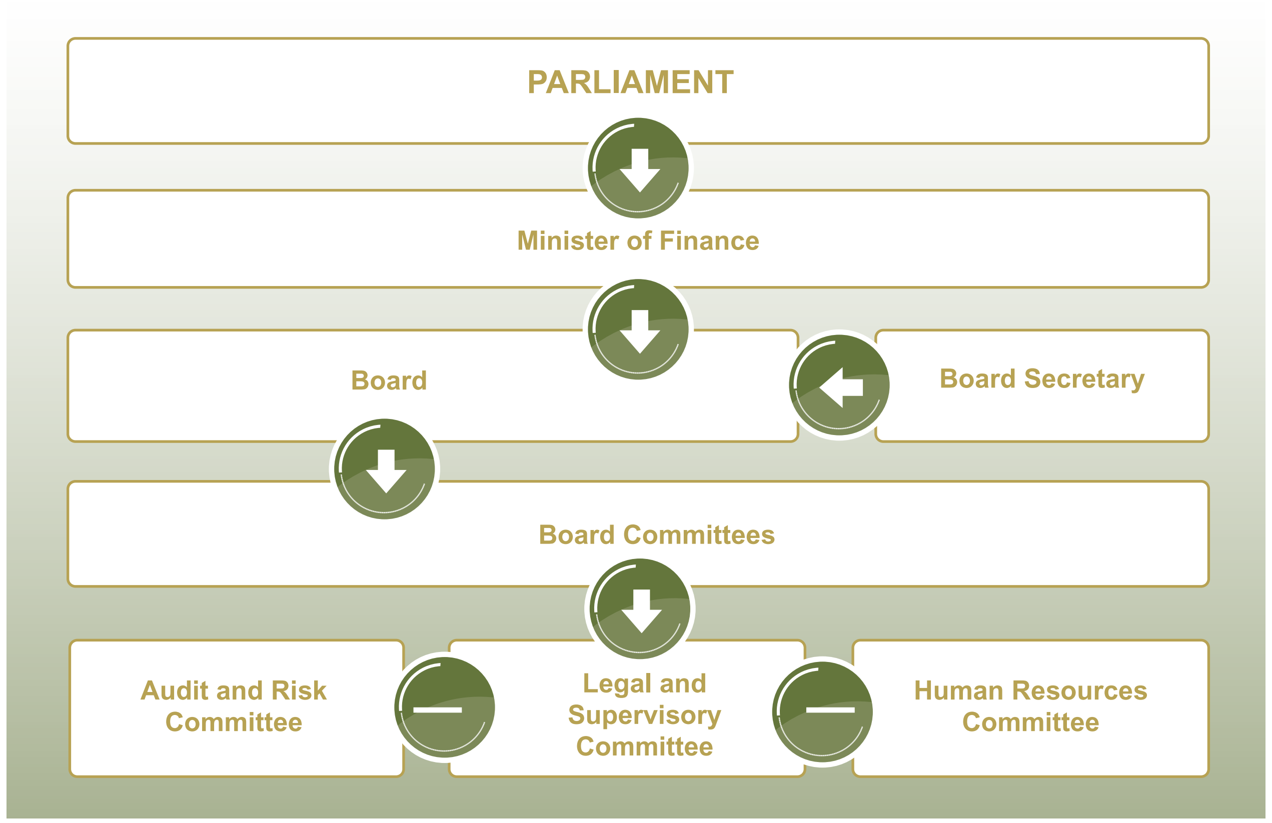
Mr Kenneth S. Matomola
Chief Executive Officer

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 nine months, until 31 May 2025. 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.

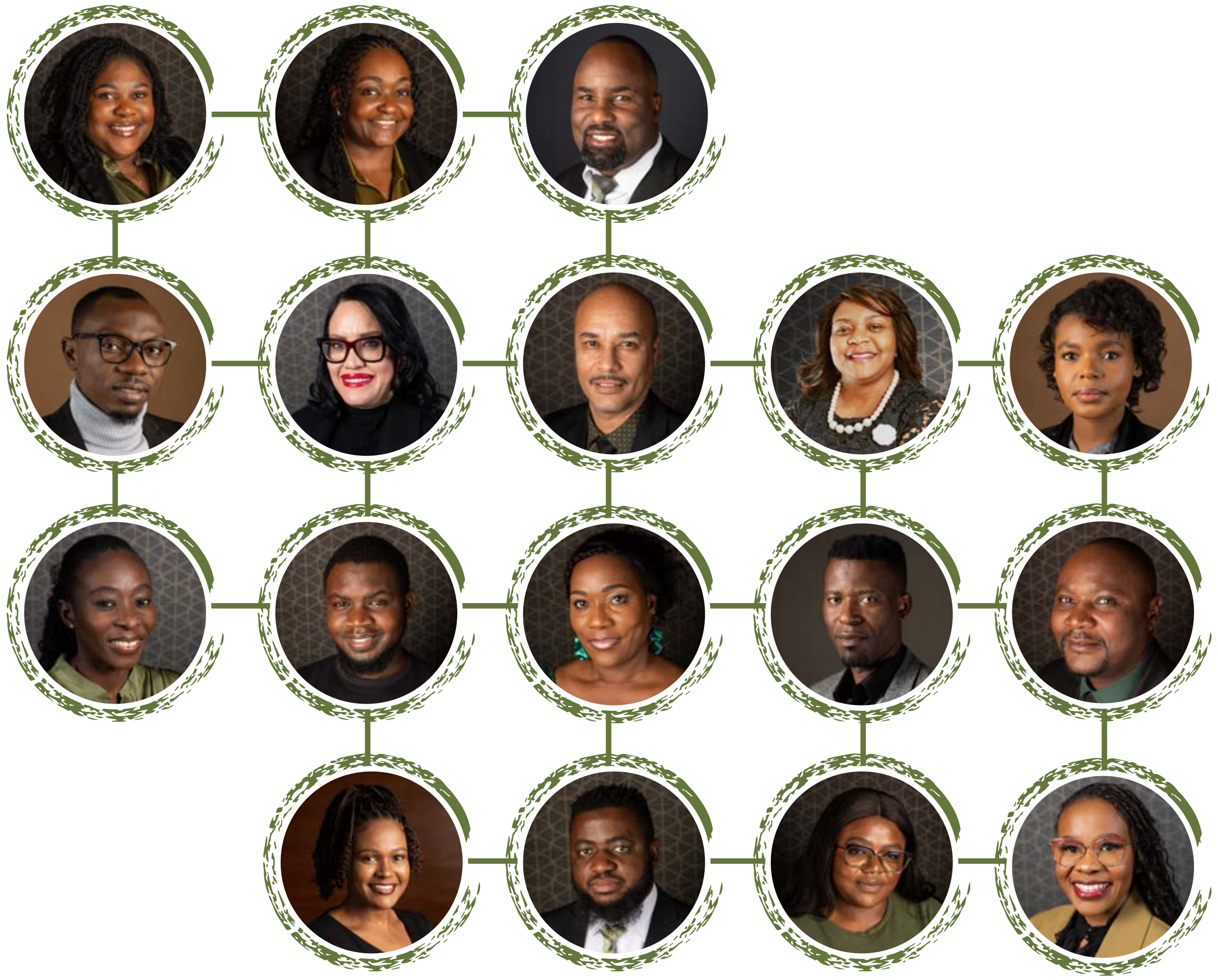
The Board exercises its oversight function through the following three principal committees:

- 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).[2]

[2] The NamCode is based on King III (the King Code of Governance Principles and the King Report on Governance) and provides guidance to all Namibian corporate entities on various governance-related aspects. The NamCode confirms the role of the Board as the focal point for corporate governance.

OFFICE OF THE CEO



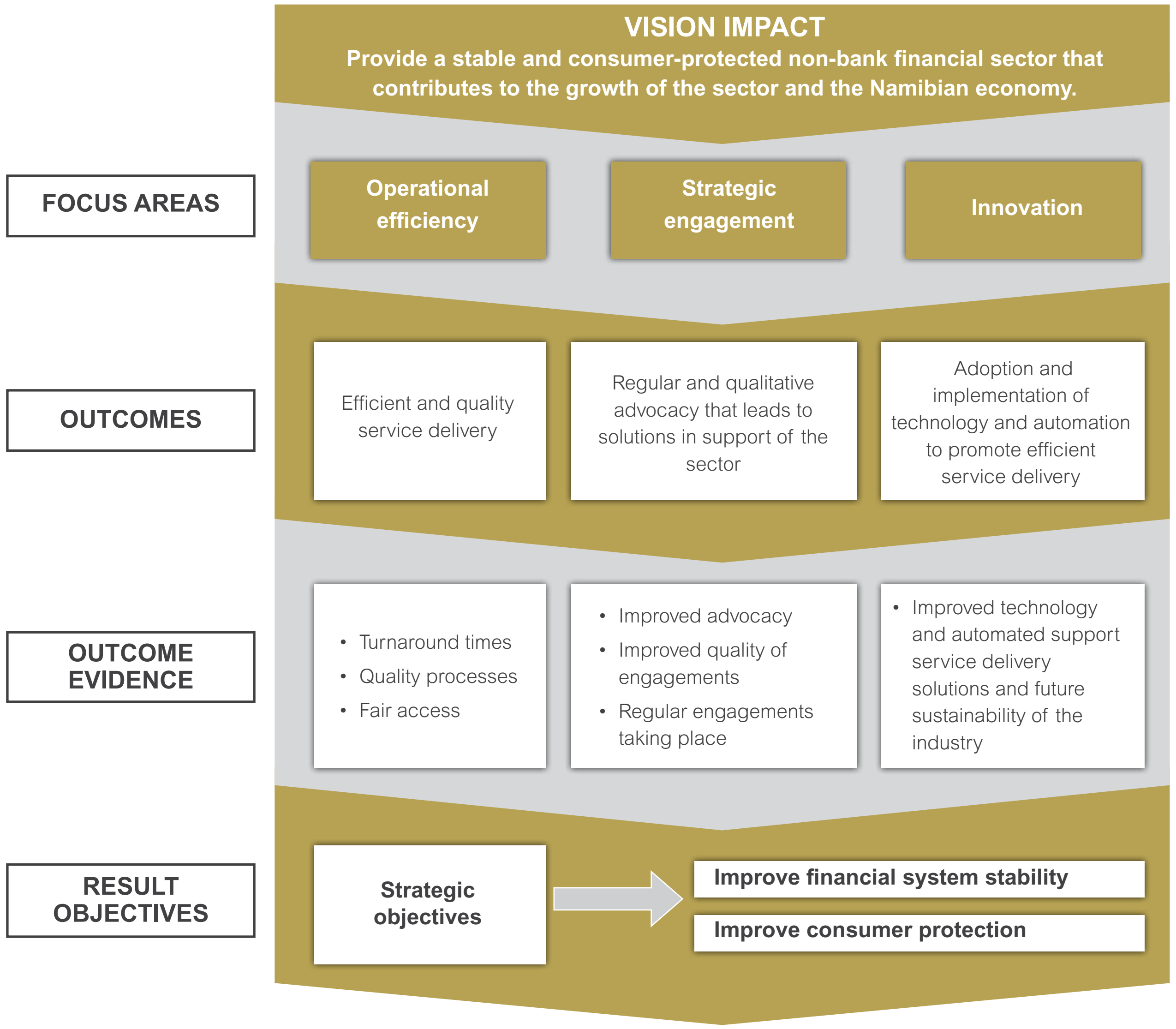
Ethical and value-based leadership

The Board provides leadership to the Authority that is premised on the ethical foundation as set out in the Code of Ethics and embedded in the following values rolled out throughout the organisation during the period under review: teamwork, integrity, service excellence, accountability, and agility.

The Board continued to implement its Ethics Programme throughout the Authority in the financial year under review. The Programme consisted of awareness sessions, declarations of interest, and a whistleblower hotline. The purpose of the hotline is to reinforce NAMFISA's ethical culture and to provide assurance to all employees, contractors, and other stakeholders related to NAMFISA of their protection from any penal action or victimisation arising from any legitimate concerns that are reported through any of the reporting channels provided by NAMFISA. The Executive leadership is also required to adhere to the Code of Ethics as well as the Leadership Creed. The ethics theme for the reporting year continued with the previous year's theme of *Ethics Culture.* This year, however, the focus shifted to embedding ethical behaviour into everyday decision-making, reinforcing accountability, and ensuring that ethics are consistently demonstrated across all levels of the organisation.

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 2024/25 financial year (Figure 2).

Figure 2: Strategic focus areas and expected outcomes for the 2024/25 financial year



The Board ensures that the Authority achieves its strategic objectives. In this regard, the highlights for the 2024/25 financial year are as follows:

- The 2024/25 Business Plan, approved by the Minister of Finance and Public Enterprises, was implemented.
- The Business Continuity and Disaster Recovery Plan was implemented to ensure that the Authority continues with minimum disruption to its activities should a disaster occur.
- The Risk Appetite Statement and Risk Register aligned to the five-year strategy, as approved, was implemented.
- The Authority received an unqualified audit opinion on the annual financial statements by the external auditors.
- Various standards and regulations under the FIMA and the Microlending Act, 2018 were reviewed and approved.
- Key human resources policies, including the Talent Management Policy and the Short-term Incentive Scheme, were reviewed and approved.
- Various finance and administration policies were approved.
- The Authority continued with the implementation of the succession plan.
- The Authority continued with the implementation of the Combined Assurance Framework.
- The Revised AML RBS Framework was reviewed and approved for implementation.
- The Code of Ethics, as approved by the Board, was implemented throughout the Authority.
- A revised Recognition Agreement with the Union that represents the staff members was approved and signed by the Authority.
- The Board successfully conducted a comprehensive Board assessment, with the assistance of an external service provider, and submitted the report to the line minister.

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;
- 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 2 to 4 September 2024, members of the Board participated in a virtual 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 4). The first special Board meeting was held to discuss the feedback on the wage increment negotiations with the Union as well as the feedback on legal opinion as sought from the Procurement Policy Unit. The second special meeting was held to discuss the feedback on the forensic investigation conducted by PwC at the request of the Board.

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 4: Membership and attendance of Board and Board Committee meetings

Member	NAMFISA Board (6 meetings)	Audit and Risk Committee (4 meetings)	Human Resources Committee (4 meetings)	Legal and Supervisory Committee (4 meetings)
Adv. H. Garbers-Kirsten	6/6 (Chairperson)	n/a	n/a	4/4
Amb. S. Katjiuanjo	5/6	4/4	5/5	n/a
Ms S. Ambunda	6/6	n/a	5/5 (Chairperson)	n/a
Mr J. Jansen	5/6	4/4 (Chairperson)	n/a	n/a
Ms N. Shilongo-Alexander	5/6	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, the proposed audit scope, approach and fee, and the coordination of audit efforts with the internal audit; and the Authority's approach to strategic risks, cybersecurity risks, and operational risks 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 2024/25 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 4 details attendance of the Committee's meetings.

Key activities during 2024/25

- Reviewed the Authority's 2025/26 budget and recommended it for Board approval.
- Reviewed the external auditors' engagement letter, the proposed audit plan and approach, and the audit fee.
- Reviewed the annual financial statements to consider whether they were complete, consistent with information known to the Committee members, and reflected appropriate accounting principles before recommending them to the Board.
- Reviewed the external auditor's management report and Management's responses to it.
- Considered the effectiveness of the Authority's internal control system, including controls over financial reporting, risk management, and information and communications technology (ICT) security.
- Together with Management and the Head of Internal Audit, implemented the Combined Assurance Framework, activities, staffing, and organisational structure of the Internal Audit Department.
- Reviewed the internal audit reports presented by the Head of Internal Audit.
- Reviewed the compliance reports presented by Management.
- Reviewed the Authority's risk management process, reviewed the maturity and effectiveness of its risk management activities, and identified the strategic risks facing NAMFISA as well as the emerging risks and responses required to address them.
- Monitored the Authority's budget spending for the 2024/25 financial year and the debt collection process for long-outstanding levies.
- Received and evaluated the progress reports on the implementation of ICT projects and made relevant recommendations to the Board.
- Reviewed and recommended various policies to the Board for approval, including the Investment Policy and the Internal Audit Charter.
- Reviewed and recommended the Authority's 2025/26 Risk Management Plan for Board approval.
- Reviewed and recommended the Authority's 2025/26 Compliance Management Plan for Board approval.
- Reviewed and recommended the 2025/26 Internal Audit Plan for Board approval.

Key focus areas for 2025/26

Financial oversight:

- Strengthen the review of financial reporting processes to ensure the accuracy, completeness, and integrity of NAMFISA's financial statements, consistent with International Financial Reporting Standards.
- Evaluate the independence, competence, and performance of both internal and external auditors through various assessments.
- Monitor the scope, methodology and findings of all audits, and ensure Management takes timely and appropriate actions on audit findings and recommendations.
- Resolve any disputes between Management and auditors, ensuring that accounting and auditing judgements are grounded in transparency and sound governance.
- Review and recommend the annual budget, external audit plan, and external audit fees for Board approval.

Risk management:

- Oversee the implementation and continuous improvement of NAMFISA's enterprise-wide Risk Management Framework, including its risk appetite and tolerance levels.
- Evaluate reports on key strategic, operational, financial, compliance, and reputational risks, ensuring that mitigation strategies are timely, effective, and appropriately resourced.
- Ensure NAMFISA's risk processes are aligned with its strategy and mandate and promote a risk-aware culture across all levels of the Authority.
- Review and recommend for approval the Risk Management Policy, ensuring alignment with regulatory expectations and industry best practices.
- Stay vigilant in respect of emerging risks at the intersection of financial services and technology, such as cybercrime, data breaches, and third-party digital vulnerabilities.
- Provide oversight of business continuity management to ensure the Authority can maintain or quickly resume critical functions in the event of significant operational disruptions.

- Review the adequacy of resourcing, systems, and training for effective risk and continuity management throughout the Authority.
- Oversee the implementation of NAMFISA's Ethics Programme, including the Code of Ethics, conflict of interest declarations, and whistleblowing hotline to foster an ethical, accountable, and transparent culture.
- Monitor reports on fraud, unethical conduct, or dishonesty and oversee the effectiveness of management's remedial actions.

Compliance:

- Oversee NAMFISA's adherence to all applicable laws, regulations, policies, and internal governance standards.
- Review and assess the Compliance Plan, monitor the Authority's overall compliance performance, and support a compliance-conscious culture across all levels of the Authority.
- Evaluate the effectiveness of internal policies and procedures, ensuring they are current, clearly communicated, and enforced.
- Oversee the implementation and continuous improvement of NAMFISA's Ethics Programme, including the enforcement of the Code of Ethics, declaration of interest processes, and anti-fraud measures.
- Monitor the whistleblowing hotline to ensure that it provides a safe, confidential, and effective channel for reporting misconduct or unethical behaviour.
- Monitor and address any reported conflicts of interest, fraud, or unethical conduct and assess the adequacy of the Authority's response to such incidents.

ICT focus areas

Recognising the critical importance of digital resilience in regulatory operations, the Committee will pay specific attention to:

Cybersecurity:

- Review NAMFISA's cybersecurity posture and maturity, ensuring that policies, firewalls, and incident response mechanisms are robust and continuously tested.
- Assess the implementation of the Cybersecurity Strategy and related frameworks, ensuring that sensitive data and critical systems are adequately protected.
- Monitor the efficacy of cybersecurity controls and staff training programmes and oversee business continuity protocols to ensure operational resilience during cyber incidents or information technology (IT) outages.
- Encourage a risk-based and adaptive approach to cyber governance, with a focus on emerging cyber threats and regulatory technology innovations.

Technology governance:

- Oversee the selection, deployment, and integration of IT systems that support NAMFISA's strategic and regulatory objectives.
- Evaluate IT investments for alignment with NAMFISA's strategic priorities and assess value-for-money considerations.
- Monitor the governance and controls around ICT project management, ensuring timelines, costs, and deliverables are appropriately managed and reported.
- Support the implementation of a combined assurance model to provide integrated and reliable assurance across IT and other business functions.

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 (4) 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 Board Committee meetings

The Human Resources Committee consisted of Ms S. Ambunda (Chairperson) and Amb. S. Katjiuanjo for the 2024/25 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 4 details attendance of the Committee's meetings.

Key activities during 2024/25

- Reviewed proposals for salary increase and performance incentives and made recommendations to the Board.
- Conducted performance review reports for the Authority and the CEO.
- Reviewed and recommended to the Board the quantum of the annual bonus pool.
- Approved the design of and determined the targets for a performance-related pay scheme and approved annual payments under the scheme.
- Reviewed the various policies related to human resources.
- Reviewed various internal audit reports related to human resources and remuneration.
- Reviewed the revised Recognition Agreement with the Union that represents the staff and recommended it to the Board for approval.
- Reviewed the 2024/25 Authority and CEO scorecards.

Key focus areas for 2025/26

Talent management and workforce strategy:

- *Workforce planning:* The Committee will guide the development of an integrated workforce plan aligned with NAMFISA's strategic objectives, particularly focusing on evolving regulatory demands and industry transformation. This includes the proactive identification of future skillsets required in various areas, and it aligns with the Authority's strategic objective to improve knowledge and skills (Strategic Initiative 4.1) as well as organisational assessment and realignment.
- *Recruitment and selection:* The Committee will monitor the effectiveness of recruitment strategies, and it will provide input on policies that ensure the timely sourcing of high-integrity and high-calibre professionals. The aim is to bolster capacity in specialist fields as the Authority digitises and integrates systems in line with the strategic themes of agility and technological innovation.
- *Diversity and inclusion:* Informed by NAMFISA's core values of teamwork, integrity, and service excellence, the Committee will oversee human resource (HR) initiatives that promote a diverse and

inclusive workplace, reflecting the demographics of the Authority. These will be evaluated through internal culture assessments and organisational performance indicators.

- *Learning and development:* Ensure a robust training and development programme that equips staff with the knowledge and skills necessary for them to effectively perform their duties.
- *Succession planning:* The Committee will monitor the implementation of a structured management succession plan to ensure leadership continuity. This will be aligned with the strategic workforce plan, which is essential for long-term sustainability, especially given the highly technical nature of regulatory functions.

Compensation and benefits:

- *Competitive compensation:* Maintain competitive compensation and benefits packages to attract and retain skilled professionals, considering the specialised nature of financial services regulation.
- *Performance management:* A key priority will be to enhance the fairness and impact of the performance management framework, especially in respect of short-term incentive plans. The Committee will assess implementation progress during its committee meetings.
- *Employee relations:* Guided by the Labour Relations Strategy, the Committee will support harmonious industrial relations by monitoring implementation of the revised Recognition Agreement with the Union that represents the staff.

Ethical conduct and culture:

- *Code of ethics:* Implement a strong code of ethics and monitor adherence to this code, which fosters integrity, transparency, and accountability.
- *Employee wellbeing:* Supporting the objective to improve work culture, the Committee will oversee initiatives that promote mental health, work-life balance, and workplace safety. This includes tracking the execution of the annual Culture Improvement Plan and culture survey indicators.

Additionally:

- *HR technology:* Review and approve the use of HR technologies to streamline processes and to improve data-driven HR decisions.
- *HR metrics and reporting:* In line with its oversight mandate, the Committee will monitor key HR indicators, such as talent retention rates and culture survey results, through its quarterly meetings.

Legal and Supervisory Committee

Committee Charter

The Legal and Supervision 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; and providing strategic guidance. 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 2024/25 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 4 details attendance of the Committee's meetings.

Key activities during 2024/25

- Provided oversight during the finalisation of the implementation project relating to the NAMFISA Act, 2021 and the FIMA.
- Reviewed the quarterly Legal Services reports. These reports detail the ongoing and potential legal matters involving the Authority, which include litigation proceedings, arbitration matters, and appeals before statutory tribunals such as the NAMFISA Appeal Board and Licensing Committee.
- Received and reviewed the quarterly Prudential Supervision and Market Conduct Supervision reports at each meeting. These reports highlight compliance trends, supervisory interventions, sector risks, and enforcement actions across the regulated non-bank financial institutions.
- Exercised oversight of 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 the proposed regulatory standards prior to submission to the Board.
- Monitored the implementation of the Microlending Act, 2018 as well as its regulations.
- Monitored the drafting of the Consumer Credit Bill.

Key focus areas for 2025/26

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 key focus areas for 2025/26 are as follows:

Legal and Regulatory Framework:

- *Review and update regulations:* In line with the NAMFISA Strategic Plan's objective to improve system stability, the Committee will oversee the continuous review, amendment, and development of subordinate legislation and standards issued under the NAMFISA Act and the FIMA. This includes ensuring that all frameworks are consistent with international best practices and responsive to sector dynamics.
- *Regulatory impact assessments:* The Committee will evaluate the potential impact of proposed regulatory instruments on the financial system, consumers, and regulated entities. This ensures that the Authority maintains a balance between market stability, innovation, and consumer protection.
- *Legal compliance:* The Committee will continue to monitor the Authority's adherence to applicable statutes, including administrative law principles, and ensure compliance with internal policies and external legal obligations.

Supervisory oversight:

- *Supervisory strategy and approach:* In accordance with its Charter and the Strategic Business Plan, the Committee will continue to provide oversight of NAMFISA's supervisory strategy. This includes reviewing quarterly reports from the Registrar to ensure that supervisory practices remain risk-based, proportionate, and effective across sectors.
- *Licensing and registration:* The Committee will continue to exercise strategic oversight of the registration, licensing and deregistration processes to ensure these mechanisms are fair, transparent, and aligned with the Authority's mandate.

Emerging issues and technology:

- *FinTech and innovation:* Recognising the impact of financial technology (FinTech) and digital innovation, the Committee will monitor developments in this space and guide the Authority in assessing their implications on supervision, enforcement, and consumer protection. This aligns with the Authority's strategic goal *to improve the usage of technology and innovative capabilities.*

Legal risks and dispute management:

- *Legal challenges:* The Committee will continue to provide strategic input on significant legal disputes involving NAMFISA, including litigation, arbitration, and appeals. Through regular reviews of the Legal Proceedings Register, the Committee will ensure the early identification of legal risks and appropriate mitigation.
- *NAMFISA Act and FIMA implementation:* The Committee will continue to play an advisory and oversight role in the implementation of the NAMFISA Act and the FIMA, which will include guiding the development of standards, addressing transitional regulatory gaps, and supporting industry readiness.

Additionally:

- *Committee training:* Ensure that committee members remain up to date regarding evolving legal and supervisory issues.
- *Reporting to the Board:* Provide regular reports to the Board on the Committee's activities and key regulatory developments.
- *NAMFISA Act and FIMA:* Provide strategic oversight to the new NAMFISA Act and the FIMA Implementation Project.

Board Fees

Table 5 sets out the fees paid to Board members during the 2024/25 financial year.

Table 5: Board fees, 2024/25

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	106,768.21	210,893.89		210,893.89
Mr J. Jansen	85,058.16	61,574.19	146,632.35		146,632.35
Amb. S. Katjiuanjo	85,058.16	73,976.04	159,034.20	120,040.00	279,074.20
Ms S. Ambunda	85,058.16	76,680.42	161,738.58		161,738.58
Ms N. Shilongo-Alexander	85,058.16	55,329.29	140,387.45		140,387.45
Total	**444,358.32**	**374,328.15**	**818,686.47**	**120,040.00**	**938,726.47**

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

Table 6: 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 throughout 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 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 to 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 Executive Management 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 as an invitee, and contributes to strategic alignment and 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.

03

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

NAMFISA is committed to maintaining a robust and effective Risk Management Framework. This framework helps us to achieve our core objectives of protecting consumers, promoting financial stability, and fostering a fair and efficient financial services industry in Namibia. This chapter highlights the key activities and achievements of the risk management function within the Authority for the reporting period.

NAMFISA has a well-defined Risk Management Framework, which is aligned with the NAMFISA Act (and any future amendments and/or repeals thereof), the International Organization for Standardization's ISO 31000:2018, the King Code of Governance Principles, the King Report on Governance 2016 (King IV), the NamCode, and international best practices.

The framework includes the following key elements:

- *Risk Appetite Statement:* defines the level of risk NAMFISA is willing to accept in pursuit of its strategic objectives.
- *Risk identification and assessment:* to regularly identify and assess potential risks that could impact NAMFISA's ability to achieve its objectives.
- *Risk mitigation strategies:* to develop and implement mitigation strategies for identified risks, including risk avoidance, reduction, transfer, and acceptance.
- *Monitoring and reporting:* to continuously monitor the effectiveness of risk management strategies, and to report on key risks to the Board and Senior Management.

Philosophy

NAMFISA's risk philosophy is deeply rooted in its core beliefs and principles, which guide the Authority's approach to risk management. At the heart of this philosophy is a proactive stance towards risk identification and mitigation, where NAMFISA strives to identify and address potential risks before they materialise. This proactive approach is complemented by the integration of risk management into the Authority's strategic planning process. Risk tolerance levels are meticulously determined, based on NAMFISA's strategic objectives, which ensures alignment between risk management and the organisational goals.

Within NAMFISA, decisions are made with a comprehensive understanding of the associated risks, employing a risk-based approach throughout supervisory activities, resource allocation, and regulatory development. This approach ensures that the efforts dedicated to managing risks are proportionate to their potential impact on NAMFISA's ability to achieve its objectives. Furthermore, as NAMFISA is unwavering in its commitment to continuous improvement, it regularly reviews and updates its Risk Management Framework to adapt to changes in both the internal and external environments.

Fostering a culture of open communication and transparency is also central to NAMFISA's risk philosophy. The organisation prioritises the clear and transparent communication of risks and mitigation strategies to relevant stakeholders, including the staff and the Board. This open dialogue ensures that all stakeholders are well-informed and engaged in the risk management process.

Accountability is a cornerstone of NAMFISA's risk management approach. The staff members are held accountable for the management of risks within their respective areas, and Senior Management bears the overall responsibility for the effectiveness of the Risk Management Framework, which underscores the Authority's commitment to robust and accountable risk management practices.

Governance of Risk Management

The Board retains accountability and responsibility for the overall process of risk management. The Audit and Risk Committee, in its capacity as a Board Committee, is tasked with assisting the Board in carrying out its risk management responsibilities. The Governance, Risk and Compliance Department is primarily responsible for the administration function of risk management. The responsibility for implementing risk management processes is devolved to the Line Management in each NAMFISA division, department, or operation or business unit. Furthermore, NAMFISA's internal audit function provides independent assurance on the risk management process.

Regulatory Compliance and Reporting

NAMFISA is committed to complying with all applicable legal and regulatory reporting obligations. The Authority submits regular statutory reports in line with the requirements of the NAMFISA Act and the Public Enterprises Governance Act. Compliance is monitored through internal audits and by the governance, risk and compliance function. No material instances of non-compliance were reported during the review period.

Risk Appetite

The NAMFISA Risk Appetite Statement aims to promote a fair, efficient and stable NBFI sector in which consumers and investors are protected. The statement emphasises regulatory, supervisory, policy advice, operational, and governance principles; and it emphasises the importance of a risk-based supervisory (RBS) approach that reduces the likelihood of financial institution failure and adheres to applicable laws and regulations.

Table 7: NAMFISA Risk Appetite Statement

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		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
	• Prudential	• Market conduct				
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 7 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

In the context of our Annual Report, it is imperative to address the strategic risks that face the Authority. As a regulatory body that oversees the NBFI sector, NAMFISA continually navigates a complex landscape characterised by evolving regulatory frameworks, technological advancements, and macroeconomic fluctuations. One of the foremost strategic risks lies in adapting to rapid changes in the financial industry, particularly the digitalisation of financial services and emerging FinTech innovations. It is crucial to ensure that our regulatory approaches remain relevant and effective in this dynamic environment. Additionally, maintaining stakeholder trust and confidence while promoting financial stability and inclusion presents an ongoing challenge. NAMFISA is committed to proactively identifying, assessing, and mitigating these strategic risks through robust risk management practices, stakeholder engagement, and continuous capacity-building initiatives. Our dedication to enhance regulatory resilience and responsiveness underscores our commitment to safeguarding the integrity and stability of Namibia's financial system.

The Authority has identified the following strategic risks as part of the development of the five-year strategy together with the adopted mitigating strategies:

1. Change management risk

- ***Contributing factors:***

  The financial sector's dynamic landscape, legislative changes, regulatory changes, technological transitions, and work culture changes have increased change management risk within NAMFISA. These challenges require careful planning, strategic foresight, and robust change management strategies.

- ***Mitigation strategies:***

  » In 2024/25, the Authority continued to drive key change management initiatives to enhance institutional agility and readiness for transformation. Progress was recorded across several dimensions of change.

  » The Culture Improvement Plan reached 85 percent implementation, strengthening staff engagement and internal capacity for change.

  » The Risk-based Supervision (RBS) Capacity Building Plan was fully executed, enhancing technical and supervisory competencies to support regulatory reform. Digital enablement efforts advanced, with 76 percent utilisation of innovative systems; however, certain dependencies remain linked to the full implementation of the FIMA.

  » To future-proof the organisation, an Organisational Assessment and Realignment process was launched, and implementation is scheduled for 2026.

  » Progress on core systems included the finalisation of the finance module within the ERP project, and benchmarking of the human resources module alongside procurement of an E-recruitment system to modernise talent acquisition.

  » The internal and external communication audits demonstrated strong compliance, supporting stakeholder alignment.

Collectively, these interventions positioned the Authority to remain adaptive and resilient in a dynamic regulatory and operational environment.

2. Reputational risk

- ***Contributing factors:***

  Legal challenges, poor legislation implementation, slow FinTech adoption, negative staff morale, poor customer and stakeholder service experiences, and not meeting expectations can lead to the loss of reputation.

- ***Mitigation strategies:***

  » During the 2024/25 financial year, the Authority implemented targeted measures to manage reputational risk, addressing legal exposure, stakeholder perception, and technological innovation. Governance and accountability mechanisms were reinforced through strict adherence to the Delegation of Authority and Legal Policy.

  » Proactive communication efforts advanced through the Collaborative Stakeholder Engagement Strategy (96 percent complete) and the FIMA Communications Plan, supported by media engagements and consumer education initiatives. Furthermore, 99 percent of the FIMA-related standards and regulations were drafted and consulted on, enhancing transparency and credibility.

  » To address reputational risks related to emerging technologies, the Authority progressed key FinTech initiatives, including the Regulatory Sandbox (three active participants and a fourth in an advanced stage) and preparations for the second cohort, focusing on equity crowdfunding and peer-to-peer lending. Engagement with FinTech hubs, academia, and regulators further strengthened the Authority's positioning as an innovative and forward-looking regulator.

  » Public visibility and stakeholder trust were reinforced through participation in prominent events such as the Ongwediva Trade Fair, the Windhoek Show, the Medical Health Exhibition, and the CEO Stakeholder Breakfast held in March 2025.

  » While the nationwide advocacy campaign awaits ministerial direction, a new FIMA-focused communication plan for 2025/26 has been developed to sustain momentum and continue mitigating reputational risks in the year ahead.

3. Corporate governance risks

- ***Contributing factors:***

  NAMFISA faces potential risks to its corporate governance due to a lack of succession planning, exemption under the Public Enterprises Governance Act, 2019 (No. 1 of 2019), and the ineffective delegation of authority and line ministry directives.

- ***Mitigation strategies:***

  » During the 2024/25 financial year, the Authority implemented targeted interventions to mitigate corporate governance risk, addressing succession planning gaps, exemptions under the Public Enterprises Governance Act, ineffective delegation of authority, and dependencies on directives from the line ministry.

  » To ensure leadership continuity, the Board's tenure was extended by the Minister of Finance from 28 February 2025 to 31 May 2025, safeguarding uninterrupted governance oversight while succession and appointment processes remain underway.

  » To mitigate risks related to delegation and accountability, the Authority continued its structured review of the Delegation of Authority Framework. The most recent updates for the Supervision and Operations divisions were finalised in 2023 and 2022, respectively. These reviews are critical for maintaining the clarity of roles, reinforcing accountability, and ensuring that internal governance processes remain effective and adaptive to the Authority's evolving operational environment.

4. Security risks

- ***Contributing factors:***

  NAMFISA faces significant security risks in this digital age, including the increasing threat of cybercrime, potential data loss due to cyber-attacks, system malfunctions, human error, and the inadequate security of infrastructure. These factors can have severe operational and reputational implications.

- ***Mitigation strategies:***

  » During the 2024/25 financial year, the Authority implemented targeted measures to mitigate security risk, addressing cyber threats, data loss, and system vulnerabilities. Cybersecurity resilience was enhanced through the completion of Module 3 of the KnowB4 training programme, aimed at reducing human-related vulnerabilities and strengthening staff awareness.

  » To safeguard data integrity and ensure system continuity, periodic data backups, restorations, and failover tests were successfully conducted. These controls are critical for maintaining the Authority's capacity to recover essential systems and information in the event of an incident.

  » In mitigating the risk of technological obsolescence, key infrastructure components (e.g. servers, switches, and firewalls) underwent scheduled updates and testing. Additionally, new uninterruptible power supply units were deployed to stabilise wireless network operations during power disruptions, further enhancing operational continuity.

Collectively, these initiatives demonstrate the Authority's proactive approach to securing its digital infrastructure and protecting sensitive information against an increasingly complex cyber-risk environment.

5. Technology risk

- ***Contributing factors:***

NAMFISA faces significant technology risks due to ineffective technologies, outdated systems, connectivity complications, poor data management practices, and challenges with data validation.

- ***Mitigation strategies:***

» During the 2024/25 financial year, the Authority implemented focused interventions to mitigate Technology Risk, addressing system readiness, automation gaps, and alignment with evolving operational demands. Significant progress was made in strengthening digital resilience and supporting transformation objectives.

» The successful completion of the ERS FIMA Readiness Project demonstrated the Authority's preparedness for legislative implementation; however, the project remains on hold pending the operationalisation of the FIMA. This pause highlights the ongoing risks related to system underutilisation in the absence of regulatory activation.

» To mitigate inefficiencies and reduce reliance on manual processes, all mapped reports were successfully automated, enhancing data accuracy and operational efficiency. Additionally, the assessment for automating administrative forms was finalised, and implementation is scheduled for the first quarter of the new financial year.

These initiatives directly contribute to improving system readiness, streamlining operations, and ensuring that technological investments remain aligned with the Authority's strategic and operational priorities.

6. Sustainability risk

- ***Contributing factors:***

NAMFISA faces several sustainability risks, including potential litigation cases, severe economic downturns, and evolving regulatory landscapes. Litigation can lead to financial liabilities and it can damage the organisation's reputation. Economic downturns can affect financial stability and operational continuity, potentially causing budget constraints and resource limitations.

- ***Mitigation strategies:***

» During the 2024/25 financial year, the Authority implemented targeted measures to mitigate sustainability risk, focusing on economic uncertainty, potential litigation exposure, and funding pressures with strategies advanced to preserve financial stability and long-term institutional viability.

» An external audit confirmed no immediate financial threats arising from litigation; however, ongoing legal proceedings continue to be monitored to minimise potential financial and reputational impacts.

» In respect of the economic front, NAMFISA's financial sustainability remained strong. Projected increases in levy income from key sectors such as medical aid funds, insurers, retirement funds, and investment managers are aligned with inflation and broader positive economic trends; and contributions from microlenders remain stable due to the short-term nature of their products. These trends collectively reduce the risk of financial shocks.

» To manage internal cost pressures, the Authority maintained a freeze on staff headcount increases and is engaging stakeholders to explore funding solutions aligned with legislative objectives and fiscal prudence.

Collectively, these measures have reinforced revenue resilience, strengthened legal risk management, and ensured sound financial governance in support of NAMFISA's long-term sustainability.

04

EXECUTIVE MANAGEMENT

The CEO drives the implementation of the Authority's five-year strategy and steers the direction of policy. In this regard, the CEO presides over organisational, regulatory and supervisory operations. This leadership is provided to accomplish the regulatory and supervisory objectives that are conferred on the Authority by the statutes it administers. The CEO's duties are supported by an Executive Committeeand various auxiliary committees within NAMFISA's Management structure.

EXECUTIVE MANAGEMENT

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NAMFISA's organisational structure reflects that operations are clustered into two key functions, namely Prudential Supervision and Market Conduct and Operations, which together enhance the execution of its mandate. A Deputy CEO heads each cluster (Figure 3).

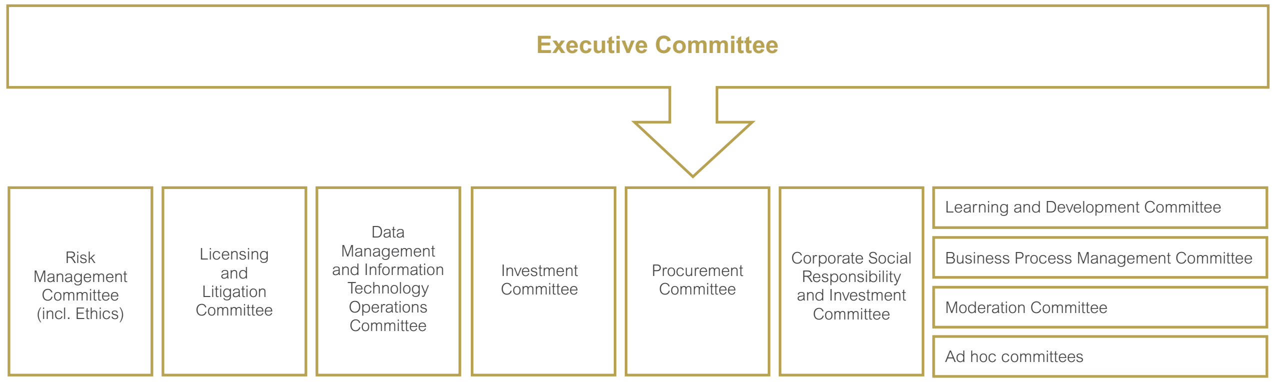
Figure 3: Executive Management organisational structure

Executive Committee

The CEO chairs the Executive Committee, and both Deputy CEOs of the clusters and all General Managers of the various divisions in NAMFISA's organisational structure serve as members. The Head of Internal Audit; the Head of Governance, Risk and Compliance; the Head of Strategy and Projects; and the Manager of Corporate Communications attend Executive Committee meetings by invitation.

The Executive Committee's three functions are Supervision, Strategy and Operations. Thus, they discuss and monitor regulatory and supervisory matters, monitor organisational activities, implement the Authority's strategy, and manage risks. Assisting the Executive Committee in these functions are various other committees, each with its own respective area of technical specialisation, as set out in Figure 4.

Figure 4: Executive Committee and its supporting committees



Risk Management Committee

The CEO chairs the Risk Management Committee. Its members include the two Deputy CEOs; all General Managers; the Head of Internal Audit; the Head of Governance, Risk and Compliance; the Head of Strategy and Projects; and the Manager of Corporate Communications. The Committee assists the CEO in identifying and managing risks within the Authority and ensures the maintenance of ethical conduct throughout the organisation.

Licensing and Litigation Committee

The Deputy CEO for Market Conduct and Operations chairs the Licensing and Litigation Committee. Its members include the Deputy CEO for Prudential Supervision; the General Manager of Capital Markets; the General Manager of Insurance and Medical Aid Funds; the General Manager of Pension Funds and Friendly Societies; the General Manager of Research, Policy and Statistics; the General Manager of Market Conduct; the General Manager of Legal Services; the Head of Governance, Risk and Compliance; the Head of Internal Audit; and the Legal Officer in Market Conduct.

The Committee considers applications for the approval or registration of NBFIs and makes recommendations to the CEO for decision making. The Committee also considers litigation by or against the Authority and recommends appropriate action to the CEO.

Data Management and Information Technology Operations Committee

The General Manager of the Information and Communications Technology Division chairs the Data Management and Information Technology Operations Committee. Its members include the operational managers: Managers of NAMFISA's supervisory divisions; ICT Managers; the Head of Governance, Risk and Compliance; and the Manager for Corporate Communications and Consumer Education. The Head of Internal Audit and the Project Managers of the Strategy and Projects Office are invited to attend when required.

The primary responsibility of this Committee is to resolve operational data issues and recommend strategic and policy decisions to the Executive Committee. The Committee also serves as the executor of data quality and related projects. Furthermore, it resolves business issues relating to ICT, ensures that a sound relationship exists between the ICT function and NAMFISA's stakeholders, and resolves any operational issues pertaining to the use of the Authority's ICT systems and services.

Investment Committee

The Deputy CEO for Market Conduct and Operations chairs the Investment Committee. Its members include the General Manager of Finance and Administration, the Manager of Finance, and other General Managers and Managers designated by the CEO. The Committee has the duty to ensure that surplus funds are invested according to guidelines stipulated in the Investment Policy

Procurement Committee

The Deputy CEO for Market Conduct and Operations chairs the Procurement Committee and is deputised by the Head of Governance, Risk and Compliance. The Committee's members include the General Manager of Legal and Licensing Services, the General Manager of Finance and Administration, and other Managers designated by the CEO. The Committee's primary purpose is to ensure that the Authority's procurement process is conducted as per the Public Procurement Act, 2015 (No. 15 of 2015), thus assuring that NAMFISA remains fully compliant with the provisions of this Act.

Corporate Social Responsibility and Investment Committee

The Deputy CEO for Market Conduct and Operations chairs the Corporate Social Responsibility and Investment (CSRI) Committee and is deputised by the General Manager of the Human Resources Division. The Committee's members include the General Manager of Finance and Administration; the General Manager of Research, Policy and Statistics; the Manager of the Corporate Communications and Consumer Education Department; and the Chairpersons for the Sports and Social Clubs. The Committee recommends all CSRI activities to the CEO for approval. Its operations are enshrined in the Authority's institutional policies by way of a CSRI Policy that focuses on education, sports, arts and culture, ICT, and national priorities..

Learning and Development Committee

The Deputy CEO for Market Conduct and Operations chairs the Learning and Development Committee and is deputised by the Deputy CEO for Prudential Supervision. The Committee's members include the General Manager of Human Resources and the General Manager of Finance and Administration. The Committee's primary purpose is to evaluate and recommend learning and development interventions within NAMFISA to the CEO for approval. It is further mandated to prioritise organisational short- and long-term learning and development objectives, in line with NAMFISAs strategic objectives and approved budgetary provisions for a given financial year. The Committee further aims to ensure that a Learning and Development Plan is in place, and to ensure fairness and equity throughout the Authority.

Business Process Management Committee

The General Manager of Information and Communication Technology chairs the Business Process Management Committee. It comprises a managerial representative from each of the divisions, which includes the Manager of Finance; the Manager of Business Systems and Services; and the Change Management Specialist. The primary function of the Committee is to approve new processes as well as changes to the approved processes, and to monitor the efficiency of software related to business processes and the impact thereof on employees throughout the Authority.

Moderation Committee

The Moderation Committee, which is chaired by the Deputy CEO for Market Conduct and Operations, includes the Deputy CEO for Prudential Supervision, the General Managers of Human Resources and Finance and Administration, and the Head of Strategy and Projects. The Committee's primary role is to oversee the Performance Management System, ensuring that the process as well as the setting of standards are fair, objective, and valid. The Committee also recommends actions to ensure that line managers and supervisors assess and rate employees in a fair and proper manner.

Ad-hoc committees

A variety of other committees are constituted by the CEO to work on pertinent issues from time to time.

05

STRATEGY AND PERFORMANCE

NAMFISA has implemented a clear and well-defined strategy. Effective performance management, which is closely integrated with this strategy, is pivotal to enable the Authority to fully deliver on all of the strategic themes, including stakeholder engagement, operational efficiency, and innovation.

Strategy

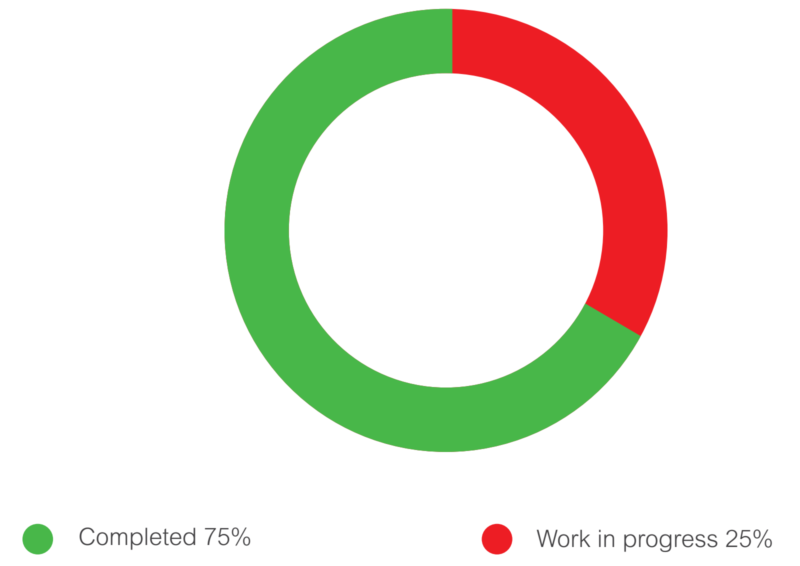
NAMFISA's strategy aims to boost efficiency through stakeholder engagement and innovation, aligning with stakeholder needs to ensure financial stability, protect consumers, and support emerging ideas across internal and external environments.

The end of the 2024/25 financial year marks the end of the third year of the Authority's 2022-2027 five-year strategy, which commenced on 1 April 2022. The intention is to identify and prioritise key strategic initiatives in the Business Plan for execution during the running financial year while balancing strategic change with operational deliverables (business as usual). Eleven (11) strategic initiatives are earmarked to be achieved and completed by the end of the 2022-2027 five-year strategy.

For the 2024/25 financial year of the strategy, the Authority focused on the following eight (8) objectives:

1. Improved use of technology and innovation capabilities
2. Improved data management
3. Improved access to NAMFISA services
4. Improved knowledge and skills
5. Improved work culture
6. Improved customer and stakeholder engagement
7. Improved financial sustainability
8. Improved process and system integration

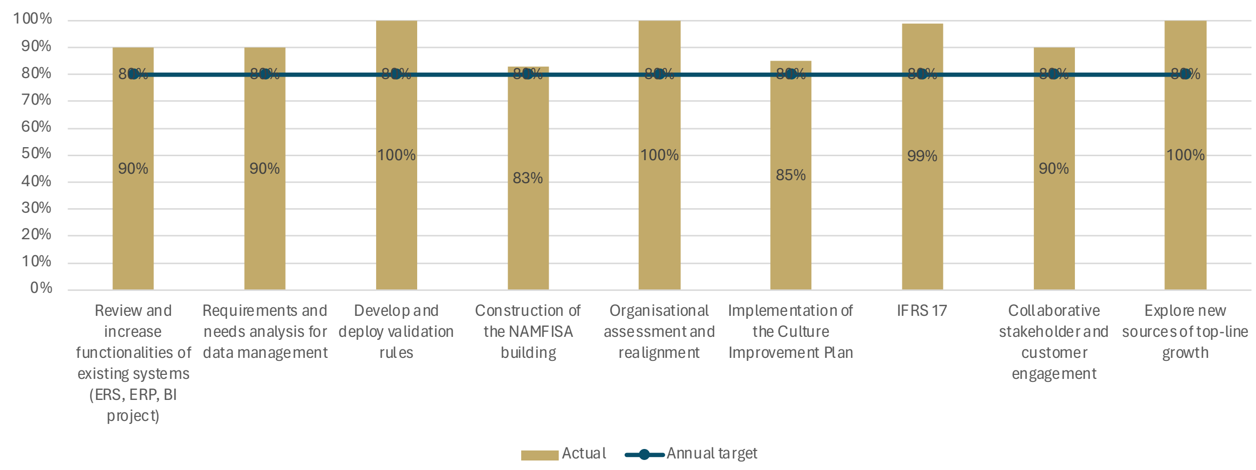
Figure 5: Achievement of strategic performance measures, five-year strategy, 2024/25



In respect of the third year's achievement of the five-year strategy targets, NAMFISA achieved 75 percent of its strategic performance measures (Figure 5).

The performance of the Business Plan across the nine (9) strategic initiatives constituted a 100 percent completion rate of their annual set targets (Figure 6).

Figure 6: Business Plan performance (strategic initiatives) for 2024/25



As is customary, the Authority conducts its annual strategy review to reflect and evaluate strategy performance as well as to refocus, which is vital to ensure continuous improvement. As such, a Business Plan for the 2025/26 financial year has been devised. Table 8 sets out the focus of the plan.

The Authority continued to monitor the performance of all 11 strategic objectives through strategic performance measures during the reporting period, as some of these measures are in place operationally. By continuously measuring and monitoring its performance, the Authority can effectively deliver on its overall five-year strategy. These activities involve monitoring strategic progress every month at different levels in the Authority, which is reported on a quarterly basis to the Board.

Although NAMFISA identifies strategic objectives (priority areas) on which to focus each financial year, these objectives do not represent the totality of the Authority's work; instead, they are used to drive decisions about thematic projects and inform areas that require specific attention with regard to the achievement of its core activities. Table 8 presents the strategic priorities and key strategic initiatives that will drive performance in the 2025/26 financial year.

Table 8: Strategic objectives and key strategic initiatives planned for 2025/26

Strategic objectives	Key strategic initiatives
Improved use of technology and innovation capabilities	• Increase use of existing functionalities to optimal levels • Conduct organisation-wide digital transformation: business analysis and design (business process engineering and modelling)
Improved data management	• Requirements and needs analysis for data management • Develop and deploy validation rules
Improved access to NAMFISA services	• Consumer research study
Improved knowledge and skills	• Organisational assessment and realignment
Improved work culture	• Implement the Culture Improvement Plan
Improved service delivery	• Implement new legislation
Improved process and systems integration	• Align the procedures, processes, and technology of insurance and medical aid funds to adequately supervise the insurance industry in light of the adoption of International Financial Reporting Standards (IFRS) 17
Improved customer and stakeholder engagement	• Collaborative advocacy engagement
Improved financial sustainability	• Explore new sources of top-line growth
Improved system stability (non-banking financial sector)	• Execute the 2025 Crisis Simulation Exercise (CSE) for Namibia

Financial Performance

Financial sustainability

The Authority and its subsidiary Metropol (Pty) Ltd (hereinafter, the Group) continued to manage their financial resources prudently and in line with the approved budget. Financial reporting was conducted quarterly to the Board via the Audit and Risk Committee and semi-annually to the Minister of Finance. Executive Management actively monitored budget implementation to ensure ongoing compliance and financial accountability.

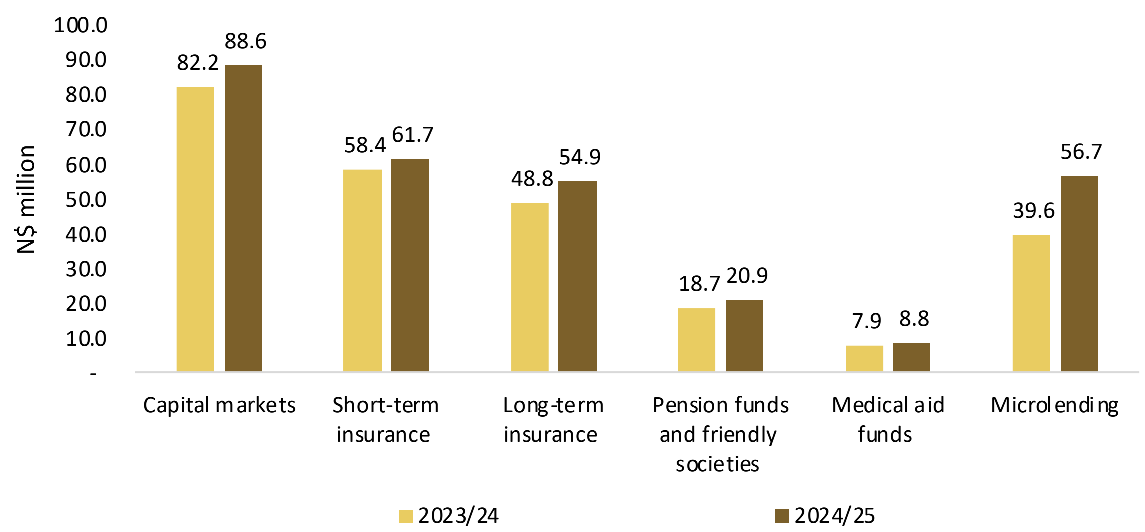
Overall performance

The Group's total recorded income for the financial year ending 31 March 2025 amounted to N$312.3 million, an increase of 11.7 percent (2024: N$279.5 million). The total expenditure increased by 5.4 percent to N$268.3 million (2024: N$254.7 million). Other comprehensive income amounted to N$2.5 million, resulting in a total comprehensive surplus of N$46.5 million (2024: N$37.7 million). The surplus significantly exceeded the budgeted surplus of N$81,202, reflecting disciplined expenditure control and continued sustained revenue growth.

Income

Levy income, which forms the bulk of non-exchange revenue, increased by N$36.2 million (14.2 percent) to N$291.7 million (2024: N$255.5 million). The growth in levy income reflects the resilience and financial stability of the NBFIs. Investment income increased to N$14.1 million (2024: N$12.6 million) and other income totalled N$4.9 million.

Figure 7: Levy income per industry



Expenditure

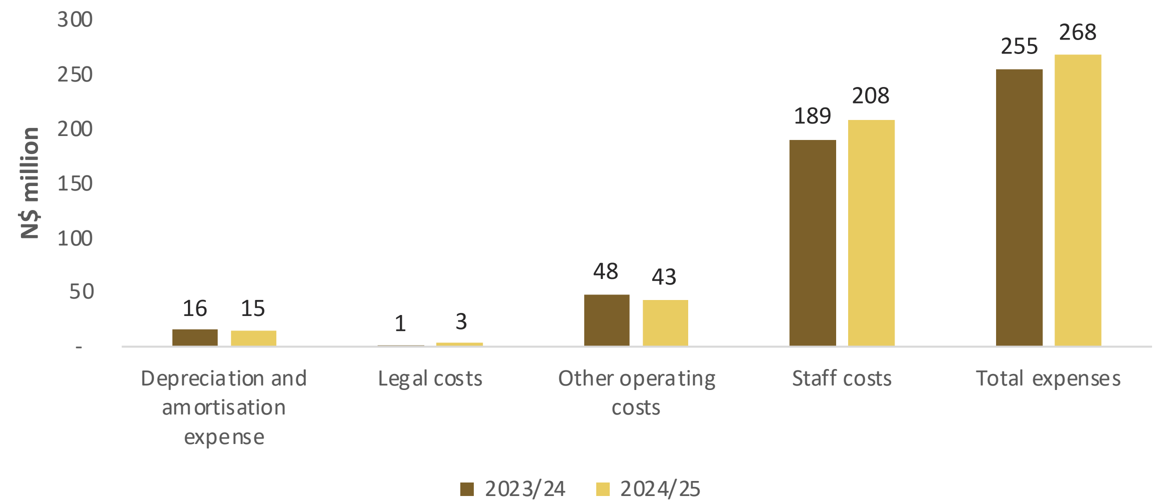
The total expenditure rose by N$13.6 million to N$268.3 million (2024: N$254.7 million).

The increase in the total expenditure was primarily driven by:

- staff costs, which rose by N$18.5 million (9.8 percent) to N$207.9 million due to higher short-term incentive payments;
- legal costs, which doubled from N$1.4 million to N$2.9 million due to increased litigation activity; and
- savings in other operating costs, including depreciation and office rental.

The staff costs constituted 77.5 percent of the total expenditure, which is consistent with the Authority's labour-intensive regulatory operations.

Figure 8: Operating expenditure



Financial position

The Group's total assets amounted to N$383.0 million as at 31 March 2025, an increase of N$44.0 million (13 percent) from the previous year. The increase in total assets was driven primarily by the total comprehensive surplus of N$46.5 million, which was partially offset by a net decrease of N$8.3 million in liabilities.

Accumulated income increased to N$140.2 million, and the general reserve was increased by N$18 million to N$130 million, in line with the Reserves Policy.

Human Resources Developments

Executive or key employee changes

Table 9a presents the new appointments made at the Management level to ensure proper execution of the Authority's mandate and strategy.

Table 9a: Management appointments

Seniority	Name	Position	Date of appointment
Senior Management	Mr Imanuel Hawanga	General Manager: Capital Markets	3 June 2024
Senior Management	Mr Abel Sindano	General Manager: Research, Policy and Statistics	1 November 2024
Management	Ms Gloria Heita	Change Management Specialist	1 December 2024
Management	Ms Operi Kaapama	Manager: Insurance and Medical Aid Funds	1 January 2025
Management	Mr Laslo Dedig	Manager: Pension Fund and Friendly Societies	27 January 2025

Table 9b: Management terminations

Seniority	Name	Position	Date of termination
Senior Management	Mr Floris Fleermuys	General Manager: Research, Policy and Statistics	15 June 2024
Management	Mr Kennedy Urikob	Manager: Insurance and Medical Aid Funds	30 June 2024
Management	Ms Hilja Katshuna	Change Management Specialist	31 July 2024
Management	Ms Veneranda Mahindi	Manager: Pension Fund and Friendly Societies	31 August 2024
Management	Mr Elvin Kamana	Head: Strategy and Projects	31 January 2025

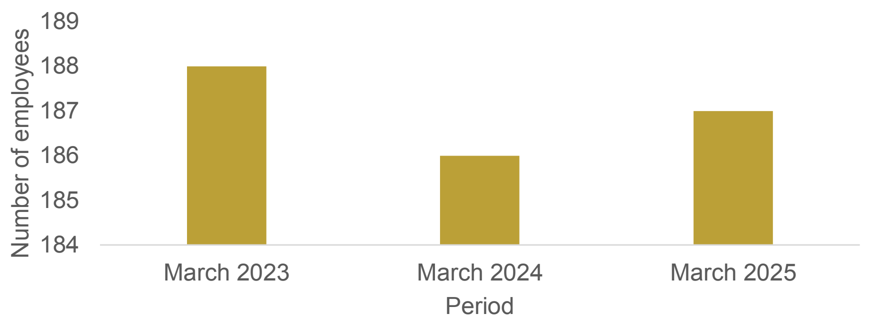
Labour turnover

The staff turnover rate as at 31 March 2025 was 6.84 percent, compared with 8.45 percent for the previous reporting period. This is above the institutional target limit of 5.0 percent.

Staff complement

The staff complement, including temporary staff, stood at 187 as of 31 March 2025. This represents a 1.1 percent increase in the workforce, compared with the previous financial year (Figure 9 and Table 10).

Figure 9: 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 10: Staff complement

Division	Permanent staff		Temporary staff		Total staff			% per division
	Females	Males	Females	Males	Females	Males	Total	
Finance and Administration	16	7	0	2	16	9	25	13.4
Human Resources	6	2	1	2	7	4	11	5.9
Insurance and Medical Aid	10	11	1	0	11	11	22	11.8
Capital Markets	9	7	0	0	9	7	16	8.6
Information Technology	3	8	0	0	3	8	11	5.9
Legal and Licensing Services	14	7	0	2	14	9	23	12.3
Office of the CEO	8	7	0	0	8	7	15	8.0
Research, Policy and Statistics	4	10	1	0	5	10	15	8.0
Market Conduct	18	8	1	1	19	9	28	15.0
Strategic Projects	1	1	1	0	2	1	3	1.6
Pension Funds	10	8	0	0	10	8	18	9.6
Total	**99**	**76**	**5**	**7**	**104**	**83**	**187**	**100**

Staff development

Performance management

Towards the achievement of its mandate, the Authority places significant importance on managing performance. To this end, the related governance documents are continuously enhanced to ensure that the Authority drives its key purpose and addresses new developments aligned with best practice.

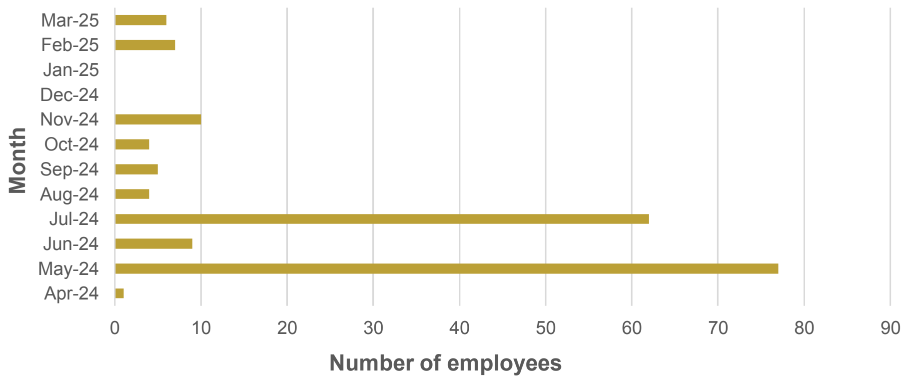
The implementation of the revised performance agreement template was actioned in April 2023, a basis on which all performance goals were developed and reviewed. Management is currently monitoring its effectiveness through the performance moderation process.

Performance monitoring and improvement is encouraged throughout the year, with formal employee reviews conducted at the end of September and March each year. Any identified gaps are addressed through the various learning and development strategies.

Training and development

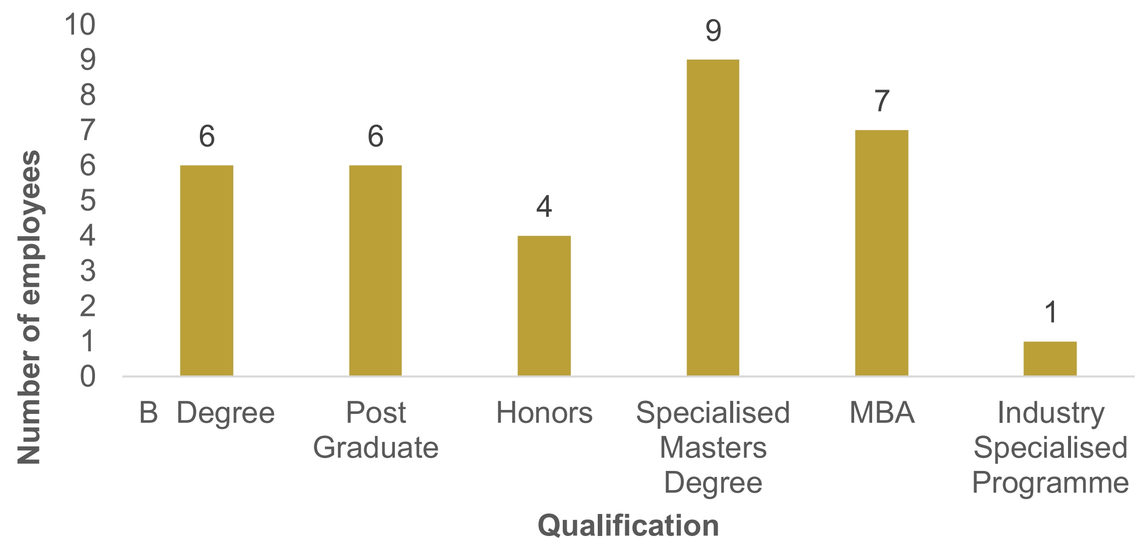
NAMFISA continues to expand its learning and development initiatives to enable staff to remain knowledgeable and up-to-date with the ever-evolving business and regulatory landscape. The identified training needs have led to the implementation of several learning and development initiatives, including technical, soft skills, and required training. Employees are given the opportunity to participate in learning programmes that offer a variety of learning modalities, including in-person, online, blended, remote, and hybrid options. In order to keep staff members engaged and motivated to support NAMFISA's strategic and operational objectives, learning and development continue to be essential roles of human resources. Figure 10 illustrates the number of training interventions attended during the reporting period.

Figure 10: **Staff development**



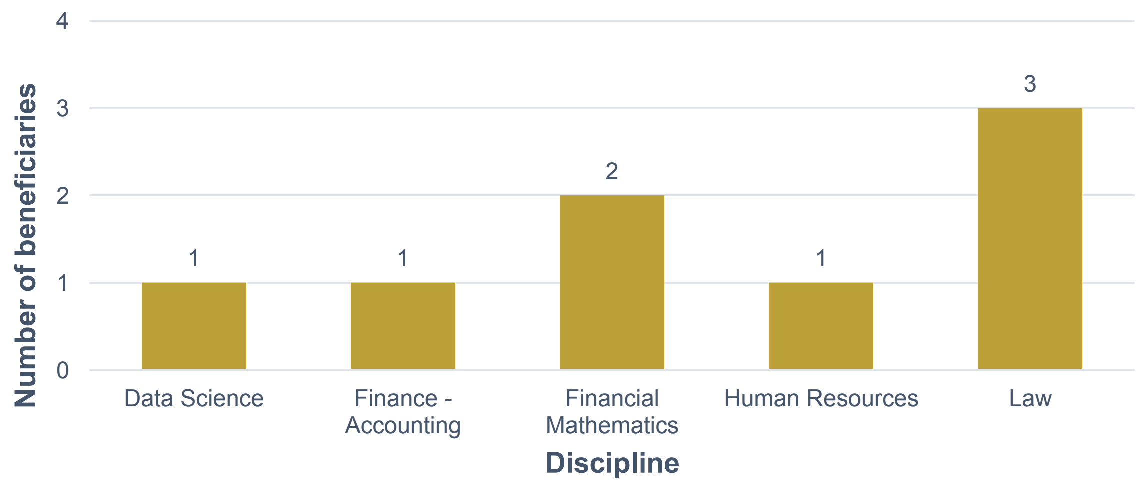
To promote a culture of learning throughout the organisation, NAMFISA provides interest-free study assistance to its staff. However, due to the prevailing moratorium placed on study aid since January 2024, no new study aid applications were considered during the reporting period. NAMFISA is still dedicated to supporting the existing study aid beneficiaries. Currently, 33 employees make use of the study aid programme, as indicated in Figure 11.

Figure 11: **Study aid**



NAMFISA recruited eight graduates from accredited institutions of higher learning to join various disciplines in the Graduate Development Programme, which commenced in February 2025 (Figure 12). Over a specified period, the programme endeavours to provide the graduates with the exciting opportunity of equipping themselves with the skills needed for the disciplines relevant to NAMFISA's operations.

Figure 12: **Beneficiaries of the Graduate Development Programme**

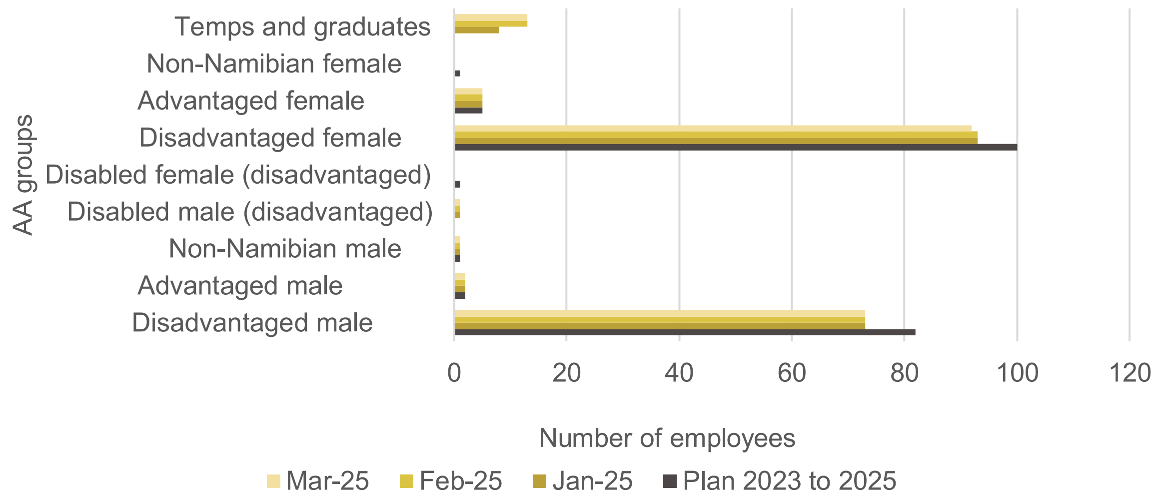


Employment equity

As an equal opportunity employer, NAMFISA remains committed to the Employment Equity Code of Good Practice. To ensure that this commitment is sustained and that progress in respect of enhanced equality is duly monitored, regular updates are made to Management as well as the Board concerning the quarterly implementation progress of the Employment Equity Plan.

Figure 13 depicts the progress made towards the completion of the 2023-2025 Affirmative Action Plan at the end of the reporting period in December 2024. The target for disadvantaged males and females has been exceeded. Due to the scarcity of skills in the actuarial field nationwide, the position of actuary is filled by an expatriate on a work permit. This position is considered a scarce skill. One employee joined the workforce in the persons with disability category in September 2024. The Authority will continue to engage the Disability Council of Namibia to enhance recruitment and diversity in this category.

Figure 13: Employment equity



Change in the workplace culture

The Culture Improvement Plan was approved and implemented during the 2024/25 financial year. The aim of the improvement plan is to address the gaps identified during the engagement survey in 2023. The engagement survey was completed by all staff. The effectiveness of the implementation of the plan will be measured with an engagement survey towards the end of 2025.

Corporate social responsibility and investment

NAMFISA is pleased to provide an update on its continued commitment to corporate social responsibility and investment (CSRI) and the positive impact it has had on various communities in Namibia. As part of NAMFISA's CSRI initiatives, the organisation prioritised over N$270,000 in support of educational, cultural, and social programmes aimed at uplifting and empowering individuals and communities across the country.

In line with its core values to promote inclusive growth, social well-being, and sustainable development, NAMFISA made significant national contributions to various organisations, schools, councils, and initiatives. These contributions are aimed at fostering community development, improving access to education, and supporting local enterprises to create positive change and foster sustainable development in Namibia.

Mr Kenneth Matomola (Chief Executive Officer, NAMFISA) says that "as a responsible corporate citizen, NAMFISA needs to play a meaningful role in society and needs to be socially responsible by funding projects and activities that contribute positively to national development in Namibia".

NAMFISA's CSRI initiatives, which are guided by the CSRI Policy, prioritise educational initiatives to promote financial literacy and empower consumers with knowledge to make informed financial decisions; support for sports, arts, and culture, addressing general concerns such as health and national issues; and the promotion of advancements in ICT, particularly FinTech.

Table 11 illustrates the institutions, communities and initiatives that benefited from NAMFISA's CSRI sponsorships during the 2024/25 financial year.

Table 11: CSRI sponsorship beneficiaries: Institutions, communities and initiatives

Beneficiary	Description
Bursaries	NAMFISA's provision of bursaries is more than a financial investment; it is a strategic initiative that addresses industry needs, promotes social equity, and contributes to national development. By continuing to support and expand these programmes, NAMFISA not only strengthens the financial services sector but also plays a crucial role in shaping a prosperous future for Namibia in the fields of Actuarial Science, Industrial Engineering, Economics, and Risk Management. The bursaries are awarded in respect of addressing skills gaps and enhancing industry competence, promoting diversity and inclusion, and building long-term relationships and talent pipelines.
Drimiopsis Primary School	The sponsorship included stationery for disadvantaged learners in Gobabis.
Malundu Junior Primary School	The sponsorship included a photocopying machine.
YONA Arts	The sponsorship included musical arts for children.
Lizauli Combined School	The sponsorship included a photocopying machine.
David Amukoto	The sponsorship included participation in an art exhibition.
Flamingo Senior Secondary School	The sponsorship included the building of a separation wall at the school.
Mbambazi Primary School	The sponsorship included furniture for the school.
Ondangwa Town Council	The sponsorship included a public enterprises forum for the revamp of the sports stadium.
Independence Day celebrations	The sponsorship included the celebrations for Independence Day.
Finance market	The sponsorship included an exhibition on financial wellness and literacy.
Kids Soup Kitchen	The sponsorship included feeding children and youth through drama and arts programmes.
Faustinus Haididira Combined School	The sponsorship included the school's project gala dinner.
Ministry of Education, Arts and Culture	The sponsorship included the Charter on Education.
Khomastura High School	The sponsorship included the provision of sanitary pads.
Heroes Day commemoration	The sponsorship included the Heroes' Day commemoration activities.
Namibia College of Open Learning (NAMCOL)	The sponsorship included financial support for the prize-giving event for the Accounting, Economics and Mathematics students.
National Theatre of Namibia	The sponsorship included the Choral Competition.
Sandwich Drive	The sponsorship included a sandwich drive at schools, which was facilitated by the NAMFISA Social Club.

NAMFISA's CSRI initiatives continue to create meaningful change in communities across Namibia. The following recent beneficiary testimonials highlight the impact of the Authority's support:

"NAMFISA's generous sponsorship of N$10,000 played a crucial role in the success of our recent prize-giving ceremony. Their support allowed us to reward outstanding learners, particularly in Accounting, Economics and Mathematics, many of whom come from underprivileged backgrounds. This recognition is not only a celebration of academic excellence but also a powerful source of motivation for our youth."

– Laimi Ndeuhala Mbago,
Public Relations Officer, NAMCOL

"On behalf of the Kids Soup Kitchen, I extend our deepest gratitude to NAMFISA for their donation of N$7,000. Thanks to their support, we were able to provide 300 festive gift bags to children in need during our year-end programme. Their commitment to community upliftment is truly inspiring and continues to make a meaningful difference in the lives of many."

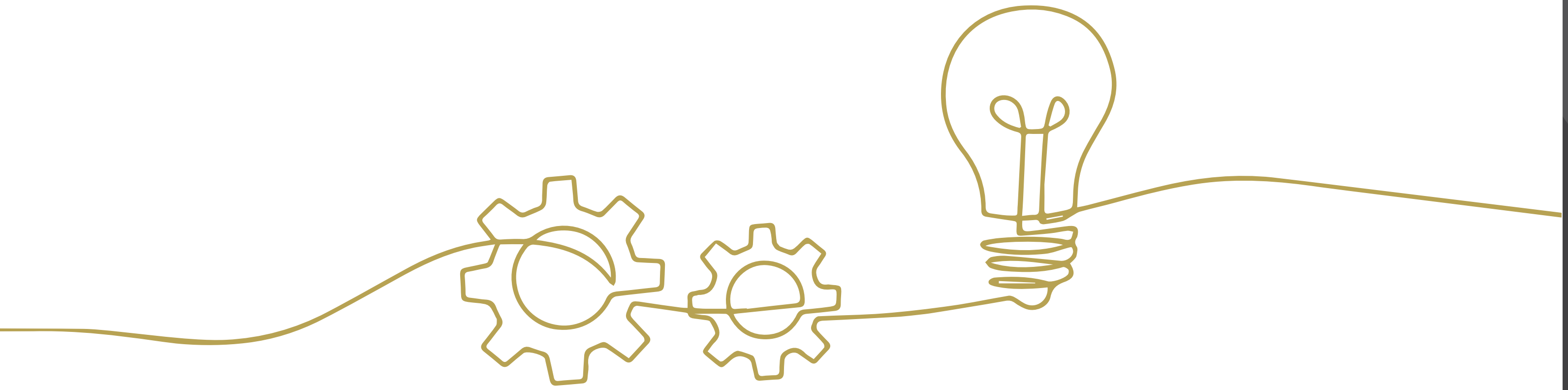
– Johannes Nghifikepunye,
Executive Chairperson, Kids Soup Kitchen

"Khomastura High School was delighted to be selected as a beneficiary of sanitary pads from NAMFISA. The donation came at a crucial time, helping us meet the needs of our girl children and reducing absenteeism. Beyond the donation, our learners were uplifted by motivational talks from inspiring women leaders, and some girls even received free training valued at N$15,000 to boost their academic performance. Thank you, NAMFISA, for choosing us – you've made a lasting impact on our learners' lives."

– Principal Rakkel Amunwe,
Khomastura High School

NAMFISA remains steadfast in its commitment to contributing meaningfully to the social and economic development of Namibia. NAMFISA's vision is to be a leading regulator of financial institutions that contributes to a safe, stable, and fair financial system. It is also a practical demonstration of our mission to effectively regulate and supervise financial institutions and to ensure consumer protection, thereby promoting financial soundness and inclusion.

Mr Kenneth Matomola concludes that "as we move forward, NAMFISA will continue to align its CSRI efforts with national development goals, ensuring that our contributions have a lasting, positive impact on the lives of Namibians".



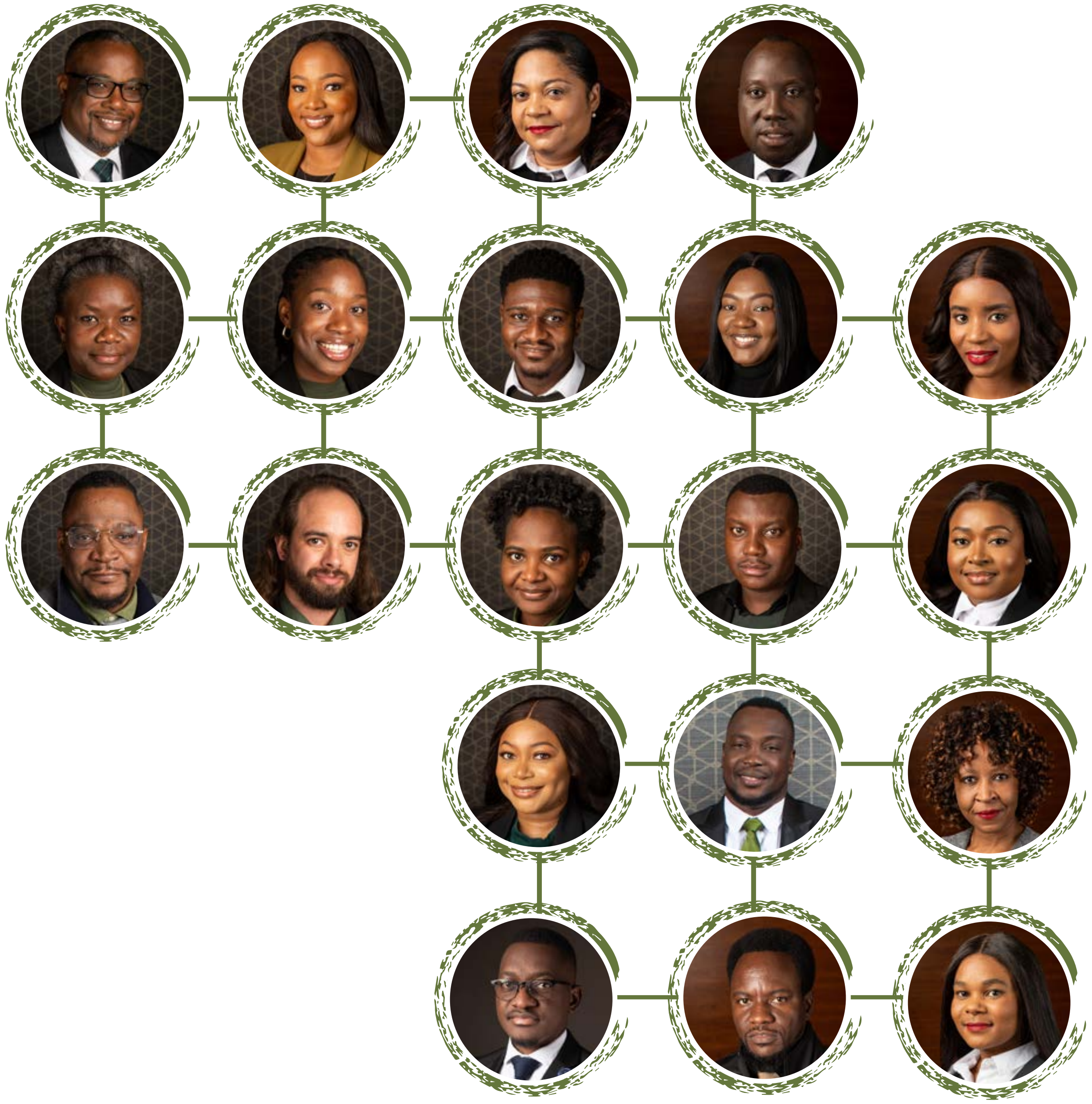
06

DIVISIONAL ACTIVITIES

NAMFISA's operations are clustered into two key functions: Prudential Supervision and Market Conduct and Operations. The operational outputs are outlined in this chapter.

PRUDENTIAL SUPERVISION FUNCTION

Insurance and Medical Aid Funds Division



Prudential Supervision Function

Insurance and Medical Aid Funds Division

The Insurance and Medical Aid Funds Division is tasked with the regulatory oversight of both the insurance and medical aid fund industries in Namibia. The Division's core mandate is to ensure that all entities operating within the short-term and long-term insurance sectors as well as the medical aid funds industry comply with the provisions of 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).

In line with international best practices, the Division has progressively adopted an RBS approach, moving away from a purely compliance-driven model. This strategic shift aims to enhance regulatory efficiency by focusing supervisory efforts and limited resources on areas of greatest risk within the industry, thereby promoting financial stability and consumer protection.

Key activities during 2024/25

During the reporting period, the Division concentrated its efforts on three key strategic areas: transition to International Financial Reporting Standards (IFRS) 17 reporting, supervision of regulated entities under risk-based supervision, and readiness initiatives for the implementation of the FIMA.

Supervisory activities encompassed both on-site and off-site inspections, with particular focus on monitoring quarterly financial submissions and advancing risk-based supervision practices. In support of these efforts, the Division worked on the development of key risk indicators to strengthen the Early Warning System, which is used for proactive regulatory interventions. The Division conducted an on-site risk-based supervision inspection of one institution regarded as a significantly important financial institution (SIFI) in the industry.

Significant progress was made in the preparation for the adoption of the IFRS 17. The Division collaborated with industry stakeholders to assess the impact of the new standard, and developed the IFRS 17 reporting templates, which are undergoing testing and consultation to ensure a smooth transition. In the interim, the existing quarterly returns will continue to be submitted via ERS until 2026. Continued capacity development through E-learning modules on IFRS 17 are ongoing.

The Division updated the annual statutory returns for both insurance and medical aid funds to ensure their alignment with the provisions of the applicable Acts. Engagements are being held with the accounting regulatory body for the establishment of guidelines pertaining to the completion and auditing of the annual statutory returns.

The Division successfully finalised the Standardised Fund Rules Framework, which has been developed to guide the industry and promote consistency in the structure and content of fund rules. The framework reflects input obtained through robust industry engagement and will be fully operational once the relevant FIMA standards have been promulgated. The framework will be deployed on the ERS when the FIMA becomes operational to foster automated rule amendment processes on the ERS.

As part of its FIMA readiness initiatives, the Division undertook a comprehensive assessment of internal preparedness, which included the review of subordinate legislation, the development of operational forms, and the design of supporting internal processes required for effective implementation.

Importantly, the Division's staff continued to obtain their certification from the Chartered Insurance Institute (CII) in the United Kingdom. This endeavour is in line with NAMFISA's strategic objectives to improve knowledge and skills and to improve regulatory and supervisory effectiveness.

Key focus areas for 2025/26

The Division will continue to improve the collection of complete and accurate data through the quarterly submission of returns to the ERS.

The Division will conduct inspections using the RBS methodology. As per the Supervisory Plan, an on-site inspection will be performed on one of the insurers that has life and short-term insurance licences and is regarded as a SIFI.

The Division will implement IFRS 17 (insurance contracts). NAMFISA will focus on capacity building as far as IFRS 17 is concerned and align NAMFISA's ERS reporting to the requirements of the standard. A dry-run test of IFRS 17 quarterly returns has been sent out to industries and reviews are currently taking place within the Division.

The Division will conduct quarterly off-site monitoring of all insurers to ensure that risks are identified at an early stage.

The Division will conduct an analysis of the audited financial statements and reconcile the audited data to the quarterly submissions to ensure that the submitted data is valid, accurate, and complete.

Furthermore, after the Division engaged with its regional counterpart regulators (including IPEC in Zimbabwe) on IFRS 17 regulatory implementation, particularly the modifications to early warning indicators and key performance indicators, the Division will continue to identify new ratio benchmarks for the early warning indicators and review the feedback.

Capital Markets Division

The Capital Markets Division regulates and supervises entities that operate within the capital markets space. The Division's responsibilities are carried out in terms of 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, which is issued under the Pension Funds Act, 1956 (No. 24 of 1956). The Division's function involves rendering supervisory oversight and regulation of the stock exchange, stockbrokers, Central Securities Depository, investment managers, unit trust management companies, linked investment service providers, unlisted investment managers, and special purpose vehicles.

Key activities during 2024/25

The Division continued to review industry comments on the FIMA standards that relate to chapters 3 and 4 of Capital Markets, and focused on enhancing internal processes to facilitate the smooth implementation of the FIMA.

With the approval of the RBS Framework, the Division conducted RBS on-site inspections and followed up on the action plans that emanated from previous inspections. The review and analysis of financial statements and unaudited financial reports continued during the financial year.

The Division continuously engaged with the One Chart of Account (OCoA) Project, which involved the ongoing development of financial and non-financial forms as well as the testing, updating, and automation of returns, in line with the International Monetary Fund's (IMF) data validation rules.

The Division conducted a review of the business policies, processes and procedures. The Business Policies, Processes and Procedures Manual project aims to align internal business processes and procedures to current system updates, the delegation of authority, service level commitments, and RBS.

The Division, in collaboration with the Pension Funds and Friendly Societies Division, reviewed the Pension Fund Regulations and proposed 11 amendments, which are currently with the Minister of Finance.

Key focus areas for 2025/26

The Division will continue to review industry comments on the FIMA standards and regulations that relate to chapters 3 and 4 of Capital Markets.

The Division will conduct full RBS on-site inspections as per the Divisional Plan. The Division, as part of the off-site inspection process, will review and analyse the annual audited and quarterly/semi-annual unaudited financial reports during the ensuing financial year.

The Division will continue with the readiness assessment for the implementation of the new NAMFISA Act and the FIMA, and staff will continue to undergo rigorous in-house training interventions in preparation for the implementation of these Acts as well as capacity building on the Market Conduct Framework.

The Division will continue to develop and execute the Business Policies, Processes and Procedures Manual, as well as continue to automate service level commitment capabilities as part of increasing functionalities on the existing systems. The Division will continue to enhance the One Chart of Account (OCoA).

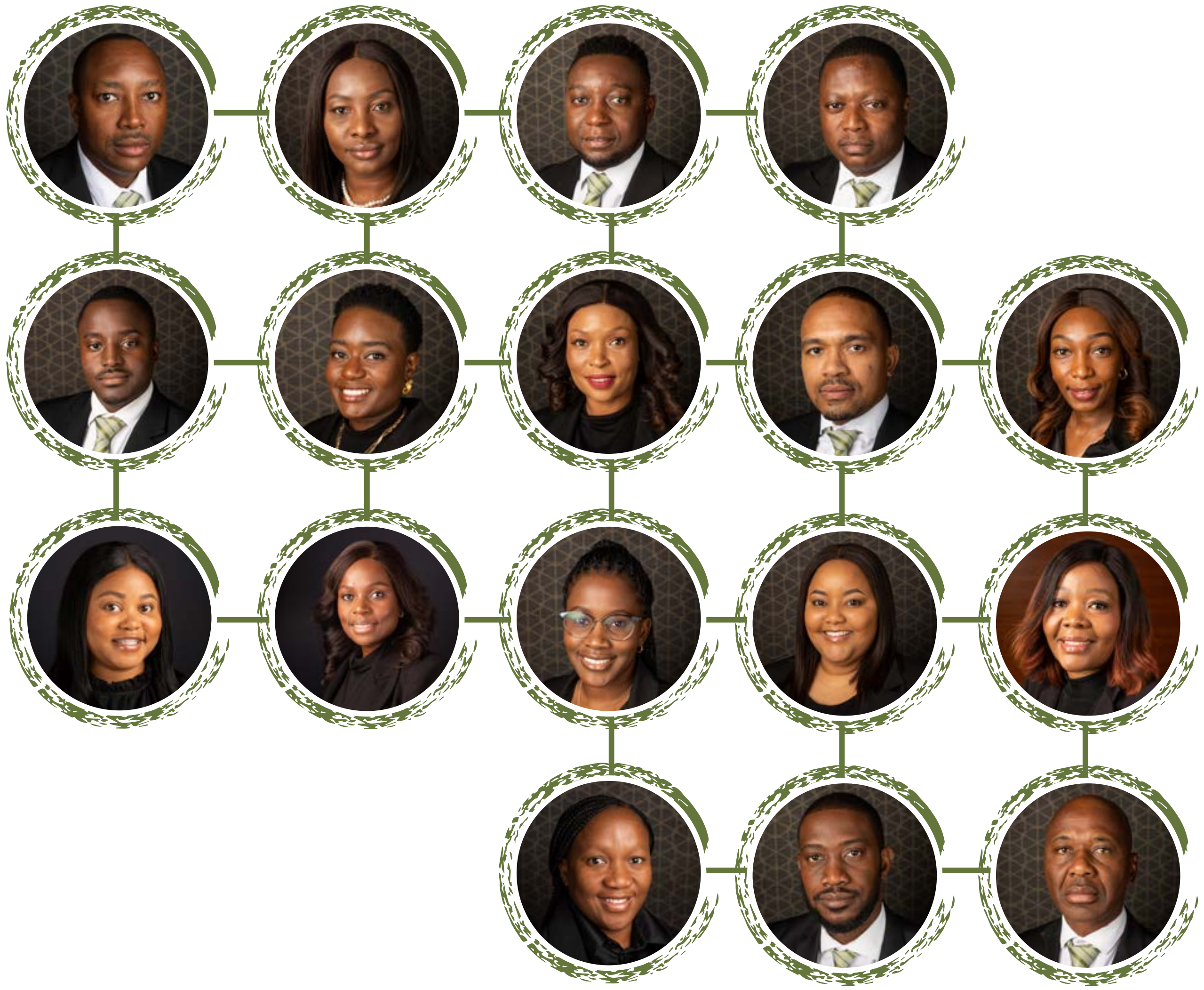
The Division will continue to explore new sources of top-line growth with the aim of improving the Authority's financial sustainability.

The Division, together with the Bank of Namibia and the Ministry of Finance, will execute the processes of the Crisis Simulation Exercise, as per the approved detailed project schedule.

In line with the Memorandum of Understanding on the Joint Supervisory Framework between NAMFISA and the Bank, the Division will attend a supervisory college for one of the regulated entities.

PRUDENTIAL SUPERVISION FUNCTION

Capital Markets Division



Pension Funds and Friendly Societies Division

The Pension Funds and Friendly Societies Division is responsible for supervising and regulating the business of pension funds and friendly societies that are registered and operate in Namibia. The Division is also responsible for promoting a safe and stable environment for members of retirement funds. These functions are performed in accordance with the Pension Funds Act, 1956 (No. 24 of 1956) and the Friendly Societies Act, 1956 (No. 25 of 1956) and their respective regulations, as well as any directives or circulars issued by the respective Registrars of pension funds and friendly societies.

Key activities during 2024/25

The Division focused on its mandate to ensure that Pension Funds and Friendly Societies remained financially sound. The Division continued to focus on ensuring the protection of pension fund members' interests, in accordance with the relevant legislation and supporting instruments.

The Division focused on improving regulatory and supervisory effectiveness as well as operational efficiency. In preparation for the implementation of the FIMA, the Division focused on stakeholder engagements with registered pension funds and other key stakeholders.

The Division conducted the first off-site inspections using the RBS methodology developed in 2023. The inspections focused on assessing the key risks present in the regulated sector that could potentially affect supervised entities as well as the implementation of remedial actions from previous assessments.

The Division focused on staff training regarding the imminent legislative changes, areas of governance, and leadership development.

Key focus areas for 2025/26

The Division will continue to fulfil its mandate of promoting a safe and stable environment for pension fund and friendly society members by strengthening its service delivery through improved off-site monitoring, ongoing key stakeholder engagements, and delivering quality service on time, as per the service level commitments.

The Division will conduct routine assessments during the financial year, which will include assessments of annual financial statements, actuarial valuation reports, and on-site inspections of selected institutions.

The Division will further collaborate with other industry regulators on initiatives aimed at strengthening the stability of financial sector systems.

Research, Policy and Statistics Division

The Research, Policy and Statistics Division's objective is to formulate the policy framework that governs financial institutions through the collation of relevant research policy briefs and statistical analysis as well as the production of policy briefs. The Division performs its functions in terms of the NAMFISA Act. In this regard, the Division focuses on the development and documentation of policy advice to the government, provides actuarial support and regulatory policy advice to supervisory divisions, ensures that the regulatory framework aligns with international best practice, and produces periodic publications and statutory reports. The Division is entrusted with spearheading the FinTech Square and Regulatory Sandbox, which promote digital and non-digital innovation and financial inclusion, while keeping abreast of financial technology trends.

Key activities during 2024/25

The Regulatory Sandbox and FinTech Square continued to serve as a key enabler of responsible financial innovation, focusing on both product and policy testing. The first cohort centred on microlending and two participants were actively regulated and monitored.

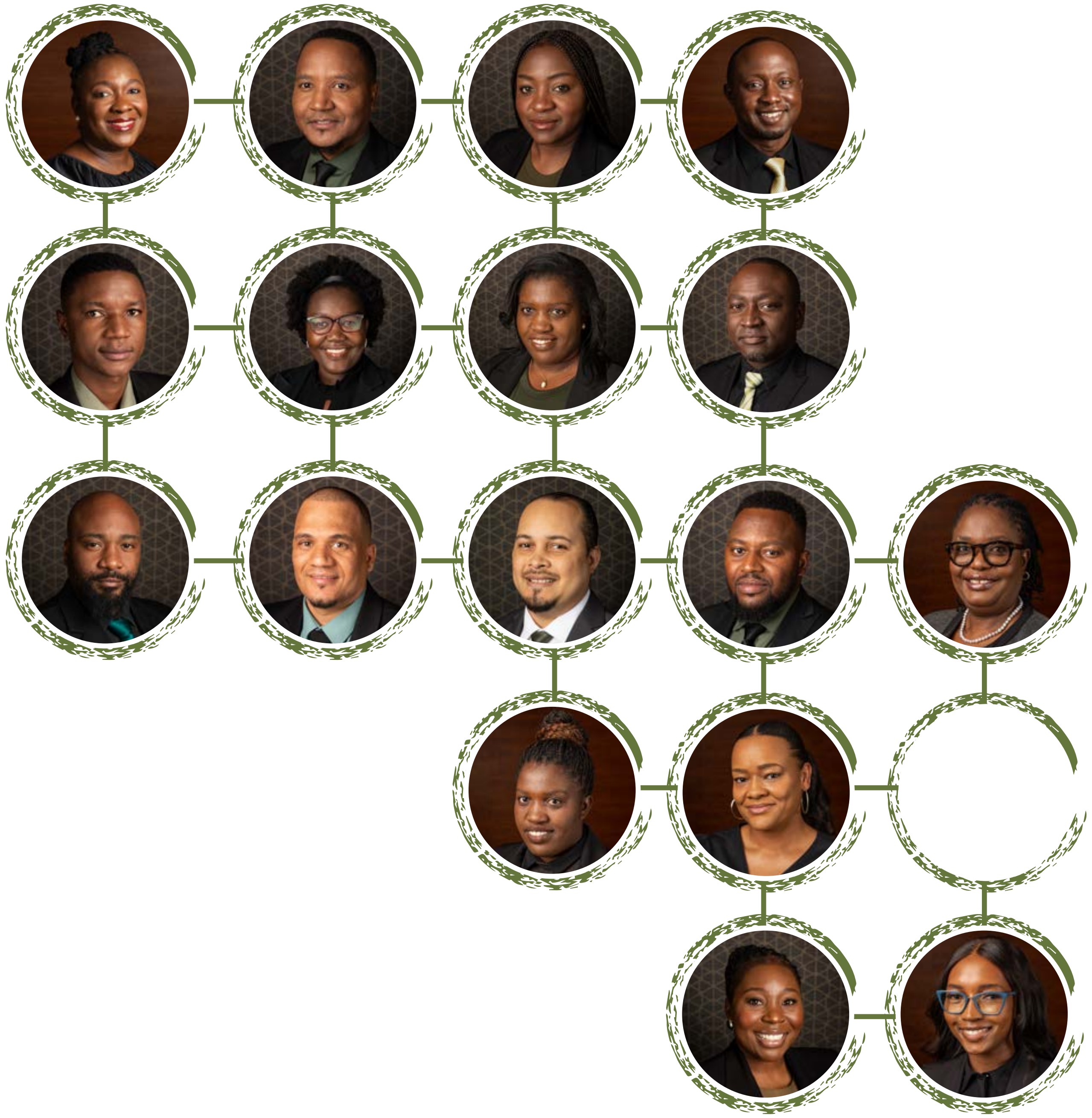
In terms of RBS support, the Division coordinated capacity building for the supervisory streams and refined the analytical tools. In addition, the Division conducted refinement workshops as part of its continuous improvement of the model analytical tools (i.e. integrated stress testing and enhancing the Early Warning System).

The Division drafted and finalised critical standards under the FIMA and supported related stakeholder consultations. Technical support was provided for the consultations regarding the FIMA's subordinate legislation.

The Division played a key role in coordinating the implementation of the recommendations from the World Bank Diagnostic Report, particularly those relating to the development of the National Disaster Risk Financing

PRUDENTIAL SUPERVISION FUNCTION

Pension Funds and Friendly Societies Division



Framework and the Namibia Agriculture Insurance Programme.

The Division carried out various important activities aimed at strengthening the regulatory and research functions within the Authority.

In terms of research, the Division conducted studies on the following topics: (1) assessing the effectiveness of Namibia's Capital Markets Securitisation Framework, (2) investigating the appropriate regulatory framework for regulating alternative finance models in Namibia, (3) appropriate regulatory framework for LISPS, (4) how the insurance industry can leverage Namibia's recent oil and gas discoveries and securitisation in Namibia, and (5) how to address delays in the settlement of funeral and death benefit claims and the finalisation of proposed amendments to insurance regulations.

The Division implemented recommendations from the following existing policy studies: (1) A study on the sustainability of medical aid funds in Namibia, (2) A study on cybersecurity, and (3) A study on leveraging SupTech at the Authority. Regarding the second study on cybersecurity, a circular concerning cyber-risk mitigation was drafted and issued; and regarding the third study on leveraging SupTech, the recommendation to incorporate a chatbot on the Authority's website was implemented.

Key focus areas for 2025/26

The Division will focus on implementing the recommendations from the research work completed in 2024/25 (as discussed above).

The Division will provide technical assistance on subordinate legislation under the FIMA and for the drafting of the additional standards.

The Division will coordinate the operationalisation of the National Disaster Risk Financing Framework and the Namibia Agriculture Insurance Programme in collaboration with the Office of the Prime Minister and other relevant stakeholders.

The Division will focus on reviewing actuarial valuations, assessing the impact of IFRS 17 on the insurance industry and medical funds, and reviewing the annual and quarterly reporting templates for the insurance industry and medical funds.

The Division will support the identification and drafting of the subordinate legislation for the Consumer Credit Bill.

Furthermore, the FinTech Square platform will maintain its role as a hub for innovation, collaboration, and thought leadership on FinTech innovation in the non-bank financial sector.

Key planned activities include:

- the annual thematic FinTech Square event, scheduled for 7-8 August 2025, focusing specifically on promoting local innovations and strengthening the Namibian startup network, offering a platform for emerging and existing FinTech players to showcase solutions and programs, and engaging directly with regulators, investors, and technical experts;
- a dedicated scoping and mapping exercise of the FinTech non-bank financial sector ecosystem, aimed at identifying key players, technologies, and stakeholders to inform policy development; and
- continuing to support the national innovation agenda by providing advice and assistance to the Namibia Investment Promotion and Development Board's ScaleUp Namibia (SUN) initiative in its role as a SUN champion.

The Division will launch the second Regulatory Sandbox cohort, which will focus on crowdfunding and peer-to-peer lending. In addition, the Division will conduct a readiness assessment and analysis to support the re-establishment of the Regulatory Sandbox under the FIMA in the future.

Market Conduct and Operations Function

Market Conduct Division

The Market Conduct Division comprises the Consumer Complaints Department, the Anti-money Laundering and Inspections Department, and the Conduct and Compliance Department.

Consumer Complaints Department

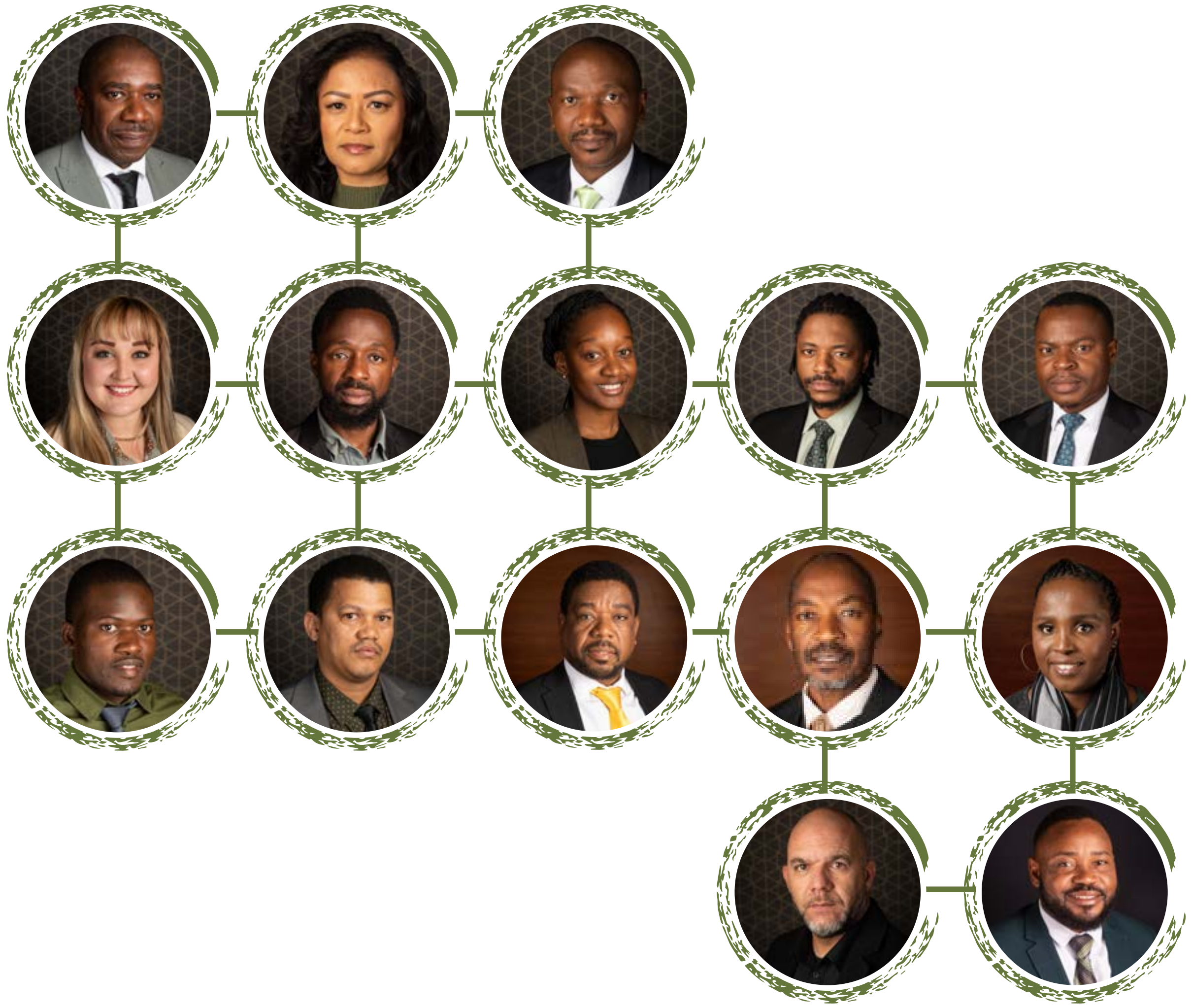
The Consumer Complaints Department's role is to receive and resolve complaints lodged by the consumers of NBFI services to ensure fair treatment of the consumers in the NBFI sector.

Key activities during 2024/25

The Department focused on initiatives that increased consumer satisfaction through receiving and resolving complaints related to market conduct. As a result, 96 percent of the complaints received in 2024 were successfully resolved.

PRUDENTIAL SUPERVISION FUNCTION

Research, Policy and Statistics Division



Special attention was given to the full implementation of Circular MCD/2/2023, which requires NBFIs to establish and implement complaint-handling procedures. These procedures ensure that complaints are resolved by NBFIs as a first line of defence before consumers engage the Department for recourse. Consequently, the Department referred consumers to NBFIs for the resolution of complaints.

In addition, the Department engaged with NBFIs to discuss the root causes of complaints and to gain a better understanding of their complaints management systems and strategies to improve customer service and the fair treatment of consumers. In this regard, the Authority held bi-annual engagements with the NBFIs that received the highest complaints as well as the NBFIs with identified market conduct issues.

Consequently, the Department's referral of consumers to the NBFIs, along with the engagements with NBFIs, resulted in the significant reduction in complaints, from 691 in 2023 to 373 in 2024.

Key focus areas for 2025/26

The Department will continue to fulfil its mandate of protecting consumers by receiving and resolving complaints related to market conduct. The Department will ensure compliance with Circular MCD/2/2023, which requires NBFIs to address received complaints before the Authority engages in mediation. Following the issuance of Circular MCD/2/2023, the Department will evaluate NBFIs' complaints management functions to determine their effectiveness.

The Department will continue to engage with NBFIs regarding their complaint trends and typologies as well as the root causes of the received complaints. The Department will continue to identify financial issues in each industry in order to inform the Authority's consumer education initiatives.

Anti-money Laundering and Inspections Department

The Anti-money Laundering and Inspections Department performs two statutory functions. First, the Department supervises accountable institutions (AIs) under NAMFISA's purview to ensure compliance with the national measures on combating money laundering, terrorist financing, and proliferation financing activities.

Second, the Department conducts targeted inspections of NAMIFSA-licensed financial institutions as well as unlicensed businesses undertaking activities reserved for licensed entities.

The supervisory function is performed through the execution of a supervisory plan on a year-to-year basis, and targeted inspections are conducted when a trigger event occurs. In instances of complex targeted inspections, NAMFISA appoints the services of forensic inspectors.

Key activities during 2024/25

The Department developed and implemented a Risk-based Supervisory Plan, which outlines activities broadly categorised under supervision, monitoring, and enforcement. The execution of these activities served as NAMFISA's contribution towards the national objective to speedily exit the Financial Action Task Force (FATF) greylist.

Regarding Namibia's grey-listing, the Department executed the following FATF Joint Group recommended actions that focus on:

- conducting inspections and outreach activities to ensure the enhanced application of preventative measures by AIs, with special focus on beneficial ownership, prominent influential persons, enhanced due diligence, and targeted financial sanctions obligations; and
- imposing proportionate and dissuasive sanctions where non-compliance is detected, and conducting follow-up inspections on sanctioned AIs to ensure the application of remedial actions.

Key focus areas for 2025/26

In light of Namibia's grey-listing, the Department will continue to execute on-site and off-site inspections, as well as outreach activities that focus on:

- assessing the money laundering and terrorism financing (ML/TF) risks at the institutional and sector levels to ensure risk-based supervision; and
- developing and implementing a Risk-based Supervisory Plan that covers the FATF Joint Group recommended actions to:
  - » enhance the application of preventive measures through inspections and outreach activities

MARKET CONDUCT AND OPERATIONS FUNCTION

Market Conduct Division

MARKET CONDUCT AND OPERATIONS FUNCTION

Market Conduct Division (continued)

to ensure the fulfilment of obligations relating to beneficial ownership, prominent influential persons, enhanced due diligence, and targeted financial sanctions obligations, and

» impose proportionate and dissuasive sanctions where non-compliance is detected, and conduct follow-up inspections on sanctioned AIs to ensure the application of remedial actions.

Conduct and Compliance Department

The Conduct and Compliance Department plays a crucial role in overseeing microlenders and insurance intermediaries, ensuring compliance with the regulations, standards, and directives aimed at protecting consumers. The Department monitors the business conduct of regulated NBFIs, and aims to prevent unfair treatment of consumers to foster a fair and stable financial system. To achieve this, the Department executes several key functions such as regulatory oversight, consumer protection, education and awareness, and collaboration with stakeholders. By fulfilling these responsibilities, the Department supports the overarching goals of consumer protection and financial stability, ensuring that the financial system remains robust and equitable for all participants.

Key activities during 2024/25

During the year under review, NAMFISA implemented its annual Supervisory Plan to guide its regulatory oversight activities. The focus was on ensuring fair market conduct across various NBFI sectors through inspections, stakeholder engagement, and enforcement actions. Key activities are outlined below.

Strengthening compliance and consumer protection in the microlending sector

Resources were directed towards improving the industry's understanding of the Microlending Act, 2018 (No. 7 of 2018) and ensuring alignment in its interpretation and application.

The Department took several enforcement actions: the issuance of directives, notices of intention to cancel the registration of non-compliant entities, and imposing penalties on microlenders who were non-compliant with the Microlending Act.

Enhancing consumer protection in the insurance and medical aid funds sectors

Efforts were intensified to address non-compliance with the Long-term Insurance Act, 1998 (No. 5 of 1998), Short-term Insurance Act, 1998 (No. 4 of 1998), and the Medical Aid Funds Act, 1995 (No. 23 of 1995). Accordingly, the Department conducted on-site and off-site risk-based assessments to ensure that consumers' interests are adequately safeguarded.

Stakeholder engagement and industry consultations

The Department conducted annual regional industry engagements in the Kavango and Oshana regions in November 2024 and in the Khomas and Erongo regions in February 2025 for the microlending sector. These engagements provided a platform for industry players to discuss regulatory developments, expectations, and compliance challenges. Quarterly engagements with the Namibia Insurance Brokers Association continued to address regulatory developments, expectations, and compliance challenges within the insurance broker sector.

Development of the Market Conduct Supervisory Framework

The Department laid the groundwork for the full implementation of the Market Conduct Supervisory Framework by launching a strategic project aimed at strengthening, refining, and fully implementing market conduct supervisory methodologies. This, in turn, will assist NAMFISA in achieving its mandate of consumer protection and financial stability within the non-bank financial sector. The intention is to align the current Market Conduct Supervisory Framework with the RBS methodology and its associated supervisory guidance and tools. This alignment is intended to ensure that there is comprehensive oversight of the NBFI sector in relation to the Authority's mandate to ensure consumer protection and the fair treatment of customers. The initiative focuses on integrating market conduct considerations into the risk assessment models for NBFIs supervised by NAMFISA. Key objectives include prioritising market conduct issues based on their impact on NBFIs' risk profiles.

Enforcement relating to insurance intermediaries

As part of the Department's mandate to regulate and ensure compliance within the insurance intermediary industry, numerous reports of intermediaries engaging in alleged fraudulent activities were brought to the Authority's attention. NAMFISA investigated these reports and consequently cancelled the registration of the intermediaries that were found to have contravened the law. These received and investigated reports relate specifically to fictitious written policies using lost or stolen identity documents, fictitious contact details, and forged pay slips.

Key focus areas for 2025/26

As the Authority continues to strengthen its market conduct supervision role, the areas that will be prioritised are outlined below.

Implementation of the Market Conduct Supervisory Framework and consumer protection

A key focus will be the rollout of the Market Conduct Supervisory Framework to enhance oversight of all NBFIs. This will be a critical step in ensuring financial service providers adhere to fair business practices and treat consumers equitably. The Department has partnered with the World Bank to conduct a readiness assessment to identify the capacity and regulatory requirements needed for both NAMFISA and the NBFI sector to fully implement the Market Conduct Supervisory Framework.

Continued oversight of microlenders and insurance intermediaries

The Department will continue to enhance its engagements with microlenders to reinforce compliance with regulatory requirements, including the submission of quarterly financial and statistical returns. On-site and off-site inspections will be conducted to ensure compliance with legislation and to ensure that consumers' rights are protected.

Internal Audit Department

The purpose of the Internal Audit Department is to strengthen the Authority's ability to create, protect, and sustain value by providing the Board and Management with independent, risk-based, and objective assurance, advice, insight, and foresight. The objective of the Department is to provide independent and objective assurance and consulting services designed to add value and improve the achievement of the Authority's business strategy and operational performance. The Department assists the Authority by systematically reviewing internal control processes by applying a risk-based approach to establish the adequacy of the design and operational effectiveness of internal controls, risk management, and governance processes. The Department's activities are guided by the approved Internal Audit Charter and are aligned with the Institute of Internal Auditors' (IIA) Global Internal Audit Standards (GIAS). The Department reports functionally to the Audit and Risk Committee and administratively to the Chief Executive Officer and has unrestricted access to the Chairperson of the Audit and Risk Committee.

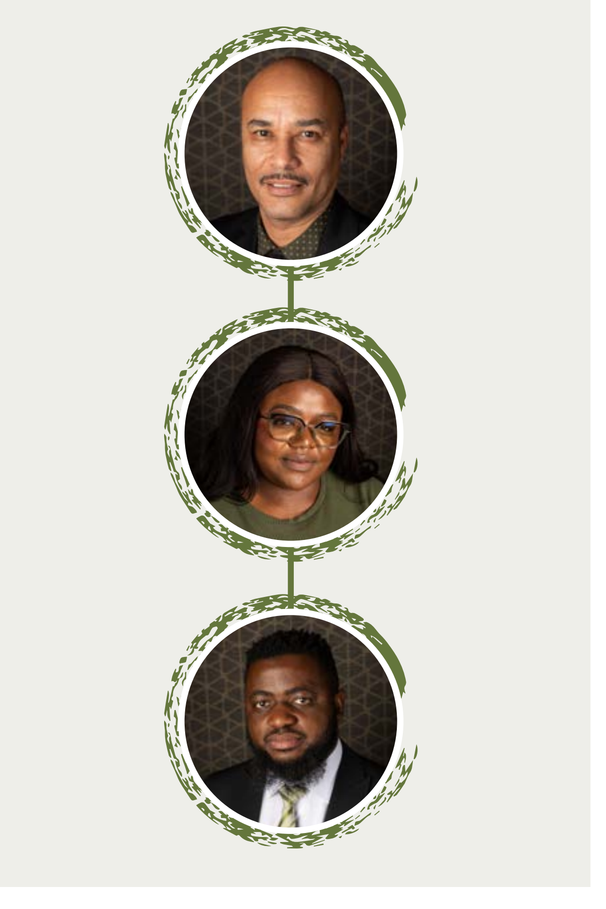
Key activities during 2024/25

The approved risk-based Internal Audit Plan for 2024/25 provided comprehensive assurance and consulting services regarding risk, control, and governance processes to mitigate risks. The Department executed its risk-based internal audits as per the approved Internal Audit Plan, where sufficient audit coverage was achieved with completed reviews. This was undertaken as planned, and all material issues were reported to the appropriate level of management and the Audit and Risk Committee.

Follow-up on actions and the tracking of issues raised for audit reports were prioritised through quarterly reporting to the Risk Management Committee and the Audit and Risk Committee. The implementation rate was satisfactory during the period under review.

Key focus areas for 2025/26

To assist NAMFISA with the achievement of its objectives, the Department will continue to support and focus on the Authority's information and communication technology, projects, strategies, and operations through the execution of its agile and forward-looking approved 2025/26 Internal Audit Plan.



Governance, Risk and Compliance Department

The Governance, Risk and Compliance Department plays a central role in supporting sound governance, effective risk oversight, and regulatory compliance. It provides secretarial services to the Board and offers strategic advice on governance and risk-related matters, ensuring that the Board's Audit and Risk Committee receives accurate and timely risk intelligence. The Department leads the identification and management of both strategic and operational risks, supporting the Authority's overall risk resilience. It ensures adherence to relevant laws, regulations, and internal policies by monitoring compliance and facilitating corrective measures where needed. Additionally, the Department manages NAMFISA's Business Continuity Management Plan, ensuring that critical operations can withstand and recover from disruptions, and it oversees ethics management, embedding ethical practices throughout the Authority and promoting a culture of integrity and accountability. Through these functions, the Department enhances NAMFISA's ability to meet its mandate with transparency, agility, and sustainability.

Key activities during 2024/25

Ethics and governance

NAMFISA continued to promote a culture of ethical conduct and good governance. Although no formal ethics training sessions were held, ongoing awareness was maintained through regular engagement between the Ethics Officer and Senior Management. Staff members actively sought guidance on ethical issues, including business activities, gifts, and the application of the Code of Ethics. The Department provided timely advice and no violations of the Code of Ethics were reported, which reflects a strong ethical culture within the organisation. Declarations of interest for the 2024/25 financial year were submitted and reviewed, in line with the Code of Ethics. Gifts received during the period were of minimal value and were managed in accordance with the policy.

Risk management

NAMFISA strengthened its risk management practices to better identify, assess, and respond to risks throughout the Authority. While inherent risk levels remained unchanged, residual risk increased slightly (by 1.5 percent) between the second and third quarters, which was due mainly to revisions under the Research, Policy and Statistics Division.

The Authority continued to monitor emerging risks and implemented several mitigation strategies:

- *Medical aid fund sustainability:* To address rising claims and financial pressures within the sector, the monitoring of solvency levels, stakeholder consultations, and policy research was ongoing.
- *National pension fund (NPF):* The Authority participated in stakeholder engagements regarding the proposed NPF, which may affect existing pension and insurance products.
- *Political risk:* The Authority monitored legal and political developments following the 2024 elections to assess their potential impact.
- *Health risk:* The Authority monitored updates from the Ministry of Health to guide its response to the emerging respiratory virus.

These actions reflect NAMFISA's commitment to staying ahead of developments that could impact the financial sector.

Strategic risks

Six strategic risks were actively monitored and managed during the year:

- *Change management:* The Culture Improvement Plan was implemented (69 percent progress by January 2025) alongside a capacity-building programme and performance monitoring.
- *Reputational risk:* Engagement with stakeholders was strengthened through improved communication, increased participation in the FinTech Regulatory Sandbox, and preparations for the FinTech Square 2025.
- *Corporate governance risk:* To maintain continuity, the Board's term was extended to May 2025 by the Minister of Finance and Public Enterprises. The Authority completed a Board evaluation and continued to update the delegation of authority.
- *Cybersecurity and technology risks:* Regular system updates, data backups, and staff awareness campaigns supported the Authority's digital operations and protected the Authority against cyber threats.
- *Sustainability risk:* Despite economic pressures and litigation concerns, the Authority maintained strong financial performance, supported by stable levy collections across the regulated sectors.

Business continuity management

NAMFISA continued to build its organisational resilience through business continuity planning. During the year, a simulation of the Business Continuity Management Plan was conducted, replacing the originally planned simulation exercise. This provided staff with a practical understanding of key components of the plan.

Compliance risk management

The Department advanced compliance monitoring during the year through policy reviews and regular tracking of legal obligations. Fieldwork for the review of the Mobile Communication Devices Policy was completed, with the final report expected in April 2025. Compliance with core legislation, such as the Public Enterprises Governance Act, Income Tax Act, NAMFISA Act, and Procurement Act, was closely monitored. Ad hoc policies, such as the Fleet Management and Affirmative Action policies, were also reviewed as needed. A Non-compliance Log was maintained to track ongoing and resolved compliance matters.

Key focus areas for 2025/26

As part of its strategic outlook for the 2025/26 financial year, NAMFISA will focus on enhancing risk management, compliance oversight, business continuity preparedness, and ethics management. These areas are addressed through structured Board-approved plans that are designed to improve institutional resilience, maintain regulatory integrity, and foster a culture of accountability and ethical conduct.

Enhancing risk management for strategic resilience

Risk management remains a critical pillar of NAMFISA's governance framework. Recognising that risk is not static but continuously evolving, the Authority has adopted a proactive and embedded approach to identifying, assessing, and mitigating risks that may hinder the achievement of its strategic objectives. The Board-approved Risk Management Plan for 2025/26 outlines several key activities intended to strengthen the organisation's risk culture and responsiveness.

The implementation of this plan begins in the first quarter with a comprehensive review of the Risk Register, including updates to associated controls and action plans to reflect the latest risk intelligence. In the second quarter, NAMFISA will host a Risk Culture Workshop, targeting the Board and Executive Committee, to reinforce leadership accountability in risk governance. In the third quarter, the workshop will be followed by a similar activity for management and staff to promote shared ownership of risk at all organisational levels. In the fourth quarter, the Authority will facilitate division-level risk discussions aimed at fostering cross-functional collaboration, sharing best practices, and deepening awareness.

Collectively, these activities will support the Authority's goal of becoming a risk-mature organisation: one that not only responds effectively to threats but that also anticipates and prepares for them as part of its strategic decision-making.

Building organisational resilience through business continuity

Business continuity is fundamental to ensuring NAMFISA's ability to maintain essential operations and services in the face of unforeseen disruptions. The 2025/26 Business Continuity Management Plan takes a comprehensive approach, covering not just IT disaster recovery but also critical processes, human resources, and external partnerships.

The year will begin with the finalisation of the Business Impact Analysis in the first quarter, which involves updating the Business Continuity Plan (BCP) based on a re-assessment and ranking of critical functions. In the second quarter, the Authority will align its emergency response, crisis management, disaster recovery, and business continuity strategies to ensure consistency and integration. The third quarter will involve staff awareness sessions aimed at increasing understanding and preparedness. The fourth quarter will focus on testing the BCP and evaluating its performance, ensuring that the plan is both effective and responsive to real-world scenarios.

These efforts are designed to build organisational resilience and provide assurance to stakeholders that NAMFISA is well-positioned to respond effectively to operational disruptions.

Promoting ethical conduct and transparency

Ethical conduct and integrity remain central to NAMFISA's institutional identity and public trust. The Ethics Management Plan for 2025/26 establishes a framework for the promotion of ethical behaviour, transparency, and accountability throughout the Authority.

Planned activities will begin in the first quarter with the facilitation and review of the annual Declarations of Interest to ensure transparency and guard against conflicts of interest. In the second quarter, staff engagement sessions will focus on raising awareness of the Code of Ethics and reinforcing its relevance in daily operations. The third quarter will host NAMFISA's Ethics Month, a campaign aimed at fostering dialogue, encouraging reflection, and promoting ethical behaviour throughout the organisation. In addition, ethical conduct information will be distributed to staff on a quarterly basis via internal communication platforms.

Together, these initiatives aim to strengthen the ethical climate of the Authority, ensuring that staff understand, internalise, and uphold NAMFISA's values in all of their professional interactions.

Strengthening compliance to uphold regulatory integrity

In an environment marked by growing regulatory complexity and heightened stakeholder expectations, compliance management continues to be an essential element of NAMFISA's operational focus. The Compliance Management Plan for 2025/26, as approved by the Board, serves as a roadmap for upholding legal, regulatory, and internal policy obligations throughout the organisation.

During the first quarter, the Authority will review its Compliance Charter to ensure that it remains aligned with evolving best practices and organisational needs. The second quarter will focus on a review of the NAMFISA Information Technology Security Policy to ensure its continued relevance in a rapidly changing digital environment. In the third quarter, a compliance review of the Social Security Act, 1994 (No. 34 of 1994) is scheduled to assess internal alignment with legislative requirements. The fourth quarter will include follow-up reviews to ensure implementation of previous compliance recommendations and to address any outstanding issues.

Throughout the year, the Compliance Office will maintain an updated Non-compliance Log, which serves as a central tracking tool for recording, escalating, and addressing compliance breaches or concerns. This log will be presented to the Board on a quarterly basis, reinforcing transparency and accountability in compliance oversight.

Corporate Communications and Consumer Education Department

The Corporate Communications and Consumer Education Department plays a pivotal role in supporting the Office of the CEO by driving stakeholder engagement, enhancing brand visibility, and protecting the Authority's corporate reputation. With a focus on trust, collaboration, and consistent engagement, the Department manages a broad portfolio that includes internal and external communications, stakeholder relations, media engagement, consumer education, corporate social responsibility and investment (CSRI) initiatives, and consumer and customer feedback.

In executing its mandate, the Department oversees the implementation of the Authority's Stakeholder and Customer Strategy, advocacy and collaboration initiatives, and the corporate calendar, which serves as a comprehensive planning tool for all strategic engagements. These engagements include industry events, stakeholder and staff engagements, wellness initiatives, and public outreach campaigns.

Key activities during 2024/25

The Department made significant strides in enhancing the Authority's visibility and stakeholder confidence through targeted communications and consumer education activities.

Key achievements include:

- *Stakeholder engagement:* Over 90 percent of the Department's Stakeholder Engagement Plan was successfully implemented, which included robust benchmarking engagements with staff, industry stakeholders, the media, consumers, and sister regional regulators.
- *Media performance:* The Authority achieved a media effectiveness score of 88 percent, surpassing the set benchmark of 80 percent. This metric reflects the reach and impact of both traditional and digital media channels used to disseminate the Authority's messages.
- *Strategic communication support:* The Department played a critical role in supporting the Authority's strategic goals, including the facilitation of media briefings, industry meetings, and workplace forums. These engagements were instrumental in advancing awareness around key initiatives, particularly the FIMA.
- *Awards and recognition:* NAMFISA was honoured with the Diamond Arrow Award by PMR Africa in recognition of its leadership in corporate governance and contribution to Namibia's economic development, and for producing the best annual report.
- *Internal communications:* Recognising the staff as key stakeholders, the Department ensured continuous internal communication through newsletters and town hall and engagement forums to reinforce organisational cohesion and transparency.

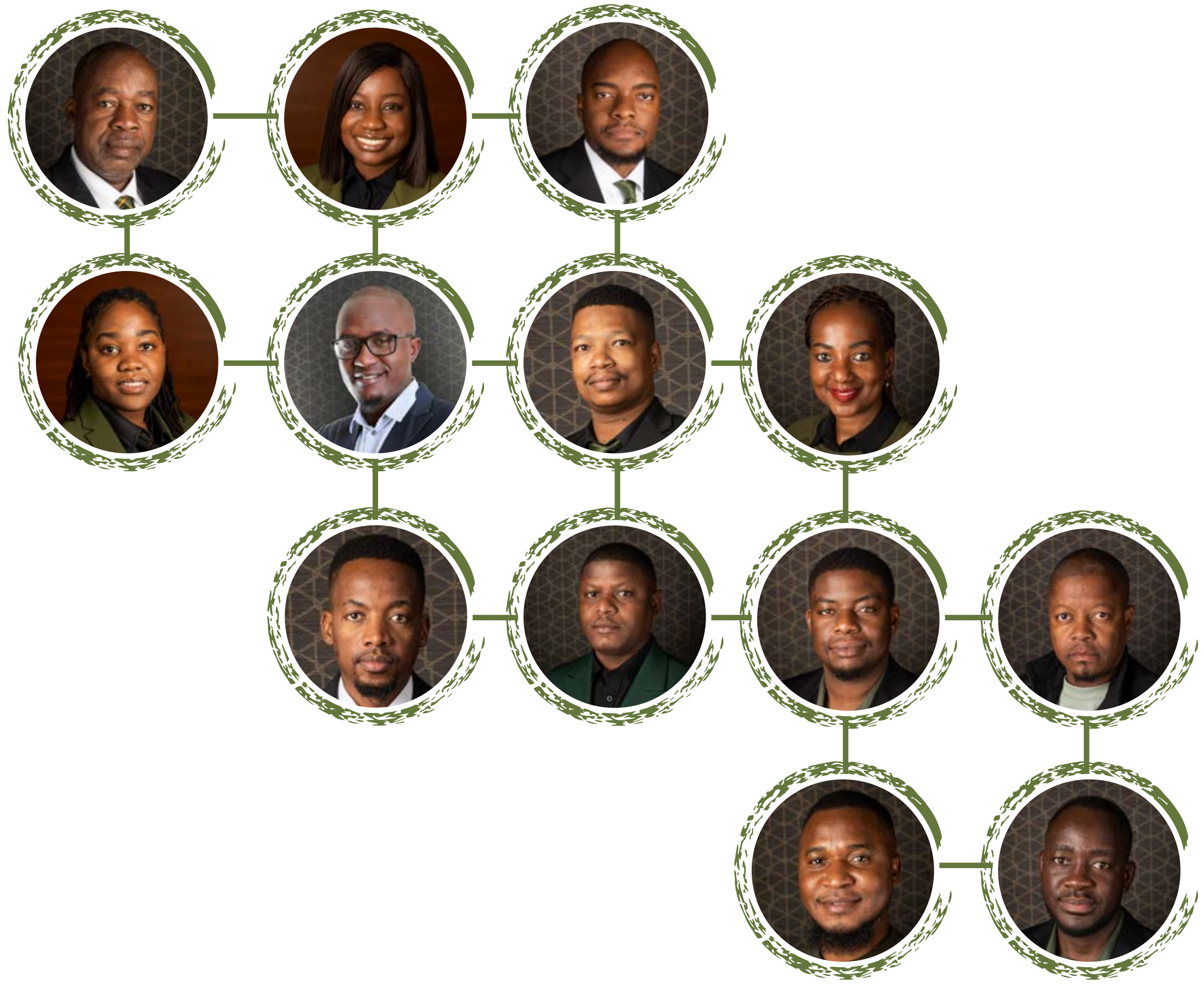
Key focus areas for 2025/26

The Department will continue to act as a strategic advisor on brand, communications, and consumer engagement. Key focus areas include:

- *Enhanced consumer education:* The Department will continue to roll-out consumer education campaigns via roadshows, media platforms, and workplace forums. These efforts will be data-driven and informed by feedback collected through surveys and stakeholder consultations.

MARKET CONDUCT AND OPERATIONS FUNCTION

Information and Communications Technology Division



- *Strategic messaging and collaboration:* The Department will refine stakeholder messaging to align with emerging priorities and regulatory developments, ensuring clarity and consistency across all touchpoints.
- *Advocacy and awareness for the FIMA:* The Department will intensify communication efforts to enhance public understanding and acceptance of the FIMA, leveraging integrated media campaigns and direct engagement strategies.
- *Corporate social responsibility and investment:* Activities under the Authority's CSRI programme will be elevated to reflect its commitment to responsible corporate citizenship, with a focus on education, inclusion, and community impact.

Information and Communications Technology Division

The Information and Communications Technology Division is responsible for providing technological direction and enablement to ensure that the Authority is best equipped with effective information and communication technology solutions and platforms, enabling the Authority to execute its mandate. The Division, primarily, carries out the planning, acquisition, implementation, and maintenance of ICT infrastructure, systems, and services.

Key activities during 2024/25

Activities for the 2024/25 financial year were mainly centred around building the Electronic Regulatory System (ERS) FIMA Readiness version, providing go-live support to already automated functions, and improving the automation of reports. The creation of the ERS FIMA Readiness release was finalised and has been ready for production deployment since January 2025.

Improvement of the NAMFISA Data Warehouse, business intelligence, and analytics platforms continued. The Division carried out infrastructure maintenance and support activities as well as cyber security-related activities, which contributed to the stability of the ICT environment throughout the period under review.

Key focus areas for 2025/26

The Division will continue to support, maintain, and enhance the data management processes for risk-based supervision, support existing functionalities of the ERP System, and chart the best possible roadmap for digital transformation.

Additional key focus areas include continued improvements and upgrades of existing IT systems, such as the Electronic Regulatory System, in line with the FIMA; and continued evolution of the Business Intelligence and Analytics Portfolio, particularly the insurance and medical aid funds and pension funds divisions. The Division will oversee the deployment of e-recruitment as well as finalise the modernisation of the website for consumer education.

The Division will continue to enhance the Authority's cybersecurity capabilities by, among others, continuously monitoring the network for abnormal activity, identifying and neutralising potential threats before they can cause damage to the Authority's assets, and continuing the user awareness campaigns.

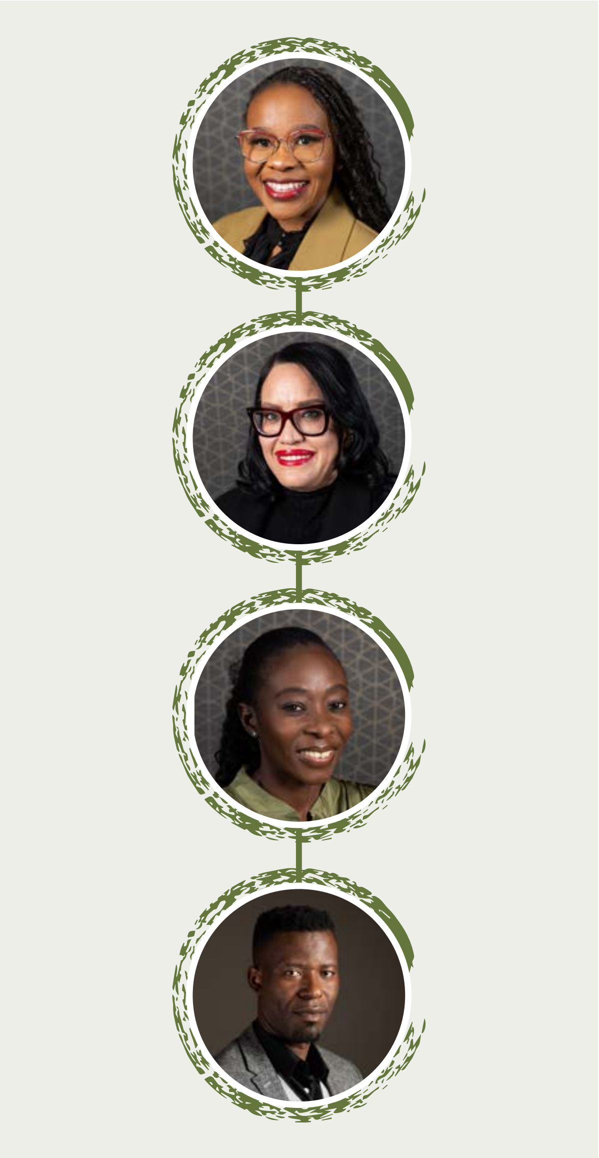
Strategy and Projects Division

The Strategy and Projects Division is mandated to develop and facilitate the formulation and implementation of the organisation's five-year strategic plans and their corresponding annual business plans. The Division defines and maintains the Strategy and Project Management Framework within NAMFISA.

Key activities during 2024/25

Under the stewardship of the Strategic 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, whose laws stand as a major achievement 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 of the Consumer Credit Bill alongside key stakeholders, including the Bank of Namibia, the Ministry of Trade, and the Ministry of Finance. NAMFISA submitted the final draft Consumer Credit Bill to the Minister of Finance and Public Enterprises 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.

Key focus areas for 2025/26

The Department will oversee a range of strategic initiatives: the construction of the new Head Office, which aims to increase the organisation's visibility and accessibility and therefore strengthen its overall presence and capacity; and the implementation of the Enterprise Resource Planning (ERP) System, which will ensure the digitisation of NAMFISA's processes.

NAMFISA aims to implement the Market Conduct Supervisory Framework focused on NBFIs to promote fair treatment of consumers, transparency, and accountability, thereby fostering trust and confidence within the sector.

Data is one of the important assets at the disposal of NAMFISA. The Department will focus on improving the Authority's data management processes and enhancing data validation capabilities.

These initiatives, which are central to NAMFISA's Five-year Strategic Plan, will ensure the accuracy, completeness, and reliability of information, thereby supporting more informed decision-making and reinforcing the organisation's commitment to operational excellence.

Finance and Administration Division

The Finance and Administration Division is responsible for controlling the Authority's finances and providing essential procurement and administrative services. The Division's responsibilities encompass financial accounting and reporting, revenue collection, and procurement services. The Division facilitates the completion of external audits, integrated strategic budgeting, and the production of annual financial statements; it manages contracts and records; and it ensures office security and maintenance. The Division has contributed to the Authority's financial stability, operational efficiency, and compliance with regulatory requirements.

Key activities during 2024/25

The Division led initiatives to ensure the Authority's financial integrity and operational efficiency, which included overseeing the preparation of the annual financial statements and compilation of the budget. The Division reviewed and updated its policies and procedures to improve governance and compliance. The review of the NAMFISA Levy Gazette for enhanced operational efficiency and stakeholder engagement is still in progress. Efforts to advance the ERP System were paused, pending a comprehensive benchmark exercise by the Information and Communications Technology Division and a review of the project scope. The procurement process and financing arrangements for the construction of NAMFISA's Head Office building were finalised.

Key focus areas for 2025/26

The Division will focus on executing the top-line growth strategy, including developing regulatory and financial frameworks and facilitating industry consultations. The Division will oversee the continuation of the Head Office Building project by ensuring timely payments, effective cash flow management, and regular project monitoring. Finalisation of the Levy Gazette review along with the development of levy bases for new entrants under legislative reforms such as the Consumer Credit Bill and the FIMA will remain a priority. Enhanced budget monitoring and timely financial reporting will support strategic decision-making and compliance. The Division will support the ERP project through the alignment of finance and procurement processes, and contribute to organisational efficiency by updating departmental policies and procedures. The Division will strengthen procurement compliance through improved reporting and adherence to internal controls, and it will implement targeted training interventions to enhance divisional knowledge and capabilities.

Legal and Licensing Services Division

Licensing and Registration Department

The Licensing and Registration Department is the gatekeeper in respect of market entry and exit of regulated entities in the NBFI sector. All functions pertaining to the registration of new entities and the deregistration of regulated entities are performed by this Department. The central housing of the entry and exit functions not only ensures that consistency is achieved across the organisation but also that a customer-centric focus is maintained. This responsibility entails evaluating, reviewing, and approving (where applicable) applications for registration; deregistration; AML/FAP assessments; name changes; name reservations; transfers of shareholding; registration of principal officers, auditors, and valuators; issuance of certification of good standing; and reviewing constitutional documents from regulated entities for all industries.

Key activities during 2024/25

The Department's key activities included the registration and deregistration of financial institutions; name changes; name reservations; transfers of shareholding; registration of principal officers, auditors, and valuators; and the issuance of letters of good standing from regulated entities for all industries.

The Department focused on imparting skills through targeted training interventions to address the skill gaps identified during the organisational capacity framework assessment.

Key focus areas for 2025/26

Once the FIMA becomes operational, the Department will continue to ensure its readiness for the implementation of the Act. The Department will continue to utilise the navigation system in the Business Suite, which involves the automation of functions within the Department to improve efficiency, including the transition from paper-based applications to automated digital application processes. The Department will continue to improve service delivery and engagement with customers by contributing to the frequent updating of information on the webpage, which educates applicants about the application processes, and by providing links to relevant information, documentation, and educational videos on NAMFISA's website. The Department will focus on updating its standard operating procedure manuals to ensure that the processes within the Department are aligned to the procedure manuals.

Legal Services Department

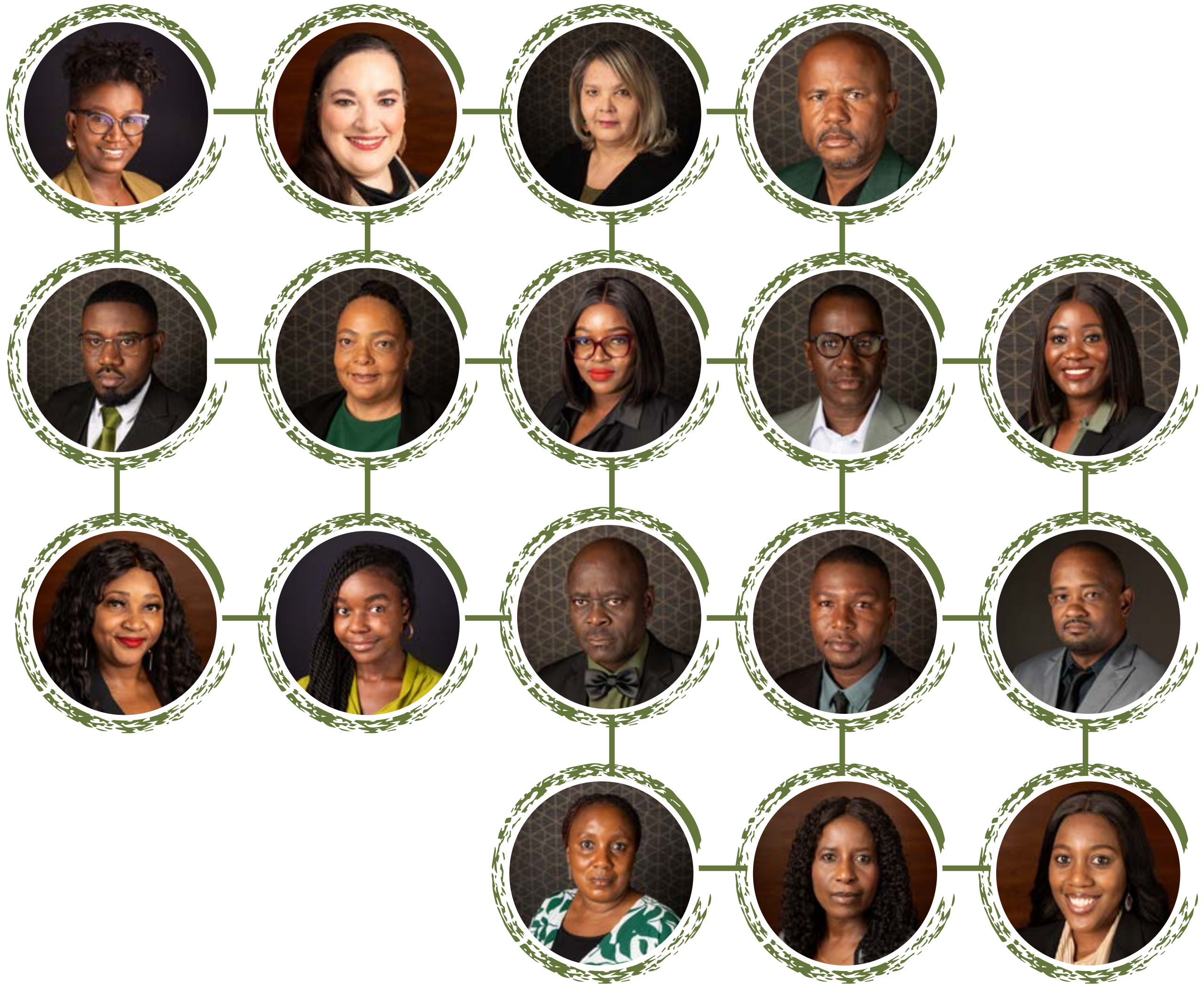
This Department is responsible for providing legal advice and support to the Board, the Office of the CEO, and the prudential supervision and market conduct divisions within the Authority on all financial institutions and financial services. The Department offers legal support in the drafting and review of principal and subordinate legislation as well as internal and external communications. The Department ensures that the Authority institutes legal proceedings, where necessary, defends or opposes legal proceedings against it, and manages such legal proceedings in accordance with the applicable rules and prescribed periods. These legal proceedings include all proceedings before any court of law, and Appeal Boards established in terms of the NAMFISA Act, 2001 (No. 3 of 2001), the Financial Intelligence Act, 2012 (No. 13 of 2012) and any other tribunal. In managing such legal proceedings, the Department supports the Authority in enforcing its power in the supervision of financial institutions.

Key activities during 2024/25

The Department has dedicated a part of its resources to reviewing and drafting the subordinate legislation to be issued under the FIMA. The comments received from the public on the draft Consumer Credit Bill were considered

MARKET CONDUCT AND OPERATIONS FUNCTION

Finance and Administration Division

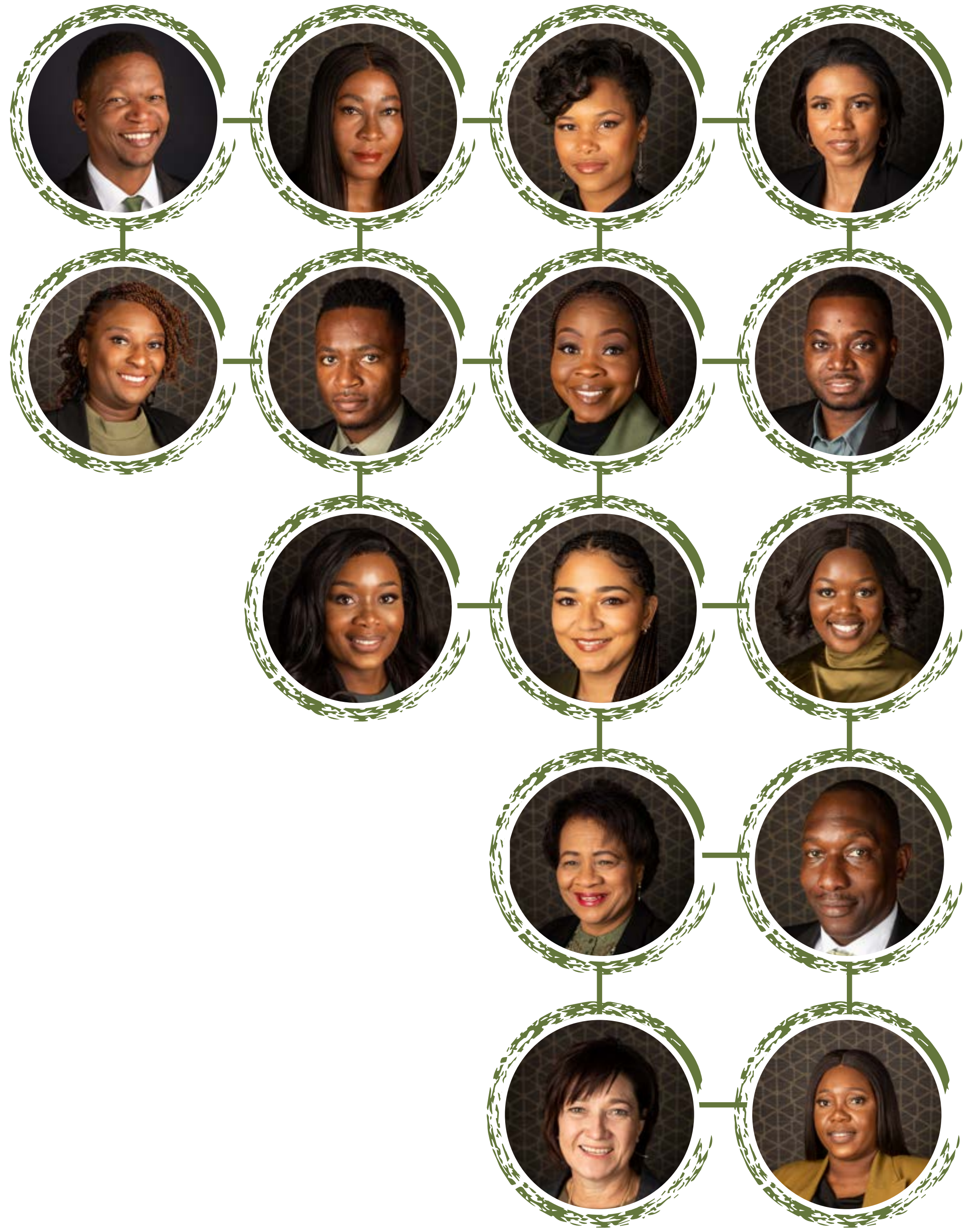


MARKET CONDUCT AND OPERATIONS FUNCTION

Finance and Administration Division (continued)

MARKET CONDUCT AND OPERATIONS FUNCTION

Legal and Licensing Services Division



and, where relevant, amendments were incorporated; thereafter, the bill was submitted for approval to the Ministry of Finance and Public Enterprises.

The comments received from the industry on the proposed amendments to the regulations made under the Pension Funds Act, 1956 (No. 24 of 1956), the Short-term Insurance Act, 1998 (No. 4 of 1998), and the Long-term Insurance Act, 1998 (No. 5 of 1998) were considered and, where relevant, incorporated into the proposed amendments to the said regulations. The proposed amendments were submitted to the Ministry of Finance and Public Enterprises for consideration.

The Department provided legal support to the Fintech Square and Regulatory Sandbox, other projects, and committees. In addition, the Department's activities comprised dealing with the customary requests from the Authority for legal advice and opinions, enforcement advice, and general legal support to regulatory and supervisory issues.

Key focus areas for 2025/26

Apart from continuing to provide general legal advice and support to the Authority, the Department will focus on enhancing regulatory and supervisory effectiveness through research and relevant training to keep abreast of legislative reform and development.

The Department will assist the Authority with the effective implementation of the FIMA, the NAMFISA Act, 2021, and subordinate legislation, as well as with drafting the Rules and Regulations of the Appeal Board established under the NAMFISA Act, 2021. The Department will continue to provide legal support to the Fintech Square and Regulatory Sandbox as well as the implementation of the cybersecurity study recommendations. The Department will plan for and thereafter commence with the drafting of the subordinate legislation to be issued under the Consumer Credit Bill.

Human Resources Division

The Human Resources Division is tasked with the responsibility of managing human resources strategically and aligning such management to NAMFISA's corporate strategy. Human resources policies, procedures, and infrastructure exist to ensure that the Authority recruits, retains, and develops a diverse, talented, and committed workforce while meeting its obligations as an employer. The human resources function serves to ensure that, as an organisation, NAMFISA remains the employer of choice through brand loyalty and by ensuring that it remains up-to-date with current practices and trends in the labour market. The Division focuses on restoring healthy employee relations within the institution. Furthermore, the Division enhances the employees' voice through various internal staff consultative forums, and it seeks to maintain and foster positive relationships between employees and Management, thereby enhancing good corporate culture.

Key activities during 2024/25

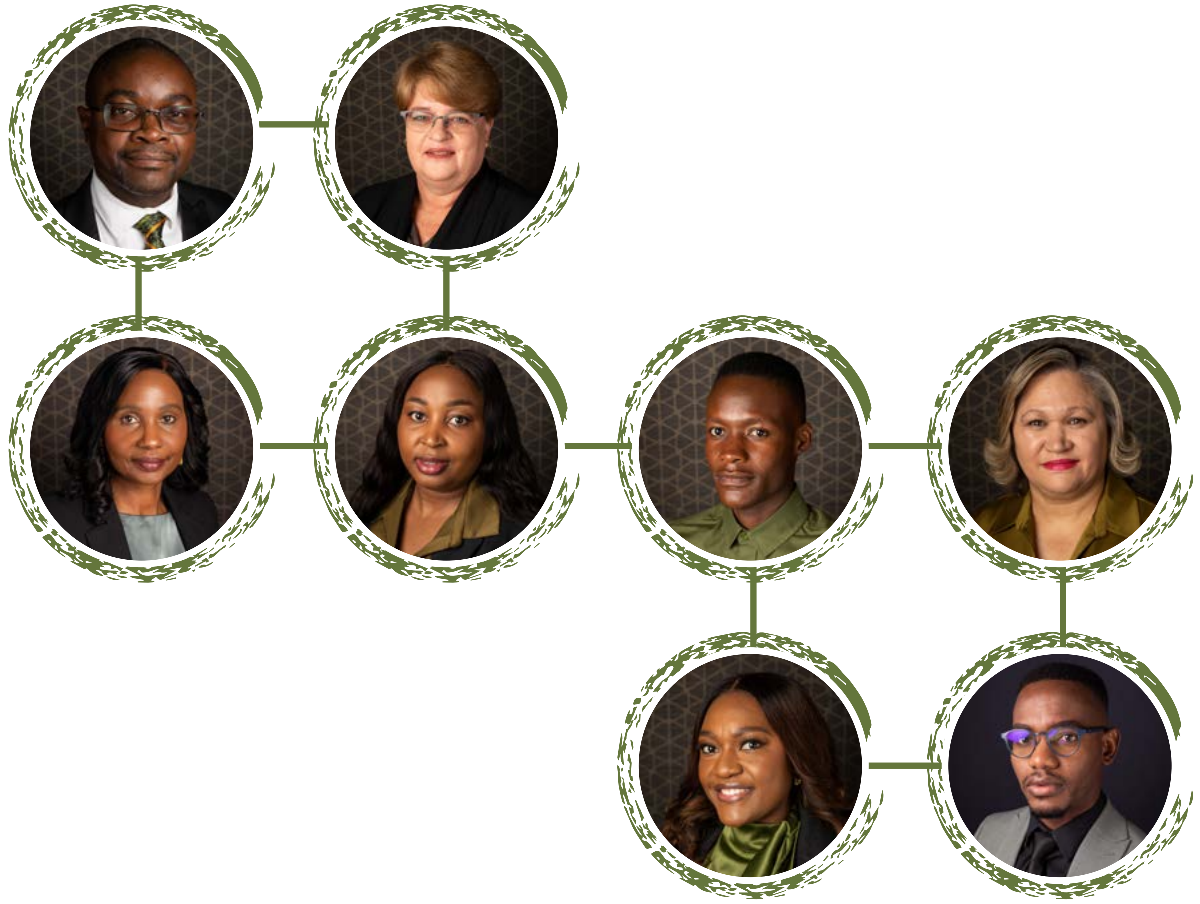
The Division continued to facilitate the commemoration of several national and international wellness days and to distribute and circulate information pamphlets to create awareness of the importance of employee health. Various wellness-related topics were scheduled as online and face-to-face sessions. Among others, several human resources policies were reviewed, including the Talent Management Policy, Job Evaluation Policy, Flexible Working Hours Framework, and Recruitment and Selection Policy to ensure their alignment to the strategy and effectiveness of processes. To enhance employee experience and work-life balance, a Remote Work Policy was implemented. As part of the 'improved knowledge and skills' strategic objective, implementation of the Knowledge Management Project progressed positively, which will be finalised in 2025. The Division continued to facilitate the coaching and mentoring programme. The general job description reviews and evaluation of roles, conducted throughout the Authority, was concluded and the outcome was implemented. The Division concluded the negotiations for salary increases for a period of two years.

Key focus areas for 2025/26

The Division will implement and monitor the Employee Engagement Plan, which was approved for the 2025/26 financial year. The Division will continue to facilitate the implementation of the Culture Improvement Action Plan. Other focus areas will include a review of the organisational structure for alignment to the changes in the Authority due to the implementation of the FIMA, the production of a corporate induction video, and a review of the identified processes and procedure manuals. Additional policy reviews will take place to ensure their effectiveness. The Division will implement the reviewed and signed Recognition Agreement between NAMFISA and the Namibia Financial Institutions Union.

MARKET CONDUCT AND OPERATIONS FUNCTION

Human Resources Division



Selected Key Activities Undertaken by NAMFISA During the Review Period

NAMFISA Regulatory Sandbox and FinTech Square 2025 | Advancing Innovation and Financial Inclusion

NAMFISA is dedicated to creating a safe, stable, and conducive environment in which Namibian innovators can thrive and to supporting digital transformation in the non-bank financial sector through two innovation initiatives: the NAMFISA Regulatory Sandbox and the NAMFISA FinTech Square. These platforms are designed to cultivate a safe and responsive environment for digital and non-digital innovation, enabling market testing while upholding financial stability and consumer protection. By bringing together innovators, regulators and ecosystem partners, NAMFISA fosters a collaborative approach to promoting financial inclusion and to enabling the sector's effective response to the evolving needs of consumers and market participants.

The Regulatory Sandbox has expanded greatly, which now hosts three admitted participants and is currently reviewing a fourth applicant. The first participant, ReferredBy Financial Solutions CC, has introduced a unique community-based platform that facilitates vetted access to nano-loans. The service is designed to serve consumers traditionally excluded from credit markets, using referral and trust mechanisms to bridge the gaps in conventional lending. ReferredBy aligns with the NAMFISA Regulatory Sandbox mandate to test locally relevant innovations.

The second participant, Ergo Analytics CC (also known as Verime) provides onboarding and digital identity verification services. Verime supports financial service providers to comply with the Know Your Customer requirements through seamless and secure verification. The service is also particularly valuable for financial institutions that are looking to scale while maintaining regulatory compliance and consumer data protection.

The third participant, Express Credit, was recently admitted and is currently in the mobilisation phase. Express Credit is a registered microlender that now offers a specific product, which will be ringfenced and tested within the Regulatory Sandbox. This product supports a novel approach to microlending as it is specifically tailored to the informally employed consumer segment. This demographic, which often lacks formal documentation and predictable income flows, has long been underserved by the financial sector. Express Credit's model offers a safe and responsible entry point into formal financial services, potentially improving household resilience and economic participation.

A fourth application is presently under regulatory review, indicating a sustained and growing interest in Regulatory Sandbox participation from innovators.

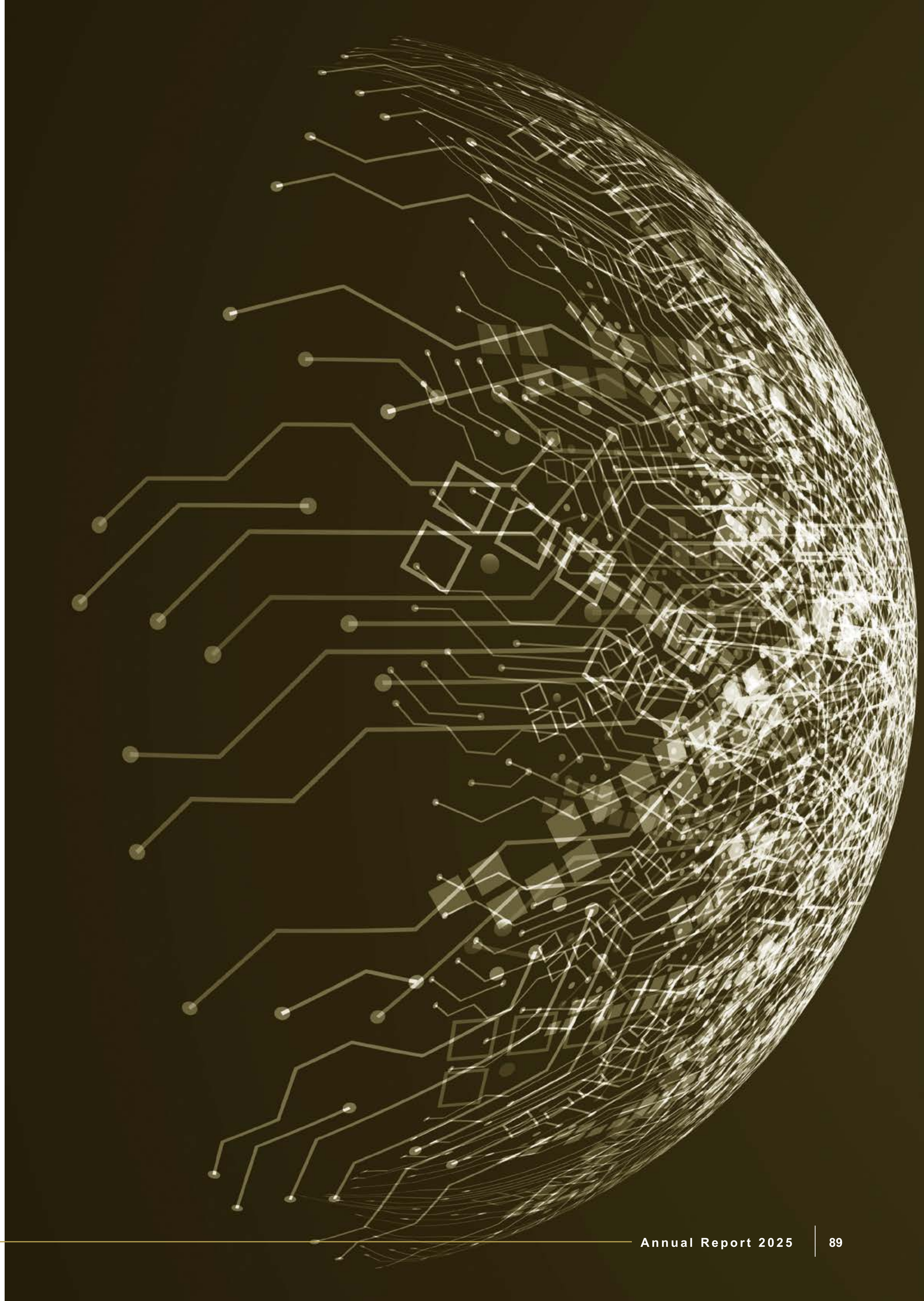
Complementing the Regulatory Sandbox, the FinTech Square continues to operate as NAMFISA's broader engagement and innovation hub. The platform hosts annual thematic events and the 2024 edition of the Square, held in May 2024, brought together regulators, innovators, development partners, and the broader public to discuss critical trends shaping the financial services ecosystem. The 2024 event featured strong participation from ecosystem partners, including the Communications Regulatory Authority of Namibia (CRAN) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). These partnerships are essential for fostering a collaborative approach that ensures innovations are not only technically sound but also responsive to real market needs.

Looking ahead, the FinTech Square 2025 event will be positioned as an enabling platform to accelerate collaboration, unlock startup investment, and highlight local success stories in financial innovation.

The event will focus on building a vibrant and connected FinTech and startup ecosystem by bringing together innovators, regulators, investors, and development partners. Emphasis will be placed on showcasing solutions with the potential to drive inclusive economic growth and strengthening the link between innovation and a larger market impact.

It is worth noting that the strategic direction of these NAMFISA initiatives strongly aligns with broader national objectives, including improving access to finance for underserved groups, supporting innovation, and building economic resilience.

Through these initiatives, NAMFISA is enabling safe and responsible innovation within the non-bank financial sector. The combined impact of the Regulatory Sandbox and the FinTech Square is expected to add lasting value by promoting innovation, safeguarding consumer interests, and laying the groundwork for a resilient, inclusive, and dynamic non-bank financial sector.



07

REGULATORY UPDATE

In line with its regulatory function under the NAMFISA Act, 2001, the Authority made concerted efforts during the reporting period to review the legislation that governs NBFIs. Legislative reform sharpened its focus on revisions to ensure a smooth transitionfrom compliance to RBS and to promote consumer protection in line with NAMFISA's vision.

New and Amended Legislation

The commencement dates of the NAMFISA Act, 2021 and the FIMA are still to be determined by the Minister of Finance

Table 12 summarises the purpose and status of the legislation affecting NAMFISA's regulatory and supervisory mandates.

Table 12: 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)	To reform the Authority by expanding its mandate, increasing its supervisory powers, and improving its governance capacity.	The new Act was promulgated in October 2021. The commencement date is still to be determined by the Minister of Finance.
Financial Institutions and Markets Act, 2021 (No. 2 of 2021)	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 (No. 7 of 2018), and the Credit Agreements Act, 1980 (No. 75 of 1980).	The Act was promulgated in October 2021. The commencement date is still to be determined by the Minister of Finance.
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 was submitted to the Ministry of Finance for approval on 17 December 2024.
Standards under the FIMA	Subordinate legislation	The key subordinate legislation has been drafted and approved by the governance structures.

08

SUPERVISORY UPDATE

NAMFISA supervises its regulated entities in accordance with the NAMFISA Act, 2021. It also subscribes to principles adopted by various international standard-setting bodies.

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

An additional principle that is fundamental to NAMFISA's operations is the ongoing review of its policies and practices to ensure that the Authority remains effective and efficient, cognisant of the needs of Namibia's financial sector, and aligned to international best practice.

NBFIs that form part of a local banking group are supervised on a consolidated basis. Thus, the Joint Supervision Framework that exists between NAMFISA and the Bank of Namibia and the Memorandum of Understanding signed between two institutions in this regard permits the exchange of supervisory and other information between the two regulators for the purpose of facilitating consolidated supervision.

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 13). 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 13: 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.

Prudential Supervision Function

This section presents NAMFISA's prudential supervisory developments during the review period.

Long- and short-term insurers

The Insurance Division supervises long- and short-term insurance institutions in terms of the governing laws.

Market size review

Long-term insurance

The number of industry players increased by 7 percent to 11,580 in 2024, from 10,827 in 2023. The increase is mainly attributable to the growth in the number of intermediaries (i.e. brokers and agents).

Table 14: Long-term insurance industry participants, 2023-2024

Type of participant	31 December 2023	Registration	Deregistration	31 December 2024
Insurers	14	0	0	14
Reinsurers[3]	1	0	0	1
Agents	972	112	21	1,063
Brokers: legal persons	535	82	20	597
Brokers: natural persons	9,305	708	108	9,905
Total	**10,827**	**902**	**149**	**11,580**

Although 14 insurers were registered for all classes of insurance business as at 31 December 2024, most insurers traded only in a few classes, depending on their risk appetite.

Table 15: Long-term insurers, 2020-2024

Classes of life insurance business	2019	2020	2021	2022	2023
All six classes of insurance	14	14	14	14	14
Funeral (only)	0	0	0	0	0
Fund (only)	1	1	1	1	1
Total	**15**	**15**	**15**	**15**	**15**

[3] The reinsurer has a composite licence (i.e. life and non-life insurance).

Short-term insurance

The industry continued to grow in terms of the number of intermediaries (i.e. brokers and agents) with 284 new registrations of agents and 79 brokers (Table 16).

No new registrations or deregistrations of insurers and reinsurers were made during the 2024 calendar year.

Table 16: Short-term insurance industry participants, 2023-2024

Type of participant	31 December 2023	Registrations	Deregistrations	31 December 2024
Insurers	14	0	0	14
Reinsurers	1	0	0	1
Brokers	859	79	7	931
Agents	1,934	284	13	2,205
Total	**2,808**	**363**	**20**	**3,151**

Thirteen (13) insurers were registered for all classes of insurance business and one (1) insurer was registered for the miscellaneous class only (Table 17).

Table 17: Short-term insurers, 2020-2024

Classes of insurance business	2020	2021	2022	2023	2024
All classes of insurance	13	13	13	13	13
Miscellaneous (only)	1	1	1	1	1
Total	**15**	**14**	**14**	**14**	**14**

Inspections

During the reporting period, the Authority conducted one (1) on-site inspection and 56 off-site inspections, which included both long- and short-term insurance entities.

Key inspection findings

Long-term and short-term insurance

The main findings of the off-site inspections conducted in 2024 include the following:

- The Board composition of several insurers did not follow the best practice recommendations of the NamCode Principle C2-18 and the Insurance Core Principle 7 – Corporate Governance. The affected insurers represented 6.0 percent of the market in terms of gross written premiums.
- A few insurers were exposed to contagion, liquidity risk, and other resultant spillover effects due to extensive party transactions and balances that these insurers have with related parties. The affected insurers represented 6.0 percent of the market in terms of gross written premiums.
- *Incorrect reporting of financial information:* Since the implementation of the One Chart of Accounts returns in the third quarter of 2018, some insurers continue to submit incorrect quarterly returns, stretching the timelines required to finalise entity, industry, and quarterly statistical reports.
- *Inappropriate accounting basis:* Some insurers report expenses on a cash basis and not on an accrual basis. Expenses are recorded when payments are made, and not necessarily accrued on a monthly basis. Consequently, expenses paid in advance are recorded as expenses in the quarter in which the payments are made, rather than

correctly disclosed as prepaid expenses (accounts receivable). This type of accounting basis (cash basis) distorts the quarterly reported results and is not in line with the accounting policy adopted by that respective insurer.

- *Non-compliance with section 32 of the Short-term Insurance Act, 1998 (No. 4 of 1998):* Insurers issued guarantees without prior approval from the Registrar. Section 32 of the Short-term Insurance Act prohibits an insurer or reinsurer from incurring liabilities of this nature without prior written approval of the Registrar.
- *Non-compliance with directive letters I/STI/01/2018 and I/LTI/01/2018 to ensure the accuracy of data submitted in the quarterly returns:* Some insurers reported inaccurate data in terms of split gross written premiums per insurance class of business regarding the corresponding number of active policies in the respective classes of insurance business due to the unavailability of data at a granular level. The unavailability of the number of policies for all active classes of insurance raises concerns about the completeness of the data and servicing of the policies. This inaccurate data poses a potential risk to the integrity and accuracy of the financial data.
- The expense ratio of some insurers was found to be above the prudential acceptable range of 30 to 40 percent. An elevated expense ratio raises concerns regarding an increase in operational risk for insurers in the future, which could consequently erode insurers' capital.
- *Non-compliance and legal risk:* Even after requests for submission extension was approved, some insurers' submissions of their audited financial statements were still late. These late submissions resulted in substantial amounts of penalties being imposed on the insurers. Penalties imposed remained outstanding as at 31 December 2024, which results in another contravention: the non-payment of penalties.
- *High exposure to insurance and concentration risks:* Some insurers do not have Reinsurance Treaties in place, which exposes the entities to insurance and concentration risks due to a lack of diversification of their policy book. These risks may arise when greater-than-normal claims are submitted at the same time as the occurrence of an insured event, which subsequently exposes the insurers to the risk of liquidity and solvency.

Supervisory interventions undertaken

The following directives and circulars were issued during the year under review:

Directive or circular number	Directive or circular name	Issue date	Effective date
I/LTI/02/2024	Submission of Annual Returns	27 December 2024	31 December 2024
I/STI/02/2024	Submission of Revised Annual Returns	27 December 2024	31 December 2024
I/MAF/02/2024	Submission of Annual Returns	27 December 2024	31 December 2024
NAMFISA/ RPS/1/2024	Final Draft of Standard No. Gen. S.10.10 Outsourcing of Functions and Responsibilities by Financial Institutions and Financial Intermediaries	7 October 2024	7 October 2024

Medical aid funds

Market size review

Namibia's medical aid funds industry comprises a mix of open and closed (restricted) funds. Open funds are accessible to the general public, allowing unrestricted membership, and closed funds limit participation to specific employer groups. As at December 2024, the number of active medical aid funds stood at seven (7), unchanged from the figure reported as at 31 December 2023 (Table 18). The presence of five (5) open funds contributes to a competitive market landscape, offering a range of benefit options to members of the public.

One (1) closed medical aid fund voluntarily ceased operations, effective 31 August 2023, and is currently in the process of being liquidated.

Table 18: Registered medical aid funds, 2020-2024

Type of medical aid fund	Size of fund	2020	2021	2022	2023	2024
Open	Large*	3	3	3	3	3
	Medium**	1	1	1	1	1
	Small***	1	1	1	1	1
	Total	**5**	**5**	**5**	**5**	**5**
Closed	Large*	0	0	0	0	0
	Medium**	1	1	2	2	1
	Small***	3	2	1	1	1
	Total	**4**	**3**	**3**	**3**	**2**
Total	Large*	3	3	3	3	3
	Medium**	2	2	3	3	2
	Small***	4	3	2	2	2
	Total	**9**	**8**	**8**	**8**	**7**[4]

* Large fund = ≥ 30,000 beneficiaries
** Medium fund = ≥ 6,000 members but < 30,000 beneficiaries
*** Small fund = < 6,000 members

[4] Excluding one (1) closed fund under liquidation.

Open funds represent approximately 71 percent of all registered medical aid funds (as illustrated in Table 18) and typically benefit from broader risk pools. Their size allows them to harness the advantages of economies of scale, where the law of large numbers facilitates substantial cross-subsidisation, which enables lower-risk members to help offset the costs associated with higher-risk individuals. This dynamic contributes to greater financial stability and a more predictable claims experience.

In contrast, closed funds are generally medium- to small-sized due to their restricted membership, often limited to specific employer groups. The limited size of their risk pools makes them more susceptible to claims volatility, as the law of large numbers is less effective in smaller populations. With fewer members over which to spread risk, even a slight increase in high-cost claims can significantly impact the fund's financial position. This inherent volatility poses a challenge to the long-term sustainability of smaller, closed funds and underscores the importance of robust risk management strategies within such entities.

Inspections

The Registrar undertakes quarterly off-site inspections of all medical aid funds registered under section 23 of the Medical Aid Funds Act, 1995 (No. 23 of 1995). These inspections form a critical component of the supervisory framework and are aimed at continuously evaluating the financial soundness and overall risk exposure of each fund. As part of this ongoing oversight, all registered funds are assessed and classified in accordance with the NAMFISA Ladder of Supervisory Intervention, which is a risk-based framework designed to guide regulatory responses based on a fund's financial health and risk profile.

This proactive and structured approach enables early detection of emerging risks, supports timely regulatory intervention, and promotes the long-term sustainability of the industry.

Pension funds

Market size review

Registered pension funds are classified into two main categories: domestic funds and foreign funds. Domestic funds consist of active funds, inactive funds, and deregistering funds, and foreign funds are subdivided into active and inactive funds. Active funds are those funds whose operations are being carried out as a going concern, and inactive funds are funds which have no active operations but have not sought deregistration. Deregistering funds are those funds whose operations have ceased and are in the process of being deregistered.

As of 31 December 2024, there was a total of 147 registered funds and societies, comprising 77 domestic funds and societies and 70 foreign funds.

Table 19: Active and dormant licences

	31 December 2024
Active domestic retirement funds	65
Dormant domestic retirement funds	5
Deregistering domestic funds	6
Active foreign retirement funds	19
Dormant foreign retirement funds	51
Friendly society	1
Total registered entities	**147**

Inspections

The Pension Funds and Friendly Societies Division conducted a follow-up on-site inspection into the affairs of the Namibia Building Workers Fund in June 2024, as well as a second-round pilot on-site inspection, with the support of the Toronto Centre as part of the RBS Capacity Development Programme, on the Government Institutions Pension Fund (GIPF) during August-October 2024.

The Division completed 42 off-site inspections during the reporting period.

Key inspection findings

- Non-compliance with pension fund rules in areas such as prescribed Board composition and admission of participating employers.
- Non-compliance with section 93 of the Administration of Estates Act: The publication and transfer of unclaimed benefits to the guardian's fund.
- Non-compliance with regulation 13 of the regulations in terms of the Pension Funds Act, 1956 (No. 24 of 1956): Funds not applying the look-through approach, and unlisted investments not meeting the required minimum level of 1.75 percent of fund assets.
- Non-compliance with section 11 (d) of the Pension Funds Act: The nature, extent and conditions of pension benefits.
- Lack of performance appraisals for fund service providers and Trustees.
- No evidence of risk management oversight by Trustees was observed.
- Long-serving service providers: Possible conflict of interest and familiarity risks.
- The fund rules do not provide for the tenure and or reappointment of the Trustees.
- Unclaimed benefits were inaccurately reported or non-disclosed.
- Section 19(6) of the Pension Funds Act was contravened.
- Reserves from annual financial statements were omitted.
- The disclosure of various accounts in the Chart of Accounts vs the annual financial statements contained discrepancies.
- Funding risk: The contributions to meet risk benefits and associated costs were inadequate.
- Negative reserves were reported for a certain fund.
- Relationships with sponsors who also serve as service providers presented contagion risks.
- Reserves were maintained at a level higher than the recommended level by the valuator, which was detrimental to the members.
- Incorrect membership figures were submitted.

Supervisory interventions undertaken

The inspection findings identified above were communicated to the entities along with the subsequent corrective recommendations and directives.

The affected entities were:

- directed to ensure alignment with the fund rules;
- directed to provide a written representation of how the conflict of interest and familiarity risks are/will be managed;
- requested to provide a written representation that proves the fund has adequate funding to cover the maturing liabilities following the exit of members as well as financial soundness after fulfilling these obligations;
- requested to clarify the reason/s for the variances noted in the Chart of Accounts vs the annual financial statements;
- requested to clarify the extent to which the valuator's recommendations regarding reserve levels will be considered; and
- directed to ensure the correct disclosure of membership in the subsequent annual financial statements.

Friendly societies

The number of registered friendly societies remained unchanged at one (1). This friendly society was established with the objective to provide funeral benefits to its members.

Capital markets

Market size review

The Capital Markets Division supervised 122 registered entities (Table 20), of which 80 were active and 43 were dormant. Investment managers constituted the majority of active entities with 24 active entities, and unlisted investment managers constituted the majority of dormant entities with 24 dormant entities (Table 21).

Table 20: **Registered capital markets entities, 31 December 2024**

Type of entity	31 December 2023	Registrations	Deregistrations	31 December 2024
Investment managers	32	2	0	34
Linked investment service providers	4	0	0	4
Unit trust management companies	21	0	0	21
Stockbrokers	4	0	0	4
Stock exchanges	1	0	0	1
Central Securities Depository	0	1	0	1
Unlisted investment managers	31	5	0	36
Special purpose vehicles	20	1	0	21
Total	**113**	**9**	**0**	**122**

The registered entities increased by 8.0 percent from 113 approved entities a year ago. For the year under review, one (1) Central Securities Depository, two (2) investment managers, five (5) unlisted investment managers, and one (1) special purpose vehicles were registered.

Table 21: **Active and dormant capital markets entities, 31 December 2024**

Type of entity	Active licences	Dormant licences	Total
Investment managers	24	10	34
Linked investment service providers	4	0	4
Unit trust management companies	18	3	21
Stockbrokers	4	0	4
Stock exchanges	1	0	1
Unlisted investment managers	12	24	36
Special purpose vehicles	17	4	21
Central Securities Depository	0	1	1
Total	**80**	**42**	**122**

Inspections

During the review period, the Division conducted two (2) full-scope RBS inspections on an investment manager and a management company. In addition, the Division conducted its off-site assessments and early warning reviews on a quarterly or bi-annual basis upon receipt of returns from all regulated entities (including low-impact entities).

On- and off-site inspection findings

Category	Inspection findings
Non-compliance	Failure to submit or the late submission of levy returns.
	Failure to submit or the late submission of quarterly returns.
	Failure to submit or the late submission of audited financial statements.
	Non-independent and non-executive directors in the minority.
Legal and regulatory	No compliance officers: Paragraph 12 of the Conditions determines under section 4(1)(f) of the Stock Exchanges Control Act, 1985 (No. 1 of 1985) that an investment manager must appoint a compliance officer or designate one of its senior employees.
	Policies not aligned to Namibian legislations.
Operational	No strategy or policy for the retention of critical skills.
	No succession planning policies.
	Lack of service level agreements for outsourced functions.
	Lack of implementation and testing of the Business Continuity Plan.
	No evidence of training awareness and controls for the identified key risks.
	Lack of cyber security awareness.
	Operational policies and/or procedures either not in place or not implemented.

Supervisory interventions undertaken

The Authority utilised the Ladder of Supervisory Intervention tool to monitor and supervise entities that fall within its supervisory mandate. The entities were requested to provide action plans and to detail their approach for addressing the shortcomings raised during the on-site and off-site inspections.

Where applicable, including in cases of perceived severe or persistent non-compliance, the Authority issued a letter of intention to cancel the entity's registration and granted it a deadline within which to respond to the Registrar.

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.

Consumer complaints

The Authority remained committed to its mission of protecting consumers, which resulted in a reduction of received complaints. The total number of complaints received decreased by 46.0 percent to 373 as at 31 December 2024, compared with the previous year (Table 22).

The significant decrease in complaints is attributable to the Authority's referral of consumers to the NBFIs, as per Circular MCD/2/2023. The Authority's referrals have resulted in the majority of complaints being resolved directly at the NBFI level. Similarly, the Authority's engagements with NBFIs to discuss the root causes of the complaints and the development of strategies to reduce complaints have also contributed to the reduction in received complaints.

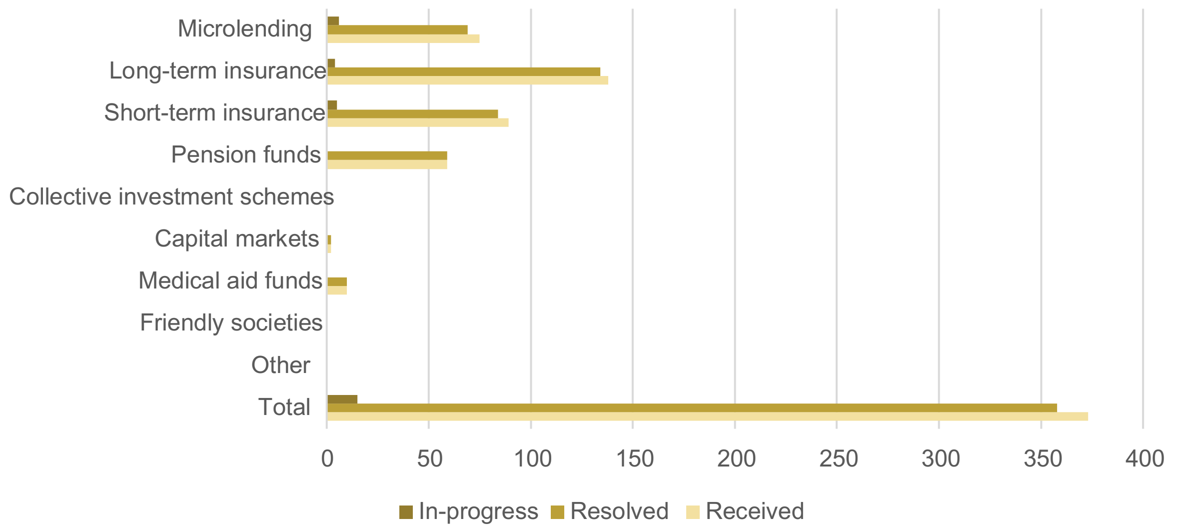
The Authority was able to resolve 96.0 percent of the 373 received complaints in 2024 (Table 22). This represented an increase in the resolution rate, compared with 91.0 percent for resolved complaints in 2023. The remaining 4.0 percent was pending as at 31 December 2024 and therefore carried over to 2025.

Table 22: Complaints received per industry, 2020-2024

Industry	Number of complaints received				
	2020	2021	2022	2023	2024
Long-term insurance	315	321	220	247	138
Short-term insurance	180	151	144	122	89
Microlending and credit agreement	396	178	172	165	75
Pension funds	152	116	156	116	59
Medical aid funds	15	15	35	39	10
Capital markets	1	1	3	2	2
Total received	**1,059**	**782**	**730**	**691**	**373**
Total resolved	**911**	**742**	**682**	**629**	**358**
Resolution rate	**86%**	**95%**	**93%**	**91%**	**96%**

All complaints that were received and resolved and which are still in progress per industry are depicted in Figure 14.

Figure 14: Complaints received, resolved and in progress per industry, 2024



The majority of the received complaints (138) were lodged against the long-term insurance industry, followed by 89 complaints against the short-term insurance industry, 75 against the microlending industry, 59 against the pension funds industry, 10 complaints against the medical aid funds industry, and two (2) complaints against the capital markets industry (Table 22).

Despite the decrease in almost all the industries when compared with 2023, the complaints against the long-term insurance industry, short-term insurance industry, microlending and credit agreement industry, and pension funds industry remained the top four industries in terms of received complaints. Together, these industries accounted for 97.0 percent, on aggregate, of all complaints lodged during the reporting period.

The nature of the complaints, which remained diverse, include:

- delays in pension benefits payments;
- overcharged interest and failure to refund such charges;
- repudiation of motor vehicle claims;
- failure to deliver quality services;
- policies lapsing due to non-payment of premiums;
- delays in funeral benefit payments;
- repudiation of funeral benefit claims;
- disputes while settling insurance claims;
- disagreements in investment/savings values; and
- illegal deductions.

Table 23 presents the top five received complaints for the long-term insurance, short-term insurance, microlending, and pension funds industries.

Table 23: Top five complaints per industry

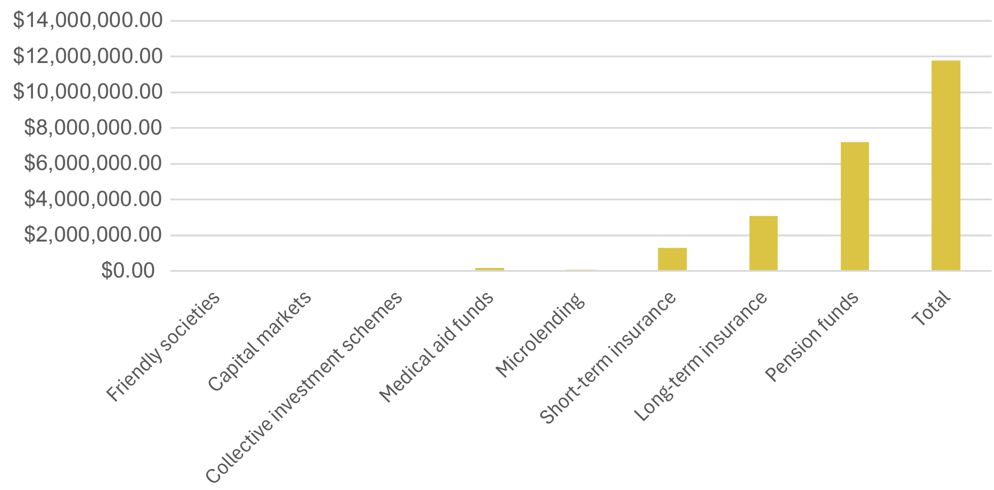
Industry	Type of complaint
Long-term insurance	• Delays in payment of death benefit claims • Lapsed policies • Repudiation of funeral benefit claims • Non-cancellation of policies or contracts • Services either not acceptable or not delivered
Short-term insurance	• Repudiation of motor vehicle accident claims • Dispute: insurance claim settlement • Repudiation of property insurance/conveyance claims • Repudiation of insurance claims • Services either not acceptable or not delivered
Microlending	• Overcharging of interest • Illegal deductions • Retention of personal documents • Non-provision of information • Extension of loan periods
Pension funds	• Delays in payment of pension benefits • Delays in payment of death benefits • Services either not acceptable or not delivered • Non-provision of information • Withholding of pension benefits

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

- ineffective or non-communication of delays during the processing of claims;
- non-disclosure on how interest is charged;
- inappropriate affordability assessments conducted at the loan application stage;
- misrepresentation of facts at the claim stage;
- leaving a motor vehicle accident scene before the arrival of traffic officers and/or medical personnel;
- poor customer service;
- premiums in arrears resulting in policies lapsing;
- non-disclosure of material information at the underwriting stage;
- signing contracts or agreements without reading or understanding them;
- terms and conditions not properly explained to consumers; and
- defaults in loan repayments resulting in higher repayable debt.

The total value of payments made to complainants per sector during the review period are illustrated in Figure 15.

Figure 15: Payments to complainants per sector



On account of the Authority's intervention, the total amount paid to complainants decreased to N$11.8 million from N$14.7 million as at 31 December 2024. This amount was paid out to 87 complainants. The highest amount, totalling N$7.2 million, was recovered from the pension funds industry, followed by N$3.1 million from the long-term insurance industry, N$1.3 million from the short-term insurance industry, N$149, 534 from the medical aid funds industry, N$55,554 from the microlending and credit agreement industry, and N$24, 659 from the capital markets industry.

Consumer education

Consumer education plays a pivotal role in fostering informed and empowered consumers while strengthening relationships with stakeholders. By promoting financial literacy and awareness, NAMFISA aims to build trust and encourage active consumer engagement within the non-banking financial sector. The Consumer Education Programme is designed to equip consumers with the necessary knowledge to understand their rights, obligations, and the Authority's role in protecting their interests. To ensure effective outreach, the programme utilises a variety of media platforms tailored to resonate with diverse audiences, ensuring accessibility and engagement across different demographic groups.

These platforms include:

- *Comic booklets:* NAMFISA produces and releases consumer education-oriented comic booklets with the aim of enhancing financial literacy and awareness among consumers. During the review period, the booklets focused on two key themes: How to lodge a complaint with NAMFISA and The benefits of the FIMA. Through an engaging and accessible format, the booklets sought to empower consumers with knowledge of their rights and of the regulatory framework that governs financial institutions. This initiative reflects NAMFISA's ongoing commitment to promoting consumer protection and ensuring that financial services remain transparent and accessible to all Namibians.
- *Roadshows:* NAMFISA actively engages in consumer education initiatives through targeted awareness campaigns across various regions. The Authority implemented a series of workplace forums aimed at diverse audiences, including schools, multiple institutions, and publicly at shopping malls, giving individual consumers the opportunity to enhance their understanding of financial services and consumer rights.
- *Smart collaboration:* NAMFISA collaborates with other institutions to strengthen stakeholder relationships and promote greater alignment between their respective objectives.
- *Radio and television broadcasts:* NAMFISA has broadened its consumer education initiatives by leveraging both the radio and television platforms to disseminate critical financial information in multiple local languages. Through strategic engagements with radio stations such as Kati FM, Omurari FM, Hardklop FM, NBC National Radio, Kaisames FM, Nwanyi FM, Wato FM, Setchaba FM, Funkhaus FM, Shipi FM, Desert Radio, Channel 7, Khorixas Community Radio, and Omulunga Radio, NAMFISA ensures a comprehensive outreach strategy, empowering consumers with the necessary knowledge to navigate financial services responsibly.
- *Consumer Protection Month*: To align with World Savings Day, the Authority declared October as Consumer Protection Month, reinforcing its commitment to consumers' financial education and protection. This initiative aims to enhance public awareness of the Authority's mandate, consumer rights and responsibilities, available complaint channels, and key financial literacy topics. Throughout the month, the Authority engages in various outreach activities, including information kiosks in shopping malls, participation in the Windhoek Industrial and Agricultural Show, a health exhibition, and workplace forums at institutions across Windhoek. In addition, the NAMFISA Mascot, Tulonga, was prominently featured to strengthen brand visibility and deepen consumer engagement, ensuring a broader reach of and lasting impact on consumers.

Consumer education website

The NAMFISA Consumer Education website (https://educates.namfisa.com.na/) serves as a crucial platform for empowering consumers with financial knowledge, ensuring they have access to the latest, valuable, and reliable educational information. The website has been designed in such a way that consumers can easily access it throughout the country. The website provides critical insights into financial products, consumer rights, fraud prevention, and responsible financial management. By offering user-friendly resources, interactive tools, and up-to-date guidelines, the website enables individuals to make informed financial decisions that promote stability and security. The website enhances financial literacy by addressing common concerns and misconceptions, helping consumers to navigate complex financial markets with confidence. In addition, the website's country-wide accessibility ensures that individuals, regardless of their location, can benefit from NAMFISA's educational initiatives, reinforcing a well-informed and financially responsible society.

Social media

NAMFISA's digital footprint on various social media platforms has increased, including Facebook at 11,000 with 8.4 likes, X at 851, LinkedIn at 20,469, and Instagram at 8,103. NAMFISA's total digital footprint increased by 905, from 39,518 to 40,423. The Facebook platform constitutes the majority of this growth in numbers.

NAMFISA's Consumer Education Competition has had tremendous success with boosting social media engagement, leading to a significant increase in followers across its platforms. The competition generated widespread interest and it actively involved consumers, encouraging them to learn more about financial literacy and their rights. This initiative reached consumers in every corner of Namibia, disseminating its educational messages to a wide audience. All participants, as well as those who were tagged, received valuable information about responsible financial behaviour. NAMFISA's social media strategy ensured that every individual, whether in an urban or rural area, was included in the conversation, empowering a broader population with crucial consumer education.

Survey management

NAMFISA distributed a well-structured consumer education survey to all institutions that were visited throughout the country. The survey aims to assess the level of financial literacy among consumers, identify knowledge gaps, and evaluate the effectiveness of NAMFISA's consumer education initiatives. By gathering insights on consumer awareness with regard to financial products, rights, and responsibilities, the survey enables NAMFISA to tailor its educational programmes to address specific needs.

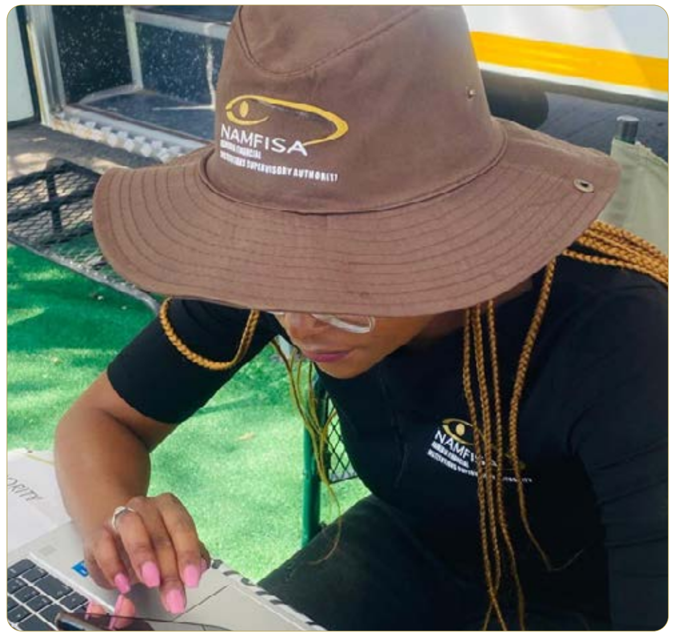
The benefits of the survey include empowering consumers with relevant financial knowledge, enhancing their ability to make informed decisions, and reducing financial vulnerabilities such as over-indebtedness and susceptibility to fraud. Additionally, the survey helps NAMFISA to refine its strategies, ensuring that consumer education efforts effectively contribute to a fair, stable, and well-regulated financial sector.

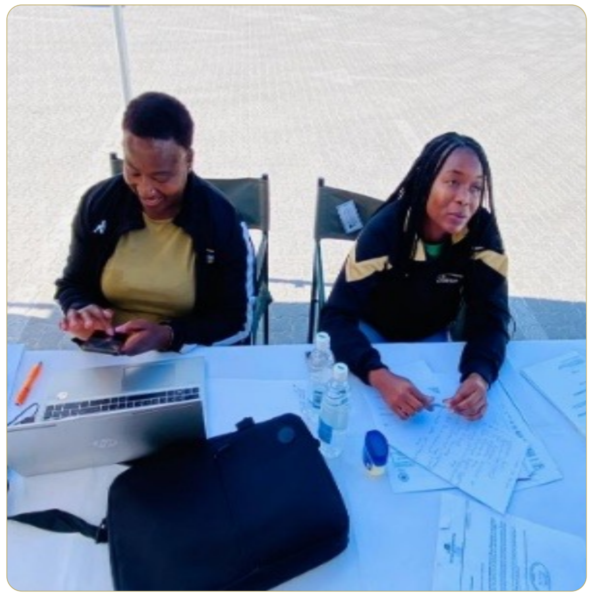
While the survey's response rates may vary, the feedback received so far has been highly valuable. In addition, the Department of Corporate Communications and Consumer Education will utilise the complaint statistics to strategically focus on regions with higher recorded complaints to ensure a targeted and effective approach to consumer education.

For 2025/26, NAMFISA's consumer education strategy will focus on strengthening financial literacy and consumer protection through targeted initiatives. In addition, the Authority will implement and execute the Consumer Education Plan, as approved by the Department, to ensure that the organisation's programmes align with regulatory priorities and consumers' needs.

The Authority will expand its reach to maximise engagement, achieve greater coverage, and have a deeper impact on financial education.

This includes leveraging digital platforms, enhancing community outreach, and collaborating with key stakeholders, such as the Financial Literacy Initiative (FLI), the Bank of Namibia, the Namibian Police, and the Government Institutions Pension Fund (GIPF), to empower consumers with the knowledge needed to make informed financial decisions. Our goal is to foster a well-informed public that is equipped to navigate financial markets responsibly and confidently.





Money laundering and the financing of terrorist and proliferation activities

NAMFISA has a statutory mandate to supervise accountable institutions (AIs) under its purview for AML/CFT/CPF purposes. As a result, supervisory activities are conducted in terms of an 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.

Inspections

On-site inspections

The Authority conducted 12 on-site inspections during the review period. The scope of the on-site inspections was determined on the basis of the FATF Joint Group's recommended actions in light of Namibia's grey-listing. Similarly, the types of AIs to undergo on-site inspections were selected on the basis of 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.

The following table illustrates the number of on-site inspections conducted for each type of accountable institution.

Type of accountable institution	Number of on-site inspections conducted
Unit trust management companies	5
Linked investment service providers	1
Asset/investment managers	1
Long-term (life) insurers	2
Microlenders	2
Stockbrokers	1

Key findings

Three (3) AIs had strong control measures in place, which include one (1) stockbroker, one (1) unit trust management company, and one (1) microlender. As such, no occurrences of non-compliance were found.

In respect of the remaining AIs, non-compliance was detected, which varied in terms of severity. The more severe non-compliance findings necessitated immediate supervisory interventions such as the application of remedial actions and the imposition of sanctions.

The key findings include:

- failure to review internal policies in order to align them to the requirements of the Financial Intelligence Amendment Act, 2023 (No. 6 of 2023), particularly with:
  - » measures to be applied to beneficial ownership (BO) and prominent influential persons (PIPs);
  - » reporting suspicious transactions and activities to the Financial Intelligence Centre (FIC) promptly, but not later than three days; and
  - » the BO threshold (i.e. the shift from a 20 percent ownership threshold to 25 percent);
- failure to conduct screening of clients against the United Nations Security Council (UNSC) Sanctions List on an ongoing basis, particularly when the Sanctions List has been updated;
- ineffective risk management processes and procedures, rendering the application of a risk-based approach ineffective; and
- failure to identify PIPs and failure to apply measures commensurate with the ML/TF risks posed by PIPs.

Supervisory interventions undertaken

The Authority imposed administrative sanctions within specified timelines in order to address the identified shortcomings, which included financial penalties, cautions, and directives. These sanctions were issued to certain collective investment schemes, linked investment service providers, asset management companies, stockbrokers, and microlending institutions.

Off-site inspections

The Authority conducted 54 off-site inspections. The AIs that presented different risk profiles, particularly medium-low risk and low risk profiles, from various sub-sectors were subject to off-site inspections.

The following table illustrates the number of off-site inspections conducted for each type of accountable institution.

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

Key findings

Similar to the on-site inspections, the scope of the off-site inspections was carefully determined in light of Namibia's grey-listing to ensure the enhanced application of the preventative measures in relation to the obligations highlighted for the on-site inspections.

The key findings are similar to those for the on-site inspections. The non-compliance findings include:

- failure to conduct screening of clients against the UNSC Sanctions List at onboarding as well as on an ongoing basis, particularly when the Sanctions List has been updated; and
- failure to incorporate the obligation to take the prescribed actions in the event of a positive match in internal policies, particularly microlenders.

Supervisory interventions undertaken

The Authority issued directives within specified timelines in order to remedy the identified shortcomings. The directives were issued to certain asset management companies, special purpose vehicles, life insurance companies, and microlending institutions.

Conduct and compliance

During the review period, the Authority once again prepared an annual Supervisory Plan to guide its supervisory activities. In its supervisory approach, the supervisory activities included the inspection of microlenders, insurers, and unregistered entities suspected of conducting insurance or medical aid business, as detailed in the following subsection.

Inspections

On-site inspections

For the microlending sector, the objective of the on-site inspection was to assess the lender's compliance with the provisions of section 1, paragraph (c) of the definition of principal debt in the Microlending Act, 2018 (No. 7 of 2018), which relates to insurance premiums paid by the microlender to an insurer in respect of an insurance policy which is ceded to the microlender as security for the repayment of loans disbursed in accordance with the provisions of the Microlending Act. The inspection revealed non-compliance with the provisions of section 23 (3) of the Microlending Act. The entity was issued with a directive to remedy its non-compliance.

For the insurance sector, the on-site inspection was conducted to assess the efficiency and effectiveness of claims handling procedures. The review revealed deficiencies in the settlement of death benefit claims procedures as well as deficiencies in the metrics used to monitor the effectiveness of claims handling processes. Consequently, these deficiencies caused delays in the settlement of claims to beneficiaries. The Authority has directed the inspected entity to address these shortcomings and to improve the efficiencies in the claims handling processes in the interest of the policyholders.

In terms of the abovementioned market conduct deficiencies, the Authority does not have enforcement powers under the current Regulatory Framework and, in some cases, relies on moral persuasion to ensure that consumers' interests are safeguarded.

On-site inspection findings

The on-site inspection findings include:

- non-compliance with section 23 (3) (a) and (b) of the Microlending Act, which concerns (a) the prohibition of a lender to oblige a borrower to take out insurance from the microlender, and (b) the timeframe within which the borrower is required to submit alternative insurance;
- the lack of set timelines for the settlement of death benefits; and
- the absence of adequate performance metrics to monitor the effectiveness of claims handling procedures.

Off-site inspections

The Authority conducted off-site assessments of registered term lenders. The objective of the off-site assessments include:

- assessing the effectiveness of complaints procedures to ensure that these procedures are in line with the provisions of section 24 (1) (b) and (d) of the Microlending Act, as well as aligned to the Complaints Handling Procedure Circular, which was issued in December 2023; and
- examining microlenders' compliance with section 24 (2) of the Microlending Act and its subordinate legislation with regard to standard loan agreements.

The Authority continues to conduct regular compliance updates to assess the compliance status of all microlenders. In cases of non-compliance, the Authority has begun the process of imposing penalties.

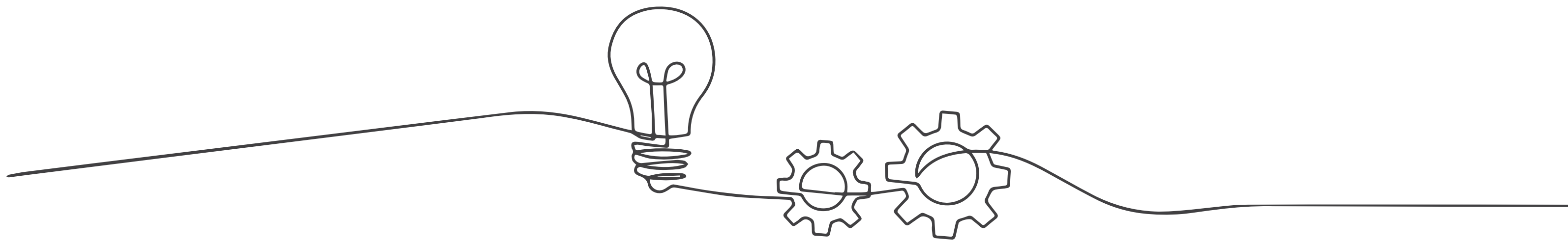
Off-site assessments of entities suspected of conducting unregistered medical aid and/or insurance business in contravention with the provisions of the Short-term Insurance Act, 1998 (No. 4 of 1998), the Long-term Insurance Act, 1998 (No. 5 of 1998), and the Medical Aid Funds Act, 1995 (No. 23 of 1995) were conducted. Subsequently, these entities were directed to cease conducting such business, ensuring that consumers' interests are adequately safeguarded.

Furthermore, in line with the requirements of section 54 of the Short-term Insurance Act and section 56 of the Long-term Insurance Act, the Authority conducted off-site assessments of all registered insurance brokers to assess their compliance with the requirement to maintain a valid and professional indemnity insurance cover. Non-compliant entities were issued with notices of intention to cancel their registration, and were granted 30 days to make representations in terms of the noted non-compliances. For those entities that failed to make representations or whose 30-day period had expired, the Authority proceeded to cancel their registration.

Off-site inspection findings

The off-site inspection findings include:

- non-compliance of standard loan agreements with section 24 (2) of the Microlending Act and its subordinate legislations;
- entities conducting unregistered insurance and/or medical aid business; and
- expired and/or non-valid professional indemnity insurance cover.



09

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 2024, global economic growth remained steady, although it is anticipated to decelerate in 2025.

Global GDP growth held firm at 3.3 percent in 2024, following a prolonged and demanding period marked by a series of unprecedented shocks. According to the IMF's April 2025 World Economic Outlook update, global growth is forecast to decline to 2.8 percent in 2025, before recovering modestly to 3.0 percent in 2026, a level that remains below the historical average.

Growth in advanced economies is expected to ease to 1.4 percent in 2025. This downward adjustment, particularly in the United States and the Euro area, is attributable to heightened policy uncertainty, ongoing trade tensions, and the impact of tariffs. Meanwhile, growth in emerging markets and developing economies is projected to slow to 3.7 percent in 2025, with a slight uptick to 3.9 percent in 2026 as countries affected by recent trade measures have seen their growth prospects revised downwards.

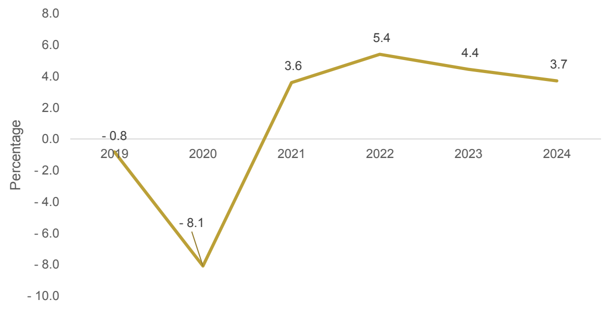
Global headline inflation is anticipated to reach 4.3 percent in 2025 and moderate to 3.6 percent in 2026. Notable upward revisions have been made for advanced economies, and emerging markets and developing economies have experienced slight downward revisions for 2025.

Domestic economy

The domestic economy continued to expand in 2024, realising a fourth consecutive yearly growth since its last contraction observed in 2020. However, the domestic economy's expansion slowed from 4.4 percent in 2023 to 3.7 percent in 2024 (Figure 16). This slow performance was mainly driven by primary industries (particularly diamond and crop production), which recorded a decline of 1.8 percent, compared with a growth of 10.0 percent registered in 2023.[5]

[5] https://nsa.org.na/publications/.

Figure 16: Domestic GDP growth rate



(Source: Namibia Statistics Agency)

The Bank of Namibia's 2024 Annual Report reported that the government debt to GDP ratio increased by 1.4 percentage points to 65.3 percent in 2024. This deficit has grown due to spending increasing at a faster rate than revenue. Namibia's economic growth slowed to 3.7 percent in 2024, down from 4.4 percent in 2023, due mainly to a weak performance in the primary sector, particularly in diamond and crop production.

In 2024, Namibia's merchandise trade deficit grew significantly due to the increase in imports and decrease in exports. Compared with 2023, the deficit expanded by 39 percent, reaching a record N$39.7 billion. This was mainly driven by an 8.1 percent rise in import payments, which totalled N$123.8 billion, and increased spending within almost all of the import categories, except mineral fuels. At the same time, export earnings dropped by 2.2 percent year-on-year to N$84.1 billion, due largely to a sharp decline in revenue from both rough and processed diamond exports. However, the trade deficit was partially offset by a 30.4 percent surge in gold export earnings, which reached N$14.6 billion in 2024.

Credit extended to the private sector increased from 1.9 percent in 2023 to 4 percent in 2024. The accelerated growth resulted from a rise in credit issued to businesses and households, primarily through loans, advances, and overdrafts. This uptick signalled a strengthening in domestic demand, driven in part by tax refunds introduced in October 2024 as a fiscal stimulus, along with a more relaxed monetary policy stance, which was implemented in August 2024.

Similarly, credit extended to households grew at a moderate pace in 2024 compared with 2023, primarily driven by instalment sales, leasing, and other loans and advances. The annual growth rate of total household credit edged up slightly to 3.1 percent in 2024 from 3.0 percent in the previous year.

Long-term insurance

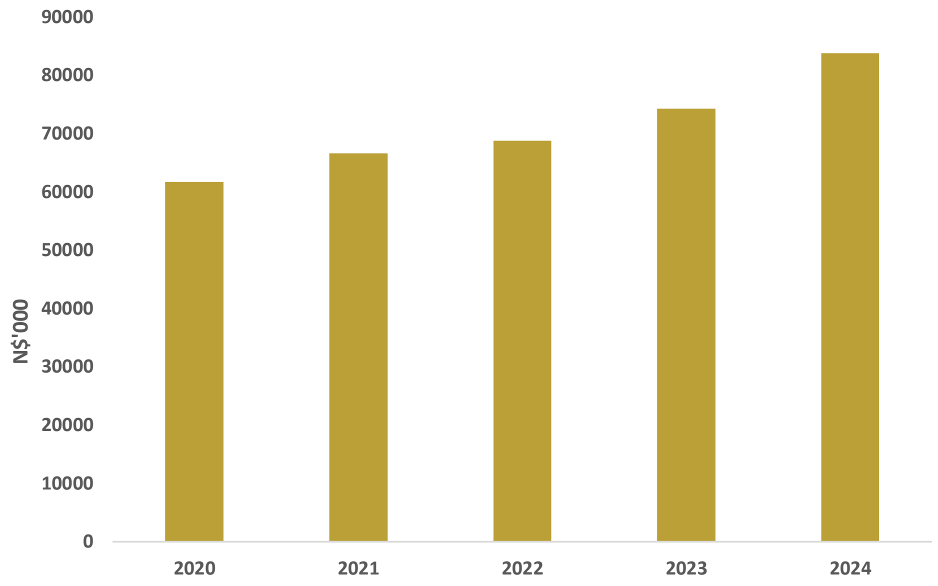
Performance review

The long-term insurance sector experienced growth in its assets, largely driven by recoveries in both global and local financial markets throughout the year. The industry's excess assets increased by a moderate 15.4 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 12.9 percent to N$83.8 billion as at 31 December 2024, compared with the previous year (Figure 17). This growth was primarily driven by a significant expansion in the industry's investment portfolio. Strong recoveries in financial markets, particularly the equity market at the Johannesburg Stock Exchange (JSE), following the 2024 South African general elections, coupled with renewed investor sentiment, contributed to enhanced performance across most markets, thereby driving the growth of the investment portfolio.

Figure 17: **Long-term insurance industry: Total assets**

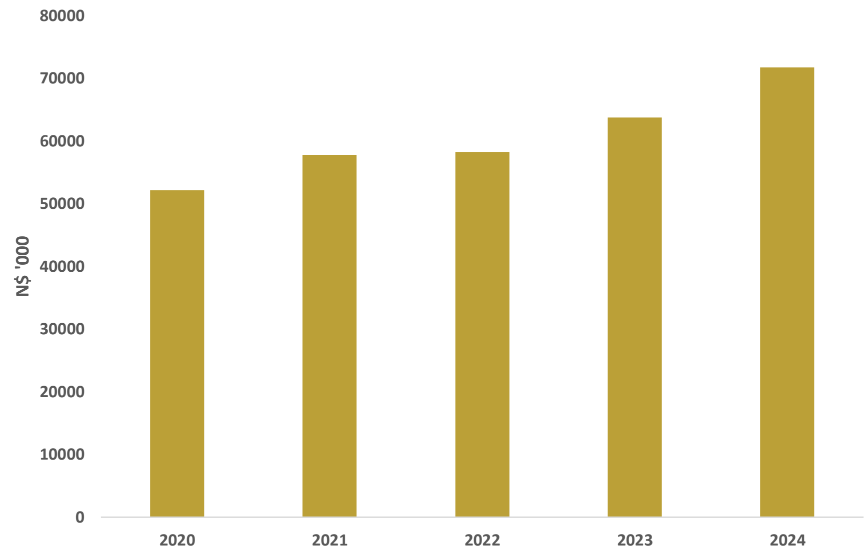


Liabilities

The value of the industry's total liabilities increased by 12.5 percent to N$71.7 billion as at 31 December 2024 (Figure 18). This 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 funeral, credit life, and risk class categories accounted for the highest new business underwritten, representing 38.3 percent, 19.3 percent, and 18.5 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 18: **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 15.4 percent to 202.5 times as at 31 December 2024, driven by a modest growth in excess assets.

Table 24 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 11 insurers maintained a coverage greater than 10 times, indicating a strong solvency position.

Liquidity levels increased by 17.6 percent to 8.6 times, compared with the previous year. This improvement in liquidity was driven by robust growth in current assets relative to current liabilities as at 31 December 2024.

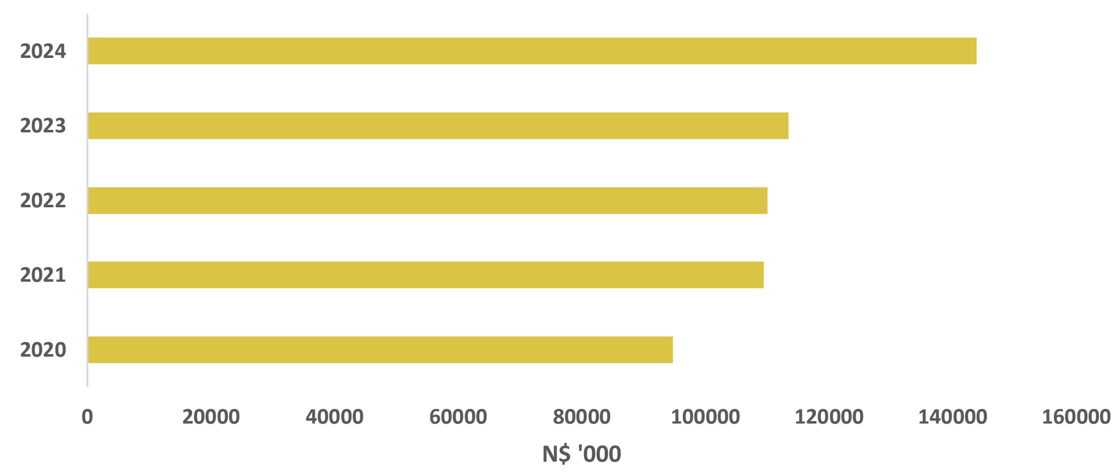
Table 24: **Long-term insurers: Cover in terms of capital adequacy requirements**

Ratio of surplus assets to capital adequacy requirement (CAR cover)	Number of long-term insurers				
	2020	2021	2022	2023	2024
Cover 1 time	0	0	0	0	0
Cover 1-2 times	2	0	1	0	1
Cover 2-5 times	1	2	2	2	0
Cover 5-10 times	0	0	0	1	2
Cover 10+ times	11	12	11	11	11
Total	**14**	**14**	**14**	**14**	**14**

Gross written premium

The industry's gross written premium (GWP) rose by 26.8 percent, reaching N$14.4 billion as at 31 December 2024 (Figure 19). The growth in GWP was driven by a significant increase in new business underwritten during the year. The increase in insurance product uptake is attributable to the ongoing recovery of the economy, which has seen a steady rise in business activities.

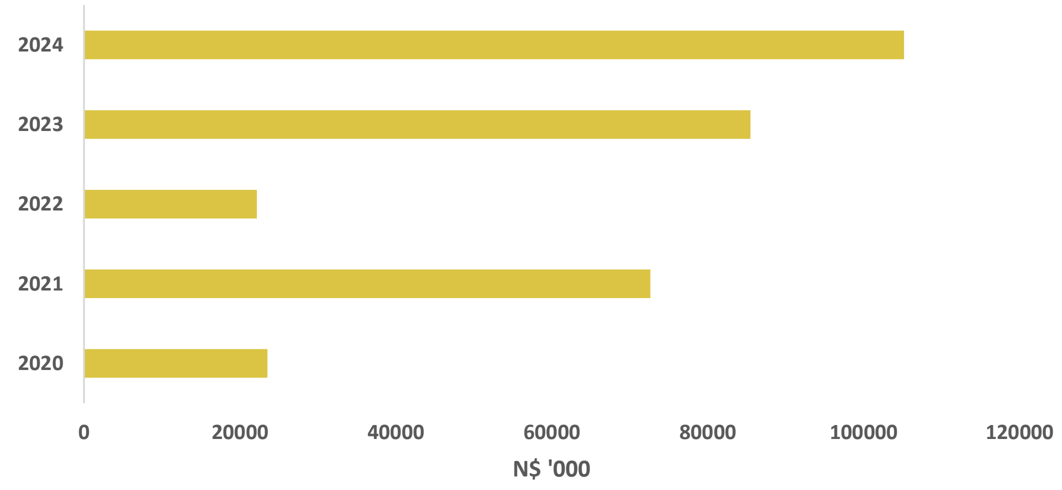
Figure 19: Long-term insurance industry: Gross written premium



Investment income

The industry's investment income experienced a significant increase of 23.1 percent, reaching N$10.5 billion during the year (Figure 20). 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, following the respective general elections locally and internationally.

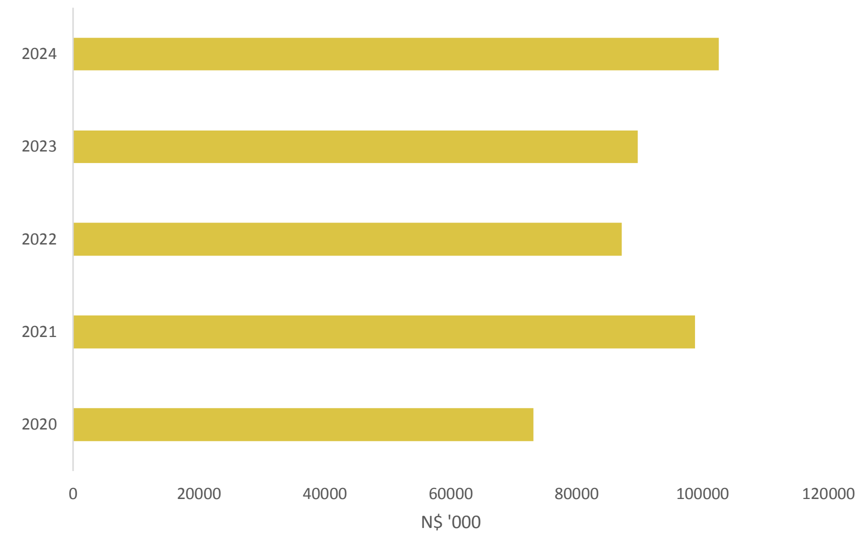
Figure 20: Long-term insurance industry: Investment income



Claims and expenses

The industry's net claims paid rose by 14.3 percent to N$10.3 billion by the end of the review period (Figure 21). 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 risk, fund investment, and fund risk classes, accounting for 31.8 percent, 21.2 percent, and 19.8 percent, respectively.

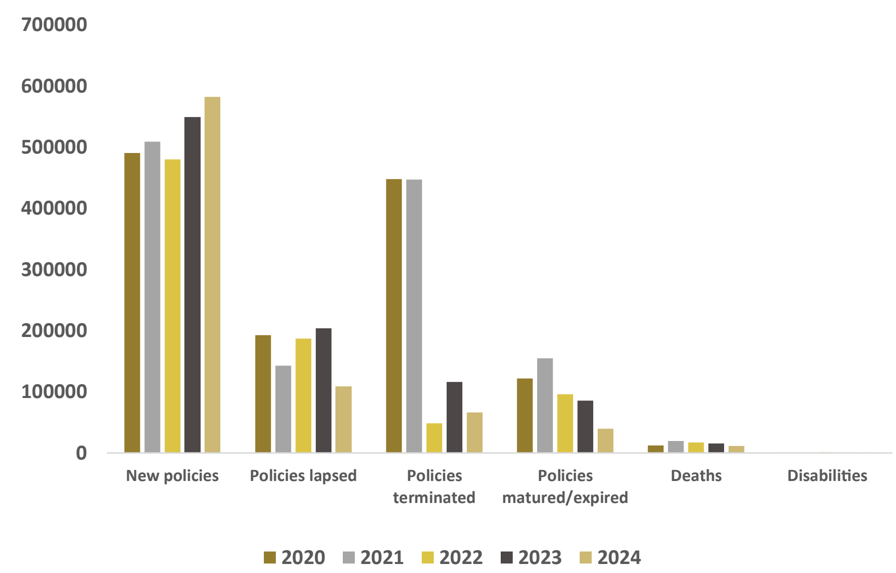
Figure 21: Long-term insurance industry: Gross claims paid



Policy statistics

The total number of active policies grew by 13.1 percent to 2,166,896 policies by the end of 2024 (Figure 22). 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 22: Long-term insurance industry: Policy statistics

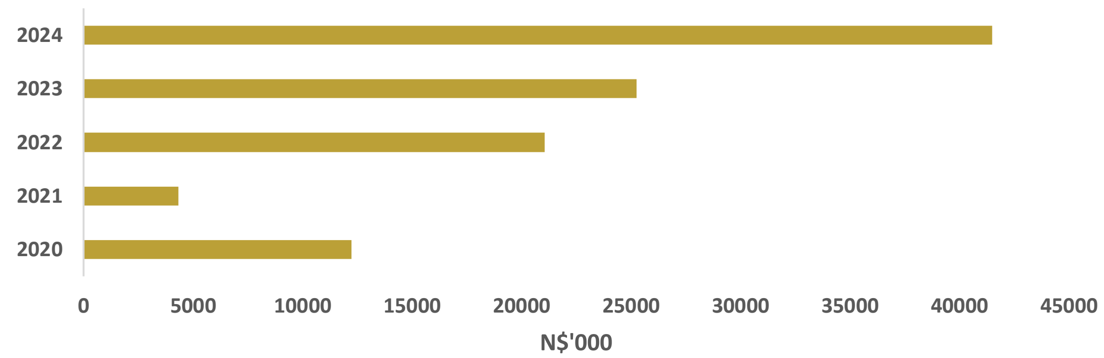


Profit before tax

The industry's profit before tax surged by 64.4 percent, reaching N$4.2 billion by the end of the year (Figure 23).

This significant increase in profit was driven by higher revenue, primarily due to the growth in new policies written and strong recoveries in investment income during the period under review.

Figure 23: Long-term insurance industry: Profit before tax



Short-term insurance

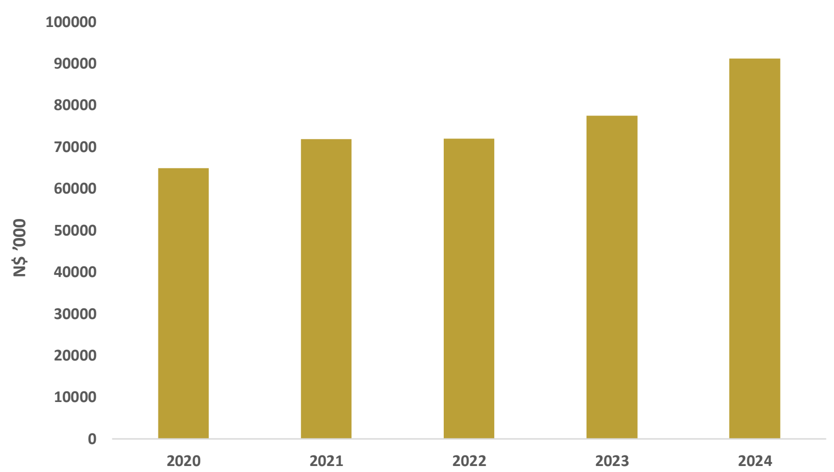
Performance review

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 increased by 15.2 percent to N$2.8 billion as at 31 December 2024. Solvency positions experienced a slight decline of 1.0 percent, and liquidity levels increased significantly by 16.7 percent.

Assets

The value of the industry's total assets rose by 17.8 percent to N$9.1 billion as at 31 December 2024 (Figure 24). The growth in industry assets was driven by a rise in investments, which in turn was driven by sound recoveries in the financial markets. This increase was primarily due to strong recoveries in financial markets, particularly in unit trusts and the money market, during the year.

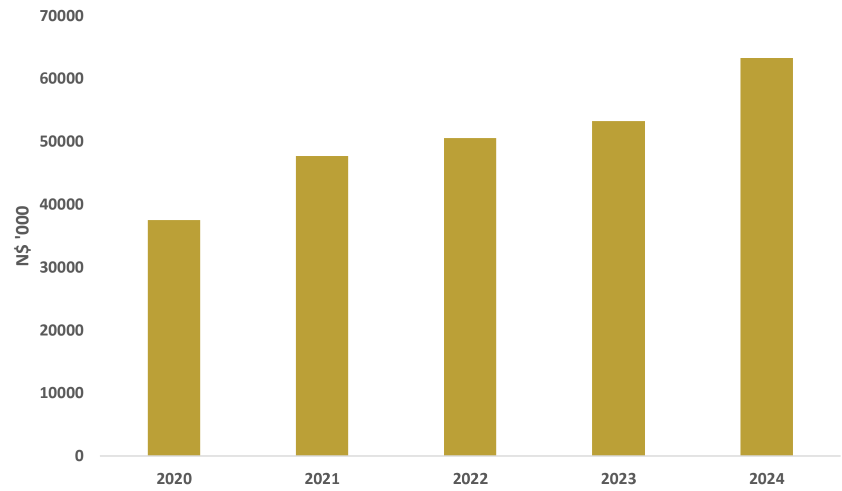
Figure 24: Short-term insurance industry: Total assets



Liabilities

The industry's total liabilities grew by 19.0 percent to N$6.3 billion as at 31 December 2024 (Figure 25). 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 25: Short-term insurance industry: Total liabilities



Solvency

The short-term insurance industry's solvency ratio declined by 1.0 percent to 1.44 times as at 31 December 2024. As shown in Table 25, 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 1.45 times is sufficient to cover the core financial obligations of the industry.

The liquidity position slightly declined by 1.0 percent to 9.0 times, compared with the previous reporting period.

Table 25: Short-term insurance industry: Solvency ratio, 2020-2024

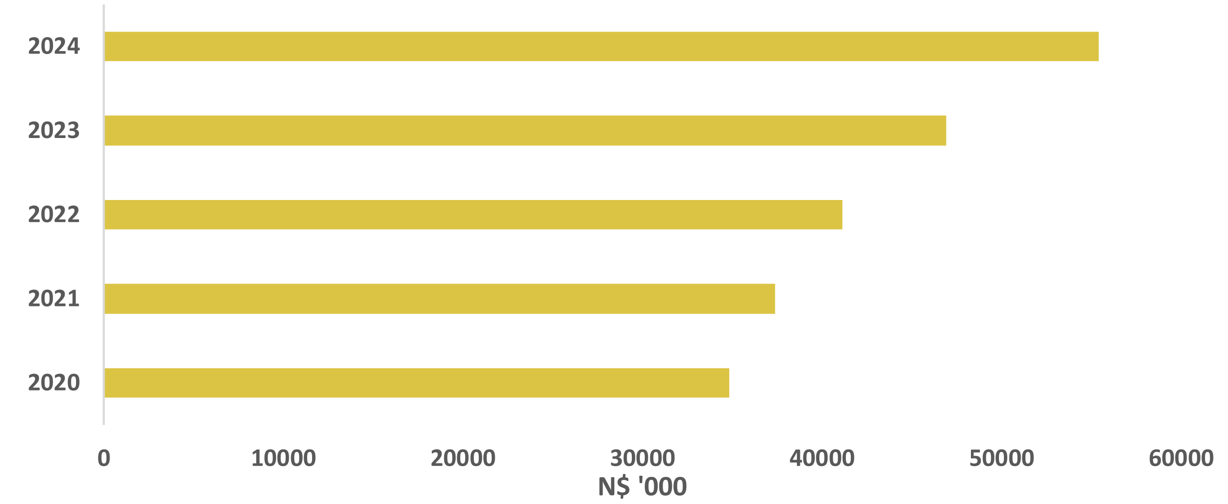
Solvency ratio	Number of short-term insurance companies				
	2020	2021	2022	2023	2024
1-20%	8	9	9	9	10
21-25%	3	2	1	0	0
26-30%	2	0	2	2	1
31-35%	0	1	0	2	2
>35%	2	2	2	1	1
Total	**15**	**14***	**14**	**14**	**14**

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

Gross written premium

The industry's gross written premium (GWP) rose by 18.1 percent to N$5.5 billion for the year ending 31 December 2024 (Figure 26). The increase in the GWP was primarily driven by a higher volume of new policies underwritten, which resulted from a rise in motor vehicle sales due to an increase in business activities during the year. The property personal, motor-only personal, and motor-only commercial sectors accounted for the largest proportions of the observed GWP, representing 29.4 percent, 16.7 percent, and 13.6 percent, respectively.

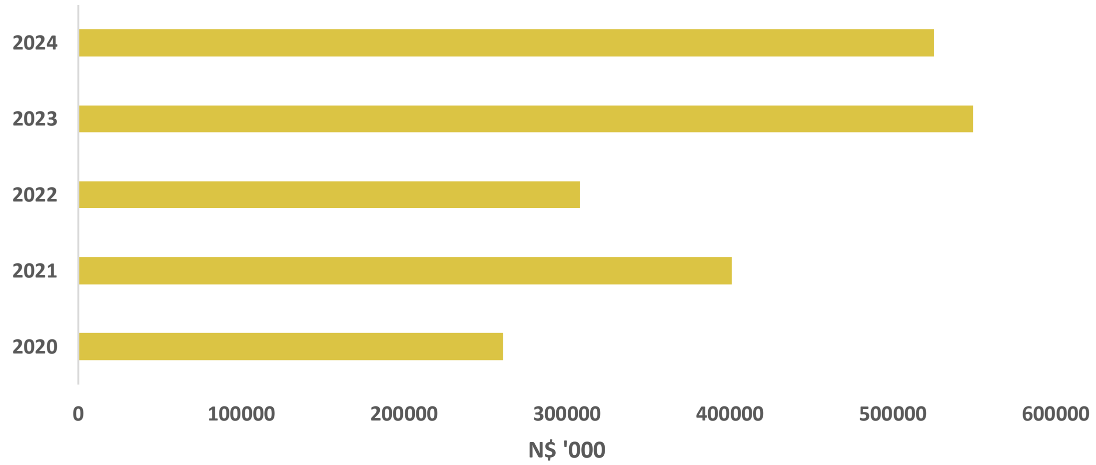
Figure 26: Short-term insurance industry: Gross written premium



Investment income

The industry observed a decline in investment income by 4.3 percent to N$525.5 million at the end of the year (Figure 27). The decline in investment income stemmed primarily from a reduction in fair value gains on financial instruments exposed to listed equities over the year.

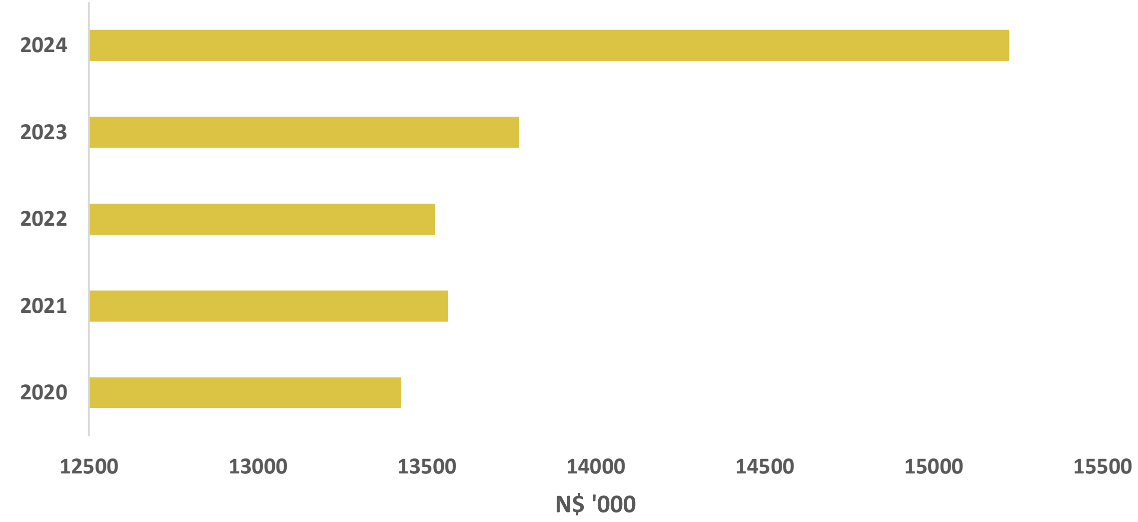
Figure 27: Short-term insurance industry: Investment income



Claims and expenses

The industry's net claims increased by a moderate 10.5 percent, reaching N$1.5 billion as at 31 December 2024 (Figure 28). The increase in net claims was primarily driven by growth in 'incurred but not reported' (IBNR) balances, as insurers settled business interruption claims that arose from climate-related disruptions.

Figure 28: Short-term insurance industry: Claims and expenses



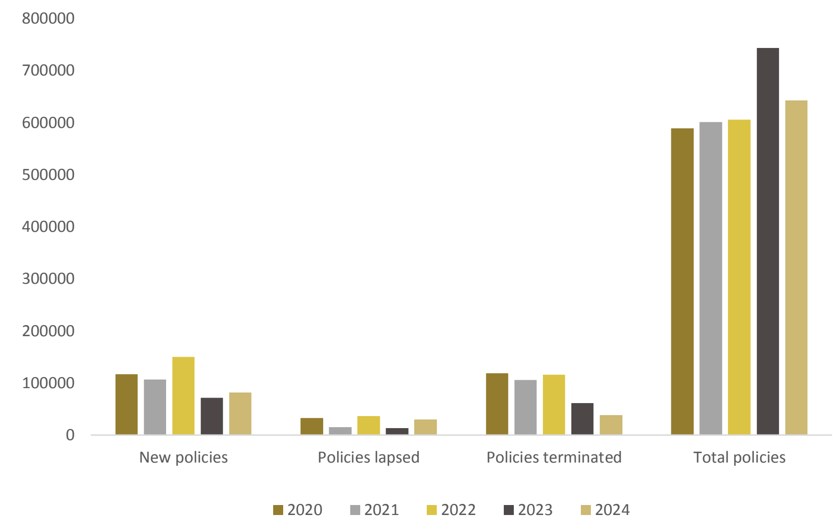
Management expenses surged by 20.5 percent to N$1.4 billion during the review period. The rise in management expenses is primarily attributed to costs associated with the continuous preparation and implementation of the reporting requirements of IFRS 17 and the increase in staff.

The industry's commission paid increased by 11.6 percent to N$594.6 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 2024. The motor-only commercial and property commercial sectors accounted for the largest proportions of the observed GWP, with 19.9 percent and 18.3 percent, respectively. The property personal, motor-only personal, and motor-only commercial sectors accounted for the largest proportions of the commission, representing 48.6 percent, 19.3 percent, and 11.6 percent, respectively.

Policy statistics

The number of total active policies decreased by 11.2 percent, falling to 660,156 policies as at 31 December 2024 (Figure 29). The decline in active policies is due primarily to an increase in lapses. Despite this reduction in total active policies, the industry experienced growth in the number of new policies underwritten during the year.

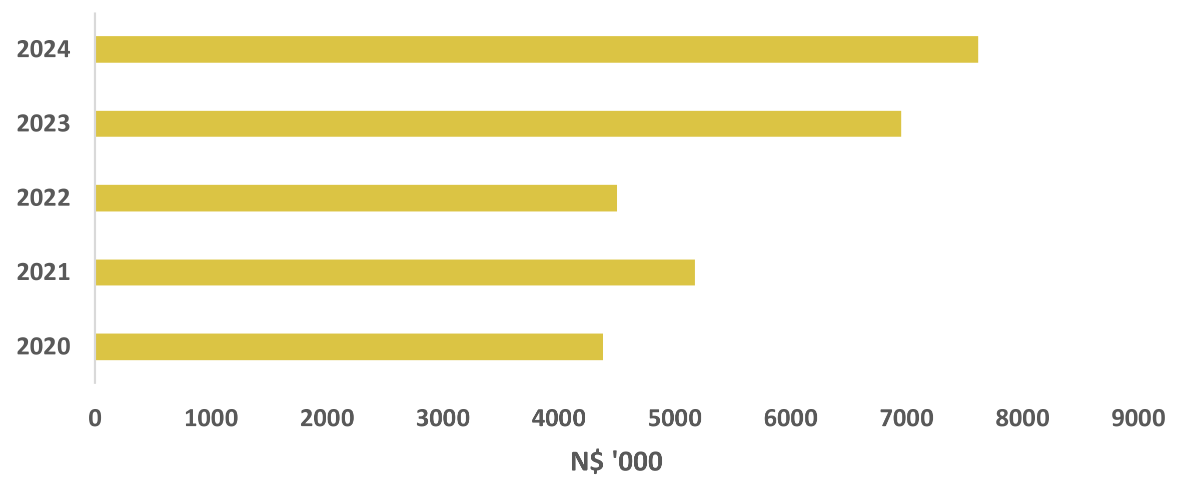
Figure 29: **Short-term insurance industry: Policy statistics**



Profit before tax

The industry's profit before tax rose significantly by 9.6 percent to N$762.3 million for the period ending 31 December 2024, (Figure 30). The increase in profit was primarily driven by the growth in the number of new policies underwritten throughout the year.

Figure 30: **Short-term insurance industry: Profit before tax**



Foreign insurance and reinsurance

Table 26 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 26: **Short-term insurance exemptions: Lloyd's and non-Lloyd's cover**

Class of insurance	2020	2021	2022	2023	2024
Aviation	53,276	48,159	39,553	57,788	64,289
Fire	16,271	5,131	180	37,428	25,561
Marine	152,611	167,613	253,056	222,078	217,982
Miscellaneous	41,260	84,418	156,263	299,344	175,661
Vehicle	-	-	-	-	-
Personal	47	-	-	-	583
Guarantee	63,375	25,247	35,666	-	-
Total	326,840	330,568	484,718	616,638	484,076
Number of exemptions	**321**	**236**	**258**	**321**	**330**

The value of foreign insurance exemptions granted by the Registrar declined by 21.5 percent to N$484.1 million in 2024. The miscellaneous and marine classes of insurance contributed the most to the decrease in premiums leaving the country for both Lloyd's and non-Lloyd's coverage, accounting for 36.3 and 45.0 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 experience improved during 2024, 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 1.9 percent to 219,790 as at 31 December 2024. The increase in membership was primarily due to employers enrolling additional staff in medical aid funds (Table 27).

Table 27: **Medical aid fund beneficiaries**

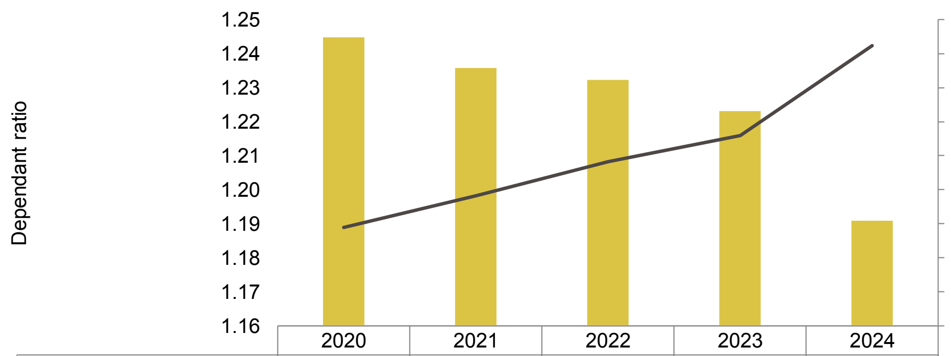
Total industry membership	2020	2021	2022	2023	2024
Principal members	*83,745	85,902	96,985	90,883	93,677
Dependants	*104,242	106,156	112,560	111,162	111,556
Pensioners	12,214	12,655	12,861	13,721	14,557
Total beneficiaries	**200,201**	**204,713**	**209,545**	**215,766**	**219,790**
			Percentage		
Change in principal members	-2.0	2.2	2.6	3.1	3.1
Change in dependants	-0.1	1.8	2.3	2.4	0.4
Change in pensioners	4.4	3.6	1.6	6.7	6.1
Change in total beneficiaries	***-0.8**	**2.3**	**2.4**	**3.0**	**1.9**

*These figures have been restated from the 2021 Annual Report due to the reclassification of data.

Dependant and pensioner ratios

The dependant ratio measures the average number of dependants per principal member, and stood at 1.19 for 2024, lower than the ratio of 1.22 reported for the previous year (Figure 31). A low dependant ratio is desirable, as higher-contributing principal members outnumbering lower-contributing dependants reduces financial pressure on medical aid funds. Pensioner beneficiaries[6] accounted for 6.6 percent of all beneficiaries as at 31 December 2024. The pensioner beneficiaries' 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 6.1 percent to 14,557 during 2024.

Figure 31: Medical aid funds industry: Dependant and pensioner ratios, 2020-2024

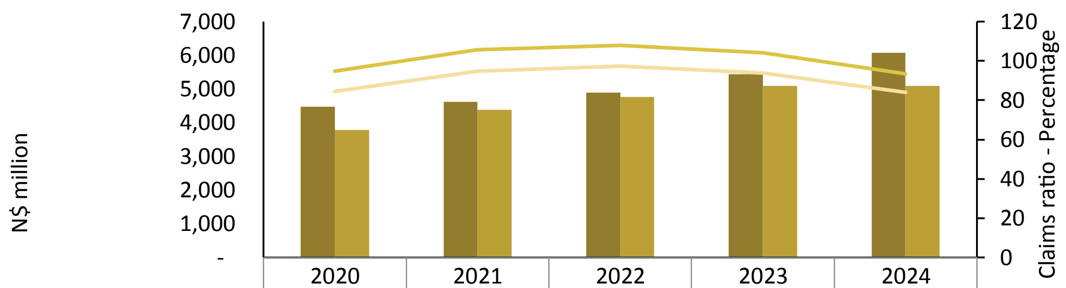


	2020	2021	2022	2023	2024
Dependant ratio	1.24	1.24	1.23	1.22	1.19
Pensioner ratio (RHS)	6.1	6.2	6.3	6.4	6.6

Income

Gross contributions received increased by 11.8 percent to N$6.1 billion for the 2024 financial year. The increase in contributions was due to a combination of increased member enrolment and annual increases in contributions paid by members. On average, gross contributions increased by 7.4 percent over the last five years, and claims grew at a lower average rate of 5.9 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 32). Contributions were thus sufficient to settle healthcare expenditure, with excess funds available to cover a portion of the non-healthcare expenses.

Figure 32: Medical aid funds industry: Gross contributions vs gross expenditure



	2020	2021	2022	2023	2024
Contributions received	4,481	4,626	4,893	5,429	6,071
Claims	3,780	4,391	4,764	5,101	5,100
Claims ratio (RHS)	84.4	94.9	97.4	94.0	84.0
Loss ratio (RHS)	94.7	105.6	107.9	104.1	93.4

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

Healthcare expenditure

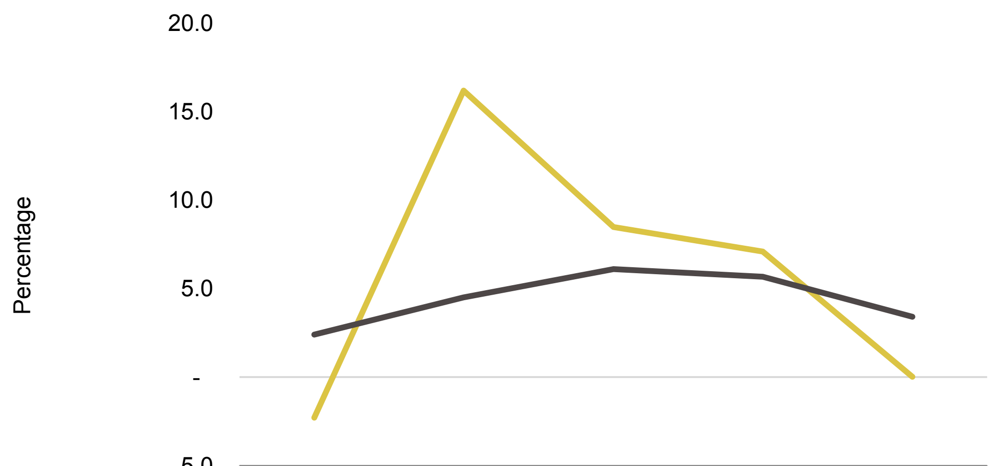
Healthcare expenditure is the sum of the benefits paid from the risk pool of medical aid funds. During the 2024 financial year, the healthcare expenditure amounted to N$5.1 billion, which is unchanged from the healthcare expenditure reported for the previous year. The stability observed during the review period was due to cost containment measures introduced and implemented by medical aid funds to control the growth of healthcare expenses during the year under review. The average healthcare expenditure amount per beneficiary per annum (PBPA) reported for 2024 was N$23,205, which is 1.9 percent higher than in 2023.

Table 28: Medical aid funds industry: Distribution of healthcare benefits paid in 2023 and 2024

Health service provider	2023	2024
Percentage		
Hospitals	32.8	34.8
General practitioners	9.0	9.3
Pharmacies (medicines dispensed)	15.8	15.7
Medical specialists	12.4	11.0
Auxiliary services	5.0	5.1
Pathologists	5.6	5.7
Optometrists	2.9	2.8
Dentists	4.9	5.0
Radiologists	5.7	5.7
Dental specialists	0.5	0.4
Dental therapists	0.3	0.3
Psychiatric institutions	0.3	0.3
Optic pay-outs	0.0	0.0
IBNR movement	1.4	2.1
Other	3.5	1.7

As experienced in previous years, hospitals, pharmacies, medical specialists, and general practitioners comprised the bulk of healthcare expenditure in 2024 (Table 28). Claims associated with these four groups accounted for 70.9 percent or N$3.6 billion of the total benefits paid. Hospital claims were the highest at N$1.8 billion, followed by pharmacies (medicines dispensed) at N$802.0 million. Specialist claims paid amounted to N$563.2 million, and general practitioners amounted to N$473.1 million. During 2024, healthcare expenditure increased at a rate lower than the Namibia Consumer Price Index (NCPI), contrary to previous years (excluding 2020) when healthcare expenditure growth exceeded the NCPI (Figure 33).

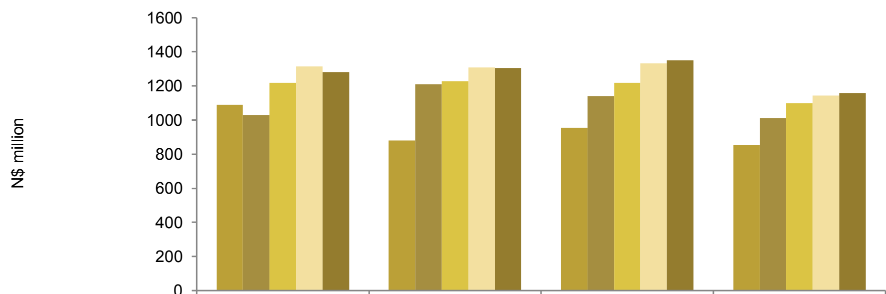
Figure 33: Medical aid funds industry: Healthcare expenditure growth vs Namibia Consumer Price Index (NCPI)



	2020	2021	2022	2023	2024
Healthcare costs increases	-2.3	16.2	8.5	7.1	-0.0
NCPI	2.4	4.5	6.1	5.7	3.4

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 34a). Nonetheless, healthcare expenditure has steadily increased over the past five years (Figure 34b).

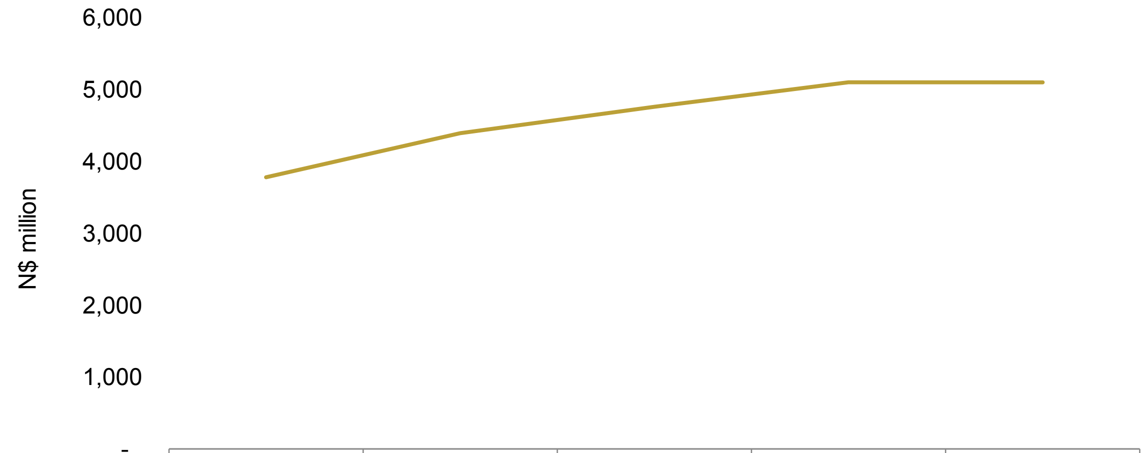
Figure 34a: Medical aid funds industry: Claim seasonality, 2020-2024



	March	June	September	December
2020	1091	880	955	854
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

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. Additionally, 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 34a).

Figure 34b: Medical aid funds industry: Annual healthcare expenditure



	2020	2021	2022	2023	2024
Claims	3,780	4,391	4,764	5,101	5,100

Non-healthcare expenditure

The non-healthcare expenditure of medical aid funds primarily consists of administration expenditure, managed care expenditure (fees for managing healthcare benefits), operational expenditure, and consultancy fees. Non-healthcare expenditure increased by 3.6 percent to N$560.9 million, on an annual basis. Administration costs continued to be the largest component of non-healthcare expenditure, which grew by 3.7 percent to N$390.8 million in 2024 due to inflationary adjustments of the fee charged per member and variable charges due to member activity.

The administration of medical aid funds is the largest activity outsourced by funds and is comprised of fixed costs that are paid, regardless of a fund's membership, and a variable cost element, which is paid per registered member of a medical aid fund. Administration costs accounted for 69.7 percent of all non-healthcare expenditure.

The annual growth in gross contributions received and non-healthcare costs were higher than the NCPI (Table 29).

Table 29: Medical aid funds industry: Percentage of change in gross contributions and gross expenditure vs Namibia Consumer Price Index inflation rate, 2020-2024

	Gross contributions received	Gross healthcare costs	Gross non-healthcare costs	Namibia Consumer Price Index (NCPI)
Reporting period	Percentage change	Percentage change	Percentage change	
2020	5.1	-2.3	3.1	2.4
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

Managed care costs increased by 1.2 percent to N$60.1 million in 2024. Increased hospitalisation and elective procedures assessed during 2024 resulted in the growth of the managed care cost. Managed care accounted for 10.7 percent of the total non-healthcare costs incurred and amounted to 1.0 percent of the gross contributions in 2024.

In aggregate, managed care costs and administration costs amounted to 7.4 percent of the contributions in 2024.

Healthcare expenditure and administration costs accounted for 93.4 percent of the gross contributions in 2024 (Table 30). The industry had sufficient contributions to settle all expenses, build reserves, and purchase additional investments.

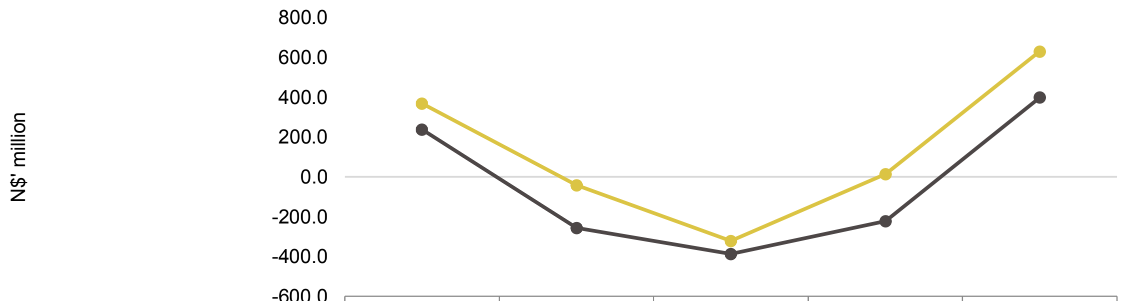
Table 30: Medical aid funds industry: Ratio of healthcare costs (claims) to administration costs, 2020-2024

Item	For the period ended 31 December				
	2020	2021	2022	2023	2024
Healthcare costs as a percentage of gross contributions (percent)	84.4	94.9	97.4	94.0	84.0
Administration costs as a percentage of gross contributions (percent)	6.9	7.2	10.6	10.1	9.4
Healthcare costs and administration costs as a percentage of gross contributions (percent)	91.2	102.1	107.9	104.1	93.4

Net healthcare results

The industry reported an operational surplus (the result after deducting healthcare and non-healthcare costs from net contributions[7] before investment and other income) of N$398.0 million for 2024, which was an improvement on the operational deficit of N$223.0 million reported for 2023. The total expenditure increased at a lower rate than contributions, hence the operational surplus reported for the 2024 financial year. The trend in the operational results and the net surplus of the medical aid fund industry fluctuated during the period 2020-2024 and continued to trend upward during 2024 (Figure 35).

Figure 35: Medical aid funds industry: Operational surplus and net surplus, 2020-2024



	2020	2021	2022	2023	2024
Underwriting surplus(deficit)	236.4	-258.1	-387.3	-223.0	398.0
Net surplus(deficit)	366.9	-41.7	-321.9	14.8	630.8

[7] Net contributions are gross contributions less savings contributions and health reinsurance.

The net result (operational result plus investment and other income) increased on an annual basis from a net surplus of N$14.8 million to a net surplus of N$630.8 million reported for the 2024 financial year. Open medical aid funds reported a net surplus of N$575.8 million and closed medical aid funds reported a net surplus of N$55.1 million. The investment income reported by the industry decreased by 2.4 percent to N$227.7 million for the 2024 year. The industry's investments were primarily held in capital-preserving, interest-bearing instruments; therefore, the investment income was reduced due to lower interest rates experienced during 2024.

Assets and liabilities

The total industry assets grew by 33.4 percent to N$2.8 billion as at 31 December 2024. The increase was due to growth in cash and cash equivalents and investments. The industry's total liabilities increased by 15.6 percent to N$729.6 million as at 31 December 2024.

Receivables decreased by 18.4 percent to N$38.3 million as at 31 December 2024. The receivables comprised contributions receivable of N$22.1 million and other receivables of N$16.2 million. The arrear contributions ratio[8] decreased to 0.5 percent as at 31 December 2024, lower than the 0.8 percent reported as at 31 December 2023. The reported arrear contributions ratio remains lower than the prudential limit of 1.5 percent.

Liquidity

The difference between a fund's current assets and its current liabilities constitutes the liquidity gap. A positive value indicates that a fund has sufficient current assets to meet its current liabilities. The industry held current assets of N$2.4 billion and current obligations of N$729.6 million, which represents a liquidity gap of N$1.7 billion. Therefore, the industry was able to settle its current liabilities as at 31 December 2024.

Current ratio

The current ratio[9] measures whether the industry held sufficient current assets with which to settle its current liabilities. The industry reported a current ratio of 3.4:1 as at 31 December 2024, which is higher than the ratio of 2.9:1 reported as at 31 December 2023. Current assets increased due to a higher cash and cash equivalents balance and the growth in investments, and current liabilities grew due to an increase in provisions for outstanding claims (IBNR), roll-over (savings[10]) benefit liability, and accounts payable (creditors) balances. A liquidity ratio ranging between 1.5:1 and 3:1 is considered acceptable by the Authority.

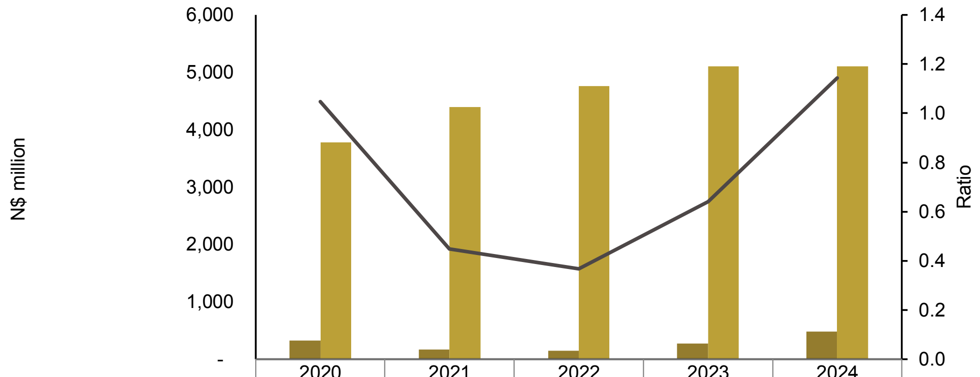
The industry's ratio of 3.4:1 is higher than the benchmark range, and the current liquidity position offers the industry safety against unexpected adverse claims experiences.

Cash coverage

The liquidity position of a fund is further measured by its ability to pay claims from cash and cash equivalents. Figure 36 illustrates the industry's ability to pay claims, measured in months of cover. The cash coverage of claims measures the number of months that a fund's available cash and cash equivalents can be used to pay for claims if no contributions are received by the fund.

[8] The arrear contributions ratio is the overdue contributions divided by the annual contributions.
[9] Current assets to current liabilities ratio.
[10] The roll-over (or savings) liability comprises the balance of unused benefits that members are permitted to carry over to subsequent years.

Figure 36: Medical aid funds industry: Liquidity by cash coverage of claims, 2020-2024



	2020	2021	2022	2023	2024
Cash and cash equivalents	330	164	146	273	486
Healthcare expenditure	3,780	4,391	4,764	5,101	5,100
Months of cover (RHS)	1.0	0.4	0.4	0.6	1.1

The growth in the cash coverage of claims ratio was due to the improved cash and cash equivalents balance and unchanged value of healthcare expenses reported by the industry for the year ended 31 December 2024. The cash held by the industry as at 31 December 2024 could cover more than one month's worth of claims, evidenced by a cash coverage of claims ratio of 1.1. The improved cash coverage ratio is a result of the industry's cash management governance policies, which require the funds to invest excess cash reserves coupled with efforts implemented by the industry to control the growth of healthcare expenses.

Investments

The total investments increased by 27.9 percent to N$2.3 billion as at 31 December 2024, due to a combination of reinvested investment income and the investment of surplus cash. Regulation 9 (Government Notice, No. 193 of 2018) requires that all medical aid funds invest a minimum of 45.0 percent of their total assets in Namibia. The medical aid funds held 59.9 percent of their assets in Namibia as at 31 December 2024. The medical aid funds held 46.4 percent of its investment in interest-bearing investments such as bonds, followed by 22.6 percent in unit trusts, and 15.9 percent in cash and cash equivalents. Due to the short-term nature of the industry's liabilities, medical aid funds held the bulk of their investments in interest-bearing instruments, unit trusts, and cash and cash equivalents, which are low-risk instruments that can be easily liquidated.

Reserves

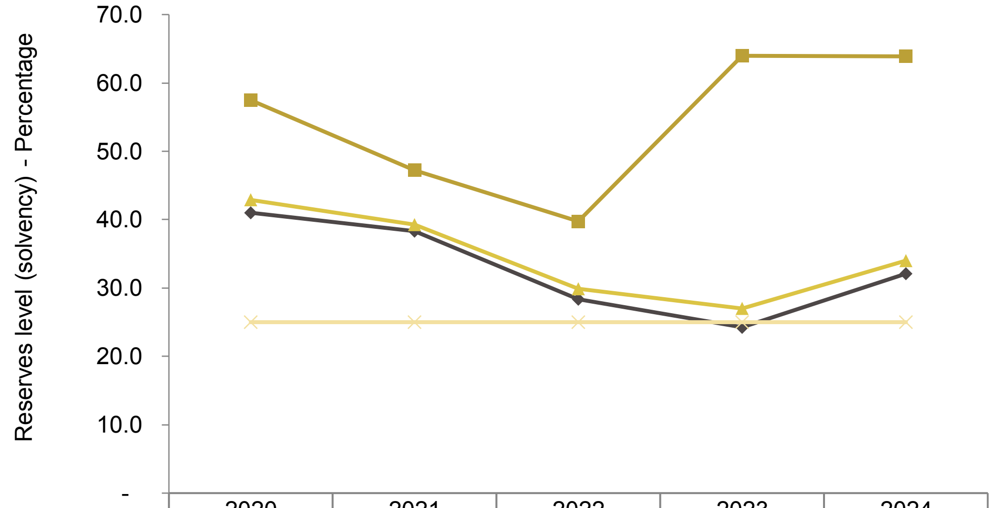
The medical aid funds industry reported an increase of 41.9 percent in its net assets (accumulated funds or reserves) to N$2.1 billion as at 31 December 2024. The accumulated funds (reserves) of medical aid funds must be maintained at the required minimum prudential reserves level (reserves level) of 25.0 percent of gross contributions. This reserves level is used as a benchmark to determine the ability of medical aid funds to absorb losses as they occur. A high solvency margin (reserves level) serves to protect members' interests and to provide assurance of the industry's ability to continue operations should it experience unforeseen adverse claims.

During 2024, the industry remained adequately capitalised, with the solvency ratio being above the minimum prudential required level. Due to the net surplus reported for the year and the increase in contributions, the solvency ratio[11] for 2024 was 34.0 percent, higher than the 27.0 percent reported for 2023. While the industry complied with the prudential solvency requirement, one (1) open fund breached the 25.0 percent prudential limit. This fund is under close supervision and is required to submit monthly compliance reports along with strategies detailing how they intend to increase reserve levels to the prudential limit. The progress of the fund's strategies to reach the prudential limit is monitored quarterly.

The average solvency ratio for open medical aid funds was 32.1 percent as at 31 December 2024, an increase from 24.3 percent at the end of 2023. The solvency ratio for closed funds[12] decreased slightly from 64.0 percent to 63.9 percent as at 31 December 2024, although the monetary value of closed funds' reserves may be significantly reduced by volatile, high-value claims (Figure 37).

[11] The solvency ratio is determined by dividing accumulated funds by the annual gross contributions.
[12] One (1) closed fund initiated voluntary liquidation procedures during the 2023 and was operationally inactive as at 31 December 2024..

Figure 37: Medical aid funds industry: Solvency trend, 2020-2024



	2020	2021	2022	2023	2024
Open funds	41.0	38.4	28.4	24.3	32.1
Closed funds	57.5	47.2	39.8	64.0	63.9
Industry reserves level	42.9	39.3	29.9	27.0	34.0
Prudential reserves level	25.0	25.0	25.0	25.0	25.0

Friendly societies

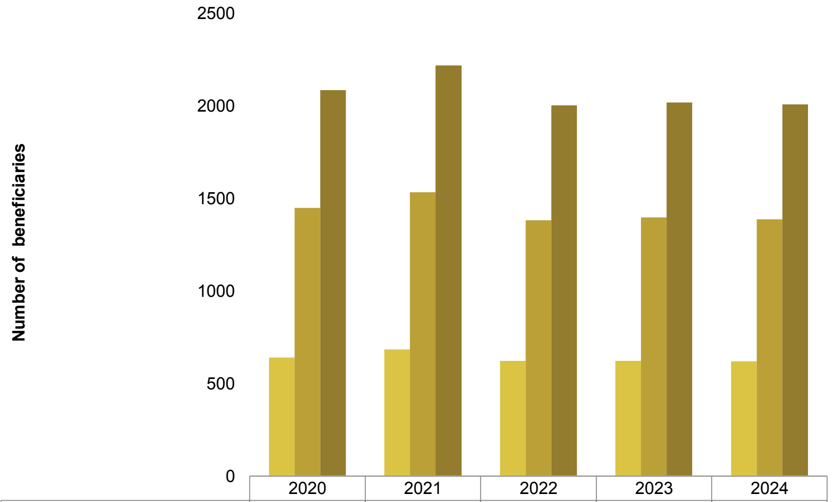
Performance review

The friendly societies industry, which comprised a single friendly society, remained financially sound at year end. 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 decreased by 0.6 percent to 2,007 as at 31 December 2024 on account of some members ending their membership with the society (Figure 38).

Figure 38: Friendly societies: Total beneficiaries



	2020	2021	2022	2023	2024
Number of principal members	641	684	622	623	620
Number of dependants	1,449	1,533	1,381	1,396	1,387
Total members	2,085	2,217	2,003	2,019	2,007

Contributions and expenses

The total contributions received by the industry decreased by 1.5 percent to N$208,410, and the principal membership[13] decreased by 0.5 percent to 620 members as at 31 December 2024. Claims expenditure decreased by 0.4 percent to N$93,163 as at 31 December 2024 due to more burial claims during the year.

Operational expenditure increased by 8.4 percent to N$60,498 for the year ended 31 December 2024. During the 2024 financial year, expenses included NAMFISA levies, bank charges, indemnity fees, investment management fees, and trustee fees. The operational expenses for 2024 included NAMFISA levies, bank charges, investment management fees, trustee fees, expenses related to debt that was written off, audit fees, and indemnity fees.

Investments and investment income

Investment assets, which comprised money market accounts, increased due to capitalised investment gains and the investment of surplus cash. Investments increased by 11.3 percent to N$2.7 million and cash and cash equivalents increased by 11.0 percent to N$84,218 as at 31 December 2024.

The industry's investment income, which primarily includes interest returns, was N$225,766 for the 2024 year, which was 7.6 percent higher than the industry's investment income reported for the 2023 year. The increase in investment income was due to interest earned on investments. The capital value of investments grew because of reinvested interest and additional cash investments; consequently, the growing investments earned higher interest during the year.

Assets and liabilities

As at 31 December 2024, the total assets stood at N$2.8 million after an increase of 11.3 percent during 2024. The increase in total assets was influenced by the investment of surplus cash and the reinvestment of investment income. The accounts receivable increased by 14.5 percent to N$27,880 as at 31 December 2024 and constituted 13.4 percent of the total annual contributions received. The outstanding contributions were higher at year end, as the contributions were collected after 31 December 2024. When contributions are outstanding for longer than six months, membership is automatically terminated; therefore, no significant impact on the solvency of the industry is anticipated from the balance of the receivables. The solvency ratio[14] as at 31 December 2024 was 13.1:1, up from 11.6:1 reported for 2023, which is well above the prudential ratio of 0.25:1.

Pension funds

Performance review

The industry's total investments increased during the 2024 year, due to positive performances in equity and debt markets. The retirement funds industry's benefits and expenses exceeded contributions received by the industry. The industry's funding level remained above 100.0 percent as at 31 December 2024.

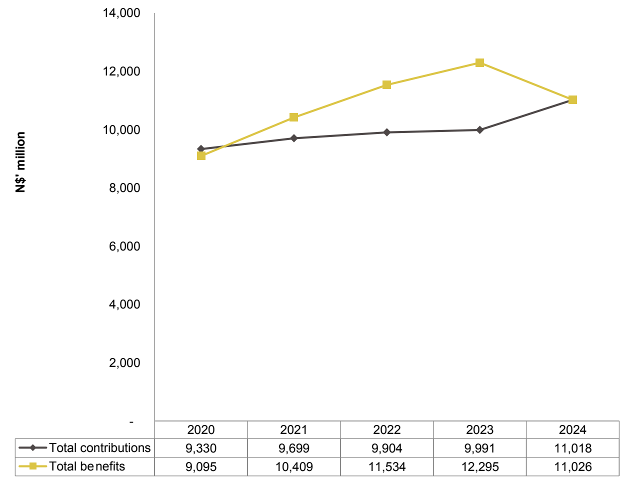
Contributions and benefits

The total contributions received increased by 10.3 percent to N$11.0 billion for the year ended 31 December 2024 (Figure 39), which is higher than the NCPI (or inflation) of 3.4 percent reported for 2024. Salary and wage increases, change in tax policy (which enabled more retirement savings by members), and membership increases influenced the growth of contributions at a rate higher than inflation during the year under review.

[13] A single friendly society operates in the industry and only the principal members of the society pay a fixed monthly contribution, along with a joining fee when members first enroll or re-enroll with the society.

[14] The solvency ratio is determined by dividing the industry's accumulated funds by annualised contributions.

Figure 39: Contributions and benefits



The total benefits paid in 2024 amounted to N$11.0 billion, a decrease of 10.3 percent from the previous year (Figure 39). The decrease in the benefits were due to fewer retirements, withdrawals, and higher levels of preservation of retirement savings during changes in employment. While benefits and contributions are in parity, the industry has robust asset-liability policies in place and receives adequate cashflows from investment income to cover potential contribution shortfalls. Therefore, monitoring of cashflow management by the industry is adequate and does not necessitate supervisory interventions.

Expenses

The industry's total expenses increased by 21.9 percent to N$3.1 billion due to increases in investment and administration fees. Investment fees increased by 32.0 percent to N$1.8 billion for the 2024 year. The growth in investment fees resulted from an increase in performance fees, which was brought on by growth in investment assets during the year.

Administration fees and other costs (including, among others, actuarial, audit, consultancy, legal, and principal officer fees as well as levies) increased by 14.6 percent to N$913.4 million reported for 2024. Insurance premiums increased by 2.8 percent to N$422.3 million for the same period. The increase in administration and other costs resulted from, among others, higher actuarial fees, and benefit consultancy and variable administration costs. The insurance premium increases were in line with the risk cover held by pension funds to maintain coverage for members.

Investment management fees constituted the largest component of expenses at 57.0 percent, followed by administration and other costs at 29.4 percent. Insurance premiums constituted the smallest component of expenses at 13.6 percent of expenses (Table 31).

Table 31: Pension fund industry: Cost experience, 2020-2024

Cost category	Amount (N$ '000)				
	2020	2021	2022	2023	2024
Administration fees and other costs	1,292,643	939,705	742,469	796,988	913,443
Insurance premiums	389,230	390,716	438,602	410,642	422,253
Investment management fees	847,577	2,519,951	562,519	1,342,116	1,771,398
Total	**1,784,966**	**2,529,450**	**3,850,372**	**2,549,746**	**3,107,094**
Cost category	**Percentage of total**				
Administration fees and other costs	51.1	24.4	42.6	31.3	29.4
Insurance premiums	15.4	10.1	25.2	16.1	13.6
Investment management fees	33.5	65.4	32.3	52.6	57.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Assets and liabilities

Pension fund assets increased by 10.8 percent to N$262.8 billion in 2024 (Table 32), and current liabilities increased by 28.3 percent to N$3.3 billion as at 31 December 2024. The increase in current liabilities resulted from the higher benefits payable balance reported as at 31 December 2024.

Table 32: Pension fund industry: Assets, 2020-2024

	Amount (N$ million)				
Balance sheet	**2020**	**2021**	**2022**	**2023**	**2024**
Non-current assets	178,763	210,811	204,101	235,229	260,699
Current assets	1,759	2,120	1,716	1,916	2,078
Total assets	**180,522**	**212,932**	**205,817**	**237,145**	**262,777**
Accumulated funds and reserves	178,113	209,538	203,176	234,590	259,500
Current liabilities	2,409	3,394	2,641	2,555	3,277
Total funds and liabilities	**180,522**	**212,932**	**205,817**	**237,145**	**262,777**

The active members' share account increased by 5.0 percent to N$127.5 billion as at 31 December 2024, and the pensioner accounts increased by 0.1 percent to N$39.1 during 2024. The amount in reserve accounts increased by 25.3 percent to N$87.7 billion as at 31 December 2024 (Table 33).

The change in active member and pensioner accounts correlates with the increase in the value of reserve accounts reported for the 2024 year. These amounts reflect increases in the surplus reported for the year ended 31 December 2024, which contributed to the increase in all the reserve types.

Table 33: Pension fund industry: Liabilities, 2020-2024

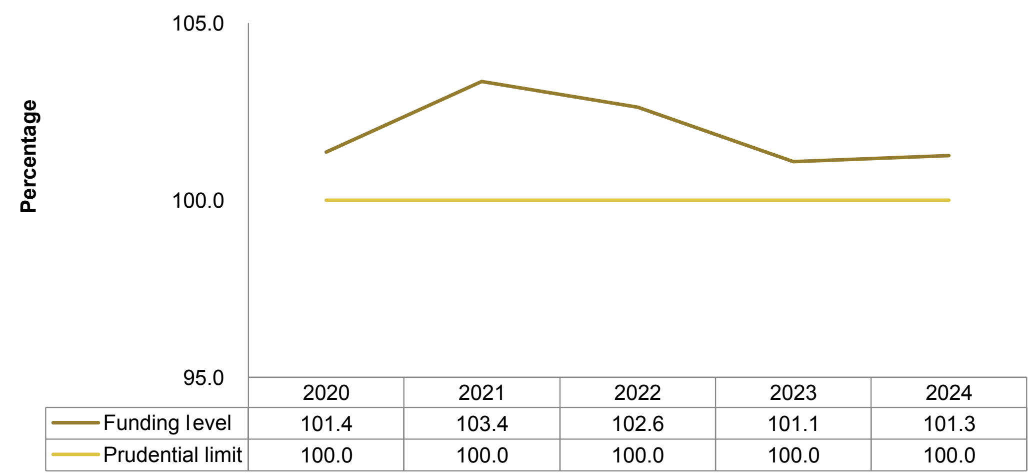
	Amount N$ million				
	2020	**2021**	**2022**	**2023**	**2024**
Active members' accounts	104,357	112,401	113,932	121,449	127,471
Pensioners accounts	25,513	25,807	38,348	39,098	39,135
Reserve accounts	29,750	67,541	48,282	69,944	87,659
Others (1)	18,493	244	0	4,099	5,233
Total liabilities	**178,113**	**205,993**	**200,562**	**234,590**	**259,498**

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$272.5 million as at 31 December 2024, higher than the N$218.7 million reported as at 31 December 2023. This indicates that more members (or their dependants) whose pension fund membership ended without receiving their benefits were not traced during the year ended 31 December 2024. 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 101.1 and 103.4 percent for the five-year period of 2020-2024 (Figure 40).

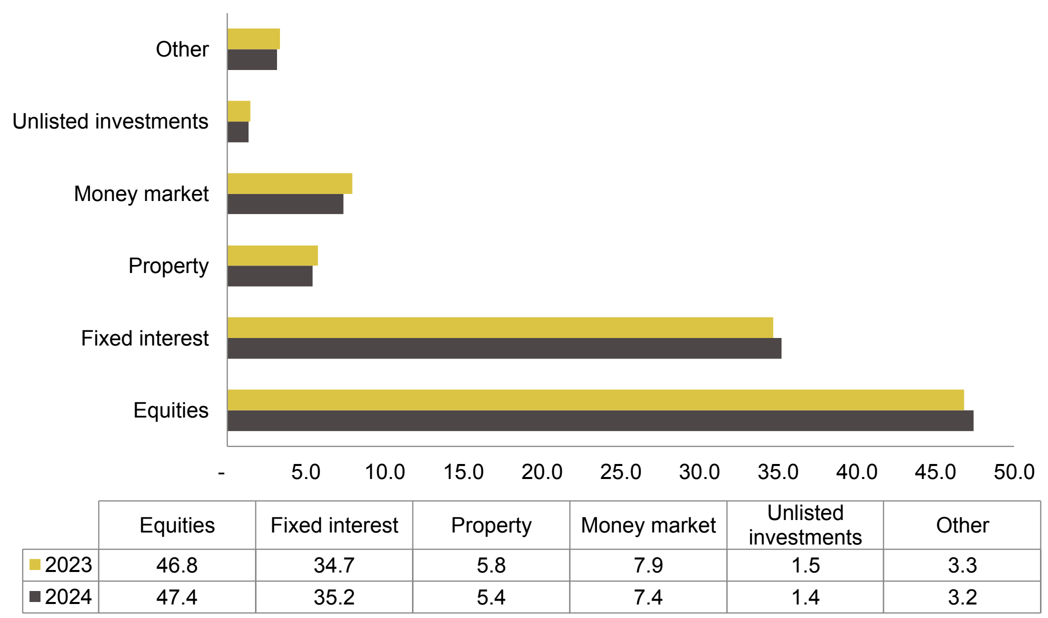
Figure 40: Pension fund industry: Funding level, 2020-2024



Assets by class allocation

Shares comprised 47.4 percent of the total investments, which is commensurate with the long-term nature of pension funds (Figure 41). Fixed interest-bearing assets were 35.2 percent of the total investments, compared with 34.7 percent reported for 2023, which was the second highest asset class after investments in shares. The industry held 16.7 percent of its investments in Namibian government bonds (Table 34). Exposure to asset classes such as property, money market, and other classes was collectively lower than 10.0 percent of the total investments.

Figure 41: Pension fund asset allocations per asset class, 2020-2024

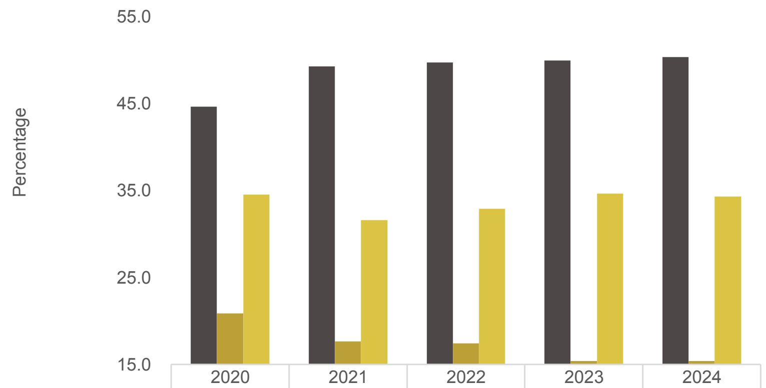


Assets by geographic allocation

Exposure to Namibian assets stood at 50.3 percent as at 31 December 2024, which is higher than the Namibian investment exposure of 50.0 percent reported for the 2023 year. 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) were constant at 15.4 percent and investments outside the CMA decreased slightly to 34.3 percent, from 34.6 percent reported as at 31 December 2023 (Figure 42). The industry complied with Regulation 13, which requires it to hold at least 45.0 percent of its total investments in Namibia.

Figure 42: Pension fund assets, per geographic allocation



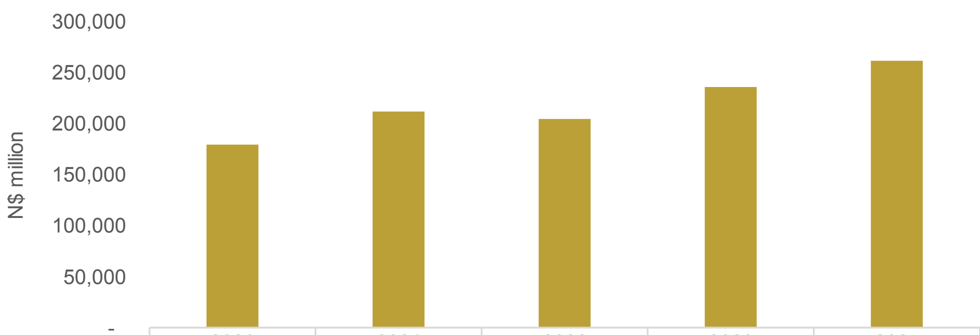
	2020	2021	2022	2023	2024
Namibia	44.6	49.3	49.7	50.0	50.3
Common Monetary Area (CMA)	20.8	17.7	17.4	15.4	15.4
Outside CMA	34.5	31.6	32.9	34.6	34.3

Investments

The total investments increased by 10.8 percent to N$261.2 billion as at 31 December 2024 (Figure 43).

The direct investments held by the industry increased by 10.2 percent to N$230.1 billion, and the value of insurance policies increased by 15.0 percent to N$31.2 billion as at 31 December 2024.

Figure 43: Pension fund investments, 2020-2024

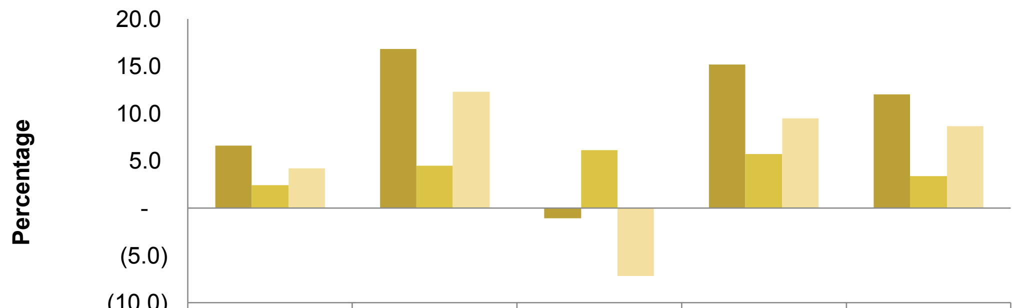


	2020	2021	2022	2023	2024
N$ million	179,270	211,649	204,595	235,810	261,212

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 to 16.8 percent (Figure 44). 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 44: Return on investments,[15] 2020-2024



	2020	2021	2022	2023	2024
ROI (Nominal)	6.6	16.8	(1.1)	15.2	12.0
NCPI	2.4	4.5	6.1	5.7	3.4
ROI (Real)	4.2	12.3	(7.2)	9.5	8.6

The Namibian All Bonds Index (ALBI) grew by 17.3 percent and the Namibia Stock Exchange (NSX) Overall Index increased by 10.3 percent during 2024. 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) Index increased by 9.4 percent, 6.9 percent, and 12.9 percent, respectively, during 2024. Profits were reported by companies in various sectors, including finance, technology, mining, and industrial equities.

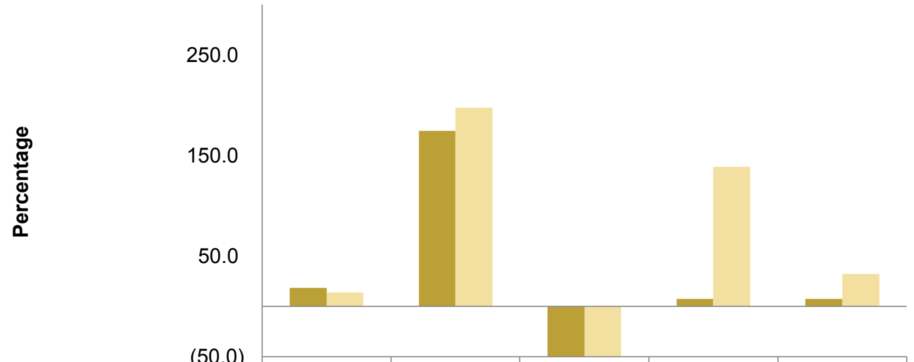
The growth in investment management fees for 2024 was in line with the growth in investments. Investment management fees comprise fixed costs and performance-based fees; therefore, the investment management fees increased as the value of investments increased for the year under review (Figure 45).

[15] The NCPI figures were sourced from price statistics from the NSA in its March 2025 edition.

$$R = \frac{2i}{A+B-i}$$

Where: R = Return on investments, A = Initial Value of investments, B = End Value of Investments, I = Net investment income plus Capital appreciation minus Investment costs.

Figure 45: Pension funds: Growth in net investment income vs growth in investment management fees



	2020	2021	2022	2023	2024
Growth in net investment income	18.7	174.7	(105.2)	7.4	7.4
Growth in investment costs	13.9	197.3	(77.7)	138.6	32.0

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 able 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 the 2024 financial year, the industry's liquidity improved from 67.3 percent to 78.0 percent. The increase in liquidity reflects the 0.9 percent increase in contributions received, compared with the 15.4 percent increase in benefits and expenses paid during the year under review. The industry could rely on investment income to cover the liquidity gap in 2024, as it did between 2018 to 2021.[16]

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.

[16] The industry reported a net investment income of N$11.9 billion in 2020, N$32.8 billion in 2021, a net investment loss of N$1.7 billion in 2022, and a net investment income of N$32.4 billion in 2023 and N$30.0 billion in 2024.

Table 34: Pension fund liquidity experiences, 2020-2024

	Amount N$ '000				
Liquidity	**2020**	**2021**	**2022**	**2023**	**2024**
Contributions due and received	9,329,893	9,699,089	9,903,934	9,991,169	11,018,463
Expenses and benefits due and paid	11,624,013	11,739,102	12,864,048	14,844,488	14,133,521
Ratio[17] (percent)	**80.3**	**82.6**	**77.0**	**67.3**	**78.0**

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 35 illustrates the industry's exposure to different asset classes as at 31 December 2024 regarding the maximum exposure limits as prescribed under Regulation 13. To assess the industry's compliance to 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 2024.

Table 35: Pension fund industry compliance with Regulation 13

Asset class	Percentage of aggregate of investments	Reg. 28 limit
Credit balances	7.4	95.0
Namibian government bonds	16.7	95.0
State-owned enterprise, local authority and regional council bonds	0.1	50.0
Corporate bonds	10.6	50.0
Foreign bonds	7.9	50.0
Property	5.4	25.0
Shares	47.4	75.0
Other claims	1.1	25.0
Other assets	2.0	2.5
Unlisted investments (drawn-down capital)	1.4	1,75 - 3,50
Other limits		
Regulation 13(1)(a)	52.9	90.0
Regulation 13(1)(b)	56.0	95.0
Regulation 13(2)	50.3	45.0
Regulation 13(3)(e)	8.8	10.0
Regulation 13(5)	2.0	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 2024 year..

[17] Contributions due and received and expenses and benefits due and paid.

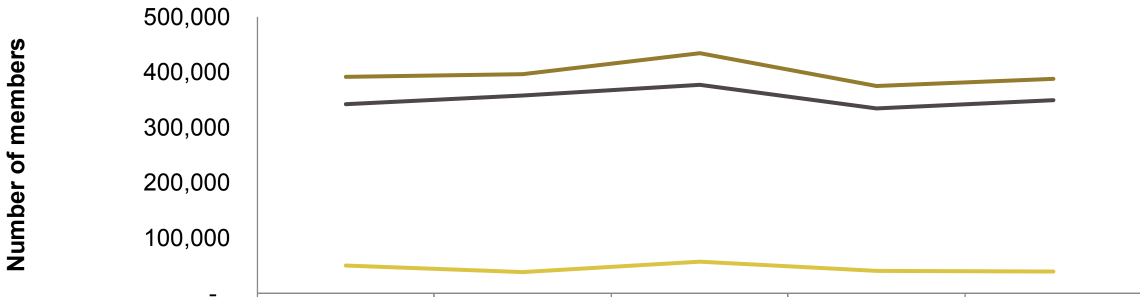
Other limits

The industry's committed capital to unlisted investments was 2.0 percent of their investments and drawn-down capital was 1.4 percent (Table 35). The compliance is measured at committed capital and should be between 1.75 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 4.4 percent to 405,334 as at 31 December 2024, which comprised 355,871 active members and 49,463 pensioners (Figure 46). 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 46: Membership, 2020-2024



	2019	2020	2021	2022	2023
Active members	341,873	358,060	377,050	334,362	348,895
Pensioners	50,103	38,404	57,217	40,587	39,508
Total	391,976	396,464	434,267	374,949	388,403

Microlending

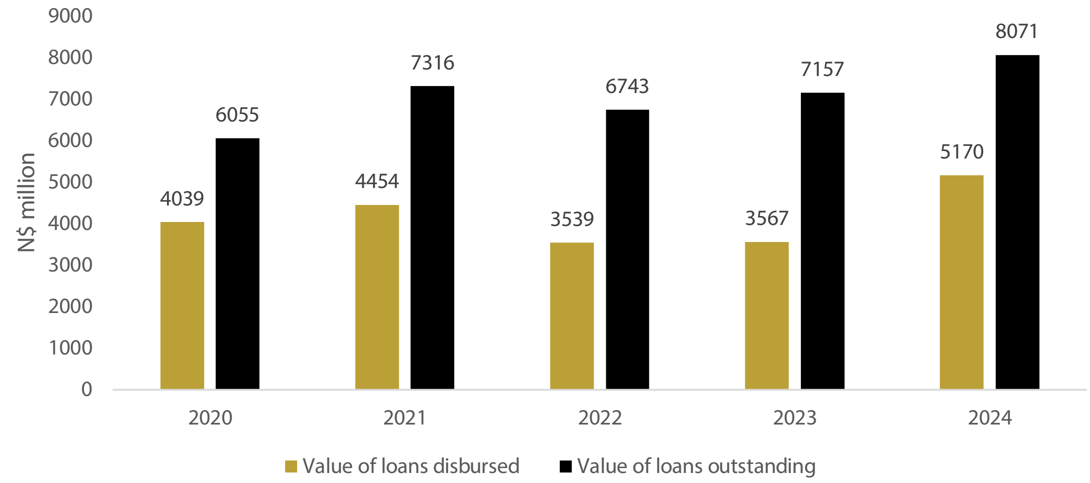
Performance review

The microlending loan book experienced a year-on-year increase in value by the end of 2024, which was reflected in the disbursement figures. Notably, this growth in disbursement value was fuelled by both term lenders and payday lenders. Additionally, the number of newly issued loans and the total number of borrowers had also grown by the close of 2024.

Loan book value

The outstanding value of the loan book increased by 12.8 percent year-on-year, reaching N$8.1 billion at the end of 2024 (Figure 47). Consistent with the previous year, term lenders accounted for the largest portion of the loan book's value, totalling N$7.6 billion, and represented approximately 94 percent of the overall share.

Figure 47: Value of microlending disbursements and the loan book



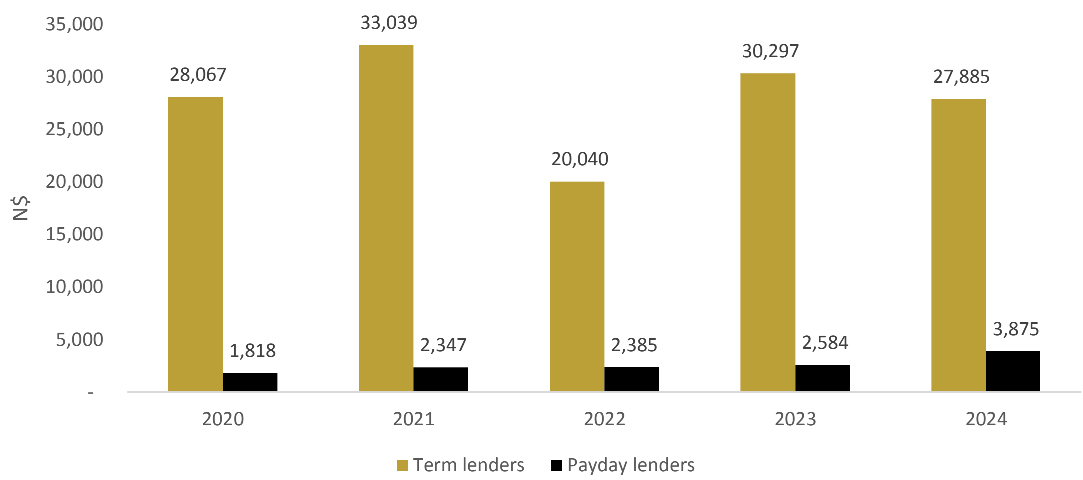
Disbursements

In 2024, the total value of disbursed loans rose by 44.9 percent from the previous year, reaching N$5.2 billion (Figure 47). The growth was driven by increased transactions between lenders and borrowers in the term and payday loan categories.

Average loan amount

Term lenders consistently provided loans with higher average amounts compared to payday lenders. Over the review period, the average loan amount from term lenders was N$27,885 and payday lenders recorded a year-on-year average of N$3,875 (Figure 48).

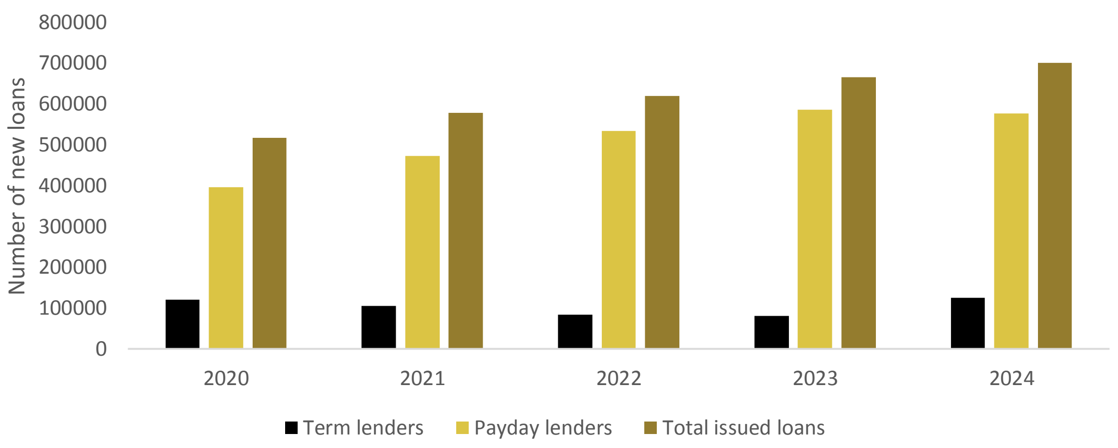
Figure 48: Average microlending loan amounts



Number of new loans

In alignment with the increase in the value of disbursed loans, the number of new loans issued grew by 54.8 percent year-on-year, reaching a total of 700,393 loans by the end of 2024 (Figure 49). The increase was primarily driven by term lenders. The number of loans issued by payday lenders declined. In terms of percentage share, payday lenders accounted for 82.0 percent of the total new loans issued and term lenders accounted for the remainder.

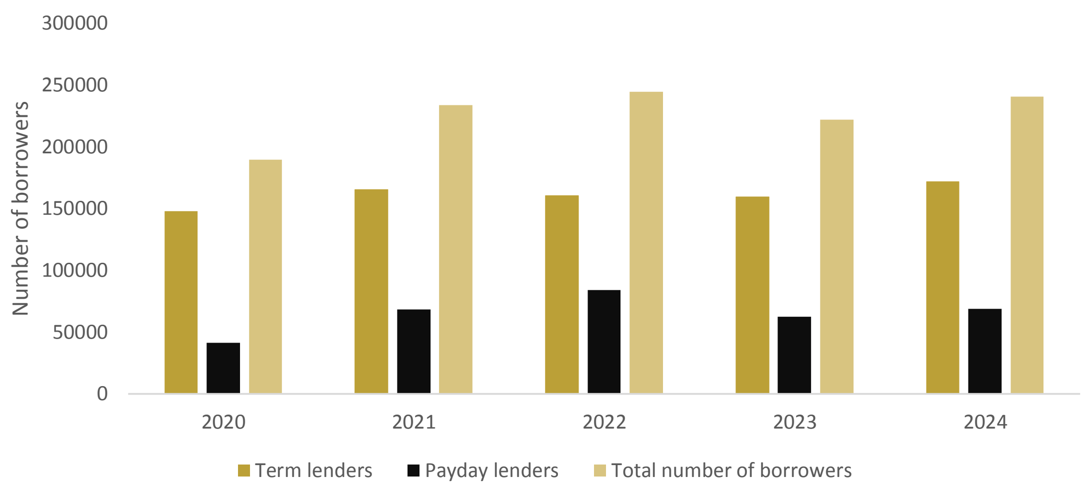
Figure 49: Number of new microlending loans disbursed



Number of borrowers

The cumulative number of household borrowers rose by 8.4 percent annually to 240,475 beneficiaries by the end of 2024 (Figure 50). The growth was supported by an increase in both term and payday lending. Term borrowers continued to outnumber payday borrowers at the end of the review period.

Figure 50: Number of microlending borrowers



Capital markets

Performance review

The overall market capitalisation[18] of companies listed on the NSX increased by 10.7 percent, compared with the previous year, ending at N$2.4 trillion as at 31 December 2024. In line with this upward trend adjustment, the NSX Overall Index[19] increased by 10.3 percent, ending at 1 801.18 points, and the NSX Local Index increased by 2.9 percent, ending at 691.32 points.

Investment managers' assets under management increased by 12.9 percent during the period under review, ending at N$284 billion as at 31 December 2024, up from N$251.6 billion as at 31 December 2023. 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.[20] Investment managers continue to be the main conduit between NBFIs and other sectors within the financial system.

Pension funds maintained their position as the largest investors in the local market, with holdings totalling N$18.6 billion. In terms of geographic allocation, the domestic market attracted the most investments, followed by the CMA and the offshore market. The rise in domestic assets can be primarily linked to regulatory requirements that encourage higher allocations to local investments, such as those historically outlined in Regulation 13(2) of the regulations under the Pension Funds Act. This regulation, effective from 31 March 2029, raised the minimum domestic asset investment requirement for pension funds to 45 percent. Investments by pension funds are governed by Regulation 13, which establishes minimum and maximum investment limits across various asset classes. The focus on the local market prompted investment managers to rebalance their portfolios, shifting allocations towards fixed-income assets. This shift was largely driven by perceived illiquidity in the local equity market.

Securities and investment markets

Equity markets

The NSX had 61 securities listed as at 31 December 2024, 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 one (1) company was quoted on the Over-the-counter Board. In the same period, 10 FNB Exchange Traded Notes listed on the ETP Board of the NSX.

The market capitalisation of securities listed on the NSX Main Board rose by 10.7 percent from N$ 2.21 trillion on 31 December 2023 to N$2.44 trillion on 31 December 2024. The local market capitalisation increased by 5.2 percent from the end of 2023 to N$46.4 billion at the end of 2024, 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 38.1 percent to N$70.9 billion, compared with the previous reporting period of N$51.4 billion. The capitalisation on the Development Capital Board rose by 10 percent to N$25.4 billion as at 31 December 2024, from N$23.1 billion in 31 December 2023. This increase resulted from the continued raising of capital through new share issuances for further exploration as well as the listing of Reconnaissance Energy Africa Limited on the board.

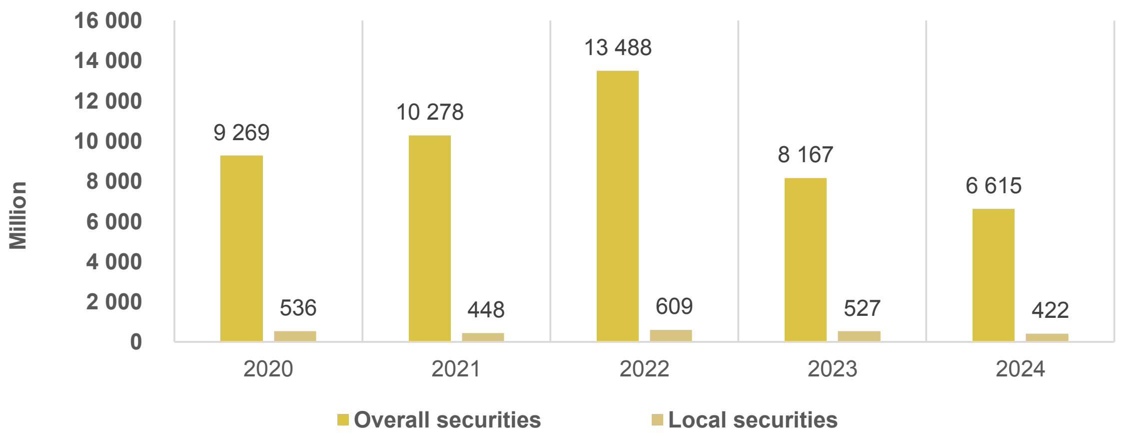
In terms of values traded, the overall securities traded between 31 December 2023 and 31 December 2024 declined by 19 percent to N$6.6 billion (Figure 51). Similarly, the local value of securities traded fell by 20 percent to N$421.9 million during the same period.

[18] 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.

[19] 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.

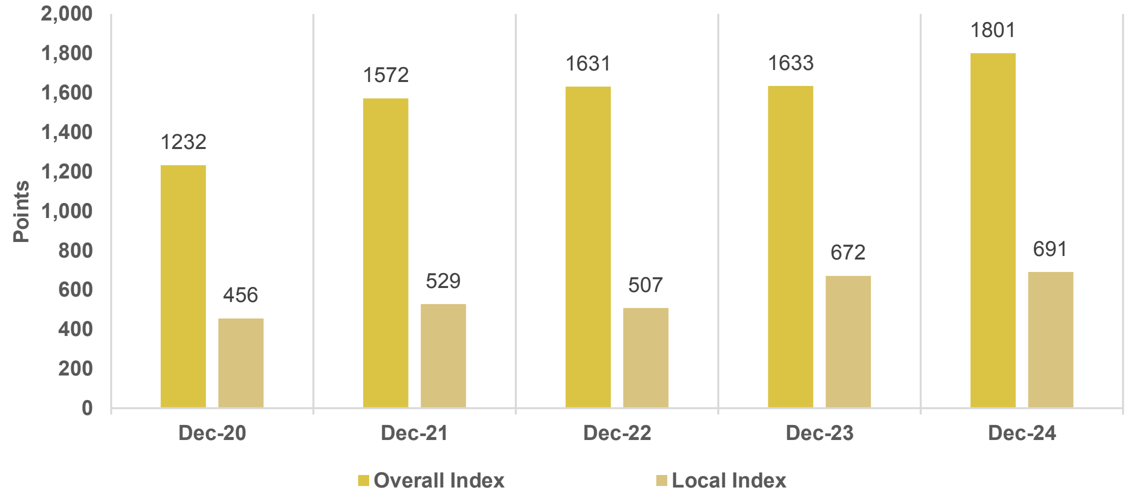
[20] Wholesale investors are high net-worth individuals or companies with minimum balances of at least N$1,000,000.

Figure 51: NSX values traded



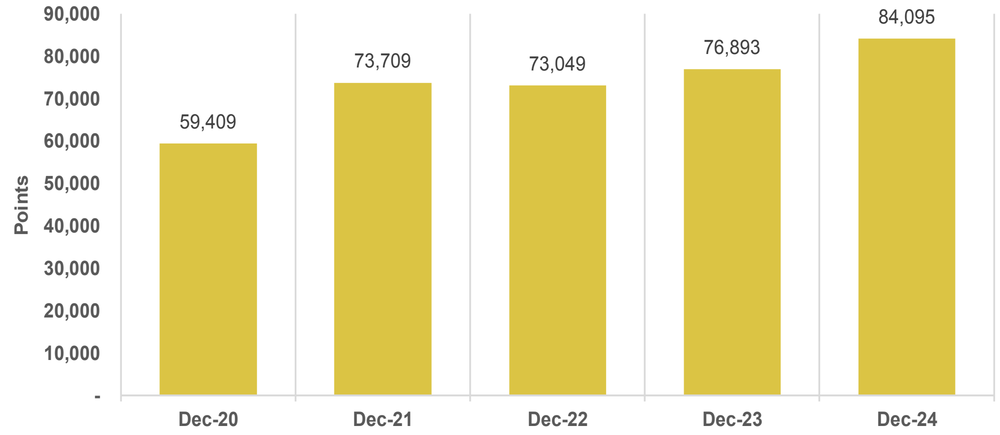
In line with the increase in market capitalisation, the Overall Index increased by 10.3 percent to end at 1,801.18 points, and the Local Index advanced by 2.9 percent to end at 691.32 points for the year ending 31 December 2024 (Figure 52).

Figure 52: NSX indices



The FTSE[21]/JSE[22] All Share Index (Figure 53) returned 9.4 percent, relative to 2023 levels, ending at 84,095.10 points as at 31 December 2024. 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 53: FTSE/JSE All Share Index

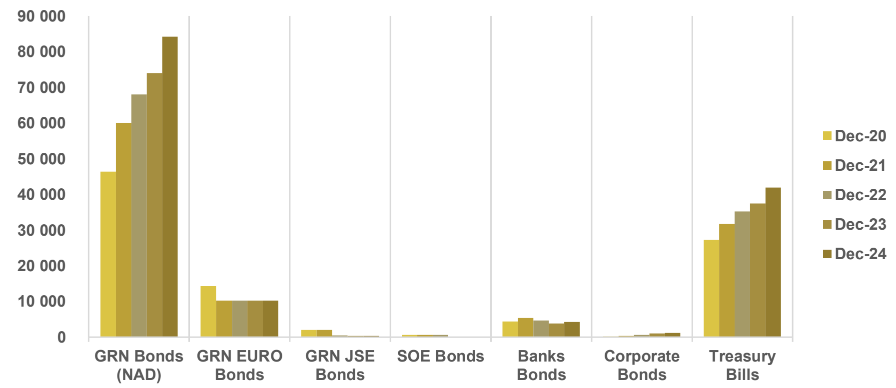


(Source: JSE)

Debt markets

The total listed debt increased by 11.9 percent year-on-year to N$142.3 billion as at 31 December 2024, driven largely by an increase in total government bonds, corporate bonds, and bank bonds. In the same period, the total government debt increased by 10.6 percent to register at N$164.1 billion at the end of 2024. 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 increased to 65.3 percent at the end of December 2024, an increase of 1.4 percent from the previous year.[23] Treasury bills increased by 11.9 percent to N$41.9 billion between the two reporting years. Since the previous review period, debt issuance by banking institutions in listed debt increased by 9.9 percent to end at N$4.3 billion by 31 December 2024, and corporate bonds were up by 12.9 percent to N$1.2 billion. There was no change in the debt incurred by public enterprises, which remained at N$130 million by 31 December 2024.

Figure 54: Debt markets: Debt outstanding



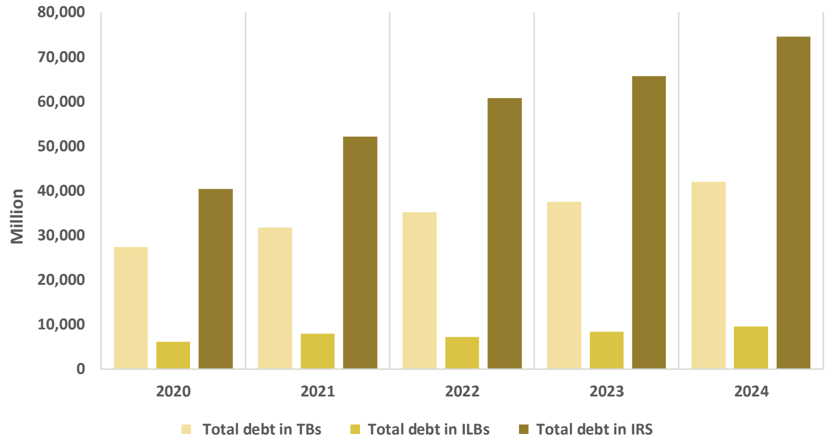
(Source: NSX)

[21] Financial Times Stock Exchange.

[22] Johannesburg Stock Exchange Ltd.

[23] https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/84/848db3c3-1ad1-40d0-a94d-a17b14c30439.pdf.

Figure 55: Debt markets: Treasury bills outstanding



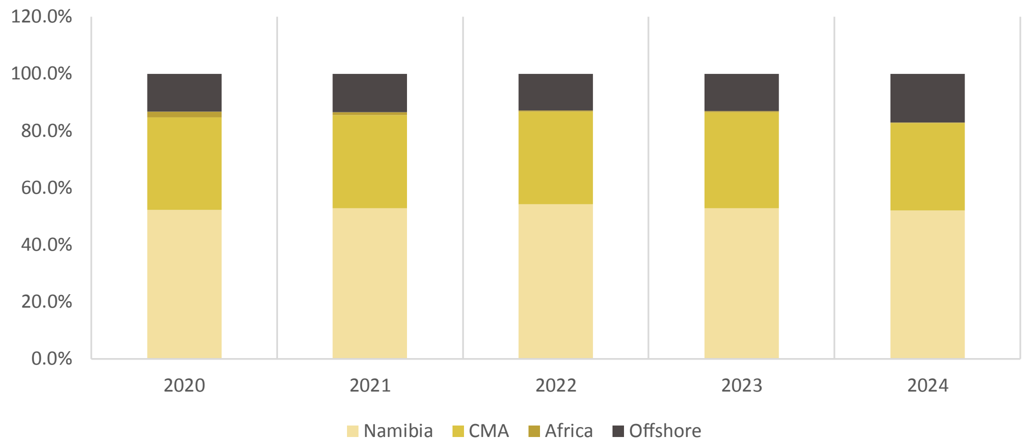
(Source: NSX)

Investment management

Investment managers' assets under management increased by 12.9 percent to N$284 billion as at 31 December 2024, compared with the previous period. Pension funds and unit trust schemes accounted for the biggest inflows, contributing 42.1 percent and 34.5 percent, respectively.

In terms of the geographic allocation of assets under management, domestic assets constituted 52.1 percent of the total (Figure 56). 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 consistently held above 50 percent of their total assets in domestic assets since then.

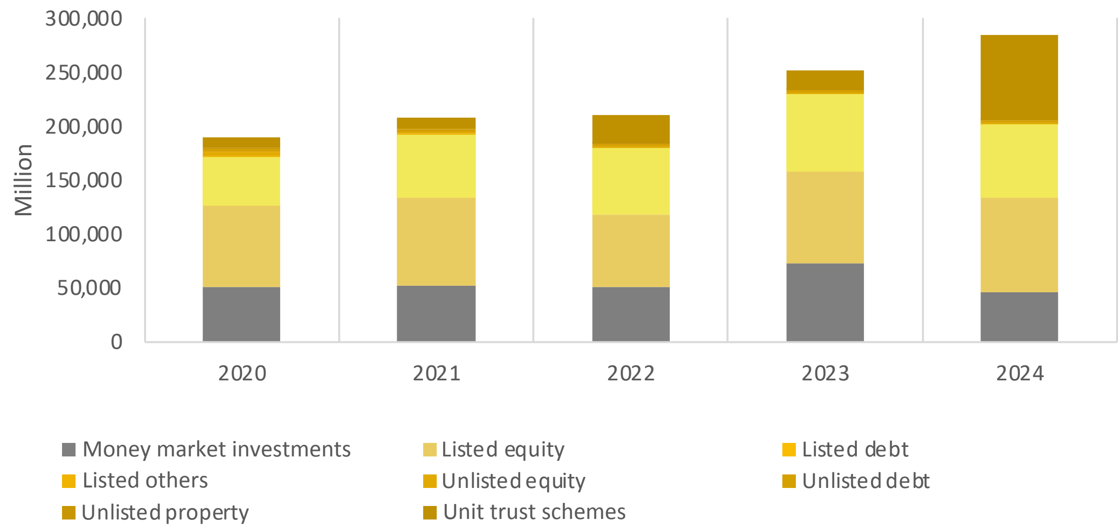
Figure 56: Investment managers' assets under management, per geographic allocation



A total of 47.9 percent of investment managers' assets under management were invested outside Namibia as at the end of the 2024 reporting period. Of this, 30.7 percent was invested in the CMA, predominantly in South African securities, and 17 percent was invested in offshore markets. A total of 0.2 percent was invested in the rest of Africa.

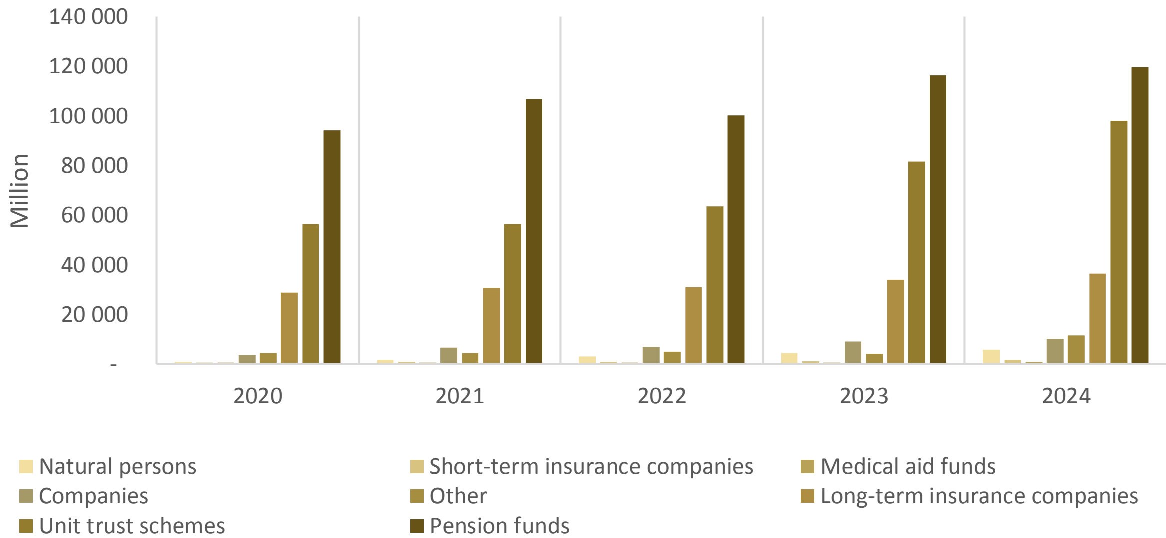
In terms of investment instruments, the assets under management indicate that investment managers held 30.9 percent of investments in listed equity as at 31 December 2024. Unit trust schemes accounted for 27.7 percent, listed debt stood at 24 percent, and money market instruments accounted for 16.1 percent. Collectively, 40.1 percent of the total assets was invested in fixed-income (debt and money market) instruments. Unlisted equity, unlisted debt, and unlisted property accounted for 1.3 percent of the total assets during the review period (Figure 57).

Figure 57: 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 2024. The second-largest source of funds was from unit trust schemes, which constituted 34.5 percent of the total assets under management. Long-term insurers contributed 12.8 percent of the remaining share. Investments from natural persons, short-term insurers, medical aid funds, and companies ranged from 0.3 percent to 3.6 percent of the total assets (Figure 58).

Figure 58: Investment managers' assets under management, per source of funds (investor)

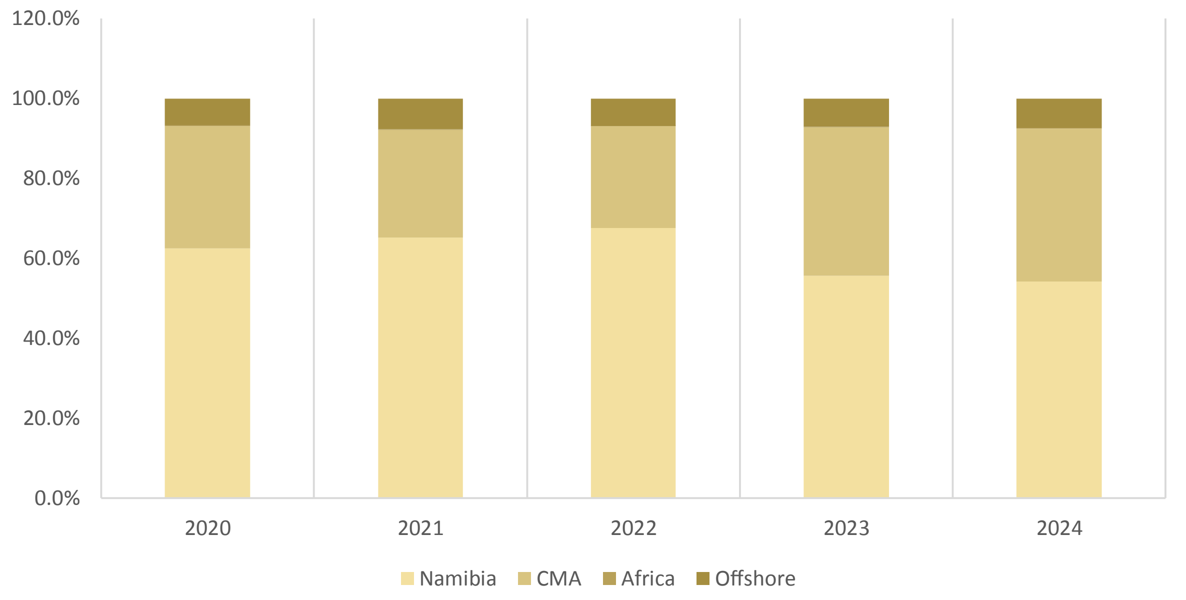


Collective investment schemes

The total assets under management in respect of collective investment schemes increased by 16.1 percent to N$103.5 billion as at 31 December 2024, compared with 2023. In terms of geographical distribution, domestic assets constituted 54.1 percent of the funds in collective investment schemes, followed by 38.4 percent in the CMA, 7.4 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 2024 reveal that assets invested in the Namibian market rose by 13 percent to N$55.9 billion, and those invested in the CMA rose by 19.8 percent to N$39.7 billion, and offshore investments increased by 21.3 percent to N$7.7 billion between the two reporting periods. Investments in the rest of Africa fell by 10.3 percent, compared with 2023, registering N$105 million by the end of 2024 (Figure 59).

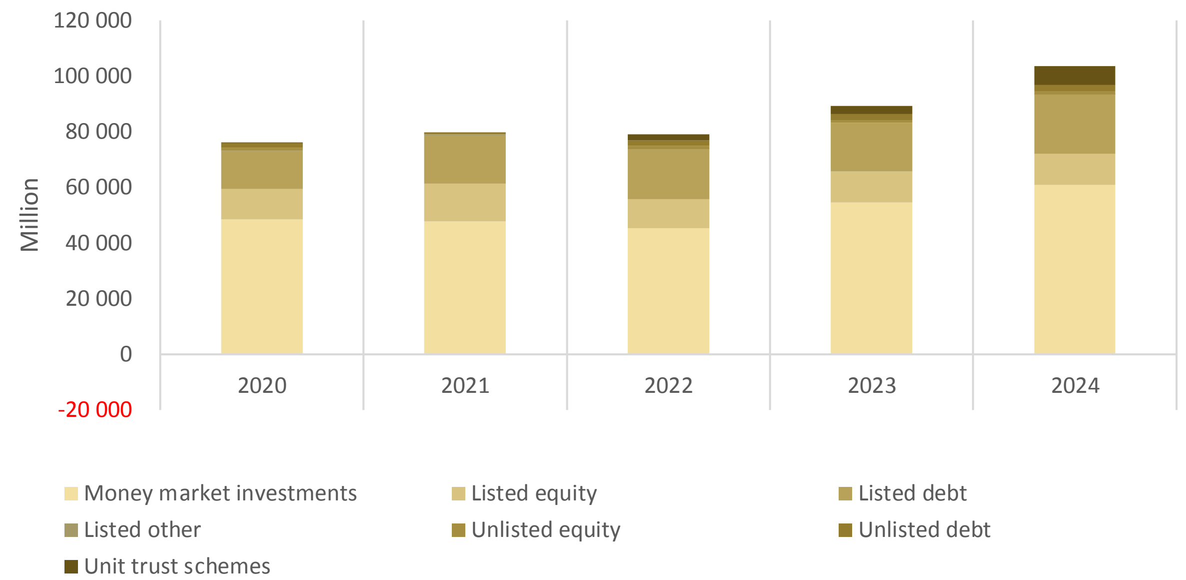
Figure 59: Collective investment scheme assets under management, per geographic allocation



The asset allocations per investment instrument show that money market investments continued to be the asset class of choice, accounting for 58.8 percent of the total assets under management during the reporting period.

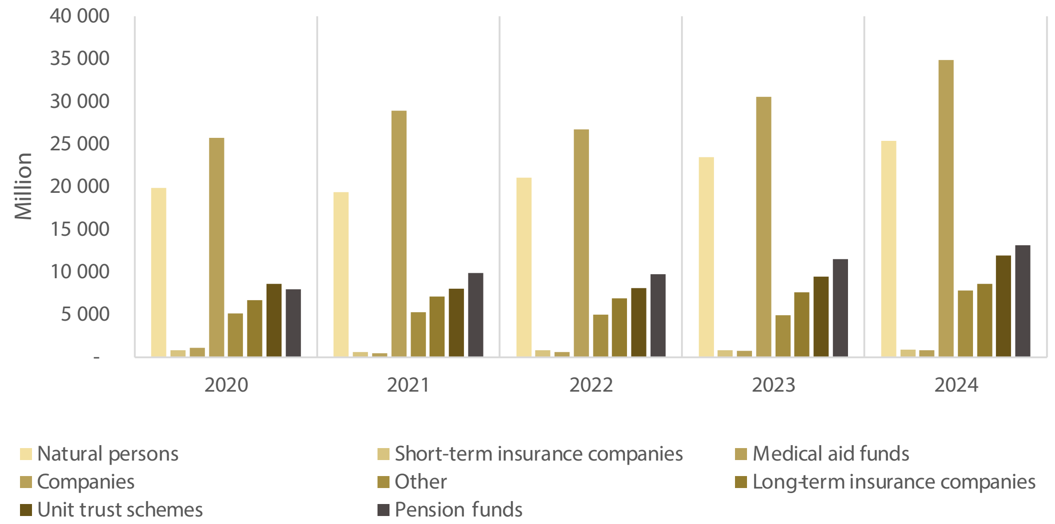
Listed debt constituted 20.7 percent of the total assets for 2024, and the remaining 20.5 percent was spread among listed and unlisted equities, unlisted debt, and unit trust schemes (Figure 60).

Figure 60: Collective investment scheme assets under management, per asset class



In terms of allocation per source of funds, companies were the largest source at 33.7 percent, followed by individual persons, who had a 24.6 percent share of the total collective investment scheme funds at 31 December 2024. Pension funds held 12.7 percent of the total collective investment scheme funds, and unit trust schemes held 11.5 percent. Other sources of funds include long-term insurers and other collective investment schemes, all of which held between 0.8 and 8.3 percent of the total funds (Figure 61).

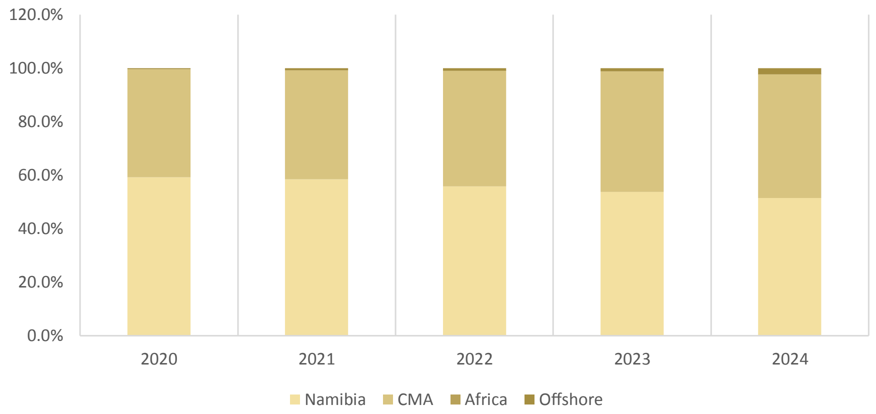
Figure 61: Collective investment scheme assets under management, per source of funds (investor)



Linked investment service providers

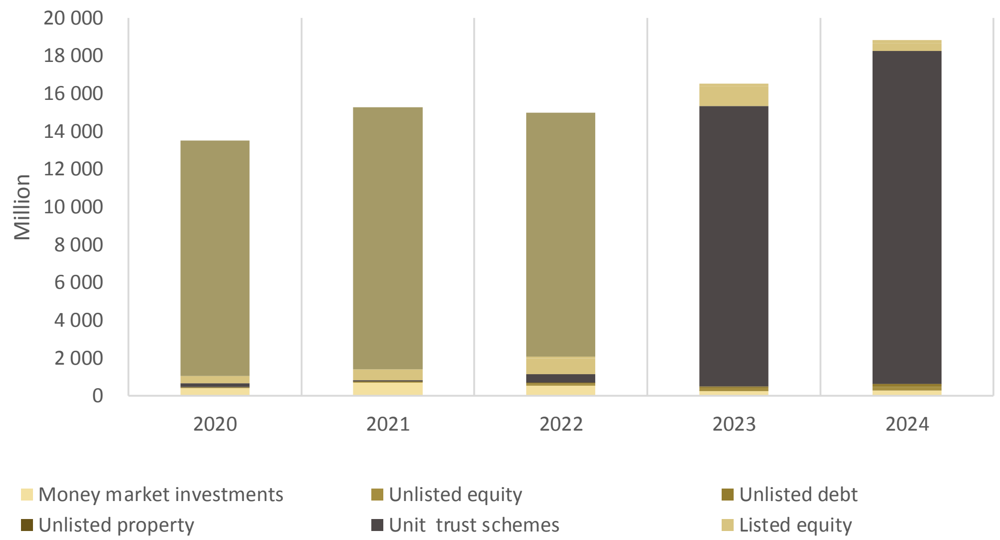
The total assets under administration in respect of linked investment service providers increased by 14 percent to N$18.8 billion as at the end of December 2024, compared with the N$16.5 million registered at the end of 2023. The geographic allocation of assets under administration indicates that 51.4 percent was invested in domestic assets, 46.3 percent in the CMA, 2.4 percent in offshore markets, and 0.0003 percent in Africa outside of the CMA. (Figure 62).

Figure 62: Linked investment service providers, per geographical allocation



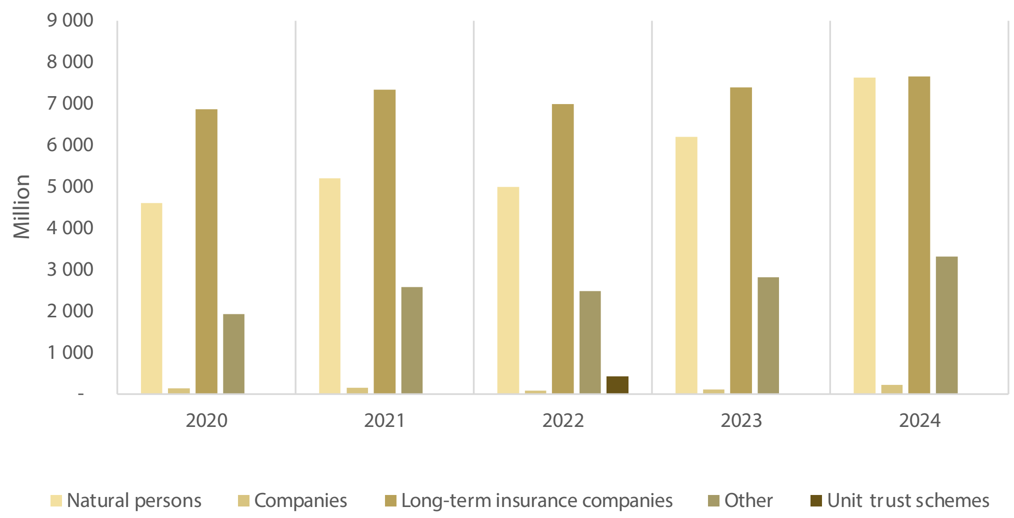
The asset allocations per type of investment instrument show that unit trust schemes are the asset class of choice, accounting for 93.5 percent of the total assets under administration during the reporting period. Listed equity constituted 2.3 percent of the total assets for 2024, and the remaining 4.2 percent was spread among money market instruments, listed debt, unlisted equity, and unlisted property (Figure 63).

Figure 63: Linked investment service providers, assets under management, per asset class



The bulk of the assets administered were sourced from long-term insurance companies (40.7 percent), followed by natural persons (40.6 percent). The remaining 18.8 percent was sourced from other sources (e.g. churches, NGOs, and trusts) and companies (Figure 64).

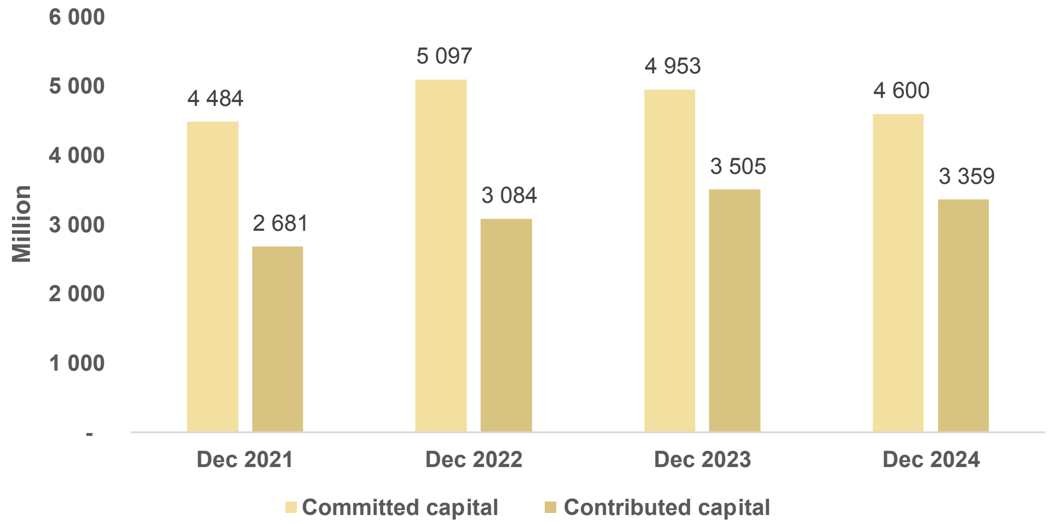
Figure 64: Linked investment service providers, per source of funds (investors)



Unlisted investments

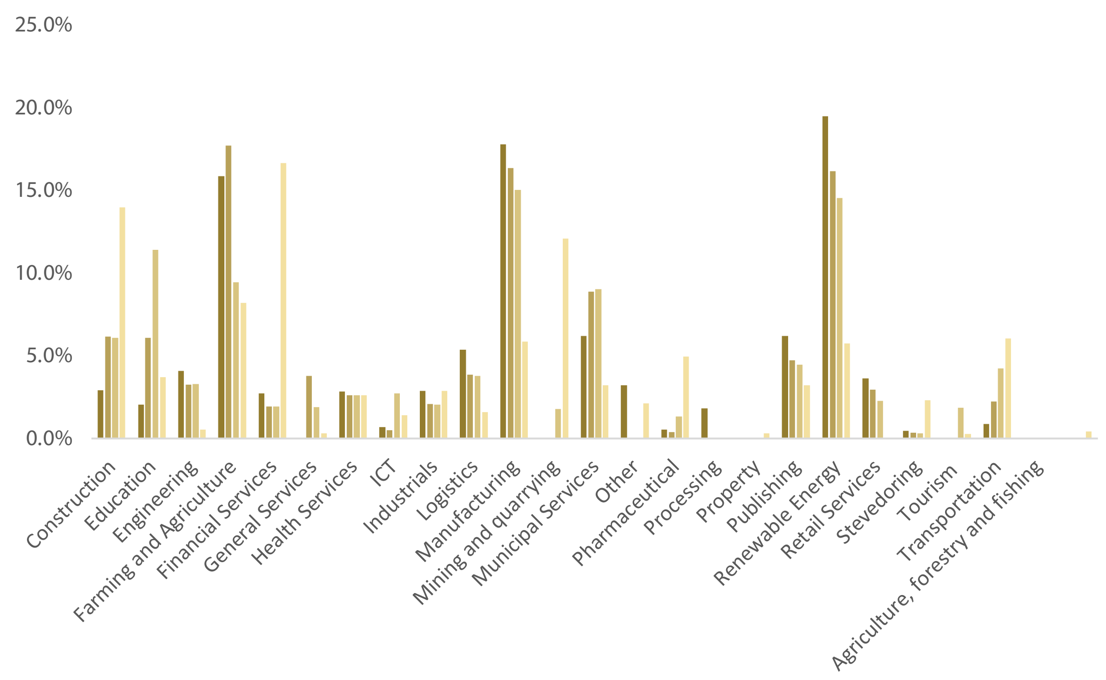
The total investments (contributed capital) in unlisted portfolio companies stood at N$3.4 billion as at 31 December 2024, a decrease of 4.2 percent on an annual basis from the previous reporting period ended 31 December 2023. By the end of the review period, the total committed capital had fallen by 7.1 percent to N$4.6 billion. The decrease in committed capital is attributable to the deregistration of a special purpose vehicle and the subsequent termination of the subscription agreement.

Figure 65: Investments (contributed capital) versus committed capital



The composition of unlisted investments continues to reflect a strong trend of debt financing. Equity investments declined from 49.9 percent to 41.8 percent, and debt funding increased from 50.1 percent to 58.2 percent during the review period.

Figure 66: Unlisted investment managers' assets under management, per sector, as at 31 December 2024



The principal sectors targeted for unlisted investments include financial services, construction, and mining and quarrying (Figure 66). These three sectors accounted for 16.7 percent, 14.0 percent, and 12.1 percent, respectively, of the total investments in unlisted investments as at 31 December 2024.

10

ANNUAL FINANCIAL STATEMENTS

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 156-158.

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 159-219 was approved and authorised for issue by NAMFISA Board and are signed on its behalf by:

....	....
Steve Katjiuanjo	**Jauque Jansen**
Vice-Chairperson: Board	Chairperson: Audit and Risk Committee
Date: 27 June 2025	Date: 27 June 2025

Grand Namibia
Chartered Accountants & Auditors

REPORT OF INDEPENDENT AUDITORS

To the Member of Namibia Financial Institutions Supervisory Authority

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 159-219 which comprise the consolidated and separate statements of financial position as at 31 March 2025, 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 2025, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Namibia Financial Institutions Supervisory Authority Act (Act 3 of 2001).

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 Consolidated and Separate Annual Financial Statements'' section of our report. We are independent of the Group and Authority in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable in performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. 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, which we obtained prior to the date of this 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 financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Namibia Financial Institutions Supervisory Authority Act (Act 3 of 2001), 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 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 reasonableness 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

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: RN Beukes
Partner
Windhoek
27 June 2025

REPORT OF THE BOARD

31 March 2025

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 2025 ("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 163-219.

BOARD MEMBERS AND SECRETARY

The composition of the board is as follows:

Board members	Designation	Date
Hettie Garbers-Kirsten	Chairperson	Re-appointed: 1 September 2021
Jauque Jansen	Member	Re-appointed: 1 September 2021
Steve Katjiuanjo	Vice-Chairperson	Appointed: 1 September 2021
Selma Ambunda	Member	Appointed: 1 September 2021
Nelao Shilongo Alexander	Member	Appointed: 1 September 2021

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 is yet to become effective.

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 directors 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 surplus after tax for the year ended 31 March 2025 of N$ 43 812 717(Group: N$43 983 575) and, as at that date, current assets exceed current liabilities by N$ 270 869 011 (Group: N$192 001 648).

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 2025, 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$10 311 000 at 31 March 2025 (2024: N$7 671 676). See note 24.1 in the annual financial statements for the contingent liability.

OTHER MATTERS (CONTINUED)

Construction of NAMFISA Head Office:

During the year under review, the Authority commenced the construction of its new Head Office on Erf 1503, Independence Avenue, through its wholly owned subsidiary, Metropol (Pty) Ltd. 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 24 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 utalised to fund the building of the NAMFISA head office.

As at 31 March 2025, no drawdowns had been made on the debt facilities. Project payments made to date, amounting to N$22.2 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.

Litigation:

Alwyn Petrus van Straten//NAMFISA
As is public record, 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 claiming a total amount of N$105 million.

On 4 March 2022, judgment was delivered, and the High Court ordered that NAMFISA is not liable towards the Plaintiffs. Furthermore, Judge Oosthuizen dismissed the Plaintiffs' claims with costs.

On 4 April 2022, the Plaintiffs filed a Notice of Appeal against the whole judgment and orders of Judge Oosthuizen delivered on 4 March 2022. The High Court order is suspended, pending the appeal.

The appeal hearing is set down to be heard on 24 July 2025.

Hendrik Christian
In 2007 Hendrik Christian t/a Hope Financial Services issued summons against NAMFISA and Frans Johan Jansen Van Rensburg wherein he claims, inter alia, payment in the amount of N$2 911 402.15.

This was followed by a sequel of extended litigation instituted by Mr. Christian.

On 13 November 2024 the Court dismissed the main action in terms of Rule 59(5). This is on account of Mr Christian's failure to furnish security as set by the Registrar. The Court has also issued a costs order for the instructing and instructed counsel.

On 16 December 2024 Mr Christian filed an application for rescission in respect of the order delivered on 13 November 2024.

On 14 January 2025 NAMFISA opposed the rescission application.

On 04 February 2025 NAMFISA filed its answering affidavit.

Mr Christian filed various other appeals and applications, some of which remains pending.

OTHER MATTERS (CONTINUED)

Litigation (continued):

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 14 April 2023 the Court ordered that:

1. The main application of the Registrar for the winding up of the Fund is dismissed with costs.
2. The counter application of the Fund is granted with costs.
3. The costs payable by the Registrar shall include the costs of one instructing and two instructed counsel.
4. The matter is regarded as finalised and removed from the roll.

The Registrar of Medical Aid Funds lodged a Notice of Appeal against the whole of the judgment and orders (including the cost order) delivered by the Honourable Oosthuizen J on 14 April 2023. The hearing date herein is still to be announced.

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 2025, 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 2025

		GROUP		AUTHORITY	
		2025	2024	2025	2024
	Notes	N$	N$	N$	N$
Revenue from exchange transactions	2	1 588 870	1 548 500	1 588 870	1 548 500
Income from non-exchange transactions	2	291 714 433	255 488 900	291 714 433	255 488 900
Investment income	3	14 079 102	12 635 964	14 066 607	12 635 964
Other income	4	4 875 951	9 863 026	4 875 951	9 863 026
Total Income		**312 258 356**	**279 536 390**	**312 245 861**	**279 536 390**
Consumer education costs		(721 933)	(693 308)	(721 933)	(693 308)
Employee costs	5	(207 892 940)	(189 393 295)	(207 892 940)	(189 393 295)
Other operating costs	5	(26 040 431)	(31 873 350)	(25 101 773)	(30 898 427)
Depreciation of right-of-use assets	7	(12 120 532)	(12 291 145)	(12 120 532)	(12 291 145)
Depreciation and amortisation of other assets	7&9	(2 429 161)	(3 705 558)	(2 429 161)	(3 705 558)
Impairment of investment in subsidiary	8	-	-	(946 314)	(984 073)
Impairment of loan to subsidiary	19.3	-	-	(170 857)	(200 343)
Expected credit losses – movement	11	2 595 340	1 409 192	2 595 340	1 409 192
Finance charges – Lease liabilities	14	(5 416 019)	(4 082 104)	(5 416 019)	(4 082 104)
Office rental expenses	14	(789 983)	(745 811)	(789 983)	(745 811)
Municipal charges		(4 532 668)	(4 221 774)	(4 532 668)	(4 221 774)
Interest Cost – Post-retirement benefits	16.1	(6 215 455)	(5 936 000)	(6 215 455)	(5 936 000)
Inspection and enforcement costs		(72 158)	(59 512)	(72 158)	(59 512)
Legal costs		(2 898 145)	(1 448 406)	(2 898 145)	(1 448 406)
Professional and consulting fees		(1 740 696)	(1 623 004)	(1 720 546)	(1 613 854)
Total Expenses		**(268 274 781)**	**(254 664 075)**	**(268 433 144)**	**(254 864 418)**
SURPLUS FOR THE YEAR BEFORE TAXATION	5	**43 983 575**	**24 872 315**	**43 812 717**	**24 671 972**
Taxation	6	-	-	-	-
SURPLUS FOR THE YEAR AFTER TAXATION		**43 983 575**	**24 872 315**	**43 812 717**	**24 671 972**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Actuarial gain – Post-retirement medical benefits	16.1	2 438 000	12 905 000	2 438 000	12 905 000
Actuarial gain / (loss) – Severance benefits	16.1	94 000	(97 000)	94 000	(97 000)
TOTAL COMPREHENSIVESURPLUS FOR THE YEAR		**46 515 575**	**37 680 315**	**46 344 717**	**37 479 972**

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2025

	Notes	GROUP 2025 N$	GROUP 2024 N$	AUTHORITY 2025 N$	AUTHORITY 2024 N$
ASSETS					
Non-current assets					
Property, plant and equipment	7	149 305 452	140 711 843	39 264 636	52 850 074
Intangible assets	9	2 301 236	1 573 158	2 301 236	1 573 158
Investment in subsidiary	8		-	30 802 252	31 748 567
Total non-current assets		**151 606 688**	**142 285 001**	**72 368 124**	**86 171 799**
Current assets					
Accounts receivable	11	18 902 217	14 169 650	15 723 334	13 397 479
Other financial assets	10	113 922 546	115 460 266	113 922 546	115 460 266
Loan to subsidiary	19.3	-	-	84 444 104	57 040 381
Cash and cash equivalents	12	98 588 236	67 103 549	96 096 352	66 582 116
Total current assets		**231 412 999**	**196 733 465**	**310 186 336**	**252 480 242**
TOTAL ASSETS		**383 019 687**	**339 018 466**	**382 554 460**	**338 652 041**
RESERVES AND LIABILITIES					
Reserves					
Accumulated income		140 274 300	111 758 723	139 903 099	111 558 381
General reserve	17	130 000 000	112 000 000	130 000 000	112 000 000
Total reserves		**270 274 300**	**223 758 723**	**269 903 099**	**223 558 381**
Non-current liabilities					
Post-retirement benefit obligations	16.1	45 808 604	39 992 149	45 808 604	39 992 149
Long-term lease liabilities	14	27 525 432	40 383 087	27 525 432	40 383 087
Total non-current liabilities		**73 334 036**	**80 375 236**	**73 334 036**	**80 375 236**
Current liabilities					
Accounts payable	13	26 553 698	23 774 715	26 459 671	23 608 632
Short-term lease liabilities	14	12 857 654	11 109 792	12 857 654	11 109 792
Total current liabilities		**39 411 351**	**34 884 507**	**39 317 325**	**34 718 424**
TOTAL RESERVES AND LIABILITIES		**383 019 687**	**339 018 466**	**382 554 460**	**338 652 041**

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY

STATEMENTS OF CHANGES IN RESERVES

for the year ended 31 March 2025

	ACCUMULATED INCOME		GENERAL RESERVE	REVALUATION SURPLUS	TOTAL RESERVES	
	Group N$	Authority N$	Authority & Group N$	Group N$	Group N$	Authority N$
Balance at 31 March 2023	**91 078 409**	**91 078 409**	**95 000 000**	**-**	**186 078 409**	**186 078 409**
Surplus for the year	24 872 315	24 671 972	-	-	24 872 315	24 671 972
Other comprehensive income	12 808 000	12 808 000	-	-	12 808 000	12 808 000
Total Comprehensive deficit	**37 680 315**	**37 479 972**	**-**	**-**	**37 680 315**	**37 479 972**
Transfer (to)/ from general reserve	(17 000 000)	(17 000 000)	17 000 000	-	-	-
Balance at 31 March 2024	**111 758 724**	**111 558 381**	**112 000 000**	**-**	**223 758 724**	**223 558 381**
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	**140 274 299**	**139 903 098**	**130 000 000**	**-**	**270 274 299**	**269 903 098**

- See note 17 for the disclosure of the General Reserve

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2025

	Notes	GROUP 2025 N$	GROUP 2024 N$	AUTHORITY 2025 N$	AUTHORITY 2024 N$
Cash flows from operating activities					
Net cash generated by operating activities	21	56 214 417	23 444 077	59 651 994	24 308 040
Cash flows from investing activities					
Acquisition of property, plant and equipment	7	(22 674 117)	(33 907 741)	(495 070)	(29 012 074)
Proceeds on disposal of equipment		60 093	271 434	60 093	271 434
Acquisition of intangible assets	9	(1 206 716)	(400 942)	(1 206 716)	(400 942)
Loan to subsidiary	19.2	-	-	(27 574 580)	(6 000 000)
Interest received	3	5 923 765	5 469 781	5 911 270	5 469 781
Additions of investment	10	(110 000 000)	(50 000 000)	(110 000 000)	(50 000 000)
Withdrawal of investments	10	119 693 056	32 000 720	119 693 056	32 000 720
Net cash (utilised) /generated in investing activities		(8 203 919)	(46 566 748)	(13 611 947)	(47 671 081)
Cash flows from financing activities					
Interest paid on lease liability	14	(5 416 019)	(2 682 342)	(5 416 019)	(2 682 343)
Acquisition/ (Repayment) of lease liabilities	14	(11 109 792)	13 877 844	(11 109 792)	13 877 844
Net cash generated/ (utilised) by financing activities		(16 525 811)	11 195 502	(16 525 811)	11 195 501
Net (decrease)/ increase in cash and cash equivalents		31 484 687	(11 927 169)	29 514 236	(12 167 540)
Cash and cash equivalents at beginning of the year		67 103 549	79 030 718	66 582 116	78 749 656
Cash and cash equivalents at end of the year	12	98 588 236	67 103 549	96 096 352	66 582 116

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

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 it's 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 2025 year-end. However, the adoption of the Standards and Interpretations did not result in any material adjustments to the reported figures.

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 issued and effective for the 31 March 2025 year-end:

Number	Effective date	Summary
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after 1 January 2024 (Issued: 26 June 2023)	IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	Annual periods beginning on or after 1 January 2024 (Issued: 26 June 2023)	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
Amendment to IAS 1-Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2024	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual periods beginning on or after 1 January 2024 (Issued: 22 September 2022)	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual periods beginning on or after 1 January 2024 (Issued: 31 October 2022)	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Annual periods beginning on or after 1 January 2024 (Issued: 25 May 2023)	The amend¬ments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

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
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.
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Early adoption is permitted)	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.
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: Hedge accounting IFRS 7: Gain or loss on derecognition IFRS 7: Disclosure of deferred difference IFRS 7: credit risk disclosures IFRS 9: Lesse derecognition of lease liabilities IFRS 9: Transaction price IFRS 10: Determination of a 'de facto agent' IAS 7: Cost method
Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
Amend¬ments to the SASB standards to enhance their international applicability	Annual periods beginning on or after 1 January 2025 (Issued: 19 December 2023)	The amendments remove and replace juris-diction-specific references and definitions in the SASB standards, without substan-tially altering industries, topics or metrics.

1. ACCOUNTING POLICIES (CONTINUED)

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.

1.2.2. 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.

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

1. ACCOUNTING POLICIES (CONTINUED)

1.2. Significant judgements and sources of estimation uncertainty (continued)

1.2.2. Key sources of estimation uncertainty (continued)

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.4. Property, plant and equipment (continued)

1.4.1. Recognition and Measurement (continued)

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.

1.4.2. 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. ACCOUNTING POLICIES (CONTINUED)

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

1.7.2. 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.

1.7.3. 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. ACCOUNTING POLICIES (CONTINUED)

1.7. Revenue and income recognition (continued)

1.7.4. 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.

1.10. 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. ACCOUNTING POLICIES (CONTINUED)

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.

1.11.3.2. 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. ACCOUNTING POLICIES (CONTINUED)

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.

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.12. Financial Instruments (continued)

1.12.1. Financial Assets (continued)

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:

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

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.12. Financial Instruments (continued)

1.12.1. Financial Assets (continued)

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.

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.12 Financial Instruments (continued)

1.12.2. Financial liabilities and equity (continued)

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 as a lessee

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 Group did not make any such adjustments during the periods presented.

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.

1. ACCOUNTING POLICIES (CONTINUED)

1.15. Leases (continued)

1.15.1. Leases in terms of IFRS 16 (continued)

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.

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.

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	
	2025	2024	2025	2024
	N$	N$	N$	N$
Revenue from contracts with customers	1 588 870	1 548 500	1 588 870	1 548 500
Income from non-exchange transactions	291 714 433	255 488 900	291 714 433	255 488 900
Levies per Industry segment				
Unit Trusts	40 166 916	35 520 328	40 166 916	35 520 328
Capital Markets	48 481 923	46 675 384	48 481 923	46 675 384
Short Term Insurance	61 744 472	58 350 323	61 744 472	58 350 323
Long Term Insurance	54 916 095	48 750 164	54 916 095	48 750 164
Pension Funds and Friendly Societies	20 865 145	18 748 231	20 865 145	18 748 231
Medical Aid Funds	8 794 483	7 882 610	8 794 483	7 882 610
Micro Lending	56 745 399	39 561 860	56 745 399	39 561 860
	291 714 433	255 488 900	291 714 433	255 488 900

3. INVESTMENT INCOME

	GROUP		AUTHORITY	
	2025	2024	2025	2024
	N$	N$	N$	N$
Interest received				
-Investments at amortised cost	307 693	250 543	307 693	250 543
-Bank and call deposits	5 616 072	5 219 238	5 603 577	5 219 238
	5 923 765	5 469 781	5 911 270	5 469 781
Dividend received				
-Unit trusts	8 155 337	7 166 183	8 155 337	7 166 183
	14 079 102	12 635 964	14 066 607	12 635 964

4. OTHER INCOME

	GROUP		AUTHORITY	
	2025	2024	2025	2024
	N$	N$	N$	N$
Interest on late payments	1 040 697	98 241	1 040 697	98 241
Rules amendments	1 635	2 280	1 635	2 280
NTA levy claims	406 296	61 175	406 296	61 175
Penalty fees	2 593 450	6 633 000	2 593 450	6 633 000
Sundry income	91 409	404 214	91 409	404 214
Sponsorship received	742 464	2 664 116	742 464	2 664 116
	4 875 951	9 863 026	4 875 951	9 863 026

5. SURPLUS/ (DEFICIT) FOR THE YEAR BEFORE TAXATION

Surplus/ (deficit) for the year is derived after taking into account the following items:	GROUP		AUTHORITY	
	2025	2024	2025	2024
	N$	N$	N$	N$
Employee costs:				
- Salaries and bonuses	135 775 398	118 794 228	135 775 398	118 794 228
- Housing and transport allowances	31 688 256	30 551 157	31 688 256	30 551 157
- Defined contribution pension plan	17 289 472	17 928 830	17 289 472	17 928 830
- Defined benefit medical aid plan	2 650 000	3 157 000	2 650 000	3 157 000
- Other medical aid costs	10 350 851	9 899 420	10 350 851	9 899 420
- Training and development	3 413 602	4 785 866	3 413 602	4 785 866
- Other employee costs	6 725 361	4 276 794	6 725 361	4 276 794
	207 892 940	189 393 295	207 892 940	189 393 295

	GROUP		AUTHORITY	
	2025	2024	2025	2024
	N$	N$	N$	N$
Other operating expenses:				
Audit fees				
External auditor fees – audit	702 433	668 898	608 983	579 658
External auditor fees – prior year	-	223 066	-	223 066
Board members' emoluments – for services as Board members:				
Hettie Garbers-Kirsten Chairperson	210 894	195 039	210 894	195 039
Steve Katjiuanjo Vice-Chairperson	159 034	163 797	159 034	163 797
Jauque Jansen	146 632	145 483	146 632	145 483
Selma Ambunda	161 739	153 611	161 739	153 611
Nelao Shilongo	140 387	153 610	140 387	153 610
Total board members' emoluments	818 686	811 540	818 686	811 540
(Profit)/Loss on disposal of fixed assets	(50 641)	(165 483)	(50 641)	(165 483)

5. SURPLUS/ (DEFICIT) FOR THE YEAR BEFORE TAXATION (CONTINUED)

	GROUP		AUTHORITY	
	2025	2024	2025	2024
	N$	N$	N$	N$
Industry meetings and consultations	2 098 424	3 528 482	2 098 424	3 528 482
Information and communication technology	6 839 295	8 618 700	6 839 295	8 618 700
Insurance	508 215	477 849	508 215	477 849
Municipal charges – Metropol	836 298	879 513	-	-
Regulatory seminars	4 238 396	5 552 274	4 238 396	5 552 274
Social responsibility	447 239	585 248	447 239	585 248
Stakeholder engagement and publications	3 101 428	3 335 651	3 101 428	3 335 651
Stationery and printing	583 475	766 439	583 475	766 439
Subscriptions and membership fees	2 372 819	2 858 333	2 372 819	2 858 333
Telephone expenses	1 305 198	1 258 872	1 305 198	1 258 872
Other expenses	2 239 166	2 473 968	2 230 256	2 467 798
Total Other operating expenses	**26 040 431**	**31 873 350**	**25 101 773**	**30 898 427**

NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY AND SUBSIDIARY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2025

6. TAXATION

6.1. Authority

The Authority is exempted from income taxes in terms of section 16(1) I of the Income Tax Act, No 24 of 1981.

6.2. Group

Namibian Normal taxation	2025	2024
	N$	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

	2025	2024
Loss before tax	(946 314)	(984 073)
Tax at applicable tax rate of 32% (2023: 32%)	(302 820)	(314 903)
Tax effect of adjustments on taxable income		
Non-taxable loss – Fair value adjustments	-	-
Deferred tax asset not recognized	302 820	314 903
	-	-

The current tax expense is N$ Nil (2024: 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.

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 2023	2 473 529	5 496 358	1 034 387	11 584 419	63 386 675	83 975 368
Additions	716 661	251 022	175 736	2 348 693	1 804 257	5 296 370
Lease adjustment	-	-	-	-	23 715 704	23 715 704
Disposals	-	(18 067)	(352 633)	(1 573 313)	-	(1 944 014)
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
Accumulated depreciation						
At 31 March 2023	1 542 234	1 770 954	897 176	8 641 309	32 173 539	45 025 212
Depreciation for the year	325 995	515 802	100 028	1 781 638	12 291 145	15 014 608
Disposals	-	(17 929)	(348 102)	(1 480 435)	-	(1 846 466)
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
Carrying amount						
At 31 March 2024	1 321 961	3 460 486	208 388	3 417 287	44 441 952	52 850 074
At 31 March 2025	879 288	2 950 429	182 010	2 931 489	32 321 420	39 264 636

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 (2024: 7 years). Refer to note 14.

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7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Property	Building work in progress	Motor vehicles	Furniture and fittings	Office equipment	Computer equipment	Right-of-use assets	Total
	N$	N$	N$	N$	N$	N$	N$	N$
Cost								
At 31 March 2023	37 120 000	45 846 103	2 473 529	5 496 358	1 034 387	11 584 419	63 386 675	166 941 471
Additions	-	4 895 666	716 661	251 022	175 736	2 348 693	1 804 257	10 192 035
Lease adjustment							23 715 704	23 715 704
Disposals	-	-	-	(18 067)	(352 633)	(1 573 313)	-	(1 944 013)
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	-	22 179 047	-	21 818	25 743	447 509	-	22 674 117
Lease adjustment	-	-	-	-	-	-	-	-
Disposals	-	-	-	(20 001)	(7 129)	(531 867)	-	(558 997)
At 31 March 2025	37 120 000	72 920 816	3 190 190	5 731 130	876 104	12 275 441	88 906 636	221 020 317
Accumulated depreciation								
At 31 March 2023	-	-	1 542 234	1 770 954	897 176	8 641 309	32 173 539	45 025 212
Depreciation for the year	-	-	325 995	515 802	100 028	1 781 638	12 291 145	15 014 608
Disposals	-	-	-	(17 929)	(348 102)	(1 480 435)	-	(1 846 466)
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
Carrying amount								
At 31 March 2024	37 120 000	50 741 769	1 321 961	3 460 486	208 388	3 417 287	44 441 952	140 711 843
At 31 March 2025	37 120 000	72 920 816	879 288	2 950 429	182 010	2 931 489	32 321 420	149 305 452

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 (2024: 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.

	2025	2024
	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	-	-
	37 120 000	37 120 000

As at 31 March 2025 the fair value of the investment property equates the highest and best use of approximately N$37 120 000 (2024: N$37 120 000). Independent professional valuation was received from Property Valuations Namibia for the land at N$37 120 000 and for 100% improvements at N$218 510 000.

The scope of improvement work completed as at 31 March 2025 was 18%, thus N$39 331 800 of the value completed. However, the cost of improvements was higher at N$72 920 816. 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 2025. 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.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

7.2. Building work in progress (continued)

7.2.1. NAMFISA Head Office Construction Project (continued)

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 24-month period.

Capitalisation of Costs

As at 31 March 2025, an amount of N$72 920 816 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:

- Professional fees (architectural, engineering, quantity surveying);
- Contractor mobilisation and preliminary site works;
- Regulatory and compliance-related expenditure.

No depreciation has been charged, as the asset is not yet ready for use.

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

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

7.2. Building work in progress (continued)

7.2.1. NAMFISA Head Office Construction Project (continued)

Financing Structure (continued)

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$0.00 based on signed contracts less costs incurred to date.

8. INVESTMENT IN SUBSIDIARY

	PERCENTAGE HELD		AUTHORITY	
	2025 %	2024 %	2025 N$	2024 N$
32 970 ordinary shares of N$2 each	100%	100%	42 000 000	42 000 000
Impairment loss			11 197 748	10 251 433
Total shares at cost			30 802 252	31 748 567

Loss: N$946 314 (2024 Loss: N$984 073).

9. INTANGIBLE ASSETS

	Group and Authority
	Computer Software N$
Cost	
At 31 March 2023	11 964 050
Additions	400 942
Disposal	(553 925)
At 31 March 2024	11 811 067
Additions	1 206 717
Disposal	(273 294)
At 31 March 2025	12 744 490
Depreciation & Amortisation	
At 31 March 2023	9 801 338
Charge for the year	982 095
Disposal	(545 524)
At 31 March 2024	10 237 909
Charge for the year	478 639
Disposal	(273 294)
At 31 March 2025	10 443 254
Carrying amount	
At 31 March 2024	1 573 158
At 31 March 2025	2 301 236

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)

	2025	2024
	N$	N$
Investments carried at fair value through profit and loss (FVTPL)		
Unit trusts – Opening balance	115 460 266	90 294 803
- Invested	110 000 000	50 000 000
- Withdrawal	(119 693 056)	(32 000 720)
- Dividends received	8 155 336	7 166 182
Total other financial assets	113 922 546	115 460 266

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 directors consider 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	
	2025	2024	2025	2024
	N$	N$	N$	N$
Gross receivables	18 221 219	19 841 238	18 221 219	19 841 238
Allowance for expected credit losses	(11 677 773)	(14 332 983)	(11 677 773)	(14 332 983)
Net levies receivable	6 543 446	5 508 255	6 543 446	5 508 255
Deposits held	1 425 875	-	1 425 875	-
Prepaid expenses and accrued income	6 314 891	6 400 698	6 314 891	6 400 698
Staff advances – study loans	1 392 238	1 488 526	1 392 238	1 488 526
Debtors in subsidiary – VAT receivable	3 178 883	772 171	-	-
	18 855 333	14 169 650	15 676 450	13 397 479

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11. ACCOUNTS RECEIVABLE (CONTINUED)

AUTHORITY AND GROUP – MOVEMENT IN ALLOWANCE FOR ECL

	Capital Markets	Life Insurance	Short term Insurance	Micro Lenders	Pension Funds	Medical Aid Funds	Other	Carrying Amount
	N$	N$	N$	N$	N$	N$	N$	N$
Balance at 31 March 2023	1 635 174	5 837 871	3 245 353	4 012 401	421 460	422 291	401 627	15 976 177
ECL-movement	(736 262)	(815 902)	(1 581 269)	391 699	(179 778)	1 371 561	-	(1 409 192)
Amounts written off as uncollectable	(79 500)	(10 467)	(2 122)	(942)	(211)	-	-	(234 002)
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 2024	539 368	4 672 246	1 481 050	1 175 454	91 916	3 316 112	401 627	11 677 773

12. CASH AND CASH EQUIVALENTS

	GROUP		AUTHORITY	
	2025	2024	N$	N$
	N$	N$	N$	N$
Call account bank balances at amortised cost	95 971 624	64 272 479	94 211 865	64 272 479
Current account bank balances at amortised cost	2 616 612	2 831 070	1 884 487	2 309 637
Cash and bank balances at amortised cost	98 588 236	67 103 549	96 096 352	66 582 116

Term deposits are presented as cash equivalents if they are repayable with 24 hours' notice with no loss of interest.

13. ACCOUNTS PAYABLE

	GROUP		AUTHORITY	
	2025	2024	2025	2024
	N$	N$	N$	N$
Payables and other accruals	3 143 994	3 178 565	3 143 992	3 101 933
Audit fees	703 008	669 108	608 983	579 658
Levy creditors	6 299 888	6 268 074	6 299 888	6 268 074
Accrued employee costs	2 412 936	1 918 910	2 412 936	1 918 910
Employee leave benefits	13 993 872	11 740 056	13 993 872	11 740 056
	26 553 698	23 774 714	26 459 671	23 608 631

The board considers the carrying amount of trade and other payables to approximate its fair value.

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 deficit/surplus:	2025	2024
	N$	N$
-Depreciation of right-of-use assets	12 120 532	12 291 145
-Interest expense on lease liabilities	5 416 019	4 082 104
-Total low value and short-term leases	789 983	745 810
Expense relating to leases of low value items	572 336	534 638
Expense relating to short-term leases	217 647	211 172
	18 326 534	17 119 059
Lease liabilities		
Analysed as:		
Current	12 857 654	11 109 793
Non-current	27 525 432	40 383 086
1 to 2 years	27 525 432	11 398 553
2 years to 3 years	-	28 984 533
	40 383 086	51 492 879

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 current 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.

The total cash outflow for leases amount to N$17 314 752 (2024: N$ 16 470 032) of which N$789 983 is in respect of short-term and low value leases (2024: N$745 810).

The municipal charges are variable lease payments related to water, electricity, rates and taxes payable to the lessor.

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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.

15.1 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 2025, 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 2025, a total of 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. LOAN FACILITY – METROPOL (PTY) LTD (CONTINUED)

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 2025, 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

	2025	2024
	N$	N$
Post-retirement medical aid benefits	43 729 149	38 205 149
Severance pay benefits	2 079 455	1 787 000
	45 808 604	39 992 149

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16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

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$652 000 (2024: N$664 000).

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 2025 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 2025 (2024: 18 years), which is also the weighted average duration of the obligation. The recommended discount rate used is 13.27% as at 31 March 2025 (2024: 15.23%).
Medical aid inflation	The rate of medical aid inflation was set as the calculated value of CPI plus 2.5% (2024: 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 2025 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 2025.

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

Post-retirement medical aid benefits (Continued)

	2025 N$	2024 N$
The amounts recognized in the statement of financial position are as follows:		
Net liability at beginning of the year	38 205 149	42 832 149
Service cost – current	2 650 000	3 157 000
Interest cost	5 967 000	5 743 000
Re-measurement (gains)/losses:		
Actuarial (gains)/losses from changes in economic assumptions	1 730 000	(6 967 000)
Actuarial (gains)/ losses – demographic and experience adjustments	(4 168 000)	(5 938 000)
Benefits paid	(655 000)	(622 000)
Net liability recognized in the statement of financial position	43 729 149	38 205 149
The amounts recognized in the statement of surplus or deficit and other comprehensive income are as follows:		
Current service cost	2 650 000	3 157 000
Benefits paid	(655 000)	(622 000)
	1 995 000	2 535 000
Interest on obligation	5 967 000	5 743 000
Actuarial losses /(gains)from changes in economic assumptions	1 730 000	(6 967 000)
Actuarial (gains)/ losses – demographic and experience adjustments	(4 168 000)	(5 938 000)
Total	5 524 000	(4 627 000)

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.

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16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

Post-retirement medical aid benefits (continued)

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.

Sensitivity Analysis (Continued):

The effect of 1 year movement in the assumed mortality age rating is as follows:

At 31 March 2025	1 year down rate	Valuation assumption	1 year up rate
-Effect on defined benefit obligation	45 056 000	43 729 149	42 395 000
-Effect on Interest cost	6 131 000	5 949 000	5 767 000
-Effect on service cost	3 030 000	2 940 000	2 851 000

The effect of 1% movement in the assumed medical aid inflation is as follows:

At 31 March 2025	-1% Medical aid inflation	Valuation assumption	+1% Medical aid inflation
-Effect on defined benefit obligation	36 391 000	43 729 149	53 085 000
-Effect on Interest cost	4 940 000	5 949 000	7 238 000
-Effect on service cost	2 374 000	2 940 000	3 676 000

Key assumptions used:	31/03/2025	31/03/2024
Discount rate	13.27%	15.23%
Consumer price inflation rate	7.86%	9.56%
Medical aid contribution inflation rate	10.36%	12.06%
Net effective discount rate	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.

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.1. Defined benefit plans (continued)

Post-retirement medical aid benefits (continued)

	2025	2024
The expected maturity analysis of the post-retirement medical benefits is as follows:	N$	N$
Less than one year	-	-
Between 1 and 2 years	226 000	-
Between 2 and 5 years	6 266 000	2 855 000
Beyond 5 years	37 237 149	35 350 149
Total	43 729 149	38 205 149

	2025	2023
	N$	N$
Present value of obligation:		
2025	43 729 149	-
2024	38 205 149	38 205 149
2023	42 832 149	42 832 149
2022	39 797 149	39 797 149
2021	33 864 149	33 864 149

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.2 Defined contribution plans (continued)

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$ 148 000 (2024: N$ 117 000). 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 2025 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 2025 (2024: 10 years), which is also the weighted average duration of the obligation. The recommended discount rate used is 11.49% as at 31 March 2025 (2024: 13.43%).
Salary inflation	The rate of salary inflation was set as the calculated value of CPI plus 2.0% (2024: 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 2025 to determine the present value of the employer's obligation in terms of severance benefits towards current 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 2025.

	2025	2024
	N$	N$
The amounts recognized in the statement of financial position are as follows:		
Net liability at beginning of the year	1 787 000	1 771 000
Current Service cost	224 000	238 000
Interest cost	248 455	193 000
Re-measurement (gains)/losses:		
Actuarial (gains)/losses from changes in economic assumptions	13 000	(123 000)
Actuarial gains – demographic and experience adjustments	(107 000)	220 000
Benefits paid – Estimate	(86 000)	(512 000)
Net liability recognized in the statement of financial position	2 079 455	1 787 000

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.2 Defined contribution plans (continued)

Severance benefits liability (continued)

The amounts recognized in the statement of surplus or deficit and other comprehensive income are as follows:	2025	2024
	N$	N$
Current service cost	224 000	238 000
Interest on obligation	248 455	193 000
Actuarial (gains)/losses from changes in economic assumptions	13 000	(123 000)
Actuarial gains – demographic and experience adjustments	(107 000)	220 000
Benefits paid	(86 000)	(512 000)
Total	292 455	16 000

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 2025	1 year down rate	Valuation assumption	1 year up rate
-Effect on defined benefit obligation	2 216 000	2 079 455	1 956 000
-Effect on service cost	266 000	252 000	239 000
-Effect on Interest cost	239 000	245 000	230 000

The effect of 1% movement in the assumed salary inflation is as follows:

At 31 March 2025	-1% normal salary inflation	Valuation assumption	+1% normal salary inflation
-Effect on defined benefit obligation	1 875 000	2 079 455	2 314 000
-Effect on service cost	222 000	252 000	287 000
-Effect on Interest cost	220 000	245 000	274 000

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.2 Defined contribution plans (continued)

Severance benefits liability (continued)

	2025	2024
Key assumptions:	31/03/2025	31/03/2024
Discount rate	11.49%	13.43%
Consumer price inflation rate	6.04%	7.86%
Normal salary increase inflation rate	8.04%	9.86%
Net effective discount rate	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:	2025	2024
	N$	N$
Less than one year	-	-
Between 1 and 2 years	-	-
Between 2 and 5 years	64 000	15 000
Beyond 5 years	2 015 000	1 772 000
Total	2 079 000	1 787 000

Present value of obligation:	2025	2024
	N$	N$
2025	2 079 455	-
2024	1 787 000	1 787 000
2023	1 771 000	1 771 000
2022	1 752 000	1 752 000
2021	1 500 000	1 500 000

16. RETIREMENT BENEFIT PLANS (CONTINUED)

16.2. Defined contribution plans (Continued)

Severance benefits liability (continued)

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.

	2025	2024
	N$	N$
The total value of the contributions to the pension fund during the year amounted to:		
Employer contributions	17 289 472	17 928 830
Employee contributions	7 564 144	7 843 863
Total contributions for the period	24 853 616	25 772 693

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 2025, NAMFISA held N$ 130 million (2024: N$112 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. RELATED PARTY TRANSACTIONS (CONTINUED)

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 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

State owned enterprises – March 2024	Expenses	Income	Amount owed by party
	N$	N$	N$
Government of Namibia	505 990	1 272 593	-
Namibia Post Limited	2 026	41 410	1 081 448
Other state-owned enterprises	4 775 642	2 044 545	771 523
	5 283 658	3 358 548	1 852 971

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$ 27 574 581 was transferred to Metropol (Pty) Ltd as loan (2024: N$6 000 000). Details of the inter-company loan is disclosed under note 19.3.

19.3. Related party balances

Loan to subsidiary	2025	2024
	N$	N$
Metropol (Pty) Ltd	84 444 104	57 040 381

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$371 200 at 31 March 2025 (2024: N$200 343).

19. RELATED PARTY TRANSACTIONS (CONTINUED)

19.4. Compensation of board members and key management personnel

	Short Term benefits	Post-Retirement benefits	Total
	N$	N$	N$
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
At 31 March 2024			
Board member's fees	811 540	-	811 540
Other key management	23 681 391	2 616 446	26 297 837
	24 492 931	2 616 446	27 109 377

NAMFISA board members are remunerated in accordance with Government Gazette No. 6572 dated 16 April 2018. Other bord expenses amounted to N$120 040 (2024: N$120 718). 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 2025 loans granted to key management amounted to N$356 097 (2024: N$425 343)

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$11 677 773 (2024: N$14 332 983) exists at the end of the current year. Refer to note 11.

20. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

20.2. Levy estimates

NAMFISA has included in income, an estimate of levies amounting to N$1 495 541 (2024: N$1 969 421). 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.

20.3. 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	
	2025	2024	2025	2024
	N$	N$	N$	N$
Surplus for the year before taxation	43 983 575	24 872 306	43 812 717	24 671 963
Adjusted for:				
Depreciation and amortization	14 549 693	15 996 703	14 549 693	15 996 703
Finance charges on leases	5 416 019	4 082 103	5 416 019	4 082 103
Lease adjustment – effect of initial costs	-	-	-	-
Lease adjustment – effect of non-cash amount in finance charges	-	(1 399 762)	-	(1 399 762)
Interest received	(5 923 765)	(5 469 781)	(5 911 270)	(5 469 781)
Dividends received	(8 155 337)	(7 166 183)	(8 155 337)	(7 166 183)
Profit on disposal of equipment and intangibles	(50 641)	(165 483)	(50 641)	(165 483)
Increase in expected credit losses net of write off	(59 371)	(234 002)	(59 371)	(234 002)
Fair value loss adjustment on property	-	-	-	-
Impairment of investment in subsidiary	-	-	946 315	984 073
Impairment of loan to subsidiary	-	-	170 857	200 343
Increase in employee benefit obligations	8 348 455	8 197 000	8 348 455	8 197 000
Operating surplus before working capital changes	58 061 744	38 712 901	59 020 553	39 696 974
Working capital changes	(1 894 210)	(15 268 824)	(584 557	(15 388 934)
Increase in accounts receivable	(4 673 196)	(2 764 525)	(2 266 484)	(2 876 694)
Increase/ (Decrease) in accounts payable	2 778 985	(12 504 299)	2 851 041	(12 512 240)
Cash generated by operations	56 214 417	23 444 077	59 651 994	24 308 040

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.

	2025	2024
	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	120 000
	350 000	350 000

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 expires 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	
	2025	2024	2025	2024
Financial assets	N$	N$	N$	N$
Financial assets at amortised cost	-	-	-	-
Loans and receivables	19 843 212	15 390 689	16 664 329	14 618 518
Loan to subsidiary	-	-	84 444 104	57 040 381
Cash and cash equivalents	98 588 236	67 103 549	96 096 352	66 582 116
Financial assets at FVTPL	113 922 546	115 460 266	113 922 546	115 460 266
Financial liabilities				
Amortized cost	66 936 784	75 267 594	66 842 757	75 101 511

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

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23. FINANCIAL INSTRUMENTS (CONTINUED)

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 2025 would increase/decrease by N$ 1 033 850 (2024: N$829 450). This is mainly attributable to the Authority's exposure to interest rates on variable rate financial assets held.

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 2025 (2024: 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	
	2025	2024	2025	2024
	N$	N$	N$	N$
Exposure per industry segment:	21 801 730	20 613 408	18 622 846	19 841 237
Capital Markets	1 267 175	1 237 095	1 267 175	1 237 095
Collective Investments	-	-	-	-
Life Insurance	6 624 333	6 422 676	6 624 333	6 422 676
Short term insurance	1 859 252	3 066 061	1 859 252	3 066 061
Microlenders	3 319 643	6 218 957	3 319 643	6 218 957
Pension Funds and Friendly Societies	485 022	512 623	485 022	512 623
Medical Aid Funds	4 614 234	1 982 198	4 614 234	1 982 198
Other	3 632 072	1 173 797	453 188	401 627
	21 801 730	20 613 408	18 622 846	19 841 237

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6. Credit risk management (continued)

	GROUP		AUTHORITY	
	2025 N$	2024 N$	2025 N$	2024 N$
Age analysis:				
Older than 120 days	14 805 614	16 743 483	14 805 614	16 743 483
60 to 120 days	543 443	(30 074)	543 443	(30 074)
Less than 60 days	6 452 673	3 899 999	3 273 789	3 127 828
	21 801 730	20 613 408	18 622 846	19 841 237
Allowance for Expected Credit Losses	(11 677 773)	(14 332 983)	(11 677 773)	(14 332 983)
Net exposure	10 123 957	6 280 425	6 945 073	5 508 254

At year-end the Group did not consider there to be any significant concentration of credit risk which has not been adequately provided for.

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 2025 loans granted to employees amounted to N$361 642 (2024: N$1 488 526).

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 2025 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.6. Credit risk management (continued)

Trade receivables (continued)

The following table details the risk profile of receivables based on the Group's provision matrix and the loss allowance as at 31 March 2024.

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

2024:	Current	60 to 90 days	> 120 days	Total
Gross receivables excluding credit balances	1 723 506	566 594	16 692 130	18 982 230
Expected credit loss rate	**27%**	**117%**	**79%**	
Expected credit losses - 2023	469 795	664 443	13 198 743	14 332 981

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	-	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**
Bank Windhoek	-	35 455 334	35 455 334
First National Bank	-	23 520 155	23 520 155
Simonis Storm Securities	-	41 193 358	41 193 358
Old Mutual	-	10 284 447	10 284 447
Momentum	-	5 006 972	5 006 972
Balance as at 31 March 2024	**-**	**115 460 266**	**115 460 266**

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	**2025**	**2024**	**2025**	**2024**
	N$	**N$**	**N$**	**N$**
Non-financial labilities 1 – 12 months	13 993 872	11 740 056	13 993 872	11 740 056
Staff leave provision	13 993 872	11 740 056	13 993 872	11 740 056
Non-interest bearing financial liabilities				
1 to 3 months	8 747 443	8 199 664	8 747 443	8 199 664
Levy creditors	6 299 888	6 268 074	6 299 888	6 268 074
Staff accruals	2 447 555	1 931 590	2 447 555	1 931 590
Financial liabilities at amortized cost				
Interest bearing 1 to 3 months	3 812 382	3 834 995	3 718 356	3 668 911
Accounts payables accruals	3 109 374	3 165 887	3 109 373	3 089 253
Audit fees provision	703 008	669 108	608 983	579 658
Lease liabilities				
Payments analysed as:				
Current	12 857 654	14 978 859	12 857 654	14 978 859
Non-current	27 525 432	36 514 020	27 525 432	36 514 020
2 years	27 525 432	11 398 553	27 525 432	11 398 553
More than 2 years	-	25 115 467	-	25 115 467
	66 936 784	75 267 594	66 842 757	75 101 510

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23. FINANCIAL INSTRUMENTS (CONTINUED)

23.7. Liquidity risk management (continued)

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.

	GROUP		AUTHORITY	
	2025	**2024**	**2025**	**2024**
	N$	**N$**	**N$**	**N$**
Variable interest rate instruments: FVTPL				
Less than 1 month	98 588 236	67 103 549	96 096 352	66 582 116
1 to 3 months	113 922 546	115 460 266	113 922 546	115 460 266
	212 510 782	182 563 815	210 018 898	182 042 382
Fixed interest rate instruments: Amortized Cost				
1 to 3 months	6 543 446	5 508 255	6 543 446	5 508 255
3 months to 1 year	-	-	-	-
	6 543 446	5 508 255	6 543 446	5 508 255
Weighted average return	7.18%	7.20%	7.18%	7.20%
Non-interest bearing instruments:				
1 to 3 months	12 358 771	8 661 395	9 179 888	7 889 224
3 months to 1 year	-	-	-	-
	12 358 771	8 661 395	9 179 888	7 889 224
	231 412 999	196 733 465	225 742 232	195 439 861

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 2025, the Group had foreign currency denominated current financial liabilities amounting to Nill (31 March 2024: Nill).

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.9. Fair value measurements

22.9.1. 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.9. Fair value measurements (continued)

23.9.1. Valuation (continued)

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.

23.9.2 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.

23. FINANCIAL INSTRUMENTS (CONTINUED)

23.9. Fair value measurements (continued)

23.9.2. Fair value hierarchy and measurements (continued)

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 2025 (2024: 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

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23. FINANCIAL INSTRUMENTS (CONTINUED)

23.9. Fair value measurements (continued)

23.9.2. 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 2024, there are some employees who do qualify for Post-Retirement Medical Aid benefit but are not currently on a qualifying medical aid scheme. The contingent liability for these employees amounts to N$7 671 676 at 31 March 2024 (2022: N$4 137 080).

Members not on medical scheme	2025	2024
Number of Members	16	16
Contingent Liability (N$)	10 311 000	7 671 676

24.2. Litigation cases

Alwyn Petrus van Straten//NAMFISA

As is public record, 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 claiming a total amount of N$105 million.

On 4 March 2022, judgment was delivered, and the High Court ordered that NAMFISA is not liable towards the Plaintiffs. Furthermore, Judge Oosthuizen dismissed the Plaintiffs' claims with costs.

On 4 April 2022, the Plaintiffs filed a Notice of Appeal against the whole judgment and orders of Judge Oosthuizen delivered on 4 March 2022. The High Court order is suspended, pending the appeal.

The appeal hearing is set down to be heard on 24 July 2025.

24. CONTIGENT LIABILITY (Continued)

24.2. Litigation cases (continued)

Hendrik Christian

In 2007 Hendrik Christian t/a Hope Financial Services issued summons against NAMFISA and Frans Johan Jansen Van Rensburg wherein he claims, inter alia, payment in the amount of N$2 911 402.15.

This was followed by a sequel of extended litigation instituted by Mr. Christian.

On 13 November 2024 the Court dismissed the main action in terms of Rule 59(5). This is on account of Mr Christian's failure to furnish security as set by the Registrar. The Court has also issued a costs order for the instructing and instructed counsel.

On 16 December 2024 Mr Christian filed an application for rescission in respect of the order delivered on 13 November 2024.

On 14 January 2025 NAMFISA opposed the rescission application.

On 04 February 2025 NAMFISA filed its answering affidavit.

Mr Christian filed various other appeals and applications, some of which remains pending

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 14 April 2023 the Court ordered that:

1. The main application of the Registrar for the winding up of the Fund is dismissed with costs.
2. The counter application of the Fund is granted with costs.
3. The costs payable by the Registrar shall include the costs of one instructing and two instructed counsel.
4. The matter is regarded as finalised and removed from the roll.

The Registrar of Medical Aid Funds lodged a Notice of Appeal against the whole of the judgment and orders (including the cost order) delivered by the Honourable Oosthuizen J on 14 April 2023. The hearing date herein is still to be announced.

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 2025, no drawdowns had occurred on either the development loan or the VAT facility, and all contractual conditions precedent remained in effect.

24. CONTIGENT LIABILITY (Continued)

24.3. Loan guarantee (continued)

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

25.1. 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	AUTHORITY
	2025 N$	2025 N$
Decrease in depreciation and amortization	535 599	535 599
Increase in carrying amount of property, plant equipment	204 165	204 165
Increase in carrying amount of intangible assets	331 434	331 434

25.2. ECL historical default rate calculation

Prior year default rate calculation

During the year, the Authority revised the method of calculating the historical default rate (used in ECL calculation) by using full year financial information of the prior year instead of using only 2 months of the previous financial information. The Authority is of the opinion that using the full year information will result in a better calculation of the ECL. The revision of the historical default rate calculation was treated as a change in accounting estimate 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	AUTHORITY
	2025 N$	2025 N$
Decrease in expected credit losses	1 234 891	1 234 891
Increase in carrying amount of accounts receivable	1 234 891	1 234 891

The amount of the effect in future periods is not disclosed because estimation of it is impracticable.

11 INDUSTRY STATISTICS

This chapter includes the collection and analysis of numerical data, specifically for the purpose of expanding on the quantitative data in the Industry Developments chapter.

INDUSTRY STATISTICS

Table S1: Long-term insurance – Income statement, 2020-2024 (N$'000)

Income and expenses	2020	2021	2022	2023	2024
Single premiums	3,140,615	4,750,344	3,865,659	3,942,063	4,280,767
Recurring premiums	6,339,382	6,194,976	7,147,650	7,406,439	10,113,748
Gross premiums written	**9,479,997**	**10,945,320**	**11,013,309**	**11,348,502**	**14,394,515**
Less: Reinsurance premium	392,519	458,261	526,874	578,890	527,314
Net premiums written	**9,087,478**	**10,487,059**	**10,486,435**	**10,769,612**	**13,867,201**
Gross policyholder benefits paid	7,542,003	10,734,341	9,227,319	9,234,724	10,634,867
Reinsurance recoveries	224,664	852,020	505,686	262,440	375,636
Net policyholders' benefits	**7,317,339**	**9,882,321**	**8,721,633**	**8,972,284**	**10,259,231**
Change in policyholder liabilities	875,288	5,410,229	(424,476)	5,400,558	7,036,738
Commission paid	828,888	846,010	898,227	844,312	1,024,729
Policyholder benefits and commission	9,021,515	16,138,560	9,195,384	15,217,154	18,320,698
GROSS PROFIT/(LOSS)	**65,963**	**(5,651,501)**	**1,291,051**	**(4,447,542)**	**4,453,497**
Investment income	2,353,414	7,267,103	2,219,113	8,552,686	10,524,335
Other income	260,907	193,189	354,627	413,800	547,853
TOTAL INCOME	**2,602,057**	**7,460,292**	**2,573,740**	**8,966,486**	**11,072,188**
Management expenses	1,441,226	1,376,152	1,759,022	1,993,377	2,466,612
Other expenses	398	-	-	-	-
Finance costs	2,004	-	-	-	-
TOTAL EXPENSES	**1,443,628**	**1,376,152**	**1,759,022**	**1,993,377**	**2,466,612**
PROFIT BEFORE TAXATION	**1,224,392**	**432,639**	**2,105,769**	**2,525,567**	**4,152,079**

Table S2: Long-term insurance – Balance sheet, 2020-2024 (N$'000)

Assets and liabilities	2020	2021	2022	2023	2024
Immovable property	420,642	422,637	429,553	317,523	303,631
Property, plant and equipment	38,855	38,810	52,258	212,916	183,961
Intangible assets	95,814	78,443	127,748	76,222	156,858
Deferred tax	-	-	-	0	-
Other assets	**1,052,665**	**1,173,564**	**1,260,717**	**1,364,684**	**1,491,948**
Investments	50,214,325	53,868,564	52,996,499	55,808,629	62,450,064
NON-CURRENT ASSETS	**51,822,301**	**55,582,018**	**54,866,775**	**57,779,974**	**64,586,462**
Reinsurers' debtors	269,977	512,055	450,619	550,131	835,066
Premium debtors	257,051	319,622	268,840	298,007	419,424
TECHNICAL ASSETS	**527,028**	**831,677**	**719,459**	**848,138**	**1,254,489**
Cash and cash equivalents	1,846,211	2,553,576	1,980,824	2,213,769	2,859,217
Receivables	1,898,101	1,561,007	2,508,025	2,354,140	2,307,974
Investments	5,587,004	6,143,776	8,681,975	11,064,442	12,828,422
CURRENT ASSETS	**9,331,316**	**10,258,359**	**13,170,824**	**15,632,351**	**17,995,613**
TOTAL ASSETS	**61,680,645**	**66,672,055**	**68,757,058**	**74,260,463**	**83,836,565**
Ordinary share capital	80,577	80,576	80,578	66,467	66,467
Share premium	1,877,170	1,877,171	2,412,882	2,426,993	2,426,993
Retained earnings	8,575,199	7,935,897	9,026,117	9,073,994	10,678,645
Other reserves	(1,036,649)	(1,075,250)	(1,073,390)	(1,070,394)	(1,069,910)
CAPITAL AND RESERVES	**9,496,297**	**8,818,394**	**10,446,187**	**10,497,060**	**12,102,195**
Deferred tax	-	-	14274	772	1,072
Other liabilities	654,240	338,387	727,839	409,795	474,774
NON-CURRENT LIABILITIES	**654,240**	**338,387**	**742,113**	**410,567**	**475,846**
Policyholder liabilities	49,706,266	55,209,491	54,822,747	60,678,624	67,971,389
Gross provision for outstanding claims	-	-	-	12,174	380,958
Reinsurance creditors	349,646	481,455	522,527	566,777	831,741
TECHNICAL LIABILITIES	**50,055,912**	**55,690,946**	**55,345,274**	**61,245,401**	**69,184,088**
Trade and other payables	1,201,403	1,800,215	1,621,501	1,571,938	1,529,733
Current income taxation	93	1,214	39	220,512	204,600
CAR	**2,756**	**-**	**-**	**0**	**0**
Other liabilities	269,945	22,894	601,945	314,984	340,105
CURRENT LIABILITIES	**1,474,197**	**1,824,323**	**2,223,485**	**2,107,434**	**2,074,438**
TOTAL LIABILITIES	**52,184,349**	**57,853,656**	**58,310,872**	**63,763,402**	**71,734,372**
EXCESS ASSETS	**9,496,296**	**8,818,399**	**10,446,186**	**10,497,060**	**12,102,192**

Table S3: Short-term insurance – Income statement, 2020-2024 (N$'000)

Income and expenses	2020	2021	2022	2023	2024
Gross premiums written	3,485,655	3,741,330	4,115,487	4,692,213	5,543,697
Less: Reinsurance expense	**1,155,938**	**1,311,833**	**1,225,842**	**1,364,294**	**1,512,695**
Net premiums written	2,329,717	2,429,497	2,889,645	3,327,919	4,031,002
Change in provision for UPR	75,840	222,431	310,489	584,729	826,547
Net premiums earned	**2,253,877**	**2,207,066**	**2,579,156**	**2,743,190**	**3,204,455**
Gross claims and loss adjustment expenses	1,661,110	1,912,941	1,953,588	1,997,003	2,002,711
Change in IBNR	68,027	43,471	(84,437)	(61,890)	7,937
Less: Gross claims and loss adjustment expenses recovered from reinsurers	**386,531**	**600,118**	**516,543**	**557,765**	**488,152**
Net claims incurred	1,342,606	1,356,294	1,352,608	1,377,348	1,522,496
Commission incurred	428,353	456,710	470,471	532,777	594,650
Less: Commission earned	220,639	330,075	311,266	340,478	411,301
Net commission incurred	**207,714**	**126,635**	**120,753**	**192,299**	**183,349**
CLAIMS AND COMMISSION	**1,550,320**	**1,482,929**	**1,473,361**	**1,569,647**	**1,705,845**
Underwriting surplus	703,557	724,137	1,105,795	1,173,543	1,498,610
Management expenses	677,353	763,546	1,014,272	1,132,594	525,504
Finance costs	40	-	-	-	102,828
Investment income	260,877	401,349	308,078	549,315	1,364,609
Other income	287,133	155,580	88,972	105,237	-
Other expenses	(507)	-	-	-	-
Profit before tax	**438,710**	**517,520**	**450,465**	**695,501**	**762,333**
Income tax expense	154,891	74,699	131,234	117,467	162,410
PROFIT FOR THE YEAR	283,819	442,821	319,231	578,034	599,923
Other comprehensive income for the quarter	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**283,819**	**442,821**	**357,339**	**578,034**	**599,923**
Performance ratios	**2020**	**2021**	**2022**	**2023**	**2024**
Underwriting result ratio	31%	33%	41%	43%	47%
Cession ratio	33%	35%	30%	29%	27%[24]
Net loss ratio	60%	60%	52%	50%	61%[25]
Underwriting result	31%	33%	41%	43%	48%[26]
Net combined ratio	109%	115%	110%	111%	109%[27]

[24] The cession ratio is calculated by dividing the net reinsurance premiums written by the gross premiums written.

[25] The expense ratio calculates the sum of all expenses (management expenses, finance costs, other expenses and commission incurred) over net premiums earned.

[26] The underwriting result ratio is calculated by dividing the underwriting surplus (or deficit) by the net premiums earned.

[27] The net combined ratio calculates the sum of both the expense ratio and the net loss ratio.

Table S4: Short-term insurance – Industry experience per class of business, 2020-2024

Experience per class of business					
Year	**2020**	**2021**	**2022**	**2023**	**2024**
Premium earned by class (% of total)					
Fire	0%	0%	14%	12%	10%
Marine	1%	2%	1%	1%	1%
Aviation	23%	19%	0%	0%	0%
Vehicles	40%	38%	20%	27%	25%
Guarantee	22%	18%	3%	-3%	7%
Miscellaneous	-2%	2%	24%	26%	21%
Personal	16%	21%	38%	37%	36%
Loss ratio by class					
Fire	-39%	0%	7%	12%	13%
Marine	-4%	0%	1%	1%	1%
Aviation	29%	28%	0%	0%	0%
Vehicles	49%	49%	32%	31%	29%
Guarantee	22%	19%	0%	1%	1%
Miscellaneous	-7%	0%	8%	12%	14%
Personal	1197%	5%	48%	44%	43%
Underwriting results (% of premiums earned)					
Fire	0%	0%	0%	10%	10%
Marine	3%	2%	1%	1%	0%
Aviation	52%	26%	0%	0%	1%
Vehicles	44%	43%	19%	22%	19%
Guarantee	37%	-21%	4%	-6%	13%
Miscellaneous	-28%	3%	29%	44%	28%
Personal	-7%	48%	48%	29%	28%

Table S5: Short-term insurance – Balance sheet, 2020-2024 (N$'000)

Assets and liabilities	2020	2021	2022	2023	2024
NON-CURRENT ASSETS	**752,822**	**881,472**	**532,329**	**530,274**	**834,827**
Immovable property	-	-	-	-	-
Property, plant and equipment	55,104	48,080	56,985	73,490	242,835
Intangible assets	33,477	29,898	31,678	58,899	68,710
Deferred tax	34,354	41,146	45,023	41,000	45,213
Other assets	84,306	97,018	108,087	93,012	98,861
Investments	545,581	665,330	290,556	263,873	379,208
TECHNICAL ASSETS	**898,719**	**1,081,033**	**1,022,338**	**896,389**	**903,085**
Reinsurers' share of unearned premiums	398,854	440,548	454,001	460,946	461,172
Reinsurers' share of outstanding claims	230,242	354,409	300,354	211,907	217,756
Reinsurers' share of claims incurred but not reported	55,759	119,492	98,893	75,171	61,742
Commission receivable	1,101	10,167	22,392	5,847	5,937
Premium debtors	212,763	156,417	146,698	142,518	156,478
CURRENT ASSETS	**4,835,843**	**5,225,760**	**5,645,410**	**6,317,874**	**7,382,612**
Cash and cash equivalents	561,014	624,076	745,456	781,106	1,332,042
Other receivables	364,747	587,897	568,787	545,547	549,303
Investments	3,910,082	4,013,787	4,331,167	4,991,221	5,501,267
TOTAL ASSETS	**6,487,384**	**7,188,265**	**7,200,077**	**7,744,537**	**9,120,524**
CAPITAL AND RESERVES	**2,307,100**	**2,415,777**	**2,143,025**	**2,420,730**	**2,787,752**
Ordinary share capital	65,691	65,660	65,623	73,623	73,474
Share premium	248,230	254,741	257,779	247,779	246,886
Retained earnings	1,901,596	1,915,628	1,586,907	1,826,042	2,121,392
Contingency reserve	79,389	79,971	84,299	93,276	108,676
Other reserves	12,195	99,777	148,417	180,010	237,324
NON-CURRENT LIABILITIES	**87,134**	**87,063**	**110,508**	**107,023**	**62,993**
Deferred taxation	10,384	21,648	32,222	35,923	48,233
Other liabilities	76,750	65,415	78,286	71,100	14,760
TECHNICAL LIABILITIES	**3,362,127**	**3,959,804**	**4,150,576**	**4,511,470**	**5,436,893**
Gross provision for unearned premiums	2,433,927	2,616,892	2,995,986	3,378,357	4,326,045
Gross outstanding claims	554,764	801,858	660,066	468,057	570,182
Gross claims incurred but not reported	284,303	329,891	310,656	302,921	242,299
Commission due	82,064	100,596	106,914	88,629	8,631
Reinsurance creditors	7,069	110,567	76,954	273,506	289,736
CURRENT LIABILITIES	**731,022**	**725,621**	**795,968**	**705,314**	**832,886**
Trade and other payables	622,613	563,092	690,682	459,141	514,848
Current income taxation	29,911	2,038	3,016	1,060	28,090
Other liabilities	78,498	160,491	102,270	245,113	289,948
Total liabilities	**4,180,283**	**4,772,488**	**5,057,052**	**5,323,807**	**6,332,772**
TOTAL EQUITY AND LIABILITIES	**6,487,384**	**7,188,265**	**7,200,077**	**7,744,537**	**9,120,524**
SOLVENCY RATIO (Total assets/Total liabilities)	**1.55**	**1.51**	**1.42**	**1.45**[28]	**1.44**

[28] The solvency ratio is determined by dividing the total assets by the total liabilities

Table S6: Medical aid funds – Membership, 2020-2024

Membership	2020	2021	2022	2023	2024
Principal members	83,745	85,902	88,112	90,883	93,677
Dependants	104,242	106,156	108,572	111,162	111,556
Pensioners	12,214	12,655	12,861	13,721	14,557
Total members	**200,201**	**204,713**	**209,545**	**215,766**	**219,790**

Table S7: Medical aid funds – Income statement, 2020-2024 (N$'000)

Income and expenses ('000)	2020	2021	2022	2023	2024
Contributions received	4,480,538	4,626,003	4,893,151	5,429,461	6,071,364
Less: Healthcare cost	3,779,645	4,391,362	4,763,567	5,101,438	5,100,207
Add: Net income/(expenses) from Risk Transfer Arrangements	(-9,669)	(-10,145)	(-10,141)	(-9,934)	12,275
Gross healthcare result	691,224	224,496	119,443	318,089	958,882
Less: Administrative fees	306,970	330,908	347,534	376,754	390,803
Less: Operational expenses	82,715	96,461	99,108	102,679	107,519
Less: Managed care: Management services	64,015	53,813	58,000	59,378	60,069
Less: Consultant fees/Professional fees	1,143	1,341	2,106	2,310	2,466
Total non-healthcare cost	454,843	482,523	506,748	541,121	560,857
Surplus/(deficit) from operations	236,381	(-258,027)	(-387,305)	(-223,032)	398,025
Add: Other income (sundry income)	4,534	4,254	4,639	4,480	5,054
Add: Net investment income	125,941	212,155	60,742	233,361	227,743
Net surplus/(deficit) for the year/period	**366,856**	**(41,618)**	**(321,924)**	**14,809**	**630,822**

Table S8: Medical aid funds – Claims typology, 2020-2024 (N$'000)

	2020	2021	2022	2023	2024
Hospitals	1,278,898	1,540,503	1,662,201	1,675,764	1,774,428
Pharmacies/Medicine	646,432	746,988	789,445	805,366	473,052
General practitioners	331,619	373,134	409,861	459,774	801,995
Specialists	467,980	516,723	585,161	634,513	563,163
Pathologists	220,192	266,075	260,362	283,746	259,024
Optometrists	83,676	136,935	131,568	150,097	289,199
Dentists	188,895	199,519	222,584	247,622	141,377
Auxiliary services	178,277	202,146	217,306	253,274	253,682
Radiologists	216,701	229,721	260,520	288,769	291,034
Dental specialists	17,777	18,957	21,519	23,086	22,535
Psychiatric institutions	12,785	14,073	13,976	12,969	15,659
Dental therapists	11,308	11,976	13,749	14,483	17,494
Optic pay-outs	34,788	-	-	-	-
Other	129,192	155,616	181,056	179,158	109,241
IBNR movement	(-38,875)	(-21,004)	(-5,741)	72,817	86,870
Total	**3,779,645**	**4,391,362**	**4,763,567**	**5,101,438**	**5,098,753**

Table S9: Medical aid funds – Balance sheet, 2020-2024 (N$'000)

N$ ('000)	2020	2021	2022	2023	2024
Non-current assets	**139,422**	**104,711**	**151,729**	**242,732**	**351,690**
Property, plant and equipment	4,046	4,372	3,982	5,458	5,185
Long-term investments	135,376	100,339	147,747	237,274	346,505
Current assets	**2,224,370**	**2,182,310**	**1,849,698**	**1,854,127**	**2,444,581**
Short-term investments	1,853,518	1,963,717	1,660,984	1,534,503	1,920,330
Accounts receivable (debtors)	40,910	54,870	42,812	46,911	**38,259**
Cash and cash equivalents	329,942	163,723	145,902	272,713	485,992
Total assets	**2,363,792**	**2,287,021**	**2,001,427**	**2,096,859**	**2,796,271**
FUNDS AND LIABILITIES					
Members' funds	**1,921,327**	**1,818,061**	**1,460,972**	**1,465,835**	**2,066,695**
Accumulated funds	1,921,327	1,818,061	1,460,972	1,456,576	2,066,695
Other reserves				9,259	-
Current liabilities	**442,465**	**468,960**	**540,455**	**631,024**	**729,576**
Accounts payable (creditors)	148,229	142,136	175,186	175,577	207,482
Provision for outstanding claims/IBNR	234,599	251,834	289,708	374,104	436,933
Roll-over benefit liability	59,637	74,990	75,561	81,343	85,161
Short-term loans payable	-	**-**	-	-	**-**
Total funds and liabilities	**2,363,792**	**2,287,021**	**2,001,427**	**2,096,859**	**2,796,271**

Table S10: Medical aid funds – Capital investments, 2020-2024 (N$'000)

	2020	2021	2022	2023	2024
Investments in Namibia	**991,659**	**1,113,337**	**951,674**	**1,004,542**	**1,358,861**
Government and other stock/(bonds)	125,990	249,988	246,146	380,664	645,106
Shares/equities	23,190	53,167	79,730	36,673	30,317
Unit trust schemes	672,393	561,035	481,104	345,989	510,137
Debentures	144,436	-	-	-	-
Listed securities in Namibia	6,229	241,697	-	-	-
Money market instruments/(fixed deposit)	-	-	108,349	233,766	165,851
Fixed deposit and savings accounts – unlisted securities in Namibia	7,450	7,450	-	-	-
TB credit/debit balances (excluding cash and cash equivalents)	-	-	27,677	-	-
Properties	11,971	-	7,450	7,450	7,450
Other investments (not defined)			1,218	-	-
Investments outside Namibia	997,235	950,719	857,057	767,235	907,974
Government and other stock/(bonds)	17,496	74,393	108,687	97,304	406,630
Shares/equities	797,857	184,650	255,531	142,110	89,305
Unit trusts	39,753	543,585	165,034	451,467	3,140
Money Market instruments/cash outside Namibia	129,305	135,371	318,823	75,389	195,661
Property	4,951	12,720	5,941	965	213,238
Debentures	7,873	-	1,105	-	
Credit/debit balances (excluding cash and cash equivalents)			1,936	-	
Other investments (not defined)					
Total investment assets	**1,988,894**	**2,064,056**	**1,808,731**	**1,771,777**	**2,266,835**
Percentage of Namibian assets to total assets	49.86 %	53.94%	52.62%	56.70%	59.95%
Percentage outside Namibia	50.14%	46.06%	47.38%	43.30%	40.05%

Table S11: Pension funds – Cost experience, 2020-2024

Cost category	Amount (N$ '000)				
	2020	2021	2022	2023	2024
Administration fees and other costs	1,292,643	939,711	742,469	796,988	913,443
Insurance premiums	389,230	390,716	438,602	410,642	422,253
Investment management fees	847,577	2,519,951	562,519	1,342,116	1,771,398
Total	**2,529,450**	**3,850,378**	**1,743,590**	**2,549,746**	**3,107,094**
Cost category	**Percentage of total**				
Administration fees and other costs	51.1%	24.4%	42.6%	31.3%	29.4%
Insurance premiums	15.4%	10.1%	25.2%	16.1%	13.6%
Investment management fees	33.5%	65.4%	32.3%	52.6%	57.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Table S12: Pension funds – Industry assets, 2020-2024

Balance sheet	Amount (N$ million)				
	2020	2021	2022	2023	2024
Non-current assets	178,763	210,811	204,101	235,229	260,699
Current assets	1,759	2,120	1,716	1,916	2,078
Total assets	**180,522**	**212,932**	**205,817**	**237,145**	**262,777**
	166,535	178,113	209,538	203,176	234,590
Accumulated funds and reserves	178,113	209,538	203,176	234,590	259,500
Current liabilities	**2,409**	**3,394**	**2,641**	**2,555**	**3,277**
Total funds and liabilities	**180,522**	**212,932**	**205,817**	**237,145**	**262,777**

Table S13: Pension funds – Industry liabilities, 2020-2024

	Amount (N$ million)				
	2020	2021	2022	2023	2024
Active members' accounts	104,357	112,401	113,932	121,449	127,471
Pensioners' accounts	25,513	25,807	38,348	39,098	39,135
Reserve accounts	29,750	67,541	48,282	69,944	87,659
Other	18,493	244	0	4,099	5,233
Total liabilities	**178,113**	**205,993**	**200,562**	**234,590**	**259,498**

Table S14: Pension funds – Liquidity experiences, 2020-2024

Amount (N$'000)	Amount (N$ '000)				
Liquidity	2020	2021	2022	2023	2024
Liquidity	2020	2021	2022	2023	2024
Contributions due and received	9,329,893	9,699,089	9,903,934	9,991,169	11,018,463
Expenses and benefits due and paid	11,624,013	11,739,108	12,864,048	14,844,488	14,133,521
Ratio[29] (percent)	80.3	82.6	77.0	67.3	78.0

Table S15: Pension funds – Asset allocation, 2020-2024 (N$ million)

N$ million	2020	2021	2022	2023	2024
Total investments in:					
Equities	82,731	96,800	83,802	97,705	109,154
Fixed interest	47,549	55,342	62,377	72,410	80,998
Property	7,606	10,420	10,467	12,002	12,513
Money market	14,105	17,149	14,065	16,558	17,001
Unlisted investments	1,647	2,273	2,604	3,076	3,137
Other	6,225	6,025	7,185	6,971	7,247
Total	**159,863**	**188,009**	**180,500**	**208,723**	**230,050**

[29] Contributions due and received and expenses and benefits due and paid.

Table S16: **Friendly societies membership, 2020-2024**

	2020	2021	2022	2023	2024
Number of principal members	641	684	622	623	620
Number of dependants	1,449	1,533	1,381	1,396	1,387
Total members	**2,085**	**2,217**	**2,003**	**2,019**	**2,007**

Table S17: **Friendly societies income statement, 2020-2024 (N$)**

Income and expenses	2020	2021	2022	2023	2024
Current assets	1,941,319	2,044,013	2,250,920	2,545,550	2,832,658
	206,164	214,592	198,420	211,500	208,410
Claims	82,500	110,718	60,000	93,500	93,163
Administration fees	-	-	-	-	-
Operational expenses	11,986	46,464	32,406	55,814	60,498
Underwriting surplus	**100,056**	**57,410**	**106,014**	**118,000**	**115,247**
Other income	525	1,674	765	2,442	2,716
Investment income	113,013	79,099	108,018	209,773	225,766
Net surplus	**213,594**	**138,183**	**214,797**	**274,401**	**283,231**

Table S18: **Friendly societies balance sheet, 2020-2024 (N$)**

Assets and liabilities	2020	2021	2022	2023	2024
ASSETS					
Current assets	1,941,319	2,044,013	2,250,920	2,545,550	2,832,658
Accounts receivable	98,219	20,168	16,098	24,359	27,880
Cash and cash equivalents	91,596	73,642	46,817	75,862	84,218
Short-term investments	1,751,504	1,950,203	2,186,205	2,445,329	2,720,560
Total assets	**1,941,319**	**2,044,013**	**2,250,920**	**2,545,550**	**2,832,658**
FUNDS AND LIABILITIES					
Members' funds	1,866,810	1,966,061	2,177,933	2,452,479	2,735,709
Accumulated funds	1,866,810	1,966,061	2,177,933	2,452,479	2,735,709
Revaluation reserve – investments	-	-	-	-	-
Current liabilities	74,509	77,952	72,987	93,071	96,949
Accounts payable (creditors)	15,509	18,952	22,987	17,071	20,949
Future claims liability	50,000	50,000	50,000	67,000	67,000
Other liabilities	-	-	-	-	-
Provision for bad debt	9,000	9,000	9,000	9,000	9,000
Total funds and liabilities	**1,941,319**	**2,044,013**	**2,250,920**	**2,545,550**	**2,832,658**

Table S19: **Collective investment schemes (CIS) – Total funds under management, 2020-2024 (N$ million)**

	2020	2021	2022	2023	2024
Country allocation					
Namibia	47,492	51,992	53,523	49,541	55,999
Common Monetary Area	23,292	21,555	20,073	33,167	39,720
Africa	112	118	100	117	105
Offshore	5,160	6,132	5,436	6,319	7,664
Total	**76,056**	**79,797**	**79,132**	**89,145**	**103,487**
Asset allocation					
Money market investments:	48,563.83	47,727.05	45,330.99	54,627	60,812
Treasury bills	13,102.18	15,407.95	13,583.32	15,352	21,560
Negotiable certificates of deposit	12,510.78	10,893.43	11,480.41	17,625	15,558
Bankers' acceptances	0.00	0.00	0.00	657	656
Debentures	736	701	586	16,396	17,885
Notice, call and other deposits	19,219	16,975	14,665	4,597	5,152
Other	2,996	3,750	5,017	11,071	11,132
Listed equity	10,826	13,627	10,358	17,464	21,465
Listed debt	13,586	17,321	18,1278	-	8
Listed other	213	190	0.05	1,107	1,083
Unlisted equity	1,055	308	1,162	2,054	2,224
Unlisted debt	1,782	646	1,820	-	-
Unlisted property	0.45	0.47	0.00	-	-
Other assets	30	(-22)	2,334	2,822	6,761
Total funds under management	**76,056**	**79,797**	**79,132**	**89,145**	**103,484**

Table S20: **Collective investment schemes (CIS) – Source of funds, 2020-2024 (N$ million)**

Unit trust funds per sector	2020	2021	2022	2023	2024
Natural persons	19,866	19,344	21,094	23,486	25,409
Short-term insurance companies	843	633	826	855	894
Medical aid funds	1,094	499	631	739	857
Companies	25,716	28,929	26,729	30,534	34,844
Other	5,158	5,326	5,027	4,953	7,854
Long-term insurance companies	6,717	7,128	6,951	7,610	8,588
Unit trust schemes	8,650	8,024	8,124	9,451	11,919
Pension funds	8,011	9,915	9,750	11,516	13,122
Total	**76,055**	**79,797**	**79,132**	**89,145**	**103,487**

Table S21: **Investment managers – Total funds under management, 2020-2024 (N$ million)**

Total funds under management	2020	2021	2022	2023	2024
Country allocation					
Namibia	98,776	109,690	114,386	133,004	147,882
Common Monetary Area	61,348	68,001	68,459	84,924	87,244
Africa	3,852	2,046	900	657	476
Offshore	25,177	28,097	27,127	32,987	48,419
Total	**189,153**	**207,834**	**210,872**	**251,571**	**284,022**
Asset allocation					
Money market investments:	51,214	51,515	50,730	72,691	45,829
Treasury bills	10,506	11,658	10,299	16,829	14,299
Negotiable certificates of deposit	13,548	13,959	13,687	18,814	4,322
Bankers' acceptances	0.00	0.00	0.00	0.00	-
Debentures	812	776	658	657	250
Notice, call and other deposits	23,978	20,690	21,038	31,890	26,825
Other	2,370	4,433	5,048	4,502	133
Listed equity	75,002	82,505	67,154	85,748	87,803
Listed debt	45,370	57,726	62,042	70,926	68,046
Listed other	1,468	1,213	177	11	46
Unlisted equity	2,536	1,600	1,433	1,537	1,362
Unlisted debt	3,383	2,318	1,741	2,142	1,961
Unlisted property	618	911	271	412	435
Unlisted other					5
Unit trust schemes	9,563	10,046	27,325	18,103	78,533
Total funds under management	**189,154**	**207,834**	**210,872**	**251,571**	**284,022**

Table S22: **Investment managers – Source of funds, 2020-2024 (N$ million)**

Source of funds (capital markets)	2020	2021	2022	2023	2024
Natural persons	855	1,568	2,992	4,508	5,676
Short-term insurance companies	701	879	909	1,170	1,708
Medical aid funds	573	671	577	631	935
Companies	3,585	6,639	6,755	9,133	10,164
Other	4,335	4,377	4,907	4,247	11,613
Long-term insurance companies	28,625	30,621	30,899	33,998	36,336
Unit trust schemes	56,363	56,295	63,634	81,571	98,031
Pension funds	94,115	106,784	100,199	116,312	119,558
Total	**189,152**	**207,834**	**210,872**	**251,571**	**284,022**

Table S23: **Capital market – Market performance, 2020-2024 (N$ million)**

Market performance	2020	2021	2022	2023	2024
NSX Overall Index (points)	1,232	1,572	1,631	1,633	1,801.18
NSX Local Index (points)	456	529	507	672	691
JSE All Share Index (points)	59,409	73,709	73,048	76,893	84,095.10
Overall value of equity securities traded (N$ million)	9,269	10,278	13,487	8,167	6,615
Local value of equity securities traded (N$ million)	536	448	609	527	422
Total shares in issue (N$ million) NSX Overall Index	29,515	33,157	35,336	35,902	33,860
Total shares in issue (N$ million) NSX Local Index	2,427	3,177	3,177	3,274	3,323.71
Overall market capitalisation (N$ million)	1,738,143	2,167,587	2,268,308	2,205,684	2,440,625
Local market capitalisation (N$ million)	27,440	38,040	36,568	44,088	46,385
Overall volume of securities traded (N$ million)	206	215	254	187	119
Local volume of securities traded (N$ million)	29	32	37	29	28

Table S24: **Capital market – Nominal debt issued, 2020-2024 (N$ million)**

Nominal debt issued	2020	2021	2022	2023	2024
Central government	62,783	72,418	78,816	84,665	94,785
State-owned enterprises	606	606	630	130	130
Banking institutions	4,324	5,431	4,627	3,888	4,272
Corporate	263	263	283	638	1,054
Treasury bills (outstanding)	27,330	31,765	35,199	37,483	41,956
Total	**95,306**	**110,504**	**119,910**	**127,219**	**142.332**

Table S25: **Microlender credit extension, 2020-2024 (N$ million)**

CREDIT EXTENTION	2020	2021	2022	2023	2024
Loans outstanding (N$'000)					
Total loans	**6,055**	**7,316**	**6,741**	**7,157**	**8,071**
Term lenders	5,959	7, 074	6,501	6,881	7,578
Payday lenders	96	242	240	276	493
Loans disbursed (N$'000)					
Total loans	**4,039**	**4,454**	**3,540**	**3,567**	**5,170**
Term lenders	3,248	3,346	2,304	2,336	3,217
Payday lenders	791	1,108	1,236	1,231	1,952
Number of loans					
Total issued loans	**516,970**	**577,529**	**618,675**	**665,290**	**700,393**
Term lenders	120,609	105,477	84,404	80,501	124,642
Payday lenders	396,361	472,052	534,271	584,789	575,751
Average loan amount					
Term lenders (N$)	28,067	33,039	20,040	30,297	27,885
Payday lenders (N$)	1,818	2,347	2,385	2,584	3,875

Table S26: **Complaints – Number of received complaints by industry, 2020-2024**

Industry	2020	2021	2022	2023	2024
Long-term insurance	315	321	220	247	138
Microlending	396	178	172	165	75
Short-term insurance	180	151	156	122	89
Pension funds	152	116	144	116	59
Medical aid funds	15	15	35	39	10
Capital markets	1	1	3	2	2
Collective investment schemes	0	0	0	0	0
Friendly societies	0	0	0	0	0
Other	0	0	0	0	0
Total	**1,059**	**782**	**730**	**691**	**373**

Table S27: **Number of resolved complaints by industry, 2020-2024**

Industry	2020	2021	2022	2023	2024
Microlending	351	170	159	148	69
Long-term insurance	296	305	209	229	134
Short-term insurance	163	145	133	113	84
Pension funds	134	107	147	108	59
Collective investments schemes	0	0	0	0	0
Capital markets	0	1	3	1	2
Medical aid funds	15	14	31	28	10
Friendly societies	0	0	0	0	0
Other	0	0	0	0	0
Total	**959**	**742**	**682**	**627**	**358**

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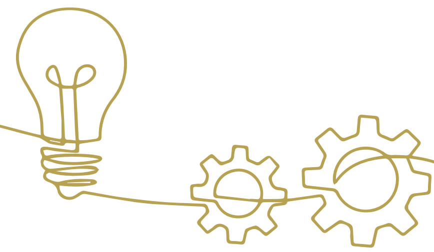

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