



2017 Namibia Financial Inclusion Survey

Survey Highlights



Namibia Statistics
Agency





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1. INTRODUCTION

Financial Inclusion Survey is a nationally representative survey of how individuals source their income, and how they manage their financial lives, including their engagement with the financial services sector as a whole (both formal and informal products/services). It also provides insight into attitudes and perceptions regarding money management, financial products and services, as well as information regarding demographics and overall lifestyles.

The 2017 Namibia Financial Inclusion Survey (NFIS) was the fourth of its kind to be conducted in Namibia, however, the first for the Namibia Statistics Agency (NSA). The first three financial inclusion surveys were conducted in 2004, 2007 and 2011 respectively, through the FinScope survey of FinMark Trust, an independent trust based in South Africa. The 2017 survey was conducted in all 14 regions of Namibia with funding from the Bank of Namibia and the World Bank Group as well as technical assistance from FinMark Trust of South Africa.

Face-to-face interviews were conducted during the month of October and November 2017. A total of 1 863 persons were interviewed and the data was captured onto a tablet-based questionnaire using the Survey-To-Go application. The data collected was weighted to reflect the adult/eligible population (i.e. aged 16 years or older) in Namibia, as this is the current minimum age legally allowed for any individual to make use of formal financial products in their own capacity. It is also important to note that the results of 2017 are representative only at national and urban/rural areas level, but not at regional level.

2. LEGAL BASIS

The Namibia Financial Inclusion Survey (NFIS) 2017 was conducted under the provisions of the Statistics Act, 2011 (Act No. 9 of 2011). It is by the virtue of this Act that all information collected that could be linked to individual or households was, and will be kept strictly confidential.

3. SURVEY OBJECTIVES

The survey looked at financial markets, and the individual's interaction with the financial system, as its departure point. It dealt with financial behavior, needs, household structure, household livelihoods, wallet size and financial products. The survey covered general money matters (both formal and informal financial service products and providers), digitalization (e-payments), savings and investments, credit and loans, long-term and short-term insurance, legal and housing questions and other categories of interest in the financial arena. Therefore, specific objectives of Namibia Financial Inclusion Survey are summarized as follow:

1. To measure the levels of financial inclusion (inclusive of formal and informal usage),
2. To describe the landscape of access (type of products and services used by financially included, individuals)
3. To identify the drivers of, and barriers to the usage of financial products and services,
4. To track and compare results and provide an assessment of changes and reasons thereof, (including possible impacts of interventions to enhance access),
5. To stimulate evidence-based dialogue that will ultimately lead to effective public/private sector, interventions that will increase and deepen financial inclusion strategies,
6. Provide information on new opportunities for increased financial inclusion and usage.

4. SAMPLING

4.1 Sampling design

The target population for the NFIS 2017 was eligible members of private households in Namibia. Eligible members were individuals who, by the time of the survey were 16 years or older, available during the duration of survey, mentally/physically capable to be interviewed and had resided in the selected household for at least six months preceding the survey. The population living in institutions, such as hospitals, hostels, police barracks and prisons were not covered in this survey. However, private households within institutional settings such as teachers' households in school premises were covered.

The sample design was a stratified three-stage cluster sample, where the first stage units were the PSUs, the second stage units were the households and the third stage were the eligible members, that is individuals who, by the time of the survey were 16 years or older, available during the duration of survey, mentally/physically capable to be interviewed and have resided in the selected household for at least six month preceding the survey. The age limit for the eligibility criteria was based on the fact that only individuals aged 16 years or above are officially authorized to get personal formal financial products (such as open a personal bank account) from formal financial institutions in Namibia, which makes them the target population of the financial sector. Only one individual was interviewed per selected household.

The national sampling frame was used to select the first stage units (PSUs). The national sampling frame is a list of small geographical areas called Primary Sampling Units (PSUs) created using the enumeration areas (EAs) of 2011 Population and Housing Census. There are a total of 6 453 PSUs in Namibia. A total of 151 PSUs were selected from all the 14 regions, and 2 114 households were drawn from them, constituting the sample size. Power allocation procedures were adopted to distribute the samples across the regions so that the smaller regions will get adequate samples.

4.2 Sample Accountability

The sample size was determined to give reliable estimates of the population characteristics at the national and urban/rural levels only. The design weights were the inverse of the selection probabilities, that is, the Inverse Sampling Rate (ISR) at the PSU, household and individual stages.

The design weights were adjusted to account for household non-response. The non-response adjustment factor is the ratio of the sampled households to the responding households. The final step undertaken to in constructing the final weights at person/individual levels for the NFIS 2017 was to calibrate the design weights such that the respective aggregate totals matched the distribution of the population across key demographic variables such as age and sex nationally at urban/rural level. The control totals used for this calibration process were the 2017 population projections. This was achieved by running a Statistical Analysis System (SAS) Macro for weight calibration called GREGWT developed by Australian Bureau of Statistics (ABS).

5. FINDINGS

This brochure reflects on the 2017 NFIS highlights. A more comprehensive understanding can be obtained from the survey main report and from further analysis of the survey dataset (available on the NSA website www.nsa.org.na).

5.1 Understanding people's lives

Table 1: Demographic characteristics of the eligible population

The total eligible population of Namibia (16 years or older) is estimated to be:

Households			
Urban	303 559		
Rural	270 374		
Total	573 932		
	Male	Female	Total
Urban	386 849	395 765	782 614
Rural	305 503	369 802	675 305
Total	692 352	765 567	1 457 919

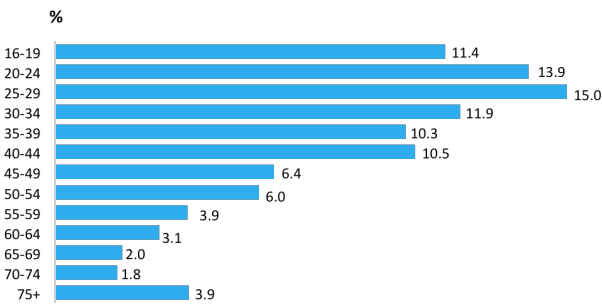


Figure 1: Age profile of the eligible population

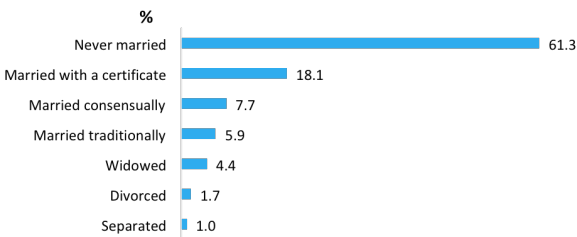


Figure 2: Marital status

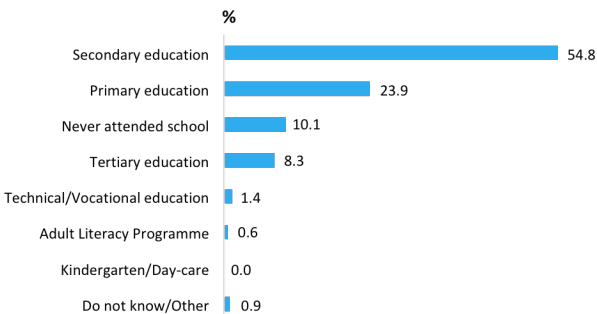


Figure 3: Highest level of education

KEY TAKE OUTS

- Majority of the eligible population (52.9 percent) resides in urban areas
- The population of females is higher than that of males, standing at 52.5 percent.
- More than half of the eligible population (52.2 percent) is aged below 35 years.
- 54.8 percent of the eligible population has ended up at secondary school level.

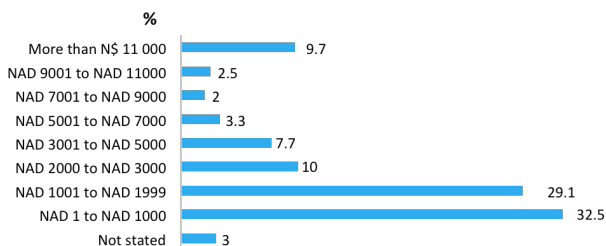


Figure 4: Income profile of adult population

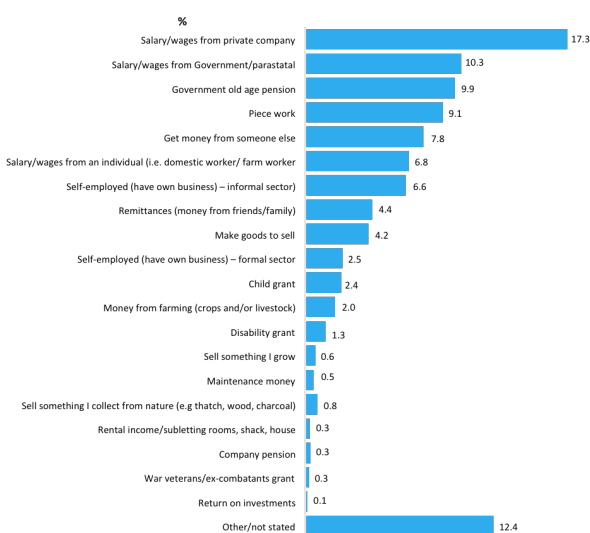


Figure 5: Main source of income by individual

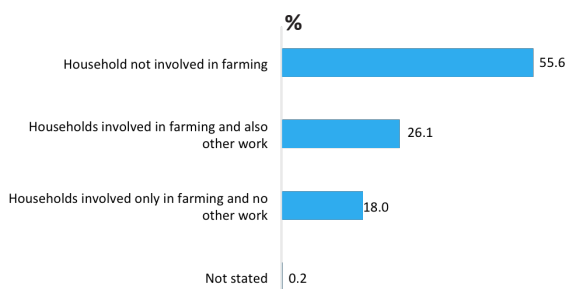


Figure 6: Household involvement in farming

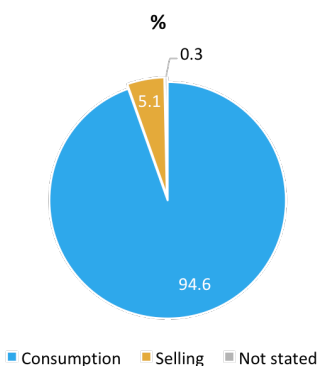


Figure 7: Main purpose for farming (For the households that are involved in farming)

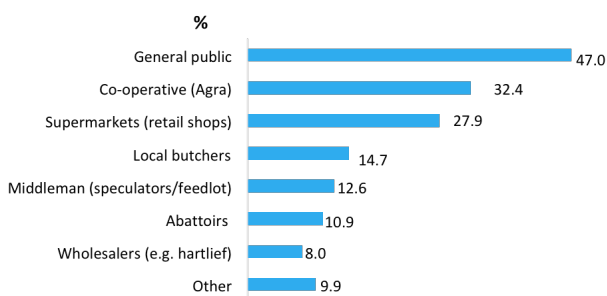


Figure 8: Target markets for farm products

Table 2: Challenges faced when in selling farming products and services by commercial farmers

	%
Lack of transportation	64.9
Low market price	56.3
Cost of transportation	54.8
Distance to the market/the place I sell	40.5
Reliability of transport	34.0
Goods/products get damaged in transport	10.4
Lack of refrigeration facilities	11.2
Lack of storage facilities	13.6
Other	10.9
Unreliable middleman	3.5

KEY TAKE OUTS

- The majority (32.5 percent) of the eligible population earns up to N\$1000.00 per month
- The main source of income is reported to be salaries/wages from private companies (17.3 percent)
- 94.6 percent of households in Namibia who are involved in farming mainly farm for consumption
- Households who are however involved in farming mainly for commercial reasons, mainly sell their products to the general public (47.0 percent), and 64.9 percent reported lack of transportation as the main challenge for them as commercial farmers.

5.2 Living conditions

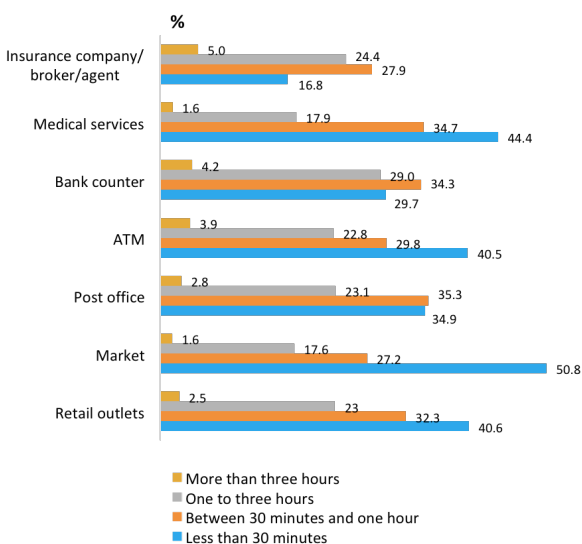


Figure 9: Access to infrastructure

- Many Namibians (aged 16 years or older) have to travel less than thirty minutes to reach certain access points, especially markets (50.8 percent), medical services (44.4 percent), retail outlets (40.8 percent) and post offices (34.9 percent).

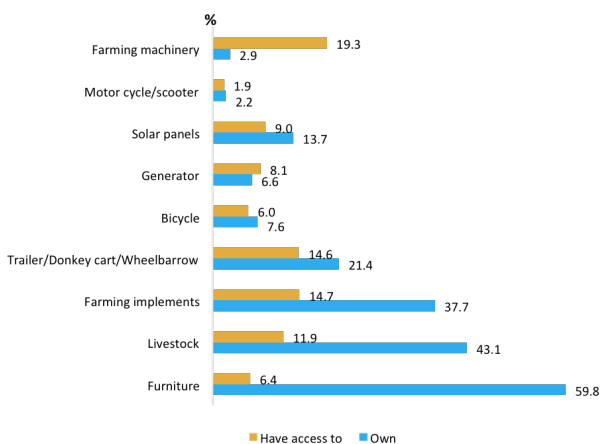


Figure 10: Ownership of household assets

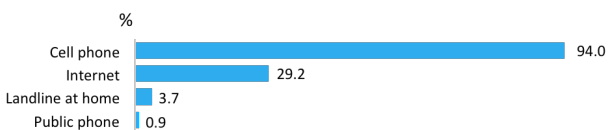


Figure 11: Technology

5.3 Financial services consumption

5.3.1 Banking status

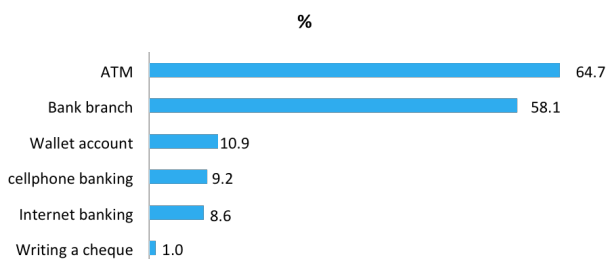


Figure 12: Banking channel considered most comfortable

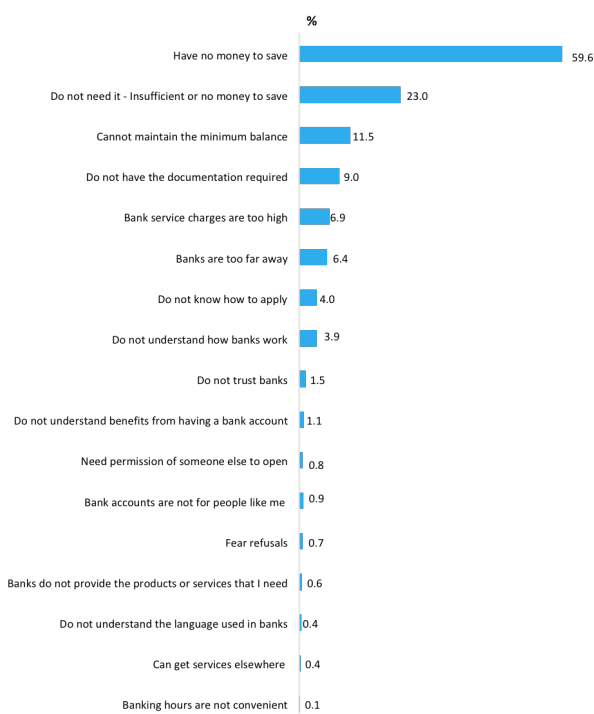


Figure 13: Barriers to banking

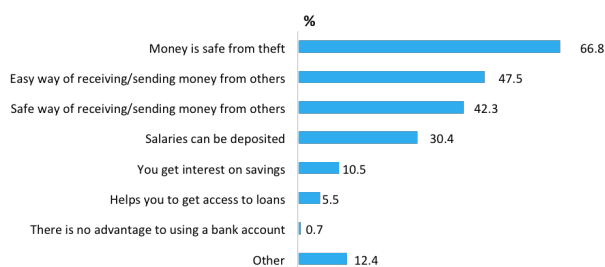


Figure 14: Advantages of banking

KEY TAKE OUTS

- Majority of the eligible population reported that they consider ATMs as the most comfortable banking channel, at 64.7 percent, followed by bank branch at 58.1 percent.
- The main barrier to banking reported was that there is no money to save (59.6 percent), while the least reported barrier was the inconvenience of banking hours (0.1 percent).

Table 3 presents the demographic characteristics of the banked population (Namibians who make use of banking services and products). The table gives a time series presentation, from 2007 to 2017.

Table 3: Characteristics of the banked population

Demographic characteristics	2007	2011	2017
	%		
Total banked population			
Banked population	45	62	67.9
Sex			
Male	47	62	65.4
Female	46	63	70.0
Age			
16-20	26	32	47.9
21-26	23	58	66.9
27-31	56	70	64.7
32-39	61	96	73.1
40-50	56	66	77.2
51+	46	74	71.8
Area			
Urban	70	77	75.3
Rural	36	51	59.3
Personal monthly income			
No regular monthly income	8	29	65.1
Less than or equal to N\$ 1000	41	57	61.7
N\$ 1001 to N\$ 3000	88	94	64.1
N\$ 3001 to N\$ 5000	87	95	66.0
N\$ 5001 to N\$ 13000	96	99	84.4
N\$ 13001 and more	98	100	87.7

KEY TAKE OUTS

- There is an increase in the banked population from 45 percent reported in 2007 to 67.9 percent in 2017.

The disadvantaged eligible population in terms of banking rates are:

- Male population
- Population aged 16 – 20 years
- Population residing in rural areas
- Population that earn up to N\$ 1000.00 per month.

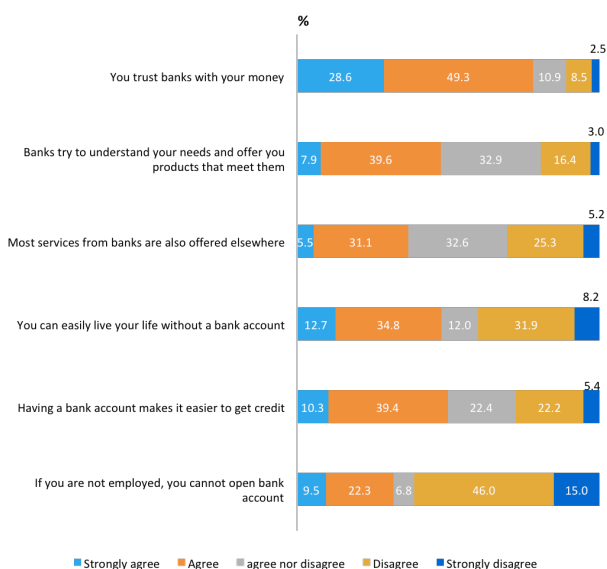


Figure 15: Perceptions about banking

5.3.2 Remittances

Table 4: Sending money to others

	%
Whom have you sent money to	
Spouse	5.7
Other family member including children/parents	84.1
Friend	7.0
School/college	0.6
Supplier/business	1.8
Where are you sending the money	
Urban town/city	52.5
Rural village	43.3
Outside the country	3.1
How often are you sending the money	
Monthly	45.8
Seasonally	27.1
Once a year	16.5
How do you send the money?	
Pay into bank account	36.1
Post office/Nampost	11.1
Cell phone banking	4.7
Bank wallet money	26.2
Internet banking transfer	5.3
Friends or family	8.4
Transfer / telegraphic transfer	8.2

Table 5: Receiving money from others

	%
From whom have you received money?	
Spouse	10.2
Other family member including children/parents	62.5
Friend	10.9
School/college	0.0
Supplier/business	1.6
Where are you receiving money from	
Urban town/city	65.6
Rural village	17.6
Outside the country	2.1
How often do you receive the money?	
Monthly	28.4
Seasonally	25.2
Once a year	18.3
How is the money sent to you?	
Pay into bank account	30.1
Post office/Nampost	6.0
Cell phone banking	2.1
Wallet money	27.4
Internet banking transfer	1.0
Friends or family	6.6
Transfer / telegraphic transfer	4.4

KEY TAKE OUTS

- Remittance in Namibia is mostly due to sending / receiving money to/from family members (including children/parents- but excluding spouses).
- Remitting is mostly done on a monthly basis
- The most commonly used remitting channels are payments into bank accounts, as well as wallet money.

5.3.3 Savings

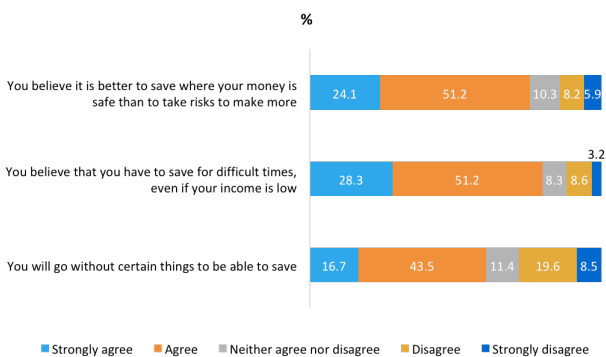


Figure 16: Perceptions about saving

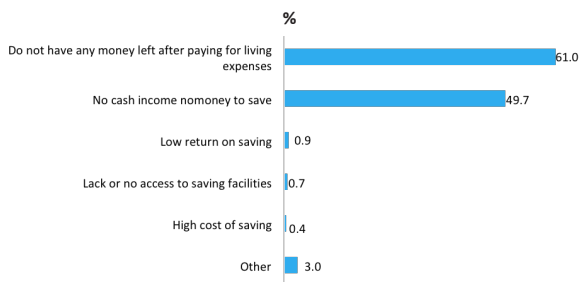


Figure 17: Barriers to saving

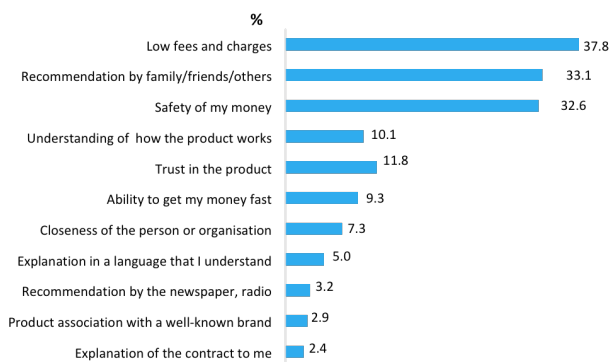


Figure 18: Considerations in choosing saving products

KEY TAKE OUTS

- The perceptions reported on saving indicate that the eligible population generally feel positive about saving, and they understand the importance of saving some of their money.
- Majority of the eligible population who do not save indicated that they are unable to save due to having no money to save after paying off their living expenses (61 percent), or having no cash income (49.7 percent).
- In choosing a savings product, the most reported consideration are low fees and charges (37.8 percent) and recommendations by family/friends (33.1 percent), while the least reported consideration is explanation of the contract that comes with the savings product at 2.4 percent.

5.3.4 Borrowing and credit

Table 6: Borrowing money

	%
In the 6 months preceding the survey: borrowed money from institutions or persons	
Yes	19.4
No	80.3
Not stated	0.3
In the 6 months preceding the survey: paying back borrowed money	
Yes	19.9
No	79.8
Not stated	0.3
In the 6 months preceding the survey: obtained goods and services to pay for later	
Yes	10.8
No	88.9
Not stated	0.3

Table 7: Credit obtained in the six months preceding the survey

	%
Borrowed money from family/friends that you had to pay back	15.9
Obtained money from family/friends that you did not have to pay back	14.7
Received goods in advance/borrowed money from a small shop like Cuca shop and had to pay back later	4.1
Bought goods with store card such as Edgars, Truworths or bought goods on a store account (excluding Cuca shops)	4.8
Borrowed money from a bank	3.3
Borrowed money from employer	2.9
Borrowed money from another financial institution	2.9
Borrowed money from a money lender in the community or a cash loan lender	1.7
Obtained a loan from a Government Scheme	0.4
Borrowed money from a church or other community based organization that you belong to	0.2
Borrowed money from savings group/club/association	0.2
Borrowed money/got goods in advance from a farmers organization	0.3

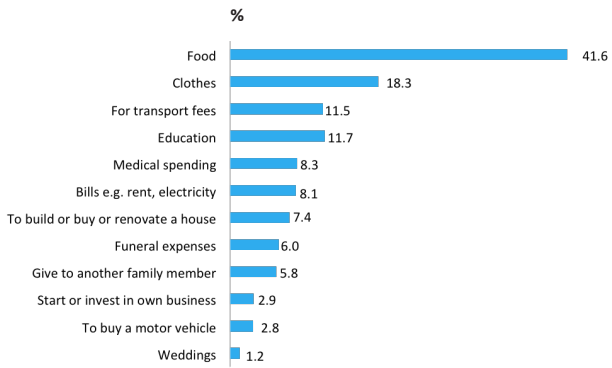


Figure 19: Reasons for borrowing

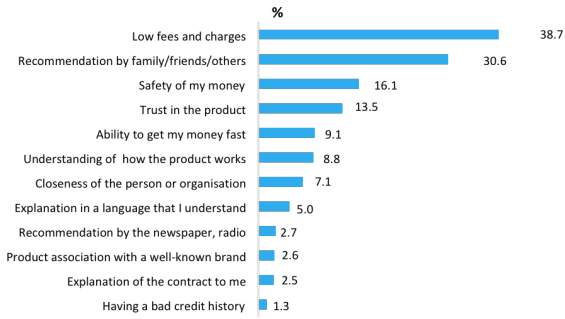


Figure 20: Considerations in choosing credit product

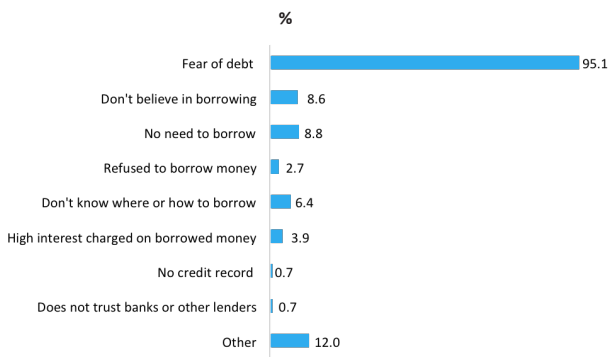


Figure 21: Barriers to credit

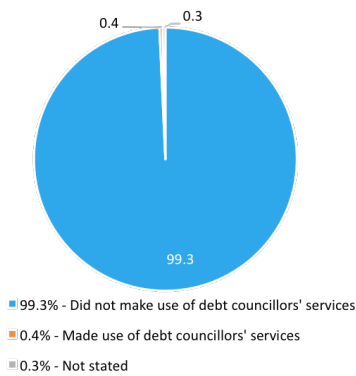


Figure 22: Use of debt councillors

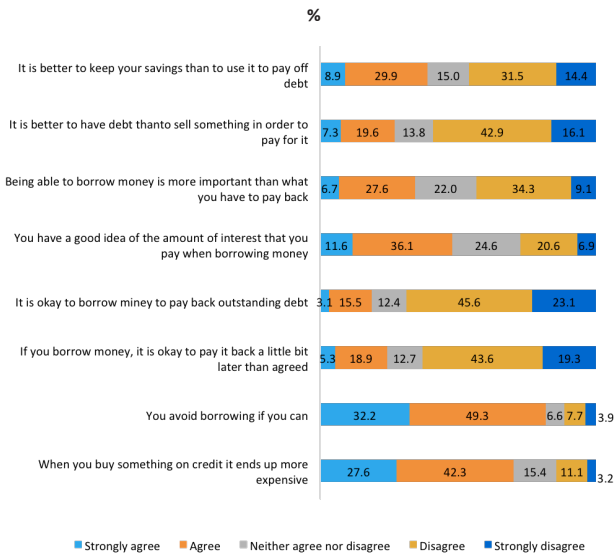


Figure 23: Attitudes regarding debt

KEY TAKE OUTS

- 19.4 percent of the eligible population reported having borrowed money in the six months preceding the 2017 NFIS
- The main reason the eligible population borrow money is food (41.6 percent)
- The most reported considerations in choosing a credit product is low fees and charges (38.7 percent) and recommendation by friends/family (30.6 percent)
- The main barrier to accessing credit in Namibia was reported to be fear of debt (95.1 percent)
- The use of debt councilors in Namibia is very low, with 99.3 percent reporting to not using the products/services of debt councilors in the six months preceding the survey.

5.3.5 Insurance and risk management

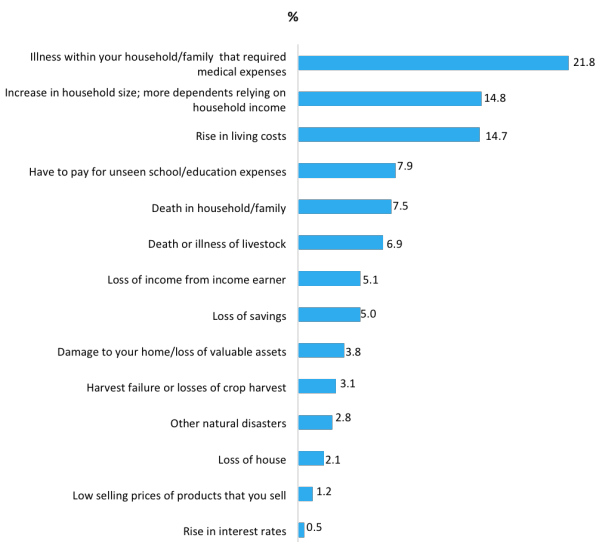


Figure 24: Unforeseen things that happened in the past six months that affected income negatively

Table 8: Types of insurance

%		
Funeral cover/Policy	Currently have	Had in the past
Funeral policy from a shop or store	2.16	2.2
Funeral cover through an undertaker	5.9	1.0
Funeral policy through an insurance company	17.1	1.9
Funeral policy through a broker	4.8	0.9
Funeral policy through a bank	4.8	0.9
Funeral cover/insurance from your employer	6.6	1.1
Belong to a burial society	0.6	0.3
Free funeral policy attached to a savings or other account	3.3	0.3
Short term insurance	Currently have	Had in the past
Vehicle/car insurance	7.4	0.9
Household content insurance	6.0	0.5
Home owners insurance	5.9	0.3
Legal insurance	5.4	0.6
Cellphone insurance	3.6	1.0
Short term insurance	Currently have	Had in the past
Life insurance or assurance policy	11.98	0.9
Credit life cover	2.33	0.4
Loss of income insurance	Currently have	Had in the past
Disability insurance with an institution	5.7	0.7
Disability insurance with your employer	4.3	0.5
Dreaded disease/critical illness insurance	3.7	0.1
Professional insurance	1.6	0.2
Debtors insurance	0.5	0.1
Medical aid/ insurance	Currently have	Had in the past
Medical scheme/aid	13.8	1.4
Hospital plan	6.6	0.3
Medical insurance	6.6	0.2

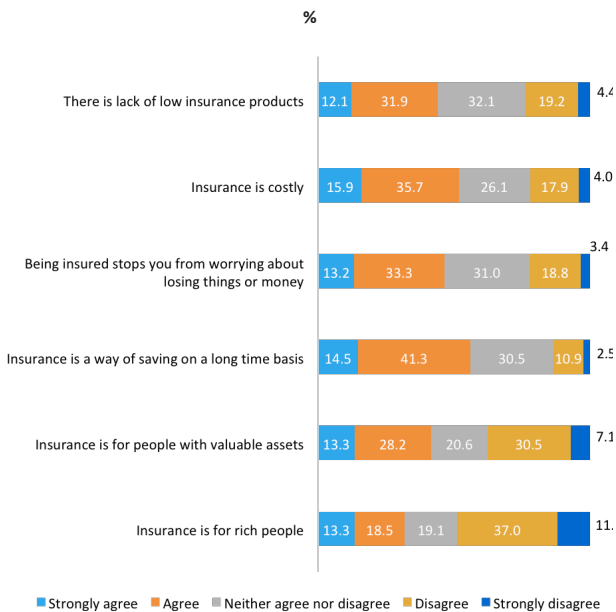


Figure 25: Attitudes regarding insurance

KEY TAKE OUTS

- The main unforeseen circumstances that affected the income of the illegible population 6 months preceding the survey included illnesses within the household that required medical expenses (21.8 percent); increase in household sizes (14.8 percent) and increase in living costs (14.7 percent).
- With the exception of medical aid and funeral covers, there is generally, a decrease in the use of insurance products by examining the percentages of those who had certain insurance products and services and those who have currently.
- As for perceptions on insurance, majority consider insurance to be costly, but nevertheless, the eligible population values the importance of having some form of insurance.

5.4 Financial literacy

Table 9: Financial planning attitudes, perceptions and behaviors

	Agree/Strongly agree (%)
Poor financial planning	
You buy things even if you cannot afford them	18.6
You would rather buy something on credit than waiting to save enough money to buy the item you want	26.0
You often have to spend more money than what you have available	26.9
You are impulsive in terms of spending money	25.7
Good financial planning	
You consider yourself organized when it comes to managing your money	71.2
You consider yourself a saver rather than a spender	58.9
You like to be in control of your finances and money matters	81.0

Table 10: Record keeping on finances

	Frequency of keeping record of the money received	Frequency of keeping record of spending
	%	
Never	58.3	59.8
Daily	4.6	5.2
Weekly	6.0	6.2
Monthly	28.0	26.3
Annually	2.8	2.3
Not Stated	0.3	0.3
Total	100	100

Table 11: Financial Capability Assessment

	%
When you get money, do you plan how you are going to spend this money to make sure that it lasts until you get money again?	
Yes	73.7
No	26.0
Not Sated	0.3
Do you change this plan if you have to pay for something unexpected like a medical or funeral experience?	
Yes	77.6
No, I do not change my plan because I make provision for unexpected events	12.2
No, I stick to my plan and find other sources of money to cover unexpected expenses	10.2
Do you have a general plan that you use every time, based on your income?	
General plan	34.5
Plan according to my income	65.5
When Income is received, are there things you make sure you pay before you do anything else with your money?	
Yes	82.9
No	16.9
Not Stated	0.3

KEY TAKE OUTS

- Despite the eligible population reporting that they never keep record of their income or expenses (58.3 and 59.8 percent respectively), respondents reported good financial planning attitudes by means of being organized with their finances as well as considering themselves to be savers and not spenders.
- 73.7 percent of the eligible population reported that they plan on how they are going to spend their money when they get income, while 82.9 percent practices budgeting.

5.5 Financial inclusion

Financial Inclusion surveys use a standard analytical framework to assess financial inclusion that has been developed over a number of years. Figure 26 below outlines the definitions used in assessing financial inclusion. The legal age at which an individual in Namibia can open a formal bank account is 16 years. Therefore, the adult population for the NFIS is defined as individuals aged 16 years and older.

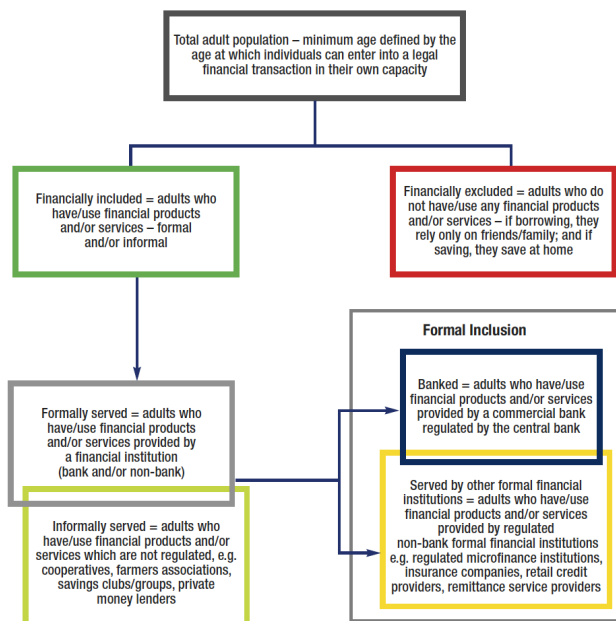


Figure 26: Financial inclusion definitions

5.5.1 Levels of financial inclusion

Levels of financial exclusion (as shown in figure 27) have decreased from 31 percent in 2011 to 22.0 percent in 2017. Moreover;

- 72.6 percent (1,058,929) of the eligible Namibian population is formally served, meaning they have or use financial products or services either from banks or non-bank institutions. They could also be having/using informal financial products and services, but the defining characteristic here is that they have or use at least one formal financial product or service.
- 67.9 percent of the adult population are banked. This means that they have or use at least one product or service offered by a bank. They could also be having or using non-bank and informal financial products and services, but the defining characteristic here is that they have or use at least one bank financial product or service.
- More than half (52.8 percent) have or use at least one formal non-bank product or service. They could also be having/using informal or bank financial products and services, but the defining characteristic here is that they have or use at least one formal non-bank financial product or service.
- 23.9 percent are informally served, meaning that they make use of informal financial products or services. They could also be having/using formal (bank and non-bank) financial products and services, but the defining characteristic here is that they have or use at least one informal financial product or service.

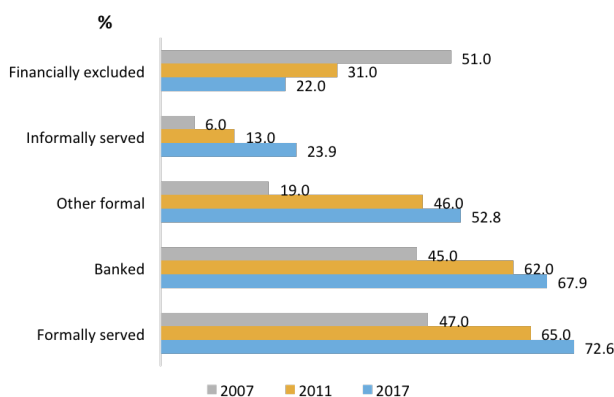


Figure 27: Levels of Financial Inclusion

As presented in table 13, Financial exclusion of the eligible population in Namibia is skewed to the following variables:

- Rural areas (27.1 percent)
- Males (23.9 percent)
- Age group 16-20 (36.8 percent)
- Those married traditionally (31.2 percent) and those in consensual unions (31.1 percent)
- Adults whose highest level of education is Kindergarten/day-care (100 percent) and adults that never attended school (42.0 percent)

Table 13: Rates of financial exclusion by demographic characteristics

	Financially excluded	Total population	Financial exclusion rate (%)
Area			
Urban	136 768	782 614	17.5
Rural	183 247	675 305	27.1
Sex			
Male	165 600	692 352	23.9
Female	154 416	765 567	20.2
Age			
16-20	78 803	214 046	36.8
21-26	59 005	258 318	22.8
27-31	39117	168 883	23.2
32-39	46 793	269 401	17.4
40-50	45 210	271 724	16.6
51+	51 088	275 548	18.5
Marital status			
Never married	208 212	893 057	23.3
Married with a certificate	24 618	264 075	9.3
Married traditionally	26 673	85 365	31.2
In consensual union	35 050	112 828	31.1
Separated	3 512	13 887	25.3
Divorced	5 772	24 478	23.6
Widowed	16 179	64 229	25.2
Highest level of education			
Kindergarten/Day-care	275	275	100.0
Adult Literacy Programme	2 435	8 345	29.2
Primary education	115 502	348 325	33.2
Secondary education	133 800	799 230	16.7
Technical/Vocational education	1 261	19 789	6.4
Tertiary education	647	120 576	0.5
Do not know/Other	4 106	13 614	30.2
Never attended school	61 989	147 764	42.0

5.5.2 Access strand

The Financial Inclusion survey uses the financial access strand to compare financial access across countries. The Access Strand focuses on the financial system of a country in its broadest sense as outlined below:

- Formally included
- Informally served
- Financially excluded

The segments are differentiated by current product usage indices ranging from people who are formally included, to those who use informal products and finally to those who use no products at all – the financially excluded population.

In constructing the Access Strand, the overlaps in financial product/service usage are removed, resulting in the following segments:

- Financially excluded individuals
- Individuals who only have/use informal products/services and NO formal products
- Individuals who only have/use formal non-bank products/services and NO formal bank products/services
- Individuals who only have/use formal bank products

What is the Access Strand?

The Access Strand (in figure 28) focuses on the financial system in its broadest sense and assumes that all adults in Namibia (people who are aged 16 or older) will fall into one of three broad segments which are differentiated by current product usage indices, ranging from adults who are formally included (by commercial banks and other formal institutions), those who use informal products and mechanisms only, and thirdly those who are financially excluded (use no products or services to manage their financial lives (neither formal nor informal).

There are no overlaps in product usage, because they are removed while building the Access Strand. In constructing the Access Strand, the overlaps in financial product/service usage are removed, resulting in the following segments:

- Financially excluded individuals
- Individuals who only have/use informal products/services and NO formal products
- Individuals who only have/use formal non-bank products/services and NO formal bank products/services
- Individuals who only have/use formal bank products

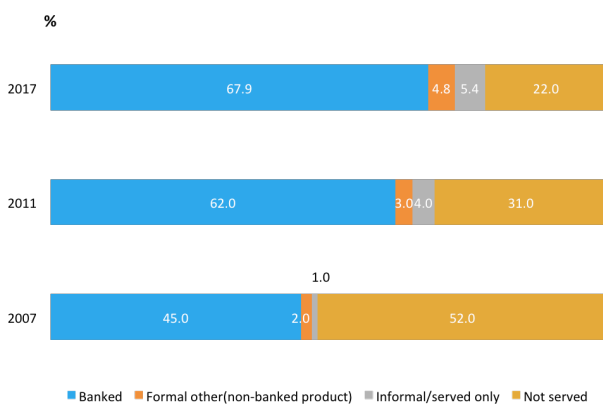


Figure 28: The access strand

Consumers generally use a combination of financial products and services to meet their financial needs. Someone could for example be banked, and receive his/her salary through a mobile money account, but also belong to a savings group to enable him/her to access money quickly in times of an emergency such as unforeseen medical expenses or to pay school fees or use mobile money to remit money. Together, figure 29 and Table 14 presents these overlaps.

- 15.2 percent of the financially included population rely exclusively on banking products and services.
- 13.1 percent use a combination of formal (Bank and Non-bank) and informal financial products
- 5.4 percent rely solely on informal financial products and services.

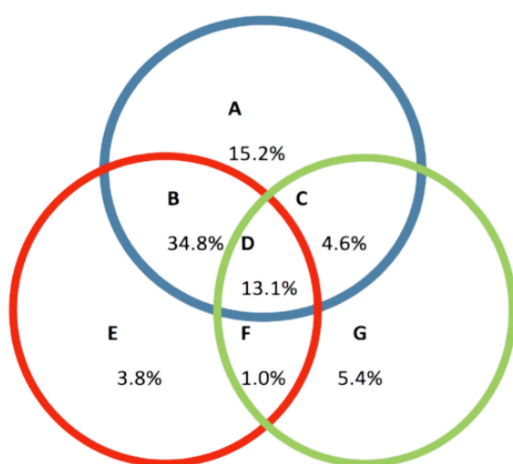


Figure 29: Product usage by the financially included (a)

Table 14: Product usage by the financially included (b)

Product usage of the financially included				%
A	15.2	Bank products/service only	Formally served	72.6
B	34.8	Bank products and non-bank formal	Banked	67.9
C	4.6	Bank products and informal mechanism	Formal served (non-bank)	52.8
D	13.1	Use both formal and informal mechanisms	Informal served	23.9
E	3.8	Non-bank formal only	Excluded	22.0
F	1	Non-bank formal and informal mechanism		
G	5.4	Informal mechanism only		

Out of the total eligible male population, 65.4 percent are banked, compared to 70.0 percent of the total eligible female population. The rate of male adults who are financially excluded and that of male adults who use formal banking products and services are higher than the rates of female adults in Namibia.

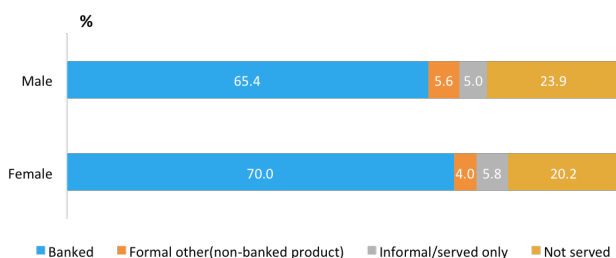


Figure 30: Access strand by Sex

Out of the total eligible population residing in urban areas, 75.3 percent are banked, compared to 59.3 percent of the total eligible female population, indicating a significant 16 percent difference. Financial exclusion rate is significantly higher for the rural area adult population (27.1) as compared to the urban area adult population (17.5)

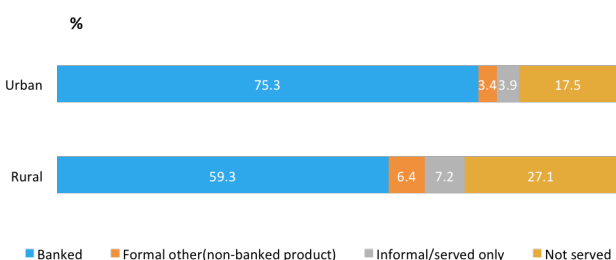


Figure 31: Access strand by area- Urban/Rural

When comparing Namibia to other countries in the SADC region where the Financial Inclusion surveys have been implemented, Namibia is ranked fourth in terms of financial inclusion with Seychelles topping the region. For each country, the figure shows results from its most recent Financial Inclusion survey at the time of writing the 2017 NFIS report.

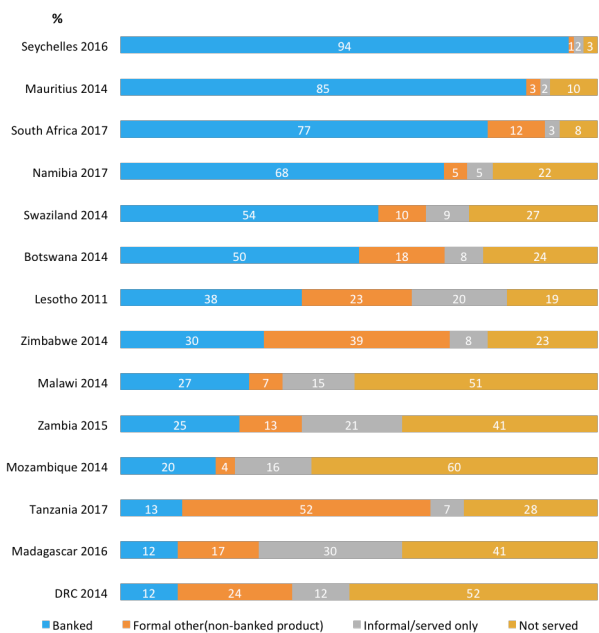


Figure 32: Access strand by country (Based on their most recent Financial Inclusion Survey)

5.5.3 Landscape of access

The FinScope survey provides a measure and understanding of consumer demand with regards to five categories of financial products, namely; transactions, savings, remittances, credit and insurance.

The Landscape of Access serves as an indicator to describe the following:

- Transactions: the proportion of the adult population with a secure mechanism in which funds can be deposited, transferred, and withdrawn to meet regular transaction needs.
- Savings: the proportion of the adult population, with a means of accumulating money, whether on contractual or discretionary basis- excludes those that only save at home.
- Credit: the proportion of the adult population with funds/services having been provided in advance against a committed repayment stream – excludes those that borrow from friends and family
- Insurance: the proportion of the adult population with products/services covering a defined risk event in return for a premium (includes life, burial, health and short-term insurance).

The survey also aimed to establish the degree to which the financially included population have or use financial products and services. The landscape of access is used to gain insight about the purposes for which people use financial products (both formal and informal). Financial products may be used for transactional, savings, credit, remittance or insurance purposes.

Figure 69 shows, on its five axis, the percentage of the financially included population who have or use transaction, savings, credit and loan as well as insurance products. The figure indicates that as per the 2017 results, majority use financial products mainly for transactions and saving purposes. Use of financial products for credit/loan purposes recorded the lowest in 2017. It is however worth noting that while the use of financial products for transactions and savings purposes remain dominant, they have decreased since 2011.

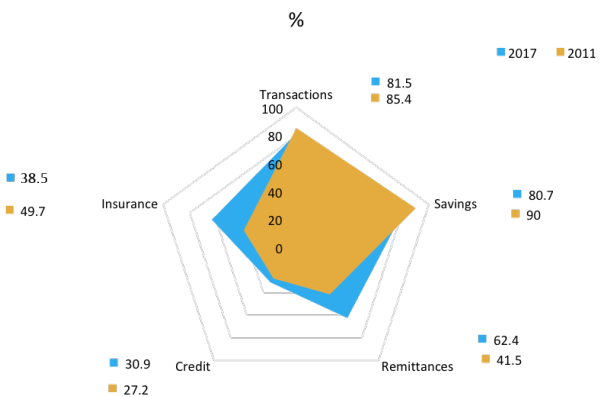


Figure 33: Landscape of access

5.6 Savings strand

The NFIS uses the Savings Strand (in figure 33) to compare utilization of savings products. The Savings Strand, shown in figure 33, focuses on the usage of savings and investment products, resulting in the following segments:

- 56.7 percent of adults have or use savings products from banks. It is important to note that these adults could also have other non-bank and informal savings products or saving at home, but the defining characteristic here is that they save (some or all of their money) with a bank.
- 3.4 percent of adults in Namibia have/use savings products from other formal but non-bank institutions. They could also be saving some of their money informally or at home, but the defining characteristic here is that they save (some or all of their money) with a formal non-bank institution.
- 2.9 percent rely on informal mechanisms such as savings groups, and do not have formal (bank or non-bank) savings mechanisms. These individuals could however also be saving some of their money at home, but the defining characteristic here is that they save (some or all of their money) via informal mechanisms.
- 17.5 percent of adults in Namibia keep all their savings at home, and do not have or use formal or informal savings products or mechanisms.
- 19.5 percent of adults reported that they do not save neither at home nor through an informal or formal financial service provider.

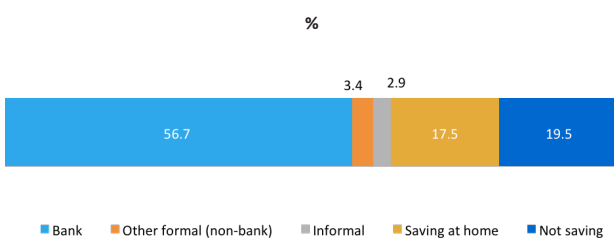


Figure 34: The savings strand

5.7 Credit strand

The credit strand is presented in figure 35.

- 12.8 percent of adults in Namibia had or used credit/loan products from banks in the six months preceding the 2017 NFIS. However, they could also be using other non-bank credit/loan products and/or borrowed from friends and family, but the defining characteristics are that they borrow (some or all of their credit) from a bank.
- 4.6 percent had or used credit/loan products from other formal but non-bank institutions. They could also be using informal credit/loan products and borrowing from friends and family, but the defining characteristics are that they borrow (some or all of their credit) from a non-bank formal institutions.
- 6.7 percent of adults only rely on informal mechanisms such as informal money-lenders. They do not have any formal financial credit/loan products. These adults could also however be borrowing from friends and family.
- 18.0 percent only borrow from friends and family, and they do not have or use formal or informal credit/loan products or mechanisms.
- 57.9 percent reported that they do not borrow neither from friends/family nor from formal or informal financial service providers.

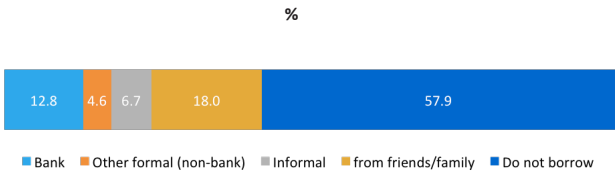


Figure 35: The credit strand

5.8 Insurance strand

Risk poses a significant amount of strain on individuals and households alike especially if it is not covered. This has a direct implication on the quality of one's life. The survey explored the risks and hardships that people experience and which products they would use in covering such risks.

The insurance access strand (in figure 36) assumes that all eligible adults will fall into either one of the following categories:

- Individuals who have or use long-term insurance products or services from a formal service provider (30.0 percent). It is important to note that these adults could also have other non-bank insurance products, but the defining characteristic here is that they have insurance products from a bank.
- Individuals who rely on informal mechanisms (0.1 percent).
- Individuals who do not have or use long-term insurance products or services, either formal or informal (69.9 percent).

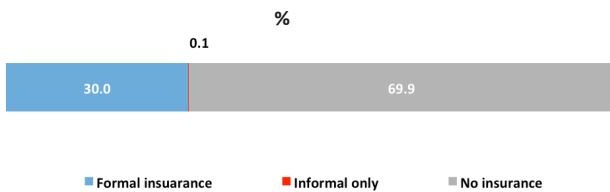


Figure 36: The insurance strand

5.9 Remittance strand

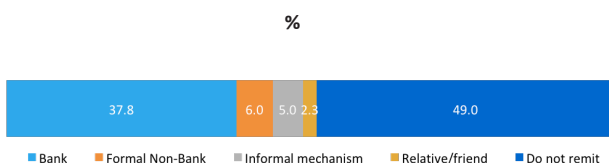


Figure 37: The remittance strand

The Remittance Strand (in figure 37) shows who uses remittance products and whether these products are formal, informal, or via family and friends. Furthermore, it also shows those who use no remittance products whatsoever.

- 37.8 percent of the eligible population uses remittance products from banks. It is important to note that these adults could also be using other non-bank remittance products, but the defining characteristic here is that they remit (some or all of their income) with a bank.
- 6.0 percent use formal non-bank remittance products to remit some or all of their income. They do not use remittance products from banks, however, they could also be using informal mechanisms, or remitting through relatives or friends, but the defining characteristic here is that they remit (some or all of their income) with a non-bank institution.
- 5.0 percent remit via informal mechanisms. They could also be using remitting through family/friends, but the defining characteristic here is that they remit (some or all of their income) via informal mechanisms.
- Only 2.3 percent of the eligible population remits via family and friends only (they have no bank, formal-non bank or informal remittance products). 49 percent of the adult population do not use any remittance products or services.



Namibia Statistics Agency



Namibia Statistics Agency

P.O. Box 2133, FGI House,
Post Street Mall,
Windhoek, Namibia



Tel: +264 61 431 3200

Fax: +264 61 431 3253



Email: info@nsa.org.na

www.nsa.org.na

