



2024 TransUnion Namibia

Executive Insights: Empowering Financial Futures





TransUnion[®] 

Leveraging Sentiment to Determine Consumer Needs

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Agenda

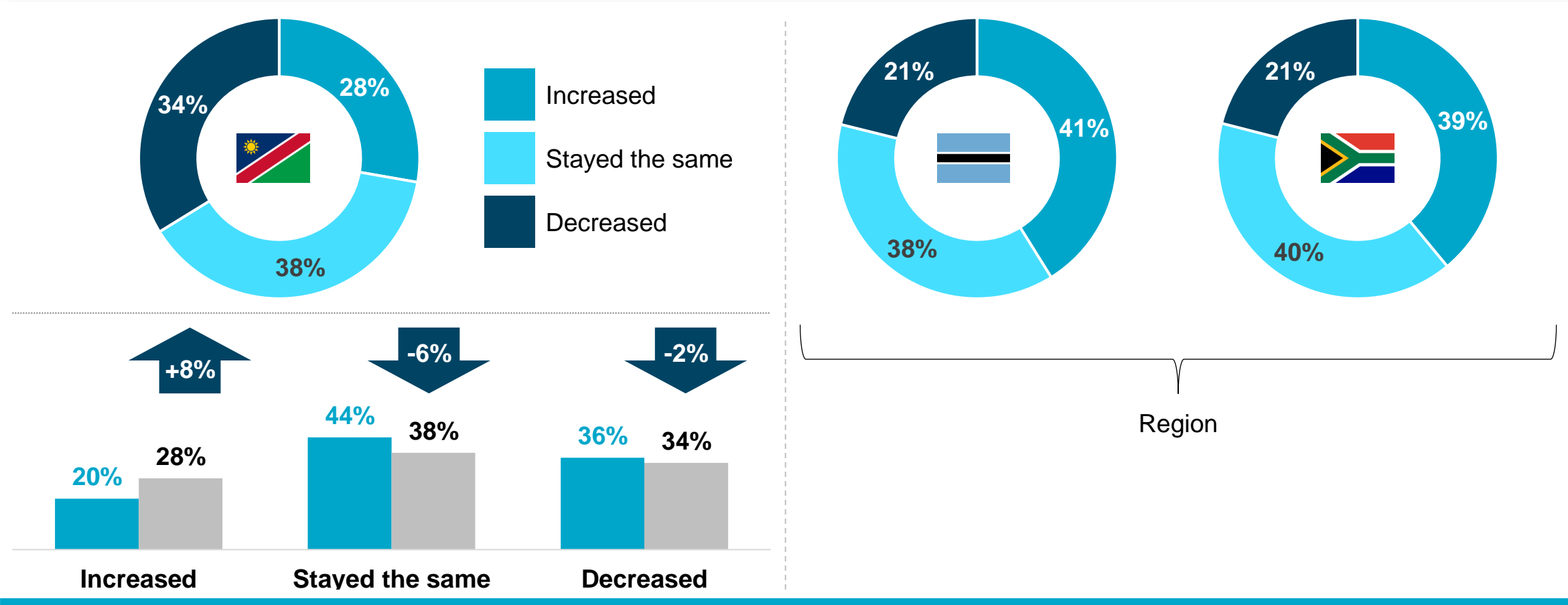
1. **Provide** an overview of consumer sentiments on their financial health
2. **Discuss** the market perception on credit inclusion
3. **Evaluate** consumer experiences with fraud

Consumer Financial Health



Namibian households face financial strain in Q2 2024

72% reported stagnant or decreased income
Only 28% saw an increase – much lower than the region



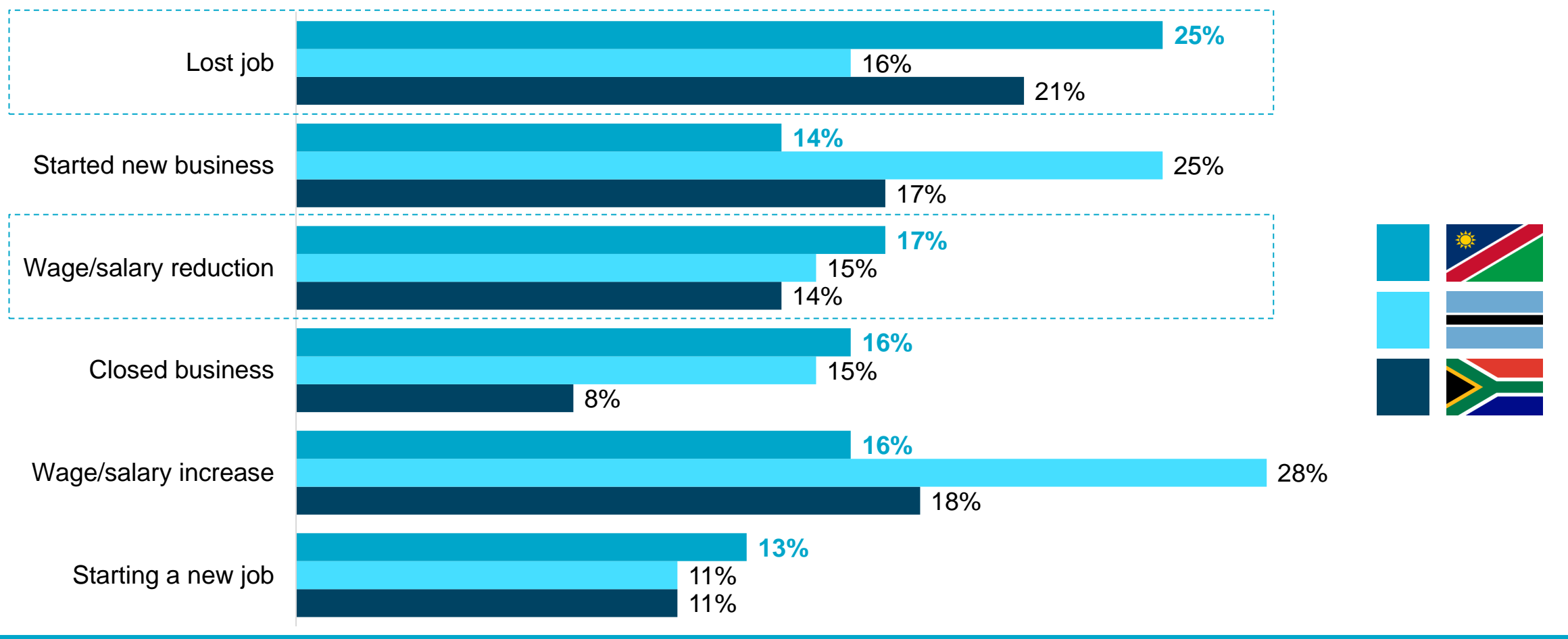
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Key factors influencing household income shifts in Q2 2024

Job loss and salary/wage reductions were main factors of household income decrease



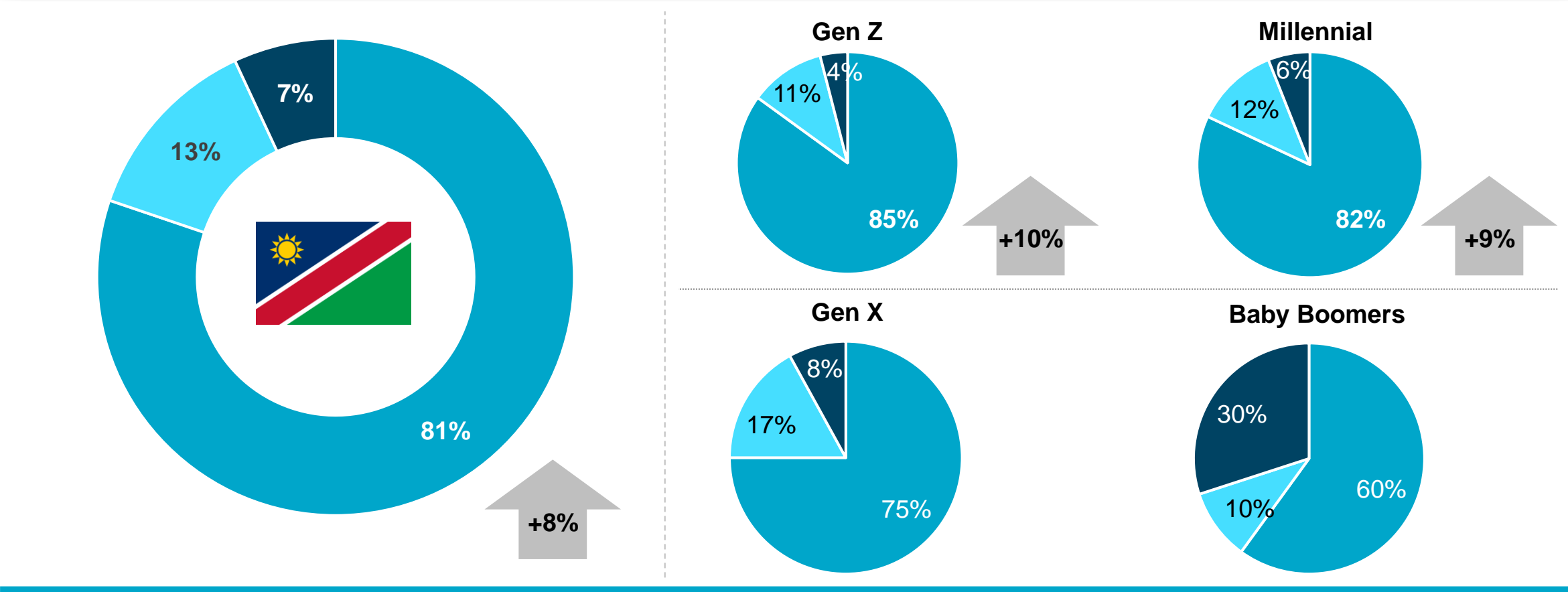
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Expected household income changes over next year

81% of Namibian consumers optimistic about future income, especially younger generations

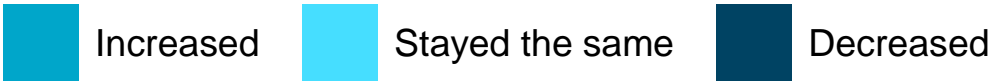


Arrows indicate percentage point increase from Q3 2023

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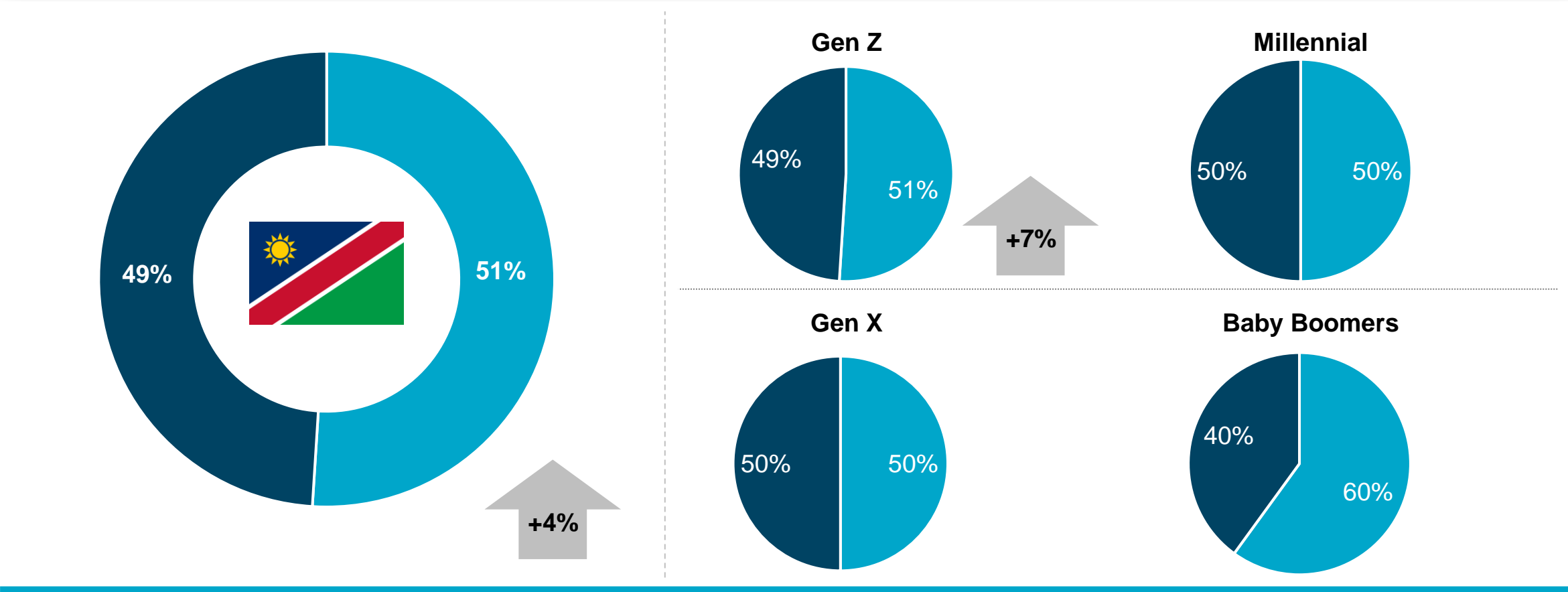


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Consumers' view of their ability to clear at least one debt

49% of consumers anticipate difficulty meeting bills and loan obligations in full



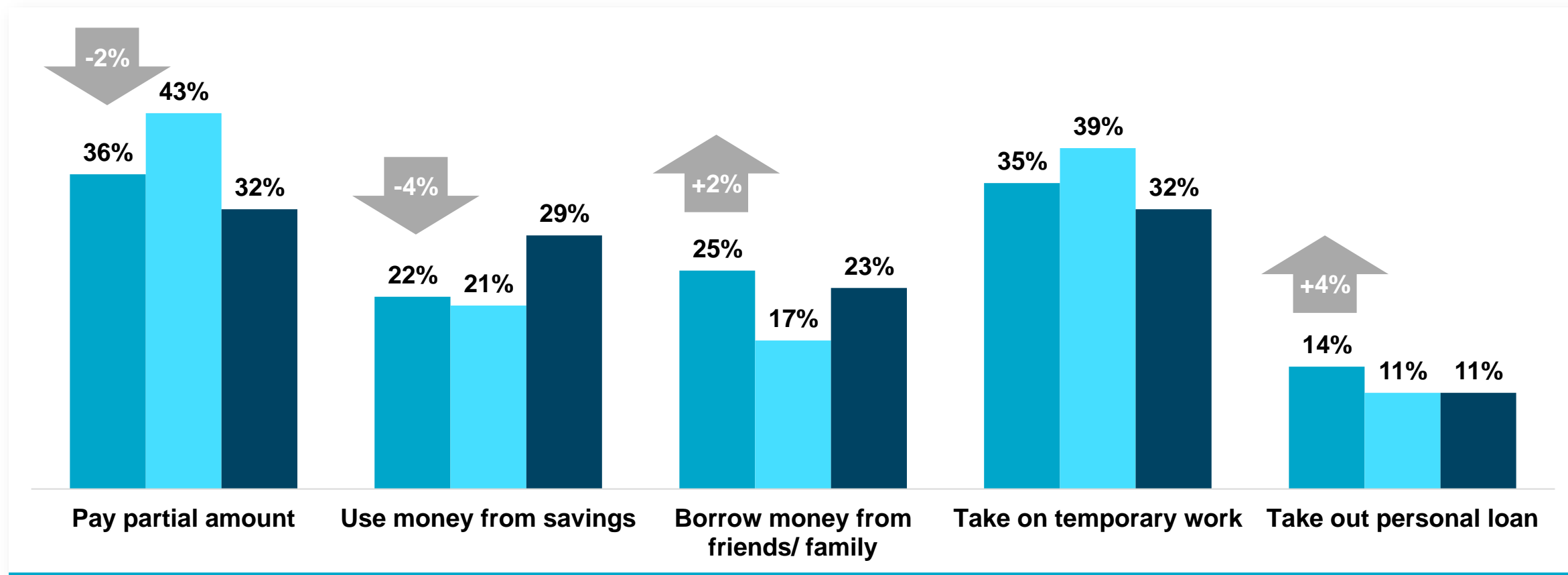
Arrows indicate percentage point increase from Q3 2023

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■ Able to pay ■ Decreased

How consumers intend to pay their current bills and loans

Namibian consumers' most planned strategies: partial payments, temporary work, and borrowing from friends/family



*Multiple answers allowed

Arrows indicate percentage point increase from Q3 2023

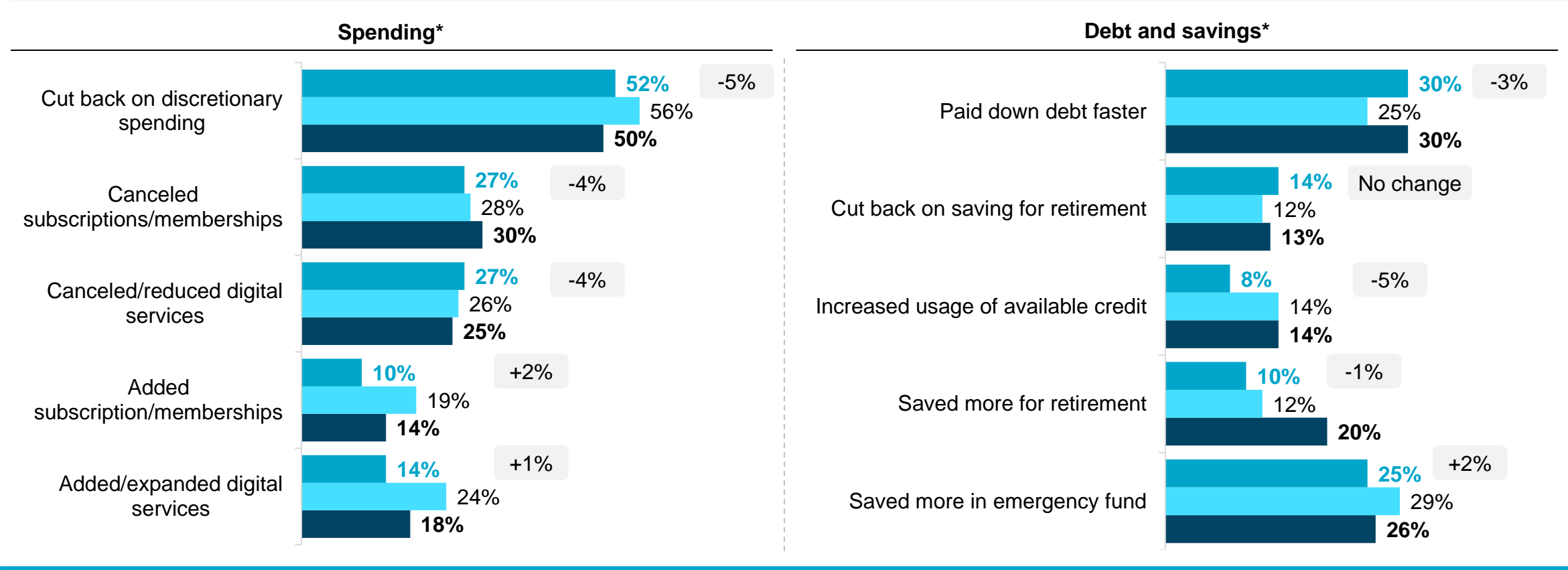
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Consumer budget adjustments over the past quarter

Namibian consumers responded to economic challenges by reducing discretionary spending and cutting digital services, subscriptions, and memberships



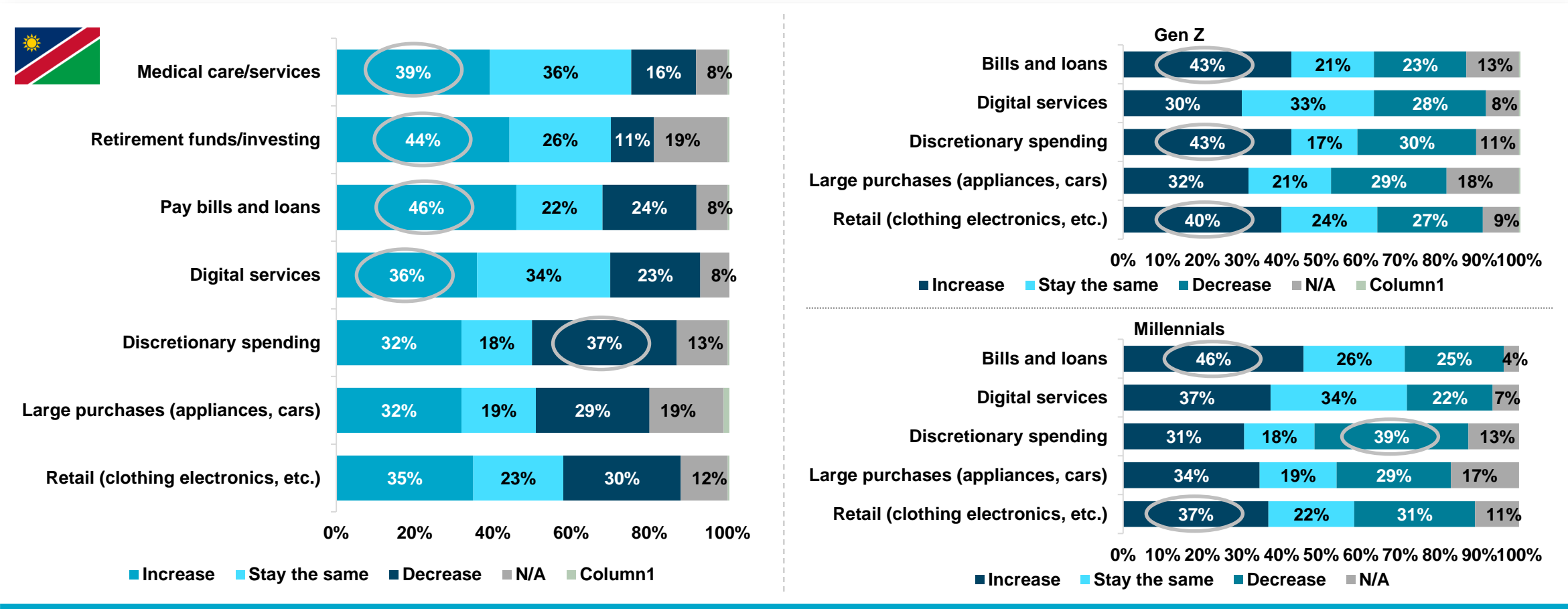
*Multiple answers allowed

Grey blocks indicate percentage point increase from Q3 2023

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Consumer budget adjustments over next 12 months



*Multiple answers allowed

Circles indicate the most significant adjustments

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Summary of consumer financial health in Namibia



Household Income

- Most Namibian households have seen their income stagnate or decrease, primarily due to job loss and salary cuts.
- Despite these difficulties, many consumers, especially younger ones, remain hopeful about their future financial prospects.



Servicing Debt

- Nearly half of consumers anticipated trouble fully covering their bills and loans.
- Those anticipating financial difficulties generally plan to make partial payments, seek temporary work, and borrow from friends or family.



Forecast Spending Trends

- Over a third of respondents plan to reduce discretionary spending in the coming year.
- Almost half of respondents intend to increase their payments toward bills and loans.
- Many plan to increase spending on retirement funds and investing, essentials such as medical services, and digital services.

Financial Inclusion






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Consumer attitudes and plans for economic participation

Credit access is crucial for Namibians, but only a third believe they have sufficient access.
Q2 2024 saw a surge in credit demand, particularly student, personal and home loans.

Key Questions Asked Regarding Financial Inclusion			
			
Believe that having access to credit and lending products is essential to achieving financial goals.	94%	+1%	96%
			91%
Believe they currently have sufficient access to credit.	32%	-2%	45%
			38%
Intend to apply for new or refinance existing credit in the next year.	41%	+6%	33%
			33%
Top three products	Student Loan 35%	No change	Personal Loan 37%
	Personal Loan 31%	+8%	Home Loan 34%
	Home Loan 21%	+2%	Credit Card 20%
			Personal Loan 33%
			Credit Card 28%
			BNPL 20%

Grey blocks indicate percentage point increase from Q3 2023

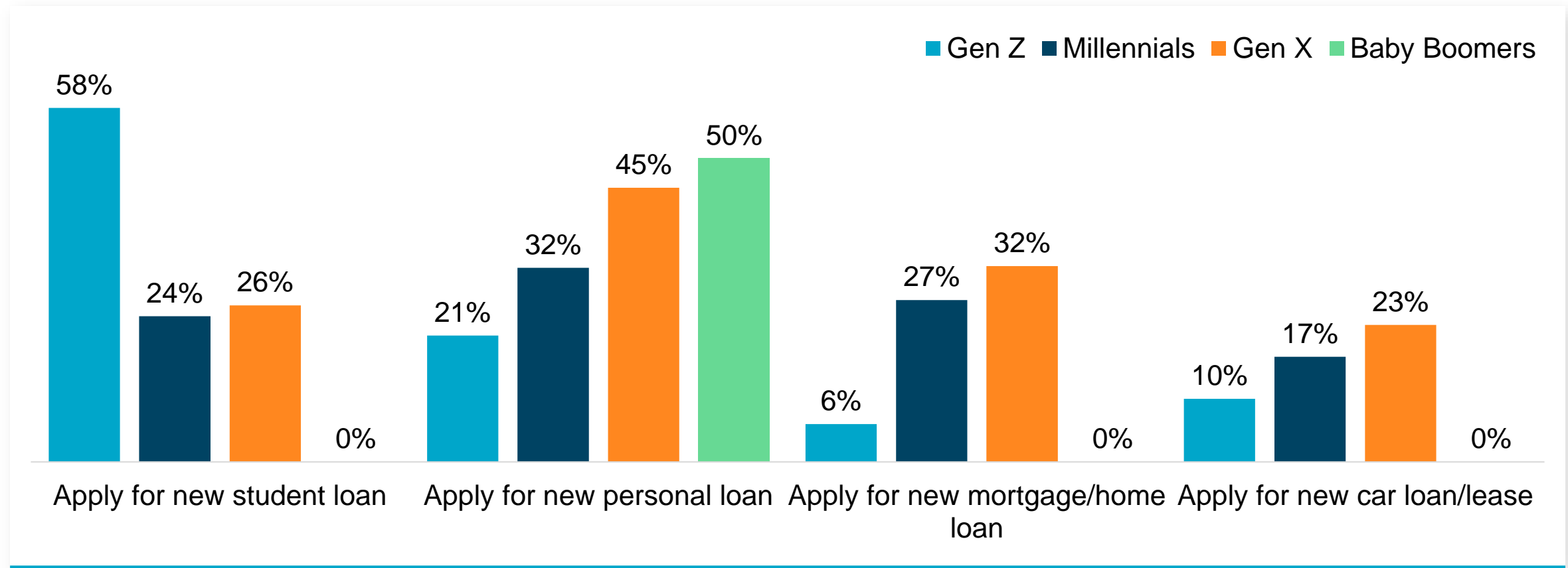
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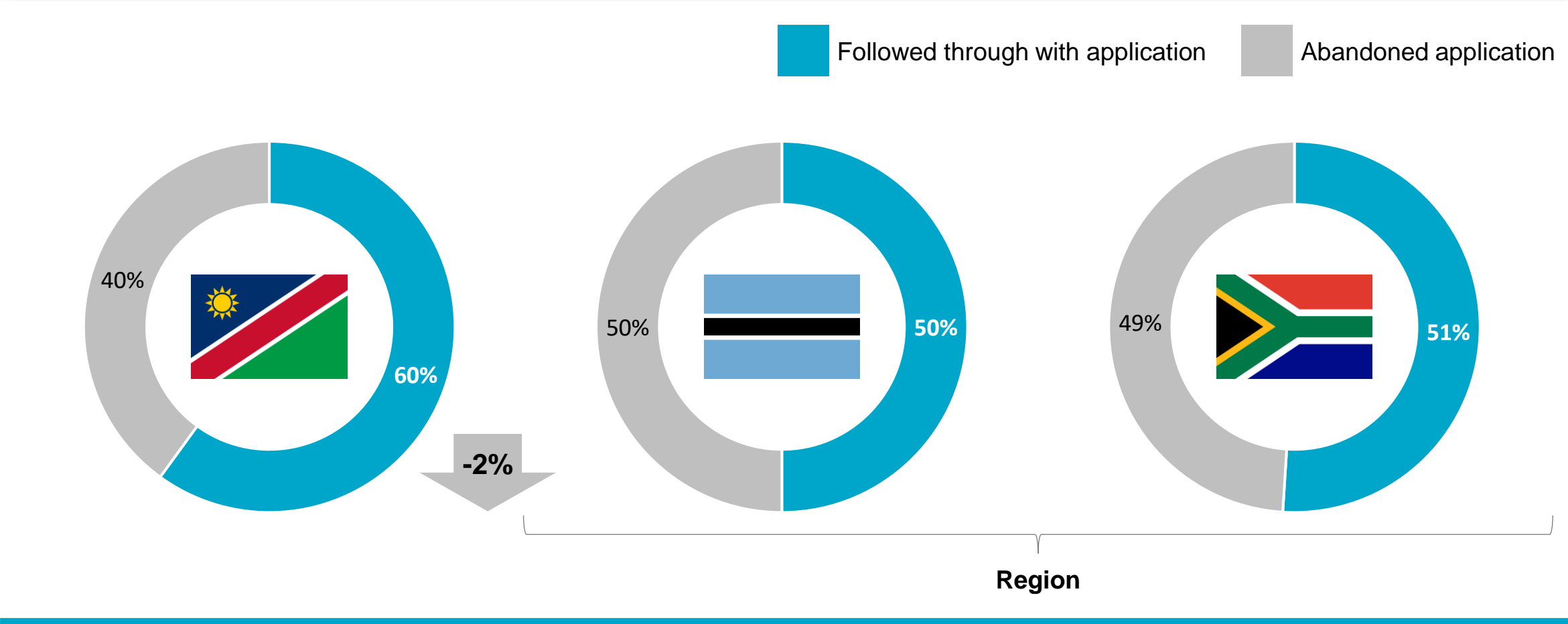


Type of new credit planned for next 12 months – by generation

Gen Z prefers student loans, Baby Boomers opt for personal loans, Gen X favours personal and home loans



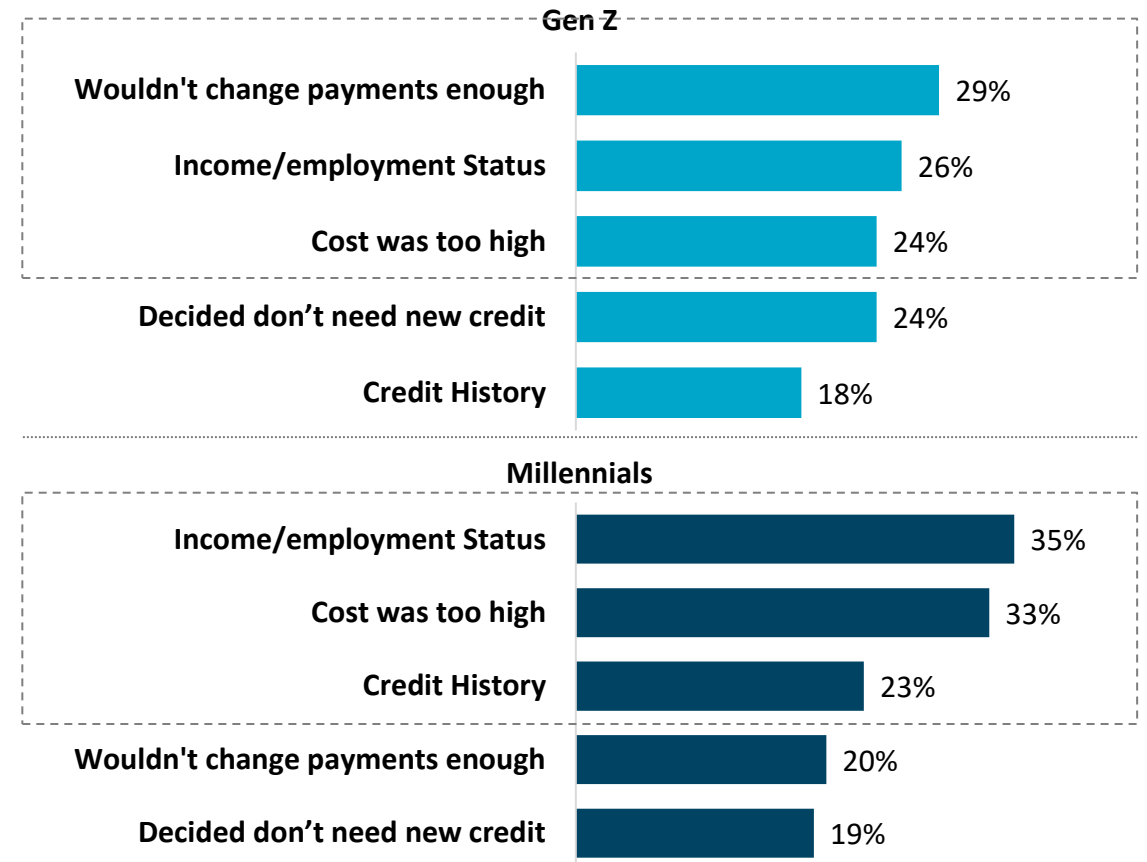
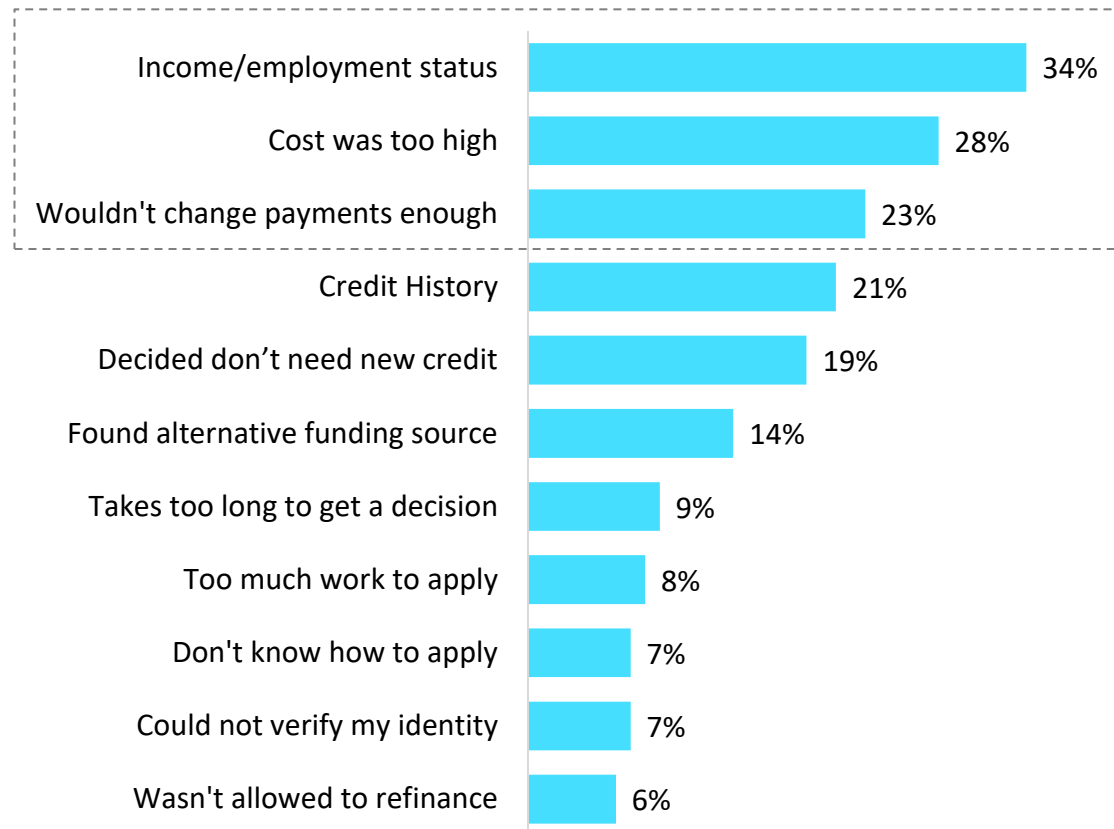
Consumer follow-through application rate for new credit/refinancing of existing credit products



Top reasons for abandoning credit applications:



Fear of income/job status rejection and high credit costs



*Multiple answers allowed

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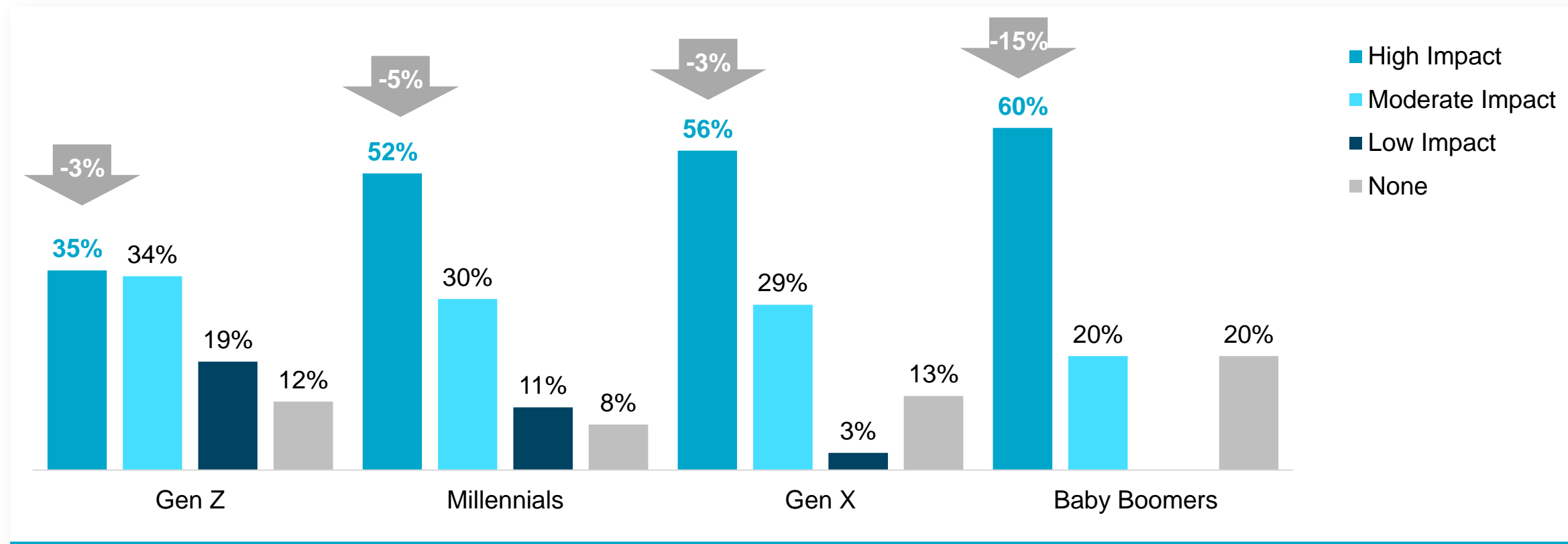


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How will rising interest rates impact your decision to apply for credit in next 12 months?



Highest impact among Baby Boomers, Gen X and Millennials – although less than last year



Grey blocks indicate percentage point increase from Q3 2023

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Summary of perceived level of financial inclusion in Namibia



Importance Of Credit

- Almost all consumers (94%) considered access to credit crucial to meet their financial goals.
- But only 32% felt they had sufficient access, marginally down from last year's 34%.



Appetite For Credit

- Credit demand surged: 41% plan to seek new credit within the next year, up six points from last year.
- Despite a high follow-through credit application rate (60%), fear of income/job status rejection and high credit costs were deterrents.



Product Preferences

- 35% of respondents considered student loans, with Gen Z showing the highest interest (58%).
- New personal loans were considered by 31%, up eight points from last year, especially notable among Gen X and Baby Boomers.

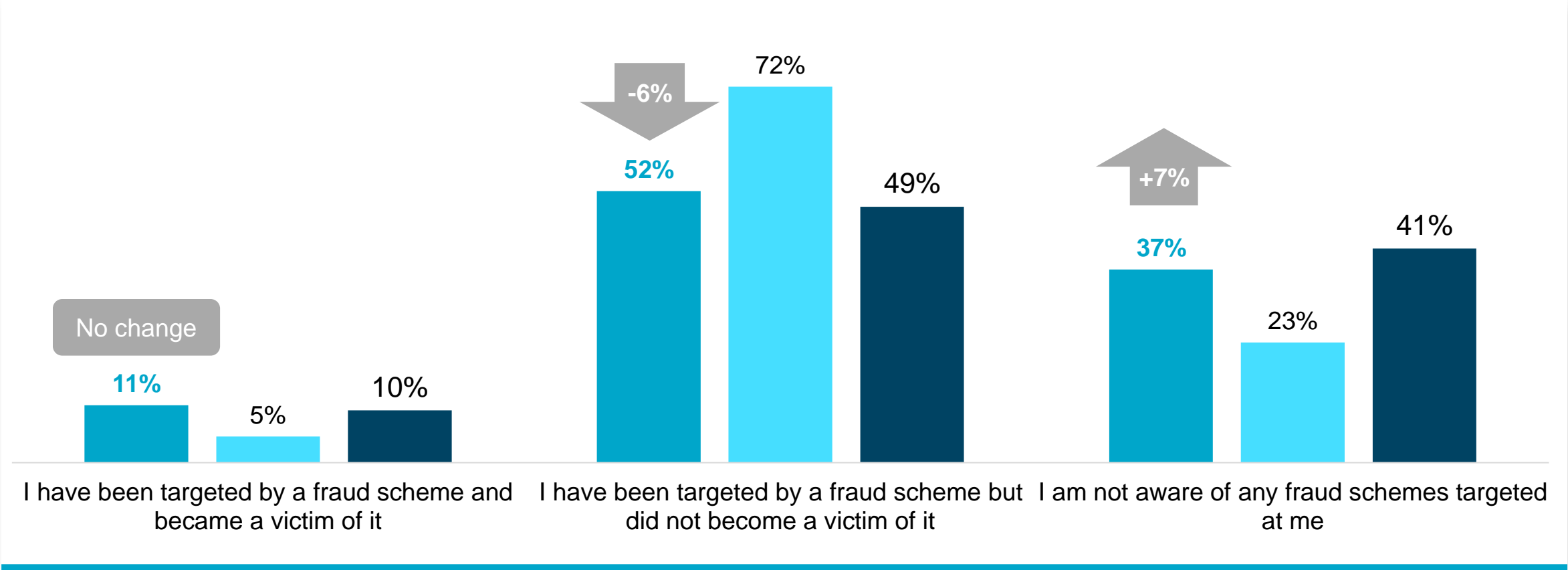
Identity Protection



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Consumer experience with digital fraud attempts in the last three months



Grey blocks indicate percentage point increase from Q3 2023

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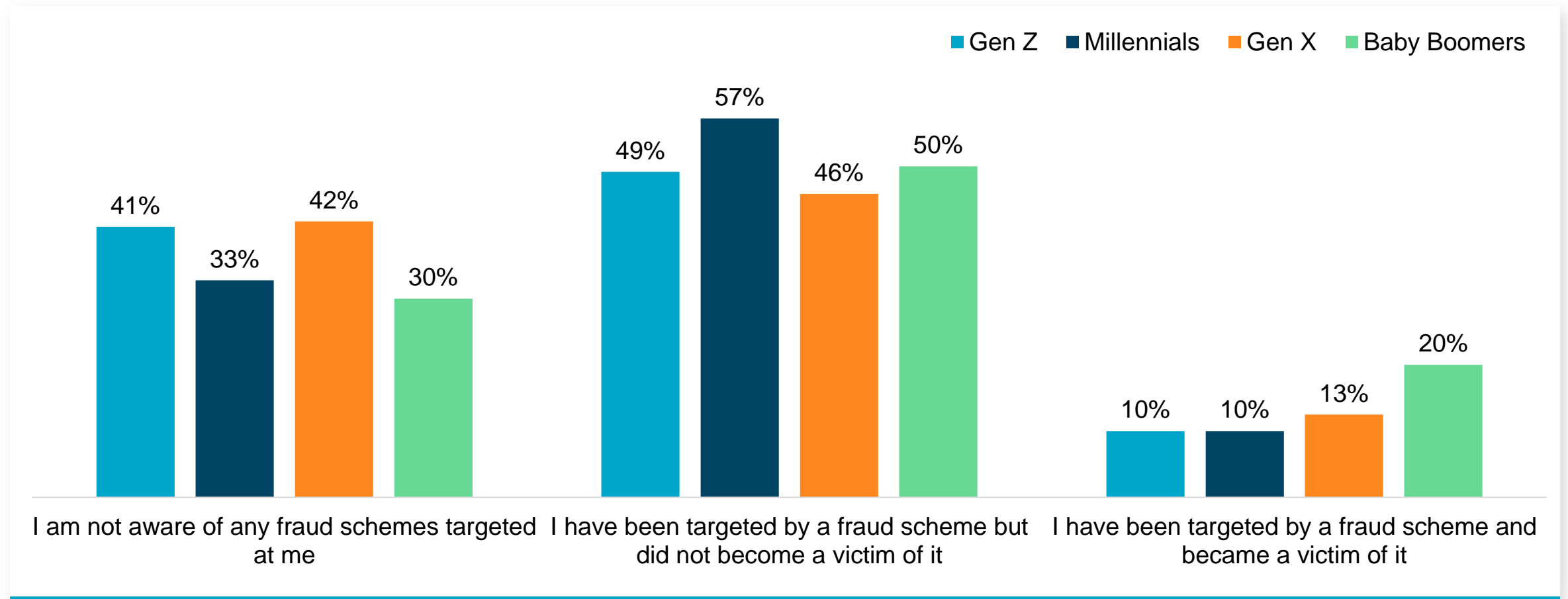
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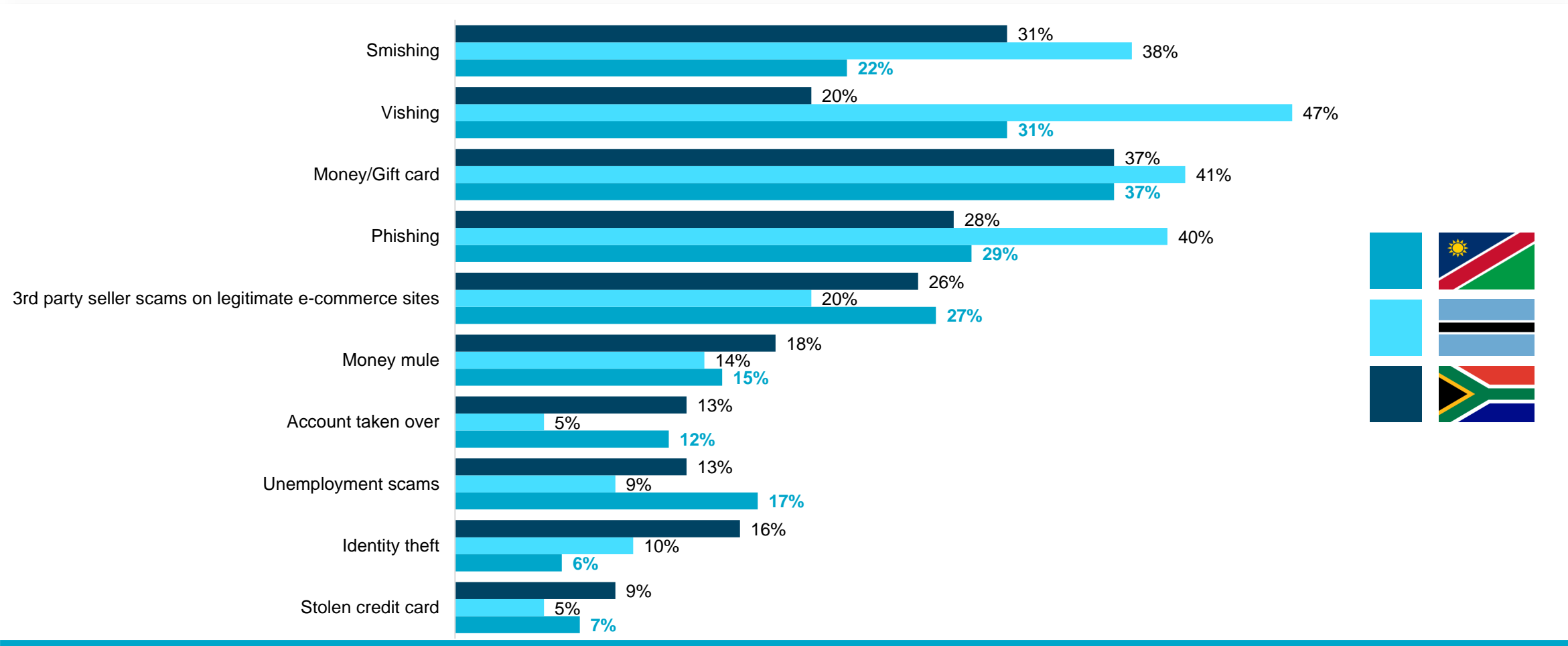
Digital fraud attempts in the last three months – by generation

Baby Boomers and Gen X show notable vulnerability to digital fraud



Most frequent fraud schemes targeting consumers

Namibians mostly affected by money/gift card schemes, vishing and phishing



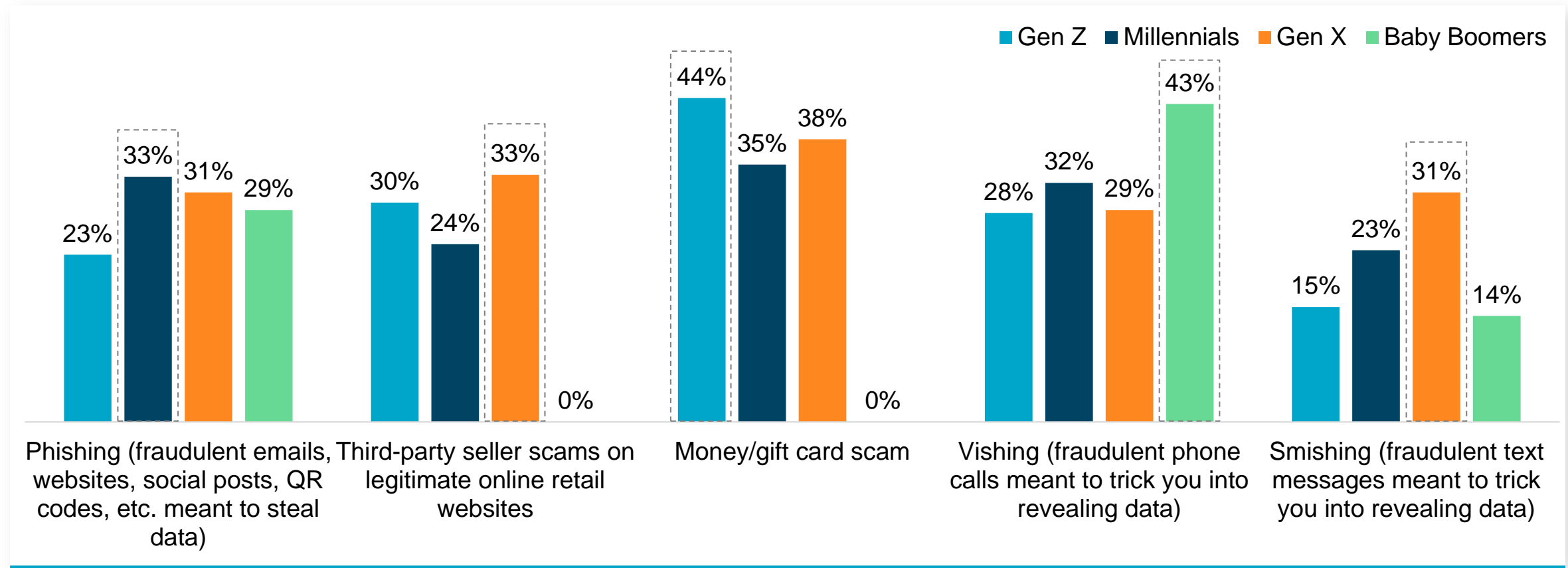
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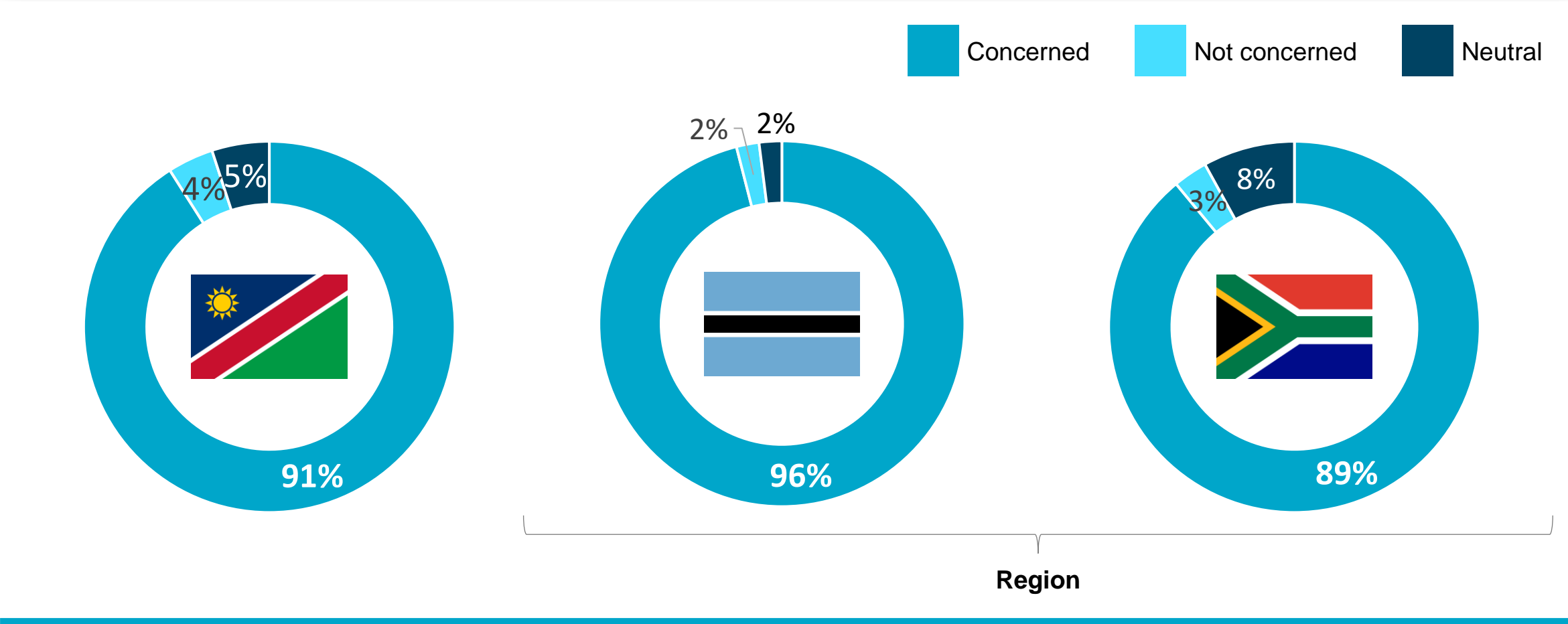


Most frequent fraud schemes targeting consumers – by generation

Gen Z mostly impacted by money/gift card scams, and Baby Boomers by vishing

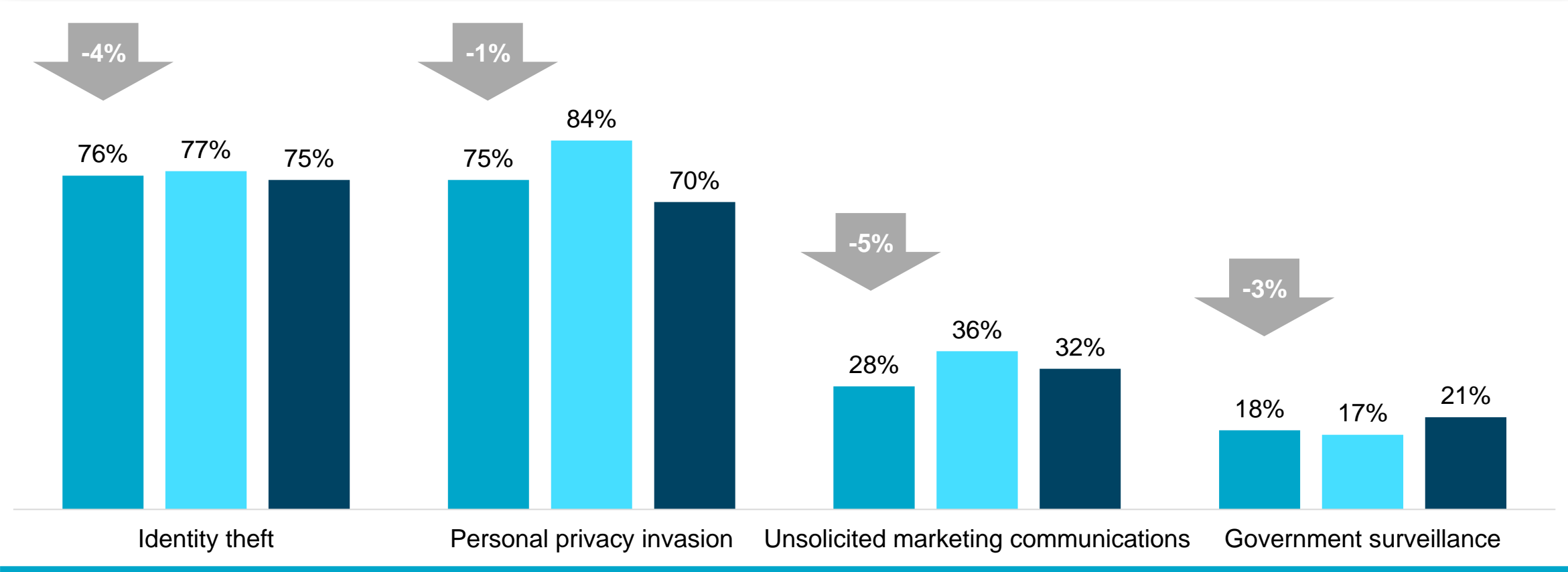


Consumer concerns regarding sharing of personal information



Reasons for concern about sharing personal information

Fears of identity theft and privacy invasion are most notable



*Multiple answers allowed

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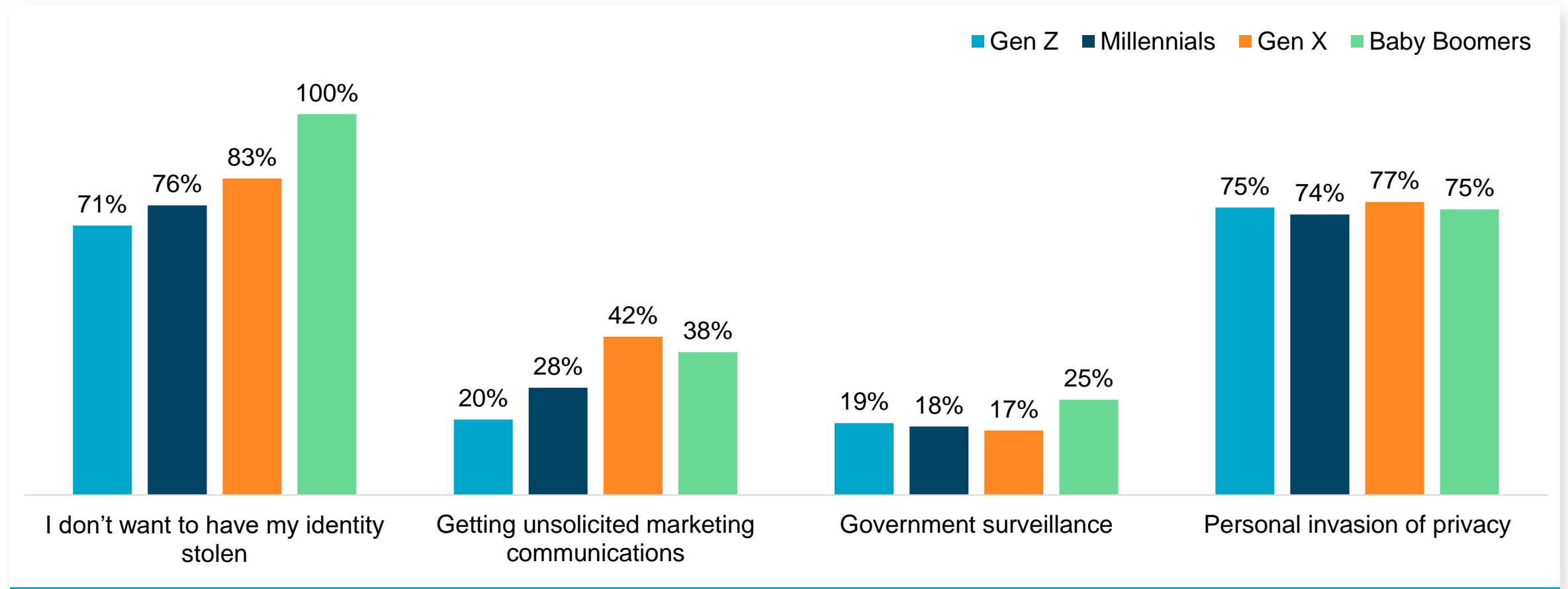
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Reasons for concern about sharing personal information – by generation

Fear of identity theft is notably high among Gen X and Baby Boomers



TransUnion recommendations across the customer journey

Engage



Leverage credit education and promote awareness

- Promote financial literacy
- Create a learning experience for stickiness and loyalty

Acquire



Streamline the acquisition experience

- Leverage digital onboarding solutions
- Smooth out cumbersome processes
- Minimise applications abandonment

Identify segments primed for prudent growth

- Gain more predictive insights during times of uncertainty
- Use trended credit data to reassess risk appetite
- Identify potentially profitable underserved consumers looking for additional credit
- Monitor their capacity to service their debt obligations

Manage



Recalibrate pricing strategies to enable more tailored solutions

- Leverage proactive triggers and alerts



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Thank You

