



# **Zambia Insurance Insights Report: Opportunities and Action Items**

**June 2024**

## Focus for today

- **Explore the value that can be generated today**
- **TU guide to future value**
- **Every journey starts with the first step (actions)**



# Overview of Portfolio – Records Processed & Analyzed

Index	Individuals (M)	Corporates (K)
No. of Accounts	20.1	49.8
No. of Customers with Accounts	2.6	22.2
No. of Non-Performing Accounts	0.2	2.4
No. of Performing Accounts	1.8	18.8
Outstanding Balance	37.9B	57.9B





# DATA AVAILABLE FOR ENRICHMENT

TU aims to become a primary risk and information partner, providing end-to-end core bureau services, including support in new product development, and overall credit risk management

Credit Data	PACRA Data	Collateral Data	Contact Information	Physical Address	Employer Information
<ul style="list-style-type: none"><li>• <b>2.6M</b> customer profiles with <b>20.1M</b> Loan Accounts information</li></ul>	<ul style="list-style-type: none"><li>• <b>224</b> Business Information (Including Directors/ Shareholders Information)</li></ul>	<ul style="list-style-type: none"><li>• <b>52.9K</b> Customers with <b>444.9K</b> Collateral information (Including Valuation Date and Value)</li></ul>	<ul style="list-style-type: none"><li>• <b>2.5M</b> customers with <b>4.9M</b> Phone contacts</li></ul>	<ul style="list-style-type: none"><li>• <b>2.9M</b> Customers with <b>4.9M</b> physical Address information</li></ul>	<ul style="list-style-type: none"><li>• <b>609K</b> Customers with <b>1.2M</b> Employer Information</li></ul>
Segmentation Scores Risk Collections	Marketing Book Management	Risk Marketing	Marketing Collections CX Book management	Marketing CX Book management	Marketing CX Book management





# Credit Products: Consumption & Risk





# PRINCIPAL AMOUNT DISTRIBUTION

2.6M total individual and 22.2K Corporate customers distributed across the Principal Bands (Where is your market?)

Principal Band	No. of Individual accounts	Principal (M)	Current Balance (M)	Principal Band	No. of Corporate Customers	Principal (M)	Current Balance (M)
ZMW(>100M)	15	2,992	3	ZMW(>100M)	176	568,944	21,319
ZMW(>10M-100M)	351	7,876	165	ZMW(>10M-100M)	551	22,976	8,463
ZMW(>1M-10M)	7,105	17,071	2,203	ZMW(>1M-10M)	2,249	9,734	3,764
ZMW(>300K-1M)	33,108	17,137	3,935	ZMW(>300K-1M)	2,904	1,997	908
ZMW(>12K-300K)	600,765	62,740	28,004	ZMW(>12K-300K)	7,767	993	1,342
ZMW(>500-12K)	1,304,111	6,081	3,473	ZMW(>500-12K)	3,224	15	11
ZMW(1-500)	1,395,901	275	93	ZMW(1-500)	1,166	0.2	4
<b>Grand Total</b>		<b>114,177</b>	<b>37,878</b>	<b>Grand Total</b>		<b>604,661</b>	<b>35,811</b>





# RISK DISTRIBUTION on Individuals (Trends = Action)

Over **82%** of individual customer loans are normal (Good risk customers) respectively

Tracking trending risks will ensure sound book management and unlock pro-active communication and activity

Classification	Individual Customers (K)	Accounts (K)	Balance (M)	% Balance
Normal	932	1,658	31,432	82.9%
Watch	160	181	1,151	3.0%
Substandard	87	91	599	1.6%
Doubtful	37	40	824	2.2%
Loss	84	89	3,928	10.4%
<b>Total</b>		<b>2,061</b>	<b>37,934</b>	<b>100.0%</b>

In General, there are **1.1M** active individual customers distributed across the risk classification

Classification	DPD	NPL Status
Normal	0 – 30 days	Performing
Watch	31 – 90 days	Performing
Substandard	91 – 180 days	Non-performing
Doubtful	180 – 360 days	Non-performing
Loss	> 360 days	Non-performing





# RISK DISTRIBUTION on Corporates

Over **95%** of Corporate customer loans are normal (Good risk customers) respectively

Tracking trending risks will ensure sound book management and unlock pro-active communication and activity

Classification	Corporate Customers	Accounts	Balance (M)	% Balance
Normal	9,644	17,971	55,396	95.7%
Watch	695	825	1,063	1.8%
Substandard	590	670	229	0.4%
Doubtful	410	493	286	0.5%
Loss	1,089	1,212	901	1.6%
<b>TOTAL</b>		<b>21,171</b>	<b>57,874</b>	<b>100.0%</b>

In General, there are **11.9K** active Corporate customers distributed across the risk classification

Classification	DPD	NPL Status
Normal	0 – 30 days	Performing
Watch	31 – 90 days	Performing
Substandard	91 – 180 days	Non-performing
Doubtful	180 – 360 days	Non-performing
Loss	> 360 days	Non-performing







# PRODUCT DISTRIBUTION:

An opportunity to target segments or add payment data variables to underwriting.

PRODUCT1	Individual Customers (K)	Active Accounts (K)	Balance (M)	% Balance
Installment account	784	1,413	31,724	83.6%
Mobile Loans	340	485	406	1.1%
Student Loans	47	47	3,420	9.0%
Line of credit	32	34	227	0.6%
Overdraft	23	23	281	0.7%
Open accounts	15	16	80	0.2%
Other	11	12	68	0.2%
Single credit facility	10	11	52	0.1%
Credit Cards	9	11	145	0.4%
Mortgage Loans	7	8	1,497	3.9%
Revolving credit	2	2	37	0.1%
<b>Grand Total</b>		<b>2,061</b>	<b>37,933</b>	<b>100.0%</b>

PRODUCT1	Corporate Customers	Active Accounts	Balance (M)	% Balance
Overdraft	2,584	3,156	31,334	54.1%
Installment account	3,789	9,101	18,516	32.0%
Open accounts	782	993	883	1.5%
Revolving credit	332	352	1,151	2.0%
Other	5,405	6,632	3,060	5.3%
Line of credit	236	330	1,967	3.4%
Single credit facility	191	482	794	1.4%
Business Loans	77	78	3	0.0%
Credit Cards	16	16	2	0.0%
Mortgage Loans	13	15	74	0.1%
Guarantee Type	11	12	90	0.2%
Mobile Loans	4	4	0.001	0.0%
<b>Grand Total</b>		<b>21,171</b>	<b>57,874</b>	<b>100.0%</b>

In General, there are **1.1M** active individual and **11.9K** active Corporate customers distributed across the products



# PRODUCT VALUE ANALYSIS – Principal bands (Individuals)



Opportunities to identify “good” and “avoid” segments

Number of Customers							
	ZMW (>100M)	ZMW (>10M-100M)	ZMW (>1M-10M)	ZMW (>300K-1M)	ZMW (>12K-300K)	ZMW (>500-12K)	ZMW (1-500)
Mobile Loans			3	640	101,199	787,712	1,537,734
Installment account	2	48	6,120	32,625	640,657	726,265	105,229
Other	5	250	766	269	16,331	86,223	11,201
Line of credit					28,329	53,136	670
Single credit facility	6	40	5	28	10,773	24,294	1,708
Open accounts			8	33	804	14,176	1,671
Overdraft		3	51	342	1,465	10,384	780
Credit Cards				44	4,965	8,158	99
Student Loans					45,128	1,694	
Mortgage Loans	2	11	564	1,948	6,686	1,626	2
Revolving credit			4	1	1,521	1,214	6

Principal Amount (M)							
	ZMW (>100M)	ZMW (>10M-100M)	ZMW (>1M-10M)	ZMW (>300K-1M)	ZMW (>12K-300K)	ZMW (>500-12K)	ZMW (1-500)
Installment account	260	1,247	12,363	15,350	52,630	3,185	25
Mobile Loans	-	-	4	256	3,908	2,020	244
Student Loans	-	-	-	-	3,404	15	-
Other	781	4,851	3,437	156	764	262	4.5
Line of credit	-	-	-	-	642	345	0.3
Mortgage Loans	386	323	1,103	1,160	615	13	0.0
Single credit facility	1,564	1,382	13	15	343	121	0.7
Credit Cards	-	-	-	22	268	35	0.0
Overdraft	-	71	125	159	78	29	0.1
Open accounts	-	-	10	16	44	44	0.4
Revolving credit	-	-	13	0.9	39	9	0.0
<b>Grand Total</b>	<b>2,992.9</b>	<b>7,876.7</b>	<b>17,071</b>	<b>17,137</b>	<b>62,740</b>	<b>6,081</b>	<b>275</b>

In General, there are **2.6M** total individuals distributed across the Principal Bands and Products



# PRODUCT VALUE ANALYSIS – Principal bands (Corporates)



Corporate Clients with **Single credit Facility loans** leading at **170B**. An opportunity for **investment plans** or any custom insurance plan

Number of Customers							
	ZMW (>100M)	ZMW (>10M-100M)	ZMW (>1M-10M)	ZMW (>300K-1M)	ZMW (>12K-300K)	ZMW (>500-12K)	ZMW (1-500)
Installment account	105	322	1,294	1,640	3,919	163	20
Other	34	103	549	589	1,864	706	298
Overdraft	24	147	537	624	1,844	1,985	678
Open accounts	16	55	168	160	526	302	135
Revolving credit	5	29	100	88	183	77	36
Line of credit	10	39	134	106	154	7	
Single credit facility	39	19	32	30	154	12	
Credit Cards				1	22	1	
Business Loans			2	5	13	3	
Mortgage Loans	1	2	15	9	5		1
Guarantee Type	1	5	7	3	2		
Mobile Loans					2	5	6

Principal Amount (M)							
	ZMW (>100M)	ZMW (>10M-100M)	ZMW (>1M-10M)	ZMW (>300K-1M)	ZMW (>12K-300K)	ZMW (>500-12K)	ZMW (1-500)
Installment account	51,575	10,616	4,383	1,016	518	1.1	0.0004
Other	324,334	2,777	1,864	353	193	3.8	0.041
Overdraft	5,986	4,586	1,765	382	178	8.3	0.125
Open accounts	11,341	2,285	626	97	37	1.5	0.026
Line of credit	1,779	1,014	557	65	23	0.1	-
Revolving credit	3,525	699	327	55	22	0.4	0.002
Single credit facility	170,171	846	110	18	13	0.1	-
Credit Cards	-	-	-	1	2	0.0	-
Business Loans	-	-	3	3	2	0.0	-
Mortgage Loans	105	42	67	6	1	-	0.0001
Guarantee Type	125	108	29	2	1	-	-
Mobile Loans	-	-	-	-	0.1	0.010	0.001
<b>Grand Total</b>	<b>568,944</b>	<b>22,976</b>	<b>9,734</b>	<b>1,997</b>	<b>994</b>	<b>15</b>	<b>0.195</b>

In General, there are **22.2K** Corporate customers distributed across the Principal Bands



## TU guide to future value

- **Creating joint data value (IDS)**
  - **Claims**
  - **Policy**
- **Differentiated underwriting risk**
  - **Laps**
  - **Loss**
- **Fraud**





**Thank you**

