A man in a dark suit and a construction worker in a high-visibility vest and yellow hard hat are standing on a yellow excavator. Both have their right hands raised in a gesture of approval or celebration. The excavator is positioned on a multi-lane highway. In the background, several white trucks are driving on the road, and a road sign is visible on the left. The sky is overcast.

**INVESTING NOW.  
SECURING THE FUTURE.**

**2024  
ANNUAL  
REPORT**





### Who We Are

The National Pension Scheme Authority (NAPSA) was established by an Act of Parliament, the National Pension Scheme (NPS) Act Number 40 of 1996.

NAPSA became operational on 1<sup>st</sup> February 2000 following the conversion of the Zambia National Provident Fund (ZNPf) into a social security scheme. ZNPf operated as a savings scheme from 1966 until its closure in 2000. All assets and liabilities of the ZNPf were vested in NAPSA.

The formation of NAPSA was also in response to the changing labour market and was aimed at creating an efficient social security institution that would deliver quality services and contribute to national economic development.

### Mandate

NAPSA was formed to provide income security through payment of benefits to all workers when they reach retirement age or become invalid, or to a member's family in the event of death of the member.

### Vision Statement

A trusted partner that protects people's future and brings pride to the Nation.

### Mission Statement

Securing the social and economic well-being of the people of Zambia.

# iCARE

## OUR VALUES



# CHAIRPERSON'S STATEMENT

On behalf of the Board of Trustees, it is my honour and pleasure to present the 2024 Annual Report and Audited Financial Statements for the National Pension Scheme Authority.

The year 2024 marked the third and final year of the first tenure of the Board of Trustees, which was appointed in 2022. We are delighted to have achieved significant milestones towards improving the welfare of the members and enhancing the sustainability of the Scheme.

## Strategy Execution

The Board of Trustees operated under the 2022 - 2026 Strategic Plan, which focuses on financial sustainability, customer satisfaction, operational efficiency, risk management, and talent management. Despite the severe drought caused by climate change, which significantly affected economic activities in the country, the Authority performed well and remains on course to achieving set strategic objectives. The drought, considered the worst in two decades, led to severe food shortages, water scarcity, and a national emergency declaration.

## Key Projects

**Introduction of Penalty Waiver:** The Penalty Waiver initiative was implemented in January 2024 as part of Government's programme to provide financial relief to businesses with outstanding principal contributions and accumulated penalties. This enabled businesses with outstanding principal contributions to regularise their accounts with NAPSA without the threat of incurring high penalties. However, not many employers have taken advantage of this waiver due to failure to fulfil the conditions precedent to the granting of the penalty waiver resulting from climate-induced economic challenges.

**Closure of the Zambia National Provident Fund (ZNPF) Project:** In 2000, NAPSA inherited the assets and liabilities of ZNPF which it has continued to administer. In December 2022 the ZNPF Act was amended to allow all ZNPF account holders to draw their balances through the ZNPF closure project. As of 31st December 2024, a total of 58,887 ZNPF members had closed their ZNPF accounts and were paid the sum of ZMW1.875 billion.

Following the drastic reduction in the number of ZNPF claims, the Authority has wound down the project

effective 31st December 2024 and the residue ZNPF claims, including tracing of members that have not yet drawn the balances, was being conducted under normal NAPSA operations.

## Stakeholders' Engagement Forum

In December 2024, the Authority hosted its 2nd Annual Stakeholders' Forum (ASF) at Garden Court Hotel in Kitwe and a total of 242 stakeholders participated (maximum conference venue capacity) with thousands of people following proceedings live on ZNBC TV1, ZNBC Radio Two and social media platforms. The event allowed the Authority to interact with members, employers and various other stakeholders. The Authority used the event to present the audited financial statements to the members to acquaint them with the performance of the Fund and its plans in a bid to grow the Fund and enhance transparency and accountability in its operations. This was a follow up to the inaugural ASF held in December 2023 at the Mulungushi International Conference Centre in Lusaka.

## Governance

The National Pension Scheme Authority is committed to upholding the highest standards of corporate governance, guided by the iCARE principles: Integrity, Collaboration, Accountability, Respect, and Excellence. These principles are embedded in our operations to ensure that we serve our members with the utmost dedication and ethical standards.

- **Integrity:** We act with high moral principles, adhering to the highest professional standards to maintain the trust and confidence of our stakeholders.
- **Collaboration:** We strive to work together for the common good of our customers and stakeholders, ensuring their needs are at the forefront of our operations.
- **Accountability:** We take responsibility for our actions and decisions, ensuring transparency and accountability in all our dealings.
- **Respect:** We treat all our stakeholders with dignity and respect, fostering a culture of mutual respect within the organization.
- **Excellence:** We strive for the highest quality in our services and operations, continuously seeking improvement and innovation.

Risk governance structures have been established in all departments to ensure a robust risk culture

among employees. Considering growing fraud risks, measures have been put in place to safeguard the Fund and enhance service delivery. In November 2024, the Anti-Corruption Commission honoured the National Pension Scheme Authority as the 2024 Integrity Champion, recognizing its commitment to upholding ethical standards and anti-corruption initiatives.

## Key Investment Highlights

The Authority made some strategic investment to grow the Scheme and increase the value of members' contributions. Key among the investments undertaken during the period under review were investment in the upgrade of Lusaka-Ndola Road into a dual carriageway with an injection of USD300 million at a return rate of 9.5% per annum and the investment of USD200 million into Phase Two of the Maamba Energies project at a return rate of 9%.

These projects are aimed at responding to the current development needs while creating value for the members' contributions to guarantee decent life after retirement.

Together the two projects are expected to earn the members a total of USD297 million in returns, including other benefits such as job creation, increased economic activity such as trade, transport and logistics and manufacturing.

## Closure of Society Business Park

In July 2024, the NAPSA Board approved the closure of the Society Business Park following assessments that showed that parts of the Business Park were not safe for continued occupancy. The decision was made considering the greater responsibility the Authority has for safeguarding the lives of people that were working or trading from the facility. All the mall tenants vacated the facility and some of them were compensated to a total of over ZMW3.7 million.

## Looking Ahead

The Authority's financial position is solid and growing steadily. This guarantees long term sustainability of the Scheme and its ability to actively participate in the economic transformation agenda of the new dawn Government as a mobiliser of domestic resources. As we look ahead, we remain resolute and committed to improving the member experience by reducing waiting times by leveraging technological

advancements. We are also focused on ensuring that we enhance the adequacy of benefits to improve the lives of pensioners. In some instances, this will require amendment of the law and strong partnerships with the business world.

## Appreciation

I would like to thank the Government through the Minister of Labour and Social Security, Honorable Brenda Mwika Tambatamba, MP, for providing policy leadership and guiding the Board in the execution of our duty. I am also grateful to my fellow members of the Board of Trustees for their dedication and commitment to duty and for the harmonious way we conducted business.

Further, I would like to thank Management and Staff for their collaboration, teamwork and their effort and dedication that kept the Scheme as a business leader and reliable investment and development partner.

Finally, I thank the members for their support, loyalty and trust that they continue to place in the Authority to secure their livelihoods post-employment life.



Shipango Muteto  
Board Chairperson

# BOARD OF TRUSTEES

Mr. Muteto is a seasoned insurance and services marketing executive and consultant with over 39 years of hands-on experience in insurance, reinsurance, risk management and marketing, in the Eastern & Southern Africa. He is a Chartered Insurer and Associate of the Chartered Insurance Institute of the UK, a Fellow of the Insurance Institute of Zambia, and an Associate of the Zambia Institute of Marketing. Mr. Muteto has over the years worked in various capacities both in technical and management positions, for the Zambia State Insurance Corporation, Professional Insurance Corporation Zambia Limited and at the ZEP-RE (PTA Reinsurance Company), a COMESA institution.

Mr. Muteto has extensive governance and Board experience and is currently the President of the Technical Advisory Group (TAG) on Microinsurance, Founder and Lead Consultant of Business Impact Consulting, Co-founder, Board Member and Technical Consultant of 365 Resilience Underwriting Management Agency. He previously served as Board Chairman of IZWE Loans Zambia Limited, President of the Insurers Association of Zambia, Chairman of the Insurance Working Group (IWG) under the Ministry of Finance, and as a Board Member of the National Health Insurance Management Authority. He brings to the Board a wealth of experience in insurance and reinsurance, risk management, business strategy, and customer relationship management with a specific focus on service excellence and business growth.



**Mr. Shipango Muteto**  
Board Chairperson

Mr. Botha brings to the Board over 22 years of experience in pension administration and fund management garnered from both the public and private sector. He is presently the Chief Executive Officer at Minet Zambia Consulting.

Mr. Botha holds a Postgraduate Diploma in Marketing (PGDM) from the Zambia Institute of Marketing, a Master of Business Administration (MBA) Degree from University of Lusaka; Chartered Pension Analyst Manager certification from American Academy of Financial Management, a Postgraduate Diploma in Financial Management (PGDFM) from the National Institute of Public Administration (NIPA) as well as a Bachelor of Science (BSc) Degree in Production Management from the Copperbelt University. He is the past Chairperson of the Zambia Association of Pension Funds (ZAPF) and also served on the Benefits Committee of the Board of the Public Service Pension Fund (PSPF).



**Mr. Kamphata Botha**  
Zambia Association of Pension Fund Managers representative

Mrs. Ngoma is a human resources practitioner, consultant, mindset change agent and coach. She brings to the Board more than 25 years industry experience in administration, customer service and human resource management. She is also a Certified Mental Health First Aider. She holds a Master's Degree in Business Administration from UNICAF (South Wales) and a Bachelor's Degree in Human Resources from Rusangu University.

Mrs. Ngoma is the current President of the Zambia Federation of Employers. She is a lead human resources consultant at SBM Training & Consulting Institute. She also served as the Head of Human Resource and Administration Prudential Pensions Management (PPMZ) and previously at Professional Life Assurance as Human Resources Manager & Administration



**Mrs. Myra M. S. Ngoma**  
Board Vice-Chairperson  
Employer representative

Mr. Mulala is a seasoned labour and industrial relations expert with over 20 years' experience in the labour movement. Mr. Mulala is the current President of the Zambia Congress of Trade Unions (ZCTU) and has served in various capacities within the labour movement which include President of the Grain and Meat Workers Union of Zambia.

Mr. Mulala holds a Bachelor of Business Administration BBA from the University of Edinburg and a Diploma in Business Administration from the Institute of Commercial Management, Bournemouth United Kingdom. He brings to the Board vast experience in collective bargaining, conflict resolution and health and safety management.



**Mr. Blake Mulala**  
Workers representative

Mr. Imwiko is a seasoned economist, with over 20 years' experience in the private and public sector. He joined the Ministry of Finance in 2009 as Chief Economist, and served as Assistant Director - Planning, Policy and Research. He is currently the Acting Director-Economic Management Department. With a strong background in economic modelling and economic planning, he plays a crucial role in formulating and executing policies that promote national economic stability and growth. His expertise lies in leveraging data-driven approaches to evaluate and address policy impacts, ensuring informed decision-making and sustainable development.

Mr. Imwiko holds a Master of Science Degree in Agribusiness Economics from Southern Illinois University, USA and a Bachelor of Science, Agribusiness from Delaware State University USA.



**Mr. Akapelwa Imwiko**  
Ministry of Finance representative

Mr. Njamba is a seasoned human resources practitioner and brings to the Board extensive industry experience spanning over 30 years. He holds a Bachelor of Arts Degree in Psychology and Public Administration, obtained from the University of Zambia. He is also a Fellow of the Zambia Institute of Human Resources Management (ZIHHRM).

Mr. Njamba has held senior positions in the public and private sector having worked for Development Bank of Zambia (DBZ) and the National Hotels Development Corporation Ltd. He also served as the Human Resources & Administration Manager at NICO Insurance Zambia and he is currently the Group Human Resource Manager for Mulundu Holdings Limited. Mr. Njamba is the Vice President of the Zambia Federation of Employers, Midlands Region.



**Mr. Kennedy Njamba**  
Employers representative

Ms. Melu is a banking executive with over 20 years of industry experience. She is the current Chief Executive Officer (CEO) of Absa Bank Zambia Plc. Prior to this, she served as the CEO of Barclays Africa Management as well as Managing Director and Chief Executive Officer of the National Bank of Commerce (Tanzania).

She holds a Master's Degree in Business Administration (MBA) from the Henley Management Business School, England and is a Member of the Chartered Institute of Bankers (A.C.I.B). Her vast banking experience and demonstrated competencies in strong stakeholder management, developing and retaining high performance teams, building strategic alliances and driving digitization and innovation is an asset to the Board of Trustees.



**Mrs. Mizinga Melu**  
Bankers Association of Zambia representative

Mr. Malukutilla is a Fellow of both the Association of Chartered Certified Accountants and the Zambia Institute of Chartered Accountants. He also holds a Master's Degree in Business Administration from Heriot Watt University UK. He brings to the Board vast experience in finance, audit, risk management, governance, business continuity management as well as assurance and control assessments.

Mr. Malukutilla currently holds the position of Director Finance at the Bank of Zambia where he served in various functions including Internal Audit, Banking and Currency, Bank Supervision, and Enterprise Risk Management. Mr. Malukutilla previously worked in an audit firm and is a Board member of the Zambia Electronic Clearing House Limited, as well as a member of the Institute of Risk Management Zambia.



**Mr. Emmanuel Malukutilla**  
Bank of Zambia representative

# BOARD OF TRUSTEES

Mrs. Kasanda holds a Master's Degree in Industrial and Employment Relations from the University of Turin in Italy as well as Bachelor of Arts Degree with Education from the University of Zambia.

She is presently the Assistant Labour Commissioner at the Ministry of Labour and Social Security, having served in various positions in the Ministry. Ms. Kasanda brings to the Board experience in industrial and employment relations, conciliation and mediation of labour disputes, and as well as labour law reform processes.



**Mrs. Mukamasole M. Kasanda**  
Workers representative

Mr. Muyumba is an experienced labour relations expert with over 15 years' experience in the labour movement. He is currently the Executive President of the National Union of Public and Private Educators of Zambia (NUPPEZ). Prior to this, he served as Secretary General of the Federation of Free Trade Unions of Zambia (FFTUZ).

Mr. Muyumba holds Master's Degree in Arts in Literature as well as a Bachelor of Arts Degree with Education (BA Ed) - Linguistics and African Studies both obtained from the University of Zambia. He brings to the Board vast experience in labour relations, national social security and social protection systems for workers in formal and informal economies.



**Mr. Victor Muyumba**  
Workers representative

# DIRECTOR GENERAL'S STATEMENT

Looking back on 2024, I am grateful to Management and staff, who under drought induced economic challenges, worked tirelessly to ensure the Authority continued to execute its mandate – mobilising domestic resources to support national economic development and securing lives of Zambians in retirement.

The Authority recorded many significant milestones under five (05) strategic result areas or pillars of the plan approved by the Board of Trustees for the year.

## 1. Financial Sustainability

The fund grew by 30.1% to ZMW 87.2 billion from ZMW 67.7 billion as at 31 December 2023. This growth was largely driven by a net performance of ZMW 13.9 billion on investment operations compared to ZMW 12.1 billion recorded in 2023, representing an increase of 14.9%. Further, the Authority collected ZMW 8.7 billion in contributions up from ZMW 7.4 billion in 2023, representing a 17.6% increase.

Addressing coverage and ensuring dependency ratios that resonate with the demographic and life expectancy realities of the nation is key to the financial sustainability of the Scheme. In addition to operationalising a Coverage Unit to spearhead the recruitment of new members, we explored initiatives aimed at reactivating dormant members especially those living in the diaspora, attracting new members and allowing members to bolster their retirement savings.

To bring these initiatives closer to delivery, key actions in 2024 included consultations with key regulatory institutions and policy makers, resulting in the inclusion on the initiatives as key deliverables under the national pension reform agenda.

## War on Waste (WoW)

War on Waste is a cost optimisation initiative aimed at attaining a target of reducing administrative expenditure by 10% year on year. Under this initiative, each Directorate appoints a WoW champion to drive the agenda of cost optimisation at departmental level. The WoW champion ensures strict adherence to the approved budget, decisions are weighed on a cost-benefit-scale and monitor cost optimisation measures.

## 2. Customer Satisfaction

Our Customer Satisfaction Index (CSI) stood at 84% against a target of 85%. The Authority is committed to providing improved customer experience to our

members, employers and other stakeholders by continually innovating and implementing initiatives aimed at serving our members better. The Authority was awarded Most Customer-Centric Public Institution award at the Africa Public Service Day.

However, more work is still required in the area of benefit processing. The average benefit processing time during the year was 28 days from receipt of claims. Our target is to pay all benefits within the day of claim – zero days. We understand the reasons for the delays and have embarked on an exercise to improve the accuracy and integrity of member accounts. We are committed to continually improve our processes to ensure all benefits are paid within the same day of claim by the member. In 2024, the Board approved a data clean up project, to be undertaken over three years from 2025, to address gaps in key customer details and to resolve anomalies on member and employer accounts. The project will also help to address the low uptake of penalty waivers by employers.

## 3. Operational Efficiency

The Authority has continued to invest in and leverage on modern technologies to improve operational efficiencies. In 2024, key actions included in-house system development to mitigate rising ICT license costs and saw a reduction in turnaround time in delivering ICT solutions.

To support the development of in-house ICT solutions and improve service delivery, we operationalised an Innovation Hub under the Directorate of Information and Communications Technology. The Hub allows young people to put their creative minds to develop homegrown solutions to address our operational challenges and improve NAPSA's service delivery. Under the Hub, staff are encouraged to explore and implement their ideas, and so far, the Hub has produced some key software products that will significantly improve customer experience.

## 4. Risk Management

Embedding risk management practices in the Authority's operations remains our focus in our resolve to improve our ability to deliver on our mandate. Fifteen (15) principal risks, including environmental, social and governance (ESG); climate change; cybersecurity; reputation and

# DIRECTOR GENERAL'S STATEMENT CONTINUED

operational risks, have been identified and are continually monitored and reported on to the Board of Trustees.

To enhance risk governance and emphasize the critical role of risk management in our operations, the risk function was elevated to a directorate and included the establishment of a data analytics unit. These interventions will assist the Authority in better navigating the ever-changing operational environment.

## 5. Talent Management

The Authority desires to remain a competitive employer on the Zambian job market to attract and retain highly skilled and experienced staff. In 2024, we achieved a 93.7% staff retention rate, demonstrating that we remain one of the employers of choice in the pension sector. To improve in this area, we must provide a work environment that encourages innovation and strengthen staff training and development. To deliver an innovative and vibrant NAPSA, we need to continually reinvent ourselves for tomorrow.

To address behavioural and cultural tendencies that impact operational efficiency and customer experience, the Authority has embarked on a cultural transformation journey to further inculcate the iCARE culture. This will be anchored on a cultural change management program for all members of staff and robust leadership training for all Management staff to enhance timeliness of decision-making.

## Looking Ahead to 2025

Looking ahead, we remain steadfast in our mission of securing the social and economic well-being of the people of Zambia by improving adequacy of benefits in retirement and delivering on our vision of being a trusted partner that protects people's future and brings pride to the nation.

Our journey in 2025, will require strong execution of planned activities across the Authority, continued investment in staff, strengthening governance including internal assurance functions embedding risk management, sustained efforts at digital transformation and cultural remodelling. Our focus in 2025 can easily be summed up as **CITE 10:95:50:15**. We plan to collect ZMW 10 billion in pension contributions, grow the fund to ZMW 95 billion, reduce turn around time for core processes by 50% and optimise administrative

expenses within 15% of income collected.

I am proud of our staff's unwavering dedication, professionalism and commitment to improving service delivery in the year 2024 and I encourage all members of staff to continue with this spirit as we explore the opportunities ahead.

I would like to thank our Board of Trustees for their strategic direction and oversight, the management team and our members of staff for their resilience, dedication, hard work and focus on delivering value to our members. With such a youthful, vibrant and resolute team, I have no doubt in our ability to deliver the NAPSA we all want - the NAPSA that addresses member's needs and brings pride to the nation by driving economic growth.



**Muyangwa Muyangwa**  
Director General

# SENIOR MANAGEMENT

Mr. Muyangwa is a seasoned senior executive with 30 years of combined experience across the financial and fiscal sectors. His career is distinguished by a strong track record in institutional reform, strategic planning, and organizational transformation aimed at enhancing service delivery and achieving long-term institutional goals. He is particularly adept at fostering outcome-based management cultures, leading phased institutional development strategies, and building high-performance teams to support sustainable growth and operational excellence. Mr. Muyangwa holds a Master's Degree in Business Administration and a Bachelor's Degree in Business Administration from the University of Bath in the United Kingdom and Copperbelt University in Zambia, respectively.

Prior to joining NAPSA, he served as a Senior Economist at the International Monetary Fund (IMF) Headquarters in Washington, D.C., and held other key positions within the IMF, including Technical Assistance Advisor and Revenue Administration Advisor in East and West Africa. Prior to his international assignments, Mr. Muyangwa held senior roles at the Zambia Revenue Authority (ZRA), where he rose from a graduate entry position to Commissioner – VAT, and later Commissioner – Customs Services. He also gained early experience in the financial services sector through his work at Meridian BIAO Bank Limited (liquidated).



**Mr. Muyangwa Muyangwa**  
Director General

Ms. Mulubwa is a highly experienced internal audit professional with over 15 years of combined expertise in both external and internal audit. Her career spans a broad spectrum of competencies, including audit execution and reporting, risk management, audit planning, internal controls assessment, quality assurance, and professional development.

Ms. Mulubwa is a Certified Internal Auditor (CIA) and holds a Master of Science degree in Professional Accountancy from the University of London, as well as a Bachelor of Accountancy degree from the Copperbelt University (CBU). She is a Fellow of both the Association of Chartered Certified Accountants (ACCA) and the Zambia Institute of Chartered Accountants (ZICA).

She began her career in external audit at the Office of the Auditor General, where she conducted various audits across government ministries, departments, and development projects, and later worked in the quality control division. She subsequently joined NAPSA as an Internal Auditor, before moving on to First Quantum Minerals, where she served as Group Internal Audit Senior Supervisor. In this role, she led and conducted internal audit reviews across the company's operations in Zambia, South Africa, Mauritania, Spain, Turkey, Finland, the United Kingdom, Panama, and Australia. She later rejoined NAPSA as Internal Audit Manager, bringing global insights and a strong commitment to audit excellence.



**Ms. Prudence Mulubwa**  
Acting Director Internal Audit

Mr. Lalusha is an experienced Chief Information Officer (CIO) and business executive with extensive experience in digital transformation, cyber security, IT governance and technology management, banking and data science. He has over 18 years' experience, the majority of which has been spent in the banking sector across Africa.

Mr. Lalusha holds a Master's Degree in Business Administration in International Business from the University of Greenwich, London, UK, a Master's Degree in Information Systems Management from the University of Greenwich, London UK, a Bachelor of Science in Computer Science from the University of Zambia and various professional certifications. He is a Fellow of the Information and Communication Technology Association of Zambia (ICTAZ) and a member of the Information Systems Audit and Control Association (ISACA).

Prior to Joining NAPSA, Mr. Lalusha served as a Group CIO for Fidelity Bank Ghana where he was responsible for the technological and digital innovations for the bank and its subsidiaries. Before joining Fidelity Bank, he served as the Group CIO - Banking and Financial services, for Equity Group Holdings, Kenya; where he was responsible for the IT infrastructure, digital platforms as well as the IT Service management of the whole Group. Mr. Lalusha was also CIO for ABSA Bank PLC, Zambia, where he played an instrumental role in implementing the Technology separation project which involved migrating IT systems from Barclays Bank, UK to ABSA Bank, SA.



**Mr. Christopher Lalusha**  
Director Information and  
Communication Technology

Mrs. Mutambo is a seasoned legal practitioner with 29 years of experience, predominantly within the public sector. Her extensive legal career has been marked by providing strategic legal support to various statutory bodies, covering a broad spectrum of practice areas including transactional advisory, legal risk management and mitigation, regulatory compliance, board secretarial services, corporate governance, litigation, and alternative dispute resolution through mediation and arbitration. Her core areas of expertise include contract drafting and negotiation, advisory on investment legal frameworks, tax law, and general legal counsel across institutional mandates.

Mrs. Mutambo holds a Master of Laws (LL.M) degree in Maritime Law and a Bachelor of Laws (LL.B) degree from the University of Zambia. She is an Advocate of the Superior Courts of Zambia and a member of the Law Association of Zambia.

She joined the National Pension Scheme Authority (NAPSA) in 2018 as Legal Manager – Contracts. Prior to this, she served in key legal roles at several prominent statutory bodies including the Zambia Revenue Authority (ZRA), the National Road Fund Agency (NRFA), and the Tax Appeals Tribunal (TAT), where she contributed to strengthening institutional legal frameworks and promoting sound governance practices.



**Mrs. Chola G. C. Shapi Mutambo**  
Acting Authority Secretary

Mr. Chabwe is a seasoned pension finance professional with over 15 years of experience in pension fund management, underpinned by a robust background in actuarial science and research. He has played a pivotal role in shaping strategic direction within the Authority, having provided visionary leadership as Chair of the Strategic Core Team for over eight years. In this capacity, he was instrumental in the development and execution of the Authority's Strategic Plans.

Mr. Chabwe holds a Master of Science degree in Finance from the Business Graduate School of the University of Mauritius. He is further certified in Actuarial Practice and Investment of Pension Funds from the International Training Centre of the International Labour Organization (ILO) in Turin, Italy. His professional qualifications also include certifications in Corporate Valuation from the EuroMoney EMEA Institute (USA), Practical Actuarial Training from the United Kingdom's Government Actuary's Department, as well as various pension governance certifications from the International Social Security Association.

Before his tenure at NAPSA, Mr. Chabwe served for over seven years at Plan International, where he held the position of Resource Mobilization and Project Implementation Manager. His portfolio included health financing, social health insurance, planning and budget execution, infrastructure planning, monitoring and evaluation, and coordination with cooperating partners.



**Mr. Patrick Chabwe**  
Acting Director Strategy and Business Performance

Mrs. Chiyassa is a highly skilled human resources practitioner with over 20 years' of experience in the public sector and statutory organizations. She has extensive experience in organisation design, performance management, change management, collective bargaining and industrial relations, human resource information systems as well as policy formulation and review.

She possesses a Master of Science Degree in Human Resource Management from Heriot Watt University, UK, a Master of Laws Degree in Labour Law from the University of Lusaka (UNILUS) and a Bachelor of Arts Degree in Sociology and Public Administration from the University of Zambia. She is also a Fellow of the Zambia Institute of Human Resource Management (ZIHRM) and a Member of the Chartered Institute of Personnel Development (CIPD), UK.

Prior to her appointment to the role of Director Human Resource and Administration, Agness held various positions including Industrial Relations Manager, Training & Development Manager, Administration Manager and Senior Human Resources Manager, since joining NAPSA in 2002.



**Mrs. Agness M. Chiyassa**  
Director Human Resource and Administration

Mr. Malupenga is a seasoned, results-driven senior executive with over 29 years of progressive experience in finance and accounting, investments, audit, risk management, and human resource management within Zambia's multibillion kwacha organizations. Renowned for his solid leadership and interpersonal skills, he consistently fosters strong relationships across all levels of staff and management. He has extensive experience in financial strategy and organizational transformation, with a commitment to maintaining the highest standards of professional conduct and promoting good corporate governance principles.

Mr. Malupenga holds a Bachelor of Accountancy (BACC) degree from the Copperbelt University, Zambia, fellowship with both the Association of Chartered Certified Accountants (ACCA), (UK) and the Zambia Institute of Chartered Accountants (ZICA).

Prior to joining NAPSA, he held various senior leadership roles which included Chief Financial Officer at Zamtel, Group Director - Finance and Investments at Zambia State Insurance Corporation, and Energy Regulation Board, where he was Director - Finance and Administration.



**Mr. Joshua Malupenga**  
Director Finance

Mr. Msusa is a seasoned social protection practitioner with over 27 years of experience in social security administration, compliance management, and operational transformation. He has built a strong track record in modernizing contributions collection systems, implementing large-scale benefit programs, and driving digital transformation within the pension sector.

His leadership was instrumental in the successful implementation of the Pre-Retirement Benefit program, which saw the efficient processing of over 400,000 claims within a four-month period. Mr. Msusa also spearheaded the transition of employers to NAPSA's digital platform, eNAPSA, significantly improving compliance and streamlining operational workflows.

He holds a Master of Science degree in Social Protection Financing from the University of Mauritius, a Diploma in Management Accounting from the Chartered Institute of Management Accountants (UK), and a Bachelor of Science degree in Production Management from the Copperbelt University, Zambia.

Prior to his appointment as Director, Mr. Msusa held several senior leadership positions within NAPSA, including Head Contributions and Benefits Manager. His areas of expertise include pension administration implementation, risk mitigation, and corporate governance, making him a key driver of innovation and efficiency in the Authority's service delivery and policy execution.



**Mr. Asa Msusa**  
Acting Director Contributions and Benefits

With over 25 years of experience in the financial services sector, Mr. Chundu brings deep expertise in risk management, governance, compliance, and operational oversight. His extensive professional background positions him as a strategic leader in fortifying the Authority's risk management framework and ensuring alignment with international best practices in governance and risk management.

Mr. Chundu holds a Master of Business Administration (MBA) from the University of Cape Town Graduate School of Business, and a Bachelor of Science in Financial Services from the University of Manchester Institute of Science and Technology. He is also a certified Enterprise Risk Management professional through the Institute of Risk Management.

Since joining the Authority in January 2018, Mr. Chundu has played a central role in enhancing institutional resilience and risk culture. He initially served as Head of Risk before his elevation to the position of Director of Risk, where he continues to lead efforts in embedding sound risk governance and strategic risk management across the organization.



**Mr. John Chundu**  
Director Risk

Mr. Mwansa is a seasoned Quantity Surveyor with over 20 years of professional experience in building and civil engineering construction management. He brings a wealth of practical expertise in project and construction management, contract administration, urban development, infrastructure planning, building maintenance, and facilities management.

He holds a Master of Science degree in Urban Management and Development, with a specialization in Urban Environmental and Infrastructure Management from the Institute for Housing and Urban Development Studies (IHS) at Erasmus University in Rotterdam, Netherlands. He also holds a Bachelor of Science degree in Building Science from the Copperbelt University. Mr. Mwansa is a member of both the Engineering Institution of Zambia (EIZ) and the Zambia Institute of Quantity Surveyors (ZIQS).

Before joining NAPSA, Mr. Mwansa served as Resident Engineer at the University of Zambia (UNZA), where he was responsible for managing the construction, rehabilitation, and maintenance of both academic and support infrastructure, including institutional housing across the main campus, satellite facilities in Lusaka, and regional centers. Prior to that, he held the position of Director of Works at Siavonga and Mambwe District Councils, where he led the planning, supervision, and coordination of infrastructure development projects, land administration, and physical/spatial planning at the district level.



**Mr. Mervin Mwansa**  
Acting Director Projects

Mr. Sichizya is a renowned investment professional with over 21 years' of diverse industry experience, his expertise spans across a spectrum of domains, including financial management, pension administration, investment management, risk management and insurance.

He holds a Bachelor of Accountancy Degree and a Master of Science Degree in Insurance and Pensions Management. Mr Sichizya is also a Chartered Accountant and a Fellow of both the Association of Chartered Certified Accountants, (ACCA) and the Zambia Institute of Chartered Accountants (ZICA). Additionally, he underwent executive leadership development under a 10-month programme with the University of Oxford, Said Business School, UK.

Prior to joining NAPSA, he held senior executive positions including roles of Chief Financial Officer (CFO) and Chief Operating Officer (COO) in leading insurance companies in Zambia where his financial stewardship and business leadership played a crucial role in navigating complex challenges and driving organisational growth and success.



**Mr. Matete M. Sichizya**  
Director Investments

# 2024 IN PICTURES



## Enhancing Connectivity, Bolstering Trade and Stimulating Growth

President of the Republic of Zambia, Mr Hakainde Hichilema, at the ground breaking ceremony of the Lusaka-Ndola dual carriageway project in which NAPSA invested \$300 million.



## Collaborating for Prosperity of all Zambians

President of the Republic of Zambia, Mr Hakainde Hichilema (right), at the NAPSA 2024 CAMINEX stand. The President expressed enthusiasm about NAPSA's contributions and emphasized the importance of continued collaboration between NAPSA and the Zambian government in driving economic growth and prosperity.



## Clean Water Is a Basic Necessity for Human Survival

To support government's efforts to provide safe and clean water to communities, NAPSA sunk a total of nine (9) boreholes at different schools around the country.



## NAPSA Stakeholders' Forum - 2024

Minister of Labour and Social Security, Hon. Brenda Mwika Tambatamba, MP giving her keynote speech at the forum.



## Investing in Energy to Drive Development

President of the Republic of Zambia, Mr Hakainde Hichilema, during the ground breaking ceremony for the construction of the Maamba Collieries Power Plant's Phase II project.



## Public Service Excellence

Her Honour the Vice President, Madam W.K. Nalumango (centre) commended NAPSA's efforts in empowering a citizen-centric public service and commended our continuous improvement in service delivery at the 2024 Public Service Day commemoration.



## NAPSA Stakeholders' Forum - 2024

Engaged and attentive delegates marked the discussions and presentations at the 2024 NAPSA Stakeholders' Forum.



## Supporting the Provision of Quality Health Care Services to the Community

Western Province Minister, Hon. Akapelwa Mbangweta, MP (5th from left) with NAPSA and Hospital staff during the donation by NAPSA of a wide array of essential medical equipment to Lewanika Genera Hospital in Mongu to mark the hospital's 100 years of service.



## Joining Hands with Government in Addressing Health Challenges

NAPSA Director General, Mr Muyangwa Muyangwa (4th from left) Hands over a cheque of K500,000 to then Minister of Health Hon. Sylvia Masebo, MP (4th from right) towards efforts to contain the spread of cholera.



## Inclusive Socio-economic Growth Through Extension of Coverage to the Arts Industry

NAPSA Director General, Mr Muyangwa Muyangwa (left) hands over a cheque of K400,000 to the Hon. Minister of Mines and Minerals Development Mr Paul Kabuswe, MP (right) towards the 2024 National Arts Festival.



## Shaping Development Through Student Engagement

An awareness campaign was held at the University of Zambia to engage students on NAPSA's mandate and the broader importance of social security.



## Strengthening Media Awareness on NAPSA's Role

Journalists participated in workshops held in Siavonga, Chipata and Solwezi to deepen their knowledge of NAPSA's mandate and its impact on Zambia's social security system and economy.

# ECONOMIC IMPACT OF NAPSA ON THE ZAMBIAN ECONOMY

To grow collected pension contributions in order to pay adequate benefits to qualifying members, the Authority invests in various sectors of the economy thereby contributing to national economic development.

## Infrastructure Development

The Authority invests in infrastructure projects such as roads, power generation and commercial properties to foster economic development through improved connectivity, increased energy capacity, and employment opportunities. Following the positive return yielded from investment in the Chingola – Solwezi Road in 2023, the Authority, in 2024, participated in a US\$650M upgrade of the Lusaka-Ndola dual carriage way, a key economic gateway to the Copperbelt Province of Zambia. The impact of the Authority's investment in transport infrastructure fosters economic development in the country by enabling trade and creating jobs.

In addition, the Authority participated in the construction and installation of an additional 300 MW power plant at Maamba Collieries Limited through a facility priced at 9% for a tenor of 10 years and at a total cost of US\$200 million. The Authority's investment in the project is a contribution to improving energy security in the country thereby fostering trade and economic development.

To help cushion the national housing deficit, in June 2024, the Authority launched the NAPSA Lilayi Estate which offers 2,249 fully serviced plots for sale. This is one of several investments in real estate engaged in by the Authority to contribute to the nation's real estate infrastructure.

The two major infrastructure projects launched by the Authority in 2024 are expected to create more than 4,000 direct and about 24,000 indirect employment opportunities for Zambians. Investing in infrastructure contributes to the economic development and societal well-being, aligning with NAPSA's mission, the government's agenda espoused in the Eighth National Development Plan, Vision 2030 and the increasing focus on Environmental, Social and Governance (ESG) criteria.

## Financial Sector

### Supporting the Capital Markets

The Authority is a major institutional investor with investments in 15 public companies listed on the Lusaka Securities Exchange LuSE, contributing to stock market liquidity and price stability. The presence of the Authority in the capital markets attracts other institutional and foreign investors by signalling confidence and long-term commitment. NAPSA's investments in government securities, term deposits and equities strengthen capital markets and contribute to economic stability.

### Supporting the Financial Services Sector

The Authority has investments in 18 banks and microfins, holding significant deposits in commercial banks, thereby enhancing their liquidity and ability to provide loans to businesses and individuals. This promotes financial intermediation, where banks can efficiently channel savings into productive investments. By investing in various financial instruments, NAPSA contributes to the stability and depth of Zambia's financial sector.

### Employment Creation

Through its investments in various sectors, NAPSA creates employment opportunities. Construction projects, for instance, generate jobs in the construction industry, while investments in businesses support ongoing employment. This in turn, enhances household incomes and increases domestic consumption, stimulating further economic activity in the country.

### Economic Diversification

NAPSA's investments extend to private equity, providing capital to small and medium-sized enterprises (SMEs). Given that SMEs are the backbone of Zambia's economy, such investments promote business growth, innovation, and economic diversification, reducing reliance on traditional sectors such as mining.

## Enhancing Social Security and Economic Resilience

By ensuring sustainable returns on investments, NAPSA secures the retirement benefits of qualifying members, promoting financial security for pensioners. This not only reduces the burden on the government but also supports continued consumer spending by retirees, which is essential for economic resilience.

In general, it must be noted that NAPSA's investment activities have a significant multiplier effect on the Zambian economy. Through infrastructure development, financial sector support, job creation, SME funding, and social security enhancement, the Authority contributes to sustainable economic growth. Ensuring prudent fund administration is key to maximizing these benefits and securing long-term economic stability for Zambia.



# TRANSITIONING TO ZERO-DAYS:

## Data Cleanup and Service Quality Enhancement Initiative.

As part of the Authority's commitment to data integrity, operational efficiency, and prompt benefit payout, the Authority commissioned a comprehensive data cleanup exercise for the next three years (2025-2027). This initiative is broadly aimed at enhancing the accuracy and completeness of member records and ensuring seamless pension benefit administration. The initiative is a strategic journey to realize the **zero-days** benefit claim turnaround time and revolutionize customer experience.

### Objectives of the Data Cleanup Exercise

The key goals of this initiative are to:

- Address delayed payment of benefits, and incorrect benefit computation due to unresolved employment history flagged issues and return anomalies on member accounts.
- Identify and rectify inconsistent, incomplete, or duplicate member records.
- Improve data governance for enhanced reporting and decision-making.
- Increase capacity to resolve member identity anomalies and other KYC challenges on member accounts.
- Contribute to realization of the **zero-days** benefit turnaround and revolutionize customer experience.
- Resolve data discrepancies that are slowing down the penalty waiver uptake.
- Mitigate against remarkably high legal risk and corresponding reputational risk for the Authority that may arise because of the above challenges.
- Strengthen systems integration for real-time data validation and monitoring.

### Current State of NPS Data

- Member and employer records are plagued by various data quality issues, which if left unresolved, threaten the realization of the ambitious **zero-days** benefit turnaround milestone.
- With an active membership of over 1 million, the data clean up exercise is expected to resolve over 25.6 million contribution queries relating to various member account anomalies including missing contributions, stray contributions and duplicated contributions that members have reported this far on the eServices portal.
- These anomalies currently affect 70,867 employers and 538,150 members that have onboarded on the Authority's e-Services platforms. The number of queries is expected to increase as more employers and members sign-up on the Authority's eServices platforms.
- It is also worth mentioning that the Authority sits on 27,950 unposted returns affecting 6,226 employers totalling over K136.5 million. Further, there are over 244,746 unbalanced returns relating to payments made of around K3.64 billion affecting 21,376 employer accounts. In addition, 698,488 active members have missing KYC information such as mobile number, beneficiaries details, verified identity etc while 28,890 members share the same national registration number.

### Potential Impact of Data Clean Up Project on Operations

With the pension landscape continually changing, it is imperative that the Authority keeps up with the pace in order to be efficient. The consequence of unresolved employment history issues, return anomalies on member accounts and missing bio data is delayed payment of benefits, and incorrect benefit computation including challenges in authenticating the identity of members and/or beneficiaries at claim stage. Further, this poses a high legal and reputational risk for the Authority, including financial loss arising from fraudulent claims.

The data cleanup project is expected to reduce processing times for member benefit claims and improve stakeholder confidence in the reliability of pension fund records. Automation of the Authority benefits processes is aimed at streamlining operations and improving efficiency. The Authority remains dedicated to upholding the highest data quality standards to ensure the long-term sustainability and credibility of its pension administration processes.

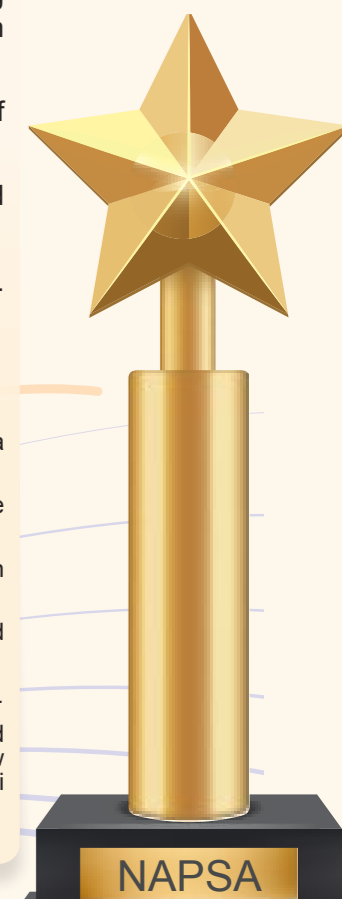
# ACCOLADES



- ★ 2024 Integrity Champion award from Anti-Corruption Commission.
- ★ Most Disruptive ICT Solution of the Year Award, Application Solution Excellence Award, Most Innovative Public Sector ICT Initiative of the Year Award, Excellence in Emerging Technology of the Year Award and ICT Leadership Award of the Year from Information and Communications Technology Association of Zambia (ICTAZ).
- ★ First Place 2023 Best Digital Media Campaign awards from The Zambia Institute of Public Relations and Communication. Awarded in March 2024.
- ★ Most Supportive Employer award from Zambia Union of Financial Institutions and Allied Workers.
- ★ Most Customer-Centric Public Institution award at the Africa Public Service Day in Ndola.
- ★ Public Sector Excellence Award from the CEO Africa Roundtable Zambia.

### Shows

- ★ First Prize under the Non-Financial Institution and Best Pension Scheme Categories at the Lusaka Agricultural and Commercial Show.
- ★ First Prize awards under the Non-Financial Institution and Social Security Schemes Categories at the Zambia International Trade Fair in Ndola.
- ★ First Prize under the Overall Category at the Southern Tourism, Agriculture and Commercial Show in Livingstone.
- ★ First Prize under the Financial Service Non- Banking Category at the Eastern Province Agricultural and Commercial Show in Chipata.
- ★ First Prize under the Parastatal Category at the Luapula Agricultural and Commercial Show in Mansa.
- ★ First Prize under the Best Quasi-Government Category at the Central Province Agricultural and Commercial Show, the North-Western Provincial Agricultural, Industrial, Mining and Commercial Show and at the Muchinga Province Agricultural and Commercial Show in Kabwe, Solwezi and Chinsali respectively.



# CONNECTING WITH YOU

Our Touchpoints



**284,391**

Digital enquires through Webchats.  
1.6 million in 2023 ↓



**203,981**

Facebook Followers  
184,400 in 2023 ↑



**63,025**

LinkedIn Followers  
45,550 in 2023 ↑



**3,875**

X Followers  
3,660 in 2023 ↑



**57,113**

Calls attended to  
19,500 in 2023 ↑



**20,750**

Emails  
63,500 in 2023 ↓



**2,560**

YouTube Followers  
1,090 in 2023 ↑



**31**

Service Centres  
30 in 2023 ↑

**629,913**

Total Engagment and Following ↓  
2.1 million in 2023.



**NAPSA Investments ensure long-term financial stability so you can live free knowing your future and that of your loved ones is secured.**

[www.napsa.co.zm](http://www.napsa.co.zm)

# NAPSA AT A GLANCE

## Ensuring the Growth of the Scheme

### Member Registration



**3.3 million**  
Total Registered Members.

**1.1 million**  
Active members who have made at least one contribution in the past 12 months.

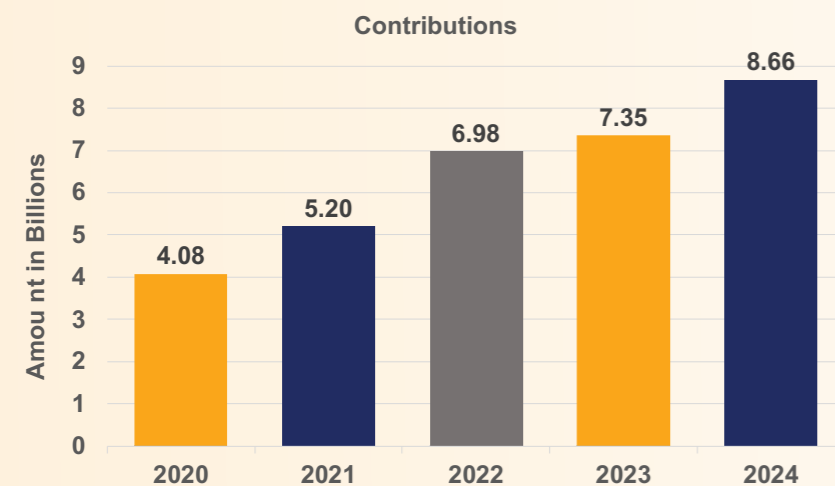
### Employer Registration



**72,529**  
Total Registered Employers.

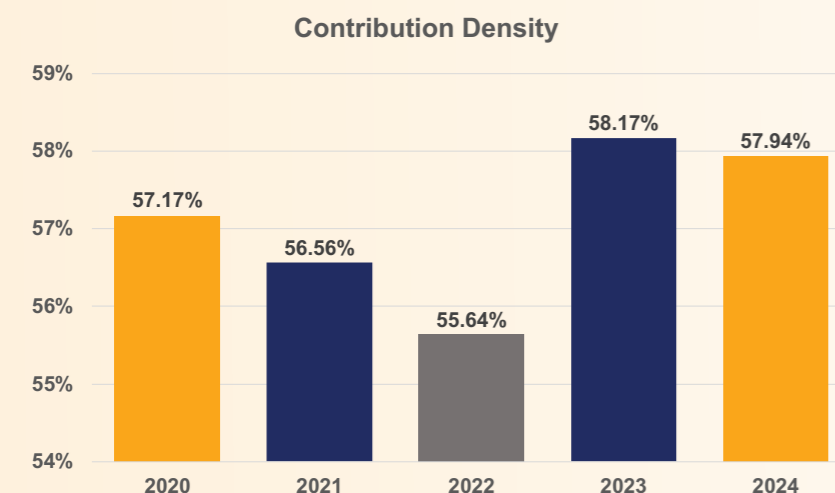
**44,913**  
Active Employers.

### Income and Compliance



**ZMW 8.66 billion**  
Pension Contributions.  
ZMW 7.4 billion in 2023, increased by 17.8%.

**1.14%**  
Collections as Percentage of GDP.



**42%**  
Compliance Rate for 2024.<sup>1</sup>  
27% in 2023.

• 652,000 Members with all 12 contributions in FY 2024 compared to 575,000 in FY 2023.

**58%**  
Contribution Density.  
55% in 2023, increased by 3 percentage points.

**40**  
Dependence Ratio.<sup>2</sup>  
42 in 2023.

Compounded Annual Growth Rate of the contribution density over the five-year period was 0.267%

<sup>1</sup>A compliant employer refers to an employer that has made all 12 contributions in a year  
<sup>2</sup>Ratio of the total number of active contributors to the total number of pensioners

## Guaranteeing Income Security for Members



**0.3**  
Benefit Ratio.<sup>3</sup>

**ZMW 2.6 billion**  
Total Benefits Paid

**ZMW 1.29 billion**  
Paid in NPS Lumpsum Benefits.  
ZMW 11.3 billion in 2023, decreased by 89%.  
Decrease was on account of reduction in PRB claims after the peak in 2023.

**ZMW 584.9 million**  
Indexation and Interest

**ZMW 638,876**  
Highest Lumpsum (NPS).  
ZMW 499,803 in 2023.

**11,945**  
ZNPF Claims Paid.  
44,713 in 2023. Decreased by 73.3% in 2024.

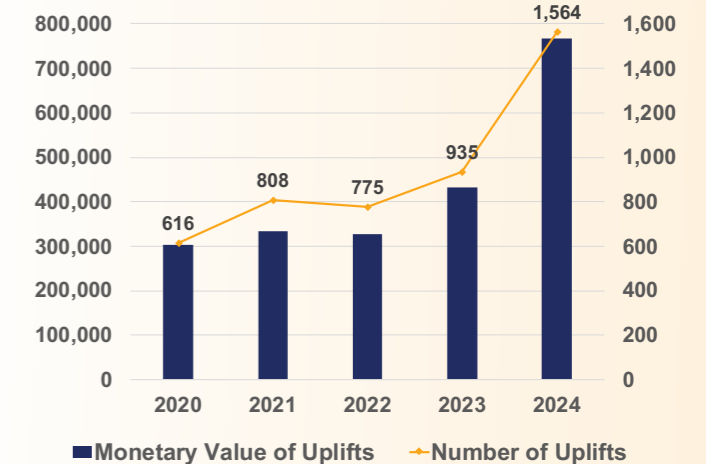
**ZMW 497.5 million**  
Total paid in ZNPF Benefits.  
ZMW 1.4 billion in 2023, decreased by 64.4%.

**ZMW 280,633.51**  
Highest Lumpsum (ZNPF).  
ZMW 228,246 in 2023.

**ZMW 28.5 million**  
Paid in Funeral Grants.  
ZMW K23.7 million in 2023, increased by 20%.

<sup>3</sup>Total Benefits paid as a proportion of total contributions collected in 2024

### Financial Impact of Pension Uplifts



Uplifts provide a hedge against inflation by providing adequate purchasing power to Pensioners.

**ZMW 766,491**  
Financial Impact of Uplifts.

**ZMW 1,357**  
Highest Uplift to Minimum Pension.  
ZMW 1,134.7 in 2023.

**27,797**  
Pensioners on the payroll.  
24,183 in 2023. Increased by 14.9% in 2024.

**ZMW 816.6 million**  
Paid in NPS Pensions.  
ZMW 674.3 million in 2023, increased by 21.1%.

**41.56%**  
Pensioners receiving monthly pensions equal or above the lowest sector minimum wage.

**ZMW 9,456.20**  
Highest Monthly Pension.  
ZMW 8,094 in 2023.

**ZMW 1,491**  
Minimum Retirement Pension.  
ZMW 1,342 in 2023, increased by 11.1%.

# NAPSA AT A GLANCE

## Guaranteeing Income Security for Members

### Pre-retirement Lumpsum Benefit - "20% Partial withdraw"

Addressing members needs today..

Giving members access to part of their accrued benefits before retirement for investment.

ZMW **727.1** million  
Paid in PRB claims in 2024.  
ZMW 9.2 billion in 2023.

ZMW **170.3** million  
Paid to 9,167 women.

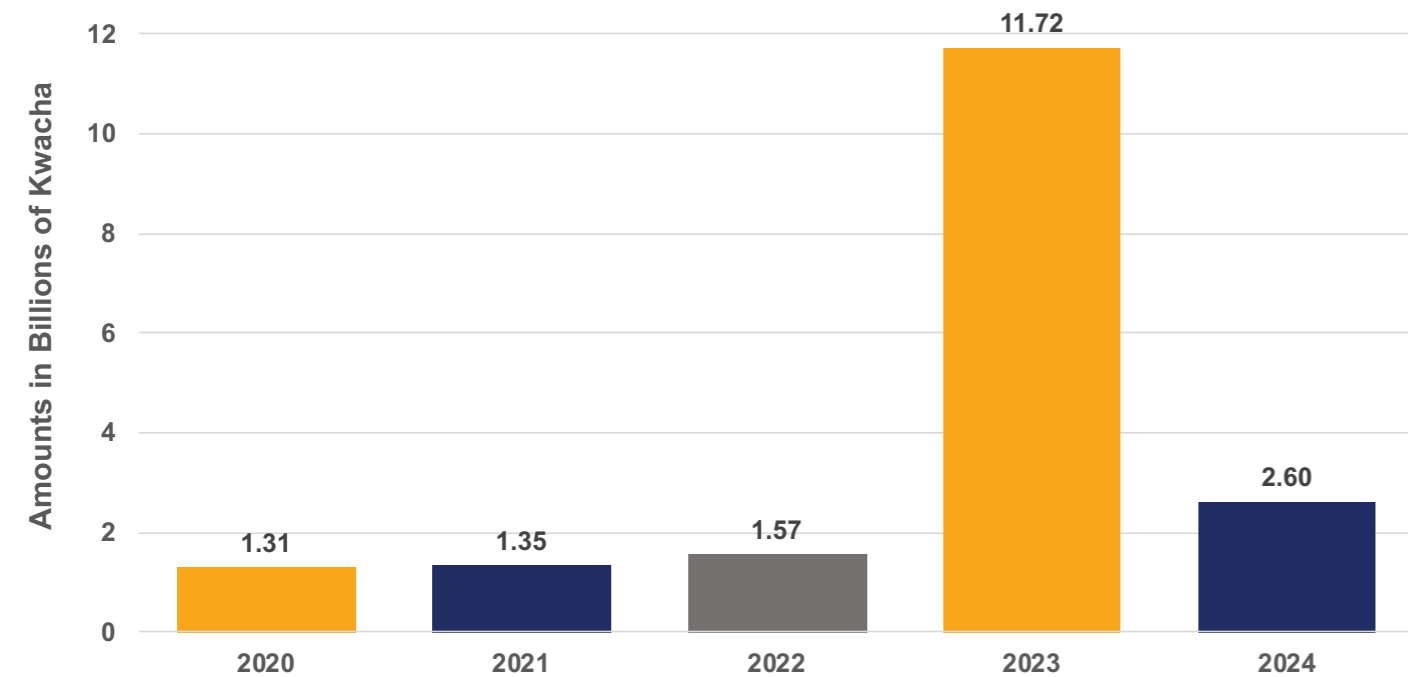
ZMW **225.8** million  
Paid to 18,871 youths.



ZMW **9.91** billion  
Total Cumulative Amount Paid.

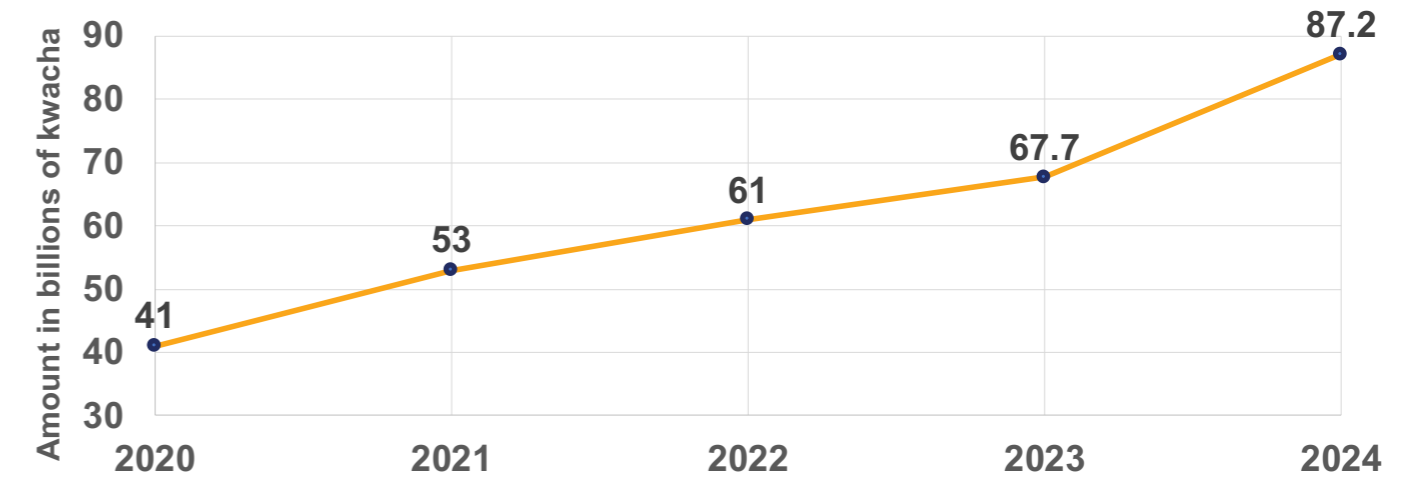
**42,856**  
Members Paid in 2024.  
434,885 in 2023, decreased by 90%.

### Trend in Total Benefits Paid



## Prudential Administration of Member Funds

### Portfolio Growth - Fair Value

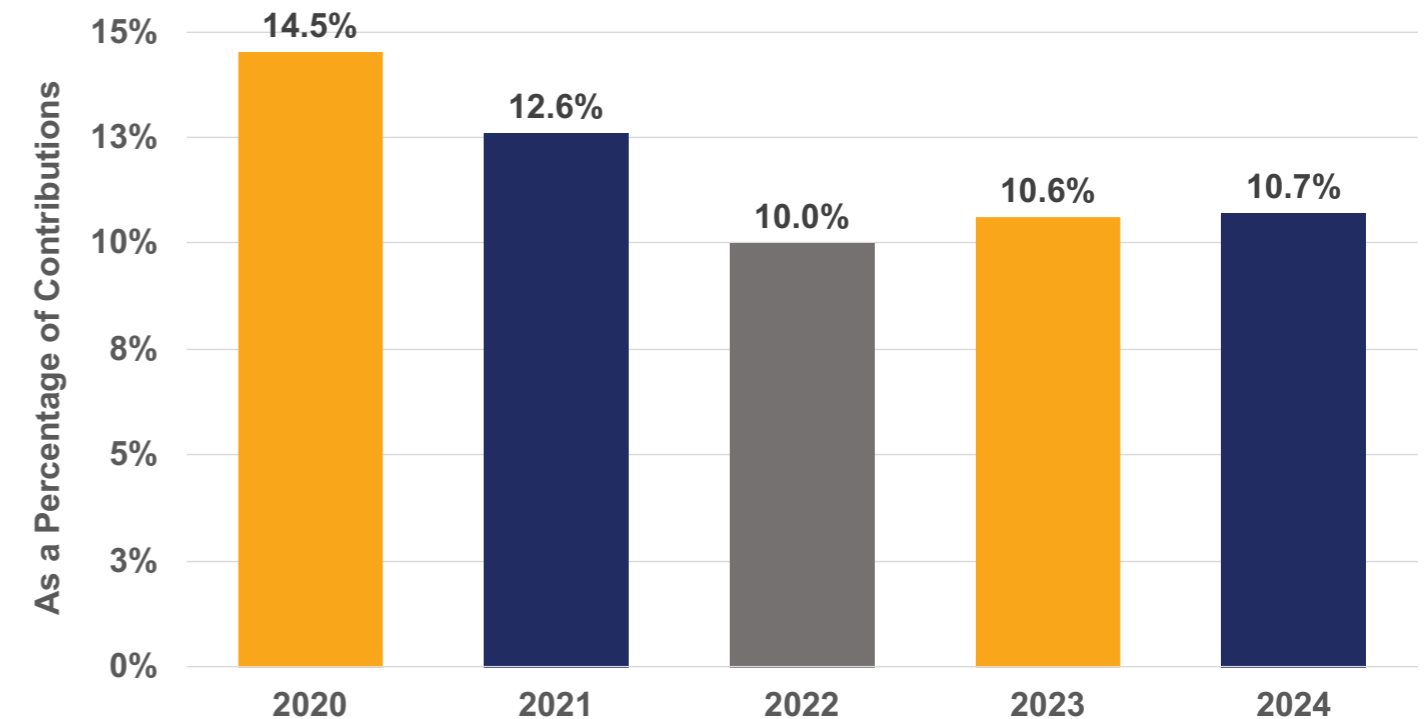


ZMW **87.2** billion  
As at 31 December 2024  
ZMW 67.7 billion in 2023, increased by 28.8%.  
The growth in portfolio was attributed to positive investment return of 14%.

ZMW **1.8** billion  
Valuation gains in real estate ↑

**82.7%**  
Funding Level.<sup>4</sup>

### Ratio of Administrative Expenses to Contributions Collected

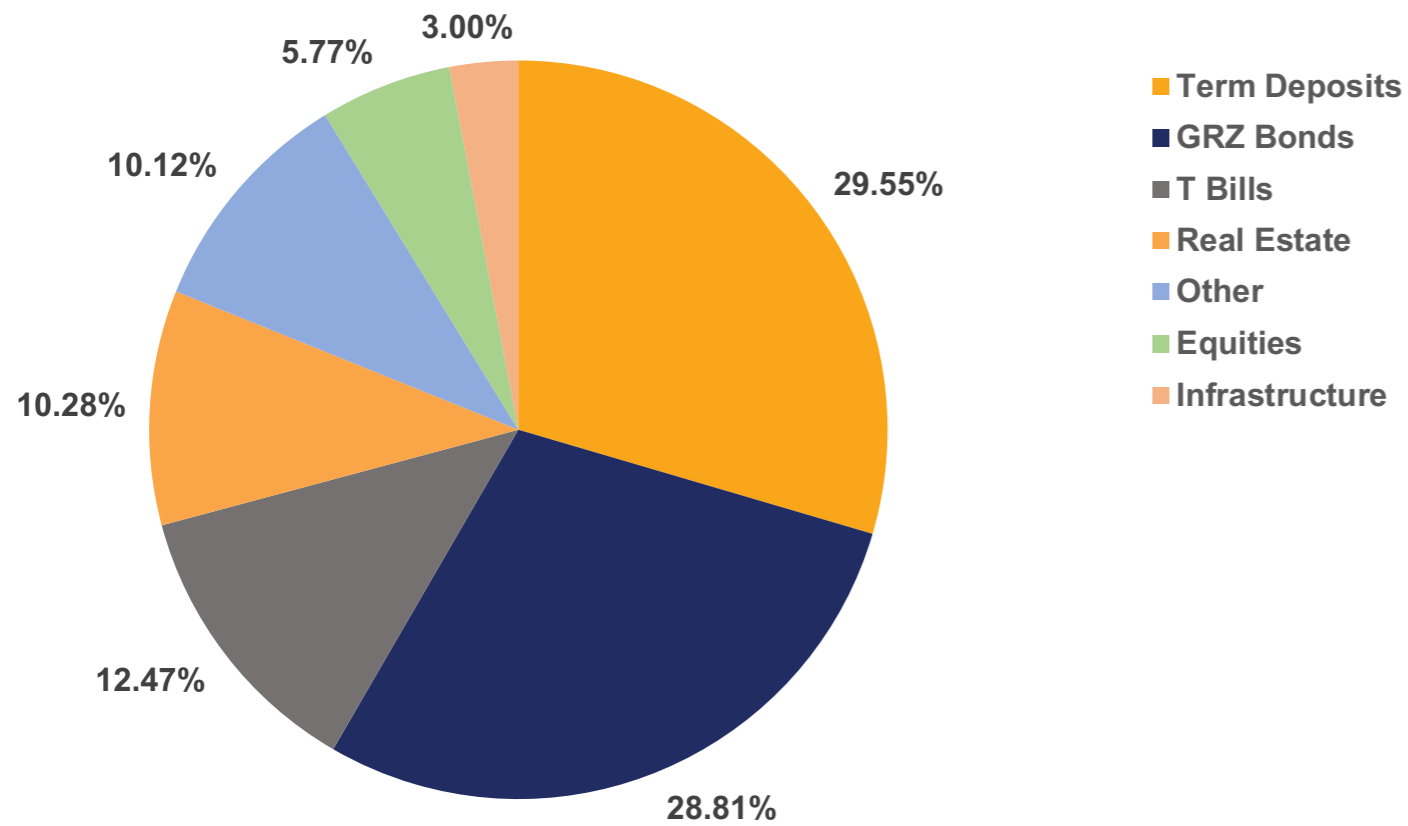


The Authority's administration cap is 15% of contributions collected. The scheme's spending is well managed and currently below the set threshold.

# NAPSA AT A GLANCE

## Supporting Economic Growth and Guaranteeing member Benefits

### Portfolio Composition



All asset classes fell within the allowable investment limits. The Authority does not have investments in Corporate Bonds and Collective Investment Schemes.

### Portfolio Return



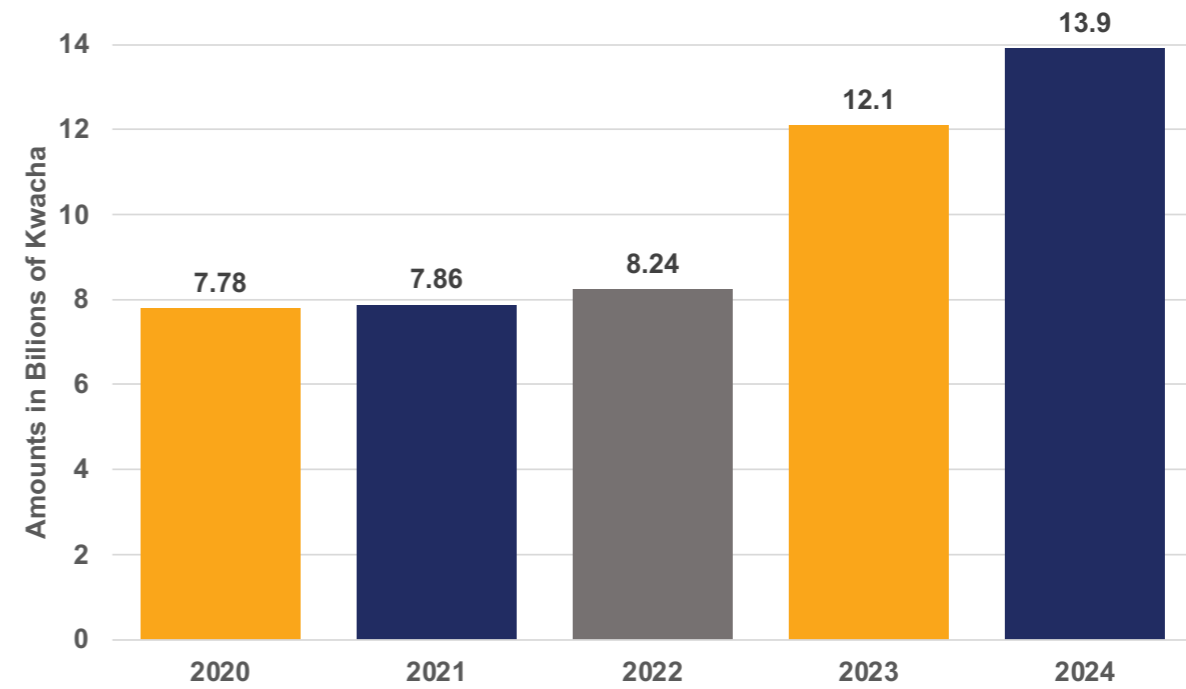
**14%**  
Year-to-date return of portfolio.  
12.6% in 2023.  
The increase in portfolio return can be ascribed to profitable investments undertaken by the Authority

### Portfolio Revenue

ZMW **13.9** billion

Portfolio Revenue.

ZMW 12.1 billion in 2023. Increased by 14.9% in 2024.



### Supporting Capital Market Growth

#### Listed Equity

NAPSA has invested in 15 out of the 23 listed companies on the Lusaka Securities Exchange and 4 unlisted companies. NAPSA's investee companies have a combined market capitalisation of over 5.5 billion and generate approximately ZMW 69 billion in annual revenue and support approximately 27,500 jobs to the Zambian economy.



ZCCM Investments Holdings (ZCCM-IH)

**15%** Shares  
**ZMW 1.5 billion** Market Capitalisation



Zambia Sugar

Zambia Sugar (ZAMSUGAR)

**9.7%** Shares  
**ZMW 1.1 Billion** Market Capitalisation



Zambia National Commercial Bank (ZANACO)

**9.7%** Shares  
**ZMW 777 million** Market Capitalisation



Zambia Forestry and Forest Industries Corporation (ZAFFICO)

**25%** Shares  
**ZMW 300 million** Market Capitalisation

# NAPSA AT A GLANCE

## Supporting Capital Market Growth Listed Equity



Puma Energy Zambia (PUMA)

**10%**  
Shares  
**ZMW 289 million**  
Market Capitalisation



Chilanga Cement (CHILANGA)

**4.8%**  
Shares  
**ZMW 242 million**  
Market Capitalisation

## Supporting Capital Market Growth Listed Equity



Real Estate Investments Zambia (REIZ)

**0.7%**  
Shares  
**ZMW 11.2 million**  
Market Capitalisation



AECI Mining Explosives (AECI)

**1.4%**  
Shares  
**ZMW 9.3 million**  
Market Capitalisation



Copperbelt Energy Corporation (CEC)

**1%**  
Shares  
**ZMW 218 million**  
Market Capitalisation



Standard Chartered Bank (SCBL)

**2.4%**  
Shares  
**ZMW 105 million**  
Market Capitalisation



National Breweries (NATBREW)

**2.2%**  
Shares  
**ZMW 4.2 million**  
Market Capitalisation



Zambeef Products (ZAMBEEF)

**8.3%**  
Shares  
**ZMW 52.8 million**  
Market Capitalisation



British American Tobacco Zambia (BATZ)

**3%**  
Shares  
**ZMW 25 million**  
Market Capitalisation

## Supporting Entrepreneurship and Business Growth

### Unlisted Equity

NAPSA plays a pivotal role in economic development. This is partly achieved by supporting entrepreneurship and business growth which in turn creates jobs, stimulates innovation and drive economic growth ultimately benefiting the nation at large.



Zambia Reinsurance (ZAMBIA-RE)

**14.3%**  
Shares  
**ZMW 17.3 million**  
Market Capitalisation



Metal Fabricators of Zambia (ZAMEFA)

**12.2%**  
Shares  
**ZMW 16.5 million**  
Market Capitalisation



Zambia Industrial Commercial Bank (ZICB)

**64.3%**  
Shares  
**ZMW 294 million**  
Market Capitalisation



MTN Zambia

**8%**  
Shares  
**ZMW 223 million**  
Market Capitalisation

# NAPSA AT A GLANCE

## Unlisted Equity



WONDERFUL GROUP

Wonderful Industries Zambia Limited

**35%** Shares  
**ZMW 165 million** Market Capitalisation



MARCOPOLO TILES

Marcopolo Tiles

**16.4%** Shares  
**ZMW 74 million** Market Capitalisation

## Strategic Investment

Addressing national energy, infrastructure and value addition challenges.



Maamba Energy Limited

**173** Jobs created



Lusaka-Ndola Dual Carriageway

**4,178** Jobs created



Kafue Gorge Lower Power Station

## Supporting tourism development.

NAPSA has investments in the tourism sector having 100% ownership in four (4) major hotels.



\*Closed following structural integrity issue



**759** Jobs created.

**608** Total Bed spaces.

**27** Farmers supported by the hotels through the supply of farm products.



# NAPSA COMPLIANCE CERTIFICATE IS NOW ONLINE

Visit [www.napsa.co.zm](http://www.napsa.co.zm) and get your compliance certificate today.



# 2024 NAPSA FINANCIAL STATEMENTS

## NATIONAL PENSION SCHEME AUTHORITY

### BOARD OF TRUSTEES, SENIOR MANAGEMENT AND PROFESSIONAL ADVISORS (CONTINUED)

#### PROFESSIONAL ADVISORS

##### LEGAL ADVISORS:

Legal Counsel  
National Pension Scheme Authority  
Levy Business Park  
P.O Box 51275  
Lusaka

##### AUDITORS:

Deloitte & Touche  
Deloitte Square  
P.O Box 30030  
Thabo Mbeki Road  
Lusaka

##### ACTUARIES:

Muhanna & co. Limited  
71 Limassol Avenue  
3rd Floor  
2121 Nicosia  
Cyprus

ZENIX Actuarial and Risk Consultants Zambia Limited  
Plot No. 5  
Sekou Toure Road  
Ridgeway Township  
Lusaka

##### BANKERS:

Zambia National Commercial Bank Plc  
Private Bag E119  
Lusaka

Citibank Zambia Limited  
P.O Box 30037  
Lusaka

Absa Bank Zambia Plc  
Private Bag E308  
Lusaka

Standard Chartered Bank Zambia Plc  
P.O. Box 32238  
Lusaka

Stanbic Bank Zambia Limited  
P.O Box 31955  
Lusaka

The Trustees of the National Pension Scheme Authority present their report for the year ended 31 December 2024, together with the audited financial statements.

**1.0 Introduction**

**1.1 Mandate**

The National Pension Scheme Authority ("NAPSA" or "The Authority") was established by the National Pension Scheme Act No. 40 of 1996 ("The Act"), as a body corporate with perpetual succession and a common seal, and became operational on 1st February 2000.

Under The Act, NAPSA administers a defined benefit scheme ("The Scheme") into which is paid all contributions authorised under The Act, and out of which all payments authorised under The Act are met.

From 2015 NAPSA also took over the liabilities of members who contributed to the saving Scheme previously established under the now repealed Zambia National Provident Fund ("ZNPF").

The Authority's head office is: Levy Business Park  
P O Box 51275  
Lusaka

**1.2 Trustees**

Under the provisions of The Act, the members of the Authority are the Trustees of the Scheme and are appointed by the line Minister in accordance with the provisions of The Act. Subject to these provisions, a Trustee shall hold office for a period of three years from the date of appointment and may be re-appointed for a like period. The Trustees who held office in 2024 have been listed on page 1.

The Act requires the Authority to prudentially manage The Scheme to ensure that at all times it is in a state of actuarial soundness, financially sustainable, fair in its benefit distribution and affordable.

In accordance with prudential principles therefore, the Board of Trustees assumes overall responsibility for internal controls, risk management, the maintenance of adequate accounting records and the safeguard of the scheme assets, as outlined in the Statement of Responsibility on page 18.

Under the provisions of The Act, the Trustees are required to meet for the transaction of business at least once in every three months at such places and at such times as the Chairperson may determine. In 2024, the Trustees met at least once in each quarter.

**2 Strategic Objectives achieved during the year 2024**

During the year 2024, the Authority achieved commendable performance across most key performance indicators. Total assets, investment income, cost of administration, and new member registrations all exceeded budget expectations. The Fund size grew to K87.2 billion, nearly reaching the 2022–2026 Strategic Plan target of K91.1 billion, 24 months ahead of the expected date of 31st December 2026.

The Authority recruited 183,490 members, increasing the number of active contributors to 1,103,648 in 2024, compared to 1,044,961 in 2023 (adjusted for deaths and retirements). The cost of administration to contribution income ratio stood at 11%, reflecting strong control over administrative expenditure. The overall performance for 2024 was rated as Level 3 (Satisfactory) on a scale of 1 to 5, with 5 being the highest rating.

The Authority conducted its business in line with its strategic plan, achieving the following objectives in 2024:

- i) The Authority invested USD300 million and USD200 million in the upgrade of the Lusaka- Ndola dual carriage way and Phase II 300 MW Power Project for Maamba Collieries Limited, respectively.
- ii) The Authority collected K8.66 billion as members' contributions compared to K7.35 billion collected in 2023, representing an increase of 18%.

**2 Strategic Objectives achieved during the year 2024 (continued)**

- iii) The Authority's Fund size increased to K87.2 billion against the strategic target of K91.1 billion and K67.7 billion achieved at the end of 2023.
- iv) The Authority's investment portfolio revenue for the Scheme amounted to K10.1 billion in 2024, reflecting a 18% increase from the K8.6 billion recorded in 2023. This growth was driven by higher rates and the improved performance of shopping malls during the year.
- v) The Authority continued to carry out interventions for ensuring beneficiaries, members, employers and other stakeholders have access to quality services. These interventions included widening the service provision network and digitalization. As a result, the Authority attained customer satisfaction level of 84% in 2024, as reported by Royal Research Ventures Limited.
- vi) The Authority continued to promote public awareness on the importance of social security. Social security education and promotion were provided through mainstream and local media outlets, exhibitions such as the Pensions Week, Customer Service Week, employer seminars, printed materials and the Authority's website.

**3 Operational Highlights for the year 2024**

**3.1 Supporting Role of the Authority in the National Economy**

The Authority remained pivotal in stimulating economic growth by funding investments across various sectors and providing benefits to its members. Through a diversified investment portfolio spanning different asset classes, the Authority contributed to the development of financial and capital markets by enhancing depth and liquidity. Additionally, benefits paid to members bolstered consumer spending power, ultimately driving demand for goods and services. In 2024, the Authority disbursed K2.6 billion (including ZNPF benefits totalling K497.6 million) in benefits, compared to K11.7 billion in 2023. Notably, pre-retirement benefits—a new benefit type introduced in March 2023—accounted for K727 million of the total payout, a significant decrease from K9.2 billion in 2023. This reduction in pre-retirement benefits contributed to a 78% overall decline in benefits payments in 2024.

On the investment front, the Authority reinvested **K47 billion** (2023: K45 billion) into various asset classes, primarily government securities, fixed-term deposits, and debt instruments. Investment funds were sourced from member contributions, coupon and maturity proceeds, real estate income, loan repayments, and dividends. The Authority's investments spanned multiple sectors, including infrastructure projects such as the Lusaka-Ndola dual carriageway upgrade (USD300 million) and the Phase II 300 MW Power Project for Maamba Collieries Limited (USD200 million). Both projects were financed on a drawdown basis, with a combined total of USD142.2 million disbursed, broken down into USD57.2 million to Maamba Collieries Limited and USD85 million allocated to MOIC-LN Consortium Limited.

By the end of the reporting period, the value of the Authority's investment portfolio increased by 28%, rising from K71 billion in 2023 to K90 billion in 2024.

**3.1.1 Overall Authority Performance**

The Authority recorded an increase of 29% in the Net Assets Available for Benefits to K87.2 billion from K67.7 billion achieved in 2023. The positive performance was attributable to:

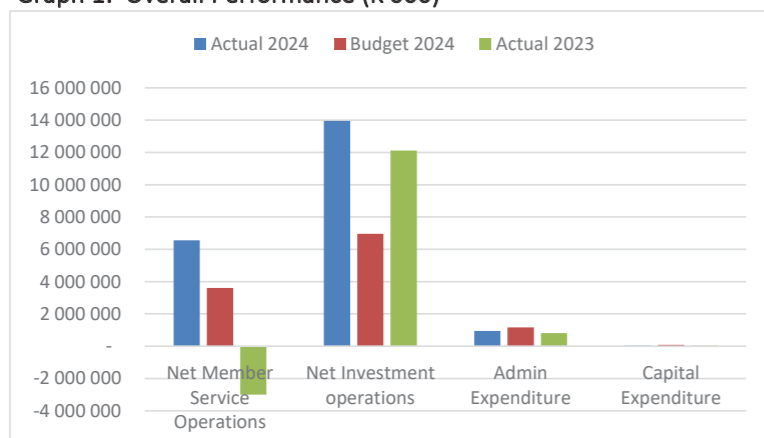
- i. favourable net investment performance;
- ii. favourable performance on contribution collections; and
- iii. control on administrative expenditure, which was 18% below budget.

3 Operational Highlights for the year 2024 (continued)

3.1.1 Overall Authority Performance (continued)

The overall performance is highlighted in the graph below:

Graph 1: Overall Performance (K'000)



3.2 Member Service Operations

3.2.1 The Scheme recorded K8.66 billion (inclusive of contribution receivables of K475 million) in contributions, an annual increase of 18% from the contributions of K7.35 billion in 2023. The increase is partly attributed to the upward adjustment in contribution ceiling by wage inflation of 11% from K2,684 in 2023 to K2,981.60, the contribution penalties totalling K193 million received from employers and consistent remittances from Government as employer. Generally, there was a noticeable improvement in compliance levels rated at 42% (2023: 27%) for 2024 among contributing employers, which was partly attributed to the positive externality from the introduction of the penalty waiver on contribution arrears.

The contribution rate remained at 10% of the employee's gross wages up to the monthly ceiling of K2,981.6 shared equally at 5% between the employer and the employee.

3.3 Membership, Contributions and Benefits trend

3.3.1 The five-year trend in both contributions and benefits paid are highlighted below in Tables 1 and 2:

Table 1: Trend in Contributions

Membership and Contributions	2024	2023	2022	2021	2020
Number of active employers	44 913	40 243	34 496	28 829	25 887
Number of active members	1 103 648	1 044 961	965 548	888 335	818 661
Average collection per month (K' millions)	708	602	560	429	335

Table 2: Trend in Benefits

Membership and Benefits	2024	2023	2022	2021	2020
Funeral grant per claim (K)	14 908	13 420	12 218	11 594	11 496
Minimum pension per member (K)	1 491	1 342	1 221	1 159	1 149
Highest pension per member (K)	9 456	8 094	7 201	6 631	6 486
Average monthly pension per member (K)	2 443	2 190	1 980	1 813	1 744
Highest lump sum per claim (K)	638 877	499 803	497 269	495 206	447 053
Number of pensioners	27 798	24 183	22 587	20 299	18 650
ZNPF payments( K' millions)	497	1 397	593	394	459

3 Operational Highlights for the year 2024 (Continued)

3.3 Membership, Contributions and Benefits trend (continued)

Table 1 and 2 above illustrate the steady increase in the Scheme membership and pensioners, respectively. The number of pensioners is growing at an average rate of 3,660 pensioners per annum.

During the year, 4,088 additional pensioners were included on the pension payroll while 2,283 were excluded mainly due to their omission to renew the life certificates and terminations due to death. The changes in the number of pensioners and the highest lump sum payment are summarized below:

- i. The number of new entrants in 2024 was 4,088
- ii. 2,283 pensioners were dropped from pension payroll due to:
  - a) Death: 312 pensioners died during the year;
  - b) Non-renewal of life certificates: 1,971 pensioners did not renew their life certificates
- iii. Highest paid lump sum was K638,876.71

3.4 Investments

3.4.1 The Scheme recorded overall net positive performance of K13.9 billion on investment operations, compared to K12.1 billion recorded in 2023. The bulk of income was from Treasury operations, mainly net interest income which was K9 billion in 2024 (interest income net of handling charge and withholding tax thereon), a positive variance of K0.4 billion (5%) in comparison to 2023. The Scheme's investment performance was driven mainly by the following factors:

- i. Investment of fresh funds amounting to **K5.2 billion** (2023: K3.0 billion) from member contributions in the 2024 financial year;
- ii. Increased investment in higher yielding Government securities at an average interest rate of 21.5%;
- iii. Interest income of **K731.5 million** (2023: K986 million) from loans under the Infrastructure asset class;
- iv. Increased interest income from fixed term deposits, owing to favourable market conditions;
- v. Net capital gains on listed securities amounting to **K1.3 billion** (2023: K813.6 million) (Note 15.1);
- vi. Net capital gains on unlisted equities amount to **K529 million** (2023: K885 million in net capital losses) (Note 15)
- vii. Net revaluation gains on Government securities amounting to **K2.28 billion** (2023: K629 billion) ; and
- viii. Provision for expected credit losses of **K371 million** (2023: K555 million in recovery) on financial assets, attributed mainly to Kafue Gorge Lower (K123 million), Maamba Collieries Limited (K79 million) and MOIC-LN Consortium Limited (K119 million).

3.4.2 The Authority has complied with the approved limits in the Investment guidelines under SI 19 of 2018. The Investment portfolio held at the end of the year 2024 is shown in Table 3 below.

Table 3: Investment Portfolio

(Kwacha Thousand)

Net investments	Net	% of total	Net	% of total
	2024	portfolio	2023	portfolio
Government securities	38 644 326	42.85%	33 380 087	47.29%
Fixed Term Deposits	21 543 116	23.89%	14 299 065	20.26%
Medium Term Notes	462 938	0.51%	456 882	0.65%
Shares in listed and unlisted corporations	6 236 806	6.92%	4 411 955	6.25%
Loans and advances	10 447 863	11.59%	6 960 956	9.86%
Housing inventory	1 423 845	1.58%	485 222	0.69%
Investment properties	7 098 469	7.87%	7 728 150	10.95%
Cash deposits	4 319 873	4.79%	2 858 538	4.05%
<b>Total</b>	<b>90 177 236</b>	<b>100%</b>	<b>70 580 854</b>	<b>100%</b>

**3 Operational Highlights for the year 2024 (Continued)**

**3.4 Investments (Continued)**

3.4.3 The Authority's major projects at various stages of completion and associated costs incurred by 31 December 2024 are included in appropriate categories under Table 4 below.

**Table 4: Major projects in progress**

(Kwacha Thousand)

Projects in progress	Type	2024	2023
Riverview Park Precinct I	Housing units, retail and offices	345 052	345 052
Chinsali Housing Project	Housing units	17 452	17 452
Mufulira Mixed Use Development	Offices and shopping mall	14 675	14 675
Solwezi Housing Project	Housing units	3 698	3 698
New Mbala Offices	Offices	2 929	2 929
Chitambo Housing Project	Housing units	2 150	2 150
<b>Total</b>		<b>385 956</b>	<b>385 956</b>

**3.5 Provident Fund**

3.5.1 Since inception of the Pension Scheme, the Provident Fund became a depleting fund with no inflow of fresh funds from contributions. As a consequence, the Fund in recent years experienced liquidity challenges. This necessitated interventions by the Pension Scheme to assist the Fund meet its obligations such as benefit payments to members who contributed to the now closed ZNPF.

3.5.2 The Board of Trustees consequently resolved that the assets and liabilities of the Provident Fund be taken over by the Pension Scheme through merging of the two books of accounts. The audited positions of the Pension Scheme and the Provident Fund were therefore merged as at 1st January 2017.

In December 2022, the legislative amendments to the NPS Act, No. 40 of 1996 were passed that allowed the Authority to discharge the ZNPF liabilities in relation to the benefits owed to the members under the Provident Fund who did not qualify on account of age. The NPS Act, as amended, now provides for the following:

- a) the revised penalty rate of 10% per month for delayed payment of contributions;
- b) a waiver of penalty arising from delayed payment of contributions; and
- c) a member who contributed to the Provident Fund qualifies for a one-off age benefit upon attaining a minimum age of 36.

Following the Presidential assent to the amendments to the NPS Act in December 2022, the Authority promptly commenced the implementation of the Zambia National Provident Fund's closure.

As part of the closure of the Zambia National Provident Fund (ZNPF), the Authority disbursed a total of K36 million to Provident Fund members below the age of 50 in 2024, compared to K398 million in the previous year. This amount accounted for 7% of the total K497 million paid out during the year. The Trustees estimate that an additional K2.4 billion will be required to settle the remaining ZNPF benefits.

**4.0 Staff Matters**

4.1 The approved staff establishment at 31 December 2024 was as shown in Table 5 below:

**Table 5 (Staff Establishment)**

	2024	2023
<b>Approved staff establishment</b>	<b>790</b>	<b>753</b>
Director General and Directors (Fixed Term Contracts)	11	10
Permanent and pensionable	779	743
<b>Total</b>	<b>790</b>	<b>753</b>
<b>Actual numbers</b>		
Director General and Directors (Fixed Term Contracts)	6	7
Permanent and pensionable	644	625
Short Term Contract	108	114
<b>Total</b>	<b>758</b>	<b>746</b>

**4.0 Staff Matters (continued)**

4.2 The Authority prides itself in having a team of employees that support its strategic intent through diverse skills and competencies. In ensuring that the Authority maintains a motivated and self-driven workforce, a number of interventions were put in place during the year:-

**4.2.1 Training and Development**

The Authority recognises the importance of Staff Training and Development in strengthening capacity building and enhancing existing staff competencies to align with its strategic objectives. These interventions target key areas that improve the Authority's operations by equipping employees with professional qualifications, skills and techniques with the aim of supporting the Authority to achieve its mandate and operational efficiency. Therefore, training and development of staff is a key component of the Authority's talent management and retention strategy whose aim is to deliver competency-based trainings. Over the years, the Authority has retained a highly skilled workforce with unique skill sets to ensure that it remains a high performing organization.

During the year, various local and international training interventions for members of staff were undertaken covering courses in Finance for Non Finance Managers, Corporate Training, Townhalls Security Awareness Training, Customer Experience Conference, Contracts Managers Workshop, Technical Seminar: Preventing Fraud, Strengthen Compliance and Improving Contribution Collection, ISSA Guidelines on Investments of Social Security Funds, Pension Funds & Retirement Summit, Legislative Drafting, Introduction to Domestic Arbitration Training, Staff Induction, Continuous Professional Development (CPD) by various Professional Bodies including Certification Courses for the members of staff such as Chartered Financial Analyst (CFA) Course as well as International Introduction to Securities and Investments. The Authority also exposed staff to relevant industry specific programmes organized by leading Social Security Organisations where the Authority is a member namely the International Social Security Association (ISSA) and Africa Social Security Association (ASSA).

**4.2.2 Health care and wellness programmes**

The Authority promoted several health and wellness initiatives by continuing to provide medical insurance cover to its employees and their immediate family members in line with the Wellness Policy. The employee wellness activities that were undertaken during the year were intended to promote and maintain a healthy workforce for sustained productivity.

The following were among the many employee wellness activities in 2024;

- On 1st November 2024, the Director General - Mr. Muyangwa Muyangwa, officially launched the "No Shave November" initiative. This was an initiative aimed at raising awareness about cancer as part of the Authority's broader wellness activities. The initiative encouraged staff to grow their facial hair throughout November, with the funds typically spent on grooming and shaving being donated to support cancer-related causes. Arising from this, the Authority donated K100,000 to the Cancer Diseases Hospital (CDH) on 24th December 2024. The Cancer Diseases Hospital provides critical cancer care services to patients from across Zambia as well as neighbouring countries.
- The Authority, in collaboration with the NAPSA Social Club, continues to host weekly aerobics sessions to encourage staff to incorporate physical fitness into their daily lives.
- The Authority electronically disseminated information on the prevention of Cholera and Covid 19 and provided bulletins on health tips in alignment with its Wellness Policy to prevent the spread of diseases. Additionally, the Authority carried out fumigation of most of its premises as a precautionary measure following a rise in reported cases of Cholera and Influenza across the country.
- In collaboration with Vision Care Zambia and Clearview Opticians, the Authority facilitated countrywide visits by the Vision Care team to NAPSA offices, where they conducted eye screenings and raised awareness about preventive care. This initiative ensured that staff members had access to essential eye care services, promoting overall eye health and wellness.

4.0 Staff Matters (continued)

4.2.2 Health care and wellness programmes (continued)

- The Authority participated in the 24th Inter-Company Relay (ICR) at the Lusaka Showgrounds, held under the theme "Together We Are Stronger" organized by the Zambia Amateur Athletic Association (ZAAA).
- On Saturday, 14th and Sunday, 15th September 2024, the Authority participated in the ZUFIAW Games, held under the theme "Championing a Collaborative and Healthy Working Environment in the Delivery of Financial Services for Economic Growth." During the event, the Authority competed in various sports, including Netball, Football, Chess, Pool, Volleyball, and Track and Field activities. The standout performance came from the women's Netball team, which clinched first place.
- In collaboration with Prudential Life Zambia, the Authority hosted a live health talk on mental wellness and cancer awareness. The cancer awareness programme culminated into cancer screening services for members of staff.

4.2.3 Employee Engagement

Regular engagement with staff is at the core of the Authority's activities. Given that the Authority has two categories of employees (represented and non-represented), it is imperative that there is free flow of information as well as regular communication within the institution. As a component of the Authority's business strategy, regular communication within the institution is intended to create awareness among members of staff on various matters affecting them. The Authority recognises that a well-informed workforce is better equipped to perform at the highest level that enables it to remain competitive in the Industry as an Employer of Choice. In this regard, the Authority disseminated information to members of staff on various matters pertaining to both the operations of the scheme as well as staff welfare.

Management recognises the importance of maintaining open communication with all members of staff. It strives to ensure that employees stay informed at all times on new developments in the organisation. To this end, employees were engaged through various platforms including consultative engagements with the Union on several matters of mutual interest as a result of which the Authority has continued to enjoy cordial industrial harmony.

As a way of facilitating information dissemination, the engagements with members of staff were done through the following:

- Electronic circulars and virtual engagements with staff following the implementation of the rationalised and harmonised salaries by the Emoluments Commission as well as providing updates regarding the Phase One Organisational Restructuring Exercise.
- On 23rd December 2024, the Authority hosted a comprehensive presentation on Financial Literacy, delivered by Stanbic Bank Zambia Limited. The session covered a wide range of crucial financial topics aimed at empowering employees with the knowledge to manage and grow their personal finances. Key areas of focus included building and creating wealth, effective budgeting, prioritizing savings and assessing assets and liabilities.
- On 27th August 2024, the Director General addressed members of staff regarding the closure of Society Business Park, citing safety concerns that rendered the building unsuitable for occupancy. Immediate closure of Society Business Park was implemented due to structural safety concerns. Staff were relocated to alternative offices and transition plans were enacted to minimize disruptions.
- On 15th June 2024, the Authority held the Labour Day Award Presentation Ceremony at Taj Pamodzi Hotel to recognize outstanding employees in four categories: Long Service Awards, iCare Star Awards, Director General's Awards and Integrity Awards. The ceremony celebrated employees' dedication and contributions, reflecting the Authority's commitment to recognizing excellence. Similar teambuilding events were held in the Authority's Stations around the country.
- In February 2024, the Executive Team visited newly established units in the Northern Region to address structural changes and collect employee feedback on operational challenges following the phase one (1) organisational restructuring.

4.0 Staff Matters (continued)

4.2.4 Performance Management

As the Authority positions itself as a performance-based institution, it endeavours to achieve its set performance targets in line with its strategic plan. During the period under review, the Authority's performance was rated at level 3 of the 5-point scale with 1 being the lowest and 5 being the highest score. To assess performance, the Balanced Scorecard Framework was used as the performance management tool. To this effect, employees were rewarded based on this corporate performance.

5.0 Statement on Corporate Governance

- 5.1 The Authority subscribes to the tenets of good corporate governance. NAPSA's mandate, structure and operations are primarily premised on the National Pension Scheme Act, Number 40 of 1996 and its subsequent amendments thereof; the Investment Guidelines and other applicable laws. NAPSA has in place various policies, structures and procedures to ensure that the decision-making process, governance and administration of the institution are in accordance with applicable laws and good corporate governance practices. As a Social Security Institution, NAPSA further subscribes to International Social Security Association (ISSA) principles and practical guidelines on Good Governance Guidelines. The ISSA Good Governance Guidelines encourages social security institutions to ensure that the exercise of vested authority is accountable, transparent, predictable, participative and dynamic.
- 5.2 The Authority is governed by a Board of Trustees, comprising ten (10) members, who are appointed by the Minister of Labour and Social Security. The Board of Trustees is tripartite in nature as the majority of Trustees are drawn from the Government, Employers and Employees' Associations. Other Trustees are drawn from the industry and professional bodies prescribed by law.
- 5.3 The Board has been in office since January 2022 following the appointment of the Trustees by the Minister of Labour and Social Security. The Board provides oversight over the operations of the Authority in line with its statutory mandate and the Board Charter which is reviewed regularly. The Minister also appoints the Director General who is responsible for the day-to-day management of the Scheme. The Office of the Authority Secretary acts as a central point of advice to the Trustees on governance issues and processes relating to the Authority's operations. All Trustees and Committee Members have access to the Authority Secretary.  
  
The Board's tenure concluded on 14 January 2025, marking the completion of its three-year term since its appointment in 2022.
- 5.4 The Board meets regularly to review the performance of the Institution and provide guidance to Management. Every year, the Board approves a Schedule of Board Meetings to assist members plan for attendance. However, ad hoc meetings are arranged to cater for urgent and time bound business.
- 5.5 During the year under review, a total of thirteen (13) meetings were held. Out of the thirteen (13) meetings held, six (6) were scheduled and the remainder of seven (7) were ad hoc (special) meetings.
- 5.6 The Boards' key focus areas are summarised as follows:
  - i. the Authority's strategic direction;☒
  - ii. corporate governance;☒
  - iii. financial arrangements;☒
  - iv. key investment strategies and performance;☒
  - v. Scheme performance; and☒
  - vi. guidance to the executive team.
- 5.7 The proceedings of the meetings were duly recorded, and minutes were signed after confirmation by the Trustees. ☒

**6.0 Board Committees**

The Board has powers to delegate its authority to committees and management to assist it discharge its mandate. There are currently four (4) standing Board Committees, namely, the Audit, Risk and Compliance Committee, Finance and Investments Committee, Technical Committee and the Staff Affairs Committee. The Board has powers to appoint to the Committees external subject matter experts to ensure the right balance of skills and knowledge is brought to bear into its decision-making processes for the benefit of the institution. The Committees are chaired by a Trustee meeting requisite skill and experience in line with the mandate of the Committee

**6.1 Audit, Risk and Compliance Committee**

The Audit Committee as recognised in Section 19 of the Public Finance Management Act No. 1 of 2018 oversees financial reporting, risk management and compliance for the Authority.

6.1.1 The Audit Committee is composed of the following Members:

- i. Mr. Emmanuel Malukutilla (Chairperson)
- ii. Mrs. Mukamasole Kasanda
- iii. Ms. Linire Mulima
- iv. Mr. Mwendamo Mazaba
- v. Mr. Hillard Kabole
- iv. Mr. Bruce C. Hamusokwe

6.1.2 During the year, the Committee met seven (7) times to consider audit, risk and compliance matters and make appropriate recommendations to the Authority.

**6.2 Finance and Investments Committee**

The Finance & Investments Committee oversees investment performance and management to ensure prudent management of assets and maximisation of returns.

6.2.1 The Finance & Investments Committee is composed of the following Members:

- i. Mr. Akapelwa Imwiko (Chairperson)
- ii. Mrs. Mizinga Melu
- iii. Ms. Milangu Kampata
- iv. Mr. Mainga Mukando
- v. Mr. Simmy Chapula

6.2.2 The Committee met nine (9) times in 2024 to review the Authority's financial performance, consider investment proposals, make investment decisions and propose appropriate recommendations to the Authority.

**6.3 Technical Committee**

The Technical Committee's main mandate is to assist the Board of Trustees discharge its statutory obligations in relation to monitoring pension administration, strategic planning, actuarial status, reforms and regulatory compliance.

6.3.1 The Committee is comprised of the following Members:

- i. Mr. Kamphata Botha (Chairperson)
- ii. Mr. Blake Mulala
- iii. Mr. Alick Siankumo
- iv. Mr. Elliot Mabuda
- v. Ms. Mwansa Chokolo

6.3.2 The Committee met six (6) times in 2024 to consider matters relating to member service operations and make appropriate recommendations to the Authority.

**6.0 Board Committees**

**6.4 Staff Affairs Committee**

The Committee's key function is to oversee staff wellbeing and performance in order to ensure optimal overall organisation performance.

6.4.1 The Staff Affairs Committee is composed of the following members:

- i. Mrs. Myra M.S. Ngoma (Chairperson)
- ii. Mr. Kennedy N. Njamba
- iii. Mr. Victor Muyumba
- iv. Mrs. Prisca Kucheka
- v. Mr. Gilford Malenji

6.4.2 The Committee met seven (7) times in 2024 to consider matters pertaining to staff and make appropriate recommendations to the Authority.

**6.5 Attendance of meetings**

6.5.1 The attendance of meetings by Board Trustees and Committee Members is shown in **Table 6** below:

**Table 6: Attendance of Scheduled Meetings**

	Board Meetings		Committee Meetings		Note
	Scheduled Meetings	Meetings Attended	Scheduled Meetings	Meetings Attended	
<b>Board Chairperson</b>					
Mr. Shipango Muteto	13	13	*	*	
<b>Finance and Investments</b>					
Mr. Akapelwa Imwiko**	13	11	9	8	
Mrs. Mizinga Melu	13	8	9	5	
Mr. Simmy Chapula	*	*	9	9	
Mr. Mainga Mukando	*	*	9	7	
Ms. Milangu Kampata	*	*	9	9	
<b>Audit Risk And Compliance Committee</b>					
Mr. Emmanuel Malukutilla	13	12	7	6	
Mrs. Mukamasole Kasanda	13	12	7	5	
Mr. Mwendamo Mazaba	*	*	7	7	
Ms. Linire Mulima	*	*	7	6	
Mr. Hillard Kabole	*	*	7	6	
Mr. Bruce C. Hamusokwe	*	*	7	7	
<b>Staff Affairs Committee</b>					
Mrs. Myra M.S. Ngoma	13	13	7	7	
Mr. Kennedy N. Njamba	13	12	7	7	
Mr. Victor Muyumba	13	13	7	7	
Mrs. Prisca Kucheka ***	*	*	7	1	
Mr. Gilford Malenji	*	*	7	7	
<b>Technical Committee</b>					
Mr. Kamphata Botha	13	12	6	6	
Mr. Blake Mulala	13	10	6	4	
Mr. Alick Siankumo	*	*	6	6	
Mr. Elliot Mabuda	*	*	6	6	
Ms. Mwansa Chokolo	*	*	6	6	

**Notes**

\* Not applicable

\*\* Appointed to the Board and F&I Committee in February 2024

\*\*\* resigned from the Committee in the 1st quarter of 2024

**7.0 Board Induction and Continued Development**

7.1 The Authority has in place a comprehensive induction process for new Trustees and Committee members as and when they join the Board. The induction process takes the form of presentations from executives and functional heads. The Authority also endeavours to expose Trustees to specific tailored trainings in pension administration and fund management during the tenure of their office in order to better equip them to discharge their functions. The new Board and Committee members were appropriately inducted and orientated upon their appointment.

7.2 Further, the Authority recognises the importance of Trustees' continued understanding of the changing regulatory environment in the pension industry and their role as fiduciaries. Arrangements for training, exposure to new developments and benchmarking with peer institutions are regularly made for Trustees' continued learning and development. These training and development activities usually focus on areas such as strategy, corporate governance, risk management and investments.

**8.0 Board Performance Evaluation**

8.1 The Authority also conducts performance evaluations of the Board, and its Committees in order to enhance Board effectiveness. A Board evaluation exercise was conducted for the year ended 31st December 2024 and the results of the exercise have informed the training needs for 2025 and areas for improvement.

**9.0 Board Remuneration**

9.1 Board Trustees and Committee Members are remunerated for services rendered to the Authority through sitting allowances and quarterly retainer fees. The Board is empowered by law to set its remuneration, which is subject to approval by the Emoluments Commission. Before the Trustees' remuneration is reviewed upward, surveys are conducted with peer institutions within the Public Sector for comparison. If deemed appropriate, the Staff Affairs Committee makes recommendations for review of Board remuneration.

9.2 The Authority has put in place a Board Remuneration Policy which sets out key considerations for determining Trustees' remuneration.

9.3 Details of the total remuneration and board expenditure is provided in note 29 *"Related Party Transactions"* of the audited financial statements.

**10.0 Senior Management**

10.1 The Board of Trustees has within the provisions of The Act delegated the day-to-day administration of the Scheme to the Director General, who is the Chief Executive Officer of the Authority.

Senior Management is comprised of the Director General, supported by nine (9) Directors who each heads a Directorate.

10.2 There is open communication between the Board of Trustees and Senior Management. The Board and its Committees are supplied with full information prior to each meeting to enable them discharge their responsibilities.

10.3 The Board understands the relationship between itself and the members of The Scheme. It acknowledges that its role is to promote the interest of the members and recognises that it is accountable to the members for the performance of the Pension Scheme.

**11.0 NAPSA's Strategic Direction, Vision, Mission and Culture**

11.1 As part of its vision and commitment to being a high performing public institution, the Authority adopted a new five-year Strategic Plan in 2022, which ends in December 2026. The Strategic Plan builds on the successes scored by the Authority's previous strategic plans and is also aligned to the Eighth National Development Plan (8NDP), with a focus on multi-sectoral integrated approach. It was developed in a highly consultative bottom-up approach with an extensive external and internal environmental scan, so that the Authority remains suitably responsive to the needs of its stakeholders, particularly its members.

**11.0 NAPSA's Strategic Direction, Vision, Mission and Culture (continued)**

11.2 The Strategic Plan is tied to the Authority's vision of being **"A trusted partner that protects people's future and brings pride to the Nation"**.

The Authority's mission statement and core values guide its operations as set out below:

Mission Statement: **"Securing the social and economic well-being of the people of Zambia"**

The Authority's Core Values which are modeled on the iCARE principle are:

**Integrity** – "Do the Right Thing"

**Collaboration** – "Work Together"

**Accountability** – "Be Responsible for Your Actions"

**Respect** – "Listen to Every Voice"

**Excellence** – "Perform at Your Best"

All Trustees and employees of the Authority are expected to exhibit behaviours that are consistent with the Authority's core values.

**11.3 Upholding an Ethical Culture**

11.3.1 In line with the National Anti-Corruption Policy, the Authority is one of the Public Institutions that has in place an Integrity Committee (IC). The IC supports the Authority's resolve to uphold the highest standards of ethics in its operations and its main role is to institutionalize the fight against corruption by spearheading corruption prevention activities and entrenching ethical behaviour in the Authority. The Authority was recognised and awarded as the "Best Performing Integrity Committee" in the Parastatal category and the "Overall best performing Integrity Committee" at the annual Integrity Committee CEO's forum held in November 2024.

11.3.2 During the period under review, the IC assisted the Authority to plan and implement integrity activities under the 2024 Anti-corruption Prevention Action Plan (ACPAP). The bulk of the activities were aimed at increasing the public's awareness on the role of the IC in the Authority and how the public can report any corruption or maladministration by or involving Authority staff.

11.3.3 The Authority has a Code of Conduct that guides employees and Trustees regarding the standard of behaviour expected to be complied with, including the adherence to the core values, compliance with applicable laws and regulations, conflict of interest, confidentiality, protection of Authority assets from abuse. The code further guides employees on the steps to be taken to foster an environment that would encourage ethical behaviour by those doing business with the Authority and other stakeholders such as suppliers, contractors and agents as well as other stakeholders.

The Authority has further put in place critical policies such as the Integrity Policy, Conflict of Interest Policy, Gifts and Benefits Policy to assist the IC embed the culture of integrity in the institution. The Authority also has in place a 24-hour Toll-free line (5080) called "Tip Offs Anonymous" through which members of the public can report suspected or actual malpractices within the institution. The toll-free line is managed by an Independent Service Provider.

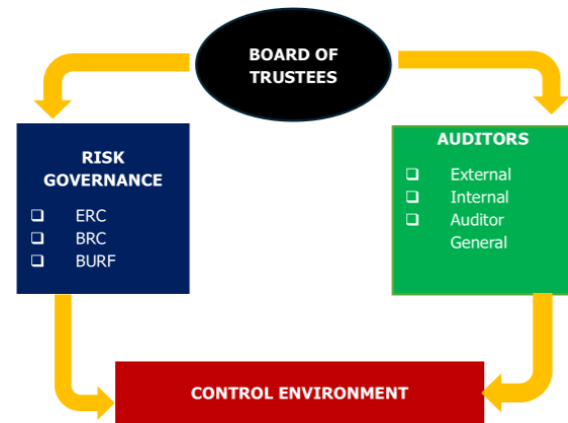
11.3.4 As part of its commitment to safeguarding transparency and managing conflicts and ensuring timely disclosure of interests, the Authority requires all Trustees and staff to declare annually or as and when conflicts arise.

**12.0 Enterprise Risk Management [ERM] Approach and Risk Governance**

12.1 Effective risk management is integral to achieving our strategic objectives and ensuring the sustainability of the scheme. The Authority continues to implement an effective risk governance structure that supports a robust control environment. The risk oversight is provided by the Second Line of Defence through Business Unit Risk Forums (BURFs), Business Risk Committees (BRCs) and Executive Risk Committee (ERC). The robustness of the control environment is further reinforced by independent evaluations conducted by Internal and External Auditors, along with oversight from the Office of the Auditor General. This structured approach enhances transparency, accountability, and resilience, enabling the Authority to navigate risks effectively while driving long-term success.

12.0 Enterprise Risk Management [ERM] Approach and Risk Governance (continued)

Figure 13.1. Authority Control Environment Oversight



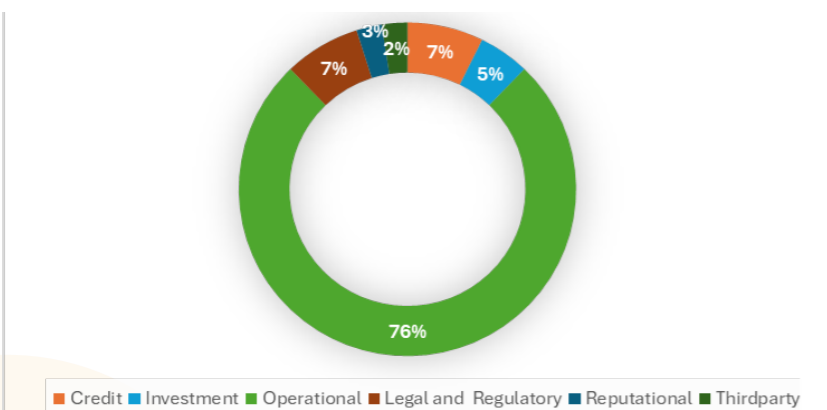
12.2 Authority's Risk Profile

12.2.1 The global risk landscape in 2024 was characterized by uncertainty, shaped by a complex web of geopolitical tensions, economic shifts, and critical production decisions. According to the World Economic Forum (WEF) 2024 Global Risks Report, the following are the top ten risks posing significant threats to the global economy: Misinformation and disinformation; severe climate change; societal polarization; cyber insecurity; interstate armed conflicts; lack of economic opportunity; inflation; involuntary migration; economic downturn; and pollution. Fifty (50) percent of these risks materialized within the Authority, impacting both its internal and external operating environments. These included extreme weather events, cyber insecurity, lack of economic opportunity, inflation and economic downturn.

12.2.2 On the domestic front, the Authority's external environment was marked by subdued economic activity, primarily due to the severe drought during the 2023-2024 farming season. Inflation was characterized by a steady upward trajectory, closing the year at 16.7 percent compared to 13.1 percent in 2023. Additionally, the Kwacha depreciated against major convertible currencies, closing the year at ZMW 27.63 against the US Dollar. This has an impact on the Authority's cost of doing business and limits the opportunity for increased new member registrations and contribution collections.

12.2.3 Internally, the Authority's risk profile has been predominantly shaped by operational risks, which constituted a significant 75.6 percent of the Authority's documented risks reflecting the nature of the Authority's activities. This was followed by credit risk and legal and regulatory risk, each accounting for 7.3 percent as highlighted in the figure below.

Figure 13.2: Risk Profile



12.0 Enterprise Risk Management [ERM] Approach and Risk Governance (continued)

12.3 Authority Top Risks

The table below describes the top risks which the Board has determined could impact the achievement of strategic objectives and have been identified through the Authority's risk assessment processes. These risks formed the basis of the Board and its Audit, Risk and Compliance Committee discussions during the year under review.

Table 13.3: Authority Top Risks

Risk	Key Risk Drivers / Impact
<b>Severe Climate</b>	<ul style="list-style-type: none"> <li>Subdued economic activity thus reducing contributions collections base.</li> <li>Business disruption and increased cost of doing business due to loadshedding.</li> </ul>
<b>Reputational</b>	<ul style="list-style-type: none"> <li>Closure of Society House Business Park</li> <li>Society House Structural Development defects and demolition</li> </ul>
<b>Cyber Security</b>	<ul style="list-style-type: none"> <li>Potential cyber threats due to strategic decision of migration onto an online platform.</li> </ul>
<b>Operational</b>	<ul style="list-style-type: none"> <li>Business disruption and due to loadshedding impacting systems and service provision.</li> <li>Potential fraud resulting in financial loss to the Authority</li> </ul>

12.4 Changes to Our Enterprise Risk Management Structure

The recent restructuring of the risk function allowed for the creation of a data analytics unit whose operationalization came into effect during the period under review. This intervention has facilitated data-driven decision-making and improved our risk management capabilities in the volatile, uncertain, complex, and ambiguous (VUCA) environment the Authority operates in. Timely availability of data and business intelligence is critical for the overall financial health of the scheme. One key area where benefits are envisaged from this intervention is in the management of compliance risk where a data – based compliance management framework is being developed for implementation in 2025. This is expected to help improve the compliance rate on contributions.

12.5 Environmental, Social and Governance [ESG]

The Authority recognizes the importance of ESG principles to its operations and has continued to incorporate the principles in its business strategies, policies and operational frameworks including the Enterprise Risk Management (ERM) processes. This is meant to enhance organizational resilience and ensure long-term sustainability of the scheme. Effective ESG integration requires prioritizing awareness initiatives, fostering a culture of responsibility, and adopting proactive risk management. Strengthening governance, engaging stakeholders and continuously assessing ESG risks will not only mitigate potential challenges but also drive long-term value, reinforcing financial stability and corporate reputation of the Authority.

12.0 Enterprise Risk Management (ERM) (continued)

12.6 Emerging Risks

Emerging risks likely to have an impact on the Authority are considered as part of the risk assessment processes and are identified through established risk governance structures, environmental scanning, market trends analysis and industry changes monitoring. Emerging risks we are monitoring include the ongoing pension reforms, predicted possible La Nina weather pattern for the 2024-25 farming season, economic and geopolitical shifts arising from recent USA elections and impact on the global economy of such shifts. Technology and cybersecurity risks are also being monitored as ever-present risks given the reliance of the Authority on ICT systems across its business models.

12.7 Effects Of Climate Change

The Authority acknowledges that climate change-induced risks present significant challenges to its business operations and the value of its assets. During the reporting period, the severe drought experienced across the country had a pronounced effect, notably on the debt facility associated with the Kafue Gorge Lower Power Project. Reduced water levels at Kariba Dam, caused by the drought, severely constrained the power plant’s ability to generate adequate electricity to meet demand. This shortfall in power generation had far-reaching effects across multiple economic sectors and resulted in diminished revenue and cash flows for the power utility company. Consequently, the Authority experienced a significant drop in loan repayments in 2024, resulting in the restructuring of the debt instrument in November 2024.

The Authority is also committed to contributing positively to environmental sustainability. To combat climate change, it has implemented measures aimed at reducing carbon dioxide (CO2) emissions from its operations. The primary sources of these emissions have been identified as motor vehicles and generators. To address this, the Authority is actively exploring the adoption of renewable energy solutions and plans to replace its vehicle fleet with low-emission alternatives. These initiatives are expected to deliver significant environmental benefits and align with global efforts to mitigate climate change.

In 2025, as part of its commitment to environmental sustainability, the Authority will implement several key initiatives:

- a) **Solar Systems Installation:** Solar energy systems will be installed across all its buildings, including retail malls, to reduce reliance on non-renewable energy sources;
- b) **Electric Fleet Transition:** The Authority will procure electric vehicles for its fleet operations to minimize carbon emissions;
- c) **Green Office Construction:** Environmentally friendly office buildings will be constructed in Kasama, Ndola, and Kafue, aligning with sustainable building practices.;

The Authority is further actively working to reduce the carbon footprint of both its employees and members by leveraging advancements in IT infrastructure. Through the automation of its processes, all Scheme transactions are now conducted electronically via platforms like the eNAPSA Systems, which facilitate seamless digital services. This shift is expected to significantly lower CO2 emissions by reducing paper usage among staff and members. Additionally, the adoption of electronic platforms minimizes the need for members to drive to NAPSA offices, as all required services are accessible in a fully paperless environment via the eNAPSA system. This transition not only reduces vehicular emissions but also decreases human traffic at NAPSA offices, further promoting sustainability.

As part of its investment strategy, the Authority prioritizes environmental, social, and governance (ESG) considerations within its decision-making processes. The Board of Trustees emphasizes responsible investing, which not only recognizes the importance of ESG factors but also focuses on the long-term sustainability and health of markets. The Authority actively favors investment assets that offer social and environmental benefits while delivering optimal returns.

12.0 Enterprise Risk Management (ERM) (continued)

12.7 Effects Of Climate Change (continued)

A testament to this commitment is the Authority’s USD190 million investment in the Kafue Gorge Lower Hydro Power Plant. Furthermore, it continues to seek investments in companies promoting social justice, environmental sustainability, and clean technology. As part of its ongoing efforts, the Authority is exploring opportunities in renewable energy and green bonds, underlining its dedication to environmental protection and sustainable development.

13 Corporate Social Responsibility

13.1 The Authority is aware of, and gives consideration to, its role as a corporate citizen. The Authority therefore has a strategic intent aimed at fostering inclusive growth and socio-economic development in the country. In this regard, the Authority has in its portfolio funds for Corporate Social Investment and Corporate Social Responsibility. Under Corporate Social Responsibility, the Authority has strategies that are structured to help address the specific needs of a community that range from environmental sustainability, community health and wellness programmes.

13.2 Under its Corporate Social Responsibility (CSR) program, the Authority demonstrated its commitment to community well-being by supporting various institutions with a total of K1,816,992 in 2024. Key contributions included:

- a) **Cholera Mitigation:** K500,000 was provided to the Ministry of Health for cholera prevention efforts.
- b) **Borehole Drilling:** K613,992 was allocated to drilling boreholes in different parts of the country to improve access to clean water.
- c) **Traditional Ceremonies:** K56,000 was donated to support cultural and traditional events.
- d) **Medical Equipment:** K200,000 was contributed for the procurement of assorted medical equipment at Lewanika General Hospital.
- e) **Food and Groceries:** Donations worth K447,000 were extended to various organizations, including hospices, orphanages, hospitals, and educational initiatives.

13.3 Through these ongoing initiatives, NAPSA demonstrates its dedication to fostering social welfare and sustainability, leaving a lasting, positive footprint in the communities it serves. This unwavering commitment to corporate social responsibility underscores its role as a socially conscious and community-focused organization.

Signed on behalf of the Trustees on 27<sup>th</sup> May 2025 by:

  
 BOARD CHAIRPERSON

  
 TRUSTEE

STATEMENT OF RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

Part II of the First Schedule of the National Pension Scheme Act, No. 40 of 1996 requires the Trustees to prepare:

- an audited balance sheet (statement of net assets available for benefits);
- an audited statement of income and expenditure (statement of changes in net assets available for benefits); and
- such other information as the Minister may require.

In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements that are reasonable and prudent; and
- follow Generally Accepted Accounting Principles.

The Trustees are responsible for ensuring that the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The independent external auditors, Messrs. Deloitte & Touche, have audited the annual financial statements and their report is shown on pages 20 to 23.

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

In the opinion of the Trustees the financial statements are drawn up so as to present fairly the financial activities of the Authority for the year ended 31 December 2024 and its financial position as at that date, and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the National Pension Scheme Act, No. 40 of 1996.

Signed on behalf of the Trustees on 27<sup>th</sup> May 2025 by:

  
BOARD CHAIRPERSON

  
TRUSTEE



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**INDEPENDENT AUDITOR'S REPORT**

To the members of  
**National Pension Scheme Authority**

**Report on the financial statements**

**Opinion**

We have audited the financial statements of National Pension Scheme Authority set out on pages 24 to 69, which comprise the statement of net assets available for benefits as at 31 December 2024, the statement of changes in net assets available for benefits and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of National Pension Scheme Authority as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by the National Pension Scheme Act No. 40 of 1996.

**Basis of opinion**

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

**Emphasis of matter**

As disclosed in Note 4, in accordance with Section 44 (2) of the National Pension Scheme Act No. 40 of 1996, the Authority's actuarial obligation is required to be assessed on a tri-annual basis by independent actuaries. The report for the actuarial valuation carried out as at 31 December 2023 indicates an actuarial deficit of **K35.2 billion**. The Authority has elected to disclose the actuarial deficit and not record it as a liability on the statement of net assets available for benefits.

We draw your attention to this matter, but our opinion is not qualified in respect of the matter.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<b>1. Valuation of unlisted equities</b>	
<p>As disclosed in note 15 to the financial statements, the Authority holds investments in unlisted financial assets (unlisted equity investments in private entities and in subsidiaries) that are carried at fair value.</p> <p>The Authority's methodologies adopted for the measurement of these financial assets are Discounted Cash Flow ("DCF"), Relative Valuation ("RV"), the Cost "CA" Approach and Book value ("BV").</p> <p>The fair valuation of these unlisted equities is complex and requires significant levels of judgements and a number of assumptions. Accordingly, for the purposes of our audit, we identified the valuation of unlisted equities as a key audit matter.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the valuation process for the fair value of unlisted equities;</li> <li>• Assessed the independence, objectivity and competence of the valuation expert used by the Authority;</li> <li>• Obtained and reviewed unlisted equities valuation report done by the Authority's valuation expert. We tested the reasonableness of the assumptions used with respect to expected future growth rates by comparing them against the entities recent financial performance; and</li> <li>• With the assistance of our internal valuation specialists, we reviewed the independent valuation undertaken by the external valuer. The review consisted a recomputation of the fair values of the unlisted equities.</li> </ul> <p>In addition to the above procedures, we also verified the adequacy of the disclosures in the annual financial statements. On the basis of the work done, unlisted equity investments were appropriately valued.</p>
<b>2. Valuation of investment properties</b>	
<p>As disclosed in note 18 to the financial statements, the Authority holds investment properties valued at <b>K7.1 billion</b> (2023:7.7 billion).</p> <p>The fair value estimation of these properties involves the use of a valuation expert. The Authority's adopted methodologies for the measurement of these assets are Market Approach, Cost method, Discounted Cashflow Technique, Investment Method and Income Method.</p> <p>With such a significant number of investment properties and various methodologies at play, applied by the valuation expert, we considered investment properties as a key audit area. We focused on the reasonableness and appropriateness of the valuation technique applied in estimating the value of the properties.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessed the independence, objectivity and competence of the valuation expert used by the Authority;</li> <li>• With the assistance of our internal valuation experts, we assessed the appropriateness of the selected methodology, the reasonableness of the assumptions utilised and the consistency in application of the judgements;</li> <li>• Reviewed the methodologies applied by management for consistency with the requirements of IFRS 13: Fair value; and</li> <li>• Tested the mathematical accuracy of the computations and reconciled the results of the valuation performed by the expert to the annual financial statements.</li> </ul> <p>We found the valuation assumptions and methodologies applied were appropriate.</p>

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**Other information**

The Trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the National Pension Scheme Act No. 40 of 1996, the Statement of responsibility for annual financial statements and the appendices numbers I, II and III attached to the financial statements which we obtained prior to the date of this auditors' report and Annual report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Trustees for the financial statements**

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as issued by the International Accounting Standard Board, and in the manner required by the National Pension Scheme Act No. 40 of 1996, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing 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 Trustees either intend to liquidate the authority or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Authority's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 conditions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Trustees' 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 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 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 Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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.

We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Trustees, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

National Pension Scheme Act No. 40 of 1996 requires that in carrying out our audit, we consider and report to you on the following matter: We confirm that, in our opinion, the accounting and other records and registers have been properly kept in accordance with the Act.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants

*Alice Jere Tembo*

Alice Jere Tembo

Audit Partner

PC No.: Aud/F000433

Date: 30<sup>th</sup> May, 2025

## NATIONAL PENSION SCHEME AUTHORITY

### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS for the year ended 31 December 2024

#### Kwacha

	Notes	2024	2023
<b>Net assets available at beginning of the year</b>		<b>67 651 617 541</b>	<b>59 348 474 405</b>
<b>Member service operations</b>			
Contributions from members	5	8 661 725 145	7 351 981 238
Normal retirement pensions	7	(814 568 207)	(674 319 528)
Pension claims and withdrawals	6(a)	(535 705 027)	(455 342 085)
Pre retirement withdrawals	6(b)	(727 173 548)	(9 198 893 281)
Funeral grants		(28 576 208)	(23 578 563)
		<b>6 555 702 155</b>	<b>(3 000 152 219)</b>
<b>Investment operations</b>			
Investment income	8	10 082 836 459	8 569 731 818
Change in fair value for investments	19	4 239 366 824	1 622 511 521
Profit on sale of investments		19 620 137	546 181
(Impairment loss) recoveries on investments	19	(371 446 628)	554 743 984
Handling fees		(53 905 622)	(42 505 925)
(Provision) bad debt recoveries	22	(7 425 012)	33 991 138
Net foreign exchange gains	9	862 794 349	2 035 920 229
Tax expense	10	(823 696 986)	(657 332 787)
		<b>13 948 143 521</b>	<b>12 117 606 159</b>
<b>Management expenses</b>			
Employee benefit expenses	11	(619 737 672)	(568 146 692)
Administrative expenses	12	(320 636 587)	(246 164 112)
		<b>(940 374 259)</b>	<b>(814 310 804)</b>
Increase in net assets		<b>19 563 471 417</b>	<b>8 303 143 136</b>
<b>Net assets available at end of the year</b>		<b>87 215 088 958</b>	<b>67 651 617 541</b>

**NATIONAL PENSION SCHEME AUTHORITY**


**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

as at 31 December 2024

Kwacha		Notes	2024	2023
<b>NET ASSETS</b>			<b>87 215 088 958</b>	<b>67 651 617 541</b>
<b>Represented by:</b>				
<b>ASSETS</b>				
<b>Investments</b>				
Government securities	13		38 644 326 399	33 380 087 295
Other securities	14		22 006 053 957	14 755 946 492
Equity investments	15		6 236 805 522	4 411 954 751
Loans and advances	16		10 447 862 518	6 960 955 808
Housing projects	17		1 423 844 649	485 221 678
Investment properties	18		7 098 469 430	7 728 149 565
			<b>85 857 362 475</b>	<b>67 722 315 589</b>
<b>Other assets</b>				
Bank and cash balances	20		4 319 873 496	2 858 537 783
Contributions receivable	21		475 185 173	381 928 687
Other receivables	22		408 978 031	352 684 581
Consumable stores	23		7 570 553	5 916 200
Property and equipment	24		66 997 146	216 323 509
			<b>5 278 604 399</b>	<b>3 815 390 760</b>
<b>TOTAL ASSETS</b>			<b>91 135 966 874</b>	<b>71 537 706 349</b>
<b>LIABILITIES</b>				
Income tax payable	10		(197 825 185)	(175 164 739)
Provisions for claims payable	26		(23 638 744)	(21 079 976)
Other payables	27		(3 690 643 766)	(3 680 469 812)
Deferred liabilities	28		(8 770 221)	(9 374 281)
<b>TOTAL LIABILITIES</b>			<b>(3 920 877 916)</b>	<b>(3 886 088 808)</b>
<b>NET ASSETS</b>			<b>87 215 088 958</b>	<b>67 651 617 541</b>

The responsibilities of the Trustees with regard to the preparation of the financial statements are set out on page 19.

The financial statements on pages 24 to 69 were approved by the Board of Trustees on 27<sup>th</sup> May 2025 and were signed on its behalf by:

  
BOARD CHAIRPERSON

  
TRUSTEE

**NATIONAL PENSION SCHEME AUTHORITY**

**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2024

Kwacha		NOTES	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Increase in net assets</b>			<b>19 563 471 417</b>	<b>8 303 143 136</b>
Adjusted for:				
Depreciation expense	24		28 838 679	33 556 088
Income tax expense	10		823 696 986	657 332 787
Dividend income	8		(221 838 157)	(314 720 850)
Investment income			(9 121 293 708)	(7 445 472 137)
Charge (reversal) in bad debt provision	22		7 425 012	(33 991 138)
Change in fair value for investments	19		(4 239 366 824)	(1 622 511 521)
Reversal (impairment loss) on investments	19		371 446 628	(554 743 984)
Profit on sale of investments			(19 620 137)	(546 181)
Interest income on loans and advances	16		(739 704 594)	(809 538 831)
Exchange difference: fixed deposits	14		55 918 962	(74 892 767)
Exchange difference: loans and advances	16		(726 717 017)	(2 237 058 994)
Exchange difference: listed securities	15		402 390	-
Exchange difference: cash			(33 342 987)	(65 799 678)
(Gain) loss on disposal of property and equipment			(1 316 396)	752 966
			<b>5 748 000 254</b>	<b>(4 164 491 104)</b>
<b>Movement in working capital:</b>				
Changes in contribution receivables			(93 256 486)	(47 873 736)
Changes in inventory			(1 654 354)	(1 747 090)
Changes in deferred liabilities			(604 060)	4 656 801
Changes in other receivables			(62 096 529)	(70 260 256)
Changes in other payables			33 204 751	(1 046 696 910)
<b>Cash used in operations</b>			<b>(124 406 678)</b>	<b>(1 161 921 191)</b>
Income tax paid	10		(801 036 540)	(614 303 168)
<b>Net cash generated from (used in) operations</b>			<b>4 822 557 036</b>	<b>(5 940 715 463)</b>

**NATIONAL PENSION SCHEME AUTHORITY**

**STATEMENT OF CASH FLOWS (CONTINUED)**  
for the year ended 31 December 2024

Kwacha	NOTES	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property and equipment	24	(32 397 723)	(25 640 296)
Proceeds on disposal of property and equipment		2 325 077	858 939
Proceeds on disposal of investment properties		88 435 440	4 306 863
Payments for investment properties	18	(7 757 283)	(14 486 212)
Purchase of government securities	13.1, 13.2	(18 968 748 637)	(21 985 504 495)
Proceeds from government securities	13.1, 13.2	15 988 254 220	16 074 062 436
Purchases for fixed term deposits and other securities	14	(33 329 877 973)	(21 923 499 291)
Proceeds from fixed term deposits and other securities	14	25 982 494 627	22 039 647 726
Purchase of equity securities	15.3	-	(29 473 639)
Proceeds from disposal of equity securities	15	19 240 484	-
Payments for loans and advances	16	(3 795 621 444)	(10 169 033)
Proceeds from loans and advances	16	1 030 523 485	4 190 173 351
Interest received from loans and advances	16	422 671 801	581 747 836
Payments for housing projects	17	(129 122 971)	(452 586)
Dividends received	8	221 838 157	327 504 466
Investment income		9 113 324 795	7 445 472 137
<b>Net cash (used in) generated from investing activities</b>		<b>(3 394 417 945)</b>	<b>6 674 548 202</b>
<b>Net cash inflows</b>		<b>1 428 139 091</b>	<b>733 832 739</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>2 858 824 021</b>	<b>2 059 191 604</b>
Exchange differences		33 342 987	65 799 678
<b>Cash and cash equivalents at end of the year</b>		<b>4 320 306 099</b>	<b>2 858 824 021</b>
<b>Comprising:</b>			
Bank and cash balances	20	4 320 306 099	2 858 824 021

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2024

**1 GENERAL INFORMATION**

The National Pension Scheme Authority (the "Authority") was established by the National Pension Scheme Act No. 40 of 1996 (the "Act"). The Authority has the sole management rights and control of the National Pension Scheme. The principal activities of the Authority are to manage the National Pension Scheme and pay pension benefits to members. The Authority became operational on 1 February 2000.

The main objective of the Authority is to implement the policy relating to the National Pension Scheme as stipulated in the Act. The Authority is mandated to manage the Scheme so as to ensure that at all times it is in a state of actuarial soundness, financially sustainable, fair in its benefit distribution and is affordable.

Under the Act and its regulations, the Authority took over the liabilities of members who contributed to a saving Scheme established under the repealed Zambia National Provident Fund Act (the "ZNPf Act"). Members of the former Fund may, at their election, and on the conditions subsisting under the Act and its regulations, convert their accrued rights to the National Pension Scheme to improve their benefits payable under the Scheme. Members who exercise this option shall receive a month's credit for every four months of contributions under the Zambia National Provident Fund.

Notwithstanding the repeal of the ZNPf Act, the Authority, as custodian, continues to pay benefits to members qualifying under the rules in the repealed ZNPf Act.

The address of Authority's registered office and principal place of business are disclosed on page 2.

**2 MATERIAL ACCOUNTING POLICY INFORMATION**

**a. Statement of compliance**

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

**b. Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Board of Trustees have, at the time of approving the financial statements, a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Authority has consistently applied the following accounting policies to all periods presented in these financial statements.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**c. Functional and presentation currency**

These financial statements are presented in Zambian Kwacha (“Kwacha”), which is the Authority’s functional currency. All amounts have been rounded to the nearest Kwacha except as otherwise indicated.

**d. Foreign currencies**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Zambian Kwacha (K).

**e. Transactions and balances**

In preparing the financial statements of the Authority, transactions in currencies other than the Authority’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of changes in net assets available for benefits in the period in which they arise.

Transactions in foreign currencies are translated into Kwacha at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in the statement of changes in net assets available for benefits.

**f. Contribution income**

The National Pension Scheme Authority requires eligible employers to remit contributions for each month by the 10th of the following month. Accordingly, contributions receivable are accounted for as received by the Authority from 11 January 2024 to the 10th of January 2025. At the reporting date, the Authority accrued, as receivable, contributions received from 1 January 2025 to 10 January 2025. The Authority does not recognise contributions receivable from defaulting employers as this is impracticable to determine.

The contribution rate is set at 10% of the employee's gross wages subject to a ceiling. The rate is shared equally at 5% between the employer and the employee.

**g. Dividend income**

Dividend revenue from investments is recognised when the Authority's right to receive payment has been established.

**h. Interest revenue**

Interest revenue comprise interest from financial assets. Interest revenue is recognised when it is probable that the economic benefits will flow to the Authority and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

**i. Housing revenue**

Revenue from the sale of inventory items largely comprises sale of housing units. Housing revenue is recognised as control of a housing unit is passed at the point of handing over a unit to a customer. Factors that indicate that control of a unit passes from the Authority to a buyer include, but not limited to; (a) the Authority has transferred physical possession of the unit (b) the customer has the significant risks and rewards related to ownership of the unit (c) the customer has accepted the unit in its current condition. The Authority satisfies its performance obligation when a customer has fully paid for a unit.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**j Inventories**

The Authority's inventory comprises largely housing units constructed for sale, serviced plots, as well as consumable stores. Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The Authority uses two bases of determining the costs of inventories due to their differing characteristics. Costs of consumables are determined on a first-in-first out basis. The weighted average method is applied in arriving at the cost of housing inventory. In applying the weighted average method, the Authority considers the total cost of the project as incurred and the estimated cost of completing each unit type. A determined fraction is then used in arriving at a cost of each unit type.

**k Provisions**

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, for which it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**l. Property and equipment**

All property and equipment are stated at cost less accumulated depreciation. The Authority applies a revaluation model in IAS 16 to measure all its administrative buildings, after initial recognition. Administrative buildings are revalued at intervals of not more than three years.

Depreciation is recognised so as to write off the cost of property and equipment over their estimated useful lives, on a straight line basis, at the following annual rates:

Furniture and fittings	8 years
Computer equipment	3 years
Motor vehicles	4 to 5 years
Buildings	50 years
Right of use assets	3 years

Capital work in progress is not depreciated.

Management has estimated the residual values of the property and equipment at 31 December 2024 to be negligible and for purpose of the financial statements have been assigned a nil value.

**m. Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in statement of changes in net assets available for benefits in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of changes in net assets available for benefits in the period in which the property is derecognised.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**n. Impairment of tangible assets**

At the end of each reporting period, the Authority reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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). When it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of changes in net assets available for benefits.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, 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 (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of changes in net assets available for benefits.

**o. Employee retirement benefits**

The Authority operates a pension scheme for its employees, comprising both defined benefit and defined contribution schemes. The Authority's defined benefit scheme is actuarially valued at intervals of not more than three years. Funding shortfalls arising in the defined benefit scheme are met through lump sum payments into the Scheme or increased future contributions. Severance liabilities in respect of collective agreements with unionised employees are assessed annually.

The Authority provides for retirement benefits for all employees on non-fixed term contracts as provided for in the Authority's conditions of service.

For contract employees, gratuity is payable at the end of the contract period. Contract periods range from one to five years.

**p Financial instruments**

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. At initial recognition, the Authority measures all its financial instruments at fair value plus or minus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability.

The Authority's objective is to hold its financial assets after acquisition within a business model by collecting contractual cashflows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes). The contractual terms of the Authority's most financial assets give rise on specified dates to cashflows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

**i Financial assets and liabilities**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of changes in net assets available for benefits.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**ii Financial assets measured at amortised cost**

The Authority classifies a financial asset as subsequently measured at amortised cost when (a) an asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding on a specified date. The Authority's financial assets classified as measured at amortised cost include those securities (infrastructure bond and medium-term notes) whose rates are linked to specified benchmark interest rates. The following other securities are also classified and accounted for at amortised cost; (i) Fixed deposits; (ii) corporate bonds; (iii) loan and advances; (iv) rental debtors (v) sundry receivables.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**iii Financial assets at fair value through profit or loss (FVTPL)**

The Authority designates, at initial recognition, some financial assets at fair value through profit or loss. These financial assets mainly comprise Government bonds and Treasury bills. Subsequent to initial recognition, the Authority measures the financial assets at fair value by discounting the expected future cash flows at the effective yield rates prevailing in the market at the measurement date, with changes in fair value recognised in the statement of changes in net assets available for benefits.

The Authority classifies all its listed equity investments as measured at fair value through profit or loss, with changes in fair value recognised in the statement of net assets available for benefits. Subsequent to initial recognition, the Authority measures the financial assets at fair value based on active prices as traded on the Lusaka Stock Exchange.

The Authority also has investments in unlisted shares that are not traded in an active market but that are also classified as at FVTPL and stated at fair value at the end of each reporting period (unless the Trustees consider that fair value cannot be reliably measured). Changes in the carrying amount of monetary financial assets relating to changes in interest income calculated using the effective interest method and dividends on equity investments are recognised in the statement of changes in assets available for benefits.

**iv Impairment of financial assets**

The Authority assesses its financial assets for impairment on the basis of a 'three-stage' model (general model) from initial recognition. The three-stage model for impairment is based on changes in credit quality since initial recognition of the financial assets. These three-stages determine the amount of impairment recognised as expected credit losses (ECL) at each reporting date as well as the amount of interest income recorded in future periods.

The Authority's financial assets, classified as measured at amortised cost or FVTOCI, could be at any of the following stages:

**Stage 1** Financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the Authority) have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

**Stage 2** Financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the Authority) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.

**Stage 3** Financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

**2 MATERIAL ACCOUNTING POLICY INFORMATION**

**v Derecognition of financial assets**

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**vi Financial liabilities and equity instruments**

The Authority's principal financial liabilities are benefits payable and sundry payables. Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and equity instrument. Benefits payable and sundry payables are initially measured at fair value net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Authority's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**3.1 Critical judgments in applying accounting policies**

The following are the critical judgements, apart from those involving estimations below, that the Trustees have made in the process of applying the Authority's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**3.1.1 Impairment of financial assets measured at amortised cost**

In determining whether an impairment loss should be recorded in the statement of changes in net assets available for benefits, the Trustees make judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before a decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in the group, or local economic conditions that correlate with defaults on assets in that group. The Trustees assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to note 16 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

**3.2 Key sources of estimation uncertainty**

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

**3.2.1 Fair valuation of investments**

The Authority invests in government securities and unlisted equities which are measured at fair value. Fair value is the amount at which a financial instrument can be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, where one exists. The fair value of assets is determined by using market rates and in some cases where there is no active market by using valuation techniques. The estimated fair values of financial instruments have been determined by the Authority using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate fair values. Accordingly, the estimates are not necessarily indicative of the amounts the Authority could realise in a current market exchange. The carrying amounts of the financial assets approximate their fair values.

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**3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**3.2 Key sources of estimation uncertainty**

**3.2.2 Valuation of Investment Properties**

The Trustees use their judgement in selecting an appropriate valuation technique for the investment properties. Independent experts are engaged on a yearly basis to value the Fund's portfolio of properties. The independent valuers perform full valuations on the properties. Investment properties are valued using the open market value (direct comparative method) for similar properties. This method renders an estimate of value through comparison with other similar available properties which have recently transacted in the vicinity in an attempt to discern the actions of buyers and sellers active in the market place. The current market value is built up from the land and improvement values of the buildings derived from comparable transactions. Refer to note 18 for details.

**3.2.3 Actuarial valuation assumptions**

Actuarial assumptions made in determining the present obligation of retirement benefits as disclosed on Note 4.

**4 ACTUARIAL DEFICIT**

4.1 In accordance with Section 44 (2) of the National Pension Scheme Act No. 40 of 1996, the Scheme's actuarial obligation is required to be assessed on a tri-annual basis by independent actuaries. The latest actuarial valuation was carried out as at 31 December 2023. This was a combined valuation of the Provident Fund and Pension Scheme which was jointly undertaken by Muhanna & Co. Limited (Actuaries & Consultants) of Cyprus and ZENIX Actuarial and Risk Consultants Limited. The actuarial valuation report is available for examination by the members at the National Pension Scheme Authority Head Office.

4.2 The following results were obtained from the actuarial valuation:

**Support Ratio** As at the valuation date, the support ratio was 42.4. This means there were approximately 42 active members supporting the payment of one pensioner (covering old age, invalidity, and death cases). Over the medium term (30-35 years), the support ratio is expected to drop to approximately 5, and in the longer term, to 3. This implies that, in the long term, there will only be about 3 active members to support one pensioner.

**Growth of Active Members** In the short term, active membership is assumed to increase by 8%. However, this growth gradually declines to 2% and eventually to 1%, aligning with Zambia's population growth. The coverage rate of the NPS is assumed to reach 90% in the long term. Currently, the average age of active members is 35 years. Over time, as the scheme matures, this average is expected to exceed 40, reflecting the assumption that active members will remain with NPS longer, reaching retirement age and becoming eligible for old-age pensions instead of receiving retirement lump sums.

**Growth of Pensioners** Old-age pensioners are projected to increase by 8% in the short term. However, this growth accelerates, and in the medium and longer term, pensioners are expected to grow at a faster rate than active members.

**Cashflow Projections** Based on cashflow projections:

- a) In the year 2041, benefit expenditure is expected to exceed contribution income.
- b) If expected investment income and administration expenditure are also considered, then total expenditure is expected to exceed total income for the first time in 2057.
- c) After 2057, the difference between total expenditure and total income increases for all subsequent years.

**Fund Depletion** After the year 2057, the accumulated fund must be used to pay for part of the expenditure, as the annual contribution income and investment return are expected to be insufficient to cover the annual total expenditure. The fund then starts to decrease in value until it is depleted, which is expected to occur soon after the year 2067.

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4 ACTUARIAL DEFICIT (CONTINUED)

**PAYG (Pay-As-You-Go) Rate** The PAYG Rate shows the ratio of total expenditure to total salaries and administration expenses throughout the year, without producing any surplus or deficit:

- a) In 2024 (the first year of projection), the PAYG rate stands at 5.6%.
- b) By 2041, the PAYG rate is expected to exceed 10%, which is the current statutory contribution rate.
- c) By the end of the projection, the cost of total expenditures reaches 23.7% of total
- d) If this cost is expressed as a percentage of salaries, the PAYG rate for administration expenses is 1%.

**Pension Benefit Costs** As per valuation results, pension benefits require a contribution rate of 6.2% of salaries, net of any expenses. Short-term benefits (including ZNPF claims) account for an additional 0.3% of salaries. Therefore, the total cost of benefits and administrative expenses is expected to exceed the current 10% contribution rate.

**Actuarial Deficit** The actuarial deficit, as reported by the actuary as at 31st December 2023 and the estimated position as at 31st December 2024, is presented as follows:

	Actuarial Report 2023 Discount rate + 1%	Estimation* 2024 Discount rate + 1%
<b>Past Service Actuarial Liability</b>		
- Active Members	91 916 706 000	99 270 042 480
- Pensioners & Survivors	10 941 134 000	12 035 247 400
<b>Total Actuarial Liability</b>	<b>102 857 840 000</b>	<b>111 305 289 880</b>
<b>Assets as at 31st December</b>	67 651 618 000	87 215 088 958
<b>Actuarial Deficit</b>	<b>(35 206 222 000)</b>	<b>(24 090 200 922)</b>
<b>Funding Level</b> (assets as a % of liabilities)	65.8%	78.4%

The key assumptions used in the valuation were:

Valuation interest rate		12%
Long term inflation rate		7% (long term)
Expected rate of return on Scheme assets		12%
Future salary increases		7%
Future pension increases		7%
Mortality rate	At Birth	At Age 60
Men	65	15 (age 75)
Women	70	17 (age 77)

\*The estimation is based on the actuarial assumptions outlined in the 2023 actuarial valuation report, assuming these assumptions materialized while holding other factors constant. If the actuarial assumptions are realized in 2024 under the conditions prevailing as of 31st December 2023, the actuarial deficit is projected to decrease to K24 billion, reflecting the scheme's performance in 2024.

4.3 In line with IAS 26 paragraph 28(b), the Authority has opted to disclose the actuarial deficit rather than recognizing it as a liability on the statement of net assets available for benefits. The actuarial deficit is estimated to range from K14.2 billion to K35.2 billion, while an actuarial surplus of K1.7 billion has been calculated using a discount rate of 13%.

The statement of net assets available for benefits therefore does not reflect the Actuarial present value of the promised retirement benefits.

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4 ACTUARIAL DEFICIT (CONTINUED)

4.4 Significant actuarial assumptions for the determination of the actuarial deficit or surplus include discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Table 14.2: Closed-group Valuation Results (Funding Valuation as at 31st December)

	Results of Funding Actuarial Valuation BASE Scenario	Scenario 1 (discount rate + 1%)	Scenario 2 (discount rate + 1%)
<b>Past Service Actuarial Liability</b>			
- Active Members	71 975 455 000	91 916 706 000	57 026 525 000
- Pensioners & Survivors	9 864 426 000	10 941 134 000	8 957 093 000
<b>Total Actuarial Liability</b>	<b>81 839 881 000</b>	<b>102 857 840 000</b>	<b>65 983 618 000</b>
Assets as at 31st December 2023	67 651 618 000	67 651 618 000	67 651 618 000
Actuarial Deficit	<b>(14 188 263 000)</b>	<b>(35 206 222 000)</b>	<b>1 668 000 000</b>
<b>Funding Level</b> (assets as a % of liabilities)	82.7%	65.8%	102.5%

Under the BASE Scenario results, the current NPS assets can cover 83% of the past service actuarial liabilities. The funding level reduces to 17% percentage points in case the discount rate is 11% (1 percentage unit higher).

The Scheme is designed to be financed on a scaled premium basis and is therefore not fully financed. However, the Scheme is still a young scheme and benefits expenditure can be expected to increase significantly as additional members (with longer contribution records) draw their benefits. The break-even contribution rate is projected to remain below the current rate of 10% until around 2036 depending on the contributor growth.

5 CONTRIBUTIONS FROM MEMBERS

	2024	2023
Employer contributions*	4 427 510 249	3 856 439 912
Member contributions	4 234 214 896	3 495 541 326
	<b>8 661 725 145</b>	<b>7 351 981 238</b>

Contributions from members includes contributions receivable as at year end of **K475 million** (2023: K382 million) disclosed in Note 21.

\*Employer contributions includes **K193 million** (2023:K180 million) related to penalties charged for late receipt of contributions from the employers.

6 PENSION CLAIMS AND WITHDRAWALS

(a) Pension Scheme

	2024	2023
Retirement Lumpsum	131 738 309	114 317 267
Survivors Lumpsum	86 533 608	68 309 838
Invalidity Lumpsum	877 705	994 018
Refund of contributions	-	29 548
	<b>219 149 622</b>	<b>183 650 671</b>
Indexed payments	297 221 850	252 846 946
Interest on refund	19 333 555	18 844 468
	<b>316 555 405</b>	<b>271 691 414</b>
	<b>535 705 027</b>	<b>455 342 085</b>

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6 PENSION CLAIMS AND WITHDRAWALS (CONTINUED)

(a) Pension Scheme (continued)

The indexed payment is meant to help a member's income maintain a certain level of buying power in line with the determined wage inflation. In addition to the indexation, interest is paid on the Members' contributions using the rate as determined by the Authority.

From 2006, the Authority has been paying pensions to members who qualified under the reduced criterion (sliding scale). In November 2018, the Authority discontinued the application of the sliding scale following the Supreme Court judgement in a matter where a member challenged its validity. As from February 2015, the Scheme has fully insured members who are now qualifying based on a full criterion of 180 months of contributions. Additionally, members who reach the retirement age but have not made 180 contributions are given a lumpsum payment comprising principal contributions, indexation amount and interest.

(b) Pre-retirement withdrawals	2024	2023
Contribution withdrawals	458 834 111	5 402 093 945
Indexation payments	246 922 219	3 496 854 610
Interest payments	21 417 218	299 944 726
	<b>727 173 548</b>	<b>9 198 893 281</b>

A one-off lump sum benefit (pre retirement benefit) paid to Members who have contributed to the Scheme for a minimum period of 5 years or are at least 45 years of age at the time of claiming the benefit.

On 14 April 2023, the NPS Amendment Act No. 1 of 2023 was signed into law introducing a One Off Pre-Retirement Lump Sum Benefit ("PRB") popularly referred to as the "Partial Withdrawal". This new benefit entitles members of the Scheme who have made a minimum of 60 monthly contributions regardless of age or have attained the age of 45 regardless of the number of contributions to access 20% of their contributions.

A pre-retirement lump sum benefit is a one-off benefit payable to a member who has not yet attained pensionable age. It is calculated and payable at a rate of twenty (20) percent of the indexed monthly contributions and accrued interest thereon. A member who accesses the pre-retirement benefit consents to a reduction in that member's retirement or other benefits payable under the Act. The benefit at retirement or any other benefit payable to a member who has claimed the new benefit is based on a member's residual contributions and contributions made after receipt of the pre-retirement lump sum benefit. A member's benefit is scaled down to eighty (80) percent of the benefit payable if a member did not access the pre-retirement benefit. By implication, the standard minimum pension applicable in 2024 for a member who has not accessed the pre-retirement benefit is K1,490.80 which is scaled down to eighty (80) percent of K1,490.80 for members who received the pre-retirement benefit. The funeral grant payable upon death of a member is not affected by accessing the pre-retirement benefit and will continue to be standard across the board regardless of whether or not a member has accessed the pre-retirement benefit.

Providing members access to this type of benefit before qualifying for retirement benefits has significantly empowered individuals to take control of their financial future. By leveraging this opportunity, many members have been able to invest in various economic ventures, fostering both personal growth and economic activity. Since its introduction on 14 April 2023, the Pre-Retirement Benefit has seen substantial uptake, with a total of K9.9 billion disbursed by the Authority from the benefit's inception through 31 December 2024.

(c) Zambia National Provident Fund claims and withdrawals

Following the amendments to the NPS Act in December 2022, the Authority immediately commenced the closure of the Zambia National Provident Fund. As at 31 December 2022, the Trustees estimated that the Authority would pay a total of K4.38 billion to wind down the Provident Fund. Hence, the total benefits reported in the statement of changes in net assets available for benefits for the year ended 31 December 2022 included a provision of K4.38 billion as at 31 December 2022, as the Trustees' best estimate of benefits payable in future to the existing members of the Provident Fund.

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6 PENSION CLAIMS AND WITHDRAWALS (CONTINUED)

(c) Zambia National Provident Fund claims and withdrawals (continued)

During the year, the Authority paid a total of **K497.57 million** (2023: K1.365 billion) in ZNPF benefits which was charged against the provision of K4.38 billion. This is disclosed in note 26.1.

7 NORMAL RETIREMENT PENSIONS	2024	2023
Normal Retirement Pensions	<b>814 568 207</b>	<b>674 319 528</b>
In accordance with the NPS Act No. 40 of 1996 and amendment Act No. 7 of 2015, Members qualify for payment of pension following retirement from employment as follows;		
Early retirement (accrued rights)		50 years
Normal retirement (accrued rights)		55 years
Early retirement (new)		55 years
Normal retirement (new)		60 years
Late retirement (new)		65 years

The pension payments made in 2024 relate to Members who qualified after making 180 contributions by their retirement age.

The Authority in 2018 discontinued the award of pensions to members under the sliding scale, which was a reduced criterion for those aged between 39 and 48 years at inception of the Scheme on 1 February 2000. This followed the Supreme Court Judgment of 25th October 2018 which annulled the sliding scale as provided under Regulation 3 of the National Pension Scheme Statutory Instrument No. 71 of 2000.

8 INVESTMENT INCOME	2024	2023
Interest income on government bonds	5 120 865 402	4 072 506 249
Interest income on fixed term deposits	2 560 047 757	2 001 888 980
Interest income on treasury bills	1 368 462 669	1 100 495 298
Interest income on infrastructure loan on the Kafue Gorge Lower	621 968 121	476 345 551
Dividends received	221 838 157	314 720 850
Interest income on Infrastructure loan to MOIC-LN Consortium Limited - Lusaka-Ndola Dual Carriage Way Project	67 231 216	-
Interest income on a corporate bond with Industrial Development	56 476 909	57 844 611
Interest income on Infrastructure loan on the Mamba Collieries	42 338 910	-
Interest on cash deposits	42 236 718	44 438 397
Other investment income	2 185 178	3 707 660
Sundry income	2 702 155	625 121
Interest income on Infrastructure loan to the National Road Fund	-	509 227 594
Net rental (expenses) income (8.1)	(23 516 733)	(12 068 493)
	<b>10 082 836 459</b>	<b>8 569 731 818</b>

8.1 Net rental income

The Covid 19 pandemic had a significant effect on rental income yields in the past few years. As the global economy continued to recover from the adverse effects of Covid 19, rental income yields showed a strong rebound in 2024. The upward trajectory was driven by increased demand for rental properties, landlords reverting to old lease terms before waivers/discounts were given, and a gradual return to pre-pandemic occupancy levels.

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**8 INVESTMENT INCOME (CONTINUED)**

**8.1 Net rental income (continued)**

Rent escalations realised on NAPSA's Business Parks played a crucial role in the growth of rental income in 2024. NAPSA's lease agreements with escalations based on Consumer Price Index (CPI) plus an additional percentage between 3-5%, contributed to the overall increase in rental income. Notwithstanding this, increased occupancy levels averaging about 85% reflect increased demand and saw an uptake of new tenants at various NAPSA buildings countrywide, thereby increasing rental income growth during the year. However, the overall real estate performance remains subdued owing to increased costs for refurbishment, maintenance and repair works, as well as property management expenses..

Various strategies are being implemented to improve profitability of the real estate portfolio, such as contracting specialised agents to manage select investment properties, tenant mix diversification (on-boarding well known brands in the Business Parks, with a mix of blue chip corporates in the commercial office buildings), lease optimization (renegotiating lease terms to ensure they are competitive and aligned with market rates), property maintenance to enhance appeal and functionality of buildings, to justify higher rentals, continuously monitoring market trends to make informed investment decisions. A sustained improvement in operations is anticipated as the economy continues its recovery in 2025 and beyond.

	2024	2023
Rental income	135 716 784	100 689 274
Rental expenses	<u>(159 233 517)</u>	<u>(112 757 767)</u>
Net rental (expenses) income	<u>(23 516 733)</u>	<u>(12 068 493)</u>

**9 NET FOREIGN EXCHANGE GAINS**

	2024	2023
Foreign exchange gains	1 383 930 467	2 987 323 175
Foreign exchange losses	<u>(521 136 118)</u>	<u>(951 402 946)</u>
	<u>862 794 349</u>	<u>2 035 920 229</u>

This denotes the translation of monetary assets held in foreign currency. The Authority has loans issued to ZESCO Limited for Kafue Gorge Lower Hydro Power Project for USD242 million, Maamba Energy Limited for USD200 million and MOIC-LN Consortium Limited for USD300 million. Net exchange gains based on loan disbursements recognised in the year were K727 million (2023: K2.237 billion) in the statement of changes in net assets available for benefits.

Exchange losses arose during the year due to the bank-agreed rate (ruling on the transaction date) being slightly higher than the closing rate at the end of the period. During this time, the foreign exchange market experienced significant volatility, with exchange rates fluctuating multiple times a day.

The Authority actively participates in the foreign exchange market to purchase US dollars to bolster its foreign currency reserves, which are utilized to make loan disbursements to MOIC-LN Consortium Limited and Maamba Collieries Limited. The loan facilities are denominated in US dollars, requiring the Authority to make disbursements in this currency.

The table below illustrates the movements in the US Dollar exchange rates during the year:

Currency		Mid – market	Mid – market	Movement
		exchange rate	exchange rate	
		as at	as at	during
		1 January	31 December	the year
US Dollar (1 US\$ = )	2024	<u>25.71</u>	<u>27.88</u>	<u>(7.8%)</u>
US Dollar (1 US\$ = )	2023	<u>18.07</u>	<u>25.71</u>	<u>(29.7%)</u>

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**10 TAXATION**

The Authority is exempt from income tax under the terms of the Second Schedule to the Income Tax Act, 1996 (as amended) except as follows: under the terms of the income tax amendment Act 3 of 2003 interest arising from Treasury bills ("T-bills") or Government bonds is subject to withholding tax at source at 15% with effect from 1 April 2003; the tax withheld at source is also the final tax. The discount income for Government bonds is not subject to tax beginning 1 January 2016. Furthermore, the Authority is required to pay tax at 12.5% of the gross rental income received.

	2024	2023
(i) Pension Scheme		
Withholding tax @ 15% on interest on Treasury Bills and Government bonds	809 853 444	644 711 069
Tax on rental receipts	<u>13 843 542</u>	<u>12 621 718</u>
<b>Total expense</b>	<u>823 696 986</u>	<u>657 332 787</u>
(ii) Included under current liabilities		
Payable in respect of previous year	175 164 739	132 135 120
Payable in respect of current year	<u>823 696 986</u>	<u>657 332 787</u>
	<u>998 861 725</u>	<u>789 467 907</u>
Payments during the year	<u>(801 036 540)</u>	<u>(614 303 168)</u>
Income tax payable	<u>197 825 185</u>	<u>175 164 739</u>

**11 EMPLOYEE BENEFIT EXPENSES**

Salaries and other staff benefit costs	584 245 906	536 489 013
Pension costs	<u>35 491 766</u>	<u>31 657 679</u>
	<u>619 737 672</u>	<u>568 146 692</u>

**11.1** The Authority runs an in-house pension scheme for non-fixed contract staff in which it pays its share of contributions. The in-house pension scheme operates independently from the Authority and manages both the defined contribution (DC) and defined benefit (DB) schemes. The defined benefit scheme was closed to new members in 2007.

**11.2** The in-house pension scheme has rules which specify that the Authority has no recourse over the actuarial surplus for the defined benefit scheme. Accordingly, the surplus is not recorded in the Authority's accounting records.

**11.3** The last actuarial valuation was completed for the year ended 31 December 2023 and the report was issued in June 2024 by Quantum Consultants & Actuaries (Zambia) Limited, an independent firm of actuaries, using the Attained Age Method. According to the valuation at that date, the actuarial present value of promised retirement benefits for the defined benefit scheme was:

	Latest Valuation	Previous Valuation
	K	K
Pension plan assets	33 731 640	22 782 000
Liability to members	<u>(16 297 526)</u>	<u>(21 533 017)</u>
Surplus	<u>17 434 114</u>	<u>1 248 983</u>
Funding level	<u>207%</u>	<u>106%</u>

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation method	Attained Age Method
Discount rate	26.7% per annum
Long term inflation	13.1%
Salary increase	5% per annum
Pension increase	5% per annum
Mortality	-Pre- retirement SA56/62 Ultimate table
Number of members	5 (2023: 8)

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**11 EMPLOYEE BENEFIT EXPENSES (CONTINUED)**

**11.3** On the basis of the Attained Age Method of valuation, the rate of contribution required to meet the cost of future accrual of benefit in respect of the defined benefit (DB) Scheme members is estimated at 21.6% of DB Scheme members' total Pensionable Salaries which, net of members' contributions at 10%, gives the Sponsor's required contribution rate of 11.6% of DB Scheme members' Pensionable Salaries. This is before any adjustments is made for the actuarial surplus disclosed by the actuarial valuation.

The plan typically exposes the Authority to actuarial risks such as interest rate risk, salary risk and mortality risk. Increases or decreases in these actuarial risks may result in an increase or decrease of the actuarial surplus.

The actuarial valuation results of the DB Scheme are sensitive to the actuarial assumptions made. The actuarial assumptions reflect one view of likely future events and there is therefore uncertainty as to how the financial position of the DB Scheme will develop in future. There is no guarantee that the assumptions made will be borne out in practice and the expectation is that the DB Scheme's actual experience will from time to time be better or worse than that assumed.

<b>12 ADMINISTRATIVE EXPENSES</b>	<b>2024</b>	<b>2023</b>
Computer expenses	76 680 955	47 553 449
Office rent expenses*	37 299 370	3 058 867
Sports expenses	30 112 474	29 501 812
Depreciation expense (note 23)	28 838 679	33 556 088
Travelling expenses	24 840 660	23 694 860
Motor vehicle expenses	20 223 638	14 855 728
Other expenses**	17 932 450	13 204 390
Staff welfare and training	12 098 595	10 092 582
Office and related expenses	10 747 369	4 892 742
Advertising and promotion	10 327 339	22 869 631
Conferences and venue hire	10 466 517	5 680 592
Board expenses	5 737 079	4 047 482
Bank charges	5 139 390	4 197 127
Internet and related charges	4 943 770	3 663 336
Legal and other related expenses	4 358 722	1 780 322
Printing and stationery	3 945 025	6 489 720
Staff acting appointments	3 579 429	6 259 890
Legal claims provision***	2 558 768	(7 500 000)
Electricity and water	1 737 711	1 804 128
Auditor remuneration	1 811 832	1 684 633
Corporate Social Responsibility	1 579 607	1 437 382
Business research and projects	1 155 382	4 852 997
Support to Zamstats and Other	1 025 000	1 140 000
Medical Board	919 905	899 150
Telephone and postage	884 973	888 633
Cleaning materials	853 194	845 203
Non-statutory audit fees	751 935	1 315 367
Books and magazines	435 796	688 812
Building and repairs	341 570	2 352 602
Donation and grants	337 486	268 817
Employer seminars	163 340	1 119 793
Procurement expenses	125 023	752 966
Gain on disposal of equipment	(1 316 396)	(1 784 989)
	<b>320 636 587</b>	<b>246 164 112</b>

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**12 ADMINISTRATIVE EXPENSES**

\*The increase in office rent expenses in 2024 pertains to owner-occupied space, which the Authority began paying to accurately reflect the actual return on its real estate investments. On average, the Authority incurs K34 million annually in rent for office space located within its investment properties.

\*\*It mainly comprises security charges for NAPSA offices amounting to K2.7 million, corporate subscriptions of K1.7 million, SMS alert charges of K2 million, Labour Day activities costing K1.9 million, health and safety interventions of K1.2 million, as well as expenses of K1.1 million for various functions, including costs of facilities for press briefings held during the year, workshops for media owners, and media house engagements.

\*\*\* The reversal of legal provision in 2023 related to two court cases, which were previously provided for, but settled in favour of the Authority.

<b>13 GOVERNMENT SECURITIES</b>	<b>2024</b>	<b>2023</b>
Government bonds	27 286 992 845	22 750 564 081
Treasury bills	11 357 333 554	10 629 523 214
	<b>38 644 326 399</b>	<b>33 380 087 295</b>
<b>13.1 Government bonds</b>		
At beginning of the year	22 750 564 081	20 925 759 877
Purchases	5 460 861 269	7 078 471 630
Bonds matured during the year	(3 143 291 711)	(5 807 862 731)
Change in fair value	2 218 859 206	554 195 305
At end of the year	<b>27 286 992 845</b>	<b>22 750 564 081</b>
Maturity analysis:		
2 to 5 year Government bonds	12 097 571 032	14 103 343 412
7 to 15 year Government bonds	15 189 421 813	8 647 220 669
Non current	<b>27 286 992 845</b>	<b>22 750 564 081</b>
The Authority holds Government bonds with interest rates ranging from 9% to 27.75%, with interest payable semi-annually. These bonds have staggered maturity dates, spanning from February 2024 to December 2039. Bonds with lower coupon rates were acquired at a discount, with the yield to maturity higher than inflation on the transaction date.		
<b>13.2 Treasury bills</b>		
At beginning of the year	10 629 523 214	5 914 287 639
Purchases	13 507 887 368	14 907 032 865
Treasury bills matured during the year	(12 844 962 509)	(10 266 199 705)
Change in fair value	64 885 481	74 402 415
At end of the year	<b>11 357 333 554</b>	<b>10 629 523 214</b>
<b>Total Government securities</b>	<b>38 644 326 399</b>	<b>33 380 087 295</b>
Analysed as:		
Current	<b>11 357 333 554</b>	<b>10 629 523 214</b>
Non current	<b>27 286 992 845</b>	<b>22 750 564 081</b>
<b>13.3 Fair value movement</b>		
Government bonds	2 218 859 206	554 195 305
Treasury bills	64 885 481	74 402 415
	<b>2 283 744 687</b>	<b>628 597 720</b>

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**13 GOVERNMENT SECURITIES (CONTINUED)**

**13.3 Fair value movement (continued)**

Significant mark-to-market gains on Government bonds recorded at the end of the reporting period are largely attributed to the substantial drop in yield rates in October 2024. On average, yield rates declined sharply by 11.6%, falling from an average of 23.7% in September 2024 to 20.9% in October 2024. Thereafter, the yields remained largely unchanged for the remaining part of the year.

	2024	2023
<b>14 OTHER SECURITIES</b>		
Fixed term deposits (Note 14.1)	21 543 115 614	14 299 064 646
Corporate bonds (Note 14.4)	462 938 343	456 881 846
	<u>22 006 053 957</u>	<u>14 755 946 492</u>
At beginning of the year	14 755 946 492	14 819 852 205
Purchases	33 329 877 973	21 923 499 291
Receipts	(25 982 494 627)	(22 039 647 726)
Exchange difference on US dollar denominated deposits	(55 918 962)	74 892 767
Impairment loss	(41 356 919)	(22 650 045)
At end of the year	<u>22 006 053 957</u>	<u>14 755 946 492</u>

The Authority actively participates in the foreign exchange market to purchase US dollars to bolster its foreign currency reserves, which are used for loan disbursements. These reserves are invested in fixed-term deposits denominated in US dollars to earn returns while awaiting allocation to loans. During the year, the Authority acquired US dollars at bank-agreed rates prevailing on transaction dates, which were marginally higher than the closing rate, resulting in foreign exchange losses upon translation. In 2024, the foreign exchange market exhibited pronounced volatility, with exchange rates fluctuating multiple times a day.

**14.1 Fixed term deposits**

Zambia National Commercial Bank Plc	4 358 665 843	2 964 232 288
Stanbic Bank Zambia Limited	4 153 826 843	2 142 487 018
Access Bank Zambia Limited	1 804 566 602	870 378 740
Absa Bank Zambia Limited	1 741 825 439	1 035 844 817
Indo-Zambia Bank Limited	1 721 946 046	955 202 779
United Bank of Africa Limited	1 607 974 757	1 165 036 087
Ecobank Limited	1 486 545 316	1 307 567 598
Citi Bank Zambia Limited	1 089 094 453	-
First Capital Bank Zambia Limited	973 596 451	1 026 628 934
Standard Chartered Bank Zambia Plc	874 090 182	324 913 512
First National Bank Limited	573 092 603	399 013 248
Zambia Industrial Commercial Bank Plc	356 551 006	324 676 955
First Alliance Bank Limited	255 403 515	169 984 101
National Savings and Credit Bank	241 411 507	369 513 973
Zambia National Building Society	149 589 491	55 498 126
Izwe Loans Zambia Limited	133 852 000	41 808 767
Entrepreneurs Financial Centre (EFC) Zambia	111 224 562	56 195 205
Atlas Mara Zambia Limited	-	1 180 072 044
	<u>21 633 256 616</u>	<u>14 389 054 192</u>
Impairment loss (Note 14.3)	(90 141 002)	(89 989 546)
	<u>21 543 115 614</u>	<u>14 299 064 646</u>

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**14 OTHER SECURITIES (CONTINUED)**

**Collateral Held by the Authority**

As at 31 December 2024, the Authority held collateral worth **K49.31 billion** (2023: K16.93 billion) in form of Government bonds and Treasury bills in respect of Fixed Term Deposits held with financial institutions.

**14.2 Fixed Term Deposits (previously held by the Provident Fund) in companies in liquidation:**

	2024	2023
<b>Provident Fund</b>		
Commerce Bank Limited (In Liquidation)	1 365 977	1 365 977
First Merchant Bank Limited (In liquidation)	847 187	847 187
Credit Africa Bank Limited (In Liquidation)	793 790	793 790
Union Bank Limited (In Liquidation)	299 850	299 850
Union Bank Limited (In Liquidation)	231 762	231 762
Union Leasing Zambia Limited ( In liquidation)	202 835	202 835
UniFinance Zambia Limited	119 837	119 837
United Bank of Zambia Limited (In Liquidation)	80 517	80 517
Cavmont Capital Bank Limited (In liquidation)	430	430
	<u>3 942 185</u>	<u>3 942 185</u>
Less: Provision	(3 942 185)	(3 942 185)
	<u>-</u>	<u>-</u>

**14.3 Movement in impairment**

At beginning of the year	89 989 546	65 139 500
Impairment loss recognised in the year	151 456	25 925 752
Impairment reversal recognised in the year	-	(1 075 706)
Impairment recognised in the year net of recoveries	151 456	24 850 046
At end of the year	<u>90 141 002</u>	<u>89 989 546</u>

**14.4 Corporate deposits**

Industrial Development Company (IDC)	517 143 805	469 881 846
Meridian BIAO Bank Limited (In liquidation)	11 252	11 252
	<u>517 155 057</u>	<u>469 893 098</u>
Impairment loss	(54 216 714)	(13 011 252)
	<u>462 938 343</u>	<u>456 881 846</u>

**Movement in impairment**

At beginning of the year	13 011 252	15 211 252
Impairment reversal recognised in the year	41 205 462	(2 200 000)
At end of the year	<u>54 216 714</u>	<u>13 011 252</u>

The recovery of the impairment recognized in 2023 was related to the maturity of a two-year bond in May 2023.

**Industrial Development Company Limited**

This consists of two corporate bonds classified under the economically targeted asset class. The bonds are denominated in Zambian Kwacha and bear the following characteristics:

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2024

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**14 OTHER SECURITIES (CONTINUED)**

(i) **7-Year Bond:** This bond has a tenor of 7 years and matures in May 2027. It bears interest at 15 percent, payable semi-annually.

(ii) **2-Year Bond with Conversion Option:** This bond had a tenor of 2 years, with an option to convert into a 5-year bond. Its interest rate was benchmarked to the yield of the 182-day Treasury bill. The bond was redeemed at a multiple of 1.25x in May 2023 after reaching maturity.

	2024	2023
<b>15 EQUITY INVESTMENTS</b>		
Investments in shares listed on LuSE (Note 15.1)	4 747 646 400	3 442 433 941
Investment in subsidiaries (Note 15.2)	1 064 000 000	517 219 403
Investment in shares in private entities (Note 15.3)	442 600 000	461 740 000
Shares previously held by Zambia National Provident Fund (ZNPF) (Note 15.5)	2 205 980	2 205 980
	<b>6 256 452 380</b>	<b>4 423 599 324</b>
Impairment loss	(19 646 858)	(11 644 573)
	<b>6 236 805 522</b>	<b>4 411 954 751</b>

**Movement in Equity Investments**

Balance at the beginning of the year	4 411 954 751	4 407 168 982
Purchases during the year	-	29 473 639
Disposals during the year	(19 240 484)	-
Adjustment*	(1 608 996)	-
Change in fair value	1 854 104 926	(71 100 608)
Foreign exchange differences**	(402 390)	-
Net impairment (loss) reversal	(8 002 285)	46 412 738
Balance at the end of the year	<b>6 236 805 522</b>	<b>4 411 954 751</b>

\*This relates to the balance of a payment made by the Authority on behalf of Southern Water and Sewerage Company Limited for a water pump and related infrastructure, intended to supply water to the Radisson Blu Hotel. Southern Water and Sewerage Company Limited committed to repaying the project cost in equal instalments of K55,483. Initially, the project cost was recorded as part of the Radisson Blu Hotel's working capital but was later reclassified as a receivable from the water utility company, which has been steadily liquidating the amount owed through instalments.

\*\*The foreign exchange differences relate to the translation of the value of investment in Real Estate Investments Zambia Plc, whose share price is now quoted in US dollars on the Lusaka Securities Exchange.

**Analysis of change in fair value**

Investment in shares in listed shares	1 324 855 333	813 641 829
Investment in subsidiaries	548 389 593	3 650 704
Investment in shares in private entities	(19 140 000)	(888 393 141)
Balance at end of the year	<b>1 854 104 926</b>	<b>(71 100 608)</b>

**Movement in change in fair value**

Balance at the beginning of the year	(135 177 980)	(64 077 372)
Movement in fair value during the year:	<b>1 854 104 926</b>	<b>(71 100 608)</b>

**Balance at the end of the year**

	<b>1 718 926 946</b>	<b>(135 177 980)</b>
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**Analysis of impairment loss**

Chilanga Cement Plc	17 440 878	9 438 593
Zambia National Provident Fund	2 205 980	2 205 980
Balance at end of the year	<b>19 646 858</b>	<b>11 644 573</b>

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**Kwacha**

**15 EQUITY INVESTMENTS (CONTINUED)**

**Movement of impairment loss**

	2024	2023
Balance at the beginning of the year	11 644 573	58 057 311
<b>Movement in allowance during the year:</b>		
Impairment loss recognised in the year	8 002 285	-
Impairment reversal recognised in the year	-	(46 412 738)
Impairment recognised in the year net of reversals	<b>8 002 285</b>	<b>(46 412 738)</b>
<b>Balance at the end of the year</b>	<b>19 646 858</b>	<b>11 644 573</b>

The impairment provision includes 683,956 disputed shares in Chilanga Cement Plc, purchased at K26 per share in 2014, valued at K9,438,593. These shares have been fully provided for, along with shares previously held by the now-defunct Zambia National Provident Fund, amounting to K2,205,980.

In 2023, there was a reversal of an impairment provision of K46.7 million, representing the initial value of shares held in Zambia Industrial Commercial Bank (ZICB) upon its establishment. This equity investment originated from a fixed-term deposit formerly held with the defunct Intermarket Banking Corporation Limited, which was converted into shares when ZICB assumed its operations. In recent years, the investee bank's performance has significantly improved, consistently showing an upward trend in profitability. The impairment provision was reversed in 2023 to reflect this enhanced performance of the investment.

**15.1 Investments in shares listed on LuSE**

The movements in investment in shares listed during the year were as

	2024	2023
At beginning of the year	3 442 433 941	2 628 792 112
Disposal of shares	(19 240 484)	-
Exchange differences - Real Estate Investments Zambia Plc	(402 390)	-
Change in fair value	<b>1 324 855 333</b>	<b>813 641 829</b>
At end of the year	<b>4 747 646 400</b>	<b>3 442 433 941</b>
<b>Fair value movement in shares (listed and unlisted)</b>	<b>1 854 104 926</b>	<b>(71 100 608)</b>

The equity investments comprised of shares in the following entities:

	No. of shares	Share price	2024 Market Value	2023 Market Value
ZCCM - Investment Holdings Plc	24 120 043	65.00	1 567 802 795	1 013 041 806
Zambia Sugar Plc	30 788 021	36.05	1 109 908 157	1 077 580 652
Zambia National Commercial Bank Plc	140 355 061	5.54	777 567 038	533 349 236
Zambia Forestry and Forest Industries Corporation Plc	100 000 000	3.00	300 000 000	253 000 000
Puma Energy Zambia Plc	49 972 746	5.80	289 841 927	124 931 865
Chilanga Cement Plc	8 815 986	25.50	224 807 643	121 660 607
Copperbelt Energy Corporation Plc	15 779 333	13.84	218 385 972	111 875 473
Standard Chartered Bank Plc	39 873 967	2.65	105 666 013	59 810 963
Zambeef Plc	24 797 819	2.13	52 819 354	62 738 482
British American Tobacco Zambia Plc	6 394 439	3.91	25 002 256	12 469 156
Lafarge Zambia Plc (disputed shares)	683 956	25.50	17 440 879	9 438 593
Prima Re-Insurance Plc	6 422 842	2.70	17 341 673	17 983 958
Metal Fabricators of Zambia Plc	3 290 567	5.01	16 485 740	16 123 778
Real Estate Investments Zambia (REIZ) P	5 691 431	1.95	11 107 625	7 398 860
AECI Mining Explosives PLC	293 798	31.55	9 269 327	12 333 640
National Breweries Plc	1 400 000	3.00	4 200 000	5 740 000
Pamodzi Hotel Plc	-	-	-	2 956 872
			<b>4 747 646 400</b>	<b>3 442 433 941</b>

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15 EQUITY INVESTMENTS (CONTINUED)

15.2 Investment in subsidiaries

The Authority in line with its investments guidelines holds 100% interest in Special Purpose Vehicles, namely Society House Development Company Limited (SHDCL) and NAPSA Hospitality Investment Limited (NHIL) (formerly Levy Business Park Hotel Limited). SHDCL ceased its operations in 2021 after the Authority acquired the stake owned by Zambia National Building Society in the Society Business Park. NHIL was incorporated to provide oversight over the Authority's investments in hotels which are wholly owned.

	2024	2023
Balance at the beginning of the year	517 219 403	484 095 060
Additions during the year	-	29 473 639
Adjustment	(1 608 996)	
Change in fair value	548 389 593	3 650 704
Balance at year end	1 064 000 000	517 219 403

At the reporting date, the fair value of shares in the subsidiary companies were as follows:

	Shareholding	2023		2024	
		Market value	Change in fair value	Market value	Market value
Zambia Industrial Commercial Bank Limited	64.27%	293 925 764	3 074 236	297 000 000	297 000 000
NHIL trading as Hilton Garden Inn	100%	29 000 000	-	29 000 000	29 000 000
NHIL trading as Stayeasy	100%	49 820 000	62 180 000	112 000 000	112 000 000
NHIL trading as Garden Court	100%	115 000 000	(12 000 000)	103 000 000	103 000 000
NHIL trading as Radisson Blu Mosi-oa-Tunya Livingstone Resort	100%	29 473 639	495 135 357	523 000 000	523 000 000
		517 219 403	548 389 593	1 064 000 000	1 064 000 000

Zambia Industrial Commercial Bank Limited

The Authority increased its equity interest in ZICB by converting a fixed-term deposit of K121.83 million in 2020. Additionally, it further expanded its equity holdings in ZICB in 2021 by acquiring more shares at a cost of K331 million through a Special Purpose Vehicle, NAPSA Investments Holding Limited, which is wholly owned by NAPSA. Currently, the Authority holds 446,700,000 ordinary shares in the company, representing a 64.27% shareholding.

Radisson Blu Mosi-oa-Tunya Livingstone

Radisson Blu Mosi-oa-Tunya Livingstone is a newly built hotel that commenced its operations in December 2022. Its current fair value has been determined at K523 million (2023: K29 million).

The fair value measurement for these investment in subsidiaries has been categorised as Level 3 based on the significant unobservable inputs and valuation techniques applied. This is disclosed in note 31.

15.3 Investments in private equities

The Authority owns private equity investments in other unlisted companies, namely, Wonderful Industries Zambia Limited, MTN Zambia Limited and Marcopolo Tiles Company Zambia Limited. Investment in unlisted shares is part of the Authority's overall investment strategy to diversify its portfolio of investments and optimize the asset mix. The fair value measurement for these investments has been categorised as level 3 based on the significant unobservable inputs and valuation techniques used. This is disclosed in note 31.

Details of the Authority's investment in three other unlisted shares are shown below.

	Shareholding	2023		2024	
		Market value	Change in fair value	Market value	Market value
Wonderful Industries Zambia Limited	35%	164 940 000	(52 940 000)	112 000 000	112 000 000
MTN Zambia Limited	8%	223 200 000	(69 600 000)	153 600 000	153 600 000
Marcopolo Tiles Company Zambia Limited	16.8%	73 600 000	103 400 000	177 000 000	177 000 000
		461 740 000	(19 140 000)	442 600 000	442 600 000

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15 EQUITY INVESTMENTS (CONTINUED)

15.3 Investments in private equities (continued)

(i) Wonderful Industries Zambia Limited

The Authority made a direct investment in Wonderful Industries Zambia Limited in 2020. The Authority holds 42,000 ordinary shares in the Company which represents a 35% shareholding. The shares were bought at an ex-ante share price of USD950 per share with a total value of USD39 million. The principal activity of the Company includes the selling of tiles, manufacturing and selling of poly woven packaging bags and PVC ceilings, manufacturing and selling of recycled brown sacks, PP grain packaging, production of industrial lime, wall skimming and tile fix.

(ii) MTN Zambia Limited

The Authority made a direct investment in MTN Zambia Limited in 2020. The Authority holds 1,287,985 shares in the Company which represents an 8% shareholding. The Company is a telecommunications provider and is part of the MTN Group listed on the JSE Securities Exchange in South Africa. The current year fair value adjustment was K69.60 million (2023: Nil).

(iii) Marcopolo Tiles Company Zambia Limited

The Authority made a direct investment in Marcopolo Tiles Company Zambia Limited in 2020. The Authority holds 16,400 ordinary shares in the Company which represents a 16.8% shareholding. The principal activity of the Company is the manufacturing and selling of porcelain and ceramic wall and floor tiles.

15.4 Valuation methodologies for unlisted shares

The Authority engaged Stockbrokers Zambia (SBZ) Limited to determine the fair value of its private equity investments. The consultant employed four (4) valuation methodologies to establish valuation ranges for the investee companies. These methods include:

(i) Discounted Cashflow (DCF)

The DCF methodology values a business based on its projected residual cashflows, discounted to determine its present value. The approach requires detailed projections, budget commentary, assumptions, and other forward-looking information.

(ii) Relative Valuation (RV)

Under the RV methodology, the value of a company is derived from the current valuation of comparable companies, standardised using a common variable such as earnings, EBITDA, and book value. The approach requires positive projected metrics to be meaningful – a positive EBITDA or NAV are the minimum threshold.

(iii) Cost Approach (CA)

The cost approach takes into consideration the actual cost invested into a business or the actual cost to re-build the business. It does not take into account any value creation or cash flow generation. It inherently assumes that "cost = value".

(iv) Book Value (BV)

BV evaluates the net asset value, reflecting the Investees' financial position at a specific time.

15.5 Shares previously held by ZNPF

	No. of shares	Share price	Market Value	Market Value
Commerce Bank Limited (In Liquidation)	2 157 780	1	2 157 780	2 157 780
Development Bank of Zambia Corporation Limited (In Liquidation)	4 505	10 000	45 050	45 050
Lima Bank Limited (In Liquidation)	500 000	0.005	2 500	2 500
Kapiri Glass Products Limited (In Liquidation)	500 000	1	500	500
	150 000	1	150	150
			2 205 980	2 205 980
Impairment loss			(2 205 980)	(2 205 980)
			-	-

The shares above are in the name of the closed Zambia National Provident Fund and have been fully provided for.

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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16 LOANS AND ADVANCES	2024	2023
This asset class relates to real estate, infrastructure and other advances that the Authority has invested in.		
Kafue Gorge Lower Hydro Power Project (Note 16.1)	6 819 004 051	6 061 417 193
MOIC-LN Consortium Limited - Lusaka-Ndola Dual Carriage Way Project (Note 16.2)	2 438 652 263	-
Maamba Collieries Limited - Phase II 300 MW Power Project (Note 16.3)	1 626 824 741	-
Staff mortgages (Note 16.4)	96 815 675	81 620 804
Livingstone City Council (Note 16.5)	55 942 063	50 892 118
Phantom Exchange (Note 16.6)	2 362 592	2 362 592
Other advances (Note 16.7)	1 067 087	1 067 087
National Road Fund Agency Loan (Note 16.8)	-	1 029 410 962
	<b>11 040 668 472</b>	<b>7 226 770 757</b>
Impairment loss (Note 16.9)	<b>(592 805 954)</b>	<b>(265 814 949)</b>
	<b>10 447 862 518</b>	<b>6 960 955 808</b>
At beginning of the year	6 960 955 808	8 144 842 608
Payments	3 795 621 444	10 169 033
Principal receipts	(1 030 523 485)	(4 190 173 351)
Loan interest received	(422 671 801)	(581 747 836)
Interest income recognised in the year	739 704 594	809 538 831
Exchange differences	726 717 017	2 237 058 994
Net impairment (loss) reversal	(321 941 059)	531 267 529
At end of the year	<b>10 447 862 518</b>	<b>6 960 955 808</b>

**16.1 Kafue Gorge Lower Hydro Power Project**

This is an investment in the energy sector through a 20-year debt instrument of USD190 million. The facility was utilized to fund the completion of the Kafue Gorge Lower Hydro Power Plant with the generation capacity of 750MW power. In line with the financing agreement, the Industrial Development Company (IDC) Limited accessed financing for on-lending to Zambia Electricity Supply Company Limited (ZESCO) through its energy sector special purpose vehicle, Zambia Power Limited.

During the reporting period, the borrower's ability to service the loan was significantly hindered by a severe drought affecting the country. The borrower relies on hydro power, which is susceptible to drought and adversely impacts its operations. Consequently, the borrower was only able to make partial loan repayments. To address this issue, the loan was restructured in November 2024 by capitalizing the outstanding interest of USD8.56 million and extending the repayment period by an additional two and a half years. As of November 27, 2024, the principal loan amount stood at USD242 million after restructuring, with full amortization now scheduled for 2039.

At the reporting date, a total of USD242 million in principal amount was outstanding under the facility on which interest income of USD2.3 million had accrued, The collateral held is the guarantee from the Ministry of Finance valued at US\$189,999,961. As disclosed in note 16.9, the impairment recorded on this loan was **K334 million** (2023: K211 million).

**16.2 MOIC-LN Consortium Limited**

This is a financing agreement between NAPSA and MOIC-LN Consortium Limited for the upgrading of approximately 327 kilometres of the T2/T3 road from Lusaka to Ndola into a dual carriageway, including the rehabilitation of 45 kilometres of the Luanshya-Fisenge-Masangano road within the Lusaka, Central, and Copperbelt Provinces of the Republic of Zambia. The Lusaka-Ndola Road serves as a gateway to the mining regions of the Copperbelt, Central, and Northwest Provinces, as well as the Democratic Republic of Congo (DRC). It is also a major trade route linking the southern part of Africa to the East African markets.

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**16 LOANS AND ADVANCES (CONTINUED)**

**16.2 MOIC-LN Consortium Limited (continued)**

The Authority committed to financing USD300 million for the project, a debt classified as senior debt and representing 46% of the total project cost of USD 650 million. As senior secured debt, the loan holds the highest level of security and repayment priority compared to common shares and shareholders' loans within the financing structure, which comprises 30% equity and 70% debt. According to the financing agreement, loan disbursements are scheduled to be made in twenty tranches over a three-year period. The debt is secured by road user charges and toll gates outside the revenue lines for this facility. The security comprises all toll gates from Kafue to Solwezi, with the exclusion of the Katuba, Kafulafuta, Manyumbi, and two additional toll gates to be constructed. The loan is benchmarked to a one-year Secured Overnight Financing Rate (SOFR) with an additional risk-adjusted margin, reflecting the associated country and counterparty risks.

As of 31 December 2024, the Authority had disbursed a total of USD85 million, representing 28% of the USD300 million debt facility. The outstanding loan balance stood at USD87.52 million, inclusive of accrued interest amounting to USD2.52 million.

**16.3 Maamba Collieries Limited**

In July 2024, the Authority entered into a debt financing agreement with Maamba Collieries Limited to support the construction of Phase Two of the thermal power plant project. This financing arrangement involves a syndicate of lenders working together to fund the development of a coal-fired thermal power generation plant with the capacity of producing an additional 300 megawatts (MW). The project comprises two units, each with a design capacity of 150 MW, as well as the necessary infrastructure for efficient and cost-effective operation.

The Authority committed to financing USD200 million of the project on a drawdown basis, with a tenure of 10 years. By the end of the reporting period, USD57.2 million of the loan had been disbursed. Additionally, the total loan outstanding stood at USD58.35 million, comprising the principal of USD57.2 million and accrued interest of USD1.15 million. The pledged assets, as collateral, associated with this financing are being managed by a security agent engaged specifically for this purpose. The collateral is enhanced by an escrow account, which is managed by Stanbic Bank Zambia Limited.

**16.4 Staff mortgages**

The Authority has disbursed a cumulative total of K156 million under a mortgage facility to its staff over a six-year period. As of the reporting date, the outstanding loan receivable amounted to **K96.8 million** (2023: K81.6 million).

**16.5 Livingstone City Council**

In May 2019, the Authority extended its investment in socially targeted assets via a loan facility in the sum of K33 million to the Ministry of Local Government and Rural Development, for the completion of the modern Bus Terminus and Market in Livingstone. The loan facility was extended by a further K8 million to K42 million in 2021, out of which a total of K33.6 million was disbursed for the project.

At the reporting date, the total loan outstanding stood at K55.9 million, including accrued interest of K22.4 million. This has been fully provided for due to contractual disagreements.

**16.6 Phantom Exchange Limited**

The Authority guaranteed a loan in the sum of K3 million granted to Phantom Exchange Limited ("Phantom") by Stanbic Bank Zambia Limited. Subsequently, Phantom defaulted on its loan repayment and the Authority paid the bank the outstanding amount.

The Authority subsequently sued and obtained judgement against Phantom for the payment of the guaranteed sum plus interest. As disclosed in Note 16.9, this has been fully provided for.

**16.7 Other advances**

	2024	2023
Government of the Republic of Zambia	971 145	971 145
Parastatal and private sector	88 227	88 227
Local Authorities	7 715	7 715
	<b>1 067 087</b>	<b>1 067 087</b>

Other advances relate to funds advanced to Government of the Republic of Zambia, Government Agencies and other institutions in the past. As disclosed in Note 16.9, these amounts have been fully provided for.

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**16 LOANS AND ADVANCES (CONTINUED)**

**16.8 National Road Fund Agency Loan (NRFA)**

This was an investment in the road sector financed through a debt arrangement with the National Road Fund Agency (NRFA). Initially, the debt facility amounted to K2.1 billion, intended for the construction of the North Corridor road stretching from Ndola to Solwezi, which also included the development of road toll plazas. After the initial loan facility was fully disbursed in 2019, the debt arrangement was restructured and increased by an additional K1.8 billion, bringing the total facility to K3.9 billion. The additional financing was allocated to complete the Chingola–Solwezi road stretch and construct the Solwezi–Kipushi road.

The debt instrument was benchmarked to a 15-year Government bond with no added margin and secured by enhanced collateral through an escrow agreement. The loan tenor was extended from 10 years to 15 years, set to mature on 1 September 2034. In 2023, NRFA committed to settling the debt within one year. Consequently, a payment of K3.858 billion was made in May 2023, liquidating the prior year's outstanding balance of K4.6 billion, leaving a balance of K1.029 billion that was fully settled on 3 April 2024.

16.9 Analysis of impairment	2024	2023
The impairment are comprised of the following:		
Kafue Gorge Lower Power Hydropower Project	334 486 128	211 493 152
MOIC-LN Consortium limited - Lusaka - Ndola Dual Carriage Way Project	119 202 242	-
Maamba Collieries Limited - Phase II 300 MW Power Project	79 745 841	-
Livingstone City Council	55 942 064	50 892 118
Phantom Exchange Limited	2 362 592	2 362 592
Other advances	1 067 087	1 067 087
<b>Balance at end of the year</b>	<b>592 805 954</b>	<b>265 814 949</b>
<b>Movement in impairment</b>		
Balance at the beginning of the year	265 814 949	792 046 330
<b>Movement in allowance during the year:</b>		
Impairment loss recognised in the year	326 991 005	95 029 300
Impairment reversal recognised in the year	-	(621 260 681)
Impairment recognised in the year net of reversals	326 991 005	(526 231 381)
<b>Balance at the end of the year</b>	<b>592 805 954</b>	<b>265 814 949</b>

In 2023, a net reversal in impairment amounting to K526 million was recognised, largely attributed to a significant reduction in exposure to an Infrastructure loan extended to the National Road Fund Agency (NRFA). The counterparty, NRFA, had pledged to settle the outstanding debt within a year. Consequently, in May 2023, NRFA made a substantial payment of K3.9 billion to reduce the prior year's outstanding balance of K4.6 billion. The loan was fully settled on 3 April 2024.

**17 HOUSING PROJECTS**

Inventory - River View Park	809 908 500	408 500
Inventory - Lilayi Housing	566 743 872	437 620 902
Inventory - Kalulushi Housing	27 640 887	27 640 887
Inventory - Chinsali Housing	17 452 276	17 452 276
Inventory - Nyumba Yanga	14 565 001	14 565 000
	<b>1 436 310 536</b>	<b>497 687 565</b>
Impairment loss	<b>(12 465 887)</b>	<b>(12 465 887)</b>
	<b>1 423 844 649</b>	<b>485 221 678</b>

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2024

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**17 HOUSING PROJECTS (CONTINUED)**

**Movement in housing inventory:**

	2024	2023
At beginning of the year	485 221 678	47 600 776
Additions during the year	129 122 971	452 586
Reclassification (Note 18)	809 500 000	437 168 316
At end of the year	<b>1 423 844 649</b>	<b>485 221 678</b>

Housing projects relate to serviced plots and houses constructed for sale. In the current year, the Lilayi Housing and Commercial Plots Project reached completion, with the serviced plots becoming available for sale to the public in June 2024. The measurement of the housing inventory is based on the lower of cost and net realizable value. The net realizable value is the fair value of the asset, which is determined using market rates and in some cases where there is no active market by using valuation techniques. The Board of Trustees uses its judgement and makes assumptions that are mainly based on market conditions existing at the reporting date.

**Movement in impairment on housing inventory**

	2024	2023
Balance at beginning and end of the year	<b>12 465 887</b>	<b>12 465 887</b>

The Authority recovers through sale the excess impairment loss recognised on housing units at Kalulushi Housing Project.

**18 INVESTMENT PROPERTIES**

Balance at beginning of the year	7 728 149 565	6 758 849 025
Additions	7 757 283	14 486 212
Disposals	(68 815 303)	(3 760 682)
Reclassification*	(670 139 326)	(106 439 399)
Changes in fair value**	101 517 211	1 065 014 409
Balance at end of the year	<b>7 098 469 430</b>	<b>7 728 149 565</b>

\*This represents the net movements in investment property, comprising the transfer of NAPSA Record Centre (with a net book value of K159 million) from administrative property, the reclassification of Precinct I of the Riverview Park Infrastructure Project (with a fair value of K809.5 million) to housing inventory, and the downward adjustment of the capitalized retention amount of K20 million. NAPSA Record Centre was reclassified, effective 1 January 2024, as an investment property following the Authority's commencement of rental payments for the office space it occupies within its investment properties. Similarly, Precinct I Housing Project was reclassified from investment property to housing inventory, as this portion of land was subdivided into housing plots for sale. Finally, the retention amount held for development works at the Riverview Project was adjusted downward after reconciliation, considering the expiry of the contract for the development of Precinct I Project.

\*\*The fair value changes include the devaluation of the Society Business Park, evacuated in August 2024 due to structural defects detected in the property, affecting mainly the office block and parkade. A consultant assessing the buildings' structural integrity recommended demolishing both the office block and parkade, as they were deemed irreparable. Extensions to the iconic Society House Tower and shopping complex require significant remedial works, mainly to strengthen the supporting columns. Due to these findings, the property has been devalued by K621 million to K230 million as of 31st December 2024. The revalued amount reflects the purchase cost of the property to the Authority in December 2020, when it was acquired from Zambia National Building Society. This represents Management's best estimate of the property's lowest realisable value based on its current condition and available valuation information.

**(a) Fair value measurement of the Authority's investment properties**

The Authority's portfolio of investment properties comprises properties that are under development, parcels of bare land acquired through outright purchase and debt swap with District Councils, commercial buildings for rent as well as housing units for sale. The fair value model is applied to account for investment properties which are revalued on a continuing basis to reflect the carrying amounts that approximate to the market values of similar properties. The Authority contracts professional independent valuers, holding recognised professional qualifications and are registered members of the Valuation Surveyors Registration Board, to value its investment properties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2024

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18 INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value measurement of the Authority's investment properties (continued)

During the year, the Authority engaged The Consortium Properties Limited, registered valuation surveyors, to carry out a valuation of all its investment properties. These properties included all former ZNPF buildings, Levy Business Park, Kalulushi Shopping Complex, the school building at Kalulushi Housing Complex, Edgar Chagwa Lungu (ECL) Business Park, River View Park, the Record Centre within the River View Park Project, the Livingstone Mosi-Tunya Radisson Blu Hotel, and selected parcels of bare land. However, other real estate investments, such as the Makeni Housing Project and Lilayi Housing & Commercial Project, were excluded from the revaluation as they were listed for sale to the public.

As of the reporting date, the Authority held additional investment properties, including the following: (a) the Nyumba Yanga Housing Project in Lusaka; (b) prime land located in the Baobab Area of Makeni; and (c) York Farmland. The Ibex Hill Gardens, now fully sold, and the Nyumba Yanga Highrise Flats were initially offered for sale at market value in 2019.

(b) Fair value hierarchy

The fair value measurement for investment property of **K709,846,943** (31 December 2023: K7,728,149,565) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The Trustees are of the view that the valuation of these properties approximates their fair values.

(c) Valuation technique and significant unobservable inputs used

Various valuation techniques were applied in determining the fair value of property. The selection of the valuation method was aided by several factors including the following: bases and premises of value; purpose of valuation; strength and weaknesses of the appropriate method; and the availability of appropriate information needed to apply the method. Further, the method adopted in arriving at the fair values was premised on the property type. In this regard, the following valuation techniques were applied:

Item Number	Property Type	Valuation Method
1	Commercial (offices)	Investment Method/Market Approach/Cost Method
2	Retail (shopping malls)	Discounted Cashflow Technique /Investment Method
3	Residential	Market Approach
4	Vacant Land	Market Approach
5	Hotels	Income Approach

The following table shows the significant unobservable inputs used and sensitivity:

Significant unobservable inputs	Sensitivity
The following are the Significant unobservable <ul style="list-style-type: none"> <li>Expected market rental growth (5-11.5%. Weighted average 8%).</li> <li>Void periods (average 2 months after the end of each cancelled lease).</li> <li>Occupancy rate (70-95% weighted average (85%).</li> <li>Rent-free periods (2-month period on new leases).</li> <li>Risk-adjusted discount rates (10-19.1%. Weighted average 14.5%).</li> </ul>	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> <li>Expected market rental growth were higher (lower).</li> <li>Void periods were longer (shorter).</li> <li>The occupancy rates were higher (lower).</li> <li>Rent-free periods were shorter (longer).</li> <li>The risk-adjusted discount rate were lower (higher).</li> </ul>

NATIONAL PENSION SCHEME AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 December 2024

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19 INVESTMENTS RECONCILIATION

	Value at 1 January 2024	Net cash flows	Foreign exchange movement and other adjustments	Impairment loss	Change in fair value	Value at 31 December 2024
Equities (Note 15)	4 411 954 751	(19 240 484)	(2 011 386)	(8 002 285)	1 854 104 926	6 236 805 522
Government securities (Note 13)	33 380 087 295	2 980 494 417	-	-	2 283 744 687	38 644 326 399
Other securities (Note 14)	14 755 946 492	7 347 383 346	(55 918 962)	(41 356 919)	-	22 006 053 957
Loans and advances (Note 16)	6 960 955 808	2 765 097 959	1 043 749 810	(321 941 059)	-	10 447 862 518
Bank and cash balances (Note 20)	2 858 537 783	1 428 139 091	33 342 987	(146 365)	-	4 319 873 496
Housing project (Note 17)	485 221 678	129 122 971	809 500 000	-	-	1 423 844 649
Investment property (Note 18)	7 728 149 565	(61 058 020)	(670 139 326)	-	101 517 211	7 098 469 430
	<b>70 580 853 372</b>	<b>14 569 939 280</b>	<b>1 158 523 123</b>	<b>(371 446 628)</b>	<b>4 239 366 824</b>	<b>90 177 235 971</b>
Equities (Note 15)	4 407 168 982	29 473 639	-	46 412 738	(71 100 608)	4 411 954 751
Government securities (Note 13)	26 840 047 516	5 911 442 059	-	-	628 597 720	33 380 087 295
Other securities (Note 14)	14 819 852 205	(116 148 435)	74 892 767	(22 650 045)	-	14 755 946 492
Loans and advances (Note 16)	8 144 842 608	(4 761 752 154)	3 046 597 825	531 267 529	-	6 960 955 808
Bank and cash balances (Note 20)	2 059 191 604	865 432 095	65 799 678	(286 238)	-	2 858 537 783
Housing project (Note 17)	47 600 776	452 586	437 168 316	-	-	485 221 678
Investment property (Note 18)	6 758 849 025	10 725 530	(106 439 399)	-	1 065 014 409	7 728 149 565
	<b>63 077 552 716</b>	<b>1 939 625 320</b>	<b>3 518 019 187</b>	<b>554 743 984</b>	<b>1 622 511 521</b>	<b>70 580 853 372</b>

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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	2024	2023
<b>20 BANK AND CASH BALANCES</b>		
Bank balances held at various banks	4 320 306 099	2 858 824 021
Impairment charge	(432 603)	(286 238)
	<b>4 319 873 496</b>	<b>2 858 537 783</b>

No bank account held by the Authority were overdrawn, in current and prior year.

**21 CONTRIBUTIONS RECEIVABLE FROM MEMBERS**

<b>Member contributions</b>	<b>475 185 173</b>	<b>381 928 687</b>
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Contributions receivable from members represents the statutory contributions as required by the National Pension Scheme Act, No. 40 of 1996 which requires the employer and employee to contribute 5% each of the gross earnings into the Scheme, subject to the contribution ceiling.

The Authority's policy requires that contribution income is accounted for on the basis of receipts from 11 January of each year to 10 January of the following year. Contribution income from 1 January to 10 January 2025 recognised in 2024 amounted to **K475,185,173** (2023: K381,928,687).

Other than contributions received between 1 January and 10 January 2025, the Authority received member contributions during the year which were partially received by year end owing to partial returns submitted by the contributing employers.

**22 OTHER RECEIVABLES**

VAT recoverable*	274 971 270	331 559 040
Rental receivables	160 512 090	156 336 717
Sundry receivables	117 093 649	17 815 217
Staff loans and advances	16 582 482	10 284 525
Prepayments	19 099 992	8 481 821
Dividend receivables	-	12 937
	<b>588 259 483</b>	<b>524 490 257</b>
Bad debt provision	<b>(179 281 452)</b>	<b>(171 805 676)</b>
	<b>408 978 031</b>	<b>352 684 581</b>

\*The Authority is due to receive a VAT refund from the Zambia Revenue Authority, which includes an unassessed amount of K257.26 million. The VAT refundable also incorporates the remaining balance of K17.76 million from the assessed refund of K109.75 million, following the VAT audit conducted in 2020. Over the past three years, the Authority has received a total of K92 million in VAT refunds based on the 2020 VAT audit. During the year, the Zambia Revenue Authority paid K55.3 million to reduce the VAT refund arrears. The unaudited refundable amount primarily consists of VAT refundable for the construction of the Radisson Blu Mosi-oa-Tunya Livingstone Resort.

**Movement in allowance for doubtful debts**

Balance at the beginning of year	171 805 676	205 784 163
Provisions during the year	7 425 012	12 651
Recoveries during the year	-	(33 991 138)
Adjustment	50 764	-
Balance at end of the year	<b>179 281 452</b>	<b>171 805 676</b>

The recoveries on the provision for bad debts relate to payments received for long outstanding rent debtor balances. The adjustment relates to staff debt write-off which was provided for in prior years, netted off against the recovered benefit claim receivable.

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**23 CONSUMABLE STORES**

The statement of financial position and statement of cashflows has been restated to include a reclassification of consumable stores which was included as part of other receivables in the prior year. In line with IAS 1.41 which requires that once changes in the presentation or classification of items in its financial statements are made, the comparative amounts would require to be reclassified. Below changes which have been effected:

	2023
Other receivables as reported on 31 December 2023	358 600 783
Adjust: Consumable stores	5 916 203
Restated operating profit 31 December 2023 as now reported	<b>352 684 581</b>

The reclassification did not result in any changes to the previously recorded and disclosed other and total assets.

**24 PROPERTY AND EQUIPMENT**

	Leasehold Land and Building	Motor vehicles	Office furniture, equipment and fittings	Total
<b>Cost</b>				
Balance at 1 January 2023	170 034 790	105 814 970	229 825 080	505 674 840
Additions	-	18 119 505	7 520 791	25 640 296
Reclassification	-	-	7	7
Disposals	-	(7 097 493)	(1 790 004)	(8 887 497)
<b>Balance at 31 December 2023</b>	<b>170 034 790</b>	<b>116 836 982</b>	<b>235 555 874</b>	<b>522 427 646</b>
Additions	-	11 867 112	20 530 611	32 397 723
Reclassification	(170 034 790)	7 955 976	-	(162 078 814)
Disposals	-	(5 862 712)	(875 248)	(6 737 960)
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>130 797 358</b>	<b>255 211 237</b>	<b>386 008 595</b>
<b>Accumulated depreciation and impairment</b>				
Balance at 1 January 2023	6 801 392	74 397 023	198 625 218	279 823 633
Charge for year	3 400 696	13 187 474	16 967 918	33 556 088
Eliminated on disposal	-	(5 646 768)	(1 628 816)	(7 275 584)
<b>Balance at 31 December 2023</b>	<b>10 202 088</b>	<b>81 937 729</b>	<b>213 964 320</b>	<b>306 104 137</b>
Charge for year	-	15 065 492	13 773 187	28 838 679
Eliminated on reclassification	(10 202 088)	-	-	(10 202 088)
Eliminated on disposal	-	(5 192 047)	(537 232)	(5 729 279)
<b>At 31 December 2024</b>	<b>-</b>	<b>91 811 174</b>	<b>227 200 275</b>	<b>319 011 449</b>
<b>Carrying amount</b>				
<b>At 31 December 2024</b>	<b>-</b>	<b>38 986 184</b>	<b>28 010 962</b>	<b>66 997 146</b>
At 31 December 2023	159 832 702	34 899 253	21 591 554	216 323 509

**25 CAPITAL COMMITMENTS**

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Capital commitments	2024	2023
	<b>9 975 000 000</b>	<b>665 000 000</b>

This accounts for 72% of the loan commitments made in 2024, dedicated to two major infrastructure projects: the upgrading of the Lusaka-Ndola road to a dual carriageway and the development of the Phase II thermal Powered Plant for Maamba Collieries Limited.

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**26 PROVISIONS FOR CLAIMS PAYABLE**

Claims payable include ongoing litigation cases whose ultimate resolution will, in the Trustee's view result in loss to the Authority. The amounts accrued are at Trustees' best estimate of the likely outcome of those claims.

Pension scheme	2024	2023
At the beginning of the year	21 079 976	30 052 936
Charge for the year	2 558 768	-
Paid during the year	-	(1 472 960)
Reversal of provision*	-	(7 500 000)
At the end of the year	<b>23 638 744</b>	<b>21 079 976</b>

\*This related to two court cases that were accounted for in prior years but resolved in 2023 without any financial claims being paid by the Authority.

**27 OTHER PAYABLES**

Zambia National Provident Fund (Note 27.1)	2 427 607 475	2 925 177 831
Deposit on sale of houses and investment properties (Note 27.2)	414 799 802	147 856 385
Deferred income (Note 27.3)	211 251 418	225 696 079
Other creditors (Note 27.4)	169 459 319	47 550 133
Payables (Note 27.5)	152 982 534	108 350 160
Provisions (Note 27.6)	118 748 648	85 611 641
Contract retentions (Note 27.7)	75 086 986	81 564 904
Monthly pensions payable (Note 27.8)	71 396 885	58 431 043
Collateral maturities (Note 27.9)	49 310 699	231 636
	<b>3 690 643 766</b>	<b>3 680 469 812</b>

**27.1 Zambia National Provident Fund**

At beginning of the year	2 925 177 831	4 321 842 148
Payments during the year	(497 570 356)	(1 396 664 317)
At end of the year	<b>2 427 607 475</b>	<b>2 925 177 831</b>
Age	312 002 770	789 795 601
Survivors	149 193 407	207 161 091
Provision for closure of ZNPF	36 243 193	397 930 267
Disability	130 187	1 767 882
Interest on benefits	799	4 872
Home ownership	-	4 604
	<b>497 570 356</b>	<b>1 396 664 317</b>

The provision relates to benefits payable that have not yet been claimed under the ZNPF Closure Project. As these payments are made, the provision is gradually wound down.

**27.2 Deposit on sale of houses and investment properties**

Deposits relate to advance payments received from the sale of housing units, plots, bare land parcels, and selected former ZNPF properties advertised for sale. These primarily comprise serviced plots at the Lilayi Housing and Commercial Project, amounting to K116 million; Riverview Park Housing Plots, with part payments totalling K106 million; partial payments of K39 million for former ZNPF commercial buildings; K113 million received as part payment for both Baobab and Makeni land parcels; and K23 million for the Nyumba Yanga Housing Project. As of 31 December 2024, the Kalulushi Housing Project had thirty-two (32) unsold housing units remaining, with total deposits received amounting to K9 million. These housing units are under a court order stipulating that payments, made in equal monthly instalments, are to be completed by the sitting tenants over a five-year period, with an initial deposit of 20% for each unit due by the past date of 30 June 2022.

**27.3 Deferred Income**

Deferred income pertains to interest of K225.7 million, recognized as compensation received in advance for the Infrastructure Loan for the Kafue Gorge Lower Project. This was realized at the conclusion of the three-year moratorium period on 29 May 2023. The interest income is amortised annually over the remaining duration of the loan.

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

for the year ended 31 December 2024

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**27 OTHER PAYABLES (CONTINUED)**

**27.4 Other creditors**

The other creditors comprise K16 million in rental security deposits and K13 million in handling charges associated with income payments receivable from a portfolio of Government securities.

**27.5 Payables**

Payables consist of payments amounting to K107 million for the purchase of US dollars, which were not received by the end of 2024 and are intended to bolster reserves. They also include the pay-as-you-earn (PAYE) liability for December 2024, as well as interest payments totalling K54.9 million on collateral held in fixed-term deposits with banks.

**27.6 Provisions**

The provisions include K40.6 million accrued for unutilized leave days, K25.9 million for early retirement benefits, and K23.6 million in performance bonuses.

**27.7 Contract retentions**

Contract retentions refer to payments withheld by the Authority for certified works on projects to address defects during the defect liability period. These include an unpaid retention of K62.4 million (USD 2.2 million) for the construction of the Radisson Blu Mosi-oa-Tunya Livingstone Resort in Livingstone, and K10.5 million (USD 378,378) for the development works at the NAPSA Lilayi Serviced Housing and Commercial Plots Project. The payment for the Radisson Blu Hotel retention remains overdue, as it has exceeded the defect liability period, which ended in January 2024 after extension. This delay is due to the pending finalization of the final account with the developer, Mukuba Property Development Zambia Limited.

As highlighted in Note 18, contract retentions were adjusted downward by K20 million after reconciliation of the costs of development works at the Riverview Park Precinct I Project, following the expiry of the contract for the Contractor.

**27.8 Monthly pensions payable**

This relates to the pension payroll for December 2024, payable by 15 January 2025.

**27.9 Collateral maturities**

This relates to funds received from collateral securities that matured in the books of the Authority.

**28 DEFERRED LIABILITIES**

Deferred liabilities include provisions for retirement benefits for employees, estimated to be payable at the end of their contracts. The account movements during the year were as follows:

	2024	2023
At beginning of the year	9 374 281	4 717 480
Charge for the year	8 261 895	7 689 844
Paid during the year	(8 865 955)	(3 033 043)
<b>At end of the year</b>	<b>8 770 221</b>	<b>9 374 281</b>
Due as follows:		
Within one (1) year	5 266 719	6 949 336
Between 1 and 5 years	3 503 502	2 424 945
	<b>8 770 221</b>	<b>9 374 281</b>

**29 (a) CONTINGENT LIABILITIES**

The Authority operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations, arising in the ordinary course of the Authority's business.

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29 (a) CONTINGENT LIABILITIES (CONTINUED)

When the Authority can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Authority records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Authority is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Authority does not include detailed, case specific disclosures in its financial statements. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Authority takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Authority determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses.

Other than the liability to pay pensions and other benefits, there were no other contingent liabilities of the Authority as at 31 December 2024, as all other deemed likely to crystallise have been provided for.

(b) CONTINGENT ASSETS

(i) Legal claims

As of 31 December 2024, the Authority is pursuing four legal claims against two contractors for breaches of contracts involving two projects: the development of Phase I of the Riverview Park Infrastructure Project and the construction of fifty low-cost housing units and bulk services in Chinsali District. The contractor for Phase I failed to complete the works within the agreed timeframe, prompting the Authority to invoke the Advance Payment Guarantee to recover the advance payment and demand payment under a Performance Guarantee for the same breach. Additionally, the contractor is liable for damages amounting to 25 percent of the value of the uncompleted works due to slow progress, which caused the stoppage and abandonment of the construction site. Similarly, the Authority called upon the Performance Guarantee for the incomplete works by the contractor engaged to construct low-cost housing units in Chinsali District.

While the proceedings are ongoing, the Authority has determined that it is probable economic benefits may flow to the organization if the judgment is favourable. However, since the outcome remains uncertain and the timing of the resolution is unpredictable, no asset has been recognized in the financial statements as of 31 December 2024.

The estimated value of the potential inflow is approximately K145 million, subject to the final judgment or agreement. The Authority will continue to pursue and assess the progress of the claims.

(ii) Penalties charged

The Authority does not accrue or recognise an asset for income relating to potential penalties charged but not received by the reporting date. The penalties levied relate to defaulting employers who are charged penalties for late payment and nonpayment of statutory contributions. Due to challenges in determining and collecting the penalties receivable from defaulting employers, the Authority records these on a cash basis.

As of 31 December 2024, the Authority accounted for contribution penalties received in cash amounting to **K193 million** (2023: K180 million) for late receipt of contributions from the employers.

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30 RELATED PARTY TRANSACTIONS

In the context of the Authority, related party transactions include any transactions made with any of the following persons:

- The Government of the Republic of Zambia
- Members of the Board of Trustees
- Key management personnel
- NAPSA Staff Pension Scheme
- NAPSA Investments Holdings Limited
- NAPSA Hospitality Investment Limited
- Garden Court Hotel
- Hilton Garden Hotel
- Radisson Blue Hotel
- Livingstone Market and Bus Station Management Co. Ltd
- Society House Development Company Limited
- Industrial Development Corporation
- Zambia Industrial Commercial Bank

The transactions to be reported are those that affect the Authority in making financial and operating decisions. Examples of such transactions include:

- Finance (loans);
- Procurement and investment contracts;
- Disposal of assets; and
- Rental income.

The Authority undertakes to disclose the nature of related party relationships, types of transactions, and the elements of the transactions necessary for the understanding of the annual financial statements.

The financial impact of transactions with related parties at the end of the year are as follows:

	2024	2023
<b>(a) Amounts due from related entities</b>		
Livingstone Market and Bus Station Management Co. Ltd	10 950 753	12 236 463
Hilton Garden Hotel	2 312 069	2 312 069
Society House Development Company Limited	281 748	281 882
Radisson Blu Hotel	211 071	55 483
	<b>13 755 641</b>	14 885 897
Less: Impairment loss	<b>(13 544 704)</b>	(14 830 414)
	<b>210 937</b>	55 483
<b>(b) Loans and advances</b>		
Kafue Gorge Lower Hydro Power Project (Note 16)	6 819 004 051	6 061 417 193
Impairment provision	<b>(334 486 128)</b>	(211 493 152)
	<b>6 484 517 923</b>	5 849 924 041
National Road Fund Agency (Note 16)	-	1 029 410 962
Impairment provision	-	-
	<b>2 438 652 263</b>	-
Livingstone Market and Bus Station Management Co. Ltd (Note 16)	55 942 064	50 892 118
Impairment provision	<b>(55 942 064)</b>	(50 892 118)
	-	-
Recoverable from the Ministry of Labour and Social Security	559 155	559 155
Government loans	187 463	187 463
Parastatal and private sector	88 227	88 227
Interest on Government loans	23 746	23 746
Local Authority loans	2 918	2 918
	<b>861 509</b>	861 509

**NATIONAL PENSION SCHEME AUTHORITY**

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30 RELATED PARTY TRANSACTIONS (CONTINUED)	2024	2023
<b>(c) Fixed deposits</b>		
Zambia Industrial Commercial Bank Limited		
Impairment provision	<u>(1 485 669)</u>	<u>(7 278 175)</u>
	<u>356 551 006</u>	<u>324 676 955</u>
<b>(d) Corporate bonds</b>		
Industrial Development Corporation	517 143 805	469 881 846
Impairment provision	<u>(54 205 462)</u>	<u>(13 000 000)</u>
	<u>462 938 343</u>	<u>456 881 846</u>
<b>(e) Compensation of Trustees</b>		
The remuneration of Board and Committee members during the year was as follows:		
Allowances	<u>2 682 608</u>	<u>2 513 559</u>
<b>(f) Compensation of key management personnel</b>		
The remuneration of key management personnel during the year was as follows:		
Salaries and allowances	13 619 634	13 993 082
Gratuity	5 769 801	5 160 952
NHIMA	85 951	103 352
NAPSA	<u>73 054</u>	<u>107 360</u>
	<u>19 548 440</u>	<u>19 364 746</u>

**31.1 Fair value of the financial assets that are measured at fair value on a recurring basis**

The Trustees consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values. This is due to the generally short periods to contractual repricing or maturity dates. Fair values are based on discounted cash flows using discount rates based upon the yield rates on similar financial assets at reporting date.

**(i) Fair value hierarchy**

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable.

	Hierarchy	Note	2024	2023
Government securities	Level 2	(ii)	38 644 326 399	33 380 087 295
Investments in listed equities	Level 1	(i)	4 747 646 400	3 442 433 941
Investment in private entities	Level 3	(iii)	442 600 000	461 740 000
Investment in subsidiaries	Level 3	(iii)	1 064 000 000	517 219 403

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The shares held by the Authority are listed equity securities on the Lusaka Securities Exchange.

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The government securities held are measured using discounted cash flows which are estimated based on observable Bank of Zambia yield rates at the end of the reporting period.

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The shares held in private equities and subsidiaries are based on significant unobservable inputs as disclosed in note 30(ii).

**NATIONAL PENSION SCHEME AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 December 2024

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**30 RELATED PARTY TRANSACTIONS (CONTINUED)**

**31.1 Fair value of the financial assets that are measured at fair value on a recurring basis (continued)**

At 31 December 2024, the Authority did not have financial liabilities measured at fair value (2023: nil).

	Fair value hierarchy as at 31 December 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Government securities	-	38 644 326 399	-	38 644 326 399
Other securities	-	-	22 006 053 957	22 006 053 957
Investments in listed equities	4 747 646 400	-	-	4 747 646 400
Investment in private entities	-	-	442 600 000	442 600 000
Investment in subsidiaries	-	-	1 064 000 000	1 064 000 000
Loans and advances	-	-	10 447 862 518	10 447 862 518
Bank and cash balances	-	-	4 319 873 496	4 319 873 496
Contributions receivables	-	-	475 185 173	475 185 173
Other receivables	-	-	131 396 328	131 396 328
<b>Total</b>	<u>4 747 646 400</u>	<u>38 644 326 399</u>	<u>38 886 971 472</u>	<u>82 278 944 271</u>
<b>Fair value hierarchy as at 31 December 2023</b>				
<b>Financial assets</b>				
Government securities	-	33 380 087 295	-	33 380 087 295
Other securities	-	-	14 755 946 692	14 755 946 692
Investments in listed equities	3 442 433 941	-	-	3 442 433 941
Investment in private entities	-	-	461 740 000	461 740 000
Investment in subsidiaries	-	-	517 219 403	517 219 403
Loans and advances	-	-	6 960 955 808	6 960 955 808
Bank and cash balances	-	-	2 858 537 782	2 858 537 782
Contributions receivables	-	-	381 928 687	381 928 687
Other receivables	-	-	187 866 043	187 866 043
<b>Total</b>	<u>3 442 433 941</u>	<u>33 380 087 295</u>	<u>26 124 194 415</u>	<u>62 946 715 651</u>

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31 FAIR VALUE MEASUREMENTS (CONTINUED)

31.1 Fair value of the financial assets that are measured at fair value on a recurring basis (Continued)

(ii) Level 3 fair value measurement

Some of the Authority's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined, (in particular, the valuation technique(s) and inputs used).

Financial Asset	Valuation technique(s) and key input(s)	Significant unobservable input (s)	Sensitivity of unobservable inputs to fair value
Marcopolo Tiles Limited	Discounted Cashflow (DCF), Relative Valuation (RV)	Revenue growth assumptions, operating expenses growth assumptions which directly impact the EBITDA margin, weighted average cost of capital, experts experience and knowledge of market conditions of the specific industries and Discount for lack of marketability.	The appropriate enterprise valuation range using the DCF methodology is as follows: Low: K267 million Midpoint: K300 million High: K339 million.
Wonderful Industries Limited	Discounted Cashflow (DCF), Relative Valuation (RV)	Revenue growth assumptions, operating expenses growth assumptions which directly impact the EBITDA margin, weighted average cost of capital, experts experience and knowledge of market conditions of the specific industries and Discount for lack of marketability.	The appropriate enterprise valuation range using the DCF methodology is as follows: Low: K102million Midpoint: K112 million High: K124 million.
MTN Zambia Limited	Discounted Cashflow (DCF), Relative Valuation (RV)	Revenue growth assumptions, operating expenses growth assumptions which directly impact the EBITDA margin, weighted average cost of capital, experts experience and knowledge of market conditions of the specific industries and Discount for lack of marketability.	The appropriate enterprise valuation range using the DCF methodology is as follows: Low: K132 million Midpoint: K170.4million High: K208 million.
Stay Easy Hotel Lusaka	Discounted Cashflow (DCF), Relative Valuation (RV)	Revenue growth assumptions, operating expenses growth assumptions which directly impact the EBITDA margin, weighted average cost of capital, experts experience and knowledge of market conditions of the specific industries and Discount for lack of marketability.	The appropriate enterprise valuation range using the DCF methodology is as follows: Low: K106 million Midpoint: K112 million High: K118 million
Garden Court Kitwe	Discounted Cashflow (DCF), Relative Valuation (RV)	Revenue growth assumptions, operating expenses growth assumptions which directly impact the EBITDA margin, weighted average cost of capital, experts experience and knowledge of market conditions of the specific industries and Discount for lack of marketability.	The appropriate enterprise valuation range using the DCF methodology is as follows: Low: K96million Midpoint: K103million High: K110 million
Radisson Blu Mosi-Oa-Tunya Hotel	Discounted Cashflow (DCF), Relative Valuation (RV)	Revenue growth assumptions, operating expenses growth assumptions which directly impact the EBITDA margin, weighted average cost of capital, experts experience and knowledge of market conditions of the specific industries and Discount for lack of marketability.	The appropriate enterprise valuation range using the DCF methodology is as follows: Low: K573million Midpoint: K523million High: K573 million

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32 FINANCIAL RISK MANAGEMENT

The Authority's activities expose it to a variety of financial risks, including credit risk and the effects of changes in equity market prices, foreign currency exchange rates and interest rates. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by management under policies approved by the Board of Trustees. Management identify and evaluate the financial risks.

32.1 Market risk

(i) Fair value Interest rate risk

The Authority's interest-bearing assets are mostly at fixed rate (fixed term deposits, treasury bills and Government bonds). Few other assets including Infrastructure Debt instrument and medium-term notes are at rates benchmarked to the yield rates for Government securities. Movements in yield rates for Government bonds securities expose the Authority to interest rate risks.

(ii) Equity market price

The Authority is exposed to equity market price risk arising from changes in market prices of shares and investment securities. Equity market price risk arises from recognised equity investments and investment securities.

At 31 December 2024, if the market prices had strengthened by 10%, increase in net assets for the year would have been **K474,764,640** higher (2023: K342,413,128) mainly as a result of equity investments.

At 31 December 2024, if the market prices had weakened by 10%, decrease in net assets for the year would have been **K474,764,640** lower (2023: K342,413,128) mainly as a result of equity investments.

32.2 Credit risk

Credit risk arises from cash and cash equivalents, corporate bonds and deposits with banks, as well as other receivables. The Board assesses the credit quality of each investment, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the Board of Trustees.

The Authority's maximum exposure to credit risk at 31 December 2024 is as follows:

	2024	2023
Government securities (Note 13)	38 644 326 399	33 380 087 295
Other securities (Note 14)	22 006 053 957	14 755 946 492
Equity investments (Note 15)	6 236 805 522	4 411 954 751
Loans and advances (Note 16)	11 040 668 472	7 226 770 757
Other receivables (Note 22)	408 978 031	352 684 581
Bank and cash balances (Note 20)	4 319 873 496	2 858 824 021
Contributions receivable (Note 21)	475 185 173	381 928 687
	<b>83 131 891 050</b>	<b>63 368 196 584</b>

Collateral is held on certain fixed term deposits.

None of the above assets are past due or impaired except for the following amounts in rental debtors (which are due within 30 days of the end of the month in which they are invoiced):

Debtors due within 30 days	160 512 090	156 336 717
Provision for bad debts	<b>(165 047 049)</b>	<b>(156 336 327)</b>

Kwacha

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Credit risk (continued)

Concentration risk

The net asset value of the Authority is **K87,215,088,958** (2023: K67,651,617,541). Individual investments that exceed 5% of the net assets of the Authority in current year is Kafue Gorge Lower Hydro Power Project at 8% of net asset (2023: Kafue Gorge Lower Hydro Power Project at 9%).

32.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from member contributions and returns from investments.

Management monitors rolling forecasts of the Authority's liquidity reserve on the basis of expected cash flow.

The table below analyses the Authority's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

31 December 2024	Payable within one year	2 to 5 years	Over 5 years	Total
<b>Liabilities</b>				
Income tax payable	197 825 185	-	-	197 825 185
Provisions for claims payable	1 079 976	-	-	1 079 976
Other payables	3 690 643 766	-	-	3 690 643 766
Deferred liabilities	5 266 719	3 503 502	-	8 770 221
	<b>3 894 815 646</b>	<b>3 503 502</b>	<b>-</b>	<b>3 898 319 148</b>
<b>Assets</b>				
Government securities	10 025 480 989	10 678 912 247	13 408 187 662	34 112 580 898
Other securities	21 708 162 663	518 237 670	-	22 226 400 333
Equity investments	4 747 646 399	-	-	4 747 646 399
Loans and advances	32 271 892	64 543 783	10 672 987 902	10 769 803 577
Bank and cash balances	4 319 369 704	-	-	4 319 369 704
Contributions receivable	475 185 173	-	-	475 185 173
Other receivables	502 469 022	-	-	502 469 022
	<b>41 810 585 842</b>	<b>11 261 693 700</b>	<b>24 081 175 564</b>	<b>77 153 455 106</b>
<b>Net liquidity gap</b>	<b>37 915 770 196</b>	<b>11 258 190 198</b>	<b>24 081 175 564</b>	<b>73 255 135 958</b>
31 December 2023				
Income tax payable	175 164 739	-	-	175 164 739
Provisions for claims	1 079 976	-	-	1 079 976
Other payables	3 680 469 812	-	-	3 680 469 812
Deferred liabilities	-	9 374 281	-	9 374 281
	<b>3 856 714 526</b>	<b>9 374 281</b>	<b>-</b>	<b>3 866 088 807</b>
<b>Assets</b>				
Government securities	9 105 533 844	13 961 818 560	7 284 427 075	33 380 087 295
Other securities	14 790 061 968	20 584 595	36 383 340	14 755 946 492
Equity investments	4 411 954 751	-	-	4 411 954 751
Loans and advances	1 029 410 962	-	6 327 232 143	7 090 828 156
Bank and cash balances	2 858 251 544	-	-	2 858 537 782
Contributions receivable	381 928 687	-	-	381 928 687
Other receivables	518 354 147	-	-	358 600 783
	<b>33 095 495 903</b>	<b>13 982 403 155</b>	<b>13 648 042 558</b>	<b>63 237 883 946</b>
<b>Net liquidity gap</b>	<b>29 238 781 377</b>	<b>13 973 028 874</b>	<b>13 648 042 558</b>	<b>59 371 795 139</b>

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33 EVENTS AFTER REPORTING DATE

The Authority has assessed events occurring after the reporting period up to the date of approval of the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements for the year ended 31 December 2024.

34 ADOPTION OF NEW AND REVISED STANDARDS

34.1 New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Authority has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**Amendments to IAS 1 Classification of Liabilities as Current or Non-current**

The Authority has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

The Authority has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**34 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)**

**34.2 New and revised Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the Authority has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

<b>Amendments to IAS 21</b>	<i>Lack of Exchangeability</i>
<b>IFRS 18</b>	Presentation and Disclosures in Financial Statements
<b>Amendments IFRS 9 and IFRS 7</b>	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

**Annual IFRS improvement Volume 11** Annual Improvements to IFRS Accounting Standards — Volume 11

The Directors of the Authority do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Authority in future periods, except if indicated below.

**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability**

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

**34 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)**

**34.2 New and revised Standards in issue but not yet effective (continued)**

**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (continued)**

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

**IFRS 18 Presentation and Disclosures in Financial Statements**

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

**IFRS 18 introduces new requirements to:**

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions

**Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments**

The International Accounting Standards Board (IASB) has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments.

The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

The amendments to IFRS 9 and IFRS 7 are effective for accounting periods beginning on or after 1 January 2026 and the Directors do not anticipate that its adoption will result into material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

34 ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

New and revised Standards in issue but not yet effective (continued)

Annual Improvements to IFRS Accounting Standards — Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11

Standard	The amendment
IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge accounting by a first-time adopter. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.
IFRS 7 Financial Instruments: Disclosures	Gain or loss on derecognition. The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.
IFRS 7 Financial Instruments: Disclosures (implementation guidance only)	Disclosure of deferred difference between fair value and transaction price. The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
IFRS 9 Financial Instruments	Introduction and credit risk disclosures. The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
IFRS 9 Financial Instruments	Lessee derecognition of lease liabilities. The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.
Standard	The amendment
IFRS 9 Financial Instruments	Transaction price. The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.

The Directors of the Authority anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

NATIONAL PENSION SCHEME AUTHORITY

APPENDIX I - STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the year ended 31 December 2024

Kwacha

Member service operations:

Contributions receivable from Members  
Benefit claims and refunds  
Normal retirement pensions  
Pre retirement withdrawals  
ZNPf payments

Investment operations:

Investment revenue  
- Interest on Government bonds  
- Interest on treasury bills  
- Interest on term deposits  
- Infrastructure loans  
- SHDCL loans  
- Rental income  
- Dividend income  
- Other investments  
Profit on sale of properties  
Handling fees  
Revaluation of equity  
Surplus on revaluation of investments properties  
Surplus (deficit) on revaluation of financial assets  
Impairment: loan and advances  
Impairment: stocks and bonds  
Impairment: fixed term deposit  
Impairment housing inventory  
Impairment: disputed shares in Chilanga Cement Plc  
Impairment: bank balances  
Write-off (writeback) receivables: Old ZNPf loan advances  
Bad and doubtful debts reversal (provision)

	2024	2023	2022	2021	2020
	8 661 725 145	7 351 981 238	6 981 653 621	5 200 881 575	4 078 526 334
	(564 281 235)	(478 920 648)	(493 157 506)	(478 709 081)	(444 816 073)
	(814 568 207)	(674 319 528)	(568 250 685)	(479 923 380)	(410 278 233)
	(727 173 548)	(9 198 893 281)	-	-	-
	-	-	(4 889 625 219)	(394 184 974)	(458 863 459)
	6 555 702 155	(3 000 152 219)	1 030 620 211	3 848 064 140	2 764 568 569
	5 120 865 402	4 072 506 249	3 907 703 684	4 504 461 935	4 370 139 888
	1 368 462 669	1 100 495 298	617 681 376	392 630 350	473 075 251
	2 560 047 757	2 001 888 980	1 555 655 255	1 270 290 972	1 303 456 873
	731 538 247	985 573 145	1 472 829 834	1 525 879 733	1 172 836 621
	-	-	-	-	354 262 073
	(23 516 733)	(12 068 493)	28 396 077	(6 017 415)	(6 594 866)
	221 838 157	314 720 850	136 064 408	92 288 867	52 434 422
	103 600 960	106 615 789	105 800 808	83 785 142	63 633 994
	19 620 137	546 181	210 817	(29 000)	-
	(53 905 622)	(42 505 925)	(38 330 720)	(33 924 205)	(29 051 797)
	1 854 104 926	(71 100 608)	344 859 493	698 478 312	213 085 154
	101 517 211	1 065 014 409	-	(1 739 979)	368 979 221
	2 283 744 687	628 597 720	(423 805 302)	1 291 484 158	(193 060 388)
	(321 941 059)	577 680 268	(17 039 232)	(563 151 558)	(795 416 747)
	(41 205 462)	2 200 000	-	(3 600 000)	(10 800 000)
	(151 456)	(24 850 046)	(64 088 858)	(3 269 954)	(1 184 471)
	-	-	2 685 075	-	-
	(8 002 285)	-	-	-	-
	(146 365)	(286 238)	-	-	-
	(1)	-	-	-	-
	(7 425 012)	33 991 138	(6 650 227)	5 243 313	(2 463 334)
	13 909 046 158	10 739 018 717	7 621 972 488	9 222 849 610	7 333 331 894

**NATIONAL PENSION SCHEME AUTHORITY**

**APPENDIX I - STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

for the year ended 31 December 2024

	2024	2023	2022	2021	2020
<b>Kwacha</b>					
<b>Other operating income:</b>					
- Exchange gains (losses)	862 794 349	2 035 920 229	309 675 130	(1 068 354 041)	334 868 648
- Gain (loss) on disposal of plant and equipment	(1 316 396)	1 784 989	(325 343)	577 881	1 384 430
	861 477 953	2 037 705 218	309 349 787	(1 067 776 160)	336 253 078
<b>Management expenses:</b>					
- Employee benefit expenses	(584 245 906)	(536 489 013)	(437 041 964)	(400 381 424)	(369 332 624)
- Administration expenses	(282 020 821)	(214 393 013)	(232 597 548)	(230 965 413)	(196 625 834)
- Pension cost	(35 491 766)	(31 657 679)	(28 241 237)	(26 237 284)	(24 353 707)
- Depreciation	(37 299 370)	(33 556 088)	(44 570 973)	(41 438 771)	(63 546 705)
	(939 057 863)	(816 095 793)	(742 451 722)	(699 022 892)	(653 858 870)
Increase on net assets before income taxation	20 387 168 403	8 960 475 923	8 219 490 765	14 129 268 767	9 780 294 671
Income tax expense	(823 696 986)	(657 332 787)	(606 470 258)	(528 570 851)	(516 176 483)
<b>Increase in net assets</b>	<b>19 563 471 417</b>	<b>8 303 143 136</b>	<b>7 613 020 507</b>	<b>10 775 543 847</b>	<b>9 264 118 188</b>

**NATIONAL PENSION SCHEME AUTHORITY**

**APPENDIX II - NET ASSETS AVAILABLE FOR BENEFITS**

for the year ended 31 December 2024

	2024	2023	2022	2021	2020
<b>Kwacha</b>					
<b>ASSETS</b>					
Bank and cash balances	4 319 873 496	2 858 537 783	2 059 191 604	915 152 473	822 340 943
Government and other securities	66 887 185 878	52 547 988 538	46 067 068 703	36 243 013 211	28 090 255 034
Loans and advances	10 447 862 518	6 960 955 808	8 144 842 608	7 433 920 298	6 560 075 124
Employee receivables	16 582 482	10 284 525	8 953 503	7 534 176	5 398 653
Members' contributions receivables	475 185 173	381 928 687	334 054 951	707 212 615	452 145 190
Other receivables	392 395 549	342 400 056	689 431 616	491 409 467	353 342 444
Inventory	7 570 553	5 916 200	4 169 112	3 129 992	3 615 617
Inventory investments	1 423 844 649	485 221 678	47 600 776	66 249 396	138 753 801
Investment properties	7 098 469 430	7 728 149 565	6 758 849 025	6 228 560 023	5 530 397 735
Property, plant and equipment	66 997 146	216 323 509	225 851 206	262 635 274	114 896 198
<b>TOTAL ASSETS</b>	<b>91 135 966 874</b>	<b>71 537 706 349</b>	<b>64 340 013 104</b>	<b>52 358 816 925</b>	<b>42 071 220 739</b>
<b>LIABILITIES</b>					
Other payables and accruals	3 690 643 766	3 680 469 812	4 824 633 161	472 686 638	971 988 698
Claims payable	23 638 744	21 079 976	30 052 936	25 654 536	32 151 600
Deferred liabilities	8 770 221	9 374 281	4 717 480	10 332 856	8 992 722
Current tax liabilities	197 825 185	175 164 739	132 135 120	114 688 997	98 178 587
<b>TOTAL LIABILITIES</b>	<b>3 920 877 916</b>	<b>3 886 088 808</b>	<b>4 991 538 698</b>	<b>623 363 027</b>	<b>1 111 311 607</b>
<b>TOTAL ASSETS LESS LIABILITIES</b>	<b>87 215 088 958</b>	<b>67 651 617 541</b>	<b>59 348 474 406</b>	<b>51 735 453 898</b>	<b>40 959 909 132</b>
<b>ACCUMULATED FUNDS</b>					
Accumulated funds	87 215 088 958	67 651 617 541	59 348 474 406	51 735 453 898	40 959 909 132

**NATIONAL PENSION SCHEME AUTHORITY**

**APPENDIX III - STATEMENT OF MOVEMENTS IN ACCUMULATED FUNDS**  
for the year ended 31 December 2024

Kwacha

	Annuity account	Accumulated fund	Total
Balance at 31 December 2021	26 601	51 735 427 297	51 735 453 898
Increase in net assets	-	7 613 020 507	7 613 020 507
<b>Balance at 31 December 2022</b>	<b>26 601</b>	<b>59 348 447 804</b>	<b>59 348 474 405</b>
Increase in net assets	-	8 303 143 136	8 303 143 136
<b>Balance at 31 December 2023</b>	<b>26 601</b>	<b>67 651 590 940</b>	<b>67 651 617 541</b>
Increase in net assets	-	19 563 471 417	19 563 471 417
<b>Balance at 31 December 2024</b>	<b>26 601</b>	<b>87 215 062 357</b>	<b>87 215 088 958</b>



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