Matters of Mind (MM)

Welcome to the July edition of MM

"When you talk, you are only repeating what you already know. But if you listen, you may learn something new." The Dalai Lama

AI dominates this edition as a key driver of business operations across ecosystems. While its ability to strengthen systems and reduce vulnerabilities is clear, risks of misuse remain. OpenAI's recent disclosure (read here) from what was expected to be a secure testing environment highlights the need for vigilance and responsible deployment.

A string of new appointments in the industry is partly overshadowed by the resignations of PIC board members and evidence from the Madlanga Commission which threatens SA's future FATF grading. However, SARB has kept interest rates unchanged and we end on a personal high in the About YOU section with insight on what success is and how to live a wholesome life despite pressure and the lure of perfection.

Enjoy!

MM editorial team

Economic matters

The Thucydides Trap: Ancient Greek lessons for modern markets

… *"The world has come to a new crossroads,"* President Xi Jinping told President Trump. *"Can China and the United States transcend the so-called 'Thucydides Trap' and forge a new paradigm for major-power relations?"*

The phrase refers to the ancient Greek historian Thucydides, who chronicled the Peloponnesian War. The nearly three-decade conflict between Athens and Sparta that began in 431 BC. In his account, Thucydides concluded that the war was inevitable: it was the rise of Athens, and the fear this instilled in Sparta, that made conflict unavoidable. *A very interesting 5min read*

High-tech goods power global trade amid uncertainty

Data is displayed graphically providing a visual perspective of current trends. *5min read*

Why National Treasury is withholding funds

Many South African cities are in big financial trouble, with **69 of them about to lose government money**. *11min read explaining some of the complexities of municipalities impacting lives and livelihoods.*

South Africa's economy is holding up better than expected

The renewed conflict between Israel and Iran has once again placed geopolitical risk firmly back on the global agenda and through it all, the resilience shown by the South African economy has been impressive in relation to most economies, with the rand holding up far better than it has during past global shocks. *3min positive read overall with some concerns, a few of which are discussed in a high-level analysis of figures from Q1 2026 in an article which you can access here.*

Financial Services Industry

Why the suspension of PIC CEO Patrick Dlamini raises serious governance concerns

4min read. This article is worth reading in the wake of David Masondo's resignation as chairperson of PIC on 23 July.

Tisane to Steer Land Bank Insurance

Thamaries "Tammy" Tisane stepped into the role of Acting Managing Director of the Land Bank Insurance group in mid-2026, taking temporary charge of one of South Africa's more specialised state-owned insurers at a moment when climate volatility and agricultural risk sit high on the national economic agenda. *3min read*

Absa Appoints New Corporate and Investment Banking Executive

Absa Group has appointed Saloshni Pillay as Managing Executive for Corporate and Investment Banking (CIB) in South Africa, marking her return to the lender after a stint leading Deutsche Bank's local operations. Pillay took up the role in mid-July, rejoining a business she had previously helped build earlier in her career. *3min read*

Old Mutual Shareholders Reject CEO Pay Plan

Shareholders at Old Mutual's annual general meeting have withheld the support needed to pass the insurer's remuneration policy, in a rebuke centred on a R300 million long-term incentive awarded to chief executive Jurie Strydom. *2min read*

Banks face stricter AI scrutiny as regulator sharpens focus

South Africa's banks and fintech firms are facing tighter regulatory scrutiny, as the Prudential Authority (PA) steps up oversight of artificial intelligence (AI), cloud computing, cyber security and digital operational resilience amid the sector's rapid digital transformation. *3min read*

*The recently released **2025/26 Annual Report** by the PA can be accessed here. Note what the Reserve Bank Governor says about resilience in the foreword.*

Pepkor creates R21.3bn fintech platform

Retail giant Pepkor has merged Flash, its wholly owned fintech subsidiary, with Shop2Shop to create merchant commerce and fintech platform FintechCo, with annual throughput exceeding R200 billion. *3min read*

Strategy before Technology

Technology should never be adopted simply because it is new. It should be adopted because it solves a genuine business problem. *3min read*

Diversity and Inclusion

"Transformation is at its most powerful when it creates opportunity." Khanya Mkoto

From cattle farm to capital markets: the founder behind Mazi's 20-year journey

As Mazi Asset Management marks two decades in business, the journey of its founder, Malungelo Headman Zilimbola, offers a powerful lens into the values that helped shape the firm, from discipline and difference to a lifelong belief in learning. *An inspirational 4min read*

General Insurance

Top insurance risks shaping 2026 and how to prepare for what's next

The first half of 2026 has marked a clear shift in the short-term insurance risk landscape, with weather-related catastrophes emerging as the largest force on claims costs, says PSG Insure CEO, Cedric Masondo. *3.5min read*

Insurer Interest in AI Exclusions Growing as Risk Becomes Omnipresent

It is no surprise given the penetration of artificial intelligence into lives and businesses that it appears insurers are gearing up to exclude AI risk in some of their commercial liability policies. *3min read*

Secondary Perils Responsible for Virtually All 2025 Nat-Cat Insured Losses in North America: Swiss Re

2.5min read or a 3min listen. For more understanding of secondary perils and some local examples read this 2min article here.

Health Insurance

Paving the path for better outcomes

FAnews spoke to the Health Funders Association (HFA) about how AI, when used well, "helps schemes deliver earlier diagnoses, personalise care, and cut administration costs, while protecting member privacy and fairness." This combination promises a transformative impact on medical schemes, patient outcomes, and the broader healthcare system. *6min read*

BHF Conference calls for regulators and industry to rebuild trust and collaborate on tariff reform

This article is a positive 2.5min read, steering clear of the controversial topics of affordability and corruption in the industry as reported by Medical Brief here.

CMS explains why it rejected GEMS's bid to lower contribution increase

The article is a 3.5min read.

DHMS needs 280k new members a year just to stand still

Discovery Health Medical Scheme (DHMS), which is the largest in the country by some margin, needs to add more than 280 000 new members each year just to remain at current levels. *3min read*

Rapid spread of Ebola spurs 'remarkably' quick drug and vaccine trials

More than 2 months after it was discovered, the latest Ebola outbreak in the Democratic Republic of the Congo (DRC) is still out of control. The country had reported 2 423 cases by 19 July, including 967 deaths, already making this the third largest Ebola outbreak ever recorded. Dozens of new cases are confirmed every day. *8min read*

Obesity Drugs - Game Changers or Overhyped?

Are GLP-1 weight loss drugs like Ozempic the miracle cure they are made out to be on social media, or are they simply overhyped? In this episode of the ASSA Clarity podcast, host Lucienne Fild sits down with Desigan Pillay, a member of the Actuarial Society of South Africa, to unpack the rapid rise of metabolic health advancements and what they mean for the insurance and actuarial landscapes. *17min podcast*

Banking

AI-powered lender Optasia targets SA's underbanked

Artificial intelligence (AI)-powered fintech company Optasia is stepping up its push into South Africa, betting that AI-driven credit scoring can unlock financial services for millions of people who remain underserved by the country's formal banking sector. *3min read*

Fleet electrification gathers pace in SA, says WesBank

South African fleet operators are increasingly introducing new energy vehicles (NEVs) into their fleets, as businesses look to lower operating costs, reduce carbon emissions and shield themselves from volatile fuel prices, says WesBank. *3min read*

SA banks back Bridgement with R330m to fuel AI-driven loans

The funding will be used to scale Bridgement's direct lending to SMEs and strengthen its position in the market, the company says. *2.5min read*

Investments

Before infrastructure was an asset class

Thirty years ago, the idea that pension fund capital could be deployed into infrastructure while still delivering competitive financial returns was anything but mainstream. *2.5min read (advertorial)*

Why PPS Investments Remains Constructive on SA Assets Despite Global Volatility

PPS highlights the fragile geopolitical status quo while looking back on the last quarter and projecting how to manage the third quarter. The portfolio manager highlights PPS's own experience of global and local influences to substantiate their view. *3min read*

Crypto regulations 'unconstitutional, bypass Parly'

Crypto-currency exchange Luno is arguing that National Treasury's bid to bring digital currency under a 65-year-old forex regime is unconstitutional and contradicts the South African Reserve Bank's own stance on the future role of stablecoins in payments. *3.5min read*

Retirement / Pensions

Supporting members who cannot afford advice: why governed defaults matter

South Africa's retirement-income debate often assumes that members will receive advice at the point of retirement… But advice cannot be the only protection mechanism in a retirement system. *6min read*

This is the third in a series of articles building up to this year's Actuarial Society of South Africa's Convention. You can find the previous two articles below:

- *The pension system South Africa nearly has*
- *Living annuities are not the problem – ungoverned drawdown is*

[GEPF reassures members of financial stability amid geopolitical tensions]
The Government Employee Pension Fund (GEPF) said Monday it remains in a sound financial position with a funding level of 119% and will continue to meet its financial obligations to its members and pensioners. *2min read*

[The quiet revolution in retirement fund costs]
Over the past two decades, South Africa's retirement fund industry has become more regulated, more complex, and more demanding to administer. According to the latest **Sanlam Benchmark 2026 Insights Report**, the average administration fee for umbrella funds has declined from 1.63% of payroll in 2006 to just 0.25% in 2026. Standalone funds have seen a similar decline, from 1.2% to 0.45%. *8min read*

About YOU

"Success doesn't require perfection, only progress." *Hendrik Bester, author of **Chat with Dad***

[In Focus with Insight: #66 Shivani Ranchod is an open book]
What if the biggest challenges in healthcare, leadership, education and society aren't isolated problems, but interconnected systems waiting to be understood? In this episode of Open Books, Pamela Hellig sits down with Shivani Ranchod – actuary, emergent systems strategist, breathwork practitioner and educator – to explore the books that have shaped her thinking and the ideas influencing her work today. *A podcast of just under 1:15min.*

[No.1 Performance Psychologist: The Secret to High Performance and Excellence]
Shane Parish interviews Dr Gio Valiante and endorses this podcast because it offers him a mental tune-up. Maybe you also need a mental tune-up at this time. *A one hour and eight-minute podcast with periodic ads.*

[Workplace burnout will persist without meaningful organisational change]
In a society where research shows that more than one in three South African employees experiences excessive daily stress and over 70% of workers report being disengaged or actively disengaged at work, workplace mental health deserves more than annual wellness campaigns or motivational talks. *A worthwhile 4min read even if just to remind ourselves to set healthy boundaries before we fall apart trying to accommodate all demands all the time.*

[What's overlooked in student mental health in South Africa: social connection and sexual wellbeing]
Student mental health has become one of the defining challenges facing universities worldwide. In South Africa, these concerns are often framed around reports which point to anxiety, burnout and academic pressure. With this comes the call for expanded student counselling and crisis services. *Enlightening 6min read*