30 Years ANNIVERSARY CELEBRATION

30 YEARS OF CENTRAL BANKING EXCELLENCE

Annual Report 2020

Bank of Namibia

30 YEARS OF CENTRAL BANKING EXCELLENCE

30 Years ANNIVERSARY CELEBRATION

This is the Bank of Namibia Annual Report and Financial Statements for the financial year ended 31 December 2020, which are prepared pursuant to section 67(1) of the Bank of Namibia Act, 2020 (Act no. 1 of 2020).

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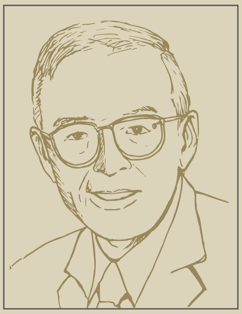
1990
FIRST OFFICE AT DBN BUILDING

Content

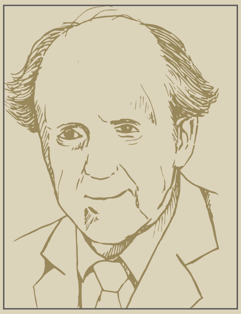
Milestones of the Bank of Namibia

Inflation has gradually decreased over the past 30 years and is well under control, bringing greater predictability for economic agents. The Bank has, in this context, safeguarded price stability in the interest of sustainable economic growth and development of Namibia.

Former Governors of Bank of Namibia



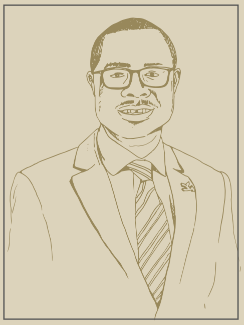
Dr WL Bernard
Term
16 Jul 1990 -
31 Aug 1991



Mr E.L Karlsson
Term
25 Nov 1992 -
31 Dec 1993

Dr J Ahmad
Term
01 Jan 1994
31 Dec 1996

Mr TK Alweendo
Term
01 Jan 1997 -
25 Mar 2010



Mr IW Shiimi
Term
25 Mar 2010
21 Mar 2020

Building a stable and progressive financial sector

Over the past three decades, the central bank has focused its efforts on reforming and modernising the Namibian financial sector. The goal has been to transform the sector into a more competitive, resilient, and inclusive system that makes the greatest possible contribution to the economy. Thanks to the effort, cooperation and collaboration of various stakeholders, the Namibian financial sector is much changed, and far better than it was 30 years ago. The Bank's interventions have ensured that payments and transfers of funds are effected safely, cost-effectively, and reasonably fast. The sector has attracted more players in both the banking and non-banking spheres and has expanded its reach and adopted world-class standards of service, governance and risk management.

Dissemination of Namibia's Bank notes

Since its first issuance on 14 September 1993, the Namibia Dollar has become an important symbol of nationhood and value to Namibians. In 2003, the Bank of Namibia expanded its services to the north of Namibia by constructing the Oshakati branch. This expansion brought about the timely availability of the currency for the population in the northern regions and guaranteed that the Bank's services were easily accessible and available throughout the country. A new family of banknotes was introduced in 2012 and the N$30 commemorative banknote was launched to mark the 30-year independence celebrations of Namibia on 21 March 2020.

Ensuring financial stability for the last 30 years

In the last 30 years, the Bank has put in place mechanisms to prevent macroeconomic distress from financial instability in Namibia. The establishment of the Deposit Guarantee Scheme and the Deposit Guarantee Fund for the compensation of depositors in the event of a bank failure, provides assurance and confidence in our financial system. The Bank has also been committed to maintaining a healthy level of international reserves, to ensure and facilitate smooth international trade and financial transactions. The Bank has been effective in enhancing long-term macroeconomic and financial stability in the country over the past 30 years and will redouble its efforts over the next 30 years.

Our Vision

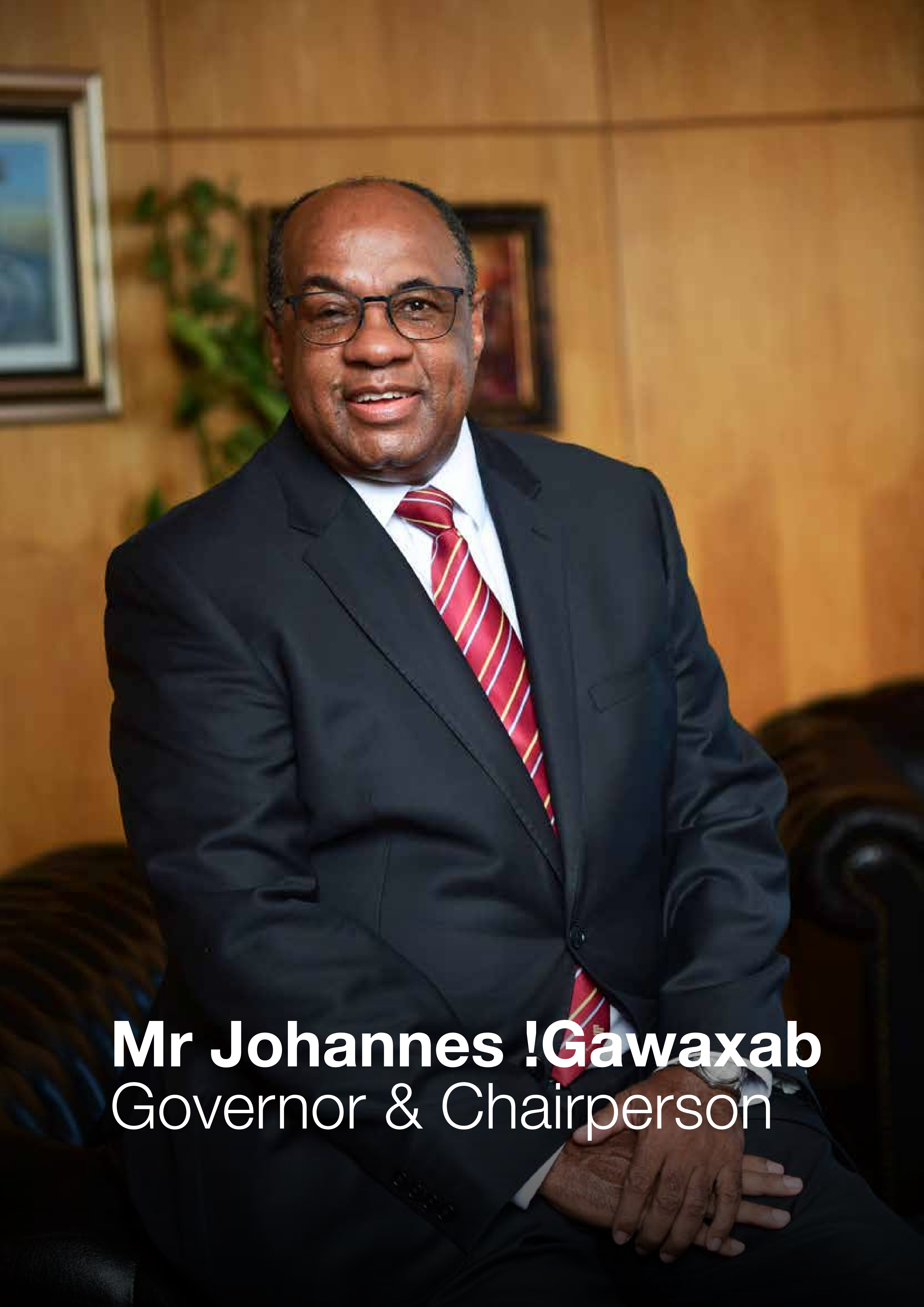
Our vision is to be a centre of excellence; a professional and credible institution; working in the public interest and supporting the achievement of the national economic development goals.

Our Mission

To support economic growth and development in Namibia, we act as fiscal advisor and banker to Government; Promote price stability; Manage reserves and currency; Ensure sound financial systems and conduct economic research.

Our Values

We value high performance impact and excellence.
We uphold open communication, diversity, integrity and teamwork.



Mr Johannes !Gawaxab
Governor & Chairperson

Message from the Governor

This Annual Report is prepared pursuant to Section 67(1) of the Bank of Namibia Act, 2020 (Act no. 1 of 2020). The report outlines the governance of the Bank of Namibia (hereinafter referred to as “the Bank”), global and domestic economic and financial developments, the banking supervision report, the audited financial statements, and key achievements of the Bank in 2020.

The operations of the Bank in 2020 were carried out under exceptionally challenging circumstances brought about by the COVID-19 pandemic, which severely affected economic activity. The global economy is estimated to have contracted in 2020, particularly with a deep contraction for the Namibian economy. Amidst the disruptions and uncertainty brought about by the pandemic, central banks globally had to adapt to ensure minimal interruptions to their operations and programmes, and to adopt policies to cushion their economies from the impact of the pandemic. The Bank demonstrated its deftness and preparedness to deal with crisis circumstances. The Bank invoked its crisis management strategy and ensured the continuation of its operations with minimal interruptions, while ensuring and prioritising the health of its staff. In addition, from the onset the Bank recognised the exceptional challenges to the Namibian economy caused by the COVID-19 pandemic and took appropriate policy actions to provide support to the economy.

In line with the evolving role of central banking, the Bank started operating under a new Act, which expanded its mandate during the period under review. The Bank of Namibia Act, 2020 (Act No. 1 of 2020) repealed the Bank of Namibia Act, 1997 (Act No. 15 of 1997) and the Bank of Namibia Amendment Act,2004 (Act No. 11 of 2004). The new Act expanded the mandate of the Bank by assigning to it the functions of macroprudential oversight of the financial system. The Bank has embraced its expanded mandate and prepared itself well to effectively deliver on its newly assigned mandate by establishing the necessary institutional architecture and framework to govern both the macroprudential and the financial stability mandates. In this connection, the Bank established the Financial System Stability Committee as legally constituted in terms of Chapter 3 of the Bank of Namibia Act, 2020, with its advisory role clearly defined. Similarly, the Bank drafted a Macroprudential Oversight and Financial Stability Policy Framework that will serve as a guide in implementing the objectives of macroprudential regulation, providing for an appropriate legal and institutional framework, decision-making process, consultations with NAMFISA, policy tools and implementation, crisis management framework, and governance and macroprudential policy communication. The interface between macroprudential oversight and financial stability has also been clearly defined in the Framework. The independence of the Bank is strongly emphasised in the new Act, with sanctions clearly stipulated for any person or authority that attempts to influence a member of the Board or a committee established under this Act or a staff member in the exercise or performance of powers or functions under this Act.

The year 2020 has been a milestone, as the Bank celebrated its 30th anniversary. The Bank has delivered on its mandates in terms of monetary policy, financial stability, and financial sector development. In this regard, Namibia boasts a stable, sound, wellregulated and modern financial system – one of the best in Africa. The financial system is competitive and resilient and plays an effective intermediary role in the economy. The Bank is proud of the role it has played in the achievement of accessible, reliable, and affordable financial services and products in Namibia. The Bank has ensured a stable and reliable currency which continues to serve as an efficient lubricant of economic activity in Namibia. Similarly, the Bank has progressed in modernising the national payment system and in managing the country’s international reserves to serve as an adequate buffer to withstand financial headwinds. Overall, the Bank has played a critical role in enhancing long term macroeconomic stability in the country over the past 30 years. Going forward, the Bank, tethered to the experience and lessons learned over the past 30 years, is committed to ensuring effectiveness in its role and mandate. A once-off commemorative N$30 note was launched in 2020 in celebration of the 30th anniversary of Namibia’s independence.

The Bank continued to demonstrate dedication to its core responsibilities as an accountable central bank, despite exposure to new risks caused by

the COVID-19 pandemic. The Bank continued to ensure price stability, with inflation at its lowest since independence. Coordinated efforts were focussed on ensuring financial stability and economic development in the face of increased risks and uncertainty generated by the COVID-19 pandemic. Consequently, during 2020 the Bank pursued an expansionary monetary policy, and simultaneously relaxing regulatory requirements to provide relief to the financial sector and the economy.

The challenges of COVID-19 aggravated an already fragile economy characterised by subdued activity since 2016. In addition to deepening the domestic economic challenges, the pandemic also increased the risks and uncertainty from the global economy. The global economy is estimated to have contracted by 3.5 percent in 2020, down from positive growth of 2.8 percent in 2019. The impact of the COVID-19 pandemic was broad-based, and both advanced economies (AEs) and emerging market and developing economies (EMDEs) experienced contractions. As a group, the AEs are estimated to have contracted by 4.9 percent, while EMDEs are estimated to have contracted by 2.4 percent. After an initial sharp drop, global financial markets generally recovered towards the end of 2020 as the rolling out of effective vaccines appeared to gain momentum and investors started to invest in riskier assets. Overall, monetary policy stances across the globe were expansionary, with some central banks offering supplementary non-conventional measures to help contain the economic fall-out from the pandemic. Inflation was generally subdued in both the AEs and EMDEs on the back of lower food and energy prices, and weak global economic activity.

On the domestic front, the Namibian economy recorded a deep contraction, with declines across virtually all the main sectors of the economy. The economy is estimated to have contracted by 8.0 percent in 2020. Despite good performance in the crop farming and forestry subsectors, where robust growth followed good rains during 2020, significant declines in the other subsectors weighed heavily on the overall performance of the primary sector. Significant declines were observed in major subsectors such as diamond mining, metal ores, fishing and fish processing, and livestock farming. The decline in the secondary sector was driven by the diamond processing, meat processing, beverages, and basic non-ferrous metals subsectors. Similarly, the decline in the tertiary sector was led by the hotels and restaurants, transport, administrative and support services, and arts, entertainment, and other services subsectors. Going forward, positive growth of 2.7 percent is expected in 2021, on the back of broad based base effects, a recovery in the mining, agriculture and transport sectors, a rebound in the global economy, and the successfull roll-out of COVID-19 vaccine.

Domestic inflation declined to a historical low, driven by transport and housing inflation. Overall inflation declined to 2.2 percent in 2020, a 1.5 percentage point fall from 2019, with deflationary pressure from excess supply in the rental market and low international oil prices. Weak economic conditions resulted in weakened demand suppressing rental prices, while the decline in international oil prices contributed to the decline in transport inflation.

The Bank pursued an aggressive accommodative monetary policy stance in 2020, aimed at cushioning the economy against the negative effects of the COVID-19 pandemic. The Bank reduced the Repo rate by a cumulative 2.75 percentage points in 2020, with cuts of 25 basis points in February, 100 basis points in both March and April, and 25 basis points in June 2020 and August 2020, respectively. The Bank subsequently kept the Repo rate unchanged at 3.75 percent in its October and December 2020 meetings. The low inflation environment offered respite in terms of monetary policy, which allowed for the Repo rate cuts. Commercial banks responded positively by cutting their prime lending rates accordingly and offering relief to households and businesses.

Money supply (M2) increased, while private sector credit extension slowed due to low demand and net repayments by businesses. Annual growth in M2 rose to 11.4 percent, mainly due to a rise in domestic claims, particularly net claims on Central Government. The depressed economic environment in 2020 from the COVID-19 pandemic resulted in lower demand for credit by businesses.

Namibia's current account recorded a surplus during 2020, contributing to an increase in foreign exchange reserves. The current account recorded a surplus balance of N$3.4 billion during 2020, translating into a surplus of 1.9 percent of GDP. This was partly due to the narrowing of the merchandise trade deficit on the back of lower imports as the COVID-19 pandemic resulted in reduced domestic demand. Although the value of merchandise exports also declined, as earnings from rough diamonds, food and live animals, and manufactured products fell, the decline in imports was bigger, hence the improvement in the trade deficit. Moreover, an improvement in the secondary income account resulting from higher SACU receipts further contributed to the current account surplus in 2020. These factors were complemented by inflows arising from an African Development Bank (AfDB) loan, raising Namibia's stock of international reserves. In terms of competitiveness, the REER depreciated on a yearon-year basis signalling enhanced competitiveness of Namibian products in foreign markets and helping to underpin the smaller trade deficit.

The COVID-19 pandemic has disrupted measures to restore fiscal balance and worsened the public debt trajectory. The Central Government deficit as a percentage of GDP widened to 9.5 percent of GDP for the financial year (FY) 2020/21 as the Government responded to cushion the economy as best as possible against the impact of the COVID-19 pandemic. The increase in the Budget deficit represents a reversal of the efforts to curtail the deficit and restore macroeconomic stability and balance. The fiscal balance in 2020/21 represents the highest deficit ever registered in Namibia. Consequently, the public debt as a percentage of GDP continued to escalate and has been estimated at 60.0 percent of GDP at the end of 2020.

Despite the economic challenges, the anticipated recovery in the domestic and global economy gives us hope and optimism. These developments should anchor our economic reform undertakings. We must not relent in bringing about meaningful structural reforms by following through on policy initiatives, recommendations to revive the economy, and interventions aimed at putting the economy on a sustainable economic growth and development path. There is already tangible progress, as is evident in the implementation of the Namibia Investment Promotion and Development Board, and reforms of state-owned enterprises. Together with our sound infrastructure and facilitation of the private sector as the engine of growth and employment creation, these should provide the basis for prosperity.

The Bank recorded significantly lower profits in 2020 than in 2019, mainly due to low interest rates in the global markets. Given the weaker inflation and the risks associated with the COVID-19 pandemic, central banks across the globe loosened monetary policy stances and relaxed regulations to increase liquidity in the respective banking systems. Overall, interest rates were reduced and remained low throughout 2020, impacting shortterm and bond portfolio earnings. As a result, interest earnings generated on the ZAR and other currency investment exposures decreased year-on-year. In addition, the net loss on foreign investments realised on foreign exchange forward contracts, combined with an increase in total operating expenses, further contributed to the drop in the surplus. Nevertheless, the Bank still declared a dividend of N$278.2 million to the State Revenue Fund.

The low interest rates in the global markets has had a significant impact on the Bank's income. The low interest environment calls for adjustments and innovations that will allow the Bank to meet its mission within a confined budget as the challenges we face evolve. Approaching how we do business, with a view to doing more with less, will assist us to navigate the expected challenging environment and evolving risks.

The Bank undertook several policy and regulatory measures that provided relief to the banking sector and its customers, in addition to cuts in the Repo rate. The Bank relaxed some regulatory requirements to provide relief to banking institutions dealing with impaired loans, support lending to the real economy, and stimulate economic growth. The Bank effected relief in terms of credit policy measures, liquidity relief measures, release of the capital conservation buffer, and postponement of the concentration risk limit / single borrower limit.

The banking sector remained profitable, liquid and well capitalised in 2020, despite the deterioration in asset quality. The profitability of the banking sector as measured by the Return on Equity remained positive despite decreasing to 10.9 percent by the end of December 2020 from 17.3 percent at the end of December 2019. The banking industry maintained a robust capital position, with capital adequacy declining marginally from 15.6 percent in 2019 to 15.2 percent in 2020, significantly higher than the statutory minimum requirement of 10.0 percent of risk-weighted assets. Asset quality deteriorated as the non-performing loans (NPLs) ratio continued to increase, reaching and stabilising at an unprecedented level of 6.4 percent during 2020, from 4.8 percent in 2019, thus breaching the crisis benchmark of 6.0 percent. The deterioration in asset quality was expected in light of the pressure exerted on household and business income for most of 2020 by the COVID-19 pandemic.

The banks' liquidity levels, amidst COVID-19 and depressed economic environment, remained strong. The liquidity ratio of the banking industry stood at 15.7 percent at the end of 2020, slightly higher than the 15.3 percent registered at the end of December 2019, and well above the prudential requirement of 10.0 percent of average total liabilities to the public. The improved liquidity position was driven by weak uptake of credit and Government fiscal stimuli programmes to support the economy. Overall, the banking sector expanded its balance sheet, growing by 1.3 percent. Despite slower balance sheet growth, an increase in NPLs and smaller interest rate margins, banks still managed to record profits, albeit smaller than in previous years. Overall, the non-bank financial sector remained stable and continued to grow its assets within the current depressed economic environment.

The Bank continued to maintain an effective and efficient national payment system (NPS) during 2020. In promoting and enhancing a cost-effective and efficient NPS, the Bank introduced the Determination on Standards for Fees and Charges for Payment System Services within the National Payment System (PSD-10). The determination provides standards for specific fees and charges that payment instrument issuers must comply with when providing payment system services in Namibia. Similarly, the Bank also issued a Guidance Note on Interchange Determination in the NPS outlining the outcomes of the revisions and determination of the domestic interchange in the NPS. The total value of fraudulent transactions perpetrated within the NPS, which has now decreased over a period of five years, remained within the fraud safety index indicator of 0.05 percent of the Bank's target. An increase in EFT and card payment transactions was observed in 2020, which reflects the efficiency and reliability of these payment instruments and the confidence the public has in them. Regionally, the Bank continued to be a significant participant in the SADC Real-Time Gross Settlement System (SADC RTGS), with Namibian banks' transactions accounting for 32.0 percent of the R1.2 trillion total value settled in the SADC RTGS.

In support of the country's foreign reserves management objectives, the Bank continued to fulfil its mandate in terms of the Currency and Exchange Act, 1993 (Act No. 9 of 1993). In 2020, the Bank observed a decline in the applications for processing of transactions in foreign exchange, reflecting the impact of the COVID-19 pandemic. The Bank also carried out risk-based regulatory oversight of the regulated entities aimed at ensuring compliance and conducted activities aimed at enhancing surveillance and supervision capabilities and fostering a sound and stable foreign exchange market. Additionally, the Bank undertook collaborative activities directed at improving synergies with stakeholders and closing leakages related to illegal financial flows in the banking system. The activities culminated in the blockage of suspicious transactions and the transfer of forfeited money to the State Revenue Fund. Furthermore, the Bank drafted a report making the case for the implementation of the Import Verification System (IVS), which was submitted to the Ministry of Finance for endorsement. It is anticipated that the IVS will be implemented in 2021. Once operational, it is expected to provide synergy benefits among the banks, their clients, and the customs and excise authorities in relation to foreign exchange payments.

As a responsible corporate citizen, the Bank undertook various engagements in line with its social responsibility in support of development and social empowerment goals. In this regard, the Bank continued with its bursary scheme for undergraduate and postgraduate studies, with 32 bursaries being awarded in 2020. A total of 155 bursaries have been awarded since 2003, with women constituting 60 percent of the beneficiaries. Similarly, the Bank continued with its Graduate Accelerated Programme, which provides exposure to graduates in the areas of central banking. The Bank furthermore made donations to support several activities that target national development and social empowerment goals, including the Namibia Training Authorities' apprentice programme, the University of Namibia Work Readiness Programme, and the Save the Rhino Trust.

During the year under review, the Bank continued to work closely with relevant stakeholders and institutions in implementing initiatives geared towards financial market deepening and development. In this regard, the Bank supported the Central Securities Depository initiative and the Namibia Deposit Guarantee Authority. Similarly, the Bank provided technical support for the implementation of the SME Financing Strategy, which comprises three complementary facilities, namely the Credit Guarantee Scheme, the Catalytic First Loss Venture Capital Fund and the Mentoring and Coaching Programme. As part of the response to the COVID-19 pandemic, the Bank joined efforts with the Government and participating banking institutions in the roll out of a COVID-19

SME Loan Scheme. The scheme is designed to assist SMEs that were hard hit by the restrictions that were introduced as a response to the pandemic. Furthermore, the Bank continued to play a leading role in the coordination and implementation of the Namibia Financial Sector Strategy (NFSS).

Relevant economic research conducted has enabled the Bank to carry out its statutory mandate to provide policy advice to Government. The research informs specific policy direction and actions. Amongst the related research activities, the Bank hosted the 21st Annual Symposium under the themes "Positioning Namibia to reap the benefits of the African Continental Free Trade Area". Similarly, the Bank continued to provide the Ministry of Finance with technical advice through the Debt Sustainability Analysis. In this respect, the COVID-19 pandemic has exacerbated the debt situation and raised its trajectory. Restoring debt sustainability will have to be a key priority in the restoration of macroeconomic stability and a return to a sustainable growth path for the economy.

The COVID-19 pandemic tested the Bank's risk management, both from an operational point of view and broadly in terms of the Bank's capacity to effectively play its role in the economy. Following the lockdown measures introduced countrywide, the Bank activated its Crisis Management Team that ensured the Business Continuity Management process was effective and it facilitated 80 percent of the Bank's staff working from home. All the Bank's critical functions continued to provide the required services to its customers without disruption. The top strategic and operational risks that may have threatened the achievement of the Bank's strategic objectives and their identified response strategies were identified, managed and monitored to ensure that the Bank's strategic goals were achieved. The risk-based internal audit plan provided comprehensive assurance over the process which manages risks, with material issues that arose being reported at the appropriate levels. There is sufficient audit coverage for the Bank to have adequate risk management practices, controls and governance processes. However, ongoing vigilance is critical to keep ahead of the curve, particularly for risks emerging from the digital space.

The Bank's Digital Innovations Working Group commenced with the development of the Bank's Digital Transformation Strategy (DTS). Although the Bank coped with and minimised disruptions to its operations, the COVID-19 pandemic has demonstrated the importance of investing in appropriate technologies and digital transformation initiatives. The DTS stems from thorough research conducted on digital transformations as well as from the digital transformation survey conducted on both internal and external stakeholders of the Bank. The DTS will thus guide the planning, development and implementation of the Bank's digital transformation initiatives. The strategy comes at an opportune time, particularly given the outbreak of the COVID-19 pandemic, and generally, given the changing technologies brought by the fourth industrial revolution. The COVID-19 pandemic certainly accelerated the adoption of digital tools in the financial sector and the broader economy, and in this regard, the strategy is meant to support and enable the successful execution of the Bank's mandate and Strategic Objectives by leveraging off digital technologies and innovations. The Bank's DTS is primarily geared towards enhancing both internal and external stakeholder experience by digitally transforming the Bank's operations and regulatory approach.

The year 2020 was a testing period for the staff of the Bank, with disruptions caused by the COVID-19 pandemic. The Bank took an agile approach to accommodate the new normal without compromising on its key objectives. The performance management practices of the Bank facilitated quick adaptation and ensured that the staff remained motivated, focused, and able to creatively deliver on the Bank's strategic goals. Through these trying times the Bank conducted activities to strengthen its Vision through virtual sessions, including a virtual fitness challenge to facilitate a healthy work–life balance and maintain and strengthen relations, healthy lifestyles and safety. An aggressive awareness campaign on how to manage COVID-19 was launched amongst the Bank's staff, and this was a great success. The Bank continued to facilitate capacity building activities which were carried out through virtual platforms, with a total of 148 employees undertaking technical and soft skills training in various aspects of central banking and related fields. The Bank furthermore enhanced its Business Process Management (BPM) practices to ensure that all processes are aligned to its strategic intent to cultivate a common understanding of the BPM.

Looking forward, Namibia needs to transform its economy through economic diversification, improved productivity and competitiveness, and prioritisation of resource allocation to productive

sectors. The expected return to growth in the global and domestic economy in 2021, anchored by the progress with COVID-19 vaccines and their distribution, offers a ray of hope and makes us optimistic about the future. We must show resilience, learn from the recent experiences, summon all our courage, and demonstrate the ability to bravely tackle our challenges and exploit the opportunities embedded in the turbulences we have gone through. To make the progress we desire requires that we make difficult and sometimes unpopular choices. The Bank stands ready and is committed to deliver monetary, price and financial stability, navigating the emerging risks in the economic environment as we move forward to grow the economy more rapidly and create new jobs. As fiscal advisors, the Bank is committed to playing its part and supporting development initiatives focused on structural reforms, accelerating sustainable economic growth, and making a dent in the critical socio-economic challenges of poverty and high unemployment, particularly among the youth and less skilled individuals.

The COVID-19 pandemic has demonstrated the importance of investing in appropriate technology and talent. The Bank's investment in technology and staff development has enabled it to be responsive and maintain delivery on its mandate in 2020. The everevolving global financial architecture requires a paradigm shift for the Bank in the regulatory space, embracing the digital revolution to handle technological change and ensuring that we have sound oversight over the digital architecture. In striving to keep the Bank responsive to the challenges of our time, it needs to be ready and prepared to reprioritise, to make its structures more agile in terms of digital transformation, and to attract the best talent. The changing surroundings include fintech, facilitating the financial sector to maintain operational resilience and rendering the next generation of our core payment system. It is thus incumbent upon us as regulators to make judgement calls on fintech risks, digital currencies, making the cloud safe, supervising artificial intelligence, and defending the financial system against cyber-attacks. The changes should not only reflect what is happening in the Bank but should also permeate through to the rest of the economy. Accordingly, it entails reaching out beyond our traditional audience and stakeholders in the financial and business sectors, as envisaged by the new Bank of Namibia Act, 2020.

The Board, the staff and our stakeholders played invaluable roles in the Bank's ability to deliver on its mandate. I would like to thank the Board of the Bank for their meaningful insight, leadership, and support. I wish to thank the staff for their dedication in the face of the COVID-19 pandemic and for enabling the Bank to continue fulfilling its mission in 2020. I would also like to thank my predecessor, Hon. Iipumbu Shiimi, for ensuring a vibrant and responsive institution, which accounted for the ease with which I was able to come on board. I look forward to working with the Board, my colleagues at the Bank and all our stakeholders in pursuance of the Bank's Vision and Mission. COVID-19 is still in our midst and its effects will linger on, which will require us to strengthen our resilience in maintaining and enhancing financial stability for sustainable economic development in Namibia.

Johannes !Gawaxab
Governor
30 March 2021

Part A:
Operations and Affairs of the Bank

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Dr Sam Nujoma

Dr Hifikepunye Pohamba

Dr Hage Geingob

30 YEARS OF CENTRAL BANKING EXCELLENCE

30 Years ANNIVERSARY

ORGANISATIONAL STRUCTURE OF THE BANK OF NAMIBIA

Board Members

As At 31 December 2020

Mr Johannes !Gawaxab
Governor of the Bank of Namibia

TERM
Incumbent since June 2020
Current term ends 31 December 2021

QUALIFICATIONS
- Master of Arts (MA) (Graduate Business School, Kingston)
- Bachelor of Arts (BA) and Master of Business Leadership (University of South Africa (UNISA)
- Certificate in Global Leadership (London School of Business)
- Advanced Management Program (Harvard Business School)

YEARS OF EXPERIENCE
43

EXPERTISE
- Financial Services
- Finance
- Financial Economics
- Investments
- Governance and Leadership

Mr Ebson Uanguta
Deputy Governor of the Bank of Namibia
Executive Member of the Board

TERM
Incumbent since 1 January 2012
Previous term ended - 31 December 2016
Renewed until 31 December 2021

QUALIFICATIONS
- Master of Science (MSc) in Economic Policy Analysis (Addis Ababa University (AAU))
- Bachelor of Economics (UNAM)
- Advanced Management Program (Harvard Bus. School)
- Senior Executive Fellow (Harvard-KSG)
- Senior Management Programme (USB)
- Project Management Programme (USB)

YEARS OF EXPERIENCE
24

EXPERTISE
- Economic policy research
- Central banking
- Public policy
- Leadership and corporate governance

Ms Ericah Shafudah
Ex officio Member of the Board
Executive Director of the Ministry of Finance

TERM
Incumbent since 3 April 2010

QUALIFICATIONS
- MSc Ed (Mathematics)
- MSc Biostatistics
- MSc in Leadership and Change Management
- Dip. in Accounting and Finance

YEARS OF EXPERIENCE
24

EXPERTISE
- Accounting
- Finance
- Public policy
- Governance

Adv. Charmaine van der Westhuizen
Non-executive Member of the Board
Member of the Audit Committee
Member of the Remuneration Committee

TERM
Incumbent since 30 May 2012
Current term ends 31 January 2024

QUALIFICATIONS
- Master of Business Administration (MBA) (cum laude) (US)
- LLB (US)

YEARS OF EXPERIENCE
17

EXPERTISE
- Commercial and related litigation
- Arbitration
- Leadership development
- Corporate governance

Ms E. Shangeelao Tuyakula Haipinge
Non-executive Member of the Board
Member of the Remuneration Committee

TERM
Incumbent since 18 July 2014
Current term ends 31 January 2024

QUALIFICATIONS
- MBA Corporate Strategy and Economic Policy (Maastricht School of Management, The Netherlands)
- Diploma in Personnel Management (Namibia University of Science and Technology (PoN/NUST)
- Specialised Training in Senior Management Development Programme (US)
- Project Management Estara Skills Development (Bloemfontein, SA / Namibia) Institute of Public Administration and Management (NIPAM)
- Driving Government Performance (Harvard-KSG)
- Leadership, Innovation, and Change Management (US/ NIPAM)
- Commonwealth Advanced Online Training Programme in Government Performance Management System (Obtained Award for Excellence)

YEARS OF EXPERIENCE
28

EXPERTISE
- Strategic human resources management
- Training and development
- Course facilitation
- Strategic planning
- Policy formulation
- Performance management

Mr Apollus Christiaan Baisako
Non-Executive Member of the Board
Chairperson of the IT Governance Committee

TERM
Incumbent since 01 February 2019
Current term ends 31 January 2024

QUALIFICATIONS
- MSc Information Systems Engineering (University of Manchester, UK)
- BSc Computer Science and Mathematics (UNAM)

YEARS OF EXPERIENCE
26

EXPERTISE
- Leadership
- Information Technology

Mr Fanuel Tjivau
Non-executive Member of the Board
Chairperson of the Audit Committee
Member of the IT Governance Committee

TERM
Incumbent since 01 February 2019
Current term ends 31 January 2024

QUALIFICATIONS
- Chartered Accountant (Nam, SA)
- MBA (University of Stellenbosch, SA)
- Hons. Bachelor of Commerce (UWC, SA)
- Bachelor of Commerce (UNAM)

YEARS OF EXPERIENCE
27

EXPERTISE
- Financial management
- Risk management

Mr Ehrenfried Meroro
Non-Executive member of the Board
Chairperson of the Remuneration Committee
Member of the IT Governance Committee

TERM
Incumbent since 01 February 2019
Current term ends 31 January 2024

QUALIFICATIONS
- MSc Economics (A & T State University, North Carolina, USA)
- BSc Economics (A & T State University, North Carolina, USA)
- Economic Analysis of Structural Adjustments (Word Bank)
- Financial Programming and Analysis (IMF)
- Senior Management Programme (US)
- Advanced Course for Research Economists (Switzerland)
- Risk Management Training (Intuition Web)

YEARS OF EXPERIENCE
29

EXPERTISE
- Risk management
- Economic policy research
- Currency management
- Banking regulation

Management Team

The Bank's Senior Management Team As At 31 December 2020

Mr Johannes !Gawaxab
Governor of the Bank of Namibia
Monetary Policy Committee (MPC) member

QUALIFICATIONS
- Master of Arts (MA) (Graduate Business School, Kingston)
- Bachelor of Arts (BA) and Master of Business Leadership (University of South Africa (UNISA)
- Certificate in Global Leadership (London School of Business)
- Advanced Management Program (Harvard Business School)

YEARS OF EXPERIENCE
43

EXPERTISE
- Financial Services
- Finance
- Financial Economics
- Investments
- Governance and Leadership

Mr Ebson Uanguta
Deputy Governor of the Bank of Namibia
MPC member

QUALIFICATIONS
- Master of Science (MSc) in Economic Policy Analysis (Addis Ababa University (AAU))
- Bachelor of Economics (UNAM)
- Advanced Management Program (Harvard Bus. School)
- Senior Executive Fellow (Harvard-KSG)
- Senior Management Programme (USB)
- Project Management Programme (USB)

YEARS OF EXPERIENCE
24

EXPERTISE
- Economic policy research
- Central banking
- Public policy
- Leadership and corporate governance

Ms Florette Nakusera
Director: Research and Financial Stability
MPC member

QUALIFICATIONS
- MComm Economics (US)
- Hons. B.Comm Economics (US)
- BComm (UNAM)
- Executive Development Programme (US) (IEDP) (WBS/LBS)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
22

EXPERTISE
- Macroeconomic policy
- Economic research and statistics
- Public policy
- Finance
- Strategic management
- Leadership and corporate governance
- Environmental economics and policy

Mr Emile Van Zyl
Technical Advisor to the Governor
MPC member

QUALIFICATIONS
- MComm Economics (University of Pretoria (UP))

YEARS OF EXPERIENCE
36

EXPERTISE
- Economics
- Banking
- Financial markets

Mr Kuruvilla Mathew
Senior Advisor to the Governor

QUALIFICATIONS
- MSc Accounting (University of Glamorgan, UK)
- Chartered Certified Accountant (Fellow Member of the Association of Chartered Certified Accountants (FCCA), UK)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
31

EXPERTISE
- Financial management
- Management accounting
- Financial reporting
- Procurement
- Facilities and asset management

Ms Lea Namoloh
Director: Human Resources

QUALIFICATIONS
- MBA (Maastricht University), Netherlands
- MEd (UNAM)
- BEd (Honours), Bristol UK
- International Executive Development Programme (Wits)
- Diploma in Teaching English as a Foreign Language, University of Edinburgh
- Certificate Board of Director, University Of Stellenbosch

YEARS OF EXPERIENCE
27

EXPERTISE
- Human resources management
- Project management
- Currency management
- Banking services
- Strategic leadership

Mr Romeo Nel
Director: Banking Supervision

QUALIFICATIONS
- M Banking (UL)
- BEcon (UNAM)
- P/G Intermediate Certificate Accountancy (University of KwaZulu-Natal)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
22

EXPERTISE
- Customs and excise
- Finance
- Banking regulation
- Risk management

Ms Leonie Dunn
Director: Financial Intelligence Centre

QUALIFICATIONS
- LLM Commerical law cum laude (UNICAF)
- LLB (US)
- BA Law (US)
- Admitted Legal Practitioner of the High Court and the Supreme Court of Namibia
- Women in Leadership Development USA
- International Executive Development Programme (WBS/LBS)
- International Leaders Programme (Her Majesty's Foreign and Commonwealth Office, UK)

YEARS OF EXPERIENCE
22

EXPERTISE
- Commercial law, Criminal law, Civil & Public Internal Law
- Financial services regulation
- Financial market integrity
- Policy and legislative development and implementation
- Anti-money laundering / counter-terrorism financing / counter-proliferation financing CPF compliance, monitoring, supervision, administrative enforcement and strategic analyses establishment
- Financial intelligence unit strategic leadership

Mr Nicholas Mukasa
Director: Financial Markets
MPC member

QUALIFICATIONS
- Bachelor of Business Administration (UNAM)
- Chartered Financial Analyst
- Senior Management Development Programme (SMDP) (USB)

YEARS OF EXPERIENCE
18

EXPERTISE
- Portfolio management
- Financial analysis
- Asset valuation
- Capital markets.
- Reserves management
- Risk management

Ms Barbara Dreyer
Director: Payment and Settlement Systems

QUALIFICATIONS
- MBA (SMC University)
- MEd (State University of New York – Buffalo)
- BA Hons and BEd (UWC)
- P/G Diploma Social Science Research Methods (US)
- P/G Diploma Higher Education (UWC)
- Fellow at the Fletcher School Leadership Program for Financial Inclusion (2013) (Tufts University, Boston, MA)
- International Executive Development Programme (Wits, LBS)

YEARS OF EXPERIENCE
29

EXPERTISE
- Payment systems strategy
- Payment systems risk management
- Payment systems policy and regulation development and implementation
- Corporate governance
- Human resources management strategy
- Remuneration strategy and organisation development
- Strategic management and leadership
- Knowledge management
- Organisation learning

Mr Marsorry Ickua
Director: Information Technology

QUALIFICATIONS
- MSc Information Systems Management (University of Liverpool, UK)
- Diploma PC Support (Boston City Campus, SA)
- Diploma Business Computing (SA)
- Management Development Programme (US)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
18

EXPERTISE
- Information technology, strategy, and governance
- Technology innovation
- Programme management
- Information technology security management
- Resource planning and IT risk
- Disaster recovery and business continuity management

Dr Emma Haiyambo
Director: Strategic Communication and Financial Sector Development
MPC member

QUALIFICATIONS
- PhD Development Finance (US)
- MSc Financial Economics (University of London)
- M International Business (PoN/NUST)
- P/G Diploma in Financial Economics (University of London)
- BEcon (UNAM)
- Diploma in Public Administration (PoN/NUST)
- Fellow at the Fletcher School Leadership Program for Financial Inclusion (2017), Tufts University, Boston, MA
- Certified Expert in Financial Inclusion Policy (Frankfurt School of Finance and Management)
- International Executive Development Programme (WBS/LBS)
- Management Development Programme (US)

YEARS OF EXPERIENCE
24

EXPERTISE
- Macroeconomic research and statistics
- Financial sector development
- Development finance
- Project management
- Strategic planning and management
- Corporate governance

The Bank's Senior Management Team As At 31 December 2020

Ms Sencia Kaizemi-Rukata
Acting Director: Banking Services

QUALIFICATIONS
- MComm Business Management (cum laude) (UNISA)
- Hons BComm Business Management (UNISA)
- BComm with specialisation in Human Resources Management (UNISA)
- National Diploma in Commerce (PoN/NUST)
- National Secretarial Certificate (PoN/NUST)
- Specialised training in Foundational Payment Systems (Payments Association of South Africa)
- Specialised training in Banknote Production from Joh Enschede, Netherlands
- Senior Management Development Programme (US)

YEARS OF EXPERIENCE
22

EXPERTISE
- Commercial (Retail) and Central Banking
- Currency Management
- Banking Services
- Strategic Payment Systems Management
- Leadership and Corporate Governance

Ms Johanna Iiyambula
Director: Finance and Administration

QUALIFICATIONS
- Bachelor of Accounting (UNAM)
- B Compt (Honours) CTA (UNISA)
- Qualified Chartered Accountant (ICAN & SAICA)
- Management Development Programme (USB)
- International Executive Development Programme (WBS/LBS)

YEARS OF EXPERIENCE
20

EXPERTISE
- Financial accounting and reporting (IFRS)
- Management accounting
- Financial management
- Auditing
- Indirect tax (VAT)

Mr Bryan Eiseb
Director: Exchange Control and Legal Services

QUALIFICATIONS
- LLM Corporate Law (UNISA)
- LLB (Hons) & B. Juris (UNAM)
- Legal Practitioner of the High Court of Namibia
- National Diploma in Police Science
- Senior Management Programme (US)
- International Executive Development Programme (WBS/LBS)
- Central Bank Governance (Deutsche Bundesbank)
- Digital Leadership – Deloitte Alchemy

YEARS OF EXPERIENCE
31

EXPERTISE
- Corporate law
- Banking law
- Corporate governance
- Criminal investigations
- Corporate security management
- Exchange control administration

Ms Magreth Tjongarero
Head: Risk Management and Assurance

QUALIFICATIONS
- BAcc (UNAM)
- International Executive Development Programme (WBS/LBS)
- ISO22301:2012 Business Continuity Management Systems: Lead Implementer

YEARS OF EXPERIENCE
20

EXPERTISE
- Auditing
- Credit risk auditing
- Risk management
- Business continuity

Management Structure

As at 31 December 2020

- **Governor** – Johannes !Gawaxab
  - **Deputy Governor** – Ebson Uanguta
    - **Director of Information Technology** – Marsorry Ickua
      - *Deputy Director: Business Systems* – Martha Dama
      - *Deputy Director: IT Infrastructure* – Paulus Tshiningayamwe
    - **Director of Payment and Settlement Systems** – Barbara Dreyer
      - *Deputy Director: NISS Operations & Projects* – Peter Nghinyotwa
      - *Deputy Director: Oversight, Policy & Research* – Candy Ngula
    - **Director of Finance & Administration** – Johanna Iiyambula
      - *Deputy Director: Financial Administration* – John Amakali
      - *Deputy Director: Procument and Facilities Management* – David Kambinda
      - *Deputy Director: Treasury* – Vernon Louw
    - **Acting Director of Banking Services** – Sencia Kaizemi-Rukata
      - *Deputy Director: Currency & Banking* – Sencia Kaizemi-Rukata
      - *Deputy Director: Protection Services* – Johannes Asino
      - *Oshakati Branch Manager* – Phillip Ndjendja
    - **Director of Banking Supervision** – Romeo Nel
      - *Deputy Director: Onsite Examination* – Ancois Plaatje
      - *Deputy Director: Policy & Regulations* – Elifas Kamati
      - *Deputy Director: Off-site Analysis* – Imanuel Hawanga
    - **Director: Exchange Control & Legal Services** – Bryan Eiseb
      - *Deputy Director: Legal Services & Contract Management* – Tulonga Nakamhela
      - *Deputy Director: Exchange Control* – Penelao Kapenda
  - **Director of Strategic Comm. & Financial Sector Development** – Emma Haiyambo
    - *Deputy Director: Corporate Communications* – Israel Zemburuka
  - **Director of Financial Intelligence Centre** – Leonie Dunn
    - *Deputy Director: Investigations & Analysis* – Gerrit Eiman
    - *Deputy Director: Legal, Policy, Regulation & Enforcement* – Zenobia Barry
    - *Deputy Director: Compliance, Monitoring, Supervision & Strategic Analysisz* – Kristian Hamutenya
  - **Director of Research & Financial Stability** – Florette Nakusera
    - *Deputy Director: Macro Models & Financial Stability* – Postrick Mushendami
    - *Deputy Director: Policy Research & International Affairs* – Erwin Naimhwaka
    - *Deputy Director: Macroeconomic Statistics and Analysis* – Sanette Schulze Struchtrup
  - **Director of Financial Markets** – Nicholas Mukasa
    - *Deputy Director: Investments & Domestic Markets* – Helvi Fillipus
    - *Deputy Director: Compliance and Risk Analytics* – (Vacant)
  - **Director of Human Resources** – Lea Namoloh
    - *Deputy Director: HR Admin & Employee Relations* – Theopoline Veii
    - *Deputy Director: OD & Training* – Shirene Bampton
  - **Technical Advisor to the Governor** – Emile van Zyl
  - **Head of Risk Management and Assurance** – Magreth Tjongarero
  - **Senior Advisor to the Governor** – Kuruvilla Mathew

GOVERNANCE

OBJECTIVES AND ACCOUNTABILITY OF THE BANK

The Bank of Namibia is the central bank of the Republic of Namibia, created under Article 128(1) of the Namibian Constitution. The Constitution mandates the Bank of Namibia ("the Bank") to serve as the principal instrument of the Government of the Republic of Namibia ("the Government") to control money supply, the currency and banking institutions, and any other financial institutions. The objectives of the Bank as defined in the Bank of Namibia Act, 2020 are, inter alia:

- to promote and maintain a sound monetary, credit and financial system in Namibia and sustain the liquidity, solvency, and functioning of that system;
- to promote and maintain internal and external monetary stability and an efficient payment mechanism;
- to foster monetary, credit and financial conditions that are conducive to the orderly, balanced and sustained economic development of Namibia;
- to serve as the Government's banker, financial advisor, and fiscal agent; and
- to assist in the attainment of national economic goals.

In addition, the Bank fulfils other key functions as defined in other Acts, including:

- the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended, which empowers the Bank to supervise banking institutions;
- the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended, which provides for the management, administration, operation, regulation, oversight and supervision of payment, clearing and settlement systems in Namibia, as well as for incidental matters;
- the Financial Intelligence Act, 2012 (Act No. 13 of 2012), as amended, which obliges the Bank to provide administrative services to the Financial Intelligence Centre of the Republic of Namibia;
- the Currency and Exchanges Act, 1933 (Act No.9 of 1933), as amended, which regulates exchange control in Namibia; and
- the Deposit Guarantee Act, 2018 (Act No. 16 of 2018), which obliges the Bank to provide certain administration and support services to the Deposit Guarantee Authority.

In line with section 3(b) of the Bank of Namibia Act, 2020, the Bank performs its functions independently, subject to regular consultation with the Minister of Finance. The relationship between the Government, as a shareholder, and the Bank is broadly defined in the Act. The Bank's specific obligations are clearly defined in a Memorandum of Understanding entered into between the Ministry of Finance and the Bank. The Memorandum covers the terms and conditions of banking services rendered to the Government, public debt management arrangements, and the nature and frequency of consultations. The Minister of Finance and the Governor of the Bank of Namibia also hold regular consultations on relevant matters.

The Bank of Namibia Act, 2020 incorporates a range of stipulations relevant to up-to-date central banking. The new Act repealed the Bank of Namibia Act, 1997 (Act No. 15 of 1997) and the Bank of Namibia Amendment Act, 2004 (Act No. 11 of 2004). In terms of the new Act, the Bank is explicitly entrusted with responsibility for macro-prudential oversight, including the establishment of a Financial System Stability Committee.

CORPORATE CHARTER

Apart from its statutory mandate, the Bank's actions and the way it carries out its mandate are guided by its Mission Statement and Vision Statement, as detailed in its Corporate Charter. The Bank's Vision portrays the desired state of the Bank with respect to how the institution would like to carry out its Mission. The Mission defines the fundamental purpose of the Bank, describing why it exists and the importance of achieving the Vision. The Bank's Values express the essence of the culture and beliefs that are shared among the stakeholders of the Bank. The Values drive the Bank's culture and articulate the code of conduct that guides the Bank in mobilising all its resources in pursuit of its Mission and Vision. All the Bank's stakeholders are expected to conform to and identify with these standards and principles relating to ethical behaviour and excellence. The Charter strives to promote a sense of shared expectations among all levels and generations of employees regarding the Mission, the Vision, and standards of ethical behaviour.

STRATEGIC OBJECTIVES 2017–2021

The Bank's Strategic Objectives are linked to its Mission and functional priorities. Eight principal objectives were derived from the Mission and Vision and reflect the Bank's desire to meet its statutory mandate. The Strategic Objectives essentially refer to what the Bank aspires to achieve. The Strategic Objectives are to:

1. safeguard and enhance financial stability;
2. promote price stability;
3. manage reserves prudently;
4. provide currency, Government debt issuance and banking services;
5. promote a positive reputation;
6. promote financial sector development;
7. enhance the Bank's contribution towards sustainable economic growth; and
8. optimise organisational efficiency and cost-effectiveness.

Measurable strategies are designed with clear outcomes in order to achieve the eight Strategic Objectives. Thus, to ensure successful Strategic Plan implementation, the Strategic Objectives have been transformed into areas of concentration with clear and measurable targets. The Directors of the various departments report biannually on progress in their areas of concentration and the achievement of their targets. The entire Strategic Plan is reviewed and refreshed annually. It is therefore important not only to design strategies that can be engaged in pursuit of these objectives, but also to clearly describe the strategic outcomes that would reveal whether or not a particular objective has been met. To promote ownership of the Strategic Plan and to attain performance excellence, the areas of concentration are rolled out across the board through a Performance Management System. Individual performance goals are crafted for each employee, and performance progress is evaluated by means of performance appraisals. The section titled "The Year in Review" in this report explains the activities and progress under each of the eight Strategic Objectives during the review period.

ACCOUNTABILITY

The Bank is committed to good governance practices and accountability to the public. It is of paramount importance that the Bank always remains accountable to the public at large by adhering to sound corporate governance principles. Relevant legislations and the Bank's Corporate Charter and Strategic Plan are amongst the tools that guide the Bank in living up to the standards of good governance. The Bank also strives to be transparent by putting in place a concrete communication strategy that enables open and clear expression of why and how the Bank acts as it does. The aspects of good governance that the Bank is committed to meet include:

- being responsible, respected, trustworthy, and credible;
- being accountable to the Bank's shareholders and the Namibian people;
- demonstrating an exceptionally high degree of integrity;
- ensuring that the Bank's actions and policies are efficient, effective, and transparent;
- maintaining professionalism and excellence in the delivery of its services; and
- being flexible and forward-looking in its approach, while still avoiding undue risks.

THE GOVERNOR

The Governor serves the Bank as its Chief Executive Officer and is accountable to the Board for the management of the Bank and the implementation of its policies. The Governor also represents the Bank in its relations with the Government and other institutions. In most other matters, comprehensive and Board-approved delegations of power are in place to enable the Governor and his delegates to carry out their duties related to the implementation of policies. Ordinarily, the Governor is appointed for a five-year term. The Act sets specific criteria for the appointment, reappointment, and dismissal of a Governor. The current incumbent, Mr Johannes !Gawaxab, assumed office on 2 June 2020. His term will expire in December 2021, allowing him to serve for the remaining term of his predecessor, Mr Iipumbu Shiimi, who terminated his contract on 21 March 2020 to serve as Minister of Finance.

THE BOARD OF THE BANK OF NAMIBIA

The Board is responsible for the policies, internal controls, risk management and general administration of the Bank. In addition to their typical fiduciary duties, Board members are also charged with many high-level responsibilities directly related to the policies and operations of the Bank, including approving the licensing of banking institutions and ensuring the prudent management of international reserves. In addition, the Board is responsible for approving the Bank's financial statements and annual budget, promoting effective corporate governance practices, and monitoring internal controls and risk management frameworks.

The Bank's Board members are appointed by the President of the Republic of Namibia. They consist of executive members, one ex officio member (non-executive), and a further five non-executive members. The Governor (Chairperson) and the Deputy Governors are the executive members, while the Executive Director of the Ministry of Finance is the ex officio member. In addition, not less than five but not more than six non-executive members of the Board are appointed in line with applicable requirements.

The Board meets regularly – at least four times a year – with the main purpose of overseeing and monitoring the Bank's finances, operations, and policies. During 2020, four ordinary Board meetings and five special Board meetings were held. Table A.1 below sets out the dates of Board meetings and the attendance of members during 2020.

TABLE A.1 FREQUENCY AND ATTENDANCE OF BOARD MEETINGS, 2020

Board member	13 March 2020	23 March 2020 (special)	30 April (special)	29 May	8 June (Special)	6 July (Special)	8 July (Special)	28 August	20 November
Mr I. Shiimi (Chairperson)	✓	NM	NM	NM	NM	NM	NM	NM	NM
Mr J. !Gawaxab (Chairperson)	NM	NM	NM	NM	X	x	✓	✓	✓
Mr E. Uanguta	x	x	✓	✓	✓	x	✓	✓	✓
Ms E. Shafudah	✓	✓	x	✓	✓	✓	✓	✓	✓
Ms E. Haipinge	x	✓	✓	✓	✓	✓	✓	✓	✓
Adv C. van der Westhuizen	✓	✓	✓	✓	✓	✓	✓	x	✓
Mr A. Baisako	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr F. Tjivau	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr E. Meroro	✓	✓	✓	✓	✓	✓	✓	✓	✓

NM = NOT MEMBER; X = apology; ✓ = attended

The Board delegates certain functions to its sub-committees (the IT Governance Committee, the Audit Committee, and the Remuneration Committee), which are important elements of a sound corporate governance structure. All three sub-committees have been established through formal terms of reference and report to the Board. The Board can assure stakeholders that the sub-committees held several meetings during the period under review and that they met their respective obligations in all material respects.

The IT Governance Committee (ITGC) was established to assist the Board in discharging IT-related duties and responsibilities. The purpose of the Committee is to provide a strategic oversight role in order to ensure alignment of the IT strategy with the Bank's strategy through the approval, prioritisation and monitoring of strategic IT projects and initiatives for value creation, risk mitigation and resources assessments. This Committee consists of three non-executive Board members, and its meetings are held quarterly. The dates of the IT Governance Committee meetings and the attendance of members during 2020 are set out in Table A.2.

TABLE A.2 DATES AND ATTENDANCE OF IT GOVERNANCE COMMITTEE MEETINGS, 2020

IT Governance Committee member	14 May	22 August	14 November
Mr. C. Baisako (Chairperson)	✓	✓	✓
Mr E. Meroro	✓	✓	✓
Mr. F. Tjivau	✓	x	✓

The Audit Committee is responsible for evaluating the adequacy and efficiency of the Bank's corporate governance practices, including its internal control systems, risk control measures, accounting standards and auditing processes. The independence of the Board Committees is paramount. Three non-executive Board members currently serve as members of the Audit Committee, whose meetings are also attended by the Bank's Deputy Governor and Head of Risk Management and Assurance, the external auditors, and relevant staff members. In general, the Audit Committee is responsible for considering all audit plans as well as the scope of external and internal audits in order to ensure that the coordination of audit efforts is optimised. The Audit Committee is also required to introduce measures to enhance the credibility and objectivity of financial statements and reports prepared regarding the affairs of the Bank, and to enhance the Bank's corporate governance, with emphasis on the principles of accountability and transparency. Table A.3 below sets out the dates of the Audit Committee meetings and the attendance of members during 2020.

TABLE A.3 DATES AND ATTENDANCE OF AUDIT COMMITTEE MEETINGS, 2020

Audit Committee member	28 February	22 May	21 August	13 November
Mr F. Tjivau (Chairperson	✓	✓	✓	✓
Mr E. Meroro	✓	✓	✓	✓
Adv C. van der Westhuizen	✓	✓	x	x

The Remuneration Committee is responsible for overseeing and coordinating the Bank's remuneration policy and strategy to ensure its competitiveness and comprehensiveness, in order to attract and retain quality staff and Board members. This Committee consists of three non-executive Board members and the Deputy Governor. The dates of the Remuneration Committee meetings and the attendance of members during 2020 are set out in Table A.4.

TABLE A.4 DATES AND ATTENDANCE OF REMUNERATION COMMITTEE MEETINGS, 2020

Remuneration Committee member	17 August	11 November
Mr E. Meroro (Chairperson)	✓	✓
Mr. E. Uanguta	✓	✓
Ms. T. Haipinge	✓	✓
Adv. C. van der Westhuizen	✓	✓

MANAGEMENT STRUCTURE

The Bank's Senior Management Team consists of the Governor, the Deputy Governor, the Advisor(s) to the Governor, and the Directors of the Bank's various departments, as outlined above. The positions of Governor and Deputy Governor are required by law. To ensure that the Bank implements its policies effectively, various committees have been created. These are the Monetary Policy Committee, the Financial System Stability Committee, the Management Committee, the Investment Committee, the Risk Management Committee, the Innovation and Efficiency Committee, the Budget Committee, the Tender Committee, and the Information Technology Management Committee.

The function of the Monetary Policy Committee is to implement an appropriate monetary policy stance. The Bank's Monetary Policy Committee (MPC) consists of the Governor (Chair), the Deputy Governor, the Technical Advisor to the Governor, the Director of the Research and Financial Stability Department, the Director of the Financial Markets Department, the Director of the Strategic Communications and Financial Sector Development Department, and the Technical Expert in the Research and Financial Stability Department. The MPC normally meets every second month to deliberate on an appropriate monetary policy stance to be implemented by the Bank in the two-month period that follows. The monetary policy decision is communicated to the public through a media statement delivered at a media conference. Decision-making in the MPC is by consensus.

The Financial System Stability Committee assesses the vulnerability and risk exposure of the entire financial system. The Financial System Stability Committee is an inter-agency body set up between the Bank and the Namibia Financial Institutions Supervisory Authority (NAMFISA), with the Ministry of Finance as an observer. The Committee is made up of the Governor (who is the chairperson); the Deputy Governors; the Chief Executive Officer (CEO) of NAMFISA (as the deputy chairperson), and a representative of the Ministry of Finance nominated by the Minister. In addition, the CEO of NAMFISA nominates not more than three persons from the NAMFISA personnel, of whom at least one must be a senior staff member. The Committee meets on a quarterly basis to assess the potential risks that apply to the financial system as a whole, and to discuss and recommend appropriate policy measures to address such risks.

The Management Committee is responsible for reviewing the Bank's policies on financial and other administrative matters. In addition, the Committee is responsible for reviewing the Bank's financial, regulatory and other administrative matters. The Management Committee consists of the Governor (Chair), Deputy Governor, Advisor(s) to the Governor, all Directors, and the Head of Risk Management and Assurance. The Management Committee meets every second week.

The Investment Committee is responsible for reviewing the management of Namibia's foreign exchange reserves. While the Board approves the International Reserves Management Policy, the Investment Committee reviews the investment guidelines for final approval by the Governor. The Investment Committee is also expected to ensure that investments comply with the approved policy. The Investment Committee consists of the Governor (Chair), the Deputy Governor, advisor(s) to the Governor, the Director of the Financial Markets Department, the Director of the Research and Financial Stability Department, the Director of the Strategic Communications and Financial Sector Development Department, and the Director of the Finance and Administration Department.

The Risk Management Committee assists the Audit Committee to ensure that the Bank implements an effective risk management policy. The Committee also supports the annual workplan that enhances the Bank's ability to achieve its Strategic Objectives and ensure that disclosure regarding risks is comprehensive, timely and relevant. The Committee consists of all members of the Management Committee and is chaired by the Governor or the Deputy Governor. Its meetings are held on a quarterly basis before the Audit Committee meetings.

The Innovation and Efficiency Committee is responsible for stimulating critical thinking, which should then lead to the formulation of innovative business processes and business systems and result in efficiency gains and the curtailment of costs. The Committee also places great importance on environmentally sustainable initiatives so that environmental ecosystems are safeguarded and the Bank's contribution to the national carbon emission footprint is noticeably reduced, with such reduction being consistently maintained into the future. The Committee's membership is predominantly Directors from various departments in the Bank; given its strategic importance, it is chaired by the Deputy Governor.

The function of the Budget Committee is to oversee the budget deliberations of the Bank. The Budget Committee meets as part of the normal annual budget process of determining and providing for the Bank's expenditures (both recurrent and capital) to be incurred in the execution of its functions and responsibilities. Each department presents and defends anticipated annual budgetary allocations before the Budget Committee. The Budget Committee consists of the Governor, the Deputy Governor, and the Director and senior staff members of the Finance and Administration Department, which also provides administrative and support services. The Budget Committee is chaired by the Governor. One representative each from the Employee Liaison Forum (ELF) and the employees' bargaining union are permitted to attend and participate in the budget deliberations to ensure transparency.

The Tender Committee is responsible for ensuring sustainable, ethical, transparent, and cost-effective procurement of and tendering for the Bank's assets, goods and services. To achieve these objectives, the Committee takes into consideration the following:

- quality of the product/service;
- cost/price;
- reliability of suppliers;
- delivery time and after-sales service support;
- the National Equitable Economic Empowerment Framework (NEEEF) / previously disadvantaged Namibians, where applicable; and
- support to Small and Medium-sized Enterprises (SMEs).

The Information Technology Management Committee (ITMC) facilitates the development of IT strategies and plans that ensure cost effective application and management of IT systems and resources in the Bank. The ITMC monitors the implementation of significant IT projects and initiatives to ensure that the Bank gets maximum value from IT investments, practices, and services. The ITMC consists of the Governor (Chair), Deputy Governor, Advisor(s) to the Governor, all Directors, and the Head of Risk Management and Assurance. The ITMC meets at least four times per calendar year before the ITGC meetings to provide strategic advice and recommendations.

REPORTING OBLIGATIONS

The Bank of Namibia Act, 2020 requires the Bank to submit various reports to the Minister of Finance. The requirement includes the obligation to submit a copy of the Bank's Annual Report to the Minister of Finance within three months of the end of each financial year. The Minister, in turn, is required to table the Annual Report in the National Assembly within 30 days of receiving it. The Report must contain the Bank's annual accounts, certified by external auditors, information about the Bank's operations and affairs, and information about the state of the economy. Apart from the Annual Report, the Bank is further required to submit a monthly balance sheet to the Minister of Finance, which is also published in the Government Gazette.

COMMUNICATION AND STAKEHOLDER RELATIONS

The Bank attaches particular importance to stakeholder engagements to enhance discussions that could assist with growing the economy by exploring options and finding viable solutions to economic challenges in Namibia, within the policy mandate of the Bank. The Bank upholds the values of transparency and open communication, and thus seeks to create platforms to engage stakeholders in active and open dialogue. This is done through the development and implementation of the Annual Stakeholder Engagement Plan that is derived from the Stakeholder Identification and Engagement Procedures of the Bank. These engagements enjoy high-level support and are facilitated by the Governor. Some of the engagements held during the period under review are outlined below.

Governor Johannes !Gawaxab held engagements with stakeholders from the mining and business communities and the National Union of Namibian Workers soon after assuming his duties at the Bank. He further embarked on meeting and engaging with the managing directors of various commercial banks to introduce himself and share changes brought about by the Bank of Namibia Act, 2020 promulgated on 4 February 2020. The Governor also discussed the impact of relief measures that were introduced by the Bank to cushion the impact of the COVID-19 pandemic on borrowers and key sectors of the economy with the implementing agents, i.e., commercial banks.

Governor Johannes !Gawaxab (second from the left) with (fltr) Chief Financial Officer of FirstRand Namibia, Mr Oscar Capelao; Chairperson of FirstRand Namibia, Adv. Inge Zaamwani-Kamwi; and outgoing-CEO of FirstRand Namibia, Mr. Sarel van Zyl

Governor Johannes !Gawaxab and Nedbank Managing Director, Ms. Martha Murorua

Governor Johannes !Gawaxab (centre) with Chairperson of the Board at Standard Bank Namibia, Mr. Herbert Maier (left); and Chief Executive Officer of Standard Bank Namibia, Mr. Vetumbuavi Junias Mungunda

Governor Johannes !Gawaxab with members of the management team of Letshego Bank (fltr): Chief Operating Officer, Mr. O'Rute Uandara; Chief Financial Officer, Mr. Gregory Madhimba; Head of Credit, Mr. James Damon; Head of Internal Audit, Ms. Aletta Shifotoka; and Head of Consumer Division, Jaco Kruger.

Left: Governor Johannes !Gawaxab with Bank Windhoek Managing Director, Baronice Hans, and Capricorn Group Board Chairperson, Mr. Johan Swanepoel

Right: Governor Johannes !Gawaxab and Deputy Governor Mr Ebson Uanguta with representatives of the private sector to discuss the current state of the economy, impacted by the COVID-19 pandemic: former Namibia Chamber of Commerce and Industry (NCCI) President, Mr. Sven Thieme, Technical Advisor to the Governor, Mr. Emile van Zyl; NCCI Chief Executive Officer, Ms. Charity Mwiya; Construction Industry Federation Vice President, Mr Panashe Daringo; and Private Sector One Voice member, Ms. Kauna Ndilula

Governor Johannes !Gawaxab and Deputy Governor Ebson Uanguta with Treasurer of the National Union of Namibian Workers, Ms Barbara van der Westhuizen; Secretary General of the NUNW, Mr Job Muniaro; and NANTU President, Mr Thomas Haihambo

The Bank held an event to celebrate 30 years of central banking excellence under the theme "Delivering on our mandate: monetary policy, financial stability, and economic development". On 16 July 1990, shortly after Namibia attained independence, the Bank of Namibia was founded. The Bank's legal foundation was enshrined in Article 128 (1) of the Constitution of the Republic of Namibia as amended, which reads: "There shall be established by Act of Parliament a Central Bank of the Republic of Namibia, which shall serve as the State's principal instrument to control the money supply, the currency, and banking institutions and any other financial institutions that may be placed under the supervision of the Central Bank by Act of Parliament, and to perform all other functions ordinarily performed by a central bank." The year 2020 thus marked the 30th Anniversary of the Bank. The event was initiated as an opportunity to reflect on the Bank's journey over the past three decades whilst also looking at what the Bank could become in the years to come.

In his address, Governor !Gawaxab affirmed that the Bank has been a critical instrument for enhancing long-term macroeconomic stability in the country over the past 30 years by delivering on its core mandate. The Governor further stated that for the next 30 years and beyond, the Bank needs to prepare itself to deal with the digital revolution and to leverage technological innovation. This is because digital transformation brings about fundamental changes in the working modes and business models of the financial sector. The Bank thus needs to ensure that it has sound oversight of the digital architecture, while at the same time being mindful of the manner in which it regulates new payment operators in an increasingly "cashless" society. Appreciation was extended to stakeholders for their continuing support and cooperation and a call was made for closer collaboration and efforts towards achieving the aspirations of the central bank. The event was streamed live on social media platforms.

Left: Governor Johannes !Gawaxab and Guest of Honour, former Chairperson of the National Council, Hon. Bernard Sibalatani, toasting the continued success of the central bank with the Second House of Parliament
Right: Mr Johannes !Gawaxab delivering the Governor's address

(Fltr): Chief Executive Officer: First Capital Namibia, Dr Martin Mwinga; Director: Research and Financial Stability Department, Bank of Namibia, Mrs. Florette Nakusera; Deputy Governor: Bank of Namibia, Mr. Ebson Uanguta; Governor: Bank of Namibia, Mr. Johannes !Gawaxab; Managing Director: Standard Bank Namibia, Mr. Vetumbuavi Mungunda; and Founder and Chief Executive Officer: Africa Productivity Specialist, Mr Ndeu Naukushu

The Bank hosted a one-day seminar on 23 October 2020 under the theme "The Impact of COVID-19 on the Namibian Economy – Mapping the Way to Recovery". The key objectives of the seminar included analysing the impact of the COVID-19 pandemic on the economy, especially on the informal economy and the SME sector. The seminar also aimed to examine the unique challenges faced and the scope for interventions and strategies to be adopted by the banking industry to assist the sectors to rebuild their businesses during and after the pandemic, and to assess the impact of COVID-19 relief measures provided by the banking sector to shield households and businesses from the impact of the pandemic. This subject is further discussed as a Theme Chapter in this report.

The Bank hosted its 21st Annual Symposium on 5 November 2020, under the theme: Positioning Namibia to Reap the Benefits of the African Continental Free Trade Area. The African Continental Free Trade Area (AfCFTA) is one of the leading projects of the Africa Agenda 2063. The purpose of this key programme is to accelerate Africa's growth and development, and to boost intra-African trade and the continent's trading position in the global marketplace.

The main objectives of the AfCFTA are to create a single continental market for goods and services, with free movement of businesspersons and investments, and thus pave the way for accelerating deeper integration. It also aims to expand intra-African trade through better harmonisation and coordination of trade liberalisation, facilitation, and instruments across the Regional Economic Communities (RECs) and across Africa in general. The AfCFTA is expected to enhance competitiveness at the industry and enterprise levels through exploitation of opportunities for scale production, continental market access and better reallocation of resources. The AfCFTA agreement came into effect on 1 January 2021. These were prominent issues and were explored through presentations given by local and international speakers, supplemented by discussions of panel members drawn from the private sector and the Government. The following papers were presented to provide context to the discussions:

- Overview of the African Continental Free-Trade Area (AfCFTA) Agreement and Namibia Trade Policies Framework
- How to position Namibia to reap the benefits of the AfCFTA – experience and lessons from other countries

- Gearing the Namibian private sector for the opportunities offered by the AfCFTA: private-public sector collaboration
- Southern African Customs Union (SACU) position on AfCFTA and gearing the Namibian private sector for the opportunities offered by the AfCFTA
- The AfCFTA: priorities for implementation

Delegates who attended the event were drawn from the public and private sectors, and included academics, researchers, policymakers, and students. At the Government executive level, the Minister of Trade and Industrialisation, who also served as the keynote speaker, attended the full duration of the symposium, and was joined by other Cabinet ministers, members of the legislature and captains of industry. The symposium was heavily subscribed, with 140 of the 150 invited stakeholders attending. Livestreaming of the event also ensured maximum reach to the broader public.

(Standing fltr): UN Resident Coordinator, H.E. Sen Pang; UNDP Resident Representative, H.E. Alka Bhatia; Director: Research and Financial Stability Department: BoN, Ms Nakusera; Deputy Governor: BoN, Mr Uanguta; Mr. Sven Thieme, Executive Chairperson: O&L; (Seated fltr): Hon Lucia Iipumbu, Minister of Industrialisation & Trade; Governor: BoN, Mr Johannes !Gawaxab; Minister of Mines and Energy, Hon. Tom Alweendo; and Minister of Information and Communication Technology, Hon. Dr Peya Mushelenga

The Governor of the Bank hosted members of the diplomatic corps and development partners where they exchanged views on relevant economic issues. During the engagement, the Governor introduced himself to the diplomatic community, highlighted accomplishments of the Bank over the years, and shared his vision of the foundation for the continued success of the central bank. During the engagement, a presentation on domestic, regional, and global economic trends was made to the diplomats and development partners. The platform further provided an opportunity to discuss areas that require attention to revive growth once the COVID-19 pandemic has abated.

Governor Johannes !Gawaxab (centre, front) and Deputy Governor, Ebson Uanguta (3rd from right, back) with the Heads of diplomatic missions and Heads of multilateral organisations during the Annual Diplomatic Stakeholder Engagement

Governor !Gawaxab also addressed stakeholder groupings organised by other organisations during the year under review. As the Bank is highly regarded as a credible institution in the economic architecture of Namibia, the Governor and other senior members of the Bank's management were regularly invited to offer advice on economic policy and other related domains. To this end, the Governor addressed stakeholders at the Agricultural Conference on 3 September 2020 under the theme "Innovation in agricultural funding models". In his address, the Governor highlighted the importance and significant contribution of the agricultural sector towards the economic development and prosperity of countries. He was also an invited guest speaker at the NCCI Annual General Meeting held on 27 November 2020 under the theme "Rebooting the Namibian economy post-COVID-19 towards a sustainable local growth-oriented strategy". During the event, the Governor shared the Bank's perspective on Namibia's economic prospects, with particular emphasis on responsive investments, sustainable and inclusive post-COVID-19 recovery reforms. Similarly, the Governor was invited to address the high-level Cabinet retreat from 3–4 December 2020, where he shared Namibia's economic outlook and made a presentation on appropriate economic policies to pursue to secure economic recovery.

Internally, the Bank continued to promote an effective and favourable working relationship with its employees. The dissemination of corporate information via the Bank's intranet, tri-annual internal newsletter, corporate email system and regular staff meetings are key platforms used to reach every employee. Some of the internal engagements that took place during the year under review are outlined below.

Performance reviews: Progress reviews continued to be conducted at the end of the two performance cycle (i.e., November 2019–April 2020 and May–October 2020). During these reviews, the Senior Management Team provided feedback to the rest of the Bank's employees regarding progress made in the implementation of respective departmental strategies and areas of concentration for the year. These feedback exercises, conducted with allowance for comments and recommendations, enabled employees to be aware of the Bank's strategic direction while allowing them to contribute towards the successful realisation of the targets.

Bi-annual general staff meetings: The Governor held two general staff meetings during the period under review. During these meetings, staff members were encouraged to raise issues about the operations and strategic direction of the Bank and share positive and inspirational stories which best capture the values of the Bank.

Internal monetary policy announcements: Members of the Monetary Policy Committee (MPC) continued to present monetary policy decisions to the staff. These briefings (conducted after each MPC meeting) provide staff with the opportunity to discuss matters pertaining to monetary policy in line with the Strategic Objective of maintaining price stability. The internal monetary policy announcements were made parallel to the announcements to the public and media.

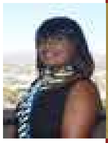
Employee Liaison Forum: The Employee Liaison Forum (ELF) continued to strengthen the internal communication channels within the Bank. The Forum, an internal structure that serves as a communication link between management and employees, further continued to provide constructive inputs related to policy and operational matters of the Bank. In further executing its mandate to improve internal communication between management and non- management employees, the ELF solicited agenda items for general staff meetings.

Employee Liaison Forum Members

As at 31 December 2020

Erastus Paulus
Chairperson
Exchange Control and Legal Services

Paulus Ndamanomhata
Vice Chairperson
Payment and Settlement Systems Department

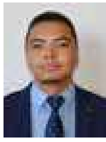


Wendy Kaira
Treasurer
IT Department

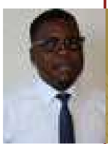
Tamukondjo Namukwambi
Secretary
Banking Supervision

Sesilia Nambambi
Vice Treasurer
Financial Markets Department

Sevelia Joseph
Vice Secretary
Financial Markets Department



Devin van Rooyen
Member
Payment and Settlement Systems Department



Fillemon Nangonya
Member
Strategic Communications and Financial Sector Development

Helena Mboti
Member
Research and Financial Stability Department

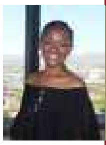
Kamunima Mbambi
Member
Exchange Control and Legal Services Department

Leena Elago
Member
Human Resources Department

Peter Nangolo
Member
IT Department

Roline Tjipueja
Member
Banking Supervision Department

Julius Rodrigues
Member
Banking Services Department



Graciana Mwenyo
Member
Financial Intelligence Centre

Feni Awene
Member
Oshakati Branch

Selma Shingenge
Member
Finance and Administration Department

Vistorina Namukwambi
Member
Human Resources Department

Elifas Iiyambula
Member
Research and Financial Stability Department

Bernard Shiyave
Member
Oshakati Branch

Sandra Garises
Member
Strategic Communications and Financial Sector Development

During 2020, the Bank continued to produce statutory publications, as well as publications pertaining to general information about the Bank, the economy, and the financial sector. The Bank releases these publications as per statutory requirements and to broaden the public's understanding of the Bank's functions and operations, as well as economic and financial developments. The publications outlined below were issued during the review period and are available on the Bank's corporate website.

In line with statutory requirements, the Bank's 2019 Annual Report was released in March 2020. The Report covered the operations and affairs of the Bank, the Bank's audited annual financial statements, information on the macroeconomic state of the country and banking supervision report.

The Financial Stability Report, which provides an assessment of the financial system in Namibia, was issued at the end of April 2020. The Report, which is a joint publication by the Bank of Namibia and the NAMFISA, highlighted the stability of the financial system as well as potential threats to financial stability. The Report further recommended appropriate policy actions to further deepen the resilience of the financial sector.

Published in line with statutory requirements, the Quarterly Bulletin serves as a prime source of information on economic and financial developments in Namibia. It contains a full set of data covering the real sector, monetary and financial developments, public finance, and the external sector.

Four editions of the Economic Outlook Report were released, in February, April, August and December 2020. These reports highlighted global, regional and domestic economic growth prospects, and presented domestic sectoral estimations and forecasts for a three-year period (2020, 2021 and 2022).

THE YEAR IN REVIEW

As mentioned above, the Bank of Namibia's activities are focussed on eight Strategic Objectives that guide its operations over five-year periods. These Strategic Objectives are directly connected to the Bank's functional priorities, its Mission, and its Vision, as well as to developments in the internal and external environments. The Bank has determined appropriate initiatives and strategies in order to accomplish each Strategic Objective. In this section, each Strategic Objective is presented in tabular format along with its associated initiatives and strategies. These are complemented by a list of strategic outcomes, which serve as indicators of success in achieving the objective in question. Each presentation is concluded with a report on key actual outcomes, and an assessment of whether or not the Strategic Objective was achieved during the course of the year. The more detailed discussions on Strategic Objectives numbers one and five appear in Part C and Part D of this report.

STRATEGIC OBJECTIVE 1: SAFEGUARD AND ENHANCE FINANCIAL STABILITY

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
1.1 Deter illegal financial schemes[1]	All known and detected schemes declared illegal within three months of determination.	All illegal schemes that the Bank became aware of were promptly investigated and their promoters were contacted after the Bank gained an understanding of their business models and declared the schemes to be illegal.	Yes
1.2 Supervise and regulate deposit-taking institutions and credit bureaus[2]	Sound and stable banking system: Early warning indicators in place		
	Capital adequacy not less than 11 percent.	The Capital adequacy ratio stood at a level of 15.2 percent.	Yes
	Liquidity ratio not less than 10.5 percent .	The banks recorded a liquid assets ratio of 15.7 percent.	Yes
	Non-performing loans (NPLs) not more than 4 percent under normal conditions and 6 percent under crisis conditions.	NPLs ratio rose to 6.4 percent in 2020.	No
	Examination cycle to be finalised within three months.	The supervisory team conducted two Consolidated Supervision Examinations and a Thematic Review on the four Domestic Systemically Important Banking Institutions, which were concluded in good time.	Yes
	Adequate risk management and all high risk and medium risk issues identified in examination report are addressed within agreed timelines.	Corrective actions were implemented as per action plans and within agreed timelines, with extension sought or agreed upon with the Bank where applicable.	Yes
	95 percent acceptance rate for submission of credit information to credit bureaus.	The credit bureaus met the acceptance rate with 98.7 percent data acceptance.	Yes
	Coverage: credit providers that hold 80 percent of credit data in the market should submit data to all registered credit bureaus.	Banking institutions, retailers, microlenders and insurers submitted data to credit bureaus and ensured that 80 percent coverage was achieved.	Yes

1 Developments under this strategy are further discussed in Part D of this report.

2 Developments under this strategy are further discussed in Part D of this report.

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
1.3 Licensing[3]	Entities that have submitted all information processed within three months (if more than one application is received the processing period is within six months) and within one month with the relevant ministry.	The Bank did not receive any new banking license applications during the period under review.	n/a
	Renewal of license a month before expiry.	All Authorised Dealers and Authorised Dealers with Limited Authority are licensed, and renewals were processed on time where applicable.	Yes
1.4 Ensure efficient, safe and effective payment and settlement systems	Cost-effective provision of payment systems services in line with set cost standards.	The Namibia Inter-Bank Settlement System (NISS) cost-effectiveness for 2020 was 113 percent. This was well within the set cost effectiveness range of 75 percent to 125 percent. NISS fee per transaction must be the lowest of US$1 or the average Real-time Gross Settlement System (RTGS) transaction fee for at least 8 economies in the Southern African Development Community (SADC)). The NISS fee per transaction for 2020 was US$0.70.	Yes
	There is compliance with the Safety Index, per the following indicators:		
	Fraud-to-turnover ratio below 0.05 percent.	The fraud-to-turnover ratio was 0.00076 percent for 2020.	Yes
	99 percent availability of retail payment system, participants' systems and NISS.	The retail payment systems were available 99 percent of the time. NISS was available 99.9 percent of the time.	Yes
	Recovery time objective (RTO) of 2 hours met for retail and large-value systems when Disaster Recovery (DR) tests are conducted.	The NISS DR test did not meet the RTO due to technical issues. However, the Business Continuity Management DR test met the 2 hours RTO. The Namclear DR exercise performed for the period under review achieved the RTO of 2 hours.	No Yes

3 Developments under this strategy are further discussed in Part D of this report.

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
	All high- and medium-risk issues identified from on-site inspections addressed within agreed timelines.	All high- and medium-risk issues identified through inspections were addressed within the agreed timelines.	Yes
1.5 Maintain financial sector stability	Stable financial system	The 2020 Financial Stability Report revealed that the financial sector remained sound and profitable.	Yes
	Vulnerabilities in the financial system identified and agreed action implemented.	Vulnerabilities were identified and addressed within the agreed timeframe.	Yes
1.6 Develop the ability to handle crises in the financial system[4]	A tested and effective crisis resolution framework.	The Bank awaits the finalisation of the legislative framework in order to test the crisis resolution framework.	No
1.7 Introduce a financial sector safety net	Safety net in place for small depositors.	A Deposit Guarantee Scheme, as administered by the Namibia Deposit Guarantee Authority, has been established and fully operationalised. The Scheme was established in terms of the Namibia Deposit Guarantee Act (No. 16 of 2018).	Yes

PAYMENT SYSTEMS OVERSIGHT

The Bank continued to fulfil its regulatory mandate as the overseer of the National Payment System (NPS) in 2020, in line with the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended. Payment systems are a crucial part of the financial infrastructure of a country. In Namibia, the regulatory mandate to oversee the NPS was accomplished through risk-based on-site and off-site oversight activities. During the review period, the Bank conducted one risk-based inspection on one system participant. In addition, thereto, the Bank continued with its off-site activities by monitoring system participants through a combination of assessments based on information provided by the regulated institutions in the NPS.

In promoting financial sector development, the Bank introduced the Determination on Standards for Fees and Charges for Payment System Services within the National Payment System (PSD-10) on 10 August 2020. Following the finalisation of the Bank's third costing and income survey in 2019 where the Bank sought to understand the relationship between the income generated by banking institutions and the costs involved in rendering banking services, the Bank introduced standards for fees and charges through PSD-10, in line with the mandate given under sections 2(2)(d) and 2(2)(e) of the Payment System Management Act, 2003 (Act No. 18 of 2003), as amended. These provisions require the Bank to set standards that ensure that fees and charges payable by a user are in the public interest, promote competition, efficiency and

4 Developments under this strategy are further discussed in Part D of this report.

cost-effectiveness in service delivery. Given the above, PSD-10 serves to provide standards on specific fees and charges that payment instrument issuers must comply with when providing payment system services in Namibia.

The Bank issued a Guidance Note on Interchange Determination in the NPS on 26 November 2020. The Guidance Note was published to communicate the outcomes of the stakeholder deliberations pertaining to the revision and determination of the domestic interchange in the NPS. The current interchange model used in Namibia was adopted from South Africa's Bankserv by the domestic clearinghouse, Namclear (Pty) Ltd, in 2008. Given the changes that have taken place within the NPS as well as the time that has elapsed since the adoption of the current interchange model, the model will be reviewed by the Bank, with input from relevant stakeholders. In this regard, the Bank will conduct an Interchange Determination Project, which will commence in 2021 with a particular focus on the revision of the current interchange rates applicable to the interbank card stream, i.e., point of sale, automatic teller machine (ATM) and card-not-present transactions.

SETTLEMENT SYSTEM

The Bank continued to provide interbank settlement services to authorised institutions through the Namibian Interbank Settlement System (NISS). Interbank transactions settled in the NISS constitute retail payments, such as electronic funds transfers (EFTs) and cards, that are cleared through Namclear, as well as single-item large-value transactions processed by the participants in NISS. During 2020, two NISS disaster recovery (DR) exercises were conducted. Of these, the announced DR test was successful, and the unannounced DR test was unsuccessful, because the two-hour recovery time objective (RTO) was not met. No business continuity management exercises were conducted during the period under review.

During 2020, the Bank provided collateralised lending to NISS participants through overnight and intra-day lending facilities. Accessibility to intra-day and overnight credit facilities by NISS participants allows for the fulfilment of settlement obligations within the NISS.

A 0.83 percent increase in the value of payments and a 6.05 percent increase in transaction volume were recorded in the NISS in 2020. The total value settled through the NISS in 2020 amounted to N$983.8 billion, of which 70 percent resulted from single transactions settled in the NISS and 30 percent from retail payment transactions cleared through Namclear. The total number of transactions settled in 2020 was 70 150, which averages to 233 transactions per settlement day.

TABLE A.5 NISS TRANSACTION VALUES AND VOLUMES

Year	Number of settlement days	Values settled in N$ billion			Total number of settlement transactions
		Total value settled	Real-time transactions	Retail payment transactions	
2016	301	738.0	450.7	287.2	69 579
2017	301	852.7	565.3	287.4	65 983
2018	301	913.1	618.7	294.4	60 189
2019	300	975.7	672.4	303.3	66 148
2020	301	983.8	687.8	296.0	70 150

CLEARING SYSTEM

The Bank continued to oversee the clearing operations in the NPS. During the review period, Namclear was the only service provider that provided clearing services within the NPS. It clears inter-bank EFT and card transactions, which are submitted to NISS for settlement.

The value of EFT transactions processed by Namclear decreased in 2020 to N$269.5 billion. This represents a 6.9 percent decrease in value and a 15.4 percent decrease in volume over the 2019 figures. The decrease in EFT usage can be attributed to reduced economic activity due to the COVID-19 lockdown restrictions and job losses experienced during 2020.

Card payment transactions continue to increase year-on-year. In 2020, Namclear processed card transactions with a total value of N$25.9 billion. The value and volume processed by Namclear increased by 13.1 percent and 10.5 percent, respectively, over the 2019 figures.

TABLE A.6 NAMCLEAR TRANSACTION VALUES AND VOLUMES

Year	Cheque transactions		EFT transactions		Card transactions		Total value cleared
	Value (N$ Million)	Volume ('000)	Value (N$ Million)	Volume ('000)	Value (N$ Million)	Volume ('000)	(N$ Million)
2016	10 670	1 078	260 356	17 250	9 668	17 922	280 694
2017	6 238	660	269 556	18 279	13 270	25 205	289 064
2018	3 057	292	279 698	19 395	17 844	33 730	300 599
2019	212	18	289 402	23 159	22 937	42 901	312 550
2020	-	-	269 588	19 601	25 945	47 386	295 533
Annual percent change							
2016	-60.2	-32.9	10.3	10.3	20.3	17	3.6
2017	-41.5	-38.8	3.5	6	37.3	40.6	3
2018	-51	-55.8	3.8	6.1	34.5	33.8	4
2019	-93.1	-93.8	3.5	19.4	28.5	27.2	4
2020	-100	-100	-6.9	-15.4	13.1	10.5	-5.4

INTRABANK AND ELECTRONIC-MONEY SCHEMES

The value of EFT intrabank transactions settled in commercial bank money increased to N$110.2 billion in 2020. EFT intrabank transactions have been increasing steadily over the past five years (2016–2020). The increase can be attributed to the real-time processing of intrabank payments within the same banking institution's accounts.

Payment card intrabank transactions in 2020 were slightly lower than the transactions reported in 2019. Forty (40) million card transactions were processed between merchants and customers of the same banking institution, amounting to N$28 million, which is a small decrease from the N$30 million reported in 2019.

The use of electronic-money (e-money) schemes, which are currently closed-loop, i.e., only operating within the same institution's systems, continued to increase in 2020. The Bank observed an increase in the use of e-money as a payment instrument, which shows a shift in the payments behaviour of users of the domestic payment system. In 2020, the value and volume of e-money transactions increased to N$41.2 million and 65 million, respectively. This increase can be attributed to changing consumer behaviour in general and the spread of COVID-19 in particular, as the lockdown regulations prompted various entities to use e-money schemes as the preferred payment method for the disbursement of value to recipients.

TABLE A.7 INTRABANK AND ELECTRONIC-MONEY SCHEMES

Year	Cheque transactions		EFT transactions		Card transactions		E-money transactions		Total intrabank transactions value
	Value (N$ million)	Volume ('000)	Value (N$ Million)	Volume ('000)	Value (N$ million)	Volume ('000)	Value (N$ million)	Volume ('000)	(N$ Million)
2016	18	1 682	303	52 001	30	40 817	880	9773	1 231
2017	10	971	446	52 090	23	30 793	10 609	17 845	11 088
2018	5	583	380	53 968	29	34 126	14 038	23 916	14 452
2019	0.496	42	11 236	59 750	30	38 917	14 833	28 403	26 099
2020	0.0	-	110 226	93 686	28	40 921	41 210	65 905	151 464
Annual percent change									
2016	50.0	-33.9	-14.4	-90.4	42.9	60.3	259.2	284.0	94.8
2017	-44.4	-42.3	47.2	0.2	-23.3	-24.6	1 105.6	82.6	800.7
2018	-50.0	-40.0	-14.8	3.6	26.1	10.8	32.3	34.0	30.3
2019	-90.1	-92.8	2 856.8	10.7	3.4	14.0	5.7	18.8	80.6
2020	-100.0	-100.0	881.0	56.8	-6.7	5.1	177.8	132.0	480.3

REGIONAL PAYMENT SYSTEMS

The Bank remained a participant in the SADC Real-Time Gross Settlement (SADC-RTGS) system. The SADC-RTGS is a regional settlement system that processes time-critical or high-value payments between participating SADC countries. At the end of the 2020 reporting period, there were 83 participants (i.e., registered banking institutions, as well as central banks within the respective SADC jurisdictions) of which five, including the central bank, were Namibian. During 2020, the total value of payments processed in the SADC-RTGS amounted to R1.2 trillion. Namibian banks accounted for R393 billion, which is 32 percent of the SADC-RTGS total. This reflects the optimal usage of Namibian banks of the SADC-RTGS in support of regional payments integration in accordance with the Finance and Investment Protocol.

The SADC region launched a cross-border, low-value Transactions Cleared on an Immediate Basis (TCIB) payment scheme. The project is led by the SADC Bankers' Association (SADC BA) under the SADC Finance and Investment Protocol (FIP), the legal basis for regional cooperation and harmonisation in the areas of finance, investment and macroeconomic policy. There are various use cases for the TCIB scheme. It can be used for G2B (Government-to-Business), B2B (Business-to-Business), P2B (Person-to-Business) or B2P (Business-to-Person) transfers, as well as P2P (Person-to-Person) transfers. The participation model in the TCIB, as may be proposed by an applicant, must undergo review, and if satisfactory, it is to be approved by the Bank based on the regulatory checklist that was issued in March 2020. Furthermore, together with a few other elected central banks, the Bank underwent technical tests facilitated by the SADC Bankers Association and the regional clearinghouse, BankservAfrica. These tests explored the approach where the daily interbank settlement of retail clearing operations via the TCIB payment scheme are directly processed through central bank settlement infrastructures in order to address some of the identified risks, such as settlement risks. The tests with the Bank's Namibian Interbank Settlement System were concluded successfully, and the Bank is currently in the process of unpacking this option from a regulatory and policy perspective.

INDUSTRY FRAUD STATISTICS

The total value of fraudulent transactions perpetrated within the NPS has decreased over the past five-year period. For the period under review, the total value of fraudulent transactions decreased compared to 2019. However, the industry recorded increases of N$2.5 million and N$1.2 million for the card and e-money streams, respectively, compared to 2019. Payment card fraud increased by 82 percent and e-money payments fraud increased by more than 100 percent. The increase in payment card fraud was primarily due to Card-Not-Present payment incidents perpetrated via internet banking platforms and/or mobile applications, whilst that in e-money payments resulted from incidents that were perpetrated via phone scams. The total value of fraud attributable to card, e-money, and EFT streams for the period under review amounted to N$5.6 million, N$1.5 million and N$1.4 million, respectively. The total fraud perpetrated within the NPS remained within the fraud safety index indicator of 0.05 percent as per the Bank's Strategic Goal, with a figure of 0.00076 percent being recorded.

TABLE A.8 INDUSTRY FRAUD STATISTICS (NPS)

Year	Card fraud Value (N$ '000)	EFT fraud Value (N$ '000)	Cheque fraud Value (N$ '000)	E-money fraud Value (N$ '000)	Total fraud Value (N$ '000)
2016	13 440	768	3 315	8 768	26 291
2017	4 555	528	2 071	6 828	13 982
2018	5 216	194	677	1 466	7 553
2019	3 126	5 648	320	320	9 414
2020	5 690	1 476	-	1585	8 751

FINANCIAL STABILITY ASSESSMENT AND SURVEILLANCE

The Bank assesses risks, threats, and vulnerabilities in the financial system to determine the resilience of the sector to withstand internal and external shocks. Such assessments are published once a year in the Financial Stability Report (FSR). The FSR analyses developments in the global and domestic economic environments, household and corporate indebtedness, the banking sector, the non-bank financial sector (NBFS), and the payment and settlement systems, and recommends policies to mitigate potential risks. The 2020 FSR showed that the Namibian financial sector remained sound and resilient amidst increased risks from the COVID-19 pandemic. Despite a deterioration in the asset quality of the banking sector, the industry remained adequately capitalised and liquid during 2020. The non-performing loans (NPL) to total loans ratio increased in 2020 when compared to 2019 in line with depressed economic conditions. The NBFS remained sound and stable despite worsening economic conditions.

The financial system remained sound, well capitalised, and profitable in 2020, despite depressed economic conditions exacerbated by the COVID-19 pandemic. Capital adequacy of the banking sector declined to 15.2 percent in 2020 compared to 15.6 percent recorded during 2019, but remained higher than the statutory minimum requirement of 10.0 percent of risk weighted assets. The liquidity ratio of the banking industry stood at 15.7 percent at the end of 2020, higher than the 15.3 percent recorded in 2019, and remaining well above the prudential requirement of 10.0 percent of average total liabilities to the public. The improved liquidity position was driven by weak uptake of credit and increased uptake of government bonds and treasury bills. The asset quality of the banking sector deteriorated during 2020 with the NPL to total loans ratio increasing to 6.4 percent in December 2020, from 4.8 percent at the end of December 2019. The increase was evident across all loan categories. The banking sector partially responded to the higher potential default risk by increasing provisions. In this regard, the provisions to NPL ratio rose from 19.5 percent in 2019 to 29.3 percent in 2020. The deterioration in asset quality was expected given the strain on household and business income for the majority of 2020 due to the COVID-19 pandemic. On a positive note, the banking sector remained profitable and well capitalised in 2020, leaving the banks in a good position to absorb these losses going forward. Despite depressed economic conditions, the NBFS sector remained stable and continued to grow its assets.

Residential property prices decreased at a slower pace during 2020. In this regard, house prices contracted on average by 3.2 percent in 2020 from a deeper fall of 3.6 percent in 2019, mainly owing to the demand for houses by first-time buyers resulting in the completion of new developments in the central area. Moreover, the persistently strong demand for residential land in smaller towns might have also contributed to the slowed contraction in house prices. This is particularly valid for the southern and northern regions, where land appears to be relatively affordable.

STRATEGIC OBJECTIVE 2: PROMOTE PRICE STABILITY

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
1.1 Ensure reliability of economic data to support economic policy.	Timely and reliable balance of payments and monetary and financial statistics (MFS) and data that meet international standards provided. Timely and reliable other economic data provided to relevant stakeholders.	MFS data were provided to the public once a month with a maximum lag of one month. Both balance of payments and MFS data were provided to the public on a quarterly and an annual basis. All macroeconomic data were provided to the MPC every two months and to external stakeholders on time.	Yes
1.2 Pursue monetary policy in accordance with the Monetary Policy Framework	Headline inflation below 7 percent maintained without compromising economic growth.	The average annual consumer price inflation was 2.2 percent in 2020.	Yes

MONETARY POLICY STANCE DURING 2020

The Bank of Namibia's MPC pursued an aggressive accommodative monetary policy stance in 2020, mainly aimed at cushioning the economy against the negative effects of the COVID-19 pandemic while maintaining the one-to-one link to the South African Rand (ZAR). The monetary policy stance taken was mindful of the negative effects imposed by the COVID-19 pandemic, which severely affected the global economy and exacerbated the relatively weaker domestic economy in 2020. The lacklustre performance of the domestic economy was mainly reflected in key economic sectors such as mining, agriculture, wholesale and retail trade, transport, and tourism. As a result, the level of annual domestic inflation declined and remained subdued throughout the year. Regarding the conduct of its monetary policy, the Bank reduced its Repo rate by 25 basis points in February, by 100 basis points in both March 2020 and April 2020, and by 25 basis points in June and August 2020, respectively. The Bank subsequently kept the Repo rate unchanged at 3.75 percent in its October, and December 2020 meetings. This translates into a cumulative rate of 2.75 percentage points cut in 2020. The MPC decisions were in line with those taken by most central banks in the monitored advanced economies (AEs) and emerging markets and developing economies (EMDEs), while being mindful of the weak domestic economy and absence of inflation pressure. The Bank also introduced the implementation of the regulatory and policy relief measures in April 2020, to reduce the impact of the COVID-19 pandemic on the economy. The measures were aimed at individuals, Small and Medium-sized Enterprises (SMEs) and corporations in Namibia, and included loan payment holidays, and liquidity and regulatory relief measures. The Bank continued with the implementation of these relief measures in pursuit of its mandate to promote and maintain a sound monetary, credit and financial system while trying to cushion the economy against the negative effects of the COVID-19 pandemic.

The monetary policy stances adopted in 2020 were considered appropriate to continue supporting domestic economic activity and safeguard the one-to-one link between the Namibia Dollar and the South African Rand. As the accommodative monetary policy stance remained appropriate, the level of foreign reserves fluctuated during the year but remained adequate to maintain the peg in terms of the import cover and relative to the currency in circulation. In its assessment of both the global and domestic economic developments and considering the effect of COVID-19 pandemic on the economy, the MPC therefore saw it fit to pursue accommodative monetary policy stances during 2020.

STRATEGIC OBJECTIVE 3: MANAGE RESERVES PRUDENTLY

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
3.1 Manage foreign exchange reserves prudently in accordance with the Investment Policy Statement	Foreign reserves are safe and in easily convertible assets, which generate risk-adjusted returns in line with the approved strategic benchmarks.	All internally and externally managed sub-portfolios met their respective objectives over the review period.	Yes
	Foreign reserves cover the currency in circulation plus a buffer of three times the monthly average net commercial bank flows threshold.	Foreign reserves covered the precautionary threshold by a ratio of 3.3 at the end of December 2020.	Yes
	Foreign reserves meet the international 3-month import coverage ratio benchmark.	The import coverage ratio stood at 5.1 months at the end of December 2020.	Yes
3.2 Manage liquidity in the banking system proactively to support reserves	100 percent compliance with reserve adequacy threshold as stated in the Market Intervention Framework.	Liquidity management tools were adequately utilised to prevent outflows.	Yes

As stipulated in Section 61 of the Bank of Namibia Act, 2020, the Bank is entrusted with prudently managing Namibia's foreign exchange reserves. As such, the reserve assets are held to provide support for the issuance of domestic currency, as required in terms of the Bilateral Monetary Agreement between the Government of the Republic of Namibia and the Government of the Republic of South Africa. Reserve assets are also held to enable funding of international transactions and to serve other Strategic Objectives, such as maintaining confidence in the country's monetary and exchange rate policies. In addition, holding reserve assets instils confidence amongst the international community that the country can service its external debt and ensures resilience to external shocks.

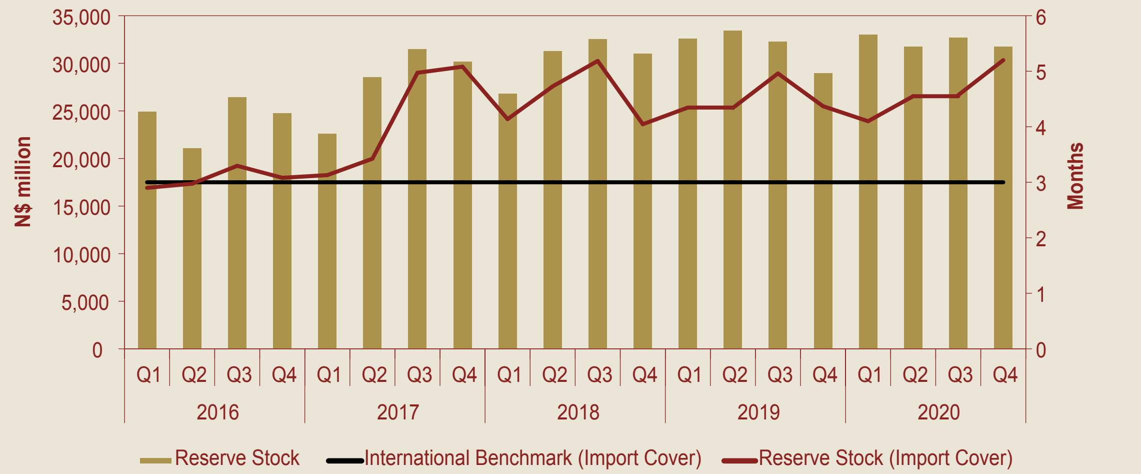
To support the goals of holding foreign reserves, the Bank needs to ensure that the primary objectives of capital preservation and liquidity management are met. Subject to the meeting of these two objectives, excess reserves shall be managed to pursue and maximise investment returns. These objectives are achieved through exposure to a range of eligible foreign assets set within limits which are informed by the Bank's annual strategic asset allocation exercise.

Despite relatively higher commercial bank outflows, the stock of international reserves increased year on year. The official reserve levels increased by 9.7 percent year-on-year, amounting to N$31.8 billion as at 31 December 2020. The increase in the foreign reserves position is attributed to the relatively higher SACU revenue receipts of N$21.4 billion (compared to N$18.5 billion during 2019) and loan proceeds of N$2.0 billion received from the African Development Bank during the year. In addition, the weakening of the Namibia Dollar against the United States Dollar (USD) also contributed to the increase in foreign reserves when reported in local currency terms. These positive developments helped offset the relatively higher net commercial bank flows, which amounted to N$19.9 billion during 2020 (2019: N$18.5 billion). The increase in commercial bank transfers partly attributed to loan repayments in the mining sector to foreign shareholders. Foreign payments made on behalf of the Government over the year also had a negative bearing on foreign reserve levels, coming in slightly higher at N$4.9 billion (N$4.8 billion in 2019).

In terms of reserve adequacy, the level of foreign reserves remained adequate when measured in terms of import coverage and currency in circulation (CIC) plus a buffer of three times the monthly commercial bank outflows. Foreign reserves were recorded with an import coverage ratio of 5.1 months on 31 December 2020, compared to the 4.2 months reported at the corresponding time in 2019 (Figure A.1). The increase in the import coverage ratio was due to a decline in the import bill recorded in 2020, as well as the aforementioned increase in foreign reserves. In terms of CIC plus the buffer of three times commercial bank outflows, the reserves were recorded at a ratio of 3.3 times on 31 December 2020 (2019: 3.7 times). At these levels, both measures are considered adequate to support the peg to the South African Rand (ZAR) and meet the threshold for invoking Section 62 of the Bank of Namibia Act, 2020.

FIGURE A.1 OFFICIAL FOREIGN EXCHANGE RESERVE STOCK AND IMPORT COVER

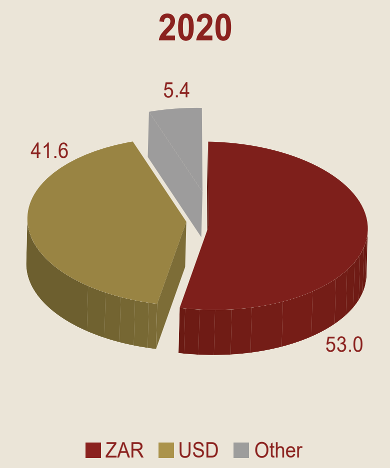
The stock of international reserves increased by 9.7 percent year-on-year and remains well above the international import coverage ratio of 3 months.



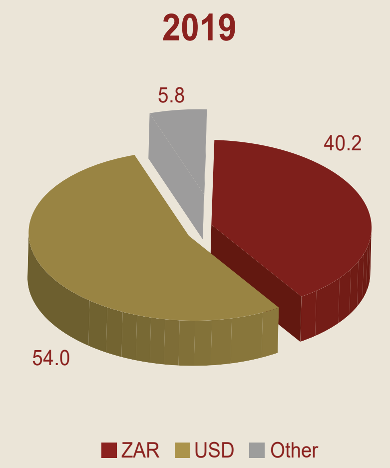
The USD and ZAR currencies continued to represent the biggest share of the Bank's overall foreign exchange reserves. As of 31 December 2020, the ZAR and USD currencies accounted for 53.6 percent and 41.1 percent of the Bank's overall foreign exchange reserves, respectively. The remaining 5.3 percent was made up of a basket of other Special Drawing Rights currencies, namely the Euro, British Pound Sterling, Japanese Yen and the Chinese Yuan/Renminbi (Figure A.2). The ZAR levels were roughly 13 percent higher, while the USD levels were 13 percent lower than in the previous year. The aforementioned can be ascribed to the relatively higher SACU receipts during 2020, and a withdrawal from USD assets.

FIGURE A.2 CURRENCY MIX OF FOREIGN EXCHANGE RESERVES, 31 DECEMBER 2020

The largest currency allocations in Namibia's foreign exchange reserves remain the USD and ZAR.



Whereas at the end of 2019 the USD was the largest currency in the reserves, the first position switched to ZAR in 2020.



LIQUIDITY MANAGEMENT

The Bank employs various liquidity management tools to safeguard the level of international reserves. Accordingly, the Bank intervenes in the market by temporarily absorbing funds destined to leave the country in search of alternative investment opportunities. The common interventions include the issuance of Bank of Namibia Bills, as well as appropriate adjustments to the Settlement Account rate.[5] The Bank also engages in non-market interventions such as advice to the Government on appropriate regulations aimed at preventing capital outflows.

ADMINISTRATION OF EXCHANGE CONTROL

During the period under review, the Bank continued to fulfil its mandate of Exchange Control administration, in support of the country's foreign reserves management objectives. In accordance with the powers delegated to it by the Minister of Finance as provided for by the Currency and Exchanges Act (No.9 of 1933) and the Exchange Control Regulations of 1961, as amended, the Bank is tasked with the responsibility of fostering stable and sound foreign exchange operations in the country.

The Bank conducted the Exchange Control activities during the year under review through risk-based regulatory oversight of the entities that it regulates. The overall objectives were:

- to ensure that the regulated entities comply with the Currency and Exchanges Act and its complementing Regulations and Rules;
- to enhance the Exchange Control and Legal Services Department's surveillance and supervision capabilities using technologies to foster a sound and stable foreign exchange market; and
- to improve synergies and collaboration with the Financial Intelligence Centre, law enforcement agencies and the Directorate of Customs and Excise and the Inland Revenue Department in order to close leakages related to illegal financial flows in the banking system.

As part of the envisaged next phase in the gradual exchange control liberalisation trajectory, the Bank approved a position paper to inform the move away from the traditional exchange controls to a modernised Capital Flow Management Framework. The purpose of the Capital Flow Management Framework is to modernise the exchange control regime and allow for further liberalisation of the capital account transactions. A process of stakeholder consultations has begun and will culminate in the drafting of the Capital Flows Regulations and their eventual gazetting in 2021.

In line with the terms of reference of the Task Team on Combatting Illicit Financial Flows, the

5 The Settlement Account rate refers to the rate paid on commercial banks' deposits at the central bank.

Bank continued to strengthen collaboration with key stakeholders with the aim of closing loopholes and vulnerabilities that expose the banking system to abuse and illegal financial transactions. To this end, an amount of N$35.7 million was blocked on suspicion of contravention of the Exchange Control Regulations. In this regard, the investigation processes are ongoing. The Bank transferred forfeited money amounting to US$912 000 to the State Revenue Fund as proceeds resulting from violations of the Exchange Control Regulations. Additionally, the Bank placed a restriction order on the accounts of several persons for amounts totalling N$8.5 million in relation to suspicious transactions in violation of the Exchange Control Regulations. Furthermore, a joint operation with the Namibian Police resulted in an amount of N$650 000 being confiscated on suspicion of illegal dealings in foreign currency, and the arrest of two individuals. In this regard, criminal prosecution continues.

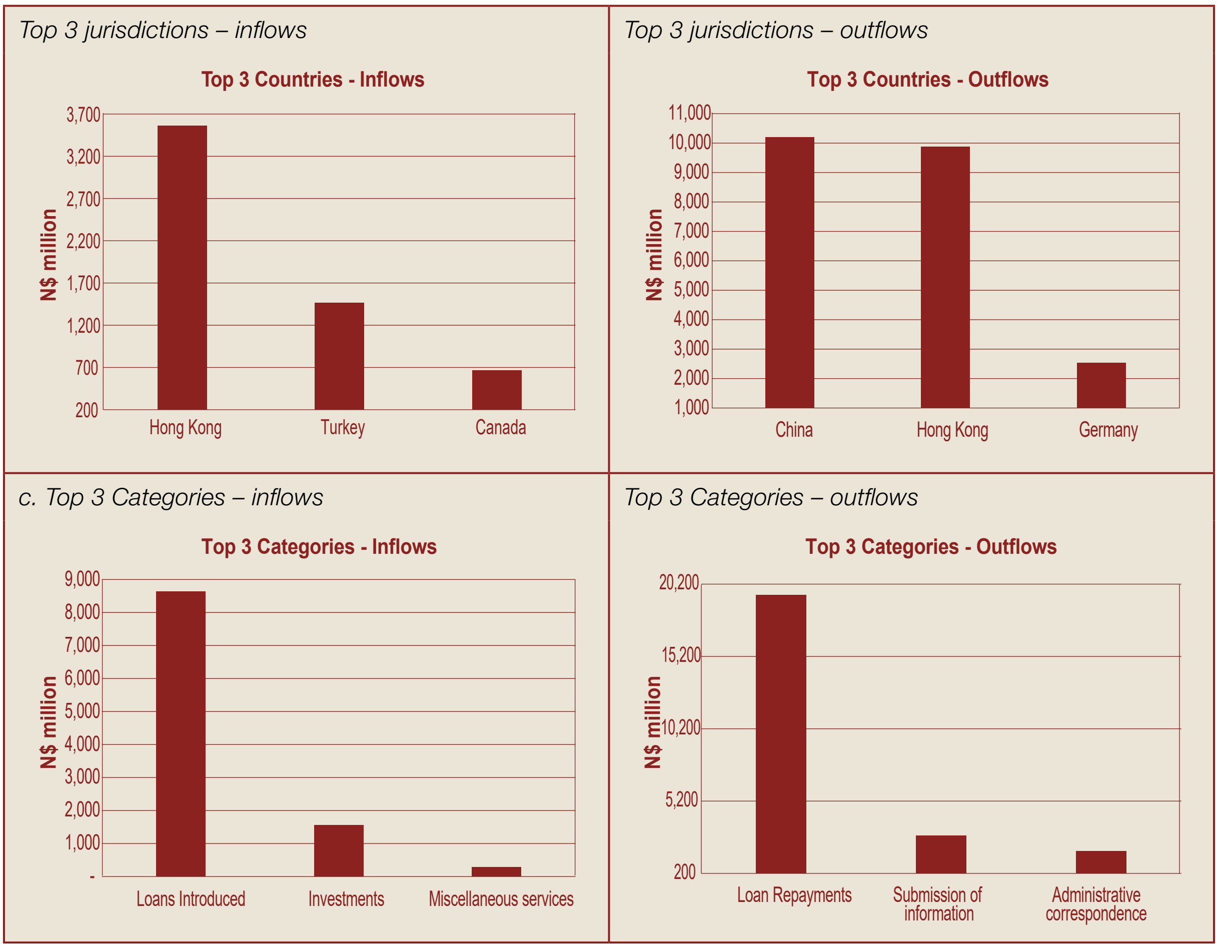
The business case for the implementation of the Import Verification System (IVS) has been drafted and submitted to the Directorate of Customs and Excise for consideration and endorsement. The Bank, in close collaboration with the Ministry of Finance and the commercial banks, plans to implement the IVS during 2021. It is anticipated that once operational, the IVS will provide much-needed synergy between the Bank, commercial banks and Customs and Excise in relation to foreign exchange payments, import taxes and foreign exchange proceeds. The Bank anticipates that the solution that the IVS provides will substantially address the anomalies arising from under-declaration and/or over-invoicing of imports.

The Bank continued to shape the compliance environment of the regulated populace made up of six Authorised Dealers and six Authorised Dealers with Limited Authority (ADLAs) through onsite and offsite inspections and regular industry meetings, all geared towards instilling a compliance culture across the entire industry. For the period under review, the Bank conducted five onsite inspections and twelve post-implementation audits on the Balance of Payment Reporting System to assess the industry compliance with the Exchange Control Regulations and the reporting requirements. In this regard, the Bank noted notable improvement in overall compliance with the Exchange Control Regulations. However, the quality of data reported to the Bank through the Electronic System of the Cross Border Foreign Exchange Transaction Reporting System needs some improvement. The Bank continues to actively engage with the regulated populace to address the challenges they are experiencing, and it is expected that the system errors will be resolved in the second semester of 2021 and result in improved data quality.

The Currency and Exchanges Manuals for Authorised Dealers and ADLAs contain the permissions and conditions applicable to transactions in foreign exchange that may be undertaken by them on behalf of their clients. Applications for foreign exchange not covered in the Manuals are referred to the Exchange Control Division of the Bank by Authorised Dealers and ADLAs on behalf of their clients, for adjudication.

For the period under review, the Bank continued to process applications made by the public and submitted to the Bank via the commercial banks. In 2020, the Bank processed 1 033 applications, which represents a 12 percent decrease compared to 2019, during which a total of 1 176 applications were processed. Receipts and payments for transactions related to foreign loans constituted over 80 percent of all the applications referred to the Bank, whilst Hong Kong and China accounted for most of the inflows and outflows.

FIGURE A.3 RECEIPTS AND PAYMENTS FOR FOREIGN LOANS



On the licensing front, one application for establishing an ADLA was received and approval is pending in this regard. Furthermore, all six currently licensed ADLAs had their licenses reviewed for the period 2020–2021.

As an integral part of the international system, the Bank continued to fulfil its multilateral obligations. In this regard, the exchange control matrix remained aligned with the rest of the Common Monetary Area (CMA) member countries. Furthermore, the review of the joint Exchange Control Liberalisation Index was finalised and will be submitted to the SADC Secretariat to map the exchange control liberalisation trajectory, in line with Annex 4 of the SADC Finance and Investment Protocol.

STRATEGIC OBJECTIVE 4: PROVISION OF CURRENCY, GOVERNMENT DEBT ISSUANCE AND BANKING SERVICES

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
4.1 Effective and efficient provision of banking services	All (100 percent) Government payments and deposits correctly effected and recorded within 3 days.	All Government payments were processed and recorded within the stipulated timeframe of 3 days.	Yes
	BoN complies with anti-money laundering laws.	All Government payments, both local and foreign, were screened against the UN sanctioned list. No suspicious transactions were detected.	Yes
	Previous day State Account balance made available to the Ministry of Finance the next day before 12h00 noon.	State Account balances were provided to the Ministry of Finance daily at the stipulated time (12h00).	Yes
4.2 Issue and manage Government securities	Meet funding requirements of Government in line with the approved Borrowing Plan.	The Bank succeeded in raising the required funding for the Government as per the Borrowing Plan.	Yes
4.3. Provide effective lending facilities to the banking institutions	Meet 100 percent of banking institutions' borrowing needs in line with BoN's conditions.	All banking institutions' liquidity needs were met.	Yes
4.4. Manage and issue currency	Good quality, cost-effective and sufficient currency supplied to commercial banks as per demand and in line with BoN's approved denomination mix.	The Bank supplied the commercial banks with sufficient and good quality currency as per the Bank's approved denomination mix.	Yes
	Counterfeits detected and in circulation do not exceed the threshold of 10 pieces per 1 million notes in circulation.	The ratio of counterfeits recorded in 2020 was 7 pieces per million banknotes in circulation and was thus below the Bank's threshold.	Yes
	All commercial banks' deposits and withdrawals to be processed on the system within one hour of conclusion of the said transaction.	The Bank managed to process all commercial banks' deposits and withdrawals within the stipulated time frame of one hour.	Yes

PROVISION OF EFFECTIVE LENDING FACILITIES TO THE BANKING INSTITUTIONS

In line with its mandate, the Bank of Namibia continues to provide lending facilitates to commercial banks. This is done through the provision of intra-day, overnight, and 7-day Repo lending facilities, which are aimed at assisting the banking institutions in meeting their short-term liquidity needs. During 2020, the Bank on several occasions provided liquidity to commercial banks on the above-mentioned facilities. The 7-day Repo facility is generally the most utilised facility compared to other facilities as it gives a longer window of liquidity provision.

ISSUANCE AND MANAGEMENT GOVERNMENT SECURITIES

As an agent for issuing Government securities, the Bank continues to issue Government debt securities. This is intended to finance the national budget as well as assist the Government efforts and commitment towards financial markets development. The Government issued a new fixed income bond in 2020, the GC26, which was first issued in July 2020. The GC26 matures on 15 April 2026. The Government redeemed two bonds during 2020: a domestic bond (GC20), which matured on 15 April 2020; and a JSE-listed bond (Nam02), which matured in June 2020. The Government managed to switch N$1.3 billion of the N$1.4 billion outstanding on the GC21 into longer dated instruments during 2020. As of 31 December 2020, the outstanding balance on the GC21 was N$168.5 million, to be redeemed on 15 October 2021.

THE BANK'S MANDATE ON NATIONAL CURRENCY

The Bank is the sole authority responsible for the production and issuance of Namibian banknotes and coins. It is mandated with ensuring that the Namibian currency is designed according to the relevant laws, the production thereof, the distribution of banknotes and coins, and the ultimate removal and destruction of unfit currency. The Bank ensures that currency demand is met by supplying adequate banknotes and coins as per the demand from the public.

PROVISION OF BANKING SERVICES TO THE GOVERNMENT

As banker to the Government of the Republic of Namibia, the Bank continued to facilitate the receipt of revenue and transmission of payments to Government suppliers of goods and services, both local and international, in a timeous and accurate manner. Furthermore, the Bank continued to update the Ministry of Finance on the different Government account balances daily in line with the objective of effective provision of banking services. The Bank observed a decrease of 19.6 percent in terms of the volume of foreign transfers effected on behalf of the Government to 1 289 in 2020, down from 1 603 in 2019. The aforesaid decrease is partly attributed to the state of emergency restrictions imposed by the Government of Namibia as well as the reduced trading activities globally as a result of the COVID-19 pandemic, which resulted in the country borders being closed. It is noteworthy that foreign transfers have been consistently declining since 2016. On the other hand, local transfers recorded a slight increase to 965 in 2020, up from 884 in 2019, which equates to a rise of 9.2 percent.

TABLE A.9 VOLUME OF LOCAL AND FOREIGN TRANSFERS BY THE GOVERNMENT

Calendar year	Foreign transfers (volume)	Local transfers (volume)
2016	2 173	1 153
2017	1 720	1 052
2018	1 614	1 009
2019	1 603	884
2020	1 289	965

The Bank observed a substantial increase in the EFT payments effected on behalf of the Government. A total of 2 485 959 EFT payments were effected during the year under review, in comparison to 2 174 969 transactions in 2019.

TABLE A.10 GOVERNMENT EFT PAYMENTS

Calendar year	EFT transfers (volume in millions)	EFT transfers (value in N$ million)
2016	2.5	31 366
2017	2.3	26 466
2018	2.4	23 299
2019	2.2	28 082
2020	2.5	29 970

The Bank continued to ensure that all Government payments processed complied with the anti-money laundering, counter-terrorism financing and counter-proliferation financing laws, as outlined in the Financial Intelligence Act No. 13 of 2012, as amended. No suspicious transactions were noted during the period under review.

PROVISION OF BANKING SERVICES TO THE COMMERCIAL BANKS

The Bank, per its mandate of issuing currency, has the sole responsibility for supplying the Namibian commercial banks with sufficient and good quality banknotes and coins. During the review period, the Bank supplied sufficient and good quality currency of all denominations to the Namibian market at all times. Currency management is one of the key mandates of the Bank and hence remains a strategic focus area. The Bank therefore ensured that banknotes in circulation met the needs of the Namibian market and that the national currency was resilient to counterfeiting. During the reporting period, the Bank oversaw the complete life cycle of the national currency, which included the production, distribution and destruction thereof.

CURRENCY MANAGEMENT

An increase in the total currency in circulation was noted during the current year compared to the previous year. The total value of the currency in circulation increased from N$4.5 billion in 2019 to N$4.7 billion in 2020, equating to an increase of 4.3 percent. The volume of coins in circulation in the year under review increased slightly by 2.4 percent, from 246.4 million pieces in 2019 to 252.3 million pieces in 2020. Overall, positive growth was observed for all coin denominations during 2020, although some denominations remained constant, as depicted in the Table A.11 below. The banknote denomination most in circulation for 2020 was the N$200 note, at a volume of 14.2 million pieces. All other banknote denominations showed a negative variance, except for the N$20, the N$200 and the newly issued N$30 commemorative banknote.

FIGURE A.4 GROWTH OF CURRENCY IN CIRCULATION

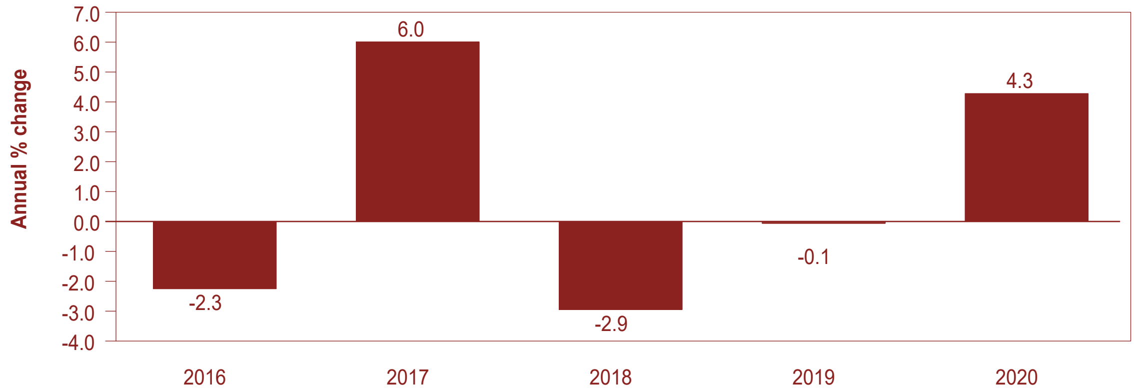


TABLE A.11 COMPOSITION OF CURRENCY IN CIRCULATION (31 DECEMBER 2020)

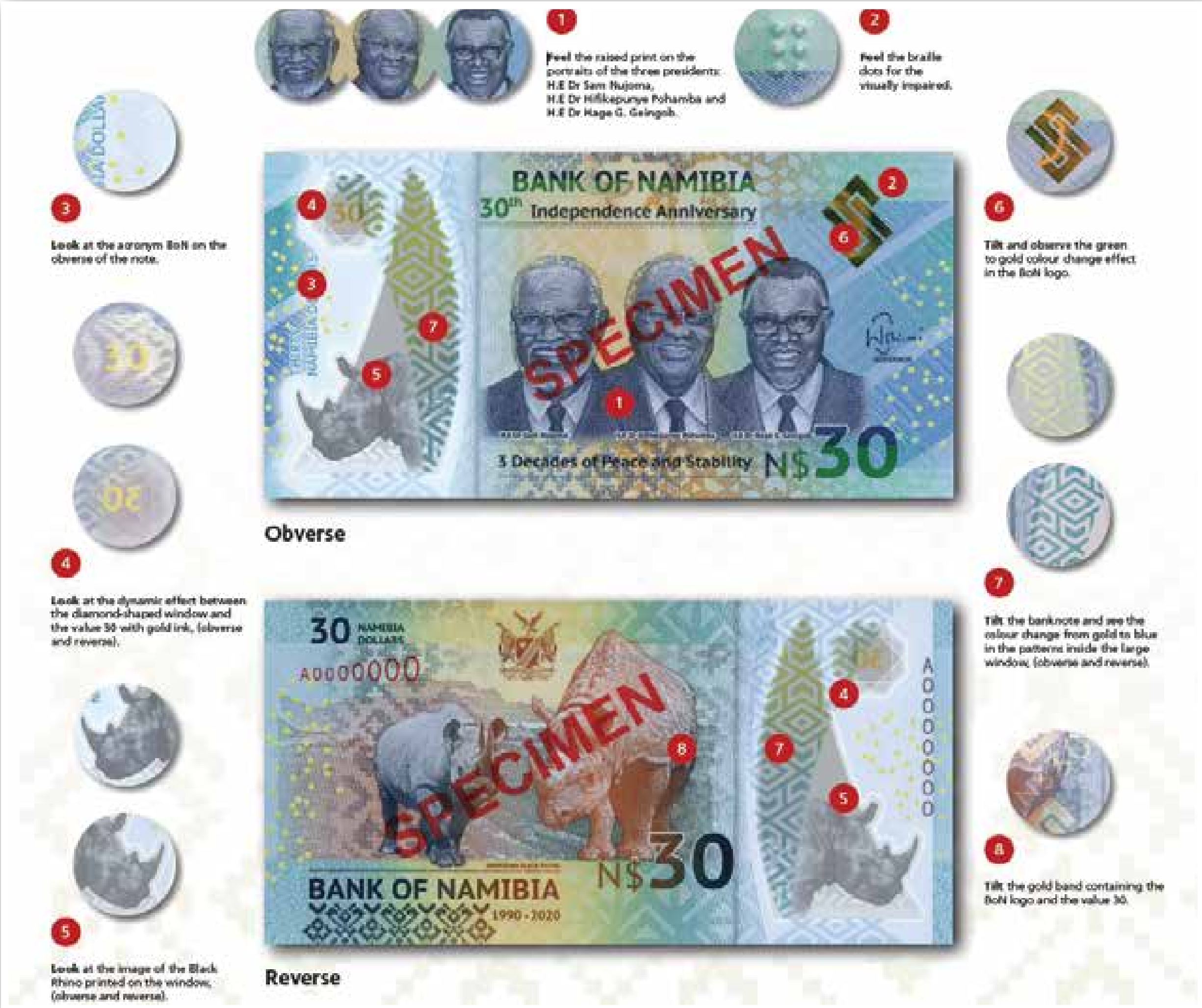
Denomination	2019		2020		Change in value percent
	Value (N$ million)	Volume (million)	Value (N$ million)	Volume (million)	
5c coin	13.9	277.7	14.4	288.0	3.6
10c coin	20.4	204.4	21.9	219.0	7.4
50c coin	16.1	32.1	16.6	33.2	3.1
N$1 coin	113.3	113.3	113.3	113.3	0.0
N$5 coin	65.9	13.2	69.2	13.8	2.1
N$10 coin	16.8	1.7	16.9	1.7	0.6
TOTAL -COINS	**246.4**	**642.4**	**252.3**	**669.0**	**2.4**
N$10 notes	108.4	10.8	107.5	10.8	-0.8
N$20 notes	187.6	9.4	194.7	9.7	3.8
N$30 notes	-	-	91.1	3.0	-
N$50 notes	355.1	7.1	347.0	6.9	-2.3
N$100 notes	936.0	9.4	887.1	8.9	-5.2
N$200 notes	2 684.6	13.4	2 832.0	14.2	5.5
TOTAL-NOTES	**4 271.8**	**50.1**	**4 459.4**	**53.5**	**4.4**
GRAND TOTAL	**4 518.2**	**692.5**	**4 711.7**	**722.5**	**4.3**

THE LAUNCH OF THE 30TH INDEPENDENCE ANNIVERSARY COMMEMORATIVE BANKNOTE

In celebration of the three decades of independence of the Republic of Namibia, the Bank launched a more durable and secure N$30 denomination polymer commemorative banknote on 21 March 2020. The obverse of the note features the portrait of Namibia's first three presidents, namely the Founding President and Father of the Namibian Nation, H.E. Dr Sam Nujoma; the previous president, H.E. Dr Hifikepunye Pohamba; and the current president, H.E. Dr Hage G. Geingob, to symbolise unity, the smooth transition of power between the three presidents, peace, stability, and progress within an independent Namibia.

The commemorative banknote is a once-off print, which is why the guardian polymer substrate was selected, as this will increase the lifespan of the note compared to the normal cotton substrate. Further, this banknote is a collector's item and is accepted as legal tender for payment of goods and services. The banknote is available through all the commercial banks' branches and is now also available at the ATMs of some commercial banks countrywide. The Bank has printed a total of five million banknote pieces of which 58.9 percent are already in circulation.

On the reverse side of the banknote, the Bank depicts the black rhinoceros, which is threatened with extinction and is one of the world's most endangered species. This was in support of the country's campaign to end rhinoceros poaching and demonstrates Namibia's commitment to the protection of natural resources. It is worth noting that the Bank auctioned a few pieces of the N$30 banknote to specialised international collectors to generate funds. This initiative raised N$480 000, which was donated to the Save the Rhino Trust for anti-poaching activities countrywide and the maintenance of the Conservancy Rhino Ranger Programme.



The Namibian public is being encouraged to "Look, Feel and Tilt" to discover the security features on the note. These security features include a large complex window with a Cameo image of a black rhino, and gold to blue G-Switch design. Below are some of the key security features that one should consider:

1. Feel the raised print on the portraits of the three presidents: H.E. Dr Sam Nujoma, H.E. Dr Hifikepunye Pohamba and H.E. Dr Hage G. Geingob.
2. Feel the braille dots for people with visual impairment.
3. Look at the acronym BoN on the obverse of the note.
4. Look at the dynamic effect between the diamond-shaped window and the value 30 with gold ink, (obverse and reverse)
5. Look at the image of the Black Rhino printed on the window, (obverse and reverse).
6. Tilt and observe the green to gold colour change effect in the BoN logo.
7. Tilt the banknote and see the colour change from gold to blue in the patterns inside the large window, (obverse and reverse).
8. Tilt the gold band containing the BoN logo and the value 30.

H.E. Dr Hage Geingob, the President of the Republic of Namibia at the independence celebrations of the country's 30th independence launching the N$30 commemorative banknote.

H.E. Dr Sam Nujoma, Founding President and Father of the Namibian Nation and H.E. Hifikepunye Pohamba, former President of Namibia with gifts handed over to them at the independence celebrations to mark the official launch of the N$30 commemorative banknote.

THE DISCONTINUATION OF THE MINTING OF THE 5 CENT COIN

The Bank announced in 2019 that the 5 cent coin will no longer be minted. It will, however, remain legal tender within Namibia. The distribution plan was to deplete all stock of the aforesaid coin denomination by end of August 2020. The public has received the discontinuation of the minting of the 5 cent coin positively, as can be seen in its reduced withdrawals from the commercial banks. Its production cost exceeds its face value and its purchasing power is very small.

CURRENCY RESEARCH

The Banking Services team conducted periodic research to inform the strategic direction for its currency function and to efficiently manage the Bank's currency. The article below gives an overview of the research carried out during the year under review, focussing on currency demand during the COVID-19 lockdown period.

BOX ARTICLE 1

THE IMPACT OF COVID-19 ON CURRENCY DEMAND

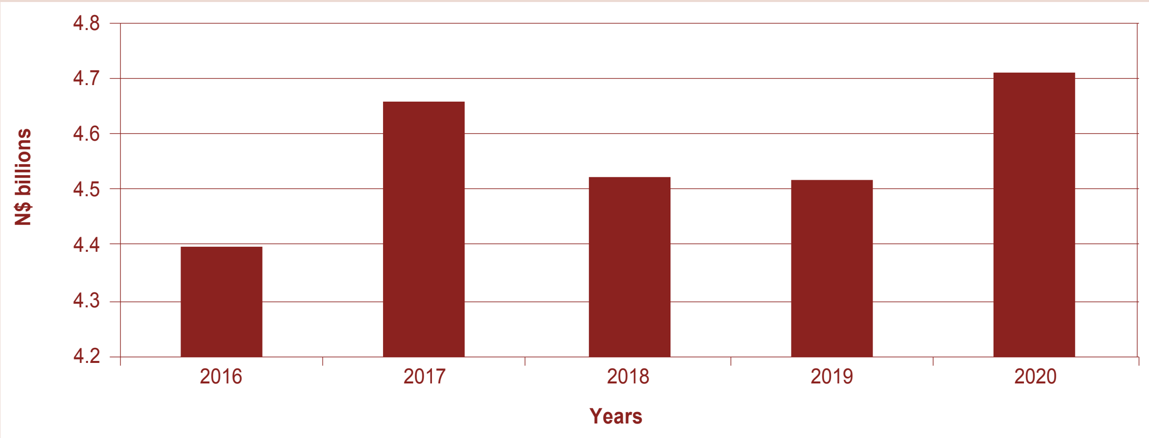
1. OVERVIEW AND BACKGROUND

As the world's inventors[6] and researchers[7] appeal for a more cashless society and as the world faces the COVID-19 pandemic, most countries have been pushed into a recession which might have led to a decline in the demand for hard physical cash. This possible decline in cash might have been triggered by unemployment and the closure of businesses as a result of the pandemic. Additionally, because of the possibility that COVID-19 can be transmitted on most surfaces, including banknotes, most organisations, including the World Health Organization, cautioned the public to make use of alternative forms of payment rather than physical cash. It was therefore deemed necessary to examine how the pandemic has affected the demand for physical cash in Namibia.

2. GENERAL DEMAND AND SUPPLY OF CASH OVER THE LAST FIVE YEARS

The Central Bank has the sole mandate to issue currency. This requires it to determine the amount of cash to be issued and to respond to changes in the demand for cash. The currency in circulation (CIC) is mainly influenced by demand-driven factors rather than supply-driven ones, and is thus beyond the control of a central bank. However, the Bank of Namibia continued to supply the public with sufficient good quality currency as per its mandate. The study analysed the CIC over a five-year period, and revealed that CIC increased from N$4.39 billion in 2016 to N$4.66 billion in 2017. The demand dropped significantly to N$4.52 billion in 2018, and decreased further by 0.07 percent to stand at N$4.51 billion by the end of 2019. However, a notable increase to N$4.71 billion was recorded for the year 2020.

Currency in circulation (2015–2020)



The decision to issue certain currency denominations was based on demand. For the past five years, the most demanded banknote has been the N$200 note, with a total of approximately 132.4 million pieces valued at N$26.5 billion. This was followed by the N$100 with 129 million pieces valued at N$12.9 billion. The remaining denominations generally showed a reduction in

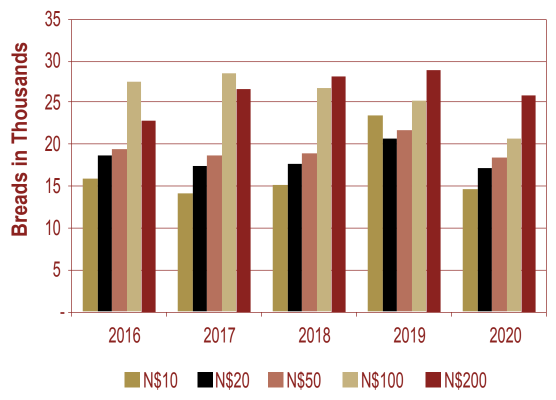
6 -Square (SQ), PayPal holdings Inc (PYPL), Mastercard Inc (MA), StoneCo (STNE) and other FinTech companies

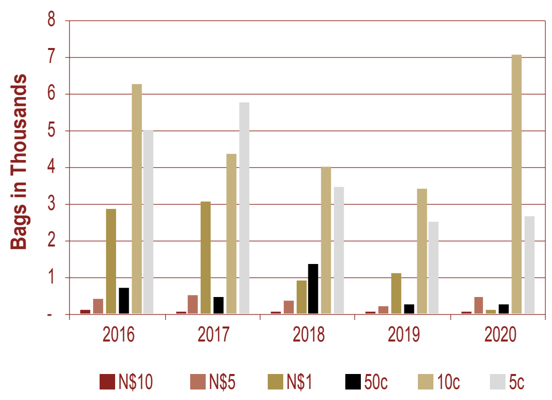
7 Bernardo Bátiz-Lazo of the Business School, Thomas Haigh of the University of Wisconsin, The Haigh Group and David Stearns of Seattle Pacific University, etc.

demand that reflected the reduction in value, of which the N$10 note was the least demanded over the years. In 2016, however, the demand for the N$100 banknote was the highest, followed by the N$200, with the remaining denominations in descending order; a similar pattern was observed in 2017. The least demanded denomination from 2016 through to 2018 was the N$10 banknote. During the 2018 and 2019 reporting years, the dominance shifted and the demand for the N$200 banknote exceeded that for the N$100. It is noticeable that the demand for the N$10 banknote increased in 2019 compared to the previous years.

The most demanded coin over the five years under review was the 10 cent coin, followed by five cent coin, whereas the N$10 coin was the least demanded. It is worth noting that the N$10 coin is a commemorative coin which was a once-off mint in 2010. The above findings revealed that the overall currency demand within the country had increased over the past five years.

Demand per denomination

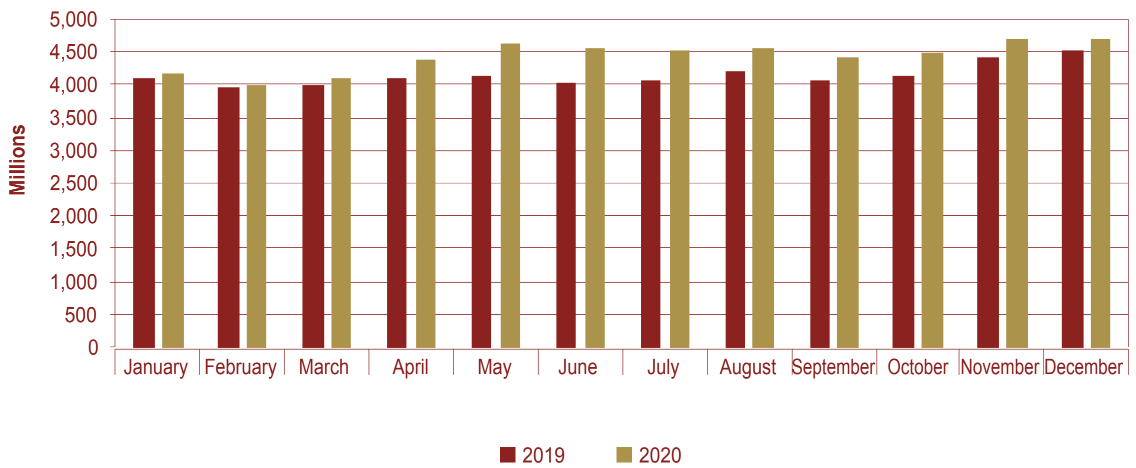




3. THE IMPACT OF COVID-19 ON CASH DEMAND IN NAMIBIA

The study considered data from March to December 2020 and found that CIC increased compared to the same period in 2019. A significant positive impact was noted during the months of May, November and December, during which demand increased from N$4.13 billion, N$4.41 billion and N$4.52 billion in 2019, to N$4.62 billion, N$4.69 billion and N$4.71 billion in 2020, respectively. This increase may have been triggered by the uncertainties brought about by the COVID-19 pandemic, as the public opted for hard cash.

Currency in Circulation 2019/2020 (Jan–December)



As noted above, the public was advised to use alternative payment methods due to the pandemic. The study therefore examined transactions made via EFT and card payments. The usage of EFT credit transactions increased from N$23.9 billion in 2019 to N$25.3 billion in 2020 during the month of March, but declined in April and May 2020 compared to the 2019 values. In June 2020, an increase in EFT credit transactions was recorded, to the value of N$21.6 billion, in comparison to May 2020, during which N$18.2 billion was recorded. An overall decline in the usage of EFT credit transaction was noted compared to the usage in 2019. EFT debit transactions showed the same trends over the period of March 2020 to August 2020. This could be attributed to the increase in unemployment and the reduction in the purchase of goods and services due to the pandemic. On the other hand, the general use of card transactions increased from N$22 billion in 2019 to N$25 billion by the end of December 2020, which indicates an overall increase in card usage for the 2020 year. Card transactions declined significantly during April 2020 to N$1.2 billion, compared to N$1.6 billion in 2019. This type of payment method increased from May 2020 through to December 2020, with a slight decrease in August, however, an increase was noted for the same months in 2019. Continuous increments were reported from September to December 2020, a similar trend was noted in 2019.

4. CONCLUSION

Retrenchments were experienced across various sectors due to COVID-19, which resulted in some economically active citizens being unemployed from March to December 2020. In addition, movement was restricted by the state of emergency regulations. It is noteworthy that several grants were provided by the Government as relief to those who had lost jobs and to companies that were heavily impacted during the period of lockdown, which slightly increased the overall cash demand in 2020 compared to the previous year. Relocation of people who became unemployed to rural areas that are less geared to non cash payments may also have contributed to the low cash demand.

Overall, for the period of March to December 2020, one cannot conclude that emerging payment methods significantly reduced the usage of physical cash for payment, as overall payments were reduced as a result of poor economic activity. On the other hand, card transactions increased over the review period. This might have been a partial substitute for physical cash, but as stated above, overall cash demand over the review period has increased.

As part of its newly established currency analytics function, the Bank will continue to analyse currency data and trends so as to inform the strategic direction of the Bank's currency management function. This study was the first of its kind and the findings revealed the various variables that impacted the general demand for cash in Namibia during the COVID-19 state of emergency imposed by the Government.

A decline in the number of counterfeit banknotes was detected in the year 2020 compared to 2019. As of 31 December 2020, the total number of counterfeit banknotes detected was 364 pieces, down from 660 pieces in 2019 (see Table A12 below). Despite the ongoing drive by the Bank to deter counterfeiters, there was a constant increase in counterfeits from 2016 until 2019, before the decline recorded in 2020 (see Figure A6 below).

There were no counterfeits detected from the old series banknotes for the year 2020. The Bank provides the public with secure banknotes, the cutting-edge security features which render them easy to identify and difficult to counterfeit. At this point, the Bank is not concerned by the number of counterfeits, given their poor quality, which is also below the threshold. In terms of the Bank's threshold, the total number of counterfeit banknotes should not exceed 10 pieces per million banknotes in circulation. The international threshold is 70 counterfeit banknotes per million banknotes in circulation.

FIGURE A.6 COUNTERFEITS OVER THE PAST FIVE YEARS

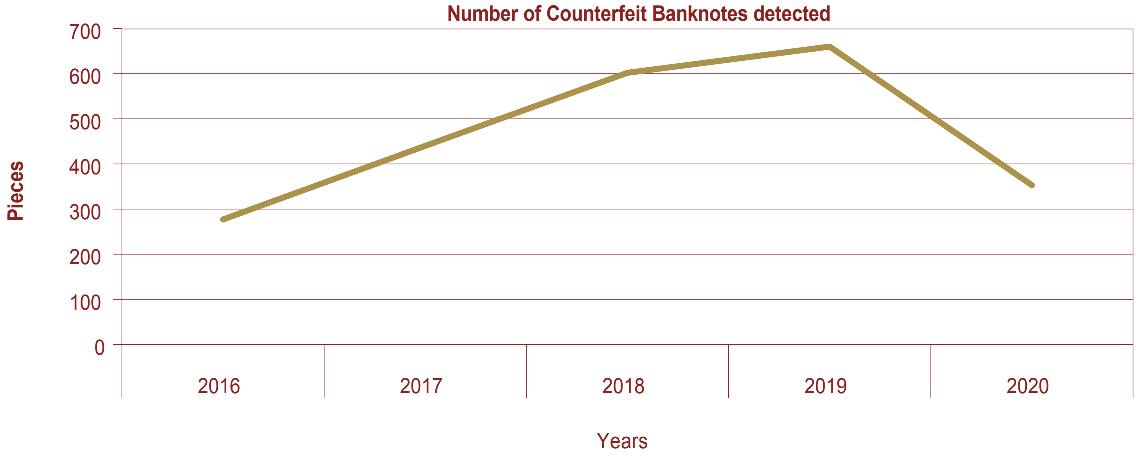


TABLE A.12 COUNTERFEIT NAMIBIA DOLLAR BANKNOTES

Denomination	Number of counterfeit banknotes detected					Counterfeits per single denomination per million notes in 2019	Counterfeits per single denomination per million notes in 2020
	2016	2017	2018	2019	2020		
N$10	0	2	5	2	23	0.1	2
N$20	11	24	64	42	29	4	3
N$50	29	74	214	189	59	27	9
N$100	38	81	130	180	54	19	6
N$200	199	259	189	247	199	18	14
TOTAL	**277**	**440**	**602**	**660**	**364**	**13**	**7**

TABLE A.13 COUNTERFEIT NAMIBIA DOLLAR BANKNOTES PER SERIES IN 2020

Notes	N$10	N$20	N$50	N$100	N$200	Total Pieces	Total Value (N$)
New Series	23	29	59	54	199	364	48 960
Old Series	0	0	0	0	0	0	0
TOTAL	**23**	**29**	**59**	**54**	**199**	**364**	**48 960**

During 2020, the value of Rand notes repatriated to South Africa remained constant from 2019. To give effect to the stipulations of the Bilateral Common Monetary Agreement between Namibia and South Africa dated 14 September 1993, the Bank of Namibia is required to repatriate to the South African Reserve Bank any Rand banknotes that are deposited in Namibia. During the period under review, an amount of R225 million was repatriated, which is identical to the value repatriated in 2019. The Rand repatriation value and the value of Namibia Dollars in circulation over the past five reporting years are presented in Table A.14 below.

TABLE A.14 REPATRIATION OF SOUTH AFRICAN RAND BANKNOTES AND NAMIBIA DOLLAR BANKNOTES IN CIRCULATION

Calendar Year	Value of Rand repatriation		N$ in Circulation	
	Rand (million)	Change in value (percent)	N$ (million)	Change (percent)
2016	600.0	33.3	4 394.5	-2.3
2017	225.0	-62.5	4 658.5	6.0
2018	150.0	-33.3	4 362.7	-6.3
2019	225.0	50.0	4 518.2	3.6
2020	225.0	0.0	4 711.7	4.3

STRATEGIC OBJECTIVE 5: PROMOTE A POSITIVE REPUTATION

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
5.1 Enhanced corporate image	Positive media tone of more than 80 percent based on systematic media analysis.	The Bank achieved a positive media tonality of 86 percent for the period under review.	Yes
	Achieve 70 percent attendance of targeted audience at Bank events.	The events hosted by the Bank continued to be well subscribed with an attendance above the 70 percent audience target.	Yes
	Stakeholder confidence in the Bank measured by satisfaction of > 80 percent based on minimum response rate of 70 percent.	The average stakeholder satisfaction rate was 83.5 percent, based on a response rate of 72 percent, as measured through the 2019 External Stakeholder Perception Survey.	Yes

ENHANCED CORPORATE IMAGE

The Bank of Namibia maintained its positive corporate image, by building and maintaining long-term relationships with various stakeholders, policymakers, and opinion leaders. During the year under review, the Bank recorded 86 percent positive media tonality based on a systematic media analysis of news articles featuring the Bank and its activities. Events organised by the Bank continued to attract stakeholders and set the agenda in economic development-related endeavours.

PUBLIC EDUCATION

The Bank has undertaken to raise its profile amongst the public by creating awareness of its role. The Bank's Public Education Programme continued to educate various stakeholders on issues relating to its functions, role, and operational activities. To fulfil this role, in 2020 the Bank carried out the activities outlined below:

The annual Media Economic Reporting Workshop was hosted in October 2020. The Bank continued to refresh media practitioners on reporting about business and economic topics and on the role of the central bank in the economy, through an intensive two-day workshop. Since 2019, the workshop has been restructured to not only focus on departmentally based presentations but to also have a deeper focus on the roles of the central bank. To foster a better understanding of the central bank functions and provide journalistic tools for accurate reporting and interpretation of publications of the Bank, economic concepts were also delt with in the workshop. The workshop was held on 1–2 October 2020 at the Bank, with a consistent attendance of over 20 participants on both days, from both print and broadcast media institutions, and journalism and media students from local tertiary institutions.

Governor Johannes !Gawaxab (centre), and the Director of the Strategic Communications and Financial Sector Development Department, Dr Emma Haiyambo (centre: in black), photographed with participants at the 2020 Media Economic Reporting Workshop

The effort to provide simplified, attractive content to the public continued in 2020. Referred to as "the layering of messages", the process aims to provide readers with information that is simplified, clear and easy to comprehend. This is done by providing infographic representations of key messages on various economic and financial developments covered in the publications of the Bank. The method was appropriately used in the Quarterly Bulletin report and other economic publications.

CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY

As a responsible corporate citizen, the Bank places corporate social responsibility and investment at the heart of its interactions with stakeholders. During the year under review, the Bank also sponsored various activities. The sponsorships were targeted at various institutions and initiatives that demonstrated the potential to contribute to the attainment of Namibia's developmental, economic, and social empowerment goals. Below are some of the major projects and activities that benefited from the sponsorships:

- On 27 July 2020, the Bank contributed towards capacity development through a donation of N$150 000 to the University of Namibia's Work Readiness Programme. The initiative is aimed at enhancing the employability of graduates by equipping them with career planning, job preparation, workplace skills, specialised skills, and entrepreneurship skills. These areas will ensure job readiness when entering the world of work. The Bank has a long-established relationship with the University of Namibia that funds and supports its continuous aspirations of contributing to the sustainable economic development agenda of the country and transforming Namibia into a knowledge-based economy.

Governor Johannes !Gawaxab (left) and Prof. Kenneth Matengu, Vice-Chancellor of the University of Namibia, at the occasion of the hand-over ceremony of a donation towards the Work Readiness Program of the University of Namibia.

- A donation of N$480 000 was made to the Save the Rhino Trust on 2 November 2020. This was raised through an initiative undertaken by the Bank to auction selected N$30 commemorative banknotes to international currency auctioneers for the purpose of raising funds to support anti-poaching activities countrywide. The Black Rhino is a distinctive feature on the N$30 commemorative banknote, and this anti-poaching message depicted on the commemorative banknote has been well received by the international community. The bank note is regarded as a collector's item, especially because it is a once off print and only limited quantities have been printed.

The donation is earmarked to cover specific needs, such as providing monetary incentives to rangers, meals, and fuel for support vehicles for trackers on patrol, as well as for field trips to regional and traditional authorities to raise awareness on the importance of black rhino conservation. These were identified and noted in agreement signed between the Bank and the Save the Rhino Trust.

Deputy Governor Ebson Uanguta (middle) with the Acting Director: Banking Services, Ms Sencia Rukata (far left), the CEO of the Save the Rhino Trust, Mr Simson Uri-Khob, and the Chairperson of the Save the Rhino Trust, Ms Maxi Pia Louis (right)

Former Governor Iipumbu Shiimi (3rd from the left) and Director of Human Resources, Lea Namoloh (4th from left) with the five 2020 undergraduate bursary recipients.

The MoA signed between the Bank and NTA continued to be operationalised in 2020. The Memorandum of Agreement signed between the Bank and Namibia Training Authority (NTA) providing assistance to the value of N$4,5 million over a three-year period 2019 – 2021, continued to be operationalized during the year under review. The MoA which will come to an end in 2021 has provided apprenticeship opportunities to 50 apprentices who undergo intensive, on-the job training in the areas of agriculture, tourism and auto-mechanics.

The Bank granted bursaries to Namibian students, enabling them to pursue undergraduate and postgraduate degrees in areas relevant to the operations of the Bank. As part of the Bank's social responsibility actions in support of the country's effort to build human capacity, the Bank continued to offer financial support to Namibian students to complete their undergraduate and postgraduate studies in fields related to the Bank's operations. In 2020, five undergraduate bursaries and one postgraduate scholarship were awarded to students to study at recognised institutions within the SADC region in the fields of General and Chartered Accounting, Financial Management, Applied Mathematics and Statistics, Education (Science) and Economic Journalism. In addition, the Bank continued with the special bursary provision for two students from marginalised communities, with the aim of funding more students from these communities to study in the fields related to the Bank's operations or in the field of Education with specialisation in Science. This brought the total number of undergraduate bursaries to 32 for the 2020 fiscal year (Table A.15). A total of 155 undergraduate bursaries and postgraduate scholarships have been awarded by the Bank since 2003; of these, 60.65 percent were female recipients, and 39.35 percent were male recipients.

TABLE A.15 NAMIBIAN STUDENTS SPONSORED BY THE BANK'S UNDERGRADUATE BURSARY SCHEME

Field of study	2016	2017	2018	2019	2020
Accounting/Finance	13	10	11	7	5
Computer Science/IT	2	1	0	2	4
Economics	8	11	12	16	15
Actuarial Science	1	2	2	1	1
Education (Accounting and Science)	4	4	4	3	3
Environmental Biology	-	-	-	2	2
Applied Maths & Statistics	0	0	0	0	2
Total	**28**	**28**	**29**	**31**	**32**

STRATEGIC OBJECTIVE 6: PROMOTE FINANCIAL SECTOR DEVELOPMENT

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
6.1 Promote financial sector development	Namibia Financial Sector Strategy (NFSS) implementation coordinated in line with agreed implementation action plan.	The Bank continued to coordinate and execute initiatives aimed at reforming the financial sector and improving access to finance for individuals and small and medium enterprises.	Yes

FINANCIAL SECTOR DEVELOPMENT

In 2020, the Bank of Namibia, as Secretariat to the Namibia Financial Sector Strategy (NFSS), remained committed to the effective coordination of the implementation process of the Strategy. Launched in 2012, the NFSS identified weaknesses and charted the road ahead for the Namibian financial sector. Key weaknesses identified include: a shallow financial market; limited competition; limited financial safety nets; an under-developed capital market; inadequate and less effective regulation; limited access to financial services; low financial literacy; and a lack of consumer protection, amongst others. The Strategy identified the following five reform areas: financial markets deepening and developing; a financial safety net; financial inclusion; localisation of the Namibian financial sector; and skills development in the financial sector. During the period under review, the Bank continued to play a key role in both the coordination and the execution of projects and initiatives under each of these reform areas, aimed at addressing the identified weaknesses. The Bank 's execution role entailed carrying out projects falling under the mandate of the Bank, while the coordination role involved harmonising activities of relevant stakeholders in line with the action plan, as well as providing secretariat services to the governance structure of the NFSS.

During the year under review, the Bank continued to work closely with other relevant agencies and institutions in implementing initiatives geared towards financial markets deepening and developing. One such initiative that continued to receive attention during the year is the Central Securities Depository. A Central Securities Depository is a specialist financial infrastructure keeping record of securities such as shares, government stocks, etc, in dematerialised form so that ownership can be electronically transferred in real time once a transaction has been concluded. The NSX (Namibian Stock Exchange) took the lead role in the management of the Central Securities Depository project for the industry and has received the buy-in of all stakeholders.

2020 marked a full year of the existence of the Namibia Deposit Guarantee Authority, established in 2018 and operationalised in 2019 to administer the Namibia Deposit Guarantee Scheme. The Scheme aims to ensure that depositors are reimbursed in an efficient and transparent manner in the event of a bank failure. Although the Namibia Deposit Guarantee Authority is an independent institution, it is administratively supported by the Bank. During the review period, the Bank provided administrative support to the Authority in line with a Service Level Agreement signed during the same year. Most of the operational policies and procedures of the Authority were finalised during the review period, while all necessary agreements were also signed with member institutions, as required by law.

The enhancement of accessibility and usage of financial services and products by all eligible Namibians and SMEs remained a priority for the Bank of Namibia. The Bank continued to provide technical support to the implementation of the SME Financing Strategy, under the stewardship of the Ministry of Finance. The Strategy comprises three complementary facilities namely, the Credit Guarantee Scheme, the Catalytic First Loss Venture Capital Fund, and the Mentoring and Coaching Programme, which are being implemented in phases. During the review period, the Bank played a crucial technical role that saw the operationalisation of the Credit Guarantee Scheme on 18 August 2020, in addition to providing funding toward the capitalisation of this Strategy.

Further, in response to the negative impact of COVID-19 on the economy, particularly on SMEs), the Bank of Namibia joined efforts with Government and participating private banking institutions in the roll out of a COVID-19 SME Loan Scheme. The Scheme, which was launched in November 2020, is designed to assist SMEs that are hard-hit by the restrictive measures put in place as response to the pandemic. The Bank played a crucial role in the design of this scheme and will continue to do so in the roll out process by making funding available to participating commercial banks. Through this scheme, participating commercial banks will be able to extend loans to qualifying SMEs at the prime lending rate. The purpose of the loan is to enable qualifying SMEs to cover certain fixed costs and working capital during this challenging time. The Bank will continue to work with the Ministry of Finance, the Development Bank of Namibia, and other relevant institutions towards full implementation of these important initiatives.

The Bank continued in 2020 to serve on both the Executive Committee and the Tender Committee of the National Financial Literacy Initiative, which is spearheaded by the Ministry of Finance. Some of the major activities the Bank participated in include serving on a working group that was specifically set up for the drafting of the National Policy on Financial Education. This Policy aims to outline a clear vision towards the identification, planning and coordination of national financial education programmes in Namibia, as well as the necessary institutional arrangements to implement financial literacy programmes. It will further direct all stakeholders to align their financial literacy initiatives and to take full responsibility for achieving the targeted outcomes of the NFSS. The policy will be presented to the various governance structures of the NFSS upon completion of the drafting process.

In 2020, the Bank also continued to work closely with NAMFISA and other relevant institutions on the finalisation of the draft Consumer Credit Policy, as well as the drafting of the Consumer Credit Bill. The process was spearheaded by NAMFISA, in collaboration with representatives from the Bank, the Ministry of Finance and the Ministry of Industrialisation, Trade and SME Development. The draft Policy was endorsed by the Financial Inclusion Council Advisory Body at its meeting in November 2020 for tabling to the Financial Inclusion Council. The drafting process of the Consumer Credit Bill is ongoing. Once enacted, the Consumer Credit Bill will consolidate outdated laws regulating consumer credit, such as the Credit Agreements Act (No. 75 of 1980, as amended) and the Usury Act (No. 73 of 1968, as amended), and will regulate all consumer credit-related issues in Namibia.

The NFSS Secretariat (BoN) continued to advocate for and coordinate the implementation of the Financial Sector Skills Development Plan. An important milestone achieved in 2020 by the Bank, as a coordinator of the initiative, was the creation of a platform for the financial sector and identified institutions of higher learning to engage on the best approach to and modalities for implementing the plan. Engagements in this regard were ongoing throughout the year and a way forward was agreed upon. The plan will be rolled out from the first quarter of 2021.

STRATEGIC OBJECTIVE 7: ENHANCE CONTRIBUTION TOWARDS SUSTAINABLE ECONOMIC GROWTH

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
7.1 Deliver and assist with implementation of relevant and high-quality policy advice	>80 percent of national economic policy advice accepted, and 60 percent implemented within a period of five years.	86 percent of national economic policy advice was accepted, while 71 percent was implemented during the period under review.	Yes
7.2 Deliver innovative and quality research output	At least one of the working and occasional papers per year should be published in a peer reviewed journal and presented at conferences in Namibia.	One research paper was presented at the BoN-UNAM research seminar ("The impact of financial innovation on the demand for money and its implications for monetary policy in Namibia").	No
7.3 Promote regional integration.	Advice on regional integration matters accepted and implemented.	The Bank has been made responsible for implementing 9 of the 12 annexes of the SADC Finance and Investment Protocol; the implementation progress was monitored in 2020. It is evident that the impact of the pandemic, coupled with domestic structural challenges and adverse climatic conditions have impacted the economic performance of many countries in the SADC region including Namibia, and the implementation of some of the annexes.	Yes

POLICY RESEARCH AND ADVICE

As part of its statutory mandate, the Bank is required to provide policy advice to the Government. In this regard, the Bank conducts economic and financial research, as well as other research of strategic importance. The main aim of the research undertaken by the Bank is to inform specific policy direction and actions. The following is a summary of activities and research carried out in 2020:

The Bank held its 21st Annual Symposium during the year in review, under the theme "Positioning Namibia to reap the benefits of the African Continental Free Trade Area (AfCFTA)". Several policy recommendations emanated from the symposium:

(i) Namibia should invest in the provision of electricity and water supply to reduce the cost of production and enhance the productive capacities of the country.

(ii) Namibia should develop a climate-sensitive development strategy through innovative financing facilities in order to re-build the economy post-COVID-19 by leveraging the digital economy as a catalyst to more sustainable growth.

(iii) Namibia should introduce and enforce the implementation of enabling laws that attract critical skilled foreign labour. The country should also review labour laws in Namibia to mitigate issues of high labour costs in the country.

(iv) Namibia should expedite the completion of the logistics hub centre to improve regional infrastructure. The centre will link SADC and other African countries and provide cheaper services. The Government or its agencies should revamp or develop transport infrastructure such as railway lines connecting Namibia to the rest of Africa (i.e., connecting Namibia to Botswana and Namibia to Zambia) to facilitate trade.

The Bank continued to provide the Ministry of Finance with technical advice on Government debt sustainability. Debt sustainability analysis (DSA) is an important element in the macroeconomic analysis of fiscal policy. Three DSA reports were prepared and submitted to the Ministry of Finance during 2020. A careful analysis of Namibia's macroeconomic and fiscal indicators confirms the need for the Government to prioritise a post-COVID-19 growth-enhancing strategy and simultaneously pursue a strengthening of the revenue base and an optimisation of expenditure strategies. As the country faces fiscal constraints, reducing regulatory impediments to growth as well as budget-neutral reform packages (i.e., changes in the composition of fiscal revenue and spending-switching that do not modify the total government revenue and spending relative to GDP) with positive demand effects should take priority. Further, Government should focus its efforts on strengthening the country's fiscal and debt positions, post-COVID-19 pandemic.

INTERNATIONAL AND REGIONAL COOPERATION

The Bank continued to collaborate with international and regional stakeholders during 2020. The Bank collaborated with other central banks, the IMF and the World Bank Group (WBG), and the Alliance for Financial Inclusion (AFI) at an international level. At the continental level, the Bank, as a member of the Association of African Central Banks (AACB), participated in the meetings. Furthermore, the Bank continued to participate in SADC activities through the Committee of Central Bank Governors (CCBG). Additional, the Bank also attended Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) Board meetings. As has become the norm, the Bank also actively participated in CMA and SACU activities. The details of each cooperation arrangement are presented below.

COOPERATION WITH THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK GROUP

The Bank took part in the annual meetings of the boards of governors of the International Monetary Fund (IMF) and the WBG in 2020. The annual meetings were held virtually from Washington, DC, on 12–18 October 2020. The annual meetings bring together central bankers, ministers of finance and development, parliamentarians, private sector executives, representatives from civil society organisations and academics to discuss issues of global concern, including the world economic outlook, poverty eradication, economic development, and aid effectiveness. The annual meetings featured seminars, regional briefings, press conferences and other events focused on the impact of COVID-19 on the global outlook, the pathway to recovery, and developments in the international financial system.

INTERNATIONAL MONETARY FUND

The Bank participated in the regular surveillance activities of the IMF in 2020. The Mission visited Namibia on 24–28 February 2020 to discuss recent developments and the economic outlook in the context of IMF's regular surveillance activities. The usual Article IV consultation did not take place in 2020 due to COVID-19 travel restrictions.

The Regional Technical Assistance Center in Southern Africa (AFRITAC South) offered specialised training to the Bank in 2020. The IMF offers training through AFRITAC South, and Bank staff members attended training on fiscal policy analysis, monetary policy and exchange rate regimes, and macroeconomic diagnostics. Many staff members have attended these training sessions (mostly hosted virtually amid COVID-19 and related travel restrictions). AFRITAC

South also provided in-country assistance with the PFMI (Principles for Financial Market Infrastructures) self-assessment. In-country technical assistance was afforded to Namclear as a financial market infrastructure, and to the Bank in its capacity as a regulator. The technical assistance focused on Principles for Financial Market Infrastructures, particularly on Financial Market Infrastructure Risk Management and Oversight, and was provided by AFRITAC South, in conjunction with the World Bank.

WORLD BANK GROUP

The Bank staff continued to benefit from specialised virtual workshops and webinars offered under the WBG's RAMP (Reserves Advisory and Management Program) in 2020. The Bank has had an investment management and consulting agreement with RAMP since May 2008. In terms of the programme, the Bank receives certain technical advisory and asset management services. For the year under review, staff members of the Bank received virtual workshops on Fundamental and Advanced Market Risk, Business Continuity Management, and the Portfolio Analytics Tool. Staff were also afforded an opportunity to participate in several one-hour webinars with a particular focus on global economic and market performance and outlook. In addition, a virtual investment symposium related to the management of the foreign exchange reserves was conducted for members of the Board and the Investment Committee.

As a member of the Alliance for Financial Inclusion (AFI), the Bank continued to participate in relevant AFI activities and programmes during the year under review. AFI is a member-owned global network that promotes and develops evidence-based policy solutions to challenges faced by member countries. The Bank participates in the Alliance's activities as a primary member. The Bank partook in various activities and events, namely the 5th Annual General Meeting of AFI, conducted digitally; the Virtual Member Training on Digital Financial Services Interoperability, co-hosted by the Central Bank of West African States and AFI, where the Bank shared its experience on payments interoperability in Namibia; and a technical webinar on Central Bank Digital Currencies and Financial Inclusion. The Bank also took part in the AFI Inclusive FinTech Showcase as a reviewer. This showcase involved FinTech innovators from around the world who are providing solutions that help to address the fallout from the COVID-19 pandemic, which will shape the future of financial inclusion.

COOPERATION WITH THE ASSOCIATION OF AFRICAN CENTRAL BANKS

The Bank actively participated in the activities of the Association of African Central Banks (AACB) in 2020. The Governor and officials attended the 43rd ordinary meeting of the AACB Assembly of Governors, which was held virtually. In addition, two virtual AACB Bureau meetings were held, in June and November 2020. However, the Bank did not attend because it is not part of the Bureau. The Bank also took part in the activities of the Community of African Banking Supervisors (CABS) and attended meetings of the CABS Working Group on Cross-border Banking Supervision. The Financial Intelligence Centre staff members also attended a virtual platform anti-money laundering (AML) / Combating the Financing of Terrorism (CFT)supervisory hosted under CABS activities.

COOPERATION WITH THE MACROECONOMIC AND FINANCIAL MANAGEMENT INSTITUTE OF EASTERN AND SOUTHERN AFRICA

The Bank attended the annual meetings of the Board of Governors of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) virtually, alongside the IMF/WBG annual meeting in 2020. The virtual MEFMI meetings preceded the virtual meetings of the IMF and WBG. The three institutions, namely MEFMI, the IMF and the WBG, collaborate in providing training in the areas of debt management, macroeconomic management, and financial sector management.

COOPERATION WITH THE COMMITTEE OF CENTRAL BANK GOVERNORS IN THE SADC

As a member central bank, the Bank continued to participate in activities of the Committee of Central Bank Governors in SADC (CCBG) in 2020. Staff members of the Bank attended the SADC Peer Review Panel along with Ministry of Finance senior officials, as well as two CCBG meetings that were held virtually amid COVID-19 and related travel restrictions. At these meetings, the governors discussed economic and financial developments in the SADC region, as well as the SADC's progress towards monetary integration. The Bank coordinated, drafted and presented reports on recent economic development in the region at the CCBG meetings in June and September 2020, focusing on the impact of COVID-19. The CCBG also discussed other important issues, such as the strategic focus area for the new 2020–2023 CCBG Strategy.

COOPERATION WITH COMMON MONETARY AREA STRUCTURES

The Bank continued its active participation in CMA activities and related issues. The purpose of the CMA central bank governors' meetings was to assess recent economic developments in member countries as well as global economic developments and their potential impact on the CMA economies. In addition, the meetings discussed issues related to payment systems, exchange control, banking regulation and supervision, and financial stability. Moreover, common risks and challenges confronting CMA countries and policy options to address these risks and challenges were also discussed. The three meetings that were held in 2020 were hosted virtually in March, July and November.

COOPERATION WITH THE SOUTHERN AFRICAN CUSTOMS UNION

The Bank continued to provide its technical support to the Namibian Government on SACU-related matters during 2020. The Bank participated in meetings at which issues pertaining to the Finance and Audit Committee and senior trade officials were discussed.

BILATERAL COOPERATION WITH OTHER CENTRAL BANKS

The Bank of Namibia and Deutsche Bundesbank have strengthened relations in the field of technical central bank cooperation through a Memorandum of Understanding. The agreement provides for an extensive range of training and advisory services. During the year under review, several employees benefited from virtual technical training sessions, and three departments engaged them through a benchmarking exercise aimed at ongoing improvement of practices and processes.

STRATEGIC OBJECTIVE 8: OPTIMISE ORGANISATIONAL EFFICIENCY AND COST-EFFECTIVENESS

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
8.1 Manage risk effectively	All gaps identified and mitigating strategies for medium and high risks implemented within the agreed time frame.	The 2020 Audit Plan was executed. Sufficient audit coverage was obtained, areas of improvement were highlighted, and an action plan is in place. As of 31 December 2020, the cure rate for the audit findings was 99.4 percent, and 100 percent for the risk actions. 22 operational risk incidents were reported in 2020 compared to 21 in 2019.	No
8.2 Ensure that the Bank can function in the event of a disaster (business continuity)	A tested Crisis Management Plan is in place.	The Bank continued with the Work from Home Plan to mitigate the impact of COVID-19. Monthly Disaster Recovery (DR) side inspections were suspended while the Work from Home Plan was being implemented. Also, the first and the second planned Business Continuity Plan exercises of switching over the system to the DR site, which were scheduled to take place in May and October 2020, were replaced by the Work from Home Plan that was executed as part of the Bank's business continuity. The Crisis Management Team has been meeting virtually either bi-weekly or monthly to monitor and guide the operation of business continuity.	Yes
8.3 Enhance a high-performance-driven culture, which lives the Values of the Bank and strategic talent management	The Bank achieves all (100 percent) of its goals.	99 percent of the stated goals were achieved.	No
	100 percent of staff members live the Bank's Values.	100 percent of the Bank's staff were found to be living its Values.	Yes
	95 percent of the critical talent of the Bank are retained.	The Bank retained 100 percent of its critical staff in 2020.	Yes

INITIATIVES AND STRATEGIES	STRATEGIC OUTCOMES	ACTUAL OUTCOMES	STRATEGIC OBJECTIVE ACHIEVED (YES/NO)
8.4 Manage the Bank's financial resources and affairs in a prudent manner	Annual Financial Statements in compliance with the Bank of Namibia Act, 2020, the Financial Intelligence Act and International Financial Reporting Standards.	The Bank consistently obtained an unqualified audit report, in compliance with International Financial Reporting Standards.	Yes
8.5 Ensure functionality, security and availability of facilities, other assets and infrastructure that support its operations in an environmentally friendly manner	Buildings and facilities that are environmentally friendly so that the Bank reduces its carbon footprint and embarks on the journey to achieving a 4-star rating from the Green Building Council of Namibia.	The Bank successfully installed grid-tied solar photovoltaic systems at the Head Office building in Windhoek and at the Branch in Oshakati.	Yes
	Security systems and equipment are functional and maintain 97 percent availability to provide maximum protection to employees and the Bank's assets.	Security systems have been functional at more than 97 percent and provide maximum protection to employees and Bank assets.	Yes
	97 percent availability and functionality of all facilities, other assets and infrastructure that support its operations in an environmentally friendly manner.	98.5 percent facilities availability was achieved during the period under review.	Yes
8.6 Manage technology to optimise Bank operations.	Relevant and secure IT systems that are 99.9 percent available (8 hours off-time).	The Bank realised an overall availability of 99.7 percent for critical systems and infrastructure during 2020, marginally missing the target.	No
8.7 Ensure efficient procurement practices	Procurement practices that result in cost savings of 1.0 percent.	The Bank continued to apply effective and efficient procurement practices during 2020, in line with its Procurement Policy, with oversight from the Tender Committee, and achieved its objectives for the year.	Yes
8.8 Manage the legal affairs of the Bank	All court matters handled in terms of the timelines set out in legislation, court rules and practice directives.	All litigation matters in the courts handled by either the Bank or instructed law firms are adhering to the strict rules of the courts.	Yes
	All contracts managed as per Contract Management Guidelines.	The Bank has implemented a new Contract Management System; migration is underway; contracts are not fully managed as per Contract Management Guidelines.	No

RISK MANAGEMENT AND ASSURANCE

The Bank of Namibia's risk management function facilitates enterprise risk management practices across the board, in order to manage risks in a proactive, coordinated, prioritised and cost-effective manner. The top strategic and operational risks and their identified response strategies continued to be monitored at the Bank's quarterly Risk Management Committee and Audit Committee meetings. Enterprise risk management activities are designed to increase the probability of success and reduce uncertainty relating to the achievement of the Bank's objectives. In 2020, 22 operational risk incidents were reported, up from 21 in 2019. These were risk events resulting from a failure of people, processes or systems, or external events that could bring about losses or near misses. There were no actual financial losses incurred, compared to N$160 000 lost in 2019. Remedial actions to address, wherever possible, the root causes of the incidents in question were identified and appropriate measures were introduced. The Bank is in the process of updating its risk universe, which is a central repository of all the risks that could affect the Bank, to provide a better understanding of inherent risks.

The Bank-wide compliance management process continues to be embedded in the Bank. Scanning of the current legal and regulatory environment was carried out to update the current regulatory universe. An assessment against the recently promulgated Whistleblower Protection Act (No. 10 of 2017) was completed. The Bank is in the process of drafting a whistleblowing policy to align with the approved Act.

Compliance monitoring was carried out by the various departments during the period under review. This monitoring process is to ascertain the compliance status and ensure adequate compliance with the relevant laws, regulations, policies, and procedures; gaps were highlighted. Corrective actions were subsequently identified, and their implementation was monitored by the Bank's Risk Management function.

Business continuity management at the Bank has continued to improve from year to year. During the cycle under review, 80 percent of the Bank's employees worked from home, whilst the essential service providers worked from the Head Office. A Work-from-Home Plan to mitigate the impact of COVID-19 as well as the COVID-19 Response plan was defined. Monthly Disaster Recovery Side inspections were suspended during the Work-from-Home Plan. Also, the first and the second planned Business Continuity Plan exercises, where continuity interruptions would result in switching over the system to the DR site, which were scheduled to take place in May and Oct 2020, were replaced with the Work from Home Plan that was executed as part of the Bank's management of business continuity. The Crisis Management Team has been meeting virtually either every two weeks or monthly to monitor and guide the operation of business continuity.

The approved risk-based Internal Audit Plan for 2020 provided comprehensive assurance over the processes which manage key risks. This was undertaken as planned, and all material issues that arose were reported to the appropriate level of management and to the Board's Audit Committee. As per the completed assignments, sufficient audit coverage was achieved that enabled the Bank to state that it had adequate and effective risk management practices, and that controls and governance processes were in place for the achievement of the objective of the Strategic Plan.

Tracking and accountability for corrective actions on issues raised during audits were prioritised by way of quarterly reporting to the Audit Committee in respect of the Bank-wide cure (resolution) rate. The cure rate result for December 2020 was 99.4 percent (2019: 94 percent), which is still below the required target of 100 percent.

SECURITY AND SAFETY MANAGEMENT

The Bank has efficient and effective security systems in place. By virtue of its creation and operational requirements, the Bank is a Key National Point. The Bank deploys a Security Operations Management System consisting of physical security, electronic hardware, procedures and personnel to ensure the safety and maximum security of its critical assets, staff and visitors. During the period under review, the Bank ensured that all its assets, personnel and visitors were duly protected.

In view of the above, the security systems of the Bank need to be of the highest standard. Hence, the Bank has embarked upon a project to upgrade its surveillance system. The upgrade of the said system will improve the Bank's security posture and enable the Security Division to provide effective security management to the Bank's assets.

HUMAN RESOURCE DEVELOPMENTS

ORGANISATIONAL DEVELOPMENT AND WORKPLACE CULTURE

The year 2020 presented a lot of challenges for performance in the Bank caused by COVID-19 disruptions. Employees were forced to quickly respond and adapt to the changing working environment. The performance management practice in the Bank ensured that each employee remained focused and able to creatively deliver on the Bank's strategic goals. Performance was enabled through the tracking of goals, ongoing coaching, and the use of various technological tools to facilitate communication, collaboration, and shared accountability. The Bank also took an agile approach to performance by adjusting goals to accommodate the new normal without compromising on its key objectives. Despite COVID-19 restrictions, the Bank managed to roll out interventions that were aimed at promoting its values through virtual sessions, which included a virtual fitness challenge. The recently concluded values assessment demonstrated that employees continued to uphold the values of the Bank during the period under review.

STAFFING

The Bank maintained an adequate staff complement throughout 2020 to meet its objectives. The staff complement as of 31 December 2020 stood at 296 employees,12 less than the approved establishment of 308. The decline was attributed to vacancies resulting from retirements, promotions, and resignations during the year under review (Table A.16). Despite the vacancies, the operations of the Bank were not impacted as the Bank managed to retain 100 percent of its critical skills.

TABLE A.16 NUMBER OF STAFF (31 DECEMBER 2016–2020)

Staff category	2016	2017	2018	2019	2020
General staff	265	253	263	254	260
Management	22	21	21	22	22
Senior management	11	11	12	12	12
Executive management	2	2	2	2	2
Total employed	300	287	298	290	296

Note: The staff numbers exclude Financial Intelligence Centre staff, as it has been an independent reporting entity since 2015.

EMPLOYMENT EQUITY

In line with its embracing of the value of diversity, the Bank continued to comply with the requirements of the Affirmative Action (Employment) Act, 1998 (Act No. 29 of 1998). In this regard, the Bank ensured that all its policies and practices were aligned with affirmative action requirements and guidelines. The Bank consistently implemented the current three-year Employment Equity Plan it had set itself, which runs from 2019 to 2021. During the current year, the Bank met and, in some instances, exceeded its employment equity targets.

TABLE A.17 EMPLOYMENT EQUITY DATA (2016–2020)

Workforce	2016	2017	2018	2019	2020
Male	136	127	133	129	134
Female	164	160	161	161	162
Racially disadvantaged	288	276	289	286	293
Racially advantaged	6	5	4	4	3
Persons with disabilities	6	6	4	4	3
Non-Namibians	0	1	1	1	1

CAPACITY DEVELOPMENT

To enable employees to accomplish the Bank's mandate as articulated in its Strategic Plan, the Bank continued to invest in various capacity-building initiatives through various platforms with other institutions such as MEFMI, AFRITAC South, the IMF, the World Bank, Bundesbank, and the South African Reserve Bank. During 2020, 148 employees were provided with both technical and soft skills training in various aspects of central banking and related fields. In addition, the Bank supported 10 staff members financially with study loans for part-time undergraduate and postgraduate studies in areas relevant to its operations. Five employees were awarded staff bursaries for part-time undergraduate studies, while two employees were offered post-graduate scholarships.

The Bank continued to support the country's effort in building human capacity through the Graduate Accelerated Training Programme, with the aim of grooming and developing future skills for key areas in central banking and the Namibian market. The programme provides graduate trainees with 18 months of on-the-job exposure. For 2020, the Bank enrolled six graduate trainees (four females and two males) in the fields of economics, financial management, law, and information technology. The trainees are expected to complete the programme during 2021. This programme has confirmed that such interventions bring about greater personal development and career progression as they facilitate participants gaining real work experience in preparation for permanent employment. Since the inception of the programme in 2013, the Bank has permanently employed 95 percent of the participants in its workforce. The majority of them continue to demonstrate high levels of performance.

SUCCESSION PLANNING IMPLEMENTATION

The Bank has adopted a systematic approach to Succession Management by ensuring that identified individuals are subjected to various assessments to aid the leadership development process. This is considered to be an ongoing process, and the progress of individuals is assessed and tracked on an annual basis to ensure that a pipeline of talented employees is ready and able to take up leadership roles in the Bank when they become available. Since the introduction of this practice in 2018, the Bank has promoted 44 staff members from within the Bank.

BUSINESS PROCESS MANAGEMENT

During the period under review the Bank enhanced the Business Process Management (BPM) practice in the Bank. A Business Process Architecture was developed to ensure that all processes are aligned with the strategic intent of the Bank, and workshops were conducted to ensure that a common understanding exists regarding Business Process Management. The process is ongoing to ensure a consistent approach towards business process decomposition from the highest level to the lowest level and improved cross functional collaboration, with the ultimate aim of improving value creation for customers and stakeholders. Overall, the Business Process Management will set the foundation for future process enhancements and innovations in furtherance of the execution of the Bank's mandate in an efficient and effective manner. The Bank believes business processes that are properly designed and managed are an enabler of change and agility. This undertaking will therefore enable the following:

- provide an understanding of how the Bank is creating and delivering value to its customers and stakeholders as everyone will visualise the process in the same way;
- improve collaboration and build better understanding of inter-dependencies across functional working groups; and
- provide a current state upon which to base future improvements.

EMPLOYEE WELLNESS

To ensure the physical and mental wellbeing of the staff, an appropriate Wellness Programme remains a key component within the Bank. During the period under review, the Wellness Programme initiatives were mainly geared towards responding effectively to the COVID-19 pandemic by raising awareness and providing support and counselling to staff. Other initiatives included health screenings of employees, personal financial management, retirement planning and healthy lifestyle sessions. For most of the reporting period, the Bank concentrated on the strategies to respond effectively to the COVID-19 crisis and addressing the effects thereof.

FINANCIAL MANAGEMENT

The Bank manages its financial affairs in a prudent manner. The Bank continues to publish unqualified financial statements, which comply with all appropriate regulations and prescribed standards. The Bank maintains adequate controls to mitigate all potential transaction processing risks. There are defined limits within the accounting system to ensure adherence to the approved budget. On a quarterly basis, variance analysis reports for both income and expenditure are presented to the Management Committee.

FACILITIES MANAGEMENT

The Bank ensures the availability and functionality of the facilities that support it in achieving its strategic objectives. The facilities management function includes infrastructure improvement, general repairs and maintenance. This function successfully replaced two elevators that had reached end-of-life to ensure the accessibility of facilities of the institution.

The Bank believes in contributing towards environmentally friendly initiatives. One of the initiatives that was taken by the Bank is the installation of the solar photovoltaic system, which will contribute towards the reduction of the Bank`s carbon footprint. The Bank successfully installed grid-tied solar photovoltaic systems at the Head Office building in Windhoek and at the Branch in Oshakati. The systems are designed to generate annual electricity of 512 313 kWh (at Head Office) and 261 887 kWh (at the Oshakati branch) with an expected reduction in carbon emissions of 490 283 kg and 250 625 kg for the Head Office and Oshakati Branch, respectively.

PROCUREMENT FUNCTION

Procurement is an integral part of the operations of the Bank and the efficient management thereof contributes to the long-term sustainability and good reputation of the institution. As a public institution, the Bank strives for transparent and efficient procurement practices. Every financial year a target of 1 percent procurement saving is set to encourage the procurement personnel to always get the best price for goods or services on the market for the Bank. The Bank has a Tender Committee, which ensures that a procurement system that is fair, equitable, transparent, competitive, and cost-effective is maintained.

INFORMATION TECHNOLOGY

TECHNOLOGY GOVERNANCE

The Bank made good progress with its IT Master Plan towards achieving its technology-related objectives. The plan commenced in 2017 and will run until 2021. The Bank reduced inefficiencies in various business operations, enhanced IT security, implemented numerous approved business systems and better managed general IT controls through technology governance. The plan is expected to be revised in 2021 to help modernise the Bank in a fast-changing environment and to meet stakeholder demands.

The IT Master Plan is supported by a plan to implement five priority IT governance processes and a human resources plan. During the year under review, the Bank approved a revision to this plan and approved new IT governance processes. The processes predominantly focused on addressing general project management at the Bank, while also considering technology innovation and IT asset management. The Bank also migrated to the latest version of its adopted IT governance framework (COBIT 2019). The Bank increased the IT function’s headcount to ensure that the key risks relating to IT and cyber security are adequately managed. The Bank expects to complete the revised Governance plan in 2022, while the human resources plan is revised on an annual basis.

IT INFRASTRUCTURE AND SECURITY

The Bank's IT infrastructure had high availability during the year under review. The Bank has a target availability of 99.9 percent per annum through its strategic plan. The Bank achieved 99.7 percent across all critical infrastructure and business systems. The Bank further reduced risks by revamping its data centre to align with international standards and safety measures. Additional computing capacity was acquired to support the Bank's technology needs for the next several years. The newly added computing resources will form the basis for the Bank's digital transformation efforts in years to come.

Cyber security was still a focus area in 2020. The Bank made good progress in mitigating much of the risk by completing an IT security risk assessment and approving a new IT security plan. The Bank's governance controls remained sound, with revisions and additions to existing controls. The Bank established structural aspects of a security operations centre and recruited personnel to operate it. Numerous technologies were implemented to better manage the Bank's security risk. Furthermore, independent annual internal and external security assessments continue to be conducted to provide the needed assurance for the management of the cyber risk.

IT BUSINESS SYSTEM INVESTMENTS

The Bank improved technological operational efficiency in various business units. Through its HR and IT functions, the Bank undertook a project to map all of its key processes. This is a multi-year initiative that forms the basis for future automation and digitisation efforts for the Bank. The EFT project continued with the aim of achieving the objectives of the Payment Systems Determination 7, with expected completion in June 2021. The Bank enhanced this system with advanced analytics and reporting for optimal efficiencies.

The Bank engaged in several innovative technology initiatives during the year under review. The Bank's IT function contributed to the formulation of a digital transformation strategy. Some solutions that will enable the strategy include plans to upgrade its enterprise resource planning solution by completing the first phase of the project. Technical and functional upgrades to the system are planned for 2021 and will form one of the Bank's pillars for digital transformation. The Bank also completed high level plans to modernise and automate its supervision functions, although these were delayed during the year under review. For the first time, the Bank's research and statistics functions will be supported by MATLAB, a numerical computing solution used around the world for analysis.

KNOWLEDGE AND INFORMATION MANAGEMENT

Explicit knowledge management relies on the effective management of the Bank's databases, documents, and processes in the various departments, as well as on the documentation of relevant events. Over the years, the Bank has continued to capture events of relevance through photographs and videos. These have included high-level visits to the Bank, monetary policy announcements, corporate events, and other memorable events. Despite the challenges posed by COVID-19, the Bank leveraged the use of technology, for example live streaming of events on the Bank's social media platforms, to reach its stakeholders and document these events as part of its rich archives.

This year, the Bank produced a documentary to chronicle its 30-year journey of central banking excellence. The documentary is a blend of narration, testimonials, and archival materials. The documentary explores the Bank's accomplishments and traces its origins through captivating testimonial accounts. It is being used to serve as an educational aid with a view to informing the Bank's stakeholders about its role in the Namibian economy. The documentary has been disseminated among members of the public as well as other local and international institutions. This is an ideal tool to tell the Bank's story in a versatile format and thereby manage the Bank's institutional memory.

Bank of Namibia 30th anniversary video production behind the scenes:

Bank of Namibia Governor Johannes Gawaxab (right) reflecting on 30 years of central banking with interviewer and Deputy Director: Corporate Communications, Mr. Kazembire Zemburuka

Left: The first Namibian Governor of the Bank and Minister of Mines and Energy, Hon. Tom Alweendo, taking us down memory lane during his interview
Right: Minister of Finance and former Governor of the Bank, Hon. Iipumbu Shiimi, highlighting the important contributions of the central bank over the years

Hon. Calle Schlettwein, current Minister of Agriculture, Water and Land Reform and former Minister of Finance, a key stakeholder in the development of the legal framework under which the Bank operates, being interviewed by the Deputy Director: Corporate Communications, Kazembire Zemburuka

The Bank rolled out the Data Classification Project, which highlights the steps involved when assigning classification levels and labels to newly created documents, and their protection. Information generated by the Bank in its day-to-day operations is a critical resource and asset. It contains information about the Bank, as well as personal information about the Board, staff, external stakeholders, and other affiliated parties. Protection of this information may be required by the National Archives Act, industry norms or other agency regulations, or driven by financial, reputational, legal, or other regulatory requirements. The classification project is based on the levels in the approved records classification categories. Consequently, the system, which is intended to enable users to tag and label newly created records as per the Corporate Communication Policy, was activated.

The success of the Records Management Improvement Strategy can be witnessed in the establishment of the Records Management Champions Committee, which has been running for two years. The Committee is a platform that provides opportunities to engage various departments of the Bank directly on the challenges and successes experienced, and to share experiences on how best to improve the cross-cutting management of records in the Bank. Additionally, the Departmental Records Management goal also contributed to the success of the strategy, as departments are now held accountable for managing records that are in their care from creation, through use and ultimate disposal.

BOX ARTICLE 2

POSITIONING NAMIBIA TO REAP THE BENEFITS OF THE AFRICAN CONTINENTAL FREE TRADE AREA

1. INTRODUCTION AND BACKGROUND

The Bank of Namibia held its 21st annual symposium at the Windhoek Country Club and Resort on 5 November 2020 under the theme "Positioning Namibia to reap the benefits of the African Continental Free Trade Area (AfCFTA)". As January 2021 – the inception date of the AfCFTA – neared, the theme could not have come at a better time for Namibia to position itself to reap benefits from the deeper market integration. The main objective of the AfCFTA is to create a single continental market for goods and services, with free movement of businesspersons and investments, and thus to pave the way for accelerating deeper integration. It also aims to expand intra-African trade through better harmonisation and coordination of trade liberalisation and facilitation, and instruments across the regional economic communities, and Africa in general. The AfCFTA is expected to enhance competitiveness at the industry and enterprise level through exploitation of opportunities to scale up production, continental market access and better reallocation of resources.

In terms of trade, Namibia's limitations are mainly supply-side constraints. Currently, Namibia's export structure is dominated by minerals, fish, beef, and grapes. Namibia has a limited manufacturing base. The country is described as an open economy with a small population of 2.4 million people, high levels of unemployment and an unequal distribution of the national income. A combination of these factors represents an opportunity to leverage the AfCFTA to address these issues, through developing a strategy to enhance exports.

Against the above backdrop, this symposium assessed the challenges and opportunities offered by the AfCFTA. More specifically, it unpacked challenges, namely: limited manufacturing capacity; infrastructure constraints; and tariff and non-tariff barriers that, amongst other things, hinder trade between Namibia and the rest of Africa. The symposium also analysed low-hanging fruits or benefits that Namibia should exploit to benefit from the AfCFTA. This entailed identifying key export products that could potentially benefit from the AfCFTA market and how to leverage the country's manufacturing sector's capacity to exploit the larger market. In addition, the symposium examined how Namibian companies may become part of the regional and continental value chains. Regional value chains involve larger industries sourcing supplies from smaller industries across borders or selling the semi-finished and finished goods to the region. It is against this backdrop that the symposium was organised under this theme, to find ways in which Namibia can reap and maximise benefits from the continental integration. More specifically, the deliberations were guided by the following key questions:

1) What can the country improve on to reap the benefits from the AfCFTA?
2) How do we position the country to take advantage of the opportunities offered by the AfCFTA?
3) How accommodative are our policies for ensuring collaboration between AfCFTA countries?
4) How can we optimally get a foothold in more global value chains?
5) How can the country make its export products more complex – which products should the country focus on for scaling up production?
6) How ready are we to embark on the necessary reforms to fully implement the AfCFTA?

These fundamental policy issues, amongst others, were addressed through presentations given by local and international speakers and supplemented by a panel discussion between representatives from the United Nation Economic Commission for Africa, the SACU secretariat, the AfCFTA secretariat and the Bank.

A key conclusion that emanated from the 21st annual symposium was that Namibia will need to fix a number of structural issues in order to reap the benefits offered by the AfCFTA. Key drivers of growth were identified, such as: increasing the country's productive capacity through structural reforms; attracting foreign direct investments inflows that will increase technological progress and the promotion of local enterprises; developing new and improved technologies to enable sustainable productivity growth; making labour laws favourable for attracting skilled labour that is lacking in the country; prioritising infrastructure development for greater industrialisation at national and regional levels; enhancing the service sector to be an engine of growth; and establishing clear rules of origin as the tool to protect local industries.

2. KEY POLICY ISSUES EMANATING FROM THE SYMPOSIUM

The papers and discussions at the symposium proposed several options for Namibia to reap the benefits offered by the AfCFTA. The following is a summary of the key policy issues that emerged from the symposium:

1) Increase the country's productive capacity through structural reforms.

Namibia should invest in the provision of electricity and water supply to reduce the cost of production and enhance the productive capacities of the country. This will help increase the country's manufacturing production capacity and improve the competitiveness of its products. Namibia should use the World Bank's "Doing Business" index as a framework to identify a range of reforms designed to make the domestic business environment much more attractive to both foreign and domestic investors. Improved competitiveness will over time also reduce protectionist measures such as quotas, import restrictions and tariffs, which are currently employed to prop up some industries to generate competitiveness.

2) Attract FDI inflows that will increase technological progress and the promotion of local enterprises.

Namibia should develop a climate-sensitive development strategy through innovative financing facilities in order to revive the economy after the COVID-19 pandemic by leveraging the digital economy as a catalyst to more sustainable growth. A digital economy has the potential to enhance the efficiency of the global economy by helping countries to better monitor the efficiency of economic sectors and investment in conventional infrastructure (healthcare, hospital, education, travel, tourism, etc.). The country should therefore develop innovative, climate-sensitive financing options to assist the growth of the economy after the COVID-19 pandemic. Digital trade shall play a key role in boosting intra-African trade in support of a better recovery from the COVID-19 pandemic. From this perspective, it will be advantageous to bring AfCFTA negotiations forward (i.e., from the current 3rd Phase to the 2nd phase).

3) Develop new and improved technologies to enable sustainable productivity growth.

An increasing capability to introduce new and improved technologies will enable Namibia to sustain productivity growth over time. For example, technological leaders in the developing world (e.g. the Republic of Korea and Taiwan, Province of China) proactively adopted interventionist strategies on trade and domestic resource allocation, with a clear preference for promoting indigenous enterprises and deepening local capabilities.

4) Make labour laws favourable to attract skilled labour lacking in the country.

Introduce and enforce the implementation of enabling laws that attract critical skilled foreign labour. Amid critical skills shortages in Namibia, the laws should be conducive to enable access to the required critical skills from abroad. The focus should be on foreign skills that complement rather than substitute local labour, and enabling knowledge transfer, i.e., the acquisition of knowledge on key technologies that is not yet nationally available. Therefore, immigration policies should allow for the country to import the needed skills.

There is a need to establish how the trading bloc will deal with the free movement of people. Namibian laws should be clear on which positions will be filled by Namibians and which will require foreign expertise. Jobs that can be done by Namibians should be filled by Namibians and not be advertised externally.

Namibia should review its labour laws to mitigate the issue of high labour costs in the country. Namibia's cost of labour is currently high, and the labour law should be reviewed in order to ensure effective investment opportunities.

5) Prioritise infrastructure development for greater industrialisation at national and regional levels

Namibia should expedite the completion of the logistics hub centre to improve regional infrastructure which links the SADC and other African countries and to provide cheaper services. This needs to be accompanied by improvements in the railways and transport infrastructure to facilitate the high volume of freight between African countries. This could promote faster transformation of the Namibian economy. The Government should revamp or develop transport infrastructure such as railway lines connecting Namibia to the rest of Africa (e.g. Namibia to Botswana and Namibia to Zambia) to facilitate trade. Rail transport has the ability to move high volumes of freight over long distances in a safe, energy-efficient, and cost-effective manner. Fuel and chemicals, for example, are more safely transported by rail. Thus, with a robust rail and road system connecting the ports of Walvis Bay and Lüderitz Bay, Namibia will have the potential to capture a significant share of transit volumes to African countries. Furthermore, the country needs to introduce a cargo tracking system within the AfCFTA member countries to address bureaucratic delays, red tape, and inefficiencies at border posts.

Namibia must strongly emphasise education and skills development to ensure an adequate workforce for industrial sectors. The AfCFTA has great potential to promote Namibia's industrialisation. This is particularly the case if intermediate goods are liberalised early in the process as they constitute a key driver of economic transformation and the development of production capacities. To accompany this effect, strong emphasis must be placed on education and skills development to ensure that an adequate workforce is available, especially in industrial sectors. The role of the private sector to harness trade for Namibia's development must be underlined due to its role in innovating and generating jobs.

6) Enhance the service sector to be the engine of growth.

The country should create a conducive business environment to enable the growth of the private sector. The private sector plays a vital role in any economy, and as such, the Government should ensure an environment that is conducive to its efficient functioning. This implies creating a business-friendly environment for private sector activities, which is free of distortions, is underpinned by efficient public institutions and transparent regulatory frameworks and will certainly enhance the competitiveness of the Namibian economy.

7) Establish clear rules of origin as the tool to protect local industries.

Rules of origin are important in any preferential trading arrangement in order to authenticate that goods claiming tariff preferences result from significant economic activity in an eligible country. It is therefore important that there are clear rules of origin to prevent people from importing products from outside the trading arrangement at low external tariffs and re-exporting them under the trading arrangement into another member country, with higher external tariffs on the goods.

3. POLICY RECOMMENDATIONS

Trade related recommendations

- Enticing and incentivising exports will remove the barriers and risks associated with local manufacturers entering foreign markets to access a larger pool of customers/consumers and will create economies of scale to be competitive.

- The country should improve its export basket by moving away from exporting non-complex goods to more sophisticated value-added goods.

Recommendations related to improving the supply-side

- Prioritise and build strong supply side capabilities to increase services and industrial outputs to take full advantage of the new export market opportunities offered by the AfCFTA. This should be preceded by the identification and prioritisation of sectors.
- Allow companies that offer basic utilities such as water, electricity, air/rail/land cargo and IT (data & mobile) to participate as doing so could significantly lower costs to manufacturers.
- Strengthen and ensure the efficient functioning of BIPA (the Business and Intellectual Property Authority) through the automation of its processes from the manual status quo.
- Namibia should encourage specific industries that produce goods demanded by other African countries to set up at border towns.
- The country should prioritise certain sectors which enjoy a comparative advantage – and use these sectors to reap the benefits of the AfCFTA.
- Namibia needs to tap into the services sector to become the service provider for countries that we are already trading with.
- Unlock the country's comparative advantage in both products and actual services in order to enable trade (e.g. phytosanitary standards determined by the Namibian Standards Institution) and export that service to the region.
- Increase the outreach and publicity campaigns of the AfCFTA and create an enabling environment for the private sector to thrive (private-public dialogue) to address supply-side constraints.

Recommendations related to technological progress

- Strengthen Namibia's digital innovation and roll-out (including proper network infrastructure).
- Enhance the financial sector to facilitate seamless cross-border payments for greater trade benefits.

Recommendations to improve inclusive growth and development

- The country should look at ways of lowering the cost of borrowing to ensure firms are and remain competitive.
- Strengthen support measures for SMEs, women, and youth-led businesses.
- The country should review current industrial policies to ensure more outward looking policies.
- The country should identify and address challenges at the national level that may create difficulties for the effective implementation of the AfCFTA.
- Invest in research and development in order to fully benefit from the AfCFTA.
- Develop a national strategy that would guide and facilitate the country's engagement in dealing with the continent (i.e., that is in sync with national policies and aspirations).

FIVE YEAR HISTORICAL FINANCIAL OVERVIEW

Table A. 17: Balance Sheet comparisons, 2019-2015 - N$'000

ASSETS	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Non-current assets	**473 413**	**530 035**	**470 605**	**440 506**	**1 868 010**
Property and equipment	284 287	288 584	299 150	313 802	312 109
Intangible assets – computer software	21 483	10 177	3 697	5 092	6 093
Currency inventory	84 895	98 646	43 870	66 958	106 759
Loans and advances	82 748	132 628	123 888	54 654	1 443 049
Investment in Associate	-	-	-	-	-
Current assets	**38 068 904**	**35 030 106**	**36 757 445**	**36 094 757**	**32 346 126**
Investments	31 654 662	28 905 678	30 951 757	30 067 296	24 599 948
Loans and advances	16 834	18 502	-	-	-
Loans and advances - Local Banks	1 040 782	1 746 376	1 839 118	721 737	716 038
Rand Deposits	45 337	89 727	68 526	79 631	59 212
Other inventory – stationery and spares	4 881	4 584	4 337	4 396	1 947
Other receivables	5 288 750	4 265 239	3 893 707	5 221 697	6 968 981
TOTAL ASSETS	**38 524 659**	**35 560 141**	**37 228 050**	**36 535 263**	**34 214 136**
EQUITY AND LIABILITIES					
Capital and reserves	**9 489 934**	**9 030 266**	**8 514 171**	**6 910 922**	**7 279 815**
Share capital	40 000	40 000	40 000	40 000	40 000
General reserve	2 463 986	2 160 111	1 800 506	1 473 023	1 277 053
Foreign Currency revaluation reserve	6 200 558	6 112 300	6 271 690	5 020 131	5 851 617
State revenue fund	278 198	399 941	294 237	213 140	68 119
Training Fund Reserve	16 179	13 479	12 764	14 024	15 000
Building fund reserve	85 000	85 000	65 000	45 000	20 000
Development fund reserve	114 402	166 702	97 402	49 970	43 789
Investment revaluation reserve	291 611	52 733	-67 428	55 634	32 356
Non-Current Liabilities	**62 201**	**57 985**	**66 498**	**60 564**	**55 175**
Provision for post-employment benefits	62 201	57 985	66 498	60 564	55 175
Current Liabilities	**28 972 524**	**26 471 890**	**28 647 381**	**29 563 777**	**26 879 146**
Notes and coins in circulation	4 711 567	4 518 207	4 521 178	4 658 471	4 394 547
Deposits	24 147 300	21 822 910	23 946 257	24 867 329	22 384 592
Provision for post-employment benefits	2 756	2 584	1 697	1 570	1 453
Trade and other payables	110 901	128 189	178 249	36 402	30 435
TOTAL EQUITY AND LIABILITIES	**38 524 659**	**35 560 141**	**37 228 050**	**36 535 263**	**34 214 136**

Table A.18: Income Statement comparisons, 2019–2015 – N$'000

	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Interest income	638 676	850 862	828 371	739 892	435 251
Interest expense	(105 011)	(208 193)	(283 372)	(262 995)	(174 245)
Net interest income	**533 665**	**642 669**	**544 999**	**476 897**	**261 006**
Rand compensation income	499 787	407 594	401 963	326 107	296 463
Other income	18 294	37 849	53 116	31 809	33 598
Total income	**1 051 746**	**1 088 112**	**1 000 078**	**834 813**	**591 067**
Operating expenses	(514 928)	(359 023)	(449 414)	(358 802)	(407 925)
Net profit/(loss) on investment portfolio	(4 345)	106 174	19 688	-13 418	12 784
Profit for the year before net foreign exchange translation gain/(loss)	**532 473**	**835 263**	**570 352**	**462 593**	**195 926**
Net foreign exchange translation gain/(loss)* - Amortised cost	88 258	(159 390)	1 251 559	(831 486)	(722 475)
Profit/(Loss) for the year	**620 731**	**675 873**	**1 821 911**	**(368 893)**	**(526 549)**
Other comprehensive income	**238 878**	**134 459**	**(55 123)**	**-**	**-**
Unrealised Gains/(Losses) on investment portfolio	238 878	115 836	(56 766)	-	-
Allowance for credit losses - FVTOCI	-	4 325	1 643	-	-
Actuarial gain on post-employment benefits	-	14 298	-	-	-
Total comprehensive income	**859 609**	**810 332**	**1 823 554**	**(368 893)**	**(526 549)**
Revaluation reserve	(88 258)	159 390	(1 251 559)	831 486	722 475
Investment revaluation reserve	(238 878)	(115 836)	56 766	(23 278)	(28 087)
Allowance for credit losses	-	(4 325)	(1 643)	-	-
Net income available for distribution	**532 473**	**849 561**	**627 118**	**439 315**	**167 839**
Appropriations:	**532 473**	**849 561**	**627 118**	**439 315**	**167 839**
General Reserve	251 575	357 463	262 881	191 175	79 720
Building Reserve	-	20 000	20 000	25 000	20 000
Training Fund Reserve	2 700	2 157	-	-	-
Development Fund reserve	-	70 000	50 000	10 000	-
State Revenue Fund	278 198	399 941	294 237	213 140	68 119

Part B:
Annual Financial Statements

Contents

30 YEARS OF CENTRAL BANKING EXCELLENCE

30 Years ANNIVERSARY

Financial Statements Overview

As at 31 December 2020

KEY POINTS		2020 N$'000	2019 N$'000
→ Net Interest Income declined from N$642.67 million in 2019, to N$533.67 million in 2020. This is mainly due to the low interest rates that prevailed during 2020, as Central Banks cut the rates in response to the COVID-19 Pandemic.	Net Interest Income	533 665	642 669
→ Total operating expenses increased by N$155.91 million from N$359.02 million in 2019 to N$514.93 million in 2020..	Operating expenses	514 928	359 023
→ Amount available for distribution declined significantly from N$849.56 million in 2019 to N$532.47 million in 2020.	Amount available for distribution	532 473	849 561
→ An amount of N$ 278.20 million will be paid to the Government as Dividend for the 2020 financial year compared to N$ 399.94 million paid in 2019.	Distribution to the State	278 198	399 941
→ The Bank's assets increased from N$35.56 billion in 2019 to N$38.53 billion in 2020 mainly due to increases in Investments balances.	Total Assets	38 524 659	35 560 141
→ Currency in circulation increased from N$4.52 billion in 2019 to N$4.71 billion in 2020 due to the increase in demand for cash.	Currency in Circulation	4 711 567	4 518 207

Board's Statements of Responsibilities

The main statutory provisions relating to the role and duties of members of the Board are covered under Section 9 and 10 of the Bank of Namibia Act, 2020, we confirm that:

1. The Board members are responsible for the preparation of the annual financial statements and for the judgements used therein.

2. The Board has overall responsibility for the system of internal financial control in the Bank, which is designed to safeguard the assets of the Bank, prevent and detect fraud and other irregularities. To discharge this responsibility, an appropriate organisational structure has been established. In this regard, the Audit Committee of the Board meets periodically with Internal and External Auditors and members of Management of the Bank to discuss control issues, financial reporting and related matters. The Internal and External Auditors have full access to the Audit Committee. Further, the Bank has a comprehensive Risk Management Strategy in place.

3. The Board is satisfied that the Bank complies with International Financial Reporting Standards and the requirements of the Bank of Namibia Act, 2020.

4. The Board members confirm that they are satisfied that the Bank has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

5. The Board's Audit Committee is composed of members who are neither officers nor employees of the Bank and who have the required mix of skills, with at least one member being a financial expert. The committee is therefore qualified to review the Bank's annual financial statements and recommend the approval by the Board Members. The committee has a duty to review the adoption of, and changes in accounting principles including risk management issues and makes recommendations on the same for approval. The Board considers and where necessary approves the Board Audit Committee recommendations.

The annual financial statements on pages 86 to 134 were approved by the Board and are signed on its behalf by:

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Chairman
31 March 2021

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Board Member
31 March 2021

Independent Auditor's Report to the Member of the Bank of Namibia

Opinion

We have audited the financial statements of Bank of Namibia ("Bank") set out on pages 86 to 134, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bank of Namibia as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of Bank of Namibia Act, 2020.

Basis for 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 Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board members are responsible for the other information. The other information comprises the information included in the Bank of Namibia Annual Report which includes the Message from the Governor, Part A (Operations and Affairs of the Bank), Financial Statement Overview, Board's Statement of Responsibilities, Part C (Economic and Financial Developments in 2020 and Theme Chapter), Part D (Banking Supervision) and Part E (Statistical Appendix and List of Abbreviations) which we obtained prior to the date of this auditors' 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 an audit opinion or any form of assurance 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, 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 Board members' Financial Statements

The Board members are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Bank of Namibia Act, 2020 and for such internal control as the Board members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the Bank'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 Board members either intend to liquidate the bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual 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

Independent Auditor's Report to the Member of the Bank of Namibia

level of 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 decisions of users taken on the basis of these financial

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- Conclude on the appropriateness of the Board directors' 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 Bank'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 annual 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee 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.

Deloitte & Touche

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Grand Namibia

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Per: Richard Theron (Partner)
Partners:
R Theron (Managing Partner), RN Beukes

31 March 2021

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 31 December 2020

	Notes	2020 N$'000	2019 N$'000
Net interest income		**533 665**	**642 669**
Interest income	2	638 676	850 862
Interest expense	2	(105 011)	(208 193)
		518 081	**445 443**
Rand compensation income	2	499 787	407 594
Other income	2	18 294	37 849
Total income		**1 051 746**	**1 088 112**
		(519 273)	(252 849)
Operating expenses	2	(514 928)	(359 023)
Net (loss)/profit on investment portfolio		(4 345)	106 174
Profit for the year before net foreign exchange translation gain/(loss)		**532 473**	**835 263**
Net foreign exchange translation gain/(loss) - Amortised cost	16	88 258	(159 390)
Profit for the Year		**620 731**	**675 873**
Other Comprehensive Income		**238 878**	**134 459**
Unrealised Gain reserve	20	**238 878**	**115 836**
Allowance for credit losses - FVTOCI	9.1	-	4 325
Actuarial gains on Post-employment benefits		-	14 298
Total Comprehensive income		**859 609**	**810 332**
Profits attributable to:			
Revaluation reserve	16	88 258	(159 390)
Unrealised Gain reserve		238 878	115 836
Allowance for credit losses -FVTOCI	9.1	-	4 325
Amount available for distribution	3	532 473	849 561
		859 609	**810 332**

Statement of Financial Position as at 31 December 2020

	Notes	2020 N$'000	2019 N$'000
ASSETS			
Non-current Assets		**473 413**	**530 035**
Property and equipment	4	284 287	288 584
Intangible assets – computer software	5	21 483	10 177
Currency inventory	6	84 895	98 646
Loans and advances	7	82 748	132 628
Investment in Associate	8	-	-
Current Assets		**38 051 246**	**35 030 106**
Investments	9	31 654 662	28 905 678
Loans and advances	7	16 834	18 502
Loans and advances – Local Banks	10	1 040 782	1 746 376
Rand deposits	11	45 337	89 727
Other inventory – stationery and spares	12	4 881	4 584
Other receivables	13	5 288 750	4 265 239
TOTAL ASSETS		**38 524 659**	**35 560 141**
EQUITY AND LIABILITIES			
Capital and Reserves		**9 489 934**	**9 030 266**
Share capital	14	40 000	40 000
General reserve	15	2 463 986	2 160 111
Foreign currency revaluation reserve	16	6 200 558	6 112 300
Training fund reserve	19	16 179	13 479
State Revenue Fund	3	278 198	399 941
Development Fund reserve	17	114 402	166 702
Building Fund reserve	18	85 000	85 000
Investment revaluation reserve	20	291 611	52 733
Non-Current Liabilities		**62 201**	**57 985**
Provision for post-employment benefits	21	62 201	57 985
Current Liabilities		**28 972 524**	**26 471 890**
Notes and coins in circulation	22	4 711 567	4 518 207
Deposits	23	24 147 300	21 822 910
Provision for post-employment benefits	21	2 756	2 584
Trade and other payables	24	110 901	128 189
TOTAL EQUITY AND LIABILITIES		**38 524 659**	**35 560 141**

Statement of Changes in Equity
for the Year ended 31 December 2020

	Share Capital N$'000	Accumulated Profit & loss account N$'000	Training Fund Reserve N$'000	General Reserve N$'000	Foreign currency Revaluation Reserve N$'000	Investment Revaluation Reserve Fund N$'000	Distribution State Revenue Fund N$'000	Development Fund Reserve N$'000	Building Fund Reserve N$'000	Total N$'000
Balance at 1January 2019	**40 000**	**-**	**12 764**	**1 800 506**	**6 271 690**	**(67 428)**	**294 237**	**97 402**	**65 000**	**8 514 171**
(Loss)/Profit for the year	-	810 332	-	-	-	-	-	-	-	810 332
Transfer to Revaluation reserve	-	159 390	-	-	(159 390)	-	-	-	-	-
Transfers	-	-	(1 442)	2 142	-	-	-	(700)	-	-
Transfer to Unrealised Gain reserve*		(115 836)	-	-	-	115 836	-	-	-	-
Allowance for credit losses -FVTOCI	-	(4 325)	-	-	-	4 325	-	-	-	-
Dividend distribution(current year)	-	-	-	-	-	-	(294 237)	-	-	(294 237)
Appropriation of net profit for the year	-	(849 561)	2 157	357 463	-	-	399 941	70 000	20 000	-
Balance at 31 December 2019	**40 000**	**-**	**13 479**	**2 160 111**	**6 112 300**	**52 733**	**399 941**	**166 702**	**85 000**	**9 030 266**
Profit for the year	-	859 609	-	-	-	-	-	-	-	859 609
Transfer to Revaluation reserve	-	(88 258)	-	-	88 258	-	-	-	-	-
Transfers	-	-	-	52 300	-	-	-	(52 300)	-	-
Allowance for credit losses -FVTOCI		-	-	-	-	-	-	-	-	-
Transfer to Unrealised Gain reserve	-	(238 878)	-	-	-	238 878	-	-	-	-
Dividend distribution(current year)	-	-	-	-	-	-	(399 941)	-	-	(399 941)
Appropriation of net profit for the year	-	(532 473)	2 700	251 575	-	-	278 198	-	-	-
Balance at 31 December 2020	**40 000**	**-**	**16 179**	**2 463 986**	**6 200 558**	**291 611**	**278 198**	**114 402**	**85 000**	**9 489 934**

Statement of Cash Flows for the Year ended 31 December 2020

	Notes	2020 N$'000	2019 N$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	A	183 524	340 846
CASH FLOWS FROM INVESTING ACTIVITIES		**23 057**	**(43 638)**
Additional Investment in Associate		(303)	(863)
Proceeds on disposals of property & equipment and intangible assets		8	315
Purchase of property & equipment		(14 745)	(12 654)
Purchase of intangible asset – computer software		(13 451)	(3 120)
Decrease/(Increase) in loans and advances		51 548	(27 316)
CASH FLOWS FROM FINANCING ACTIVITIES		**(206 581)**	**(297 208)**
Distribution to the State revenue fund	B	(399 941)	(294 237)
(Decrease)/Increase in Notes and coins in circulation		193 360	(2 971)

NOTE:

A. RECONCILIATION OF PROFIT FOR THE YEAR TO CASH GENERATED BY OPERATIONS

	2020	2019
Profit for the year before net foreign exchange translation gain/(loss)	532 473	835 263
Adjusted for:		
Depreciation	19 042	16 254
PPE Adjustments	-	1 334
Provision post-employment benefits	4 388	6 672
Amortisation of computer software	2 145	2 244
Loss/(Profit) on disposal of property & equipment	(8)	(288)
Net (gains)/Loss on Investment portofolio	4 345	(106 174)
Impairment Loss - ECL	23 203	968
Impairment of Investment in Associate	303	863
Operating cash flows before movements in working capital	**585 891**	**757 136**
(Increase)/Decrease in Currency Inventory	13 751	(54 776)
(Increase)/Decrease in Other Inventory	(297)	(247)
(Increase) in loans and advances Local banks	705 594	92 742
(Increase)/Decrease in Rand deposits	44 390	(21 201)
(Increase)/Decrease in other receivables	(1 023 511)	(371 458)
Increase/(Decrease) in deposits	2 324 390	(2 123 347)
Increase/(Decrease) in trade and other payables	(17 288)	(50 060)
(Increase)/Decrease in investments	(2 449 396)	2 112 057
	183 524	340 846

B. DISTRIBUTION TO STATE REVENUE FUND

	2020	2019
Opening balance	(399 941)	(294 237)
Appropriations of net profit for the year	(278 198)	(399 941)
Closing balance in reserves	278 198	399 941
Paid for the year	**(399 941)**	**(294 237)**

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES

The Bank's annual financial statements are prepared in accordance with the going concern principle under the historical cost basis, except for financial assets and liabilities where the fair value and amortised cost basis of accounting is adopted. The principal accounting policies, which have been consistently applied in all material respects, are set out below. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.2. The annual financial statements have been prepared to comply with the requirements of the Bank of Namibia Act, 2020 and with the requirements of International Financial Reporting Standards (IFRS).

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

International Financial Reporting Standards and amendments issued but not effective for 31st December 2020 year-end; An assessment on the impact of the below standards have not yet been performed:

Standard(s)	**Effective date**	**Executive summary**
IFRS 10 *Consolidated Financial Statements*	The effective date of this amendment has been deferred indefinitely until further notice	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.
IFRS 9, IAS 39 and IFRS 7 *Interest rate Benchmark*	1 January 2021	The International Accounting Standards Board ("IASB") published Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39 and IFRS 7 representing the finalisation of Phase II of the project on 27 August 2020 to address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate, i.e.replacement issues.
IFRS 17 *Insurance contracts*	1 January 2023	• IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. • IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. • The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. • Insurance contracts are required to be measured based only on the obligations created by the contracts.
IAS 16 amendments *Property Plant and Equipment*	1 January 2022	The amendment clarifies the accounting for any proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Annual Financial Statement 31 December 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.1 NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Standard(s)	Effective date	Executive summary
IAS 37 Amendments *Onerous Contracts*	1 January 2022	The IASB published Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

International Financial Reporting Standards and amendments issued and effective for 31st December 2020 year-end: There has been no significant impact on the financials with the below amendments.

Standard(s)	Effective date	Executive summary
CONCEPTUAL FRAMEWORK	1 January 2020	The IASB published its revised Conceptual Framework for Financial Reporting. Included are revised definitions of an asset and a liability, as well as new guidance on measurement and derecognition. The primary purpose of the Framework is to assist the IASB (and the Interpretations Committee) by identifying concepts that it will use when setting standards.
IAS 1 *Presentation of Financial Statements*	1 January 2020	Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2020	Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
IFRS 3 *Business Combinations*	1 January 2020	Definition of a Business: The amendments: • confirmed that a business must include inputs and a process, and clarified that: • the process must be substantive; and • the inputs and process must together significantly contribute to creating outputs. • narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and • added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The major areas where management has used its judgment and accounting estimates are with regards to:

1. Impairment of Financial Assets

IFRS 9 requires that financial instruments be tested for impairments on a forward-looking basis. The main aim is to determine whether the credit risk of an instrument has changed materially since the previous reporting period. In order to make this calculation, the IASB requires entities to develop and use an Expected Credit Loss (ECL) model. Generally, it can be summarised that the ECL model aims to anticipate shortfalls of contractual cash flows of financial instruments in the event of a default. Refer to note 1.4 and 9.1 for the ECL accounting policy and disclosure.

2. Provision for post-employment benefits disclosed under note 21

An Actuarial valuation is performed once every three years to determine the Bank's obligation in this regard. The assumptions and judgments used by the actuary were considered by the Bank and were deemed reasonable considering the prevailing and anticipated future economic conditions.

3. Evaluation of useful lives and residual values

The residual value and useful life evaluation exercise is performed by internal staff members who have technical knowledge of specific classes of assets. Market information with regards to pricing is also obtained to ensure the required level of objectivity is maintained in the whole evaluation process.

4. Accounting for off-market loans as disclosed under note 7

Management judgement was applied to determine the average repayment period on the various classes of loans granted by the Bank. Prevailing interest rates at year end were however applied to determine the impairment charge for the year on new off-market loans.

Notes to the Annual Financial Statement
31 December 2020

1 ACCOUNTING POLICIES (CONTINUED)

1.3 REVENUE RECOGNITION

Interest income is recognised on a time proportioned basis, taking account of the principal outstanding and the effective interest rate over the period to maturity. The effective interest rate takes into account all directly attributable external costs, discounts or premiums on the financial assets.

Rand compensation income is received from the South African Government as compensation for the Rand currency in circulation in Namibia. The Bank accounts for this income on an accrual basis.

Other income consists of rental received, bank supervision fees and charges as well as sundry income. Other income is recognised to the extent that it is probable that the economic benefit will flow to the Bank and revenue can be reliably measured.

1.4 FINANCIAL INSTRUMENTS

Financial instruments as reflected on the Bank's Statement of financial position include all financial assets and financial liabilities. Management determines the appropriate classification at initial recognition of the financial instrument. Depending on their classification, financial instruments are carried at fair value or amortised cost as described below.

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. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other institution and those prices represent actual and regularly occurring market transactions on an arm's length basis.

In inactive markets, the most recent arm's length transactions are the basis of current fair values. Fair value is not the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

It is to be noted that the Bank does not invest in financial instruments which are not quoted in an active market, however should our investment philosophy change, valuation techniques such as cash flows models and consideration of financial data of the investees will be used to fair value certain financial instruments for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Disclosures will be made in the financial statements if changing any such assumptions to a reasonably possible alternative would result in significantly different profit, income, total assets or total liabilities.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition and includes transaction costs. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

Amortised costs is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest rate method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium, are not presented separately and are included in the carrying values of related Statement of financial position items.

The effective interest method is a method of allocating interest income or interest expense over the relevant period so as to achieve a constant periodic rate of interest (effective interest rate on the carrying amount). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a short period, if appropriate, to the net carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Recognition

The Bank recognises financial instruments including, “regular way” purchases and sales on settlement date and thus applies settlement date accounting to these transactions.

Financial assets and financial liabilities are recognised in the Bank’s statement of financial position when the Bank becomes a party to the contractual provisions of the instrument.

Loans and advances, other receivables and other financial liabilities are recognised on the day they are transferred to the Bank or on the day the funds are advanced.

Measurement

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 profit or loss.

Subsequent to initial measurement financial instruments are measured at fair value or amortised cost depending on their classification.

Notes to the Annual Financial Statement
31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

Reclassification

It is a requirement that institutions should disclose when it has reclassified a financial asset between one measured at amortised cost, FVTOCI or FVTPL. The Bank has not reclassified any of its financial assets during the year under review.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1. Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Bank may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Bank may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

2. Impairment of financial assets

The Bank recognises a loss allowance for expected credit losses on investments in financial assets that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Bank always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Bank's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Bank recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Bank measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2.1 Definitions

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

Notes to the Annual Financial Statement
31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Bank presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Bank has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Bank assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Bank considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amount.

The Bank regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Bank considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Bank, in full (without considering any collateral held by the Bank).

Irrespective of the above analysis, the Bank considers that default has occurred when a financial asset is more than 90 days past due unless the Bank has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

3. Write-off policy

The Bank writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Banks's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

4. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Bank in accordance with the contract and all the cash flows that the Bank expects to receive, discounted at the original effective interest rate.

If the Bank has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Bank measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Bank recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in financial assets that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

5. De-recognition of financial assets

The Bank 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 Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on de-recognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss.

The Bank did not transfer financial assets in such a way that part of the asset did not qualify for de-recognition.

Financial Liabilities

These are measured at amortised cost. Amounts due to the Government, bankers reserve and current accounts are stated at cost as these accounts do not have fixed maturity dates.

Notes and coins issued are measured at face value as this liability does not have a fixed maturity date.

Accounts payable are stated at cost as this approximates fair value due to the short-term nature of such obligations.

1.5. GENERAL RESERVE

The general reserve is established in terms of Section 72 of the Bank of Namibia Act, 2020 and may only be used for the purpose specified below:

- increase the paid-up capital of the Bank;
- offset losses sustained by the Bank during a financial year;
- fund a Development Reserve Account; and
- redeem any securities issued by the Bank.

The amount maintained in this account relates to the annual appropriation of distributable profits determined by Section 71 of the Bank of Namibia Act, 2020. The Act prescribes that not less than 25% of the net profits of the Bank for a financial year be transferred to the General Reserve Account.

Notes to the Annual Financial Statement
31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.6. FOREIGN CURRENCY ACTIVITIES AND REVALUATION RESERVE

The Revaluation Reserve has been created in accordance with Section 64 of the Bank of Namibia Act, 2020 and is used to accommodate any net gains or losses in any financial year of the Bank arising from any change in the book value or realised/unrealised value of the Bank's Assets or Liabilities denominated in currencies or units of account other than the Domestic Currency, such as gold, special drawing rights and foreign currencies. Any change in the value of such currencies or units of account in terms of the currency of Namibia, shall be credited to the Revaluation Reserve Account before any appropriation to any other reserve.

Assets and liabilities in foreign currencies are translated to Namibia Dollars at year-end exchange rates. In terms of Section 64 of the Bank of Namibia Act, 2020, exchange gains and losses of the Bank are for the account of the Government and are consequently transferred to the Revaluation Reserve Account before appropriation of profits.

1.7. BUILDING FUND RESERVE

This reserve was reactivated in the financial year 2016 to set aside funds for the construction of a Currency Museum and to extend the parking facilities at the Bank premises. Annual profits appropriated will be credited to the reserve and on completion of the construction, the reserve so created will be released to the General Reserve.

1.8. DEVELOPMENT FUND RESERVE

This reserve was established under section 73(1)(a) of the Bank of Namibia Act, 2020 for the purpose of promoting or financing economic development in Namibia. The reserve will be released to the General Reserve.

1.9. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and are depreciated on the straight-line method over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed regulary, with the effect of any changes in estimate accounted for on a prospective basis. The revised useful life in years, is as detailed below:

Freehold buildings	50 years
Computer hardware	2-6 years
Motor vehicles	4 years
Furniture, fittings and equipment	1-20 years
Note Sorting Machines	9-17 years

The residual value on the building is benchmarked to similar structures in the country and did not call for any adjustment in residual value both in the previous year and the current year. Subsequent costs are included in the assets carrying value only when it is probable that future economic benefits associated with the assets will accrue to the Bank. All other repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive income during the financial period in which they are incurred.

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.10. INTANGIBLE ASSETS – COMPUTER SOFTWARE

On acquisition the software is capitalised at purchase price and amortised on a straight-line basis with zero residual value. The estimated useful lives, residual values and amortisation methods are reviewed at each year end, with the effect of any changes in the estimate accounted for on a prospective basis. The Bank reassesses the residual value and useful life of Computer software on an annual basis and the useful life has been set to range between 1 and 8 years. Refer to note 5 for disclosure.

1.11. INVENTORY

Currency Costs

The costs of new Namibia bank notes and coins are capitalised and amortised on the earlier of issue of the currency or over five years. Cost comprises of printing and minting costs, carriage, insurance and freight landed at the Bank's premises or designated port of consignment arrival. Currency is issued using the weighted average cost.

Stationery and spares

Stationery and spares inventory are capitalised and stated at the lower of cost and net realisable value. Cost comprises of purchase price as well as applicable freight for imported spare parts. Inventory is issued using the weighted average costs.

1.12. PENSION FUND

It is the policy of the Bank to contribute to the retirement benefits for employees. The Bank operates a Defined Contribution pension fund, contributions to the Bank of Namibia Provident Fund are charged against income in the year in which they become payable.

1.13. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of the assets of the Bank are reviewed at each Statement of financial position date to determine whether there is any indication of impairment, in which case their recoverable amounts are estimated.

An impairment loss is recognised in the statement of profit or loss and other comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount. A previously expensed impairment loss will be reversed if the recoverable amount increases as a result of a change in the estimates used previously to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised.

1.14. EMPLOYEE BENEFITS

(a) POST- EMPLOYEMENT MEDICAL BENEFITS

The Bank provides for post-employment medical benefits in the form of a medical aid scheme for eligible employees and pensioners. The cost of providing benefits is determined using the projected unit credit method. The liability for the Bank's contribution to the scheme is, in respect of current and future

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.14. EMPLOYEE BENEFITS (CONTINUED)

pensioners, provided for by means of an on-Statement of financial position liability. The magnitude of the liability is based on an actuarial valuation. Actuarial gains and losses on the post-retirement medical benefits are accounted for in the year in which they arise.

(b) ANNUAL LEAVE

Liabilities for wages and salaries, including annual leave and accumulating sick leave that are expected to be settled wholly within 12 months are recognised and measured at the amounts expected to be paid when the liabilities are settled.

1.15. CASH FLOW STATEMENT

The definition of cash in the Standard is not wholly appropriate to the Bank. Due to its role in the creation and withdrawal of currency, the Bank has no cash balances on its Statement of financial position.

1.16. PROVISIONS

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.17. TRANSACTIONS ON BEHALF OF GOVERNMENT

The Bank undertakes several transactions on behalf of the Government, which include among others, payments and receipts, opening and maintenance of accounts for donor funded projects and the maintenance of accounts for line ministries. All such accounts opened are pre-funded with the funds received invested and the corresponding liability recorded in the books of the Bank. The transactions where the Bank only acts as an agent, as well as the assets and liabilities arising from such transactions, are not reflected in the annual financial statements of the Bank. Refer to note 31 for disclosure.

1.18. BORROWING COSTS

Borrowing costs are primarily interest and other costs incurred by the Bank in connection with the borrowing of funds. Borrowing costs are recognised on a time proportioned basis, taking account of the principal outstanding and the effective interest rate over the period of the loan and are expensed accordingly.

1.19. ACCOUNTING FOR IMF - SPECIAL DRAWING RIGHTS (SDR)

The Bank of Namibia is both the fiscal and depository agents for the Government of the Republic of Namibia. Given this relationship all transactions entered into with the International Monetary Fund are recorded in the books of Bank of Namibia.

Notes to the Annual Financial Statement 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.19. ACCOUNTING FOR IMF - SPECIAL DRAWING RIGHTS (SDR) (CONTINUED)

The SDR is an international reserve asset, created by the International Monetary Fund (IMF) in 1969 to supplement the existing official reserves of member countries. SDRs are allocated to member countries in proportion to their IMF quotas. The SDR also serves as the unit of account of the IMF and some other international organizations. The SDR is defined in terms of a basket of currencies. Its value is determined as the weighted sum of exchange rates of the five major currencies (Euro, Japanese yen, Pound sterling, US dollar and Chinese renminbi). In as far as Namibia is concerned, the total allocation of SDR by the IMF is recorded in the books of the Bank as an asset under “SDR and Other Receivables” classification and as a liability under “Deposits” classification.

1.20. NOTES AND COINS IN CIRCULATION

One of the primary functions of the Bank is the printing and minting of Namibia Dollar currency and issuance thereof into circulation. Costs of printing and minting the currency are capitalised and amortised based on issuance of the currency into circulation. New currency notes and coins are issued to the Commercial Banks at face value which then flows into circulation through the monetary and financial systems operational in the country. Once issued into circulation the notes and coins are reflected in the books of the Bank as a liability and the liability is only extinguished when the currency is no longer in circulation.

1.21. LENT OUT SECURITIES

The Bank derives income from securities lending activity. The counter parties involved in these transactions are highly rated institutions and a cash collateral is deposited by the counter party with the custodians as guarantee for the lent out securities. Our custodians are responsible for the administration and management of this activity. The income generated from the lent out securities activities, are recorded in the books of the Bank accordingly.

1.22. INVESTMENT REVALUATION RESERVE

The Reserve has been created to retain unrealised gains and losses on the Bank’s portfolio investments that are measured at fair value through other comprehensive income (FVTOCI) as per IFRS 9, until they are realised. Unrealised gains when realised become available for distribution and unrealised losses when realised are charged to the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Annual Financial Statement 31 December 2020

2. RESULTS FOR THE YEAR

Profit for the year is arrived at after taking the following items into account:

	2020 N$'000	2019 N$'000
Interest Income		
Namibia Dollar & Rand Currency	**445 532**	**637 652**
Debt Securities and Money Market instruments	445 532	637 652
Other Currency	**187 780**	**207 305**
Debt securities	183 757	200 841
Money market instruments	4 023	6 464
Unwinding of present value adjustments (Staff Loans)	5 364	5 905
	638 676	**850 862**
Interest Paid		
Government	8 179	-
Commercial Banks	77 104	181 438
Other	19 728	26 755
	105 011	**208 193**
Other Income		
Rand compensation income	499 787	407 594
Sundry income	18 286	37 561
Profit on disposal of property, equipment and intangible assets	8	288
	518 081	**445 443**
Operating Expenses		
Depreciation	19 042	16 254
Amortisation of computer software	2 145	2 244
Currency inventory amortisation costs	38 133	33 840
Salaries and related personnel costs	257 617	242 458
Staff training and development	2 647	5 017
Social responsibility	4 954	8 264
Board members' fees - for services as board members	1 317	1 377
Auditors' remuneration - audit fees	1 599	1 118
Membership fees	1 648	6 855
Building, IT and other maintenance costs	18 189	(38 427)
Amortization of pre-paid long-term employee benefit	5 364	5 905
Credit losses on Investments - IFRS 9	23 203	968
Share of Loss from Associate	303	863
Other expenditure	138 768	72 287
Total operational expenditure	**514 928**	**359 023**
Number of employees	**297**	**290**

Interest income relates to interest earned on investments which are invested in the Rand, EURO and USD money and capital markets as well as interest earned in NAD on the Commercial banks' settlement accounts, Repurchase agreements and staff loans.

Interest expense mainly relates to interest paid to the Government of the Republic of Namibia, BON Bills issued, Commercial Banks settlement accounts and Special Drawing Rights allocations by the IMF.

Notes to the Annual Financial Statement 31 December 2020

3. APPROPRIATION OF PROFITS IN TERMS OF THE BANK OF NAMIBIA ACT, 2020

	Notes	2020 N$ `000	2019 N$ `000
Total Comprehensive Profit for the Year		**859 609**	**810 332**
Unrealised Gains transfer to the Investment Revaluation Reserve		(238 878)	(115 836)
Exchange Rate (Gains)/Losses transferred to the Revaluation Reserve		-	-
		(88 258)	159 390
Allowance for credit losses -FVTOCI		-	(4 325)
Net Profit for the Year		**532 473**	**849 561**
Appropriation of Profits		**532 473**	**849 561**
General Reserve	15	251 575	357 463
Building Fund Reserve	18	-	20 000
Development Fund Reserve	17	-	70 000
Training Fund Reserve	19	2 700	2 157
Distribution to State Revenue Fund		278 198	399 941

The foreign exchange gain reflected on the Statement of Profit or Loss and Other Comprehensive Income includes translation gains for the year that has been charged to the Statement of Profit or Loss and Other Comprehensive Income to comply with the requirements of IAS 21 – Effect of changes in Foreign Exchange Rates. In terms of section 64 of the Bank of Namibia Act, 2020, gains and losses arising based on changes in the book or realised value of assets or liabilities, denominated in currencies other than the domestic currency, are to be transferred to the Revaluation Reserve. The Net Profit for the year in line with the compliance requirements of the Bank of Namibia Act, 2020 would therefore amount to N$532.47 million (2019: N$849.56 million). Appropriations of profits are based on this Net Profit figure.

Notes to the Annual Financial Statement 31 December 2020

4. PROPERTY AND EQUIPMENT

2020 Cost	Freehold Land and Buildings N$'000	Computer Hardware N$'000	Furniture Fittings & Equipment N$'000	Motor Vehicles N$'000	Total N$'000
At 1 January 2020	332 393	25 409	118 388	12 954	489 144
Additions	8 370	3 042	3 333	-	14 745
Disposals	-	-	-	-	-
At 31 December 2020	**340 763**	**28 451**	**121 721**	**12 954**	**503 889**
Accumulated depreciation					
At 1 January 2020	77 483	23 829	90 602	8 646	200 560
Current year charge	10 347	1 400	5 901	1 394	19 042
Disposals	-	-	-	-	-
At 31 December 2020	**87 830**	**25 229**	**96 503**	**10 040**	**219 602**
Carrying value					
At 1 January 2020	**254 910**	**1 580**	**27 786**	**4 308**	**288 584**
At 31 December 2020	**252 933**	**3 222**	**25 218**	**2 914**	**284 287**
2019					
Cost					
At 1 January 2019	334 394	24 241	117 148	9 133	484 916
Additions	2 640	1 171	4 385	4 458	12 654
Disposals	(1 460)	(3)	(722)	(637)	(2 822)
Transfer	(3 181)		(2 423)		(5 604)
At 31 December 2019	**332 393**	**25 409**	**118 388**	**12 954**	**489 144**
Accumulated depreciation					
At 1 January 2019	71 353	20 927	85 401	8 085	185 766
Current year charge	6 478	2 902	5 676	1 198	16 254
Disposals	(348)		(475)	(637)	(1 460)
At 31 December 2019	**77 483**	**23 829**	**90 602**	**8 646**	**200 560**
Carrying value					
At 1 January 2019	**263 041**	**3 314**	**31 747**	**1 048**	**299 150**
At 31 December 2019	**254 910**	**1 580**	**27 786**	**4 308**	**288 584**

Impact of change in Accounting Estimates	2020	2019
Depreciation based on new useful life estimates	10 347	749
Depreciation based on previous estimates	6 506	(1 548)
Effect of change on current year depreciation	3 841	(799)

In line with the requirements of IAS 16: Property, Plant & Equipment the Bank is required to perform a review of the residual value and useful life of all classes of Assets. The Bank performed residual value evaluations on its Land and Building in the current year. All other assets groups evaluations were conducted in 2019.

A register containing details of land and buildings is available for inspection at the registered office of the Bank.

Notes to the Annual Financial Statement 31 December 2020

5. INTANGIBLE ASSETS - COMPUTER SOFTWARE

	N$'000
2020	
Cost	
At 1 January 2020	61 953
Additions	13 451
At 31 December 2020	**75 404**
Accumulated amortisation	
At 1 January 2020	51 776
Current year charge	2 145
At 31 December 2020	**53 921**
Carrying value	
At 1 January 2020	**10 177**
At 31 December 2020	**21 483**
2019	
Cost	
At 1 January 2019	53 229
Additions	3 120
Transfers	5 604
At 31 December 2019	**61 953**
Accumulated amortisation	
At 1 January 2019	49 532
Current year charge	2 244
At 31 December 2019	**51 776**
Carrying value	
At 1 January 2019	**3 697**
At 31 December 2019	**10 177**

Notes to the Annual Financial Statement 31 December 2020

	2020 N$'000	2019 N$'000

6. CURRENCY INVENTORY

	2020 N$'000	2019 N$'000
Opening Balance	98 646	43 870
Purchases Current year	33 892	88 636
Currency revaluation	(9 510)	(20)
Amortisation current year	(38 133)	(33 840)
Closing Balance	**84 895**	**98 646**

7. LOANS AND ADVANCES

	2020 N$'000	2019 N$'000
Staff loans	99 727	86 541
Less: Present value adjustment for off-market loans	**(37 871)**	**(33 379)**
Opening balance – 1 January	(27 726)	(7 770)
Current year fair value adjustment of new loans	(4 781)	(19 704)
Amortised to Income statement	(5 364)	(5 905)
Add: Staff Long term benefit	**37 871**	**33 379**
Opening balance – 1 January	27 726	7 770
Current year Fair value adjustment of new loans	4 781	19 704
Amortised to Income statement	5 364	5 905
Net staff loans	**99 727**	**86 541**
Other loans	-	64 663
Lifetime credit loss allowance	(145)	(74)
Current portion of Staff Loans	(16 834)	(18 502)
Closing Balance	**82 748**	**132 628**

8. INVESTMENT IN ASSOCIATE

	2020 N$'000	2019 N$'000
Carrying value of Investment – 1 January 2020	-	-
Increase in Investment	303	863
Share of loss in Associate	(303)	(863)
Total Investment in Associate – 31 December 2020	-	-

The Bank holds a 49% interest in the Central Securities Depository (Pty) Ltd. The company is incorporated in Namibia and the interest is equity accounted for.

The CSD incurred a loss of N$865 909 in the current year (2019: N$871 000) and generated no income. The cumulative unrecognised share of loss as at 31 December 2020 is N$128 420, of which N$120 985 relates to the current year.

The CSD Company had total assets of N$1 652 (2019: N$1 045) and total liabilities of N$5 087 715 (2019: N$4 221 199).

Notes to the Annual Financial Statement
31 December 2020

9. INVESTMENTS

	2020 N$'000	2019 N$'000
Rand currency		
Fair value through profit or loss		
Debt securities & Money Market Investments	8 669 201	7 174 824
Fair value through other comprehensive income		
Debt securities	2 726 257	902 561
Amortised Cost		
Money market instruments	5 568 891	3 650 537
	16 964 349	**11 727 922**
Other currencies		
Fair value through profit or loss		
Debt securities & Money Market Investments	3 007 606	5 593 454
Fair value through other comprehensive income		
Debt securities & Money Market Investments	7 012 461	6 958 899
Amortised Cost		
Money market instruments	4 698 677	4 630 631
	14 718 744	**17 182 984**
Total Gross investments	**31 683 093**	**28 910 906**
Less: Allowance for credit losses -Amortised costs (refer to 9.1)	(28 431)	(5 228)
Total Investments	**31 654 662**	**28 905 678**

Notes to the Annual Financial Statement 31 December 2020

9. INVESTMENTS (CONTINUED)

9.1 IMPAIRMENT OF FINANCIAL ASSETS

The following table shows the movement in expected credit losses that has been recognised for the respective investments.

Classification	Internally Managed Bonds N$'000	Externally managed N$'000	Total Impairment Loss on assets measured at FVTOCI N$'000	Internally Managed Money Market Instruments N$'000	Total N$'000
Balance at 1 January 2020	**4 598**	**1 370**	**5 968**	**5 228**	**11 196**
Increase/(Decrease) in 12 Month ECL	(4 156)	355	(3 801)	(4 920)	(8 721)
Increase/(Decrease) in Lifetime ECL	20 681	778	21 459	10 465	31 924
Balance at 31 December 2020	**21 123**	**2 503**	**23 626**	**10 773**	**34 399**

Classification	Internally Managed Bonds N$'000	Externally managed N$'000	Total Impairment Loss on assets measured at FVTOCI N$'000	Internally Managed Money Market Instruments N$'000	Total N$'000
Balance at 1 January 2019	**611**	**1 032**	**1 643**	**8 585**	**10 228**
Increase/(Decrease) in 12 Month ECL	4 087	341	4 428	(3 357)	1 071
Increase/(Decrease) in Lifetime ECL	. (100)	(3)	(103)	-	(103)
Balance at 31 December 2019	**4 598**	**1 370**	**5 968**	**5 228**	**11 196**

IFRS 9.5.5.2 prescribes that the Allowance for credit losses for Financial Assets measured at FVTOCI of N$23.626 million (2019: N$5.968 million) shall be recognised in Other comprehensive income and shall not reduce the carrying amount of the Financial asset in the statement of financial position. The movement in the loss allowance is included in the Investment revaluation reserve.

9.2 LENT OUT SECURITIES

As at 31st December 2020, the value of lent out securities from our Investment Portfolio, managed by our custodians, nominal value amounted to Euro 2.63 million; NAD equivalent 47.28 million (2019: Euro 3.09 million; NAD equivalent 48.89 million). The counter- parties involved in these transactions are rated institutions and cash collateral has been deposited with the custodians as guarantee for the lent-out securities. The income generated from the lent-out securities activity, has been recorded in the books of the Bank accordingly.

Notes to the Annual Financial Statement
31 December 2020

9. INVESTMENTS (CONTINUED)

9.3 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The levels of hierarchy used to determine the fair value of financial instruments is as detailed below:

Fair value of instruments that fall in the Level 1 category would be based on the unadjusted quoted prices in an active market for identical assets or liabilities. Level 2 category would be based on quoted prices that are observable for the asset or liability, either directly as prices or indirectly as derived from prices. Level 3 category would be based on inputs for the asset or liability that are not based on observable market data.

Level 1
The fair value of the Bank's financial instruments traded in active markets are based on the quoted prices obtained from the custodians at the statement of the financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer broker or pricing services, and the prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
The fair value of financial instruments not traded in an active market is determined using available observable market data and rely as little as possible on entity specific estimates. Some of the techniques used include market prices for similar instruments and discounted cash flows where future cash flows are discounted using a market related interest rate.

As at 31st December 2020, the fair value of financial instruments that were classified under the various hierarchies is detailed in the tables below:

As at 31st December 2020

	Level 1 N$'000	Level 2 N$'000	Level 3 N$'000	Total N$'000
Rand and Other Currency Investments	2 236 637	19 178 888	-	21 415 525
	2 236 637	**19 178 888**	**-**	**21 415 525**

As at 31st December 2019

	Level 1 N$'000	Level 2 N$'000	Level 3 N$'000	Total N$'000
Rand and Other Currency Investments	2 142 742	18 486 996	-	20 629 738
	2 142 742	**18 486 996**	**-**	**20 629 738**

The fair value of the amortised cost instruments not included above amounts to N$10 267 567 (2019: N$ 8 281 168).

Notes to the Annual Financial Statement 31 December 2020

	2020 N$'000	2019 N$'000

10. LOANS AND ADVANCES - LOCAL BANKS

	2020 N$'000	2019 N$'000
Repurchase agreements – local banks	1 040 782	1 746 376
	1 040 782	1 746 376

Repurchase agreements are overnight and seven-day loan facilities granted to the commercial banks to cover for temporary liquidity shortages. The overnight and seven day repurchase agreements are granted to banking institutions to draw under the credit facility an amount equal to the total adjusted value of eligible securities pledged by each banking institution as collateral to Bank of Namibia.

11. RAND DEPOSITS

	2020 N$'000	2019 N$'000
Closing Balance	45 337	89 727
	45 337	89 727

Rand deposits is the value of Rand bank notes held by the Bank of Namibia. Commercial banks deposit the Rand notes collected at their various branches at the Bank of Namibia. The Bank of Namibia in turn repatriates the said currency to the South African Reserve Bank based on predetermined currency values.

12. OTHER INVENTORY – STATIONERY AND SPARES

	2020 N$'000	2019 N$'000
Opening Balance	4 584	4 337
Purchases current year	915	725
Issues current year	(617)	(473)
Adjustments	(1)	(5)
Closing Balance	**4 881**	**4 584**

13. OTHER RECEIVABLES

	2020 N$'000	2019 N$'000
Accounts receivable	43 111	37 267
Less: Allowance for credit losses	-	-
	43 111	37 267
Rand compensation receivable – South African Reserve Bank	499 787	407 594
IMF Quota	4 717 395	3 786 064
IMF – Special Drawing Rights	28 457	34 314
	5 288 750	4 265 239

Notes to the Annual Financial Statement 31 December 2020

	2020 N$'000	2019 N$'000

14. SHARE CAPITAL & CAPITAL MANAGEMENT

	2020 N$'000	2019 N$'000
Authorised share capital		
100 000 000 ordinary shares of N$1 each	**100 000**	**100 000**
Issued share capital		
40 000 000 ordinary shares of N$1 each	**40 000**	**40 000**

The Capital is the amount subscribed by the Government in accordance with Section 8 of the Bank of Namibia Act, 2020. The Bank is not subject to any externally imposed capital requirements however annually the appropriation of the profits is approved by the Government which requires that a minimum percentage of the annual profits is transferred to the general reserve which forms part of the Bank's capital.

15. GENERAL RESERVE

	2020 N$'000	2019 N$'000
Opening Balance	2 160 111	1 800 506
Transfers from Development Fund Reserve /Training Fund Reserve	52 300	2 142
Appropriation of net profit for the year	251 575	357 463
Closing Balance	**2 463 986**	**2 160 111**

The General Reserve is a Statutory Reserve that may be utilised for increasing the paid- up Capital of the Bank, offset losses incurred, fund a Development Reserve or redeem any securities issued by the Bank.

16. FOREIGN CURRENCY REVALUATION RESERVE

	2020 N$'000	2019 N$'000
Opening Balance	6 112 300	6 271 690
Net foreign exchange gain (losses)	88 258	(159 390)
Closing Balance	**6 200 558**	**6 112 300**

The Revaluation reserve has been created in accordance with Section 64 of the Bank of Namibia Act, 2020. The Act requires that both realised and unrealised gains and losses be transferred to the Revaluation Reserve account.

17. DEVELOPMENT FUND RESERVE

	2020 N$'000	2019 N$'000
Opening Balance	166 702	97 402
Transfer to General Reserve	(52 300)	(700)
Appropriation of net profit for the year	-	70 000
Closing Balance	**114 402**	**166 702**

This reserve was established under section 73(1)(a) of the Bank of Namibia Act, 2020 for the purpose of promoting or financing economic development in Namibia. The N$52.3 million was availed to the Development Bank of Namibia in order to fund the Credit Guarantee Scheme.

Notes to the Annual Financial Statement 31 December 2020

18. BUILDING FUND RESERVE

	2020 N$'000	2019 N$'000
Opening Balance	85 000	65 000
Appropriation of net profit for the year	-	20 000
Closing Balance	**85 000**	**85 000**

This reserve was established under section 73(1)(a) of the Bank of Namibia Act, 2020 for the purpose of accumulating funds for building projects that the Bank intends to embark upon in the future.

19. TRAINING FUND RESERVE

	2020 N$'000	2019 N$'000
Opening Balance	13 479	12 764
Transfer to general reserves	-	(1 442)
Appropriation of net profit for the year	2 700	2 157
Closing Balance	**16 179**	**13 479**

The training fund reserve has been created to provide funds to up-skill the Bank's human capacity in order to meet challenges of a rapidly changing and complex financial environment under which the Bank operates.

20. INVESTMENT REVALUATION RESERVE

	2020 N$'000	2019 N$'000
Opening Balance	52 733	(67 428)
Transfers to Investment revaluation reserve for the year	238 878	115 836
Allowance for credit losses	-	4 325
Closing Balance	**291 611**	**52 733**

Notes to the Annual Financial Statement 31 December 2020

21. PROVISION FOR POST-EMPLOYMENT BENEFITS

The Bank provides post-employment medical benefits to retired staff members. A provision for the Liability has been determined based on the Projected Unit Credit Method. The valuation was performed for the year ended 31 December 2019 and estimated for 2020. The Actuarial valuation was performed by ARCH Actuarial consulting, a member of the Actuarial Society of South Africa ("ASSA") with 20 years experience in performing similar valuations.

	2020 N$'000	2019 N$'000
Opening Liability	60 569	68 195
Interest costs	5 806	6 296
Current service costs	1 166	2 073
Benefit payments	(2 584)	(1 697)
Actuarial loss/(gain)	-	(14 298)
Closing Liability	64 957	60 569
Current portion of post employment benefits obligation	(2 756)	(2 584)
Non-current portion of post employment benefits obligation	**62 201**	**57 985**
Number of members	**175**	**175**

Key assumptions	**2020**	**2019**
Discount rate	9.79% p.a.	9.79 % p.a.
Medical inflation	6.71 % p.a.	6.71% p.a.
Valuation date	31 December 2019	31 December 2019

The effect of a 1% movement in the assumed medical cost trend rate is as follows:	Increase N$'000	Decrease N$'000
Effect on the aggregate of the current service cost and interest cost	1 564	1 564
Effect on the defined benefit obligation	**66 521**	**62 133**

At 31 December	2020 N$'000	2019 N$'000	2018 N$'000	2017 N$'000	2016 N$'000
Present value of post-retirement benefit obligation	64 957	60 569	68 195	62 134	56 628

The Bank's post-retirement plan is unfunded.

Notes to the Annual Financial Statement
31 December 2020

	2020 N$'000	2019 N$'000

22. NOTES AND COINS IN CIRCULATION

Notes	4 459 242	4 271 821
Coins	252 325	246 386
	4 711 567	**4 518 207**

Currency in circulation represents Namibia bank notes and coins in the hands of the commercial banks and the public at large. The commercial banks are the conduit by which the public has access to currency.

23. DEPOSITS

Government of the Republic of Namibia	4 758 856	4 497 372
Domestic bankers' reserve account	1 277 809	1 251 355
Domestic bankers' settlement account	1 704 330	1 310 605
SDR Allocation account	2 744 996	2 546 627
IMF Securities account	4 717 395	3 786 064
GIPF BoN Asset Swap Investment	6 911 503	5 945 667
NAMPOWER BoN Asset Swap Investment	938 580	985 704
Other Deposits	1 044 022	1 476 537
Other – Pre-funded donor funds at cost	49 809	22 979
	24 147 300	**21 822 910**

Bankers reserve account balances have no fixed maturity and attract no interest. The Settlement account however attracts interest at the prevailing rate as determined by the Bank of Namibia.

Interest is payable to the Government of the Republic of Namibia on deposits in excess of N$250 million at the 91-day Treasury Bill rate less a discount of 4.5%.

Pursuant to Section 45 and 47 of the Bank of Namibia Act, 2020, the Government may take up short-term loans from the Bank, which shall have a maturity of less than six months. The government may without prior notification utilise an overdraft facility from the Bank not exceeding N$2.5 billion. The Government shall pay interest to the Bank on debit balances at a rate equivalent to the 91-day Treasury bill rate plus 50 basis points. Any request by Government for credit from the Bank in excess of N$2.5 billion shall be referred to the Board of the Bank for consideration.

The GIPF and NAMPOWER BoN Asset Swap arrangements were entered to enhance Namibia's foreign reserve stocks.

Other Deposits are mainly made up of foreign currency denominated call deposit facilities provided to commercial banks and call account facilities extended to specific local institutions.

The pre-funded donor funds are monies received on behalf of the Government for various donor funded projects being undertaken in the country. These funds have no maturity dates and attract no interest.

Notes to the Annual Financial Statement 31 December 2020

	2020 N$'000	2019 N$'000

24. TRADE AND OTHER PAYABLES

	2020 N$'000	2019 N$'000
Other Payables	-	56 165
Sundry Creditors	76 768	60 488
Payable - Financial Intelligence Centre (FIC)	28 902	11 536
Payable - Namibia Deposit Guarantee Authority (NDGA)	5 231	-
	110 901	**128 189**

25. RETIREMENT FUND

Retirement benefits are provided for employees by a separate provident fund, known as the Bank of Namibia Provident Fund, to which the Bank contributes. The provident fund is administered under the Pension Fund Act, 1956 (No. 24 of 1956). The Fund was converted from a Defined Benefit Pension Fund to a Defined Contribution Provident Fund as at 1 March 2000. All employees contribute to the fund. Total Bank's contributions for the year 2020 amounted to N$24,141,876 (31 December 2019: N$23,825,308).

26. TAXATION

No provision for taxation has been made in the annual financial statements as the Bank is exempted from taxation in terms of Section 74 of the Bank of Namibia Act, 2020.

27. FINANCIAL INTELLIGENCE CENTRE (FIC)

The Bank continues to render administrative support to the Financial Intelligence Centre (FIC). The FIC was established in terms of the Financial Intelligence Act, 2007 (No 3 of 2007). This Act was repealed in 2012 and replaced by the Financial Intelligence Act of 2012 which came into effect in December 2012. The Act prescribes that the Bank of Namibia shall host the FIC and will be responsible and accountable for all its operational and administrative activities. During 2016, the FIC financials were separated from those of the Bank. The intercompany accounts are used to determine and settle transactions between the FIC and the Bank. As at 31 December 2020, the Bank owes the FIC N$28,901,651.76 (2019: N$11,536,295) which is reflected on the intercompany account and disclosed under Note 24.

28. NAMIBIA DEPOSIT GUARANTEE AUTHORITY (NDGA)

The Bank renders administrative support to the Namibia Deposit Guarantee Authority (NDGA). The NDGA was established in terms of the Deposit Guarantee Act 16 of 2018. The Act prescribes that the Bank of Namibia shall host the NDGA and will be responsible and accountable for all its operational and administrative activities. The intercompany accounts are used to determine and settle transactions between the NDGA and the Bank. As at 31 December 2020, the Bank owes the NDGA N$ 5,230,968.89, which is reflected on the intercompany account and disclosed under Note 24.

Notes to the Annual Financial Statement 31 December 2020

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The investment of foreign exchange reserves in financial instruments gives rise to exposure to various types of financial risks which include currency, interest rate, credit and liquidity risk. Risk management at the Bank of Namibia forms an integral part of foreign reserves management within the governance structures of the Bank. Foreign exchange reserves are managed in a three-tier governance structure consisting of the Board of Directors, the Investment Committee and the Financial Markets Department (FMD). To further strengthen the role of managing foreign reserves, a Credit Risk Committee was established acting as a function of the FMD and consists of members from outside the department.

The highest hierarchy, namely the Board defines the investment policy of the Bank, which guides the management and risk appetite of the foreign exchange reserves. The Board authority is delegated to the Investment Committee to ensure compliance with the investment mandate. The FMD is responsible for managing the reserves and within the FMD, there is a Risk & Analytics section that proactively monitors compliance of investments to assigned risk parameters daily.

In order to best achieve the multiple investment objectives, the Bank divides the reserves into three tranches namely: Working Capital, Liquidity and Investment Tranche.

Tranche	Horizon	Objective
Working Capital	0-3 Months	Provide Liquidity, no negative returns allowed on any period (100% Cash)
Liquidity	1 Year	Maximize returns subject to avoiding negative returns at 99% confidence (as measured on an annual basis)
Investment	1 Year	Maximize returns subject to a negative return of 100 bps with 95% probability (as measured on an annual basis)

The different types of risks that the foreign exchange reserves are exposed to and the Bank's risk management approaches are stated below:

Notes to the Annual Financial Statement 31 December 2020

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.1 MARKET RISK

Market risk is the potential for adverse changes in the fair value or future cash flows of the Bank's foreign reserve assets due to changes in market and macroeconomic variables such as interest rates, exchange rates and inflation. The Bank employs duration management, diversification, hedging, correlation analysis and risk budgeting to manage market risk. In managing the foreign exchange reserves, the Bank follows an enhanced indexation approach which aims to outperform traditional passive portfolio management techniques by investing in a defined benchmark as well as employing an active management strategy to enhance investment returns on appropriate portfolios.

Sensitivity analysis on Interest rate risk

This has been considered under the interest rate risk below. Refer to Note 29.2.

Sensitivity Analysis on Currency risk

The Bank of Namibia follows an Asset-Liability Management Approach to determine its currency composition (an exercise which is undertaken annually during the Strategic Asset Allocation review). In order to hedge the value of Namibia's foreign-denominated liabilities, the foreign reserve assets are matched to these liabilities, therefore there is no exposure to currency risk. Refer to note 29.3.

	2020		2019	
	Total Assets	(Increase)/ Decrease profit/loss	Total Assets	(Increase)/ Decrease profit/loss
Assets				
USD	13 044 055	(1 304 405)	15 609 660	(1 560 971)
EURO	867 628	(86 763)	840 663	(73 361)
OTHER CURRENCIES	5 551 992	(555 199)	760 672	(74 609)
	19 463 675	(1 946 367)	17 210 995	(1 708 941)
% Impact on investments		5%		6%
Liabilities				
USD	(513 078)	51 308	(7 069 533)	706 930
EURO	-	-	(11 359)	1 118
OTHER CURRENCIES	(7 462 391)	746 239	-	-
	(7 975 469)	797 547	(7 080 892)	708 048
% Impact on Liabilities		3%		5%

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK

Interest rate risk is the risk that the fair value of a financial instrument will reduce below its acquisition cost due to an increase in interest rates. Foreign exchange reserve assets are sensitive to the interest rate movement path. Changes in interest rates impacts the value of these assets as well as the potential interest income. A commonly used measure for interest rate risk on a bond or money market portfolio is the Dollar Value (DV01) approach. This approach considers the change in value of an asset or portfolio due to a 0.01 percent change in yield. The following table summarises the Bank's interest rate exposure using this methodology and applies a 0.01 percent interest rate shock. The table can therefore be used as a basis for an assessment of the sensitivity of the Bank's income to interest rate movements.

IMPACT OF INTEREST RATE CHANGE ON EUR PORTFOLIO – 2020

Instrument	Amount Invested €'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
Working Capital	0	0%	0.00%	-	-	-	-	-
Liquidity Tranche	0	0%	0.00%	-	-	-	-	-
Investment Tranche	0	0%	0.00%	-	-	-	-	-
	0	0%	0.00%		-	-	-	-

There is no interest rate calculation on the EUR portfolio as it currently has no assets that carry interest rate risk.

IMPACT OF INTEREST RATE CHANGE ON USD PORTFOLIO - 2020

Instrument	Amount Invested US$'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
Working Capital	11 742	2%	0.00%	0.00	0.00	0.33	171 684	0.05
Liquidity Tranche	74 738	12%	0.25%	0.09	0.64	63.79	1 092 805	9.33
Investment Tranche	36 099	6%	2.04%	2.27	8.21	821.00	527 829	120.05
Externally Managed Portfolios	444 494	74%	2.05%	3.38	150.45	15044.82	6 499 280	2 199.82
CFC	35 004	6%	1.64%	0.00	0.01	0.97	511 814	0.14
	602 077	**100%**	**1.772%**		**159.3**	**15930.91**	**8 803 412**	**2 329.38**

IMPACT OF INTEREST RATE CHANGE ON ZAR PORTFOLIO - 2020

Instrument	Amount Invested R'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount Invested NAD'000	Estimated Loss Assuming 1% Change ('000)
Working Capital	1 922 054	23%	3.81%	0.00	0.52	52.49	1 922 054	0.52
Liquidity Tranche	4 028 961	49%	3.66%	0.21	84.57	8456.93	4 028 961	84.57
Investment Tranche	2 339 286	28%	4.23%	0.30	70.07	7007.46	2 339 286	70.07
	8 290 301	**100.0%**	**3.855%**		**155.17**	**15516.88**	**8 290 301**	**155.17**

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK (CONTINUED)

IMPACT OF INTEREST RATE CHANGE ON SDR PORTFOLIO - 2020

Instrument	Amount invested Respective Currency '000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss/Gain Assuming 1 bps Change ('000)	Estimated Loss/Gain Assuming 1% Change ('000)	Amount invested NAD '000	Estimated Loss/Gain Assuming 1% Change (NAD '000)
SDR	1 352	1%	0.00%	0	0	0.00	28 463	0
CNY	152 750	12%	2.47%	0.17	2.61	261.00	68 218	5.84
EUR	49 268	31%	-0.32%	0.52	2.54	254.00	885 425	45.74
GBP	11 809	8%	0.67%	0.37	0.44	44.00	235 164	8.77
JPY	1 600 831	8%	0.00%	-	-	-	226 925	-
USD	79 520	40%	0.31%	0.22	1.76	176.00	1 162 722	25.71
	1 895 530	100%	3.13%		7.35	735.00	2 606 917	86.06

IMPACT OF INTEREST RATE CHANGE ON EUR PORTFOLIO - 2019

Instrument	Amount invested €'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount invested NAD'000	Estimated Loss Assuming 1 bsp Change (N$ '000)
Working Capital	3 703	100%	-0.500%	0.00	0.00	0.10%	58 606	1.63
Liquidity Tranche	-	0%	0.000%	-	-	0.00%		-
Investment Tranche	-	0%	0.000%	-	-	0.00%		-
	3 703	100%	-0.500%		0.00	0.10%	58 606	1.63

IMPACT OF INTEREST RATE CHANGE ON USD PORTFOLIO - 2019

Instrument	Amount invested US$'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount invested NAD'000	Estimated Loss Assuming 1 % Change (N$ '000)
Working Capital	10 407	2%	1.443%	0.003	0.00	0.29	146 980	4.08
Liquidity Tranche	52 136	8%	1.956%	0.003	0.01	1.45	736 346	20.45
Investment Tranche	38 891	6%	1.690%	2.490	9.68	968.23	549 282	13 674.77
Externally Managed Portfolios	425 020	68%	1.469%	3.547	150.74	15074.34	6 002 751	212 901.64
Endowment Fund	0	0%	2.620%	0.058	-	0.00	-	-
CFC	100 062	16%	1.641%	0.003	0.03	2.78	1 413 220	39.26
	626 516	100%	1.550%		160	16047.09	8 848 579	226 640.20

Notes to the Annual Financial Statement 31 December 2020

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK (CONTINUED)

IMPACT OF INTEREST RATE CHANGE ON ZAR PORTFOLIO - 2019

Instrument	Amount invested R'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount invested NAD'000	Estimated Loss Assuming 1 % Change (N$ '000)
Working Capital	1 023 388	22%	7.190%	0.003	0.28	28.04	1 023 388	28.04
Liquidity Tranche	2 052 396	45%	7.289%	0.003	0.56	56.23	2 052 396	56.23
Investment Tranche	1 473 687	32%	7.670%	0.229	33.73	3 372.72	1 473 687	3 372.72
	4 549 471	100.0%	7.390%		34.57	3 456.99	4 549 471	3 456.99

IMPACT OF INTEREST RATE CHANGE ON SDR PORTFOLIO - 2019

Instrument	Amount invested €'000	Actual Portfolio Weight	Interest Rate	Duration (Yrs)	Estimated Loss Assuming 1 bps Change ('000)	Estimated Loss Assuming 1% Change ('000)	Amount invested NAD'000	Estimated Loss Assuming 1% Change (NAD '000)
USD	78 531	42%	2.045%	0.003	0.02	2.15	1 109 129	30.39
EUR	49 393	30%	-0.212%	0.003	0.01	1.35	781 630	21.41
GBP	11 720	8%	0.900%	0.378	0.44	44.27	217 083	820.04
JPY	1 600 959	8%	0.000%	0.003	0.44	43.86	208 093	5.70
CNY	149 036	12%	2.600%	0.178	2.65	264.95	301 754	536.45
	1 889 639	100%	1.180%		3.57	356.59	2 617 689	1 414.00

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.2 INTEREST RATE RISK (CONTINUED)

INTEREST RATE REPRICING PROFILE

The following table summarises the Bank's interest rate exposure in the form of an interest rate repricing table. This shows when the interest rate earned or charged on assets and liabilities are expected to change based on the various maturities. The table can therefore be used as the basis for an assessment of the sensitivity of the Bank's net income to interest rate movements.

AS AT YEAR ENDED 31 DECEMBER 2020

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	more than 5 years	Non-Interest Bearing	Total
Assets						
Loans and advances	-	-	99 582	-	-	99 582
Investment	10 239 642	6 740 887	12 446 309	2 000 923	226 901	31 654 662
Loans and advances - Local Banks	1 040 782	-	-	-	-	1 040 782
Rand deposits	-	45 337	-	-	-	45 337
Other receivables	5 288 750	-	-	-	-	5 288 750
Total Assets	**16 569 174**	**6 786 224**	**12 545 891**	**2 000 923**	**226 901**	**38 129 113**
Liabilities						
Deposits	22 288 738	-	-	-	1 858 562	24 147 300
Trade and other payables	110 901	-	-	-	-	110 901
Total Financial Liabilities	**22 399 639**	**-**	**-**	**-**	**1 858 562**	**24 258 201**
Interest rate repricing gap	**(5 830 465)**	**6 786 224**	**12 545 891**	**2 000 923**	**(1 631 661)**	**13 870 912**

AS AT YEAR ENDED 31 DECEMBER 2019

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	more than 5 years	Non-Interest Bearing	Total
Assets						
Loans and advances – non current	-	-	151 130	-	-	151 130
Investment	7 049 466	6 938 707	6 260 672	8 448 568	208 265	28 905 678
Loans and advances – current	1 746 376	-	-	-	-	1 746 376
Rand deposits	-	-	-	-	89 727	89 727
Other receivables	4 265 239	-	-	-	-	4 265 239
Total Financial Assets	**13 061 081**	**6 938 707**	**6 411 802**	**8 448 568**	**297 992**	**35 158 150**
Liabilities						
Deposits	20 548 575	-	-	-	1 274 335	21 822 910
Trade and other payables	128 189	-	-	-	-	128 189
Total Financial Liabilities	**20 676 764**	**-**	**-**	**-**	**1 274 335**	**21 951 099**
Interest rate repricing gap	**(7 615 683)**	**6 938 707**	**6 411 802**	**8 448 568**	**(976 343)**	**13 207 051**

Notes to the Annual Financial Statement 31 December 2020

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.3 CURRENCY RISK

In terms of the Investment Policy and Guidelines, foreign exchange risk is managed on a risk neutral basis through a currency composition (benchmark) that provides a natural hedge against potential liabilities. The currency composition of the foreign exchange reserves reflects the currency distribution of the country's short-term external debt, imports and other contingent liabilities. The Bank's foreign reserve tranches are further composed of its various reserve currencies. The currency composition of reserves is determined using an asset liability approach whereby the potential calls on the reserves form the basis for the respective currency allocations. For the year 2020, the foreign reserves tranches were managed in-line with the currency exposure limits as shown below.

Instruments	ZAR Portfolio	USD Portfolio	EUR Portfolio	Other Portfolio
Working Capital	500mil – 2.5bn	0mil – 10mil	0mil – 5mil	0
Liquidity Tranche	500mil ≤	0mil – 125mil	0mil – 50mil	0
Investment Tranche (%)	86	14	0	0

Risk-return preferences per tranche

Tranche	Horizon	Objective
Working Capital	0-3 Months	Provide Liquidity, no negative returns allowed on any period (100% Cash)
Liquidity	1 Year	Maximize returns subject to avoiding negative returns at 99% confidence (as measured on an annual basis)
Investment	1 Year	Maximize returns subject to a negative return of 100 bps with 95% probability (as measured on an annual basis)

The effect of the Namibia dollar exchange rates against the foreign currencies can have an impact on the level of foreign currency reserves when reported in local currency (NAD). The weakening of the NAD against the USD as well as other major currencies will favourably affect the reserve position when reported in NAD. The opposite effect holds when the NAD appreciates against these currencies. The NAD is pegged to the ZAR at a one-to-one parity and hence there is no currency risk on the portion of foreign reserves invested that currency.

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.3 CURRENCY RISK (CONTINUED)

AT 31 DECEMBER 2020 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

N$'000	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Loans and advances - non current	99 582	-	-	-	-	99 582
Investment	-	16 936 839	867 628	13 044 055	806 140	31 654 662
Loans and advances - Local Banks	1 040 782	-	-	-	-	1 040 782
Rand deposits	-	45 337	-	-	-	45 337
Other receivables	43 111	499 787	-	-	4 745 852	5 288 750
Total Assets	**1 083 475**	**17 481 963**	**867 628**	**13 044 055**	**5 551 992**	**38 129 113**
Liabilities						
Deposits	8 321 748	7 850 083	-	513 078	7 462 391	24 147 300
Trade and other payables	110 901	-	-	-	-	110 901
Total Liabilities	**8 432 649**	**7 850 083**	**-**	**513 078**	**7 462 391**	**24 258 201**
Net Statement of financial position	**(7 249 174)**	**9 631 881**	**867 628**	**12 530 977**	**(1 910 399)**	**13 870 912**

AT 31 DECEMBER 2019 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Loans and advances - non-current	151 130	-	-	-	-	151 130
Investment	-	11 860 985	840 236	15 600 146	604 311	28 905 678
Loans and advances - current	1 746 376	-	-	-	-	1 746 376
Rand deposits	-	89 727	-	-	-	89 727
Other receivables	37 193	407 594	-	-	3 820 452	4 265 239
Total Financial Assets	**1 934 699**	**12 358 306**	**840 236**	**15 600 146**	**4 424 763**	**35 158 150**
Liabilities						
Deposits	7 083 033	6 931 372	-	1 475 814	6 332 691	21 822 910
Trade and other payables	128 189	-	-	-	-	128 189
Total Financial Liabilities	**7 211 222**	**6 931 732**	**-**	**1 475 814**	**6 332 691**	**21 951 099**
Net Financial Instruments	**(5 276 523)**	**5 426 574**	**840 236**	**14 124 332**	**(1 907 928)**	**13 207 051**

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.4 LIQUIDITY RISK

Liquidity risk is the risk that the Bank will be unable to meet its financial obligations as they fall due or the possibility that the Bank will incur substantial capital losses when it disposes its securities in the secondary market. Liquidity is the second most important foreign exchange reserves management objective after capital preservation. The Bank seeks to maintain enough liquidity by investing in securities with an active secondary market. As at 31 December 2020, 55 percent (2019: 49 percent) of investments could be liquidated at no cost within two working days, reflecting the highly liquid nature of the portfolio. The remaining 45 percent remains highly liquid with varying minimal costs of liquidation. The Bank seeks to maintain sufficient liquidity by investing in money market instruments and securities with an active secondary market.

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2020

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	more than 5 Years	Total
Assets					
Loans and advances - non current	-	16 834	82 748	-	99 582
Investment	10 466 543	6 740 887	12 446 309	2 000 923	31 654 662
Loans and advances - Local Banks	1 040 782	-	-	-	1 040 782
Rand deposits	45 337	-	-		45 337
SDR Holdings - IMF	-	-	-	28 457	28 457
SDR Quota	-	-	-	4 717 395	4 717 395
Other receivables	542 898	-	-	-	542 898
Total Assets	**12 095 560**	**6 757 721**	**12 529 057**	**6 746 775**	**38 129 113**
Equity and Liabilities					
Deposits	6 463 185	-	-	10 221 724	16 684 909
SDR Allocation – IMF*	-	-	-	2 744 996	2 744 996
IMF Securities Account*	-	-	-	4 717 395	4 717 395
Trade and other payables	110 901	-	-	-	110 901
Total Equity and Liabilities	**6 574 086**	**-**	**-**	**17 684 115**	**24 258 201**
Liquidity sensitivity gap	**5 521 476**	**6 757 721**	**12 529 057**	**(10 937 341)**	**13 870 912**
Cumulative Liquidity sensitivity gap	**5 521 476**	**12 279 197**	**24 808 253**	**13 870 912**	

*Relates to reserves that are held as a result of the Bank's IMF membership. Refer to Note 1.19

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2019

N$'000	0 – 3 Months	3 – 12 Months	1 – 5 Years	more than 5 Years	Total
Assets					
Loans and advances - non current	-	-	151 130	-	151 130
Investment	7 257 785	6 938 707	6 259 833	8 449 353	28 905 678
Loans and advances - Local Banks	1 746 376	-	-	-	1 746 376
Rand deposits	89 727	-	-	-	89 727
SDR Holdings - IMF	-	-	-	34 314	34 314
SDR Quota	-	-	-	3 786 064	3 786 064
Other receivables	37 267	407 594	-	-	444 861
Total Assets	**9 131 155**	**7 346 301**	**6 410 963**	**12 269 731**	**35 158 150**
Equity and Liabilities					
Deposits	5 807 975	-	-	9 682 244	15 490 219
SDR Allocation - IMF	-	-	-	2 546 627	2 546 627
IMF Securities Account	-	-	-	3 786 064	3 786 064
Trade and other payables	128 189	-	-	-	128 189
Total Equity and Liabilities	**5 936 164**	**-**	**-**	**16 014 935**	**21 951 099**
Liquidity sensitivity gap	**3 194 991**	**7 346 301**	**6 410 963**	**(3 745 204)**	**13 207 051**
Cumulative Liquidity sensitivity gap	**3 194 991**	**10 541 292**	**16 952 255**	**13 207 051**	

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.5 CREDIT RISK

In terms of the Bank's Foreign Reserve Management Policy and Guidelines, foreign reserve assets are invested with reputable high-quality institutions within set limits according to their credit quality. As such, the management and monitoring of credit risk, which is the potential loss arising from failure of a counterparty to meet payment obligations in accordance with agreed terms, is an integral part of the reserve management practice.

In terms of the Bank's credit appetite and threshold, the Bank is exposed to credit risk through money market instruments issued by counterparts with a minimum short-term credit rating of F1 by Fitch or equivalent by Standard & Poor and Moody's rating agencies. Longer-dated fixed income instruments are limited to issues by countries holding an investment grade rating (minimum credit rating of BBB- by Fitch Rating Agency or equivalent) according to the IMF country classification list. South Africa's credit rating is presently below investment grade, however exposure to this market is inevitable due to the historic economic relation between Namibia and South Africa, Accordingly, a special provision has been made to allow for short-term exposure (minimum one year) to liquid instruments issued by the South African government as well as by the top five commercial banks in South Africa. This is of strategic importance given the peg of the Namibian Dollar to the South African rand.

Detailed below is a table which presents the Bank's total foreign asset exposure over various regions as well as their credit rating profile:

CREDIT RISK RATING ANALYSIS AS AT 31 DECEMBER 2020

REGIONAL EXPOSURE	CREDIT RATING 2020	N$'m
United States	AA+	2 511 216
North America (excl USA)	AA+	750 029
Euro Area	AA-	4 848 452
United Kingdom	AA-	372 576
Japan	A	3 037 245
Other Advanced Economies	AA	626 145
China	A+	1 449 305
South Africa	BB-	16 952 626
Other Emerging Market & Developing Economies	BBB+	639 499
Multilaterals	AAA	467 570
Namibia	BB	6 474 451
TOTAL ASSETS		**38 129 113**

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.5 CREDIT RISK (CONTINUED)

CREDIT RISK RATING ANALYSIS AS AT 31 DECEMBER 2019

REGIONAL EXPOSURE	CREDIT RATING 2019	N$'m
United States	AA+	4 923 145
North America (excl USA)	AAA	518 072
Euro Area	AA-	4 347 861
United Kingdom	AA	438 154
Japan	A	3 632 123
Other Advanced Economies	AA	486 734
China	A+	11 717 238
South Africa	BB	1 706 221
Other Emerging Market & Developing Economies	BBB+	339 057
Multilaterals	AAA	797 072
Namibia	N/A	6 252 473
TOTAL ASSETS		**35 158 150**

The Bank invests/buys securities in reputable institutions who are rated by Fitch, Moody's and Standard & Poor rating agencies. The Bank's credit risk exposure has remained static and movements in the fair values of our external portfolio investments were as a result of movements in interest rate risk and foreign exchange risk.

29.6 SETTLEMENT RISK

The Bank is exposed to settlement risk when settling or clearing transactions. This type of risk occurs in an event that the Bank or the counterparty in the dealing contract fails to settle or clear transactions where the exchange of cash, securities is not instantaneous. This risk is of particular significance as this could result in penalties, interest forgone and consequently affect the reputation of the Bank. In order to control this risk, the Bank has imposed counterparty and dealer limits so as to limit the bank's exposure to a counterparty at any given time in the deal cycle.

29.7 OPERATIONAL RISK

Like any other institutions, the Bank is exposed to operational risk, which is the risk of financial losses or damage to the Bank's reputation resulting from one or more risk factors such as human factors, failed or inadequate processes, failed or inadequate systems and external events.

These factors are defined in details as follows:

- **Human Factors:** insufficient personnel, lack of knowledge, skills or experience, inadequate training and development, inadequate supervision, loss of key personnel, inadequate succession planning or lack of integrity or ethical standards.
- **Failed or inadequate processes:** a process is poorly designed or unsuitable, or not properly documented, understood, implemented, followed or enforced.

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29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

29.7 OPERATIONAL RISK (CONTINUED)

- **Failed or inadequate systems:** a system is poorly designed, unsuitable or unavailable or does not operate as intended.
- **External events:** the occurrence of an event having an adverse impact on the Bank but outside its control.

The operational risk at the Bank is managed by having a suitable operational organizational structure with clear segregation of duties as well as defined built-in systematic controls. Bank wide operations manuals are in place to be followed by staff. The Bank wide business continuity plans which clearly states effective disaster recovery plans are currently being developed.
In as far as the treasury operations are concerned the Bank ensures that dealers and analysts are well trained in instruments in which they are trading and that the systems they need to operate on are in place. The Bank also makes sure that all investment officers are aware of procedures in place and have access to relevant documents. The Financial Markets Department Director reviews all procedures, documentation requirements and the operational practices.

29.8 LEGAL RISK

Legal risk is the risk arising from failure to comply with statutory or regulatory obligations. Legal risk also comes about if the rights and obligations of parties involved in a payment are subject to significant uncertainty, for example if a payment participant declares bankruptcy. Legal disputes that delay or prevent the resolution of payment settlement can cause credit, liquidity, or reputation risks at individual institutions. Legal risk also results from a financial institution's failure to comply with the bylaws and contractual agreements established with the counter-parties with which it participates in processing, clearing, and settling payment transactions. The Bank therefore manages this risk by having appropriate documentation and using the market-customary, standard master-agreements where possible.

29.9 COLLATERAL

The Bank provides overnight and seven-day loans (Repo's) to Commercial Banks to cover for temporary liquidity shortages. The commercial banks pledge eligible securities in the form of Government bonds, treasury bills, etc. as collateral for this facility. The Bank is not permitted to sell or re-pledge these securities in the absence of default from the said commercial banks. As at 31 December 2020 the Repo's to Commercial Banks were to the tune of N$1.04 billion (2019: N$1.75 billion).

29.10 CREDIT LOSSES

The Bank's financial assets were not impaired as a consequence of credit losses, however when instances of this nature occur the Bank records the impairment in a separate impairment account rather than directly reducing the carrying amount of the concerned assets. Refer to note 9.1.

29.11 DEFAULTS AND BREACHES

The Bank did not default on any of its loan commitments both during the current and previous financial year.

Notes to the Annual Financial Statement 31 December 2020

30. CAPITAL COMMINTMENTS

	2020 N$'000	2019 N$'000
Approved and Contracted	16 000	39 215

31. RELATED PARTY INFORMATION

During the year the Bank, in its ordinary course of business, entered into various transactions. These transactions were undertaken on commercial terms and conditions. The Bank of Namibia Act, 2020 prescribes that the emoluments of the Governor, Deputy Governor and Board members be determined by the Minister of Finance. The emoluments of the Board members are primarily sitting fees and the annual stipend. The Governor and the Deputy Governor's emoluments are all inclusive packages which comprises of salaries, pension contributions, medical aid and leave pay. The gross emoluments of executive, senior management and Board members are detailed below. Transactions with the Namibian Government who is the sole shareholder of the institution are detailed in note 1.17 of this report. Note 25, 27 and 28 provides more information on the Retirement Fund, Financial Intelligence Centre and Namibia Deposit Guarantee Authority.

Gross Emoluments

	Salaries N$'000	Retirement Benefit N$'000	Medical Aid Benefit N$'000	Total 2020 N$' 000	Total 2019 N$'000
Executive Management					
Governors'	8 481	461	113	9 055	5 415
Senior Management	23 876	2 945	884	27 705	25 846
Non-Executive Board					
Ms S T Haipinge				197	152
Ms C v/d Westhuizen				244	202
Mr E I Meroro				348	296
Mr C A Baisako				228	207
Mr Fanuel Tjivau				296	246
				1 313	1 103
Government of Namibia					
Assets - Investments				3 826 724	5 836 907
Liabilities - Government Deposits				4 758 856	4 497 372
Interest paid to Government				8 179	-

There were no other related party transactions with either the executive management or non-executive Board members.

The Governor's emolument includes the exit package benefit provided to the previous Governor.

Notes to the Annual Financial Statement
31 December 2020

32. APPROVAL OF FINANCIAL STATEMENTS

The Annual Financial Statements have been approved by the Board of Directors at the Board meeting held on 11 March 2021.

33. SUBSEQUENT EVENTS

There are no material events subsequent to the reporting date other than the declaration of Dividends to the state of N$278.198 million.

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 31 December 2020 (In compliance with the Bank of Namibia Act, 2020)

	Notes	2020 N$'000	2019 N$'000
Net interest income		**533 665**	**642 669**
Interest income	2	638 676	850 862
Interest expense	2	(105 011)	(208 193)
		518 081	445 443
Rand compensation income	2	499 787	407 594
Other income	2	18 294	37 849
Total income		**1 051 746**	**1 088 112**
		(519 273)	(252 849)
Operating expenses	2	(514 928)	(359 023)
Net profit/(loss) on investment portfolio		(4 345)	106 174
Profit for the year before net foreign exchange translation gain/(loss)		**532 473**	**835 263**
Net foreign exchange translation gain/(loss)* - Amortised cost	16	88 258	(159 390)
Profit/(Loss) for the Year		**620 731**	**675 873**
Other Comprehensive Income/(Loss)		**238 878**	**134 459**
Unrealised Gain reserve		238 878	115 836
Allowance for credit losses - FVTOCI	9.1	-	4 325
Actuarial gains on Post-employment benefits		-	14 298
Total Comprehensive Profit for the Year		**859 609**	**810 332**
(Loss)/Profits attributable to:			
Foreign currency revaluation reserve	16	88 258	(159 390)
Investment revaluation reserve		238 878	115 836
Allowance for credit losses	9.1	-	4 325
Amount available for distribution	3	532 473	849 561
		859 609	810 332
Profit available for distribution		**532 473**	**849 561**
State Revenue Fund	3	278 198	399 941
General reserve	15	251 575	357 463
Building fund reserve	18	-	20 000
Development fund reserve	17	-	70 000
Training fund reserve	19	2 700	2 157

Part C: Economic and Financial Developments

Contents

30 YEARS OF CENTRAL BANKING EXCELLENCE
30 Years ANNIVERSARY

SELECTED FINANCIAL AND ECONOMIC INDICATORS

	2016	2017	2018	2019	2020
		Actual			Estimates*
(Annual percentage change)					
Real GDP growth	0.0	-1.0	1.1	-0.6	-8.0*
GDP deflator (percentage change)	8.0	9.9	4.4	1.8	2.5*
Consumer price inflation (period average)	6.7	6.2	4.3	3.7	2.2
Consumer price inflation (end-of-period)	7.3	5.2	5.1	2.6	2.4
Exports of goods	13.8	6.5	11.5	0.9	-7.4
Imports of goods	0.6	-9.9	2.8	-1.5	11.4
Real effective exchange rate[8] (period average)	-1.7	6.0	0.04	-1.6	-5.2
Private sector credit extension (period average)	11.4	6.6	6.3	6.8	3.5
Broad money supply (period average)	7.7	9.1	9.2	8.5	11.4
Repo rate (end-of-period)	7.00	6.75	6.75	6.50	3.75
10-year Government bond yield (period average, percent)	10.91	11.00	10.63	9.96	9.81
In percent of GDP, unless otherwise stated					
Investment	22.0	17.8	15.0	13.5	16.5
Public	16.0	12.4	9.7	8.5	11.1
Private	6.1	5.4	5.3	5.0	5.3
Savings	22.0	17.8	15.0	13.5	16.5
External	16.1	3.6	3.4	1.7	-2.0
Domestic	5.9	13.5	11.6	11.7	18.5
Public	-5.5	-2.8	-0.4	-3.2	-8.4
Private	11.5	17.0	12.1	15.1	26.9
Public Finance					
Overall Government deficit[9]	-7.1	-5.2	-5.1	-5.0	-9.5
Public debt outstanding	39.9	41.8	47.8	51.7	60.0
Public guaranteed debt outstanding	5.6	5.9	6.1	6.3	6.1
External Sector					
Current account balance	-16.1	-4.3	-3.4	-1.7	1.9
Excluding official transfers	-26.0	-15.4	-13.6	-12.1	-10.6
Gross official reserves					
In millions of Namibia Dollar	24 720	30 177	31 024	28 941	31 745
In millions of US Dollar	1 814	2 435	2 150	2 049	2 171
In months of imports	3.2	4.4	4.5	4.2	5.1
External debt[10]	56.6	59.9	66.9	64.2	65.2
Exchange rate to US Dollar (end-of period)	13.6240	12.3930	14.4309	14.1235	14.6218
Exchange rate to US Dollar (period average)	14.7088	13.3129	13.2339	14.4484	16.4633
GDP at current market prices (N$ million)	157 708	171 570	181 054	181 555	176 327

8 A decrease in the Real Effective Exchange Rate index means that the national currency depreciated, reflecting a gain in the competitiveness of the Namibian products on the international market. An increase in the index, on the other hand, represents an effective appreciation of the national currency, indicating a loss in competitiveness of the local products on the international market.

9 These are fiscal year data, 2016/17, ending 2020/21.

10 Includes government, parastatal, and private sector debt.

SUMMARY OF ECONOMIC AND FINANCIAL DEVELOPMENTS

The year 2020 brought about headwinds in the form of the COVID-19 pandemic and its impact on the global economy, although after initial setbacks, the financial markets rebounded. Global real Gross Domestic Product (GDP) contracted in 2020 as the global economy faced the worst pandemic in more than 100 years. Real GDP of both the advanced economies (AEs) and emerging market and developing economies (EMDEs) contracted in 2020. This was a far steeper contraction in global GDP than in the 2008-2009 Global Financial Crisis and was chiefly attributed to the COVID-19 pandemic, which forced numerous countries to impose lockdown measures from March 2020. The performance of listed equity prices was on balance positive across the monitored stock markets as investors, after an initial sharp drop in share prices, diverted attention to the rolling out of an effective vaccine and again invested in riskier assets. The prices of gold, copper, and uranium increased in 2020 while those of zinc and crude oil declined.

The International Monetary Fund (IMF) projected that global growth will recover in 2021, spurred by the rollout of COVID-19 vaccines. The global economy is projected to grow by 5.5 percent in 2021 from an estimated 3.5 percent contraction in 2020. Economic recovery will be gradual, and vary significantly across regions, mainly underpinned by the speed as well as the efficiency and coordination with which the vaccine will be distributed. Faster vaccine deployments and better cooperation for their distribution coupled with continued policy support will boost confidence and strengthen activity, though uncertainty risks remain.

Average Inflation rates in the AEs and EMDEs generally declined in 2020 mainly due to lower prices of fuel and food. Global inflation declined on the back of a decline in energy prices and weak global economic activity because of COVID-19 related lockdowns. All monitored central banks reduced their policy interest rates and some adopted additional non-conventional monetary measures in 2020, to help contain the economic fallout of the COVID-19 pandemic.

Real GDP in Namibia registered a deep contraction in 2020, due to declines across the primary, secondary, and tertiary industries. Real GDP is estimated to have contracted by 8.0 percent in 2020, following a mild decline of 0.6 percent registered during 2019. The contraction in 2020 was broad-based with the sharpest declines in output recorded in the tourism-related *hotels and restaurants* and *transport sectors.* The *mining, livestock farming, manufacturing, construction, wholesale and retail trade,* and public sectors also registered negative growth. This was mainly due the negative effects of the COVID-19 pandemic. However, positive growth was noted in the sectors *electricity and water* and *information and communication.*

Namibia's inflation rate declined further during 2020 compared to 2019, driven mainly by a decline in inflation for *transport* and *housing*. Overall inflation averaged 2.2 percent during 2020, lower than the rate of 3.7 percent recorded in 2019. The lower inflation was largely reflected in a decrease in inflation for the categories of housing and transport during the period under review. This was due to deflationary pressure as a result of excess supply in the rental market coupled with low international prices of fuel. Inflation for food rose slightly during the period under review, due to supply constraints, particularly for meat and fish.

During 2020, the Bank's Monetary Policy Committee (MPC) lowered its benchmark rate to its historically lowest level. In this regard, the MPC reduced the Repo rate by a total of 275 basis points to 3.75 percent during 2020 to help cushion the effect of the COVID-19 pandemic on the domestic economy, while maintaining the one-to-one link between the Namibia Dollar and the South African Rand. In addition, the Bank of Namibia introduced additional regulatory and policy relief measures to complement the monetary policy stance. Growth in broad money supply (M2) rose to 11.4 percent, compared to a lower average growth rate of 8.5 percent, in 2019. The increase was mainly because of a rise in domestic claims, particularly net claims on central Government. Growth in private sector credit extension (PSCE) slowed on average during 2020, due to lower demand for credit, net repayment by businesses and more stringent lending requirements from banks as a result of the sluggish economic environment that prevailed in the domestic economy.

In 2020, the overall liquidity position of the Namibian banking industry declined substantially. The banking industry average liquidity position was N$2.1 billion in 2020, lower than the average of N$2.9 billion recorded during 2019. The lower liquidity levels in

2020 were due to low economic activity as a result of the COVID-19 pandemic.

Namibia's overall deficit widened to a record level during the FY2020/21 mainly as a result of the Government response to soften the impact of the COVID-19 pandemic on economic activity and pressure on tax revenue. According to the 2021/22 Budget statement, which was tabled in parliament on 17 March 2021, the estimated Central Government deficit for the FY2020/21 was revised downward to 9.5 percent of GDP, lower than the 10.4 percent earlier estimate in the October 2020 mid-year budget review. The downward revision was attributed to an upward adjustment in revenue collection, than what was forecasted earlier on. However, when compared to the previous fiscal year, the deficit-to-GDP ratio rose significantly, making it the hightest deficit ever registed in Namibia.

Namibia's current account turned into a surplus during 2020, primarily due to an improved merchandise trade deficit, as well as an increase in secondary income inflows. The current account surplus was N$3.4 billion during 2020, translating into 1.9 percent of GDP. This was due to the narrowing of the merchandise trade deficit on the back of lower payments for imports as the COVID-19 pandemic reduced domestic demand for imported products. The value of merchandise exports also declined but to a lesser extent as earnings from rough diamonds, food and live animals, and manufactured products fell. Moreover, an improvement in the secondary income account, resulting from higher Southern African Customs Union (SACU) receipts, contributed to the current account surplus during 2020. The stock of international reserves rose during 2020 supported by inflows from an African Development Bank (AfDB) loan, higher SACU receipts and lower imports. In terms of competitiveness, the Real Effective Exchange Rate (REER) depreciated on an annual basis signalling an improvement in the competitiveness of Namibian products in foreign markets.

Going forward, domestic growth is expected to improve during 2021 on account of better prospects for diamond mining, metal ores particularly gold as well as transport. The domestic economy is expected to recover in 2021 owing largely to the anticipated growth in the mining, agriculture, and transport sectors. The expected growth in the mining sector is with respect to diamonds partly because of low base effects but also because of renewed production from the Elizabeth Bay mine which was placed under care and maintenance in 2019. However, downside risk to this outlook may arise due to uncertainty around the impact of the COVID-19 pandemic, particularly regarding the success of vaccinations in Namibia and around the globe. Furthermore, risks to this outlook are dominated by travel restrictions that are still in place for many countries, exacerbated by the second wave of coronavirus infections. Other notable risks to the domestic outlook include the persistently low international prices for some of Namibia's export commodities such as uranium as well as climatic swings with the possibility of both floods and drought in various parts of the counrty. Namibia is notably prone to floods in the northern parts of the country.

GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

OUTPUT GROWTH AND OUTLOOK BY MAIN REGION AND ECONOMIC BLOCK

Global economic output contracted in 2020 compared to 2019 as the COVID-19 pandemic took a toll on global economic activity. The global output according to latest estimates contracted by 3.5 percent in 2020, somewhat less severe than the 4.4 percent contraction that was estimated in the previous IMF World Economic Outlook (WEO) update for October 2020 (Table C.1). The upward revision in the estimates reflect stronger-than-expected momentum in the second half of 2020, caused by positive prospects of an early roll-out of a vaccine and quick recovery of the Chinese economy.

Real GDP for individual AE economies contracted in 2020 from positive growth rates in 2019. Overall AE growth came to -4.9 percent in 2020, from 1.6 percent in 2019. The USA economy is estimated to have contracted by 3.4 percent in 2020, compared to positive growth of 2.2 percent in 2019 (Table C.1). In addition, Japan's GDP contracted by 5.1 percent in 2020 from positive growth of 0.3 percent in 2019. The Euro area recorded a contraction of 7.2 percent in 2020, from a positive rate of 1.3 percent in the previous year. The UK economy contracted by 10.0 percent in 2020 from a 1.4 percent positive growth in the previous year.

Real GDP in the EMDEs also contracted in 2020 compared to a positive growth rate in 2019. As a group, EMDEs contracted by 2.4 percent in 2020, compared to 3.6 percent growth in 2019 (Table C.1). Supported by strong policy support and resilient exports, China is the only economy that recorded positive economic growth in 2020, albeit at a lower rate of 2.3 percent compared to 6.0 percent in the previous year. This was aided by the 6.5 percent expansion in the final quarter of 2020, which underscored China's ability to contain the deadly virus within its borders as the rest of the world struggled to control its spread and toll on economic activity. In addition to effective containment measures in China, an aggressive public investment response along with the central bank liquidity support were some of the factors underlying the quick recovery. India's growth rate is estimated at -8.0 percent in 2020. South Africa is estimated to have contracted by 7.5 percent, while Brazil and Russia contracted by 4.5 percent and 3.6 percent, respectively.

TABLE C.1 WORLD ECONOMIC OUTPUT (ANNUAL PERCENTAGE CHANGE)

	Real GDP Growth		Jan-21 Projections		Difference from Oct-20 WEO Projections	
	2019	2020 (E)	2021	2022	2020	2021
World Output	**2.8**	**-3.5**	**5.5**	**4.2**	**0.3**	**0.0**
AEs	**1.6**	**-4.9**	**4.3**	**3.1**	**0.4**	**0.2**
USA	2.2	-3.4	5.1	2.5	2.0	-0.4
Euro area	1.3	-7.2	4.2	3.6	-1.0	0.5
Germany	0.6	-5.4	3.5	3.1	-0.7	0.0
France	1.5	-9.0	5.5	4.1	-0.5	1.2
Italy	0.3	-9.2	3.0	3.6	-2.2	1.0
Spain	2.0	-11.1	5.9	4.7	-1.3	0.2
Japan	0.3	-5.1	3.1	2.4	0.8	0.7
UK	1.4	-10.0	4.5	5.0	-1.4	1.8
Canada	1.9	-5.5	3.6	4.1	-1.6	0.7
Other AEs	1.8	-2.5	3.6	3.1	0.0	0.0
EMDEs	**3.6**	**-2.4**	**6.3**	**5.0**	**0.3**	**-0.1**
China	6.0	2.3	8.1	5.6	-0.1	-0.2
Russia	1.3	-3.6	3.0	3.9	0.2	1.6
India	4.2	-8.0	11.5	6.8	2.7	-1.2
Brazil	1.4	-4.5	3.6	2.6	0.8	0.3
Sub-Saharan Africa	**3.2**	**-2.6**	**3.2**	**3.9**	**0.1**	**-0.1**
Angola	-0.9	-4.0	3.2	N/A	N/A	N/A
South Africa	0.2	-7.5	2.8	1.4	-0.2	-0.1
Nigeria	2.2	-3.2	1.5	2.5	-0.2	0.0

Source: IMF World Economic Outlook Update (WEO), January 2021

ECONOMIC OUTLOOK FOR 2021

Global GDP growth is projected to recover in 2021, supported by the roll-out of vaccines. The IMF projected that the global economy would grow by 5.5 percent in 2021 (Table C.1), from a contraction of 3.5 percent in 2020. This was an upward revision by 0.3 percentage point relative to the October 2020 forecast. The upward revision was reflective of expectations of a vaccine-powered strengthening of activity later in 2021 and additional policy support in a few large economies. Economic recovery will be gradual, and vary significantly across regions, mainly underpinned by the speed as well as the efficiency and coordination with which the vaccine will be distributed. Faster vaccine deployments and better cooperation for their distribution coupled with continued policy support will boost confidence and strengthen activity, though uncertainty risks remain. The IMF emphasised that policy actions should ensure effective support until the recovery is firmly underway, by advancing key imperatives for raising potential output, ensuring participatory growth that benefits all, and accelerating the transition to lower carbon dependence.

The AEs' GDP growth is projected to strengthen in 2021 reflecting strong policy support and the expected availability of vaccines. Growth in AEs is projected to strengthen to 4.3 percent, which will be a notable recovery, from a contraction in 2020 (Table C.1). AEs have been able to provide expansive fiscal support to households and firms in the form of direct tax and spending measures as well as capital injections loans and guarantees. In addition, AEs central banks have strengthened these efforts with expanded asset purchase programmes, funding-for-lending facilities, and, for some, interest rate cuts. The recovery paths for the USA and Japan are projected to regain their pre-COVID-19 levels during the second half of 2021, while in the Euro area and the UK activity is expected to remain below end-2019 levels into 2022. The wide divergence reflects to an extent the differences across countries in behavioural and public health responses to infections, flexibility, and adaptability of economic activity to low mobility, pre-existing trends, and structural rigidities entering the crisis.

The GDP growth rate in EMDEs is also projected to recover in 2021 amid diverging paths. EMDEs' growth rate for 2021 was revised upward by 0.3 percentage point to 6.3 percent in 2021 compared to a contraction of 2.4 percent in 2020. India and China's economic growth rates are projected to bounce back strongly to 8.1 percent and 11.5 percent, respectively, in 2021. The Chinese government devised effective containment measures, and a forceful public investment response, while central bank liquidity support has facilitated a strong recovery that will continue in 2021. India's GDP growth rate was revised significantly upward (by 2.7 percentage points for 2021), reflecting carryover from a stronger-than-expected recovery in 2020 after lockdowns were eased.

Economic growth in sub-Saharan Africa is projected to pick up in 2021 compared to 2020. The region is projected to grow by 3.2 percent, representing a 0.1 percentage point downward revision compared to the October 2020 WEO projections (Table C.1). Oil exporters (Nigeria and Angola) and tourism-based economies within the group are faced with difficult prospects considering the expected slow normalisation of cross-border travel and the hesitant outlook for oil prices. The South African economy is projected to rebound by 2.8 percent in 2021 as domestic and foreign demand revive.

UPSIDE AND DOWNSIDE RISKS TO PROJECTIONS FOR 2021

Baseline GDP projections were confronted with upside risks, that could result in better outturns than the forecast. Upside risks that could increase expectations of a faster end to the pandemic than assumed in the baseline, include further favourable news on vaccine manufacturing, and distribution, and the effectiveness of therapies. A relatively quicker end to the pandemic will boost firms and households resulting in stronger consumption, investment, and employment recoveries. As such global growth would be stronger than in the baseline.

Downside risks to the growth outlook include the possibility of inability to manage a surge in the spread of the virus, and an increase in infections and deaths before vaccines become widely available. Growth could turn out to be weaker than in the baseline if the spread of the virus (including from new variants) proves difficult to contain, infections and deaths mount rapidly before vaccines are widely available, and voluntary distancing or lockdowns are extended for longer periods than anticipated. In addition, slower-than-anticipated progress on medical interventions could dampen hopes of a relatively quick exit from the pandemic and weaken confidence. Furthermore, if policy support is withdrawn before the recovery takes firm root, bankruptcies of viable but illiquid firms could mount, leading to further unemployment and income losses. The ensuing tighter financial conditions could increase rollover risks for vulnerable borrowers, add to the already large number of economies in debt distress and increase insolvencies among corporates and households.

INFLATION AND INTEREST RATE DEVELOPMENTS

Inflation in the monitored AEs declined in 2020 largely due to lower prices of energy, food, housing, and transport. The consumer price inflation in the USA averaged 1.2 percent in 2020 compared to 1.8 percent in 2019 (Table C.2). The decline was mainly due to a significant decline in fuel prices. Similarly, the UK's average inflation rate for 2020 was 0.9 percent compared to 1.8 percent in the previous year due to a drop in housing and utilities, fuel, and transport prices. Furthermore, the average inflation rate in the Euro area declined to 0.3 percent from 1.2 percent in the previous year mainly due to the lower prices of energy, food, and alcohol and tobacco. Similarly, Japan's average inflation was lower at 0.1 percent compared to 0.5 percent in the previous year led by lower inflation for transport and communication, housing and medical care as the pandemic continued to hamper consumption.

TABLE C. 2 YEARLY AVERAGE INFLATION RATES FOR SELECTED ECONOMIES (%)

	2016	2017	2018	2019	2020
AEs					
US	1.3	2.1	2.5	1.8	1.2
UK	0.8	2.7	2.5	1.8	0.9
Euro Area	0.3	1.5	1.7	1.2	0.3
Japan	-0.2	0.5	1.0	0.5	0.1
EMDEs					
Brazil	8.4	3.5	3.7	3.7	3.2
Russia	6.7	3.7	2.9	4.5	3.4
India	4.8	3.3	4.0	3.7	6.6
China	2.0	1.6	2.1	2.9	2.5
SA	6.3	5.3	4.6	4.1	3.3
Angola	33.6	30.4	19.7	17.1	22.2

Source: Trading Economics

The central banks of the USA and the United Kingdom cut their policy rates in 2020 and also utilised non-conventional monetary policy tools. The Federal Reserve lowered the target range for its federal funds rate by 100 basis points to 0-0.25 percent and launched a massive U$700 billion quantitative easing programme in 2020 to protect the economy from the effects of the pandemic (Table C.3). The Bank of England cut the key interest rate by 50 basis point to 0.25 percent in 2020, to support business and consumer confidence, bolster the cash flows of businesses and households, and reduce their costs. The Bank of England further introduced a bond-buying programme of £875 billion, as policymakers took a wait-and-see approach amid uncertainty surrounding a post-Brexit trade deal and concerns over the pandemic situation.

The central banks of the Euro area and Japan maintained their benchmark interest rates and also utilised non-conventional monetary policy tools in 2020. The European Central Bank maintained its policy rate unchanged at 0.00 percent in 2020. The European Central Bank introduced a Pandemic Emergency Purchase Programme of €1.85 trillion in 2020, to support the struggling economy amid the pandemic. Moreover, ECB policymakers approved more long-term loans on cheap terms for another year (until June 2022) and announced four additional pandemic emergency longer-term refinancing operations to be offered in 2021. Similarly, the Bank of Japan left the short-term policy rate unchanged at -0.10 percent in 2020. Bank of Japan also continued with its purchase of exchange-traded funds and Japanese real estate investment trusts so that their amounts outstanding will rise at an annual pace of ¥2 trillion and about ¥180 billion, respectively. In addition, it launched a new lending programme worth ¥30 trillion (US$279 billion) during the year to support small businesses struggling with the fallout from the COVID-19 pandemic.

TABLE C. 3 POLICY RATES OF SELECTED ECONOMIES

Country or grouping	Policy rate name	Policy rates at end of 2020 (%)	Month of last meeting in 2020	Policy rate change in 2020 (%)	Inflation rate at end of 2020 (%)	Real interest rate at end of 2020 (%)
AEs						
USA	Federal funds rate	0.25	Dec	-1.50	1.4	-1.2
UK	Bank rate	0.10	Dec	-0.50	0.6	-0.5
Euro Area	Refinancing rate	0.00	Dec	0.00	-0.3	0.3
Japan	Call rate	-0.10	Dec	0.00	-0.9	0.8
EMDEs						
Brazil	SELIC rate	2.00	Dec	-2.50	4.5	-2.5
Russia	Key rate	4.25	Dec	-2.00	4.9	-0.7
India	Repo rate	4.00	Dec	-1.15	4.6	-0.6
China	Lending rate	3.85	Dec	-0.30	0.2	3.7
SA	Repo rate	3.50	Nov	-2.75	3.1	0.4
Angola	Basic interest rate	15.50	Nov	0.00	25.1	-9.6

Source: Trading Economics and respective Central Banks

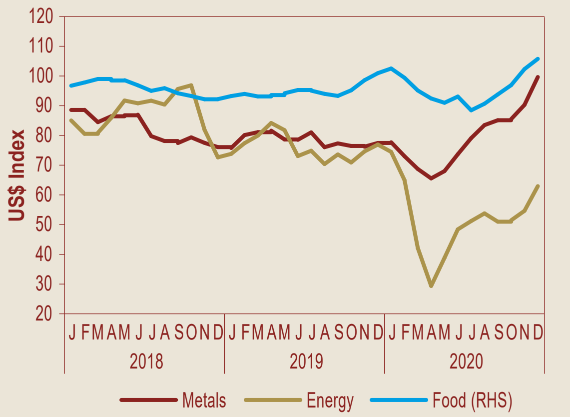
Average inflation rates in most of the monitored EMDEs declined in 2020, mainly due to a decline in fuel and food prices, except for India and Angola, where they increased. Brazil recorded an average inflation rate of 3.2 percent, lower than the 3.7 percent recorded in 2019 due to a fall in fuel prices (Table C.2). In China, average inflation declined to 2.5 percent from 2.9 percent, led by the categories fuel and utilities, food, rent, and transport and communication. Furthermore, average inflation for South Africa was lower at 3.3 percent in the review period, which was mainly ascribed to a decrease in transport prices prompted by the lower oil price. Inflation in Russia declined to an average of 3.4 percent from 4.5 percent in 2019, which was ascribed to lower prices of food. Conversely, India's inflation rose to 6.6 percent in 2020 compared to 3.7 percent in the previous year as food prices continued to soar due to disrupted supply chains. In the same vein, inflation in Angola rose by an average of 22.2 percent from 17.1 percent in the previous year. The increase was mainly driven by the depreciating Angola Kwanza exchange rate against its major international trading partners as well as rising prices of food and non-alcoholic beverages.

Almost all monitored EMDE central banks reduced their benchmark interest rates in 2020 to soften the impact of the pandemic. The central bank of Brazil cut its benchmark rate by a total 250 basis points to 2.00 percent in 2020 to support the economy against the pandemic (Table C.3). Similarly, the Central Bank of Russia cut its benchmark one-week repo rate by 200 basis points to 4.25 percent in 2020 on the back of worsening economic activity. Furthermore, the Reserve Bank of India lowered its benchmark repo rate by 115 basis points to 4.00 percent in 2020 to boost slowing economic growth caused by the pandemic. The South African Reserve Bank reduced the repo rate by 275 basis points to 3.50 percent in 2020 to support an economy already in recession before the pandemic shock. Furthermore, the People's Bank of China cut its lending rate by 30 basis points to 3.85 percent in 2020, to support the economy battling with the pandemic. On the other hand, the National Bank of Angola left its benchmark interest rate unchanged in the face of ballooning inflation and weakening economic activity.

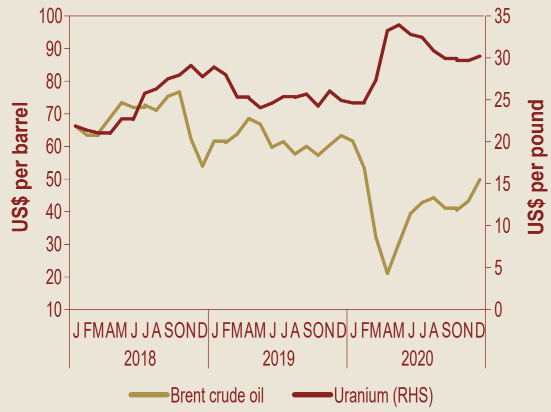
COMMODITY PRICE DEVELOPMENTS AND PROSPECTS

FIGURE C.1 (a–d) SELECTED COMMODITY PRICES AND PRICE INDICES

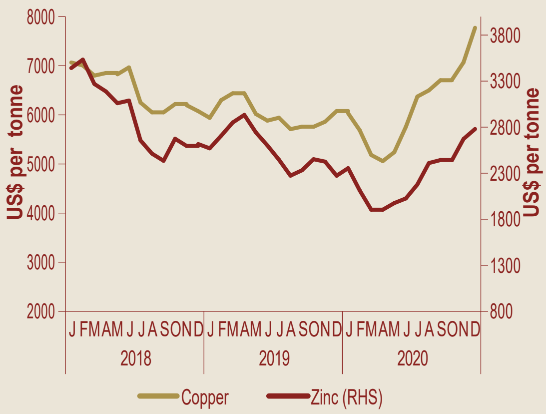
a. Food and Metal Price indices on average increased while the Energy Price index declined in 2020.



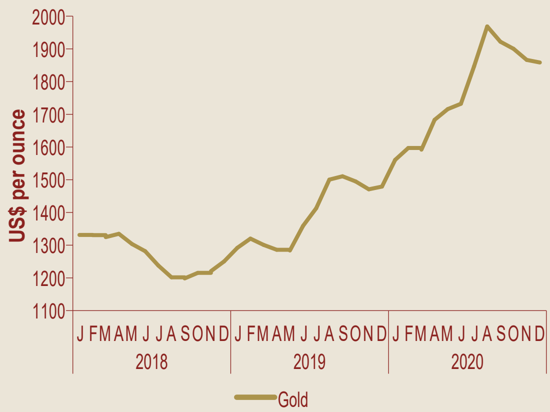
b. Crude oil prices declined, while uranium prices increased on average during 2020.



c. The international price of copper increased while that of zinc declined in 2020.



d. The average price of gold increased in 2020 from 2019, driven mainly by safe-haven demand and monetary stimulus measures.



Source: World Bank, FAO,

Food and metal price indices increased while the energy price index declined in 2020. While in the early months of the pandemic these price indices fell precipitously, later on in the year they all recovered to different degrees. On a yearly average basis, the Food and Agriculture Organization food price index increased by 3.1 percent to 97.9 index points in 2020 (Figure C.1a), mainly ascribed to limited supply because of the pandemic and various conflicts. The World Bank metal price index increased slightly, rising by 1.0 percent to an average of 79.2 points in 2020, ascribed mainly to rising demand from China where manufacturing activity continued to rise as the economy recovered from the pandemic. The World Bank energy price index declined by 31.6 percent to an average level of 51.9 index points in 2020, led by a fall in the price of crude oil because of lower global demand owing to the impact of the COVID-19 pandemic.

Crude oil prices declined chiefly due to excess supply in 2020, while uranium prices increased on average as a result of tighter global supply. The price of Brent crude oil declined by 33.3 percent to average U$41.26 per barrel in 2020. The decline was mainly ascribed to concerns over lockdowns and travel restrictions that were instated in key economies, causing panic in the markets as the number of daily new COVID-19 cases remained elevated. Furthermore, the high US crude oil inventories and the fear of excess global crude oil supply, despite the large production cut decided on in April by OPEC+ (the Organization of the Petroleum Exporting Countries plus Russia), dragged the prices down further. Conversely, the spot price of uranium recorded a gain of 16.9 percent to an average of U$29.96 per pound in 2020 (Figure C.1b). The increase was mainly attributed to the closure or downscaling of some large mines and projects in various parts of the world. Additionally, the tightening supply outlook brought about by the COVID-19 pandemic and associated lockdowns also resulted in higher uranium prices.

The international prices of copper overall increased in 2020 as a result of tighter global supply while that of zinc declined due to weak global demand. Copper prices on average increased by 2.6 percent to US$6 166 per metric tonne in 2020 (Figure C.1c). It is however worth noting that the prices hit multi-year lows in the first quarter on the back of weak demand as a result of the pandemic. As fundamentals started to increase demand for copper in China, paired with stimulus packages, and supply disruptions in top-producing countries, pushed prices higher since the beginning of the second quarter until the end of 2020. Zinc prices, also followed the same positive trend from the low levels in the first quarter of 2020. On average, the price of zinc declined by 11.3 percent to US$2 263 per metric tonne in 2020, mainly due to the global economic slowdown that was associated with the COVID-19 pandemic. Overall, due to already weak fundamentals observed towards the end of 2019, the metal did not reach pre-crisis price levels.

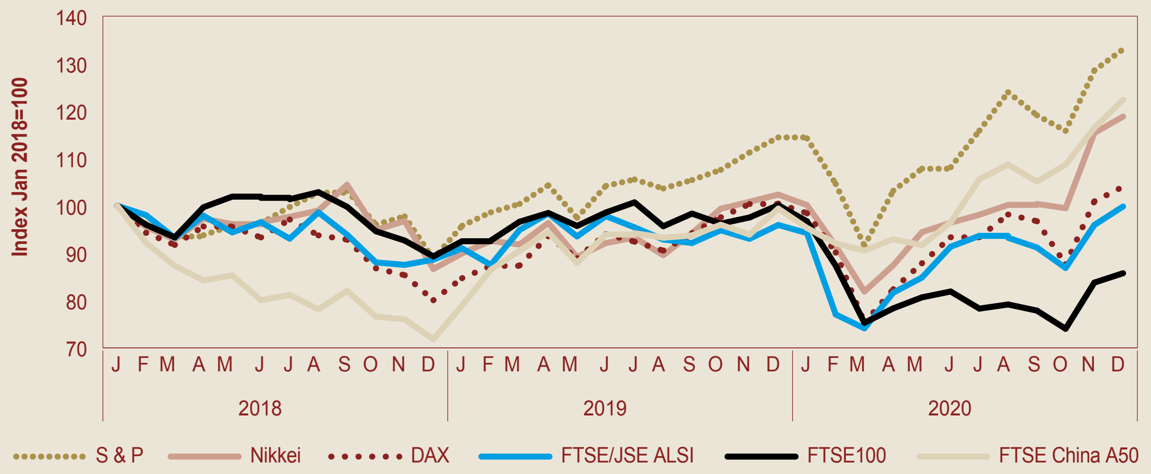
The average price of gold increased in 2020 from 2019, driven mainly by safe-haven demand and monetary stimulus measures. The price of gold increased by 27.1 percent to an average of U$1 770 per ounce in 2020 (Figure C.1d). The increase can be ascribed to heightened levels of uncertainty induced by the pandemic, and to stimulus measures implemented by central banks as monetary policymakers struggled to mitigate the economic setback from prolonged lockdowns around the world. The resultant low global interest rates have further boosted demand for gold. Furthermore, mine production disruptions, most especially in Mexico, Peru and South Africa, as well as reduced gold recycling due to pandemic-induced restrictions on labour movement, also boosted the prices.

DEVELOPMENTS IN FINANCIAL MARKETS

Equity markets performed positively in 2020 as investors welcomed the news on the rollout of COVID-19 vaccines in many of the larger economies. The initial uncertainty and lockdowns due to COVID-19 resulted in sharp declines in share prices in the first three months of 2020. Most markets recovered in the remainder of the year, with the US Standard & Poor's 500 rising on balance by 9.4 percent for the year as a whole to end 2020 at 3 756 index points (Figure C.2). In addition, the Nikkei recorded gains of 16.1 percent to 27 444 index points. Similarly, the German DAX generated gains of 3.5 percent to end at 13 719 index points. Furthermore, the South African FTSE/Johannesburg Stock Exchange (JSE) ALSI increased by 4.1 percent to 59 409 index points. China's FTSE A50 generated a gain of 23.1 percent to end 2020 at 17 707 index points. The increases were chiefly ascribed to positive prospects arising from ultra-stimulatory monetary policy, progress with and eventually the rolling out of effective COVID-19 virus vaccines in large economies, and the US Congress' agreement on stimulus packages as well as the finalisation of the UK and EU's Brexit deal. In addition, the low returns of other asset classes like cash and fixed income, lured investors to equity investments. Conversely, London's FTSE100 generated losses of 14.3 percent to end 2020 at 6 461, partly because of residual uncertainty over the exact parameters and costs of Brexit along with to the very detrimental impact that COVID-19 had on the UK with its high incidence of the virus, high mortality, and generally strict regulations to contain the pandemic. It is however important to note that the FTSE100 also showed a strong recovery towards the end of 2020, and thereby reversing some of the losses recorded earlier in the year.

FIGURE C.2 STOCK PRICE INDICES: END OF MONTH

The monitored stock price indices presented mixed performances in 2020.



Source: Bloomberg

WORLD TRADE DEVELOPMENTS

Global trade volumes contracted in 2020, reflecting interrupted trade flows. The sharp contraction was noted in the services industries such as travel and tourism as countries adopted lockdowns and travel restrictions to reduce the spread of the virus. Demand for capital goods and consumer durables also plummeted, mainly on the back of weak final demand from consumers and firms in the synchronised global downturn. Trade restrictions and supply chain disruptions also contributed to the collapse in trade volumes. The volume of world trade in goods and services contracted by 9.6 percent in 2020, from positive growth of 1.0 percent in 2019 (Table C.4). The volume is projected to increase by 8.1 percent in 2021 in line with the recovery in the global activity, before moderating to 6.3 percent growth in 2022.

TABLE C.4 GROWTH IN THE VOLUME OF WORLD TRADE IN GOODS AND SERVICES (ANNUAL PERCENTAGE CHANGE)

	2019	2020 (E)	2021 (F)	2022 (F)
World trade volume (goods and services)	1.0	-9.6	8.1	6.3
AEs	1.4	-10.1	7.5	6.1
EMDEs	0.3	-8.9	9.2	6.7

Source: IMF WEO January 2021 Update

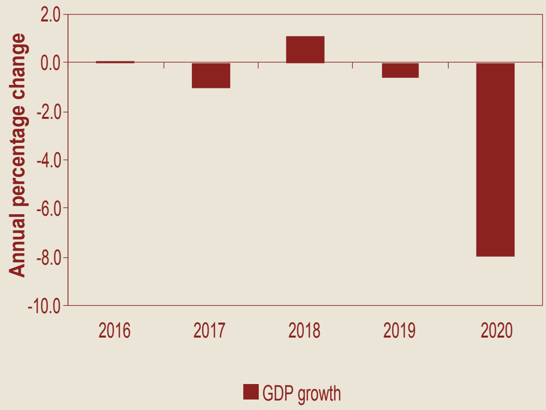
E = estimate F = forecast

DOMESTIC ECONOMIC AND FINANCIAL DEVELOPMENTS

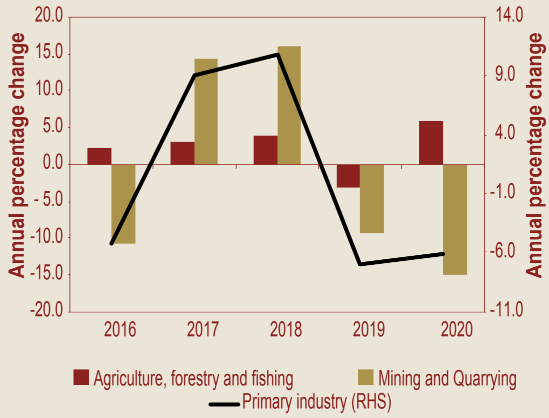
REAL SECTOR DEVELOPMENTS

FIGURE C.3 (a–d) REAL SECTOR DEVELOPMENTS

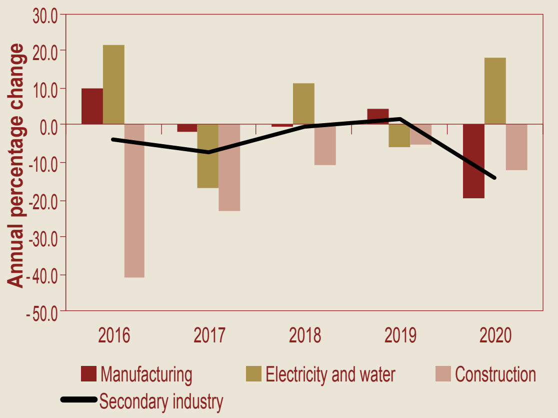
a. The Namibian economy registered a severe contraction in 2020, having already recorded a moderately negative growth rate in 2019 …



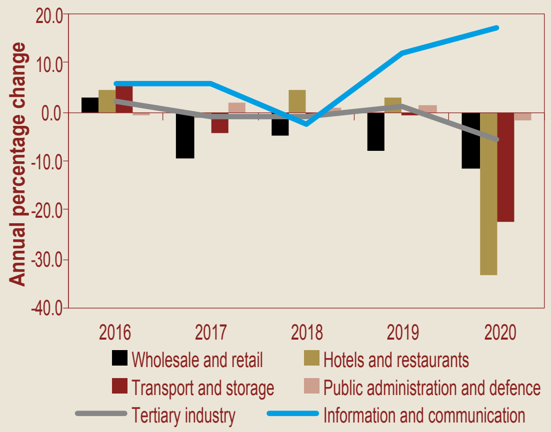
b. … as a weak performance was observed in the primary industries arising mainly from a substantial decline in value added in the mining sector*.*



c. Moreover, weak performances in the manufacturing *and the* construction sectors *resulted in a sharp contraction in the secondary industry during 2020.*



d. The tertiary sector also registered a contraction in 2020 led by sharp declines in activity in the hotels and restaurants, transport and storage *and* wholesale and retail trade *sectors.*



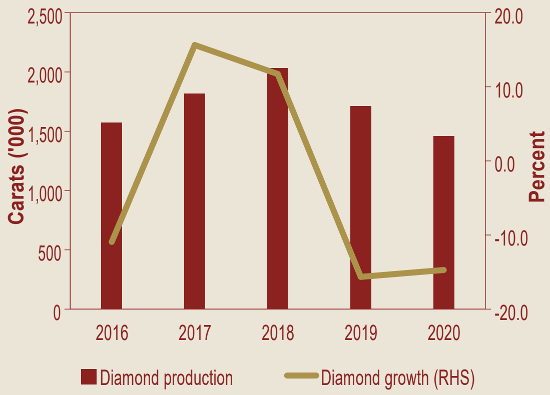
Sources: NSA for 2015-2019 figures, BoN 2020 estimates

Namibia's economy registered a deep contraction in 2020, due to declines across the primary, secondary and tertiary industries. Real GDP is estimated to have contracted by 8.0 percent in 2020, following a mild decline of -0.6 percent registered during the previous year (Figure C.3a). The contraction in 2020 was broad-based, with the sharpest declines in output recorded in the tourism-related *hotels and restaurants and transport sectors*, while *mining, agriculture, manufacturing, construction, wholesale and retail trade*, as well as the public sector also registered a negative growth. This was mainly due to the negative effects of the COVID-19 pandemic. However, positive growth was noted in the *electricity and water* as well as *information and communication sectors*.

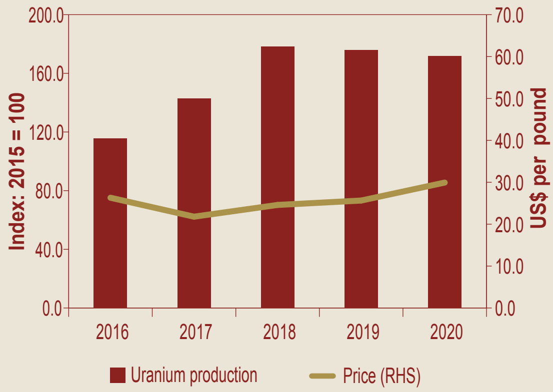
PRIMARY INDUSTRY DEVELOPMENTS

FIGURE C.4 (a–f) PRIMARY INDUSTRY

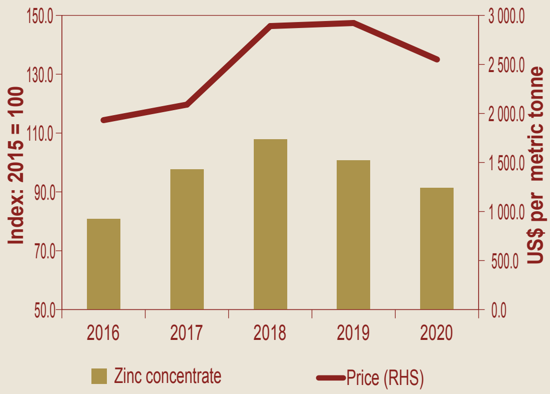
a. The primary industry contracted in 2020, driven by a decline in the production of rough diamonds during the year under review.



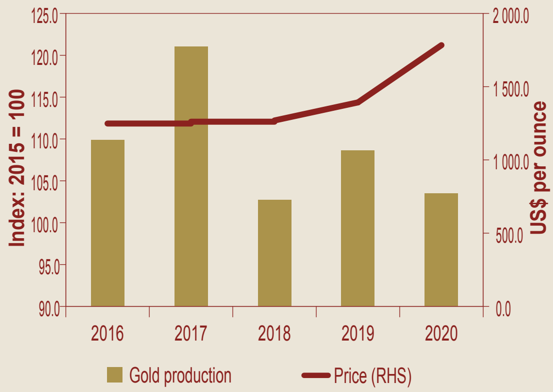
b. Uranium production also declined during 2020 compared to the previous year, owing to water supply constraints.



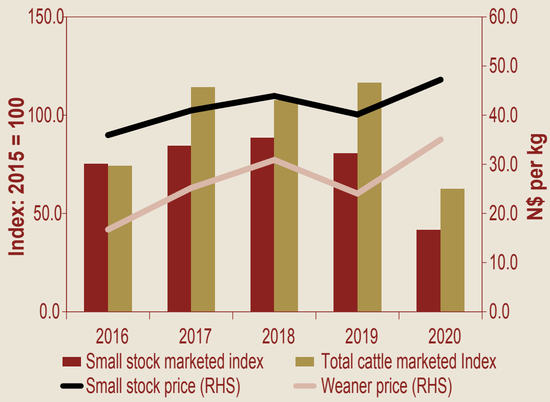
c. Production of zinc concentrate declined during the period under review, as a result of low-grade ore mined.



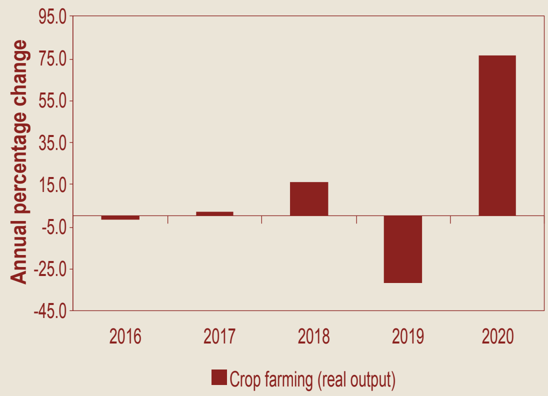
d. Moreover, production of gold declined during the year under review despite a notable price increase.



e. Farmers' marketing activity for cattle and small stock declined during the year under review, owing to post-drought restocking activity.



f. Crop farming output, however, rose significantly during 2020 due to better rainfall received.



Source: Various companies

Mining

The mining sector registered a contraction in 2020, due to a decline in production of rough diamonds as well as uranium, compared to the previous year. Value added in the mining and quarrying sector is estimated to have contracted by 14.9 percent in 2020, slightly higher compared to the contraction of 9.5 percent registered in 2019. The contraction in the mining sector was attributed to lower demand for diamonds, water supply constraints at some uranium mines, and low-grade ores mined for zinc concentrate and gold, worsened by the COVID-19 imposed lockdowns during the year under review. In this regard, the production of diamonds declined by 14.7 percent to 1,460,915 carats during the period under review, due to low carats mined at the land-based mine, coupled with a brief COVID-19 induced lockdown and low global demand for diamonds (Figure C.4a). Furthermore, uranium production declined by 2.2 percent to 6 382 tonnes during the period under review (Figure C.4b). The decrease was ascribed to water supply constraints experienced owing to an unexpected high sulphur content in the ocean which slowed down the water purification process at the desalination plant. Meanwhile, the spot price of uranium rose by 16.7 percent to U$29.93 per pound during the period under review, largely owing to production cuts by the two biggest uranium producers, namely Cameco and Kazatomprom.

Production of zinc concentrate and gold declined during the year under review, compared to the previous year, mainly owing to low grade ore of zinc and gold mined. Production of zinc concentrate declined by 9.3 percent due to a lower grade of zinc ore body mined (Figure C.4c). Zinc spot prices declined by 14.7 percent to US$2 176 per metric tonne due to weaker demand from China as a result of the COVID-19 pandemic. Moreover, gold production declined by 4.7 percent to 6 221 kg owing to low grade of ore mined during the period under review (Figure C.4d). However, the gold spot prices rose significantly by 28.1 percent to an average of US$1 783 per fine ounce as investors moved to safe assets as a result of the weak and uncertain global prospects and prevailing low interest rate environment.

Agriculture, forestry and fishing

Agricultural output registered a positive growth during 2020, mainly reflected in positive developments in the crop farming and forestry, due to better rainfall received. Real value addition in the *agriculture, forestry and fishing* sector is estimated to have grown by 5.9 percent in 2020, compared to a contraction of 3.2 percent in 2019. This was reflected in positive growth in the crop farming and forestry subsector which is estimated to have grown by 76.5 percent in 2020, compared to a steep contraction of 32.0 percent registered during the previous year. This was ascribed to better rainfall received during the 2020 rainy season, after a severe drought experienced during the previous years. Meanwhile, real value addition in livestock farming declined, owing to the depleted herd sizes at the beginning of 2020 and to stock rebuilding activity by farmers during the year under review, following the severe drought condition experienced during the previous years, thereby slightly offsetting the positive development in the crop farming and forestry subsector.

Total cattle marketed declined significantly in 2020 compared to the previous year owing to stock rebuilding activity by farmers. Total cattle marketed declined by 46.4 percent to 247 893 heads during the year under review, compared to the previous year. This was reflected in all sub-categories of cattle marketing, as farmers restocked their herds during the year, after a higher drought-induced marketing activity in the previous year (Figure C.4e). The average price of beef rose slightly by 0.9 percent to N$43.52 per kilogramme while the average price of weaners rose by 45.7 percent to N$35.02 per kilogramme during the year under review. The increases in beef and weaner prices were as a result of the limited supply in light of the restocking activities by farmers.

The total number of small stock marketed declined during 2020, attributed to limited stock available for marketing. Small stock (sheep and goats) marketed declined significantly by 48.4 percent to 457 278 heads during 2020, compared to a modest decline of 9.0 percent registered in 2019 (Figure C.4e). The decline was reflected in all small stock marketing sub-categories. This was caused by several factors such as the drought conditions experienced in the preceding year, policy uncertainty which emanated from the suspension of the small stock marketing scheme, and predators. The average price of small stock rose by 17.7 percent to N$47.20 per kilogramme. This was driven by a decline in the number of animals available for slaughter owing to a fall in the national sheep herd.

Production of milk declined during 2020 compared to the previous year, largely due to a reduction in the number of milk-producing cows. Milk production declined by 21.0 percent to 17.2 million litres during the year under review. This was attributed to a decline in the number of milk-producing cows, as farmers sold some of their heads during the previous year due to the severe drought experienced. Furthermore, the limited supply of spent grains used as animal feeds (a by-product of beer brewery) also led to a decline in the production of milk.

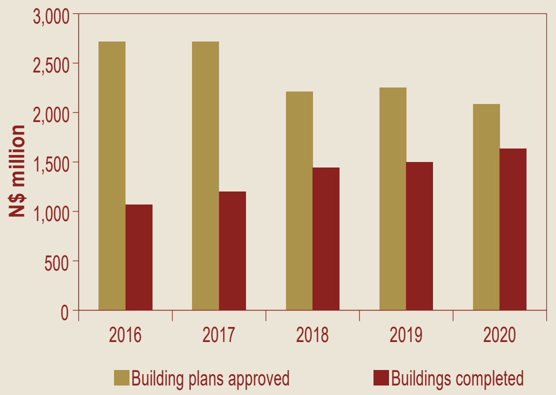
***Fishing sector* output declined during 2020 compared to the previous year, owing to the COVID-19 lockdown and the delay in the fishing quota allocation.** Real value addition in the *fishing sector* is estimated to decline by 9.4 percent during the year under review, compared to a positive growth rate of 8.0 percent in 2019. The decline was ascribed to the imposition of the stage one lockdown as per emergency regulations by the Government to prevent the spread of the corona virus during April 2020. This resulted in a temporary halt in production, as the sector was initially not classified as an essential service. Moreover, the delay in the allocation of the fishing quotas and rights also contributed to the decline in the sector.

SECONDARY INDUSTRY DEVELOPMENTS

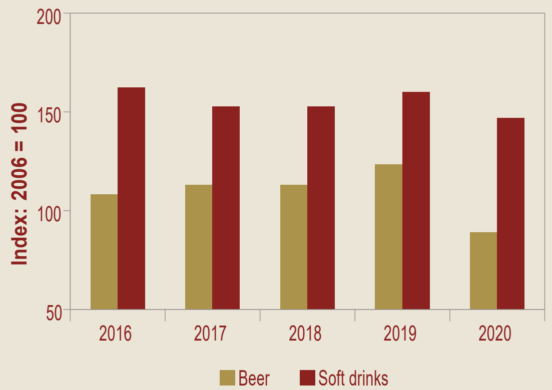
FIGURE C.5 (a–f) SECONDARY INDUSTRY

a. The real value earmarked for Government construction works decreased in 2020, compared to the previous year's level.

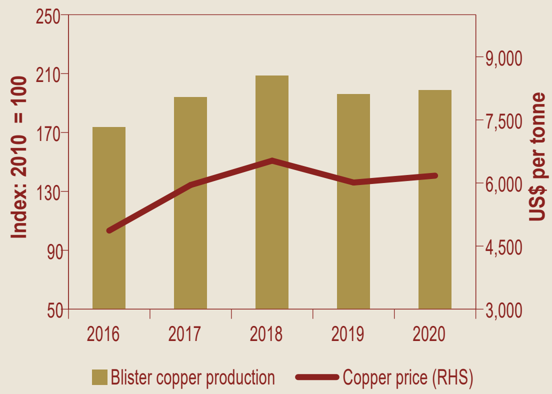
b. Similarly, the real value of building plans approved decreased whereas that of buildings completed rose during the year under review.



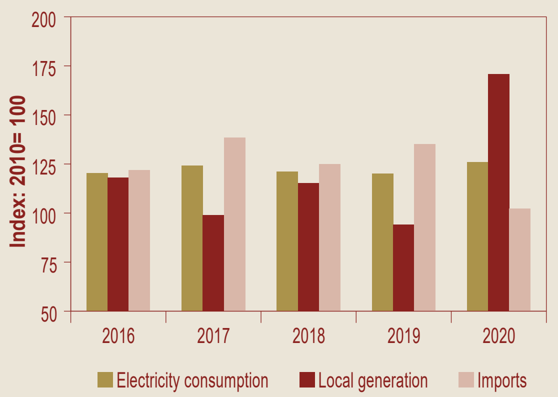
c. The production of both beer and soft drinks decreased during 2020, mainly due to the COVID-19 pandemic and related prohibitions.



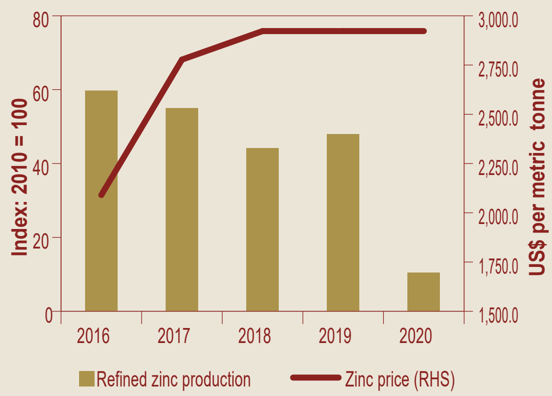
d. However, the production of blister copper increased during 2020.



e. Similarly, electricity generation registered an increase during 2020, mainly owing to the adequate water inflow at the Ruacana hydroelectric power plant.



f. Refined zinc production declined significantly, with plant operations having been suspended since May 2020, when the plant was placed under care and maintenance.



Source: Municipalities, MOF and various companies

Construction

During 2020 the *construction* sector contracted notably, mainly ascribed to less expenses towards Government construction work. Real value added in the construction sector contracted by 11.8 percent in 2020, compared to a fall of 5.5 percent in 2019. The contraction in the sector was attributed to a decline in Government construction activities, while the private sector construction works increased (Figure C.5b). The decline partly reflects the corresponding lower budgetary provisions for construction projects made for the 2020/21 fiscal year, coupled with the adverse impact of the pandemic on the execution rate of some projects. The private sector-led construction works, particularly the real value of buildings completed, however, rose during 2020 compared to 2019 (Figure C.5b). This was partly reflected in the increase in some major property developments completed in some towns, especially in the Khomasdal, Otjomuise and Elisenheim suburbs in Windhoek during 2020. The real value of building plans approved, which is a leading indicator for construction activity, declined over the same period.

Manufacturing

The *manufacturing* sector contracted in 2020, attributed largely to the decline in the production of refined zinc, beer and cement (Figure C.5 a-f). The sector is estimated to have recorded a marked contraction of 19.6 percent in 2020, compared to positive growth of 4.3 percent in 2019. The contraction was mainly attributed to the decline in the production of refined zinc, beer, meat processing and cement that fell by 78.2 percent, 35.7 percent, 26.0 percent and 9.9 percent, respectively. Production of cut and polished diamonds, chemicals and basic metals also declined in 2020, compared with the preceding year. The production of refined zinc has been suspended since May 2020, when the plant was placed under care and maintenance. The decline in the meat processing activity was reflected in all sub-categories of livestock marketing, as farmers restocked their herds during the early months of the year, after high drought-induced marketing activity in the previous year. This blow to the sector was worsened by the impact of pandemic-related restrictions, as most subsectors under the manufacturing sector were not declared as essential services during the initial COVID-19 induced lockdown. After the initial lockdown restrictions were relaxed, production could resume, but lacklustre demand continued to restrain manufacturing output.

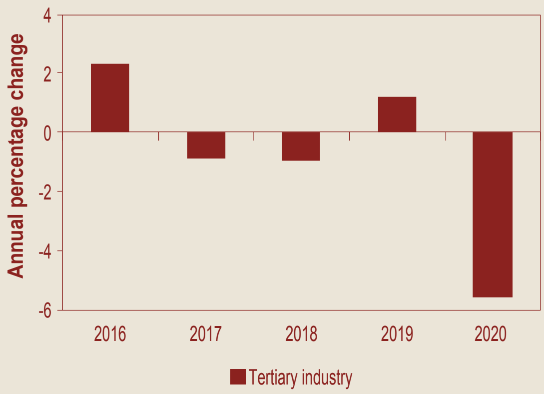
Electricity and water

The *electricity and water* sector recorded an increase in real value added in 2020, compared to 2019, following adequate inflow of water at the Ruacana hydro-power plant that resulted in an increase in generation of electricity. The sector registered an increase of 18.4 percent in 2020, compared to a contraction of 5.9 percent in 2019. The increase was largely driven by a substantial rise in the electricity component in 2020, caused largely by adequate water inflow at the Ruacana hydroelectric power plant. This followed good rainfall received during the 2019/2020 rain season, compared to 2018/2019. As a result, the imports of electricity decreased, year-on-year, by 26.9 percent. In contrast, the water subsector contracted, mainly as a result of the down time experienced at the desalination plant during the year under review (Figure C.5e).

TERTIARY SECTOR DEVELOPMENTS

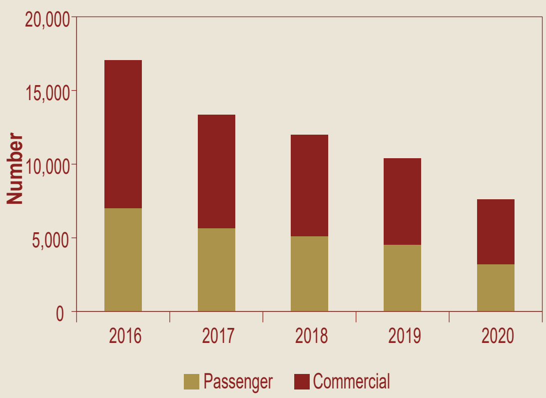
FIGURE C.6 (a–f) TERTIARY INDUSTRY

a. Tertiary industry output is estimated to have contracted substantially in 2020, following an essentially sideways movement in 2019 …

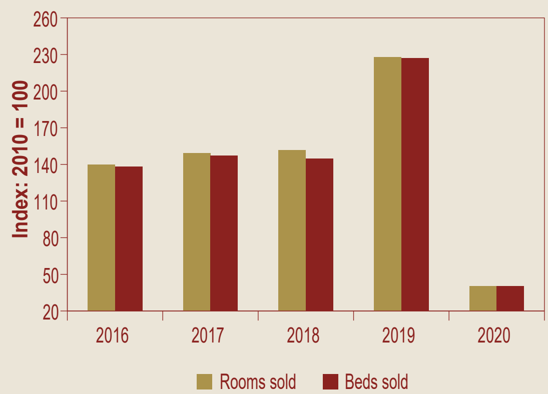


b. … as the wholesale and retail trade sector's real sales contracted further in 2020.

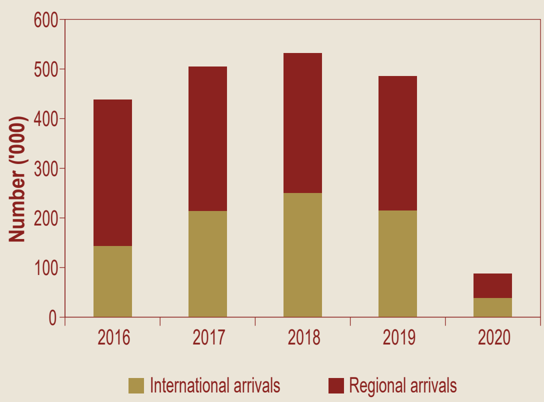
c. The decrease in the wholesale and retail trade sector sales partly reflected a sharp decline in the number of new passenger and commercial vehicles sold in 2020, owing to subdued demand.



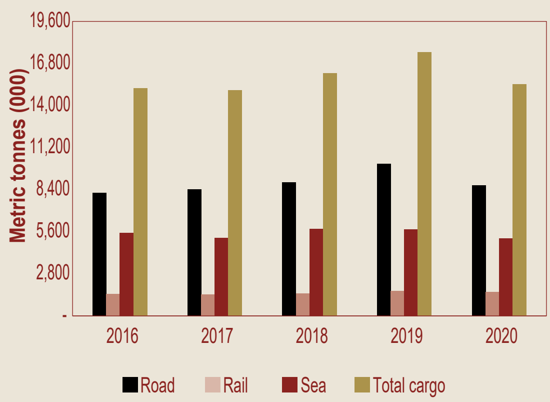
d. Tourism activity was the hardest hit by the COVID-19 pandemic, as reflected in a collapse in room and bed nights sold at hospitality establishments…



e. …and in visitor arrivals at Namibian airports, with both international and regional arrivals falling precipitously.



f. Cargo transport volumes decreased somewhat in 2020, driven mainly by the fall in road and rail transport cargo during the period under review.



Source: NSA, NAAMSA, Namport, TransNamib, Road Authority and other transport operators, Namibia Airports Company and Hospitality Association of Namibia

Wholesale and retail trade

The *wholesale and retail trade* sector contracted in 2020, due to weak economic activity that was reinforced by the impact of the COVID-19 pandemic. The real value addition in the *wholesale and retail trade* sector is estimated to have contracted by 11.7 percent in 2020, which was more severe than the 7.8 percent decline registered in 2019 (Figure C.6b). This was due to weak demand resulting from subdued local economic activity, which was worsened by the COVID-19 pandemic-induced lockdowns, retrenchments, and reprioritisation to purchase basic items. As a result, the real turnover of the wholesale and retail trade sector decreased, year-on-year, by 4.5 percent to N$21.9 billion in 2020. The decrease was reflected in virtually all subsectors, but was more pronounced in the *furniture, clothing* and *vehicles* subsectors. The total number of new vehicles sold declined substantially by 26.7 percent in 2020, with commercial and passenger vehicle sales respectively decreasing by 24.8 percent and 29.2 percent. The decline in sales of new vehicles was in line with a contraction in instalment credit, coupled with reduced Government procurement of vehicles.

Tourism

Activity in the *tourism* sector fell precipitously in 2020, largely affected by the COVID-19 induced travel restrictions and social distancing considerations. The sector is estimated to have contracted massively by 33.1 percent in 2020, after registering a marginal positive growth rate of 2.8 percent in 2019. The contraction was manifested in sharp declines in the number of bed and room nights sold by the hospitality industry, as well as in regional and international passenger arrivals at Namibian airports (Figure C.6e).

Transport and storage

The *transport and storage* sector contracted notably in 2020, due to low volumes experienced in most cargo categories as a result of COVID-19 restriction measures. The real value added in the *transport and storage* sector is estimated to have decreased by 22.4 percent in 2020, compared to a contraction of 0.6 percent recorded during 2019. The real value addition of the transport subsector in particular is estimated to have decreased substantially by no less than 26.9 percent during the period under review, compared to a comparatively moderate decrease of 5.1 percent recorded during the previous year (Figure C.6f). Road and rail cargo volumes receded notably in 2020, but were nevertheless supported by the need to maintain supply chains, whereas passenger transport volumes collapsed as described in the preceding paragraph.

Information and communication

The *information and communication* sector expanded in both 2019 and 2020 due to expanded demand for internet and data services. The value addition in the *information and communication* sector is estimated to have registered brisk growth of 17.4 percent in 2020, after it surged by 11.9 percent in 2019. The strong performance in 2020 was induced by the COVID-19 pandemic, as working remotely and e-leaning has boosted the demand for telecom services.

Education

The *education* sector registered slower growth in 2020 compared to 2019, following activity disruptions by the COVID-19 pandemic. The growth in real value added in the education sector is estimated to have slowed to 0.1 percent in 2020 compared to growth of 1.7 percent registered during the previous year. The slower growth in the sector was explained by modest growth in the number of staff in the public education sector during 2020 as normal education processes were disrupted for much of the year.

Health

The health services sector posted high growth during 2020, reversing the contraction recorded in 2019. The sector is estimated to have expanded by 4.8 percent in 2020 compared to a contraction of 1.5 percent in 2019. The positive performance was triggered by increased investment in the public health sector and an increase in health personnel numbers in the public sector to mitigate the impact of the pandemic.

Public administration and defence

The *public administration and defence* sector contracted during 2020 reflecting fiscal consolidation measures. The sector is estimated to have contracted by 1.8 percent in 2020, compared to the marginally positive growth rate of 1.5 percent recorded during the previous year. The fiscal consolidation programme continued to weigh on this sector, amid the challenge posed by the pandemic that compelled the Government to fiscally intervene to help reduce the impact of COVID-19 on economic activity.

Gross national income and gross national disposable income

Namibia's gross national income (GNI) and gross national disposable income (GNDI)[11] decreased during 2020. GNI at current prices is estimated to have fallen to N$168.0 billion in 2020 from N$176.2 billion in 2019, representing a decrease of 4.7 percent (Figure C.7). Similarly, GNDI is estimated to have declined by 4.3 percent to N$187.0 billion in 2020, from N$195.5 billion in the preceding year. Moreover, GNDI remained higher than GNI in 2020, indicating that Namibians continued to receive more income transfers from the rest of the world than they sent abroad. During the period from 2013 to 2020, GNDI has been higher than the GNI because of net inflows of current transfers, which are largely made up of SACU receipts.

11 GNI and GNDI measure total income received by residents. GNI measures total income earned by the factors of production owned by residents, both inside and outside of Namibia, while GNDI measures disposable income of residents plus net income transfers from abroad.

FIGURE C.7 (a–c) GNI, GNDI AND SAVINGS

a. GNDI continued to be higher than GNI, indicating that Namibia is a net recipient of current transfers.

b. Gross domestic expenditure as a ratio of GDP is estimated to have decreased in 2020, largely due to a significant fall in household final consumption.

c. As a ratio of GDP, domestic private savings are estimated to have improved, while Namibia's use of external savings is estimated to have decreased during 2020.

Source: NSA for 2016 – 2019, Bank of Namibia estimates for 2020

Gross domestic expenditure

Gross domestic expenditure (GDE) as a ratio of GDP declined in 2020, largely due to a fall in private sector final consumption. GDE at current prices is estimated to have decreased to N$190.3 billion in 2020, from N$202.4 billion in the previous year, representing a 6.0 percent fall. As a ratio of GDP, GDE declined to 110.3 percent in 2020, from 111.7 percent in 2019. This decline was mainly attributed to a decrease in the household final consumption expenditure, which is estimated to have decreased by 13.0 percent in 2020. Gross fixed capital formation decreased by 6.8 percent in 2020, contributing further to the fall in GDE (Figure C.7b). Government final consumption expenditure by contrast increased, as expenditures were incurred to combat the COVID-19 pandemic.

Savings and investment balance

Namibia's total domestic savings as percentage of GDP increased in 2020. Total domestic savings as a ratio of GDP is estimated to have increased to 18.5 percent in 2020, from 11.9 percent in the preceding year, despite some significant dissaving by Government. National savings are critical in any economy as they contribute to investment funding, which in turn stimulates economic growth. The improvement in the overall domestic savings was attributed to an increase in domestic private savings. As a ratio of GDP, domestic private savings is estimated to have risen to 26.5 percent in 2020, from 15.2 percent in 2019. At the same time, the domestic dissaving rate by the public sector increased to 8.1 percent of GDP in 2020, from a lower dissaving rate of 3.4 percent of GDP in 2019 (Figure C.7c). During 2020, Namibia's investment (gross fixed capital formation plus changes in inventories) was equivalent to 16.5 percent of GDP, while total domestic saving was 18.5 percent of GDP, leaving a negative savings-investment gap equivalent to 2.0 percent of GDP. This gap was, uncharacteristic for Namibia, and was filled through dissaving from the external sector. In other words, domestic savings were higher than investment and the excess amount was invested elsewhere in the world. The counterpart to this was that Namibia ran a surplus on the current account of the balance of payments in 2020.

BOX ARTICLE 3

THE IMPACT OF THE COVID-19 PANDEMIC ON THE TOURISM INDUSTRY

1. INTRODUCTION

Prior to the COVID-19 pandemic, Namibia enjoyed an increasing number of tourist arrivals with a target set for between 1.5 and 2 million arrivals in 2020. The arrival target, however, was not realised due to the COVID-19 pandemic. Namibia registered its initial COVID-19 case on 13 of March 2020. Four days later, on the 17th of March 2020, a state of emergency was declared by the President. The state of emergency comprised of aggressive measures such as travel bans and restrictions as well as a lockdown with the sole purpose to contain the spread of COVID-19. As a result, total tourist arrivals via airports during 2020 declined drastically by 81.9 percent compared to a decline of 8.6 percent registered in 2019 - from March to December 2020 the year-on-year decline was 97.8 percent.

The COVID-19 pandemic has devasted Namibia's tourism industry with an unprecedented impact on firms' employment and earnings. Based on GDP data, the hotels and restaurants subsector which serves as proxy for the tourism sector was severely affected by the COVID-19 pandemic which led to a halt in tourism activity, particularly regional and international travel. Most of the firms in the sector are small and medium enterprises with limited access to financial resources, thus limiting the ability for some of the firms to survive the shock for a prolonged period. In response to the pandemic, some of the enterprises closed while others significantly cut their operations, consequently resulting in loss of revenue and reduced employment levels.

This note takes stock of developments in the tourism sector during the pandemic by first looking at the impact of COVID-19 on the macro indicators at an industry level before delving into the results of the tourism survey. The note aims to assess the impact that COVID-19 has had on the Namibian tourism industry in 2020. The survey was sent to 128 tourism member establishments of the Hospitality Association of Namibia (HAN). Out of 128 surveyed companies, only 55 responded, thus resulting in a response rate of 42.9 percent. Although the response rate is low, some of the entities that responded are large and have many tourism establishments under their umbrella or groups.

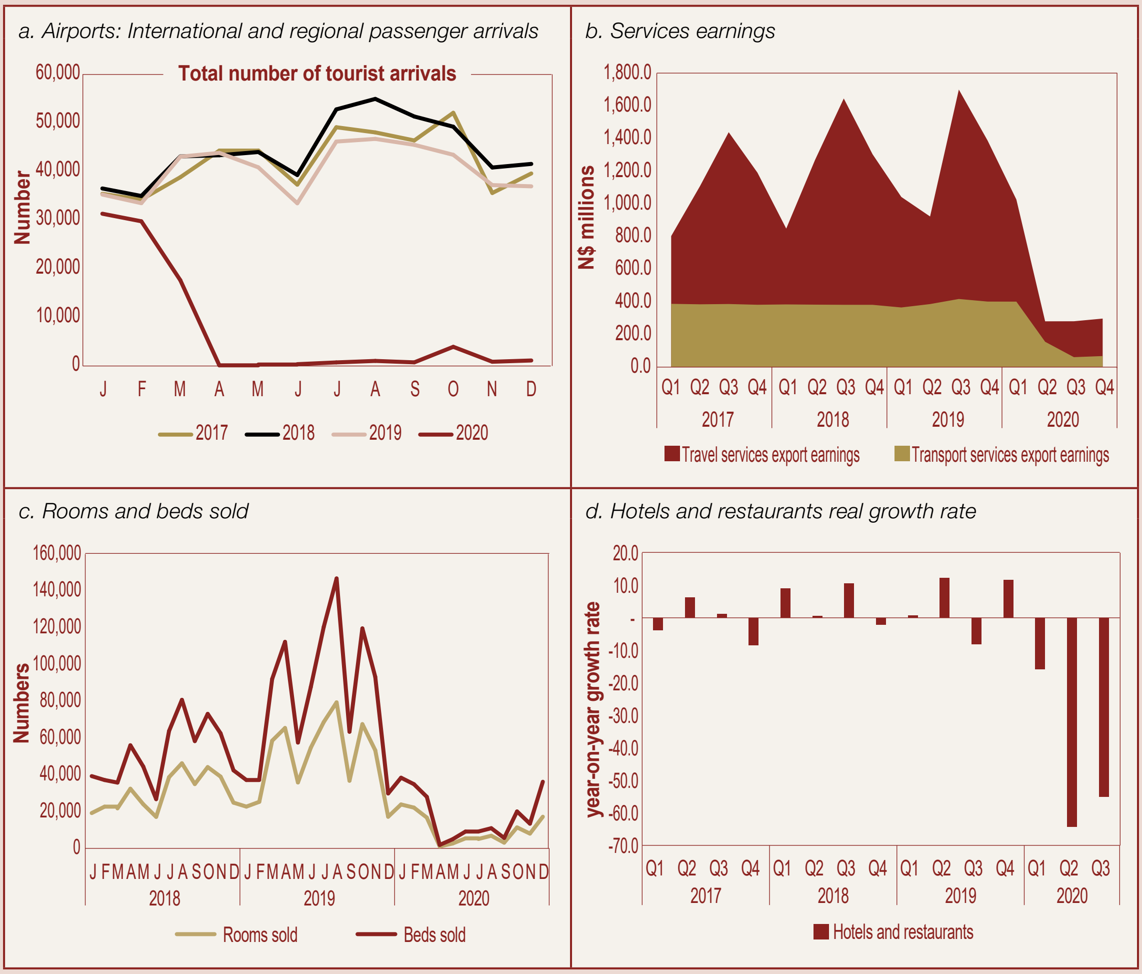
2. MACRO DEVELOPMENTS

Foreign tourist arrivals via airports fell sharply during 2020 due to the COVID-19 restrictions. International tourist arrivals from a global perspective are estimated to have declined by 74 percent from 1 461 million in 2019 to 381 million tourist arrivals (UNWTO, 2021). In terms of foreign tourists visiting Namibia, the total number of arrivals declined by 81.9 percent following the closure of borders and the subsequent cancellation of both regional and international flights (Figure 1a). The greatest impact was felt during the months of April 2020 and May 2020 after the domestic lockdown restrictions came into force during the last week of March 2020. During this period, tourist arrivals were effectively reduced to a mere 432 arrivals compared to 84 688 arrivals during the same period in 2019. The number of arrivals referred to above mainly included returning Namibian nationals who resided abroad, implying, that the foreign tourist component in the number of arrivals after March 2020 was extremely low. Moreover, about 2 145 Namibian nationals were repatriated between June and August 2020. Most of them were required to quarantine in tourism related facilities and this slightly cushioned some of the tourism establishments from complete shutdown.

The country's borders remained closed in the subsequent months until September 2020 when the international tourism revival initiative was introduced with the aim of aiding the struggling tourism industry. Arrivals picked up somewhat from the low levels recorded during the lockdowns period, resulting in a cumulative number of 6 686 tourists coming to Namibia between September 2020 and December 2020. It nevertheless was only 4 percent of the number of tourists visiting Namibia during the corresponding period in 2019. The second wave of COVID-19 infections and the lockdown measures in key European countries contributed to the low arrival numbers during this period. This in turn contributed to a slow recovery in Namibia's tourism industry which depends heavily on both regional and international arrivals.

Similarly, foreign currency earnings from travel and passenger transportation services were severely reduced during 2020. Prior to the COVID-19 pandemic, travel services were the third biggest contributor to the country's export earnings following minerals and fish products. In the country's balance of payments, travel services mainly consist of expenditure by tourists on accommodation, food, and local transport services. The policy measures in response to the pandemic severely impacted earnings from travel services, which resulted in the country losing about N$3.2 billion in export revenue during 2020, with receipts down to N$1.9 billion compared to N$5.1 billion received in 2019 (Figure 1b). Consistent with the sharp fall in earnings from travel services, passenger transportation services receipts also declined considerably as the pandemic wreaked havoc on earnings of airlines and road transport companies operating in the domestic market. Therefore, given the events surrounding international and regional travel, the services account in the balance of payments was negatively affected in 2020 and the country is likely to continue registering lower travel related inflows of foreign currencies until the tourism sector fully recovers.

FIGURE 1(a-d) AIRPORT ARRIVALS AND EARNINGS



Source: HAN, NSA and Namibia Airports Company

The sudden drop in both regional and international arrivals was reflected in low numbers of rooms and beds sold, although domestic tourism sustained the industry during the latter part of the year. The total number of beds and rooms sold plummeted throughout 2020, as travel restrictions were imposed, and this reduced the movements across Namibia. A partial recovery was observed during the last quarter of 2020 in line with the festive season travel of domestic tourists. Generally, prices for rooms were cut dramatically during the year in order to attract domestic tourists, although the spending power of local tourists remained relatively low as most tend to opt for cheaper accommodation options; cheaper food selections and less or no tourism activities such as game drives and hiking. Activity in the tourism industry was also sustained by the use of some facilities (lodges and hotels) as quarantine facilities by the Ministry of Health and Social Services. The low levels of rooms and beds sold was in line with the deep contractions during the first three quarters of 2020 recorded in the hotels and restaurants sector, which serves as proxy for the tourism sector (Figure 1.d).

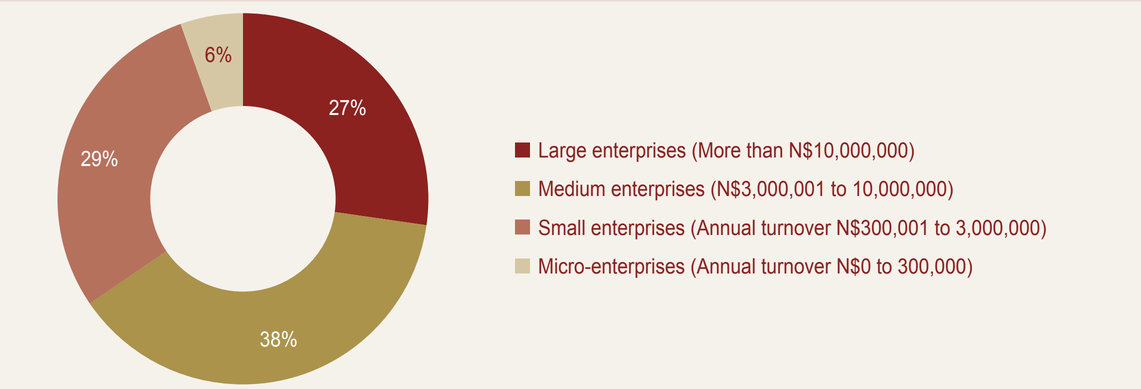
The tourism sector is one of the biggest contributors to employment in Namibia. The tourism industry employed 83 056 people as per the 2018 Labour Force Survey, referred to as "accommodation and food service activities", making it the second largest contributor to employment. About 31 percent of employment in the sector was formal, while the remaining 69 percent was informal. The COVID-19 pandemic has dramatically changed this with retrenchments, and a reduction in work hours reported across the industry. In the absence of timely employment statistics, estimating job losses in the sector, particularly in the informal market, is quite difficult. The results from the 2020 Bank of Namibia survey shows an average reduction of about 30 percent in employment numbers in 2020 compared to 2019, due to the impact of the COVID-19 pandemic. This equates to about 7 830[12] formal job losses across the board. The loss of jobs in the sector is likely to be much worse should informal job losses data be available.

3. MICRO DEVELOPMENTS

3.1 OVERVIEW

The Bank undertook a survey to get a deeper understanding on how COVID-19 affected individual businesses in the tourism sector. The purpose of the survey was to gather data at a micro level to assess the impact of the COVID-19 pandemic on the tourism establishments and the actions the industry took in response to the pandemic, including the effectiveness of the recent support measures received. This section presents the results from the tourism survey that was conducted by the Research and Financial Stability Department of the Bank. An online survey was sent to a sample of 128 businesses, resulting in a 42.9 response rate. The survey gathered data across the industry with the biggest number of responses coming from Small and Medium Enterprises (SMEs) representing a collective share of 67.2 percent of responses received (Figure 2). These were mainly businesses with annual turnover of less than N$10 million, largely comprising of bed and breakfast establishments, guesthouses, lodges, and small hotels. The share of large businesses was 27 percent, which included some of the big tourism groups each with numerous establishments falling under their group.

FIGURE 2 SIZE OF BUSINESSES THAT RESPONDED



Source: BoN

12 The formal job losses were estimated using the 26 100 formal employment count in the tourism sector as per the 2018 Labour Force Survey and applying a factor of 30 percent job losses as reported in the BON 2020 survey.

3.2 BUSINESS IMPACT FROM A BOOKING, FINANCIAL, OPERATIONAL, AND STAFFING PERSPECTIVE

The COVID-19 pandemic negatively affected bookings, revenue, and operations during 2020. The impact of COVID-19 on tourism businesses was dire during 2020 as booking levels fell below 10 percent of capacity for 69 percent of the businesses, compared to only 2 percent of businesses that had bookings below 10 percent in 2019 (Figure 3.a and 3.b). This consequently had a dampening effect on revenue as 84 percent of businesses in the sector on average lost more than 50 percent of normal revenue (Figure 3.c). The low demand resulted in very few businesses being able to operate at full capacity - only 24 percent of businesses were fully functional as of November 2020 (Figure 3.d). 64 percent of the surveyed businesses were active with reduced staff, whilst 11 percent of the businesses were temporarily closed due to the COVID-19 pandemic. Regarding business closure, only 2 percent of businesses indicated that they were fully closed, which were mostly rest camps. This figure is biased as closed businesses were unlikely to have responded to the survey. Other operational challenges include depletion of cash reserves and lack of working capital to run the firm's daily operations (Figure 4).

FIGURE 3 (a-d) BUSINESSES IMPACT

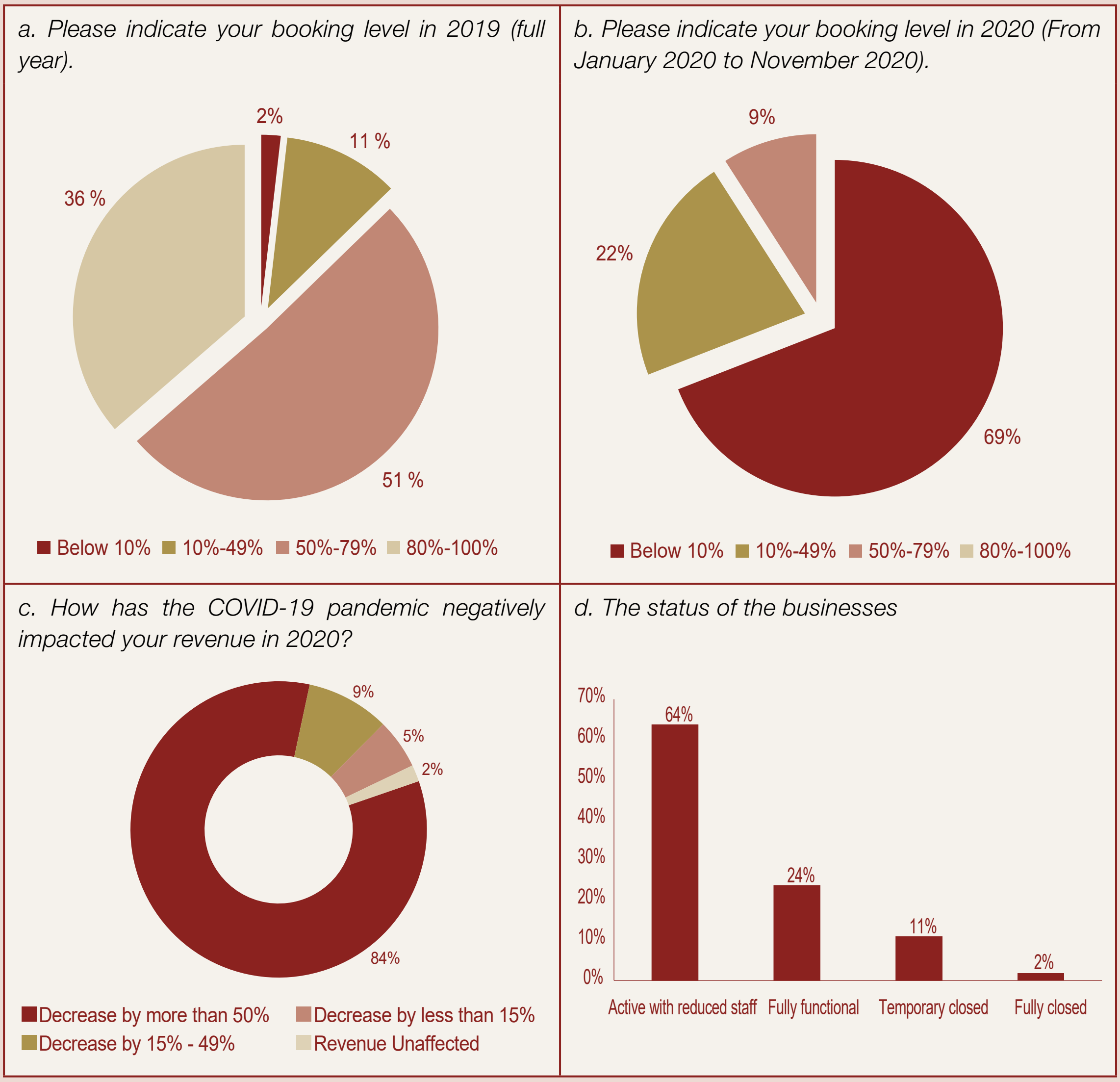
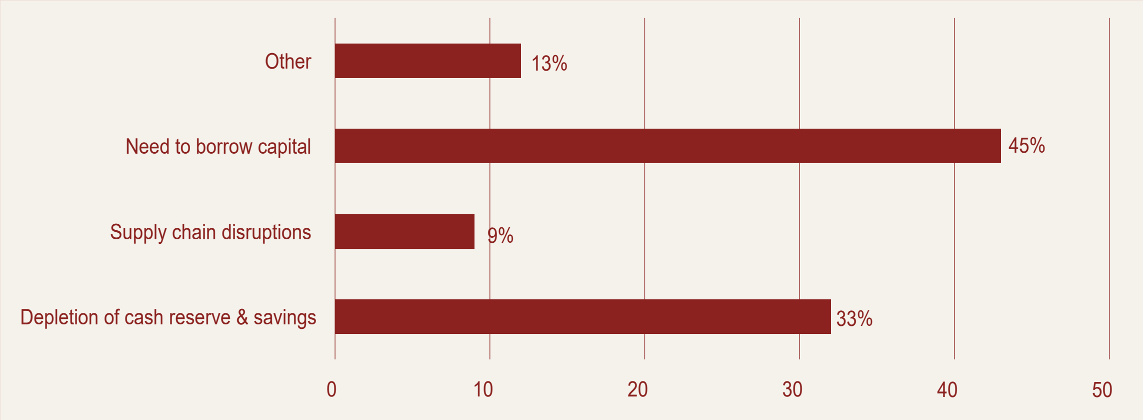
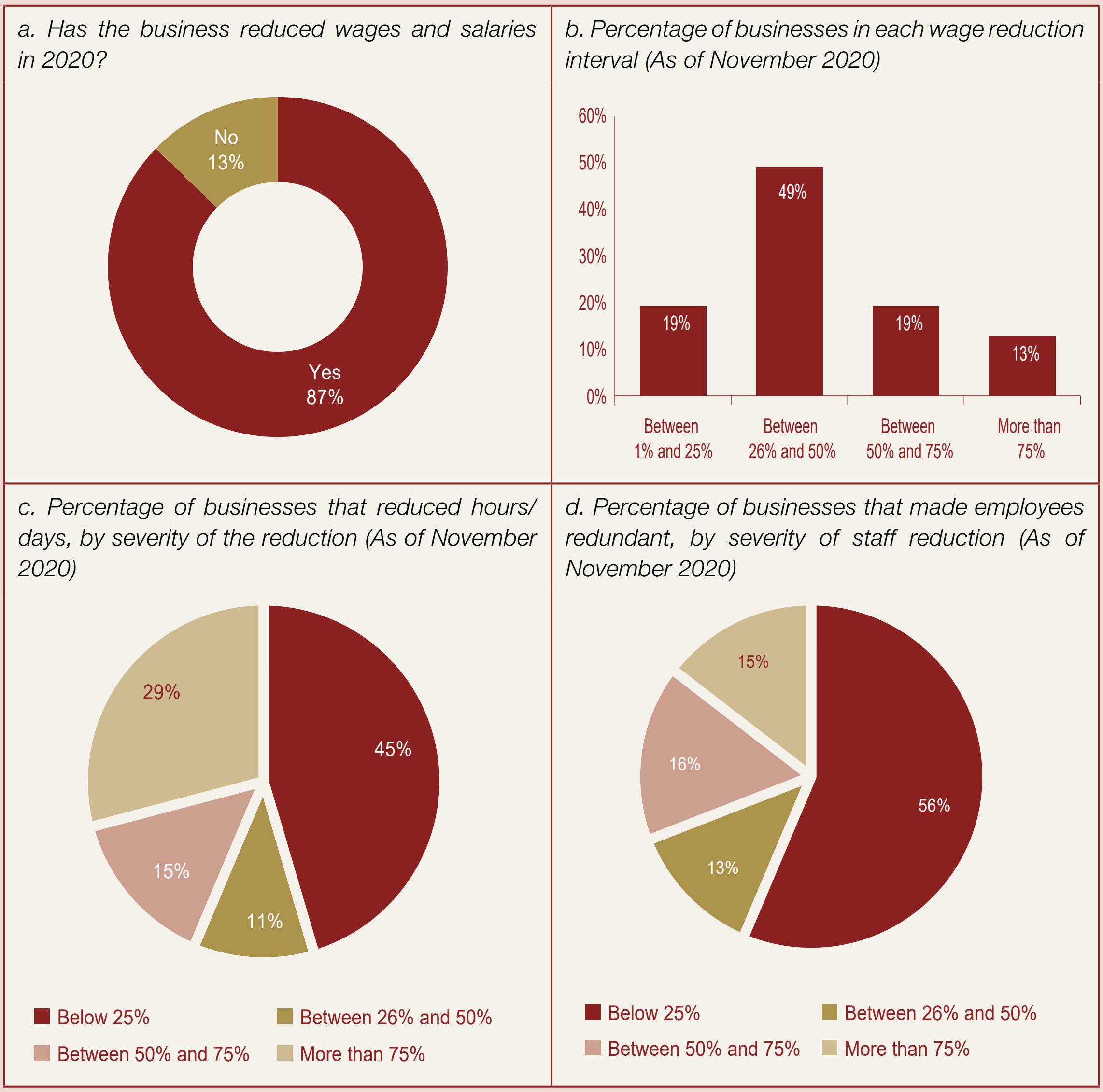


FIGURE 4 HOW HAS THE COVID-19 PANDEMIC IMPACTED BUSINESS OPERATIONS



Employment and number of hours worked have declined significantly as businesses reduced operational costs. Over 80 percent of businesses have reduced staff numbers, while staff numbers remained the same for 16 percent of businesses when compared to a year earlier. The results indicate that 87 percent of the tourism businesses reduced wages/salaries while only 13 percent kept wages/salaries unchanged (Figure 5a). Of those businesses that reduced their wages and salaries, the majority (49 percent) cut them by between 26 percent and 50 percent while 13 percent of the businesses cut wages and salaries by over 75 percent (Figure 5.b). In terms of business size, micro and medium enterprises had the largest share of reduced wages and salaries in the category of 75 percent and more. About half of the businesses that made some of their employees redundant, managed to do so to a fairly limited extent, reducing their staff number by less than 25 percent, while at the opposite extreme of the spectrum 15 percent of the businesses reduced their staff on a servere scale, by more than 75 percent.

FIGURE 5 (a-d) WAGES AND SALARIES



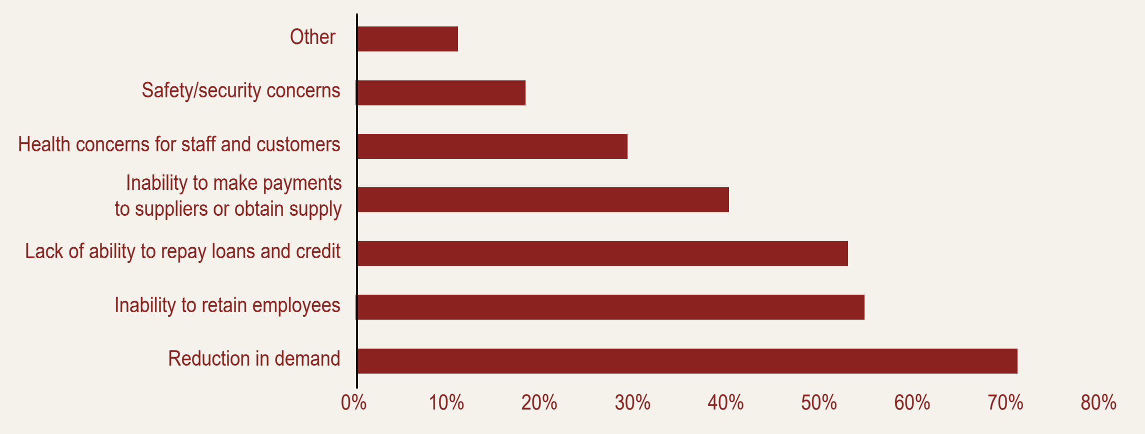
3.3 BUSINESS RESPONSE

The strategy most businesses took to mitigate the impact of COVID-19 pandemic was largely through a reduction in fees and rates. In an effort to ease the impact of the pandemic, most companies opted to cut their rates as well as undertaking increased advertising. The focus shifted to attracting local tourist by lowering prices. Many of the tourism enterprises also significantly cut their operational costs while a few temporarily closed their businesses. A moderate number of enterprises indicated that they do not have strategies in place but are rather relying on Government policy and prefer to wait until the impact of COVID-19 pandemic has faded.

3.4 BUSINESS CHALLENGES

The top challenges cited by tourism businesses were a reduction in demand, inability to retain employees as well as a lack of ability to repay loans. Both domestic and foreign demand for tourism activity were a key challenge during 2020, primarily because of consumer confidence as well as the closure or near closure of borders that was in force for about 7 months. The second biggest concern identified was inability to retain employees due to a loss of revenue. The lack of ability to repay loans was also one of the biggest concerns by businesses in the sector as their revenue was affected (Figure 6). Furthermore, the second wave of COVID-19 infections in Europe was a major concern for the businesses, especially those that rely heavily on international tourists. Amongst the other challenges highlighted by some businesses was the rising food prices, scarcity or delay of products from South Africa and the widespread uncertainty and lack of information.

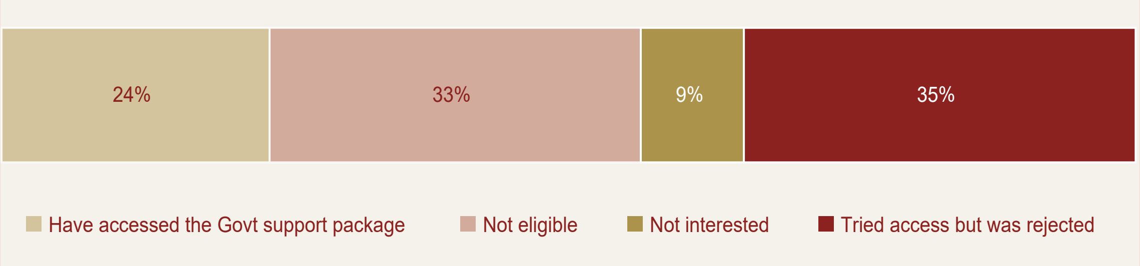
FIGURE 6 KEY CHALLENGES BUSINESSES ARE FACING



3.5 SUPPORT MEASURES

Businesses in the tourism sector benefited partly from the fiscal and monetary relief measures. The Namibia Government rolled out an economic stimulus and relief package to support businesses that were hit hard by the COVID-19 pandemic. This included amongst others a wage subsidy, tax-back loan scheme as well as more speedy VAT refunds. In this regard, 24 percent of the businesses have accessed the government stimulus support packages, with 44 percent of the businesses having accessed the government wage subsidy whereas 27 percent received more speedy VAT refunds and payment from Government for invoices (Figure 7). A handful of businesses raised ongoing concerns regarding delays in VAT refunds, with a few indicating that the outstanding VAT refunds due to them have been outstanding for several years. Moreover, about 33 percent of all businesses indicated they were not eligible for government support, while over 30 percent of the businesses tried to access government support, but their applications were rejected. This could be attributed to the conditions[13] that businesses needed to fulfil to participate in schemes such as the wage subsidy. On another note, 9 percent of the businesses indicated no interest at all in government support. Regarding the regulatory relief measures introduced and facilited by Bank of Namibia, 24 percent of businesses managed to get repayment holidays on their loans with the commercial banks.

FIGURE 7 ACCESS TO GOVERNMENT FISCAL SUPPORT INITIATIVES

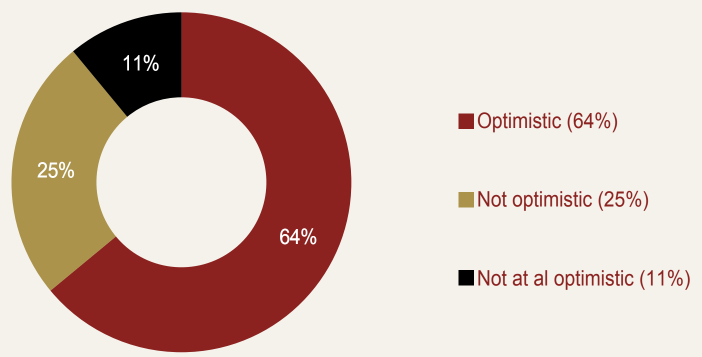


13 Businesses were expected not to retrench staff between April and June as well as not to reduce salaries by more than 50 percent in order to be eligible for the scheme.

3.6 CURRENT CONCERNS

Most of the businesses were optimistic in terms of the way forward, mainly attributable to the imminent distribution of COVID-19 vaccines across the globe. Although the COVID-19 crisis continues, most tourism businesses (64 percent) are optimistic about the prospects for their business operations. This is more prevalent in small and medium businesses as the overhead costs as well as the debt levels are much lower when compared to larger enterprises. The optimism is attributable to the ongoing global development (at the time of the survey) and imminent distribution of vaccines which is envisaged to contribute positively to the revival of economic activity and tourism. The majority of companies do not expect tourism activities to recover in 2021 but to pick up gradually and start recovering in 2022. Also, the challenge will be that even if business activities pick up, they are not expecting their revenue to improve that much as most of the money, in the form of prepayments or deposits received from those customers who postponed thier visits, was already spent in 2020 by the business on sustaining their operations.

FIGURE 8 WHETHER COMPANIES WILL SURVIVE THE PANDEMIC



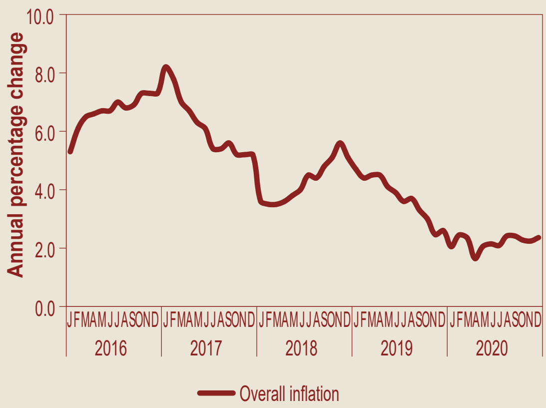
4. CONCLUSION

This note reviewed the developments in the tourism industry, looking at the impact of the COVID-19 pandemic in terms of both the macro and micro level. The pandemic negatively affected foreign tourist arrivals in Namibia, resulting in a severe decline in export revenue, employment, and overall contribution of the hotel and restaurant sector to GDP. The findings indicate that foreign tourist arrivals, bookings and revenue fell sharply during 2020 mainly caused by the COVID-19 restrictions. Key challenges experienced by the enterprises in the tourism sector include lack of demand and inability to retain employees and repay loans. Some tourism businesses also benefited to some degree from the government relief packages that included amongst others a wage subsidy, tax-back loan scheme as well as faster VAT refunds. Regulatory relief measures introduced by Bank of Namibia, also partially supported businesses in terms of repayment holidays on their loans with the commercial banks. Although the COVID-19 crisis still prevails, most tourism businesses are optimistic about the prospects for their business operations as the ongoing global distribution of vaccines is envisioned to contribute positively to the revival of the tourism sector.

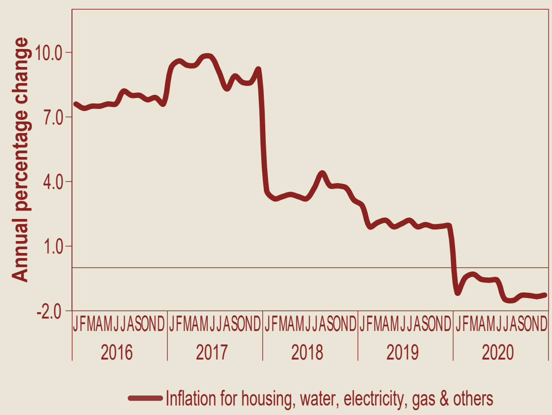
PRICE DEVELOPMENTS

FIGURE C.8 (a-f) PRICE DEVELOPMENTS

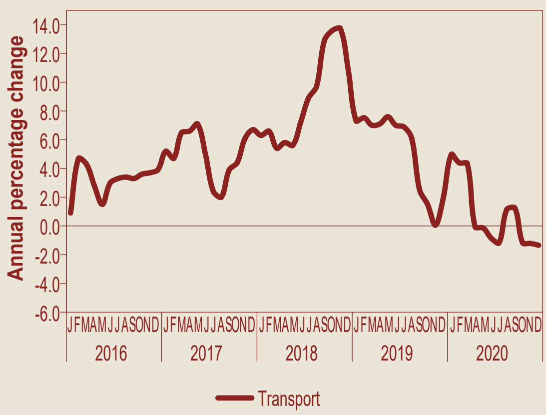
a. Namibia's overall inflation declined further during 2020, to the lowest level in decades.



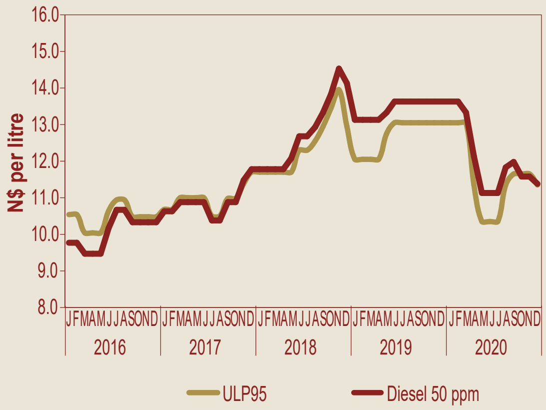
b. The decline was driven by the deflationary pressure in the housing category, primarily the rental payment for dwellings.



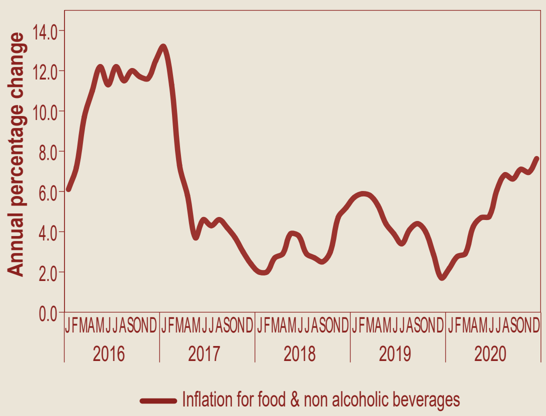
c. Transport inflation also declined during the year under review…



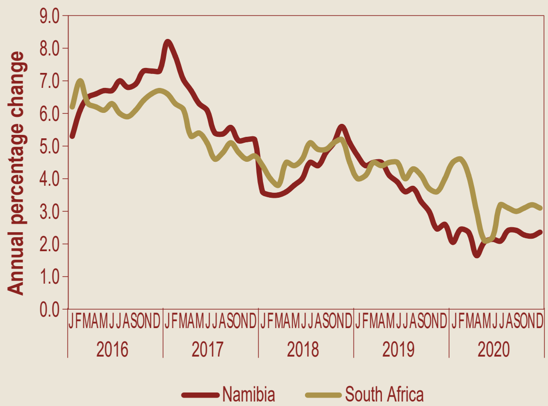
d. …as evident in the lower pump prices of fuel during 2020.



e. Meanwhile, inflation for food rose slightly during the year under review, as reflected in most sub-categories of food, showing an upward trend over the course of the year.



f. Namibia's inflation remained below that of South Africa during the year under review, largely owing to lower inflation for housing in Namibia when compared to that of South Africa.



Source: NSA and Stats SA

Namibia's inflation rate declined further during 2020, due to deflationary pressure which resulted from poor demand in the rental market, coupled with low international prices of fuel. Overall inflation declined by 1.5 percentage points to 2.2 percent during the year under review (Figure C.8a). The decline was mainly reflected in a decrease in inflation for the categories of housing and transport during the period under review. The low inflation in housing was due to deflationary pressure as a result of weaker demand in the rental market caused by poor economic conditions, while transport inflation declined because of low international prices of fuel. Meanwhile, inflation for food rose slightly during the period under review, due to supply constraints, particularly for meat and fish.

The inflation rate for *housing, water, electricity, gas and other fuels* declined during 2020, compared to the previous year, as reflected in lower inflation in most subcategories of housing. Inflation for this category decelerated by 3.1 percentage points from 2.1 percent in 2019 to an annual average deflation rate of 1.0 percent during the year under review (Figure C.8b). The developments in housing inflation were influenced by the subcategories such as *rental payments for dwellings* as well as *regular maintenance and repair of dwellings*, which declined by 4.5 percentage points and 1.7 percentage points, respectively, to -2.2 percent and 1.8 percent. This was attributed to the demand-supply situation in the rental market where demand weakened caused by weak economic activity. Meanwhile, inflation for the *water supply, sewerage service and refuse collection* as well as the *electricity, gas and other fuels* subcategories rose by 0.5 percentage point and 3.4 percentage points to 4.9 percent and 3.4 percent, respectively.

Transport inflation declined during the period under review, as reflected in most subcategories, particularly public transport services. Transport inflation declined by 4.4 percentage points to 0.8 percent during 2020 (Figure C.8c). The decline was reflected in a decline in the inflation for the subcategories such as *operation of personal transport equipment* and *public transport services*, which declined by 5.5 percentage points and 8.2 percentage points to -2.2 percent and 6.0 percent, respectively. This was mainly due to a fall in the international oil price, coupled with the decline in inflation for the *air transportation* subcategory. Meanwhile, inflation for the purchases of vehicles subcategory rose slightly by 0.7 percentage point to 4.8 percent over the same period.

Pump prices for both petrol and diesel declined during 2020, owing to a drop in the international oil price. Pump prices for petrol and diesel 50ppm declined on average to N$11.60 and N$12.04 per litre, respectively, during the year under review, from annual averages of N$12.69 and N$13.44 per litre registered during the previous year (Fig. C.8d). This was attributed to the drop in international oil prices which prompted the Ministry of Mines and Energy to reduce pump prices for both petrol and diesel twice during the year under review.

Annual inflation for *food and non-alcoholic beverages* increased during 2020, mainly due to supply constraints, particularly for meat and fish. The inflation rate for this category rose slightly by 0.9 percentage point to 5.2 percent during 2020, compared to the previous year (Figure C.8e). The rise was reflected in most sub-categories, particularly *meat, fish, fruits* as well as *oils and fats*. These inflation subcategories rose by 6.3 percentage points, 4.4 percentage points, 5.7 percentage points and 6.3 percentage point to 7.1 percent, 6.4 percent, 16.3 percent, and 6.7 percent, respectively. These increases were mostly attributed to supply constraints.

TABLE C.5 INFLATION FOR FOOD AND NON-ALCOHOLIC BEVERAGES

Percent	2016	2017	2018	2019	2020
ALL ITEMS	**6.7**	**6.2**	**4.3**	**3.7**	**2.2**
FOOD AND NON-ALCOHOLIC BEVERAGES	**10.8**	**5.7**	**3.2**	**4.3**	**5.2**
Food	11.1	5.3	3.3	4.5	5.5
Bread and cereals	13.4	0.5	1.6	6.4	2.1
Meat	5.0	8.9	6.3	0.8	7.1
Fish	14.0	15.4	2.8	2.0	6.4
Milk, cheese and eggs	7.8	4.4	0.7	3.8	4.0
Oils and fats	15.0	2.6	2.6	0.5	6.7
Fruit	15.6	5.2	9.5	10.6	16.3
Vegetables including potatoes and other tubers	15.6	1.3	5.7	13.1	10.4
Sugar, jam, honey, syrups, chocolate and confectionery	13.9	11.8	1.2	4.2	4.7
Food products n.e.c.	10.2	8.6	2.5	1.6	4.5
Non-alcoholic beverages	**7.4**	**9.3**	**2.4**	**2.5**	**3.1**
Coffee, tea and cocoa	15.3	15.0	3.1	4.0	5.6
Mineral waters, soft drinks and juices	5.4	7.8	2.2	2.0	2.3

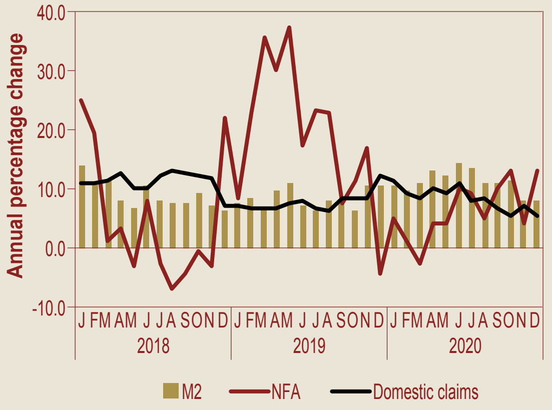
Source: NSA

Inflation in South Africa remained higher than in Namibia for the most part of 2020, mainly owing to higher housing inflation in the former. South Africa's inflation remained above that of Namibia since May 2019, registering an average inflation rate of 3.3 percent during 2020, compared to the 2.2 percent inflation for Namibia over the same period (Figure C.8f). This was attributed mainly to higher housing inflation in South Africa, which averaged 4.3 percent during the year under review, compared to Namibia's housing inflation rate of -1.0 percent registered over the same period.

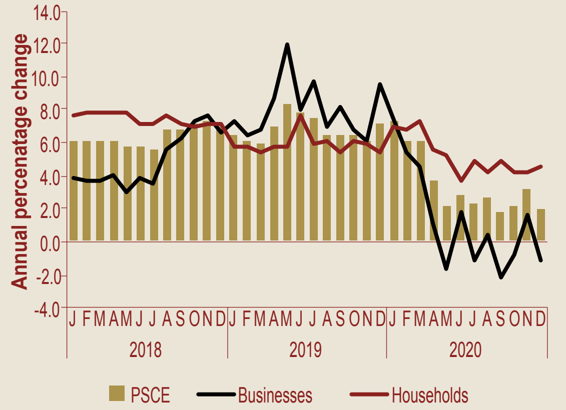
MONETARY AND FINANCIAL MARKET DEVELOPMENTS

FIGURE C.9 (a-f) MONETARY AND FINANCIAL MARKET DEVELOPMENTS

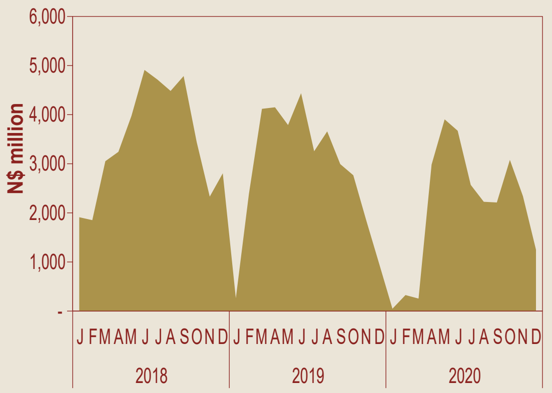
a. The annual growth in broad money supply (M2) rose on average in 2020, driven by an increase in net claims on central government.



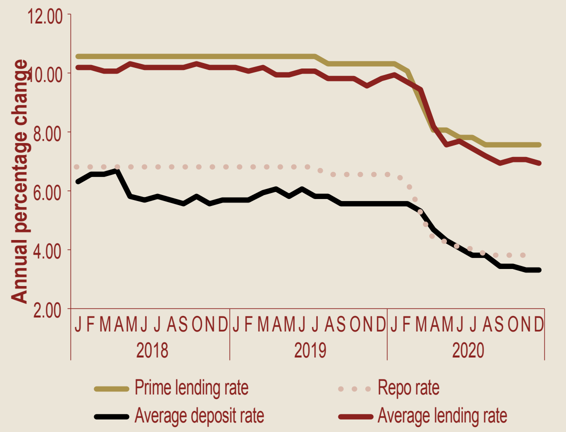
b. Growth in private sector credit extended (PSCE) slowed in 2020, due to lower demand for credit especially from the corporate sector



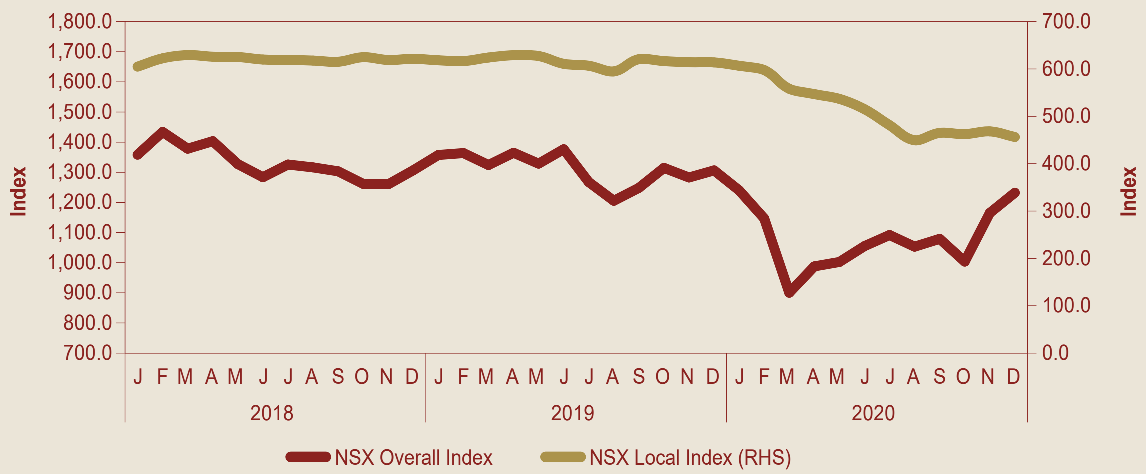
c. The overall liquidity position of the Namibian banking industry was tight in early 2020 but eased from April and was on average only moderately tighter in 2020 than in 2019.



d. The banks' prime lending rate declined during 2020, after the Bank of Namibia decreased its Repo rate.



e. The Overall and Local share price indices of the Namibian Stock Exchange ended 2020 at lower levels than 2019.



MONETARY AGGREGATES

During 2020, developments in the monetary aggregates were characterised by increased growth in money supply due to an increase in net claims on central government. The main counterpart to the higher growth in the broad money supply (M2) during the period under review was the strong growth in net claims on central government. Net claims on the Central Government increased considerably as Government drew down its deposits to fund COVID-19 and other expenses, while despository corporations also increased their holding of Government debt instruments. These actions led to a rise in M2 as a result of net government payments to the private sector. Similarly, the annual growth in narrow money (M1) increased, and generally resembled that of M2.

TABLE C.6 MONETARY AND CREDIT AGGREGATES

(N$ million period average)	2016	2017	2018	2019	2020
Net Foreign Assets	30,308	33,461	34,845	41,321	44,041
Net Domestic Assets	90,300	99,389	110,769	119,628	129,758
Claims on other sectors	87,964	93,823	100,515	107,075	109,971
of which: claims on individuals	46,012	49,579	53,291	56,460	59,514
:claims on businesses	36,255	37,960	39,869	43,291	44,102
Net claims on Central Govt	2,336	5,565	10,254	12,553	19,786
Claims on Central Govt	11,317	13,379	18,031	21,742	28,054
less government deposits	8,981	7,814	7,777	9,189	8,268
Other Items, net*	-35,688	-40,157	-44,514	-51,252	-51,655
Broad Money	84,919	92,692	101,100	109,697	122,144
(Change during period, N$ million)					
Net Foreign Assets	7,455	3,153	1,384	6,476	2,721
Net Domestic Assets	8,115	9,089	11,380	8,859	10,130
Total Claims on Private Sector	8,705	5,860	6,691	6,560	2,897
of which: claims on individuals	4,451	3,567	3,712	3,168	3,054
:claims on businesses	3,866	1,705	1,909	3,422	812
Net claims on Central Govt	-590	3,229	4,689	2,299	7,233
Claims on Central Govt	1,678	2,062	4,652	3,711	6,313
less government deposits	2,268	-1,167	-37	1,412	-921
Other Items, net*	-9,534	-4,469	-4,357	-6,738	-404
Broad Money	6,035	7,773	8,407	8,597	12,447
(Annual percentage growth rates)					
Net Foreign Assets	32.6	10.4	4.1	18.6	6.6
Total Claims on Private Sector	11.0	6.7	7.1	6.5	2.7
of which: claims on individuals	10.7	7.8	7.5	5.9	5.4
:claims on businesses	11.9	4.7	5.0	8.6	1.9
Broad Money	7.7	9.1	9.2	8.5	11.4

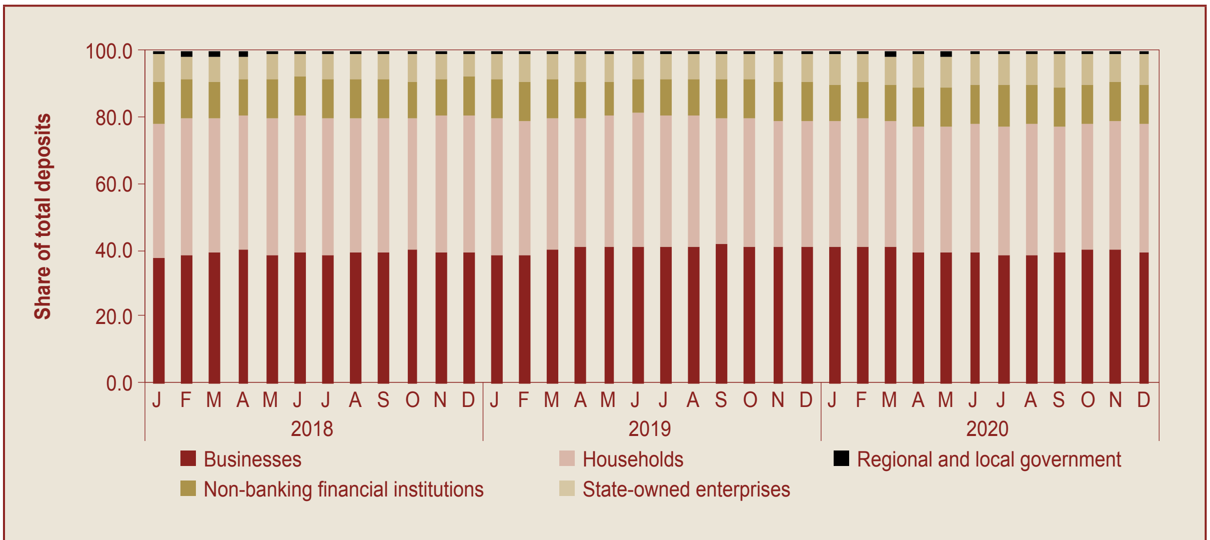
MONEY SUPPLY

The average annual growth in M2 rose in 2020, compared to 2019 due to an increase in net claims on central government. M2 growth increased to 11.4 percent year on year at the end of 2020 compared to 8.5 percent in 2019 (Figure C.9). The increased growth in M2 during the period under review was underpinned by a sharp rise in domestic claims, specifically net claims on central government. Net claims on the Central Government increased considerably as Government drew down its deposits to fund COVID-19 related and other expenditure and depository corporations stepped up their holdings of Government debt securities. Growth in currency in circulation, the most liquid form of money was 1.7 percent during 2020, a turnaround from a contraction of 1.8 percent in 2019. The increased growth in currency in circulation is partly explained by the uncertainty and dislocations triggered by the pandemic, that boosted the precautionary and speculative motives to hold money during the year. Similarly, transferable (demand) deposits rose by 13.1 percent on average to end the year at N$59.4 billion. Growth in the less volatile non-transferable deposits, the largest component of M2, similarly increased to an average of 10.4 percent in 2020, from a lower average rate of 7.5 percent in 2019, reflected in the higher growth of the deposit holdings of other financial corporations and other resident sectors in particular. On the contrary, the average annual growth in NFA of depository corporations slowed to 6.6 percent to end the year at a level of N$41.2 billion, from an average annual growth of 19.3 percent in 2019 (Table C.5).

SOURCES OF FUNDS OF OTHER DEPOSITORY CORPORATIONS (ODCs[14])

Total deposits rose in 2020, mostly held by businesses and individuals. At the end of 2020, total deposit holdings of individuals and businesses accounted for 38.4 percent and 39.8 percent of total deposits, respectively. The remaining 21.9 percent stemmed from other financial corporations, state and local governments and public non-financial corporations. These patterns were relatively stable, since in the previous year, deposits of individuals and businesses accounted for 39.3 percent and 40.6 percent, respectively (Figure C.10).

FIGURE C.10 SOURCES OF FUNDS OF ODCS



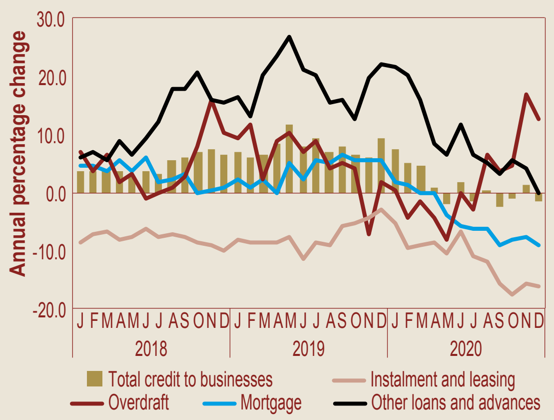
EXTENSION OF BANK CREDIT TO THE PRIVATE SECTOR

Growth in credit extended to the private sector slowed in 2020 compared to 2019, due to lower demand and net repayments made by businesses. On an annual basis, growth in PSCE slowed to an average annual rate of 3.5 percent at the end of 2020, from an annual average of 6.8 percent recorded during 2019. The annual growth in PSCE declined during 2020, due to lower demand for credit and net repayments by businesses in particular as a result of the sluggish economic environment currently prevailing in the domestic economy. The subdued growth in total credit extended was reflected in lower growth rates for all credit categories during the period under review.

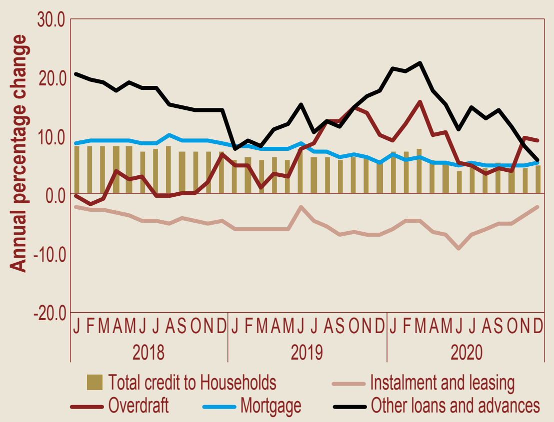
14 Total deposits for ODCs includes all the seven commercial banks, Money Market Unit trust funds and other deposit takers i.e., Nampost Savings Bank, Agribank and National Housing Enterprise. Hence, total deposits in this section differ from total deposits reported in the Banking Supervision section (Part D) as the latter section only reports deposits with the commercial banks.

FIGURE C.11 (a-c) CREDIT DEVELOPMENTS

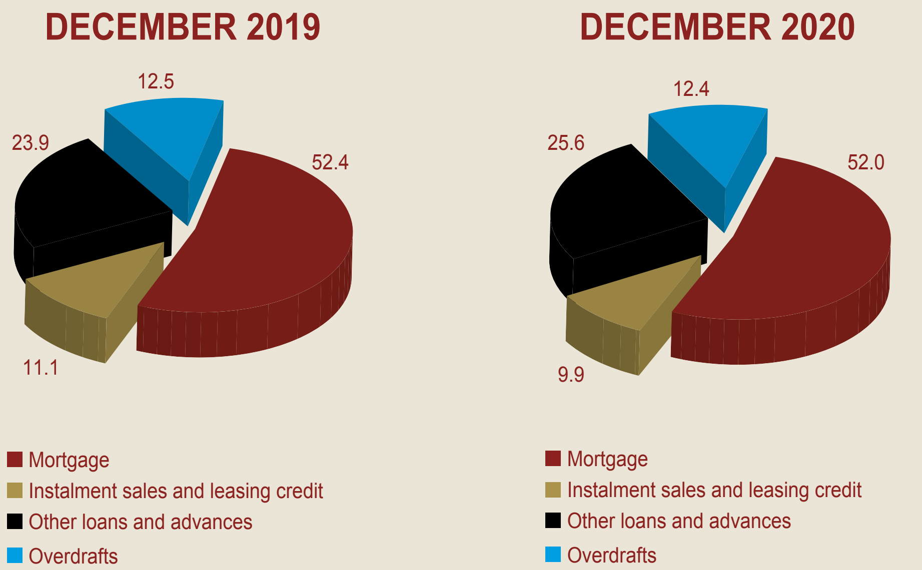
a. Growth in credit extended to corporations trended downwards in 2020, when compared to the preceding year…



a.…while the growth in total credit extended to individuals rose marginally in 2020.



c. Mortgage loans continued to be the main contributor to total PSCE in 2020, followed by other loans and advances and overdraft credit.



Growth in total credit extended to businesses slowed in 2020, due to lower demand coupled with repayments on asset-backed credit categories. The average annual growth in total credit extended to businesses slowed to 1.3 percent in 2020 from 8.0 percent a year earlier. The sluggish growth observed in credit extended to businesses was reflected across most of the credit categories with the exception of overdraft credit, which rose on an annual basis. The slower growth in total credit extended to businesses during the year under review was evident in both the asset-backed credit categories (i.e., mortgage credit, and instalment sale and leasing credit) coupled with slow growth in other loans and advances. This is in line with a reduction in the number of vehicles sold, slow business environment and businesses' unwillingness to engage in long-term debt obligations amid the COVID-19 pandemic. During 2020, growth in overdraft credit initially trended in negative territory before recording positive growth rates from August 2020. This was probably due to limited economic activities during the first half of 2020 amid the economic lockdowns. As the economy opened up again, the need for working capital increased and as a result the demand and usage of overdraft credit facilities increased.

Credit extended to individuals slowed on average during 2020, driven by a decrease in the asset-backed credit facilities because of reduced household incomes due to the pandemic. The average annual growth in total credit extended to individuals slowed to 5.2 percent in 2020, from 5.9

percent in 2019 (Figure C.9a). The decline in credit extended to the household sector was reflected in the asset-backed credit categories, particularly mortgage, which recorded an average annual growth of 5.1 percent, relative to 7.0 percent in 2019. The persistent contraction in instalment sales and leasing credit during 2020 also contributed to the slow down in credit to individuals. Nevertheless, the demand for short-term credit facilities continued to increase in 2020.

In 2020, mortgage credit continued to account for more than half of the total credit extended to the private sector due to Namibian banks' high exposure to mortgages. Mortgage credit remained the largest contributor to total PSCE, representing 52.0 percent of total PSCE, followed by other loans and advances and overdraft credit in the second and third place, with contributions of 25.6 percent and 12.4 percent, respectively. Instalment and leasing sales credit contributed 9.9 percent over the same period (Figure C.11c). The decline in the share of instalment and leasing credit, largely reflects the continued fall in the number of new vehicles sold due to weak demand resulting from subdued local economic activity, which was worsened by the impact of the COVID-19 pandemic during the period under review.

OTHER/NON-BANK FINANCIAL CORPORATIONS[15]

In 2020 the total assets of Other/Non-Bank Financial Corporations (OFCs) inched lower due to a weaker market performance. The total asset value of OFCs stood at N$187.2 billion at the end of 2020, representing a decline of 0.8 percent when compared to 2019. The decline primarily stemmed from a decline in market value of investments during the period under review. In terms of absolute size, the pension funds continued to dominate the OFC sector with N$109.6 billion of net equity of households, while N$21.5 billion was net equity of households in life assurance at the end of 2020 (Table C.6).

15 The OFC sub-sector reported herein consists of a sample of resident pension funds, insurance corporations and development finance institutions.

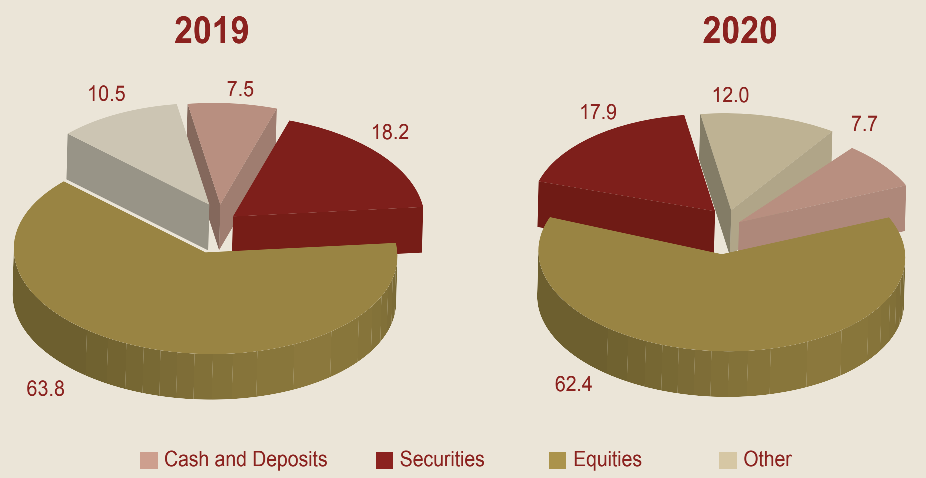
TABLE C.7 KEY FINANCIAL AGGREGATES (END OF PERIOD)

N$ million	2018	2019	2020
1. Central Bank Survey			
Central Bank Total Asset value	34,337	31,854	33,414
Net Foreign Assets	28,114	24,746	28,257
Claims on Other Sectors	63	87	100
2. Other Depository Corporations Survey			
ODCs Total Asset value	176,725	189,149	196,637
Net Foreign Assets	9,861	11,695	13,035
Claims on Other Sectors	103,517	110,191	111,140
of which: claims on individuals	54,945	57,993	60,628
: claims on businesses	41,379	45,132	44,941
3. Depository Corporations Survey (1+2)			
DCs Total Asset Value	211,063	221,004	230,051
Net Foreign Assets	37,975	36,441	41,293
Net Domestic Assets	113,509	127,622	134,933
of which: claims on individuals	55,007	58,079	60,727
: claims on businesses	41,379	45,132	44,941
Broad Money Supply	104,345	115,336	124,652
4.Other Financial Corporations Survey			
OFC's Total Asset value	176,968	188,670	187,245
Net Foreign Assets	84,921	81,404	79,773
Claims on Other Sectors	24,089	26,135	23,684
Insurance Technical Reserves	130,627	137,422	143,673
5. Financial Corporations Survey (3+4)			
FCs Total Asset value	388,030	409,674	417,296
Net Foreign Assets	122,896	117,845	121,066
Net Domestic Assets	137,598	153,757	158,617
Insurance Technical Reserves	130,627	137,422	143,673
Net Equity of Households in Life Insurance	21,975	22,241	21,505
Net Equity of Households in Pension Funds	96,528	103,017	109,574
Prepayments Premuims Reserves against outstanding claims	12,123	12,164	12,594

The net foreign assets of OFCs declined over the year to the end of 2020. Net foreign assets of OFCs stood at N$79.7 billion at the end 2020, higher than the N$41.3 billion of the depository corporations (Table C.6). This brought the total net foreign assets for the Financial Corporations Survey to N$121.1 billion at the end of 2020, a further indication of the significance of the non-banking financial institutions in the Namibian financial sector.

FIGURE C.12 ASSET HOLDINGS OF NON-BANK FINANCIAL INSTITUTIONS AT 31 DECEMBER

With regards to asset allocation, equities remained the most preferred asset class in which OFC funds were channelled during 2020.



With regards to asset allocation, equities remained the most preferred asset class into which OFC funds were channelled during 2020. Figure C.12 shows that almost two thirds of OFC funds were placed in equities, which is commensurate with the long-term nature of pension funds. Equities normally provide higher long-term growth despite being highly volatile at times and are therefore a preferred investment instrument for OFCs. Equities were followed by securities with a share of 17.9 percent. This asset class was followed by cash and deposits with a share of 7.7 percent, while the remaining 12.0 percent was classified as other assets.

BANKING SYSTEM LIQUIDITY[16]

The cash balances in the Namibian banking industry declined during 2020 in comparison to the preceding year. The liquidity of the domestic banking sector averaged at N$2.1 billion during 2020, which is 27.1 percent lower than the average balance of N$2.9 billion observed in 2019 (Figure C.9). The lower liquidity levels were mostly observed at the beginning and end of the year, due to seasonal factors. Also, banks accumulated long positions in liquid assets since 2019, particularly Treasury Bills. Banks find it cheaper to utilise the said assets as collateral to borrow funds on the central bank Repo window. As shown in Figure C.9, January recorded the lowest balance in the year 2020, while the highest liquidity levels were recorded in May 2020. Despite the decline in liquidity levels of the banking sector, the overall banking industry has maintained an average of 17.7 percent liquid assets a proportion of their outstanding liabilities, above the 10.0 percent prudential requirement.

MONEY MARKET DEVELOPMENTS

The Bank of Namibia cut its policy rate on a number of occasions during 2020, and as a result, various money market rates followed suit. The Monetary Policy Committee (MPC) of the Bank of Namibia reduced the Repo rate by 275 basis points to 3.75 percent over the course of 2020. These decisions to cut the Repo rate were deemed appropriate to support domestic economic growth, while maintaining the one-to-one peg between the Namibia Dollar and the South African Rand. As a result, the prime lending rate of the commercial banks declined from 10.25 percent at the end of 2019 to 7.50 percent at the end of 2020. In line with the decline in the policy rate and the banks' prime lending rate, the average lending rate fell back to 6.92 percent at the end of 2020, compared to 9.70 percent at the end of 2019. Similarly, the average deposit rate moderated to 3.29 percent at the end of 2020 from 5.45 percent at the end of 2019 (Figure C.9).

16 The liquidity position of the Namibian banking system is influenced mainly by Government spending, the level of required reserves, currency in circulation, corporate tax payments, inflows, and outflows of funds to South Africa, and mineral sale proceeds.

INTERBANK MARKET ACTIVITIES

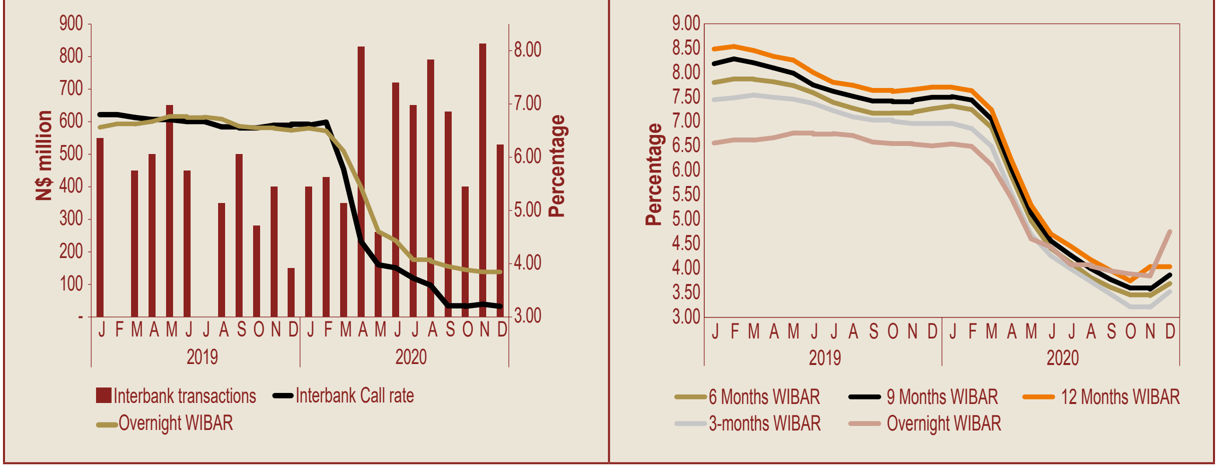
In line with the lower liquidity levels in the banking industry, the value of transactions in the interbank market increased during 2020 in comparison to 2019. As indicated in Figure C.13, the value of transactions in the local interbank market amounted to N$6.8 billion during 2020, higher than the total of N$4.3 billion observed during the preceding year. The highest amounts traded in the interbank market during 2020 were N$840 million and N$830 million in November and April, respectively. On the other hand, the least traded month was May with N$350 million worth of transactions, when the liquidity was at its highest level for the year.

Corresponding to the historic record cut in the Repo rate, money market rates declined during 2020. In this regard, the average interbank market call rate declined from 6.67 percent in 2019 to an average of 4.29 percent during 2020. The average overnight WIBAR dropped by about 190 basis points to 4.77 per cent. Meanwhile, the three-month Windhoek Interbank Agreed Rate (WIBAR) declined by 260 basis points to 4.66 percent in 2020, while the average 6 months, 9 months, and 12 months WIBAR decreased to 4.91 percent, 5.07 percent, and 5.27 percent, respectively[17].

FIGURE C.13 (a-b) INTERBANK TRADING ACTIVITIES AND THE WIBAR

a. Overall, interbank transactions increased during 2020 relative to 2019.

b. In-line with the changes in the policy rate, money market rates declined during 2020.

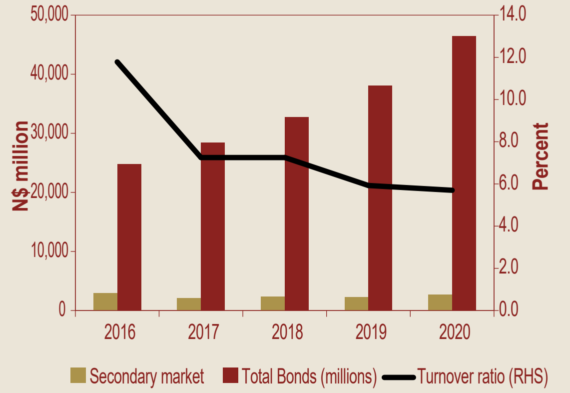


17 During periods of low liquidity, commercial banks opt to offer attractive rates on overnight deposits as a means of securing funds for liquidity management.

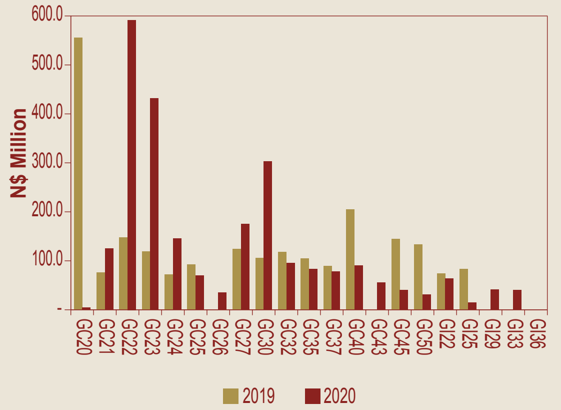
BOND MARKET DEVELOPMENTS

FIGURE C.14 (a-f) BOND MARKET DEVELOPMENTS

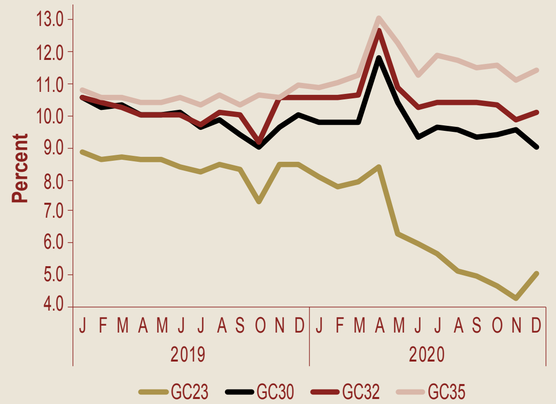
a The trading of Government bonds in the secondary market remained robust during 2020.



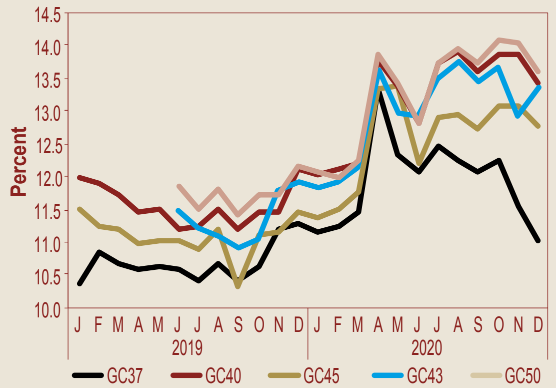
b The GC22, GC23 and the GC30 were the most traded bonds in 2020.



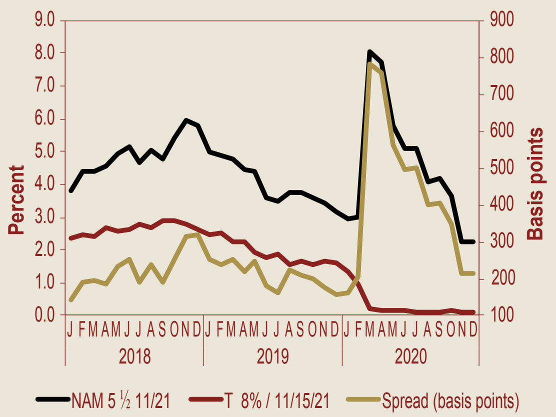
c On average, yields on shorter- and medium-term Government bonds declined during 2020.



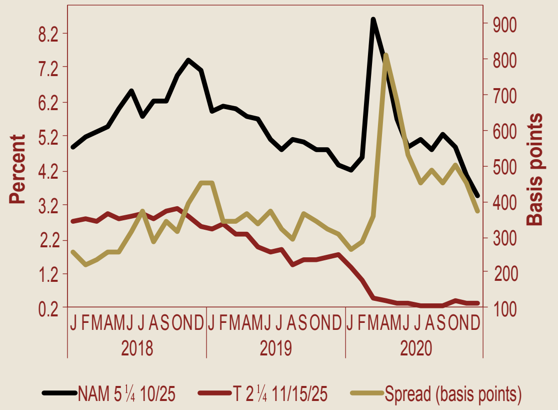
d Generally, yields on the longer-dated Government bonds increased in 2020 relative to 2019.



e The spread between the Namibian 2021 Eurobond and the US benchmark (T 8% / 11/15/21)[18] normalised after spiking aggressively following the market turmoil in Q1 of 2020.



f Similarly, the spread between the Namibian 2025 Eurobond and the US benchmark (T 2 ¼ 11/15/25)[19] also stabilised towards the end of 2020.



Source: NSX, Bloomberg and JSE

18 US fixed rate (8%) Treasury bond, maturing on 15 November 2021.

19 US fixed rate (2.25%) Treasury bond, maturing on 15 November 2025.

Government bonds

In line with the increase in the 2020/21 fiscal year financing requirement, due to the COVID-19 outbreak, the value of outstanding domestic Government bonds increased during 2020. The nominal amount outstanding on domestic Government bonds increased from N$38.1 billion at the end of 2019 to a total of N$42.1 billion by the end of December 2020. Fixed-rate bonds constituted 86.0 percent of this amount, while 14.0 per cent was denominated in inflation-linked bonds. During the period under review, the Government successfully redeemed the GC20 which had outstanding balance of N$773.2 million, on 15 April 2020.

As part of domestic market development, the Government added one new fixed rate bond on the yield curve during 2020. In this regard, a new shorter-dated bond, the GC26 was introduced in 2020. This instrument matures in 2026, filling the gap created by the GC20 maturity and the GC27 that has been put off the run. There is currently a total of twenty outstanding domestic Government bonds. Also, the Government commenced with the switch auctions for the GC21 and GC22 during 2020, of which N$1.3 billion and N$626.7 million, respectively, were switched into longer dated instruments. As at 31 December 2020, the outstanding balances on the GC21 and GC22 have been reduced to N$168.5 million and N$3.4 billion, respectively.

TABLE C.8 DOMESTIC NAMIBIA GOVERNMENT BONDS

Bonds	Coupon rate	Coupon Dates	Maturity Date	Outstanding Amount (N$)- 31 December 2020
Fixed rate bonds				**36,226,950,000**
GC21	7.75	15 April, 15 October	15-Oct-21	436,730,000
GC22	8.75	15 January, 15 July	15-Jan-22	2,980,290,000
GC23	8.85	15 April, 15 October	15-Oct-23	2,801,270,000
GC24	10.50	15 April, 15 October	15-Oct-24	3,853,360,000
GC25	8.50	15 April, 15 October	15-Apr-25	3,732,990,000
GC26	8.50	15 April, 15 October	15-Apr-26	307,670,000
GC27	8.00	15 January, 15 July	15-Jan-27	4,260,950,000
GC30	8.00	15 January, 15 July	15-Jan-30	3,783,570,000
GC32	9.00	15 April, 15 October	15-Apr-32	3,067,500,000
GC35	9.50	15 January, 15 July	15-Jul-35	2,714,680,000
GC37	9.50	15 January, 15 July	15-Jul-37	2,340,240,000
GC40	9.80	15 April, 15 October	15-Oct-40	2,487,420,000
GC43	10.00	15 January, 15 July	15-Jul-43	654,970,000
GC45	9.85	15 January, 15 July	15-Jul-45	2,148,040,000
GC50	10.25	15 January, 15 July	15-Jul-50	657,270,000
Inflation Linked Bonds				**5,901,610,000**
GI22	3.55	15 April, 15 October	15-Oct-22	2,300,330,000
GI25	3.80	15 April, 15 October	15-Jul-25	1,962,710,000
GI29	3.80	15 January, 15 July	15-Jan-29	870,520,000
GI33	4.50	15 April, 15 October	15-Apr-33	519,050,000
GI36	4.80	15 January, 15 July	15-Jul-36	249,000,000
Total Domestic bonds				**42,128,560,000**

Secondary market activities

The trading of Government bonds in the secondary market increased slightly during 2020, in comparison to the previous year. As depicted in Figure C.14.a, Government bonds to the value of N$2.6 billion were traded on the secondary market during the year under review compared to N$2.3 billion recorded in 2019. The turnover ratio declined marginally to 5.7 percent from the ratio of 5.93 percent in in 2019, as a result of increased borrowing. Moreover, the GC22 was the highest traded bond during the year, accounting for 27.0 percent of total trades, followed by the GC30 and GC32 with 16.3 percent and 11.4 percent of the total trades, respectively (Figure C.14.b).

Government bond yields

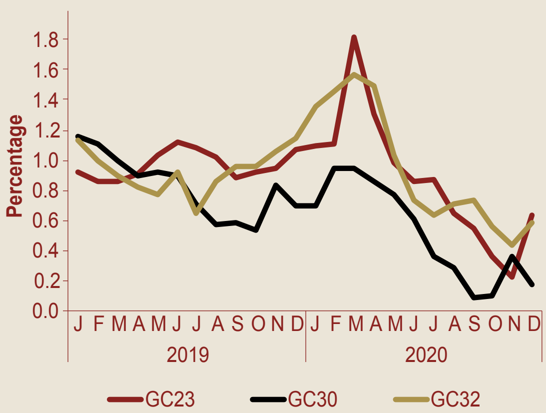
Yields on Government bonds spiked in March 2020 but dropped to more normal levels later in the year, particularly for shorter maturities. Driven by the increased demand, the yields on the GC23 dropped by 226 basis points, while the GC30 yield dropped by 14 basis points on average. Conversely, yields on the longer-dated bonds increased during the year under review. In this context, the GC45 and GC43 had the highest yield pickup of 166 and 165 basis points, respectively. The yields on the GC35, GC37, GC40 and GC50 increased by between 47 and 155 basis points (Figure C.15.a). Bond yields movements, especially for the longer dated bonds, reflect the high level of market uncertainty experienced in 2020, which was a result of the COVID-19 outbreak.

Yield spreads

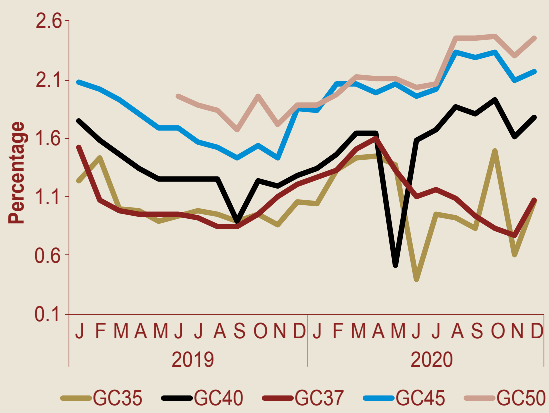
On average, the yield spread between the Namibian government bonds and the South African bonds were mixed during 2020. The spread on the GC23, the GC30 and the GC32 against their respective benchmarks declined by 10, 5 and 31 basis points, respectively. Meanwhile, spreads on the GC35 and GC37 increased minimally, each by less than 10 basis points. On the longer end of the curve, the GC50 spread increased by about 40 basis points, while the GC45, GC43 and GC40 spreads rose by 59, 26 and 14 basis points, respectively. Yield spreads on the shorter end of the curve narrowed as a result of increased demand for the bonds, whereas movements on the longer end of the curve were driven by high level of market uncertainty.

FIGURE C.15 (a-b) SPREADS BETWEEN NAMIBIAN GOVERNMENT BONDS AND SOUTH AFRICAN BENCHMARK BONDS

a On average, yield spreads between the short-to-medium term Namibian Government bonds and their respective South African (SA) benchmarks narrowed slightly during 2020.



b Longer term bonds also recorded declines in the yield spreads against their corresponding SA benchmarks with minor pick-ups towards the end of the year.



Corporate bonds

The value of corporate bonds outstanding dropped during the course of 2020. In this regard, the stock of bonds issued by Namibian corporates listed on both the Namibian Stock Exchange (NSX) and the Johannesburg Stock Exchange (JSE) declined to N$6.7 billion at the end of 2020 from the total of N$ 8.3 billion seen in 2019. Of the N$6.7 billion, N$5.2 billion was listed on the NSX, while about N$1.6 billion was listed through issuance on the JSE. The value of corporate bonds declined due to several bonds' maturities and fewer new bond issuances during 2020. Of the total outstanding corporate bonds at the end of 2020, N$5.9 billion were issued by commercial banks, N$606 million by SOEs, and N$263.3 million by other non-bank entities. Nonetheless, corporate bonds represented only 13.8 per cent of total bonds outstanding in the market at the end of 2020 as the domestic bond market continues to be highly dominated by Government bond issuances.

Namibian Eurobonds

The average yield on the Namibian 2021 Eurobond increased during 2020. In this context, the yield on Namibia's 2021 Eurobond averaged 4.5 percent in 2020, rising from an average of 4.0 percent in 2019, despite a decline in US Treasury rates. Consequently, the spread between the said Eurobond and its US benchmark widened during the period under review to an average of 421 basis points, from the average of 210 basis points observed in 2019 (Figure C.13). The spread widening also worsened as investors elected to invest in US bonds for safety, thereby depressing yields of US Treasuries.

The average yield on the Namibian 2025 Eurobond declined marginally during 2020, despite a sharp decline in yield of US Treasuries with a similar duration. The 2025 Eurobond recorded an average yield drop of 4 basis points in 2020, from an average yield of 4.28 percent seen in 2019. Its average spread to the US benchmark bond increased significantly by 144 basis points to 475 basis points from 331 basis points observed in 2019. As explained above, the spreads widened mainly in line with the sharp contraction in the US bonds yields because of flight to safety into the US bonds.

TABLE C.9 EUROBONDS

Bonds	Coupon rate	Coupon Dates	Maturity Date	Outstanding Amount (USD) - 31 December 2020
Eurobond1	5.50	03 May, 03 November	03-Nov-21	500,000,000
Eurobond2	5.25	29 April, 29 October	29-Oct-25	750,000,000
Total				**1,250,000,000**

Namibia's JSE-listed bonds

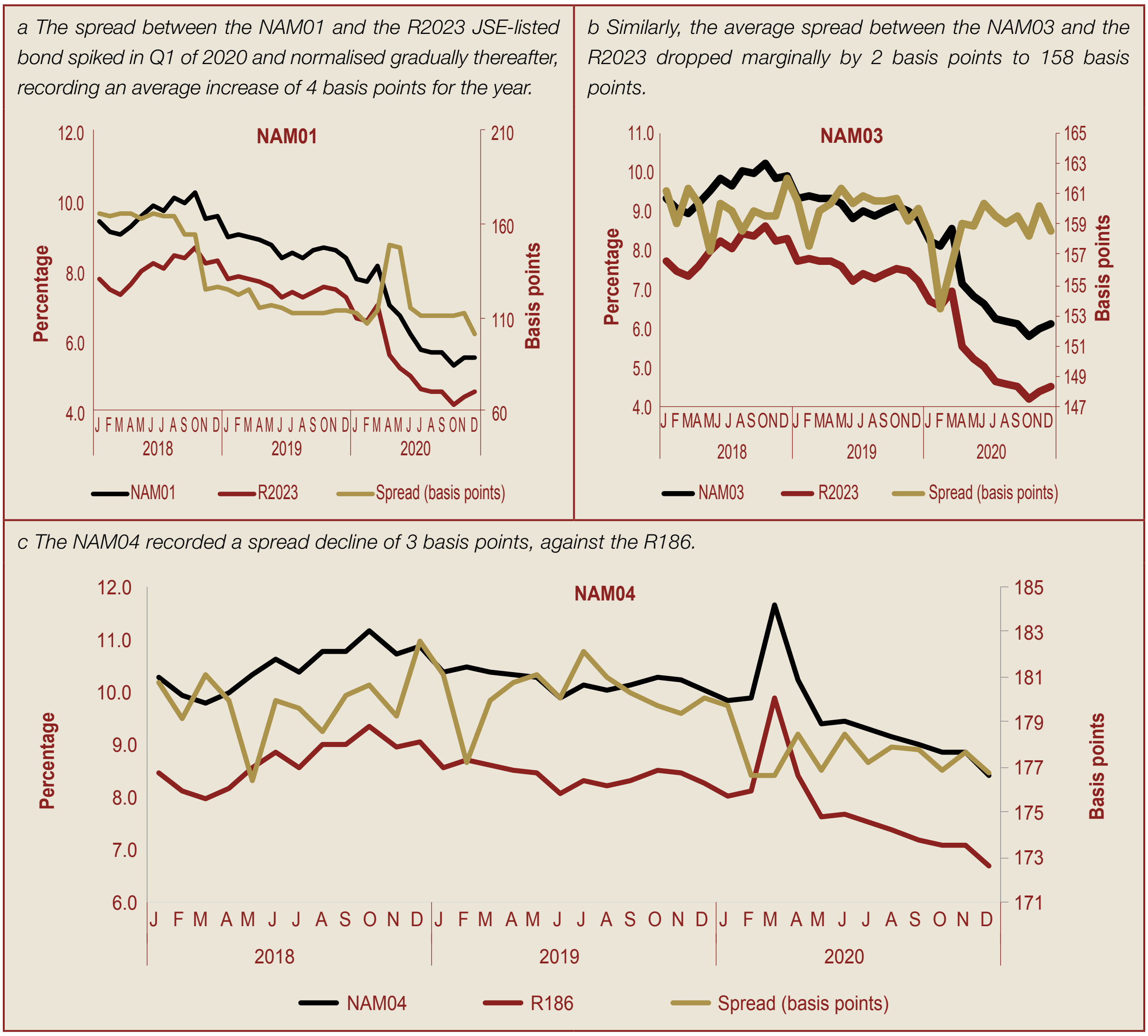
Yields on the Namibian JSE-listed bonds declined during 2020 in line with the general market rates, which were mainly influenced by the COVID-19 pandemic. The changes in the yields were, therefore, in line with those of their respective South African benchmark bonds. In this regard, the yield on the shorter dated NAM01 and NAM03 declined by 226 and 228 basis points, to 6.4 per cent and 6.8 per cent, correspondingly. On the other hand, the average yield on the longer dated NAM04 dropped by 72 basis points to an average of 9.5 per cent.

The spreads between the JSE-listed bonds and their respective benchmarks barely changed during 2020. In this regard, the spread on the NAM01 and the NAM03 averaged 117 basis points and 158 basis points in 2020, in comparison to the corresponding average spreads of 116 basis points and 160 basis points observed in 2019. Similarly, the spread on the NAM04 declined marginally by 3 basis points to 178 basis points in 2020. The spreads changed marginally as yields on the Namibian bonds and their respective benchmarks moved in tandem, in response to market uncertainty.

TABLE C.10 JSE (ZAR) BONDS

Bonds	Coupon rate	Coupon Dates	Maturity Date	Outstanding Amount (ZAR) - 31 December 2020
JSE (NAM01)	8.26	19 May, 19 November	19-Nov-22	1,560,000,000
JSE (NAM03)	10.06	01 February, 01 August	01-Aug-23	157,000,000
JSE (NAM04)	10.51	01 February, 01 August	01-Aug-26	335,000,000
Total				**2,052,000,000**

FIGURE C.16 (a-c) JSE BONDS PERFORMANCE



a The spread between the NAM01 and the R2023 JSE-listed bond spiked in Q1 of 2020 and normalised gradually thereafter, recording an average increase of 4 basis points for the year.

b Similarly, the average spread between the NAM03 and the R2023 dropped marginally by 2 basis points to 158 basis points.

c The NAM04 recorded a spread decline of 3 basis points, against the R186.

Source: Bloomberg

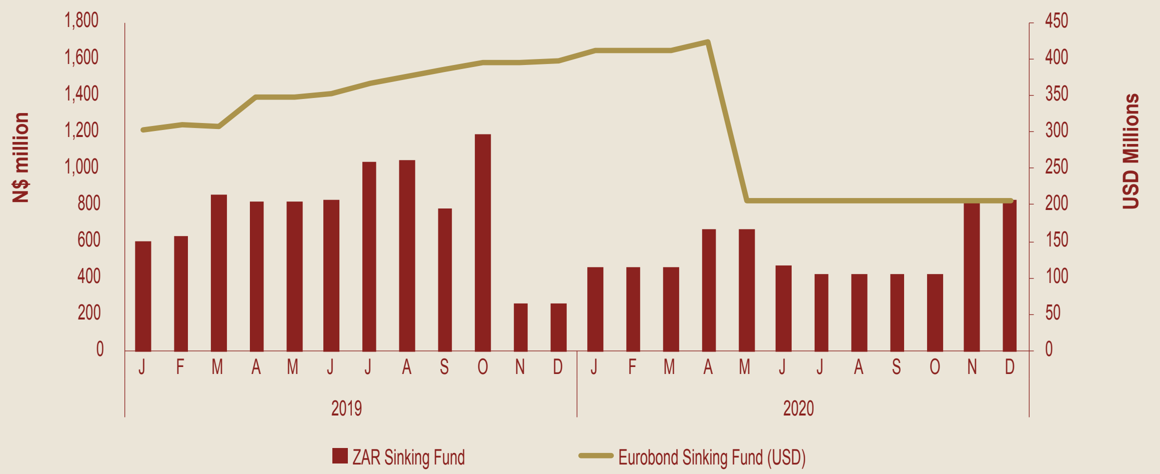
Government sinking funds

The balance on the Internal Registered Stock (IRS) Redemption Account increased during 2020. The IRS balance increased as Government was committed to the redemption strategy put in place the previous fiscal year (Figure C.17). Despite the GC20 and the NAM02 bonds redemptions of N$746 million and ZAR840 million, respectively during the year under review, the Government accumulated a total of N$862.8 million on the IRS Account by the end of 2020. This amount is higher than the balance of N$396.0 million held on the same account at the end of 2019. The Government remained committed to employ sound fiscal strategies, including a sustainable redemption structure of both local and international bonds and ensuring a smooth redemption of maturing bonds.

On the other hand, the balance on the Eurobond sinking fund decreased during 2020. The Eurobond sinking fund balance declined as Government decided for a partial liquidation to co-finance its increased Budget deficit caused by the COVID-19 stimulus package announced in April 2020. In this regard, the Eurobond sinking fund balance dropped to USD205.7 million from a total of USD396.0 million at the end of 2019. The Government continues with the strategy to build up the fund in preparation for the 2025 Eurobond maturity.

FIGURE C.17 GOVERNMENT SINKING FUNDS

The balance on the IRS Redemption Account increased towards the end of 2020, while the Eurobond sinking fund declined.



Sovereign credit ratings

During December 2020, Moody Investor Service ("Moody's) downgraded the long-term issuer and senior unsecured ratings of the Government of Namibia to Ba3 with the outlook remaining negative. Namibia's long-term local currency bond and deposits ceilings was lowered to Baa2 from Baa1 with a negative outlook. The long-term foreign currency bond and deposits ceiling was lowered to B1 from Ba3, while the long-term foreign-currency bond ceiling was lowered to Ba1 from Baa3. The downgrade reflected the weakening in the country's fiscal strength, increasing debt burden and weakening debt affordability. The Coronavirus shock created pressure on the country's revenue generation capacity, a trend exacerbated by Namibia's weak growth prospects. The negative outlook reflects risk remaining slanted to the downside. Implementation of the government's fiscal consolidation plans will variably prove challenging in a low growth environment, particularly as the government targets reducing the large challenging public sector wage bill. Moreover, very large gross borrowing requirements, given the sovereign's continued reliance on short-term funding, point to material risk, according to Moody's.

Fitch Ratings has revised the Outlook on Namibia's Long-Term Foreign-Currency Issuer Default Rating (IDR) to Negative from Stable and affirmed the rating at 'BB' on 22 June 2020. According to the agency, the Negative Outlook reflects the significant impact of the coronavirus pandemic on Namibia's economy and public finances. The shock increases downward pressure on creditworthiness after four years of poor economic performance which has driven a substantial rise in general government debt. Fitch believes a subdued growth outlook and particularly high inequality will present a challenging environment for resumption of fiscal reforms.

On 7 Dec 2020, Fitch Ratings affirmed Namibia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BB' with a Negative Outlook. The assessment confirms the 'BB' rating balances on the back of comparatively high fiscal deficits and debt against strong institutional features and support to the sovereign's financing flexibility from a developed domestic financial system. The Negative Outlook reflects increased downward pressures on creditworthiness due to a continued rise in general government debt driven by persistent wide fiscal deficits and a protracted recession aggravated by the coronavirus pandemic shock. It also reflects challenges to fiscal consolidation from a difficult social context marked by a particularly high level of inequality. The agency emphasised that the main factors that could, individually or collectively, lead to negative rating action/downgrade are amongst others public finances (failure to achieve clear progress towards stabilising government debt-to-GDP in the medium term or a faster near-term increase in government debt/GDP than our current projections); macroeconomic performance, policies and prospects and external finances (increased external vulnerabilities for example from significant widening of the current account deficit or a sustained decline in international reserves).

EQUITY MARKET DEVELOPMENTS

TABLE C.11 NSX SUMMARY STATISTICS

Category	2019	2020	Percentage change
Overall			
Index (end of year)	1,306	1,232	-5.6
Market capitalisation (N$ million) (end of year)	1,943,009	1,738,143	-10.5
Free-float market capitalisation (N$ million) (end of year)	1,483,778	1,052,684	-29.1
Volume traded (‘000)	13,625	10,768	-21.0
Value traded (N$’million)	924	561	-39.3
Number of deals	259	396	52.9
Number of new listings (DevX)	6	0	-100.0
Local			
Index (end of year)	614	456	-25.7
Market capitalisation (N$ million) (end of year)	36,339	27,440	-24.5
Volume traded (‘000)	126	1,514	1,099.3
Value traded (N$ ‘000)	4,023	42,274	950.9
Number of deals	33	51	54.5
Number of new listings	0	0	0

Source: NSX and JSE

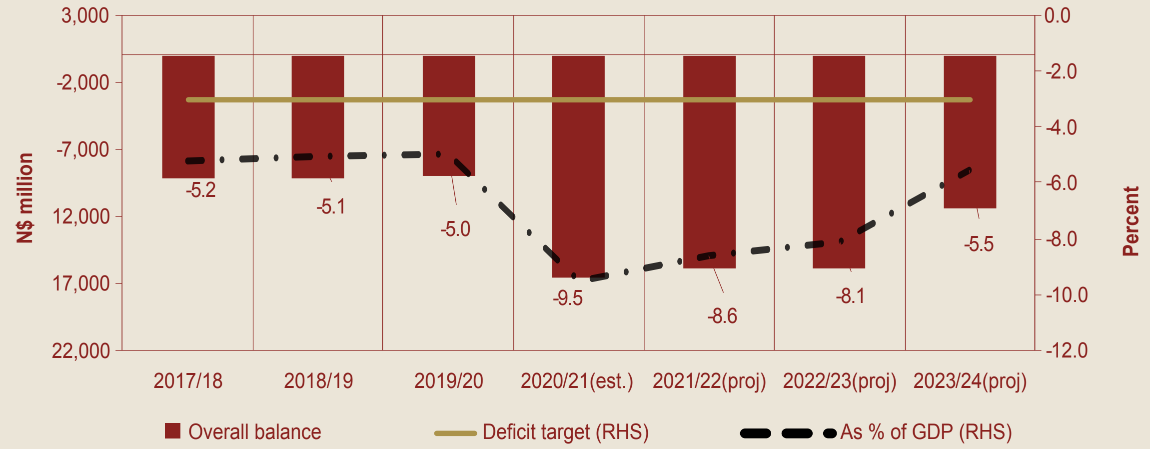
The NSX Overall index and the Local index fell back notably during 2020 as stock markets globally were under pressure following the shocks associated with the COVID-19 pandemic. The Overall index declined by 5.6 percent to 1 232.00 index points at the end of 2020. The annual decline in the Overall index was driven by decreases in all the indices consistent with the weak performance of the dual listed shares during the period under review as stock markets globally were under pressure following the shocks associated with the COVID-19 pandemic. The decrease in the Overall index was driven by decreases in share prices for most industries, with the exception of healthcare and consumer products. Hit more severely, the Local index also decreased to close at 456 index points at the end of 2020. This represents a decrease of no less than 25.7 percent, compared to a year earlier as the local stocks[20] were hit by the effects of the lockdown and low investor confidence as a result of the COVID-19 pandemic (Table C.6). The market capitalisation of the Overall Index decreased over the year to N$1.7 trillion at the end of 2020, compared to N$1.9 trillion at the end of 2019.

20 The Namibian Breweries share price, which started the year trading at N$47.99 declined to close at N$33.50 in December 2020 partly due to the effects of the alcohol restrictions that were imposed during the lockdown. Similarly, Standard Bank Namibia Holdings Ltd, First Rand Namibia Ltd and Capricorn Group Ltd, share prices declined by 25.0 percent, 31.0 percent, and 14.6 percent to close at N$6.90, N$23.04 and N$12.97 in December 2020, respectively.

PUBLIC FINANCE

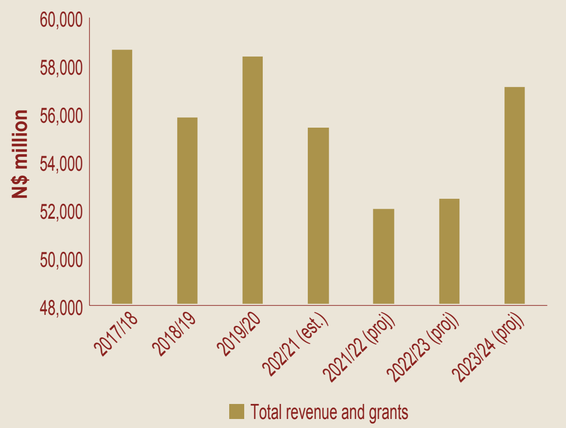
FIGURE C.18 (a–e) PUBLIC FINANCE

a. The Central Government budget deficit widened to a record level during the Fiscal Year (FY) 2020/21, as the Government cushioned the effects of the COVID-19 pandemic on the economy, while over the Medium-Term Expenditure Framework (MTEF) period the deficit is estimated to moderate.

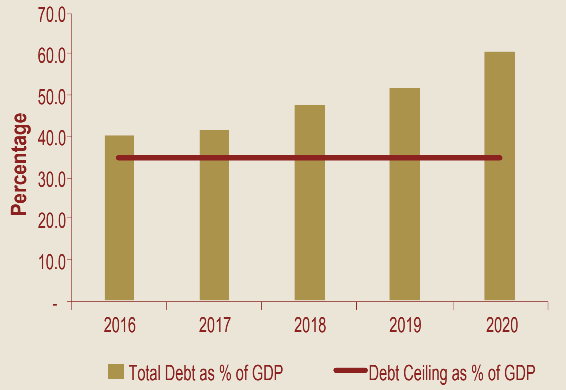


b. Central Government expenditure rose during the FY2020/21 but is projected to moderate over the MTEF period.

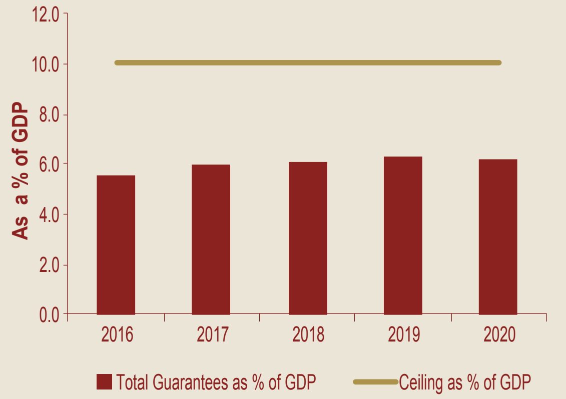
c. Revenue collection, however, declined during the FY2020/21, owing to pandemic-induced headwinds, while it is estimated to weaken further and only resume a firm rising trend by FY2023/24.



d. Central Government total debt as a percentage of GDP trended higher above the debt ceiling in 2020, and for the first time tested the SADC maximum convergence limit of 60 percent towards the end of the year.



e. Central Government loan guarantees as a percentage of GDP declined marginally during 2020 and continued to trend well below the ceiling.



Source: MoF

THE NATIONAL GOVERNMENT BUDGET

Budget balance

TABLE C.12 CENTRAL GOVERNMENT REVENUE AND EXPENDITURE (N$ MILLION)

	2017/18 Actual	2018/19 Actual	2019-20 Actual	2020-21 Mid-Year Estimate	2020/21 Revised Estimate	2021/22 Projection	2022/23 Projection	2023/24 Projection
Revenue	**58,659**	**55,882**	**58,425**	**54,659**	**55,457**	**52,065**	**52,483**	**57,109**
% of GDP	33.7	30.9	32.7	31.4	31.7	28.2	26.9	27.7
Expenditure	**67,766**	**65,108**	**67,343**	**72,722**	**72,105**	**67,950**	**68,338**	**68,482**
% of GDP	39.0	36.0	37.6	41.8	41.2	36.8	35.0	33.2
Budget Balance	**-9,107**	**-9,226**	**-8,918**	**-18,063**	**-16,648**	**-15,885**	**-15,855**	**-11,373**
% of GDP	-5.2	-5.1	-5.0	-10.4	-9.5	-8.6	-8.1	-5.5
Debt*	**74,468**	**87,533**	**100,400**	**109,476**	**109,476**	**126,559**	**143,374**	**155,758**
% of GDP	42.8	48.3	56.1	62.9	62.6	68.5	73.5	75.6
Interest payments	**5,430**	**6,308**	**6,951**	**7,737**	**7,651**	**8,500**	**9,219**	**9,761**
% of Revenue	9.3	11.3	11.9	14.2	13.8	16.3	17.6	17.1
Guarantees	**11,036**	**10,889**	**11,107**	**12,700**	**12,700**	**12,952**	**13,566**	**14,208**
% of GDP	6.3	6.0	6.2	7.3	7.3	7.0	7.0	6.9

Source: MoF

Central Government's budget deficit widened to a record level during the FY2020/21, mainly as a result of Government response to soften the impact of the COVID-19 on economic activity and pressure on tax revenue. In the 2021/22 budget statement which was tabled in Parliament on 17th March 2021, the estimated Central Government budget deficit for the FY2020/21 was revised downward to 9.5 percent of GDP, lower than the 10.4 percent earlier estimate in the October 2020 mid-year budget review (Figure C.18a). The downward revision was attributed to an upward adjustment in revenue, due to better Government revenue collection than what was forecasted earlier on. However, when compared to the previous fiscal year, the deficit-to-GDP ratio rose significantly, making it the highest deficit ever registered in Namibia. This was attributed to Government's commitment to reduce the impact of the COVID-19 on economic activity and the negative impact of the pandemic on tax revenue. Meanwhile, the deficit is estimated at 8.6 percent of GDP during the FY2021/22 and is expected to gradually improve to 5.5 percent in the FY2023/24, as Government contains its expenditure levels.

Revenue

Central Government revenue declined during the FY2020/21, as a result of weak economic activity exacerbated by the negative effect of the COVID-19 pandemic. When compared to the total revenue collected during the FY2019/20, the latest FY2020/21 revenue estimate contained in the March 2021 budget declined by 5.1 percent (Figure C.18c). This was mainly ascribed to slower economic activity worsened by the COVID-19 pandemic. Central Government revenue was nevertheless revised upward to N$55.5 billion for the FY2020/21, from the N$54.7 billion that was estimated in the mid-year budget, in October 2020 (Table C.12), as revenue collections surpassed earlier projections. Over the MTEF period, Central Government revenue is estimated to decline by 6.1 percent to N$52.1 billion in FY2021/22, mainly as a result of a decline in SACU receipts and company taxes, which are anticipated to decline by 36.0 percent and 0.6 percent, respectively, to N$14.7 billion and N$7.6 billion. The decline in SACU and company taxes are attributed to a pandemic-induced contraction in the SACU revenue pool coupled with weak economic activity. Over the MTEF period, Government revenue is expected to remain sluggish in 2022/23 mainly due to disappointing SACU revenues and pedestrian economic activity, but then recover to N$57.1 billion in FY2023/24 (Table C.12).

Expenditure

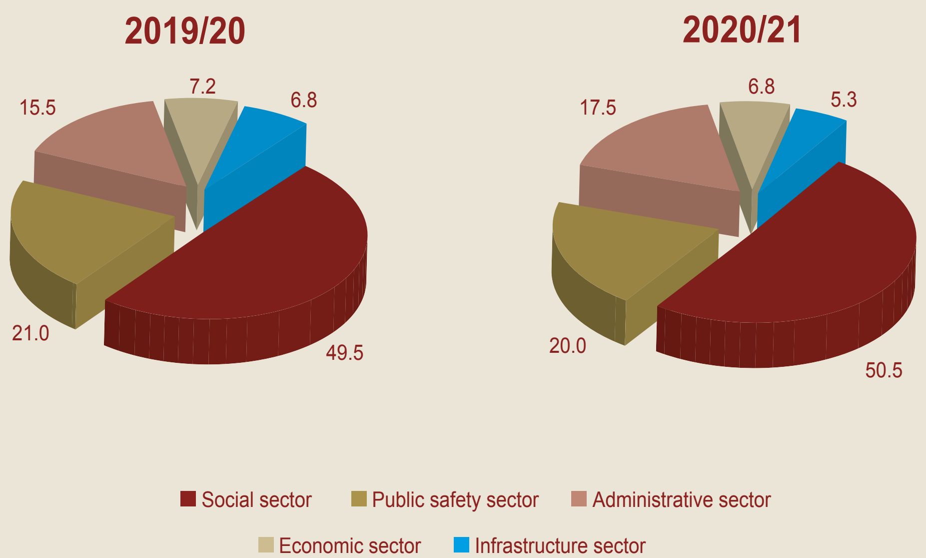
TABLE C.13 CURRENT AND CAPITAL EXPENDITURE (N$ MILLION)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Current Expenditure						
Personnel expenditure	23,849	26,753	29,171	28,927	29,570	28,681
Expenditure on goods and other services	7,915	10,362	8,421	6,389	6,653	8,965
Interest and borrowing related charges	2,623	4,310	5,430	7,143	6,886	7,738
Subsidies and other current transfers	17,834	13,105	18,838	16,774	16,775	18,811
Total Current Expenditure	**52,221**	**54,530**	**61,860**	**59,233**	**59,883**	**64,196**
Capital Expenditure	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**
Acquisition of capital goods	6,913	6,687	4,556	4,142	4,656	4,591
Goods and other services	658	261	229	173	-	-
Capital Transfers	1,565	1,024	1,025	673	612	1,417
Total Capital Expenditure	**9,135**	**7,972**	**5,810**	**4,988**	**5,268**	**6,008**

Central Government expenditure rose during the FY2020/21, mainly owing to an urgent need to save lives and support livelihoods considering the COVID-19 pandemic. During the March 2021 budget statement, the Central Government expenditure estimate for 2020/21 was adjusted slightly downwards to N$72.1 billion, from N$72.7 billion estimated in the October 2020 mid-year budget (Table C.13). This was nevertheless 7.1 percent higher than actual expenditure in 2019/20, mainly reflected in the increase in the operational budget (excluding interest and other statutory payments), which rose by 5.9 percent to N$57.2 billion during the period under review, compared to the previous fiscal year. The rise was mainly driven by an increase in expenditure on goods and services as well as interest and borrowing-related charges which rose by 34.8 percent and 16.3 percent, respectively to N$9.0 billion and N$7.7 billion. Meanwhile, personnel expenditure, which is the biggest Government expenditure category, declined by 3.0 percent to N$28.7 billion during the period under review (Table C.13). Despite the decline, the Central Government wage bill continues to be the biggest expenditure item, accounting for 44.7 percent of current expenditure, during the FY2020/21, lower compared to the share of 49.4 percent registered during the preceding fiscal year.

FIGURE C.19 BUDGET ALLOCATION BY SECTOR EXCLUDING INTEREST EXPENDITURE (PERCENTAGE)

The social sector continued to take up the highest share of the budgetary allocation during the FY2020/21.



The social sector continued to take up the biggest share of the total budget allocation during the period under review. The portion of the total budgetary allocation, allocated to the social sector, which comprises of health, education, poverty eradication and social welfare, amounted to 50.5 percent during the FY2020/21 as indicated in the March 2021 budget (Figure C.19). This was 1.0 percentage point higher than what was allocated during the preceding fiscal year. The increase was mainly on account of an urgent need to avail funds to the health and education sectors in an effort to help save lives and support livelihoods, considering the COVID-19 pandemic. This was done to provide an emergency budget to the health sector to enable the procurements and deployment of the needed resources to health infrastructure, pharmaceuticals as well as to make provision for additional health personnel to help fight the spread of the virus. Furthermore, provision was made to cater for sanitation facilities at various Government schools across the country, to help improve learners' accommodation as well as to help save jobs and livelihoods through the deployment of a once-off emergency income grant.

The public and safety sector, administrative sector, as well as the combined economic and infrastructure sectors took up the remaining budget allocation during the period under review. The public safety sector received the second largest share of the total budget allocation, accounting for a total of 20.0 percent during the period under review. The allocation was done to cater for investment in the maintenance of law and order as well as peace and stability. The administrative sector took up the third highest budget allocation, accounting for 17.5 percent during the period under review. This was done to cater for land servicing as well as the provision of sewage service, electricity, and bulk water supply. The remaining share of the budget allocation was taken up by the combined economic and infrastructure sectors, which accounted for 12.1 percent of the total allocation and was further supported by off-budget project financing as well as investment outlays by the public enterprises. This was mainly to cater for the completion of the on-going phase of capital projects with contractual obligations, in the transport, energy and water sectors.

Central Government debt

The debt stock of the Central Government rose in 2020, mainly as a result of Government interventions amidst the the pandemic. The total Government debt stock stood at N$106.8 billion at the end of December 2020, representing a year-on-year increase of 14.7 percent (Figure C.18d and Table C.14). The increase was driven by a rise in the issuance of both Treasury Bills (TBs) and Internal Registered Stocks (IRS) to finance the Central Government budget deficit. These increases were further supported by the disbursement of the third tranche of a loan from the African Development Bank (AfDB), coupled with the exchange rate depreciation during the period under review. Total debt as a percentage of GDP stood at 60.0 percent at the end of December 2020, representing a 9.0 percentage points increase compared to the level a year earlier. The debt-to-GDP ratio continued to rise further above the Central Government debt ceiling of 35 percent of GDP, and for the first time moved above the SADC macroeconimic convergence limit of 60 percent of GDP. Apart from incurring additional debt, Government also financed some of its additional pandemic-induced fiscal outlays during the year under review by drawing down balances on its deposit accounts with the Bank of Namibia.

TABLE C.14 CENTRAL GOVERNMENT DEBT (N$ MILLION)

Value at the year-end (N$ million) / %	2016	2017	2018	2019	2020
Fiscal year GDP	**161,173**	**173,941**	**181,179**	**180,248**	**178,018**
Foreign debt stock	**25,262**	**26,426**	**32,156**	**30,852**	**33,065**
Bilateral	2,997	2,879	3,027	2,723	2,804
As % of total	11.9	10.9	9.4	8.8	8.5
Multilateral	2,342	5,164	8,198	7,583	9,942
As % of total	9.3	19.5	25.5	24.6	30.1
Eurobond	17,030	15,491	18,039	17,654	18,277
As % of total	67.4	58.6	56.1	57.2	55.3
JSE Listed bond	2,892	2,892	2,892	2,892	2,042
As % of total	11.4	10.9	9.0	9.4	6.2
Total Debt service	**4,481**	**4,232**	**6,342**	**7,247**	**8,402**
Domestic debt service	2,816	2,280	4,148	4,448	4,661
Foreign debt service	1,865	1,952	2,194	2,799	3,741
Domestic debt stock	**39,119**	**46,337**	**54,492**	**62,300**	**73,773**
Treasury bills	14,328	17,937	21,789	24,247	27,330
As % of total	36.6	39	40.0	38.9	37.0
Internal registered stock	24,791	28,400	32,703	38,053	46,443
As % of total	63.4	61.3	60.0	61.1	63.0
Total Central Government debt	**64,381**	**72,763**	**86,647**	**93,151**	**106,838**
End of Period Exchange rate in terms of N$					
US Dollar	13.6240	12.3930	14.4309	14.1235	14.6218
EUR	14.3403	14.8063	16.4917	15.8247	17.9716
RMB	1.9610	1.9013	2.0982	2.0247	2.2391
CHF	13.3511	12.6743	14.6520	14.5985	16.5838
JPY	0.1167	0.1100	0.1308	0.1300	0.1418
KWD	44.7096	41.0204	47.4078	46.0937	48.1454
Proportion of total debt					
Foreign debt stock	39.2	36.3	37.1	33.1	30.9
Domestic debt stock	60.8	63.7	62.9	66.9	69.1
As % of GDP					
Foreign debt stock	15.7	15.2	17.7	17.1	18.6
Domestic debt stock	24.2	26.6	30.1	34.6	41.4
Total debt	**39.9**	**41.8**	**47.8**	**51.7**	**60.0**

Sources: MoF, BoN and NSA

Domestic debt

Total domestic debt rose during 2020, to meet the Government's financing requirements. The Government's total domestic debt rose by 18.4 percent year-on-year to N$73.8 billion at the end of December 2020 (Table C.14). The increase was reflected in both TBs and IRS, mainly on account of increased borrowing to meet the Government's financing requirements. Most of the TBs were allotted to the banking sector, while the IRS were mainly allotted to non-banking financial institutions. As a percentage of GDP, domestic debt rose by 6.9 percentage points to 41.4 percent during the year under review.

Foreign debt

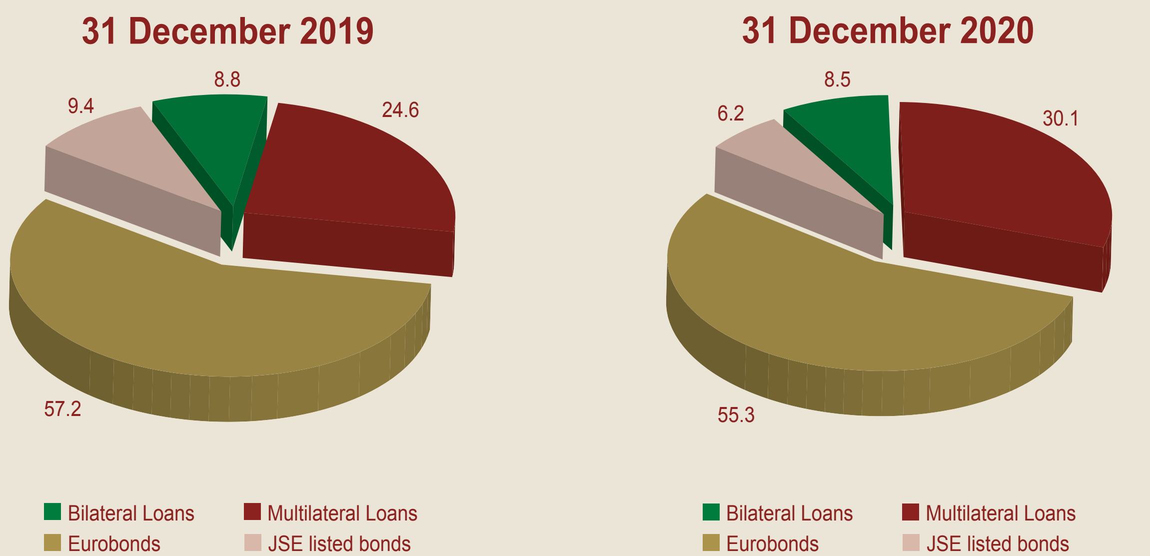
The stock of external debt rose during the year under review, driven by the exchange rate depreciation, coupled with the disbursement of the third tranche of a loan from the AfDB. The Central Government's external debt stock rose by 7.2 percent during the year under review to N$33.1 billion at the end of December 2020 (Table C.14). The rise was due to the depreciation of the Namibia Dollar against major international currencies, coupled with the disbursement of the AfDB loan of N$2.0 billion during the period under review. As a ratio of GDP, external debt rose from 17.1 percent at the end of December 2019 to 18.6 percent at the end of December 2020.

Debt service

Central Government debt service rose during the year under review, compared to the previous year. Total Central Government debt service rose by 15.9 percent, to N$8.4 billion during 2020. This was partly due to the principal repayment of one of the JSE bonds during the year under review, compared to the previous year. Total debt service as a percentage of revenue rose slightly by 2.7 percentage point to 15.2 percent during the year 2020, compared to the previous year.

FIGURE C.20 EXTERNAL DEBT BY TYPE (PERCENT)

The Eurobonds continued to be the main contributor to the Government's external debt portfolio.

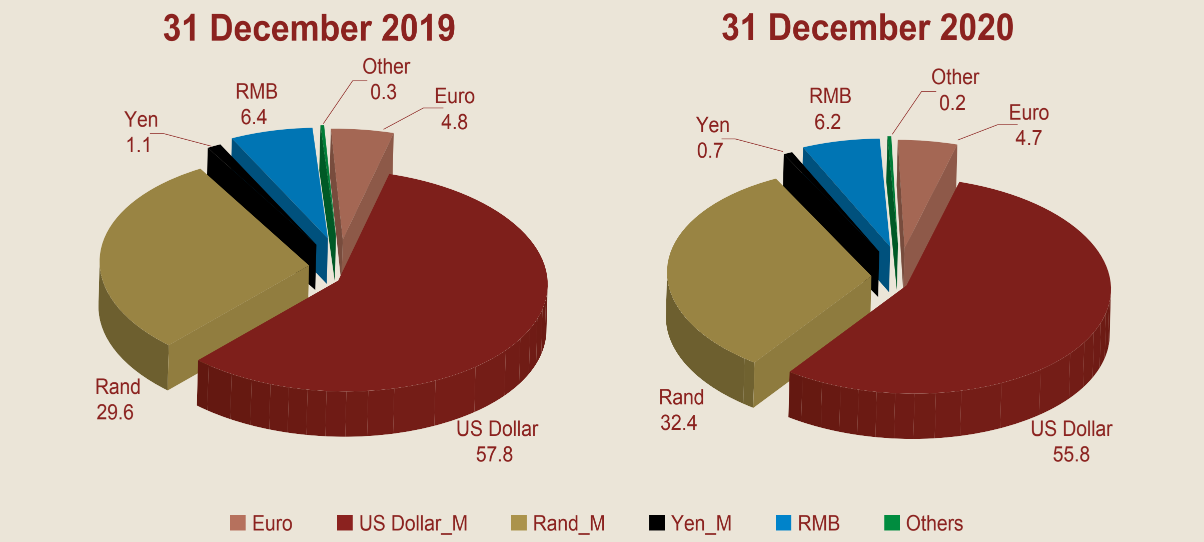


The Eurobonds[21] remained the most dominant component of the Government's external debt stock during the period under review, followed by multilateral loans. At the end of December 2020, the Eurobonds accounted for 55.3 percent of the Government's external debt stock, which was 1.9 percentage point lower than at the same point in 2019 (Figure C.20). The marginal reduction in the Eurobonds' share was ascribed to a rise in the percentage share of multilateral loans, which constituted the second largest portion of the Central Government's total debt, accounting for 30.1 percent. This was mainly attributed to the disbursement of the third tranche of the AfDB loan during the year under review. Meanwhile, the share of bilateral loans and JSE-listed bonds declined by 0.3 percentage point and 3.2 percentage points, to 8.5 percent and 6.2 percent, respectively, owing to principal repayments on some bilateral loans, coupled with the redemption of one of the JSE-listed bonds.

21 The Eurobonds are denominated in US Dollars.

FIGURE C.21 EXTERNAL DEBT CURRENCY COMPOSITION (PERCENTAGE SHARE)

The US Dollar continued to be the major currency in the Government's external debt portfolio.



Source: MoF

Currency composition

The US Dollar continued to dominate the Government's total external debt portfolio, although its share declined slightly during the period under review. The Government's external debt stock was mainly denominated in US Dollars, with this currency accounting for 55.8 percent of the total external debt at the end of December 2020 (Figure C.21). This represents a decline of 2.0 percentage points compared to the corresponding period in the previous year, owing to a rise in the percentage share of the Rand. The share of the Rand in the Government's total external debt portfolio increased by 2.8 percentage points to 32.4 percent over the same period, maintaining its position as second dominant currency. The rise was due to the disbursement of the Rand denominated loan from the AfDB, which was made in July 2020. The Renminbi (RMB) and the Euro constituted the third and fourth largest share in the Government's external debt portfolio during the year under review, accounting for 6.3 percent and 4.9 percent, respectively.

Central Government loan guarantees

Total Central Government loan guarantees declined marginally during the year 2020 as most of the guaranteed institutions continued to honour their debt obligations. Central Government's total loan guarantees declined by 3.8 percent to N$10.9 billion as reflected in both domestic and foreign loan guarantees (Table C.15). This was primarily due to repayments of some domestic loans which were guaranteed by government for the development finance institutions and agricultural sector. As a percentage of GDP, Central Government loan guarantees declined by 0.2 percentage point to 6.1 percent, during 2020. At this ratio, total loan guarantees remained below the Government's set ceiling of 10.0 percent of GDP.

TABLE C.15 CENTRAL GOVERNMENT LOAN GUARANTEES (N$ MILLION)

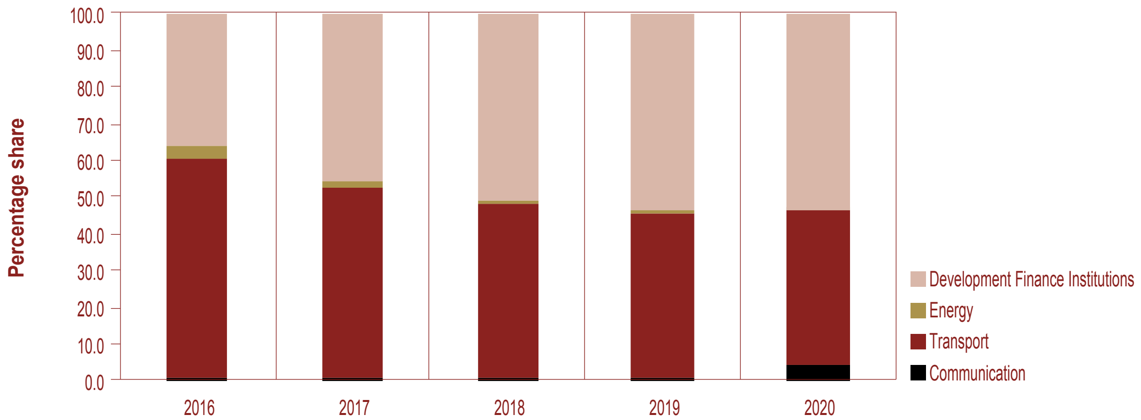
	2016	2017	2018	2019	2020
GDP	**161,173**	**173,941**	**181,179**	**180,248**	**178,018**
Domestic Guarantees	**1,214**	**1,745**	**1,912**	**2,070**	**1,572**
As % of GDP	0.8	1.0	1.1	1.1	0.9
As % of Total Guarantees	13.6	16.9	17.3	18.3	14.5
Foreign Guarantees	**7,742**	**8,595**	**9,129**	**9,237**	**9,303**
As % of GDP	4.8	4.9	5.0	5.1	5.2
As % of Total Guarantees	86.4	83.1	82.7	81.7	85.5
Total Guarantees	**8,956**	**10,340**	**11,040**	**11,307**	**10,876**
As % of GDP	5.6	5.9	6.1	6.3	6.1

Sources: MoF, BoN and NSA

Foreign loan guarantees

Total foreign loan guarantees rose during the year under review, compared to the previous year. Total foreign loan guarantees rose by 0.7 percent, to N$9.3 billion, during the year under review. The rise was mainly attributed to more loan guarantees issued to the development finance institutions as well as to the additional loans guarantees extended to the communication sector to support the growing services industry, coupled with the depreciation of the local currency against major trading currencies during the year under review. As a percentage of GDP, total foreign loan guarantees rose by 0.1 percentage point to 5.2 percent (Table C.15).

FIGURE C.22 FOREIGN LOAN GUARANTEES BY SECTOR

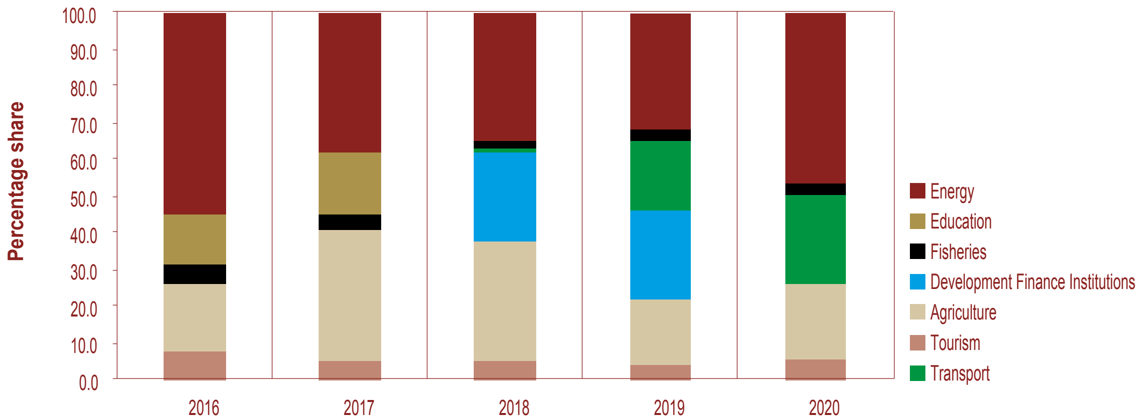


The development finance institutions and the transport sector remained the largest contributors to the foreign loan guarantees portfolio during the period under review. The development finance institutions accounted for 53.7 percent of total foreign loan guarantees during the year under review. This represented an increase of 3.7 percentage points relative to 2019. Meanwhile, foreign loan guarantees allocated to the transport sector, which is the second largest with a share of 41.9 percent, declined by 3.5 percentage points when compared to the previous year (Figure C.22). This was attributed to more foreign loan guarantees issued to the development finance institutions. The communication and energy sectors accounted for 4.1 percent and 0.3 percent of the total foreign loan guarantees, respectively.

Domestic loan guarantees

Domestic loan guarantees declined during 2020, compared to the previous year. Total domestic loan guarantees declined by 24.1 percent to N$1.6 billion at the end of December 2020 (Table C.15). The decline was primarily driven by the repayment of some loans that were guaranteed by Government for development finance institutions. As a percentage of GDP, domestic loan guarantees declined by 0.3 percentage point to 0.9 percent during the year under review.

FIGURE C.23 DOMESTIC LOAN GUARANTEES BY SECTOR



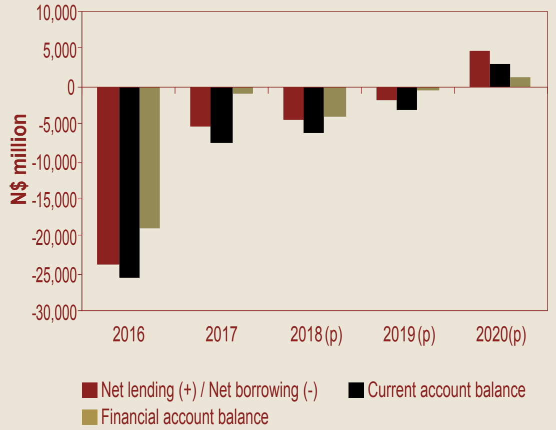
In terms of sectoral distribution, the energy sector continued to dominate total domestic loan guarantees during the period under review. The share of total domestic loan guarantees issued to the energy sector stood at 47.2 percent, an increase compared to 32.5 percent in 2019. The rise was mainly ascribed to more loan guarantees issued to the energy sector during the year under review. Transport represents the second largest sector in terms of loan guarantees allocation with a percentage share of 23.4 percent, compared to 19.9 percent registered during 2019. The rise was due to more loan guarantees issued to the sector. In contrast, the share of the development finance institutions, which previously accounted for the third highest share, declined to 0.0 percent from 24.1 percent in 2019. The agriculture sector overtook the financial institutions as the third largest sector, with a percentage share of 20.8 percent, rising by 21.2 percentage points compared to 2019 (Figure C.23). The remaining portion of the domestic loan guarantees was issued to the tourism sector with a share of 5.5 percent during the year under review.

FOREIGN TRADE AND PAYMENTS

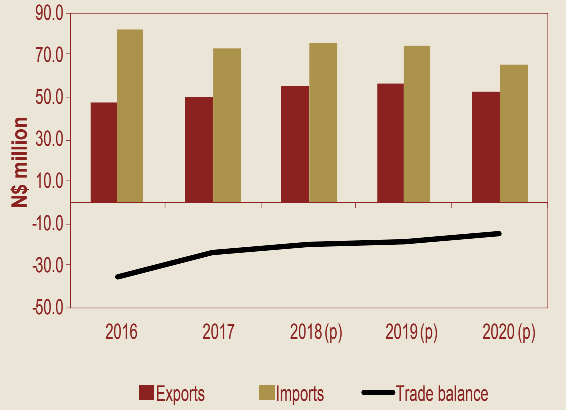
(Note: p in this section stands for provisional)

FIGURE C.24 EXTERNAL DEVELOPMENTS

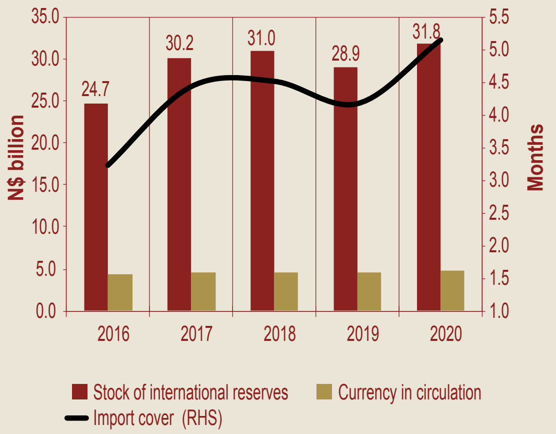
a. During 2020, Namibia recorded net lending[22] to the rest of the world, largely reflecting the surplus recorded on the current account.



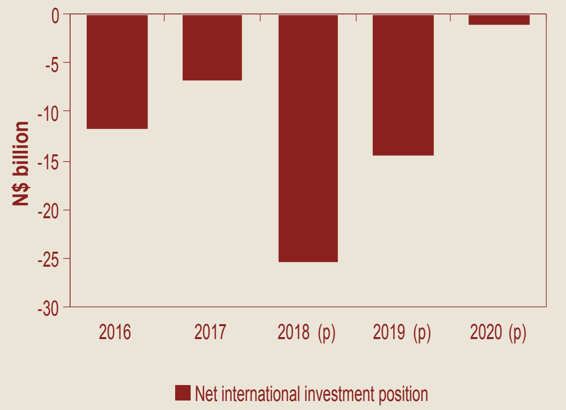
b. Namibia's merchandise trade deficit narrowed during 2020, due to a decline in import payments.



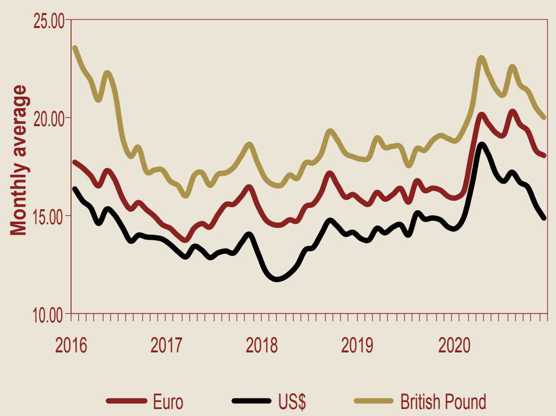
c. The stock of international reserves rose in 2020, mainly due to higher capital inflows, revaluations, and a lower import bill.



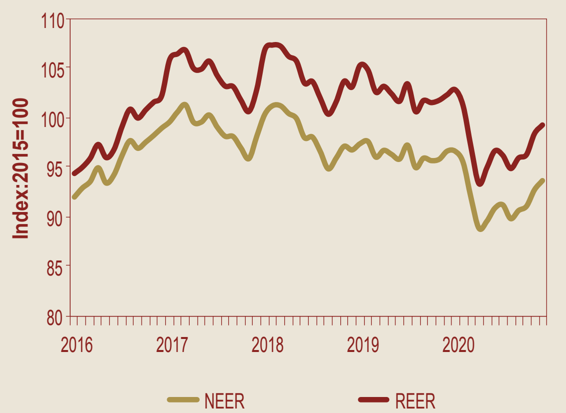
d. Namibia's International Investment Position recorded a reduced net liability position in comparison with 2019 due to an increase in foreign assets.



e. The Namibia Dollar depreciated sharply in the first four months of 2020, but thereafter partly recovered the lost ground.



f. Both the Nominal Effective Exchange Rate (NEER) and the Real Effective Exchange Rate (REER) indices of the Namibia Dollar depreciated during 2020, falling up to April 2020 before staging a partial recovery up to the year-end.



22 The sum of the balances on the current and capital accounts represents the net lending (surplus) or net borrowing (deficit) by the economy with the rest of the world.

TABLE C.16 EXTERNAL VULNERABILITY INDICATORS

	2016	2017	2018	2019	2020
i. Solvency (percentage)					
Gross External Debt/GDP	56.6	59.9	66.9	64.2	65.2
Gross External Debt/Exports of Goods and Services	163.0	172.3	185.3	177.0	197.3
External Debt Service/Exports of Goods and Services	45.4	30.7	30.9	38.9	37.3
Current account/GDP	-16.1	-4.3	-3.4	-1.7	1.9
ii. Reserve Adequacy					
Reserves/Imports of Goods and Services (months)	3.2	4.4	4.5	4.2	5.1
Reserves/Broad Money Liabilities (percent)	28.8	30.8	29.7	25.1	25.3
Reserves/Short-term External Debt (ratio)	2.6	2.4	2.1	2.1	2.1

Current Account

Namibia's current account turned into a surplus during 2020, primarily due to an improved merchandise trade deficit as well as an increase in secondary income inflows. The current account recorded a surplus of N$3.4 billion during 2020, compared to a deficit of N$3.1 billion recorded in 2019 (Figure C.24a). This emanated from the shrinking merchandise trade deficit that reflected a significant decline in import payments, coupled with an improvement in the secondary income account resulting from higher SACU receipts during 2020. As a result, the current account balance as a percentage of GDP improved to a 1.9 percent surplus in 2020, from a deficit of 1.7 percent of GDP in the previous year.

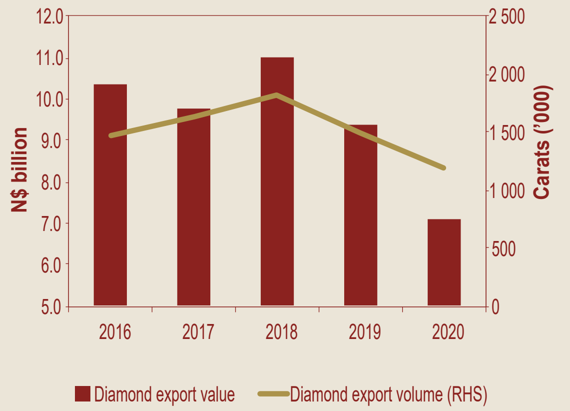
Merchandise Trade Balance

The merchandise trade deficit narrowed in 2020, driven by a decline in import payments. Namibia's trade deficit narrowed by 23.2 percent to N$14.5 billion during 2020 (Figure C.24b). The lower merchandise trade deficit resulted from a significant contraction in the value of merchandise imports, which declined by 11.4 percent to N$66.4 billion during 2020, reflecting the slowdown in domestic demand, re-enforced by the effects of the COVID-19 pandemic lockdowns and restrictions. The value of merchandise exports also declined but by a less forceful 7.4 percent to N$51.9 billion in 2020 as earnings from *rough diamonds, food and live animals*, and *manufactured products* fell significantly.

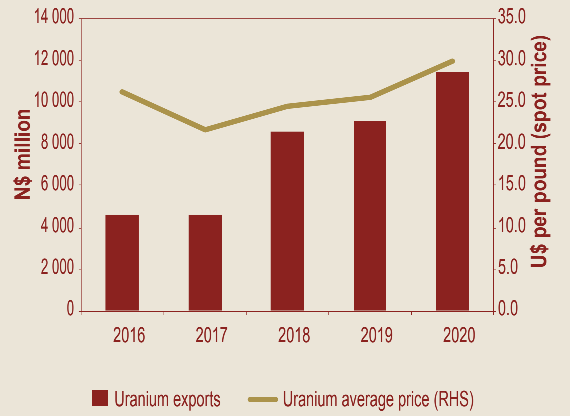
Exports of Goods

FIGURE C.25 (a-f) EXPORT COMMODITIES

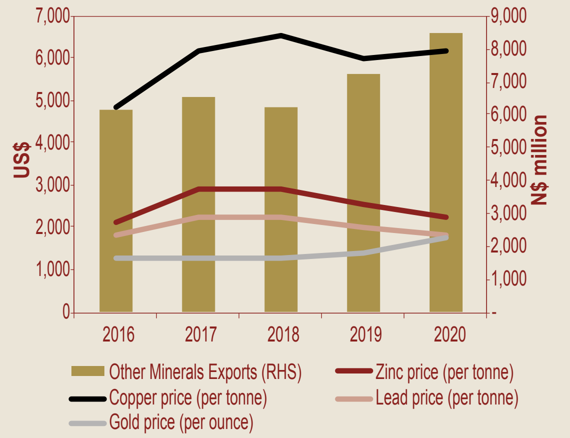
a. Export earnings from rough diamonds declined during 2020 largely due to weaker global demand.



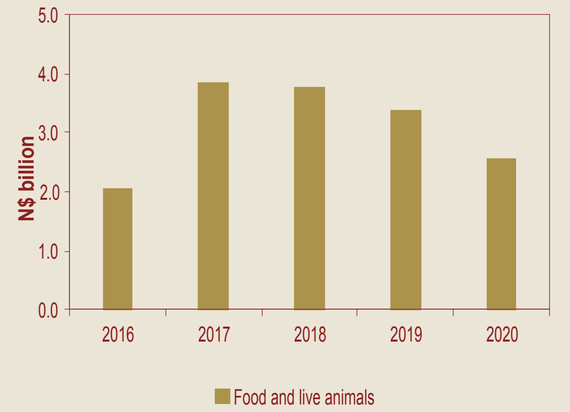
b. Foreign earnings from uranium increased during 2020, supported by an increased volume exported, higher prices and a weaker currency.



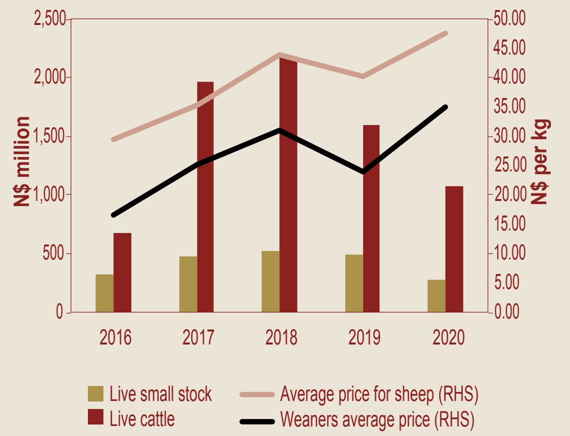
c. Export receipts from other minerals[23] increased, primarily due to higher earnings from gold.



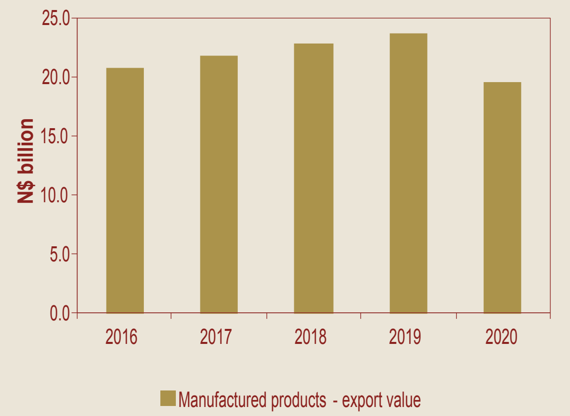
d. Restocking activity by farmers resulted in lower export earnings for food and live animals …



e. … while the average prices of weaners and sheep rose during 2020.



f. The value of manufactured exports declined in 2020, mainly on account of reduced earnings from meat, polished diamonds, refined zinc, beverages and copper cathodes.



Source: Namibia Statistics Agency and BoN Surveys

23 This category includes gold, zinc concentrate, copper concentrates, lead, salt, manganese and dimensional stones.

Mineral Exports

Rough diamonds

Export earnings from *rough diamonds* declined substantially during 2020, largely due to weaker global demand. The volume of rough diamonds exported declined substantially by 20.6 percent to 1.18 million carats, resulting in a 24.5 percent decrease in export earnings to N$ 7.1 billion during 2020 (Figure C.25a). The reduction in volumes exported was due to subdued global demand for rough diamonds as the COVID-19 pandemic negatively impacted consumers' income through wage reductions, retrenchments, and slow business activity. In addition, diamond sales were also severely constrained by travel restrictions and lockdowns during the early period of the year as buyers were unable to travel, view and purchase rough diamonds. Furthermore, the lower average rough diamond prices realised during 2020 was another contributor to the fall in rough diamond earnings, alongside a reduction in diamond production.

Uranium

Uranium export earnings increased during 2020, supported by a weaker exchange rate as well as higher prices. Export earnings from uranium increased by 25.0 percent to N$11.4 billion during 2020 (Figure C.25b). This was positively affected by the exchange rate depreciation alongside the higher international uranium prices. On the spot market, the average international price of uranium increased by 16.7 percent to US$29.93 per pound. The higher prices of uranium were primarily due to uranium supply deficits, underpinned by the pandemic-related production cuts.

Other mineral exports

The other minerals category recorded higher export earnings in 2020, mainly due to increased earnings from gold. Export earnings from other minerals increased significantly by 16.2 percent to N$8.4 billion during 2020 (Figure C.25c). The increase was mainly brought about by higher earnings from gold, which increased substantially by 43.3 percent to N$6.5 billion during 2020, mainly due to a higher international gold price and the favourable exchange rate. The average international price of gold rose by 27.9 percent to US$1 781 per ounce. The gold price increased as a result of increased demand for safe-haven assets owing to weaker global economic prospects and heightened uncertainty induced by the COVID-19 pandemic, coupled with lower interest rates. In contrast, the revenue from zinc concentrate exports declined, which was primarily attributed to unfavourable international zinc prices, a lower grade of zinc concentrate exported, and logistical delays.

Non-mineral exports

Food and live animals

During 2020, export earnings for food and live animals decreased, mainly due to a drop in earnings from live animals exported to South Africa. Foreign earnings from food and live animals declined by 24.3 percent to N$2.6 billion in 2020. This was mainly reflected in lower receipts from live weaners and live small stock exported to South Africa. Farmers were in a herd rebuilding phase during 2020 following the devastating drought experienced during 2019, and as a result, live cattle marketed declined significantly. Furthermore, small stock marketed also declined significantly, reflecting the limited stock of sheep available for marketing.

The average prices of weaners and sheep increased during 2020, largely due to limited supply as farmers held back their herds for rebuilding purposes. Average prices of live weaners increased significantly, by 38.5 percent to N$33.30 per kilogramme during 2020 (Figure C.25e). Similarly, average prices of sheep increased by 17.7 percent to N$47.21 per kilogramme. The increase in weaner and sheep prices was largely due to limited supply as farmers held back their animals for herd rebuilding purposes following good rainfall.

Manufactured exports

Export earnings from manufactured products declined during 2020, mainly on account of a decline in global demand for diamonds, a halt in production of refined zinc, and COVID-19-related restrictions. During 2020, the value of manufactured exports decreased by 17.4 percent to N$19.6 billion (Figure C.25f). The decline was mainly underpinned by decreases in receipts from *polished diamonds, refined zinc, meat processing, beverages*, and *copper cathodes*. Receipts from *polished diamonds* were negatively impacted by a decline in global demand following the COVID-19 travel restrictions and lockdowns to curb the further spread of the virus. The fall in export earnings from refined zinc was due to a halt in production, as the refinery was placed under care and maintenance during the second quarter of 2020. Furthermore, the receipts from beverages were negatively affected by COVID-19 restrictions, mostly on the sale of alcoholic products. Conversely, proceeds from manufactured exports were weighed up by an increase in earnings from charcoal, and hides and skins during 2020, compared to the previous year.

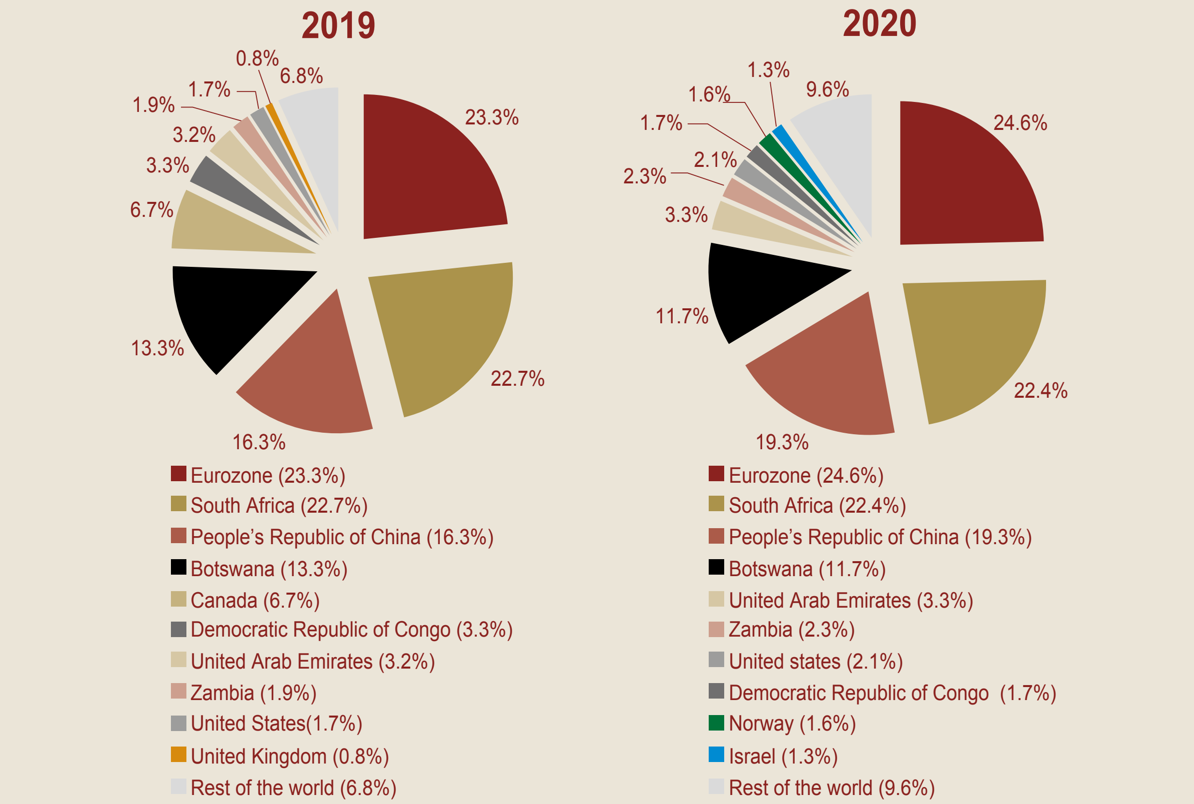
Imports of Goods

During 2020, the value of merchandise imports declined, as reflected in decreases across most major categories of merchandise imports due to low demand. Expenditure on merchandise imports fell by 11.4 percent to N$ 66.4 billion in 2020, when compared to 2019. The decline in the value of imports reflected decreases in major import categories such as *mineral fuel, vehicles and parts, machinery and mechanical appliances, consumer goods*, and *base metals*. This reflected weak domestic demand, reinforced by the restrictions instituted to curb the spread of the COVID-19 pandemic, and lower mineral fuel prices.

Direction of Trade

FIGURE C.26A EXPORTS BY DESTINATION

In 2020, the Eurozone remained the leading destination for Namibia's merchandise exports, followed by South Africa, China and Botswana.

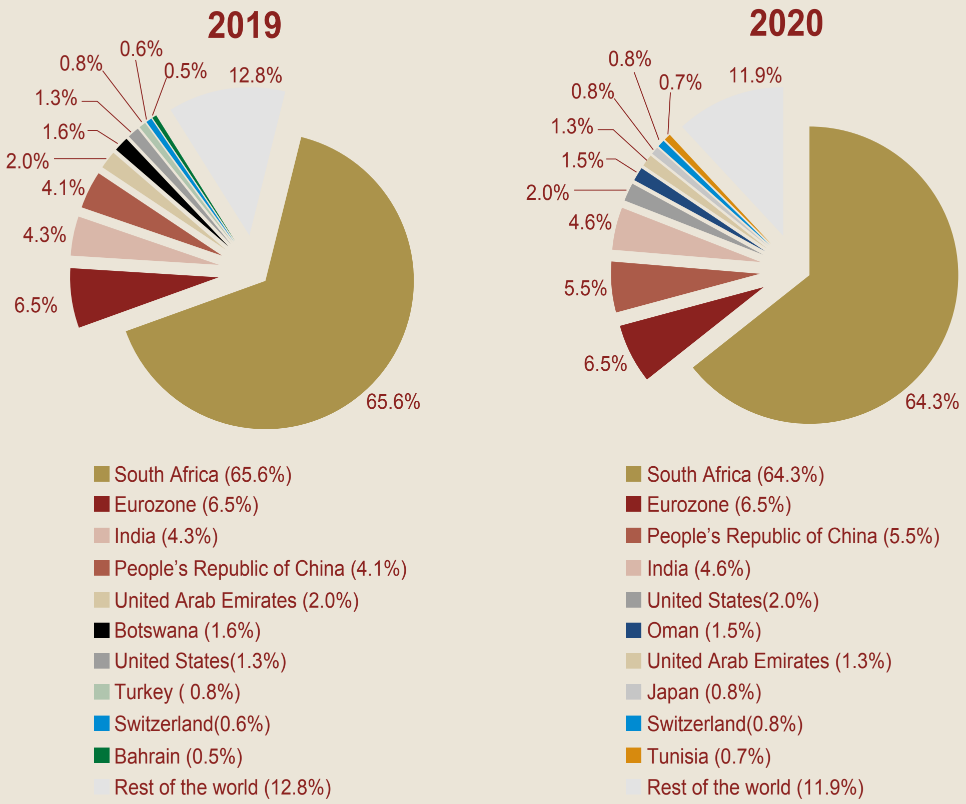


Source: Namibia Statistics Agency

The Eurozone remained the leading destination for Namibia's merchandise exports during 2020, followed by South Africa, China, and Botswana. The Eurozone absorbed 24.6 percent of Namibia's total exports, mainly consisting of *fish, beef, copper cathodes* and *zinc concentrates*. The South African share declined marginally to 22.4 percent of total exports, consisting mainly of gold and food and live animals. China's share increased to 19.3 percent, largely consisting of *uranium* and *zinc concentrate*. Botswana's share declined from 13.3 percent in 2019 to 11.7 percent during 2020, reflecting the decline in the exports of *rough diamonds*. Other major export destinations in 2020 included the United Arab Emirates, with a share of 3.3 percent, Zambia accounting for 2.3 percent, the United States accounting for 2.1 percent, and the Democratic Republic of Congo and Norway respectively absorbing 1.7 percent and 1.6 percent of Namibia's exports (Figure C.26A).

FIGURE C.26B IMPORTS BY ORIGIN

Namibia's imports were largely sourced from South Africa, the Eurozone and China during 2020.



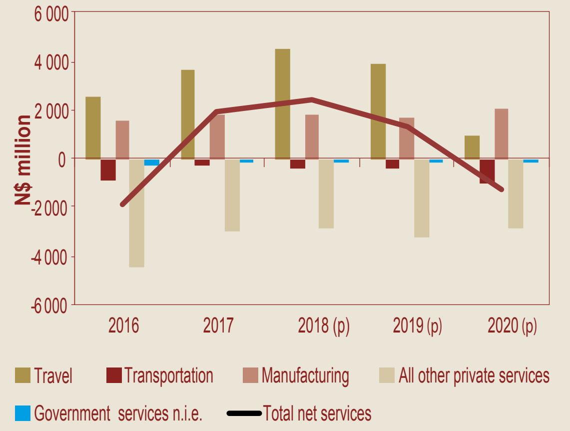
Source: Namibia Statistics Agency

South Africa continued to be Namibia's main source of merchandise imports during 2020, followed by the Eurozone, China and India. The bulk of Namibia's merchandise imports were sourced from South Africa, with the share decreasing slightly to 64.3 percent of total imports during 2020. The decline in South Africa's share was mainly supported by decreased imports of *consumer goods* and *mineral fuels*. The Eurozone ranked second with 6.5 percent of the merchandise imports, mainly consisting of *mineral fuel* and *machinery*. An increase was recorded in China's share, which rose to 5.5 percent of total imports. India ranked fourth and accounted for 4.6 percent of the merchandise imports largely comprising *mineral fuel* and *pharmaceutical products*. Other major sources of imports were the United States (2.0 percent), Oman (1.5 percent), the United Arab Emirates (1.3 percent), and Japan and Switzerland (each 0.8 percent).

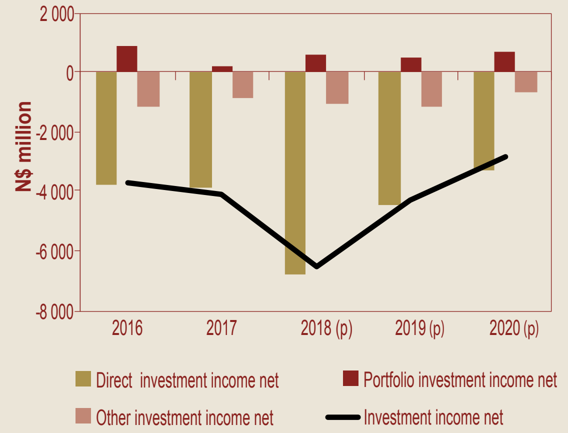
Services, Investment Income and Current Transfers

FIGURE C.27 (a-e) SERVICES, PRIMARY AND SECONDARY INCOME

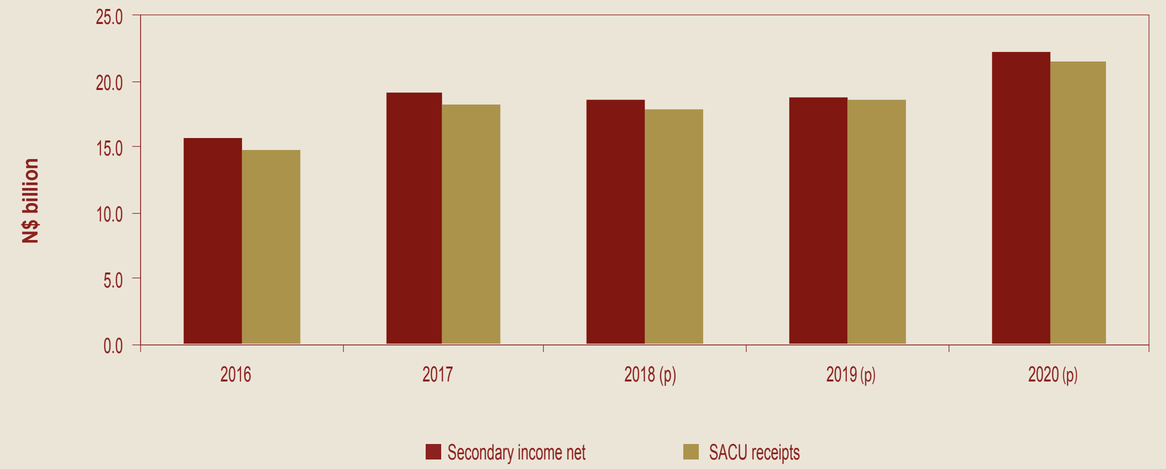
a. The services account registered net outflows during 2020, mainly due to higher payments for transportation and lower receipts for travel services.



b. Net outflows on the primary income account decreased, mainly supported by reduced net investment income outflows.



c. Namibia's net secondary income receipts increased during 2020 compared to 2019, largely as a result of higher SACU receipts.



Sources: Various companies and BoN surveys

Services Balance

Namibia's services account registered net outflows in 2020, on account of higher payments for *transportation services* and a reduction in receipts from *travel services* due to COVID-19 related travel restrictions. The net services balance recorded an outflow of N$ 1.3 billion in 2020, compared to an inflow of N$ 1.3 billion in 2019 (Figure C.27a). The increased outflows were largely attributed to higher payments for transportation services. Additionally, the significant decline in inflows from travel services on account of reduced international and regional passenger arrivals contributed to the developments on the services account. The *travel and transportation* services were largely affected by the restrictions on cross-border movement of persons due to the COVID-19 pandemic.

Net Primary Income

The primary income account recorded reduced net outflows during 2020, largely due to a decline in net investment income outflows as a result of lower profits. Net outflows on the primary income account declined by 32.9 percent to N$3.0 billion in 2020. The decreased outflows were mainly underpinned by reductions in investment income payments to foreign direct investors, particularly in the form of dividend payments and retained earnings as foreign-owned companies registered lower profits amidst the COVID-19 pandemic.

Net Secondary Income

During 2020, Namibia's net secondary income receipts increased, primarily due to higher SACU receipts. Inflows on the secondary income account rose by 17.9 percent to N$22.2 billion during 2020 (Figure C.27c). This was mainly due to higher SACU receipts, which increased by 15.6 percent to N$21.4 billion during the year under review.

CAPITAL ACCOUNT

Namibia's capital account surplus increased during 2020, largely as a result of higher capital transfers from non-residents. The capital account surplus rose by 10.0 percent to N$1.7 billion in 2020, compared to 2019. The higher inflows reflected the increase in capital transfers from foreign governments and private institutions.

Net Lending (+) and Net Borrowing (-)

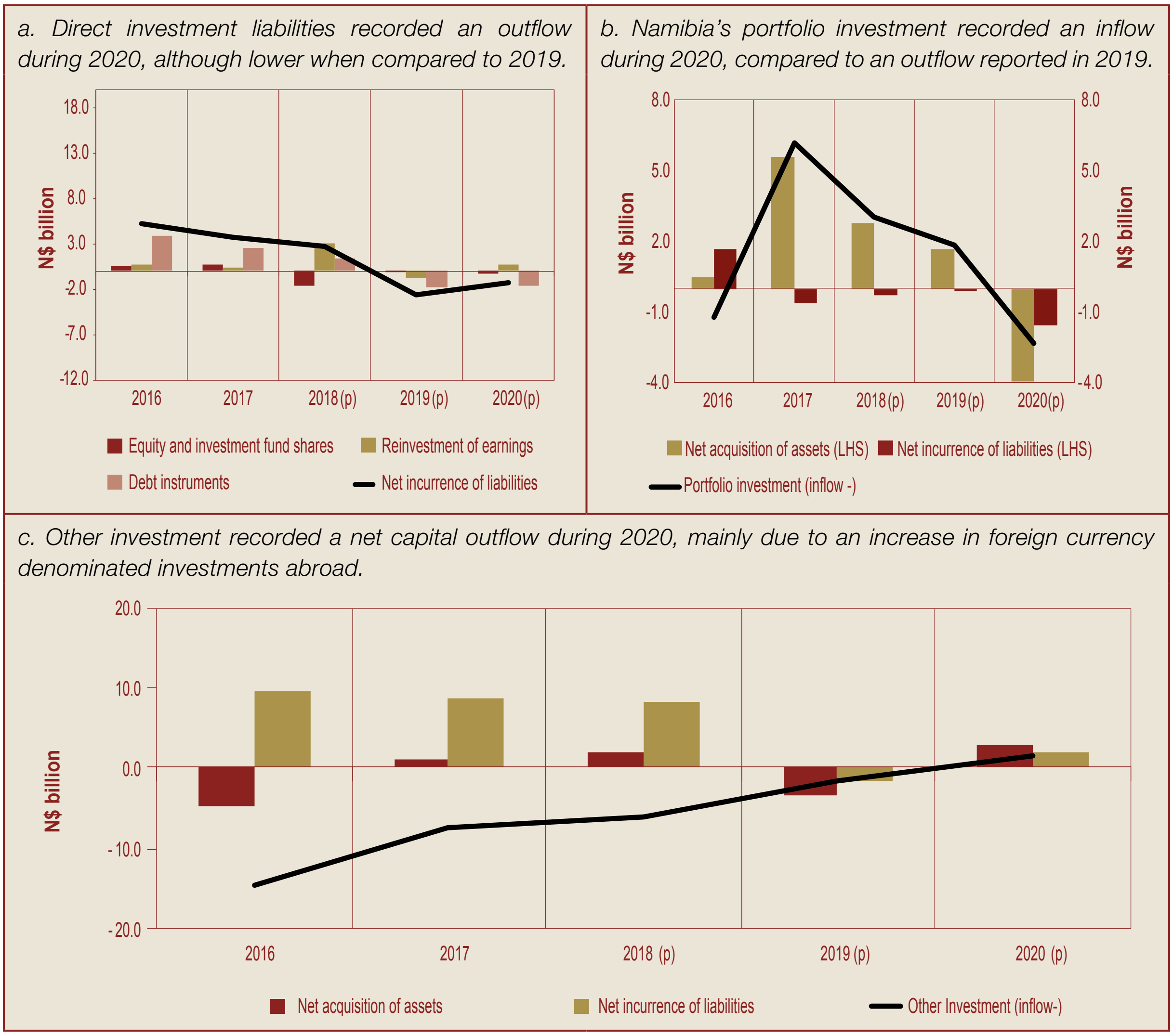
Given the developments on the current account during 2020, Namibia registered net lending to the rest of the world. The country recorded net lending to the rest of the world of N$5.1 billion, compared to net borrowing from the rest of the world of N$1.6 billion recorded in the previous year. The rise in the economy's net lending capacity was mainly supported by the surplus recorded on the current account, augmented by the capital account surplus.

FINANCIAL ACCOUNT[24]

During 2020, the financial account balance recorded net lending to the rest of the world compared to net borrowing registered during 2019. Namibia's financial account balance registered net lending of N$2.2 billion to the rest of the world during the period under review compared to net borrowing of N$ 0.2 billion recorded during 2019. This was mainly on account of outflows observed in direct investment as well as other investment. As a percentage of GDP, the net financial account outflow for 2020 was 1.2 percent, from a net inflow of 0.1 percent reported a year earlier.

24 In BPM6, the interpretation of the financial account particularly on the assets, denotes an increase as positive and a decrease as negative. The interpretation on the liabilities remains unchanged from BPM5 where an increase or decrease implies just that. Furthermore, the net balances are interpreted in terms of net lending (if positive (denoting outflows)) or net borrowing (if negative (inflows)). The Financial account balance is now presented inclusive of reserve assets according to BPM6 and implies that the financing of the net lending/borrowing position (current account) is fully accounted for above the line (i.e. above the financial account balance).

FIGURE C.28 (a-c) FINANCIAL ACCOUNT COMPONENTS



Source: BON surveys

Direct Investment

Namibia's direct investment liabilities recorded a lower outflow during 2020 compared to 2019, partly due to an increase in reinvestment of earnings coupled with a decline in repayments of debt. Foreign direct investment liabilities registered a lower outflow of N$1.2 billion during 2020 compared to a higher outflow of N$2.6 billion recorded in 2019 (Figure C.28a). This was partly due to increased reinvestment of earnings by direct investment enterprises during 2020. In addition, the lower direct investment liabilities outflow resulted from a decline in repayments of debt by enterprises, specifically in the mining sector.

Portfolio Investment

On a net basis, Namibia's portfolio investment recorded an inflow during 2020, owing mainly to a decline in foreign asset holdings. During 2020, portfolio investment recorded an inflow worth N$2.3 billion as institutional investors reduced their foreign assets holdings in the form of equity and debt securities. In this regard, equity and debt securities switched from outflows recorded in 2019 to inflows of N$2.5 billion and N$1.5 billion, respectively during 2020 (Figure C.28b). The decline in foreign asset holdings was partly due to regulatory compliance in meeting the minimum domestic asset requirements. However, the net inflows were partly offset by the redemption of a JSE-listed Government bond worth N$840 million and an SOE bond worth N$500 million during 2020.

Other Investment

During 2020, other investment recorded a net capital outflow, mainly due to Namibian deposit-taking corporations increasing their foreign currency denominated investments abroad. Namibia's other investment functional category recorded a net capital outflow of N$1.8 billion during 2020, a switch from the net capital inflow of N$1.7 billion registered in 2019 (Figure C.28c). The outflow observed in other investment was mainly on account of Namibian deposit-taking corporations increasing their foreign currency denominated investments abroad. Hence, investments through currency and deposits turned to an outflow worth N$2.8 billion during 2020, from an inflow of N$3.8 billion recorded during 2019. The outflow was partly offset by the inflow of the third tranche of a loan from the AfDB worth N$2.0 billion disbursed to the Namibian Government during 2020.

INTERNATIONAL RESERVES

During 2020, the stock of international reserves held by the Bank of Namibia rose on an annual basis, due to higher capital inflows and SACU receipts, depreciation of the Namibia Dollar against major currencies, and a lower import bill. The stock of international reserves increased by 9.7 percent year-on-year to N$31.8 billion at the end of December 2020 (Figure C.24c). The increase in reserves was supported by inflows of the third tranche of the AfDB loan worth N$2.0 billion disbursed to the Government, higher SACU receipts of N$21.4 billion (compared to N$18.5 billion during 2019), lower imports of goods and services, and the depreciation of the local currency against major international currencies. In this regard, the international reserves are estimated to be 6.7 times as much as the currency in circulation (i.e., well above the required 1.0 times stipulated in the Common Monetary Area Agreement) at the end of December 2020. As such, the reserves remained sufficient to readily sustain the currency peg between the Namibia Dollar and South African Rand. The estimated import cover of goods and services rose to 5.1 months, compared to 4.2 months a year earlier, and therefore remains well above the international benchmark of 3.0 months. The increase in the import cover ratio was largely due to a decline in the import bill for goods and services during 2020.

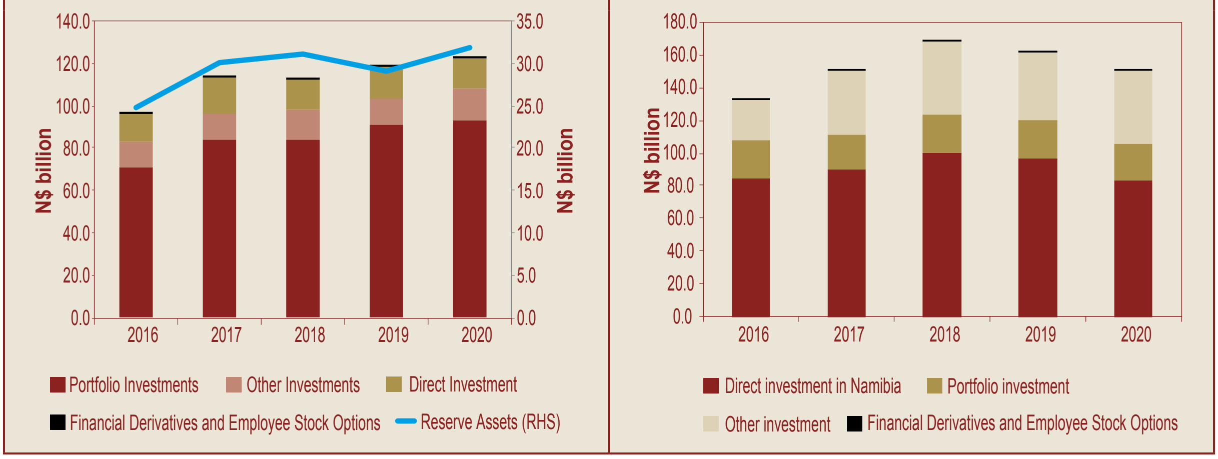
INTERNATIONAL INVESTMENT POSITION

At the end of 2020, Namibia's external balance sheet registered a lower net liability position when compared to 2019 following an increase in assets and a decrease in liabilities. Namibia registered a net liability position of N$978 million compared to a N$14.4 billion net liability position a year earlier, due to a decline in foreign liabilities, particularly direct investment, as well as an increase in foreign assets in the functional categories' other investment, portfolio investment and reserve assets.

FIGURE C.29 (a-b) INTERNATIONAL INVESTMENT POSITION – FOREIGN ASSETS AND LIABILITIES

a. The value of Namibia's foreign assets increased over the year to the end of 2020, mainly due to a rise in other investment, portfolio invested and reserve assets.

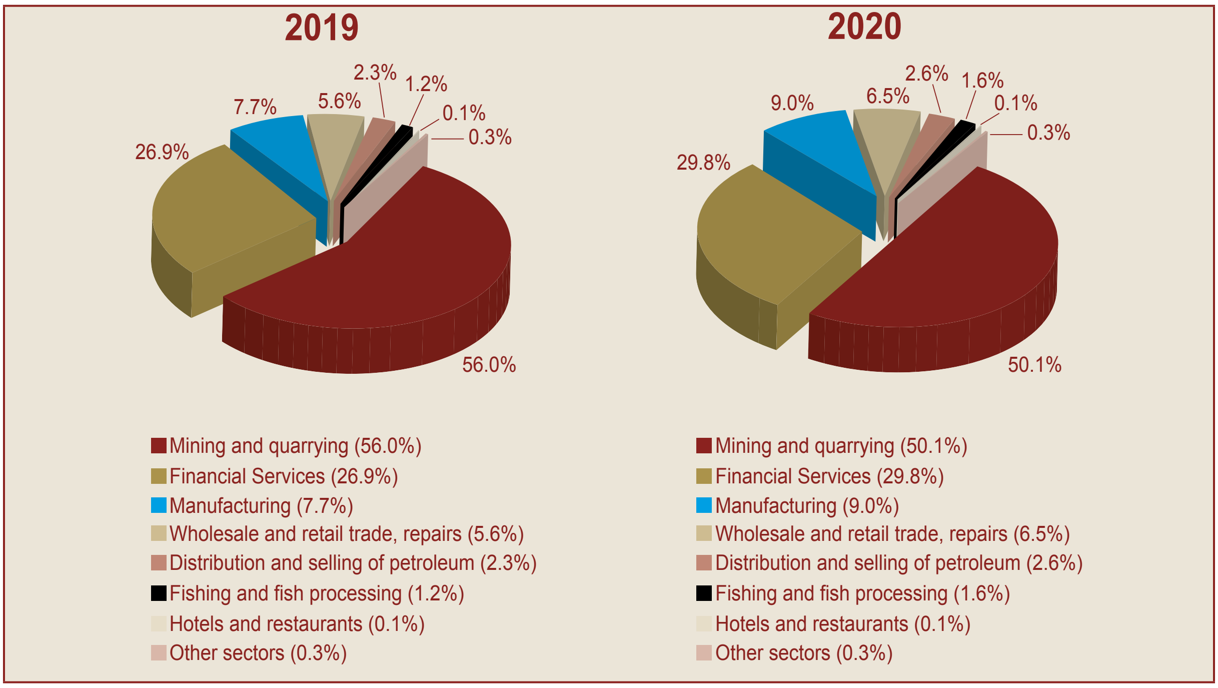
b. By the end of 2020, the value of Namibia's foreign liabilities decreased when compared to the previous year, mainly due to a decline in direct and portfolio investment.



The value of Namibia's foreign assets increased during 2020, mainly due to an increase in other and portfolio investment as well as reserve assets. On an annual basis, the market value of Namibia's foreign assets increased by 5.1 percent to N$154.8 billion by the end of 2020 (Figure C.29a). The rise in foreign assets was mostly reflected in other investment which rose by N$3.3 billion to N$15.3 billion. This was due to Namibian deposit-taking corporations increasing their foreign currency denominated investments abroad. Similarly, portfolio investment increased by 2.2 percent to N$92.5 billion mainly due to revaluation gains. In addition, reserve assets increased, mainly due to inflows deriving from the third tranche of the AfDB loan disbursed to the Government, and higher SACU receipts coupled with the depreciation of the local currency against major international currencies.

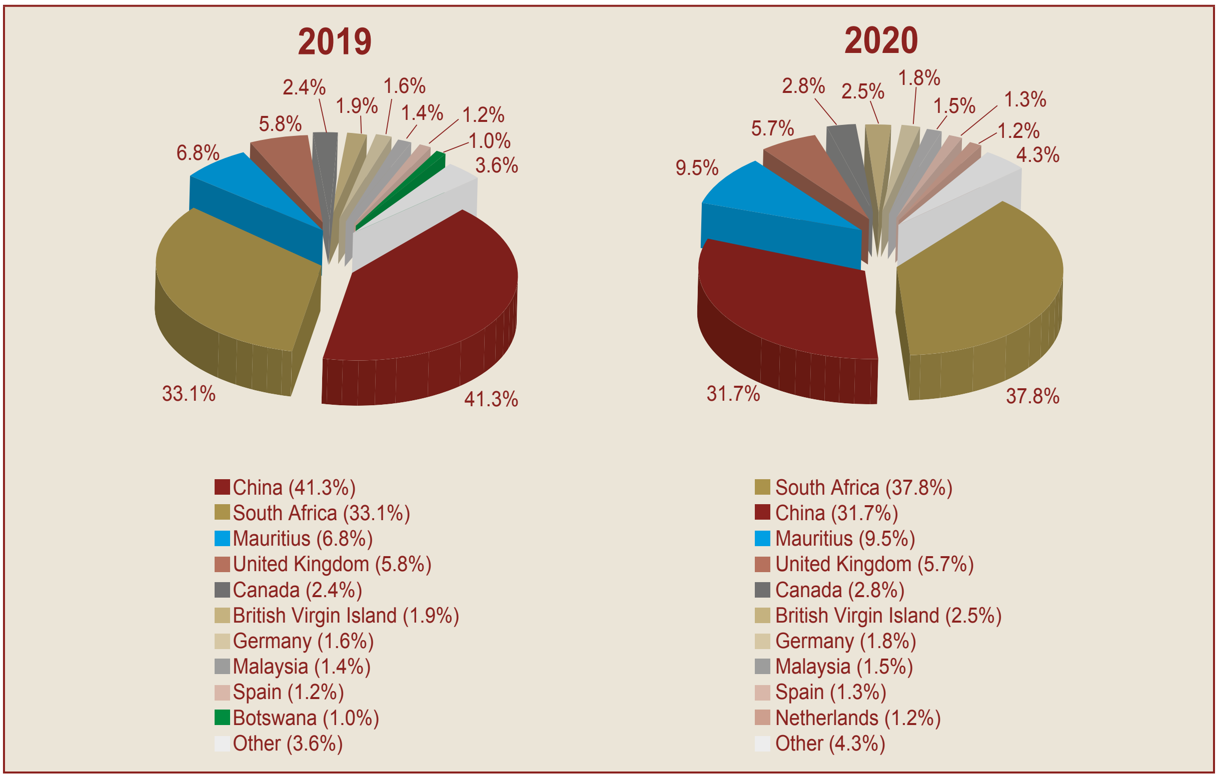
At the end of 2020, the market value of Namibia's foreign liabilities declined in comparison with a year earlier, mainly due to revaluation effects. On a yearly basis, Namibia's foreign liabilities declined by 3.7 percent to N$155.8 billion at the end of December 2020 (Figure C.29b). The decline emanated from direct investment liabilities that declined by 7.9 percent to N$88.8 billion as a result of revaluation effects coupled with marginal repayments made by foreign direct investment enterprises on existing loans. The decline in foreign liabilities was further reinforced by a fall in portfolio investment liabilities, due to the redemption of the Government's JSE-listed bond of N$840 million as well as an SOE bond of N$500 million during 2020.

FIGURE C.30A DIRECT INVESTMENT BY SECTOR (PERCENTAGE SHARE)



Namibia's foreign direct investment (FDI) liabilities disaggregated by sector registered a similar pattern at the end of 2020 compared to a year earlier, with mining and quarrying continuing to be the sector that attracts the most investments. Namibia's FDI liabilities by sector at the end of 2020 was dominated by mining and quarrying, with N$40.1 billion worth of investment which accounted for a share of 50.1 percent of the total stock (Figure C.30A). The share decreased by 5.9 percentage points during 2020, due to debt repayments made coupled with exchange rate revaluations. The second and third largest shares of Namibia's FDI liabilities are those of the finance sector (29.8 percent) and manufacturing (9.0 percent). Year on year, the shares of both the finance and the manufacturing sectors increased due to the significant decline in the share of mining.

FIGURE C.30B DIRECT INVESTMENT LIABILITIES BY SOURCE COUNTRY (PERCENTAGE SHARE)



At the end of 2020, the largest share of Namibia's Foreign Direct Investment liabilities by country was held by South Africa, a switch from China which held first position in 2019. The stock of FDI liabilities by country source was dominated by South Africa, followed by China and Mauritius, who collectively accounting for 78.9 percent of the total at the end of 2020 (Figure C.30B). South Africa's share increased due to a significant decline in the share of China, which emanated from debt repayments made on loans as well as exchange rate revaluation. Similarly, countries such as Canada and the British Virgin Islands also recorded increased percentage shares of FDI liabilities during the period under review.

EXTERNAL DEBT

At the end of December 2020, Namibia's total external debt stock decreased compared to a year earlier, mainly due to repayments made by direct investment enterprises through intercompany borrowing (Table C.17). The stock of external debt decreased by 1.3 percent to N$115.0 billion compared to the previous year. The annual decline was mostly reflected in intercompany borrowing between affiliated direct investment enterprises.

TABLE C.17 NAMIBIA'S EXTERNAL DEBT (N$ MILLION)

End of	2016	2017	2018	2019	2020
GROSS EXTERNAL DEBT POSITION	**89 235**	**102 835**	**121 053**	**116 572**	**115,012**
1. Central Government	25 262	26 426	32 156	30 852	33 065
2. SOEs/Parastatals	4 751	9 190	10 075	10 098	10 068
3. Central Bank[25]	2 715	2 469	2 870	2 814	2 914
4. Deposit-Taking Corporations, except the Central Bank	10 126	10 361	10 415	9 594	9 220
5. Other Sectors[26]	4 101	11 230	12 647	11 152	10 805
6. Direct Investment: Intercompany Lending[27]	42 281	43 158	52 891	52 063	48 941
GROSS EXTERNAL DEBT PAYMENTS	**24 849**	**18 341**	**20 213**	**26 000**	**21 977**
1. Central Government	1 865	1 952	2 194	2 799	3 741
2. State Owned Enterprises/Parastatals	999	1 077	719	1 421	1 158
3. Central Bank	6	55	104	157	81
4. Deposit-Taking Corporations, except the Central Bank	4 753	3 049	3 530	3 471	3 551
5. Other Sectors	4 638	4 209	3 586	4 988	2 298
6. Direct Investment: Intercompany Lending	12 589	7 998	10 081	13 185	11 148
Outstanding Debt (year-on-year, percentage change)	1.2	15.2	17.7	-3.7	-1.3
Debt Servicing (year-on-year, percentage change)	10.1	-26.2	10.2	28.6	-15.5
Debt Servicing to Exports (percent)	45.4	30.7	30.9	39.5	37.7
Ratio of Official Reserves to Short-Term Debt[28]	2.6	2.4	2.1	2.1	2.1
EXPORTS OF GOODS AND SERVICES	**54 747**	**59 675**	**65 660**	**65 853**	**58 288**
OFFICIAL RESERVES	**24 720**	**30 177**	**31 024**	**28 941**	**31 752**
Exchange Rate (end of period) US Dollar	13.6240	12.3930	14.4309	14.1235	14.6218

Over the year to the end of December 2020, Namibia's stock of external debt declined, mainly due to repayments made by direct investment enterprises. Foreign borrowing from direct investment enterprises through intercompany lending declined by 6.0 percent to N$48.9 billion, year-on-year. The decline was on account of repayments made by enterprises in the mining sector. Conversely, Central Government debt rose due to exchange rate revaluations arising from the depreciation of the Namibia Dollar against the US Dollar, coupled with the disbursement of a loan worth N$2.0 billion from the AfDB as supplementary financing of the fiscal deficit.

At the end of 2020, Namibia's ratio of official reserves to short-term debt remained broadly unchanged when compared to 2019. The ratio of official reserves to short-term debt stood at 2.1 during 2020, remaining broadly unchanged compared to the preceding year. The ratio reflects strong reserve coverage of short-term external debt.

Namibia's foreign debt servicing declined during 2020, mainly due to reduced payments by direct investment enterprises and other sectors. The total value of repayments on Namibia's foreign debt declined to N$22.0 billion in 2020, 15.5 percent lower than in the previous year (Table C.17). This was mainly due to lower repayments made by enterprises in the mining sector through intercompany lending that declined by 15.4 percent to N$11.1 billion during 2020. In addition, debt servicing in other sectors also decreased by N$2.7 billion to N$2.3 billion as a result of lower repayments on trade credits and advances during the period under review. However, the decline in foreign debt servicing was partly offset by Central Government increasing its debt servicing by 34.6 percent to N$3.7 billion due to the redemption of a JSE bond to the tune of N$840 million.

25 The central bank debt comprises special drawing rights (SDRs) allocations received from the IMF.

26 The category other sectors consist of Enterprises, Namibian owned companies and EPZ's.

27 Intercompany lending includes loan transaction (and transactions in other debt securities) between parent company and their subsidiaries or investee companies and between subsidiaries of the same group, unless the latter are deposit-taking institutions.

28 This ratio is calculated as the ratio of gross official reserves to short-term external debt by original maturity.

In 2020, the ratio of debt servicing to exports[29] decreased as a result of a decline in foreign debt servicing. The ratio decreased to 37.7 percent in 2020 from 39.5 percent recorded in 2019. The decrease can be ascribed to a decline in foreign debt servicing, alongside a smaller decline in exports of goods and service during 2020. The current ratio of 37.7 percent of debt servicing to exports was above the international benchmark[30] of 15–25 percent.

TABLE C.18 EXTERNAL DEBT BY REMAINING MATURITY (END OF 2020)

N$ million	Total	Short term[31]	2022	2023	2024	2025	2026	2027 plus
GROSS EXTERNAL DEBT BY REMAINING MATURITY	**115 012**	**21 406**	**9 400**	**1 287**	**151**	**13 971**	**1 546**	**67 250**
1. Central Government	33 065	7 938	1 550	268	151	10 966	480	11 712
2. State Owned Enterprises/ Parastatals	10 068	1 019	80	-	-	672	-	8 296
3. Central Bank	2 914	-	-	-	-	-	-	2 914
4. Deposit-Taking Corporations, except the Central Bank	9 220	8 779	-	441	-	-	-	-
5. Other Sectors	10 805	2 331	-	219	-	1 669	-	6 587
6. Direct Investment: Intercompany Lending[32]	48 941	1 340	7 770	359	-	664	1066	37 742

Namibia's external debt maturity structure is largely concentrated in the long-run implying ability to mitigate the impact of external shocks. By the end of December 2020, external debt with maturity that goes beyond the year 2026 constitutes 58.4 percent of the total external debt, indicating that the Namibia's external debt is predominantly long-term. The longer the average term to maturity, the more time to repay debt obligations, thus, mitigating the impact of external shocks. Namibia's debt due in less than one year was N$21.4 billion, which constitutes 18.6 percent of the total external debt, mainly driven by the central government debt obligations due in 2021 coupled with currency and deposits of non-residents. The remaining share of 23.0 percent was allocated to external debt due within the next 5 years (Table C.18).

29 Debt servicing as a percentage of merchandise exports is a good measure of serviceable debt. This is due to the fact that higher growth rates in exports build up international reserves, which in turn are used to service foreign debts. Therefore, the lower the percentage, the better.

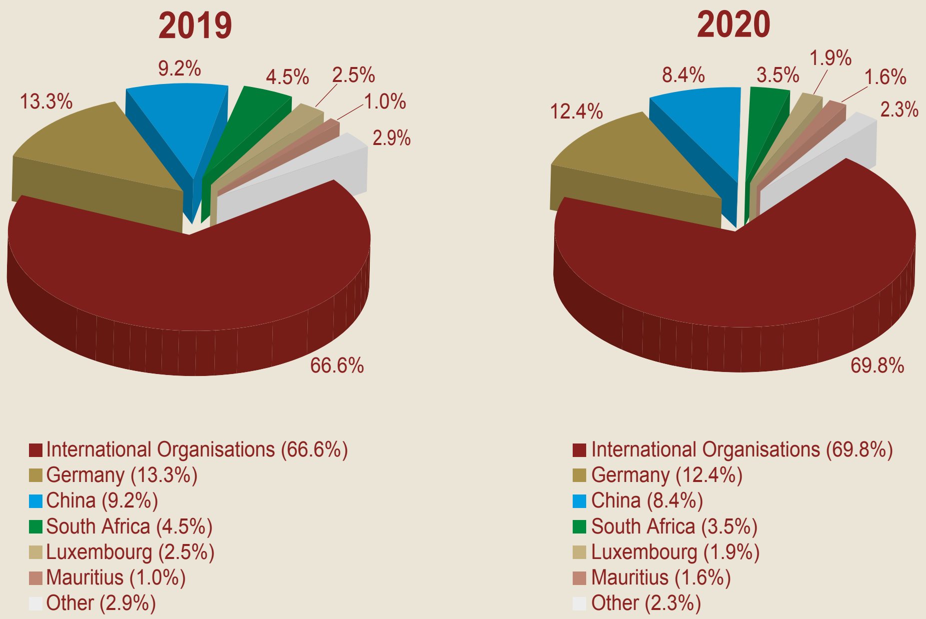
30 The international benchmark values give an assessment of the country's risk of debt distress. If the ratio falls below the threshold of 15-25 percent, then the country is seen to meet its debt service obligations and is at low risk. Should the country's debt burden fall within the threshold, but stress tests indicate a possible breach in the presence of external shocks or abrupt changes in macroeconomic policies, then it would be at a moderate risk. Finally, if the country's debt burden falls above the threshold, then the country would be considered to be in debt distress, indicating that stringent policy interventions are required.

31 This includes liabilities with an original maturity of less than one year, e.g. currency and deposits as well as trade finances.

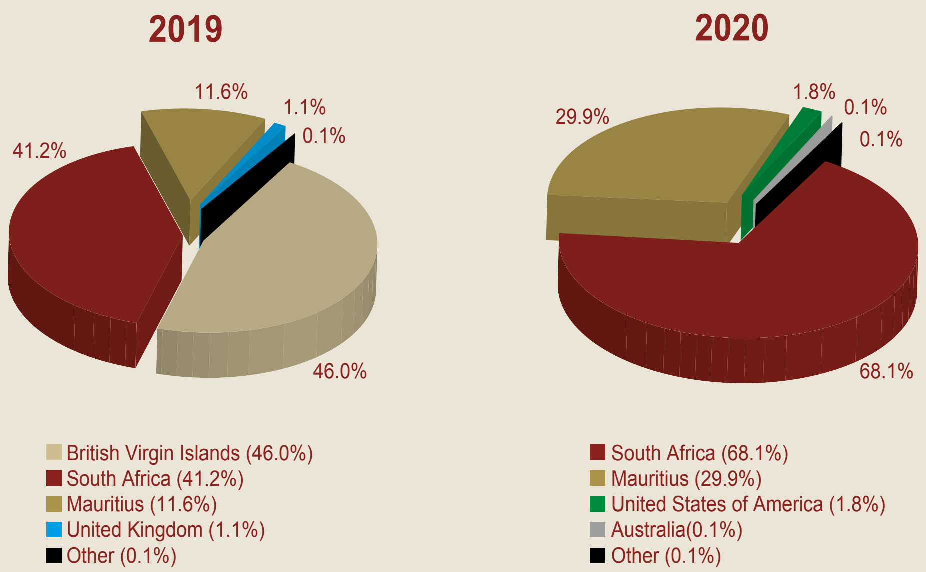
32 Direct investment loans are typically subject to review and renegotiation between the related parties in the light of their circumstances.

FIGURE C.31A EXTERNAL LONG AND SHORT-TERM LOANS WITH NON-AFFILIATES, BY COUNTRY

During 2020, international organisations continued to dominate Namibia's long term loans…



…while short term loans were dominated by South Africa, replacing the British Virgin Island that were in first position in 2019.

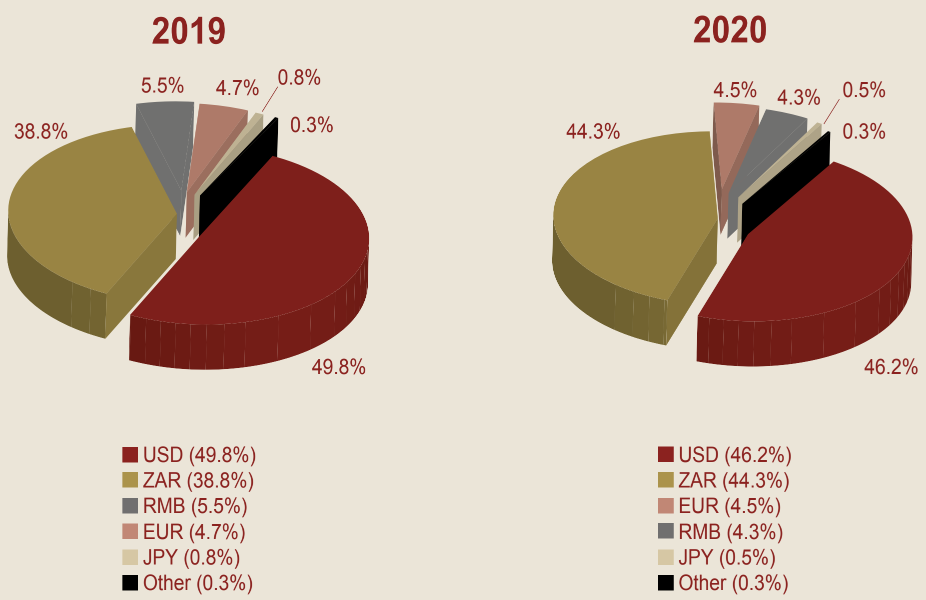


During 2020, loans from international organisations[33] continued to dominate Namibia's total long-term external borrowing while short term loans were dominated by South Africa. During the period under review, total external loans were dominated by international organisations with a share of 69.8 percent of the total (Figure C31.a). The share increased by 0.7 percentage points due to the uptake of loans by the Central Government from international organisations. Germany and China have the second and third largest shares of 12.4 percent and 8.4 percent, respectively. The share of loans from Germany and China declined due to principal repayments made on their long-term loans. During 2020, short-term loans were denominated by South Africa which took up 68.1 percent, followed by Mauritius (29.9 percent) and the United States of America (1.8 percent).

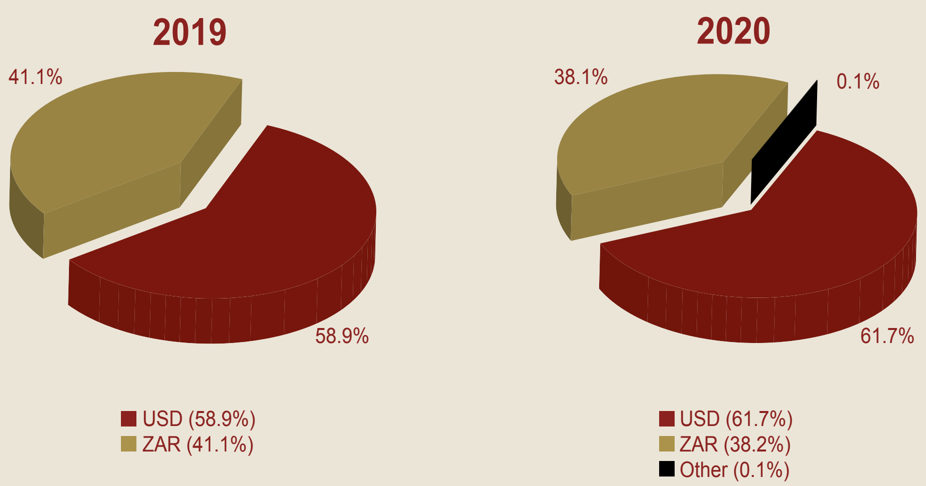
33 This includes borrowing from Multilateral organisations.

FIGURE C.31B EXTERNAL SHORT-TERM LOANS BY CURRENCY (PERCENTAGE SHARE)

a. During 2020, the largest currencies of denomination for Namibia's long term loans by currency were the US Dollar followed by the Rand.



Similarly, Namibia's short-term loans by currency were mainly denominated in US Dollar.



Namibia's long and short-term loans by currency were mainly denominated in US Dollar followed by the Rand, during the review period. During 2020, long-term loans by currency were mainly denominated in US Dollar, accounting for 46.2 percent (Figure C.31b). This represents a 3.6 percentage points decrease when compared to the same period last year as a result of an increase in the share of loans denominated in Rand. The Rand's share increased due to the uptake of long-term loans by SOEs during 2020. Similarly, the US Dollar dominated Namibia's short-term loans by currency with a share of 61.7 percent followed by Rand with a share of 38.2 percent.

EXCHANGE RATE DEVELOPMENTS[34]

The Namibia Dollar depreciated against all major currencies during 2020 following the COVID-19 pandemic that reduced demand for emerging market currencies. The Namibia Dollar depreciated against the US Dollar by 13.9 percent to an annual average of N$16.46 per US Dollar in 2020 (Figure

34 The Namibia Dollar (NAD) trades one-to-one against the South African Rand (ZAR) and is therefore referred to interchangeably. This section uses middle exchange rates against foreign currency units, unless mentioned otherwise; and are period averages for the respective exchanges rates.

C.24e). The Namibia Dollar also depreciated against the Pound Sterling and the Euro by 14.4 percent and 16.0 percent to averages of N$21.09 per Pound Sterling and N$18.77 per Euro, respectively. The depreciation of the Namibia Dollar against major currencies was mainly due to the outbreak of COVID-19 during the year, which weakened the demand for emerging market currencies. As a result, investors fled to safe-haven assets amid fears of global recession. This was especially the case in the first four months of 2020, as uncertainty was at its worst. Thereafter part of the earlier movement was reversed as the year progressed.

Trade Weighted Effective Exchange Rates[35]

The Nominal Effective Exchange Rate (NEER) and the Real Effective Exchange Rate (REER) both depreciated during 2020, largely due to the COVID-19-induced global recession. During 2020, on an annual average basis the NEER and REER indices depreciated by 4.7 percent and 5.2 percent, respectively (Figure C.24f). The depreciation of the NEER and REER was mainly ascribed to the sharp depreciation of the currency against other major currencies caused by investors flocking to safe-haven assets amidst fears of a COVID-19-induced global recession. The pattern within the year 2020 was that the NEER and REER depreciated sharply during the first few months, when uncertainty was at its peak and comprehensive lockdown measures were being instated, and then gradually recovered some of the lost ground later in the year as markets regained confidence.

CONCLUSION

The COVID-19 pandemic has deepened challenges to the global economy in 2020 as many economies employed lockdown measures to minimise the spread of the virus. The global economy contracted more severely in 2020 than in the wake of the Global Financial Crisis of 2008-2009, as reflected in both the AE and EMDE GDP growth rates. The weakness is largely attributable to the impact of the COVID-19 pandemic, which left global growth for 2020 in tatters, widened fiscal deficits and raised public sector debt trajectories in most parts of the world. It also resulted in further ultra-accommodative monetary policies that will probably be sustained for longer than projected before the onset of the pandemic, adding to the availability of funding in international financial markets. Among the commodities of importance to Namibia, the prices of gold, uranium and copper continued an upward trend, while those of zinc and crude oil declined overall in 2020. The travel and tourism sector has been the hardest hit by the pandemic, internationally as well as in Namibia.

The world economy is projected to recover in 2021 reflecting expectations of success with the rollout of vaccines. The world economy is projected to recover in 2021 reflecting expectations of success with the rollout of vaccines alongside the persistence of a degree of social distancing. The recovery is likely to provide a welcome boost to Namibia in 2021. Risks to the outlook include the possibility of setbacks to immunisation programmes, and of outbreaks recurring in places that appear to have gone past peak infection, requiring the re-deployment of at least some containment measures. Non-pandemic-related risks include the sustained tensions between the US and China, damaged relationships among members of the OPEC coalition of oil producers, and widespread social unrest. But even if these adverse risks do not materialise, the weakness of global economic activity and foreign trade in 2020, and also the time that it is likely to take to normalise, do not augur well for Namibia's revenue from SACU in 2021/22.

The domestic economy remained weak during 2020, compared to the same period of 2019. The weakness in the economy was reflected in major sectors, particularly the tourism, mining, agriculture, manufacturing, construction, wholesale and retail as well as transport and storage sectors. Meanwhile, positive growth was registered in the communication subsector and in the local generation of electricity, partially offsetting the weak performance of the domestic economy. Overall inflation declined during 2020, compared to 2019, driven largely by low inflation for housing and transport. In addition, banks' private sector credit extension slowed during the period under

35 The NEER is a trade weighted index of the nominal exchange rate of the Namibia Dollar against the currencies of Namibia's major trading partners: The Rand, Pula, Euro, US Dollar, Yuan, Dirham and Rupee. The REER, on the other hand, takes the NEER and deflates it with the relative consumer price indices of Namibia and those of its major trading partners. An increase in the index represents an effective appreciation of the national currency, whereas a decline in the index represents an effective depreciation.

review largely driven by lower demand for credit and net repayments, as a result of the prevailing sluggish domestic economic environment. Central Government's budget deficit widened considerably, compared to the previous fiscal year, whereas the debt stock of the Central Government rose over the year to the end of December 2020. Namibia recorded a lower merchandise trade deficit during 2020, manly as a result of subdued import demand. Further boosted by higher SACU inflow, the current account of the balance of payments switched to a surplus in 2020. The stock of foreign reserves stood at N$31.8 billion as at the end of December 2020, which represented an increase of 9.7 percent, compared to the same point during the previous year. The rise was due to inflows from the third tranche of the AfDB loan, which amounted to N$2.0 billion, higher SACU receipts, coupled with lower imports of goods and services, as well as the depreciation of the of local currency against major international currencies.

THEME CHAPTER

THE IMPACT OF THE COVID-19 PANDEMIC ON THE NAMIBIAN ECONOMY[36]: MAPPING THE WAY TO RECOVERY

CONTENTS

36 The theme chapter made use of data available at the time of printing, as such some figures may have quarter 3 data and others quarter 4 data for the year 2020.

I. INTRODUCTION

The COVID-19 pandemic crippled activity across the globe, with 90 percent of the world economies estimated to have contracted in 2020. The global economy is projected to contract by 3.5 percent in 2020. However, the Namibian economy is estimated to have had a deeper contraction of approximately 7.3 percent. The pandemic has become a great un-equaliser, and has undone some of the significant socioeconomic gains made during the past three decades. According to the International Monetary Fund World Economic Outlook January 2021 update, close to 90 million people in emerging market and developing economies are likely to fall below the extreme poverty threshold during 2020–21 because of the pandemic.

Various measures were imposed across the globe to mitigate any further spread of the pandemic. These measures included lockdowns, curfews, and travel bans. The containment efforts and the consequent policy actions have led to declines in the tourism sector, transport and logistics, administrative and support services, and the education sector. There were significant supply chain disruptions as the restrictions prevented numerous companies and industries from conducting normal trading. Moreover, many people were discharged from their employment or were faced with salary cuts or being put on unpaid leave, which led to a significant deterioration in disposable income and an inability to honour debt obligations.

Like other countries, Namibia implemented several monetary and fiscal policy measures to cushion the economy from the impact of the COVID-19 pandemic. These measures included a once-off emergency income grant, a reduction of the Repo Rate and repayment holidays. The banking industry collectively approved most clients' requests for repayment holidays, especially for individuals and sectors affected by the COVID-19 pandemic.

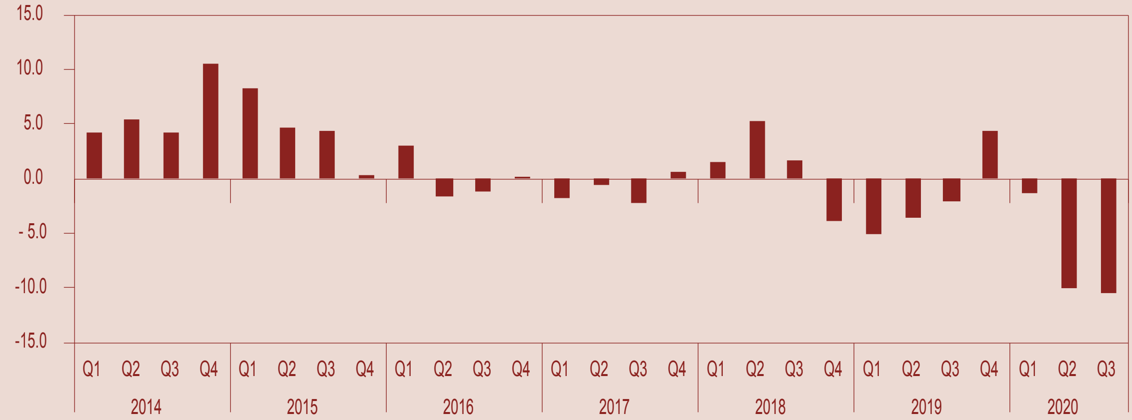
This theme chapter analyses the effect of the COVID-19 pandemic on the Namibian economy. Following the Introduction, subsequent sections explain the effects of the COVID-19 pandemic on the economy and selected sectors; determine the impact on businesses and households; outline the various policy responses implemented; map the way to recovery; and finally summarise the article.

II. THE COVID-19 PANDEMIC AND ITS EFFECTS ON SELECTED SECTORS

Before the onset of the pandemic, the Namibian economy was already in a weakened state. Following brisk growth up to 2015, the subsequent years were characterised by recessionary conditions. Output was held back by intermittent drought that constrained agricultural production and hydropower generation, by reduced global demand and relatively low commodity prices which severely affected the mining sector, and by much needed but painful fiscal consolidation. At the onset of the COVID-19 pandemic, real Gross Domestic Product (GDP) had already contracted by 1.1 percent in 2019. This was mainly driven by a significant contraction in the primary industries, especially in mining, alongside sluggish growth in the secondary and tertiary industries. Weak growth in the years preceding the outbreak of the COVID-19 pandemic as well as the limited fiscal space weakened the Namibian economy and the authorities' capacity to respond effectively to the shock. Thus, the initial conditions were weak, making the fight against the pandemic an even greater challenge for the Namibian economy.

Real GDP contracted further in 2020. Real GDP contracted by 10.1 percent and 10.5 percent during the second and third quarters of 2020, respectively, compared to declines of 3.9 percent and 2.1 percent in the corresponding quarters of 2019 (Figure TC.1). The steep contractions were a result of a contraction in all sectors of the economy, with the exceptions of the information and communication, health, construction, and electricity and water sectors. The poor performance of the economy was mainly due to the impact of the measures that were put in place to mitigate the spread of COVID-19, which had the effect of putting a strain on economic activity.

FIGURE TC.1 GDP GROWTH RATE (%)

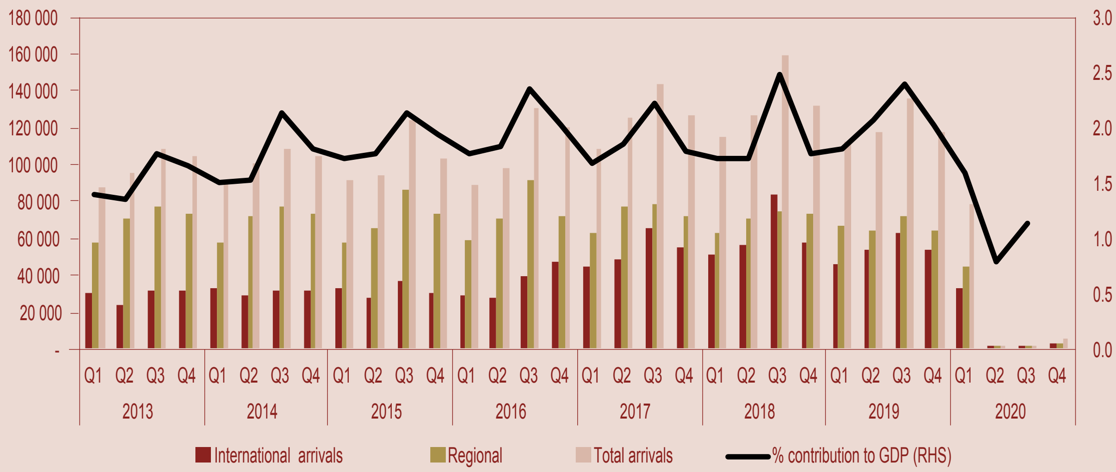


Source: Namibia Statistics Agency (NSA)

TOURISM

The tourism sector experienced consistent growth from 2014 to 2019. The tourism sector, proxied by the value added by hotels and restaurants, grew by an average 4.6 percent per annum from 2014 to 2019, which was consistent with the sustained growth in the number of tourist arrivals in Namibia (Figure TC.2). The onset of the COVID-19 pandemic saw a marked contraction in the real GDP of the hotels and restaurants sector. In the second quarter of 2020, real output of this sector was 64.2 percent lower than a year earlier, which was the worst quarterly number on record. However, the third quarter saw a less severe contraction of 54.9 percent as tourism operations were opened again for domestic tourists.

FIGURE TC. 2 TOURIST ARRIVALS



Source: Bank of Namibia

Namibia is normally a huge market for international tourists, receiving on average 1.6 million visitors annually, according to the 2019 Tourist Statistical Report. In 2019 some 1.7 million foreign travellers visited Namibia. The tourist arrivals increased by 2.5 percent from 1.56 million in 2018 to 1.60 million in 2019. However, restrictions on international travel made it impossible for international tourists to visit Namibia. Tourism in Namibia contributed on average 2.0 percent to GDP, while between 2013 and 2019 it contributed on average N$ 4.49 billion per annum in foreign earnings, which basically collapsed in 2020.

International tourism remains impaired by restrictions and caution among prospective

travellers, which is detrimental to the tourism sector in Namibia. The tourism sector took the biggest hit during the COVID-19 pandemic due to travel restrictions and lockdowns across the globe. Tourism activities came to a halt after the Namibian President declared a state of emergency and subsequent lockdown, while the national parks closed between 17 April and 5 May 2020 as a result. The Government of Namibia (hereinafter “the Government”) reopened parks and other leisure business activities from 5 May 2020 in stages two and three of the country’s state of emergency. Meanwhile, tourism and hospitality establishments are focused on local tourists by offering accommodation at discount rates. Since mid-September 2020, international travellers were allowed back in Namibia, but the uptake so far has been quite limited as a result of the requirements and protocols that apply. Moreover, some of these have been made more restrictive since the emergence of a second wave of infections that hit the world toward the end of 2020 and in early 2021.

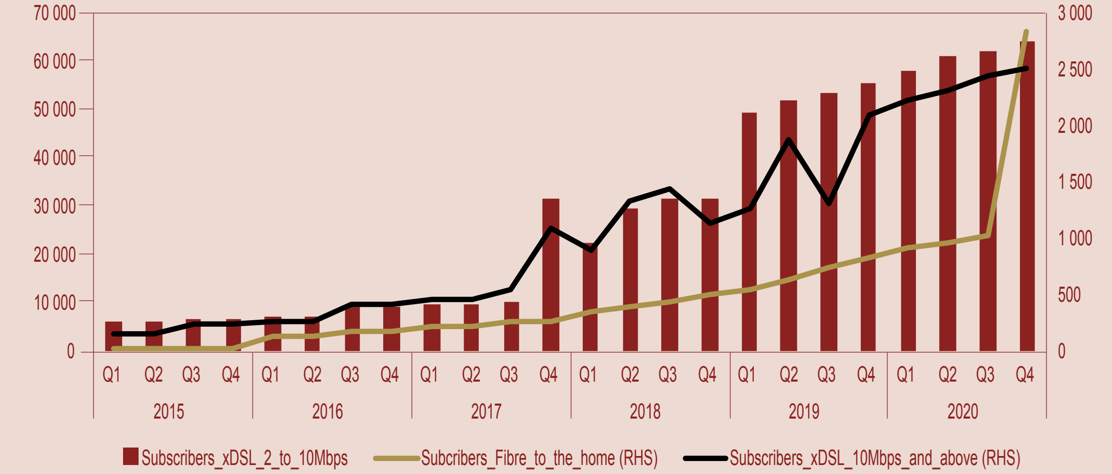
During 2020, activity in the tourism sector slowed significantly, as reflected in a decrease in the number of airport arrivals. The number of passengers from other countries arriving at Namibian airports registered a near-total decline of 81.9 percent in 2020, year-on-year, affecting both international and regional arrivals. International arrivals decreased from 215 708 in 2019 to 38 674 in 2020 but rose significantly from 375 arrivals in the second quarter of 2020 to 1 972 in the third quarter and settling at 2 807 in the fourth quarter of 2020, though still well below historical levels. Similarly, the number of regional airport arrivals decreased from 270 180 in 2019 to 49 304 in 2020. The significant quarter-on-quarter rise is largely ascribed to base effects, following the easing of the lockdown measures, coupled with inward repatriation flights that inflated airport arrival data during the third and fourth quarter of 2020.

Globally, the crisis has put millions of jobs in the tourism sector at risk and had a harsh impact in Namibia. The tourism sector is labour intensive and provides many jobs for low-skilled workers, together with higher-skilled jobs. In Namibia the sector is responsible for about 11.4 percent of the total employed population. The scale of job losses is not yet apparent, as official surveys are still underway. Government support measures have protected some workers from the full impact of the pandemic. However, numerous establishments have had to lay off workers due to the absence of tourists. For example, the Safari Court Hotel in Windhoek laid off 177 of its 219 employees, representing 80 percent of job losses. According to the BoN tourism survey about 30 percent of people employed in the formal sector lost their job. The full impact will depend on how long the COVID-19 pandemic persists.

INFORMATION AND COMMUNICATION TECHNOLOGY

Internet subscriptions increased due to the COVID-19 pandemic, as did the number of organisations requesting that employees work from home. The various internet options experienced an increase in subscriptions following the onset of the COVID-19 pandemic in 2020, as seen in Figure TC.3. Fibre-to-home saw the biggest increase, from 542 subscribers during the first quarter of 2019 to 1 025 subscribers in the third quarter of 2020. This increase cannot be attributed to the COVID-19 pandemic alone, as increases were witnessed throughout 2019. This is mostly because fibre is relatively new in Namibia and has only recently been offered for home use. Subscribers also moved to a faster internet connection with the new product offerings, as the below-2-MBs product has become too slow for today’s applications.

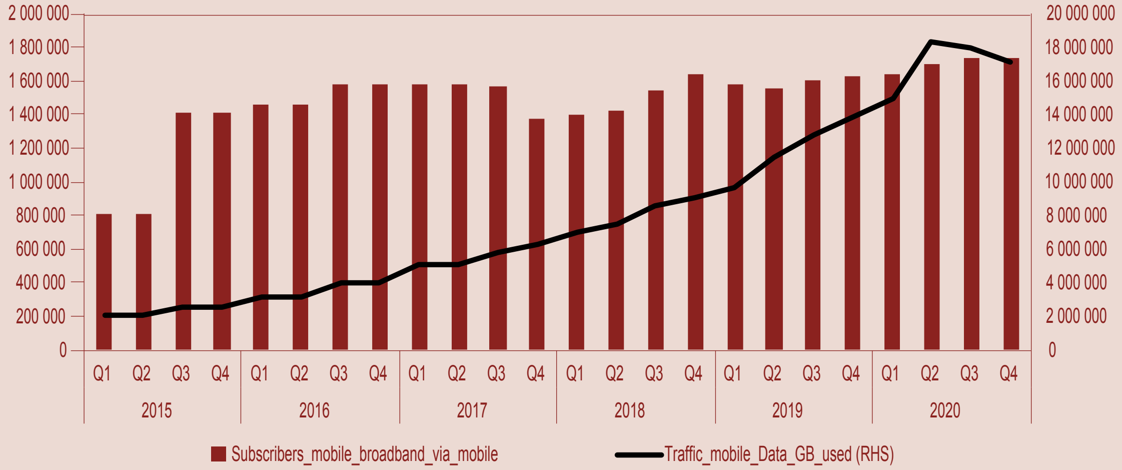
FIGURE TC.3 INTERNET SUBSCRIBERS



Source: Communications Regulatory Authority of Namibia (CRAN)

Internet usage increased significantly as seen in mobile broadband subscriptions and mobile data usage. There have been significant increases in data usage due to the COVID-19 pandemic. Although data on home use are not available due to the unlimited data provided, a clear increase is seen in mobile data usage, which increased to 17 132 656 Gigabytes (17 133 terabytes) in the fourth quarter of 2020, up from 9 055 440 Gigabytes (9 055 terabytes) in the fourth quarter of 2019. Mobile broadband subscriptions also showed a moderate increase in 2020.

FIGURE TC.4 MOBILE BROADBAND SUBSCRIPTIONS VS MOBILE TRAFFIC DATA (GB) USED

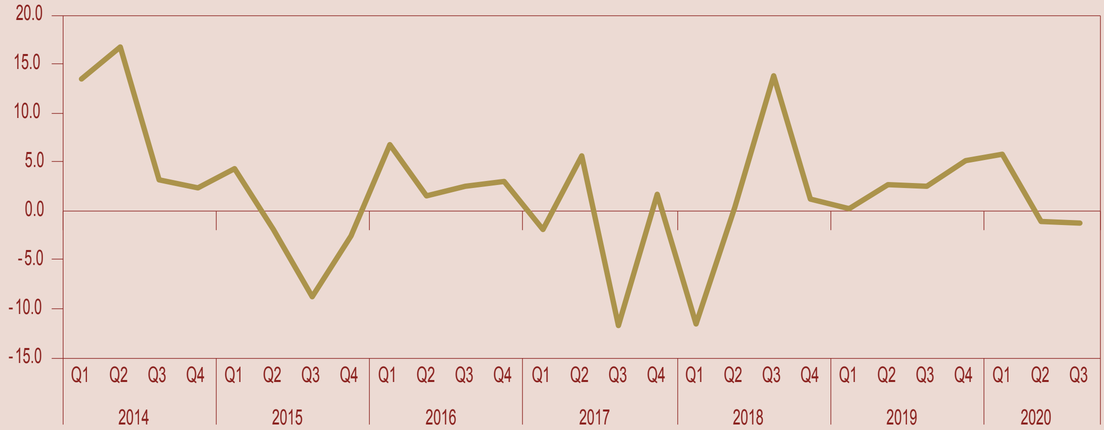


Source: CRAN

EDUCATION

The education sector was one of the hardest hit, as face-to-face teaching time was drastically reduced for students. With the onset of the COVID-19 pandemic, schools were temporarily closed to mitigate the spread of the virus. This meant that students lost teaching time, and those students that were able to participate in e-learning did so. The disparities between private/public and urban/rural schools soon became apparent, as most private schools were able to continue teaching online, thus reducing the teaching time lost. Consequently, the growth in real value added to GDP by the education sector switched to a contraction in 2020, particularly from the second quarter of the year, compared to the upward trajectory of 2019 (Figure TC.5).

FIGURE TC.5 EDUCATION GROWTH RATE (%)



Source: NSA

More than thirty thousand learners reportedly did not return to school during the gradual return to classes after the COVID-19 lockdown in 2020. An estimated 30 665 learners could not be traced, with the highest number of dropouts recorded in Kavango West Region, with 4 426 learners, followed by Otjozondjupa Region (3 894 learners), Khomas Region (3 764 learners) and Omusati Region (3 440) learners. More boys (16 118) than girls (14 547) dropped out of school. The hardest hit were learners in the junior secondary classes, with Grade 8 learners missing 114 days of class and Grade 9 learners missing 109 days. Learners in Grades 4, 5 and 6 were not in class for a total of 119 days. An exception was Grade 11 and Grade 12 learners, who spent the greatest number of days in class, only missing 53 days of school in 2020. Grade 10s missed a total of 78 school days. The economic impact of learning losses is not yet known.

BANKING SECTOR

Although the banking sector's performance deteriorated as a result of the COVID-19 pandemic, the sector remained stable. On average, all the indicators deteriorated in 2020, with pockets of improvement in both the second and third quarters of 2020. Of note is the continuous deterioration in asset quality. Banking sector profitability has been the lowest in recent years (Table TC.2).

The liquidity ratio and capital adequacy of the banking sector remained above the prudential requirements. The liquidity ratio increased by 2.0 percentage points in the second quarter of the 2020, which was driven by increased government spending and slow uptake of credit (Table TC.1). In terms of liquid assets held by the banking sector, however, there was a significant contraction towards the end of 2020. Capital adequacy was consistently above the 10 percent minimum prudential requirement. Although asset quality, as measured by the non-performing loan (NPL) ratio, deteriorated rapidly in 2020, the banking sector remained well capitalised and thus in a position to withstand potential losses.

TABLE TC.1 BANKING SECTOR PERFORMANCE

	2019				2020			
Indicator	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Annual Asset Growth	9.2%	9.6%	7.9%	7.6%	4.7%	6.2%	2.8%	1.3%
Capital Adequacy Ratio	17.3%	17.5%	14.7%	15.3%	15.5%	15.4%	15.1%	15.2%
Liquidity Ratio	16.7%	16.0%	16.1%	15.3%	15.2%	17.2%	15.6%	15.7%
Non-performing Loans Ratio	3.8%	4.5%	4.7%	4.8%	5.2%	5.8%	6.5%	6.4%

Source: Bank of Namibia

TABLE TC.2 BANKING SECTOR PROFITABILITY

Indicator	2016	2017	2018	2019	2020
Return on Assets	2.3	2.1	2.0	2.0	1.3
Return on Equity	24.1	18.6	18.5	17.3	10.9

Source: Bank of Namibia

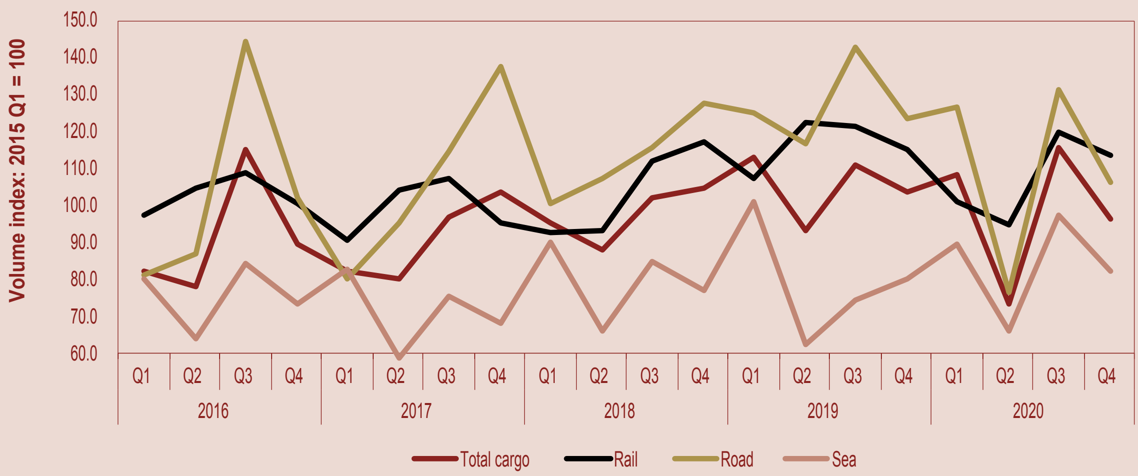
The Bank of Namibia (hereinafter "the Bank") introduced various macroprudential policy relief measures for the banking sector. These relief measures include loan payment moratoriums, the release of the capital conservation buffer and the relaxation of the determination on liquidity risk management, as well as postponement of the effective date for the single borrower limit.

TRANSPORT AND STORAGE

The transport and storage sector experienced some difficulty prior to the onset of the COVID-19 pandemic. The real value added in the transport and storage sector is estimated to have contracted by 25.5 percent in the fourth quarter of 2019, compared to a growth of 5.5 percent recorded at the end of 2018. The contraction in the value addition of this sector was reflected mostly in the decline in sea transport cargo. However, road and rail transport cargo volumes increased over the same period.

Activity in the transport sector slowed significantly in the second quarter of 2020. The total cargo volumes transported declined by 21.1 percent and 32.5 percent year-on-year and quarter-on-quarter, respectively, in the second quarter of 2020 compared to the corresponding period in 2019 (Figure TC.6). The decline was reflected in rail and road cargo volumes and was partly ascribed to the fall in export volumes of refined zinc, uranium, zinc concentrate and cattle exports over the same period. A substantial fall, quarter-on-quarter, resulted partly from COVID-19-induced restrictions and lockdowns.

FIGURE TC.6 TRANSPORT AND STORAGE SECTOR CARGO VOLUMES



Source: Bank of Namibia

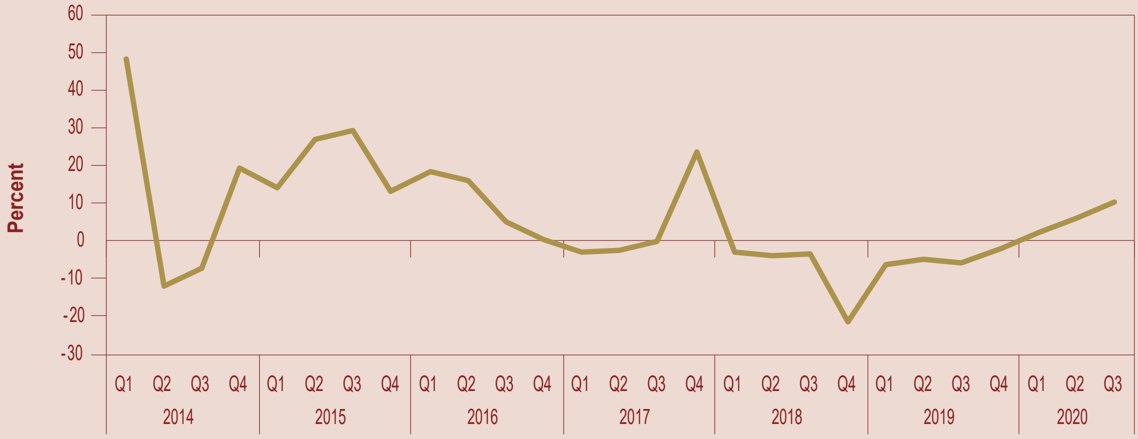
The impact of the pandemic was noticeable in the second quarter of 2020; however, the sector rebounded in the third quarter before slowing down again in the fourth quarter. Road, rail and sea cargos increased by 77.3 percent, 26.1 percent and 52.7 percent from the second to the third quarters of 2020, respectively (Figure TC.6). This was due to base effects following the COVID-19 pandemic-induced measures that reduced economic activity domestically and world-wide during the second quarter of 2020. The slowdown in the fourth quarter was seasonal.

HEALTH SECTOR

Namibia's public health care system faces several challenges which hinder it from consistently providing quality healthcare to all. A lack of medicine, water and electricity and a shortage of doctors stand in the way of the provision of good quality healthcare to all.

The health sector is one of the few sectors that registered growth in 2020. The health sector grew by 10.3 percent in the third quarter of 2020 and its growth rate averaged 6.2 percent in the first three quarters of 2020 (Figure TC.7).

FIGURE TC.7 GDP GROWTH OF THE HEALTH SECTOR



Source: NSA

The Ministry of Health and Social Services received 17.5 percent of the total re-allocation of funds in the October 2020 mid-term budget. This was the third highest share of the re-allocation and was awarded to cater for the recruitment of additional healthcare personnel, as well as for pharmaceutical expenditure related to the containment of the COVID-19 pandemic.

III. EFFECTS OF THE COVID-19 PANDEMIC ON BUSINESSES AND HOUSEHOLDS

There were significant supply chain disruptions as certain companies and industries were prevented from trading as a result of the travel restrictions and workplace lockdowns in various countries. The tourism sector is among the worst affected sectors. In addition, many people were discharged from their employment or were faced with salary cuts, leading to a significant deterioration in disposable income, coupled with the inability to honour debt obligations.

According to a survey conducted by the Namibia Statistics Agency (NSA), only 21.2 percent of businesses continued to operate at full capacity. During the first round of the survey in May 2020, 50.0 percent of businesses continued to operate with reduced capacity, compared to 48.0 percent during the second round of the survey. Fewer businesses therefore operated partially as the pandemic evolved. Conversely, 21.2 percent of businesses operated at full capacity during the first round of the survey, which increased to 31.0 percent of businesses in the second round of the survey in September 2020. The survey further revealed that 20.0 percent of the businesses stated that they had closed temporarily, relative to 25.2 percent in the first round of the survey. During the first round of the survey, 3.5 percent of businesses stated that they had closed permanently.

The manufacturing sector recorded the most businesses that continued to trade at full capacity. This may have been as a result of closure of borders and limits to imports supplies coupled with the production of COVID-19 related items such as sanitisers and masks. The sectors that permanently ceased trading were part of the wholesale and retail trade and repairs; real estate; administrative and support services; and arts, entertainment and other service activities sectors. The administrative and support services as well as the agriculture and forestry sectors had the most businesses that were temporarily closed. Regarding businesses that continued to trade partially, the hotels and restaurants sector recorded the most businesses.

Household debt increased as a result of the COVID-19 pandemic. The ratio of adjusted household debt to disposable income increased from 92.9 percent in 2018 to 97.7 percent in 2019. It is assumed that this ratio would deteriorate further in 2020 and potentially surpass 100 percent. This means that the banks have quite limited capacity to grant new loans because there is already a high level of household indebtedness in the economy. Growth in loan grants will therefore only be possible if the economy starts to grow, economic activities expand and employment increases.

Namibian households are struggling to cope with the impact of the pandemic on their livelihoods. Households have experienced a reduction in income primarily as a result of retrenchments or reductions in salaries and wages, thus creating difficulties for them to meet financial commitments. According to the survey done on households by the NSA, numerous households have had to tap into their savings to sustain themselves, but cannot do so indefinitely. The survey further found that food security has also been a challenge, and many households have turned to family and friends to make ends meet. This situation is not sustainable as more households will have their resources diminished by the prolonged pandemic, meaning that they will be less able to help themselves, and much less so others.

Although the favourable interest rate environment meant that capital was less costly, private sector credit extension (PSCE) contracted for businesses, while increasing marginally for households. The cut in the Repo Rate by the Bank translated into lower costs of capital for borrowers. Although PSCE would during normal times be expected to pick up, it has remained subdued. Credit extended to businesses contracted at the end of 2020, recording negative growth of 1.2 percent. The contraction emanated from negative growth rates in mortgages, and instalment and leasing, which was further reinforced by slower growth in other loans and advances, as well as by overdraft credit as domestic economic activity remained subdued. The marginal increase in household credit was sustained by a relatively higher uptake of mortgage credit during December 2020, amid slowdowns registered in most household PSCE categories at the end of 2020.

Financial markets responded negatively at the onset of the COVID-19 pandemic but improved thereafter. The defensive stocks, which are mainly technology companies, gained during the pandemic; however, the cyclical stocks such as financial institutions, did not perform as favourably. In the USA, the volatility in the equity and bond market calmed significantly after the elections and the announcement of a COVID-19 vaccine. Both the Johannesburg Stock Exchange and the Namibia Stock Exchange have seen some favourable movements from the second quarter of 2020. This new hopeful market sentiment has investors moving out of safe havens and into equities, causing global stock markets to rise in value. Capital markets are volatile in nature, and thus sensitive to shocks, but have the ability to rebound and normalise, as they did after the initial shock of the COVID-19 pandemic.

IV. POLICY RESPONSES TO THE COVID-19 PANDEMIC

Various institutions implemented relief measures to support households, businesses, and the economy at large. The COVID-19 relief measures are multidimensional in nature, stemming from the monetary, macroprudential and fiscal policies. The onset of the COVID-19 pandemic has led to monetary policy authorities globally taking an accommodative monetary policy stance. The macroprudential policy relief measures include loan repayment moratoriums, the release of the capital conservation buffer, the relaxation of the determination on liquidity risk management, and postponement of the effective date for introducing a stricter single borrower limit. The fiscal policy measures aimed to assist households to cope with reduced income, increased health-related spending and other hardships resulting from the COVID-19 pandemic, and to enable businesses to survive and retain as large a part of their workforce as possible amid crisis conditions.

THE BANK'S MONETARY AND MACROPRUDENTIAL POLICY RESPONSES

In an effort to soften the economic impact of the imposed lockdowns, the Bank reacted by implementing various measures. The Monetary Policy Committee of the Bank had already reduced the Repo Rate by a total of 25 basis points in February for normal economic reasons, but it cut it stepwise by a further 250 basis points in the months following the onset of the pandemic, reaching a historical low of 3.75 percent in August 2020. The Bank of Namibia further implemented a set of macroprudential policy measures to provide relief to individuals, Small and Medium-sized Enterprises (SMEs) and corporations, and to the banking system in general.

These policy measures included loan repayment moratoriums, liquidity relief measures, relaxation of the capital conservation buffer, and concentration risk/single borrower limit relief. These measures are captured in the Determination on Policy Changes in Response to Economic and Financial Stability Challenges (BID-33). Moreover, the Bank was instrumental in assisting the Ministry of Finance in establishing an SME-specific COVID-19 relief scheme as well as by providing policy advice to support the Namibian economy.

The macroprudential policy measures are targeted at both individual borrowers and banking institutions. The following relief measures were implemented on a banking institution level:

- The capital conservation buffer was released and reduced from 1.0 percent to 0.0 percent, for at least 24 months.
- The Determination on Liquidity Risk Management, whereby banking institutions are required to ensure that their cash inflows match their cash outflows expected within the 0-7 days bucket, was relaxed. This was done so that the expected outflows could exceed the inflows, but not by more than the excess liquidity above their regulatory limit.
- The effective date of implementation of the 25.0 percent single borrower limit and concentration risk limit was postponed.
- The non-performing loans (NPL) ratio supervisory intervention trigger point was increased from 4.0 percent (fit during normal times) to 6.0 percent (seen as fit during crisis times).
- Credit restructuring and capital and/or interest payment holidays were permitted for up to two years.
- The period within which legal proceedings or write-offs should occur after an account goes into non-performing status was extended from one year to three years.

FISCAL RESPONSES

In response to the COVID-19 pandemic, the Ministry of Finance introduced several relief measures targeting households and businesses. Households were assisted to cope with reduced income, increased health-related spending and other hardships resulting from the COVID-19 pandemic. In total, the stimulus and relief package initiated by the Government amounted to N$8.1 billion. These relief measures included stimulus packages, emergency income grants, tax-back loan schemes for individuals and corporate taxpayers, water subsidies and tax submission extensions. The supports to households are outlined as follows:

- A once-off emergency income grant of N$750 was given to people who lost their jobs, in either the informal or the formal sector due to the pandemic and its fallout.
- A tax-back loan scheme for individuals was introduced. Employees that are tax registered and paying PAYE (Pay As You Earn) as well as self-employed individuals who lost income due to the pandemic could borrow an amount from banks equal to one-twelfth ($^{1}/_{12}$) of their tax payments in the previous tax year at an interest rate of prime minus 1.0 percent. These loans were guaranteed by the government and would be repayable after one year.
- Water points were kept open without the need for water cuts during the lockdown period.

This was subsidised by NamWater and local authorities.

- An extension was granted for the submission of PAYE reconciliations for taxpayers from 30 June 2020 to 31 March 2021.

The relief measures for the business sector sought to support job retention, continue productive economic activities and maintain the cashflow of businesses. The relief measures for the business sector were as follows:

- Wage subsidy for the hardest hit sectors: About N$400 million was set aside for this subsidy to aid job retention and avoid further retrenchments in the hardest-hit sectors (tourism, hospitality, travel and aviation, and construction).

- Accelerated repayment of overdue and undisputed VAT refunds: The Government accelerated such repayments to enhance the cashflow of enterprises paying VAT. About N$3.0 billion was estimated to have been settled within one week of the implementation of these measures.

- Accelerated payment of overdue and undisputed invoices for goods and services provided to the Government to enhance the cashflow of businesses that provided such goods and services: N$ 800 million is expected to be settled in this regard.

- Non-agricultural small business loan scheme: The Development Bank of Namibia (DBN) received N$ 500 million to facilitate a loan scheme (guaranteed by the Government) targeted at businesses experiencing or expected to experience cash-flow pressure as a result of a loss of revenue resulting from the COVID-19 pandemic.

- Agricultural business loan scheme through the Agricultural Bank of Namibia (AgriBank): AgriBank received N$ 200 million to facilitate a loan scheme (guaranteed by the Government) for farmers experiencing cashflow constraints and agricultural SMEs that experienced significant losses in revenue.

- Policy relief to borrowers by DBN and AgriBank: DBN and AgriBank are to provide a repayment moratorium on the principal amounts of borrowers for a period ranging from six months to a maximum of 24 months, based on assessment, recapitalisation on interest, lengthening of the repayment periods and waiving of penalty provisions.

- Tax-back loan scheme for non-mining corporates: Taxpayers in the non-mining sector can borrow up to one-twelfth ($^1/_{12}$) of their tax payments in the previous tax year at an interest rate of prime minus 1.0 percent. Such loans are guaranteed by the Government, repayable within one year, and should be applied for from the commercial banks, and the aggregate amount that the Government would guarantee is capped at N$ 470 million.

- Relaxation of labour regulations to protect jobs: Employers, including the Government and business owners, are allowed to negotiate a temporary 20.0 percent decrease of salaries and wages during the crisis period and a 40.0 percent reduction for the worst-hit sectors. The relaxation is to avoid major retrenchments and the closure of businesses. The negotiations are conducted through a consultative process between employers and labour unions.

The Ministry of Finance has indicated that while certain measures were well received, others were not as popular. In the absence of a proper impact analysis for the measures, the Ministry of Finance indicated that there was oversubscription of the emergency income grant and that the water subsidy was well received, but that most of the other measures were undersubscribed. This could be attributed to a lack of proper stakeholder engagements.

V. MAPPING THE WAY FORWARD – POLICY OPTIONS

The recovery of the Namibian economy requires a multi-pronged policy approach. The COVID-19 pandemic has triggered the largest global economic contraction since the Great Depression. Governments are faced with the daunting task of devising policy responses in an environment of high uncertainty. Like many other countries globally, Namibia finds itself in the clutches of a global pandemic that threatens to destroy all aspects of the nation's development and adversely affect all sectors of the economy. The following are therefore post COVID-19 recovery options for the country.

TOURISM

The outlook for tourism is extraordinarily uncertain, and recovery will depend on the interlinked impacts of the economic and health crises on demand and supply side factors. These include the evolution of the pandemic, the availability of a vaccine (or alternative control measures), and the lifting of travel restrictions, as well as the survival and readiness of businesses throughout the tourism ecosystem to meet demand, the impact on consumer confidence and travel behaviour, and developments in the wider economy.

Domestic tourism has helped to mitigate the impact on jobs and businesses. The lifting of zoning off lockdowns in Khomas and Erongo regions has assisted the tourism sector, but that can only partially compensate for the loss of inbound tourism. Real recovery will only be possible when international tourism returns fully.

To boost local tourism, special discounts or vouchers can be made available to local tourists. In several countries, the governments made vouchers available in an effort to boost tourism. The Government and its establishments have also made similar efforts with the Namibia Wildlife Resort Black Friday sales, as well as with other sales across the country. However, more effort is needed in this regard, especially in terms of advertising and marketing.

Strengthened multi-lateral co-operation and robust support are essential to reactivate tourism. Countries need to work together, as the actions taken by one government have implications for travellers and businesses in other countries, and for the global tourism system. Countries need to develop collaborative systems across borders to safely resume travel, restore traveller and business confidence, stimulate demand and accelerate tourism recovery. More efficient international coordination systems are also needed to respond to future shocks.

INFORMATION AND COMMUNICATION TECHNOLOGY

Broadband (or high-speed) internet access is not a luxury, but a basic necessity for economic and human development in both developed and developing countries. Namibia will therefore need to invest and provide more high-speed internet connectivity to more people. This will allow the country to deliver, conveniently and at low cost, a wide range of vital services. High-speed internet opens opportunities for telemedicine, where doctors and city hospitals can remotely provide diagnoses for sick persons in rural villages. The pandemic revealed that the country has not done enough when it comes to ICT development.

Namibia will need to make a strong commitment to rolling out broadband as a holistic general-purpose technology. Broadband has become a foundation for smart infrastructure (for example, intelligent transport systems and smart electric grids) that is facilitated by new wireless technologies. It can help create jobs in ICT, engineering and other sectors, and catalyse job skills development – an important avenue toward poverty reduction and shared prosperity.

EDUCATION

In the education sector, both contact and online schooling should be maintained going forward. Teachers should also be trained to facilitate online teaching on various platforms while also accommodating learners who do not have access to electronic devices and the internet. The use of remote learning and educational resources is recommended to mitigate the loss of learning given the uncertainty surrounding the COVID-19 pandemic.

Addressing learning losses and implementing large-scale catch-up programs should be a top priority for the Government. Learning losses due to school closures would exacerbate inequality in Namibia. It is therefore important that the Government implements concise catch-up programmes for learners. The Government should identify which children are vulnerable to disproportionate learning losses and make targeted, evidence-based interventions. Without that, the gap between rich and poor will grow further. The education systems have an opportunity to reimagine learning and equip students with the cognitive, creative, social, emotional and physical skills required to navigate the future.

BANKING SECTOR

The banking sector should consider more fintech options to improve ease of access and increase financial inclusion. The more options there are to access banking products and services, the more clients will be reached. The fintech needs of clients identified during the pandemic should form the basis of what the fintech facilities should seek to address, be it mobile money or electronic access to various loan facilities. A prudent lending process is encouraged with regulators maintaining a healthy balance of regulation and risk taking.

TRANSPORT AND STORAGE

Namibia should invest in the technology in the logistics sector. Logistics has been in the midst of a tech-driven revolution. Companies with robust digital capabilities that allow them to provide cargo visibility/traceability and do business online are at an advantage. This would entail investments in technology, such as the "internet of things", cloud computing, automation, and data analytics. In the long term, robotics, drones and autonomous vehicles might reduce logistics services providers' exposure to labour shortages.

HEALTH SECTOR

Improved coordination between the central medical stores and health facilities will result in better supply of medical equipment and medicine. There is a need for better coordination of the central medical stores and health facilities in order to prevent disruptions in the supply of equipment and medicine.

Medical facilities need to be renovated and an appropriate third-party payment system implemented for a better functioning health system. Public medical facilities need proper renovation of hospitals and clinics, the provision of equipment and medicines, the training of nurses and midwives, and the implementation of a third-party payment system allowing patients chronic healthcare almost free of charge.

FISCAL RECOVERY

The impact of the COVID-19 pandemic has increased government expenditure and dampened revenue collection. The COVID-19 pandemic is set to increase government expenditure further, as well as have a severe dampening impact on revenue collection, which will translate to the widening of the fiscal deficit and higher levels of debt. The continued upward trend in debt will limit the ability of the Government to pursue expansionary fiscal policies either as a counter-cyclical tool or to raise public investment for infrastructure needs to promote much-needed economic growth.

The Government should focus its efforts on strengthening the country's fiscal and debt positions, post the COVID-19 pandemic. As the impact of the crisis subsides, the Government should orient fiscal policy to preserve debt sustainability and target a lower-than-previously-programmed primary fiscal deficit path. Efforts should be geared towards further curbing of non-essential expenditures, both in the absolute sense and as a percentage of GDP. The Government should design a fiscal strategy that will bring down the public debt ratio to 40–45 percent of GDP within a reasonable timeframe. Returning to a sustainable path is important, as it has implications for Namibia's ability to attract much needed foreign direct investment and free up resources for effective service delivery, instead of paying bloated interest costs.

The post COVID-19 growth-enhancing strategy should be prioritised, while simultaneously pursuing a strengthening of the revenue base and an optimisation of expenditure strategies. To revive growth in the Namibian economy in the short to medium term, the focus should be on the productive sectors that can revive and accelerate growth in the economy, create employment and at the same time increase export revenue. The Government should pronounce itself on how it will facilitate the private sector's vigorous participation in specific sectors like agriculture and tourism. It is therefore of paramount importance that the implementation of the recommendations made by the High-level Panel be fast-tracked within the next year.

VI. CONCLUSION

The COVID-19 pandemic did not only negatively affect the domestic and global economies, but also exposed existing cracks and vulnerabilities. The fiscal metrics, including the debt deficit, have deteriorated significantly. There has been a loss of lives and jobs and a deterioration in several social indicators. Namibia therefore needs to work toward improving on and implementing recovery options. These options include, firstly, concerted efforts between the private and public sectors – joint drive and coordination are paramount to sustainable recovery. Secondly, the private and public sectors need to take full advantage of technological innovations to boost productivity. Thirdly, the process of reforms to spur growth and recovery must be expedited. Finally, there is a need to start building fiscal buffers to restore fiscal sustainability.

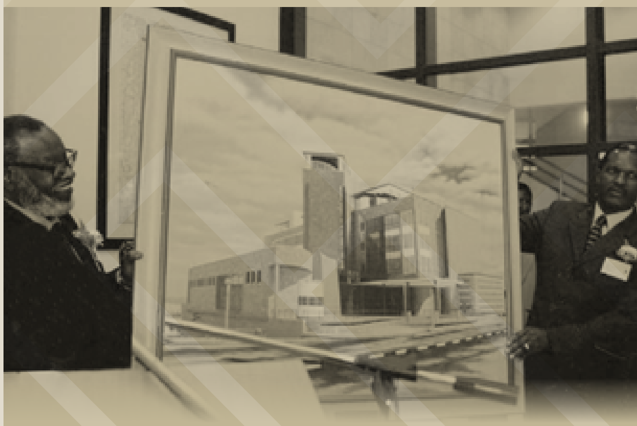
The onset of the COVID-19 pandemic affected several sectors, and the tourism sector was the hardest hit. In addition, many people were discharged from their employment or were faced to accept salary cuts. Disposable income deteriorated significantly, coupled with the inability to honour debt obligations.

The pandemic led to the implementation of various policy options. Globally, the monetary policy authorities took an accommodative monetary policy stance. The macroprudential policy relief measures include loan payment moratoriums, the release of the capital conservation buffer, the relaxation of the determination on liquidity risk management, and postponement of the effective date for the single borrower limit. The fiscal policy measures aimed at supporting households to cope with reduced income, increased health-related spending and other hardships resulting from the COVID-19 pandemic, and at helping businesses to survive the storm and protect jobs where possible.

The recovery of the Namibian economy requires a multi-pronged policy approach. Although monetary policy has provided substantial support to the economy – with the Bank cutting the benchmark interest rates to a record low of 3.75 percent – the pace of recovery will depend on various factors, such as bringing COVID-19 infections under control, improved sovereign debt sustainability, structural reforms and the implementation of an accelerated growth and recovery strategy.

Part D:
Bank Supervision

Contents



30 YEARS OF CENTRAL BANKING EXCELLENCE

30 Years ANNIVERSARY

INTRODUCTION

The banking industry remained resilient despite the low demand for credit and heightened loan defaults. Like other international regulatory bodies, the Bank of Namibia (hereinafter "the Bank") also faced the challenge of increasing the level of surveillance of banking institutions while at the same time trying to relax some regulatory requirements to be more forbearing, in order to lessen the impact of the COVID-19 pandemic. The commercial banks continued to be steadfast and posted smaller, but still healthy profits and kept robust capital levels despite a challenging environment. However, the rising level of non-performing loans (NPLs) continued to be a regulatory concern since they reached an unprecedented level of 6.4 percent across the banking industry during 2020 and breached the crisis benchmark of 6.0 percent. Although lack of liquidity was expected to become a major risk due to market uncertainty, the lower demand for credit coupled with the fiscal stimulus to support the economy ensured that the liquidity position for the banking industry remained strong for most of 2020.

PERFORMANCE OF THE BANKING SECTOR

The low interest rate and challenged economic environment caused the banking sector to register a contraction in earnings during 2020, when compared to 2019. The cost-to-income ratio, which measures the operational efficiency of the banking sector, weakened significantly during 2020 due to the decrease in total income. Total income declined by 3.1 percent year-on-year, from N$10.4 billion to N$10.0 billion. The banking sector capital adequacy position remained satisfactory despite a marginal deterioration in the total capital adequacy ratio, which resulted from lower capital holdings. All capital ratios stood above the statutory minimum requirements. As part of the minimum capital requirements, the capital conservation buffer of 1.0 percent was introduced a few years ago as a cushion against distressed economic conditions. However, in April 2020 the Bank relaxed the capital conservation buffer for the next 24 months, in response to the fallout from the COVID-19 pandemic in the expectation that it would encourage credit extension by banking institutions to boost the economy. The Domestic Systemically Important Banks (DSIBs)[35] jointly accounted for a total share of 98.4 percent of total banking assets in 2020, down from 98.8 percent held in 2019.

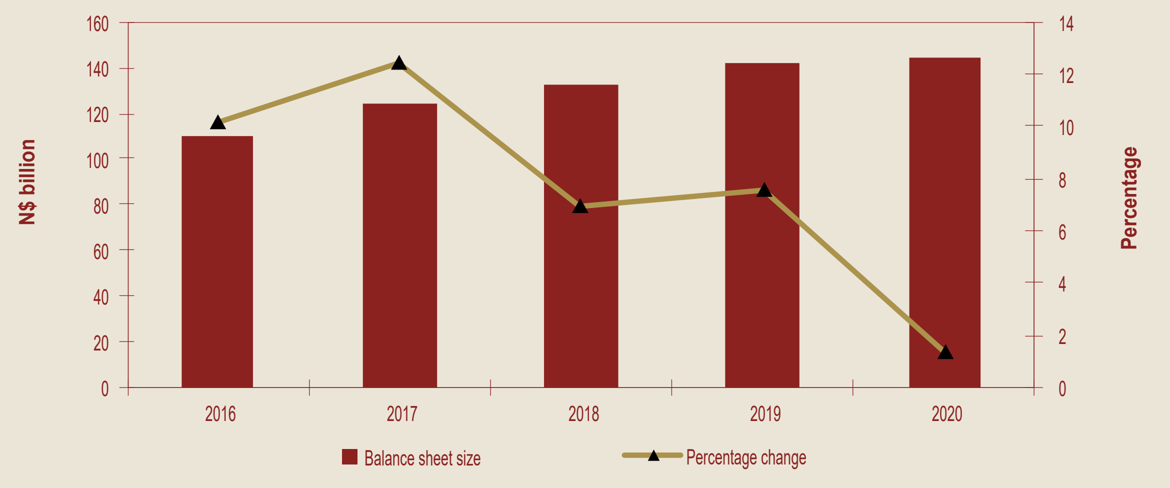
BALANCE SHEET STRUCTURE

The banking sector reported marginal growth in total assets during 2020. The balance sheet size of the banking sector expanded by N$1.8 billion to N$144.0 billion, as can be seen in Figure D.1. A year ago, the banking sector recorded 7.6 percent growth, while growth of only 1.3 percent was recorded in the year under review. Annual growth fell below the inflation rate of 2.2 percent, which put pressure on the returns of banks. The marginal growth in total assets was supported by an increase in cash and balances with banking institutions, and short-term negotiable securities of N$1.1 billion and N$723.5 million, respectively. In terms of the availability of funding to back asset growth, non-bank funding remains a dominant source of funding and accounts for 76.7 percent of the industry's funding.

35 Basel III standards are applied on a proportional basis and are limited to the four DSIBs; First National Bank of Namibia Limited, Bank Windhoek Limited, Standard Bank Namibia Limited and Nedbank Namibia Limited are classified as DSIBs.

FIGURE D.1 AGGREGATED BALANCE SHEET

Lower growth experienced by the banking sector during 2020



ASSET STRUCTURE

The growth recorded in the asset categories of the balance sheet emanated mainly from growth observed in cash and balances at banks and short-term negotiable securities. As demand for credit was absent, commercial banks opted to invest excess cash in liquid instruments, pushing cash and balances to N$14.8 billion, up by N$1.1 billion. Similarly, short term negotiable securities supported the growth on the asset side of the balance sheet when it expanded by N$723.4 million to N$16.4 billion. Conversely, the net loans and advances portfolio decreased from N$101.2 billion to N$100.7 billion, an indication of the poor demand for credit.

Net loans and advances continued to dominate the banking sector assets. Although the loan portfolio share declined marginally from 71.2 percent to 69.9 percent, it still accounted for more than 50.0 percent of the assets. Short-term negotiable securities accounted for the second largest asset class, standing at 11.4 percent, while cash and balances gained ground from a 9.6 percent share to stand at 10.3 percent, year-on-year. The trading and investments portfolio, fixed assets and other assets accounted for the remaining 8.4 percent of banking sector assets during 2020.

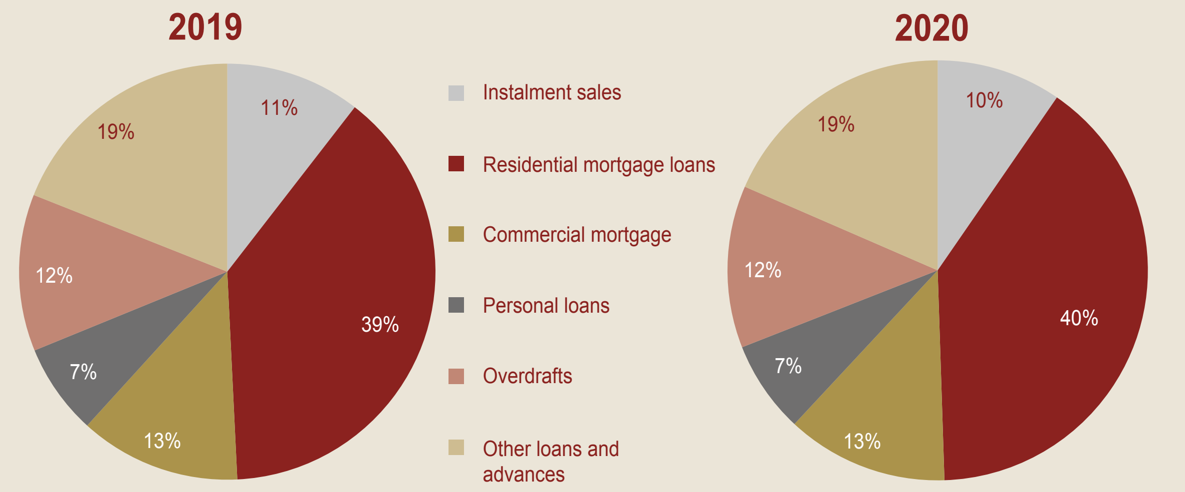
Residential mortgage loans continued to lead the loan book constitution. The year under review saw a 4.0 percent increase in this portfolio to stand at N$41.9 billion. Residential mortgages took up a 40 percent share of the industry's loan book, while fixed term loans accounted for 15.8 percent of the loan book despite the N$212.0 million decline, to stand at N$16.5 billion. Overdraft and commercial mortgage loans accounted for 12.5 percent and 12.4 percent, respectively. Increases for residential mortgages, commercial mortgages, overdrafts and personal loans were observed, despite the dampened credit appetite. Although the concentration risk is centred around residential mortgages, higher risk weighted capital charges of 50 percent are held for such exposures in Namibia compared to the prescribed international standards that limit it to 35 percent. Additionally, the Regulation on maximum loan-to-value ratios for non-primary residential properties also serves as an additional protection to avert any risks arising from mortgages.

Other loan categories, like instalment sales and other loans and advances recorded a decline in its portfolios. Instalment sales declined by N$815.5 million to N$10.1 billion and accounted for 9.6 percent of the loan book. Other loans and advances[36] categories declined by N$325 million to N$19.4 billion and accounted in total for 18.5 percent of the loan book, a drop from the 19.0 percent share in 2019.

36 The other loans and advances category consists of other loans, loans to banks repayable in legal tender, loans to non-banks repayable in foreign currency, fixed term loans, credit cards, acknowledgement of debt discounted, loans granted under resale agreements and preference shares held to provide credit.

FIGURE D. 2 COMPOSITION OF TOTAL LOANS AND ADVANCES

Mortgage loans retained the lead in the loans and advances category.



FUNDING STRUCTURE

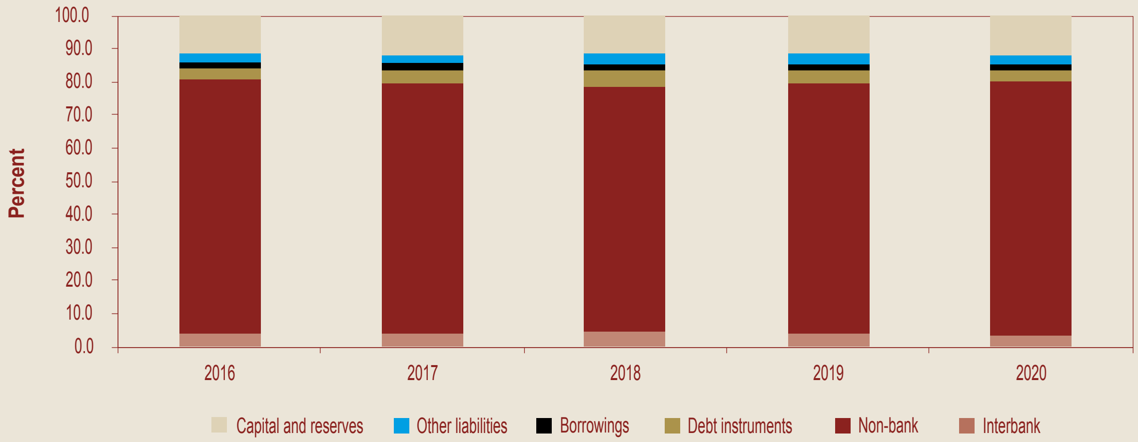
During 2020, funding sources were dominated by non-bank funding. The greatest source of funding for the banking sector remained non-bank funding, which consisted of demand deposits, fixed and notice deposits, and negotiable certificates of deposits. During the previous year, non-bank funding reported growth of 9.4 percent, while the period under review saw a 2.8 percent increase in non-bank funding, which stood at N$110.5 billion. This growth stemmed from an increase of N$5.7 billion in demand deposit and N$1.1 billion in foreign funding. Non-bank funding accounted for 76.7 percent of total funding, an improvement from the share of 75.6 percent in 2019.

Capital and reserves remained a secondary source of funding to the banking industry. Capital and reserves increased by 3.0 percent to N$16.9 billion and constituted 11.7 percent of total funding, as general reserves were the main source of this increase. Conversely, bank funding continued on a downward trajectory, with the industry reporting a decline of 11.4 percent to stand at N$5.0 billion, which constituted 3.5 percent of total funding in 2020 (Figure D.3a). All other liabilities, borrowings and debt instruments made-up the 8.1 percent residual of total funding.

FIGURE D.3 FUNDING STRUCTURE

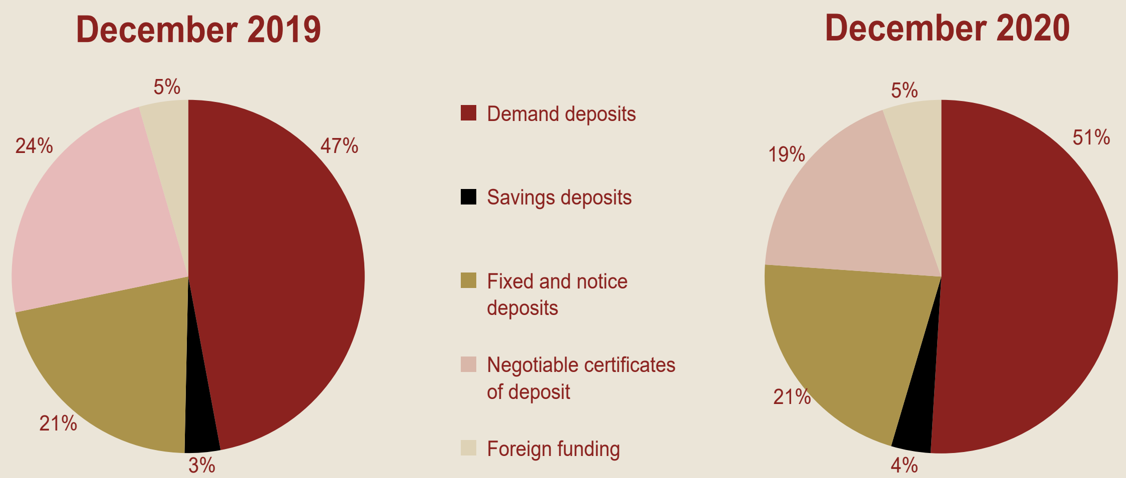
Sources of funding were mainly supported by non-bank funding and capital and reserves.

FIGURE D.3(a) COMPOSITION OF FUNDING



Demand deposits and negotiable certificate of deposits dominated non-bank deposits.

FIGURE D.3(b) COMPOSITION OF NON-BANK DEPOSITS



Banking institutions managed to mobilise mostly demand deposits from the public. Demand deposits increased by 11.3 percent, from N$50.6 billion to N$56.3 billion, accounting for 51.0 percent of total funding, up from 47.1 percent, and are comprised primarily of wholesale deposits, which are unfortunately volatile by nature. Fixed and notice deposits and negotiable securities accounted for 21.5 percent and 18.5 percent of funding. Fixed and notice deposits saw an improvement in their share from 21.4 percent to 21.5 percent, while negotiable securities declined from 23.8 percent to 18.5 percent, respectively. In contrast, foreign funding increased by 22.8 percent to N$6.0 billion and accounted for 5.4 percent of funding, while savings deposits represented 3.6 percent.

The current sources of funding continued to pose a concentration risk, as great reliance is placed on wholesale funding, which tends to be volatile and short-term by nature. To manage this risk and to allow for diversified funding portfolios, the Bank is in the process of implementing new liquidity risk management standards as recommended by the Basel Committee for Bank Supervisors. These reforms include the options of alternative liquidity approaches in the event of there being a shortage of high-quality liquid assets.

CAPITAL ADEQUACY

The banking sector remained adequately capitalised during 2020. All capital ratios stood above the statutory minimum requirements. The Common Equity Tier 1 (CET1), Tier 1 and total eligible capital ratios stood well above their minimum regulatory requirements of 6.0 percent, 9.0 percent and 11.5 percent, respectively.

Total qualifying capital of Domestic Systemically Important Banks (DSIBs), which resorted under the Basel III Capital Adequacy Requirements, increased slightly, which was attributed to changes in both Tier 1 and Tier 2 capital. The banking sector's Tier 1 capital increased from N$13.3 billion in 2019 to N$14.0 billion in 2020, due to an increase in retained earnings. In contrast, year-on-year Tier 2 capital decreased from N$2.7 billion to N$2.3 billion, on the back of decreases in instruments issued that meet the criteria for inclusion in Tier 2 capital, unaudited profits, and revaluation reserves (Figure D.4). Total qualifying capital increased by 1.7 percent to N$16.3 billion during 2020, whereas risk weighted assets increased at a higher rate of 4.4 percent. Consequently, the total risk weighted capital ratio declined marginally from 15.6 percent to 15.2 percent.

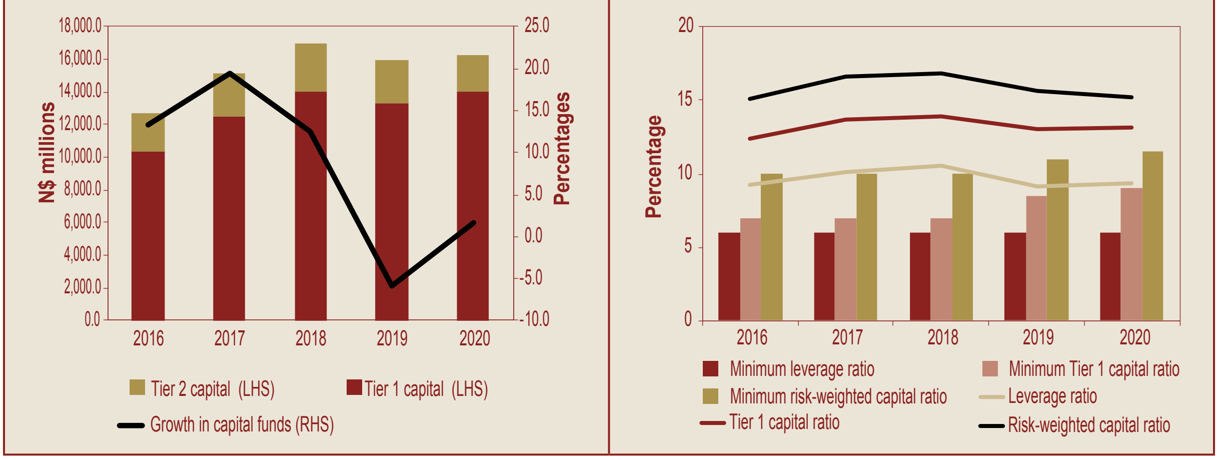
Supplementary capital indicators of Tier 1 capital and Tier 1 leverage ratios remained adequate. The eligible Tier 1 capital ratio increased slightly from 13.0 percent to 13.1 percent due to an increase in Tier 1 capital. The leverage ratio increased from 9.2 percent to 9.4 percent owing to the comparable relatively higher increase in Tier 1 capital compared to growth in gross assets.

FIGURE D.4 CAPITAL ADEQUACY ELEMENTS AND RATIOS

The overall capital levels improved and placed the banking sector in a stronger position.

FIGURE D.4(a) ELEMENTS OF CAPITAL FUNDS

FIGURE D.4(b) CAPITAL ADEQUACY RATIOS



The banking institutions not classified as DSIBs, which resort under the Basel II Capital Accord, also remained adequately capitalised during 2020. The total risk weighted capital ratio declined from 80.5 percent in 2019 to 75.9 percent in 2020, due to lower retained profits recorded. However, the ratio stood well above the regulatory minimum of 10.0 percent. The Tier 1 capital ratio and the Tier 1 leverage ratio stood at 70.6 percent and 52.6 percent, respectively. Both the Tier 1 capital ratio and the Tier 1 leverage ratio comfortably exceeded their corresponding regulatory limits of 7.0 percent and 6.0 percent, respectively.

CREDIT RISK

Analysis of Non-performing Loans

The quality of the banking industry's loan book deteriorated further in view of loan defaults, breaching the Bank's trigger benchmark of 6.0 percent under stress conditions. The persistent increase in non-performing loans (NPLs) originated from households and businesses that experienced cash flow constraints coupled with job losses and the closing down of businesses. Therefore, the stock of non-performing loans increased by 34.4 percent to N$6.7 billion compared to a 44.0 percent increase a year ago. Overdue loans[37] increased by 15.2 percent, from N$9.1 billion to N$10.5 billion. The deterioration of the NPL ratio was caused by a relatively higher increase in NPLs and overdue loans compared to the increase in total loans and advances, which increased by a mere 1.1 percent to stand at N$105.0 billion during 2020.

Non-performing mortgages and unsecured lending product classes were the main drivers of the increase in NPLs. The growth in the NPLs resulted mainly from an increase in mortgages of N$800.2 million, overdrafts of N$386.0 million, other loans and advances N$337.0 million, and personal loans of N$138.5 million. Notably, all loan product categories and all types of counterparties were represented in the increase in NPLs. Regarding the composition of NPLs, non-performing mortgages continued to top the list, as these constituted 61.3 percent of total NPLs, followed by overdrafts at 15.4 percent, other loans and advances at 13.3 percent, personal loans at 4.8 percent, instalment sales at 4.7 percent and credit cards at 0.6 percent. The concern for the banking industry is that mortgage loans represent the largest portion of NPLs and constitute more than half of the total loan book of the banking industry.

From a sectoral point of view, the most affected economic sectors that drove NPLs were corporates trading in the agriculture and forestry, construction, real estate and business services, and trade and accommodation sectors.[38] Individuals represented 39.9 percent of NPLs, with the remaining 60.1 percent of NPLs owed by corporates. Year-on-year, individuals recorded a N$554.6 million increase to register N$2.7 billion in NPLs, followed by the agriculture and forestry sector with a N$472.1 million increase, to N$689.0 million. NPLs in the real estate and business sector increased by N$288.9 million to N$1.5 billion, whilst the construction sector registered an increase of N$267.2 million to N$639.4 million. Significant increases in NPLs totalling N$77.6 million were also recorded for the trade and accommodation, manufacturing, mining, transport and communication, government services, and others sectors. The only sector which recorded a decline in NPLs was the electricity, gas and water sector.

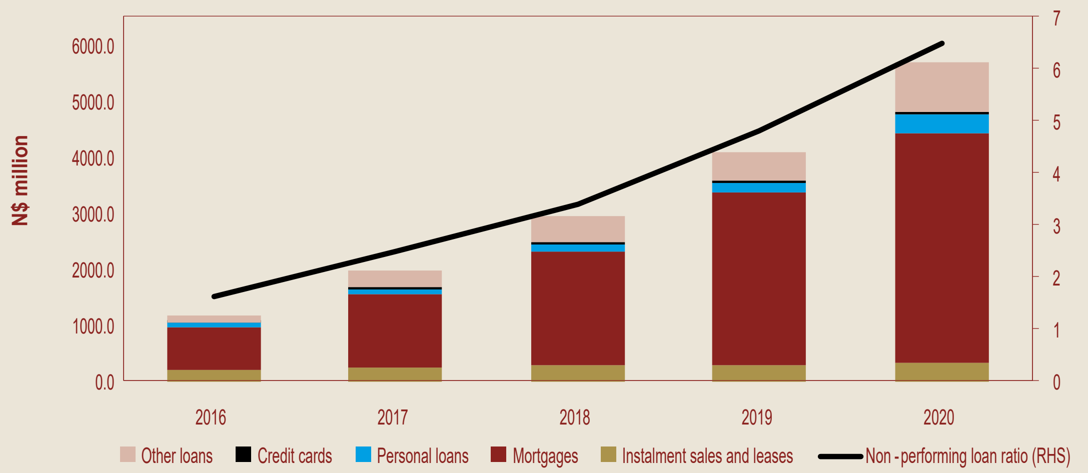
The Bank implemented additional regulatory reporting to monitor heightened credit risk in the banking industry. Asset quality worsened as the industry NPL ratio rose above the new trigger ratio of 6.0 percent for times of crisis and currently stands at 6.4 percent, an escalation from 4.8 percent reported a year ago (Figure D.5). The persistent increase in NPLs is ascribed to unfavourable market conditions, cash flow constraints experienced by both households and businesses, and of late the downside risk emanating from the pandemic, which caused business to either scale down operations or close. This necessitated closer monitoring as the Bank engaged with banking institutions on a bilateral basis and initiated monthly reporting of credit risk indicators, which also includes operational and liquidity risk updates and the conduct of solvency stress tests to closely monitor the downside risks emanating from the pandemic. Since the lockdown during April 2020, the banks have managed these key risks satisfactorily. Nonetheless, provisions were made for this non-conforming exposure to ensure that it is, as far as possible, fully asset backed.

37 Overdue means any asset for which any portion of principal and/or interest is due and unpaid for 30 days or more; or interest due equal to 30 days' interest or more have been capitalized, refinanced or rolled over.

38 It refers to the tourism and hospitality sector as well, as per sector classification.

FIGURE D.5 NON-PERFORMING LOANS

Mortgages along with some unsecured lending contributed to the higher NPLs position.



ADEQUACY OF PROVISIONS

The value of provisions surged, which was expected, since some of the banks implemented collateral haircuts as required in terms of the Determination on Policy Changes in Response to Economic and Financial Stability Challenges (BID-33) following the fallout of the COVID-19 Pandemic. Total provisions for loan losses increased by N$1.4 billion to N$3.4 billion, due to International Financial Reporting Standard IFRS-9 that requires additional provisioning in the light of the weakening financial position of borrowers. Specific provisions[39] increased from N$974.0 million in 2019 to N$2.0 billion in 2020. As a result, the ratio of specific provisions to non-performing loans increased from 20.5 percent to 29.3 percent, which confirms the necessary prudence on the part of banks, as it ensures that there is a cushion against defaults. Realisable value of security held against defaulting loan exposures increased from N$3.4 billion in 2019 to N$4.2 billion in 2020, which resulted from additional collateral requested by banking institutions and the revaluation of collateral once loans were categorised as non-performing. The increase in the value of realisable collateral, compared to the increase in specific provisions, signifies that the banking industry held strong collateral that could potentially reduce losses in the event of loan defaults. In addition, the banking institutions were determined to have adequate provisions and set aside additional capital to cushion and absorb expected loan losses.

LOAN DIVERSIFICATION AND STATUTORY LARGE EXPOSURES

The banking sector continued to spread the risk of credit by diversifying their loan portfolios across different sectors and counterparties. This was necessary to mitigate the probable risk of default by sectors. As at 31 December 2020, the loan portfolio was distributed into fourteen sectors. Total loans and advances were dominated by individuals with a share of 44.3 percent, followed by real estate and business services with 10.8 percent, the others sector with 8.8 percent, finance and insurance with 8.1 percent, trade and accommodation with 5.8 percent, government services with 5.4 percent, agriculture and forestry with 4.1 percent, construction with 3.0 percent, manufacturing with 2.6 percent and electricity, gas and water with 2.2 percent. The remaining sectors such as transport and communication, mining, and fishing made up the remaining portion of less than 5.0 percent of total loans and advances.

The value of large exposures decreased and remained within prudential limits. The value of large exposures[40] decreased by 10.9 percent during 2020

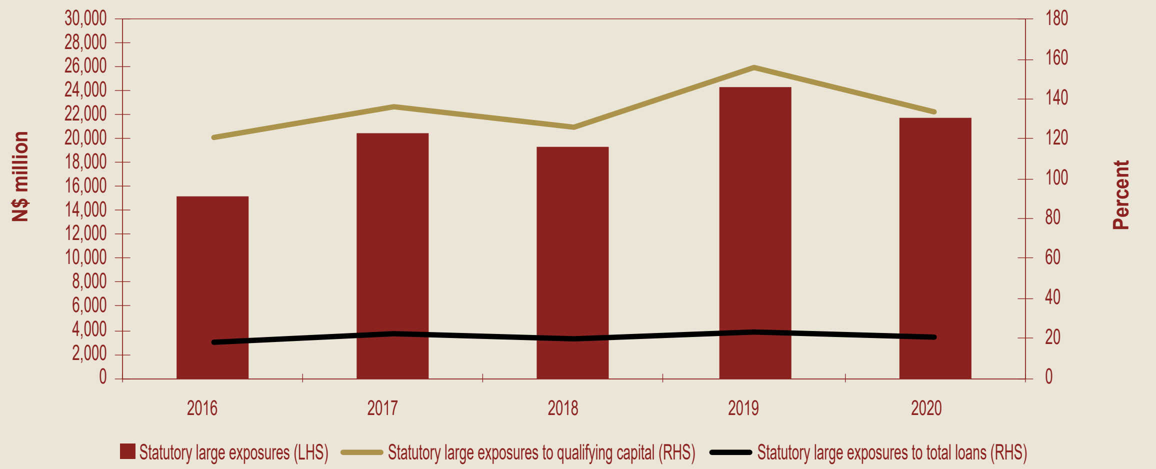
39 Specific provisions apply to loans graded as substandard, doubtful and loss, namely that the net realisable value of collateral shall be deducted from the loan balance before applying provisioning percentages.

40 In terms of the Determination on Limits on Exposures to Single Borrowers, Large Exposures and Concentration Risk (BID-4), a large exposure means any exposure to a single person or group of related persons which, in aggregate, equals or exceeds 10% of a banking

and stood at N$21.7 billion as opposed to N$24.4 billion recorded the previous year. As a result, the ratio of large exposures to total loans and advances decreased from 23.5 percent to 20.7 percent, year-on-year. This ratio remained compliant with the statutory limits for single parties of 30 percent of capital funds. Expressed as a percentage of qualifying capital, large exposures decreased to 133.7 percent compared to 155.7 percent recorded the previous year and is well within the permissible limit of 800 percent of capital funds (Figure D.6).

FIGURE D.6 STATUTORY LARGE EXPOSURES RELATIVE TO TOTAL LOANS AND CAPITAL FUNDS

Large exposures in absolute terms decreased and remained compliant with the prescribed capital limits.



PROFITABILITY AND EARNINGS

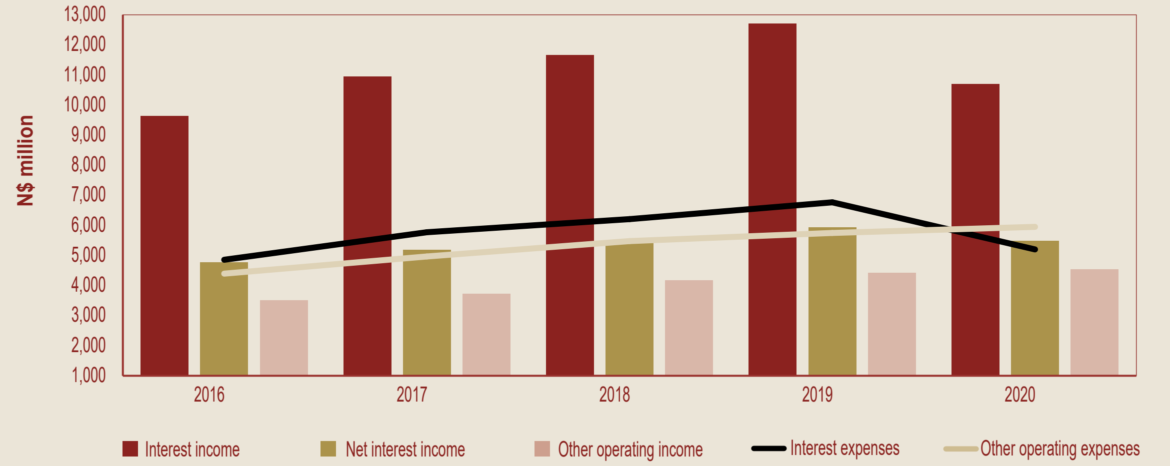
The low interest rate environment caused the banking sector to register a contraction in total income during 2020. Total income declined by 3.1 percent year-on-year, from N$10.4 billion to N$10.0 billion, compared to growth of 7.7 percent reported during the previous year. Total income was largely comprised of net interest income that decreased by N$446.9 million to N$5.5 billion due to the lower interest rate environment, causing depressed interest margins. This came on the back of the Monetary Policy Committee of the Bank reducing the policy rate by a margin of 275 basis points during 2020, following the outbreak of the COVID-19 pandemic.

Operating income (non-interest income) increased mainly because of higher trading income coupled with transaction-based fee income. Other operating income increased by N$124.6 million and amounted to N$4.5 billion (Figure D.7a). This derived predominantly from trading income and transaction-based fee income.

institution's eligible capital funds.

FIGURE D.7(a) KEY INCOME STATEMENT INDICATORS

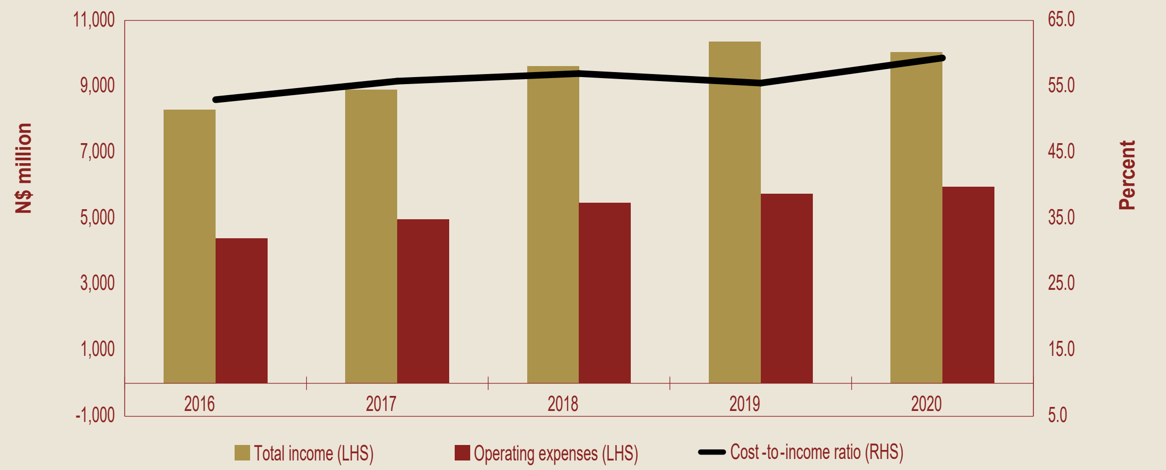
The banking sector's income contracted in 2020.



The cost-to-income ratio, which measures the operational efficiency of the banking sector, weakened significantly during the review period. Operating expenses grew by 3.5 percent from N$5.7 billion in 2019 to N$6.0 billion in 2020. This caused the cost-to-income ratio (operating expenses/total income) to increase from 55.5 percent to 59.3 percent (Figure D.7(b). In this regard, the ratio remained above the international benchmark of 50.0 percent but below the Bank's internal regulatory threshold of 65.0 percent. Growth in operating expenses was underpinned by administration and overhead costs as well as depreciation and amortisation.

FIGURE D.7(b) EFFICIENCY INDICATORS OF THE BANKING SECTOR

Operating expenses increased, which makes cost control challenging for the banks.



Overall, the banking sector profits contracted notably during the review period, which was primarily attributable to provisions and write-off charges that increased rapidly due to the unfavourable macroeconomic conditions. After-tax profits contracted by 33.4 percent during 2020, down from N$2.7 billion to N$1.8 billion. This represents a weaker performance when compared to growth of 5.9 percent reported in 2019. The contraction in earnings was fuelled by impairment charges that surged by 106.1 percent from N$726.7 million to N$1.5 billion due to the weaker macroeconomic conditions that negatively impacted the quality of the banking sector loan book. The Return on Assets (ROA) and the Return on Equity (ROE) ratios declined in line with the development in earnings. In this regard, the ROA ratio declined from 2.0 percent to 1.3 percent, while the ROE ratio declined from 17.3 percent to 10.9 percent (Table D.1).

TABLE D.1 ROA AND ROE (PERCENT)

Description	2016	2017	2018	2019	2020
Return on Assets	2.3	2.1	2.0	2.0	1.3
Return on Equity	24.1	18.6	18.5	17.3	10.9

The number of branches decreased as banks scaled down operations that are not profitable in an attempt to lower operating costs and digitalise services, while the number of agencies increased. The number of branches decreased from 149 to 145 (Table D.2) after banks merged several branches to reduce operating costs. In contrast, the number of agencies increased from 82 in 2019 to 84 in 2019, as banks expanded on the provision of services.

TABLE D.2 BANK BRANCH NETWORK

Description	2016	2017	2018	2019	2020
Branches	139	163	167	149	145
Agencies	61	62	64	82	84
Total	200	225	231	231	229

The banking industry reported a decrease in the number of permanent employees, whereas the number of temporary employees increased. The total number of personnel employed by the banking industry stood at 6 359 in 2020, down from 6 468 in 2019. The total number of personnel comprised permanent personnel, who decreased from 6 268 to 6 144 mainly because of voluntary resignations, and temporary personnel, who increased from 200 to 215 staff members, mainly due to fixed-term contracts that were awarded for various projects, and to replace permanent employees while on leave (Table D.3).

TABLE D.3 BANK STAFF LEVEL

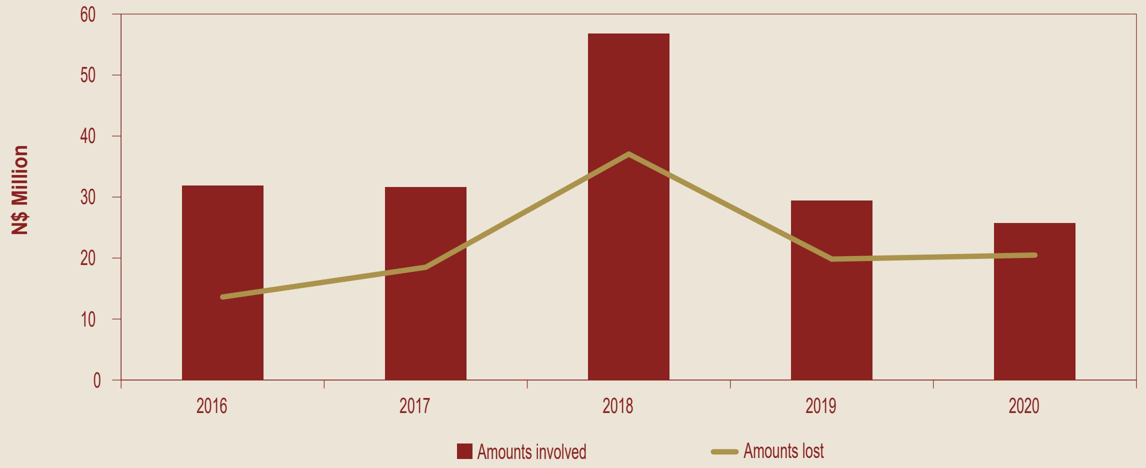
Description	2016	2017	2018	2019	2020
Permanent personnel	5 902	6 284	6 371	6 268	6 144
Temporary personnel	331	179	192	200	215
Total	6 233	6 463	6 563	6 468	6 359

FRAUD AND OTHER ECONOMIC CRIME

The banking sector experienced a decline in the levels of fraud and other related economic crimes during 2020. Banking institutions were required by the Bank to strengthen their surveillance systems and institute adequate and appropriate internal controls to combat fraud. Control measures had the desired effect during the reporting year, since the amount involved in fraudulent activities decreased from N$29.4 million recorded in 2019 to N$25.7 million in 2020, while the actual amount of financial loss suffered increased from N$19.8 million in 2019 to N$20.5 million in 2020 (Figure D.8). Conversely, the total number of cases escalated from 238 to 258. The banking sector indicated that of the amount lost, only N$3.1 million was recovered, while further recoveries of N$647 900 were envisaged pending the successful conclusion of investigations. The Bank annually assesses insurance covers in terms of the Determination on Minimum Insurance for Banking Institutions (BID-14), to ensure it caters for unrecovered losses.

FIGURE D.8 FRAUD AND OTHER ECONOMIC CRIME

Although the volume of fraud increased, the fraud amount involved reported decreased. This positive development was assisted by enhanced customer awareness.



During 2020, the categories of fraud experienced by banking institutions included ATM fraud, credit card fraud, cheque fraud, currency counterfeits and theft of cash. The fraud occurred as a result of actions by outsiders, inadequate internal controls, failure to adhere to bank procedures, manipulation of authorised signatories, manipulation of negotiable instruments and manipulation of accounting records. Fraud remains a global concern, and banking institutions are accordingly mandated to strengthen their operational risk management through proper monitoring systems and adequate internal controls.

LIQUIDITY

The liquid asset base of banking institutions improved year-on-year on the back of Government payments coupled with a slowdown in the demand for credit. The stock of liquid assets stood at N$20.1 billion in 2020, representing an increase of 5.2 percent from the N$19.1 billion reported in 2019. This was largely caused by payments from the Government such as VAT refunds, deferred tax payments and corporates repatriating funds. The banking sector also saw some improvement in loan repayments from various customers, coupled with a slowdown in the demand for credit from households and businesses.

The liquid assets ratio also improved during the review period and stood well above the statutory minimum requirement. The average total liabilities to the public increased by 2.2 percent. However, this growth was lower than the growth observed in liquid assets, causing the liquidity ratio to increase from 15.3 percent to 15.7 percent. The liquidity ratio stood well above the statutory minimum of 10.0 percent, with a surplus position of N$7.3 billion (Figure D.9).

The portfolio of liquid assets largely comprised treasury bills and bonds. The share of treasury bills declined from 59.9 percent to 57.8 percent, while the share of bonds increased from 23.0 percent to 26.4 percent. The share of bonds has trended upward over the past five years, suggesting that, to some extent, the banking institutions are acquiring longer dated bonds at attractive yields that can be used as collateral for potential borrowing at the Repo windows. This has become even more plausible in the absence of demand for credit. Notes and coins accounted for the third largest share, declining from 7.8 percent in 2019 to 7.2 percent in 2020. The share of cash and balances with the Bank declined from 7.5 percent to 7.1 percent, while the share of net interbank placements and loans declined from 1.4 percent to 1.0 percent. The residual portion consisted of other securities, strips, bonds and bills, standing at 0.3 percent, and Bank of Namibia securities at 0.2 percent (Figure D.9).

The liquidity indicators improved during 2020 in response to the subdued demand for credit. The loan-to-asset ratio declined from 71.6 percent to 70.6 percent and stood below the international benchmark of 75.0 percent. The loan-to-deposit ratio also declined from 92.9 percent to 91.1 percent, indicating that banking institutions have more funding available and are able to fund their loan growth from deposits.

FIGURE D.9 LIQUIDITY

Liquidity holdings were sufficient to meet the statutory minimum levels in 2020 and were dominated by treasury bills.

FIGURE D.9(a) STATUTORY LIQUID ASSETS

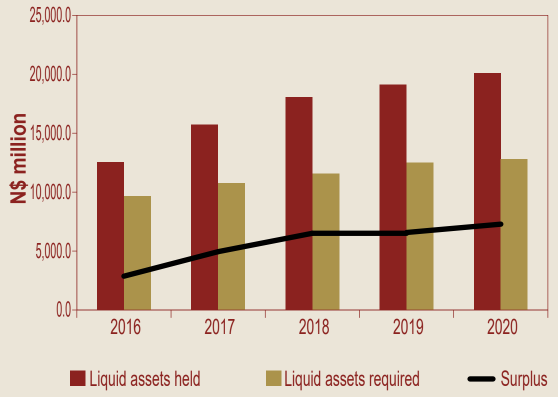
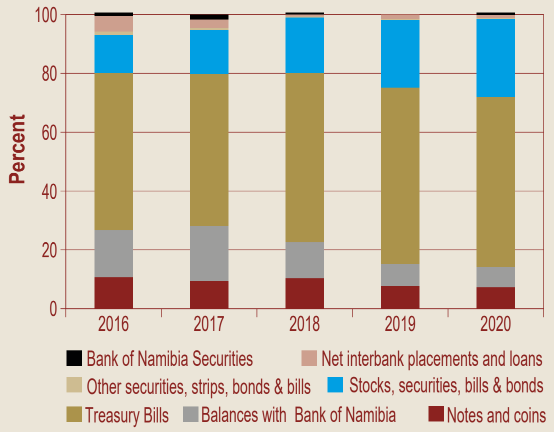


FIGURE D.9(b) COMPOSITION OF LIQUID ASSETS



The banking industry's reliance on the top ten depositors decreased year-on-year. The value of deposits from the largest depositors accounted for 22.2 percent of total funding-related liabilities in 2020, a decline from 25.7 percent reported in the previous year. This suggests an improvement in the risk of concentration in the deposit base. Top ten deposits maturing within seven days increased from N$7.4 billion in 2019 to N$12.3 billion in 2020. The share of these deposits, when expressed in terms of average total liabilities to the public, increased from 5.9 percent to 9.6 percent. The share widened because of the COVID-19 crisis, since clients opted to keep more deposits at sight, due to heightened uncertainties. Banking institutions have deposit limits per counterparty in place to manage the concentration risk to depositors.

The top ten deposits of banking institutions were primarily sourced from investment management firms and insurance companies. Investment management firms accounted for 38.3 percent in 2020, declining from 43.4 percent in 2019. The share of insurance companies also declined, from 30.3 percent to 23.4 percent.

INTEREST RATE RISK

The banking industry reported a sensitive net asset position, which suggest that interest rates are expected to increase. Assets repricing within 30 days increased marginally, from N$111.5 billion in 2019 to N$112.8 billion in 2020 due to lower credit demand. Similarly, liabilities repricing in 30 days stood at N$77.6 billion, up from the N$72.5 billion reported in 2019. As a result, the positive net repricing gap in the 30 days' time bucket decreased from N$39.9 billion to N$35.8 billion in 2020, which indicates an asset-sensitive position. This smaller gap position suggests that banks tried to gear themselves better for the low interest rate environment and were influenced by lower credit demand. The net repricing gap over 1 year stood at N$8.1 billion in 2020, an increase from N$3.7 billion in 2019 driven by increased investments in variable rate assets.

Variable interest rate liabilities maintained their dominance over the funding side of the balance sheet. The portion of variable rate liabilities of total liabilities increased marginally from 50.1 percent in 2019 to 50.8 percent in 2020. Fixed rate liabilities constituted 28.5 percent in 2020, down from 29.8 percent in 2019. Capital and reserves and non-rate-sensitive liabilities were responsible for the remaining 20.7 percent. On the asset side of the balance sheet, rate-sensitive assets held the largest share. Assets subjected to variable interest rates declined marginally from 78.6 percent recorded in 2019 to 76.9 percent in 2020, while the share of fixed rate assets increased from 13.2 percent in 2019 to 13.5 percent in 2020. Non-rate earning assets gained a share in the composition of total assets, moving from 6.3 percent in 2019 to 7.0 percent in 2020.

ON-SITE EXAMINATIONS

During 2020, the Bank carried out its supervisory function as mandated by the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended. The Bank conducted on-site examinations in line with its consolidated supervision framework to evaluate the strength of banking groups, which included DSIBs and non-DSIBs. Consolidated Supervision is a comprehensive approach to evaluate the strength of an entire group considering all the risks that may affect a bank, regardless of whether these risks are booked in the bank or in affiliated entities. The examination looks at the adequacy of risk management systems at a group level and the financial condition of the group and its impact on the bank. The assessment also focused on the capital adequacy of the banking institutions in relation to its risk profile. The assessments of the two consolidated supervision examinations identified a need to enhance risk management systems for certain key risks. The outcome of the assessments was communicated to the banking groups and corrective action plans will be submitted to ensure that recommendations are implemented within the agreed timelines.

The Bank continues to keep pace with emerging risks and challenges presented by the current challenging economic environment, which was intensified by the COVID-19 pandemic. Following the fallout of the COVID-19 pandemic, the Bank adjusted the examination plan to assess how banking institutions responded to the pandemic. The Bank carried out thematic reviews at the four DSIBs to determine the impact of the COVID-19 relief measures. The focus of the thematic review was on credit risk and the implementation of the COVID-19 measures outlined in the Determination on Policy Changes in Response to Economic and Financial Stability Challenges (BID-33) following the fallout of the COVID-19 pandemic. The conclusion of these thematic reviews may result in further guidance and policy changes, which may include a revision of BID-33 going forward. This will direct the necessary supervisory actions at an industry or individual banking institution level and improve the overall supervision of the banking sector during these uncertain times.

The Bank participated in supervisory colleges and prudential meetings with other regulators to ensure coordination, collaboration and sharing of information for effective supervision of cross-border banking groups. Supervisory colleges and prudential meetings provide a platform for interaction between the banking institutions and regulators which allows the Bank to enhance its comprehensive consolidated supervision approach.

The supervisory priorities set out high level focus areas for the year ahead. The high-level priority areas for 2021 from an on-site examination perspective will include credit risk assessments for the DSIBs as part of the ongoing focus on credit risk, given the current economic climate. Furthermore, the Bank will continue to perform risk assessments on non-DSIBs in order to focus on the high and moderate risk areas, with reference to their individual risk profiles.

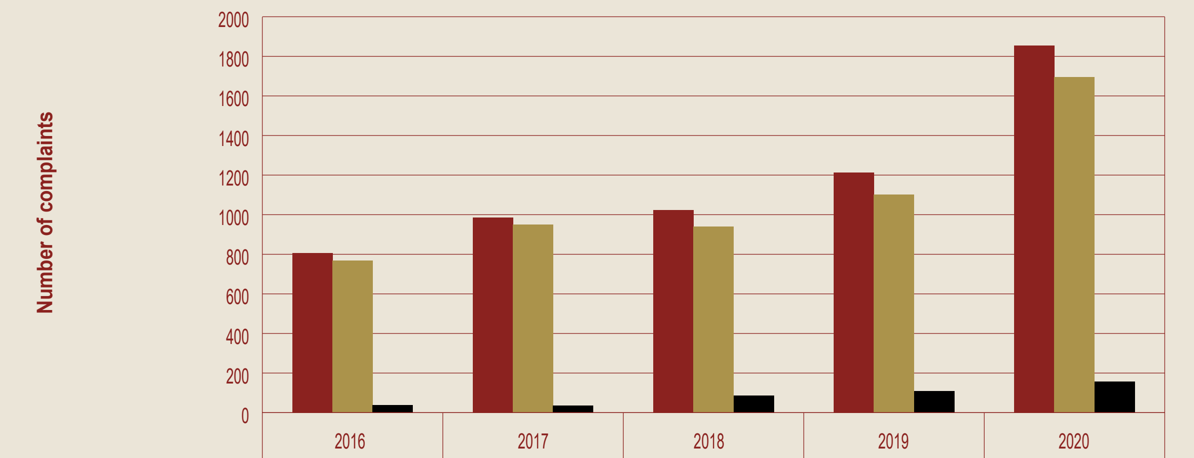
CUSTOMER COMPLAINTS

The number of complaints reported in the banking sector increased further during 2020 when compared to 2019. The banking sector witnessed a significant increase in the total number of complaints received, from 1 212 in 2019 to 1 853 in 2020. People are financially squeezed because of the economic downturn experienced as well as the additional lockdown measures and as a result lodged more complaints.

The banking sector attended to most cases successfully as seen in the uptick of resolved cases. The banking sector resolved 1 696 complaints (91.5 percent) during 2020, indicating an improved resolution rate in 2020 when compared to 1 102[41] (90.9 percent) resolved in 2019. The remaining 157 complaints (8.5 percent of the total complaints logged in 2020) remained work in progress, when compared to 110 (9.1 percent) of the complaints that remained pending in 2019 (Figure D.10). In terms of the composition of complaints, 96.4 percent of the total complaints were directly lodged at the respective banking institutions, while 3.6 percent of the complaints were lodged at the Bank for recourse. In addition to the complaints received, the Bank also attended to 166 customers' enquiries during the year.

41 Figures for 2019 were revised.

FIGURE D.10 TOTAL NUMBER OF COMPLAINTS



	2016	2017	2018	2019	2020
Total Complaints	806	986	1024	1212	1853
Closed	767	951	939	1102	1696
Pending	39	35	85	110	157

During 2020 the concerns raised within the banking industry varied with respect to the nature of the complaints received. Complaints included concerns relating to poor customer service, high fees and charges, incorrect listing of customers at the credit bureaus, credit applications, and payment holiday applications declined by the banking institutions.

The Bank's mediation between the banking institutions and the customers resulted in monetary refunds due to interest and fee reversals, and wrong credit decisions being reversed. A total of eight complaints amongst other resolved cases were resolved with monetary refunds and reversals, resulting in N$264 568 being refunded to individual customers or reversed by the banking institution to the customers' accounts. The banking institutions offered settlement for wrongful payments to third-parties, overcharged penalty interest, and administration and legal fees.

In handling customer complaints, the Bank provides a resolution platform to its regulated entities in resolving complaints amicably and ensuring that grievances of the customers are addressed. In executing this, the banks are guided by the Guidelines for Lodging Customer Complaints at the Bank of Namibia, 2013.

LICENSING OF BANKING INSTITUTIONS AND BUILDING SOCIETIES

The Bank is empowered by the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended, and the Building Societies Act (No. 2 of 1986), as amended, to authorise banking institutions and building societies, respectively, to conduct business in Namibia. The Bank received one license application from a prospective Building Society during 2020 which is currently under assessment. The number of banking institutions authorised to conduct banking business in Namibia remained at seven, with additionally one branch of a foreign bank and one representative office.

PYRAMID SCHEMES / ILLEGAL BANKING BUSINESS

The Bank assessed and found some financial models to be illegal and directed the respective promoters to cease such operations and to refund the public. The Bank has also stepped up its public awareness campaigns. In terms of section 55A of the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended, the Bank investigated several suspected pyramid and illegal financial schemes. These schemes included Elamant, WhatsApp Stokvel, Crowd 1 Network Limited and Global Green Network, which were found to be in contravention of section 55A of the Act.

In accordance with the procedures on the assessment of illegal financial schemes, which were reviewed during the course of 2020, the Bank directed the promoters of the abovementioned schemes to cease operations in Namibia and to repay money obtained from members of the public in contravention of section 55A of the Act. If these schemes and their promoters fail or refuse to repay money as directed, the Bank may, in terms of section 7(2) of the Act, apply to the High Court to have their assets sequestrated to raise funds to repay members of the public who participated in the schemes.

Illegal financial scheme operations escalated, but the Bank managed to avert the risk for the public. The Bank has noted an increase in illegal financial schemes over the past few years, which may be attributed to various socioeconomic factors, but which the Bank aims to curb through effective execution of its duties under sections 5 and 55A of the Banking Institutions Act, 1998 (Act No. 2 of 1998), as amended. Furthermore, the Bank has embarked on media awareness campaigns during the course of the year to explain its role in this regard and to educate the public on the risks of engagement in illegal financial schemes.

DEVELOPMENTS RELATING TO THE CREDIT BUREAUS

The Bank continued to strive towards ensuring effective sharing of credit information between the credit bureaus and the credit providers in Namibia, in line with the Credit Bureaus Regulations of 2014. The credit reporting industry observed a significant increase in the number of institutions that subscribed to credit bureaus. The number of institutions which submit data to credit bureaus grew by 55 credit information providers, from 357 institutions recorded in 2019 to 412 institutions in 2020, as reflected in the Table D.4 below. The Bank also witnessed the real estate sector starting to participate and sharing data with credit bureaus, in addition to the banking institutions, micro lenders, and insurance and retail sectors that make up 88 percent of the industry. The expansion of the different credit information providers across the different sectors is in line with the measurement targets of having 80 percent of the industry submit data and thereby achieving market coverage of the relevant industry players. Although these measurement targets had already been realised, the Bank continued to engage other industry players such as utility and telecommunication entities to ensure full participation of all parties in the sharing of credit information.

A decrease in the number of records submitted and rejected was witnessed during 2020. In contrast to the increase in the number of institutions that submit data, the number of records submitted to credit bureaus declined, from 1.6 million records to 1.2 million records by the end of December 2020, as reflected in Table D.4 below. The decline in records submitted and records rejected could be linked to the temporary closure of businesses during the lockdown imposed in response to the COVID-19 pandemic, which slowed economic activity countrywide.

The quality of data submitted to the credit bureaus during the year 2020 remained well within the industry benchmark. The quality of data, which is measured by the rejection rate of the data submitted, was recorded at 1.3 percent rejections for 2020. The rejection rate remained well within the industry benchmark of 5 percent. The quality of data tends to fluctuate over time as new institutions come on board, which warrants continuous refinement and validation of the data being submitted by credit information providers to credit bureaus.

TABLE D.4 CREDIT INFORMATION SUBMISSIONS LOAD

Details	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
Number of institutions	183	286	328	357	412
Number of records submitted	427 461	1 409 314	1 498 726	1 580 448	1 182 988
Percentage of records rejected	2.2%	7.9%	2.6%	0.7%	1.3%

The number of disputes lodged by consumers regarding credit bureaus increased during the year under review. The credit reporting industry recorded 29 disputes as compared to 16 disputes logged during 2019. Of the 29 disputes logged, all were resolved by the credit bureaus in favour of the consumers within 20 working days as per the Credit Bureau Regulations of 2014.

Conversely, the credit reporting industry revealed a significant decline in the total number of credit reports issued to consumers and subscribers. The credit reports issued declined from 1.1 million in 2019 to 43 608 reports for 2020. It is an indication that the credit industry's efforts to determine borrowers' creditworthiness have slowed down during the year due to the lockdown period. It remains the Bank's objective to create more platforms for educating and encouraging consumers on the right to obtain free credit reports annually from both credit bureaus, in order to understand potential clients' credit status and to challenge any inaccurate information, as provided for in the Credit Bureaus Regulations, 2014.

DEVELOPMENTS RELATING TO BANKING LEGISLATION

The Bank continued to review laws, regulations and policies, and to implement new measures to strengthen its oversight role over the regulated populous under its supervisory ambit. In line with best practices, the Bank revised both its Procedures of Assessing an Application for Authorisation to Establish a Banking Institution and the Procedures for Assessing an Application for Authorisation to Establish a Branch of a Foreign Banking Institution. The Bank continued to adopt Basel III Liquidity standards, and reforms are under way. In this regard, the Bank has made inroads in revising the Determination on Liquidity Risk Management (BID-6) as the market study on an alternative liquidity approach is ongoing.

Notable developments that took place in the banking regulatory landscape are outlined below:

PRIMARY LEGISLATIVE CHANGES

Banking Institutions Bill

The revision of the Banking Institutions Act (No. 2 of 1998) is aimed at ensuring that the regulatory framework for the regulation and supervision of banking institutions in Namibia remains effective and relevant. The Banking Institutions Bill was approved by the Cabinet Committee on Legislation and it had been expected that it would be tabled in Parliament during 2020. However, the completion of the Bill was impacted by various factors, including COVID-19, and thus the tabling of the Bill is anticipated in 2021.

SECONDARY LEGISLATIVE CHANGES

During the period under review, the Bank revised some secondary legislation in line with standards for effective, prudential regulation and supervision for banks. The following Determinations were issued by the Bank during 2020:

Determination on Policy Changes in Response to the Economic and Financial Stability Challenges, following the fallout of the COVID-19 Pandemic (BID-33)

BID-33 was implemented during April 2020 to provide banking institutions relief from the COVID-19 pandemic, and was focused on credit risk, liquidity risk and capital measures. This Determination was precipitated by the need to provide policy and regulatory changes and introduce relief measures to banking institutions following the advent of the COVID-19 pandemic. These relief measures targeted credit administration, liquidity management, capital management and concentration risk, and were implemented for a period of two years, following the gazetting of the Determination on 1 April 2020. Measures included allowances and conditions for loan repayment moratoria and the extension of the write-off period with pertinence to credit administration. The relaxation of the business-as-usual liquidity mismatch requirements for the sight to 7-day and 8 to 31-day time buckets for a period of six months aimed to alleviate immediate liquidity strain. The relaxation of the Capital Conservation Buffer for banking institutions under the Basel III Capital Adequacy rules was intended to free up capital for lending purposes. Lastly, the postponement of the implementation of the single obligor limit of 25 percent for the duration of the implementation of the BID-33 and maintaining the limit at 30 percent were also aimed at allowing economic activity to be boosted.

Determination on the Fit and Proper Test for Substantial and Prospective Substantial Shareholders of Banking Institutions and Controlling Companies (BID-23)

BID-23 allows the Bank to improve assessment of the appointment of substantial shareholders of a banking institution. On 19 June 2020, the Bank published BID-23 in the Government Gazette. This Determination sets out the framework for the assessment of the fitness and probity for shareholders to become or to remain substantial shareholders. The Determination applies to all prospective substantial shareholders applying for a banking license and potential investors seeking to acquire substantial interests in banking institutions or controlling companies and may also be applied to existing substantial shareholders of banking institutions on an ongoing basis.

Determination on the Appointment, Duties and Responsibilities of Directors, Principal Officers, and Executive Officers of Banking Institutions and Controlling Companies (BID-1)

Following the International Monetary Fund (IMF) reviews, the Bank revised the process of the appointment of Member of Boards and Executive Officers with a view to it becoming more robust. BID-1 was revised and published in the Government Gazette on 18 September 2020. The Determination sets out the principles of corporate governance related to the duties and responsibilities of directors and the executive management of a banking institution or bank controlling company, as well as the fitness and probity criteria against which appointments for these roles are assessed. BID-1 was revised to enhance its clarity and application requirements with pertinence to the fitness and probity assessments conducted.

Determination on Fees and Charges (BID-13)

Customers can seek recourse with the banking institutions on fees, charges and commissions charged following changes to legislation. BID-13 was gazetted on 13 November 2020. It aims to extend consumer protection efforts with the enforcement of disclosure of banking institution fees, charges and commission charged in relation to banking products offered and services rendered. Banking institutions are required through this Determination to enhance the transparency of fees charged, to ensure that fees and charges are made known to and are understood by customers and that customers have recourse through a customer complaints process should a dispute arise.

SUMMARY

The banking industry remained safe and sound during the year, albeit with challenges regarding asset quality. Economic conditions affected profitability, which is worth noting. Onsite examinations were geared towards the high-risk areas, amongst which credit risk was highlighted. Regulatory developments were necessary following reviews by internal standard setters and in response to market needs. The Bank continued to mediate successfully with complaints and the supervision of credit bureaus, which were key to ensuring a contribution to financial sector developments.

Table D.5 Composition of the balance sheet - N$ '000

	2016	2017	2018	2019	2020
Interbank Funding	4,708,167	4,928,891	5,859,932	5,670,078	5,021,778
Non-bank Funding:	**83,855,085**	**93,538,828**	**98,228,237**	**107,498,106**	**110,504,070**
Demand	40,200,591	43,119,820	46,710,146	50,589,762	56,319,149
Savings	3,383,305	3,390,385	3,322,830	3,514,505	3,999,447
Fixed & notice deposits	16,379,879	18,472,485	18,951,116	23,013,478	23,764,241
Negotiable Certificate of Deposits	21,171,093	23,397,628	24,850,867	25,534,926	20,468,671
Foreign Funding*	2,720,217	5,158,509	4,393,278	4,845,435	5,952,562
Loans under repurchase agreement	-	-	-	-	-
Debt Instruments issued	4,189,830	5,028,350	6,050,339	5,702,393	5,291,561
Other borrowings	1,721,937	2,802,767	2,640,763	2,741,366	2,064,795
Other liabilities	3,418,723	3,012,262	4,199,039	4,185,645	4,252,790
Capital & Reserves	12,166,369	14,376,078	15,219,709	16,407,595	16,904,999
TOTAL FUNDING	**110,060,112**	**123,687,176**	**132,198,019**	**142,205,183**	**144,039,992**
Cash and Balances	8,759,938	12,027,513	12,332,867	13,683,534	14,812,915
Short term negotiable securities	8,910,467	11,811,872	15,427,531	15,655,669	16,379,137
Interbank Loans and Advances**	-	37,325	-	-	-
Foreign currency loans and advances	726,207	478,635	183,122	201,641	260,652
Instalment debtors and leases	13,123,858	12,409,417	11,535,307	10,895,376	10,079,804
Mortgage loans	43,696,678	47,486,896	50,415,702	53,240,043	54,926,126
Other fixed term loans	9,939,039	12,534,536	15,093,974	16,744,372	16,532,403
Personal loans	4,569,454	5,448,681	5,809,918	7,344,641	7,452,032
Overdraft	10,831,391	11,299,722	11,988,932	12,662,267	13,106,631
Credit card debtors	522,564	646,978	709,985	728,822	711,111
Acknowledgement of debts discounted	-	-	198,983	235,195	134,381
Loans granted under resale agreement	43,796	15,511	-	61,075	-
Investment in Preference Shares	569,685	554,312	417,910	1,346,814	1,346,587
Other loans and advances	1,041,241	739,344	552,831	406,122	413,026
Total loans and advances	85,063,912	91,651,359	96,906,666	103,866,369	104,962,755
Less: Specific provisions	271,444	399,383	662,610	974,136	1,965,351
Less: General provisions	657,545	699,492	962,336	1,089,075	1,466,407
Less: Interest- in- suspense	159,695	269,889	437,229	579,181	798,500
Investment portfolio	4,348,061	4,201,077	5,216,581	6,494,533	7,122,100
Trading securities	2,827,188	2,314,082	3,130,939	3,658,952	3,913,952
Available for sale securities	1,500,512	1,863,565	2,056,957	2,798,750	3,202,108
Held to maturity securities	-	-	-	-	-
Unconsolidated subsidiaries, associates	20,361	23,430	28,684	36,831	6,041
Property, plant and equipment	1,848,851	2,095,836	2,109,830	2,346,961	2,647,772
Other assets	2,217,567	3,268,284	2,266,724	2,800,509	2,345,571
TOTAL ASSETS	**110,060,112**	**123,687,176**	**132,198,024**	**142,205,183**	**144,039,992**
Average Assets	**104,996,537**	**116,873,644**	**127,942,600**	**137,201,603**	**143,122,587**
Average Equity	**11,396,289**	**13,271,224**	**14,797,893**	**15,813,652**	**16,656,297**
Interest earning assets	**88,302,927**	**94,460,242**	**101,654,794**	**109,744,890**	**111,280,313**
Average interest earning assets	**84,572,813**	**91,381,585**	**98,057,518**	**105,699,842**	**110,512,602**
Gross Assets	**110,989,102**	**124,786,051**	**133,822,970**	**144,268,393**	**147,471,750**
Average Gross Assets	**105,952,129**	**117,887,576**	**129,304,510**	**139,045,681**	**145,870,071**

*Total Assets for 2019 revised following audit reviews

Table D.6 Capital adequacy - N$ '000

	2016	2017	2018	2019	2020
Common Equity Tier 1 capital	**10,320,048**	**12,478,149**	**13,918,355**	**13,304,267**	**13,972,180**
Paid up equity capital(ordinary shares) issued by the bank	23,861	728,046	808,046	23,861	23,861
Share premium resulting from the issue of Ordinary shares included included in Common Equity Tier 1 capital	2,262,554	2,322,078	2,322,077	2,462,553	2,262,554
Retained profits after deducting any interim audited loss or final dividend declared	3,705,283	4,449,877	5,017,541	11,279,103	7,742,684
Accumulated other comprehensive income and other disclosed reserves , excluding revaluation of surplus on land and building assets	4,449,763	5,129,071	5,869,213	10,325	4,333,385
Current Interim profits	-	-	-	-	361,868
Ordinary shares issued by consolidated subsidiaries of the bank and held by the third parties	-	-	-	-	
Less: Regulatory deductions	121,413	150,923	98,521	471,575	752,172
Goodwill and other intangibles	121,413	150,923	98,521	334,027	510,598
Deferred tax assets	-	-	-	89,989	176,774
Defined benefit pension fund assets and liabilities	-	-	-	47,559	64,800
Additional Tier 1 Capital	-	-	-	-	-
Total Tier 1 Capital	10,320,048	12,478,149	13,918,355	13,304,267	13,972,180
Tier 2 capital	**2,327,928**	**2,627,261**	**2,928,511**	**2,674,965**	**2,278,088**
Instruments issued by banks that meet the criteria for inclusion in Tier 2 capital*	-	-	-	761,600	607,054
Share premium (stock surplus) resulting from the issuance of instruments included in Tier 2 capital	-	-	-	-	-
Instruments issued by consolidated subsidiaries of banks	-	-	-	-	-
Subordinated-term Debt*	783,169	1,000,256	1,103,375	-	-
Current Unaudited profits*	657,702	685,199	799,180	901,779	1,057,730
General Provisions	867,475	922,225	979,972	989,240	591,014
Revaluation Reserves*	19,582	19,582	45,985	22,346	22,289
Less: Investment in unconsolidated subsidiaries	-	-	-	-	-
Total Qualifying capital	**12,647,976**	**15,105,410**	**16,846,866**	**15,979,232**	**16,250,268**
Aggregated Risk-weighted Assets	**83,507,641**	**91,102,229**	**100,791,271**	**102,214,145**	**106,690,065**
Total Risk-weighted amount for Credit Risk	73,011,286	79,067,022	87,150,482	88,750,192	93,450,440
Calibrated Risk-weighted amount for Operational Risk	9,850,340	11,152,167	11,861,507	12,465,695	12,944,917
Calibrated Risk-weighted amount for Market Risk	646,015	883,040	1,779,281	998,608	294,709
Gross Assets*	**110,867,690**	**124,625,108**	**133,720,754**	**144,984,346**	**148,806,578**

* Instruments issued by banks that meet the criteria for inclusion in Tier 2 capital is an addition under the new Basel III Capital accord (previously subordinated term debt).

* Subordinated-term debt, Current unaudited profits and Revaluation reserves will phase out over a four year period as per Basel III capital accord.

*Gross Assets calculation changed to include off-balance sheet exposures as per Basel III capital accord.

Table D.7 Analysis of overdue and non-performing loans - N$ '000

	2016	2017	2018	2019	2020
Overdue loans*	**2,493,720**	**3,741,637**	**6,773,406**	**9,116,039**	**10,506,175**
Amounts overdue: 1 to <2 months	359,286	561,831	2,123,082	2,959,769	2,110,777
Amounts overdue: 2 to < 3 months	823,363	888,123	1,393,559	1,160,120	1,684,790
Amounts overdue: 3 to < 6 months	363,027	825,003	1,084,441	1,042,062	1,687,232
Amounts overdue: 6 to <12 months	167,687	401,307	609,904	631,019	1,055,663
Amounts overdue: 12 months and above	780,356	1,065,373	1,562,420	3,323,069	3,967,714
Total Non-performing loans	**1,311,071**	**2,270,009**	**3,467,892**	**4,994,204**	**6,710,608**
Instalment sales	183,381	228,827.5	268,272	268,265	313,817
Mortgages	775,291	1,302,277.3	2,037,825	3,311,363	4,111,553
Personal loans/ Other fixed loans	70,916	112,034.0	140,768	182,120	320,588
Overdrafts	160,145	317,304.0	525,736	646,301	1,032,290
Other loans & advances	105,774	290,737.9	472,744	554,692	891,677
Credit cards	15,565	18,828.5	22,547	31,463	40,683
Realizable Security	1,009,911	1,610,865.1	2,382,495	3,369,223	4,208,465
Specific Provisions	288,106	433,454.6	662,610	974,136	1,839,634

Table D.8 Sectoral distribution of loans and advances - N$ '000

	2016	2017	2018	2019	2020
Total loans and advances	**85,063,910**	**91,651,359**	**96,906,666**	**103,866,369**	**104,962,755**
Agriculture and Forestry	3,168,669	2,383,368	5,116,113	4,266,864	4,294,058
Fishing	528,978	495,496	994,897	1,416,122	1,502,133
Mining	1,280,165	1,396,899	2,038,453	1,884,363	1,680,467
Manufacturing	1,891,542	1,429,850	2,244,615	2,816,203	2,733,819
Construction	3,477,639	2,845,316	3,975,097	3,492,510	3,170,239
Electricity , Gas and Water	758,748	1,198,279	1,477,039	2,643,425	2,357,123
Trade and Accommodation	15,804,622	8,797,065	9,532,382	6,892,056	6,060,384
Transport and Communication	1,287,591	1,056,241	1,547,058	2,262,561	1,907,790
Finance and Insurance	3,834,884	2,328,622	5,584,176	7,234,303	8,463,603
Real Estate and Business Services	10,631,763	8,861,649	12,463,469	11,229,191	11,380,460
Government Services	2,293,339	2,427,380	1,621,711	5,809,435	5,695,517
Individuals	37,886,843	56,245,697	47,806,728	47,649,781	46,483,284
Other	2,219,127	2,185,498	2,504,928	6,269,554	9,233,879

Table D.9 Composition of income statement - N$ '000

	2016	2017	2018	2019	2020
Interest Income	**9,636,017**	**10,951,772**	**11,656,782**	**12,705,368**	**10,692,829**
Balances with banks	203,797	324,054	361,829	534,855	354,296
Installment debtors , hire purchase , etc	1,355,517	1,355,904	1,247,620	1,184,155	887,826
Mortgage loans: Residential	3,380,145	3,677,013	3,832,544	4,256,462	3,613,215
Mortgage Loans: Commercial	1,086,612	1,181,567	1,247,651	1,248,493	998,435
Personal loans	624,088	746,206	907,486	984,239	971,620
Fixed term loans	968,009	1,251,986	1,356,036	1,587,031	1,355,346
Overdraft	1,122,997	1,264,730	1,272,635	1,324,901	1,113,992
Other interest related income	894,852	1,150,311	1,430,980	1,585,232	1,398,099
Interest Expenses	**4,856,556**	**5,771,638**	**6,207,392**	**6,765,912**	**5,200,262**
Demand deposits	773,669	844,915	954,574	1,195,881	956,370
Current Accounts	597,664	636,266	616,459	635,312	398,159
Savings deposits	78,653	97,200	105,585	78,944	46,084
Fixed and notice deposits	927,884	1,328,870	1,457,357	1,537,209	1,432,626
Negotiable certificates of deposits	1,769,524	1,986,816	1,979,177	2,220,380	1,526,306
Debt instruments issued	327,471	410,341	491,053	536,141	387,079
Other interest related expenses	381,691	467,230	603,186	562,045	453,636
Interest Margin	**4,779,461**	**5,180,134**	**5,449,390**	**5,939,456**	**5,492,568**
Less: Provisions	226,371	361,215	438,850	726,709	1,497,904
Total operating Income	3,515,867	3,720,234	4,168,290	4,416,057	4,540,619
Trading Income	580,268	406,319	517,021	523,035	603,321
Investment Income	132,593	168,319	183,824	227,124	202,483
Transaction-based Fee Income	2,561,890	2,786,720	3,097,543	3,325,586	3,369,563
Knowledge-based Fee Income	146,029	194,324	178,776	194,657	203,042
Other income	95,088	164,552	191,126	145,655	162,209
Total Income	**8,295,328**	**8,900,369**	**9,617,680**	**10,355,514**	**10,033,187**
Total Operating Expenses	4,395,144	4,965,781	5,476,774	5,747,584	5,950,404
Staff costs	2,271,230	2,621,600	2,859,971	3,084,773	3,070,682
Administration & Overheads	1,087,884	1,183,180	1,383,737	1,347,640	1,612,063
Depreciation and amortisation	232,308	287,049	339,122	414,010	468,142
Occupancy expenses	291,762	323,707	342,043	282,133	182,565
Other operating expenses	511,960	550,244	551,901	619,028	616,953
Net Income Before Tax	3,673,813	3,573,373	3,702,056	3,881,221	2,584,878
Taxation	1,145,423	1,105,296	1,119,283	1,144,903	761,766
Net Income After Tax	**2,528,390**	**2,468,077**	**2,582,773**	**2,736,319**	**1,823,111**

Table D.10 Selected key ratios

	2016	2017	2018	2019	2020
Capital					
Tier 1 Leverage Basel II	9.3%	10.0%	10.4%	52.3%	52.6%
Tier 1 Risk-weighted Capital Basel II	12.4%	13.7%	13.8%	76.2%	70.6%
Total Risk-weighted Capital Basel II	15.1%	16.6%	16.7%	80.5%	75.9%
Tier 1 Leverage Basel III	9.3%	10.0%	10.4%	9.2%	9.4%
Common Equity Teir 1 Basel III	12.4%	13.7%	13.8%	13.0%	13.1%
Total Eligible Capital Ratio Basel III	15.1%	16.6%	16.7%	15.6%	15.2%
Asset Quality					
Non-performing loans to Total loans	1.5%	2.5%	3.6%	4.8%	6.4%
Overdue loans to Total loans	2.9%	4.1%	7.5%	8.8%	10.1%
Total Provisions to Total loans	1.0%	1.1%	1.3%	1.3%	1.7%
Specific Provisions to Non-performing loans	20.7%	17.3%	46.9%	19.5%	29.3%
Earnings					
Return on Assets	2.3%	2.1%	2.0%	2.0%	1.3%
Return on Equity	24.1%	18.6%	18.5%	17.3%	10.9%
Net Interest Margin	5.9%	5.7%	4.3%	6.0%	5.0%
Other Operating Income: Total Assets	2.4%	3.0%	3.2%	3.1%	4.1%
Other Operating Income: Total Income	39.5%	41.8%	43.3%	42.6%	45.3%
Other Exp: Total Income	51.0%	55.8%	56.9%	55.5%	59.3%
Liquidity					
Liquid Assets / Total Assets	11.4%	12.9%	13.7%	13.4%	13.7%
Liquid Assets / Average total liabilities	13.3%	14.6%	15.6%	15.3%	15.7%
Total Loans / Total Assets	76.5%	73.5%	72.1%	71.6%	70.6%
Total Loans / Total Deposits	97.6%	93.5%	94.6%	92.9%	91.1%
Growth Rates					
Total Assets	10.1%	12.4%	6.9%	7.6%	1.3%
Total Qualifying Capital	13.3%	19.4%	10.7%	-7.0%	3.8%
Tier 1 Capital	11.3%	20.9%	11.3%	-4.4%	5.0%
Total Loans	8.8%	7.7%	5.7%	7.2%	1.1%
Total Deposits	7.8%	11.5%	5.7%	9.4%	2.8%
Overdue loans	-10.9%	50.0%	81.0%	26.1%	15.2%
Non-performing loans	8.4%	73.1%	52.8%	44.0%	34.4%
Liquid Assets	10.5%	25.5%	11.5%	5.7%	5.1%
Large Exposures	1.9%	22.6%	-24.8%	-16.3%	10.9%
Off-Balance Sheet Items	8.6%	15.3%	24.8%	-10.8%	8.0%

*Basel III Capital standards was introduced for DSIBs in 2018, whilst non-DSIBs remain on Basel II Capital Accord

Table D.11 Credit information submission load

	2016	2017	2018
Number of institutions	183	286	333
Number of records submitted	427,461	1,392,714	1,638,384
Number of enquiries	55,407	55,089	72,257

Part E:
Statistical Tables

Contents

30 YEARS OF CENTRAL BANKING EXCELLENCE
30 Years ANNIVERSARY

METHODS AND CONCEPTS

BALANCE OF PAYMENTS

Accrual accounting basis

This applies when an international transaction is recorded at the time when ownership changes hands, and not necessarily at the time when payment is made. This principle governs the time of recording for transactions; transactions are recorded when economic value is created, transformed, exchanged, transferred or extinguished.

Double-entry accounting

The basic accounting conversion for a balance of payment statement is that every recorded transaction is represented by two entries with exactly equal values. Each transaction is reflected as a credit (+) and a debit (-) entry. In conformity with business and national accounting, in the balance of payment, the term: credit is used to denote a reduction in assets or an increase in liabilities, and debit a reduction in liabilities or an increase in assets.

Balance of Payments

The balance of payments (BOP) is a statistical statement that systematically summarises transactions between residents and non-residents during a period. It consists of the goods and services account, the primary income, the secondary income, the capital account, and the financial account for a specific time period, the economic transactions of an economy with the rest of the world. Transactions, for the most part between residents and non-residents, consist of those involving goods, services, and income; those involving financial claims and liabilities to the rest of the world; and those (such as gifts) classified as transfers. It has two main accounts viz, the current account and financial account. Each transaction in the balance of payments is entered either as a credit/asset or a debit/liability. A credit/asset transaction is one that leads to the receipts of payment from non-residents. Conversely, the debit/liability leads to a payment to non-residents.

Residency

In the balance of payments, the concept of residency is based on a sectoral transactor's center of economic interest. Country boundaries recognised for political purposes may not always be appropriate for economic interest purposes. Therefore, it is necessary to recognise the economic territory of a country as the relevant geographical area to which the concept of residence is applied. An institutional unit is a resident unit when it has a center of economic interest in the territory from which the unit engages in economic activities and transactions on a significant scale, for a year or more.

Current Account

The current account balance shows flows of real resources or financial in the goods, services, primary income, secondary income and capital transfers between residents and non-residents. The current account balance shows the difference between the sum of exports and income receivable and the sum of imports and income payable (exports and imports refer to both goods and services, while income refers to both primary and secondary income).

Merchandise Trade Balance

This is the net balance of the total export and import of goods excluding transactions in services between residents and non-residents.

Goods

These are real transactions with change in the ownership of physical products and include consumer and capital goods.

Primary Income

Income covers two types of transactions between residents and non-residents: (i) those involving compensation of employees, which is paid to non-resident workers (e.g. border, seasonal and other short-term workers), and (ii) those involving investment income receipts and payments on external financial assets and liabilities. Included in the latter are receipts and payments on direct investment, portfolio investment and other investment and receipts on reserve assets. Income derived from the use of a tangible asset e.g., car rental by a non-resident is excluded from income and is classified under services such as travel.

Secondary Income

The secondary income account shows current transfers between residents and non-residents. Various types of current transfers are recorded in this account to show their role in the process of income distributions between the economies. Transfers may be made in cash or in kind.

Capital Account

The capital account shows credit and debit entries for non-produced non-financial assets and capital transfers between residents and non-residents. It records acquisitions and disposals of non-produced non-financial assets, such as land sold to embassies and sales of leases and licenses, as well as capital transfers, that use the provision of resources for capital purposes by one party without anything of economic value being supplied as a direct return to that party.

Net Lending /Net borrowing

The sum of the balances on the current and capital accounts represents the net lending (surplus) or net borrowing (deficit) by the economy with the rest of the world. This is conceptually equal to the net balance of the financial account. In other words, the financial account (net change in financial assets minus net incurrence of liabilities) measures how the net lending to or borrowing from non-residents is financed.

Financial Account

The financial account of the balance of payments consists of the transactions in foreign financial assets and liabilities of an economy. The foreign financial assets of an economy consist of holdings of monetary gold, IMF Special Drawing Rights and claims on non-residents. The foreign financial liabilities of an economy consist of claims of non-residents on residents. The primary basis for classification of the financial account is by functional category in the following order; direct, portfolio, other investment and reserve assets.

Direct Investment

Direct investment refers to a lasting interest of an entity resident in one economy (the director investor) in an entity resident in another economy (the direct investment enterprise), with an ownership of 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).

Portfolio Investment

Portfolio investment is defined as cross border transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets.

Other Investment

Other investment covers all financial instruments other than those classified as direct investment, portfolio investment or reserve assets.

Reserve Assets

Reserve assets consist of those external assets that are readily available to and controlled by monetary authority for the direct financing of payments imbalances, for indirectly regulating the magnitude of such balances through intervention in exchange markets to affect the currency exchange rate, and/or for other purposes.

Net Errors and Omissions

Theoretically, balance of payment accounts are in principle "balanced", however, practically, imbalances will arise due to imperfections in the source of data and its quality. This will usually necessitate a balancing item to measure the difference between recorded credits and or debits and omissions. This is what is referred to as net errors and omissions.

MONETARY AND FINANCIAL STATISTICS

Repo rate

The rate charged by the Bank of Namibia on advances on specific collateral to Commercial banks. The Repo rate is the cost of credit to the banking sector and therefore eventually affects the cost of credit to the general public.

Depository Corporations Survey

The Depository Corporations Survey is a consolidation of the Central Bank Survey and the Other Depository Corporations Survey.

Bond

A security that gives the holder the unconditional right to a fixed money income or an income linked to some index, and except for perpetual bonds, an unconditional right to a stated fixed sum or a sum linked to some index on a specified date or dates.

Currency in circulation

Consist of notes and coins that are of fixed nominal values and are issued by central banks and governments. Currency is the most liquid financial asset and is included in narrow and broad money aggregates.

Narrow Money Supply (M1)

Narrow Money Supply (M1) is defined to include currency in circulation and transferable deposits of resident sectors, excluding Central Government and depository corporations.

Broad Money Supply (M2)

Broad Money Supply (M2) is defined to include currency outside depository corporations, transferable and other deposits in national currency of the resident sectors, excluding deposits of the Central Government and those of the depository corporations.

Transferable Deposits

These are deposits that are exchangeable without penalty or restriction, on demand and are directly usable for making third party payments.

Other Depository Corporations (ODCs)

The ODC sub-sector consists of all resident financial corporations (except the Central Bank) and quasi-corporations that are mainly engaged in financial intermediation and that issue liabilities included in the national definition of broad money. There are currently eighteen financial intermediaries classified as ODCs in Namibia, i.e. First National Bank of Namibia, Standard Bank of Namibia, Nedbank Namibia, Bank Windhoek, Letshego Bank, Banco Atlantico, Trustco Bank Namibia, Agribank of Namibia, National Housing Enterprise, Namibia Post Office Savings Bank, Trustco Bank, Bank BIC, Stanlib Unit Trust, Ashburton, Prudential, Sanlam Unit Trust, Old Mutual Unit Trust, Capricorn Unit Trust and Investec.

Other Deposits

The other deposit category comprises all claims, other than transferable deposits, that are represented by evidence of deposit. Different forms of other deposits are e.g. savings and fixed investments. Other deposits is thus a component of broad money supply.

Other Financial Corporations (OFCs)

The OFC sub-sector at this stage consists of a sample of resident pension funds, insurance corporations and development finance institutions.

Deposit rate

The deposit rate refers to the weighted average deposit rate of the Commercial banks i.e. the rate that ODCs declare on other deposits (e.g. time deposits).

Dual-listed Companies

Refer to those companies listed and trading on two stock exchanges, such as the Johannesburg Stock Exchange as well as on the NSX.

Lending rate

The lending rate refers to the weighted average lending rate, i.e. the rate charged by ODCs to borrowers.

Local Market in terms of NSX

Only local (Namibian) companies listed on the NSX.

Market Capitalisation

Market Capitalisation is the total market value of a company's issued share capital. It is equal to the number of fully paid shares listed on the NSX multiplied by the share price.

Free-float Market Capitalisation

Free-float market capitalisation is the value of shares held by investors who are likely to be willing to trade. It is a measure of how many shares are reasonably liquid.

Market Turnover

Volume of shares traded on the NSX multiplied by the share price.

Market Volume

The number of shares traded on the NSX.

Money Market rate

The money market rate refers to the inter-bank interest rate; the rate at which ODCs extend credit to each other.

Money Market Unit Trust (MMU)

The MMU sub-sector consists of all resident unit trust companies that have money market funds. There are currently seven of those companies in Namibia: Ashburton, Stanlib Unit Trust, Prudential, Sanlam Unit Trust, Old Mutual Unit Trust, Capricorn Unit Trust and Investec.

Mortgage rate

The rate charged on a loan for the purpose of financing construction or purchasing of real estate.

Overall Market in terms of NSX

Refers to all companies, local as well as foreign, listed on the NSX.

Prime rate

The rate of interest charged by Other Depository Corporations (ODC's) for loans made to its most credit-worthy business and industrial customers; it is a benchmark rate that banks establish from time to time in computing an appropriate rate of interest for a particular loan contract.

Real Interest rate

The rate of interest adjusted to allow for inflation; the nominal interest rate less the rate of inflation for Namibia, is the real interest rate.

PUBLIC FINANCE

Social sector

The social sector is composed of the following sub-sectors:

- Education, arts and culture
- Gender equality and child welfare
- Health and social services
- Sports, Youth and National services
- Veterans Affairs
- Poverty eradication and social welfare
- Higher education, training and innovation

Public safety sector

The public safety sector is composed of the following sub-sectors:

- Home affairs and immigration
- Safety and Security
- Defense
- Justice
- Judiciary
- Anti-corruption commission
- Attorney General

Infrastructural Sector

The infrastructural sector is composed of the following sub-sectors:

- Works
- Transport
- Information and communication technology

Administration Sector

The administration sector is composed of the following sub-sectors:

- Office of the President
- Office of the Prime Minister
- National Assembly
- Auditor General
- International Relations and Cooperation
- National Council
- Labour, industrial relations and employment creation
- Urban and rural development
- Electoral commission

Economic Sector

The economic sector is composed of the following sub-sectors:

- Finance
- Mines and energy
- Environment and tourism
- Industrialisation, trade and SME development
- Agriculture, water and forestry
- Fisheries and marine resources
- Land reform
- National planning commission
- Public Enterprises

STATISTICAL TABLES

I National Accounts

II Monetary and Financial Developments

III Public Finance

IV Balance of Payments

Table I.1 AGGREGATE ECONOMIC INDICATORS

Current prices	2016	2017	2018	2019	2020
GDP (N$ mil.)	157,708	171,570	181,054	181,555	176,327
% Change	8.0	8.8	5.5	0.3	-2.9
GNI (N$ mil.)	154,608	168,461	175,577	177,109	173,343
% Change	6.1	9.0	4.2	0.9	-2.1
GDP per capita (N$)	67,849	72,431	75,013	73,835	70,404
% Change	6.0	6.8	3.6	-1.6	-4.6
GNI per capita (N$)	66,515	71,118	72,744	72,027	69,213
% Change	4.1	6.9	2.3	-1.0	-3.9
Constant 2015 prices					
GDP (N$ mil.)	146,068	144,568	146,169	145,283	133,685
% Change	0.0	-1.0	1.1	-0.6	-8.0
GNI (N$ mil.)	147,499	149,048	147,518	150,317	140,963
% Change	1.2	1.1	-1.0	1.9	-6.2
GDP per capita (N$)	62,841	61,031	60,560	59,084	53,378
% Change	-1.8	-2.9	-0.8	-2.4	-9.7
GNI per capita (N$)	63,457	62,923	61,119	61,131	56,284
% Change	-0.7	-0.8	-2.9	0.0	-7.9

Source: NSA

Table I.2 GROSS DOMESTIC PRODUCT AND GROSS NATIONAL INCOME

Current prices - N$ million	**2016**	**2017**	**2018**	**2019**	**2020**
Compensation of employees	70,128	75,529	80,159	81,011	80,350
Consumption of fixed capital	17,522	18,052	19,508	20,721	21,612
Net operating surplus	57,894	64,823	67,072	66,358	62,359
Gross domestic product at factor cost	145,545	158,404	166,740	168,090	164,321
Taxes on production and imports	12,163	13,166	14,314	13,465	12,006
Gross domestic product at market prices	157,708	171,570	181,054	181,555	176,327
Primary incomes					
- receivable from the rest of the world	3,874	3,827	4,535	4,457	3,975
- payable to rest of the world	-6,974	-6,936	-10,012	-8,904	-6,959
Gross national income at market prices	**154,608**	**168,461**	**175,577**	**177,109**	**173,343**
Current transfers					
- receivable from the rest of the world	17,563	20,997	20,541	21,570	24,863
- payable to rest of the world	-1,906	-1,867	-1,931	-2,755	-2,687
Gross national disposable income	**170,265**	**187,592**	**194,188**	**195,924**	**195,519**
Current prices - N$ per capita					
Gross domestic product at market prices	**67,849**	**72,431**	**75,013**	**73,835**	**70,404**
Gross national income at market prices	66,515	71,118	72,744	72,027	69,213
Constant 2015 prices - N$ millions					
Gross domestic product at market prices	**146,068**	**144,568**	**146,169**	**145,283**	**133,685**
- Annual percentage change	0.0	-1.0	1.1	-0.6	-8.0
Real gross national income	147,499	149,048	147,518	150,317	140,963
- Annual percentage change	1.2	1.1	-1.0	1.9	-6.2
Constant 2015 prices - N$ per capita					
Gross domestic product at market prices	62,841	61,031	60,560	59,084	53,378
- Annual percentage change	-1.8	-2.9	-0.8	-2.4	-9.7
Real gross national income	63,457	62,923	61,119	61,131	56,284
- Annual percentage change	-0.7	-0.8	-2.9	0.0	-7.9

Source: NSA

Table I.3 NATIONAL DISPOSABLE INCOME AND SAVINGS

Current prices - N$ million

	2016	2017	2018	2019	2020
Disposable income and saving					
Gross national disposable income	**170,265**	**187,592**	**194,188**	**195,924**	**195,519**
Consumption of fixed capital	17,522	18,052	19,508	20,721	21,612
Net national disposable income	**152,743**	**169,540**	**174,679**	**175,203**	**173,907**
All other sectors	119,495	133,727	132,939	133,654	130,412
General government	33,248	35,813	41,741	41,549	43,494
Final consumption expenditure	**160,731**	**165,070**	**172,269**	**173,588**	**168,059**
Private	118,170	121,141	126,267	126,966	121,518
General government	42,561	43,929	46,002	46,621	46,542
Saving, net	**-7,988**	**4,470**	**2,411**	**1,615**	**5,847**
All other sectors	1,325	12,586	6,672	6,687	8,895
General government	-9,314	-8,116	-4,261	-5,072	-3,048
Financing of capital formation					
Saving, net	-7,988	4,470	2,411	1,615	5,847
Capital transfers receivable from abroad	2,104	2,482	1,908	1,668	1,694
Capital transfers payable to foreign countries	-162	-60	-182	-174	-23
Total	**-6,047**	**6,892**	**4,138**	**3,109**	**7,519**
Capital formation					
Gross fixed capital formation	**34,421**	**30,764**	**30,544**	**27,880**	**23,720**
All other sectors	29,120	26,154	25,485	23,098	19,300
General government	5,301	4,611	5,059	4,782	4,420
Consumption of fixed capital	**-17,522**	**-18,052**	**-19,508**	**-20,721**	**-21,612**
All other sectors	-16,135	-16,559	-17,766	-18,779	-19,603
General government	-1,387	-1,493	-1,742	-1,941	-2,009
Changes in inventories	**322**	**-282**	**-3,535**	**-1,313**	**-403**
Net lending (+) / Net borrowing(–)	**-23,267**	**-5,538**	**-3,363**	**-2,738**	**5,814**
All other sectors	-7,260	7,487	7,206	7,591	12,992
General government	-16,008	-13,025	-10,569	-10,328	-7,178
Discrepancy on GDP 1)	**0**	**1**	**1**	**0**	**0**
Net lending/borrowing in external transactions 2)	**-23,268**	**-5,539**	**-3,364**	**-2,738**	**5,814**
Total	**-6,047**	**6,892**	**4,138**	**3,109**	**7,519**

Source: NSA

Table I.4 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Current prices - N$ Million

Industry	2016	2017	2018	2019	2020
Agriculture, forestry and fishing	10,598	13,170	14,066	12,835	15,931
Livestock farming	3,380	5,103	5,427	5,194	6,250
Crop farming and forestry	2,699	3,572	4,118	2,965	5,173
Fishing and fish processing on board	4,519	4,494	4,521	4,676	4,507
Mining and quarrying	14,844	14,007	16,013	17,054	17,770
Diamond mining	7,240	6,717	7,915	5,969	5,525
Uranium	1,429	1,690	2,218	3,952	4,377
Metal Ores	5,163	4,573	4,552	5,758	6,800
Other mining and quarrying	1,013	1,027	1,328	1,374	1,066
Primary industries	**25,442**	**27,177**	**30,079**	**29,889**	**33,700**
Manufacturing	18,418	20,966	22,269	22,486	19,377
Meat processing	705	1,294	1,426	1,364	985
Grain Mill products	1,704	2,308	2,240	2,338	2,550
Other food products	4,237	4,713	5,719	5,613	5,180
Beverages	2,290	2,620	2,927	2,894	2,459
Textile and wearing apparel	266	463	467	486	471
Leather and related products	298	314	312	316	265
Wood and wood products	505	582	465	470	532
Publishing and Printing	319	399	423	435	387
Chemical and related products	1,088	996	997	1,042	1,072
Rubber and Plastics products	352	347	352	348	385
Non-metallic minerals products	603	579	585	639	590
Basic non-ferrous metals	2,985	3,069	2,712	2,832	1,262
Fabricated Metals	631	514	621	653	571
Diamond processing	1,851	2,160	2,421	2,352	2,067
Other manufacturing	587	606	602	705	602
Electricity and water	5,181	5,773	6,631	6,304	6,407
Construction	4,947	3,994	3,739	3,753	3,229
Secondary industries	**28,547**	**30,733**	**32,639**	**32,542**	**29,013**
Wholesale and retail trade, repairs	16,759	18,542	17,918	18,171	17,014
Hotels and restaurants	3,151	3,245	3,480	3,758	2,545
Transport and Storage	4,977	5,236	5,585	5,575	4,510
Transport	4,044	4,067	4,344	4,213	3,254
Storage	932	1,169	1,241	1,362	1,255
Information Communication	2,348	2,622	2,459	2,578	2,789
Financial and insurance service activities	10,886	12,285	13,976	12,675	11,686
Real estate activities	8,134	9,136	9,557	10,022	10,095
Professional, scientific and techical services	1,184	1,170	1,214	1,223	1,171
Administrative and support services	1,742	1,799	1,896	1,886	1,658
Arts, Entertainment & Other Service activities	2,637	2,854	3,074	3,304	3,302
Public administration and defence	17,645	19,622	20,774	21,011	20,447
Education	14,884	16,538	17,441	18,623	19,253
Health	5,635	6,353	6,159	6,034	6,575
Private household with employed persons	1,090	1,168	1,188	1,202	1,135
Tertiary industries	**91,072**	**100,571**	**104,724**	**106,061**	**102,179**
All industries at basic prices	**145,060**	**158,482**	**167,442**	**168,492**	**164,892**
Taxes less subsidies on products	12,647	13,088	13,612	13,063	11,435
GDP at market prices	**157,708**	**171,570**	**181,054**	**181,555**	**176,327**

Source: NSA

Table I.4 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Current prices - Percentage Contribution

Industry	2016	2017	2018	2019	2020
Agriculture, forestry and fishing	6.7	7.7	7.8	7.1	9.0
Livestock farming	2.1	3.0	3.0	2.9	3.5
Crop farming and forestry	1.7	2.1	2.3	1.6	2.9
Fishing and fish processing on board	2.9	2.6	2.5	2.6	2.6
Mining and quarrying	9.4	8.2	8.8	9.4	10.1
Diamond mining	4.6	3.9	4.4	3.3	3.1
Uranium	0.9	1.0	1.2	2.2	2.5
Metal Ores	3.3	2.7	2.5	3.2	3.9
Other mining and quarrying	0.6	0.6	0.7	0.8	0.6
Primary industries	**16.1**	**15.8**	**16.6**	**16.5**	**19.1**
Manufacturing	11.7	12.2	12.3	12.4	11.0
Meat processing	0.4	0.8	0.8	0.8	0.6
Grain Mill products	1.1	1.3	1.2	1.3	1.4
Other food products	2.7	2.7	3.2	3.1	2.9
Beverages	1.5	1.5	1.6	1.6	1.4
Textile and wearing apparel	0.2	0.3	0.3	0.3	0.3
Leather and related products	0.2	0.2	0.2	0.2	0.2
Wood and wood products	0.3	0.3	0.3	0.3	0.3
Publishing and Printing	0.2	0.2	0.2	0.2	0.2
Chemical and related products	0.7	0.6	0.6	0.6	0.6
Rubber and Plastics products	0.2	0.2	0.2	0.2	0.2
Non-metallic minerals products	0.4	0.3	0.3	0.4	0.3
Basic non-ferrous metals	1.9	1.8	1.5	1.6	0.7
Fabricated Metals	0.4	0.3	0.3	0.4	0.3
Diamond processing	1.2	1.3	1.3	1.3	1.2
Other manufacturing	0.4	0.4	0.3	0.4	0.3
Electricity and water	3.3	3.4	3.7	3.5	3.6
Construction	3.1	2.3	2.1	2.1	1.8
Secondary industries	**18.1**	**17.9**	**18.0**	**17.9**	**16.5**
Wholesale and retail trade, repairs	10.6	10.8	9.9	10.0	9.6
Hotels and restaurants	2.0	1.9	1.9	2.1	1.4
Transport and Storage	3.2	3.1	3.1	3.1	2.6
Transport	2.6	2.4	2.4	2.3	1.8
Storage	0.6	0.7	0.7	0.8	0.7
Information Communication	1.5	1.5	1.4	1.4	1.6
Financial and insurance service activities	6.9	7.2	7.7	7.0	6.6
Real estate activities	5.2	5.3	5.3	5.5	5.7
Professional, scientific and techical services	0.8	0.7	0.7	0.7	0.7
Administrative and support services	1.1	1.0	1.0	1.0	0.9
Arts, Entertainment & Other Service activities	1.7	1.7	1.7	1.8	1.9
Public administration and defence	11.2	11.4	11.5	11.6	11.6
Education	9.4	9.6	9.6	10.3	10.9
Health	3.6	3.7	3.4	3.3	3.7
Private household with employed persons	0.7	0.7	0.7	0.7	0.6
Tertiary industries	**57.7**	**58.6**	**57.8**	**58.4**	**57.9**
All industries at basic prices	**92.0**	**92.4**	**92.5**	**92.8**	**93.5**
Taxes less subsidies on products	8.0	7.6	7.5	7.2	6.5
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

Table I.5 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Constant 2015 prices - N$ million

Industry	2016	2017	2018	2019	2020
Agriculture, forestry and fishing	9,917	10,206	10,614	10,275	10,878
Livestock farming	3,299	3,495	3,518	3,708	3,329
Crop farming and forestry	2,302	2,360	2,738	1,862	3,286
Fishing and fish processing on board	4,316	4,352	4,358	4,705	4,263
Mining and quarrying	11,578	13,224	15,357	13,903	11,835
Diamond mining	7,044	8,066	9,283	7,643	6,506
Uranium	1,555	1,919	2,559	2,447	2,238
Metal Ores	1,820	1,342	1,359	1,549	1,226
Other mining and quarrying	1,159	1,897	2,155	2,264	1,865
Primary industries	**21,495**	**23,429**	**25,971**	**24,178**	**22,714**
Manufacturing	18,335	18,033	17,966	18,733	15,067
Meat processing	698	675	695	781	462
Grain Mill products	1,956	2,115	2,155	2,413	2,259
Other food products	3,916	3,713	3,753	3,924	3,463
Beverages	2,622	2,513	2,639	3,103	1,971
Textile and wearing apparel	409	455	460	449	435
Leather and related products	291	287	300	294	258
Wood and wood products	476	517	458	458	500
Publishing and Printing	324	364	358	334	286
Chemical and related products	1,122	910	883	849	811
Rubber and Plastics products	372	327	350	342	356
Non-metallic minerals products	662	545	557	537	489
Basic non-ferrous metals	2,554	2,658	2,270	2,239	1,191
Fabricated Metals	669	505	532	537	480
Diamond processing	1,725	1,921	2,045	1,899	1,632
Other manufacturing	537	528	511	574	474
Electricity and water	3,107	2,590	2,884	2,715	3,215
Construction	4,748	3,652	3,262	3,083	2,721
Secondary industries	**26,190**	**24,276**	**24,112**	**24,531**	**21,002**
Wholesale and retail trade, repairs	16,883	15,297	14,526	13,387	11,827
Hotels and restaurants	2,882	2,843	2,976	3,058	2,046
Transport and Storage	4,789	4,592	4,586	4,557	3,536
Transport	3,878	3,723	3,695	3,570	2,630
Storage	912	870	891	987	906
Information Communication	2,233	2,367	2,315	2,590	3,040
Financial and insurance service activities	10,288	10,673	10,685	12,010	10,606
Real estate activities	7,609	7,807	8,015	8,248	8,474
Professional, scientific and techical services	1,137	1,105	1,093	1,031	976
Administrative and support services	1,622	1,586	1,599	1,509	1,290
Arts, Entertainment & Other Service activities	2,454	2,434	2,459	2,513	2,432
Public administration and defence	16,684	17,046	17,158	17,424	17,109
Education	13,248	13,022	13,089	13,314	13,324
Health	5,689	5,941	5,412	5,330	5,583
Private household with employed persons	1,021	1,031	1,006	980	906
Tertiary industries	**86,541**	**85,745**	**84,920**	**85,951**	**81,151**
All industries at basic prices	**134,226**	**133,450**	**135,004**	**134,660**	**124,867**
Taxes less subsidies on products	11,842	11,118	11,166	10,624	8,818
GDP at market prices	**146,068**	**144,568**	**146,169**	**145,283**	**133,685**

Source: NSA

Table I.5 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Constant 2015 prices - Annual Percentage Changes

Industry	2016	2017	2018	2019	2020
Agriculture, forestry and fishing	2.1	2.9	4.0	-3.2	5.9
Livestock farming	-2.1	5.9	0.7	5.4	-10.2
Crop farming and forestry	-7.1	2.5	16.0	-32.0	76.5
Fishing and fish processing on board	11.7	0.8	0.1	8.0	-9.4
Mining and quarrying	-10.7	14.2	16.1	-9.5	-14.9
Diamond mining	-10.9	14.5	15.1	-17.7	-14.9
Uranium	13.6	23.4	33.4	-4.4	-8.5
Metal Ores	-34.3	-26.3	1.3	14.0	-20.8
Other mining and quarrying	25.0	63.7	13.6	5.1	-17.6
Primary industries	**-5.2**	**9.0**	**10.8**	**-6.9**	**-6.1**
Manufacturing	10.0	-1.6	-0.4	4.3	-19.6
Meat processing	0.7	-3.3	2.9	12.4	-40.8
Grain Mill products	3.5	8.1	1.9	11.9	-6.4
Other food products	10.6	-5.2	1.1	4.6	-11.8
Beverages	5.0	-4.2	5.0	17.5	-36.5
Textile and wearing apparel	-1.9	11.3	0.9	-2.3	-3.1
Leather and related products	-7.6	-1.6	4.5	-2.0	-12.2
Wood and wood products	-4.8	8.6	-11.5	0.1	9.2
Publishing and Printing	-8.6	12.1	-1.6	-6.7	-14.1
Chemical and related products	-12.7	-18.9	-3.1	-3.8	-4.4
Rubber and Plastics products	-3.8	-12.1	7.0	-2.3	4.1
Non-metallic minerals products	-6.1	-17.7	2.3	-3.6	-9.0
Basic non-ferrous metals	25.7	4.1	-14.6	-1.4	-46.8
Fabricated Metals	-7.8	-24.6	5.5	1.0	-10.7
Diamond processing	119.9	11.4	6.4	-7.1	-14.1
Other manufacturing	-1.0	-1.8	-3.1	12.3	-17.5
Electricity and water	21.8	-16.6	11.3	-5.9	18.4
Construction	-41.1	-23.1	-10.7	-5.5	-11.8
Secondary industries	**-4.0**	**-7.3**	**-0.7**	**1.7**	**-14.4**
Wholesale and retail trade, repairs	3.0	-9.4	-5.0	-7.8	-11.7
Hotels and restaurants	4.3	-1.4	4.7	2.8	-33.1
Transport and Storage	5.5	-4.1	-0.1	-0.6	-22.4
Transport	7.4	-4.0	-0.7	-3.4	-26.3
Storage	-1.9	-4.6	2.5	10.8	-8.2
Information Communication	6.0	6.0	-2.2	11.9	17.4
Financial and insurance service activities	1.1	3.7	0.1	12.4	-11.7
Real estate activities	2.7	2.6	2.7	2.9	2.8
Professional, scientific and techical services	-5.1	-2.8	-1.1	-5.7	-5.3
Administrative and support services	-16.1	-2.2	0.9	-5.6	-14.5
Arts, Entertainment & Other Service activities	3.0	-0.8	1.0	2.2	-3.2
Public administration and defence	-0.1	2.2	0.7	1.5	-1.8
Education	3.4	-1.7	0.5	1.7	0.1
Health	9.8	4.4	-8.9	-1.5	4.8
Private household with employed persons	1.4	1.0	-2.5	-2.5	-7.6
Tertiary industries	**2.3**	**-0.9**	**-1.0**	**1.2**	**-5.6**
All industries at basic prices	**-0.3**	**-0.6**	**1.2**	**-0.3**	**-7.3**
Taxes less subsidies on products	3.4	-6.1	0.4	-4.9	-17.0
GDP at market prices	**0.0**	**-1.0**	**1.1**	**-0.6**	**-8.0**

Source: NSA

Table I.6 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Current prices - N$ million

Expenditure category	2016	2017	2018	2019	2020
Final consumption expenditure	160,731	165,070	172,269	173,588	168,059
Private	118,170	121,141	126,267	126,966	121,518
General government	42,561	43,929	46,002	46,621	46,542
Gross fixed capital formation	34,421	30,764	30,544	27,880	23,720
Changes in inventories	322.1	-282.2	-3535.0	-1312.8	-403.5
Gross domestic expenditure	**195,474**	**195,552**	**199,278**	**200,155**	**191,376**
Exports of goods and services	55,213	57,683	64,761	65,036	58,164
Imports of goods and services	92,979	81,665	82,985	83,636	73,212
Discrepancy	0	1	1	0	0
Gross domestic product at market prices	**157,708**	**171,570**	**181,054**	**181,555**	**176,327**

Source: NSA

Table I.6 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Percentage shares of GDP

Expenditure category	2016	2017	2018	2019	2020
Final consumption expenditure	101.9	96.2	95.1	95.6	95.3
Private	74.9	70.6	69.7	69.9	68.9
General government	27.0	25.6	25.4	25.7	26.4
Gross fixed capital formation	21.8	17.9	16.9	15.4	13.5
Changes in inventories	0.2	-0.2	-2.0	-0.7	-0.2
Gross domestic expenditure	**123.9**	**114.0**	**110.1**	**110.2**	**108.5**
Exports of goods and services	35.0	33.6	35.8	35.8	33.0
Imports of goods and services	59.0	47.6	45.8	46.1	41.5
Discrepancy	0.0	0.0	0.0	0.0	0.0
Gross domestic product at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

Table I.7 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Constant 2015 prices - N$ million

Expenditure category	2016	2017	2018	2019	2020
Final consumption expenditure	156,384	147,695	147,575	149,582	138,762
Private	116,198	108,347	108,253	109,660	99,451
General government	40,186	39,349	39,321	39,922	39,311
Gross fixed capital formation	32,705	28,216	26,532	23,377	19,654
Changes in inventories	-460	733	-3,116	-551	-766
Gross domestic expenditure	**188,628**	**176,645**	**170,991**	**172,409**	**157,650**
Exports of goods and services	51,334	52,332	60,662	54,986	45,259
Imports of goods and services	93,894	84,410	85,484	82,111	69,224
Discrepancy	0	-0	-0	-0	0
Gross domestic product at market prices	**146,068**	**144,568**	**146,169**	**145,283**	**133,685**

Source: NSA

Table I.7 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Constant 2015 prices - Annual Percentage change

Expenditure category	2016	2017	2018	2019	2020
Final consumption expenditure	11.6	-5.6	0.3	1.4	-7.2
Private	15.8	-6.8	0.4	1.3	-9.3
General government	1.1	-2.1	-0.1	1.5	-1.5
Gross fixed capital formation	-27.7	-13.7	-6.0	-11.9	-15.9
Changes in inventories	0.1	0.8	-2.7	1.8	-0.1
Gross domestic expenditure	**2.1**	**-6.4**	**-2.9**	**0.8**	**-8.6**
Exports of goods and services	-0.6	1.9	15.9	-9.4	-17.7
Imports of goods and services	3.9	-10.1	2.3	-3.9	-15.7
Discrepancy	-0.0	-0.0	0.2	-0.0	0.0
Gross domestic product at market prices	**0.0**	**-1.0**	**1.1**	**-0.6**	**-8.0**

Source: NSA

Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY

Current prices - N$ Million

Industry	2015	2016	2017	2018	2019
Agriculture	2,435	2,128	2,307	2,354	2,358
Fishing	1,139	734	1,119	1,398	1,336
Mining and quarrying	17,372	9,253	5,822	5,367	5,284
Manufacturing	4,671	4,326	4,679	4,825	4,929
Electricity and water	530	1,324	1,175	877	1,310
Construction	552	500	904	885	855
Wholesale and retail trade; hotels, restaurants	1,596	923	1,223	532	786
Transport, and communication	5,365	5,838	4,321	4,264	2,001
Finance, real estate, business services	3,973	3,578	3,830	4,071	4,472
Community, social and personal services	235	232	259	297	326
Producers of government services	7,382	5,586	5,127	5,945	6,868
Total	**45,248**	**34,421**	**30,764**	**30,816**	**30,525**
Percent of GDP	31.0	21.8	17.9	17.0	16.8

Source: NSA

Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVTY

Constant 2015 prices - N$ million

Industry	2015	2016	2017	2018	2019
Agriculture	2,435	1,939	1,969	1,800	1,660
Fishing	1,139	668	959	1,040	925
Mining and quarrying	17,372	8,991	5,680	5,418	5,537
Manufacturing	4,671	4,157	4,345	4,185	4,008
Electricity and water	530	1,259	1,072	775	1,066
Construction	552	485	863	837	807
Wholesale and retail trade; hotels, restaurants	1,596	897	1,152	472	674
Transport, and communication	5,365	5,298	3,817	3,390	1,528
Finance, real estate, professional, administrative	3,973	3,527	3,637	3,742	3,904
Arts, entertainment, other services;private households	235	216	227	229	235
Producers of government services	7,382	5,268	4,495	4,868	5,290
Total	**45,248**	**32,705**	**28,216**	**26,756**	**25,634**
Annual change, per cent	-5.1	-27.7	-13.7	-5.2	-4.2

Source: NSA

Table I.10 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

Current prices - N$ million

Type of Asset	2015	2016	2017	2018	2019
Buildings	7,957	7,180	7,744	7,965	6,542
Construction works	17,759	10,542	7,328	6,779	7,809
Transport equipment	7,252	6,358	6,197	5,482	6,545
Machinery and other equipment	11,430	9,690	8,910	9,381	8,472
Mineral exploration	851	650	585	1,209	1,157
Total	**45,248**	**34,421**	**30,764**	**30,816**	**30,525**

Source: NSA

Table I.11 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

Constant 2015 prices - N$ million

Type of Asset	2015	2016	2017	2018	2019
Buildings	7,957	6,938	7,255	7,079	5,711
Construction works	17,759	9,926	6,309	5,444	5,931
Transport equipment	7,252	6,046	5,901	4,724	5,542
Machinery and other equipment	11,430	9,168	8,164	8,319	7,311
Mineral exploration	851	627	588	1,191	1,140
Total	**45,248**	**32,705**	**28,216**	**26,756**	**25,634**

Source: NSA

Table I.12 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Current prices - N$ million

Ownership	2015	2016	2017	2018	2019
Public	10,741	9,585	9,194	9,619	8,983
Producers of government services	7,382	5,586	5,127	5,945	6,868
Public corporations and enterprises	3,359	4,000	4,068	3,674	2,115
Private	34,507	24,836	21,570	21,197	21,542
Total	**45,248**	**34,421**	**30,764**	**30,816**	**30,525**

Source: NSA

Table I.13 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Constant 2015 prices - N$ million

Ownership	2015	2016	2017	2018	2019
Public	10,741	8,964	8,086	7,818	6,918
Producers of government services	7,382	5,268	4,495	4,868	5,290
Public corporations and enterprises	3,359	3,696	3,591	2,950	1,628
Private	34,507	23,741	20,131	18,938	18,715
Total	**45,248**	**32,705**	**28,216**	**26,756**	**25,634**

Source: NSA

Table I.14 FIXED CAPITAL STOCK BY ACTIVITY
Current prices - N$ million

Industry	2015	2016	2017	2018	2019
Agriculture	9,883	10,541	10,449	10,872	11,249
Fishing	61,042	64,977	64,443	64,988	65,120
Mining and quarrying	36,801	38,048	38,499	40,155	41,800
Manufacturing	4,771	5,633	6,373	7,761	9,241
Electricity and water	14,137	15,474	17,287	18,323	20,122
Construction	2,654	2,348	2,243	2,156	2,123
Wholesale and retail trade; hotels, restaurants	10,328	10,293	10,806	10,743	11,072
Transport, and communication	30,716	35,829	38,131	43,225	43,787
Finance, real estate, professional, administrative	49,622	51,903	55,818	59,385	64,405
Arts, entertainment, other services;private households	1,347	1,461	1,594	1,765	1,929
Producers of government services	55,289	62,156	70,366	78,514	87,078
Total	**276,590**	**298,664**	**316,009**	**337,888**	**357,927**

Source: NSA

Table I.15 FIXED CAPITAL STOCK BY ACTIVITY
Constant 2015 prices - N$ million

Industry	2015	2016	2017	2018	2019
Agriculture	9,883	9,766	9,665	9,554	9,443
Fishing	61,042	62,647	61,340	59,582	58,018
Mining and quarrying	36,801	37,180	37,388	37,956	38,189
Manufacturing	4,771	5,259	5,949	6,892	7,873
Electricity and water	14,137	14,582	14,840	14,804	15,100
Construction	2,654	2,320	2,183	2,071	1,962
Wholesale and retail trade; hotels, restaurants	10,328	10,150	10,340	9,938	9,746
Transport, and communication	30,716	32,852	34,021	34,741	33,652
Finance, real estate, professional, administrative	49,622	51,283	52,988	54,746	56,613
Arts, entertainment, other services;private households	1,347	1,400	1,458	1,516	1,577
Producers of government services	55,289	58,964	61,666	64,572	67,802
Total	**276,590**	**286,404**	**291,838**	**296,372**	**299,976**

Source: NSA

Table I.16 (a) NATIONAL CONSUMER PRICE INDEX (December 2012 = 100)

	Food & non alcoholic beverages	Alcoholic Beverages & tabacco	Clothing and foodwear	Housing, water, electricity, gas & others	Furnitures, household equipment & maintenance	Health	Transport	Communications	Recreation & culture	Education	Hotels, cafes & restaurands	Miscellaneous goods & services	All items	All Items Annual percentage changes
weights	**16.45**	**12.59**	**3.05**	**28.36**	**5.47**	**2.01**	**14.28**	**3.81**	**3.55**	**3.65**	**1.39**	**5.39**	**100.0**	
2016	**130.2**	**129.6**	**107.0**	**116.7**	**117.8**	**118.3**	**112.2**	**103.2**	**119.6**	**126.1**	**127.0**	**117.5**	**119.8**	**6.7**
2017	**137.5**	**135.5**	**106.6**	**127.4**	**123.3**	**125.0**	**117.9**	**106.9**	**124.5**	**135.9**	**136.3**	**124.0**	**127.2**	**6.2**
2018														
Jan-18	140.1	138.2	104.0	131.3	123.2	131.2	122.4	106.9	124.5	149.5	138.9	129.0	130.5	3.6
Feb-18	140.4	138.9	103.4	131.1	123.8	131.3	123.1	106.9	124.8	149.5	138.9	128.8	130.7	3.5
Mar-18	140.5	139.3	101.8	131.1	124.5	131.5	123.5	107.1	125.6	149.5	139.4	128.4	130.9	3.5
Apr-18	140.9	140.5	102.1	131.1	124.5	131.6	124.1	106.7	127.9	149.5	140.1	129.0	131.3	3.6
May-18	141.6	141.5	102.5	131.5	124.6	131.8	124.7	106.8	129.1	149.5	141.3	128.9	131.8	3.8
Jun-18	141.8	141.5	102.3	131.4	125.0	131.8	126.7	106.9	129.3	149.5	140.6	129.3	132.1	4.0
Jul-18	141.5	144.2	102.2	132.4	124.2	131.7	127.5	106.7	129.9	149.5	142.4	129.2	132.8	4.5
Aug-18	141.3	143.7	101.8	132.5	124.1	131.7	128.5	105.8	130.0	149.5	143.0	129.2	132.9	4.4
Sep-18	141.8	144.9	102.6	132.6	124.4	131.9	133.2	106.1	131.0	149.5	143.2	129.0	133.9	4.8
Oct-18	142.5	145.4	103.3	132.6	124.0	132.0	134.8	108.0	130.7	149.5	144.5	130.1	134.4	5.1
Nov-18	144.8	146.9	102.5	132.6	124.7	132.2	137.3	108.3	131.1	149.5	143.5	129.4	135.4	5.6
Dec-18	145.6	146.1	103.1	132.6	124.1	132.2	134.8	108.2	131.5	149.5	143.0	130.1	135.0	5.1
An. Av	**141.9**	**142.6**	**102.6**	**131.9**	**124.3**	**131.7**	**128.4**	**107.0**	**128.8**	**149.5**	**141.6**	**129.2**	**132.6**	**4.3**
2019														
Jan-19	148.1	147.1	103.3	135.1	125.2	133.9	131.3	108.2	131.4	167.4	145.9	131.1	136.6	4.7
Feb-19	148.7	147.4	102.7	133.6	125.3	134.4	132.3	108.3	132.8	166.4	146.5	131.1	136.5	4.4
Mar-19	148.7	148.7	102.7	133.9	125.2	135.5	132.0	108.1	133.4	166.4	146.7	131.4	136.8	4.5
Apr-19	148.4	151.0	102.7	133.9	125.8	134.9	133.0	108.1	133.7	167.3	147.5	131.8	137.2	4.5
May-19	147.9	149.3	102.5	134.0	125.9	135.2	134.1	108.2	134.9	167.3	148.0	131.7	137.2	4.1
Jun-19	147.3	149.2	103.3	134.1	126.4	135.3	135.6	108.1	134.5	167.3	148.2	131.7	137.3	3.9
Jul-19	146.4	149.1	103.4	135.3	126.4	135.6	136.2	108.1	134.1	167.3	148.0	132.1	137.7	3.6
Aug-19	147.1	149.3	103.4	135.0	127.8	135.9	136.3	107.6	134.6	167.3	147.8	132.2	137.8	3.7
Sep-19	148.0	149.7	104.0	135.1	128.2	136.1	136.6	108.8	136.2	167.3	147.2	132.5	138.2	3.3
Oct-19	148.4	151.0	104.2	135.1	127.7	136.2	136.9	108.8	136.7	167.3	148.6	132.3	138.5	3.0
Nov-19	149.0	150.9	104.4	135.2	127.9	135.9	137.4	108.3	137.5	167.3	148.5	132.4	138.7	2.5
Dec-19	148.2	150.7	103.6	135.2	127.9	136.4	137.5	108.5	138.3	167.3	148.9	131.7	138.5	2.6
An. Av	**148.0**	**149.5**	**103.4**	**134.6**	**126.7**	**135.4**	**134.9**	**108.2**	**134.8**	**167.2**	**147.6**	**131.8**	**137.6**	**3.7**
2020														
Jan-20	151.4	150.9	102.5	133.5	128.8	138.0	137.8	108.9	137.0	176.9	147.4	139.4	139.4	2.1
Feb-20	152.8	151.4	101.4	133.0	130.0	138.3	138.1	109.8	138.6	179.0	150.4	139.1	139.8	2.5
Mar-20	153.0	151.7	101.5	133.5	129.1	138.6	137.8	109.3	139.5	179.0	149.8	139.3	140.0	2.4
Apr-20	154.6	151.7	101.0	133.2	128.6	138.8	132.9	109.7	140.3	179.0	150.0	139.7	139.5	1.6
May-20	154.8	152.5	101.2	133.2	130.5	139.2	133.9	110.1	142.8	179.0	149.2	139.7	140.0	2.1
Jun-20	154.3	154.6	101.5	133.3	130.0	139.9	134.4	110.6	142.3	179.0	149.5	139.9	140.3	2.1
Jul-20	155.3	155.8	99.0	133.4	129.3	139.5	134.6	110.6	142.8	179.0	149.2	139.9	140.5	2.1
Aug-20	157.2	154.8	98.1	132.9	131.1	139.7	137.9	111.1	143.0	179.0	146.4	139.8	141.1	2.4
Sep-20	157.8	155.4	98.8	133.4	131.7	139.8	138.3	111.1	142.7	179.0	150.9	139.3	141.6	2.4
Oct-20	158.9	157.5	97.9	133.4	131.6	139.6	135.2	113.0	144.2	179.0	149.8	139.4	141.6	2.3
Nov-20	159.3	157.8	97.7	133.4	132.2	139.7	135.7	112.7	143.4	179.0	149.8	139.0	141.8	2.2
Dec-20	159.5	157.1	97.4	133.4	132.8	140.2	135.7	113.1	143.7	179.0	149.0	139.1	141.8	2.4
An. Av	**155.7**	**154.3**	**99.8**	**133.3**	**130.5**	**139.3**	**136.0**	**110.8**	**141.7**	**178.8**	**149.3**	**139.5**	**140.6**	**2.2**

Source: NSA

Table 1.16 (b) NATIONAL CONSUMER PRICE INDEX (December 2012=100)

	Services			Goods		
	Index	Monthly Infl. Rate	Annual infl. rate	Index	Monthly infl. rate	Annual infl. rate
2015	**109.0**	**0.3**	**3.1**	**114.8**	**0.3**	**3.5**
2016	**115.9**	**0.5**	**6.3**	**122.8**	**0.6**	**7.0**
2017						
Jan-17	124.5	6.6	8.3	127.3	0.8	8.1
Feb-17	124.6	0.1	8.1	127.6	0.3	7.5
Mar-17	124.6	-0.0	8.1	127.9	0.2	6.3
Apr-17	124.9	0.3	8.2	128.2	0.3	5.6
May-17	125.1	0.2	8.2	128.3	0.1	4.9
Jun-17	125.1	0.0	8.2	128.6	0.2	4.5
Jul-17	125.5	0.3	8.1	128.4	-0.1	3.5
Aug-17	125.7	0.2	8.1	128.4	-0.0	3.4
Sep-17	126.1	0.3	8.4	129.0	0.4	3.6
Oct-17	126.1	0.0	8.0	129.2	0.2	3.1
Nov-16	126.2	0.0	8.0	129.8	0.4	3.1
Dec-16	126.1	-0.0	8.0	130.2	0.3	3.1
An. Av	**125.4**	**0.7**	**8.2**	**128.6**	**0.3**	**4.7**
2018						
Jan-18	129.9	3.0	4.4	131.0	0.6	2.9
Feb-18	130.0	0.1	4.4	131.3	0.2	2.9
Mar-18	130.1	0.0	4.4	131.5	0.2	2.8
Apr-18	130.2	0.1	4.3	132.1	0.5	3.1
May-18	130.3	0.0	4.2	132.9	0.6	3.6
Jun-18	130.3	0.0	4.2	133.5	0.4	3.8
Jul-18	130.8	0.4	4.3	134.4	0.6	4.6
Aug-18	130.9	0.1	4.1	134.4	0.0	4.6
Sep-18	132.0	0.9	4.7	135.3	0.7	4.9
Oct-18	132.2	0.2	4.8	136.1	0.6	5.3
Nov-18	132.2	0.0	4.8	137.7	1.2	6.1
Dec-18	132.3	0.0	4.9	137.1	-0.4	5.3
An. Av	**130.9**	**0.4**	**4.5**	**133.9**	**0.4**	**4.2**
2019						
Jan-19	135.8	2.7	4.5	137.2	0.1	4.8
Feb-19	136.0	0.1	4.6	136.9	-0.3	4.3
Mar-19	136.1	0.0	4.6	137.3	0.3	4.4
Apr-19	136.3	0.2	4.7	138.0	0.5	4.4
May-19	136.3	0.0	4.6	137.8	-0.1	3.7
Jun-19	136.4	0.1	4.7	138.0	0.2	3.4
Jul-19	136.5	0.1	4.4	138.5	0.4	3.1
Aug-19	136.6	0.1	4.4	138.7	0.1	3.2
Sep-19	136.7	0.0	3.5	139.4	0.5	3.0
Oct-19	136.7	0.0	3.4	139.8	0.3	2.7
Nov-19	136.8	0.0	3.4	140.1	0.2	1.7
Dec-19	136.8	0.0	3.4	139.9	-0.2	2.0
An. Av	**136.4**	**0.3**	**4.2**	**138.5**	**0.2**	**3.4**
2020						
Jan	137.5	0.5	1.3	140.9	0.7	2.6
Feb	137.5	-0.0	1.1	141.7	0.6	3.5
Mar	137.5	0.0	1.0	141.9	0.2	3.3
Apr	137.5	0.0	0.9	141.0	-0.6	2.2
May	138.7	0.9	1.7	141.0	-0.0	2.3
Jun	138.7	-0.0	1.6	141.5	0.4	2.5
Jul	138.7	0.1	1.6	141.9	0.3	2.4
Aug	138.7	-0.1	1.5	143.0	0.8	3.1
Sept	138.8	0.1	1.5	143.7	0.5	3.1
Oct	137.9	-0.6	0.9	144.5	0.5	3.3
Nov	137.9	0.0	0.8	144.7	0.2	3.3
Dec	138.0	0.0	0.9	144.7	-0.0	3.5
An. Av	**138.1**	**0.1**	**1.2**	**142.5**	**0.3**	**2.9**

Source: NSA

Table II.1(a) Central bank survey (end of period in N$ million)

Assets	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Net foreign assets	**25,786**	**24,164**	**22,901**	**26,252**	**25,148**	**25,986**	**31,116**	**29,816**	**29,739**	**28,383**	**25,702**	**26,122**
Claims on nonresidents	**28,479**	**26,754**	**25,595**	**28,905**	**27,759**	**28,584**	**33,745**	**32,412**	**32,440**	**31,182**	**28,426**	**28,591**
Monetary gold and SDR holdings	113	108	113	112	111	112	115	114	118	122	119	109
Foreign currency	114	72	18	29	49	80	24	43	60	69	75	79
Deposits	5,479	4,772	6,173	5,309	5,486	7,341	6,822	8,077	8,236	9,997	8,716	8,470
Securities other than shares	18,632	17,819	15,849	20,054	18,767	19,482	25,887	21,516	21,948	20,779	19,300	18,666
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Assets	4,141	3,983	3,442	3,400	3,345	1,569	896	2,661	2,077	216	216	1,267
less: Liabilities to nonresidents	**2,693**	**2,590**	**2,695**	**2,653**	**2,611**	**2,598**	**2,629**	**2,595**	**2,701**	**2,800**	**2,724**	**2,470**
Deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities othe than shares	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Liabilities	2,693	2,590	2,695	2,653	2,611	2,598	2,629	2,595	2,701	2,800	2,724	2,470
Claims on other depository corporations	**957**	**793**	**1,293**	**778**	**208**	**741**	**200**	**202**	**95**	**64**	**57**	**779**
Net claims on central government	**-6,325**	**-5,883**	**-3,168**	**-6,817**	**-4,397**	**-5,144**	**-7,596**	**-6,530**	**-5,548**	**-6,587**	**-5,053**	**-4,749**
Claims on central government	0	0	1,795	0	857	0	0	0	95	0	63	6
Securities	0	0	0	0	0	0	0	0	0	0	0	0
Other claims	**0**	**0**	**1,795**	**0**	**857**	**0**	**0**	**0**	**95**	**0**	**63**	**6**
less: Liabilities to central government	**6,325**	**5,883**	**4,964**	**6,817**	**5,254**	**5,144**	**7,596**	**6,530**	**5,643**	**6,587**	**5,116**	**4,755**
Deposits	6,325	5,883	4,964	6,817	5,254	5,144	7,596	6,530	5,643	6,587	5,116	4,755
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Claims on other sectors	**43**	**44**	**45**	**46**	**45**	**45**	**45**	**45**	**46**	**46**	**46**	**46**
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
State and local government	0	0	0	0	0	0	0	0	0	0	0	0
Public nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other resident sectors	43	44	45	46	45	45	45	45	46	46	46	46

Assets	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Net foreign assets	**27,278**	**25,767**	**22,167**	**29,860**	**27,363**	**28,192**	**29,927**	**29,283**	**28,971**	**28,916**	**25,818**	**28,114**
Claims on nonresidents	**29,660**	**28,104**	**25,517**	**32,312**	**29,857**	**30,926**	**32,549**	**32,214**	**32,102**	**31,835**	**28,541**	**30,985**
Monetary gold and SDR holdings	107	105	106	109	109	95	88	99	95	97	94	62
Foreign currency	105	34	35	43	44	52	65	80	17	42	68	68
Deposits	8,094	8,282	8,424	9,101	8,726	9,983	8,966	9,994	9,978	9,725	8,474	9,526
Securities other than shares	20,132	18,484	16,951	22,430	20,337	20,794	23,428	22,040	22,011	21,970	19,904	21,327
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Assets	1,222	1,199	1	629	640	1	1	2	2	2	1	2
less: Liabilities to nonresidents	**2,382**	**2,337**	**3,350**	**2,452**	**2,493**	**2,734**	**2,622**	**2,931**	**3,131**	**2,919**	**2,724**	**2,870**
Deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities othe than shares	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Liabilities	2,382	2,337	3,350	2,452	2,493	2,734	2,622	2,931	3,131	2,919	2,724	2,870
Claims on other depository corporations	**923**	**768**	**298**	**203**	**59**	**236**	**304**	**446**	**207**	**494**	**442**	**1,898**
Net claims on central government	**-7,626**	**-6,875**	**-3,026**	**-6,363**	**-4,730**	**-5,807**	**-6,966**	**-6,038**	**-4,862**	**-5,079**	**-3,747**	**-7,225**
Claims on central government	0	0	1,159	0	77	0	0	0	235	583	634	411
Securities	0	0	0	0	0	0	0	0	0	0	0	0
Other claims	**0**	**0**	**1,159**	**0**	**77**	**0**	**0**	**0**	**235**	**583**	**634**	**411**
less: Liabilities to central government	**7,626**	**6,875**	**4,185**	**6,363**	**4,807**	**5,807**	**6,966**	**6,038**	**5,097**	**5,662**	**4,381**	**7,636**
Deposits	7,626	6,875	4,185	6,363	4,807	5,807	6,966	6,038	5,097	5,662	4,381	7,636
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Claims on other sectors	**47**	**48**	**49**	**50**	**50**	**54**	**55**	**55**	**56**	**58**	**58**	**63**
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
State and local government	0	0	0	0	0	0	0	0	0	0	0	0
Public nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other resident sectors	47	48	49	50	50	54	55	55	56	58	58	63

Assets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Net foreign assets	**28,132**	**28,965**	**29,330**	**31,372**	**31,169**	**29,170**	**32,420**	**30,461**	**28,232**	**29,556**	**26,721**	**24,746**
Claims on nonresidents	**30,792**	**31,744**	**32,239**	**34,231**	**34,117**	**31,994**	**35,247**	**33,515**	**31,254**	**32,541**	**29,657**	**27,560**
Monetary gold and SDR holdings	58	53	56	54	49	47	47	50	49	49	36	34
Foreign currency	112	137	138	72	88	36	62	82	31	54	77	89
Deposits	9,282	9,549	11,109	11,966	12,203	11,272	10,961	12,010	11,835	11,723	11,313	10,765
Securities other than shares	21,339	22,003	20,935	22,137	21,775	20,637	24,175	21,371	19,337	20,714	18,230	16,670
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Assets	1	1	2	2	2	2	2	2	2	2	2	2
less: Liabilities to nonresidents	**2,660**	**2,778**	**2,909**	**2,859**	**2,948**	**2,824**	**2,827**	**3,053**	**3,022**	**2,985**	**2,936**	**2,815**
Deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities othe than shares	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Liabilities	2,660	2,778	2,909	2,859	2,948	2,824	2,827	3,053	3,022	2,985	2,936	2,815
Claims on other depository corporations	**2,348**	**707**	**541**	**448**	**470**	**451**	**459**	**515**	**269**	**64**	**349**	**1,811**
Net claims on central government	**-8,843**	**-7,367**	**-4,469**	**-7,996**	**-6,266**	**-6,676**	**-8,807**	**-7,075**	**-5,386**	**-6,550**	**-4,617**	**-4,513**
Claims on central government	0	0	927	0	0	0	0	0	1,536	662	1,476	1,365
Securities	0	0	0	0	0	0	0	0	0	0	0	0
Other claims	**0**	**0**	**927**	**0**	**0**	**0**	**0**	**0**	**1,536**	**662**	**1,476**	**1,365**
less: Liabilities to central government	**8,843**	**7,367**	**5,396**	**7,996**	**6,266**	**6,676**	**8,807**	**7,075**	**6,923**	**7,213**	**6,093**	**5,878**
Deposits	8,843	7,367	5,396	7,996	6,266	6,676	8,807	7,075	6,923	7,213	6,093	5,878
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Claims on other sectors	**63**	**66**	**66**	**65**	**70**	**70**	**75**	**81**	**80**	**82**	**83**	**87**
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
State and local government	0	0	0	0	0	0	0	0	0	0	0	0
Public nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other resident sectors	63	66	66	65	70	70	75	81	80	82	83	87

Assets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Net foreign assets	**28,073**	**28,285**	**27,770**	**31,199**	**30,036**	**27,230**	**32,119**	**30,181**	**28,062**	**31,099**	**27,407**	**28,257**
Claims on nonresidents	**31,025**	**31,402**	**31,349**	**34,812**	**33,531**	**30,680**	**35,464**	**33,485**	**31,444**	**34,360**	**30,448**	**31,171**
Monetary gold and SDR holdings	36	32	37	37	34	34	33	33	33	32	29	28
Foreign currency	122	68	92	111	124	139	157	173	34	41	42	45
Deposits	11,780	12,289	15,123	15,407	12,505	11,187	10,019	9,526	9,568	9,722	8,989	9,151
Securities other than shares	19,085	19,011	16,096	19,255	20,866	19,320	25,252	23,751	21,807	24,564	21,386	21,946
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Assets	2	2	2	2	2	2	2	2	2	2	2	2
less: Liabilities to nonresidents	**2,952**	**3,118**	**3,579**	**3,613**	**3,495**	**3,451**	**3,345**	**3,304**	**3,382**	**3,261**	**3,042**	**2,914**
Deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities othe than shares	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Other Foreign Liabilities	2,952	3,118	3,579	3,613	3,495	3,451	3,345	3,304	3,382	3,261	3,042	2,914
Claims on other depository corporations	**2,066**	**1,380**	**1,679**	**213**	**76**	**515**	**154**	**967**	**183**	**67**	**0**	**1,041**
Net claims on central government	**-7,655**	**-7,502**	**-4,884**	**-4,452**	**-2,586**	**-2,779**	**-7,682**	**-6,577**	**-3,885**	**-5,748**	**-3,224**	**-4,807**
Claims on central government	0	0	3,002	3,905	1,698	1,265	0	0	42	0	806	0
Securities	0	0	0	0	0	0	0	0	0	0	0	0
Other claims	**0**	**0**	**3,002**	**3,905**	**1,698**	**1,265**	**0**	**0**	**42**	**0**	**806**	**0**
less: Liabilities to central government	**7,655**	**7,502**	**7,886**	**8,358**	**4,284**	**4,044**	**7,682**	**6,577**	**3,927**	**5,748**	**4,030**	**4,807**
Deposits	7,655	7,502	7,886	8,358	4,284	4,044	7,682	6,577	3,927	5,748	4,030	4,807
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Claims on other sectors	**89**	**89**	**89**	**87**	**88**	**87**	**89**	**90**	**92**	**95**	**98**	**100**
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
State and local government	0	0	0	0	0	0	0	0	0	0	0	0
Public nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other nonfinancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Other resident sectors	89	89	89	87	88	87	89	90	92	95	98	99

Table II.1(b) Central bank survey (end of period in N$ million)

Liabilities	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Monetary base	6,371	6,110	7,681	7,059	7,412	6,581	8,613	7,592	7,625	7,062	7,728	8,761
Currency in circulation	3,977	3,929	4,005	4,093	4,091	4,056	4,048	4,186	4,173	4,228	4,440	4,658
Liabilities to other depository corporations	2,394	2,181	3,677	2,966	3,321	2,525	4,565	3,406	3,453	2,834	3,288	4,103
Reserve deposits	2,394	2,181	3,677	2,966	3,321	2,525	4,565	3,406	3,453	2,834	3,288	4,103
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Deposits included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Transferable deposits	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, excluded from broad money	7,593	6,888	6,592	6,572	6,606	9,722	8,356	6,742	6,724	6,847	6,877	7,036
Of which: Other financial corporations	6,927	6,222	5,915	5,887	5,911	8,895	7,530	5,909	5,885	5,951	5,876	6,034
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Shares and other equity	7,345	7,009	7,403	7,237	7,116	5,353	5,468	7,190	7,620	6,143	5,875	6,960
Funds contributed by owners	40	40	40	40	40	40	40	40	40	40	40	40
Retained earnings	-2,054	-2,054	-2,054	0	0	0	0	0	0	0	0	-0
General and special reserves	9,277	8,898	9,277	7,007	6,856	5,055	5,121	6,796	7,172	5,673	5,379	6,408
Valuation adjustment	0	0	0	0	0	0	0	0	0	0	0	0
Current year result	82	124	140	189	220	257	308	354	409	430	456	512
Other items (net)	943	984	699	701	718	734	731	742	785	825	830	814
Unclassified Assets	940	987	714	741	775	800	830	864	890	919	944	960
Unclassified Liabilities	-4	4	15	39	57	66	99	122	105	94	114	146

Liabilities	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Monetary base	7,419	6,725	7,354	8,712	8,753	7,656	8,038	7,310	8,603	7,647	7,188	8,256
Currency in circulation	4,095	3,932	4,126	3,998	3,955	3,946	4,047	4,244	4,197	4,119	4,361	4,521
Liabilities to other depository corporations	3,324	2,793	3,228	4,713	4,798	3,710	3,991	3,066	4,407	3,528	2,828	3,735
Reserve deposits	3,324	2,793	3,228	4,713	4,798	3,710	3,991	3,066	4,407	3,528	2,828	3,735
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Deposits included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Transferable deposits	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, excluded from broad money	7,036	6,881	6,967	7,083	7,112	7,059	6,920	6,986	6,958	6,987	7,006	6,917
Of which: Other financial corporations	6,034	5,869	5,948	6,064	6,079	6,020	5,875	5,932	5,897	5,919	5,929	5,833
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Shares and other equity	6,718	6,577	4,807	6,832	7,004	7,823	7,515	8,490	8,164	8,491	8,001	8,492
Funds contributed by owners	40	40	40	40	40	40	40	40	40	40	40	40
Retained earnings	439	439	0	0	0	0	0	0	0	0	4	4
General and special reserves	6,141	5,981	4,613	6,587	6,724	7,486	7,125	8,087	7,644	7,899	7,322	7,778
Valuation adjustment	0	0	0	0	0	0	0	0	0	0	0	0
Current year result	98	117	153	205	239	297	350	363	480	552	635	670
Other items (net)	775	519	455	520	593	678	705	751	1,074	795	835	873
Unclassified Assets	983	723	692	722	754	783	813	838	883	886	942	982
Unclassified Liabilities	209	204	237	202	161	105	108	87	-191	91	108	108

Liabilities	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Monetary base	7,596	7,199	9,943	8,002	8,241	6,838	8,021	7,252	7,066	7,043	7,121	7,081
Currency in circulation	4,095	3,953	3,980	4,082	4,132	4,014	4,048	4,214	4,048	4,149	4,413	4,518
Liabilities to other depository corporations	3,502	3,246	5,963	3,920	4,109	2,824	3,973	3,037	3,018	2,894	2,708	2,563
Reserve deposits	3,502	3,246	5,963	3,920	4,109	2,824	3,973	3,037	3,018	2,894	2,708	2,563
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Deposits included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Transferable deposits	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	0	0	0	0	0	0	0	0	0	0	0	1
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, excluded from broad money	6,989	7,125	7,114	7,060	7,304	7,201	7,230	7,203	7,211	7,211	6,930	6,932
Of which: Other financial corporations	5,898	6,025	6,006	5,945	6,181	6,069	6,091	6,055	6,048	6,039	5,952	5,946
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Shares and other equity	8,037	8,391	8,531	8,513	8,866	8,588	8,709	9,407	9,416	9,361	9,273	9,051
Funds contributed by owners	40	40	40	40	40	40	40	40	40	40	40	40
Retained earnings	666	620	-7	-7	-7	-7	-7	-7	-0	-0	-0	-0
General and special reserves	7,230	7,599	8,315	8,221	8,539	8,156	8,208	8,846	8,798	8,700	8,522	8,141
Valuation adjustment	0	0	0	0	0	0	0	0	0	0	0	0
Current year result	101	131	183	259	295	399	468	528	578	620	710	870
Other items (net)	935	553	330	691	773	715	769	835	862	868	894	971
Unclassified Assets	1,021	711	761	819	817	864	894	920	947	974	1,007	1,033
Unclassified Liabilities	87	158	431	128	44	149	125	85	85	106	113	63

Liabilities	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Monetary base	7,118	5,712	7,800	10,262	10,168	7,274	7,405	7,070	6,997	7,969	7,384	8,223
Currency in circulation	4,177	3,997	4,079	4,367	4,623	4,555	4,529	4,554	4,412	4,488	4,684	4,711
Liabilities to other depository corporations	2,941	1,714	3,721	5,895	5,545	2,719	2,876	2,516	2,585	3,482	2,700	3,512
Reserve deposits	2,941	1,714	3,721	5,895	5,545	2,719	2,876	2,516	2,585	3,482	2,700	3,512
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Deposits included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Transferable deposits	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	1	1	1	2	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares, excluded from broad money	6,948	6,970	6,585	6,420	7,040	7,557	7,291	7,394	7,395	7,394	7,561	7,781
Of which: Other financial corporations	5,955	5,970	5,586	5,444	6,060	6,578	6,411	6,508	6,510	6,473	6,630	6,849
Loans	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other f inancial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0	0	0	0	0
Of which: Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
Shares and other equity	9,521	10,070	11,090	11,123	10,871	10,721	10,497	10,464	10,689	10,379	9,774	9,437
Funds contributed by owners	40	40	40	40	40	40	40	40	40	40	40	40
Retained earnings	815	850	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
General and special reserves	8,555	9,037	10,762	10,883	10,361	10,251	9,934	9,913	10,186	9,808	9,216	8,927
Valuation adjustment	0	0	0	0	0	0	0	0	0	0	0	0
Current year result	112	143	288	199	470	430	523	511	463	531	518	469
Other items (net)	1,041	807	849	870	912	916	881	884	950	950	815	898
Unclassified Assets	1,079	832	827	829	899	931	965	996	1,030	1,064	999	1,109
Unclassified Liabilities	38	25	-22	-40	-13	16	83	112	79	114	184	211

Table II.2(a) Other depository corporations survey (end of period in N$ million)

Assets	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Net foreign assets	**2,867**	**2,953**	**5,174**	**6,649**	**8,229**	**5,666**	**5,911**	**8,894**	**8,348**	**10,429**	**10,358**	**4,942**
Claims on nonresidents	8,936	9,207	11,476	12,743	14,276	12,368	13,558	14,779	14,702	16,704	17,359	11,819
Foreign currency	112	109	108	154	146	100	101	139	116	126	111	92
Deposits	4,875	5,251	6,868	8,192	9,577	7,843	9,025	9,985	8,722	10,345	10,978	5,885
Securities othe than shares	3,260	3,169	3,789	3,537	3,567	3,548	3,586	3,678	4,881	5,241	5,423	4,949
Loans	412	403	435	430	549	436	405	517	496	531	509	516
Financial derivatives	44	33	32	21	16	13	12	24	24	147	30	57
Other	233	242	244	410	421	428	429	436	463	314	309	320
less: Liabilities to nonresidents	**6,069**	**6,254**	**6,302**	**6,094**	**6,047**	**6,702**	**7,647**	**5,885**	**6,354**	**6,275**	**7,002**	**6,878**
Deposits	2,778	2,813	2,930	2,634	2,570	3,348	3,878	2,097	2,716	2,945	3,583	3,817
Securities other than shares	1,063	1,070	1,059	1,063	1,068	1,063	1,062	1,071	1,059	1,060	1,061	709
Loans	634	727	698	598	585	559	958	985	847	650	625	569
Financial derivatives	121	126	115	118	116	116	126	115	125	142	108	128
Other	1,473	1,518	1,499	1,681	1,707	1,615	1,622	1,618	1,607	1,478	1,625	1,655
Claims on central bank	**5,179**	**4,599**	**5,854**	**5,036**	**6,334**	**6,083**	**8,446**	**8,104**	**9,214**	**7,098**	**6,845**	**9,715**
Currency	1,178	1,100	1,128	1,113	1,221	1,134	1,094	1,155	1,052	1,220	1,252	1,562
Reserve deposits	2,744	2,305	3,474	2,723	3,808	3,637	4,996	3,895	4,808	3,192	3,589	6,778
Other claims	1,256	1,194	1,252	1,200	1,304	1,311	2,357	3,053	3,354	2,686	2,004	1,375
Net claims on central government	**8,667**	**9,812**	**10,197**	**10,714**	**11,042**	**10,841**	**11,619**	**12,032**	**12,228**	**13,475**	**13,289**	**13,769**
Claims on central government	11,798	12,079	11,960	12,074	12,343	12,241	12,880	13,334	13,627	14,964	14,797	15,605
Securities other than Shares	11,798	12,079	11,960	12,074	12,343	12,241	12,880	13,334	13,627	14,964	14,797	15,605
less: Liabilities to central government	3,132	2,267	1,763	1,360	1,301	1,400	1,261	1,302	1,398	1,489	1,507	1,836
Deposits	3,132	2,267	1,763	1,360	1,301	1,400	1,261	1,302	1,398	1,489	1,507	1,836
Claims on other sectors	**91,698**	**92,697**	**91,807**	**92,083**	**92,990**	**93,563**	**93,612**	**94,107**	**95,029**	**95,337**	**95,937**	**96,490**
Other financial corporations	3,620	3,648	2,948	2,784	2,945	3,148	3,036	3,466	3,638	3,601	3,577	3,628
State and local government	471	474	380	439	404	405	374	428	421	410	410	399
Public nonfinancial corporations	2,244	2,249	2,192	2,454	2,769	2,819	2,586	2,376	2,529	2,707	2,822	2,607
Other nonfinancial corporations	35,372	35,920	35,774	35,623	35,875	35,837	35,985	36,203	36,230	36,062	36,115	38,541
Other resident sectors	49,991	50,406	50,514	50,783	50,998	51,356	51,631	51,635	52,212	52,557	53,013	51,315

Assets	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Net foreign assets	**8,594**	**6,635**	**6,295**	**4,235**	**5,124**	**6,006**	**6,135**	**6,887**	**7,622**	**9,827**	**9,259**	**9,861**
Claims on nonresidents	15,154	13,546	12,715	10,682	11,564	12,597	13,179	13,942	15,005	17,617	15,735	16,868
Foreign currency	117	123	108	137	115	134	132	176	175	151	108	141
Deposits	9,096	7,710	7,603	5,826	6,778	7,816	8,115	8,512	9,085	10,264	7,750	8,043
Securities othe than shares	4,948	4,756	3,376	2,967	2,918	2,865	3,172	3,458	3,986	5,716	6,361	6,787
Loans	522	542	1,262	1,273	1,261	1,250	1,229	1,265	1,202	1,194	1,172	1,136
Financial derivatives	140	84	25	22	23	51	37	58	85	65	97	400
Other	331	331	341	458	469	481	495	473	472	227	246	361
less: Liabilities to nonresidents	**6,560**	**6,910**	**6,420**	**6,447**	**6,440**	**6,591**	**7,043**	**7,055**	**7,384**	**7,789**	**6,476**	**7,008**
Deposits	3,426	3,557	3,288	3,224	3,514	3,741	3,657	3,570	3,961	4,015	3,344	3,936
Securities other than shares	557	561	557	554	202	203	556	561	557	554	558	555
Loans	772	997	818	782	784	820	1,022	1,079	1,052	1,369	760	561
Financial derivatives	126	119	94	83	92	113	86	132	99	106	42	337
Other	1,679	1,676	1,662	1,804	1,848	1,713	1,721	1,714	1,714	1,746	1,772	1,619
Claims on central bank	**5,936**	**5,084**	**7,467**	**8,048**	**7,112**	**6,945**	**8,901**	**6,998**	**8,249**	**7,694**	**6,450**	**6,973**
Currency	1,273	1,128	1,270	1,180	1,206	969	1,160	1,217	1,059	1,164	1,236	1,585
Reserve deposits	3,327	2,603	4,140	4,825	4,140	3,799	4,961	2,987	4,366	3,500	2,804	3,706
Other claims	1,336	1,353	2,057	2,043	1,767	2,176	2,780	2,795	2,823	3,030	2,410	1,682
Net claims on central government	**13,828**	**14,569**	**14,856**	**14,980**	**15,429**	**15,735**	**16,637**	**16,951**	**17,107**	**16,796**	**17,347**	**17,154**
Claims on central government	15,555	16,328	16,753	16,914	17,448	17,713	18,465	18,739	18,903	18,597	18,928	18,927
Securities other than Shares	15,555	16,328	16,753	16,914	17,448	17,713	18,465	18,739	18,903	18,597	18,928	18,927
less: Liabilities to central government	1,727	1,759	1,896	1,934	2,019	1,978	1,828	1,788	1,795	1,801	1,580	1,773
Deposits	1,727	1,759	1,896	1,934	2,019	1,978	1,828	1,788	1,795	1,801	1,580	1,773
Claims on other sectors	**98,349**	**99,349**	**98,412**	**99,305**	**99,117**	**99,308**	**99,811**	**101,280**	**101,848**	**102,576**	**102,663**	**103,517**
Other financial corporations	4,373	4,374	4,937	5,265	5,152	4,686	4,917	5,041	5,097	5,488	4,898	4,999
State and local government	419	402	381	412	385	374	328	443	432	442	414	420
Public nonfinancial corporations	3,036	3,069	1,638	1,953	1,740	2,005	2,049	1,892	1,724	1,628	1,669	1,775
Other nonfinancial corporations	38,610	39,274	39,084	39,133	38,979	39,407	39,326	40,432	40,737	40,951	41,113	41,379
Other resident sectors	51,911	52,231	52,372	52,542	52,860	52,836	53,192	53,472	53,858	54,067	54,569	54,945

Assets	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Net foreign assets	**10,755**	**10,887**	**9,314**	**13,023**	**13,443**	**11,034**	**12,098**	**14,014**	**11,224**	**13,670**	**14,418**	**11,695**
Claims on nonresidents	18,177	17,901	17,205	19,654	19,935	17,350	18,302	20,493	19,063	19,690	20,969	18,663
Foreign currency	128	129	167	142	115	122	115	170	182	219	115	119
Deposits	8,279	8,496	7,861	10,452	10,703	8,750	9,720	10,871	9,954	10,372	9,594	7,792
Securities othe than shares	7,340	7,215	7,245	7,551	7,718	7,075	7,087	8,124	7,649	7,841	9,778	9,148
Loans	1,121	1,129	1,149	1,074	1,076	1,017	1,018	1,053	1,000	1,000	961	965
Financial derivatives	958	579	377	401	286	346	326	243	243	215	267	379
Other	351	353	406	36	36	39	35	31	34	44	254	259
less: Liabilities to nonresidents	**7,421**	**7,014**	**7,891**	**6,631**	**6,492**	**6,316**	**6,204**	**6,480**	**7,839**	**6,020**	**6,551**	**6,968**
Deposits	4,207	3,917	4,484	4,050	4,045	3,707	3,888	3,879	5,156	3,612	3,812	4,363
Securities other than shares	557	561	557	554	558	555	557	561	557	454	457	453
Loans	472	465	859	524	465	830	606	735	753	524	774	482
Financial derivatives	558	379	307	291	260	207	193	363	327	258	196	175
Other	1,628	1,692	1,683	1,212	1,163	1,018	960	942	1,046	1,172	1,312	1,494
Claims on central bank	**6,424**	**6,056**	**8,933**	**7,300**	**7,992**	**7,763**	**7,110**	**6,491**	**5,545**	**4,599**	**4,021**	**5,617**
Currency	1,320	1,224	1,084	1,256	1,218	1,019	1,208	1,201	1,211	1,500	1,321	1,644
Reserve deposits	3,400	3,120	6,136	3,914	4,144	4,290	3,980	2,975	4,084	2,899	2,700	3,973
Other claims	1,703	1,712	1,713	2,130	2,630	2,454	1,922	2,315	250	200	0	0
Net claims on central government	**16,764**	**17,220**	**17,753**	**17,795**	**18,009**	**18,352**	**18,888**	**19,167**	**20,947**	**21,120**	**21,333**	**21,857**
Claims on central government	19,262	19,258	19,585	20,107	20,234	20,487	21,075	21,153	23,139	23,344	23,432	23,858
Securities other than Shares	19,262	19,258	19,585	20,107	20,234	20,487	21,075	21,153	23,139	23,344	23,432	23,858
less: Liabilities to central government	2,499	2,038	1,832	2,312	2,224	2,135	2,187	1,986	2,192	2,225	2,099	2,001
Deposits	2,499	2,038	1,832	2,312	2,224	2,135	2,187	1,986	2,192	2,225	2,099	2,001
Claims on other sectors	**104,087**	**104,620**	**104,422**	**105,500**	**106,715**	**106,705**	**107,106**	**107,174**	**108,496**	**109,442**	**109,550**	**110,191**
Other financial corporations	5,527	5,843	3,899	5,581	5,417	5,332	5,610	5,272	5,819	6,426	6,279	5,563
State and local government	393	418	375	399	385	399	396	340	372	415	385	383
Public nonfinancial corporations	1,376	1,002	2,836	1,069	1,141	1,401	1,431	1,362	1,441	1,289	1,196	1,121
Other nonfinancial corporations	41,932	42,135	42,170	42,842	43,877	45,043	43,318	43,459	44,233	43,872	43,816	45,132
Other resident sectors	54,859	55,223	55,141	55,609	55,895	54,529	56,351	56,741	56,632	57,440	57,875	57,993

Assets	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Net foreign assets	**12,910**	**12,075**	**10,023**	**15,117**	**16,592**	**17,058**	**16,563**	**16,692**	**15,379**	**17,839**	**15,496**	**13,035**
Claims on nonresidents	19,757	19,708	18,464	23,486	24,174	23,977	23,613	23,849	23,109	24,911	22,693	19,634
Foreign currency	146	122	198	224	235	232	216	213	195	181	176	162
Deposits	9,051	9,155	7,886	12,540	13,131	12,471	12,948	13,608	12,758	13,677	12,420	10,569
Securities othe than shares	9,147	9,237	9,041	9,299	9,583	10,161	9,466	9,007	9,172	9,963	8,820	7,592
Loans	920	925	914	761	734	670	668	687	627	626	617	551
Financial derivatives	235	205	354	652	406	346	216	235	257	343	536	633
Other	258	64	71	11	85	97	100	99	99	121	124	128
less: Liabilities to nonresidents	**6,847**	**7,633**	**8,441**	**8,369**	**7,581**	**6,919**	**7,051**	**7,157**	**7,730**	**7,072**	**7,198**	**6,598**
Deposits	4,082	4,457	4,963	4,592	4,427	4,105	4,288	4,452	4,888	4,281	4,512	4,221
Securities other than shares	451	453	475	471	452	455	451	452	454	451	452	454
Loans	575	872	510	477	579	472	475	544	715	815	759	463
Financial derivatives	215	307	887	1,144	648	560	498	429	355	297	241	288
Other	1,523	1,544	1,607	1,684	1,474	1,326	1,338	1,280	1,319	1,228	1,234	1,172
Claims on central bank	**4,430**	**3,155**	**6,304**	**6,972**	**6,441**	**4,517**	**4,636**	**4,162**	**5,078**	**4,795**	**4,288**	**5,309**
Currency	1,535	1,400	1,461	1,502	1,449	1,508	1,582	1,526	1,418	1,401	1,605	1,797
Reserve deposits	2,894	1,755	4,843	5,470	4,791	2,810	2,704	2,436	3,661	3,394	2,683	3,512
Other claims	0	0	0	0	200	200	350	200	0	-0	0	0
Net claims on central government	**22,051**	**21,701**	**21,931**	**22,221**	**23,314**	**24,853**	**25,778**	**26,660**	**27,084**	**27,464**	**27,659**	**28,501**
Claims on central government	24,040	23,650	23,977	24,404	25,502	27,031	28,095	29,203	29,462	29,781	29,976	30,811
Securities other than Shares	24,040	23,650	23,977	24,404	25,502	27,031	28,095	29,203	29,462	29,781	29,976	30,811
less: Liabilities to central government	1,989	1,949	2,046	2,183	2,188	2,179	2,317	2,543	2,378	2,317	2,317	2,311
Deposits	1,989	1,949	2,046	2,183	2,188	2,179	2,317	2,543	2,378	2,317	2,317	2,311
Claims on other sectors	**110,779**	**110,865**	**110,726**	**109,378**	**108,694**	**109,334**	**108,792**	**109,531**	**109,312**	**109,183**	**110,828**	**111,145**
Other financial corporations	5,850	6,199	5,674	5,501	5,100	5,395	5,597	5,447	5,662	4,978	5,057	4,762
State and local government	367	344	264	299	195	214	233	269	106	96	246	248
Public nonfinancial corporations	1,083	1,021	1,004	626	776	728	486	652	499	396	324	561
Other nonfinancial corporations	44,747	44,270	44,309	43,895	43,622	43,914	43,275	43,997	43,598	43,816	44,841	44,941
Other resident sectors	58,731	59,030	59,474	59,056	59,001	59,083	59,201	59,166	59,447	59,897	60,361	60,633

Table II.2(b) Other depository corporations survey (end of period in N$ million)

Liabilities	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Liabilities to central bank	**955**	**791**	**1,285**	**757**	**208**	**712**	**200**	**202**	**57**	**57**	**57**	**779**
Deposits included in broad money	**81,569**	**82,818**	**84,907**	**87,045**	**89,684**	**87,831**	**91,187**	**93,165**	**93,656**	**94,844**	**94,947**	**94,981**
Transferable deposits	36,045	36,951	38,037	39,919	40,433	37,570	40,002	41,474	41,310	42,010	42,056	41,432
Other financial corporations	5,132	4,935	4,262	4,126	4,320	4,505	4,514	4,801	4,681	5,106	4,989	6,057
State and local government	587	611	658	695	715	614	786	903	843	911	949	889
Public nonfinancial corporations	3,078	3,186	3,249	3,593	3,965	2,852	4,032	3,933	4,173	2,722	2,458	2,846
Other nonfinancial corporations	18,872	19,848	21,365	22,784	22,825	20,822	21,658	22,443	22,191	23,350	23,426	21,642
Other resident sectors	8,376	8,371	8,503	8,721	8,607	8,778	9,012	9,393	9,422	9,921	10,233	9,999
Other deposits	**45,524**	**45,868**	**46,870**	**47,126**	**49,251**	**50,261**	**51,184**	**51,691**	**52,346**	**52,834**	**52,892**	**53,549**
Other financial corporations	3,913	3,751	3,702	3,656	3,870	3,769	3,567	3,683	3,693	3,425	3,465	3,641
State and local government	350	336	275	245	291	189	209	203	216	216	220	226
Public nonfinancial corporations	2,712	2,764	2,919	2,856	2,746	2,928	2,982	3,557	3,411	3,357	3,306	3,146
Other nonfinancial corporations	11,232	11,293	11,727	12,143	12,991	13,411	14,617	14,640	15,135	15,869	16,328	16,214
Other resident sectors	27,316	27,724	28,248	28,226	29,352	29,965	29,809	29,609	29,890	29,967	29,573	30,322
Securities other than shares, included in broad money	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Deposits excluded from broad money	**1,652**	**1,915**	**2,056**	**2,118**	**2,300**	**2,168**	**2,023**	**2,186**	**3,009**	**2,213**	**2,594**	**2,193**
Securities other than shares, excluded from broad money	**21,700**	**22,140**	**22,620**	**22,716**	**23,240**	**24,754**	**25,095**	**25,502**	**25,399**	**25,610**	**25,565**	**25,439**
Of which: Other financial corporations	18,861	19,301	18,873	18,760	19,284	21,485	21,464	22,214	21,512	21,680	21,837	21,382
Loans	**6**	**6**	**6**	**6**	**6**	**6**	**6**	**3**	**3**	**3**	**3**	**3**
Financial derivatives	**54**	**61**	**31**	**26**	**17**	**11**	**13**	**28**	**24**	**147**	**26**	**48**
Shares and other equity	**15,477**	**15,737**	**15,829**	**15,821**	**15,990**	**16,295**	**16,609**	**16,932**	**16,698**	**16,812**	**16,887**	**17,313**
Funds contributed by owners	3,968	3,968	3,988	3,988	3,988	3,988	3,977	3,900	3,900	3,900	3,900	3,900
Retained earnings	7,412	7,455	7,441	7,381	7,421	7,385	7,903	7,722	7,730	7,911	7,909	7,954
General and special reserves	3,792	3,793	3,807	3,812	3,821	3,805	4,284	4,665	4,679	4,711	4,700	4,652
Valuation adjustment	-21	-14	-9	-11	-6	-3	3	6	8	1	-13	8
Current Year Result	327	535	602	651	767	1,121	441	639	382	290	391	798
Other items (net)	**-13,003**	**-13,407**	**-13,702**	**-14,007**	**-12,850**	**-15,623**	**-15,545**	**-14,881**	**-14,026**	**-13,347**	**-13,651**	**-15,840**
Consolidation adjustment	14,480	14,651	13,987	14,043	14,289	15,511	15,679	16,418	15,165	14,511	14,596	15,682
Unclassified Assets	-3,828	-4,130	-4,472	-4,635	-2,871	-5,855	-5,574	-5,003	-4,806	-5,317	-5,818	-5,989
Unclassified liabilities	5,305	5,374	4,757	4,671	4,310	5,744	5,708	6,540	5,945	6,482	6,762	5,831

Liabilities	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Liabilities to central bank	**923**	**768**	**298**	**203**	**59**	**236**	**304**	**446**	**207**	**494**	**442**	**1,900**
Deposits included in broad money	**93,502**	**92,479**	**94,993**	**94,425**	**96,103**	**97,666**	**99,134**	**100,448**	**101,327**	**104,275**	**102,343**	**101,409**
Transferable deposits	43,888	42,729	45,362	42,747	44,390	45,103	46,222	47,721	46,555	49,893	48,406	48,474
Other financial corporations	7,765	7,130	6,732	6,598	7,237	7,168	8,042	7,905	8,589	7,941	7,715	8,157
State and local government	900	945	1,033	969	921	869	900	907	944	987	846	856
Public nonfinancial corporations	3,917	3,181	3,863	3,032	3,257	2,837	3,174	3,763	3,548	4,230	3,790	2,984
Other nonfinancial corporations	20,558	20,519	22,754	21,089	22,062	23,023	22,655	23,703	21,716	24,857	23,702	24,391
Other resident sectors	10,747	10,953	10,981	11,060	10,912	11,206	11,451	11,442	11,758	11,879	12,352	12,086
Other deposits	**49,614**	**49,750**	**49,631**	**51,678**	**51,713**	**52,563**	**52,911**	**52,727**	**54,772**	**54,382**	**53,938**	**52,935**
Other financial corporations	3,602	3,860	3,731	4,058	3,735	3,997	3,997	3,693	3,506	3,387	3,462	3,306
State and local government	231	213	230	242	241	280	246	256	309	316	313	320
Public nonfinancial corporations	3,643	3,126	3,426	3,283	3,528	3,632	3,554	3,464	3,525	3,695	3,394	3,378
Other nonfinancial corporations	16,502	16,850	16,509	17,705	15,974	16,331	16,562	16,874	18,793	18,181	17,145	16,302
Other resident sectors	25,636	25,700	25,734	26,391	28,235	28,323	28,552	28,439	28,639	28,802	29,624	29,628
Securities other than shares, included in broad money	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Deposits excluded from broad money	**2,298**	**2,225**	**1,839**	**1,510**	**1,622**	**1,821**	**1,660**	**1,661**	**2,608**	**2,669**	**3,032**	**2,764**
Securities other than shares, excluded from broad money	**25,665**	**26,083**	**26,402**	**26,284**	**25,998**	**26,217**	**27,501**	**28,108**	**28,138**	**26,928**	**27,264**	**27,761**
Of which: Other financial corporations	22,077	22,238	22,657	22,608	22,382	22,672	23,350	24,005	24,086	22,971	23,216	23,783
Loans	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Financial derivatives	**131**	**89**	**22**	**17**	**28**	**46**	**32**	**71**	**81**	**64**	**132**	**392**
Shares and other equity	**18,090**	**18,209**	**18,364**	**18,474**	**19,277**	**18,926**	**18,924**	**19,258**	**19,441**	**19,995**	**19,650**	**19,957**
Funds contributed by owners	4,175	4,168	4,168	4,168	5,116	4,230	4,290	4,432	4,461	4,756	4,756	4,756
Retained earnings	8,796	8,735	8,747	8,637	8,360	8,675	8,936	9,123	9,174	9,127	9,424	9,274
General and special reserves	4,616	4,711	4,709	4,732	4,754	5,240	5,367	5,383	5,217	5,216	5,221	5,196
Valuation adjustment	14	19	23	13	5	-13	12	12	12	12	12	13
Current Year Result	488	576	718	923	1,042	794	319	309	577	883	236	719
Other items (net)	**-13,904**	**-14,215**	**-14,888**	**-14,346**	**-16,306**	**-16,919**	**-16,070**	**-17,876**	**-16,978**	**-17,534**	**-17,145**	**-16,680**
Consolidation adjustment	14,389	14,820	15,617	16,053	17,874	17,914	18,129	19,395	19,452	18,322	18,681	18,448
Unclassified Assets	-5,830	-5,762	-5,459	-4,866	-5,492	-5,418	-4,913	-5,826	-4,809	-6,156	-5,922	-5,137
Unclassified liabilities	6,314	6,367	6,188	6,573	7,060	6,413	6,972	7,345	7,283	6,944	7,458	6,905

Liabilities	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Liabilities to central bank	**2,348**	**709**	**542**	**448**	**460**	**451**	**454**	**449**	**267**	**62**	**62**	**937**
Deposits included in broad money	**100,869**	**100,791**	**101,692**	**104,033**	**106,764**	**105,024**	**105,918**	**108,779**	**110,287**	**111,744**	**113,559**	**112,463**
Transferable deposits	47,748	48,920	48,771	49,172	50,879	49,233	49,508	50,317	51,535	53,119	54,676	54,093
Other financial corporations	7,984	8,144	8,026	6,975	6,866	6,604	6,716	6,605	6,931	7,424	7,407	7,715
State and local government	849	849	865	762	785	736	760	783	739	786	800	759
Public nonfinancial corporations	3,877	4,434	4,131	4,919	4,721	4,028	4,405	4,181	3,941	4,114	4,566	4,620
Other nonfinancial corporations	23,191	23,279	23,660	24,752	26,441	25,523	25,387	26,341	27,491	28,188	28,944	28,075
Other resident sectors	11,847	12,215	12,089	11,764	12,066	12,342	12,241	12,408	12,434	12,607	12,959	12,924
Other deposits	**53,121**	**51,871**	**52,922**	**54,861**	**55,885**	**55,790**	**56,410**	**58,462**	**58,752**	**58,625**	**58,883**	**58,370**
Other financial corporations	3,358	3,562	3,544	3,889	3,961	4,495	4,886	5,165	5,600	5,518	5,701	5,300
State and local government	353	361	354	435	455	475	479	478	514	516	523	545
Public nonfinancial corporations	3,328	3,637	3,288	3,666	3,822	3,078	3,214	3,716	4,009	4,263	4,075	4,197
Other nonfinancial corporations	16,685	16,737	17,834	18,658	18,735	18,695	18,790	19,334	19,508	19,149	19,129	19,400
Other resident sectors	29,397	27,575	27,902	28,213	28,911	29,047	29,040	29,770	29,121	29,179	29,455	28,929
Securities other than shares, included in broad money	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Deposits excluded from broad money	**2,950**	**2,929**	**3,568**	**3,318**	**3,174**	**3,112**	**3,143**	**3,482**	**3,359**	**2,947**	**2,740**	**2,831**
Securities other than shares, excluded from broad money	**27,087**	**28,117**	**30,154**	**30,321**	**31,632**	**31,562**	**31,399**	**30,698**	**30,026**	**30,497**	**28,522**	**27,673**
Of which: Other financial corporations	23,112	24,139	26,125	26,361	27,893	27,816	27,659	27,052	26,182	26,647	25,057	24,209
Loans	**1**	**1**	**1**	**83**	**83**	**83**	**91**	**32**	**32**	**8**	**8**	**8**
Financial derivatives	**949**	**562**	**356**	**389**	**257**	**316**	**317**	**182**	**175**	**163**	**213**	**336**
Shares and other equity	**19,888**	**19,414**	**19,530**	**19,888**	**20,183**	**20,317**	**21,267**	**20,625**	**20,603**	**20,871**	**20,874**	**21,410**
Funds contributed by owners	4,655	4,289	4,605	4,618	4,628	4,628	4,691	4,691	4,721	4,721	4,721	5,073
Retained earnings	9,921	9,530	9,462	9,429	9,668	9,519	10,934	10,946	10,940	10,818	11,068	11,210
General and special reserves	5,087	5,019	5,092	5,122	4,974	5,174	5,175	5,213	5,196	5,206	5,197	5,184
Valuation adjustment	13	13	13	13	14	6	6	6	6	6	6	6
Current Year Result	211	562	358	705	900	991	462	-230	-261	119	-118	-63
Other items (net)	**-16,062**	**-13,740**	**-15,421**	**-14,862**	**-16,394**	**-17,010**	**-17,388**	**-17,402**	**-18,537**	**-17,462**	**-16,657**	**-16,299**
Consolidation adjustment	17,213	16,035	17,431	16,729	18,082	18,966	18,649	19,444	19,206	19,065	18,335	17,525
Unclassified Assets	-6,223	-6,053	-5,783	-6,652	-6,087	-5,525	-5,763	-5,579	-7,383	-5,698	-5,736	-6,173
Unclassified liabilities	7,374	8,348	7,793	8,519	7,776	7,482	7,024	7,621	8,053	7,300	7,413	7,398

Liabilities	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Liabilities to central bank	**1,454**	**958**	**903**	**213**	**66**	**66**	**67**	**84**	**67**	**67**	**67**	**1,041**
Deposits included in broad money	**111,985**	**111,212**	**113,776**	**118,025**	**120,242**	**120,822**	**120,876**	**121,399**	**122,853**	**124,478**	**123,326**	**122,805**
Transferable deposits	53,604	51,370	54,729	58,411	57,479	56,978	57,918	58,455	60,114	59,936	59,808	59,438
Other financial corporations	7,461	7,211	7,456	8,511	8,424	8,683	9,157	9,500	9,542	9,400	8,991	9,207
State and local government	840	827	866	888	793	693	655	634	684	882	877	888
Public nonfinancial corporations	4,607	3,718	4,533	6,190	5,770	4,812	5,198	4,785	6,129	4,709	4,237	5,654
Other nonfinancial corporations	27,937	26,827	28,465	28,453	28,431	28,765	28,565	28,935	29,226	30,248	30,839	28,682
Other resident sectors	12,760	12,788	13,408	14,370	14,062	14,025	14,342	14,601	14,532	14,695	14,865	15,007
Other deposits	**58,380**	**59,842**	**59,047**	**59,614**	**62,763**	**63,844**	**62,959**	**62,944**	**62,738**	**64,543**	**63,518**	**63,367**
Other financial corporations	5,076	4,960	4,771	4,747	5,284	5,338	5,223	4,899	4,834	4,929	4,929	4,917
State and local government	545	532	575	577	746	753	738	737	594	609	591	578
Public nonfinancial corporations	4,877	5,268	5,379	5,326	5,511	5,853	5,763	5,670	5,378	6,400	5,635	5,667
Other nonfinancial corporations	19,217	19,959	19,109	19,202	20,304	20,392	19,778	19,561	20,020	20,926	20,378	20,249
Other resident sectors	28,664	29,124	29,213	29,762	30,919	31,508	31,457	32,078	31,913	31,677	31,984	31,956
Securities other than shares, included in broad money	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Deposits excluded from broad money	**3,186**	**3,353**	**3,507**	**4,322**	**4,245**	**4,574**	**4,431**	**4,827**	**4,840**	**4,311**	**4,183**	**3,592**
Securities other than shares, excluded from broad money	**27,481**	**27,003**	**24,681**	**25,138**	**25,941**	**25,217**	**24,844**	**24,763**	**24,421**	**24,366**	**23,459**	**22,688**
Of which: Other financial corporations	24,041	23,553	21,752	22,208	23,113	22,338	22,027	21,778	21,439	21,277	20,496	19,700
Loans	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**
Financial derivatives	**165**	**115**	**198**	**511**	**332**	**237**	**173**	**183**	**201**	**274**	**493**	**567**
Shares and other equity	**21,688**	**21,765**	**21,726**	**21,971**	**21,649**	**21,869**	**21,894**	**22,013**	**21,704**	**21,953**	**22,199**	**22,490**
Funds contributed by owners	4,842	4,842	4,842	4,866	4,741	4,741	4,742	5,029	5,081	5,055	4,807	4,807
Retained earnings	11,452	11,473	11,458	11,359	10,981	11,180	10,742	10,504	10,353	10,335	10,559	10,797
General and special reserves	5,188	5,201	5,249	5,293	5,301	5,876	5,839	5,917	5,923	5,953	5,966	6,022
Valuation adjustment	6	6	6	6	6	6	6	6	6	6	6	6
Current Year Result	200	243	170	447	620	66	566	556	341	604	860	857
Other items (net)	**-15,797**	**-16,619**	**-15,816**	**-16,501**	**-17,442**	**-17,032**	**-16,526**	**-16,232**	**-17,242**	**-16,178**	**-15,465**	**-15,202**
Consolidation adjustment	17,124	17,932	17,254	17,584	19,151	18,450	17,850	17,900	18,182	17,928	16,608	16,896
Unclassified Assets	-6,199	-6,067	-5,585	-6,178	-5,640	-6,537	-6,700	-6,472	-6,732	-5,442	-6,997	-5,954
Unclassified liabilities	7,525	7,380	7,022	7,261	7,349	7,955	8,025	8,140	7,672	7,192	8,140	7,648

Table II.3 Depository corporations survey (end of period in N$ million)

Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Net foreign assets	**28,653**	**27,117**	**28,074**	**32,901**	**33,377**	**31,652**	**37,027**	**38,710**	**38,087**	**38,812**	**36,060**	**31,063**
Claims on nonresidents	37,415	35,961	37,071	41,648	42,035	40,952	47,303	47,191	47,142	47,887	45,785	40,411
less: Liabilities to nonresidents	8,762	8,845	8,997	8,747	8,658	9,300	10,276	8,481	9,055	9,075	9,726	9,347
Domestic claims	**94,083**	**96,669**	**98,880**	**96,026**	**99,681**	**99,306**	**97,681**	**99,654**	**101,755**	**102,272**	**104,219**	**105,557**
Net claims on central government	**2,342**	**3,929**	**7,029**	**3,897**	**6,645**	**5,698**	**4,023**	**5,502**	**6,680**	**6,888**	**8,237**	**9,020**
Claims on central government	11,798	12,079	13,755	12,074	13,199	12,241	12,880	13,334	13,721	14,964	14,860	15,611
less: Liabilities to central government	9,456	8,150	6,727	8,177	6,554	6,544	8,857	7,832	7,041	8,075	6,623	6,591
Claims on other sectors	**91,741**	**92,741**	**91,852**	**92,129**	**93,036**	**93,609**	**93,657**	**94,153**	**95,075**	**95,384**	**95,982**	**96,537**
Other financial corporations	3,620	3,648	2,948	2,784	2,945	3,148	3,036	3,466	3,638	3,601	3,577	3,628
State and local government	471	474	380	439	404	405	374	428	421	410	410	399
Public nonfinancial corporations	2,244	2,249	2,192	2,454	2,769	2,819	2,586	2,376	2,529	2,707	2,822	2,607
Other nonfinancial corporations	35,372	35,920	35,774	35,623	35,875	35,837	35,985	36,203	36,230	36,062	36,115	38,541
Other resident sectors	50,034	50,450	50,558	50,829	51,043	51,401	51,676	51,680	52,257	52,603	53,058	51,362
Broad money liabilities	**84,368**	**85,648**	**87,783**	**90,025**	**92,554**	**90,753**	**94,141**	**96,196**	**96,777**	**97,853**	**98,135**	**98,078**
Currency outside depository corporations	2,799	2,829	2,876	2,980	2,870	2,922	2,954	3,031	3,120	3,009	3,188	3,096
Transferable deposits	36,045	36,951	38,037	39,919	40,433	37,570	40,002	41,474	41,310	42,010	42,056	41,432
Other financial corporations	5,132	4,935	4,262	4,126	4,320	4,505	4,514	4,801	4,681	5,106	4,989	6,057
State and local government	587	611	658	695	715	614	786	903	843	911	949	889
Public nonfinancial corporations	3,078	3,186	3,249	3,593	3,965	2,852	4,032	3,933	4,173	2,722	2,458	2,846
Other nonfinancial corporations	18,872	19,848	21,365	22,784	22,825	20,822	21,658	22,443	22,191	23,350	23,426	21,642
Other resident sectors	8,376	8,371	8,503	8,721	8,607	8,778	9,012	9,393	9,422	9,921	10,233	9,999
Less: Central bank float	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	45,524	45,868	46,870	47,126	49,251	50,261	51,184	51,691	52,346	52,834	52,892	53,549
Other financial corporations	3,913	3,751	3,702	3,656	3,870	3,769	3,567	3,683	3,693	3,425	3,465	3,641
State and local government	350	336	275	245	291	189	209	203	216	216	220	226
Public nonfinancial corporations	2,712	2,764	2,919	2,856	2,746	2,928	2,982	3,557	3,411	3,357	3,306	3,146
Other nonfinancial corporations	11,232	11,293	11,727	12,143	12,991	13,411	14,617	14,640	15,135	15,869	16,328	16,214
Other resident sectors	27,316	27,724	28,248	28,226	29,352	29,965	29,809	29,609	29,890	29,967	29,573	30,322
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	1,652	1,915	2,056	2,118	2,300	2,168	2,023	2,186	3,009	2,213	2,594	2,193
Securities other than shares, excluded from broad money	29,293	29,027	29,212	29,288	29,846	34,476	33,451	32,244	32,123	32,457	32,442	32,475
Loans	6	6	6	6	6	6	6	3	3	3	3	3
Financial derivatives	54	61	31	26	17	11	13	28	24	147	26	48
Shares and other equity	22,823	22,746	23,232	23,058	23,106	21,648	22,077	24,122	24,318	22,955	22,762	24,273
Other items (net)	-15,460	-15,616	-15,366	-15,594	-14,771	-18,101	-17,004	-16,414	-16,412	-14,544	-15,684	-20,450
Consolidation adjustment	-1,608	-1,320	-1,057	-978	-1,292	-1,833	-816	-882	-1,690	-463	-1,293	-3,818
OIN	-849	-889	-607	-609	-629	-645	-642	-651	-696	-734	-740	-791
OIN	-13,003	-13,407	-13,702	-14,007	-12,850	-15,623	-15,545	-14,881	-14,026	-13,347	-13,651	-15,840

Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Net foreign assets	**35,871**	**32,402**	**28,463**	**34,096**	**32,488**	**34,198**	**36,063**	**36,170**	**36,593**	**38,743**	**35,076**	**37,975**
Claims on nonresidents	44,814	41,650	37,225	42,995	41,421	43,523	45,727	46,157	47,107	49,451	44,276	47,853
less: Liabilities to nonresidents	8,942	9,248	8,762	8,899	8,933	9,324	9,665	9,986	10,514	10,708	9,200	9,878
Domestic claims	**104,598**	**107,092**	**110,292**	**107,972**	**109,866**	**109,290**	**109,537**	**112,249**	**114,149**	**114,350**	**116,321**	**113,509**
Net claims on central government	**6,202**	**7,694**	**11,830**	**8,617**	**10,699**	**9,928**	**9,671**	**10,914**	**12,245**	**11,716**	**13,600**	**9,929**
Claims on central government	15,555	16,328	17,912	16,914	17,525	17,713	18,465	18,739	19,138	19,180	19,562	19,338
less: Liabilities to central government	9,353	8,634	6,081	8,297	6,826	7,785	8,794	7,825	6,893	7,464	5,961	9,409
Claims on other sectors	**98,396**	**99,397**	**98,461**	**99,354**	**99,167**	**99,362**	**99,867**	**101,335**	**101,904**	**102,634**	**102,721**	**103,580**
Other financial corporations	4,373	4,374	4,937	5,265	5,152	4,686	4,917	5,041	5,097	5,488	4,898	4,999
State and local government	419	402	381	412	385	374	328	443	432	442	414	420
Public nonfinancial corporations	3,036	3,069	1,638	1,953	1,740	2,005	2,049	1,892	1,724	1,628	1,669	1,775
Other nonfinancial corporations	38,610	39,274	39,084	39,133	38,979	39,407	39,326	40,432	40,737	40,951	41,113	41,379
Other resident sectors	51,958	52,279	52,421	52,592	52,910	52,890	53,247	53,528	53,913	54,125	54,627	55,007
Broad money liabilities	**96,324**	**95,284**	**97,849**	**97,243**	**98,852**	**100,643**	**102,020**	**103,475**	**104,464**	**107,231**	**105,468**	**104,345**
Currency outside depository corporations	2,823	2,805	2,856	2,818	2,749	2,976	2,887	3,027	3,137	2,955	3,125	2,936
Transferable deposits	43,888	42,729	45,362	42,747	44,390	45,103	46,222	47,721	46,555	49,893	48,406	48,474
Other financial corporations	7,765	7,130	6,732	6,598	7,237	7,168	8,042	7,905	8,589	7,941	7,715	8,157
State and local government	900	945	1,033	969	921	869	900	907	944	987	846	856
Public nonfinancial corporations	3,917	3,181	3,863	3,032	3,257	2,837	3,174	3,763	3,548	4,230	3,790	2,984
Other nonfinancial corporations	20,558	20,519	22,754	21,089	22,062	23,023	22,655	23,703	21,716	24,857	23,702	24,391
Other resident sectors	10,747	10,953	10,981	11,060	10,912	11,206	11,451	11,442	11,758	11,879	12,352	12,086
Less: Central bank float	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	49,614	49,750	49,631	51,678	51,713	52,563	52,911	52,727	54,772	54,382	53,938	52,935
Other financial corporations	3,602	3,860	3,731	4,058	3,735	3,997	3,997	3,693	3,506	3,387	3,462	3,306
State and local government	231	213	230	242	241	280	246	256	309	316	313	320
Public nonfinancial corporations	3,643	3,126	3,426	3,283	3,528	3,632	3,554	3,464	3,525	3,695	3,394	3,378
Other nonfinancial corporations	16,502	16,850	16,509	17,705	15,974	16,331	16,562	16,874	18,793	18,181	17,145	16,302
Other resident sectors	25,636	25,700	25,734	26,391	28,235	28,323	28,552	28,439	28,639	28,802	29,624	29,628
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	2,298	2,225	1,839	1,510	1,622	1,821	1,660	1,661	2,608	2,669	3,032	2,764
Securities other than shares, excluded from broad money	32,701	32,964	33,368	33,367	33,110	33,276	34,421	35,094	35,096	33,915	34,270	34,678
Loans	1	1	1	1	1	1	1	1	1	1	1	1
Financial derivatives	131	89	22	17	28	46	32	71	81	64	132	392
Shares and other equity	24,808	24,786	23,171	25,306	26,280	26,749	26,438	27,748	27,606	28,486	27,651	28,449
Other items (net)	-15,794	-15,854	-17,496	-15,377	-17,541	-19,048	-18,972	-19,631	-19,114	-19,273	-19,156	-19,147
Consolidation adjustment	-1,138	-1,143	-2,171	-528	-660	-1,468	-2,216	-1,021	-1,080	-963	-1,193	-1,601
OIN	-752	-495	-437	-502	-575	-660	-687	-733	-1,056	-777	-817	-866
OIN	-13,904	-14,215	-14,888	-14,346	-16,306	-16,919	-16,070	-17,876	-16,978	-17,534	-17,145	-16,680

Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Net foreign assets	**38,887**	**39,852**	**38,645**	**44,395**	**44,612**	**40,204**	**44,517**	**44,475**	**39,456**	**43,227**	**41,139**	**36,441**
Claims on nonresidents	48,969	49,645	49,444	53,885	54,052	49,344	53,548	54,008	50,316	52,232	50,626	46,223
less: Liabilities to nonresidents	10,081	9,792	10,799	9,490	9,440	9,140	9,031	9,533	10,860	9,005	9,488	9,782
Domestic claims	**112,070**	**114,539**	**117,771**	**115,365**	**118,528**	**118,452**	**117,261**	**119,346**	**124,136**	**124,093**	**126,348**	**127,622**
Net claims on central government	**7,920**	**9,853**	**13,284**	**9,799**	**11,744**	**11,676**	**10,081**	**12,092**	**15,560**	**14,569**	**16,715**	**17,344**
Claims on central government	19,262	19,258	20,512	20,107	20,234	20,487	21,075	21,153	24,675	24,007	24,907	25,223
less: Liabilities to central government	11,342	9,405	7,228	10,308	8,490	8,811	10,995	9,061	9,115	9,437	8,192	7,879
Claims on other sectors	**104,150**	**104,686**	**104,487**	**105,565**	**106,785**	**106,775**	**107,181**	**107,255**	**108,576**	**109,523**	**109,633**	**110,278**
Other financial corporations	5,527	5,843	3,899	5,581	5,417	5,332	5,610	5,272	5,819	6,426	6,279	5,563
State and local government	393	418	375	399	385	399	396	340	372	415	385	383
Public nonfinancial corporations	1,376	1,002	2,836	1,069	1,141	1,401	1,431	1,362	1,441	1,289	1,196	1,121
Other nonfinancial corporations	41,932	42,135	42,170	42,842	43,877	45,043	43,318	43,459	44,233	43,872	43,816	45,132
Other resident sectors	54,922	55,290	55,207	55,674	55,965	54,599	56,425	56,821	56,712	57,522	57,958	58,079
Broad money liabilities	**103,643**	**103,520**	**104,588**	**106,858**	**109,678**	**108,019**	**108,758**	**111,792**	**113,124**	**114,393**	**116,651**	**115,336**
Currency outside depository corporations	2,774	2,729	2,896	2,825	2,914	2,995	2,840	3,013	2,836	2,649	3,092	2,873
Transferable deposits	47,748	48,920	48,771	49,172	50,879	49,233	49,508	50,317	51,535	53,119	54,676	54,093
Other financial corporations	7,984	8,144	8,026	6,975	6,866	6,604	6,716	6,605	6,931	7,424	7,407	7,715
State and local government	849	849	865	762	785	736	760	783	739	786	800	759
Public nonfinancial corporations	3,877	4,434	4,131	4,919	4,721	4,028	4,405	4,181	3,941	4,114	4,566	4,620
Other nonfinancial corporations	23,191	23,279	23,660	24,752	26,441	25,523	25,387	26,341	27,491	28,188	28,944	28,075
Other resident sectors	11,847	12,215	12,089	11,764	12,066	12,342	12,241	12,408	12,434	12,607	12,959	12,924
Less: Central bank float	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	53,121	51,871	52,922	54,861	55,885	55,790	56,410	58,462	58,752	58,625	58,883	58,370
Other financial corporations	3,358	3,562	3,544	3,889	3,961	4,495	4,886	5,165	5,600	5,518	5,701	5,300
State and local government	353	361	354	435	455	475	479	478	514	516	523	545
Public nonfinancial corporations	3,328	3,637	3,288	3,666	3,822	3,078	3,214	3,716	4,009	4,263	4,075	4,197
Other nonfinancial corporations	16,685	16,737	17,834	18,658	18,735	18,695	18,790	19,334	19,508	19,149	19,129	19,400
Other resident sectors	29,397	27,575	27,902	28,213	28,911	29,047	29,040	29,770	29,121	29,179	29,455	28,929
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	2,950	2,929	3,568	3,318	3,174	3,112	3,143	3,482	3,359	2,947	2,740	2,832
Securities other than shares, excluded from broad money	34,077	35,242	37,268	37,381	38,936	38,763	38,629	37,901	37,237	37,708	35,452	34,605
Loans	1	1	1	83	83	83	91	32	32	8	8	8
Financial derivatives	949	562	356	389	257	316	317	182	175	163	213	336
Shares and other equity	27,925	27,805	28,061	28,400	29,050	28,905	29,976	30,032	30,019	30,232	30,147	30,461
Other items (net)	-18,586	-15,668	-17,425	-16,670	-18,037	-20,542	-19,137	-19,601	-20,353	-18,131	-17,724	-19,517
Consolidation adjustment	-1,601	-1,385	-1,685	-1,125	-881	-2,825	-988	-1,371	-964	192	-178	-2,283
OIN	-923	-543	-320	-683	-762	-707	-761	-827	-852	-861	-889	-934
OIN	-16,062	-13,740	-15,421	-14,862	-16,394	-17,010	-17,388	-17,402	-18,537	-17,462	-16,657	-16,299

Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Net foreign assets	**40,983**	**40,360**	**37,793**	**46,316**	**46,628**	**44,288**	**48,681**	**46,874**	**43,441**	**48,938**	**42,902**	**41,293**
Claims on nonresidents	50,782	51,110	49,813	58,298	57,704	54,658	59,077	57,334	54,553	59,271	53,142	50,805
less: Liabilities to nonresidents	9,799	10,750	12,020	11,982	11,076	10,370	10,395	10,461	11,112	10,333	10,239	9,512
Domestic claims	**125,264**	**125,153**	**127,862**	**127,233**	**129,511**	**131,495**	**126,978**	**129,705**	**132,603**	**130,994**	**135,361**	**134,939**
Net claims on central government	**14,396**	**14,200**	**17,047**	**17,768**	**20,728**	**22,074**	**18,096**	**20,083**	**23,199**	**21,715**	**24,435**	**23,694**
Claims on central government	24,040	23,650	26,979	28,309	27,200	28,297	28,095	29,203	29,504	29,781	30,782	30,811
less: Liabilities to central government	9,644	9,450	9,932	10,541	6,472	6,223	9,999	9,119	6,305	8,066	6,348	7,118
Claims on other sectors	**110,868**	**110,953**	**110,815**	**109,465**	**108,782**	**109,421**	**108,881**	**109,621**	**109,404**	**109,279**	**110,927**	**111,245**
Other financial corporations	5,850	6,199	5,674	5,501	5,100	5,395	5,597	5,447	5,662	4,978	5,057	4,762
State and local government	367	344	264	299	195	214	233	269	106	96	246	248
Public nonfinancial corporations	1,083	1,021	1,004	626	776	728	486	652	499	396	324	561
Other nonfinancial corporations	44,747	44,270	44,309	43,895	43,622	43,914	43,275	43,997	43,598	43,816	44,841	44,941
Other resident sectors	58,820	59,119	59,563	59,144	59,089	59,170	59,290	59,256	59,539	59,993	60,459	60,733
Broad money liabilities	**114,626**	**113,810**	**116,394**	**120,891**	**123,415**	**123,869**	**123,823**	**124,426**	**125,848**	**127,565**	**126,405**	**125,719**
Currency outside depository corporations	2,641	2,598	2,618	2,865	3,173	3,047	2,947	3,028	2,995	3,086	3,079	2,914
Transferable deposits	53,604	51,370	54,729	58,411	57,479	56,978	57,918	58,455	60,114	59,936	59,808	59,438
Other financial corporations	7,461	7,211	7,456	8,511	8,424	8,683	9,157	9,500	9,542	9,400	8,991	9,207
State and local government	840	827	866	888	793	693	655	634	684	882	877	888
Public nonfinancial corporations	4,607	3,718	4,533	6,190	5,770	4,812	5,198	4,785	6,129	4,709	4,237	5,654
Other nonfinancial corporations	27,937	26,827	28,465	28,453	28,431	28,765	28,565	28,935	29,226	30,248	30,839	28,682
Other resident sectors	12,760	12,788	13,408	14,370	14,062	14,025	14,342	14,601	14,532	14,695	14,865	15,007
Less: Central bank float	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	58,380	59,842	59,047	59,614	62,763	63,844	62,959	62,944	62,738	64,543	63,518	63,367
Other financial corporations	5,076	4,960	4,771	4,747	5,284	5,338	5,223	4,899	4,834	4,929	4,929	4,917
State and local government	545	532	575	577	746	753	738	737	594	609	591	578
Public nonfinancial corporations	4,877	5,268	5,379	5,326	5,511	5,853	5,763	5,670	5,378	6,400	5,635	5,667
Other nonfinancial corporations	19,217	19,959	19,109	19,202	20,304	20,392	19,778	19,561	20,020	20,926	20,378	20,249
Other resident sectors	28,664	29,124	29,213	29,762	30,919	31,508	31,457	32,078	31,913	31,677	31,984	31,956
Securities other than shares, included in broad money	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	3,186	3,354	3,508	4,324	4,245	4,574	4,431	4,827	4,840	4,311	4,183	3,592
Securities other than shares, excluded from broad money	34,429	33,973	31,266	31,558	32,981	32,775	32,136	32,157	31,817	31,761	31,021	30,468
Loans	9	9	9	9	9	9	9	9	9	9	9	9
Financial derivatives	165	115	198	511	332	237	173	183	201	274	493	567
Shares and other equity	31,209	31,835	32,816	33,094	32,520	32,590	32,391	32,477	32,393	32,332	31,973	31,927
Other items (net)	-17,377	-17,582	-18,536	-16,836	-17,363	-18,270	-17,304	-17,500	-19,063	-16,319	-15,820	-16,052
Consolidation adjustment	-544	-161	-1,880	527	973	-341	84	-403	-893	787	433	1
OIN	-1,036	-802	-840	-862	-894	-897	-862	-866	-929	-928	-789	-851
OIN	-15,797	-16,619	-15,816	-16,501	-17,442	-17,032	-16,526	-16,232	-17,242	-16,178	-15,465	-15,202

Table II.4 Other depository corporations' claims on private sectors (end of period in N$ million)

Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Loans	**89,244**	**90,129**	**89,346**	**89,612**	**90,586**	**90,903**	**91,098**	**91,625**	**92,285**	**92,700**	**93,395**	**94,433**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	27	27	28	28	27	27	27	27	28	25	27	27
Other financial corporations	1,312	1,254	587	423	527	585	657	911	863	930	949	1,091
Central government	6	6	5	4	5	6	7	5	5	4	4	408
State and local government	471	474	380	439	404	405	374	428	415	404	404	393
Public non-financial corporations	1,790	1,794	1,737	1,995	2,315	2,362	2,127	2,007	2,159	2,340	2,493	2,277
Other non-financial corporations (Businesses)	**35,255**	**35,793**	**35,674**	**35,521**	**35,773**	**35,739**	**35,883**	**36,105**	**36,124**	**35,940**	**36,015**	**38,445**
Loans and Advances	29,769	30,403	30,324	30,219	30,497	30,545	30,650	30,878	30,940	30,764	30,879	33,673
Farm mortgage loans	22	20	20	20	20	20	19	19	20	20	20	577
Other mortgage loans	10,564	10,597	10,692	10,654	10,779	10,740	11,087	11,056	11,021	11,291	11,264	12,079
Dwellings	1,440	1,446	1,450	1,434	1,492	1,434	1,651	1,585	1,573	1,846	1,833	2,713
Other	9,124	9,150	9,242	9,221	9,288	9,307	9,436	9,471	9,448	9,446	9,431	9,366
Overdrafts	8,171	8,570	8,485	8,592	8,617	8,785	8,554	8,658	8,665	8,106	8,182	8,971
Other loans and advances	11,012	11,216	11,127	10,953	11,081	10,999	10,990	11,146	11,234	11,347	11,413	12,046
Instalment and leasing	5,486	5,390	5,350	5,302	5,275	5,194	5,233	5,227	5,183	5,176	5,136	4,772
Other resident sectors (Individuals)	**49,971**	**50,379**	**50,500**	**50,772**	**50,987**	**51,343**	**51,617**	**51,626**	**52,196**	**52,525**	**52,994**	**51,275**
Loans and Advances	42,616	43,039	43,220	43,510	43,711	44,108	44,365	44,376	45,012	45,306	45,778	43,715
Farm mortgage loans	1,555	1,419	1,494	1,495	1,504	1,478	1,504	1,499	1,499	1,464	1,519	1,988
Other mortgage loans	32,107	32,346	32,462	32,681	32,812	33,135	33,304	33,236	33,811	34,037	34,340	32,900
Dwellings	32,088	32,327	32,441	32,662	32,795	33,118	33,293	33,226	33,800	34,026	34,336	32,898
Other	18	19	21	19	17	17	11	11	11	11	4	2
Overdrafts	2,668	2,764	2,744	2,761	2,824	2,825	2,815	2,746	2,737	2,750	2,738	1,935
Other loans and advances	6,286	6,510	6,521	6,573	6,571	6,669	6,742	6,894	6,965	7,055	7,181	6,892
Instalment and leasing	7,355	7,340	7,280	7,262	7,276	7,235	7,252	7,250	7,185	7,219	7,216	7,560
Nonresidents	**412**	**403**	**435**	**430**	**549**	**436**	**405**	**517**	**496**	**531**	**509**	**516**
Loans and Advances	412	403	435	430	549	436	405	517	496	531	509	516
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	255	262	274	274	303	212	210	309	305	305	304	312
Dwellings	255	262	274	274	303	212	210	309	305	305	304	312
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	72	72	71	66	153	155	158	159	155	156	160	156
Other loans and advances	85	69	90	90	93	69	37	50	36	70	45	48
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Loans	**95,188**	**96,286**	**96,389**	**96,909**	**96,665**	**96,858**	**97,355**	**98,585**	**98,955**	**99,550**	**99,538**	**100,185**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	28	27	27	27	26	34	21	21	20	33	22	25
Other financial corporations	1,155	1,294	2,144	2,016	1,880	1,556	1,818	1,727	1,776	1,875	1,146	1,361
Central government	4	3	3	53	55	3	4	3	3	4	4	11
State and local government	403	387	368	400	375	357	314	428	416	431	405	412
Public non-financial corporations	2,704	2,657	1,227	1,547	1,339	1,599	1,615	1,459	1,291	1,195	1,236	1,343
Other non-financial corporations (Businesses)	**38,514**	**39,180**	**39,009**	**39,053**	**38,895**	**39,247**	**39,178**	**40,256**	**40,571**	**40,777**	**41,012**	**40,966**
Loans and Advances	33,824	34,517	34,383	34,515	34,374	34,736	34,684	35,736	36,116	36,370	36,667	36,664
Farm mortgage loans	584	593	587	591	599	592	592	583	584	590	601	589
Other mortgage loans	11,958	11,978	11,942	12,152	11,988	12,273	12,063	12,063	12,156	11,985	12,006	12,205
Dwellings	2,678	2,615	2,554	2,569	2,528	2,703	2,708	2,605	2,614	2,516	2,539	2,618
Other	9,280	9,364	9,388	9,583	9,460	9,570	9,355	9,458	9,542	9,468	9,467	9,587
Overdrafts	9,388	9,563	9,748	9,508	9,670	9,505	9,357	9,504	9,696	9,637	10,395	9,926
Other loans and advances	11,894	12,383	12,106	12,264	12,117	12,366	12,671	13,586	13,680	14,159	13,666	13,944
Instalment and leasing	4,690	4,663	4,627	4,539	4,522	4,511	4,494	4,520	4,455	4,407	4,345	4,303
Other resident sectors (Individuals)	**51,858**	**52,195**	**52,348**	**52,541**	**52,833**	**52,813**	**53,177**	**53,424**	**53,675**	**54,042**	**54,541**	**54,931**
Loans and Advances	44,326	44,689	44,908	45,169	45,484	45,558	45,927	46,218	46,463	46,819	47,364	47,742
Farm mortgage loans	1,998	2,013	2,041	2,053	2,054	2,069	2,047	2,057	2,062	2,094	2,154	2,117
Other mortgage loans	32,970	33,256	33,445	33,638	33,877	33,897	34,283	34,697	34,885	35,150	35,472	35,719
Dwellings	32,968	33,253	33,442	33,632	33,870	33,887	34,271	34,685	34,873	35,137	35,459	35,706
Other	3	3	3	7	7	10	12	12	12	12	13	13
Overdrafts	2,062	2,075	2,062	2,098	2,113	2,099	2,019	1,973	1,969	1,959	1,982	2,060
Other loans and advances	7,295	7,345	7,360	7,379	7,440	7,492	7,578	7,491	7,546	7,617	7,756	7,846
Instalment and leasing	7,532	7,506	7,441	7,372	7,349	7,255	7,250	7,206	7,212	7,223	7,177	7,190
Nonresidents	**522**	**542**	**1,262**	**1,273**	**1,261**	**1,250**	**1,229**	**1,265**	**1,202**	**1,194**	**1,172**	**1,136**
Loans and Advances	522	542	1,262	1,273	1,261	1,250	1,229	1,265	1,202	1,194	1,172	1,136
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	320	320	317	315	312	306	307	307	303	297	294	295
Dwellings	320	320	317	315	312	306	307	307	303	297	294	295
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	155	159	156	159	158	157	158	161	161	161	158	155
Other loans and advances	47	63	790	799	791	786	763	798	738	735	720	686
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

Description	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Loans	**100,818**	**101,454**	**101,182**	**102,222**	**103,524**	**103,531**	**103,857**	**103,982**	**104,876**	**105,782**	**106,002**	**107,150**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	21	23	18	22	14	48	4	96	35	4	4	4
Other financial corporations	2,077	2,314	303	1,965	1,853	1,773	2,028	1,755	1,954	2,485	2,358	2,163
Central government	9	10	10	10	11	14	16	16	14	15	17	12
State and local government	388	414	371	396	382	389	386	333	368	411	379	372
Public non-financial corporations	1,051	668	2,502	736	810	1,069	1,099	1,029	1,108	960	936	860
Other non-financial corporations (Businesses)	**41,338**	**41,685**	**41,676**	**42,436**	**43,525**	**44,726**	**42,991**	**43,057**	**43,858**	**43,536**	**43,540**	**44,853**
Loans and Advances	37,016	37,410	37,436	38,286	39,347	40,434	38,874	38,946	39,659	39,351	39,382	40,674
Farm mortgage loans	609	576	574	570	594	755	664	684	696	694	688	705
Other mortgage loans	12,243	12,111	12,274	12,161	12,670	13,645	12,743	12,651	12,897	12,619	12,656	12,830
Dwellings	2,714	2,672	2,777	2,676	2,650	3,630	2,756	2,586	2,879	2,669	2,694	2,970
Other	9,529	9,439	9,497	9,485	10,020	10,015	9,987	10,065	10,017	9,950	9,962	9,860
Overdrafts	10,300	10,712	10,004	10,380	10,673	10,501	10,212	9,919	10,199	10,040	9,646	10,120
Other loans and advances	13,864	14,011	14,584	15,176	15,410	15,533	15,255	15,692	15,869	15,998	16,391	17,019
Instalment and leasing	4,323	4,275	4,240	4,150	4,178	4,292	4,117	4,111	4,199	4,186	4,159	4,179
Other resident sectors (Individuals)	**54,813**	**55,210**	**55,152**	**55,583**	**55,853**	**54,494**	**56,315**	**56,643**	**56,539**	**57,371**	**57,806**	**57,921**
Loans and Advances	47,746	48,180	48,167	48,665	48,976	47,712	49,425	49,854	49,835	50,647	51,144	51,262
Farm mortgage loans	2,095	2,119	2,110	2,122	2,124	2,017	2,160	2,182	2,205	2,207	2,242	2,250
Other mortgage loans	35,656	35,885	36,036	36,215	36,384	35,659	36,737	37,046	37,016	37,468	37,625	37,568
Dwellings	35,643	35,870	36,020	36,200	36,369	35,643	36,720	37,029	36,999	37,451	37,608	37,551
Other	13	15	15	15	16	16	17	17	17	17	17	17
Overdrafts	2,160	2,171	2,078	2,163	2,168	1,935	2,187	2,214	2,208	2,245	2,249	2,256
Other loans and advances	7,836	8,005	7,943	8,164	8,299	8,101	8,341	8,412	8,405	8,726	9,027	9,187
Instalment and leasing	7,067	7,030	6,985	6,918	6,877	6,782	6,890	6,789	6,704	6,724	6,662	6,659
Nonresidents	**1,121**	**1,129**	**1,149**	**1,074**	**1,076**	**1,017**	**1,018**	**1,053**	**1,000**	**1,000**	**961**	**965**
Loans and Advances	1,121	1,129	1,149	1,074	1,076	1,017	1,018	1,053	1,000	1,000	961	965
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	291	291	285	280	278	277	272	271	269	268	261	261
Dwellings	291	291	285	280	278	277	272	271	269	268	261	261
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	160	159	154	155	154	150	153	152	151	151	150	152
Other loans and advances	669	680	710	639	644	590	593	630	580	581	550	552
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

Description	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Loans	**107,715**	**107,247**	**107,171**	**104,938**	**104,698**	**105,123**	**104,539**	**105,456**	**105,042**	**105,005**	**106,459**	**106,967**
Central bank	0	0	0	0	0	0	0	0	0	0	0	0
Other depository corporations	36	7	16	4	4	4	4	4	4	4	7	2
Other financial corporations	2,447	2,352	2,393	1,736	1,577	1,643	1,642	1,583	1,583	932	809	801
Central government	9	11	10	6	9	7	8	8	9	10	11	9
State and local government	358	338	260	295	191	197	218	255	94	83	237	240
Public non-financial corporations	822	759	835	481	631	583	454	620	472	369	298	535
Other non-financial corporations (Businesses)	**44,456**	**43,919**	**43,593**	**42,922**	**42,777**	**43,121**	**42,476**	**43,246**	**42,914**	**43,173**	**44,231**	**44,307**
Loans and Advances	40,362	40,034	39,727	39,113	39,028	39,384	38,798	39,610	39,372	39,712	40,725	40,789
Farm mortgage loans	711	657	689	676	680	688	692	696	693	684	670	677
Other mortgage loans	12,405	12,205	12,196	12,040	12,089	11,728	11,904	11,805	11,688	11,592	11,708	11,686
Dwellings	2,557	2,306	2,355	2,218	2,249	1,923	1,963	1,929	2,019	1,923	1,959	2,021
Other	9,849	9,900	9,841	9,822	9,840	9,805	9,941	9,876	9,669	9,669	9,749	9,666
Overdrafts	10,338	10,286	9,888	9,933	9,811	10,170	9,932	10,581	10,580	10,509	11,280	11,393
Other loans and advances	16,908	16,887	16,954	16,464	16,448	16,799	16,271	16,529	16,411	16,927	17,067	17,033
Instalment and leasing	4,093	3,884	3,866	3,808	3,749	3,737	3,678	3,635	3,542	3,462	3,506	3,517
Other resident sectors (Individuals)	**58,668**	**58,935**	**59,149**	**58,733**	**58,775**	**58,899**	**59,069**	**59,055**	**59,338**	**59,807**	**60,248**	**60,522**
Loans and Advances	52,046	52,254	52,494	52,298	52,384	52,511	52,681	52,695	52,979	53,448	53,849	54,035
Farm mortgage loans	2,272	2,320	2,365	2,371	2,393	2,400	2,403	2,422	2,433	2,452	2,491	2,504
Other mortgage loans	37,931	37,849	38,039	37,973	38,052	38,203	38,451	38,536	38,664	38,985	39,166	39,372
Dwellings	37,914	37,832	38,022	37,955	38,036	38,187	38,438	38,523	38,651	38,971	39,153	39,359
Other	17	17	17	17	16	16	13	13	13	13	13	13
Overdrafts	2,354	2,423	2,400	2,379	2,385	2,367	2,287	2,284	2,300	2,331	2,455	2,451
Other loans and advances	9,489	9,662	9,689	9,575	9,554	9,541	9,539	9,454	9,582	9,681	9,737	9,708
Instalment and leasing	6,622	6,682	6,655	6,435	6,392	6,388	6,388	6,360	6,359	6,359	6,399	6,487
Nonresidents	**920**	**925**	**914**	**761**	**734**	**670**	**668**	**687**	**627**	**626**	**617**	**551**
Loans and Advances	920	925	914	761	734	670	668	687	627	626	617	551
Farm mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0
Other mortgage loans	262	262	258	255	253	250	249	247	243	243	238	234
Dwellings	262	262	258	255	253	250	249	247	243	243	238	234
Other	0	0	0	0	0	0	0	0	0	0	0	0
Overdrafts	156	160	161	10	10	7	10	13	15	16	16	15
Other loans and advances	502	504	496	496	471	412	409	427	369	367	363	301
Instalment and leasing	0	0	0	0	0	0	0	0	0	0	0	0

*Other loans and advances comprises personal loans for businesses and individuals and nonresidents.

Table II.5 Deposits with other depository corporations (end period in N$ million)

Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Total Deposits	**91,670**	**92,392**	**94,116**	**95,645**	**98,099**	**97,341**	**100,724**	**100,963**	**103,544**	**104,262**	**105,482**	**105,670**	**106,105**	**104,526**	**106,829**	**105,773**
Deposits included in broad money	**81,569**	**82,818**	**84,907**	**87,045**	**89,684**	**87,831**	**91,187**	**93,165**	**93,656**	**94,844**	**94,947**	**94,981**	**93,502**	**92,479**	**94,993**	**94,425**
Transferable deposits	36,045	36,951	38,037	39,919	40,433	37,570	40,002	41,474	41,310	42,010	42,056	41,432	43,888	42,729	45,362	42,747
In national currency	34,688	35,616	36,133	37,425	38,594	35,540	37,840	39,559	39,195	39,209	38,474	38,749	41,278	40,259	42,721	41,295
Other financial corporations	5,132	4,935	4,262	4,126	4,320	4,505	4,514	4,801	4,681	5,106	4,989	6,057	7,765	7,130	6,732	6,598
State and local government	587	611	658	695	715	614	786	903	843	911	949	889	900	945	1,033	969
Public non-financial corporations	3,078	3,186	3,249	3,593	3,965	2,852	4,032	3,933	4,173	2,722	2,458	2,846	3,917	3,181	3,863	3,032
Other non-financial corporations	17,515	18,513	19,461	20,290	20,986	18,792	19,496	20,528	20,077	20,549	19,844	18,958	17,949	18,050	20,112	19,637
Other resident sectors	8,376	8,371	8,503	8,721	8,607	8,778	9,012	9,393	9,422	9,921	10,233	9,999	10,747	10,953	10,981	11,060
In foreign currency	**1,357**	**1,334**	**1,904**	**2,495**	**1,839**	**2,030**	**2,162**	**1,915**	**2,115**	**2,801**	**3,582**	**2,683**	**2,610**	**2,470**	**2,642**	**1,452**
Other deposits	45,524	45,868	46,870	47,126	49,251	50,261	51,184	51,691	52,346	52,834	52,892	53,549	49,614	49,750	49,631	51,678
In national currency	45,524	45,868	46,870	47,126	49,251	50,261	51,184	51,691	52,346	52,834	52,892	53,549	49,614	49,750	49,631	51,678
Other financial corporations	3,913	3,751	3,702	3,656	3,870	3,769	3,567	3,683	3,693	3,425	3,465	3,641	3,602	3,860	3,731	4,058
State and local government	350	336	275	245	291	189	209	203	216	216	220	226	231	213	230	242
Public nonfinancial corporations	2,712	2,764	2,919	2,856	2,746	2,928	2,982	3,557	3,411	3,357	3,306	3,146	3,643	3,126	3,426	3,283
Other nonfinancial corporations	11,232	11,293	11,727	12,145	12,991	13,411	14,617	14,646	15,135	15,869	16,328	16,214	16,502	16,850	16,509	17,705
Other resident sectors	27,316	27,724	28,248	28,225	29,352	29,965	29,809	29,602	29,890	29,967	29,573	30,322	25,636	25,700	25,734	26,391
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	**10,101**	**9,574**	**9,209**	**8,600**	**8,415**	**9,510**	**9,537**	**7,798**	**9,888**	**9,418**	**10,534**	**10,689**	**12,603**	**12,047**	**11,836**	**11,348**
Transferable deposits	6,027	5,775	4,857	4,148	3,943	4,971	5,184	3,547	4,650	4,511	4,955	4,409	6,782	6,370	5,899	5,891
In national currency	3,755	3,316	2,470	1,884	1,705	2,056	1,780	1,645	2,414	2,303	2,057	2,215	4,244	3,806	4,038	4,159
In foreign currency	2,272	2,459	2,387	2,264	2,237	2,915	3,404	1,902	2,237	2,208	2,898	2,194	2,537	2,565	1,862	1,732
Other deposits	4,074	3,799	4,352	4,451	4,472	4,539	4,353	4,251	5,238	4,907	5,579	6,280	5,822	5,677	5,937	5,457
In national currency	2,964	2,790	3,021	3,180	3,111	3,243	3,231	3,224	3,142	3,633	3,759	4,479	4,275	4,233	4,635	4,385
In foreign currency	1,110	1,009	1,331	1,271	1,361	1,296	1,122	1,027	2,095	1,273	1,820	1,802	1,547	1,444	1,302	1,072

Description	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19
Total Deposits	**108,336**	**110,000**	**111,809**	**112,712**	**115,487**	**118,718**	**115,532**	**115,936**	**116,099**	**115,685**	**117,299**	**120,254**	**122,886**	**119,981**	**121,653**	**124,515**
Deposits included in broad money	**96,103**	**97,666**	**99,134**	**100,448**	**101,327**	**104,275**	**102,343**	**101,409**	**100,869**	**100,791**	**101,692**	**104,033**	**106,764**	**105,024**	**105,918**	**108,779**
Transferable deposits	44,390	45,103	46,222	47,721	46,555	49,893	48,406	48,474	47,748	48,920	48,771	49,172	50,879	49,233	49,508	50,317
In national currency	43,133	43,955	45,011	46,294	45,286	47,581	47,016	47,098	46,195	47,519	47,363	47,579	49,050	46,929	47,611	48,365
Other financial corporations	7,237	7,168	8,042	7,905	8,589	7,941	7,715	8,157	7,984	8,144	8,026	6,975	6,866	6,604	6,716	6,605
State and local government	921	869	900	907	944	987	846	856	849	849	865	761	785	736	760	783
Public non-financial corporations	3,257	2,837	3,174	3,763	3,548	4,230	3,790	2,984	3,877	4,434	4,131	4,919	4,721	4,028	4,405	4,181
Other non-financial corporations	20,806	21,874	21,443	22,276	20,447	22,545	22,314	23,016	21,639	21,879	22,253	23,161	24,614	23,220	23,491	24,390
Other resident sectors	10,912	11,206	11,451	11,442	11,758	11,878	12,351	12,084	11,845	12,213	12,088	11,762	12,064	12,341	12,240	12,407
In foreign currency	**1,256**	**1,149**	**1,211**	**1,427**	**1,269**	**2,313**	**1,390**	**1,377**	**1,553**	**1,401**	**1,408**	**1,593**	**1,829**	**2,304**	**1,897**	**1,952**
Other deposits	51,713	52,563	52,911	52,727	54,772	54,382	53,938	52,935	53,121	51,871	52,922	54,861	55,885	55,790	56,410	58,462
In national currency	51,713	52,563	52,911	52,727	54,772	54,382	53,938	52,935	53,121	51,871	52,922	54,861	55,885	55,790	56,410	58,462
Other financial corporations	3,735	3,997	3,997	3,693	3,506	3,387	3,462	3,306	3,358	3,562	3,544	3,889	3,961	4,495	4,886	5,165
State and local government	241	280	246	256	309	316	313	320	353	361	354	435	455	475	479	478
Public nonfinancial corporations	3,528	3,632	3,554	3,464	3,525	3,695	3,394	3,378	3,328	3,637	3,288	3,666	3,822	3,078	3,214	3,716
Other nonfinancial corporations	15,974	16,331	16,562	16,874	18,793	18,181	17,145	16,302	16,685	16,737	17,834	18,658	18,735	18,695	18,790	19,334
Other resident sectors	28,235	28,323	28,552	28,439	28,639	28,802	29,624	29,628	29,397	27,575	27,902	28,213	28,911	29,047	29,040	29,770
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	**12,233**	**12,334**	**12,675**	**12,264**	**14,160**	**14,442**	**13,188**	**14,527**	**15,231**	**14,894**	**15,607**	**16,221**	**16,122**	**14,957**	**15,735**	**15,736**
Transferable deposits	6,445	6,804	6,846	6,459	7,635	7,392	6,704	7,060	8,710	8,158	7,748	7,848	9,123	8,290	8,700	9,128
In national currency	4,175	4,733	4,641	4,423	4,955	4,839	4,351	5,196	5,616	4,989	4,796	5,029	5,814	5,493	5,765	6,139
In foreign currency	2,269	2,072	2,205	2,036	2,680	2,554	2,353	1,864	3,094	3,169	2,952	2,820	3,309	2,798	2,936	2,989
Other deposits	5,788	5,530	5,830	5,805	6,525	7,050	6,484	7,467	6,521	6,737	7,859	8,373	6,999	6,667	7,034	6,608
In national currency	4,868	4,347	4,690	4,568	4,614	5,043	4,192	5,058	4,194	4,708	5,071	5,854	4,672	4,275	4,552	3,963
In foreign currency	920	1,183	1,140	1,236	1,911	2,007	2,292	2,408	2,327	2,029	2,788	2,519	2,326	2,392	2,482	2,645

Description	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Total Deposits	**126,981**	**126,749**	**128,526**	**128,455**	**128,137**	**127,090**	**130,568**	**134,412**	**137,352**	**138,004**	**138,294**	**139,623**	**140,664**	**141,325**	**141,321**	**139,063**
Deposits included in broad money	**110,287**	**111,744**	**113,559**	**112,463**	**111,985**	**111,212**	**113,776**	**118,025**	**120,242**	**120,822**	**120,876**	**121,399**	**122,853**	**124,478**	**123,326**	**121,738**
Transferable deposits	51,535	53,119	54,676	54,093	53,604	51,370	54,729	58,411	57,479	56,978	57,918	58,455	60,114	59,936	59,808	58,371
In national currency	49,377	51,339	52,636	52,339	51,966	49,837	52,884	56,512	55,437	54,796	55,614	56,430	57,971	57,929	56,856	56,358
Other financial corporations	6,931	7,424	7,407	7,715	7,461	7,211	7,456	8,511	8,424	8,683	9,157	9,500	9,542	9,400	8,991	9,207
State and local government	739	786	800	759	839	826	865	888	793	693	655	634	684	882	877	888
Public non-financial corporations	3,941	4,114	4,566	4,620	4,607	3,718	4,533	6,190	5,770	4,812	5,198	4,785	6,129	4,709	4,237	4,678
Other non-financial corporations	25,334	26,410	26,905	26,322	26,300	25,295	26,622	26,554	26,390	26,583	26,262	26,910	27,083	28,242	27,886	26,578
Other resident sectors	12,433	12,606	12,958	12,923	12,759	12,787	13,408	14,369	14,062	14,024	14,342	14,601	14,532	14,695	14,865	15,007
In foreign currency	**2,159**	**1,780**	**2,040**	**1,754**	**1,638**	**1,533**	**1,844**	**1,899**	**2,041**	**2,183**	**2,304**	**2,025**	**2,144**	**2,007**	**2,953**	**2,013**
Other deposits	58,752	58,625	58,883	58,370	58,380	59,842	59,047	59,614	62,763	63,844	62,959	62,944	62,738	64,543	63,518	63,367
In national currency	58,752	58,625	58,883	58,370	58,380	59,842	59,047	59,614	62,763	63,844	62,959	62,944	62,738	64,543	63,518	63,367
Other financial corporations	5,600	5,518	5,701	5,300	5,076	4,960	4,771	4,747	5,284	5,338	5,223	4,899	4,834	4,929	4,929	4,917
State and local government	514	516	523	545	545	532	575	577	746	753	738	737	594	609	591	578
Public nonfinancial corporations	4,009	4,263	4,075	4,197	4,877	5,268	5,379	5,326	5,511	5,853	5,763	5,670	5,378	6,400	5,635	5,667
Other nonfinancial corporations	19,508	19,149	19,129	19,400	19,217	19,959	19,109	19,202	20,304	20,392	19,778	19,561	20,020	20,926	20,378	20,249
Other resident sectors	29,121	29,179	29,455	28,929	28,664	29,124	29,213	29,762	30,919	31,508	31,457	32,078	31,913	31,677	31,984	31,956
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits excluded from broad money	**16,693**	**15,005**	**14,967**	**15,992**	**16,152**	**15,877**	**16,792**	**16,387**	**17,110**	**17,182**	**17,418**	**18,224**	**17,811**	**16,847**	**17,996**	**17,325**
Transferable deposits	9,809	8,209	8,634	9,879	9,469	9,009	9,059	8,162	8,644	8,661	9,166	9,029	8,998	8,319	9,670	8,603
In national currency	5,621	5,597	6,002	6,626	6,837	5,963	5,770	4,939	5,362	5,909	6,369	6,120	5,312	5,228	6,069	5,958
In foreign currency	4,188	2,613	2,632	3,253	2,632	3,046	3,289	3,223	3,281	2,752	2,797	2,909	3,686	3,090	3,601	2,645
Other deposits	6,884	6,796	6,333	6,113	6,683	6,869	7,733	8,225	8,466	8,521	8,252	9,195	8,813	8,528	8,326	8,722
In national currency	4,278	4,632	4,314	3,963	4,035	4,069	5,264	5,074	5,597	5,132	5,029	5,614	5,408	5,276	5,478	6,194
In foreign currency	2,606	2,164	2,019	2,150	2,648	2,800	2,469	3,151	2,869	3,388	3,223	3,581	3,404	3,252	2,847	2,528

Table II.6 Monetary aggregates (end of period in N$ million)

		Currency in circulation	Transferable deposits	Narrow money (M1)	Other deposits	Securities included in M2	Broad money supply (M2)
		1	2	1+2 = 3	4	5	3+4+5=6
2017	**Jan**	**2,799**	**36,045**	**38,844**	**45,524**	**0**	**84,368**
	Feb	2,829	36,951	39,780	45,868	0	85,648
	Mar	2,876	38,037	40,913	46,870	0	87,783
	Apr	2,980	39,919	42,900	47,126	0	90,025
	May	2,870	40,433	43,303	49,251	0	92,554
	Jun	2,922	37,570	40,492	50,261	0	90,753
	Jul	2,954	40,002	42,956	51,184	0	94,141
	Aug	3,031	41,474	44,505	51,691	0	96,196
	Sep	3,120	41,310	44,431	52,346	0	96,777
	Oct	3,009	42,010	45,019	52,834	0	97,853
	Nov	3,188	42,056	45,243	52,892	0	98,135
	Dec	3,096	41,432	44,528	53,549	0	98,078
2018	**Jan**	**2,823**	**43,888**	**46,711**	**49,614**	**0**	**96,324**
	Feb	2,805	42,729	45,534	49,750	0	95,284
	Mar	2,856	45,362	48,219	49,631	0	97,849
	Apr	2,818	42,747	45,565	51,678	0	97,243
	May	2,749	44,390	47,139	51,713	0	98,852
	Jun	2,976	45,103	48,080	52,563	0	100,643
	Jul	2,887	46,222	49,109	52,911	0	102,020
	Aug	3,027	47,721	50,748	52,727	0	103,475
	Sep	3,137	46,555	49,692	54,772	0	104,464
	Oct	2,955	49,893	52,849	54,382	0	107,231
	Nov	3,125	48,406	51,531	53,938	0	105,468
	Dec	2,936	48,474	51,411	52,935	0	104,345
2019	**Jan**	**2,774**	**47,748**	**50,522**	**53,121**	**0**	**103,643**
	Feb	2,729	48,920	51,649	51,871	0	103,520
	Mar	2,896	48,771	51,666	52,922	0	104,588
	Apr	2,825	49,172	51,998	54,861	0	106,858
	May	2,914	50,879	53,793	55,885	0	109,678
	Jun	2,995	49,233	52,229	55,790	0	108,019
	Jul	2,840	49,508	52,349	56,410	0	108,758
	Aug	3,013	50,317	53,330	58,462	0	111,792
	Sep	2,836	51,535	54,372	58,752	0	113,124
	Oct	2,649	53,119	55,768	58,625	0	114,393
	Nov	3,092	54,676	57,768	58,883	0	116,651
	Dec	2,873	54,093	56,966	58,370	0	115,336
2020	**Jan**	**2,641**	**53,604**	**56,245**	**58,380**	**0**	**114,626**
	Feb	2,598	51,370	53,967	59,842	0	113,810
	Mar	2,618	54,729	57,347	59,047	0	116,394
	Apr	2,865	58,411	61,276	59,614	0	120,891
	May	3,173	57,479	60,652	62,763	0	123,415
	Jun	3,047	56,978	60,025	63,844	0	123,869
	Jul	2,947	57,918	60,864	62,959	0	123,823
	Aug	3,028	58,455	61,482	62,944	0	124,426
	Sep	2,995	60,114	63,109	62,738	0	125,848
	Oct	3,086	59,936	63,022	64,543	0	127,565
	Nov	3,079	59,808	62,888	63,518	0	126,405
	Dec	2,914	59,438	62,352	63,367	0	125,719

Table II.7 Monetary analysis (end of period in N$ million)

		Broad money supply (M2)	Determinants of money supply						
			Net foreign assets (cumulative flow)	Claims on the Central Government				Claims on other sectors	Other items net
				Gross claims	Government deposits	Other liabilities	Net claims on Government		
2017	**Jan**	**84,368**	**28,653**	**11,798**	**9,456**	**0**	**2,342**	**91,741**	**-38,367**
	Feb	85,648	27,117	12,079	8,150	0	3,929	92,741	-38,138
	Mar	87,783	28,074	13,755	6,727	0	7,029	91,852	-39,172
	Apr	90,025	32,901	12,074	8,177	0	3,897	92,129	-38,901
	May	92,554	33,377	13,199	6,554	0	6,645	93,036	-40,504
	Jun	90,753	31,652	12,241	6,544	0	5,698	93,609	-40,206
	Jul	94,141	37,027	12,880	8,857	0	4,023	93,657	-40,567
	Aug	96,196	38,710	13,334	7,832	0	5,502	94,153	-42,169
	Sep	96,777	38,087	13,721	7,041	0	6,680	95,075	-43,065
	Oct	97,853	38,812	14,964	8,075	0	6,888	95,384	-43,231
	Nov	98,135	36,060	14,860	6,623	0	8,237	95,982	-42,144
	Dec	98,078	31,063	15,611	6,591	0	9,020	96,537	-38,543
2018	**Jan**	**96,324**	**35,871**	**15,555**	**9,353**	**0**	**6,202**	**98,396**	**-44,145**
	Feb	95,284	32,402	16,328	8,634	0	7,694	99,397	-44,210
	Mar	97,849	28,463	17,912	6,081	0	11,830	98,461	-40,905
	Apr	97,243	34,096	16,914	8,297	0	8,617	99,354	-44,824
	May	98,852	32,488	17,525	6,826	0	10,699	99,167	-43,502
	Jun	100,643	34,198	17,713	7,785	0	9,928	99,362	-42,845
	Jul	102,020	36,063	18,465	8,794	0	9,671	99,867	-43,580
	Aug	103,475	36,170	18,739	7,825	0	10,914	101,335	-44,944
	Sep	104,464	36,593	19,138	6,893	0	12,245	101,904	-46,279
	Oct	107,231	38,743	19,180	7,464	0	11,716	102,634	-45,862
	Nov	105,468	35,076	19,562	5,961	0	13,600	102,721	-45,929
	Dec	104,345	37,975	19,338	9,409	0	9,929	103,580	-47,139
2019	**Jan**	**103,643**	**38,887**	**19,262**	**11,342**	**0**	**7,920**	**104,150**	**-47,315**
	Feb	103,520	39,852	19,258	9,405	0	9,853	104,686	-50,871
	Mar	104,588	38,645	20,512	7,228	0	13,284	104,487	-51,828
	Apr	106,858	44,395	20,107	10,308	0	9,799	105,565	-52,901
	May	109,678	44,612	20,234	8,490	0	11,744	106,785	-53,462
	Jun	108,019	40,204	20,487	8,811	0	11,676	106,775	-50,637
	Jul	108,758	44,517	21,075	10,995	0	10,081	107,181	-53,020
	Aug	111,792	44,475	21,153	9,061	0	12,092	107,255	-52,029
	Sep	113,124	39,456	24,675	9,115	0	15,560	108,576	-50,468
	Oct	114,393	43,227	24,007	9,437	0	14,569	109,523	-52,926
	Nov	116,651	41,139	24,907	8,192	0	16,715	109,633	-50,836
	Dec	115,336	36,441	25,223	7,879	0	17,344	110,278	-48,726
2019	**Jan**	**114,626**	**40,983**	**24,040**	**9,644**	**0**	**14,396**	**110,868**	**-51,621**
	Feb	113,810	40,360	23,650	9,450	0	14,200	110,953	-51,703
	Mar	116,394	37,793	26,979	9,932	0	17,047	110,815	-49,261
	Apr	120,891	46,316	28,309	10,541	0	17,768	109,465	-52,659
	May	123,415	46,628	27,200	6,472	0	20,728	108,782	-52,723
	Jun	123,869	44,288	28,297	6,223	0	22,074	109,421	-51,914
	Jul	123,823	48,681	28,095	9,999	0	18,096	108,881	-51,836
	Aug	124,426	46,874	29,203	9,119	0	20,083	109,621	-52,152
	Sep	125,848	43,441	29,504	6,305	0	23,199	109,404	-50,197
	Oct	127,565	48,938	29,781	8,066	0	21,715	109,279	-52,368
	Nov	126,405	42,902	30,782	6,348	0	24,435	110,927	-51,859
	Dec	125,719	41,293	30,811	7,118	0	23,694	111,245	-50,512

Table II.8 Changes in determinants of money supply (monthly in N$ million)

			Determinants of money supply						
				Claims on the Central Government					
		Broad money supply (M2)	Net foreign assets (cumulative flow)	Gross claims	Government deposits	Other liabilities	Net claims on Government	Claims on other sectors	Other items net
2017	**Jan**	**-1,582**	**2,452**	**-16**	**1,547**	**0**	**-1,563**	**-234**	**-2,237**
	Feb	1,280	-1,536	280	-1,306	0	1,586	1,000	229
	Mar	2,135	958	1,677	-1,423	0	3,100	-889	-1,033
	Apr	2,243	4,827	-1,681	1,450	0	-3,132	277	270
	May	2,528	476	1,125	-1,623	0	2,748	907	-1,603
	Jun	-1,801	-1,725	-958	-10	0	-948	573	298
	Jul	3,388	5,374	639	2,313	0	-1,675	49	-360
	Aug	2,055	1,683	454	-1,025	0	1,479	495	-1,602
	Sep	581	-623	388	-791	0	1,178	922	-896
	Oct	1,076	725	1,242	1,034	0	208	309	-166
	Nov	282	-2,752	-104	-1,452	0	1,348	599	1,087
	Dec	-57	-4,996	752	-32	0	784	554	3,601
2018	**Jan**	**-1,753**	**4,808**	**-56**	**2,762**	**0**	**-2,818**	**1,859**	**-5,603**
	Feb	-1,040	-3,469	774	-719	0	1,492	1,001	-65
	Mar	2,565	-3,940	1,584	-2,552	0	4,136	-936	3,305
	Apr	-606	5,633	-998	2,215	0	-3,213	893	-3,919
	May	1,609	-1,608	610	-1,471	0	2,081	-187	1,323
	Jun	1,790	1,710	189	959	0	-771	195	656
	Jul	1,378	1,864	752	1,009	0	-257	505	-734
	Aug	1,455	107	274	-969	0	1,243	1,468	-1,364
	Sep	989	423	399	-933	0	1,332	569	-1,335
	Oct	2,767	2,150	42	571	0	-529	730	416
	Nov	-1,763	-3,667	382	-1,502	0	1,884	87	-67
	Dec	-1,123	2,899	-224	3,447	0	-3,671	859	-1,209
2019	**Jan**	**-702**	**912**	**-75**	**1,933**	**0**	**-2,009**	**570**	**-176**
	Feb	-123	965	-4	-1,937	0	1,932	536	-3,556
	Mar	1,068	-1,208	1,254	-2,177	0	3,431	-199	-957
	Apr	2,271	5,750	-405	3,080	0	-3,485	1,078	-1,073
	May	2,820	217	127	-1,818	0	1,944	1,219	-561
	Jun	-1,659	-4,408	253	320	0	-67	-10	2,826
	Jul	739	4,313	588	2,184	0	-1,596	405	-2,383
	Aug	3,034	-42	77	-1,933	0	2,011	74	991
	Sep	1,331	-5,019	3,523	54	0	3,469	1,321	1,560
	Oct	1,269	3,771	-669	323	0	-991	948	-2,458
	Nov	2,258	-2,088	901	-1,245	0	2,146	110	2,090
	Dec	-1,314	-4,698	315	-313	0	629	645	2,110
2020	**Jan**	**-711**	**4,542**	**-1,183**	**1,765**	**0**	**-2,948**	**590**	**-2,895**
	Feb	-816	-623	-390	-193	0	-196	86	-82
	Mar	2,584	-2,567	3,329	482	0	2,848	-138	2,442
	Apr	4,496	8,523	1,330	609	0	721	-1,350	-3,398
	May	2,525	312	-1,109	-4,069	0	2,960	-682	-64
	June	454	-2,340	1,097	-249	0	1,345	639	810
	July	-46	4,394	-202	3,776	0	-3,977	-540	78
	Aug	603	-1,808	1,107	-880	0	1,987	740	-316
	Sep	1,421	-3,433	302	-2,814	0	3,116	-217	1,955
	Oct	1,717	5,497	277	1,761	0	-1,484	-125	-2,171
	Nov	-1,159	-6,036	1,001	-1,718	0	2,719	1,648	509
	Dec	-686	-1,610	29	770	0	-741	318	1,346

Table II.9 Selected interest rates: Namibia and South Africa

		Repo rate		Prime lending rate		Average lending rate		Treasury bill rate (3 month)		Average deposit rates	
		Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA
2017	**Jan**	**7.00**	**7.00**	**10.75**	**10.50**	**10.19**	**10.47**	**9.08**	**7.36**	**5.86**	**7.37**
	Feb	7.00	7.00	10.75	10.50	10.02	10.52	9.08	7.19	5.82	7.37
	Mar	7.00	7.00	10.75	10.50	10.22	10.50	9.17	7.29	5.78	7.40
	Apr	7.00	7.00	10.75	10.50	10.11	10.47	9.06	7.43	5.75	7.34
	May	7.00	7.00	10.75	10.50	10.00	10.54	9.06	7.39	5.74	7.42
	June	7.00	7.00	10.75	10.50	10.21	10.72	7.97	7.44	5.80	7.41
	July	7.00	6.75	10.75	10.50	10.18	10.66	7.94	7.15	6.04	7.23
	Aug	6.75	6.75	10.50	10.25	9.99	10.64	7.94	7.16	6.16	7.13
	Sep	6.75	6.75	10.50	10.25	10.04	10.45	7.73	7.11	5.90	7.14
	Oct	6.75	6.75	10.50	10.25	9.57	10.60	7.72	7.40	5.80	7.05
	Nov	6.75	6.75	10.50	10.25	9.51	10.54	7.72	7.56	5.87	7.09
	Dec	6.75	6.75	10.50	10.25	10.07	10.55	7.92	7.49	6.09	7.15
2018	**Jan**	**6.75**	**6.75**	**10.50**	**10.25**	**10.17**	**10.70**	**7.62**	**7.21**	**6.21**	**7.16**
	Feb	6.75	6.75	10.50	10.25	10.14	10.65	8.06	7.04	6.45	7.11
	Mar	6.75	6.50	10.50	10.00	10.04	10.61	8.11	6.87	6.45	7.05
	Apr	6.75	6.50	10.50	10.00	10.07	10.47	8.20	7.01	6.60	6.95
	May	6.75	6.50	10.50	10.00	10.27	10.49	8.27	7.03	5.73	6.91
	June	6.75	6.50	10.50	10.00	10.12	10.50	8.18	7.07	5.68	6.92
	July	6.75	6.50	10.50	10.00	10.19	10.50	7.92	7.09	5.70	6.95
	Aug	6.75	6.50	10.50	10.00	10.11	10.49	7.91	7.16	5.58	6.96
	Sep	6.75	6.50	10.50	10.00	10.09	10.46	7.90	7.12	5.52	6.86
	Oct	6.75	6.50	10.50	10.00	10.23	10.66	7.90	7.27	5.73	6.89
	Nov	6.75	6.75	10.50	10.25	10.09	10.61	7.95	7.43	5.56	7.09
	Dec	6.75	6.75	10.50	10.25	10.19	10.64	7.92	7.61	5.57	7.13
2019	**Jan**	**6.75**	**6.75**	**10.50**	**10.25**	**10.11**	**10.66**	**7.90**	**7.39**	**5.63**	**7.16**
	Feb	6.75	6.75	10.50	10.25	10.01	10.57	7.88	7.13	5.61	7.12
	Mar	6.75	6.75	10.50	10.25	10.08	10.63	7.88	6.98	5.93	7.15
	Apr	6.75	6.75	10.50	10.25	9.91	10.63	7.77	7.23	5.98	7.17
	May	6.75	6.75	10.50	10.25	9.91	10.62	7.77	7.13	5.75	7.03
	June	6.75	6.75	10.50	10.25	10.04	10.63	7.67	7.10	5.95	7.15
	July	6.75	6.50	10.50	10.00	10.06	10.53	7.55	6.99	5.81	7.00
	Aug	6.50	6.50	10.25	10.00	9.77	10.45	7.39	6.94	5.77	6.98
	Sep	6.50	6.50	10.25	10.00	9.74	10.49	7.30	6.74	5.55	6.92
	Oct	6.50	6.50	10.25	10.00	9.79	10.57	7.25	6.90	5.52	6.76
	Nov	6.50	6.50	10.25	10.00	9.53	10.55	7.41	7.06	5.49	6.88
	Dec	6.50	6.50	10.25	10.00	9.70	10.60	7.64	7.16	5.45	6.78
2020	**Jan**	**6.50**	**6.25**	**10.25**	**9.75**	**9.83**	**10.49**	**7.89**	**6.45**	**5.50**	**6.80**
	Feb	6.25	6.25	10.00	9.75	9.63	10.52	7.66	6.20	5.45	6.72
	Mar	5.25	5.25	9.00	8.75	9.37	9.83	7.67	5.60	5.30	6.14
	Apr	4.25	4.25	8.00	7.75	8.11	9.16	5.88	4.24	4.62	5.25
	May	4.25	3.75	8.00	7.25	7.53	8.70	4.99	4.17	4.22	4.77
	June	4.00	3.75	7.75	7.25	7.62	8.43	4.58	4.02	3.95	4.51
	July	4.00	3.50	7.75	7.00	7.39	8.47	4.35	3.88	3.81	4.37
	Aug	3.75	3.50	7.50	7.00	7.09	8.38	4.21	3.45	3.70	4.22
	Sep	3.75	3.50	7.50	7.00	6.90	8.02	4.01	3.43	3.44	4.08
	Oct	3.75	3.50	7.50	7.00	7.07	7.86	3.86	3.48	3.37	3.94
	Nov	3.75	3.50	7.50	7.00	6.97	7.92	3.75	3.71	3.28	3.89
	Dec	3.75	3.50	7.50	7.00	6.92	8.03	4.04	3.83	3.29	3.92

Table III.1(a) Treasury Bill auctions - N$ million

	Period	Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
91 days	**2020**				
	Jan	450.0	497.3	47.3	7.94
	Jan	450.0	620.5	170.5	7.84
	Feb	450.0	548.8	98.8	7.66
	Mar	450.0	590.5	140.5	7.70
	Mar	450.0	767.1	317.1	7.63
	Apr	450.0	879.7	429.7	6.45
	May	450.0	799.2	349.2	5.31
	May	500.0	507.6	7.6	4.99
	Jun	500.0	1,472.3	972.3	4.73
	Jun	500.0	661.5	161.5	4.44
	Jul	500.0	1,257.8	757.8	4.32
	Aug	450.0	718.2	268.2	4.38
	Aug	500.0	809.5	309.5	4.21
	Sep	500.0	797.0	297.0	4.09
	Sep	500.0	1,599.0	1,099.0	3.94
	Oct	500.0	959.5	459.5	3.86
	Oct	500.0	696.2	196.2	3.86
	Nov	500.0	1,022.5	522.5	3.75
	Dec	500.0	622.5	122.5	3.93
	Dec	500.0	555.1	55.1	4.16
182 days	**2020**				
	Jan	450.0	812.5	362.5	7.76
	Jan	450.0	512.0	62.0	7.78
	Jan	500.0	565.5	65.5	7.80
	Feb	450.0	969.5	519.5	7.73
	Mar	450.0	1,297.9	847.9	7.47
	Apr	450.0	839.3	389.3	5.73
	Apr	450.0	1,077.5	627.5	5.69
	May	500.0	796.5	296.5	5.04
	Jun	620.0	1,371.0	751.0	4.60
	Jul	500.0	997.7	497.7	4.50
	Jul	500.0	505.6	5.6	4.50
	Jul	500.0	765.1	265.1	4.59
	Aug	500.0	913.6	413.6	4.46
	Sep	500.0	1,327.0	827.0	4.17
	Oct	500.0	919.0	419.0	3.91
	Oct	500.0	922.0	422.0	3.85
	Nov	500.0	590.0	90.0	3.80
	Dec	500.0	792.4	292.4	4.13
273 days	**2020**				
	Jan	500.0	827.0	327.0	7.86
	Jn	450.0	569.6	119.6	7.83
	Feb	470.0	787.1	317.1	7.74
	Feb	450.0	629.6	179.6	7.63
	Mar	450.0	663.5	213.5	7.55
	Apr	450.0	1,153.0	703.0	5.77
	May	500.0	1,118.8	618.8	5.22
	May	500.0	1,369.0	869.0	4.81
	Jun	500.0	1,028.0	528.0	4.68
	Jun	500.0	605.0	105.0	4.60
	Jul	500.0	442.0	(58.0)	4.56
	Aug	500.0	949.5	449.5	4.52
	Aug	500.0	992.1	492.1	4.48
	Aug	500.0	1,045.0	545.0	4.22
	Sep	500.0	530.0	30.0	4.16
	Sep	500.0	1,311.0	811.0	4.10
	Oct	500.0	1,051.0	551.0	3.99
	Oct	500.0	1,288.0	788.0	3.80
	Nov	500.0	888.4	388.4	3.82
	Nov	500.0	683.0	183.0	3.76
	Dec	500.0	470.5	(29.5)	4.25
365 days	**2020**				
	Jan	450.0	1,084.5	634.5	7.85
	Jan	450.0	790.9	340.9	7.78
	Feb	500.0	1,746.9	1,246.9	7.70
	Feb	500.0	806.1	306.1	7.63
	Mar	450.0	1,084.5	634.5	7.85
	Apr	450.0	899.1	449.1	6.58
	Apr	450.0	1,760.4	1,310.4	5.69
	May	500.0	2,025.5	1,525.5	5.45
	May	500.0	1,217.8	717.8	5.26
	May	500.0	1,440.6	940.6	5.02
	Jun	500.0	1,537.2	1,037.2	4.63
	Jun	500.0	1,163.5	663.5	4.58
	Jul	500.0	993.0	493.0	4.56
	Jul	500.0	587.0	87.0	6.07
	Jul	500.0	749.2	249.2	6.13
	Aug	500.0	1,951.0	1,451.0	4.30
	Aug	500.0	814.5	314.5	4.20
	Sep	500.0	1,823.4	1,323.4	4.06
	Oct	500.0	1,873.1	1,373.1	3.96
	Nov	500.0	1,332.2	832.2	3.86
	Nov	500.0	833.0	333.0	3.81
	Nov	500.0	811.2	311.2	3.81
	Dec	500.0	696.5	196.5	4.17
	Dec	690.0	1,248.0	558.0	4.33

Table III.1 (b) Allotment of Government of Namibia Treasury Bills - N$ ‘000

Date issued 2020	Date due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
Jan	04/20	396,130	0	396,130	45,120	0	8,750	450,000	24,246,850
Jan	04/20	354,900	34,900	389,800	60,200	0	0	450,000	24,246,850
Jan*	07/20	385,910	50,000	435,910	14,040	0	50	450,000	24,246,850
Jan*	07/20	392,500	25,000	417,500	32,500	0	0	450,000	24,246,850
Jan*	07/20	390,040	32,500	422,540	77,460	0	0	500,000	24,296,850
Jan***	10/20	388,410	50,000	438,410	61,590	0	0	500,000	24,346,850
Jan***	10/20	335,000	32,500	367,500	82,250	0	250	450,000	24,346,850
Jan**	01/21	359,440	0	359,440	90,560	0	0	450,000	24,396,850
Jan**	01/21	297,000	0	297,000	151,350	0	1,650	450,000	24,446,850
Feb	05/20	295,790	35,500	331,290	118,160	0	550	450,000	24,446,850
Feb*	08/20	308,200	40,000	348,200	101,800	0	0	450,000	24,446,850
Feb***	11/20	435,370	22,500	457,870	10,550	0	1,580	470,000	24,451,850
Feb***	11/20	397,110	13,000	410,110	49,890	0	0	460,000	24,451,850
Feb**	02/21	473,980	0	473,980	26,020	0	0	500,000	24,451,850
Feb**	02/21	417,620	0	417,620	82,380	0	0	500,000	24,451,850
Mar	06/20	403,570	8,500	412,070	37,420	0	510	450,000	24,550,000
Mar	06/20	419,570	20,920	440,490	9,510	0	50,000	500,000	24,550,000
Mar*	09/20	443,640	0	443,640	6,360	0	0	450,000	24,550,000
Mar***	12/20	396,470	18,000	414,470	35,530	0	0	450,000	24,550,000
Mar**	03/21	526,000	0	526,000	4,000	0	0	530,000	24,550,000
Apr	07/20	390,000	0	390,000	10,000	0	50,000	450,000	24,550,000
Apr	07/20	411,950	19,500	431,450	10,270	0	8,280	450,000	24,550,000
Apr*	10/20	440,000	0	440,000	10,000	0	0	450,000	24,550,000
Apr*	10/20	376,500	3,500	380,000	8,700	61,300	0	450,000	24,550,000
Apr***	01/21	450,000		450,000	0	0	0	450,000	24,550,000
Apr**	04/21	403,640	26,540	430,180	19,820	0	0	450,000	24,550,000
Apr**	04/21	365,620	0	365,620	54,380	30,000	0	450,000	24,550,000
May	08/20	395,000	11,000	406,000	11,000	45,000	0	462,000	24,562,000
May*	11/20	477,500	2,500	480,000	0	20,000	0	500,000	24,612,000
May***	02/21	495,270	190	495,460	2,000	2,540	0	500,000	24,662,000
May***	02/21	488,000	0	488,000	12,000	0	0	500,000	24,712,000
May**	05/21	496,000	0	496,000	4,000	0	0	500,000	24,752,000
May**	05/21	495,400	4,500	499,900	0	0	100	500,000	24,802,000
May**	05/21	430,140	0	430,140	0	69,860	0	500,000	25,302,000
Jun	09/20	468,700	14,300	483,000	17,000	0	0	500,000	25,352,000
Jun	09/20	450,000	20,000	470,000	0	30,000	0	500,000	25,352,000
Jun*	12/20	617,000	0	617,000	3,000	0	0	620,000	25,352,000
Jun***	03/21	495,500	2,500	498,000	2,000	0	0	500,000	25,402,000
Jun***	03/21	470,000	0	470,000	0	30,000	0	500,000	25,402,000
Jun**	06/21	388,810	0	388,810	11,190	100,000	0	500,000	25,452,000
Jun**	06/21	368,500	1,500	370,000	0	130,000	0	500,000	25,952,000
Jul	10/20	334,880	0	334,880	158,180	0	6,840	499,900	26,001,900
Jul	10/20	182,000	20,000	202,000	248,000	0	0	450,000	26,001,900
Jul*	01/21	240,700	35,000	275,700	224,300	0	0	500,000	26,051,900
Jul*	01/21	275,100	8,500	283,600	216,400	0	0	500,000	26,101,900
Jul*	01/21	253,000	10,000	263,000	137,000	100,000	0	500,000	26,101,900
Jul***	04/21	210,000	40,000	250,000	132,000	0	0	382,000	26,033,900
Jul**	07/21	262,000	0	262,000	238,000	0	0	500,000	26,033,900
Jul**	07/21	392,000	24,990	416,990	83,010	0	0	500,000	26,083,900
Jul**	07/21	185,800	6,000	191,800	208,200	100,000	0	500,000	26,083,900
Aug	11/20	352,000	10,410	362,410	137,590	0	0	500,000	26,121,900
Aug*	02/21	222,990	5,500	228,490	271,510	0	0	500,000	26,171,900
Aug***	05/21	320,000	0	320,000	180,000	0	0	500,000	26,211,900
Aug***	05/21	390,000	0	390,000	110,000		0	500,000	26,211,900
Aug***	05/21	189,000	0	189,000	311,000	0	0	500,000	26,211,900
Aug**	07/21	400,000	0	400,000	100,000	0	0	500,000	26,261,900
Aug**	07/21	460,000	0	460,000	40,000	0	0	500,000	26,761,900
Sep	12/20	298,020	0	298,020	201,980	0	0	500,000	26,761,900
Sep	12/20	0	10,000	10,000	490,000	0	0	500,000	26,761,900
Sep*	03/21	365,210	0	365,210	134,790	0	0	500,000	26,811,900
Sep***	06/21	330,000	10,000	340,000	160,000	0	0	500,000	26,861,900
Sep***	06/21	190,000	102,000	292,000	208,000	0	0	500,000	26,911,900
Sep**	09/21	497,000	0	497,000	3,000	0	0	500,000	26,911,900
Oct	01/21	375,150	0	375,150	117,980	0	6,870	500,000	26,911,900
Oct	01/21	193,000	10,500	203,500	296,500	0	0	500,000	26,912,000
Oct*	04/21	471,000	25,000	496,000	4,000	0	0	500,000	26,962,000
Oct*	04/21	174,000	0	174,000	326,000	0	0	500,000	27,012,000
Oct***	07/21	498,000	0	498,000	2,000	0	0	500,000	27,062,000
Oct***	07/21	265,210	0	265,210	234,790	0	0	500,000	27,112,000
Oct**	10/21	330,000	0	330,000	170,000	0	0	500,000	27,112,000
Nov	02/21	379,180	70,000	449,180	50,820	0	0	500,000	27,112,000
Nov*	05/20	340,000	23,000	363,000	137,000	0	0	500,000	27,112,000
Nov***	08/21	477,380	0	477,380	21,000	1,620	0	500,000	27,142,000
Nov***	08/21	396,000	0	396,000	104,000	0	0	500,000	27,182,000
Nov**	11/21	453,640	4,950	458,590	3,000	0	38,410	500,000	27,222,000
Nov**	11/21	400,000	0	400,000	100,000	0	0	500,000	27,322,000
Nov**	11/21	493,790	0	493,790	6,210	0	0	500,000	27,322,000
Dec	02/21	318,500	0	318,500	119,000	0	0	437,500	27,259,500
Dec	02/21	180,100	7,500	187,600	312,400	0	0	500,000	27,259,500
Dec*	05/20	306,900	52,050	358,950	261,050	0	0	620,000	27,259,500
Dec***	08/21	70,000	42,500	112,500	358,000	0	0	470,500	27,280,000
Dec**	11/21	641,080	19,920	661,000	29,000	0	0	690,000	27,520,000
Dec**	11/21	493,790	0	493,790	6,210	0	0	500,000	27,330,000

91 days
*182 days
***274 days
**365 days

Table III. 2 (a) Internal Registered Stock auctions - N$ million

Bond (coupon rate)	Period	Offer	Amount Tendered	Surplus (+) Deficit (-)	Weighted YTM %
GC22 (8.75%)	**2020**				
	Jul	150.0	429.0	279.0	5.43
GC23 (8.85%)	**2020**				
	Jan	60.0	269	208.8	8.06
	Feb	60.0	139	78.5	7.75
	Mar	60.0	66	6.0	7.93
	Apr	500.0	828	328.5	8.40
	May	60.0	633	573.0	6.29
	Jun	60.0	245	185.0	5.97
	Jul	80.0	205	124.9	5.65
	Aug	50.0	190	140.0	5.12
	Sep	50.0	304	254.4	4.97
	Oct	120.0	668	547.7	4.66
	Nov	50.0	227	176.8	4.24
	Dec	170.0	232	62.1	5.03
GC24 (10.50%)	**2020**				
	Jul	150.0	802	652.4	7.71
GC25 (8.50%)	**2020**				
	Jul	150.0	833.4	683.4	7.67
GI26 (8.50%)	**2020**				
	Jul	150.0	366.2	216.2	7.67
	Aug	60.0	335.5	275.5	7.80
	Sep	60.0	434.1	374.1	7.45
	Oct	200.0	767.7	567.7	7.19
	Nov	60.0	475.0	415.0	7.07
	Dec	260.0	937.3	677.3	7.17
GC27 (8.00%)	**2020**				
	Jan	50.0	146.7	96.7	9.05
	Feb	50.0	107.4	57.4	8.93
	Mar	50.0	126.4	76.4	8.87
	May	50.0	294.2	244.2	8.50
	Jun	50.0	274.7	224.7	8.03
	Jul	150.0	264.3	114.3	8.04
GI29 (4.5%)	**2020**				
	Jan	40.0	46.3	6.3	5.79
	Feb	40.0	1.0	-39.0	5.98
	Mar	40.0	3.0	-37.0	5.97
	Aug	15.0	12.0	-3.0	5.98
	Sep	15.0	47.5	32.5	5.92
	Oct	15.0	47.0	32.0	5.41
	Nov	15.0	28.5	13.5	5.40
	Dec	15.0	21.5	6.5	5.62
GC30 (8.00%)	**2020**				
	Jan	45.0	125.7	80.7	9.76
	Feb	45.0	40.4	-4.6	9.79
	Mar	45.0	119.7	74.7	9.83
	Apr	100.0	204.4	104.4	11.79
	May	45.0	248.5	203.5	10.44
	Jun	45.0	364.9	319.9	9.34
	Jul	100.0	402.7	302.7	9.63
	Aug	45.0	458.7	413.7	9.54
	Sep	45.0	207.0	162.0	9.33
	Oct	150.0	595.3	445.3	9.37
	Nov	45.0	334.9	289.9	9.72
	Dec	240.0	675.0	435.0	9.19
GC32 (9.00%)	**2020**				
	Jan	40.0	20.8	-19.2	10.56
	Feb	40.0	110.0	70.0	10.56
	Mar	40.0	72.3	32.3	10.69
	Apr	150.0	105.9	-44.1	12.67
	May	40.0	310.7	270.7	10.91
	Jun	50.0	265.5	215.5	10.31
	Jul	90.0	257.2	167.2	10.40
	Aug	50.0	223.8	173.8	10.46
	Sep	50.0	245.0	195.0	10.43
	Oct	110.0	335.8	225.8	10.43
	Nov	50.0	199.0	149.0	9.85
	Dec	160.0	240.3	80.3	9.95
GI33 (4.50%)	**2020**				
	Jan	40.0	17.5	-22.5	6.40
	Feb	40.0	1.5	-38.5	6.70
	Mar	40.0	3.0	-37.0	6.55
	Aug	15.0	15.0	0.0	6.82
	Sep	15.0	42.2	27.2	6.82
	Oct	15.0	32.3	17.3	6.84
	Nov	15.0	25.0	10.0	6.73
	Dec	15.0	15.0	0.0	6.83
GC35 (9.50%)	**2020**				
	Jan	40.0	16.5	-23.5	10.88
	Feb	40.0	29.4	-10.6	11.03
	Mar	40.0	57.5	17.5	11.25
	Apr	150.0	79.5	-70.5	13.05
	May	40.0	196.9	156.9	12.26
	Jun	50.0	215.8	165.8	11.28
	Jul	80.0	159.3	79.3	11.87
	Aug	50.0	215.7	165.7	11.76
	Sep	50.0	139.4	89.4	11.51
	Oct	100.0	245.5	145.5	11.73
	Nov	50.0	165.9	115.9	11.56
	Dec	150.0	123.6	-26.4	11.40
GI36 (4.8%)	**2020**				
	Jan	40.0	17.5	-22.5	6.61
	Feb	40.0	1.5	-38.5	6.99
	Aug	15.0	5.0	-10.0	6.82
	Sep	15.0	25.0	10.0	7.09
	Oct	15.0	20.1	5.1	7.04
	Nov	15.0	15.0	0.0	6.99
	Dec	15.0	10.0	-5.0	7.25
GC37 (9.50%)	**2020**				
	Jan	40.0	56.8	16.8	11.14
	Feb	40.0	38.0	-2.0	11.25
	Mar	40.0	6.9	-33.1	11.45
	Apr	100.0	62.9	-37.1	13.34
	May	40.0	157.2	117.2	12.32
	Jun	50.0	198.8	148.8	12.06
	Jul	80.0	54.8	-25.3	12.48
	Aug	40.0	165.1	125.1	12.25
	Sep	40.0	200.9	160.9	12.09
	Oct	80.0	86.4	6.4	12.25
	Nov	40.0	109.9	69.9	11.56
	Dec	120.0	40.3	-79.7	12.10
GC40 (9.80%)	**2020**				
	Jan	40.0	0.5	-39.6	11.39
	Feb	40.0	25.0	-15.0	11.51
	Mar	40.0	1.0	-39.0	13.32
	Apr	100.0	39.2	-60.8	13.32
	May	40.0	59.5	19.5	13.37
	Jun	40.0	137.1	97.1	12.20
	Jul	80.0	32.7	-47.3	12.90
	Aug	40.0	98.3	58.3	12.96
	Sep	40.0	144.2	104.2	12.75
	Oct	70.0	70.5	0.5	13.23
	Nov	40.0	125.4	85.4	13.09
	Dec	110.0	53.3	-56.8	12.77
GC43 (10.0%)	**2020**				
	Jan	40.0	52.2	12.2	11.82
	Feb	40.0	38.0	-2.0	11.92
	Mar	30.0	30.0	0.0	12.12
	Apr	100.0	50.3	-49.8	13.64
	May	40.0	109.4	69.4	12.98
	Jun	45.0	113.6	68.6	12.94
	Jul	80.0	106.5	26.5	13.48
	Aug	45.0	125.2	80.2	13.76
	Sep	45.0	252.9	207.9	13.45
	Oct	70.0	135.5	65.5	13.67
	Nov	45.0	187.0	142.0	12.93
	Dec	110.0	95.0	-15.0	13.35
GC45 (9.85%)	**2020**				
	Jan	30.0	26.6	-3.4	12.04
	Feb	30.0	23.0	-7.0	12.11
	Mar	25.0	25.0	0.0	12.20
	Apr	50.0	25.0	-25.0	13.78
	May	30.0	62.4	32.4	13.37
	Jun	30.0	103.1	73.1	12.80
	Jul	80.0	72.4	-7.6	13.73
	Aug	40.0	73.2	33.2	13.89
	Sep	40.0	78.0	38.0	13.62
	Oct	50.0	112.5	62.5	13.98
	Nov	40.0	142.0	102.0	13.86
	Dec	90.0	176.8	86.8	13.41
GC50 (10.25%)	**2020**				
	Jan	30.0	65.0	35.0	12.07
	Feb	30.0	26.1	-3.9	12.00
	Mar	30.0	27.2	-2.9	12.26
	Apr	50.0	60.4	10.4	13.85
	May	30.0	63.1	33.1	13.44
	Jun	45.0	97.9	52.9	12.83
	Jul	80.0	72.6	-7.4	13.73
	Aug	45.0	85.1	40.1	13.97
	Sep	45.0	72.6	27.6	13.75
	Oct	50.0	95.7	45.7	14.07
	Nov	45.0	97.5	52.5	14.03
	Dec	90.0	80.4	-9.6	13.60

Table III.2 (b) Allotment of Government of Namibia Internal Registered Stock - N$ '000

Date issued	Date due	Coupon rate	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-bank Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
2020										
Jan	10/23	8.85	52,800	0	52,800	7,200	0	0	60,000	38,112,790
Jan	01/27	8.00	0	0	0	50,000	0	0	50,000	38,162,790
Jan	01/29	3.80	22,800	0	22,800	17,200	0	0	40,000	38,202,790
Jan	01/30	8.00	0	0	0	45,000	0	0	45,000	38,247,790
Jan	04/32	9.00	0	0	0	20,830	0	0	20,830	38,268,620
Jan	04/33	4.50	17,500	0	17,500	0	0	0	17,500	38,286,120
Jan	07/35	9.50	0	0	0	16,490	0	0	16,490	38,302,610
Jan	07/36	4.80	17,500	0	17,500	0	0	0	17,500	38,320,110
Jan	07/37	9.50	2,400	0	2,400	37,600	0	0	40,000	38,360,110
Jan	10/40	9.85	0	0	0	450	0	0	450	38,360,560
Jan	07/43	10.00	150	0	150	39,850	0	0	40,000	38,400,560
Jan	07/45	9.85	0	0	0	19,580	0	0	19,580	38,420,140
Jan	07/50	9.85	0	0	0	30,000	0	0	30,000	38,450,140
Feb	10/21	7.75	0	0	0	0	0	0	(490,060)	37,960,080
Feb	10/23	8.85	0	0	0	60,000	0	0	60,000	38,020,080
*Feb	10/23	8.85	97,880	0	97,880	49,480	0	0	147,360	38,167,440
Feb	01/27	8.00	0	0	0	30,350	19,650	0	50,000	38,217,440
*Feb	01/27	8.00	16,160	0	16,160	36,030	0	0	52,190	38,269,630
Feb	01/29	3.80	0	0	0	1,000	0	0	1,000	38,270,630
Feb	01/30	8.00	24,000	16,400	40,400	0	0	0	40,400	38,311,030
*Feb	01/30	8.00	58,330	0	58,330	62,460	0	0	120,790	38,431,820
Feb	04/32	9.00	0	0	0	40,000	0	0	40,000	38,471,820
*Feb	04/32	9.00	0	0	0	34,090	0	0	34,090	38,505,910
Feb	04/33	4.50	0	0	0	1,500	0	0	1,500	38,507,410
Feb	07/35	9.50	10,000	0	10,000	19,430	0	0	29,430	38,536,840
*Feb	07/35	9.50	11,810	0	11,810	30,860	0	0	42,670	38,579,510
Feb	07/36	4.80	0	0	0	1,500	0	0	1,500	38,581,010
Feb	07/37	9.50	0	0	0	20,000	0	0	20,000	38,601,010
Feb	10/40	9.85	8,000	0	8,000	17,000	0	0	25,000	38,626,010
Feb	07/43	10.00	0	0	0	20,000	0	0	20,000	38,646,010
*Feb	07/43	10.00	0	0	0	48,410	0	0	48,410	38,694,420
Feb	07/45	9.85	0	0	0	23,000	0	0	23,000	38,717,420
*Feb	07/45	9.85	0	0	0	37,300	0	0	37,300	38,754,720
Feb	07/50	9.85	5,060	0	5,060	20,000	0	0	25,060	38,779,780
*Feb	7/50	9.85	0	0	0	60,300	0	0	60,300	38,840,080
Mar	10/23	8.85	59,000	0	59,000	1,000	0	0	60,000	38,900,080
Mar	01/27	8.00	0	0	0	50,000	0	0	50,000	38,950,080
Mar	01/29	3.80	0	0	0	0	0	0	0	38,950,080
Mar	01/30	8.00	0	0	0	45,000	0	0	45,000	38,995,080
Mar	04/32	9.00	9,000	0	9,000	31,000	0	0	40,000	39,035,080
Mar	04/33	4.50	0	0	0	0	0	0	0	39,035,080
Mar	07/35	9.50	0	0	0	39,500	0	500	40,000	39,075,080
Mar	07/36	4.80	0	0	0	0	0	0	0	39,075,080
Mar	07/37	9.50	0	0	0	6,860	0	0	6,860	39,081,940
Mar	10/40	9.85	0	0	0	1,000	0	0	1,000	39,082,940
Mar	07/43	10.00	0	0	0	30,000	0	0	30,000	39,112,940
Mar	07/45	9.85	0	0	0	25,000	0	0	25,000	39,137,940
Mar	07/50	9.85	0	0	0	26,000	0	1,150	27,150	39,165,090
Apr	04/20	8.25	0	0	0	0	0	0	(773,150)	38,391,940
Apr	10/23	8.85	469,570	0	469,570	30,000	0	430	500,000	38,891,940
Apr	01/29	3.80	0	0	0	0	0	0	0	38,891,940
Apr	01/30	8.00	39,000	0	39,000	61,000	0	0	100,000	38,991,940
Apr	04/32	9.00	0	0	0	105,930	0	0	105,930	39,097,870
Apr	04/33	4.50	0	0	0	0	0	0	0	39,097,870
Apr	07/35	9.50	5,000	0	5,000	74,540	0	0	79,540	39,177,410
Apr	07/36	4.80	0	0	0	0	0	0	0	39,177,410
Apr	07/37	9.50	11,000	0	11,000	51,940	0	0	62,940	39,240,350
Apr	10/40	9.85	0	0	0	39,220	0	0	39,220	39,279,570
Apr	07/43	10.00	0	0	0	50,250	0	0	50,250	39,329,820
Apr	07/45	9.85	0	0	0	25,000	0	0	25,000	39,354,820
Apr	07/50	9.85	0	0	0	49,800	0	200	50,000	39,404,820
May	10/23	8.85	60,000	0	60,000	0	0	0	60,000	39,464,820
May	01/27	8.00	33,340	0	33,340	16,660	0	0	50,000	39,514,820
May	01/30	8.00	0	0	0	45,000	0	0	45,000	39,559,820
May	04/32	9.00	20,000	0	20,000	0	0	20,000	40,000	39,599,820
May	04/33	4.50	0	0	0	0	0	0	0	39,599,820
May	07/35	9.50	10,700	0	10,700	29,130	0	170	40,000	39,639,820
May	07/36	4.80	0	0	0	0	0	0	0	39,639,820
May	07/37	9.50	3,590	0	3,590	1,800	34,610	0	40,000	39,679,820
May	10/40	9.85	0	0	0	40,000	0	0	40,000	39,719,820
May	07/43	10.00	0	0	0	6,570	33,430	0	40,000	39,759,820
May	07/45	9.85	10,000	0	10,000	20,000	0	0	30,000	39,789,820
May	07/50	9.85	0	0	0	25,000	5,000	0	30,000	39,819,820
Jun	10/23	8.85	50,000	0	50,000	0	0	0	50,000	39,869,820
Jun	01/27	8.00	30,000	0	30,000	20,000	0	0	50,000	39,919,820
Jun	01/30	8.00	10,000	23,500	33,500	11,500	0	0	45,000	39,964,820
Jun	04/32	9.00	0	19,920	19,920	0	0	30,080	50,000	40,014,820
Jun	04/33	4.50	0	0	0	0	0	0	0	40,014,820
Jun	07/35	9.50	12,090	0	12,090	32,910	0	5,000	50,000	40,064,820
Jun	07/36	4.80	0	0	0	0	0	0	0	40,064,820
Jun	07/37	9.50	0	0	0	50,000	0	0	50,000	40,114,820
Jun	10/40	9.85	0	0	0	40,000		0	40,000	40,154,820
Jun	07/43	10.00	14,350	0	14,350	0	30,650	0	45,000	40,199,820
Jun	07/45	9.85	27,000	0	27,000	13,000		0	40,000	40,239,820
Jun	07/50	9.85	19,000	0	19,000	25,130	0	870	45,000	40,284,820
Jul	10/22	8.75	107,000	0	107,000	43,000	0	0	150,000	40,434,820
Jul	10/23	8.85	68,420	0	68,420	11,580	0	0	80,000	40,514,820
Jul	10/24	10.50	150,000	97,000	247,000	82,360	0	0	329,360	40,844,180
Jul	04/25	8.50	50,000	6,500	56,500	280,050	0	0	336,550	41,180,730
Jul	04/26	8.50	20,200	153,000	173,200	55,000	0	0	228,200	41,408,930
Jul	01/27	8.00	10,000	45,740	55,740	94,260	0	0	150,000	41,558,930
Jul	01/30	8.00	0	0	0	100,000	0	0	100,000	41,658,930
Jul	04/32	9.00	0	0	0	85,300	0	4,700	90,000	41,748,930
Jul	07/35	9.50	0	0	0	80,000	0	0	80,000	41,828,930
Jul	07/37	9.50	0	0	0	38,750	0	0	38,750	41,867,680
Jul	10/40	9.85	0	0	0	32,680	0	0	32,680	41,900,360
Jul	07/43	10.00	0	0	0	80,000	0	0	80,000	41,980,360
Jul	07/45	9.85	0	0	0	72,200	0	0	72,200	42,052,560
Jul	07/50	9.85	0	0	0	71,500	0	600	72,100	42,124,660
Aug	10/21	7.75							(417,230)	41,707,430

Table III.2 (b) Allotment of Government of Namibia Internal Registered Stock - N$ '000 (cont...)

Date issued	Date due	Coupon rate	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-bank Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
Aug	10/23	8.85	13,630	0	13,630	36,370	0	0	50,000	41,757,430
Aug	10/24	10.50	0	0	0	0	0	0	0	41,757,430
Aug	04/25	8.50	0	0	0	0	0	0	0	41,757,430
Aug*	04/26	8.50	0	0	0	49,230	30,240	0	79,470	41,836,900
Aug	04/26	8.50	50,000	0	50,000	0	0	10,000	60,000	41,896,900
Aug*	01/27	8.00	0	0	0	34,180	21,400	0	55,580	41,952,480
Aug	01/29	8.00	0	0	0	5,000	0	0	5,000	41,957,480
Aug*	01/30	8.00	0	0	0	45,000	0	0	45,000	42,002,480
Aug	01/30	8.00	30,320	0	30,320	18,520	23,780	0	72,620	42,075,100
Aug	04/32	9.00	0	0	0	26,030	970	0	27,000	42,102,100
Aug	04/32	9.00	8,730	0	8,730	30,970	0	10,300	50,000	42,152,100
Aug	04/33	4.50	0	0	0	15,000	0	0	15,000	42,167,100
Aug*	07/35	9.50	0	0	0	58,030	0	0	58,030	42,225,130
Aug	07/35	9.50	37,900	0	37,900	12,100	0	0	50,000	42,275,130
Aug	07/36	4.80	0	0	0	5,000	0	0	5,000	42,280,130
Aug*	07/37	9.50	0	0	0	71,000	0	0	71,000	42,351,130
Aug	07/37	9.50	0	0	0	40,000	0		40,000	42,391,130
Aug	10/40	9.85	16,420	0	16,420	65,940	0	0	82,360	42,473,490
Aug	10/40	9.85	0	0	0	40,000	0	0	40,000	42,513,490
Aug	07/43	10.00	1,500	0	1,500	43,500	0	0	45,000	42,558,490
Aug*	07/43	10.00	11,520	0	11,520	0	0	0	11,520	42,570,010
Aug*	07/45	9.85	7,360	0	7,360	14,690	0	0	22,050	42,592,060
Aug	07/45	9.85	0	0	0	40,000	0	0	40,000	42,632,060
Aug*	07/50	9.85	0	0	0	21,720	0	0	21,720	42,653,780
Aug	07/50	9.85	0	0	0	44,670	0	330	45,000	42,698,780
Sep	10/21	7.75	0	0	0	0	0	0	(119,085)	42,579,695
Sep	10/23	8.85	25,000	0	25,000	25,000	0	0	50,000	42,629,695
Sep	04/26	8.50	0	0	0	60,000	0	0	60,000	42,689,695
Sep*	04/26	8.50	0	0	0	23,080	0	0	23,080	42,712,775
Sep	01/27	8.00	10,700		10,700	21,120	0	0	31,820	42,744,595
Sep	01/29	8.00	0	0	0	15,000	0	0	15,000	42,759,595
Sep	01/30	8.00	35,050	0	35,050	9,960	0	0	45,010	42,804,605
Sep*	01/30	8.00	2,310	0	2,310	11,650	0	0	13,960	42,818,565
Sep	04/32	9.00	13,650	0	13,650	33,350	0	3,000	50,000	42,868,565
Sep*	04/32	9.00	0	0	0	17,210	0	0	17,210	42,885,775
Sep	04/33	4.50	0	0	0	15,000	0	0	15,000	42,900,775
Sep	07/35	9.50	0	0	0	50,000	0	0	50,000	42,950,775
Sep	07/36	4.80	0	0	0	15,000	0	0	15,000	42,965,775
Sep	07/37	9.50	5,000	0	5,000	35,000	0	0	40,000	43,005,775
Sep*	07/37	9.50	0	0	0	5,970	0	0	5,970	43,011,745
Sep	10/40	9.85	3,120	0	3,120	36,880	0	0	40,000	43,051,745
Sep*	10/40	9.85	0	0	0	22,260	0	0	22,260	43,074,005
Sep	07/43	10.00	800	0	800	44,200	0	0	45,000	43,119,005
Sep	07/45	9.85	0	0	0	40,000	0	0	40,000	43,159,005
Sep*	07/45	9.85	0	0	0	24,600	0	0	24,600	43,183,605
Sep	07/50	9.85	5,000	0	5,000	40,000	0	0	45,000	43,228,605
Oct	10/21	7.75	0.0	0.0	0.0	0.0	0.0	0.0	(229,330.0)	42,999,275
Oct	10/23	8.85	0.0	0.0	0.0	120,000.0	0.0	0.0	120,000.0	43,119,275
Oct	04/26	8.50	0.0	44,720.0	44,720.0	155,280	0.0	0.0	200,000.0	43,319,275
Oct*	04/26	8.50	44,280.0	0.0	44,280.0	158,480.0	0.0	0.0	202,760.0	43,522,035
Oct	01/29	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	43,537,035
Oct	01/30	8.00	0.0	94,900.0	94,900.0	55,100.0	0.0	0.0	150,000.0	43,687,035
Oct*	01/30	8.00	10,690.0	15,380.0	26,070.0	320.0	0.0	0.0	26,390.0	43,713,425
Oct	04/32	9.00	20,000.0	0.0	20,000.0	90,000.0	0.0	0.0	110,000.0	43,823,425
Oct	04/33	4.50	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	43,838,425
Oct	07/35	9.50	1,480.0	0.0	1,480.0	98,520.0	0.0	0.0	100,000.0	43,938,425
Oct	07/36	4.80	0.0	0.0	0.0	1,500.0	0.0	0.0	15,000.0	43,953,425
Oct	07/37	9.50	43,630.0	0.0	43,630.0	36,370.0	0.0	0.0	80,000.0	44,033,425
Oct*	07/37	9.50	0.0	0.0	0.0	2,830.0	0.0	0.0	2,830.0	44,036,255
Oct	10/40	9.85	30,000.0	0.0	30,000.0	40,000.0	0.0	0.0	70,000.0	44,106,255
Oct	07/43	10.00	0.0	0.0	0.0	70,000.0	0.0	0.0	70,000.0	44,176,255
Oct	07/45	9.85	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	44,226,255
Oct	07/50	9.85	49,800.0	0.0	49,800.0	0.0	0.0	200.0	50,000.0	44,276,255
Nov	01/22	8.75	0.0	0.0	0.0	0.0	0.0	0.0	(626,720.0)	43,649,535
Nov	10/23	8.85	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	43,699,535
Nov	04/26	8.50	60,000.0	0.0	60,000.0	0.0	0.0	0.0	60,000.0	43,759,535
Nov*	04/26	8.50	121,290.0	0.0	121,290.0	122,280.0	0.0	0.0	243,570.0	44,003,105
Nov	01/29	8.00	0.0	0.0	0.0	0.0	15,000.0	0.0	15,000.0	44,018,105
Nov	01/30	8.00	11,200.0	0.0	11,200.0	25,700.0	0.0	8,100.0	45,000.0	44,063,105
Nov*	01/30	8.00	0.0	0.0	0.0	61,760.0	0.0	0.0	61,760.0	44,124,865
Nov	04/32	9.00	25,000.0	0.0	25,000.0	25,000.0	0.0	0.0	50,000.0	44,174,865
Nov*	04/32	9.00	0.0	0.0	0.0	0.0	35,260.0	0.0	35,260.0	44,210,125
Nov	04/33	4.50	2,000.0	0.0	2,000.0	13,000.0	0.0	0.0	15,000.0	44,225,125
Nov	04/32	9.00	7,500.0	0.0	7,500.0	37,500.0	0.0	5,000.0	50,000.0	44,275,125
Nov*	04/32	9.00	0.0	0.0	0.0	43,590.0	0.0	0.0	43,590.0	44,318,715
Nov	07/36	4.80	5,000.0	0.0	5,000.0	0.0	0.0	0.0	5,000.0	44,323,715
Nov	07/37	9.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	44,363,715
Nov*	07/37	9.50	0.0	0.0	0.0	45,390.0	0.0	0.0	45,390.0	44,409,105
Nov	10/40	9.85	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	44,449,105
Nov*	10/40	9.85	0.0	0.0	0.0	26,920.0	0.0	0.0	26,920.0	44,476,025
Nov	07/43	10.00	0.0	0.0	0.0	45,000.0	0.0	0.0	45,000.0	44,521,025
Nov*	07/43	10.00	0.0	0.0	0.0	67,410.0	0.0	0.0	67,410.0	44,588,435
Nov	07/45	9.85	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	44,628,435
Nov*	07/45	9.85	0.0	0.0	0.0	122,010.0	0.0	0.0	122,010.0	44,750,445
Nov	07/50	9.85	0.0	0.0	0.0	45,000.0	0.0	0.0	45,000.0	44,795,445
Nov*	07/50	9.85	0.0	0.0	0.0	95,420.0	0.0	0.0	95,420.0	44,890,865
Dec	10/23	8.85	100,000.0	7,900.0	107,900.0	62,100.0	0.0	0.0	170,000.0	45,060,865
Dec	04/26	8.50	232,550.0	112,630.0	345,180.0	19,000.0	0.0	35,820.0	400,000.0	45,460,865
Dec	01/29	8.00	10,500.0	0.0	10,500.0	4,500.0	0.0	0.0	15,000.0	45,475,865
Dec	01/30	8.00	12,000.0	153,570.0	165,570.0	93,430.0	0.0	1,000.0	260,000.0	45,735,865
Dec	04/32	9.00	47,040.0	0.0	47,040.0	152,960.0	0.0	0.0	200,000.0	45,935,865
Dec	04/33	4.50	15,000.0	0.0	15,000.0	0.0	0.0	0.0	15,000.0	45,950,865
Dec	07/35	9.50	84,500.0	0.0	84,500.0	39,110.0	0.0	0.0	123,610.0	46,074,475
Dec	07/36	4.80	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	46,084,475
Dec	07/37	9.50	9,800.0	0.0	9,800.0	30,540.0	0.0	0.0	40,340.0	46,124,815
Dec	10/40	9.85	10,750.0	0.0	10,750.0	42,500.0	0.0	0.0	53,250.0	46,178,065
Dec	07/43	10.00	64,900.0	0.0	64,900.0	30,120.0	0.0	0.0	95,020.0	46,273,085
Dec	07/45	9.85	5,500.0	0.0	5,500.0	84,500.0	0.0	0.0	90,000.0	46,363,085
Dec	07/50	9.85	80,300.0	0.0	80,300.0	0.0	0.0	100.0	80,400.0	46,443,485

*Switch auctions

Table III.3 Government Foreign Debt by Type and Currency (N$ million)

End of period	2016	2017	2018	2019	2020
Multilateral	**2,342.2**	**5,163.6**	**8,198.0**	**7,582.7**	**9,941.9**
Euro	1,118.9	1,065.8	1,116.9	739.7	774.3
US Dollar	205.7	174.6	191.1	166.9	166.4
Pound	0.0	0.0	0.0	0.0	0.0
Rand	277.5	3,234.2	6,205.2	6,253.3	8,675.0
Franc	39.2	35.0	39.6	37.3	42.0
Dinar	9.6	55.6	57.1	48.6	50.7
SDR	0.0	0.0	0.0	0.0	0.0
Yen	691.3	598.4	588.1	336.9	233.4
Billateral	**2,997.5**	**2,879.0**	**3,027.0**	**2,722.7**	**2,803.9**
Euro	866.7	832.6	852.7	746.5	766.4
Yuan	2,130.8	2,046.5	2,174.4	1,976.2	2,037.6
Eurobond	**17,029.9**	**15,491.3**	**18,038.6**	**17,654.3**	**18,277.2**
US Dollar	17,029.9	15,491.3	18,038.6	17,654.3	18,277.2
JSE listed bond	**2,892.0**	**2,892.0**	**2,892.0**	**2,892.0**	**2,042.0**
ZAR	2,892.0	2,892.0	2,892.0	2,892.0	2,042.0
Foreign debt stock	**25,261.6**	**26,425.9**	**32,155.6**	**30,851.7**	**33,065.0**
Euro	1,985.6	1,898.4	1,969.6	1,486.2	1,540.6
US Dollar	17,235.6	15,665.8	18,229.6	17,821.2	18,443.6
Pound	0.0	0.0	0.0	0.0	0.0
Rand	3,169.5	6,126.2	9,097.2	9,145.3	10,717.0
Franc	39.2	35.0	39.6	37.3	42.0
Dinar	9.6	55.6	57.1	48.6	50.7
SDR	0.0	0.0	0.0	0.0	0.0
Yen	691.3	598.4	588.1	336.9	233.4
Yuan	2130.8	2046.5	2174.4	1976.2	2037.6
Exchange Rates (End of period) - Namibia Dollar per foreign currency					
Euro	14.340	14.806	16.492	15.825	17.972
US Dollar	13.624	12.393	14.431	14.123	14.622
Pound	16.726	16.679	18.309	18.522	19.914
Rand	1.000	1.000	1.000	1.000	1.000
Franc	13.351	12.674	14.652	14.599	16.584
Dinar	44.710	41.020	47.408	46.094	48.145
SDR	18.248	17.606	20.080	19.531	21.053
Yen	0.117	0.110	0.131	0.130	0.142
Yuan	1.960	1.901	2.098	2.025	2.239

Source: BoN and MoF

Table III.4 (a) Government Domestic Loan Guarantees by Sector (N$ million)

End of period	2016	2017	2018	2019	2020
Sectoral allocation					
Mining & Quarrying	0.0	0.0	0.0	0.0	0.0
Tourism	91.1	91.1	91.3	84.3	86.3
Agriculture	223.2	623.2	484.0	356.0	327.7
Finance	0.0	0.0	234.8	498.6	0.0
Transport	0.0	0.0	0.0	411.5	368.1
Communication	0.0	0.0	0.0	0.0	0.0
Fisheries	69.2	65.2	66.3	47.6	47.8
Education	166.2	294.5	202.5	0.0	0.0
Energy	664.3	671.0	671.6	672.6	742.5
Total domestic loan guarantees	**1,213.9**	**1,744.9**	**1,911.8**	**2,070.5**	**1,572.5**
Proportion of domestic guarantees by sector					
Mining & Quarrying	0.0	0.0	0.0	0.0	0.0
Tourism	7.5	5.2	4.3	4.1	5.5
Agriculture	18.4	35.7	32.6	17.2	20.8
Finance	0.0	0.0	24.7	24.1	0.0
Transport	0.0	0.0	0.9	19.9	23.4
Communication	0.0	0.0	0.0	0.0	0.0
Fisheries	5.7	3.7	2.3	2.3	3.0
Education	13.7	16.9	0.0	0.0	0.0
Energy	54.7	38.5	35.2	32.5	47.2
Total domestic loan guarantees	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: MoF

Table III.4 (b) Government Foreign Loan Guarantees by Sector and Currency (N$ million)

Sectoral allocation	2016	2017	2018	2019	2020
Energy	**248.8**	**168.8**	**86.1**	**54.6**	**29.8**
NAD and ZAR	248.8	168.8	86.1	54.6	29.8
USD	0.0	0.0	0.0	0.0	0.0
Agriculture	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0
Transport	**4,954.8**	**4,434.0**	**4,351.5**	**4,189.6**	**3,897.0**
NAD and ZAR	2,085.0	2,196.3	2,196.3	2,790.3	2,842.0
USD	2,869.8	2,237.6	2,155.2	1,399.4	1,055.1
Communication	**38.7**	**44.8**	**49.9**	**47.9**	**379.4**
NAD and ZAR	0.0	0.0	0.0	0.0	325.0
USD	0.0	0.0	0.0	0.0	0.0
EUR	38.7	44.8	49.9	47.9	54.4
Finance	**2,500.0**	**3,947.4**	**4,641.2**	**4,944.9**	**4,997.2**
NAD and ZAR	2,500.0	3,947.4	4,641.2	4,944.9	4,997.2
Total foreign loan guarantees	**7,742.3**	**8,594.9**	**9,128.7**	**9,237.0**	**9,303.4**
Proportion of foreign loan guarantees by sector					
Energy	**3.2**	**2.0**	**0.9**	**0.6**	**0.3**
NAD and ZAR	3.2	2.0	0.9	0.6	0.3
USD	0.0	0.0	0.0	0.0	0.0
Agriculture	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
NAD and ZAR	0.0	0.0	0.0	0.0	0.0
USD	0.0	0.0	0.0	0.0	0.0
Transport	**60.1**	**51.6**	**47.7**	**45.4**	**41.9**
NAD and ZAR	23.1	25.6	24.1	30.2	30.5
USD	37.1	26.0	23.6	15.1	11.3
Communication	**0.5**	**0.5**	**0.5**	**0.5**	**4.1**
NAD and ZAR	0.0	0.0	0.0	0.0	3.5
USD	0.0	0.0	0.0	0.0	0.0
EUR	0.5	0.5	0.5	0.5	0.6
Finance	**36.1**	**45.9**	**50.8**	**53.5**	**53.7**
NAD and ZAR	36.1	45.9	50.8	53.5	53.7
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Foreign loan guarantees per currency					
NAD and ZAR	4,833.8	6,312.5	6,923.6	7,789.7	8,194.0
USD	2,869.8	2,237.6	2,155.2	1,399.4	1,055.1
EUR	38.7	44.8	49.9	47.9	54.4
Total foreign loan guarantees	**7,742.3**	**8,594.9**	**9128.7**	**9237.0**	**9303.4**
Currency composition of foreign loan guarantees					
NAD and ZAR	62.1	73.4	75.8	82.1	81.5
USD	37.4	26.0	23.6	17.4	17.9
EUR	0.5	0.5	0.5	0.5	0.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: MoF

Table IV.A1 Balance of Payments aggregates [1] (N$ million)

	2016	2017	2018 (p)	2019 (p)	2020 (p)
CURRENT ACCOUNT	**-25,399**	**-7,338**	**-6,070**	**-3,140**	**3,409**
GOODS AND SERVICES	**-37,211**	**-22,174**	**-18,019**	**-17,509**	**-15,784**
Total credit	54,747	59,675	65,660	65,853	58,288
Total debit	91,958	81,849	83,678	83,361	74,072
Goods (Trade balance)	**-35,263**	**-24,115**	**-20,447**	**-18,823**	**-14,450**
Export (fob) [2]	**46,837**	**49,865**	**55,575**	**56,063**	**51,912**
Diamonds	10,357	9,744	11,014	9,364	7,073
Other mineral products	10,744	11,209	14,784	16,421	19,884
Food and live animals	2,055	3,858	3,774	3,382	2,561
Manufactured products	20,769	21,886	22,931	23,741	19,618
of which Processed fish	9,109	9,234	10,055	10,154	9,923
Other commodities	1,572	1,524	1,679	1,911	1,875
Re-exports	1,341	1,645	1,394	1,243	900
Imports (fob) [2]	**82,099**	**73,980**	**76,023**	**74,886**	**66,362**
Consumer goods	19,659	20,748	20,671	21,570	20,426
Mineral fuels, oils and products of their distillation	11,959	8,894	11,961	12,747	9,204
Vehicles, aircraft, vessels	11,716	8,746	8,726	8,371	7,646
Machinery, mechanical, electrical appliances	12,362	11,455	11,903	10,378	9,990
Base metals and articles of base Metal	5,409	4,614	4,600	4,412	4,090
Products of the chemical industries	7,288	7,018	7,514	6,976	7,418
Other imports	13,706	12,507	10,649	10,432	7,589
Services	**-1,949**	**1,941**	**2,428**	**1,315**	**-1,334**
Total credit	7,910	9,810	10,084	9,790	6,376
Total debit	9,858	7,869	7,656	8,475	7,710
Manufacturing services (net)	1,516	1,769	1,824	1,731	2,033
Maintenance and repair services (net)	-57	24	-162	-233	-85
Transportation (net)	-936	-262	-467	-388	-982
Travel (net)	2,535	3,647	4,498	3,936	956
Insurance and pension (net)	-224	-222	-199	-289	-183
Other private services* (net)	-4,489	-2,988	-2,848	-3,210	-2,888
Government services, n.i.e. (net)	-294	-28	-217	-232	-184
PRIMARY INCOME	**-3,846**	**-4,295**	**-6,687**	**-4,447**	**-2,983**
Compensation of employees (net)	-22	-117	-10	-5	-83
Investment income (net)	-3,713	-4,075	-6,562	-4,330	-2,795
Other primary income (net)	-110	-102	-115	-111	-104
	0	0	0	0	0
SECONDARY INCOME	**15,657**	**19,131**	**18,636**	**18,815**	**22,176**
General government (net)	15,084	18,349	17,963	18,618	21,560
Current taxes on income, wealth etc.	225	224	205	320	110
Current international cooperation (Include: SACU)	14,859	18,126	17,758	18,298	21,450
of which SACU receipts	14,835	18,216	17,931	18,535	21,419
of which SACU pool payments	1,158	1,257	1,381	1,485	1,117
Financial corporations, non-financial corporations, households and NPISHs (net)	573	782	673	198	616
Personal transfers	247	-154	-51	-507	-690
Other current transfers	326	935	724	705	1,306
CAPITAL ACCOUNT	**1,943**	**2,428**	**1,732**	**1,522**	**1,674**
Gross acquisitions/ disposals of non-produced nonfinancial assets (net)	1	7	5	28	3
Capital transfers (net)	1,942	2,422	1,727	1,494	1,671
Net lending to (+)/borrowing from (-) rest of world	**-23,456**	**-4,910**	**-4,338**	**-1,618**	**5,083**

[1] Data for the previous three years are provisional and subject to revision.
[2] Published merchandise trade data from NSA adjusted for BOP purposes.

Table IV.A2 Balance of Payments aggregates (N$ million) [1]

	2016	2017	2018 (p)	2019 (p)	2020 (p)
FINANCIAL ACCOUNT [inflow (-)/ Outflow (+)]	**-18,861**	**-3,919**	**-3,644**	**-214**	**2,155**
NET DIRECT INVESTMENT [inflow (-)/ Outflow (+)]	**-5,300**	**-4,601**	**-1,457**	**2,717**	**2,054**
Net acquisition of financial assets [2]	**-70**	**-874**	**1,303**	**132**	**826**
Equity and investment fund shares	172	-357	724	-48	241
Equity other than reinvestment of earnings	96	-469	762	3	237
Reinvestment of earnings	76	112	-38	-51	4
Debt instruments	-242	-517	579	180	584
Net incurrence of financial liabilities [3]	**5,230**	**3,727**	**2,760**	**-2,585**	**-1,228**
Equity and investment fund shares	1,277	1,146	1,393	-735	465
Equity other than reinvestment of earnings	474	709	-1,675	-25	-249
Reinvestment of earnings	802	436	3,068	-710	714
Debt instruments	3,954	2,581	1,367	-1,850	-1,693
NET PORTFOLIO INVESTMENT [inflow (-)/ Outflow (+)]	**-1,193**	**6,168**	**3,041**	**1,810**	**-2,346**
Net acquisition of financial liabilities [2]	**452**	**5,547**	**2,787**	**1,697**	**-3,933**
Equity and investment fund shares	-290	4,060	1,692	903	-2,467
Debt securities	742	1,488	1,095	794	-1,466
Net incurrence of financial liabilities [3]	**1,645**	**-621**	**-255**	**-113**	**-1,587**
Equity and investment fund shares	-37	28	29	139	41
Debt securities	1,682	-649	-283	-252	-1,628
Net FINANCIAL DERIVATIVES & EMPLOYEE STOCK OPTION [inflow (-)/ Outflow (+)]	**271**	**3**	**133**	**140**	**141**
Net acquisition of financial assets [2]	**-48**	**-5**	**343**	**-21**	**254**
Net incurrence of financial liabilities [3]	**-319**	**-7**	**209**	**-162**	**113**
NET OTHER INVESTMENT [inflow (-)/ Outflow (+)]	-14,598	-10,454	-6,383	-1,713	1,785
Net acquisition of financial assets [2]	-5,136	871	1,712	-3,670	2,790
Other Equity	-	-	-	-	-
Currency and Deposits	5,097	132	-698	-3,759	2,816
Loans	-475	498	1,758	281	277
Insurance, pension,standardised guarantees	-	-	-	-	-
Trade Credits and Advances	586	358	371	-59	138
Other Accounts Receivable	-150	-117	281	-134	-441
Net incurrence of liabilities[3]	9,461	11,325	8,095	-1,957	1,005
Other equity	-	-	-	-	-
Currency and deposits	2,268	1,209	1,170	240	80
Loans	4,993	9,040	4,403	-807	794
Insurance, pension,standardised guarantees	-	0	0	0	0
Trade Credits and Advances	457	1,235	1,831	-850	150
Other Accounts Payable	1,744	-159	690	-541	-19
Special Drawing Rights	-	-	-	-	-
RESERVE ASSETS (Increase (+)/decrease (-))	1,959	4,965	1,020	-3,169	521
NET ERRORS AND OMISSIONS	4,595	991	694	1,404	-2,928

[1] Data for the previous three years are provisional and subject to revision

[2] A net acquisition of assets (outflow of capital) is indicated by a positive (+) sign. A net disposal of assests (inflow of capital) is indicated by a negative (-) sign.

[3] A net incurrence of liabilities (inflow of capital) is indicated by a positive (+) sign. A net disposal of liabilities (outflow of capital) is indicated by a negative (-) sign.

Table IV.B Supplementary table: Balance of Payments - services (N$ million)

	2016	2017	2018 (p)	2019 (p)	2020 (p)
SERVICES, NET	**-1,949**	**1,941**	**2,428**	**1,315**	**-1,334**
Credit	**7,910**	**9,810**	**10,084**	**9,790**	**6,376**
Manufacturing services	1,523	1,775	1,829	1,737	2,040
Maintenance & repair services	247	309	289	197	203
Transport services	1,172	1,540	1,530	1,570	664
Passenger	1,036	1,432	1,428	1,476	599
Other	135	109	102	94	65
Travel Services	3,318	4,540	5,066	5,052	1,885
Business	59	84	110	334	292
Personal	3,259	4,456	4,956	4,719	1,593
Construction services	89	56	124	131	362
Insurance and pension services	0	0	0	0	0
Financial services	367	363	452	345	279
Charges for the use of intellectual property	5	4	18	8	35
Telecommunications, computer & information	236	495	237	209	183
Other business services	208	95	70	69	36
Personal, cultural & recreational services	36	53	67	25	25
Government services, n.i.e.	710	580	402	446	665
Debit	**9,858**	**7,869**	**7,656**	**8,475**	**7,710**
Manufacturing services	5	6	5	6	7
Maintenance & repair services	304	284	451	430	288
Transport services	2,107	1,803	1,996	1,958	1,646
Passenger	145	28	176	165	81
Other	1,962	1,775	1,820	1,793	1,565
Travel services	783	893	568	1,116	929
Business	348	188	170	376	209
Personal	435	705	399	741	719
Construction services	1,175	867	880	268	106
Insurance and pension services	226	222	199	289	183
Financial services	26	84	92	55	62
Charges for the use of intellectual property	42	32	18	37	15
Telecommunications, computer & information	704	626	658	564	990
Other business services	3,476	2,439	2,165	3,067	2,520
Personal, cultural & recreational services	6	5	3	5	115
Government services, n.i.e.	1,004	608	619	678	849

Table IV.C Supplementary table: Balance of Payments - primary income (N$ million)

	2016	2017	2018(p)	2019(p)	2020(p)
PRIMARY INCOME, NET	**-3,846**	**-4,295**	**-6,687**	**-4,447**	**-2,983**
Credit	3,874	3,827	4,535	4,457	3,975
Debit	7,719	8,122	11,222	8,904	6,958
Compensation of employees, net	**-22**	**-117**	**-10**	**-5**	**-85**
Credit	339	365	402	401	328
Debit	361	482	412	406	412
Investment income, net	**-3,713**	**-4,075**	**-6,562**	**-4,330**	**-2,794**
Credit	**3,535**	**3,462**	**4,133**	**4,057**	**3,648**
Direct investment	80	120	-24	-19	11
Dividends	4	6	6	6	6
Reinvested earnngs	76	112	-38	-51	4
Interest	0	2	8	26	1
Portfolio investment	2,786	2,452	2,947	2,867	2,872
Dividends	1,812	1,656	2,038	1,908	1,481
Interest	974	796	909	959	1,391
Other investment	253	262	436	376	217
Reserve assets	417	629	774	834	547
Debit	**7,248**	**7,537**	**10,694**	**8,387**	**6,441**
Direct investment	3,923	4,020	6,842	4,452	3,302
Dividends	2,293	2,275	2,093	3,239	1,141
Reinvested earnngs	802	436	3,068	-710	714
Interest	828	1,308	1,681	1,922	1,448
Portfolio investment	1,923	2,310	2,345	2,359	2,197
Dividends	11	11	11	11	11
Interest	1,912	2,299	2,334	2,348	2,186
Other investment	1,403	1,208	1,508	1,576	942
Other primary income, net	**-110**	**-102**	**-115**	**-111**	**-104**
Credit	0	0	0	0	0
Debit	110	102	115	111	104

Table IV.D Supplementary table: Balance of Payments - secondary income (N$ million)

Secondary income, net	2016 15,657	2017 19,131	2018 (p) 18,636	2019 (p) 18,815	2020 (p) 22,176
Credit	**17,563**	**20,997**	**20,566**	**21,570**	**24,863**
General government	16,311	19,714	19,437	20,191	22,877
Current taxes on income, wealth etc.	229	228	209	324	114
Social contributions	-	-	-	-	-
Social benefits	-	-	-	-	-
Current international cooperation (include:SACU)	16,082	19,486	19,228	19,867	22,763
of which receipts from SACU	14,835	18,216	17,931	18,535	21,419
Financial corporations, nonfinancial corporations, households, and NPISHs	1,252	1,283	1,129	1,379	1,986
Personal transfers (current transfers between resident and nonresident households)	625	277	306	478	597
Other current transfers	627	1,007	823	901	1,390
Debit	**1,906**	**1,867**	**1,931**	**2,755**	**2,687**
General government	1,227	1,365	1,474	1,573	1,317
Current taxes on income, wealth etc.	4	4	4	4	4
Social contributions	-	-	-	-	-
Social benefits	-	-	-	-	-
Current international cooperation (include:SACU)	1,223	1,361	1,470	1,569	1,313
of which SACU pool payments	1,158	1,257	1,381	1,485	1,117
Financial corporations, nonfinancial corporation, households and NPISHs	678	502	456	1,181	1,370
Personal transfers (current transfers between resident and nonresident households)	378	430	357	986	1,287
Other current transfers	301	71	99	196	83

Table IV.E Supplementary table: Balance of Payments - capital account (N$ million)

Capital account balance	2016 1,943	2017 2,428	2018 (p) 1,732	2019 (p) 1,522	2020 (p) 1,674
Credit	2,106	2,489	1,913	1,696	1,697
Gross disposals of nonproduced nonfinancial assets	**2**	**7**	**5**	**28**	**3**
Capital transfers	**2,104**	**2,482**	**1,908**	**1,668**	**1,694**
General government	1,552	1,541	1,532	1,587	1,679
Debt forgiveness	-	-	-	-	-
Other capital transfers	1,552	1,541	1,532	1,587	1,679
Financial corporations, nonfinancial corporations, households, and NPISHs	552	941	377	80	15
Debt forgiveness	-	477	-	-	-
Other capital transfers	552	464	377	80	15
Debit	**163**	**60**	**182**	**174**	**23**
Gross acquisitions of nonproduced nonfinancial assets	**0**	**0**	**0**	**-**	**-**
Capital transfers	**162**	**60**	**182**	**174**	**23**
General government	30	17	26	73	12
Debt forgiveness	-	-	-	-	-
Other capital transfers	30	17	26	73	12
Financial corporations, nonfinancial corporations, households, and NPISHs	133	43	155	101	10
Debt forgiveness	-	-	-	-	-
Other capital transfers	133	43	155	101	10

Table IV.F Supplementary table: Balance of Payments - direct investment (N$ million)

	2016	2017	2018 (p)	2019 (p)	2020 (p)
DIRECT INVESTMENT, NET	**-5,300**	**-4,601**	**-1,457**	**2,717**	**2,054**
Net acquisition of financial assets	**-70**	**-874**	**1,303**	**132**	**826**
Equity and investment fund shares	**172**	**-357**	**724**	**-48**	**241**
Equity other than reinvestment of earnings	96	-469	762	3	237
Direct investor in Direct investment enterprise	16	-469	762	3	237
Direct investment enterprise in direct investor (reverse investment)	80	0	0	0	0
Between fellow enterprises	0	0	0	0	0
Reinvestment of earnings	**76**	**112**	**-38**	**-51**	**4**
Debt instruments	**-242**	**-517**	**579**	**180**	**584**
Short-term	**23**	**-190**	**443**	**197**	**811**
Direct investor in Direct investment enterprise	23	-192	423	201	811
Direct investment enterprise in direct investor (reverse investment)	0	0	0	10	0
Between fellow enterprises	0	2	20	-14	0
Long-term	**-265**	**-327**	**136**	**-17**	**-226**
Direct investor in Direct investment enterprise	-211	-327	1	0	0
Direct investment enterprise in direct investor (reverse investment)	0	0	105	0	0
Between fellow enterprises	-54	0	29	-17	-226
Net incurrence of liabilities	**5,230**	**3,727**	**2,760**	**-2,585**	**-1,228**
Equity and investment fund shares	**1,277**	**1,146**	**1,393**	**-735**	**465**
Equity other than reinvestment of earnings	474	709	-1,675	-25	-249
Direct investor in Direct investment enterprise	474	710	-1,673	-25	-249
Direct investment enterprise in direct investor (reverse investment)	0	0	0	0	0
Between fellow enterprises	0	-0	-2	0	0
Reinvestment of earnings	**802**	**436**	**3,068**	**-710**	**714**
Debt instruments	**3,954**	**2,581**	**1,367**	**-1,850**	**-1,693**
Short-term	**-393**	**270**	**603**	**-89**	**610**
Direct investor in Direct investment enterprise	-393	314	562	-67	635
Direct investment enterprise in direct investor (reverse investment)	0	0	0	0	0
Between fellow enterprises	0	-43	42	-22	-24
Long-term	**4,346**	**2,311**	**764**	**-1,762**	**-2,304**
Direct investor in Direct investment enterprise	-2,492	327	1,002	-278	222
Direct investment enterprise in direct investor (reverse investment)	0	0	-48	-7	-28
Between fellow enterprises	6,839	1,984	-190	-1,476	-2,498

Table IV.G Supplementary table: Balance of Payments - portfolio investment (N$ million)

	2016	2017	2018 (p)	2019 (p)	2020 (p)
PORTFOLIO INVESTMENT, NET	**-1,193**	**6,168**	**3,041**	**1,810**	**-2,346**
Net acquisition of financial assets	**452**	**5,547**	**2,787**	**1,697**	**-3,933**
Equity and investment fund shares	**-290**	**4,060**	**1,692**	**903**	**-2,467**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	0	0	0	0	0
Other sectors	-290	4,060	1,692	903	-2,467
Debt Securities	**742**	**1,488**	**1,095**	**794**	**-1,466**
Short-term	**481**	**-105**	**80**	**8**	**61**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	481	-105	80	8	61
Other sectors	0	0	0	0	0
Long-term	**261**	**1,593**	**1,015**	**786**	**-1,526**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	156	-168	-69	16	0
Other sectors	105	1,761	1,084	771	-1,526
Net incurrence of liabilities	**1,645**	**-621**	**-255**	**-113**	**-1,587**
Equity and investment fund shares	**-37**	**28**	**29**	**139**	**41**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	0	0	0	0	0
Other sectors	-37	28	29	139	41
Debt Securities	**1,682**	**-649**	**-283**	**-252**	**-1,628**
Short-term	**0**	**0**	**0**	**0**	**0**
Central Bank	0	0	0	0	0
General government	0	0	0	0	0
Deposit-taking corporations except central bank	0	0	0	0	0
Other sectors	0	0	0	0	0
Long-term	**1,682**	**-649**	**-283**	**-252**	**-1,628**
Central Bank	0	0	0	0	0
General government	502	10	10	10	-830
Deposit-taking corporations except central bank	1,180	-660	-294	-262	-298
Other sectors	0	0	0	0	-500
Financial derivatives and employee stock options, net	**271**	**3**	**133**	**140**	**141**
Net acquisition of assets	-48	-5	343	-21	254
Net incurrence of liabilities	-319	-7	209	-162	113

Table IV.H Supplementary table: balance of payments - other investment (N$ million)

	2016	2017	2018 (p)	2019 (p)	2020 (p)
OTHER INVESTMENT, NET	**-14,598**	**-10,454**	**-6,383**	**-1,713**	**1,785**
Net acquisition of financial assets	**-5,136**	**871**	**1,712**	**-3,670**	**2,790**
Other equity	**0**	**0**	**0**	**0**	**0**
Currency and Deposits	**-5,097**	**132**	**-698**	**-3,759**	**2,816**
Deposit taking except Central Bank	-2,000	-567	2,411	45	878
Other sectors	-3,097	699	-3,108	-3,804	1,938
Loans	**-475**	**498**	**1,758**	**281**	**277**
Loans - long term	**489**	**123**	**1,491**	**-12**	**410**
General Government	40	40	40	40	40
Deposit taking except Central Bank	457	84	1,452	-52	299
Other sectors	-8	0	0	0	72
Loans - short term	**-964**	**374**	**267**	**294**	**-133**
General Government	0	0	0	0	0
Deposit taking except Central Bank	-921	374	267	294	-133
Other sectors	-42	0	0	0	0
Insurance, pension,standardised guarantees	**0**	**0**	**0**	**0**	**0**
Trade Credits and Advances	**586**	**358**	**371**	**-59**	**138**
Central Bank	0	0	0	0	0
Deposit taking except Central Bank	-1	0	0	0	0
General Government	0	0	0	0	0
Other sectors	586	358	371	-59	138
Other Accounts Receivable	**-150**	**-117**	**281**	**-134**	**-441**
	0	0	0	0	0
Net incurrence of liabilities	**9,461**	**11,325**	**8,095**	**-1,957**	**1,005**
Other Equity	**0**	**0**	**0**	**0**	**0**
Currency and Deposits	**2,268**	**1,209**	**1,170**	**240**	**80**
Deposit taking except Central Bank	2,268	1,209	1,170	240	80
Other sectors	0	0	0	0	0
Loans	**4,993**	**9,040**	**4,403**	**-807**	**794**
Loans - long term	**5,389**	**8,263**	**4,473**	**-1,136**	**942**
General Government	248	2,703	2,692	-253	1,185
Deposit taking except Central Bank	-579	177	-486	-165	-290
Other sectors	5,720	5,384	2,267	-718	47
Loans - short term	**-396**	**777**	**-70**	**329**	**-148**
General Government	0	0	0	0	0
Deposit taking except Central Bank	-517	-32	-86	0	0
Other sectors	121	809	16	329	-148
Insurance, pension,standardised guarantees	**0**	**0**	**0**	**0**	**0**
Trade Credits and Advances	**457**	**1,235**	**1,831**	**-850**	**150**
Central Bank	0	0	0	0	0
Deposit taking except Central Bank	2	-1	-1	0	0
General Government	0	0	0	0	0
Other sectors	455	1,236	1,832	-850	150
Other Accounts Payable	**1,744**	**-159**	**690**	**-541**	**-19**
Special Drawing Rights	**0**	**0**	**0**	**0**	**0**

Table IV.I International foreign exchange reserves stock (including valuation adjustments) (N$ million)

End of	2016	2017	2018	2019	2020
January	25,291.5	24,631.3	28,333.7	30,666.7	30,961.1
February	25,216.3	22,710.7	26,872.1	31,637.6	32,168.7
March	24,910.2	22,576.4	26,778.1	32,574.0	32,973.9
April	24,661.7	25,675.9	30,680.2	34,158.3	35,548.5
May	24,769.4	25,413.4	28,168.5	34,124.6	33,743.2
June	21,049.0	28,510.3	29,626.4	33,433.6	31,759.0
July	22,834.0	33,674.0	30,843.4	35,179.2	35,399.6
August	20,537.6	30,621.5	32,195.6	33,425.1	33,384.8
September	26,449.3	31,463.5	32,516.7	32,266.1	32,665.8
October	25,067.8	31,601.8	31,111.0	32,469.7	34,353.8
November	25,857.0	28,545.7	29,542.8	29,752.4	30,517.7
December	24,720.1	30,177.1	31,023.7	28,940.9	31,751.7

Table IV.J (a) International Investment Position - N$ million

	2016	2017	2018 (p)	2019 (p)	2020 (p)
FOREIGN ASSETS	**120,341**	**143,213**	**143,336**	**147,331**	**154,796**
1. Direct investment	**12,684**	**16,983**	**13,746**	**15,436**	**14,546**
1.1. Equity and investment fund shares	**10,892**	**14,461**	**8,521**	**10,173**	**7,189**
1.1.1. Direct investor in direct investment enterprises	10,892	14,461	8,521	10,173	7,189
1.1.2. Direct investment enterprise in direct investor (reverse)	-	-	-	-	-
1.1.3. Between fellow enterprises	-	-	-	-	-
1.2. Debt instruments	**1,793**	**2,523**	**5,224**	**5,263**	**7,356**
1.2.1. Direct investor in direct investment enterprises	1,498	2,305	4,854	4,908	7,221
Short-term	225	1,136	628	794	1,510
Long-term	1,273	1,169	4,227	4,114	5,711
1.2.2. Direct investment enterprises in direct investor (reverse)	89	30	105	105	105
Short-term	89	30	-	-	-
Long-term	-	-	105	105	105
1.2.3. Between fellow enterprises	205	188	264	250	30
Short-term	-	2	33	19	19
Long-term	205	187	231	231	11
2. Portfolio investment	**70,544**	**83,492**	**83,662**	**90,537**	**92,549**
2.1. Equity and investment fund shares	**46,579**	**56,298**	**54,953**	**60,624**	**48,799**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	-	-	-	-	-
iii) General government	-	-	-	-	-
iv) Other sectors	46,579	56,298	54,953	60,624	48,799
2.2. Debt securities	**23,965**	**27,195**	**28,709**	**29,914**	**43,750**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	1,030	757	768	792	833
iii) General government	-	-	-	-	-
iv) Other sectors	22,935	26,437	27,941	29,122	42,916
3. Financial derivatives and employee stock options,net	**62**	**57**	**400**	**379**	**633**
4. Other investment	**12,331**	**12,503**	**14,504**	**12,037**	**15,316**
4.1. Other equity	**-**	**-**	**-**	**-**	**-**
4.2. Currency and deposits	**6,931**	**6,396**	**7,638**	**5,270**	**7,618**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	2,656	1,990	4,400	4,445	5,323
iii) General government	-	-	-	-	-
iv) Other sectors	4,275	4,406	3,237	825	2,295
4.3. Loans	**922**	**1,383**	**3,101**	**3,343**	**3,829**
Short-term	**193**	**570**	**836**	**1,130**	**1,245**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	193	570	836	1,130	1,245
iii) General government	-	-	-	-	-
iv) Other sectors	-	-	-	-	-
Long-term	**730**	**813**	**2,265**	**2,213**	**2,584**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	730	813	2,265	2,213	2,512
iii) General government	-	-	-	-	-
iv) Other sectors	-	-	-	-	72
4.4. Insurance, pension,standardised guarantees	**-**	**-**	**-**	**-**	**-**
4.5. Trade credit and advances	**379**	**725**	**1,077**	**1,018**	**1,156**
Short-term	**379**	**724**	**1,070**	**998**	**1,083**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	-	-	-	-	-
iii) General government	-	-	-	-	-
iv) Other sectors	379	724	1,070	998	1,083
Long-term	**-**	**1**	**8**	**20**	**73**
i) Central bank	-	-	-	-	-
ii) Deposit-taking corporations, except the central bank	-	-	-	-	-
iii) General government	-	-	-	-	-
iv) Other sectors	-	1	8	20	73
4.6. Other accounts receivable	**4,099**	**4,000**	**2,689**	**2,407**	**2,714**
5. Reserve assets	**24,720**	**30,177**	**31,024**	**28,941**	**31,745**
5.1. Monetary gold	-	-	-	-	-
5.2. Special drawing rights	124	112	62	34	28
5.3. Reserve position in the IMF	-	-	-	-	-
5.4. Other reserve assets	24,597	30,065	30,962	28,907	31,723

Table IV.J (b) International Investment Position - N$ million

FOREIGN LIABILITIES	2,016	2017	2,018 (p)	2019 (p)	2020 (p)
FOREIGN LIABILITIES	**132,094**	**150,103**	**168,694**	**161,755**	**155,774**
1. Direct investment	**84,887**	**89,742**	**99,663**	**96,427**	**88,767**
1.1. Equity and investment fund shares	**42,606**	**46,584**	**46,772**	**44,364**	**39,826**
1.1.1. Direct investor in direct investment enterprises	42,603	46,582	46,772	44,364	39,826
1.1.2. Direct investment enterprises in direct investor (reverse)	0	0	0	0	0
1.1.3. Between fellow enterprises	2	2	0	0	0
1.2. Debt instruments	**42,281**	**43,158**	**52,891**	**52,063**	**48,941**
1.2.1. Direct investor in direct investment enterprises	12,127	12,602	15,595	15,383	16,385
Short-term	1,370	1,682	2,252	2,185	2,112
Long-term	10,757	10,920	13,343	13,198	14,273
1.2.2. Direct investment enterprises in direct investor (reverse)	0	0	45	33	29
Short-term	0	0	0	0	0
Long-term	0	0	45	33	29
1.2.3. Between fellow enterprises	30,154	30,556	37,251	36,647	32,526
Short-term	129	86	131	126	102
Long-term	30,025	30,471	37,120	36,521	32,425
2. Portfolio investment	**23,208**	**21,448**	**23,678**	**23,141**	**22,120**
2.1. Equity and investment fund shares	**119**	**557**	**533**	**643**	**647**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	0	0	0	0	0
iii) General government	0	0	0	0	0
iv) Other sectors	119	557	533	643	647
2.2. Debt securities	**23,089**	**20,891**	**23,145**	**22,498**	**21,473**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	2,668	2,008	1,714	1,452	1,154
iii) General government	19,922	18,383	20,931	20,546	20,319
iv) Other sectors	500	500	500	500	0
	0	0			
3. Financial derivatives and employee stock options,net	**135**	**128**	**337**	**175**	**288**
4. Other investment	**23,864**	**38,785**	**45,017**	**42,011**	**44,598**
4.1. Other equity	**0**	**0**	**0**	**0**	**0**
4.2. Currency and deposits	**3,571**	**4,480**	**4,737**	**4,978**	**5,058**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	3,571	4,480	4,737	4,978	5,058
iii) General government	0	0	0	0	0
iv) Other sectors	0	0	0	0	0
4.3. Loans	**13,771**	**27,013**	**30,703**	**28,774**	**31,013**
Short-term	**557**	**1,360**	**1,134**	**1,206**	**1,061**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	116	86	0	0	0
iii) General government	0	0	0	0	0
iv) Other sectors	441	1,274	1,134	1,206	1,061
Long-term	**13,214**	**25,653**	**29,568**	**27,567**	**29,953**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	1,812	1,989	1,503	1,334	1,148
iii) General government	5,340	8,043	11,225	10,305	12,746
iv) Other sectors	6,062	15,622	16,841	15,928	16,059
4.4. Insurance, pension,standardised guarantees	**0**	**0**	**0**	**0**	**0**
4.5. Trade credit and advances	**1,851**	**3,025**	**4,246**	**3,615**	**3,753**
Short-term	**1,851**	**3,025**	**3,960**	**3,615**	**3,753**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	2	1	0	0	0
iii) General government	0	0	0	0	0
iv) Other sectors	1,849	3,024	3,960	3,615	3,753
Long-term	**0**	**0**	**287**	**0**	**0**
i) Central bank	0	0	0	0	0
ii) Deposit-taking corporations, except the central bank	0	0	0	0	0
iii) General government	0	0	0	0	0
iv) Other sectors	0	0	287	0	0
4.6. Other accounts payable	**1,957**	**1,798**	**2,461**	**1,830**	**1,860**
4.7. Special drawing rights	**2,715**	**2,469**	**2,870**	**2,814**	**2,914**
NET ASSET/LIABILITY POSITION	**-11,753**	**-6,890**	**-25,359**	**-14,424**	**-978**

Table IV.K Foreign exchange rates Namibia; Dollar per foreign currency unit

Period averages

Period		US Dollar	UK Pound	EU Euro	Botswana Pula	Switzerland Franc	Chinese Yuan	IMF SDR
2016	Jan	16.380	23.603	17.794	1.418	16.274	2.492	22.562
	Feb	15.769	22.565	17.503	1.397	15.881	2.408	21.990
	Mar	15.422	21.915	17.108	1.382	15.660	2.370	21.487
	Apr	14.632	20.908	16.589	1.354	15.181	2.259	21.573
	May	15.356	22.312	17.361	1.388	15.705	2.351	21.711
	Jun	15.056	21.409	16.921	1.374	15.519	2.284	21.224
	Jul	14.423	18.974	15.962	1.337	14.687	2.160	20.051
	Aug	13.735	18.003	15.405	1.309	14.162	2.066	19.265
	Sep	14.037	18.464	15.739	1.322	14.411	2.103	19.666
	Oct	13.944	17.219	15.377	1.311	14.131	2.072	19.258
	Nov	13.914	17.292	15.045	1.303	13.980	2.034	19.037
	Dec	13.836	17.300	14.614	1.291	13.586	2.000	18.658
2017	Jan	13.563	16.724	14.421	1.281	13.456	1.967	18.289
	Feb	13.196	16.484	14.043	1.263	13.171	1.920	17.964
	Mar	12.938	15.963	13.824	1.250	12.907	1.876	17.525
	Apr	13.466	17.003	14.429	1.281	13.456	1.954	18.375
	May	13.268	17.156	14.665	1.278	13.454	1.927	18.241
	Jun	12.897	16.506	14.490	1.263	13.326	1.895	17.846
	Jul	13.138	17.066	15.118	1.282	13.681	1.940	18.318
	Aug	13.231	17.153	15.634	1.296	13.713	1.983	18.688
	Sep	13.135	17.442	15.656	1.295	13.656	2.001	18.701
	Oct	13.676	18.053	16.078	1.318	13.935	2.064	19.324
	Nov	14.078	18.620	16.527	1.340	14.194	2.126	19.820
	Dec	13.170	17.658	15.592	1.295	13.342	1.997	18.636
2018	Jan	12.204	16.841	14.872	1.253	12.688	1.898	17.559
	Feb	11.822	16.536	14.611	1.238	12.657	1.870	17.187
	Mar	11.836	16.524	14.606	1.239	12.503	1.876	17.193
	Apr	12.084	17.032	14.854	1.251	12.499	1.919	17.579
	May	12.529	16.871	14.807	1.263	12.562	1.966	17.828
	Jun	13.286	17.654	15.517	1.299	13.426	2.055	18.802
	Jul	13.415	17.668	15.671	1.301	13.487	1.997	18.834
	Aug	14.089	18.143	16.264	1.331	14.251	2.069	19.657
	Sep	14.780	19.289	17.235	1.369	15.265	2.156	20.683
	Oct	14.496	18.860	16.653	1.350	14.592	2.094	20.142
	Nov	14.087	18.177	16.017	1.325	14.076	2.030	19.564
	Dec	14.181	17.980	16.146	1.328	14.294	2.060	19.676
2019	Jan	13.862	17.860	15.835	1.317	14.018	2.043	19.316
	Feb	13.796	17.941	15.656	1.313	13.775	2.047	19.237
	Mar	14.383	18.954	16.254	1.343	14.364	2.143	20.016
	Apr	14.154	18.462	15.911	1.330	14.064	2.107	19.638
	May	14.437	18.523	16.147	1.341	14.287	2.103	19.931
	Jun	14.567	18.473	16.455	1.351	14.740	2.111	20.200
	Jul	14.047	17.519	15.762	1.322	14.226	2.042	19.398
	Aug	15.142	18.392	16.841	1.374	15.455	2.144	20.793
	Sep	14.849	18.314	16.352	1.357	14.990	2.086	20.308
	Oct	14.907	18.817	16.471	1.362	15.000	2.101	20.462
	Nov	14.804	19.078	16.365	1.359	14.910	2.109	20.348
	Dec	14.436	18.911	16.042	1.343	14.680	2.057	19.914
2020	Jan	14.397	18.819	15.985	1.341	14.842	2.080	19.877
	Feb	15.015	19.472	16.385	1.365	15.385	2.146	20.523
	Mar	16.661	20.595	18.408	1.444	17.370	2.367	22.652
	Apr	18.576	23.037	20.175	1.526	19.132	2.625	24.720
	May	18.143	22.282	19.763	1.503	18.695	2.552	24.686
	Jun	17.133	21.459	19.287	1.464	18.003	2.418	23.630
	Jul	16.771	21.222	19.213	1.449	17.946	2.392	23.336
	Aug	17.231	22.628	20.382	1.480	18.930	2.488	24.298
	Sep	16.716	21.704	19.727	1.452	18.292	2.455	23.622
	Oct	16.461	21.371	19.372	1.437	18.038	2.447	23.258
	Nov	15.549	20.532	18.402	1.394	17.075	2.355	22.096
	Dec	14.906	20.017	18.136	1.368	16.762	2.279	21.537

Table IV.L Effective exchange rate indices[1]

		Nominal effective exchange rate 2015=100			Real effective exchange rate 2015=100		
		Import weighted	Export weighted	Total trade weighted	Import weighted	Export weighted	Total trade weighted
2016	Jan	93.8	83.6	91.8	95.5	87.0	94.4
	Feb	94.9	84.9	92.7	96.1	88.4	95.0
	Mar	95.1	85.7	93.4	96.4	89.5	95.9
	Apr	96.0	87.7	94.8	97.2	91.6	97.3
	May	94.9	85.1	93.2	96.4	89.1	96.0
	Jun	95.6	86.3	94.1	96.9	90.5	96.8
	Jul	96.5	88.7	96.0	97.9	93.5	99.1
	Aug	97.2	90.8	97.5	98.8	95.9	100.9
	Sep	96.8	89.8	96.7	98.3	94.7	100.0
	Oct	97.0	90.6	97.4	98.6	95.8	100.8
	Nov	97.3	91.5	98.0	99.0	96.8	101.6
	Dec	97.8	92.8	98.8	99.3	98.1	102.2
2017	Jan	95.6	90.9	99.4	99.7	99.0	105.8
	Feb	96.7	92.7	100.4	100.2	100.7	106.4
	Mar	97.5	94.1	101.2	100.6	101.9	106.8
	Apr	96.4	91.6	99.4	99.6	99.1	105.0
	May	96.6	91.5	99.4	99.7	99.0	104.9
	Jun	97.0	92.4	100.1	100.1	100.1	105.7
	Jul	96.7	90.6	98.9	99.5	98.1	104.2
	Aug	96.3	89.2	98.0	99.1	96.5	103.2
	Sep	96.4	89.1	97.9	99.1	96.4	103.1
	Oct	95.9	87.5	96.8	98.4	94.6	101.8
	Nov	95.3	86.0	95.7	97.8	93.0	100.6
	Dec	96.7	89.4	98.0	99.1	96.6	102.9
2018	Jan	96.6	91.1	100.2	100.4	99.9	106.8
	Feb	97.6	92.6	101.1	100.9	101.2	107.3
	Mar	97.7	92.6	101.0	100.9	101.2	107.2
	Apr	97.6	91.6	100.3	100.5	100.0	106.2
	May	97.2	90.9	99.7	100.2	99.2	105.7
	Jun	96.3	88.2	97.8	99.1	96.2	103.5
	Jul	96.5	87.9	97.9	99.1	96.2	103.6
	Aug	95.7	86.0	96.4	98.3	93.9	102.0
	Sep	94.6	83.1	94.7	97.4	91.0	100.4
	Oct	95.2	84.5	95.7	98.1	92.7	101.6
	Nov	95.1	85.7	97.0	98.7	94.7	103.7
	Dec	95.0	85.4	96.6	98.4	94.2	103.1
2019	Jan	94.0	85.0	97.2	98.8	95.2	105.3
	Feb	94.9	85.8	97.4	98.9	95.6	104.8
	Mar	94.5	84.0	95.9	97.9	93.1	102.6
	Apr	95.1	85.1	96.5	98.3	94.2	103.2
	May	95.2	84.7	96.1	98.1	93.6	102.4
	Jun	95.2	84.2	95.7	97.8	92.8	101.7
	Jul	95.9	86.0	97.1	98.6	95.1	103.4
	Aug	95.0	82.9	94.8	97.4	91.4	100.6
	Sep	95.5	84.2	95.7	97.9	92.9	101.7
	Oct	95.2	83.9	95.5	97.8	92.6	101.5
	Nov	95.3	84.0	95.6	97.8	92.8	101.8
	Dec	96.1	85.4	96.5	98.3	94.0	102.3
2020	Jan	95.7	84.9	96.5	98.3	94.0	102.8
	Feb	95.5	83.6	95.3	97.6	92.3	101.2
	Mar	94.0	78.5	91.7	95.7	86.5	97.0
	Apr	92.4	74.5	88.7	94.0	81.7	93.4
	May	91.9	75.0	89.4	94.4	82.8	95.0
	Jun	92.5	76.5	90.7	95.2	84.8	96.7
	Jul	93.9	77.3	91.0	95.4	85.3	96.2
	Aug	93.1	75.1	89.6	94.7	83.0	94.9
	Sep	93.3	76.2	90.5	95.1	84.4	96.0
	Oct	93.7	76.9	90.9	95.4	85.1	96.3
	Nov	94.5	78.9	92.5	96.3	87.7	98.4
	Dec	95.1	80.3	93.5	96.9	89.1	99.3

[1] The currencies included (with their respective weights) in the total trade weighted basket are as follows: ZAR(0.55), Pula (0.10), Euro (0.17), United Arab Emirates - Dirham (0.03), Indian Rupee (0.03), Chinese Yuan (0.10) and USD (0.02).

Table IV.M Selected minerals' monthly average prices

		U$ Per Metric Tonne			US$ Per Ounce	US$ Per Pound
		Copper	Lead	Zinc	Gold	Uranium
2016	Jan	4,471.8	1,706.6	1,520.4	1,097.4	34.6
	Feb	4,598.6	1,646.2	1,709.8	1,199.9	33.6
	Mar	4,953.8	1,765.8	1,801.7	1,246.3	29.6
	Apr	4,872.7	1,802.2	1,855.4	1,242.3	27.6
	May	4,694.5	1,732.3	1,869.0	1,259.4	27.8
	Jun	4,642.0	1,707.8	2,026.2	1,276.4	27.2
	Jul	4,864.9	1,712.8	2,183.3	1,337.3	25.9
	Aug	4,751.7	1,834.8	2,279.1	1,341.1	25.9
	Sep	4,722.2	1,835.5	2,292.3	1,326.0	24.7
	Oct	4,731.3	1,947.6	2,311.5	1,266.6	21.2
	Nov	5,450.9	2,024.5	2,566.2	1,236.0	18.5
	Dec	5,660.4	2,180.6	2,664.8	1,151.4	19.1
2017	Jan	5,754.6	2,242.6	2,714.8	1,192.6	22.1
	Feb	5,940.9	2,311.5	2,845.6	1,234.4	24.0
	Mar	5,824.6	2,280.9	2,776.9	1,231.1	24.6
	Apr	5,683.9	2,220.6	2,614.9	1,265.6	23.2
	May	5,599.6	2,125.1	2,590.2	1,245.0	21.6
	Jun	5,719.8	2,132.9	2,573.4	1,260.3	19.7
	Jul	5,985.1	2,269.9	2,787.2	1,236.2	20.2
	Aug	6,485.6	2,348.5	2,980.7	1,282.3	20.1
	Sep	6,577.2	2,374.4	3,116.9	1,315.0	20.3
	Oct	6,807.6	2,498.2	3,264.6	1,279.5	20.1
	Nov	6,826.6	2,461.4	3,229.3	1,282.3	22.0
	Dec	6,833.9	2,509.9	3,196.0	1,261.3	23.8
2018	Jan	7,065.9	2,584.1	3,441.5	1,331.3	21.9
	Feb	7,006.5	2,581.1	3,532.9	1,330.7	21.4
	Mar	6,799.2	2,390.0	3,269.2	1,324.7	21.1
	Apr	6,851.5	2,352.4	3,188.1	1,334.8	21.0
	May	6,825.3	2,360.9	3,059.9	1,303.5	22.7
	Jun	6,965.9	2,436.3	3,088.6	1,281.6	22.7
	Jul	6,250.8	2,207.0	2,656.1	1,237.7	25.8
	Aug	6,051.1	2,053.5	2,512.0	1,201.7	26.3
	Sep	6,050.8	2,022.9	2,434.7	1,198.4	27.5
	Oct	6,219.6	1,987.6	2,673.7	1,215.4	28.0
	Nov	6,195.9	1,937.1	2,595.7	1,220.7	29.1
	Dec	6,075.3	1,972.3	2,616.3	1,250.4	27.8
2019	Jan	5,939.1	1,997.1	2,569.7	1,291.8	28.9
	Feb	6,300.5	2,062.8	2,707.2	1,320.1	28.0
	Mar	6,439.5	2,046.5	2,850.6	1,300.9	25.3
	Apr	6,438.4	1,939.0	2,932.7	1,285.9	25.2
	May	6,017.9	1,815.2	2,742.8	1,283.7	24.1
	Jun	5,882.2	1,899.7	2,601.2	1,359.0	24.6
	Jul	5,941.2	1,975.6	2,446.5	1,412.9	25.4
	Aug	5,709.4	2,044.6	2,273.0	1,500.4	25.3
	Sep	5,759.3	2,071.9	2,331.6	1,510.6	25.7
	Oct	5,757.3	2,184.1	2,451.7	1,494.8	24.3
	Nov	5,860.0	2,021.2	2,425.5	1,470.8	26.1
	Dec	6,077.1	1,900.5	2,272.5	1,479.1	24.9
2020	Jan	6,031.2	1,923.9	2,354.3	1,560.7	24.6
	Feb	5,687.8	1,872.5	2,113.2	1,597.1	24.8
	Mar	5,182.6	1,734.4	1,903.6	1,591.9	27.4
	Apr	5,058.0	1,657.6	1,903.4	1,683.2	33.3
	May	5,239.8	1,626.3	1,975.3	1,715.9	33.9
	Jun	5,754.6	1,744.8	2,025.7	1,732.2	32.8
	Jul	6,372.5	1,817.9	2,177.2	1,846.5	32.5
	Aug	6,498.9	1,935.7	2,410.1	1,968.6	30.9
	Sep	6,704.9	1,872.9	2,442.5	1,921.9	29.9
	Oct	6,713.8	1,776.3	2,440.7	1,900.3	29.7
	Nov	7,068.9	1,915.6	2,671.6	1,866.3	29.7
	Dec	7,772.2	2,020.5	2,779.9	1,858.4	30.2

Source: The World Bank and Cameco

Table IV.N Selected minerals' export volumes

		Diamonds Carat '000	Gold Kg	Copper Tonnes	Zinc Tonnes
2016	Q1	371	1,546	9,842	56,976
	Q2	311	1,423	9,209	27,843
	Q3	339	1,727	7,884	36,989
	Q4	450	2,004	13,099	49,906
2017	Q1	380	1,589	7,808	42,777
	Q2	322	1,755	14,821	31,855
	Q3	353	1,885	11,505	57,843
	Q4	336	1,888	10,655	47,810
2018	Q1	439	1,549	11,940	53,000
	Q2	418	1,430	8,851	29,803
	Q3	570	1,523	14,112	22,493
	Q4	397	1,682	13,736	61,121
2019	Q1	387	1,446	13,508	66,958
	Q2	301	1,406	12,485	38,029
	Q3	364	1,780	9,252	53,413
	Q4	451	1,820	9,664	35,296
2020	Q1	288	1,529	12,660	37,980
	Q2	329	1,733	12,520	26,242
	Q3	191	1,692	11,257	17,797
	Q4	385	1,445	9,919	21,199

Source:BoN surveys

ACRONYMS AND INITIALISMS

AACB	Association of African Central Banks
AAU	Addis Ababa University
ADLAs	Authorised Dealers with Limited Authority
AEs	advanced economies
AfCFTA	African Continental Free Trade Area
AfCFTA	African Continental Free Trade Area
AFI	Alliance for Financial Inclusion
AFRITAC South	Regional Technical Assistance Center in Southern Africa
AgriBank	Agricultural Bank of Namibia
ATM	Automatic teller machine
BA	Bachelor of Arts
BID-1	Determination on the Appointment, Duties and Responsibilities of Directors, Principal Officers, and Executive Officers of Banking Institutions and Controlling Companies
BID-13	Determination on Fees and Charges
BID-14	Determination on Minimum Insurance for Banking Institutions
BID-23	Determination on the Fit and Proper Test for Substantial and Prospective Substantial Shareholders of Banking Institutions and Controlling Companies
BID-33	Determination on Policy Changes in Response to Economic and Financial Stability Challenges
BID-6	Determination on Liquidity Risk Management
CABS	Community of African Banking Supervisors
CCBG	Committee of Central Bank Governors
CEO	Chief Executive Officer
CIC	Currency in circulation
CMA	Common Monetary Area
CRAN	Communications Regulatory Authority of Namibia
DBN	Development Bank of Namibia
DR	Disaster Recovery
DSIBs	Domestic Systemically Important Banks
DTS	Digital Transformation Strategy
EFT	Electronic funds transfer
ELF	Employee Liaison Forum
EMDEs	Emerging markets and developing economies
FDI	Foreign direct investment
FSR	Financial Stability Report
GDE	Gross domestic expenditure
GDP	Gross Domestic Product
GNDI	Gross national disposable income
GNI	Gross national income
HAN	Hospitality Association of Namibia
ICAN	Institute of Chartered Accountants of Namibia
IMF	International Monetary Fund
IRS	Internal registered stock
IVS	Import Verification System
JSE	Johannesburg Stock Exchange
M2	Broad money supply
MA	Master of Arts

MBA	Master of Business Administration
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MFS	Monetary and financial statistics
MoF	Ministry of Finance
MPC	Monetary Policy Committee
MSc	Master of Science
NAMFISA	Namibia Financial Institutions Supervisory Authority
NBFS	Non-bank financial sector
NCCI	Namibia Chamber of Commerce and Industry
NCCI	Namibia Chamber of Commerce and Industry
NEER	Nominal Effective Exchange Rate
NFSS	Namibia Financial Sector Strategy
NIPAM	Namibia Institute of public Administration and Management
NISS	Namibia Inter-Bank Settlement System
NPLs	Non-performing loans
NPS	National Payment System
NSA	Namibia Statistics Agency
NSX	Namibian Stock Exchange
OFCs	Other/Non-Bank Financial Corporations
PoN/NUST	Polytechnic of Namibia / Namibia University of Science and Technology
PSCE	Private sector credit extension
PSD-10	Determination on Standards for Fees and Charges for Payment System Services within the National Payment System
RECs	Regional Economic Communities
REER	Real Effective Exchange Rate
ROA	Return on Assets
ROE	Return on Equity
RTGS	Real-time Gross Settlement System
RTO	Recovery time objective
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADC-RTGS	SADC Real-Time Gross Settlement System
SAICA	South African Institute of Chartered Accountants
SMEs	Small and Medium-sized Enterprises
TBs	Treasury bills
TCIB	Transactions Cleared on an Immediate Basis
UNAM	University of Namibia
UNISA	University of South Africa
UP	University of Pretoria
US	University of Stellenbosch
USD	United States Dollar
WBG	World Bank Group
WEO	World Economic Outlook
WIBAR	Windhoek Interbank Agreed Rate
ZAR	South African Rand

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