

Announcement

Bank of Namibia approved potential acquisition of a shareholding in Bank Windhoek by the Barclays Group

The Bank of Namibia approved, on 31 May 2012, that the Barclays Group potentially acquires a shareholding in Capricorn Investment Holdings Limited and through that, own an indirect interest of 49.9% in Bank Windhoek Limited, while the majority indirect ownership in Bank Windhoek Limited (50.1%) shall remain in the hands of Namibian nationals.

The approval is granted subject to the conditions that:

- Barclays Group should hold the shares in Bank Windhoek Limited and
- Bank Windhoek Limited shall respect the requirement to list on Namibian Stock Exchange within a timeframe to be agreed with the Bank of Namibia.

This approval follows Absa's declined application in 2010 to acquire at least 70% shareholding in Capricorn Investment Holdings Limited and through that, Bank Windhoek Limited. The application was disapproved mainly because, firstly, it was going to make all domestic banks majority foreign owned to an even higher percentage (from 65% to close to 80%). This is not in line with the national development objectives as articulated in Vision 2030 and the National Development Plan. Secondly, this could have further exposed the Namibian banking industry to a single country risk.

Unlike the previous proposal by Absa, the approved application is favourable as it ensures that the majority indirect ownership in Bank Windhoek Limited (50.1%) will remain in the hands of Namibian nationals. At the same time, this transaction will afford the Barclays Group, a major banking group from United Kingdom, indirect shareholding in Bank Windhoek Limited. This lessens the single country exposure, given the existing Namibian banking industry.

It is expected that the new shareholders shall comply and respect the commitment made by Bank Windhoek Limited as a signatory to the Financial Sector Charter. The Bank of Namibia has therefore considered the new approved transaction to be in line with the Namibian Financial Sector Strategy. This is so, especially in relation to achieving diversification of the ownership in Namibian banks and increasing local participation in domestic banks through institutional ownership and broadening ownership through listing of banks on the Namibian Stock Exchange.