



## BoN NEWS

# BANCO NACIONAL DE ANGOLA (BNA) SETTLES OUTSTANDING DEBT OWED TO BANK OF NAMIBIA (BON)

The Banco Nacional De Angola (BNA) has settled its outstanding obligation to the Bank of Namibia, with the last payment of US\$51.1 million made in June 2018. Mr. Ebson Uanguta, Deputy Governor of the Bank of Namibia, revealed this at a media briefing on Friday 29 June.

According to Mr. Uanguta, the debt originated from the implementation of the Currency Conversion Agreement (CCA) which entered into force on 18 June 2015.

Despite the positive benefits of the agreement in the facilitation of trade between the two countries, the implementation experienced challenges which included abuse of the exchange of currencies outside the original scope. This situation invariably led to the accumulation of the debt.

As a result, the two institutions relooked at the agreement and resolved that there would be no further exchange of Angola Kwanzas in Namibia as was the case and a new implementation arrangement was agreed upon, which included a repayment schedule of the debt, stated Uanguta.

The revised CCA entails the selling of Namibia Dollars to BNA which in turn facilitates currency exchange at commercial banks and Bureau de Changes in Santa Clara in Angola through normal banking transactions.

Unlike before when the exchange of Angola Kwanzas was happening through commercial banks in Namibia, the revised arrangement



*The Governor of Banco Nacional De Angola, Mr. Jose Pedru De Morais (L) and Governor of the Bank of Namibia, Mr. Iipumbu Shiimi (R) exchange currencies during the official commencement of the Namibia dollar and Angola Kwanza currency conversion agreement at the Oshikango border post in 2015.*

does not attract any repayment. So far, BNA have only made use of the new arrangement once, when they bought N\$ 5 million Namibia dollars in December 2015.

On behalf of the Bank, the Deputy Governor expressed gratitude to all stakeholders for the smooth settlement of the debt by BNA. "The Bank of Namibia is delighted that the debt repayment has been concluded in a spirit of mutual trust and cooperation made possible by the support of H.E. Dr. Hage G. Geingob, the Government of the Republic of Namibia and the people of Namibia, which stood by the Bank, and had faith and trust in the arrangements announced by the two central banks. Equally, the Bank of Namibia thanks the BNA and the Government of

the Republic of Angola for having continued to be trusted partners. Lastly, the Namibian Embassy in the Republic of Angola is commended for playing a facilitation role".

On the whole, the repayment of the debt has had a positive impact on Namibia's foreign reserves by US\$426,3 million (or N\$5,755 billion at the current exchange rate). This money will be used to pay for the country's imports.

The settling of the outstanding obligation is a demonstration of the excellent cooperation established between the two central banks, which continues to flourish into other areas of mutual interest for the benefit of the two institutions, and the two countries.