



## Bank of Namibia Declare Dividends of N\$213.1 Million to the State Revenue Fund



Mr. Lipumbu Shiimi, Governor of the Bank of Namibia hands over dividends to Mr. Maru Tjihumino, Acting Permanent Secretary for the Ministry of Finance

**Windhoek** - For the 2017 financial year, the Bank of Namibia have declared dividends worth N\$213.1 million to the State Revenue Fund, the biggest amount the Bank has ever declared to the State.

Deputy Governor Mr. Ebson Uanguta, revealed the dividend during the launch of the Bank's 2017 Annual Report, prepared in pursuant of Section 52(1) of the Bank of Namibia Act, 1997 (Act no. 15 of 1997).

According to Mr. Uanguta, the financial performance of the Bank in the FY2017 showed a major improvement when compared to the FY2016, mainly due to the increase in the Bank's reserve balances, coupled with the increase in interest rates in capital markets the Bank invests in. The Bank's non-interest earnings

also increased due to the unwinding of the Banco Nacional de Angola (BNA) receivable while the Bank prudently managed its operational spending as in the past.

*"The financial performance of the Bank in the Financial Year 2017 showed a major improvement when compared to the FY2016"*

**Ebson Uanguta**

The Bank received unqualified (good standing) audited Annual Financial Statements that reflect the financial position of the Bank, its financial performance and cash flows for the year. The statements meet

the International Financial Reporting Standards and the requirements of the Bank of Namibia Act, 1997.

The Acting Permanent Secretary for the Ministry of Finance, Mr. Maru Tjihumino, who represented the ministry, applauded the Bank for the positive results recorded and dividends declared, while at the same time encouraging the Bank to maintain the momentum.

Highlights in the report indicate that Namibia's economic growth is estimated to have contracted in 2017, compared to 2016. The contraction is attributed to declines in the sectors such as construction, wholesale and retail trade and the public sector.

Other sectors, such as manufacturing, electricity and water, and transport and communication also slowed.

However, the Annual Report shows that mining and agriculture sectors, maintained a positive momentum and if sustained, would create better prospects and help with the recovery going forward.

The Bank of Namibia Annual report further highlights that Namibia's average inflation rate moderated during 2017, when compared to 2016. The inflation rate averaged 6.2 percent in 2017, compared to the 6.7 percent average in 2016. The slowdown in the inflation rate was mainly due to a sharp decline in the food and non-alcoholic beverages category due to good rainfall received.

It is also being reported that during the 2017/18 fiscal year, Government's overall deficit is estimated to have improved, mainly on account of higher SACU receipts and additional revenue collection. The current account deficit has also narrowed significantly, mainly due to a steep decrease in the import bill and increased SACU receipts.

On the reserve stock, the level of international reserves rose in 2017 and remained sufficient to sustain the currency peg to the South African Rand. The rise therefore, resulted in an improved import cover of 4.6 months in 2017, from 3.2 months in 2016 and it was above the international benchmark of 3.0 months.

All in all, Namibia's financial system in general and the banking sector in particular remained sound during 2017.

*The Bank received unqualified (good standing) audited Annual Financial Statements that reflect the financial position of the Bank*



**Teamwork:** Governor Iipumbu Shiimi displays the latest Annual Report together with the Deputy Governor and Directors of the Bank as well as representatives from the Ministry of Finance.