



## MEDIA STATEMENT

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### FOR IMMEDIATE RELEASE

#### OFFICIAL RELEASE OF THE NAMIBIA DEPOSIT GUARANTEE AUTHORITY (NDGA) 2022 ANNUAL REPORT AND THE INSTITUTION'S STRATEGIC PLAN: 2023 - 2025

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#### THE MARKET VALUE OF THE DEPOSIT GUARANTEE FUND INCREASED TO N\$16.2 MILLION BY THE END OF DECEMBER 2022.

- 1. On 12 April 2023, the Namibia Deposit Guarantee Authority (NDGA) released its third Annual Report for the financial year ended 31 December 2022.** The Report is prepared in terms of section 32 of the Deposit Guarantee Act, 2018 (No. 16 of 2018) and in line with standards of good corporate governance. It highlights information on the NDGA's governance and management, its operations and the performance of its established Deposit Guarantee Scheme. The Report also presents the Authority's independently audited Annual Financial Statements for the year ended 31 December 2022.
- 2. The Report highlights that the market value of the Deposit Guarantee Fund increased significantly at the end of December 2022.** The market value stood at N\$16.2 million by the end of the reporting period, representing a significant increase from N\$10.3 million the year before. The returns for 2022 are primarily attributed to N\$5.2 million received in premiums, as well as interest earnings of N\$790 963 during the review period.
- 3. The Deposit Guarantee Act, 2018 (No. 16 of 2018) established the NDGA with the primary goal of administering the Deposit Guarantee Scheme.** The Scheme aims to protect depositors from the loss of their deposits by compensating them in the unlikely event of a commercial bank failure. This ultimately enhances consumer protection while also improving financial stability.

4. **The Scheme adopts a guaranteed coverage limit of N\$25,000 which is currently in effect.** At this coverage limit, the Scheme covers more than 90 percent of current depositors. The Scheme therefore ensures that depositors have access to all or a portion of their funds in the event of a bank failure within a specified time period. It also protects against panic withdrawals by assuring depositors of the safety of their deposits even if a bank fails, reducing the likelihood and scale of such a failure culminating into a crisis for the entire financial system. All Namibian banking institutions and branches of foreign banks and building societies are required to be members of the Deposit Guarantee Scheme and pay annual premiums to the Scheme.
  5. **This Report is presented at a time when global economic developments remain subdued.** Global economic activities slowed in 2022 relative to the substantial improvement recorded in 2021, mainly due to persistent inflationary pressures and subsequent tightening of financial conditions in most regions. The global economy is estimated to have registered 3.4 percent growth in 2022, which represents a slowdown from the 6.2 percent recorded in 2021. The slowdown of economic activity is on account of the escalation of the Russia-Ukraine war, coupled with inflationary pressures that are persistently higher than those seen in the past few decades.
  6. **Namibia's economic performance is estimated to have improved during 2022, compared to the previous year.** Real gross domestic product (GDP) growth increased to 4.6 percent in the reporting period, compared to 3.5 percent in the previous year as reflected across the primary, secondary and tertiary industries. The estimated improved growth for 2022 is largely based on higher production volumes from the diamond mining sector.
  7. **The banking industry remained resilient despite various challenges.** The industry reported good balance sheet growth, strong capital, profitability, and adequate liquidity levels. Moreover, the steady economic recovery during the reporting year resulted in the industry recording elevated growth in earnings. The banking industry thus remained well capitalised, with a notable improvement in asset quality and total income during the review period.
- *"The release of our third annual report is a clear demonstration that the operational architecture and the governance structure that we have put in place is working. The publishing of the annual report provides us with an opportunity to account to our stakeholders, particularly the Government, member institutions and the public at large."* – Ebson Uanguta, Chairperson: NDGA Board

8. **At the same occasion, the NDGA also launched its three-year strategic Plan (2023–2025).** The Strategic Plan provides the NDGA with guided direction and sharp focus for the next three years. It is underpinned by four key strategic objectives; growing the Deposit Guarantee Fund in a prudent manner, enhancing processes and system to ensure they remain as efficient and cost-effective as possible, effective stakeholder engagements and continuously building the NDGA brand by safeguarding the reputation of the NDGA. The full implementation of the Plan will take the NDGA a step closer to realizing its Vision and accomplishing its Mission.

- *“We rededicate ourselves to the full implementation of our strategic Plan and will commit the resources at our disposal towards this goal.”* – Ebson Uanguta, Chairperson: NDGA Board

9. The Annual Report and the independently audited Financial Statements indicating the financial position of the NDGA as at 31 December 2022 is testimony of the sound governance architecture in place and the robust governance oversight executed by the Board of Directors. The media and the public at large are encouraged to read the entire report, which is available either in hard copy upon request or accessible online at: <https://www.bon.com.na/Publications.aspx>



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