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FOR IMMEDIATE RELEASE

BANK OF NAMIBIA HOSTS CEO ROUNDTABLE TO SHAPE THE FUTURE OF THE FINANCIAL SECTOR

1. As part of its ongoing efforts to foster dialogue and collaboration with key stakeholders in the financial sector, the Bank of Namibia hosted a CEO Roundtable engagement titled "*Setting the Scene and Driving Impact for 2025*" on 17 February 2025. The engagement was attended by the Chief Executive Officers of banks and key non-banking financial institutions, the Chief Executive Officer of the Namibia Financial Institutions Supervisory Authority (NAMFISA), and the leadership of the Bank of Namibia.
2. The session provided a platform for leaders in the financial sector to discuss critical industry developments, including climate risk, cybersecurity threats, and regulatory priorities. The Bank also unpacked its recently unveiled 2025-27 Strategic Plan and reflected on findings from the World Bank's 2025 report titled *Country Partnership Framework for Namibia*, which outlined challenges in Namibia's financial sector in need of address.
3. During the engagement, Governor !Gawaxab emphasised the importance of collaboration in navigating both global and economic uncertainties. He highlighted Namibia's projected 4.0 percent GDP growth for 2025, supported by improved global conditions and local economic factors. The Governor also reaffirmed the Bank's commitment to monetary stability, noting that inflation is expected to average 4.0 percent in 2025, from 5.9 percent in 2023 and 4.2 percent in 2024, respectively, following the consistent application of sound monetary policy.
4. Cybersecurity and climate risks featured prominently in the discussions. The Governor stressed the need for stronger regulatory frameworks to counter rising cyber threats while ensuring responsible adoption of AI-driven financial solutions. He also underscored the financial sector's role in climate adaptation and infrastructure financing to mitigate vulnerabilities that may pose risk to economic growth.

5. The session also unpacked the Bank's newly launched Strategic Plan (2025-2027), focusing on three key strategic themes, namely: Building a Smart Central Bank, Fostering a Modern, Inclusive and Resilient Financial Sector, and Embracing a New Diversified Economy. In this regard, a number of initiatives were announced to give effect to the Bank's new strategic game plan. These initiatives include but are not limited to the Instant Payment Solution (IPS) which aims to provide fast, affordable, and inclusive payment services, particularly targeting underserved rural areas and the informal economy.
6. The meeting also reflected on Innovation at BoN where Governor !Gawaxab guided that innovation and by extension Artificial Intelligence is no longer a luxury, but an essential driver of financial sector resilience. He informed the meeting that the Bank of Namibia recognises the transformative role of emerging technologies in shaping the future of monetary policy, financial stability, economic development, and regulatory oversight and that under the 2024-2027 strategic gameplan, the Bank prioritised Generative AI (GenAI) as a cornerstone of its digital transformation agenda.
7. The meeting also discussed legislative developments related to the E-KYC (Electronic Know Your Customer Identification and Verification) initiative, championed by the central bank in collaboration with the Ministry of Home Affairs, Immigration, Safety and Security and realised through the promulgated Civil Registration and Identification Act, 2024. This initiative aims to enable instantaneous electronic identification and verification of identity against best source, thereby mitigating fraud and improving regulatory compliance.
8. The meeting further highlighted key geopolitical issues shaping the global landscape, emphasising that policy shifts - spanning tariffs, energy, immigration, technology, climate, and deregulation - are impacting financial markets worldwide. It was noted that safeguarding the resilience of the financial sector remains a top priority.
9. A key theme of the discussions was smart regulation and ensuring a balance between financial stability and economic growth. The Governor emphasised the importance of regulatory frameworks that are clear, proportionate, tailored to Namibia's specific needs and which is supportive of economic growth.

Said Governor !Gawaxab: "Namibia is a developing country, yet our regulations often reflect those of more advanced economies. While best-in-class frameworks offer valuable insights, they should not be adopted blindly; instead, regulations must be tailored to our local context to ensure they are fit for purpose. Regulatory measures essential for financial stability must remain

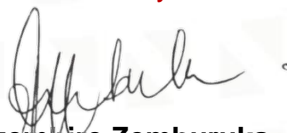
uncompromised. However, we must also ensure that the financial system serves as an engine for economic growth by facilitating lending and investment”.

These views were echoed by NAMFISA’s Chief Executive Officer, Mr. Kenneth Matomola, who emphasised the importance of the domestic financial sector in shaping regulatory approaches tailored to the local context. He urged financial institutions to actively participate and contribute to the regulatory agenda and economic growth.

10. Looking ahead, the Bank of Namibia will co-host the 2025 Alliance for Financial Inclusion (AFI) Global Policy Forum (GPF) in September, showcasing Namibia’s leadership in financial inclusion and innovation. The attendees endorsed the AFI platform as a crucial initiative that can highlight efforts to include key sectors of the economy while celebrating Namibia's notable achievements in financial inclusion to date.

11. The CEO Roundtable concluded with a shared commitment to smart regulation, and proactive industry collaboration, while staying ahead of the curve and mitigating risks that negatively impact Namibia’s financial sector. As the banking and non-banking sectors become more converged, the meeting reaffirmed a commitment to enhance collaboration between these two sectors, recognising their collective role in driving economic growth and development.

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