



**STATEMENT BY MR IPUMBU SHIIMI, GOVERNOR OF THE BANK
OF NAMIBIA**

ON 24 OCTOBER 2013

FIDES BANK

Director of Ceremonies

Your Excellency the Ambassador of the Federal Republic of Germany - Mr Onno Huickmann

Chairman of the Board of Fides Bank Namibia - Mr. Tom Newton

CEO of Fides Bank Namibia, Mr. Michel Arnoult

Managing Director of Hollard Namibia, Mr. Justice Hausiku

Captains of the Industry

Members of the Media

Distinguished Ladies and Gentlemen

A very good morning to you all!

1. I am delighted to join you this morning at the official opening of the Fides, Katutura Branch and the launch of the **Dream Saver**. I would like to start my remarks with a quote from *Clen Sunter, author of books and a renowned business personality. He said: “Poor people are poor because they are denied the opportunity to make money for themselves”.*

2. I believe Fides with its products such as the Dream Saver is creating opportunities for the poor to make money for themselves. I would therefore like to commend you, Mr. Arnoult and your team for making this product a reality, which allows low income earners to save, insure themselves and to achieve a higher living standard. This brings us closer to achieving the objective of the 10 year Namibia Financial Sector Strategy (NFSS) launched in August 2012 by the Honorable Minister of Finance. In this regard, allow me to share with you why Namibia crafted a Financial Sector Strategy, the progress we have made so far and the way forward.

3. Why a Financial Sector Strategy? The aim of this strategy is to reform Namibia's financial sector to ensure that Namibia will have an effective, efficient, stable, competitive, resilient and inclusive financial sector by 2021. As can be noted, one of the critical components of this strategy is to create an inclusive Financial Sector, accessible to the majority of the people of Namibia. This will be achieved through targeted products and services as well as having effective institutions in place that will provide sufficient support to users of financial services.
4. Director of Ceremony, the next logical question that follows is what progress are we making in implementing the financial sector strategy to achieve financial inclusion? The good news is that we are making significant progress. First, financial exclusion has fallen since 2007 from 51% and it now stands at 31%. This progress is a result of the effectiveness of Government policy and concerted efforts by the financial services industry to bring services to the doorsteps of the previously unsaved and underserved people.
5. Director of Ceremonies, **it is now public knowledge that the introduction of a low- cost basic retail bank account by all commercial banks is a reality since November 2012.** This account is treated as a necessity rather than a money making product for commercial banks, to allow more people to bank and its growth has been phenomenal.
6. You may be aware that the Bank, together with the banking industry has agreed to implement **standards for cash deposit fees in Namibia for all savings and investment accounts owned by individuals at banking institutions as well as to small and medium businesses, effective from 31 July and 31 October**

2013 respectively. What this means is that currently individuals are able to deposit a cash amount up to N\$2000, per month, into their saving and investment accounts free of charge. Similarly, small businesses with a turnover of not more than one million N\$ per month will soon be able to deposit up to N\$10 000 in the said accounts without paying cash deposits fees after 31 October 2013.

7. Earlier this year we launched the Code of Banking Practice and the Guidelines for Lodging Customer Complaints to Bank of Namibia. The Code defines good banking behaviours and the guidelines help users of financial services to complain about the violation of the Code. In addition to these actions undertaken so far, there are a number of initiatives in the pipeline with a view to improve access to finance.
8. How does the future look like? Going forward, we will continue to work hard to achieve the target of 26% set in the NFSS in terms of improving access to financial services and products by eligible Namibians. We shall forge ahead to implement the remaining projects to make Namibia one of the countries in the world where Financial inclusion is not just a dream, but a dream come true. This includes reforming our regulatory framework to introduce a differentiated regulatory framework for micro finance banking institutions. The proposed amendments in this regard have been formulated and public inputs were called for recently. Further, we will continue to enhance financial infrastructure such as Credit Bureaus to support access to finance for the majority of our people.

9. Director of Ceremonies, Ladies and Gentlemen, in conclusion, I would like to thank Fides once again for being a key partner and player in the financial inclusion game. I would like to encourage the Fides Bank to keep up this good work. Your Dream Saver and other services are testimony to the fact that low-income people are not only bankable, but they also insurable.

10. Through the **Dream Saver**, you have made a difference in the lives of many people now and for generations to come. With this product you have empowered our people. Congratulations!

I thank you for your kind attention.
