Annual Report 2013

Bank of Namibia

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This is the Bank of Namibia Annual Report and Financial Statements for the financial year ended 31 December 2013, which are prepared pursuant to section 52(1) of the Bank of Namibia Act, 1997 (no. 15 of 1997)

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This is the Bank of Namibia Annual Report and Financial Sta[illegible] for the financial year ended 21 December 2012, which are [illegible] pursuant to section 52(1) of the Bank of Namibia Act, 199[illegible] of 1997)

Content

Message from the Governor

This Annual Report is prepared pursuant to Section 52(1) of the Bank of Namibia Act, 1997, (Act No. 15 of 1997) and outlines the governance of the Bank of Namibia (hereinafter referred to as the Bank), global and domestic financial and economic developments, as well as milestones and key achievements of the Bank in 2013. In the following paragraphs, I will reflect on some of the key developments of 2013.

In 2013, global economic recovery progressed at a gradual pace, underpinned by strengthening growth momentum in advanced economies, particularly the United States (US) and the United Kingdom (UK). The recovery of both employment and domestic demand in the advanced economies was stronger than anticipated and supported the global recovery in the latter part of 2013. Although emerging market economies were expected to slow slightly, their performance remained relatively strong. Going forward, improved global growth is expected, with the IMF projecting global growth to increase from 3.0 percent in 2013 to 3.7 percent in 2014. Risks to the global economy, however, remain on the downside. This is on the back of fiscal consolidation in developed economies and monetary tightening in some major emerging economies, in response to foreign exchange market turbulence and capital outflows, as the US Federal Reserve tapers its Quantitative Easing bond-buying program.

During 2013, the Namibian economy continued to grow at a healthy pace although growth slowed marginally, partly due to the drought effects. The economy is estimated to have slowed to 4.3 percent in 2013, compared to 5.0 percent growth in 2012. Protracted drought conditions adversely affected the agriculture and the electricity generation sectors during the year. The estimated growth is accredited to the construction sector along large private sector projects in the mining sector and business facilities, coupled with a large public works programme. Wholesale and retail trade also grew at relatively high rates, suggesting some resilient growth in private consumption. The overall balance of payments recorded a notable surplus, although the current account deficit remained sizeable due to a marked deterioration of the trade balance that more than offset an increase in current transfers. Consumer price inflation averaged at 5.6 percent in 2013, a decline from 6.7 percent in 2012. The decline in inflation resulted mainly from a slowdown in inflation for food and transport.

On the monetary policy front, the Bank maintained its accommodative monetary stance in support of the domestic economy. The Bank's Monetary Policy Committee (MPC) kept the repo rate unchanged at 5.50 percent throughout 2013 to support the domestic economy in light of the fragile global environment and moderate inflation levels that remained in the lower single digits. However, the MPC has been concerned about the impact of an accommodative monetary stance on growth in non-productive credit, which has been monitored closely. Targeted intervention measures are being pursued to address this concern.

On the fiscal front, the government's fiscal position remained strong during 2013/14, although a budget deficit was recorded, compared to a balanced budget estimated in 2012/13. The government recorded a budget deficit estimated at 3.0 percent of GDP in 2013/14, compared to a balanced budget in 2012/13. Notwithstanding the implemented tax relief during 2013/14, tax revenue has increased markedly and is projected to increase further over the medium term (as a share of GDP) due to policy initiatives and tax administration reform. Expenditure also increased during the year under review as is reflected in both capital and operational spending. During the current fiscal year, the stock of public debt increased slightly to 23.9 percent of GDP, well below the Government's debt ceiling of 35 percent of GDP.

The absolute level of Namibia's foreign reserves was higher in 2013 compared to the preceding year. The foreign currency reserves under the management of the Bank increased by 6.80 percent rising from N$14.7 billion as at the end of December 2012 to N$15.7 billion as at the end of December 2013. However, the reserves level by the months of import cover was slightly lower in 2013 compared to last year. This is largely due to the fact that imports have increased faster than reserves. Nevertheless, overall reserves level has remained more than sufficient to support the fixed exchange rate peg and to meet international obligations. Further, in ensuring a balance between the country's foreign liabilities and assets, the Bank adopted the Chinese Renminbi (RMB) as one of the reserves currencies, in addition to the Rand, US Dollar and Euro.

Efforts to strengthen the financial system stability have been intensified through further development of a comprehensive crisis management framework for Namibia. The Bank in conjunction with the Ministry of Finance and Namibia Financial Institutions Supervisory Authority (NAMFISA) has developed a framework to address vulnerabilities identified in the crisis response framework. This framework is designed to ensure clear institutional and coordinated efforts by and between the Bank, NAMFISA and the Ministry of Finance (MOF) when responding to a particular crisis affecting the financial system. The framework is based on the design and development of the following key components: (i) a crisis communication plan; (ii) systemically important financial institutions indicators; (iii) prompt corrective action policies and procedures; (iv) lender of last resort policy; (v) bank resolution framework amendment; and (vi) guideline for cooperation in the field of financial stability.

The overall financial system in Namibia has remained sound. The banking system, in particular, continues to be stable and adequately capitalised, though its assets remain highly concentrated in long-term mortgage loans. The quality of banking assets remained generally healthy, with the proportion of Non-Performing Loans (NPLs) to Total Loans remaining almost unchanged at 1.3 percent at the end of December 2013. Further, the sector remains well capitalised, with all the banking institutions reporting capital in excess of minimum regulatory requirements, and conforming to all other regulatory limits.

During 2013, the Bank carried out a review to consolidate the current legislations concerning banking institutions. The review consolidated the Banking Institutions Act, 1998 (Act No. 2 of 1998) and the consequent Banking Institutions Amendment Act, 2010 (Act No. 14 of 2010). The review amongst others aims to strengthen provisions relating to foreign shareholding in banking institutions in line with the Namibian Financial Sector Strategy. Other additional regulatory amendments related to definitions of banking businesses, resolution measures and recovery plans of troubled banks were also incorporated. The Bill is expected to be tabled in Parliament in 2014.

In an effort to deepen the financial system and encourage competition, the Bank granted a commercial banking provisional licence to E-Bank. E-Bank is required to ready itself during a period of six months to commence its full operations. As such, E-Bank is expected to be granted full authorisation to conduct banking business in Namibia, depending on the outcome of the pre-opening onsite inspection.

The Bank implemented numerous reforms of the payment systems to ensure smooth functioning and wider access of financial services. These included, among others, the determinations on issuing of electronic money in Namibia. This initiative aims to provide rules of engagement on electronic money services, inclusive of services through mobile devices. Further, a determination on standards for cash deposit fees and basic bank account was issued. This determination allows for individuals and businesses to make cash deposits at no charge, subject to certain set limits. Individuals can deposit cash of up to N$2 000 per month on savings and investments accounts free of charge; while business with an annual turnover of N$1 000 000 or less can deposit cash of up to N$10 000 per month free of charge. Finally, in 2013, the Namibian banking industry completed the Namclear Automated Clearing House Project to localise the Electronic Funds Transfer (EFT) and Namibia Card Switch System (NAMSWITCH) systems.

In an effort to ensure the protection of financial consumers, Consumer Protection Guidelines were drafted and were consolidated in the Bankers Association of Namibia's Code of Banking Practice. The Consumer Protection Guidelines advocate for improved relations between consumers and banking institutions. The Bank also drafted the Guidelines for Lodging Customer Complaints which serve as a guide to consumers when lodging complaints against banking institutions. The Code of Banking Practice and the Guidelines for Lodging Complaints were jointly launched in February 2013. These initiatives are a response to the lack of adequate mechanisms relating to consumer protection and redress mechanisms identified in the Financial Sector Strategy.

The Bank continued to produce statutory and other publications in 2013. These publications covered general information about the Bank with the aim of directing policies, providing an update of the state of the domestic macro economy and broadening public understanding of the Bank's functions and operations. These publications include, among others: the Bank's Quarterly Bulletin, the Financial Stability Report, the Economic Outlook Report and the Annual Report.

During the period under review, the Bank issued enhanced N$10 and N$20 banknotes bearing improved technical specifications. The enhancement of the banknotes was necessitated to address a phenomenon of banknotes ageing faster than expected, observed in N$10 and N$20 banknotes of the 2012 new series. In addition, the enhancement was also necessitated to address the fragmentation in the Optical Variation Ink (OVI) dynamic, or the diamond-shape feature.

Human capacity building continued to remain a key priority for the Bank. In 2013, 22 bursaries and 65 study loans were granted to staff members of the Bank. The Bank also awarded 10 bursaries to Namibian school-leavers in the fields of IT, Accounting, Economics, Finance and Banking, to study at recognised institutions within the SADC region. Seventy-five percent of the beneficiaries were females. In addition, the Bank sponsored PHD candidates to pursue studies at recognised universities with one candidate completing her Doctorate degree in Economics. The total number of bursaries sponsored by the Bank during 2013 amounted to 31. The Graduate Accelerated Programme (GAP), introduced in 2011, continued to progress well in 2013. The purpose of the programme is to provide graduates in Economics, Finance and Banking the opportunity to gain relevant work experience in various aspects of central banking over a period of 18 months.

As reported in the 2012 Annual Report, the Bank continued to streamline its operational efficiency and service delivery based on cost effectiveness. As such, in 2013, the Bank embarked on the "Do More With Less" project, which intends to maximise the Bank's operational efficiency and cost effectiveness, based on best practices, to achieve the Bank's mandate. The initiative involves a review of the Banks's various business processes as well as its enabling/supporting operations (financial, technological, human capital) and how they are linked to one another. It also involves crafting strategies that can improve efficiencies and contain or reduce costs. The project commenced in 2013 and is envisaged to be concluded in 2016.

Despite a challenging and low interest rate global environment during the review period, the Bank remained profitable, though at lower levels compared to the previous year. This resulted, in part, from the measures taken by the Bank to manage and control our operational expenditure during 2013. In addition, the Bank was able to realise increases in revenue, as a result of new investment strategies pursued. An amount of N$ 9.7 million in dividends was declared to the State.

The notable milestones and achievements of 2013 could not have been realised without the support and commitment of the staff members and the Board of the Bank. I would therefore like to extend my sincere gratitude to all staff members and the Board for their unwavering commitment and invaluable contributions. I would also like to thank the Bank's stakeholders for their support and collaboration, without which, the achievement of our goals might have been compromised.

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Ipumbu Shiimi
Governor
20 March 2014

Part A

Operations and Affairs of the Bank

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Our Vision

Our vision is to be a centre of excellence; a professional and credible institution;
working in the public interest and supporting the achievement of the national economic development goals.

Our Mission

To support economic growth and development in Namibia, we act as fiscal advisor and banker to Government;
Promote price stability;
Manage reserves and currency;
Ensure sound financial systems and conduct economic research.

Our Values

We value high performance impact and excellence.
We uphold open communication, diversity, integrity and teamwork.
We care for each other's well-being.

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Bank of Namibia - Management Structure

(As at 31 December 2013)

- **Governor** – Ipumbu Shiimi
  - **Deputy Governor** – Ebson Uanguta
    - **Director of Information Technology** – Marsorry Ickua
      - *Deputy Director: Business Systems* – Martha Dama
      - *Deputy Director: IT Infrastructure* – Peter Nghinyotwa
    - **Director of Human Resources** – Lea Namoloh
      - *Deputy Director: HR Admin & Recruitment* – Shirene Bampton
      - *Deputy Director: OD & Training* – Henny van Rensburg
    - **Director of Banking Services** – Sam Shivute
      - *Deputy Director: Currency & Banking* – John Amakali
      - *Deputy Director: Protection Services* – Bryan Eiseb
      - *Oshakati Branch Manager* – Phillip Ndjendja
    - **Director of Research** – {Vacant}
      - *Deputy Director: Policy Research & Forecasting* – Evangelina Nailenge
      - *Deputy Director: International Affairs* – Abed Iyambo
      - *Deputy Director: Statistics & Publications* – Florette Nakusera
  - **Assistant Governor & Head of Financial Stability** – {Vacant}
    - **Director of Financial Markets** – Titus Ndove
      - *Deputy Director: Investments & Domestic Markets* – Dantagos Jimmy
    - **Director of Banking Supervision** – Romeo Nel
      - *Deputy Director: Analysis & Examinations* – Ismael Naukosho
      - *Deputy Director: Policy & Regulations* – Urbans Karumendu
      - *Deputy Director: Banking Groups & Special Institutions* – Ancois Plaatje
    - **Director of Finance & Administration** – Kuruvilla Mathew
      - *Deputy Director: Financial Administration* – {Vacant}
      - *Deputy Director: General Services* – Saara Shivute
    - **Director of Payment and Settlement Systems** – Barbara Gowaseb
      - *Deputy Director: Payment Systems Oversight & Projects* – Brian Geikhoibeb
      - *Deputy Director: Payment Systems Policy and Research* – Sergio de Sousa
  - **Technical Advisor to the Governor** – Emile van Zyl
  - **Research Advisor to the Governor** – Gonzalo Pastor
  - **Director of Strategic Comm. & Financial Sector Development** – Ndangi Katoma
    - *Deputy Director: Financial Sector Development* – Emma Haiyambo
  - **Director of Financial Intelligence Centre** – Leonie Dunn
    - *Deputy Director: Investigations & Analysis* – Gerrit Eiman
    - *Deputy Director: Legal & Compliance* – Zenobia Barry
    - *Deputy Director: Exchange Control* – Sylvia Shikongo
  - *Head: Risk Management & Assurance* – Magreth Tjongarero
  - *Head: Legal Services & Contract Management* – Tulonga Nakamhela

Members of the Board

(As at 31 December 2013)

Mr Veston Malango
Member since 1 April 2008
Current term ends 1 April 2018
(Chairperson of the Remuneration Committee)

Mr Faniel G Kisting
Member since 14 July 1998 / Current term ends 31 July 2013
(Chairperson of the Audit Committee)

Dr Nashilongo Shivute
Member since 1 August 2007 / Current term ends 30 August 2013
(Member of the Audit Committee)

Mr Ebson Uanguta
Deputy Governor and Member of the Board since 1 January 2012
Current term ends 31 December 2016

Ms Ericah Shafudah
Member (ex officio) since 3 April 2010
(Permanent Secretary: Finance)

Dr Omu Kakujaha-Matundu
Member since 1 November 2008 /Current term ends 1 February 2019
(Member of the Remuneration Committee)

Adv Charmaine van der Westhuizen
Member since 30 May 2012 / Current term ends 30 May 2016
(Member of the Remuneration Committee and member of the Audit Committee)

Mr Ipumbu W Shiimi
Governor and Chairperson of the Board since 26 March 2010
Current term ends 31 December 2016
(Chairperson of the Board)

The Bank's Senior Management Team

Leonie Dunn / Director:
Financial Intelligence Centre

Marsorry Ickua / Director:
Information Technology

Titus Ndove / Director:
Financial Markets

Lea Namoloh / Director:
Human Resources

Kuruvilla Mathew / Director:
Finance & Administration

Ndangi Katoma / Director: Strategic
Communication & Financial Sector Development

Ebson Uanguta
Deputy Governor


Romeo Nel / Director:
Banking Supervision
Magreth Tjongarero / Head:
Risk Management & Assurance
Samuel Shivute / Director:
Banking Services
(on secondment to the Ministry of Finance)
Barbara Gowaseb / Director:
Payment & Settlement Systems
Gonzalo Pastor
Research Advisor to the Governor
Emile van Zyl
Technical Advisor to the Governor
Ipumbu Shiimi
Governor

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GOVERNANCE

OBJECTIVES AND ACCOUNTABILITY OF THE BANK

The Bank of Namibia is the Central Bank of the Republic of Namibia, created under Article 128(1) of the Constitution of the Republic of Namibia. The Constitution mandates the Bank to serve as the state's principal instrument to control money supply, the currency and the institutions of finance.

The objectives of the Bank as defined in the Bank of Namibia Act are, inter-alia:

- To promote and maintain a sound monetary, credit and financial system, in Namibia and sustain the liquidity, solvency, and functioning of that system;
- To promote and maintain internal and external monetary stability, and an efficient payments mechanism;
- To foster monetary, credit and financial conditions conducive to the orderly, balanced, and sustained economic development of Namibia;
- To serve as the Government's banker, financial advisor and fiscal agent;
- To assist in the attainment of national economic goals;

In addition, the Bank also fulfils other key functions as defined in other acts, including:

- The Banking institutions Act,1998 (Act no.2 of 1998) as amended, which empowers the Bank to supervise the banking institutions;
- Payment System Management Act 18 of 2003, which provides for the management, administration, operation, regulation, oversight and supervision of payment, clearing and settlement systems in Namibia; and to provides for incidental matters.
- Financial Intelligence Act, 13 of 2003, which provides for the combating of money laundering and financing of terrorism activities. It also provides for the establishment of the Anti-Money Laundering and Combating of the Financing of Terrorism Council, and its functions, the registration of accountable and reporting institutions.

In line with Section 3(B) of the Bank of Namibia's Act, the Bank performs its functions independently subject to its obligations to the shareholder. The relationship between the Government, as a shareholder, and the Bank is broadly defined in the Act. The specific obligations are clearly defined in a Memorandum of Understanding (MOU) entered into between the Ministry of Finance (MoF) and the Bank. The MOU covers the terms and conditions of banking services rendered to the Government, public debt management arrangements and the nature and frequency of consultations. The Minister of Finance and the Governor of the Bank hold regular consultations on relevant matters.

CORPORATE CHARTER

Apart from its statutory mandate, the Bank's actions and the way it carries out its mandate are guided by its Vision and Mission Statement as detailed in its Corporate Charter. The Bank's 'vision' portrays the desired or intended future state of the Bank in terms of its fundamental objective and strategic direction. The 'mission' defines the fundamental purpose of the Bank, describing why it exists and why it is important to achieve the vision. The Bank's 'values' essentially express the beliefs that are shared among the stakeholders of the Bank. The values drive the Bank's culture and priorities, and articulate the code of conduct that the Bank uses in getting all its resources mobilised in pursuit of its vision. All the Bank's stakeholders are expected to assimilate and identify these required standards and principles towards ethical behaviour and excellence. The Charter strives to promote a sense of shared expectations among all levels and generations of employees towards ethical behaviour and excellence.

BANK OF NAMIBIA'S CORPORATE CHARTER

OUR VISION

Our vision is to be a centre of excellence – a professional and credible institution – working in the public interest and supporting the achievement of the national economic development goals.

OUR MISSION

Our mission is to support economic growth and development in Namibia. To this end, we:

- Act as fiscal advisor and banker to the Government;
- Promote price stability;
- Manage reserves and currency;
- Ensure sound financial systems and conduct economic research.

OUR VALUES

- We value high-performance, impact and excellence;
- We uphold open communication, diversity, integrity and teamwork;
- We care for each other's well-being.

STRATEGIC OBJECTIVES

The Bank's strategic objectives are linked to its functional priorities. Eight principal objectives were derived from the vision and mission and reflect the Bank's desire to meet its statutory mandate. The strategic objectives essentially refer to what the Bank is aspiring to achieve. The eight strategic objectives are:

1) Safeguard and enhance financial stability;
2) Promote price stability;
3) Manage reserves prudently;
4) Provision of currency, government debt issuance and banking services;
5) Promote a positive reputation;
6) Promote financial sector development;
7) Optimise organisational efficiency and cost-effectiveness;
8) Enhance contribution towards sustainable economic growth.

Clear measureable strategies, with clear outcome are designed to achieve the strategic objectives. To ensure successful strategy implementation, the strategic objectives have been transformed into areas of concentration with clear, measurable targets. As such, on a semester basis, Heads of Departments report progress in their areas of concentration and the achievement of their targets. The entire plan is reviewed and refreshed on an annual basis. When pursuing these strategic objectives therefore, it is not only important to design strategies that can be engaged in pursuit of the objectives, but also to clearly describe the strategic outcomes that would reveal whether or not the objectives have been achieved.

To promote ownership of the strategic plan and to attain performance excellence, the strategic plan is rolled out Bank-wide through its performance management system. Individual performance goals are crafted for each employee, and performance progress is evaluated by means of performance appraisals. The section entitled "The Year in Review" in this Report, explains the activities and progress under each of the eight strategic objectives during the review period.

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ACCOUNTABILITY

The Bank aspires to good governance practices and accountability to the public. It is of paramount importance that the Bank always maintains accountability to the public at large by adhering to good corporate governance principles. The Bank's legislation, its corporate charter and its strategic plan are some of the tools that guide it to live up to these ambitions of good governance. The Bank also strives to be transparent by putting in place a concrete communication strategy that is able to openly and clearly communicate regarding why and how the Bank is doing what it does.

The following are some of the expectations of good governance that the Bank aspires to observe:

- To be responsible, respected, trustworthy and credible.
- To be accountable to its shareholders and the Namibian people.
- To demonstrate an exceptionally high degree of integrity.
- To ensure that its actions and policies are efficient, effective and transparent.
- To maintain professionalism and excellence in the delivery of services.
- To be flexible and forward-looking in its approach but to avoid undue risks.

THE GOVERNOR

The Governor serves the Bank as the Chief Executive Officer and is accountable to the Board for the management of the Bank and for the implementation of its policies. Governor also represents the Bank in its relations and transactions with the Government and other institutions. In most other matters, comprehensive and Board-approved delegations of power are in place to guide the decision-making powers of the Governor and his/her delegates. The Governor is appointed for a five-year term. The Act sets specific criteria for the appointment, reappointment and dismissal of a Governor.

THE BOARD OF THE BANK OF NAMIBIA

The Board is responsible for the policy, internal control, risk management, and general administration of the Bank. Board Members, in addition to having the typical fiduciary duties, are also charged with many high-level responsibilities directly related to the policies and operations of the central bank, including approving the licensing of banking institutions and ensuring the adequacy of international reserves. Among other things, the Board is also responsible for approving the financial statements and annual budget, promoting effective corporate governance practices, and monitoring internal control and risk management frameworks.

The Board, as appointed by the President of the Republic of Namibia, consists of Executive and Non-executive Members. The Governor (Chairperson) and the Deputy Governor are Executive Members of the Board, while the Permanent Secretary of the Ministry of Finance (who is an ex officio member), one staff member from the Public Service, and four other persons constitute the Non-executive Members. The Assistant Governor also attends Board meetings in an advisory capacity.

The Board meets regularly – at least four times per year – with the main purpose of overseeing and monitoring the Bank's finances, operations and policies. During 2013, four ordinary Board meetings were held. Table A.1 sets out the frequency and attendance of these Board meetings.

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Table A.1: Frequency and attendance of Board meetings during 2013

Board member	28/02/2013	30/04/2013	22/08/2013	27/11/2013
Mr I Shiimi	✓	✓	✓	✓
Mr Ebson Uanguta	✓	✓	✓	✓
Ms E Shafudah	✓	✓	✓	✓
Mr F Kisting	✓	x	**	**
Adv. C van der Westhuizen	✓	✓	✓	✓
Dr N Shivute	✓	✓	✓	-
Mr V Malango	✓	✓	✓	✓
Dr O Kakujaha-Matundu	✓	✓	✓	**

** Denotes that Board member term has expired.

The sub-committees of the Board, namely, the Audit Committee and the Remuneration Committee, both of which provide effective communication between the Board and management, had several meetings during the period under review. The Audit Committee is responsible for evaluating the adequacy and efficiency of the Bank's corporate governance practices, including internal control systems, risk control measures, accounting standards, information systems, and auditing processes. Three non-executive Board members currently serve as members of this Committee, whose meetings are also attended by the Bank's Head of Risk Management and Assurance, the external auditor, and relevant staff members. The Deputy Governor and the Assistant Governor are not members of the Audit Committee, but do attend the meetings by invitation.

In general, the Audit Committee is responsible for considering all audit plans and for the scope of the external and internal audits, to ensure that the coordination of the audit effort is maximised. The Committee must also introduce measures to enhance the credibility and objectivity of financial statements as well as reports prepared with reference to the affairs of the Bank and to enhance the Bank's corporate governance, with emphasis on the principles of accountability and transparency, including adequate disclosure of information to the public.

The Remuneration Committee is responsible for overseeing and coordinating the Bank's remuneration function and for ensuring that remuneration is fair and equitable, in order to attract and retain quality staff and Board Members. This Committee also comprises three Non-executive Board Members. Table A.2 sets out the frequency and attendance of the Audit and Remuneration Committee meetings held in 2013.

Table A.2: Frequency and attendance of Committee meetings during 2013

Audit Committee	20/02/2013	22/05/2013	14/08/2013	13/11/2013
Mr F Kisting (Chair)	✓	✓	x	**
Dr N Shivute	x	✓	x	x
Adv. C Van der Westhuizen	✓	x	✓	✓
Mr. V Malango	N/A	N/A	✓	N/A
Dr. O Kakujaha-Matundu	N/A	N/A	N/A	✓

** Denotes the member term has ended.

Mr Malango and Dr Kakujaha-Matundu are not members of the Audit Committee, but attended following the term ending of Mr Kisting.

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Remuneration Committee	15/08/2013	05/11/2013
Adv. C Van der Westhuizen (Chair)	✓	X
Mr V Malango	✓	✓
Dr O Kakujaha-Matundu	✓	✓

MANAGEMENT STRUCTURE

The Bank's Senior Management Team is made up of the Governor, the Deputy Governor, the Assistant Governor, Technical Advisors to the Governor, and the Directors of the Bank's various Departments. The positions of Governor and Deputy Governor are required by law. The Assistant Governor also takes on the responsibility of Head of Financial Stability. To ensure that the Bank implement its policies effectively, various committee have been created, including the Monetary Policy Committee, Investment Committee, Financial Stability Committee and Management Committee.

The Bank's **Monetary Policy Committee (MPC)** membership consists of Governor (Chair), Deputy Governor, Assistant Governor, Technical Advisors to the Governor, Director of Research, Director of Financial Markets and Director of Strategic Communications and Financial Sector Development. The MPC meets every second month to deliberate on an appropriate monetary policy stance to be pursued by the Bank. The monetary policy decision is announced to the public through a media statement, delivered at a media conference. All monetary policy decisions taken by the MPC are by consensus.

The **Investment Committee (IC)** consists of Governor, Deputy Governor, Assistant Governor, Technical Advisors to the Governor, Directors of Research, Financial Markets, and Strategic Communications and Financial Sector Development. The IC is responsible for reviewing the level and adequacy of Namibia's foreign exchange reserves. While the Board approves the International Reserves Management Policy, the IC may review the investment guidelines for final approval by the Governor. The IC is also expected to ensure that investments comply with the approved policy.

The **Management Committee (MC)** is composed of Governor, Deputy Governor, Assistant Governor, Technical Advisors to the Governor, all Directors, and the Head of Risk Management and Assurance. The Governor chairs the MC which is responsible for reviewing Bank-wide policies dealing with financial, staffing, operational and risk management issues before approval by the Governor. The MC meets every second week.

The **Financial Stability Committee (FSC)** is chaired by the Deputy Governor and is composed of the Technical Advisors to the Governor, Director of Research and Deputy Directors, Director of Banking Supervision and Deputy Directors, Director of Finance and Administration, Director of Financial Markets and Deputy Directors, Director of Payment and Settlement Systems and Deputy Directors, Director of Strategic Communications and Financial Sector Development and the Office of Risk Management. Representatives from the Namibia Financial Institutions Supervisory Authority (NAMFISA) are also on the FSC, which meets on a quarterly basis to assess the potential risks to the financial system as a whole and discuss appropriate policy measures.

REPORTING OBLIGATIONS

The Bank of Namibia Act requires the Bank to submit various reports to the Minister of Finance. A copy of this Annual Report is required by law, to be submitted to the Minister of Finance within three months after the end of each financial year. The Minister, in turn, is required to table the Report to the National Assembly within 30 days after having received it. The Report must contain the Bank's annual accounts, as certified by external auditors, information about the Bank's operations and affairs, and information about the state of the economy. Apart from the Annual Report, the Bank is required to submit a monthly balance sheet to the Minister of Finance, to be published in the Government Gazette.

COMMUNICATION AND STAKEHOLDER RELATIONS

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During the period under review, the Bank strategically managed its relationship with internal and external stakeholder groups by executing numerous stakeholder engagements through various communication channels. One such communication channel is the Bank's corporate website which is used to disseminate general information, such as the functions and operations of the Bank, laws and regulations, economic statistics, publications and research papers among others. Other channels of communication include regular media briefings, media releases/placements, as well as timely responses to various enquiries from stakeholders.

Bank of Namibia Board Members and other Stakeholders: Left front: Mr Veston Malango (board member); Mr Ndangi Katoma, Director Strategic Communications & Financial Sector Development and Board Secretary; Hon. Saara Kuugongelwa-Amadhila, Minister of Finance; Ms Ericah Shafudah, Board member; Mr Phillip Shiimi, Chief Executive Officer, Namfisa. Left Back: Mr Ebson Uanguta, Deputy Governor; Dr Nashilongo Shivute, Board member; Dr Omu Kakujaha-Matundu, Board Member; Adv. Charmaine van der Westhuizen, Board Member; Ms Elize Angula, Chairperson of the Board: Development Bank of Namibia; Mr Ipumbu Shiimi, Governor; Mr Mike Mukete, Assistant Governor.

Building meaningful working relationships with all stakeholders both from the private and public sector remained a high priority for the Bank during the year under review. These engagements are vital because when stakeholders understand the mandate of the Bank, and the Bank understands the needs of the stakeholders, the Bank will be better positioned to achieve its objectives. To that end, regular media conferences, annual media training workshop and other consultative meetings including those held at the regional level supported the Bank's corporate communication strategy. During such engagements, the Bank shared information on the economic outlook and discussed with stakeholders their views on issues of common economic interest within the mandate of the Bank.

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During the reporting period, the Bank held the following external engagements, among others:

- **The Bank held its Annual Economic Roundtable Forum in Windhoek, on 12 June 2013, under the theme "Maintaining Financial Stability in Namibia".** Various market players attended this forum which was aimed at enabling participants to share views and expectations with regard to financial stability in Namibia. In conducting a forum such as this, the Bank seeks to gauge market views on appropriate economic and monetary policy issues.

- **The Bank hosted its Annual Symposium on 26 September 2013, under the theme "Social Safety Nets in Namibia: Assessing Current Programmes and Future Options".** The symposium was organised to address key issues such as whether Namibia's social safety nets (SSNs) are efficient and effective in their current format, whether they should remain targeted to specific vulnerable groups or should be consolidated into a universal and unconditional Basic Income Grant (BIG) as well as to consider the global experience in relation to the implementation of social safety nets.

Photo: Annual Symposium 2013, from left: Dr. Blessing Chiripanhura who gave an overview of the topic; Dr. Arup Bannerji who gave the World Bank's Perspective on Social Safety Nets: Policy Options for Namibia; Right Hon. Prime Minister, Hage Geingob; Governor Ipumbu Shiimi; and Prof. Karl Widerquist who gave a presentation on International Experience and Lessons from other countries.

- **In July 2013, the Governor of the Bank hosted a stakeholder engagement with members of the diplomatic corps to share views on relevant economic issues and challenges.** At this platform, the Governor presented and discussed with the diplomats some of the latest information on economic developments, performance of the banking sector and other related issues of common interest.

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Governor Ipumbu Shiimi (sixth from the right) with Ambassadors and High Commissioners representing various countries in Namibia.

- **As part of the Bank's annual engagement at the regional level, the Governor had stakeholder meetings in Oshikoto, Oshana, Omusati and Ohangwena region.** The purpose of these meeting was two-fold: first, to brief the regional council and local authorities on the mandate and the functions of the Bank; and secondly, to hear their views on policy implementation and status of the domestic economy.

Furthermore, the Bank promotes an effective and favourable working relationship with its internal stakeholders, by ensuring access to and the dissemination of corporate information via the Bank's intranet, tri-annual internal newsletter, electronic corporate email system and regular staff meetings.

The following are some of the internal engagements that took place during the year under review:

- Progress Reviews on a semester basis continued to take place during which the Executive Team of the Bank gives feedback to the rest of the Bank's employees regarding progress on the respective departmental strategies. This makes employees to feel valued because they are aware of the Bank's strategic direction and are allowed to make contributions regarding matters of concern.

- The Governor also held bi-annual general staff meetings, where employees are given an opportunity to openly air their concerns.

- The Employee Liaison Forum (ELF) continued to provide constructive inputs regarding policy matters and strengthening communication channels within the Bank. A new ELF Committee was elected to serve for the next two years. Further, following negotiation on the Recognition and Procedural Agreement, the Bank and the Namibia Financial Institutions National Union (NAFINU) signed an agreement on 30 October 2013 that gives NAFINU the sole bargaining rights to negotiate on behalf of staff in the bargaining unit.

- The Bank introduced a staff briefing meeting where the Monetary Policy decision is communicated to all staff members through a presentation. This provided an opportunity for staff members to engage in a discussion on matters pertaining to monetary policy.

During 2013, the Bank continued to produce statutory publications as well as publications covering general information about the Bank with the aim of broadening public understanding of the Banks's functions and operations. The following publications were issued during the reporting period and are available on the Bank's website:

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- **The *Quarterly Bulletin* serves as a prime source of information on economic and financial developments in Namibia on a quarterly basis.** It contains a full set of data covering the real sector, monetary and financial developments, public finance, and the balance of payments. The *Monetary Policy Review*, which was a separate publication in the past, is now included in the Quarterly Bulletin. It aimed at providing an understanding of the monetary policy and the factors that were taken into consideration by the MPC in arriving at the next monetary policy decision.

- **The *Financial Stability Report* provides an assessment of the financial stability in Namibia.** This entails highlighting the potential risks to financial stability emanating from developments in the national and international environment as well as appropriate action that should be taken where there are concerns.

- **The *Economic Outlook* Report was released in August and December 2013.** This report highlighted the global, regional and domestic economic growth prospects and outlook as well as domestic sectoral forecasts.

- **The 2012 *Annual Report* was released in March 2013.** This Report not only covered the operations and affairs of the Bank, but provided information on the Bank's annual financial statements, as well as macroeconomic information and the state of the economy.

THE YEAR IN REVIEW

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As previously mentioned, the Bank's activities are informed by eight strategic objectives that guide the operations of the Bank over five years. These strategic objectives are directly connected to the Bank's functional priorities, its vision and its mission, as well as to developments in the internal and external environment. In pursuit of its five-year strategic objectives, the Bank has determined appropriate strategies for each such objective. For the sake of presentation and clarity, each of the eight strategic objectives are first highlighted in this section, followed by the initiatives and strategies agreed upon to accomplish these objectives, as well as the strategic outcomes that give an indication of the success or failure of these strategies. This is followed by key actions and activities undertaken during the course of the year.

SAFEGUARD AND ENHANCE FINANCIAL STABILITY

Strategic objective 1

Safeguard and enhance financial stability by preventing risks that might have a negative impact on the integrity of the financial system.

Initiatives and strategies

- Deter illegal financial schemes.
- Supervise and regulate deposit taking institutions.
- Oversee National Payment System (NPS).
- Assist with combating money laundering and terrorism financing.
- Enhance the assessment of financial sector stability.
- Develop the ability to handle crises in the financial system and a functioning financial crisis resolution framework.
- Introduce a financial sector safety net.

Strategic Outcomes

- All known and detected schemes declared illegal and/or registered.
- Early warning indicators in place.
- 95 percent compliance with regulations and standards.
- 100 percent of all STRs identified as "high and medium risks" processed within approved turnaround time.
- Ratio of debt service vs average disposable income.
- A tested crises resolution framework.
- Protection of small depositors in case of a bank failure.

Financial Stability Assessment and Surveillance

The Bank publishes the Financial Stability Report twice a year, which aims to assess the stability of the financial system. The financial stability reports include assessment of the main risks to the financial system arising from the external macroeconomic environment, trends in household and corporate debt, and trends in the domestic banking as well as non-banking financial institutions 'financial soundness indicators. The risk on the payment and settlement system is also reviewed.

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The latest Financial Stability Report, the September 2013 edition, highlighted the continued stability of the commercial banking institutions in Namibia; notwithstanding some structural balance sheet risks. The banking institutions remain profitable and adequately capitalised, though their assets remain highly concentrated in long-term mortgage loans. Further, the banking sector remains compliant with regulatory liquidity requirements. The Report also noted that the quality of banking assets remained generally healthy with the proportion of Non-Performing Loans (NPLs) to Total Loans at 1.5 percent at the end of June 2013. This ratio improved to 1.3 percent at the end of December 2013. The impact on the local banking sector from the uncertain global financial conditions remained limited, owing to the sector's insulation to afflicted international financial markets.

The September 2013 Report further revealed that the balance sheets of non-banking financial institutions appeared to be robust and growing, although risks remain. The existing prudential regulations reduced the exposure to offshore markets with a large share of funds invested locally and within the Common Monetary Area (CMA).

Further, the report showed that household indebtedness stabilised, while corporate debt increased. The stabilisation in household debt was mainly due to improved disposable income levels, although the level remains high by regional and international standards. Corporate debt to GDP, on the other hand, increased from 41 percent at the end of 2012 to an estimated 45 percent at the end of the second quarter of 2013. The increase is attributed to growth in foreign debt, partly attributed to new borrowing and the depreciation of the local currency against major currencies.

Crisis Simulation Exercise Namibia

The Bank in conjunction with NAMFISA and with technical assistance from FIRST and the World Bank developed a comprehensive and robust crisis management framework for Namibia. This framework is designed to ensure clear institutional and coordinated efforts by and between the Bank, NAMFISA and the Ministry of Finance when responding to a particular crisis affecting the financial system. The framework is underpinned by the following components: (i) a crisis communication plan; (ii) systemically important financial institutions indicators; (iii) prompt corrective action policies and procedures; (iv) lender of last resort policy; (v) bank resolution framework amendment; and (vi) guideline for cooperation in the field of financial stability. Finalisation of these deliverables is scheduled for the end of the first quarter of 2014.

Macro prudential Policy Assessment

In order to ensure that adequate defences are in place to limit the financial system's exposure to financial instability, the Bank has been undertaking research on macro prudential measures. These include, among others (i) a framework on the Domestic Systematically Important Banks, which is being developed with a view to identify the domestically important banks in Namibia and (ii) a project on investigating the feasibility of introducing a loan-to-value (LTV) ratio in the non-primary residential property markets in Namibia, in order to promote more robust credit/concentration risk management is also on-going. Detailed information on these two projects are included in the March 2014 edition of the Financial Stability Report.

PAYMENT SYSTEMS OVERSIGHT

The Bank continued to oversee the domestic payment systems in line with the Payment System Management Act, 2003, as amended. Payment systems are a vital part of the financial infrastructure of a country. In Namibia, payment system oversight is one of the key functions of the Bank in line with the Payment System Management Act, 2003, as amended. In terms of this Act, the Bank has the powers to oversee the National Payment System (NPS), the operations of the Payment Association of Namibia (PAN), system participants, system operators, payment instrument issuers and service providers. The rationale for overseeing the NPS is to 1) promote the smooth functioning of payment systems and 2) protect the financial system from possible systemic effects which may occur when one or more participants in the NPS incur credit, liquidity or operational problems.

During 2013, the Bank executed various on-site and off-site oversight activities to ensure the safe, secure, efficient and cost-effective operation of the NPS. The result of this exercise confirmed the resilience and robustness of Namibia Interbank Settlement System (NISS) in terms of its ability to enable time-critical payments to be processed without major disruptions. Operational availability of the Namibian retail payments systems, namely the Electronic Funds Transfer (EFT) System, the Cheque Processing System (CPS), and the Card Switching System (NAMSWITCH), also remained high in 2013, which is broadly in line with that reported for retail payment systems in other countries.

In 2013, the infrastructure of the National Payment System experienced significant developments and enhancements. In 2013, the Namibian banking industry completed the Namclear Automated Clearing House Project to localise the EFT and NAMSWITCH systems. The Namclear project enabled the Namibian banking industry to maintain a modern, streamlined, and cost-effective payments infrastructure. The successful implementation of this project enables Namclear to provide new innovative clearing services locally and position the payments industry and Namibian economy well for the future in line with Namibian NPS Vision 2015.

Significant progress has been made with the migration of payment cards and terminals from magnetic strip to the more secure global standard for credit and debit payment cards based on chip card technology. The standard (simply referred to as EMV standards) covers the processing of credit and debit card payments using a card that contains a microprocessor chip at a payment terminal. The completion of migration of POS and ATM devices to EMV platform is scheduled for 31 March 2014, while the issuing of chip and PIN, EMV compliant payment cards is scheduled for 31 December 2015.

Petrol/garage cards are scheduled to be phased out by 28 February 2014. This is in light of the fact that current petrol and garage card transactions are processed in South Africa and are therefore not compliant with regulations on processing of card transaction in Namibia. A dispensation was given for individual petrol/fuel cards to be used in Namibia until 28 February 2014 and fleet/garage cards until 30 June 2015. As such, there is a strong drive from the banking industry for the acceptance of branded (MasterCard/Visa) debit and credit cards at fuel outlets.

During 2013, the Bank issued the following determinations:

- **The Determination on the Criteria for Authorisation of Participants in the Clearing and Settlement.** This regulation is intended to further the Bank's strategic objective of increasing access to financial services and increasing financial inclusion by allowing both banks and non-banks access to the national payment system, if the necessary conditions are met.
- **The Determination on the Efficiency of the NPS.** This regulation is targeted to address non-transparent and inappropriate system access that leaves some players in the national payment system in a preferred position over others in terms of the processing of transactions. Furthermore, one of the strategic focus areas of NPS Vision 2015 is to set standards for fees and charges in the interest of efficiency in the NPS. In this regard the Bank has developed a consultation paper that will pave the way towards creating a framework to drive cost-effectiveness of bank fees and charges.
- **Determination on Standards for Cash Deposit Fees and Basic Bank Account.** This allows individuals to deposit cash free of charge up to N$2 000 per month on savings and investments accounts; and businesses with an annual turnover of N$1 000 000 or less to deposit cash free of charge up to N$10 000 per month. Additionally, the Determination provides minimum standards with which a Basic Bank Account must comply.

ANTI- MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

The Financial Intelligence Centre (FIC) is responsible for administering the Financial Intelligence Act, 2012 (Act No. 13 of 2012 (FIA). The FIA statutorily mandates the FIC, which became operational on 5 May 2009 to:

a) Receive, request, and analyse financial information (in the form of suspicious transactions, suspicious activities, large cash transactions, cross-border movement of cash and electronic funds transfers) and disseminate intelligence reports resulting from such analyses to Law Enforcement Agencies,

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Competent Authorities and foreign Financial Intelligence Units; and

b) Monitor, supervise and enforce compliance with the provisions of the FIA on Financial Institutions, Non-Banking Financial Institutions, Designated Non-Financial Business and Professions and Regulatory Bodies.

The FIC further acts as technical advisor to the Anti-Money Laundering and Combatting the Financing of Terrorism Council. The Council is Namibia's main coordinating body on policy matters regarding Anti-Money Laundering, Combating the Financing of Terrorism and Combatting Proliferation Financing.

FIA 2012 MONITORING AND SUPERVISION ACTIVITIES

As part of the statutory mandate in this regard, the following main activities was carried out by the FIC during 2013:

a) Conducting of FIA compliance assessments on the Money Laundering and Terrorism Financing regulated populace regarded as High Risk and advising relevant stakeholders on compliance matters (Table A.1);

b) Conducting of training sessions on the FIA, to enhance stakeholders understanding of the relevant compliance obligations under the Act and the role and functions of the FIC. Twenty eight training sessions were conducted during the year 2013, compared to six training sessions conducted in 2012;

c) Issuing guidance notes and circulars to provide guidance to stakeholders relating to the combating of Money Laundering and Financing of Terrorist activities (AML/CFT). During the year under review four circulars were issued, compared to three issued during 2012; and

d) Taking enforcement action to ensure that observed non-compliance issues are addressed timely and adequately. Only one enforcement action was undertaken during the year, compared to no enforcement action undertaken in 2012.

A key objective of enhancing the compliance behaviour is to ensure stakeholders are in a position to detect and report suspicious possible money laundering and terrorist financing to the Financial Intelligence Centre. The number of Suspicious Transaction/Activity Reports reported increased in 2013 as indicated in Table A.3 below.

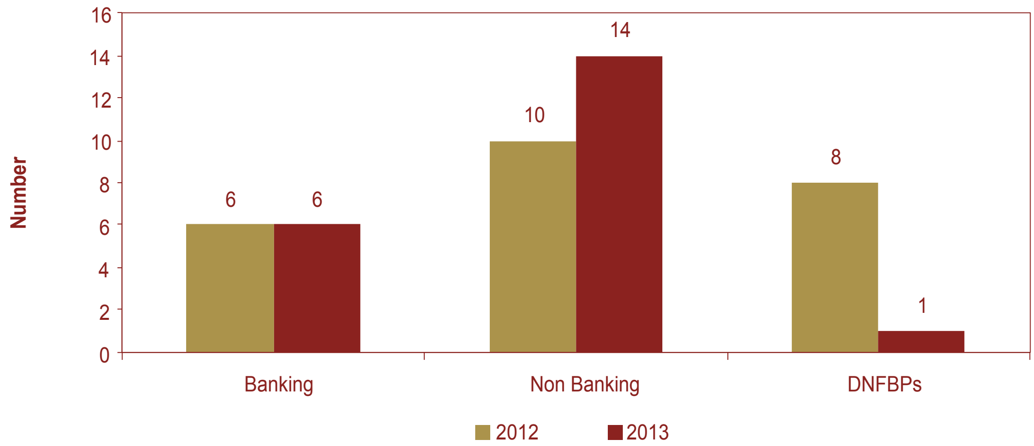
Table A.3 Compliance Assessment, and Suspicious Transaction Reports (STRs)

	Compliance assessments				STRs received	
	2012- onsite	2012-offsite	2013- onsite	2013-offsite	2012	2013
Banking	6	6	6	6	201	300
Non Banking	10	14	14	10	3	84
Designated Non-Financial Businesses and Professions (DNFBPs)	8	112	1	0	31	26
Others					14	13
Totals	**24**	**132**	**21**	**16**	**249**	**423**

Source: FIC

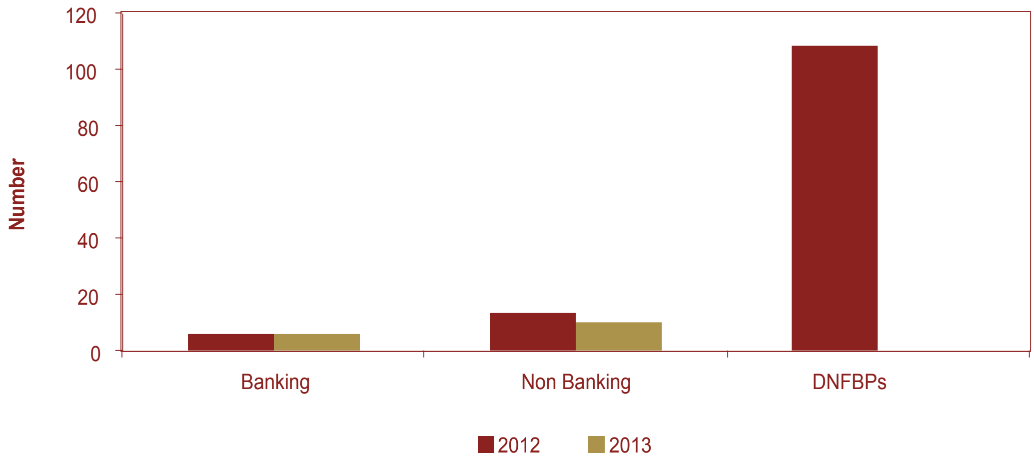
The statistics highlighted in Charts A.1 and A.2 pertaining to Monitoring and Supervision of FIA Compliance, are representative of the number of supervisory activities that the FIC undertook in order to ensure compliance with the FIA by the regulated institutions. Further, Chart A.3 and A.4 highlights the number of FIC Guidence Notes and FIC Circulars, respectively, issued during 2013.

Chart A.1: FIC Onsite Monitoring and Supervision Activities for 2013 compared to 2012



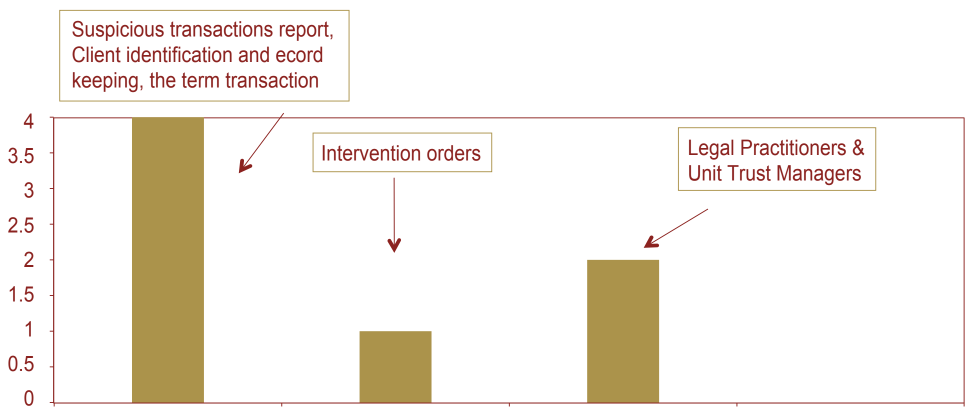
Source: FIC

Chart A.2: FIC Offsite Monitoring and Supervision Activities



Source: FIC

Chart A.3: FIC Guidance Notes Issued during 2013 Compared to Previous Years



Source: FIC

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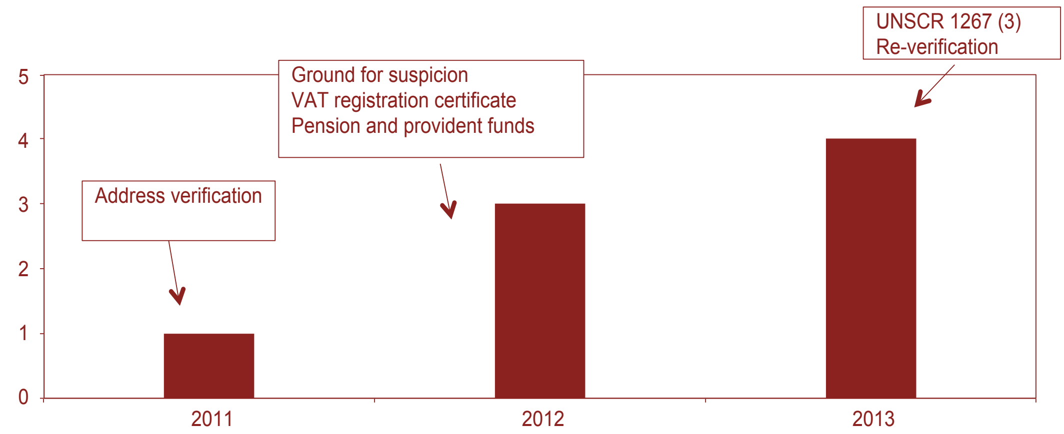
Chart A.4: FIC Circulars Issued during 2013 Compared to Previous Years



Source: FIC

FINANCIAL INVESTIGATIONS AND ANALYSES

During 2013, a total of 96 intelligence reports were disseminated to local Law-Enforcement Agencies for further investigation of suspected activities of Money Laundering (ML) and Terrorism Financing (TF) in Namibia. The aim of these reports was to facilitate the seizing, freezing and confiscation of suspected proceeds of crime within Namibia. Further, the FIC disseminated a total of 17 intelligence reports to foreign Financial Intelligence Units for the purposes of investigating suspected activities of ML and TF and to facilitate the seizing, freezing and confiscation of suspected proceeds of crime occurring in such foreign jurisdictions. Possible offences identified during analyses were, among others, corruption, fraud, tax evasion, contravention of exchange control regulations, pseudo-hunts of white rhino, theft, counterfeiting, diamond smuggling, illegal scams and illegal casino gambling. A number of FIC reports and interventions contributed to the preservation and/or forfeiture of proceeds of crime in terms of the Prevention of Organised Crime Act, 2008.

The number of Suspicious Transaction Reports (STRs) almost doubled from 249 in 2012 to 423 in 2013. Table A.4 sets out the number of STRs submitted to the FIC during 2013, compared to 2012, as well as the reporting source. The increase in STRs can be attributed to measures put in place to bring about the 2012 FIA compliance, such as compliance training, compliance inspections, industry specific guidance, and feedback provided to institutions on the quality of STRs reported to the FIC.

Table A.4: STRs per Annum and Reporting Source

	January – December 2013		January – December 2012	
Source of STR	**Number of reports**	**Share of total (percentage)**	**Number of reports**	**Share of total (percentage)**
Internally generated	6	1.4	6	2.4
Members of the Public	4	1.0	7	2.8
Financial service providers	300	70.7	201	80.7
Asset managers	2	0.5	1	0.4
Supervisory authorities	4	1.0	1	0.4
Legal practitioners	6	1.4	8	3.2
Government ministries	1	0.2	-	-
Accounting firms	-	-	2	0.8
Money remitters	78	18.5	18	7.2
Insurance Companies	17	4.1	2	0.8
Motor vehicle dealers	2	0.5	3	1.2
Casino/gambling houses	1	0.2	-	0
Law Enforcement Units	2	0.5	-	0
Total	**423**	**100**	**249**	**100**

Source: FIC

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The number of Requests for Information (RFIs) submitted to the FIC decreased slightly during 2013. The number of RFIs decreased from 39 in 2012 to 35 in 2013. Table A.5 sets out the number of RFIs received by the FIC during 2013, compared to 2012, as well as the requesting source.

Table A.5: Request for Information Received per Source

	January – December 2013		January – December 2012	
Source of RFI	**Number of RFIs**	**Share of total (percentage)**	**Number of RFIs**	**Share of total (percentage)**
Local Law Enforcement	31	88.6	35	89.7
Local Supervisory Bodies	1	2.9	1	2.6
GRN Ministries	2	5.7	0	0
Foreign Financial Intelligence Units (FIUs)	1	2.9	3	7.7
Total	**35**	**100**	**39**	**100**

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PROVISION OF CURRENCY, GOVERNMENT DEBT ISSUANCE AND BANKING SERVICES

Strategic objective 2

Provision of Currency, Government debt issuance and Banking services.

Initiatives and strategies

- Effective and efficient provision of banking services.
- Issue and manage government securities.
- Provision of foreign exchange to banks to enable transfers to SA.
- Provide effective lending facilities to the banking institutions.
- Provide and manage an efficient interbank settlement system.
- Provide sufficient quality and quantity of currency.

Strategic outcomes

- Currency supplied to commercial banks as per demand at all times.
- 100 percent GRN payments and deposits correctly effected and recorded within the agreed timeline.
- Meet 100 percent of foreign exchange needs for the banks.
- Provide 100 percent accommodation needs to the banks.
- 95 percent availability of system.
- Recover 90 percent of operational cost.
- Counterfeit detected and used should not exceed the threshold of 10 pieces per 1 million notes in circulation.

CURRENCY OPERATIONS

Currency management and issuance is one of the strategic functions of the Bank. This function requires the Bank to arrange for the printing of banknotes and the minting of coins and to ensure sufficient quantity, acceptable quality and security of the national currency.

On 17 June 2013, the Bank issued enhanced N$10 and N$20 banknotes bearing improved technical specifications. The enhancement of the banknotes was necessitated by the need to address a problem observed in N$10 and N$20 banknotes of the 2012 new series that the banknotes were aging faster than expected, as well as to address the fragmentation and the cracking in the Optical Variation Ink (OVI) dynamic or the diamond-shape feature. The improvements made to the banknotes comprised shifting the diamond-shape feature slightly to the right to move it out of the centre folding line of the banknotes, as well as shifting the Securicoat[1] numeral to the left. Independent laboratory tests on the enhanced banknotes that were in circulation for three months, revealed that the improved notes were of a better quality and did not exhibit the weaknesses that were observed with the notes released during 2012. A public awareness campaign that focused on the improvement of the notes was undertaken in the print media, national broadcasts and at exhibitions in various shopping malls in Windhoek, Oshakati and Oshikango.

At the end of 2013, the total volume of banknotes in circulation increased to 42.5 million pieces from 36.6 million the previous year. The number of coins also increased from 373.7 million to 422.9 million over the same corresponding period (Chart A.5 and Table A.6). The annual growth in the value of currency

1 Securicoat ® is a glossy print depicting the acronym BON and the numerals 10 and 20 on the respective notes and it becomes visible when the banknote is tilted.

in circulation was 22.7 percent as compared to 15.6 percent in 2012. This represents an increase of 23.2 percent in pieces of banknotes and 13.7 percent in pieces of coins put into circulation. The N$100 note remains the most widely circulated banknote despite a reduced issuance of 6.5 percent observed during 2013. An increase of 83 percent in the issuance of the N$200 was experienced and this was mainly due to the Automated Teller Machine (ATM) dispensing formula used by commercial banks when programming their various ATM's. The increase in the N$10 and N$20 was 28.2 and 18.7 percent respectively, while the issuance of the N$50 note increased by a marginal 4.4 percent.

A total of 32.2 million banknote pieces were withdrawn from circulation in 2013 as compared to 49.1 million pieces in 2012, reflecting a significant decrease of 34.0 percent. The improved cash management strategy introduced by the Bank during the period under review explained the declining trend in a number of pieces withdrawn from circulation. A reduction of the withdrawn pieces is also credited to the issuance of the improved versions of the N$10 and N$20 notes in June 2013, which are of better quality and have remained longer in circulation.

Chart A.5 Currency in circulation

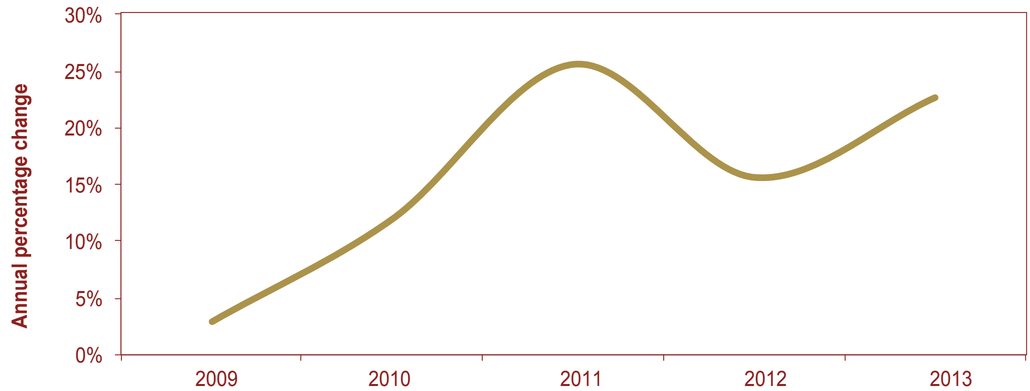

Table A.6 Composition of currency in circulation at 31 December 2013

Denomination	2012 Value (N$ million)	2012 Volume (million)	2013 Value (N$ million)	2013 Volume (million)	Change in value percent
5c coin	7.2	144.5	8.2	164.2	13.9
10c coin	11.9	118.9	13.4	134.2	12.6
50c coin	11	21.9	12.2	24.3	10.9
N$1 coin	79.1	79.1	89.3	89.3	12.9
N$5 coin	41.1	8.2	48.6	9.7	18.2
N$10 coin	11.4	1.1	12.1	1.2	6.1
TOTAL -COINS	**161.7**	**373.7**	**183.8**	**422.9**	**13.7**
N$10 notes	80.6	8.1	103.3	10.3	28.2
N$20 notes	112.8	5.6	133.9	6.7	18.7
N$50 notes	261.7	5.2	273.1	5.5	4.4
N$100 notes	1,383.3	13.8	1 292.8	12.9	(6.5)
N$200 notes	773.2	3.9	1 415.2	7.1	83.0
TOTAL-NOTES	**2 611.6**	**36.6**	**3 218.3**	**42.5**	**23.2**
GRAND TOTAL	**2 773.3**	**410.3**	**3 402.1**	**465.4**	**22.7**

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In accordance with the Bilateral Monetary Agreement with South Africa, the Bank is required to repatriate South African Rand notes that are deposited at the Bank, back to the South African Reserve Bank. The Rand currency that enters the country does not circulate widely in Namibia, as it is quickly absorbed by banking institutions and then deposited at the Bank, upon which it is repatriated to the South African Reserve Bank. South African coins are repatriated by the commercial banks. A total of R1.8 billion was repatriated to the South African Reserve Bank during 2013, which equates to a 9.1 percent increase compared to 2012. The increase was attributed to high volume of trading activities by traders and visitors from South Africa as well as other African countries where the Rand is widely used. Rand repatriation and the Namibia Dollar in circulation are presented in Table A.7.

Table A.7 Rand repatriation versus Namibia Dollar in circulation

Calendar Year	Value of Rand repatriation		N$ in Circulation	
	Rand (million)	Change in value (per cent)	N$ (million)	Change (percent)
2009	1 200.0	23.1	1 705.4	2.9
2010	1 425.0	18.8	1 909.3	12.0
2011	1 125.0	(21.1)	2 398.2	25.6
2012	1 650.0	46.7	2 773.3	15.6
2013	1 800.0	9.1	3 402.1	22.7

The total number of counterfeit Namibia Dollar banknotes remained unchanged at 383 pieces in 2013 (Table A.8). The ratio of counterfeits per million of notes in circulation of the N$10 and N$20 notes remained unchanged at zero. However, for the N$50 and N$100 notes, the counterfeit ratio per million have reduced in 2013. The high-value banknotes are the most targeted with the N$200 notes counterfeits being the most prevalent and hence accounting for 55 percent of all counterfeits received by the Bank[2]. Despite the incidences of counterfeits, the Bank consistently embarks upon various intervention measures to curb and lessen counterfeits. These interventions, among others, include providing regular and consistent training to various stakeholders throughout Namibia and consistent collaboration with the Namibian Police. Most of the counterfeits are detected at the point of first presentation. Losses to stakeholders who encounter incidences of counterfeit are minimal. The ratio of counterfeits per million of all Namibia banknotes denominations is 9 pieces, well below the international benchmark of 70 banknotes per million. It is also interesting to note that the 9 pieces fall below the Bank's threshold of 10 pieces per 1 million notes.

As in 2012, the old series of banknotes remained the most counterfeited in 2013, with 205 pieces, compared to 178 pieces of the new series (Table A.8 and A.9). This gives evidence that the new series of banknotes with improved security features remains resilient to counterfeits.

2 The biggest confiscation of counterfeits happened occurred in April when 91 counterfeits notes of the N$200 denomination were seized in the Ohangwena Region.

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Table A.8 Counterfeit Namibia Dollar banknotes

Denomination	Number of counterfeit banknotes detected					Counterfeits per single denomination per million notes in 2012	Counterfeits per single denomination per million notes in 2013
	2009	2010	2011	2012	2013		
N$10	5	2	0	4	3	0	0
N$20	9	5	3	2	3	0	0
N$50	126	49	80	57	40	11	7
N$100	84	33	119	258	125	19	10
N$200	41	7	9	62	212	16	30
TOTAL	**265**	**96**	**211**	**383**	**383**		
Total Counterfeits per million notes for all denominations	**10**	**4**	**6**	**10**	**9**		

Table A.9 Counterfeit Namibia Dollar banknotes (per banknote series)

Notes	N$10	N$20	N$50	N$100	N$200	Total Pieces	Total Value (N$)
New Series	1	1	20	78	78	178	24 430
Old Series	2	2	20	47	134	205	32 560
TOTAL	**3**	**3**	**40**	**125**	**212**	**383**	**56 990**

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PROMOTE PRICE STABILITY

Strategic objective 3

Promote price stability.

Initiatives and strategies

- Ensure reliability of economic data to support economic policy;
- Pursue monetary policy in accordance with Monetary Policy Framework.

Strategic outcomes

- A robust and comprehensive economic database based on international standards enabling the Bank to have an up-to-date view of the economy.
- An economic and financial environment where the parity between the Namibia Dollar and the South African Rand is not in any way threatened.

The primary objective of monetary policy is to protect the value of the currency in order to support sustainable economic growth and financial stability in the country. This objective is articulated in the Bank of Namibia Act, 1997. Price stability is achieved when changes in the general price level do not influence economic decision-making processes in a material way. Although relative price movements may still affect decisions on production, consumption, saving and investment, the rate of inflation or deflation should be so insignificant that it is no longer an important factor affecting an efficient allocation of resources in the economy.

MONETARY POLICY STANCE DURING 2013

Throughout 2013, the Bank's Monetary Policy Committee (MPC) maintained its accommodative monetary stance in support of the domestic economy and in the context of an improved, albeit fragile, external environment and low inflation. The MPC maintained the accommodative monetary policy stance to support the domestic economy in light of the fragile global environment and moderate inflation levels that remained in the lower single digits. Global growth slowed in the first half of 2013, but started to to pick up thereafter, driven by the gradual economic recovery of the advanced economies. Despite the fragile global environment, the Namibian economy remained relatively resilient, although the economy may have grown by less than initially anticipated. Namibia's headline inflation also moderated in 2013. The level of international reserves declined but remained adequate to sustain the currency peg. In view of the above developments, the MPC kept its Repo rate unchanged at 5.5 percent in all six meetings held in 2013. For a detailed exposition on the global and domestic macroeconomic developments considered by the MPC, refer to Section C of the Report.

CONTRIBUTE TO ECONOMIC POLICY FORMULATION

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Strategic objective 4

- Enhance contribution towards sustainable economic growth through quality research and sound economic policy advice.

Initiatives and strategies

- Deliver and assist with implementation of relevant and quality policy advice.

Strategic outcome

- Lead research centre whose advice is accepted and implemented.

As part of the statutory mandate, the Bank is required to provide policy advice to Government. In this regard, the Bank conducts economic and financial research as well as other research of strategic importance. The main aim of the research undertaken by the Bank is largely to inform specific policy direction and actions.

POLICY RESEARCH AND ADVICE

In accordance with the Bank of Namibia Act, the Bank renders advice to the Government. In particular, the Bank furnishes reports to the Minister of Finance on economic, financial or any other matter that the Minister may refer to the Bank for investigation and advice. Further, the Bank may provide reports to the Minister of Finance on matters that could prevent the Bank from achieving its objectives or hinder the performance of its functions.

In 2013, the Bank continued to fulfil its role as an advisor to the Government by providing policy advice on fiscal and other economic issues. In this regard, the Bank carried out a number of research projects and activities, as summarised below:

A study titled "Namibia: A Macroeconomic Framework for 2013 and Beyond" was undertaken by the Bank staff and discussed in the context of the Committee for Policy Coordination (CPC).[3] This study reviewed the insights arising from the Bank's Economic Outlook and sketched the contours of a possible macroeconomic policy direction that could help Namibia regain its standings vis-à-vis country comparators in terms of external competitiveness and faster economic growth. The *Economic Outlook* summarizes recent economic developments and provides macroeconomic forecasts. Along the Outlook's diagnosis, the study argued that a forward-looking macroeconomic framework for Namibia should aim at: (i) increasing Government savings to cover public investment needs that could accelerate private investment and overall economic growth, (ii) rebalancing the composition of fiscal spending away from recurrent spending, (iii) taking stock of possible bottlenecks that are reducing the quality of public goods delivery, and (iv) adopting a proactive stance vis-à-vis foreign direct investment in order to acquire needed financial resources and knowledge generated overseas.

The Bank's staff formed part of the Tax Administration Reform Task Team, which investigated the viability of establishing a Revenue Agency for Namibia. The team's final report made a recommendation for Cabinet to take a principle decision to establish a semi-autonomous Revenue Agency for Namibia, directly funded by the Government and accountable to the Minister of Finance.

3 Committee members include the Minister of Finance, the Minister of Trade and Industry, the Director General of the National Planning Commission, and the Governor of the Bank of Namibia.

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This recommendation was approved by Cabinet in September 2013. Going forward, the Bank will continue to provide the necessary advice, where necessary, with regard to the transitional and administrative framework required in setting up the Revenue Agency.

A study titled "Assessing the Performance of the Mineral Sector: Tax Regime and Mineral Beneficiation," was prepared and shared with the relevant external stakeholders, namely the Ministries of Finance and Mines and Energy. The paper reviewed the role of the mineral sector within the economy; the current mineral tax regime; the state of local beneficiation, as well as lessons from the international economy on ways to maximize the sector's contribution to the domestic economy. With respect to the tax regime, the paper modelled the current tax framework for uranium and diamond mining, as well as the options and policy trade-offs going forward. Policy actions, in this regard, include the development of a comprehensive beneficiation strategy, in tandem with the development of local capacity in upstream and downstream industries. The paper concluded that because of limited local participation and ownership, targeted state participation in the sector was necessitated in the interim, provided that it minimized increases in marginal costs to potential private investors.

A policy brief titled "*Regulations for Instalment Credit: Policy Options*" was prepared and presented to the Committee for Policy Coordination (CPC). The brief proposed policy measures aimed at curbing the observed growth in instalment credit to individuals, particularly vehicle financing and other perceived non-productive credit growth. The brief proposed a nominal increase in the threshold value for credit transactions subject to the provisions of the Credit Agreement Act. It also recommended strict enforcement and monitoring of the Act.

A study was carried out to examine the problems underpinning the decline in business and economic activity in Oshikango in recent years. The study was initiated at the request of the Technical Committee on the Resuscitation of Economic Activities (TCREA)[4] at Oshikango. The study concluded that the deceleration of Oshikango's economic activity in recent years reflects a normalization of trade levels between Namibia and Angola, following the trade surge registered at the end of the Angolan civil war in 2002. The study recommended the launching of a medium-term strategy to maximize the Oshikango's comparative advantage as a trading hub and support the existing supply value chain, especially in international trade logistics.

The Bank produced a number of technical notes and briefing papers in addition to the above-mentioned research projects. These included, among others: (i) a technical note on Namibia's external competitiveness in manufacturing, which comprised estimates of equilibrium exchange rates for Namibia and (ii) the development of an Input-Output table for Namibia, including estimates of Leontief's technical coefficients, as well as forward and backward linkages for various economic sectors modelled.

INTERNATIONAL FINANCIAL COOPERATION

During 2013, the Bank continued to co-operate with its external stakeholders at the international, continental and regional levels. At the international level, collaboration with the International Monetary Fund (IMF), the World Bank Group and other central banks were the most notable ones. Within the African Continent, the Bank participated in the activities of the Association of African Central Banks (AACB) and the Eastern and Southern African Anti-Money Laundering Group (ESAAMLAG). At the regional front, the Bank contributed to activities of the Southern African Development Community (SADC), the Common Monetary Area (CMA), the Southern African Customs Union (SACU), respectively. These co-operation arrangements are elaborated below:

4 This Committee consists of representatives from the ministries of Trade and Industry, Finance, Home Affairs, National Planning Commission, Bank of Namibia, Ohangwena Regional Council, Helao Nafidi Town Council, NCCI, Oshikango Business Association, Namibia Police and UNAM.

The IMF and the World Bank Group

On the international front, the Bank participated in the Annual Meetings of the IMF and the World Bank in Washington DC, USA, in October 2013. Pertinent issues discussed at these meetings were the world economic outlook, global financial stability, poverty eradication, jobs and growth, economic development, and aid effectiveness. The meetings, which were widely covered by the international media, also offered an opportunity for civil society organizations to share their views and interact with policymakers in a global setting.

During 2013, the World Bank prepared the first Country Partnership Strategy (CPS) for Namibia and it also provided capacity building support to the Bank, Ministry of Finance and the National Planning Commission. The CPS is based on two pillars, namely: private sector development and enhanced state capacity. In the area of private sector development, the CPS aims at improving the overall regulatory framework for investment. Programmes covered under this pillar are targeted at developing the institutional environment for a competitive private sector, and increasing productive capacity and infrastructure. On state building, the strategy seeks to strengthen the capacity of government institutions to design, execute, and monitor public policies to realize the goals of the Fourth National Development Plan (NDP4). Proposed programmes under this pillar cover economic management and statistical capacity building amongst others. In addition, the World Bank offered training in debt sustainability analysis to the Bank, MoF and NPC officials. Moreover, a Bank staff member benefitted from a secondment programme with the World Bank. During 2013, the Bank secured the World Bank technical assistance for establishing the Central Securities Depository (CSD) and the revision of the Payment Systems Management Act (2003).

During 2013, the Bank and Ministry of Finance continued to collaborate with the IMF on technical assistance, surveillance and policy advice. In this regard, technical assistance on the compilation and analysis of balance of payments and monetary statistics, as well as stress testing on financial stability was offered by the IMF staff to the Bank. Furthermore, fiscal policy advice, specifically in the domains of public financial management, public private partnerships and enhanced tax administration were offered by the IMF staff to the Ministry of Finance during the year under review. With regards to surveillance, the annual Article IV consultation mission took place and reviewed recent economic developments, prospects and policies to ensure continued macroeconomic stability and growth in Namibia. The mission stressed the need to increase the reserve buffers to provide insurance against shocks. On fiscal policy, the IMF mission welcomed reforms on reduced income taxation of individuals and corporations as well as strengthening public financial management, deepening financial inclusion and laying the foundations of private sector led growth implemented by Namibia. The Article IV mission recommended to government to articulate a “growth-friendly” medium-term fiscal consolidation strategy.

BILATERAL COOPERATION WITH OTHER CENTRAL BANKS

The Bank cooperated with central banks of Sweden, Lesotho, Tanzania, and Zambia on various issues. Engagements with Sweden’s Riksbank focused on macroeconomic modelling and inflation forecasting, whereby officials from each bank exchanged information on their respective macroeconomic models. Ultimately, the two institutions compared modelling frameworks, methodologies and techniques and learned from each others’ experiences. Visiting staff missions from the central banks of Lesotho, Tanzania and Zambia were attached to the Financial Stability section to learn about the financial stability processes and models used by staff at the Bank of Namibia.

The Bank received technical assistance in the areas of information technology, payments system and financial markets from the Bundesbank. In this context, the Bank’s Information Technology Department was assisted by the Bundesbank on management of information technology security and mobile device management strategy. With respect to the payments system, the Bank held a seminar with the Bundesbank as part of the Bank’s overall payment system benchmarking exercise. Some of the key lessons learned from the Bundesbank were on the retention strategy of payment systems skills capability, robustness of business continuity as well as doing virtual experimentations (simulations) in the area of payments system. Lessons learned will be implemented to enhance current payments system processes and to review the tools, technology and payments system skills required. A three day seminar on liquidity management and forecasting, open market operations in the Euro system, issuance and trading of government securities in Germany was also offered to the Financial Markets Department of the Bank of Namibia.

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Association of African Central Bank

The Bank of Namibia attended the 37th Ordinary meeting of the Association of African Central Banks (AACB) in Balaclava, Mauritius in August 2013. At this meeting, central bank governors examined various issues, notably Member States' performance on the African Monetary Cooperation Programme (AMCP) and progress regarding the study on the strategy of the creation of the African Central Bank. Governors noted the adverse impact of the weak global economic environment on macroeconomic performance in Africa. Nonetheless, they noted that growth performance on the continent was satisfactory during 2013 and urged African countries to continue to implement sound economic policies to consolidate the underlying strengths of their economies. Governors also took note of progress concerning the study on the strategy of the creation of the African Central Bank and welcomed the establishment of the community of African Banking Supervisors (CABS). Governors agreed that the establishment of this forum signifies the importance of banking supervision on the African Continent.

Eastern and Southern African Anti-Money Laundering Group (ESAAMLG)

The Financial Intelligence Centre at the Bank, on behalf of the Minister of Finance, hosted the annual ESAAMLG Task Force of Senior Officials and Council of Minister's meeting followed by the first ever G8 Sub-Saharan Africa Anti-Money Laundering and Combatting the Financing of Terrorism Public-Private Sector Dialogue (PPSD) from 6 to 8 September 2013 in Swakopmund. The Namibian Minister of Finance assumed the Presidency of the Council at this meeting and she is expected to ensure that all Member States adhere to the terms of the Memorandum of Understanding and put in place robust national anti-money laundering and combating the financing of terrorism regimes. It was the second time for Namibia to hold the Presidency as the very first ESAAMLG meeting was also held in Namibia. The purpose of PPSD was to facilitate the development and implementation of effective Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) controls, which are based on the revised international standards on combatting AML/CFT as promulgated by the Financial Action Task Force (FATF). The PPSD agenda focuses, amongst others, on the implementation of FATF standards, customer due diligence and know your customer requirements, high risk customers, mobile money and remittances as well as correspondent banking services

COMMITTEE OF CENTRAL BANK GOVERNORS IN SADC

At the regional level, the Bank contributed to activities of the Committee of Central Bank Governors (CCBG) in SADC. In this connection, the Bank staff participated in two meetings held in April and September 2013, in Swaziland and South Africa, respectively. During these meetings, the Governors discussed economic and financial developments compared to SADC convergence targets. On a positive note, the overall performance of most SADC economies on public debt and budget deficits targets was promising in 2013. Also, most countries maintained sustainable current account balances. This was mainly, due to prudent fiscal policies and accommodative monetary policies, which have contributed to sound macroeconomic stability and growth in the region. In contrast, Governors noted that most SADC countries find it difficult to achieve the inflation target set under the SADC macroeconomic convergence programme. With respect to possible review of the targets, it was proposed that the inflation target be changed from a fixed target of less than 5.0 percent to a range of 3.0 to 7.0 percent. The suggestion was, underpinned by the trend rate of inflation, which fell in this range for the past few years. Table A.10 below summaries the agreed macroeconomic convergence targets for SADC.

The SADC Integrated Regional Settlement System (SIRESS) first phase went live on 22 July 2013. SIRESS is an initiative by the SADC payment system subcommittee to support the harmonisation and integration of the financial and payment systems within the SADC Region. SIRESS went live with the four CMA countries (Namibia, Lesotho, Swaziland and South Africa). These countries were merely the first phase of SIRESS in an attempt to prove that the system works. Given its success other SADC countries are expected to join from the first quarter of 2014.

CMA SADC Integrated Regional Electronic Settlement System (SIRESS) Legal Agreement signing at the South African Reserve Bank, 26 April 2013. From right, Mr Ipumbu Shiimi, Governor of Bank of Namibia; Ms Gill Marcus, Governor of the South African Reserve Bank; Mr Daniel Mminele, Deputy Governor of the South African Reserve Bank; Dr Retselisitsoe Matlanyane, Governor of the Central Bank of Lesotho; Mr Martin Dlamini, former Governor of Central Bank of Swaziland.

Table A.10: SADC macroeconomic convergence targets and performance for 2013

Variable	Agreed target	SADC Average (%)	Namibia (%)
Inflation	3.0.-7.0 percent	6.4	5.6
Budget deficit	≤ -3.0 percent of GDP	-1.6	-2.8
Public debt	≤ 60.0 percent of GDP	42.2	23.8
Real GDP growth	7.0 percent per annum	4.9	4.3

Source: MoF, BoN, NSA and SADC Secretariat

Common Monetary Area (CMA)

During the year under review, the Bank continued to partake in the meetings of the CMA. In this respect, the Bank participated in the CMA Governors' meetings held on 25 April 2013 and 12 July 2013 in Pretoria, South Africa, 12 September 2013 in Mbabane, Swaziland and 15 November 2013 in Pretoria, South Africa, respectively. At these meetings, the Governors discussed and exchanged views on economic developments in their respective countries.

Southern African Customs Union (SACU)

The Bank also participated in the meetings of the Southern African Customs Union (SACU), where it provided technical support and advice on issues pertaining to the revenue-sharing arrangement throughout 2013. This was undertaken by way of the Bank's participation in the task team on the review of the revenue-sharing arrangement, as well as during the meetings of the SACU commission.

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FOREIGN EXCHANGE RESERVE MANAGEMENT

Strategic objective 5

Manage reserves prudently.

Initiatives and strategies

- Prudent management of foreign reserves in accordance with Investment Policy.
- Manage liquidity in banking system proactively to support reserves.

Strategic outcomes

- Levels of international reserves proportionate with the economic activities, the management of which is underpinned by a comprehensive reserve management policy and by pro-active management of liquidity in the money market.

Among its key strategic objectives, the Bank is responsible for the prudent management of the country's foreign exchange reserves. The foreign exchange reserves are held to back the issuance of the domestic currency, which is required to maintain the peg to the South African Rand and to ensure that the country meet its international financial obligations. In satisfying the level of prudence required in managing the reserves, the Bank must ensure that the investment objectives of safety, capital preservation and liquidity are met at all times. This is achieved by determining an optimal combination of assets or currencies that the Bank must hold over a given investment horizon. This combination or mixture of assets is an outcome of the annual Strategic Asset Allocation (SAA) exercise of the Bank.

FOREIGN EXCHANGE RESERVE DEVELOPMENTS DURING 2013

During the period under review, the foreign currency reserves under the management of Bank of Namibia increased by 6.80 percent rising from N$14.7 billion as at the end of December 2012 to N$15.7 billion as at the end of December 2013. The main drivers of the growth in reserves were Rand bank notes repatriated to South Africa, compensation for the use of the South African Rand in Namibia as well as the depreciation of the Namibia Dollar. Despite these developments, foreign reserves remained under-pressures from a rising import bill mainly relating to the construction activities in the mining sector and, to a lesser extent, luxury goods.

At N$15.7 billion, the level of reserves is considered adequate to cover short term external debt obligations due within a year or currency in circulation plus a buffer equal to three times average of monthly commercial bank outflows, whichever is greater (Chart A.6). Measuring adequacy in terms of import cover, this ratio declined from 13.4 weeks as at 31st December 2012 to 9.2 weeks as at 31st December 2013, which is below the international benchmark of 12 weeks. The deterioration in import coverage ratio is considered transitory and reflects once-off activities in the mining sector. This phenomenon should payoff as current investments in the mining sector are expected to boost exports in the long term.

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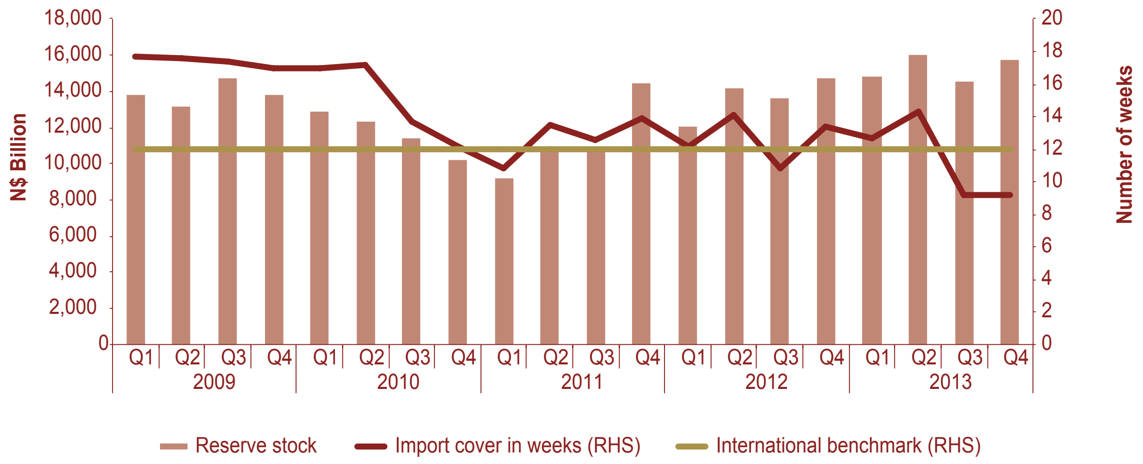
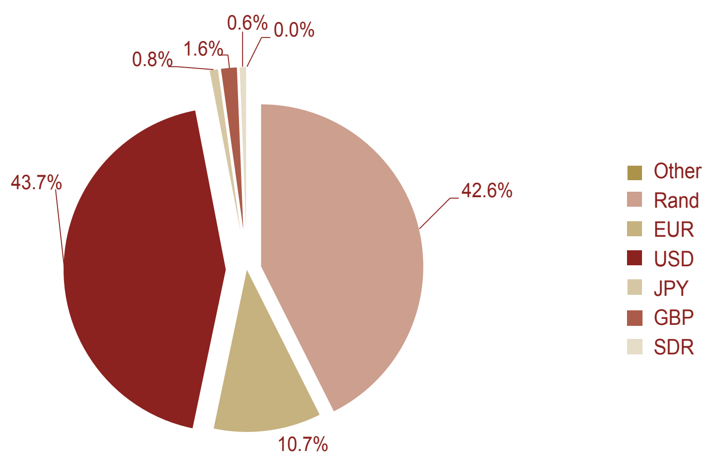
Chart A.6: Official foreign exchange reserves stock and import cover



Reserves were managed under challenging conditions with the uncertainty affecting international bond markets during 2013. As a result, bond markets underperformed, particularly in the latter parts of the year driven by concerns over the tapering of US Federal Reserve's quantitative easing program. Despite this difficult operating environment, all the portfolios generated positive returns for the 12 months under review.

To match government's debt profile, the EUR, USD and the ZAR continue to make up a significant portion of the Bank's foreign exchange reserves (Chart A: 7). As at the 31 December 2013, the USD and ZAR accounted for 42.6 percent and 43.7 percent of reserves, respectively. During 2012, the USD and ZAR were 40.9 percent and 36.4 percent, respectively. While share of EUR remains significant, it declined to 10.7 percent in 2013 from 21.6 percent, in the previous year. This reflects changes in composition of government's debt profile. The Bank also held a small percentage of reserves in currencies such as British Sterling Pound (GBP) and Japanese Yen (JPY).

Chart A. 7: Currency mix of foreign exchange reserves as at 31 December 2013



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ADMINISTRATION OF EXCHANGE CONTROL

The Bank is committed to maintaining a liberal exchange control environment through its administration policy. The Bank is therefore continuously striving to improve the level of efficiency in administering the controls. Thus, it has shifted its main focus from rules based monitoring, supervision and controlling to conducting risk-based compliance monitoring and supervision in order to ensure that Authorised Dealers and Authorised Dealers with Limited Authority are handling their exchange control administration strictly within the ambit of Currencies and Exchanges Act, 1933, as well as its complementing regulations, rulings and orders.

During the year under review, the Bank continued to be committed to gradually liberalise exchange controls. In this regard, the Bank issued a circular that granted special permission to Authorised Dealers to accord foreign currency to foreign diplomats, accredited foreign diplomatic staff, as well as students with a valid student ID card from Common Monetary Area (CMA) member countries. Previously, Authorised Dealers were not permitted to enter into foreign exchange transactions in respect of the aforementioned residents of other CMA countries. The Bank is still represented on the SADC Exchange Control Committee, which is dealing with the liberalisation of exchange controls in the SADC region in terms of the SADC Finance and Investment Protocol (FIP).

During the year under review, the Bank also continued its efforts to curb illegal trade in foreign currency by means of conducting:

a) Training of Law Enforcement Agencies and Customs officials at various border posts around the country; and

b) Enhancing awareness campaigns.

The Bank started the process of upgrading the current Cross-Border Reporting System to improve the reporting of cross-border flow of funds. This is necessitated by the continued process of advancing economic globalisation. Thus, the necessity to gain more speedy and accurate understanding of domestic and international capital flows has created a growing demand for more advanced and detailed data regarding cross border transactions. Moreover, the upgraded reporting system will also take into consideration the FIA compliance element which was not the case in the past. The process is expected to be finalised in 2014.

During 2013, the Bank also oversaw the approval of three new applicants as Authorised Dealers with Limited Authority (ADLA) in terms of Exchange Control Regulation 2. In addition, two existing ADLAs were granted permission to extend their business models to include the offering of electronic outbound and inbound money transfer services.

SERVICES DELIVERY AND STAKEHOLDER RELATIONSHIPS

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Strategic objective 6

Promote a positive reputation through efficient service delivery and sound stakeholder relations.

Initiatives and strategies

- Deliver excellent service to stakeholders.
- Promote good corporate citizenship.

Strategic outcomes

- Cost-effective, efficient, secure and innovative banking services provided to the Bank's customers that meet their requirements and approval.
- A robust and efficient real-time gross settlement system (RTGS) that is able to settle obligations of system participants finally and irrevocably.
- An exchange control regime administered according to relevant legislation.
- Public awareness and appreciation of what the Bank's role is in the Namibian economy.
- A mutually rewarding relationship with all the Bank's external stakeholders based on their understanding of the Bank's role in the economy.
- A comprehensive communication mechanism where both external and internal stakeholders are provided with the latest relevant information and that they are satisfied with the information so provided.

One of the key strategic objectives of the Bank includes maintaining a positive reputation through sound stakeholder relations and service delivery. Stakeholder management suggests that the Bank should strategically manage its relationships with its salient internal and external stakeholder groups. The Bank has therefore been continuously strengthening its stakeholder relationships through implementing targeted stakeholder engagement plans, monitoring relevant stakeholder groups and timely identifying and managing relevant stakeholder issues.

BANKING SERVICES

As part of its mandate, the Bank continues to provide banking services to the Government and commercial banks. All domestic transfers exceeding N$5 million are made through the Namibia Interbank Settlement System (NISS), to ensure timely and irrevocable payments. Throughout 2013, the volume of government transactions of local transfers processed by the Bank from Government decreased marginally by 2 percent from 768 to 750 (Table A.11), and those from commercial banks over the NISS decreased by 17 percent from 2 257 to 1 864. The decline was due to the continued efficient usage of the Electronic Funds Transfer (EFT) system to process all Government payments below N$5 million on the system. During the year, the (EFT) system was upgraded[5] by Namclear together with other payment streams, i.e. the card and cheque to enhance efficiency.

During the review period, the Bank continued to ensure that all foreign obligations of the Government were honoured timeously. In this regard, the quantity of foreign transfers from Government increased by 27 percent in 2013 from 1 531 in 2012 (Table A.11).

5 A total of 96 counterfeit notes to the value of N$12 100 were confiscated by the Namibian Police at Swakopmund, making it the biggest single seizure for 2012.

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Table A.11 Foreign and Local Transfers of Government

Calendar year	Foreign Transfers (Volume)	Local Transfers (Volume)
2009	915	570
2010	1 118	1 717
2011	1 311	1 175
2012	1 531	768
2013	1 959	750

In 2013, the total number of cheques processed declined by 15.6 percent, from 271 519 to 229 157 cheques (Table A.12). This decline was due to increased usage of the EFT system to make payments instead of cheques. Enhanced usage of the EFT system to process payment is expected in the future, which will in turn cause continuous decline in the number of cheques processed by the Bank. During 2013, the processed transactions from State Account to various beneficiaries in and outside Namibia was approximately N$21 billion.

Table A.12 Cheques Processed

Calendar year	Volume	Change (Percentage)
2009	694 825.0	3.33
2010	691 080.0	(0.5)
2011	433 751.0	(37.2)
2012	271 519.0	(37.4)
2013	229 157.0	(15.6)

SETTLEMENT SERVICES

As a banker to commercial banks, the Bank continues to provide real-time, inter-bank settlement services to Namibian banking institutions through the Namibia Interbank Settlement System (NISS). Values originating from the retail payment systems (Electronic Funds Transfer, cheque, and card) operated by Namclear, are also settled in NISS. During 2013, NISS availability was high, at 99.33 percent, and was broadly in line with those reported for large values and retail payment systems in other countries. High priority was given to ensuring uninterrupted availability of NISS operations.

In 2013, the total value settled through NISS was N$516 billion, of which approximately 59 percent emanated from inter-bank (typically high value) transactions as opposed to retail payment transactions, which have doubled since 2009, originating from Namclear (Table A.13). The total number of transactions settled was 49 049, which is, on average, 163 transactions per settlement day. However, the total volume settled in NISS decreased by less then 1 percent from 2012. Retail payment transactions and interbank transactions values increased by 18 percent and 1 percent, respectively. The total values settled in NISS increased by 7.5 percent, due to the continually increasing value of retail payment transactions. This means that there is an overall positive trend in the NPS, since more real-time, irrevocable transactions are occurring in NISS, thus decreasing systemic risk. The total settlement value for the retail payment system (EFT, Cheque, and Card) operated by Namclear was N$212 billion (Table A.13). This amounted to 41 percent of the total value settled in NISS. Retail payment systems are still considered to be systematically important as they represent a significant proportion of the daily settlement.

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Table A.13: NISS transaction values and volumes

Year	Number of settlement days	Value settled (N$ billion)			Total number for settlement transactions
		Total value settled	Interbank transactions	Retail payment transactions	
2009	301	453.1	311.5	141.6	40 437
2010	301	443.9	306.5	137.4	50 100
2011	301	454.1	295.1	158.9	50 315
2012	301	480.1	300.5	179.6	49 453
2013	301	516.0	304.0	212.0	49 049

The Bank provided sufficient collateralized liquidity to the participants through the seven-day Repo and overnight Repo facilities in NISS. Participants did not utilise the 7-day Repo during 2013. The value of overnight credit extended in 2013 decreased to N$398 million from N$403.4 million in 2012. Overnight repo utilisation continues to show a downward trend. Participants mainly opt to utilise the less costly intra-day loan facilities provided by the central bank, their own settlement accounts and the interbank market to address their liquidity needs. Apart from the overnight repos, the Bank provides interest-free intraday credit to the participants. As interbank payments are made throughout the day, this facility is a valuable avenue for participants to fund intra-day commitments to one another.

During 2013, Namclear processed 2.1 million cheques to the total value of N$30.5 billion (Table A.14). The value of cheques processed decreased by less then 1 percent in 2013 compared to 2012. This continuing trend is mostly due to the reduction of the cheque item limit from N$5 million to N$500 000. This also contributed to a rise in volumes through NISS and EFT as substitutes for previously issued cheque payments of more than N$500 000.

EFT transactions processed by Namclear increased in 2013. Namclear processed 14 million EFT transactions to the value of N$178.2 billion in 2013, which is a 14.9 percent and 21.2 percent increase from 2012 in volume and value respectively. The EFT usage is getting popular since the reduction of the cheque item limit in 2010. This allowed for greater efficiency and security in the NPS, as EFT transactions are safer, and are cleared up to four days quicker, than cheque transactions.

Namclear processed 9.7 million card transactions to the value of N$4.8 billion in 2013 (Table A.14). The volumes switched through NAMSWITCH decreased slightly while a 6.3 percent increase in value was experienced compared to 2012. The decrease in volume can be attributed to the challenges experienced during the migration to a localised card switch during 2013.

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Table A.14: NISS transaction values and volumes

Year	Cheque transactions		EFT transactions		Card transactions		Total value cleared
	Value (N$ million)	Volume ('000)	Value (N$ million)	Volume ('000)	Value (N$ million)	Volume ('000)	Value (N$ million)
2009	76 650	3 721	63 060	7 910	674	2 484	140 384
2010	46 739	3 088	84 296	8 982	2 163	5 575	133 198
2011	30 832	2 687	112 800	9 661	3 020	6 887	146 652
2012	30 782	2 268	147 062	12 239	4 529	9 781	182 373
2013	30 544	2 128	178 248	14 067	4 813	9 703	213 605
Annual percentage Change							
2009	-6.1	-17.9	28.2	11.6			7.3
2010	-39	-17	33.7	13.6	220.9	124.4	-5.1
2011	-34	-12.9	33.8	7.6	39.6	23.5	10.1
2012	-0.2	-15.6	30.4	26.7	50.0	42.0	24.4
2013	-0.8	-6.2	21.2	14.9	6.3	-0.8	17.1

Overall, the total value of retail payments cleared through Namclear increased by 17.1 percent from 2012 to 2013. This shows a significant increase in retail payments being processed in the NPS.

PUBLIC EDUCATION

The Bank support public education to foster greater awareness and understanding of its role in the economy. In line with the Bank's Public Education Programme, the Bank educated various stakeholders about its function and the role and matters pertaining to it's operational activities.

The following public education activities were undertaken in 2013:

- **Economic Reporting workshop for the Media:** Media representatives greatly contribute to information dissemination and serve to educate fellow citizens on economic issues. To that end, the Bank hosted its 5th annual economic reporter's workshop from the 9 to 10 July 2013, which was attended by 22 media practitioners. The workshop was aimed at creating an understanding of economic terms and concepts and also providing useful guidelines on how to report effectively about economic developments. The workshop was held under the theme: "Understanding Economic Concepts for Effective Reporting".

- **An awareness campaign on the new improved N$10 and N$20 banknotes:** Following the launch of the enhanced N$10 and N$20 banknotes in June 2013, the Bank undertook a necessary public education campaign using the broadcast and print media. Prior to the introduction of the new banknotes, the Bank conducted a national public education campaign in 2012/13. The success of this campaign was evident from the systematic evaluation conducted and documented after the campaign. These efforts resulted in the Bank winning two international awards: the 2013 Best New Currency Public Education Program and an award for being a Finalist in the 2013 Best Currency Website category. These prizes were granted by the prestigious and renowned International Association of Currency Affairs during a conference held in Athens, Greece on 15 May 2013. The Association assesses countries all over the world and selects the best new currency public education programs and currency websites.

- **New security feature on Mandela banknote series:** The South African Reserve Bank introduced new security features on all Mandela banknote series in November 2013. Given the fact that the Rand is legal tender in Namibia, the Bank issued a media release informing the public about the new features.

- **The National High School Competition:** The high school competition is one of the key programmes initiated to improve the level of understanding of high school learners about the role of the central bank and of the economy. This esteemed event was concluded on 13 September 2013. Secondary school learners from Grades 8 to 12 from all the 13 Regions of Namibia were invited to take part in the respective regional competitions. The winners representing their respective regions competed in the finals in Windhoek and were rewarded with lucrative prizes. Noordgrens Senior Secondary School from the Kavango Region emerged as the overall winner and walked away with N$50 000. Negumbo Secondary School from the Omusati region came second winning N$30 000, while Wennie du Plessis Secondary School from the Omaheke Region claimed the third prize of N$10 000. The fourth place winner was JG van der Walt Secondary School from Otjozondjupa region, which was awarded a printer for the school.

Dr Omu Kakujaha-Matundu, Board Member, Bank of Namibia (front left) and Ms Thea Seefeldt, Director of Education, Khomas Region,(far right) with learners and accompanying teacher from Noordgrens Secondary School (High School Competition Winners).

Ms Thea Seefeldt, Director of Education, Khomas Region with learners and accompanying teacher from Negumbo Secondary school (Second Prize Recipient).

Third Prize: Dr Omu Kakujaha-Matundu, Board Member, Bank of Namibia (left) with learners and accompanying teacher from Wennie du Plessis Secondary School and Ms Thea Seefeldt, Director of Education, Khomas Region, (far right).

CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY

During 2013, the Bank continued to invest in the upliftment of Namibian communities focusing in the area of education and information technology. In support of the Government's efforts of promoting computer literacy in Namibian schools, the Bank of Namibia continued to honour its five-year commitment to support Hans Daniel Namuhuya Senior Secondary School (Oshikoto Region) and P K De Villiers Secondary School (Karas Region) with a computer laboratory project. The beneficiaries have been given fully fledged laboratories equipped with interactive Netbook learning systems and the latest software. A total amount of N$1 million has been committed over the five-year period since the initial deployment of this project in 2011. The Bank intends to continue providing human capital management programmes and preventative maintenance support to both schools for the duration of the project.

The Bank further supported other community activities in the form of donations and sponsorships. A total amount of N$2 704 107 was spent in 2013 in donations and sponsorship. The institutions that were selected to benefit from these donations/sponsorships demonstrated potential in contributing to the attainment of Namibia's developmental, economic and social empowerment goals. They included the Polytechnic Innovation Market Place and Business Idea Competition, UNAM Student Economic and Accounting Societies, the Polytechnic Student Economic and Accounting Societies. Limited support was also given to community charities. Furthermore, the Bank's contributed N$2.5 million towards the Namibia Emergency Disaster Fund administered by the Office of the Prime Minister. In addition to the Bank's corporate contribution, employees of the Bank of Namibia in their personal capacities have taken the initiative to dig deep into their own pockets and collectively raised N$37 244 towards this worthy national cause.

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RESOURCE MANAGEMENT

Strategic objective 7

Optimise organisational efficiency and cost effectiveness.

Initiatives and strategies

- Manage risk effectively.
- Adapt the Bank's human resources strategies to enhance leadership and a culture of being performance-driven.
- Manage the Bank's financial affairs in a prudent manner by promoting value for money.
- Ensure functionality and availability of assets and infrastructure that support its operations in a cost-effective manner.

Strategic outcomes

- Internal control systems which are effective in managing the Bank's operations.
- An effective performance management system that is capable of assessing performance and reward employees accordingly.
- A comprehensive financial management system, inclusive of budget, where all the Bank's financial transactions are recorded and monitored in accordance with international accounting standards, except where the Bank's legal requirements dictate otherwise.
- An enabling physical working environment and an up-to-date asset register where all assets are well maintained and kept in good working condition at all times.
- A comprehensive security management system where no loss of currency or any other assets occurs or, where it occurs, the system is robust enough to identify the offender(s).
- Reliable hardware and software IT infrastructure that contribute to the Bank's productivity and is acquired in the most cost effective manner.

RISK MANAGEMENT AND ASSURANCE

The assurance function has continued to provide independent objective assurance on the adequacy and effectiveness of the control, risk management and governance processes of the Bank. The function performed all auditing activities in line with the International Professional Practice Framework as prescribed by the Institute of Internal Auditors (IIA).

Together with its risk management component, the Bank has adopted the use of internal audit software to assist in the performance of the independent assurance function performed by the internal audit. The tracking and accountability for management actions on issues raised during audits has been automated in support of the Bank's internal control environment. The Bank has also decided to undertake an assessment of the level of King III application and the resulting implementations will be monitored and reported on to the Board.

During the year under review, the Bank has implemented a risk management system and migration from spread-sheet based information is ongoing. With the system implementation, a need has been identified to further embed the Bank's risk management policy and risk and control self-assessment methodologies. To further strengthen a compliance culture, the Bank's Code of Ethics has been reviewed to better articulate the desired ethical behaviours at the Bank. Embedding of the Bank's values and ensuring compliance with policies and procedures will continue to be an area of focus of the bi-annual Vision Building and awareness interventions at the Bank.

In line with the Bank's Business Continuity Strategy, its Emergency Communications and Emergency Response Plans were revised in 2013. Following the revision of all critical Business Continuity Plans and continuity strategies, a bank-wide crisis

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simulation is planned for 2014. Critical systems have been successfully tested and operated for a defined period from the newly established Disaster Recovery (DR) site. In order to cater for the simultaneous operation of all critical systems from the DR site, the acquisition and installation of increased IT storage and disk capacity has been prioritised for 2014.

STAFFING AND HUMAN RESOURCES DEVELOPMENTS

STAFFING

The Bank achieved significant milestones in 2013 by ensuring that it had adequate human capacity and staff compliment in the right positions willing and able to contribute to the mandate of the Bank. The staff complement as at 31 December 2013 was 307 employees (Table A.15). This is 21 staff members less than the approved establishment of 328 positions, which was due to vacancies resulting from retirements, promotions, and resignations during the year. In addition, the Bank took a strategic decision not to automatically fill vacant positions but only where there was a real critical need and hence some of the positions remained vacant.

Table A.15: Number of staff as at 31 December 2013

Staff Category	2009	2010	2011	2012	2013
General Staff	266	274	274	278	271
Management (excl. Executive Management	28	29	30	34	33
Executive Management	3	3	3	3	3
Total Employed	297	306	307	315	307

EMPLOYMENT EQUITY

The Bank continued to comply and fulfil the requirements of the Affirmative Action Act, (Act. No 29 of 1998). In this regard, the Bank had ensured that all its policies and practices are aligned to the affirmative action requirements and guidelines. The Bank had consistently followed through the employment equity plan, which it had set for itself over the three year period, which runs from 2010 - 2012. The Bank met and in some instances exceeded its employment equity targets and was awarded a certificate for this by the Affirmative Action and Employment Equity Commission.

The current total workforce profile at the end of December 2013 stood at 307 permanent employees, summarized as follows (Table A.16):

- Ninety-eight percent of the Bank's employees are representative of the designated groups. The total female representation was 49.0 percent, whilst female representation at management level improved to 42.0 percent from 39.0 percent.
- A total number of fifteen new employees were recruited of which 53.0 percent are female. Importantly, two of these new female employees were appointed at management level.

Table A.16: Employment Equity data (2008-2013)

workforce	2009	2010	2011	2012	2013
Male	157	162	156	161	153
Female	147	148	151	154	154
Racially disadvantaged	288	296	293	301	297
Racially advantaged	9	9	9	9	5
Persons with disabilities	4	2	3	4	4
Non-Namibians	3	3	2	1	1
TOTAL	**304***	**310***	**307**	**315**	**307**

*These figures include temporary staff, which is not reflected in Table A 15.

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CAPACITY DEVELOPMENT AND VISION BUILDING

TRAINING AND DEVELOPMENT

The Bank continued to invest in capacity building of its employees to enable them to accomplish the Bank's mandate as articulated in its strategic plan. In 2013, a total number of 235 employees were trained in various disciplines. In addition, a number of employees were provided with technical and soft skills training interventions. The need for soft skills training was identified from the staff's performance appraisal as well as by the developmental needs identified and proposed by their supervisor/manager.

The Bank continued to invest in education by granting bursaries or loans to Namibian learners and deserving staff members who consistently met their performance goals to pursue undergraduate degrees in areas relevant to the operations of the Bank. For the period under review, 22 bursaries and 65 study loans were granted to staff members of the Bank. The Bank also awarded 10 bursaries to Namibian school leavers in the fields of IT, Accounting, Economics, Finance and Banking, to study at recognized institutions within the SADC region. 75 percent of this number is made up of females. In addition, the Bank sponsors PHD candidates to pursue studies at recognized university of their choice and one candidate has completed her Doctorate degree in Economics. The total number of bursaries sponsored by the Bank during 2013 is 31 (Table A.17).

Table A.17: Number of Namibian students being sponsored by the Bank under its bursary scheme

Field of study	Number of students
Accounting / Finance	17
Economics	8
Computer Science	3
B-Juris Law	2
Education: Mathematics and Science	1
Total	**31**

The Graduate Accelerated Programme (GAP), which was introduced in 2011, continued to progress well in 2013. The purpose of the programme is to provide graduates in the areas of Economics, Finance and Banking the opportunity to gain relevant work experience in various aspects of central banking over a period of 18 months. The programme is designed to stimulate interest and innovation in finance and banking and related areas, and to facilitate paradigm shifts with all participants toward excellence. The candidates have all successfully completed the programme with one of them is now permanently employed by the Bank, and two others on contract.

The Bank hosted the SADC Training Forum meeting and a one day workshop in June 2013 and reviewed the terms of reference for the establishment of a SADC Regional Technical Assistance Centre in Southern Africa. The meeting assessed, reviewed and provided feedback on the progress made in the implementation of projects and assignments agreed in 2013. It also made plans for new projects for 2014/15 and beyond. The meeting further carried out an analysis of the Terms of Reference on the establishment of a SADC Regional Training Institute, in collaboration with other strategic partners i.e. IMF, MEFMI and the IMF's Regional Technical Assistance Centre in Southern Africa (AFRITAC SOUTH) in terms of capacity building initiatives. A policy proposal on training and development was also discussed and how to co-operate with other subcommittees of the Committee of Central Bank Governors (CCBG).

During 2013, the Bank received technical assistance on human resources management from the Deutsche Bundesbank. To this end, the Deutsche Bundesbank with assisted by the Bank presented a seminar on Business Alignment and Human Capacity Development from 25-27 November 2013 in Windhoek. The seminar was attended by participants from the Bank, other Central Banks in the SADC region and the National Planning Commission. The seminar

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explored human resources management practices and tools for improved central banking, alignment and effective workforce planning based on sound principles and scientific rigour. Other topics covered were HR planning, talent and change management, knowledge management, staff allocation and development.

WORKPLACE CULTURE

The Bank continued to motivate its staff through vision-building interventions with a view to develop and strengthen the Bank's vision of being a centre of excellence. Through this intervention, the Bank fosters a culture of diversity by focusing on interpersonal and inter-group communication, as well as relationship building activities to inculcate the Bank's culture in the workplace. The vision-building sessions were aimed at inculcating the values of the Bank and ensuring that all staff members are well conversant with the bank's vision and mission.

An appropriately designed Wellness Programme is an important component in any organisation and Bank is no exception. During 2013, the Bank's wellness program has notably impacted the employees' mental and emotional well-being through awareness and knowledge sessions such as work and life balance as well as individual consultations.

ORGANIZATION DEVELOPMENT

The Bank embarked on a "Do More With Less" project, which intends to maximise the operational efficiency and cost effectiveness based on best practices to achieve the mandate of the Bank. The initiative involves the review of the Bank's various business processes, review of the enabling/supporting operations (financial, technological, human capital) and how they are interlinked with one another. It also involves crafting strategies that can improve efficiencies and reduce costs. The project commenced in 2013 and is envisaged to be concluded in 2016.

FINANCIAL MANAGEMENT

An examination of the Bank's liabilities gives a good indication of the sources of funds with which it sustains its operations. These funds are reflected in Table A.18.

Table A. 18: Composition of monthly average liabilities of the Bank of Namibia

Financial year	2009	2010	2011	2012	2013
N$ million					
Capital and reserves	2 156	1 211	1 389	1 798	3 165
Currency in circulation	1 560	1 688	2 010	2 332	2 864
Government deposits	8 267	5 106	4 669	7 328	6 975
Bank deposits	775	1 433	1 698	1 790	1 950
Other	2 258	3 476	2 346	1 804	2 134
Total	15 016	12 914	12 112	15 052	17 088
Percentage composition					
Capital and reserves	14.4	9.4	11.5	11.9	18.5
Currency in circulation	10.4	13.1	16.6	15.5	16.8
Government deposits	55.1	39.5	38.5	48.7	40.8
Bank deposits	5.2	11.1	14.0	11.9	11.4
Other	15.0	26.9	19.4	12.0	12.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The sources of Bank funds increased from 2012 to 2013. One of the main contributing factors to this increase can be attributed to the increase in Capital and reserves. Capital and reserves increased from N$1.8 billion in 2012 to N$3.2 billion in 2013. As a percentage of liabilities, average Capital and reserves increased from 11.9 percent to 18.5 percent, and that can be attributed mainly to a sharp increase in Revaluation reserve during 2013. Depreciation of the Namibia Dollar to other convertible currencies was the main reason for this.

Table A.19 presents a few major categories of the Bank's assets. As a central bank, it is typical that the bulk of the Bank's assets consist of foreign investments. Since 2009, the share of foreign investments as a percentage of total assets steadily increased with the exception of year 2010 and 2011. However, the value of foreign investments significantly increased from 2012 to 2013, from a monthly average of N$14.3 billion to N$16.3 billion, which represents 95 percent of the total assets.

Table A. 19: Composition of Bank assets per monthly average

Financial year	2009	2010	2011	2012	2013
N$ million					
Foreign investments	14 372	12 313	11 526	14 334	16 253
Loans and advances	187	72	61	42	48
Fixed assets	165	173	207	247	311
Other assets	293	356	318	429	476
Total	**15 017**	**12 914**	**12 112**	**15 052**	**17 088**
Percentage composition					
Foreign investments	95.7	95.3	95.2	95.2	95.1
Loans and advances	1.2	0.6	0.5	0.3	0.3
Fixed assets	1.1	1.3	1.7	1.6	1.8
Other assets	2.0	2.8	2.6	2.9	2.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

As outlined in Table A.20, the Bank's income improved in 2013 in comparison to 2012. Interest Revenue increased to N$345 million from N$255 million in 2013. The increase is attributable to the diversification strategy into emerging markets, weakened local currency and higher levels of the Rand holdings of N$4.4 billion recorded in 2013, relative to N$2.6 billion in 2012. Rand holding levels increased mainly due to the introduction of the ZAR investment tranche which came into effect when the Strategic Asset Allocation (SAA) was revised.

Table A. 20: Sources of Bank income

Income component	2011		2012		2013	
	N$ million	Per cent	N$ million	Per cent	N$ million	Per cent
Interest received	329.7	90.4	255.8	79.4	345.5	96.3
less: Interest paid	(158.2)	(43.4)	(104.9)	(32.6)	(91.4)	(25.5)
Net interest earned	171.5	47.0	150.9	46.9	254.1	70.9
Net realised gain/(loss)	(24.2)	(6.6)	(39.3)	(12.2)	(148.5)	(41.4)
Rand seigniorage	183.9	50.4	190.2	59.1	214.6	59.8
Other income	33.7	9.2	20.2	6.3	38.4	10.7
Total income	**364.9**	**100.0**	**322.0**	**100.0**	**358.6**	**100.0**
Annual % change	**n/a**	**0.3**	**n/a**	**(11.8)**	**n/a**	**11.4**

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Since the Bank maintains strict control over all expenditure and works within the budget constraints approved by the Board, it is possible to contain the annual rise in operating expenses (see Table A.21). As expected, staff costs remain the Bank's largest expenditure item followed by other operating expenses. Staff costs increased from N$142.9 million in 2012 to N$163.9 million in 2013. Annual increments awarded to all staff members as well as the Post Retirement Medical Aid provision, were the main reasons for this increase. Other Operating costs have maintained a relatively steady ratio in relation to total operating expenses for all the concerned years as depicted in table A.21.

Table A. 21: Composition of the Bank's operating costs

Cost component	2011		2012		2013	
	N$ million	Per cent	N$ million	Per cent	N$ million	Per cent
Staff costs	126.9	53.8	142.9	53.3	163.9	54.4
Currency expenses	28.8	12.2	42.1	15.7	42.7	14.2
Depreciation charges	21.3	9.0	18.9	7.0	15.7	5.2
Other operating expenses	58.8	24.9	64.4	24.0	79	26.2
Total operating expenses	**235.8**	**100.0**	**268.2**	**100.0**	**301.3**	**100.0**
Annual % change	**n/a**	**11.1**	**n/a**	**13.7**	**n/a**	**12.3**

FACILITIES MANAGEMENT

Facilities management is of strategic importance to the Bank and is an interdisciplinary field devoted to the coordination of all business-support services. The Bank's facility-maintenance function can be defined as the integration and alignment of the services required to operate and maintain the Bank to fully support its objectives, and includes infrastructure development, general repairs and maintenance, fire safety, utility services and business continuity.

In 2013 the Bank continued to enhance and maintain its physical infrastructure by focusing on three capital projects, namely: the completion of the Business Continuity and Disaster Recovery facility, the Vault area Heaving Floor project and the Un-interrupted Power Supply (UPS) project. The Bank continued with the construction of the Business Continuity and Disaster Recovery facility and completed the project during April 2013. The Business Continuity component is aimed at keeping all aspects of the Bank's business functioning in the midst of disruptive events. For these reasons the Bank made a significant investment of time and money into this project, with the aim of ensuring that the operational and functional capacity of the Bank is not compromised in the event of a disruptive event.

BC/DR Entrance and Building

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Business Continuity Centre and Pause Area

During the year under review, the Bank also undertook the Vault Area Heaving Floor project which commenced during September 2013 at the Head Office. This seven months project was necessitated because of the structural defects detected in the Vault area and is scheduled to be completed by March 2014.

Excavations in progress

Steel works in progress

Concrete mixing process conducted onsite and casting of concrete bed

The UPS project commenced in October 2013 and is expected to be completed by January 2014. The project aims to provide the Bank's IT Department with dedicated UPS units for the server room to ensure uninterrupted business continuity.

Installation of battery bank in progress

Newly installed UPS (un-interrupted power supply) units for IT

Newly installed battery bank for the UPS units

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INFORMATION TECHNOLOGY

During 2013, the Bank improved its IT Asset Management competency by enhancing its IT Service deliverables to both internal and external stakeholders. It also improved its Business Continuity Management (BCM) operations with the completion of the new BCM facility. The Bank continued its focus on IT Governance and Risk Management, increasing the technology posture of the Bank with improved IT controls. The Bank uses the Control Objectives for Information and related Technology (COBIT) framework created by ISACA[6] for general IT management and IT Governance. Using a scale of 0 - 5 to measure maturity, the Bank has set itself a target of reaching level 3.5 across selected processes by 2016. Furthermore, the Bank is on target to meet the requirements for select IT Governance processes set out by the Committee of Central Bank Governors ICT Sub Committee. In an attempt to maintain vigilance in IT Security, the Bank continued to deploy new security improvements to keep up to date with changing and increasing online threats, ranging from improved firewall capabilities, website security to network access control to name a few. The Bank further improved its BCM operations with the completion of a new BCM facility on the outskirts of Windhoek. The IT infrastructure components have been relocated to the new facility.

An unannounced test on the National Payment System was performed for the first time in the Disaster Recovery (DR) operations of the Bank, which was successful. The test is meant to ensure that the core of the financial system can be recovered at immediate notice, without extensive preparation with the banking industry. The Bank further implemented a new data replication solution and conducted successful DR tests for the Email and Enterprise Resource Planning (ERP) solutions, both for extended periods of time with no impact on the day-to-day activities of the Bank.

During the review period, a number of technical IT infrastructure challenges and concerns facing the Financial Intelligence Centre (FIC) were addressed. The Egmont Group[7] had raised some challenges and concerns that could potentially prevent Namibia's membership to the organisation. These challenges included demonstrating that the FIC can communicate and operate as an autonomous body with stakeholders from a technology perspective, albeit using physical infrastructure operated within the Bank of Namibia. These concerns were resolved through the ability to communicate via email from its own registered Internet domain and share information on a public website separate from that of the Bank.

Further, the Bank successfully supported the localization of payment streams by ensuring that electronic funds transfer (EFT, Card and Cheque payments) can be processed on a new IT solution housed at the Namibian Clearing House (Namclear). The Bank played the role of project coordinator as well as a participant within the payment system during the project. While modifications to the Bank's infrastructure were minimal, part of the requirements of this project was to ensure that the Bank can continue using its existing EFT payment solution while using new data encryption technologies for secure communication between the Bank and the clearing house.

The Bank improved its processes to enable operational efficiency through a key business system initiative, the Straight Through Processing (STP). This interdepartmental project aims to facilitate the introduction of STP to reduce risks, enable fast and secure processing, while allowing less human intervention during data capturing. Two key solutions were leveraged to realise these objectives, including the Bank's existing ERP (SAP) to take advantage of existing IT investments. Further details on this project are available in the Finance & Administration section.

A solution was adopted to improve the management of corporate risks and internal audit activities by the Bank. The solution allows for information relating to risks and audits to be centralized and to keep the right stakeholders informed about upcoming due dates for mitigation. The business processes of the audit function at the Bank were vastly streamlined and automated to facilitate the management of all types of risks and to provide adequate historical value in a managed database.

6 Formerly known as the Information Systems Audit and Control Association

7 The Egmont Group is an organisation that encourages and facilitates international cooperation in combating money laundering and financing of terrorism around the world.

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The Bank revamped its Intranet facilities to internal communication. The new Intranet makes corporate data easily accessible through enhanced search and simplified navigation to key information. The underlying technology used for the Intranet was also leveraged to enable proper electronic records management without the need to procure a separate solution. This functionality will allow the bank to keep data on a long term basis at minimal cost for reference purposes.

Through its information technology's capacity, the Bank developed a new Exchange Control system to replace the legacy (Unix based) system that was coincidentally the oldest running system at the Bank. The upgrade will address the risk of backup and recoverability, enhancing search and reporting capabilities and to modernise the solution to current technology. As the responsibility of Exchange Control lies with the Central Bank, it was important to ensure that its underlying system met quality standards. IT systems managing the Exchange Control function with regards to processes and laws are generally unique to each economy – making the option of procuring a solution challenging. The Bank therefore used internal resources to conceptualize and fully develop a custom made Namibian solution from end to end.

The Bank also played a significant role in the upgrade and usage of the IT system to make it compatible with SIRESS implementation. From a technology perspective, the Bank prepared the technical environment in terms of message formats and communication infrastructure required for participation in the SWIFT based regional payment system. Further details on project SIRESS can be found in the section titled "SADC Payment System Project".

In an effort to streamline the IT human capital and improve cost effectiveness, the Bank opted to co-source certain IT services. The Bank signed various agreements during the year to enhance its service offering to stakeholders. The services identified are governed by formal agreements (contracts) of 3 years each, ranging from managing the Bank's storage environment, its core network environment to the technical aspects of the National Payment System and the Corporate Enterprise Resource Planning solution (SAP). The new agreements were established to complement the services offered by the IT Department and to keep costs at a manageable level. The new contracts expected to culminate in significant cost reductions to IT operational expenditure of approximately N$1.0 million per annum starting in 2014, without compromising similar IT service delivery standards in the identified areas.

Finally, the Bank also renewed an Enterprise Agreement for another three-year term to ensure continued use of modern Back Office technologies, productivity suites and communications technologies.

Overall, the Bank continues to leverage technology in the best and most opportune ways possible within its means to reach the objective of operational efficiency and cost effectiveness by 2016. In so doing, the Bank maintained a steady path toward reaching its target of providing an IT service that is more reliable, secure and resilient to outages with aspirations of providing a year-to-year availability target of 99.9 percent. While the Bank is yet to achieve that average target across all monitored systems, significant leaps towards the Bank's overall objectives and satisfying its internal and external stakeholders were made during 2013.

FINANCIAL SECTOR DEVELOPMENTS

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Strategic objective 8

Promote financial sector development.

Initiatives and strategies

- Promote the deepening of the financial market.
- Promote wider access to financial services.
- Promote consumer education.

Strategic outcomes

- An active financial market characterized by all financial instruments that are found in other comparable markets.
- A financial system where no person should be financially excluded from financial services.

FINANCIAL SECTOR DEVELOPMENT

The financial sector development efforts in Namibia are guided by the Namibia Financial Sector Strategy (NFSS) that was launched on 16 August 2012. Although the Bank of Namibia is not the only institution responsible for financial market development, it plays a central role given its position as manager of the Government's debt portfolio and a major participant in the domestic money market as highlighted in Part C of this Report. The Financial Sector Strategy, a result of coordinated financial sector development efforts with relevant stakeholders, therefore highlight specific reform areas and outcomes required to achieve an effective, efficient, stable, competitive, resilient and inclusive financial system for Namibia. Financial inclusion is one of the reform areas and the Theme Chapter of this Report provides an update on the achievements and challenges faced by Namibia in implementing its financial inclusion agenda.

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THEME CHAPTER

FINANCIAL INCLUSION: ACHIEVEMENTS AND CHALLENGES

1. SUMMARY AND RECOMMENDATIONS

This Theme Chapter aims at providing an update on the achievements and challenges faced by Namibia in implementing its financial inclusion agenda. The chapter highlights the remarkable progress made by the country since it embarked on this project in 2011. This progress is credited to the effectiveness of policy and collaboration by the financial services industry to bring much needed services to the previously unserved and underserved sectors of the population, who mostly live in the rural areas. The chapter also highlights the challenges faced by the country in the pursuit of financial inclusion and therefore recommends the following actions:

- To continue the existing close collaboration between financial regulators, financial service providers, government and non-governmental organisations in the area of financial inclusion.
- To fully implement National Payment System Vision 2015 to address high banking fees and charges that are considered a barrier to financial inclusion.
- To encourage financial institutions to extend their services to the unserved and underserved areas where the majority of the people live. In this regard, the Bank of Namibia and the banking industry should explore and consider adopting the agency banking concept used in other countries such as Kenya and Malaysia.

2. BACKGROUND

In August 2012, the Minister of Finance, Honourable Saara Kuugongelwa- Amadhila, launched the Namibia Financial Sector Strategy as a long-term development strategy for the financial sector. The NFSS, which seeks to guide the achievement of the objectives of the financial sector as outlined in the National Development Plans and Vision 2030, has financial inclusion as one of the reform areas. This Strategy was developed after full consultation with stakeholders and it is a first of its kind for the Namibian financial sector.

Financial inclusion refers to a process that ensures easy access, availability and usage of the formal financial system by all members of an economy (Sarma and Pais, 2008:2). Financial inclusion seeks to provide an environment in which all persons who can use financial services have access to a range of quality financial services (such as credit, efficient payment system and insurance services) at affordable prices. As such, the process of financial inclusion is two-dimensional. It focuses on elements of providing access to a wide range of financial services while simultaneously advocating for a variety of competitive options for consumers to choose from. The importance of consumer awareness is compounded by the fact that access to financial services does not always lead to usage. Therefore, Ramji (2009) cautions that it is essential for policy design to address the knowledge gap in order to encourage participation of the “unbanked” members of society. As such, inclusive financial services extends beyond the provision of financial products in that it embraces the concepts of financial literacy and consumer empowerment as core pillars.

3. PROGRESS IN IMPLEMENTING NAMIBIA’S FINANCIAL INCLUSION AGENDA

As noted above, financial inclusion is one of the reform areas outlined in the Namibia Financial Sector Strategy (NFSS). In this regard, the NFSS envisages a reduction in the lack of access to financial services and products to 26 percent of the economic active Namibians from the initial baseline of 51.7 percent in 2007. The Strategy also advocates for effective institutions to provide sufficient support to SMEs to increase

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their access to finance. Providing effective support to SMEs is deemed necessary as it would enable them to grow and contribute to the country's overall employment and economic development. The following section outlines Namibia's progress made in terms of achieving the financial inclusion goals since the launch of the NFSS.

3.1 Determining the baseline for financial inclusion

In order to facilitate better planning, the level of financial inclusion in the country was determined. FinScope Namibia Survey 2011 indicated that financial inclusion has increased to 69 percent of adults from 48 percent in 2007 (i.e. it yielded an exclusion rate of 31 percent down from 51.7 percent in 2007). The reduced financial exclusion rate augurs well with the intentions of the NFSS to reduce the level of financial exclusion to 26 percent by the year 2021. FinScope 2011 indicated this improvement to have been driven by, among others:

- the high uptake in transactional and saving products between 2007 and 2011;
- financial sector innovation through technology, products and services; and
- an increase in local economic activities in some areas of the country, resulting in an increase of banking products.

The survey further revealed that in 2011, 62 percent of adult Namibians were banked as opposed to 45 percent in 2007 although many challenges remain. Although the number of banking population is said to have increased, this is mainly driven by transactional and savings products. Others, such as credit products, were still lagging behind. The survey also revealed a significant difference between financial inclusion in urban and rural areas. In urban areas, 81 percent of adult population was financially included as opposed to 61 percent in rural areas. However, it is worth noting that there has been a significant increase in financial inclusion in rural areas driven by increased accessibility of the banks, particularly the Nampost Savings Bank whose branches have increased over the past seven years. This remarkable progress is credited to the effectiveness of policy and collaboration by the financial services industry to bring much needed services to the previously unserved and undeserved of the Namibian society who largely lives in rural areas.

3.2 Facilitating access through implementing the National Payment System (NPS) Vision 2015

An efficient payment system has a potential to improve access to finance. In 2011, the National Payment System Vision 2015 was launched with one of its strategic focus areas access and participation in the payment system. The objective of this strategic focus area is to ensure access to payment systems, thereby promoting financial inclusion. It also helps ensuring that fees and charges are fair and competitive in the payment system. The action plan under the NPS Vision 2015 involves, among others, setting standards for Basic Bank Account (BBA) and Cash Deposit Fees (CDF). These standards have already been implemented by the banking industry.

3.2.1 The introduction of the Basic Bank Account (BBA)

The Bank of Namibia in conjunction with the banking industry issued standards on BBA in 2012 in terms of which banking institutions offer basic bank accounts which are meant to benefit low income earners of the society. In terms of these standards, persons earning N$2 000 and below are currently eligible to open a BBA at a banking institution and this account is subject to minimal charges by banking institutions. To date, all commercial banks have complied with these standards and are offering Basic Bank Accounts. The number of active basic bank accounts at banking institutions is 96 072 as at December 2013. In order to ensure that information on BBA reach the intended beneficiaries, the Bank developed a brochure with simplified information on requirements for opening such account. The brochure has further been translated in various indigenous languages to make sure that all people have access to this information.

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3.2.2 The issuance of Standards on Cash Deposit Fees

It is documented that one of the barriers that hinders people from accessing formal banking services in Namibia is excessive fees charged by banking institutions to consumers when depositing cash on their accounts. To mitigate the effect of excessive fees, the Bank, in collaboration with the banking industry, issued standards on Cash Deposit Fees. In terms of these standards, all banking institutions are to provide free cash deposits for the first N$2 000 deposited per month on all savings and investment accounts held by individuals at banking institutions, effective from 31 July 2013 onwards. Similarly, all banking institutions are to provide all businesses with an annual turnover of N$1 million or less with a zero-rated cash deposit fee for the first N$10 000 deposited per month, as from 31 October 2013. Both these initiatives and the BBA are part of the implementation of the NPS Vision 2015.

3.3 Creation of the SME Bank

The SME Bank was established in December 2012 with the majority of its capital from Government. This is in recognition of the fact that SMEs faced numerous challenges that hamper their access to finance such as lack of collateral which most lending institutions require before lending money to SMEs. It is expected that the existence of the SME Bank will help address the numerous challenges that hamper SME access to finance and hence facilitate financial inclusion.

3.4 Issuing of Determination on electronic money

The Bank of Namibia has issued the Determination on Issuing of Electronic Money (e-money) in Namibia to enhance access to finance. The determination seeks to provide guidance to those providing e-money services, while at the same time protecting the interests of consumers. This intervention serves to encourage technological innovations by service providers and a number of e-money issuers are operational in the industry, such as commercial banks, Mobi Pay and Nammic. Technological innovation should support economic and financial development given Namibia's vastness of its geographical surface that sometimes makes it costly for the financial sector to set up branches in some areas of the country.

3.5 Enactment of the Financial Intelligence Act, 2012 (Act No. 13 of 2012)

As provided in the NFSS, access to financial services could be affected by anti-money laundering initiatives due to an inherent conflict between financial integrity and access to finance. In order to guard the inherent conflict, the Financial Intelligence Act, 2012 (Act No. 13 of 2012) was enacted in December 2012, repealing the Financial Intelligence Act, 2007 (Act No.3 of 2007), which required accountable institutions, as designated in the Act such as banks, to obtain and verify some mandatory information from their clients. This has to be done before an accountable institution could either establish a business relationship with a prospective client or continue a business relationship with an existing client.

To reduce transaction costs to smaller savers, the new Financial Intelligence Act adopted a risk based approach in support of financial inclusion. This approach requires all accountable institutions to perform a risk assessment on their clients, products, services and delivery channels and to focus their compliance efforts and enhanced due diligence measures around the high risk clients, products and services. In circumstances where there is a risk of money laundering or terrorist financing, accountable (and reporting) institutions are required to obtain and verify as much information as possible on the client or prospective client. However, lower risk clients (which include the financially excluded) are not required to be subjected to the same strict identification requirements before they can participate in the financial system. For them, basic simplified identification measures should suffice. The 2012 Act thus gave consideration to reduce access requirements to low risk customers (who in most cases are low income customers), so that access to finance is made possible without compromising the stability of the financial system.

3.6 Credit Bureau Regulations

Well regulated credit bureaus are also important in ensuring access to finance for both individuals and SMEs. Credit bureaus are considered a platform for information-sharing among credit providers and avenues for both positive and negative credit information of individuals and SMEs, and hence could play a role in enhancing financial inclusion. However, recent investigations revealed that the absence of a law to regulate credit bureaus in Namibia put consumers at a disadvantage, as they lack recourse if their rights were violated, hence the need for licencing and regulating credit bureaus. The Credit Bureau Regulations being developed aim at compelling credit providers to provide credit performance information to registered Credit Bureaus that will enable credit providers to make better assessment of the creditworthiness of potential borrowers and thus narrow the level of information-asymmetry.

3.7 Consumer protection and awareness initiatives

Consumer protection and financial literacy are other important components of financial inclusion. Financial literacy not only empowers consumers in making informed decisions regarding products and services but also protects them from being exploited by predatory lending and unfair marketing practices. One of the core principles of consumer protection and financial literacy is disclosure of information to consumers in plain language to enable them to make informed decisions.

In line with the NFSS, a financial literacy baseline survey to determine national baseline data on financial literacy was conducted in 2013, yielding an average rate of 42.8 percent of the Namibians above the age of 16 are financially literate. The determined baseline will assist in measuring progress made by Namibia, as well as informing any further programmes to be implemented in the area of financial literacy going forward. By providing targeted consumer financial education to the population, the initiative is one of the strategies for contributing towards the attainment of financial inclusion.

Further, the Bank of Namibia has drafted Consumer Protection Guidelines to complement the Bankers Association of Namibia's Code of Banking Practice. The Consumer Protection Guidelines advocate for fair relations between consumers and banking institutions. The Bank also drafted the Guidelines for Lodging Customer Complaints which serve as a guide to consumers when lodging complaints against banking institutions. The Code of Banking Practice and the Guidelines for Lodging Complaints were jointly launched in February 2013. These initiatives are in response to the lack of adequate mechanisms relating to consumer protection and redress mechanisms identified in the Strategy.

4. CHALLENGES FACED IN PROMOTING FINANCIAL INCLUSION

Despite the achievements highlighted above, there are challenges that threaten to reverse the gains made in the area of financial inclusion. Some of the challenges are outlined below.

4.1 Low levels of financial literacy

The low level of financial literacy in Namibia, determined by a recent financial literacy baseline survey referred to earlier, may hamper financial inclusion. This is because a lack of awareness of different types of financial products, poor knowledge of how products work and low levels of confidence are considered barriers to financial inclusion. The financial literacy baseline survey has thus confirmed the need for continuous dedicated efforts to educate users of financial services and products, an activity which has been on-going since the launch of the financial literacy initiative in March 2012.

4.2 Inadequate financial services in rural areas

Inadequate financial services in rural areas continue to pose challenges to financial inclusion. Due to cost implications, banking institutions find it difficult to set up branches in remote areas. This often prompts people to engage in informal mechanisms for managing their finances. FinScope Survey 2011 revealed that out of the 31 percent that are excluded, 22 percent save or keep money at home, 14 percent borrowed money from a friend and 24 percent received money from a family member or friend. There is thus a need for financial institutions to devise means and mechanisms to extend their services to remote areas, for example through

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agent banking and/or electronic means, in order to increase the level of formal financial inclusion in unserved and underserved areas.

Agent banking is aimed at bringing banking services to areas where there are no banking facilities. This is done through banking institutions contracting third party retail networks to offer selected products and services on behalf of the banking institutions. This happens after successful vetting and approval by the central bank, which subjects them to similar regulatory interventions such as on-site and off-site examinations of banks. Agent banking will provide the opportunity to access financial products and services at a geographical area nearest to the customer, thus breaking down certain barriers to financial inclusion such as cost and accessibility.

As mentioned above, Kenya is a good example of an African country with a good experience in the agent banking model after the Central Bank of Kenya (CBK) released regulations to govern such a model in 2011. In the case of Malaysia, since the implementation of the agent banking system in 2012, a geographical mapping exercise found that 75 percent out of 837 (sub-districts) with a population of more than 2,000 have at least one financial access point, a significant increase from only 46 percent in 2011. It is expected to increase further to 90 percent by the end of 2014 and thus further enhance financial inclusion.

4.3 High banking fees and charges

Although the introduction of the BBA brought relief to low income earners, those earning just above the set N$2 000 deposit threshold are still subjected to high transactional costs. Consequently, those persons continue to be discouraged to take part in the formal banking system; and hence a set back for financial inclusion. There is a need to still come up with more innovative ways to address the issue of high fees and charges for those above the threshold.

4.4 High levels of unemployment

Unemployment in Namibia, which is estimated to be around 27 percent, has a potential negative effect on financial inclusion. In terms of FinScope Survey 2011, some of the reasons given for not having a bank account or using banking products and services mainly relate to a lack of regular income. Some 54 percent of those surveyed indicated that they had no money to save, while 12 percent had insufficient money coming into the account and were thus unable to maintain the account. According to Honohan and King (2012:5), the likelihood of holding a bank account increases with income. Thus, a person who has no source of income would, in all probabilities, be financially excluded because of a lack of means to participate in a formal financial system. National efforts aimed at stimulating economic activities that would spur growth and reduce unemployment would augur well for financial inclusion.

4.5 Balance between cost effective delivery channels and financial inclusion

Technological innovation may also hamper financial inclusion if not used appropriately. While the adoption of electronic mediums has potential to increase financial inclusion, it is necessary to ensure that people have access to relevant technology in order to avoid being disadvantaged. A balance, therefore, need to be struck in developing solutions that will allow the financial system to grow and innovate without disadvantaging those who have no access to technology. The manner in which financial services is delivered to consumers is moving towards cost effective channels that reduce the need for face-to-face interaction. This could unfortunately result in less effective advisory support for vulnerable group of financial consumers, such as the elderly and low income earners that usually have limited access to virtual banking.

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FIVE YEAR HISTORICAL FINANCIAL OVERVIEW

Table A.22: Statement of Financial Position, comparisons, 2009-2013-N$'000

	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13
ASSETS					
Non-current assets	**244 936**	**306 355**	**317 099**	**436 020**	**491 316**
Property, plant and equipment	153 990	187 662	203 898	299 628	304 926
Intangible assets - computer software	14 274	15 883	13 512	8 448	5 166
Currency inventory - notes and coins	52 054	71 793	61 985	82 382	118 711
Loans and advances	24 618	31 017	37 704	45 562	62 513
Current assets	**14 143 151**	**10 459 522**	**14 727 531**	**15 109 847**	**16 086 865**
Investments	12 322 101	8 876 115	14 303 307	14 612 828	15 612 445
Loans and advances	8 166	951	938	2 529	750
Rand Cash	127 781	72 889	101 907	161 233	144 499
Other inventory - stationary and spares	2 369	2 464	2 424	2 189	2 195
Other assets	1 682 734	1 507 103	318 955	331 068	326 976
TOTAL ASSETS	**14 388 087**	**10 765 877**	**15 044 630**	**15 545 867**	**16 578 181**
EQUITY AND LIABILITIES					
Capital and reserves	**1 702 963**	**960 192**	**1 854 698**	**2 142 630**	**3 769 643**
Share capital	40 000	40 000	40 000	40 000	40 000
General reserve	698 378	736 256	790 082	812 792	835 588
Foreign Currency revaluation reserve	821 218	15 755	826 491	1 099 415	2 688 311
Distribution state revenue fund	43 367	8 181	22 865	9 442	-
Building fund reserve	100 000	150 000	150 000	150 000	150 000
Development fund reserve	-	10 000	20 000	25 000	25 000
Unrealised gain reserve	-	-	5 260	5 981	30 744
Non-Current Liabilities	**24 210**	**35 451**	**39 433**	**43 846**	**55 107**
Provision for post-employment benefits	24 210	35 451	39 433	43 846	55 107
Current Liabilities	**12 660 914**	**9 770 234**	**13 150 499**	**13 359 391**	**12 753 431**
Notes and coins in circulation	1 705 358	1 909 341	2 398 164	2 773 341	3 401 981
Deposits	10 930 573	7 841 786	10 727 160	10 560 075	9 299 551
Provision for post-employment benefits	748	789	840	890	1 199
Trade and other payables	24 235	18 318	24 335	25 085	50 700
TOTAL EQUITY AND LIABILITIES	**14 388 087**	**10 765 877**	**15 044 630**	**15 545 867**	**16 578 181**

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Table A.23: Statement of Comprehensive Income comparisons, 2009–2013 – N$'000

	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13
Interest income	595 126	401 839	329 686	255 833	345 506
Interest expense	(357 323)	(248 534)	(158 188)	(104 906)	(91 418)
Net interest income	237 803	153 305	171 498	150 927	254 088
Net gains/(loss) on portfolio investments	6 373	31 133	(24 172)	(39 301)	(148 501)
Net foreign exchange gains/(losses)	(1 606 010)	(805 463)	810 736	272 924	1 588 895
Rand compensation	164 421	161 354	183 880	190 174	214 618
Other income	28 375	17 998	33 713	20 196	38 417
Total income	**(1 169 038)**	**(441 673)**	**1 175 655**	**594 920**	**1 947 517**
Operating expenses	**199 764**	**212 277**	**235 815**	**268 200**	**301 292**
Net income for the year	**(1 368 802)**	**(653 950)**	**939 840**	**326 720**	**1 646 225**
Transfer from/(to) revaluation reserve	1 606 010	805 463	(810 736)	(272 924)	(1 588 895)
Unrealised Gain Reserve	-	-	(5 260)	(721)	(24 763)
Net income available for distribution	**237,208**	**151,513**	**123,844**	**53,075**	**32 566**
Appropriations:					
General Reserve	102 679	37 878	53 826	22 710	22 796
Building Reserve	20 000	50 000	-	-	-
Development Fund reserve	-	10 000	10 000	5 000	-
Distribution to State Revenue Fund	71 162	45 454	37 153	15 923	9 770
Distribution to State Revenue Fund (retained)	43 367	8 181	22 865	9 442	-

Part B

Annual Financial Statements for the Financial year ended 31 December 2013

Report prepared pursuant to section 52(1)
of the Bank of Namibia Act, 1997
(No 15 of 1997)

Content | B

BOARD'S STATEMENT OF RESPONSIBILITIES

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The main statutory provisions relating to the role and duties of members of the Board are covered under Section 8(1) of the Bank of Namibia Act, 1997, we confirm that:

1. The Board members are responsible for the preparation of the annual financial statements and for the judgements used therein.

2. The Board has overall responsibility for the system of internal financial control in the Bank, which is designed to safeguard the assets of the Bank, prevent and detect fraud and other irregularities. To discharge this responsibility an appropriate organisational structure has been established. In this regard, the Audit Committee of the Board meets periodically with Internal and External Auditors and members of Management of the Bank to discuss control issues, financial reporting and related matters. The Internal and External Auditors have full access to the Audit Committee. Further, the Bank has a comprehensive Risk Management Strategy in place.

3. The Board is satisfied that the Bank complies with International Financial Reporting Standards and the requirements of the Bank of Namibia Act, 1997.

4. The Board members confirm that they are satisfied that the Bank has adequate resources to continue in business for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

5. The Board's Audit Committee is composed of members who are neither officers nor employees of the Bank and who have the required mix of skills, with at least one member being a financial expert. The committee is therefore qualified to review the Bank's annual financial statements and recommend the approval by the Board Members. The committee has a duty to review the adoption of, and changes in accounting principles including risk management issues and makes recommendations on the same for approval. The Board considers and where necessary approves the Board Audit Committee recommendations.

The annual financial statements on pages 74 to 116 were approved by the Board and are signed on its behalf by:

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Chairman
20 March 2014

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Board Member
20 March 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE BANK OF NAMIBIA

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We have audited the annual financial statements of the Bank of Namibia, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 74 to 116.

Board members' Responsibility for the Financial Statements

The Bank of Namibia's Board members are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Bank of Namibia Act, 1997, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Bank of Namibia as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Bank of Namibia Act, 1997.

PricewaterhouseCoopers.

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PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Nangula Uaandja
Partner

Windhoek
20 March 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

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	Notes	2013 N$'000	2012 N$'000
Net interest income		**254 088**	**150 927**
Interest income	2	345 506	255 833
Interest expense	2	(91 418)	(104 906)
		253 035	**210 370**
Rand compensation income		214 618	190 174
Other income	2	38 417	20 196
Total income		**507 123**	**361 297**
Operating expenses	2	(301 292)	(268 200)
Net (loss) on investment portfolio		(148 502)	(39 301)
Profit for the Year		**57 329**	**53 796**
Other Comprehensive Income		**1 588 896**	**272 924**
Net foreign exchange translation gains	15	**1 588 896**	**272 924**
Total Comprehensive Profit for the Year		**1 646 225**	**326 720**
Profits attributable to:			
Revaluation reserve	15	1 588 896	272 924
Unrealised gain reserve		24 763	721
Amount available for distribution	3	32 566	53 075
		1 646 225	**326 720**

STATEMENT OF FINANCIAL POSITION AS AT AS AT 31 DECEMBER 2013

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	Notes	2013 N$'000	2012 N$'000
ASSETS			
Non-current Assets		**491 316**	**436 020**
Property and equipment	4	304 926	299 628
Intangible assets – computer software	5	5 166	8 448
Currency costs – notes and coins	6	118 711	82 382
Loans and advances	7	62 513	45 562
Current Assets		**16 086 865**	**15 109 847**
Investments	8	15 612 445	14 612 828
Loans and advances	9	750	2 529
Rand deposits	10	144 499	161 233
Other inventory – stationery and spares	11	2 195	2 189
Special Drawing Rights and Other receivables	12	326 976	331 068
TOTAL ASSETS		**16 578 181**	**15 545 867**
EQUITY AND LIABILITIES			
Capital and Reserves		**3 769 643**	**2 142 630**
Share capital	13	40 000	40 000
General reserve	14	835 588	812 792
Foreign currency revaluation reserve	15	2 688 311	1 099 415
Distribution state revenue fund	3	-	9 442
Building fund reserve	16	150 000	150 000
Development fund reserve	17	25 000	25 000
Unrealised gain reserve		30 744	5 981
Non-Current Liabilities		**55 107**	**43 846**
Provision for post employment benefits	18	55 107	43 846
Current Liabilities		**12 753 431**	**13 359 391**
Notes and coins in circulation	19	3 401 981	2 773 341
Deposits	20	9 299 551	10 560 075
Provision for post employment benefits	18	1 199	890
Trade and other payables	21	50 700	25 085
TOTAL EQUITY AND LIABILITIES		**16 578 181**	**15 545 867**

IPUMBU W. SHIIMI
GOVERNOR
20 March 2014

KURUVILLA MATHEW
CHIEF FINANCIAL OFFICER
20 March 2014

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Share Capital N$'000	Accumulated Profit & Loss Account N$'000	General Reserve N$'000	Revaluation Reserve N$'000	Unrealised Gain Reserve Fund N$'000	Distribution State Revenue Fund N$'000	Development Fund Reserve N$'000	Building Fund Reserve N$'000	Total N$'000
Balance at 1 January 2012	**40 000**	**-**	**790 082**	**826 491**	**5 260**	**22 865**	**20 000**	**150 000**	**1 854 698**
Profit for the year	-	326 720	-	-	-	-	-	-	326 720
Transfer to Revaluation reserve	-	(272 924)	-	272 924	-	-	-	-	-
Transfer to Unrealised Gain reserve	-	(721)	-	-	721	-	-	-	-
Appropriation of net profit for the year	-	(53 075)	22 710	-	-	25 365	5 000	-	-
Dividends distribution	-	-	-	-	-	(38 788)	-	-	(38 788)
Balance at 31 December 2012	**40 000**	**-**	**812 792**	**1 099 415**	**5 981**	**9 442**	**25 000**	**150 000**	**2 142 630**
Profit for the year	-	1 646 225	-	-	-	-	-	-	1 646 225
Transfer to Revaluation reserve	-	(1 588 896)	-	1 588 896	-	-	-	-	-
Transfer to Unrealised Gain reserve	-	(24 763)	-	-	24 763	-	-	-	-
Appropriation of net profit for the year	-	(32 566)	22 796	-	-	9 770	-	-	-
Dividends distribution(prior year)	-	-	-	-	-	(9 442)	-	-	(9 442)
Dividend distribution(current year)	-	-	-	-	-	(9 770)	-	-	(9 770)
Balance at 31 December 2013	**40 000**	**-**	**835 588**	**2 688 311**	**30 744**	**-**	**25 000**	**150 000**	**3 769 643**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

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	Notes	2013 N$'000	2012 N$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised by operations	A	(485 269)	(129 257)
CASH FLOWS FROM INVESTING ACTIVITIES		**(118 006)**	**(185 902)**
Proceeds on disposals of property & equipment and intangible assets		144	29
Purchase of property & equipment		(21 025)	(114 835)
Purchase of currency inventory		(79 035)	(62 489)
Purchase of other inventory		(464)	(340)
Purchase of intangible asset – computer software		(675)	(409)
(Increase)/Decrease in loans and advances		(16 951)	(7 858)
CASH FLOWS FROM FINANCING ACTIVITIES		**603 275**	**315 159**
Distribution to the State revenue fund	B	(25 365)	(60 018)
Notes and coins issued		628 640	375 177
		-	-

NOTE:

A. RECONCILIATION OF PROFIT FOR THE YEAR TO CASH UTILISED BY OPERATIONS

	2013 N$'000	2012 N$'000
Profit/(Loss) for the year	57 329	53 796
Adjusted for:		
Depreciation	15 687	18 881
Currency inventory amortisation cost	42 707	42 092
Other inventory issuance cost	458	575
Provision post employment benefits	11 570	4 463
Amortisation of computer software	3 957	5 473
Loss/(Profit) on disposal of property & equipment	(104)	196
Operating cash flows before movements in working capital	**131 604**	**125 476**
(Decrease) in loans and advances	1 779	(1 591)
Decrease/(Increase) in Rand cash	16 734	(59 326)
(Increase)/Decrease in other receivables	4 092	(12 113)
(Increase) in deposits	(1 254 371)	(145 855)
Increase in trade and other payables	25 615	750
Decrease/(Increase)in investments	589 278	(36 598)
	(485 269)	**(129 257)**

B. DISTRIBUTION TO STATE REVENUE FUND

	2013 N$'000	2012 N$'000
Opening balance included in deposits	(25 365)	(60 018)
Appropriations of net profit for the year	9 770	15 923
Closing balance included in deposits	(9 770)	(15 923)
Paid for the year	**(25 365)**	**(60 018)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

B

1. ACCOUNTING POLICIES

The Bank's annual financial statements are prepared in accordance with the going concern principle under the historical cost basis, except for financial assets and liabilities where the fair value and amortised cost basis of accounting is adopted. The principal accounting policies, which have been consistently applied in all material respects, are set out below. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.2. The annual financial statements have been prepared to comply with the requirements of the Bank of Namibia Act, 1997 and with the requirements of International Financial Reporting Standards (IFRS).

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

International Financial Reporting Standards and amendments effective for the first time for 31 December 2013 year-end:

Number	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of Financial Statements', on presentation of items of OCI	1 July 2012	*The IASB has issued an amendment to IAS 1, 'Presentation of financial statements'. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.*
Amendment to IFRS 1, 'First time adoption' on government loans	1 January 2013	*This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.*
Amendment to IFRS 7 Financial Instruments: Disclosures – Asset and Liability offsetting	1 January 2013	*The IASB has published an amendment to IFRS 7, 'Financial instruments: Disclosures', reflecting the joint requirements with the FASB to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.*
IAS 19, "Employee benefits"	1 January 2013	*The IASB has issued an amendment to IAS 19, 'Employee benefits', which makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

Number	Effective date	Executive summary
IFRS 10 – Consolidated financial statements	1 January 2013	*This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries.*
IFRS 11 – Joint arrangements	1 January 2013	*This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.*
IFRS 12 – Disclosures of interests in other entities	1 January 2013	*This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.*
IFRS 13 – Fair value measurement	1 January 2013	*This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.*
IAS 27 (revised 2011) – Separate financial statements	1 January 2013	*This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.*
IAS 28 (revised 2011) – Associates and joint ventures	1 January 2013	*This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.*
Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements', and IFRS 12, 'Disclosure of interests in other entities'	1January 2013	*The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10 is adopted – for example, 1 January 2013 for a calendar-year entity that adopts IFRS 10 in 2013. Entities adopting IFRS 10 should assess control at the date of initial application; the treatment of comparative figures depends on this assessment.* *The amendment also requires certain comparative disclosures under IFRS 12 upon transition.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

B

International Financial Reporting Standards and amendments issued but not effective for 31 December 2013 year-end:

Number	Effective date	Executive summary
IFRS 9 – Financial Instruments (2009)	1 January 2015	*This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.*
IFRS 9 – Financial Instruments (2010)	1 January 2015	*The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and de-recognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss.*
Amendments to IFRS 9 – Financial Instruments (2011)	1 January 2015	*The IASB has published an amendment to IFRS 9, 'Financial instruments' that delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after from 1 January 2013. This amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39 (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project. The amendment confirms the importance of allowing entities to apply the requirements of all the phases of the project to replace IAS 39 at the same time. The requirement to restate comparatives and the disclosures required on transition have also been modified.*
Amendments to IAS 32 – Financial Instruments: Presentation	1 January 2014	*The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP.*
Amendment to IAS 39 on novation of derivatives	1 January 2014	*The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria. Similar relief will be included in IFRS 9, 'Financial Instruments'.*
Amendments to IAS 36, 'Impairment of assets'	1 January 2014	*These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

B

1. ACCOUNTING POLICIES (CONTINUED)

Number	Effective date	Executive summary
Amendments to IFRS 10, consolidated financial statements', IFRS 12 and IAS 27 for investment entities	1 January 2014	*The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics.* *Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make.*

Annual Improvements issued May 2012

Improvements to IFRSs (Issued May 2012) was issued by the IASB as part of the 'annual improvements process' resulting in the following amendments to standards issued, and effective for the first time for 31 December 2013 year-ends:

IFRS	Effective Date	Subject of amendment
Amendments to IFRS 1, 'First time adoption of IFRS'	1 January 2013	*The amendment clarifies that an entity may apply IFRS 1 more than once under certain circumstances.* *The amendment clarifies that an entity can choose to adopt IAS 23, 'Borrowing costs', either from its date of transition or from an earlier date.* *The consequential amendment (as a result of the amendment to IAS 1 discussed below) clarifies that a first-time adopter should provide the supporting notes for all statements presented.*
Amendment to IAS 1, 'Presentation of financial statements'	1 January 2013	*The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either: as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily.*
Amendment to IAS 16, 'Property, plant and equipment'	1 January 2013	*The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.*
Amendment to IAS 32, 'Financial instruments: Presentation'	1 January 2013	*The amendment clarifies the treatment of income tax relating to distributions and transaction costs. The amendment clarifies that the treatment is in accordance with IAS 12. So, income tax related to distributions is recognised in the income statement, and income tax related to the costs of equity transactions is recognised in equity.*
Amendment to IAS 34, 'Interim financial reporting'	1 January 2013	*The amendment brings IAS 34 into line with the requirements of IFRS 8, 'Operating segments'. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the CODM and there has been a material change in those measures since the last annual financial statements.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

B

1. ACCOUNTING POLICIES (CONTINUED)

Interpretations of International Financial Reporting Standards

Interpretations of International Financial Reporting Standards effective for the first time for 31 December 2013 year-end:

Number	Effective date	Executive summary
IFRIC 20 - Stripping costs in the production phase of a surface mine	1 January 2013	*In surface mining operations, entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. The Interpretation clarifies there can be two benefits accruing to an entity from stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The Interpretation considers when and how to account separately for these two benefits arising from the stripping activity, as well as how to measure these benefits both initially and subsequently.*

Interpretations of International Financial Reporting Standards issued but not yet effective for the 31 December 2013 year-ends:

Number	Effective date	Executive summary
IFRIC 21 – Accounting for levies	1 January 2014	*FRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses diversity in practice around when the liability to pay a levy is recognised.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

1.1 ANNUAL IMPROVEMENTS ISSUED MAY 2012

Improvements to IFRSs (Issued May 2012) was issued by the IASB as part the 'annual improvements process' resulting in the following amendments to standards issued, but not yet effective for 31 December 2013 year-ends:

Number	Title	Effective date
IFRS 1	*First-Time Adoption of International Financial Reporting Standards*	1 January 2013
IAS 1	*Presentation of Financial Statements*	1 January 2013
IAS 16	*Property, plant and equipment*	1 January 2013
IAS 32	*Financial Instruments: Presentation*	1 January 2013
IAS 34	*Interim Financial Reporting*	1 January 2013

The Bank has reviewed the above detailed statements and do not expect them to have a significant impact on the Bank's financial statements.

1.2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The major areas where management has used its judgment and accounting estimates are with regards to:

1. Provision for post employment benefits disclosed under note 18.

   An Actuarial valuation is performed once every two years to determine the Bank's obligation in this regard. The assumptions and judgments used by the actuary were considered by the Bank and were deemed reasonable in light of the prevailing and anticipated future economic conditions.

2. Evaluation of useful lives and residual values as disclosed under note 4.

   The residual value and useful life evaluation exercise is performed by internal staff members who have technical knowledge of specific classes of assets. Market information with regards to pricing is also obtained to ensure the required level of objectivity is maintained in the whole evaluation process.

3. Accounting for off-market loans as disclosed under note 7.

   Management judgement was applied to determine the average repayment period on the various classes of loans granted by the Bank. Prevailing interest rates at year end was however applied to determine the impairment charge for the year on new off market loans.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

B

1.3. REVENUE RECOGNITION

Interest income is recognised on a time proportioned basis, taking account of the principal outstanding and the effective interest rate over the period to maturity. The effective interest rate takes into account all directly attributable external costs, discounts or premiums on the financial assets.

Rand compensation income is received from the South African Government as compensation for the Rand currency in circulation in Namibia. The Bank accounts for this income on an accrual basis.

1.4. FINANCIAL INSTRUMENTS

Financial instruments as reflected on the Bank's Statement of financial position include all financial assets and financial liabilities. Management determines the appropriate classification at initial recognition of the financial instrument. Depending on their classification, financial instruments are carried at fair value, cost or amortised cost as described below.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is a current bid price for financial assets and the current asking price for financial liabilities which are quoted in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange or other institution and those prices represent actual and regularly occurring market transactions on an arm's length basis.

In inactive markets, the most recent arm's length transactions are the basis of current fair values. Fair value is not the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

It is to be noted that the Bank does not invest in financial instruments which are not quoted in an active market, however should our investment philosophy change, valuation techniques such cash flows models and consideration of financial data of the investees will be used to fair value certain financial instruments for which external market pricing information is not available. Valuation techniques may require assumptions not supported by observable market data. Disclosures will be made in the financial statements if changing any such assumptions to a reasonably possible alternative would result in significantly, different profit, income, total assets or total liabilities.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition and includes transaction costs. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

1.4. FINANCIAL INSTRUMENTS (CONTINUED)

Amortised costs is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest rate method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium, are not presented separately and are included in the carrying values of related balance sheet items.

The effective interest method is a method of allocating interest income or interest expense over the relevant period so as to achieve a constant periodic rate of interest (effective interest rate on the carrying amount). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a short period, if appropriate, to the net carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

The Bank classifies its financial instruments as follows:

Classification - Financial Assets

Loans and Receivables – amortised cost

- Loans and advances
- Repurchase agreements
- Amounts due from the Government
- Accounts receivable

At fair value through profit or loss

Designated on initial recognition
- External portfolio investments

Held to maturity financial assets at amortised cost
- External money market investments

All the Financial assets of the Bank are neither past due or impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

B

1. ACCOUNTING POLICIES (CONTINUED)

1.4. FINANCIAL INSTRUMENTS (CONTINUED)

Classification - Financial Liabilities

At fair value through profit or loss

- Government Debts- Euro Bond Issue

At amortised cost
- Other liabilities
- Bank of Namibia Bills
- Notes and coins issued
- Amounts due to the Government
- Commercial bank deposits
- Accounts payable

Recognition

The Bank recognises financial instruments including, "regular way" purchases and sales on settlement date and thus applies settlement date accounting to these transactions. Upon initial recognition the Bank designates the financial instrument as at fair value through profit or loss. Loans and advances, other receivables and other financial liabilities are recognised on the day they are transferred to the Bank or on the day the funds are advanced.

Measurement

Financial instruments are initially measured at cost which includes transaction costs and this value approximates the fair value of the instruments. Subsequent to initial measurement financial instruments are measured at fair value or amortised cost depending on their classification. Gains and losses arising from a change in the fair value of financial instruments are recognised in the Statement of Comprehensive income of the period in which it arises.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets designated by the Bank as at fair value through profit or loss upon initial recognition.

Designated – External portfolio investments

Financial assets at fair value through profit or loss are financial assets designated by the Bank as at fair value through profit or loss upon initial recognition. The Bank recognises movements in the fair values of these assets in the profit or loss account for the relevant year. The fair values of marketable securities within the portfolio are obtained from quoted market prices.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

B

Held to maturity - External money market investments

Held to maturity money market investments are non – derivative financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intention and ability to hold to maturity. Money market investments are stated at amortised cost.

Loans and advances, receivables and non-trading liabilities

These are measured at amortised cost and re-measured for impairment losses, except where cost approximates amortised cost as set out below:

Amounts due to the Government, bankers reserve and current accounts are stated at cost as these accounts do not have fixed maturity dates.

Notes and coins issued are measured at face value as this liability does not have a fixed maturity date.

Accounts payable are stated at cost as this approximates fair value due to the short term nature of such obligations.

Reclassification

It is a requirement that institutions should disclose when it has reclassified a financial asset as one measured at cost or amortised cost rather than at fair value, or vice versa, at fair value rather than at cost or amortised cost. The Bank has not reclassified any of its financial assets during the year under review.

Impairment of financial assets

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset at amortised cost or group of financial assets is impaired. A financial asset or group of financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a “loss event”) and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired would include breach of contract such as default on interest and capital repayments, bankruptcy of the borrower, downgrading of the ratings of the institutions by rating agencies, etc.

De-recognition

The Bank de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or where the Bank transfers the contractual rights to receive the cash flows of the financial asset. De-recognition also occurs when the Bank retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to a third party and consequently transfers substantially all the risks and benefits associated with the asset.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

B

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

Where the Bank retains substantially all the risks and rewards of ownership of the financial asset, it continues to be recognised as a financial asset. A financial liability is derecognised when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.

The Bank did not transfer financial assets in such a way that part of the asset did not qualify for de-recognition.

Income statement net gains or losses

	2013 N$'000	2012 N$'000
Financial assets – at fair value through profit or loss		
Designated on initial recognition		
External portfolio investments – net (loss)	(148 502)	(39 301)
	(148 502)	**(39 301)**

Impairment

The Bank reviewed its financial assets and determined that there were no impairment adjustments that needed to be made for valuation purposes.

1.5 GENERAL RESERVE

The general reserve is established in terms of Section 16 of the Bank of Namibia Act, 1997 and may only be used for the purpose specified below:

- **increase the paid up capital of the Bank;**
- **offset losses sustained by the Bank during a financial year;**
- **fund a Development Reserve Account; and**
- **redeem any securities issued by the Bank.**

The amount maintained in this account relates to the annual appropriation of distributable profits determined by Section 15 of the Bank of Namibia Act. The Act prescribes that not less than 30% of the net profits of the Bank for a financial year be transferred to the General Reserve Account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

1.6 FOREIGN CURRENCY ACTIVITIES AND REVALUATION RESERVE

The Revaluation reserve has been created in accordance with Section 31 of the Bank of Namibia Act and is used to accommodate any net gains or losses in any financial year of the Bank arising from any change in the book value or realised/unrealised value of the Bank's Assets or Liabilities denominated in currencies or units of account other than the Domestic Currency, such as gold, special drawing rights and foreign currencies. Any change in the value of such currencies or units of account in terms of the currency of Namibia, shall be credited to the Revaluation Reserve Account before any appropriation to any other reserve.

Assets and liabilities in foreign currencies are translated to Namibia Dollars at year-end exchange rates. In terms of Section 31 of the Bank of Namibia Act, 1997, exchange gains and losses of the Bank are for the account of the Government and are consequently transferred to the Revaluation Reserve Account before appropriation of profits.

1.7 BUILDING FUND RESERVE

This reserve was reactivated in the financial year 2006 to set aside funds for the construction of the Bank's Disaster Recovery and Business Continuity Facility. This facility is designed to host the Bank's disaster recovery equipment as well as have adequate space to accommodate the Bank employees in the event of a disaster situation. Annual profits appropriated will be credited to the reserve and on completion of the construction of the building and resolution of the patent defects claims, the reserve so created will be released to the General Reserve.

1.8 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and are depreciated on the straight-line method over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The Bank reassesses the residual value and useful life of all assets on an annual basis and the revised useful life in years, is as detailed below:

Freehold buildings	50 years
Computer hardware	2-6 years
Motor vehicles	4 years
Furniture, fittings and equipment	1-20 years
Note Sorting Machines	9-17 years

The residual value on the building is benchmarked to similar structures in the country and did not call for any adjustment in residual value both in the previous year and the current year. Subsequent costs are included in the assets carrying value only when it is probable that future economic benefits associated with the assets will accrue to the Bank. All other repairs and maintenance costs are charged to the Statement of Comprehensive income during the financial period in which they are incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

B

1.9 INTANGIBLE ASSETS – COMPUTER SOFTWARE

On acquisition the software is capitalised at purchase price and amortised on a straight line basis with zero residual value. The estimated useful lives, residual values and amortisation methods are reviewed at each year end, with the effect of any changes in the estimate accounted for on a prospective basis. The Bank reassesses the residual value and useful life of Computer software on an annual basis and the useful life has been set to range between 1 and 8 years.

1.10 INVENTORY

Currency Costs

The costs of new Namibia bank notes and coins are capitalised and amortised on the earlier of issue of the currency or over five years. Cost comprises of printing and minting costs, carriage, insurance and freight landed at the Bank's premises or designated port of consignment arrival. Currency is issued using the weighted average cost.

Stationery and spares

Stationery and spares inventory are capitalised and stated at the lower of cost and net realisable value. Cost comprises of purchase price as well as applicable freight for imported spare parts. Inventory is issued using the weighted average costs.

1.11 PENSION FUND

It is the policy of the Bank to contribute to the retirement benefits for employees. The Bank operates a Defined Contribution pension fund, contributions to the Bank of Namibia Provident Fund are charged against income in the year in which they become payable.

1.12 IMPAIRMENT OF NON FINANCIAL ASSETS

The carrying amount of the assets of the Bank are reviewed at each balance sheet date to determine whether there is any indication of impairment, in which case their recoverable amounts are estimated.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. A previously expensed impairment loss will be reversed if the recoverable amount increases as a result of a change in the estimates used previously to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

1. ACCOUNTING POLICIES (CONTINUED)

1.13 POST- EMPLOYMENT MEDICAL BENEFITS

The Bank provides for post-employment medical benefits in the form of a medical aid scheme for eligible employees and pensioners. The cost of providing benefits is determined using the projected unit credit method. The liability for the Bank's contribution to the scheme is, in respect of current and future pensioners, provided for by means of an on-balance sheet liability. The magnitude of the liability is based on an actuarial valuation. Actuarial gains and losses on the post-retirement medical benefits are accounted for in the year in which they arise.

1.14 CASH FLOW STATEMENT

The definition of cash in the Standard is not wholly appropriate to the Bank. Due to its role in the creation and withdrawal of currency, the Bank has no cash balances on its Statement of financial position.

1.15 PROVISIONS

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.16 TRANSACTIONS ON BEHALF OF GOVERNMENT

The Bank undertakes several transactions on behalf of the Government, which include among others, payments and receipts, opening and maintenance of accounts for donor funded projects and the maintenance of accounts for line ministries. All such accounts opened are pre-funded with the funds received invested and the corresponding liability recorded in the books of the Bank. The transactions where the Bank only acts as an agent, as well as the assets and liabilities arising from such transactions, are not reflected in the annual financial statements of the Bank.

1.17 BORROWING COSTS

Borrowing costs are primarily interest and other costs incurred by the Bank in connection with the borrowing of funds. Borrowing costs are recognised on a time proportioned basis, taking account of the principal outstanding and the effective interest rate over the period of the loan and are expensed accordingly.

1.18 ACCOUNTING FOR IMF - SPECIAL DRAWING RIGHTS (SDR)

The Bank of Namibia is both the fiscal and depository agents for the Government of the Republic of Namibia. Given this relationship all transaction entered into with the International Monetary Fund are recorded in the books of Bank of Namibia.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

B

1. ACCOUNTING POLICIES (CONTINUED)

1.18 ACCOUNTING FOR IMF - SPECIAL DRAWING RIGHTS (SDR) (CONTINUED)

The SDR is an international reserve asset, created by the IMF in 1969 to supplement the existing official reserves of member countries. SDRs are allocated to member countries in proportion to their IMF quotas. The SDR also serves as the unit of account of the IMF and some other international organizations. The SDR is defined in terms of a basket of currencies. Its value is determined as the weighted sum of exchange rates of the four major currencies (Euro, Japanese yen, Pound sterling and US dollar). In as far as Namibia is concerned the total allocation of SDR by the IMF is recorded in the books of the Bank as an asset under "SDR and Other Receivables" classification and as a liability under "Deposits" classification.

1.19 NOTES AND COINS IN CIRCULATION

One of the primary functions of the Bank is the printing and minting of Namibia Dollar currency and issuance thereof into circulation. Costs of printing and minting the currency are capitalised and amortised based on issuance of the currency into circulation. New currency notes and coins are issued to the Commercial Banks at face value which then flows into circulation through the monetary and financial systems operational in the country. Once issued into circulation the notes and coins are reflected in the books of the Bank as a liability and the liability is only extinguished when the currency is no longer in circulation.

1.20 LENT OUT SECURITIES

The Bank derives income from securities lending activity. The counter parties involved in these transactions are highly rated institutions and a cash collateral is deposited by the counter party with the custodians as guarantee for the lent out securities. Our custodians are responsible for the administration and management of this activity. The income generated from the lent out securities activities, are recorded in the books of the Bank accordingly.

1.21 UNREALISED GAIN RESERVE

The Reserve has been created to retain unrealised gains on the Bank's portfolio investments until they are realised. Unrealised losses are however charged to the Statement of Comprehensive Income as they arise. Unrealised gains when realised become available for distribution.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

B

2. RESULTS FOR THE YEAR

Profit for the year is arrived at after taking the following items into account:

	2013 N$'000	2012 N$'000
Interest Income		
Namibia Dollar & Rand Currency	**214 162**	**141 116**
Debt securities – fair value through profit or loss	49 379	4 172
Money market instruments – fair value through profit or loss	158 092	113 591
Money market instruments – held to maturity	6 691	23 353
Other Currency	**129 258**	**112 809**
Debt securities – fair value through profit or loss	124 593	95 882
Money market instruments – fair value through profit or loss	4 665	14 057
Money market instruments – held to maturity	-	2 870
Unwinding of present value adjustments	2 086	1 908
	345 506	**255 833**
Interest Paid		
Government	29 400	47 270
Commercial Banks	59 927	55 326
Other	2 091	2 310
	91 418	**104 906**
Other Income		
Rand compensation income	214 618	190 174
Sundry income	38 417	20 196
	253 035	**210 370**
Operating Expenses		
Depreciation	15 686	18 880
Amortisation of computer software	3 957	5 473
Currency inventory amortisation costs	42 707	42 092
Other inventory expensed	458	575
Salaries and related personnel costs	163 904	142 873
Staff training and development	1 586	3 423
Social responsibility	7 006	3 408
Board members' fees - for services as board members	329	398
Auditors' remuneration - audit fees	857	722
Membership fees	420	174
Building and other maintenance costs	13 268	11 660
Loss on disposal of property, equipment and intangible assets	41	225
Amortisation of prepaid long-term employee benefit	2 086	1 908
Other expenditure	48 926	36 389
Total operational expenditure	**301 292**	**268 200**
Number of employees	**307**	**315**

Interest income relates to interest earned on our foreign investments which are invested in the Rand, EURO and USD money and capital markets. Interest expense mainly relates to interest paid to the Government of the Republic of Namibia, Commercial Banks settlement accounts and Special Drawing Rights allocations by the IMF.

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3. APPROPRIATION OF PROFITS IN TERMS OF THE BANK OF NAMIBIA ACT, 1997

	Notes	2013 N$'000	2012 N$'000
Total Comprehensive Profit for the Year		**1 646 225**	**326 720**
Unrealised Gains transfer to Reserve		(24 763)	(721)
Exchange Rate Gains/Losses transferred to the Revaluation Reserve		(1 588 896)	(272 924)
Net Profit for the Year		**32 566**	**53 075**
Appropriation of Profits		**32 566**	**53 075**
General Reserve	13	22 796	22 710
Building Fund Reserve	15	-	-
Development Fund Reserve	16	-	5 000
Distribution to State Revenue Fund		9 770	15 923
Distribution to State Revenue Fund(Retained)		-	9 442

The IFRS gain reflected on the Statement of Comprehensive Income includes translation gains for the year that has been charged to the Income Statement to comply with the requirements of IAS 21 – Effect of changes in Foreign Exchange Rates. In terms of section 31 of the Bank of Namibia Act, 1997, gains and losses arising based on changes in the book or realised value of assets or liabilities, denominated in currencies other than the domestic currency, are to be transferred to the Revaluation Reserve. The Net Profit for the year in line with the compliance requirements of the Bank of Namibia Act, 1997 would therefore amount to N$32.566 million. Appropriations of profits are based on this Net Profit figure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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4. PROPERTY AND EQUIPMENT

2013 Cost	Freehold Land and Buildings N$'000	Computer Hardware N$'000	Furniture Fittings & Equipment N$'000	Motor Vehicles N$'000	Total N$'000
At 1 January 2013	299 847	22 755	92 330	3 359	418 291
Additions	17 686	972	943	1 424	21 025
Disposals	-	(178)	(8 348)	(91)	(8 617)
Transfers	(8 486)	-	8 486	-	-
At 31 December 2013	**309 047**	**23 549**	**93 411**	**4 692**	**430 699**
Accumulated depreciation					
At 1 January 2013	36 231	15 605	65 389	1 438	118 663
Current year charge	3 979	3 194	7 802	712	15 687
Disposals/write-offs	-	(178)	(8 308)	(91)	(8 577)
At 31 December 2013	**40 210**	**18 621**	**64 883**	**2 059**	**125 773**
Carrying value					
At 1 January 2013	**263 616**	**7 150**	**26 941**	**1 921**	**299 628**
At 31 December 2013	**268 837**	**4 928**	**28 528**	**2 633**	**304 926**
2012					
Cost					
At 1 January 2012	198 911	21 943	81 051	2 194	304 099
Additions	101 094	1 103	11 473	1 165	114 835
Disposals/write-offs	(209)	(291)	(143)	-	(643)
Transfers	51	-	(51)	-	-
At 31 December 2012	**299 847**	**22 755**	**92 330**	**3 359**	**418 291**
Accumulated depreciation					
At 1 January 2012	33 007	12 206	54 032	956	100 201
Current year charge	3 225	3 690	11 484	482	18 881
Disposals/write-offs	(1)	(291)	(127)	-	(419)
At 31 December 2012	**36 231**	**15 605**	**65 389**	**1 438**	**118 663**
Carrying value					
At 1 January 2012	**165 904**	**9 737**	**27 019**	**1 238**	**203 898**
At 31 December 2012	**263 616**	**7 150**	**26 941**	**1 921**	**299 628**

In line with the requirements of IAS 16: Property, Plant & Equipment the Bank performed a brief overview of the residual value and useful life of all classes of Assets. No adjustments were processed and charged to the current year's Statement of Comprehensive income.

A register containing details of land and buildings is available for inspection at the registered office of the Bank.

Transfers relate to assets that were transferred from Capital Work in Progress upon completion of the project to the respective asset classes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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5. INTANGIBLE ASSETS - COMPUTER SOFTWARE

	N$'000
2013	
Cost	
At 1 January 2013	44 609
Additions	675
At 31 December 2013	**45 284**
Amortisation	
At 1 January 2013	36 161
Current year charge	3 957
At 31 December 2013	**40 118**
Carrying value	
At 1 January 2013	**8 448**
At 31 December 2013	**5 166**
2012	
Cost	
At 1 January 2012	44 200
Additions	409
At 31 December 2012	**44 609**
Amortisation	
At 1 January 2012	30 688
Current year charge	5 473
At 31 December 2012	**36 161**
Carrying value	
At 1 January 2012	**13 512**
At 31 December 2012	**8 448**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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6. CURRENCY COSTS - NOTES AND COINS

	2013 N$'000	2012 N$'000
Opening Balance	82 382	61 985
Purchases current year	79 035	62 489
Amortisation current year	(42 706)	(42 092)
Closing Balance	**118 711**	**82 382**

7. LOANS AND ADVANCES

	2013 N$'000	2012 N$'000
Staff loans	**40 137**	**35 881**
Less: Present value adjustment for off-market loans	**(3 554)**	**(3 254)**
Opening balance – 1 January	(3 254)	(2 578)
Current year fair value adjustment of new loans	(2 385)	(2 584)
Amortised to Income statement	2 086	1 908
Add: Staff Long term benefit	**3 554**	**3 254**
Opening balance – 1 January	3 254	2 578
Current year Fair value adjustment of new loans	2 385	2 584
Amortised to Income statement	(2 086)	(1 908)
Net staff loans	**40 137**	**35 881**
Other loans	23 126	12 210
Short-term portion of loans (Note 9)	(750)	(2 529)
Closing Balance	**62 513**	**45 562**

8. INVESTMENTS

	2013 N$'000	2012 N$'000
Rand currency		
Fair value through profit or loss		
Designated		
Debt securities & Money Market Investments	6 425 099	4 667 296
Held to maturity		
Money market instruments	267 017	807 538
	6 692 116	**5 474 834**
Other currencies		
Fair value through profit or loss		
Designated		
Debt Securities & Money Market Investments	8 920 329	5 748 802
Held to maturity		
Money market instruments	-	3 389 192
	8 920 329	**9 137 994**
Total Investments	**15 612 445**	**14 612 828**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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8. INVESTMENTS (CONTINUED)

8.1. LENT OUT SECURITIES

As at 31st December 2013, the value of lent out securities from our Investment Portfolio, managed by our custodians, nominal value amounted to Euro – 8.4 million; NAD equivalent 122 million (2012: Euro 49 million; NAD equivalent 551 million) and US Dollar – 26.5 million; NAD equivalent 276.9 million (2012: US Dollar 66 million; NAD equivalent 651 million) respectively. The counter parties involved in these transactions are rated institutions and a cash collateral has been deposited with the custodians as guarantee for the lent out securities. The income generated from the lent out securities activity, has been recorded in the books of the Bank accordingly.

8.2. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The levels of hierarchy used to determine the fair value of financial instruments is as detailed below:

Fair value of instruments that fall in the Level 1 category would be based on the unadjusted quoted prices in an active market for identical assets or liabilities. Level 2 category would be based on quoted prices that are observable for the asset or liability, either directly as prices or indirectly as derived from prices. Level 3 category would be based on inputs for the asset or liability that are not based on observable market data.

The Bank's investments in financial assets are quoted in an active market and these prices are used in the fair value evaluation process. The Bank invests in securities issued by the German and US governments and these securities are actively traded in global Capital markets. Other investments include money market investments in the form of Fixed Deposits, NCD's, Call and Current account deposits, etc. The fair value hierarchy would therefore fall under the Level 1 and 2 categories.

As at 31st December the fair value of financial instruments that was classified under the various hierarchies is detailed in the tables below:

As at 31st December 2013

Financial Assets **At Fair value through Profit or Loss**	**Level 1** **N$'000**	**Level 2** **N$'000**	**Total** **N$'000**
Designated Debt Securities & Money Market Investments	1 865 851	13 479 426	15 345 277
	1 865 851	**13 479 426**	**15 345 277**

As at 31st December 2012

At Fair value through Profit or Loss	**Level 1** **N$'000**	**Level 2** **N$'000**	**Total** **N$'000**
Designated Debt Securities & Money Market Investments	2 616 566	7 799 533	10 416 099
	2 616 566	**7 799 533**	**10 416 099**

Financial Liabilities **At Fair value through Profit or Loss**	**Level 1** **N$'000**	**Level 2** **N$'000**	**Total** **N$'000**
Government-Euro Bond Issue	-	1 648 166	1 648 166
	-	**1 648 166**	**1 648 166**

Having considered the requirements of IFRS 13, the above Assets and Liabilities have been valued at fair value based on quoted prices in an active market. Other Balance Sheet Assets and Liabilities have been valued based on prescriptions of other relevant IFRS Statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

9. LOANS AND ADVANCES

	2013 N$'000	2012 N$'000
Repurchase agreements – local banks	-	-
Add: Short-term portion of long-term loans (Note 7)	750	2 529
	750	**2 529**

Repurchase agreements are over night and seven day loan facilities granted to the commercial banks to cover for temporary liquidity shortages. The over night and seven day repurchase agreements are granted to banking institutions to draw under the credit facility an amount equal to the total adjusted value of eligible securities pledged by each banking institution as collateral to Bank of Namibia. As at 31 December 2013/2012 the Repo facilities were not utilised by the commercial banks.

10. RAND DEPOSITS

	2013 N$'000	2012 N$'000
Closing Balance	144 499	161 233
	144 499	**161 233**

Rand deposits is the value of Rand banknotes held by the Bank of Namibia. Commercial banks deposit the Rand notes collected at their various branches at the Bank of Namibia. The Bank of Namibia in turn repatriates the said currency to the South African Reserve Bank based on predetermined currency values.

11. OTHER INVENTORY - STATIONERY AND SPARES

	2013 N$'000	2012 N$'000
Opening Balance	2 189	2 424
Purchases current year	464	340
Issues current year	(458)	(571)
Adjustments	-	(4)
Closing Balance	**2 195**	**2 189**

12. OTHER RECEIVABLES

	2013 N$'000	2012 N$'000
Rand compensation receivable – Government	214 730	190 286
Accounts receivable	13 337	60 799
IMF – Special Drawing Rights	98 909	79 983
	326 976	**331 068**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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13. SHARE CAPITAL & CAPITAL MANAGEMENT

	2013 N$'000	2012 N$'000
Authorised share capital		
100 000 000 ordinary shares of N$1 each	**100 000**	**100 000**
Issued share capital		
40 000 000 ordinary shares of N$1 each	**40 000**	**40 000**

The Capital is the amount subscribed by the Government in accordance with Section 14 of the Bank of Namibia Act, 1997. The Bank is not subject to any externally imposed capital requirements however annually the appropriation of the profits is approved by the Government which requires that a minimum percent of the annual profits is transferred to the general reserve which forms part of the Bank's capital.

14. GENERAL RESERVE

	2013 N$'000	2012 N$'000
Opening Balance	812 792	790 082
Appropriation of net profit for the year	22 796	22 710
Closing Balance	**835 588**	**812 792**

The General Reserve is a Statutory Reserve that can be utilised for increasing the paid- up Capital of the Bank, offset losses incurred, fund a Development Reserve and redeem any securities issued by the Bank.

15. FOREIGN CURRENCY REVALUATION RESERVE

	2013 N$'000	2012 N$'000
Opening Balance	1 099 415	826 491
Net foreign exchange (losses)	1 588 896	272 924
Closing Balance	**2 688 311**	**1 099 415**

The Revaluation reserve has been created in accordance with Section 31 of the Bank of Namibia Act, 1997. The Act requires that both realised and unrealised gains and losses be transferred to the Revaluation Reserve account.

16. BUILDING FUND RESERVE

	2013 N$'000	2012 N$'000
Opening Balance	150 000	150 000
Appropriation of net profit for the year	-	-
Closing Balance	**150 000**	**150 000**

This reserve has been created to provide funds for the construction of the Bank's Disaster Recovery and Business Continuity Facility. The Disaster Recovery and Business Continuity Facility was completed in 2013 and on resolution of patent defects claims, the reserve so created will be released to the General Reserve.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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17. DEVELOPMENT FUND RESERVE

	2013 N$'000	2012 N$'000
Opening Balance	25 000	20 000
Appropriation of net profit for the year	-	5 000
Closing Balance	**25 000**	**25 000**

This reserve was established under section 53(1)(a) of the Bank of Namibia Act, 1997 for the purpose of promoting or financing economic development in Namibia.

18. PROVISION FOR POST EMPLOYMENT BENEFITS

The Bank provides post employment medical benefits to retired staff members. A provision for the Liability has been determined based on the Projected Unit Credit Method. The valuation was performed for the year ended 31 December 2013.

	2013 N$'000	2012 N$'000
Opening Liability	44 736	40 273
Interest costs	3 601	3 240
Current service costs	2 230	2 063
Benefit payments	(894)	(840)
Actuarial loss/(gain)	6 633	-
Closing Liability	56 306	44 736
Current portion of post employment benefits obligation	(1 199)	(890)
Non-current portion of post employment benefits obligation	**55 107**	**43 846**

Key assumptions	**2013**	**2012**
Discount rate	9.26 % p.a.	8.13 % p.a
Medical inflation	7.97 % p.a.	6.42 % p.a
Valuation date	31 December 2013	31 December 2010

The effect of a 1% movement in the assumed medical cost trend rate is as follows:	**Increase N$'000**	**Decrease N$'000**
Effect on the aggregate of the current service cost and interest cost	1 247	1 220
Effect on the defined benefit obligation	**57 553**	**55 086**

At 31 December	**2013 N$'000**	**2012 N$'000**	**2011 N$'000**	**2010 N$'000**	**2009 N$'000**
Present value of post retirement benefit obligation	**56 306**	**44 736**	**40 273**	**36 240**	**24 958**

The Banks post retirement plan is unfunded.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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19. NOTES AND COINS IN CIRCULATION

	2013 N$'000	2012 N$'000
Notes	3 218 231	2 611 644
Coins	183 750	161 697
	3 401 981	**2 773 341**

Currency in Circulation represents Namibia banknotes and coins in the hands of the commercial banks and the public at large. The commercial banks are the conduit by which the public have access to currency.

20. DEPOSITS

	2013 N$'000	2012 N$'000
Government of the Republic of Namibia	5 325 103	4 964 288
Government – Euro Bond Issue	-	1 648 166
Domestic bankers' reserve account	703 414	584 895
Domestic bankers' settlement account	866 745	1 626 123
Bank of Namibia 52 day Bills measured at amortised cost	268 754	-
SDR Allocation account	2 116 424	1 711 248
Other – Pre-funded donor funds at cost	19 111	25 355
	9 299 551	**10 560 075**

Banker's reserve and current account balances have no fixed maturity and attract no interest. The Settlement account however attracts interest at the prevailing rate as determined by the Bank of Namibia.

Interest is payable to the Government of the Republic of Namibia on deposits in excess of N$250 million (2012: N$250 million) at the 91 day Treasury Bill rate less a discount of 4.5%.

The Government Euro Bond liability is designated at Fair Value through Profit or Loss and interest earned by the Bank on the equivalent foreign investment is translated and credited to the State account on a monthly basis. The obligation due to the State was redeemed during year 2013.

The Bank issues debt instruments at various maturity dates and discount rates in the form of 52 day Bank of Namibia bills for liquidity management purposes and also to provide secured debt instruments for participants of the Namibian financial markets.

The pre-funded donor funds are monies received on behalf of the Government for various donor funded projects being undertaken in the country. These funds have no maturity dates and attract no interest.

21. TRADE AND OTHER PAYABLES

	2013 N$'000	2012 N$'000
Sundry Creditors	**50 700**	**25 085**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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22. RETIREMENT FUND

Retirement benefits are provided for employees by a separate provident fund, known as the Bank of Namibia Provident Fund, to which the Bank contributes. The provident fund is administered under the Pension Fund Act, 1956 (No. 24 of 1956). The Fund was converted from a Defined Benefit Pension Fund to a Defined Contribution Provident Fund as at 1 March 2000. All employees contribute to the fund. Total Bank's contributions for the year amounted to N$15,813,332.43 (31 December 2012: N$14,711,781.92).

23. TAXATION

No provision for taxation has been made in the annual financial statements as the Bank is exempted from taxation in terms of section 57 of the Bank of Namibia Act, 1997.

24. FINANCIAL INTELLIGENCE CENTRE (FIC)

The Financial Intelligence Centre (FIC) was established in terms of the Financial Intelligence Act, 2007(No 3 of 2007). This Act was repealed in 2012 and replaced by the Financial Intelligence Act of 2012 which came into effect in December 2012. The Act prescribes that the Bank of Namibia shall host the FIC and will be responsible and accountable for all its operational and administrative activities. The operations of the FIC are funded by an annual grant by the Government of the Republic of Namibia to Bank of Namibia. Unutilised Funding surpluses are carried forward and released to the income statement of the following year, however Funding deficits are carried forward as assets and Government funding received in the following year is used to off-set the asset.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The investment of foreign currency (FX) reserves in financial instruments gives rise to exposure to various types of risk which include market, currency, interest rate, credit and liquidity risk. Risk management at the Bank of Namibia, forms an integral part of reserves management within the governance structures of the Bank. International reserves are managed in a three-tier governance structure consisting of the Board of Directors, the Investment Committee and the Financial Markets departments. The Board defines the investment policy of the Bank, which guides the management and investment of the foreign exchange reserves. The Board authority is delegated to the Investment Committee to ensure compliance with the investment mandate. The FMD is responsible for managing the reserves and has a Risk & Analytics section that monitors compliance to assigned risk parameters on daily basis. The types of risk that the foreign currency reserves are exposed to and the Bank's risk management approaches are stated below:

25.1 MARKET RISK

Market risk is the risk of loss or decline in the value of a portfolio resulting from changes in market conditions and macro economic variables such as interest rates, exchange rate and inflation. Bank of Namibia employs duration management, diversification, correlation analysis and risk budgeting to mitigate market risk. In managing the foreign exchange reserves, the Bank follows an enhanced indexation approach which is a combination of passive portfolio management techniques (which aims to construct a portfolio whose risk and return follows those of a defined benchmark) and active management strategy.

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25.1 MARKET RISK (CONTINUED)

25.1.1 INTEREST RATE RISK

Since foreign exchange reserves are invested in fixed income instruments, the Bank is exposed to interest rate risk. This risk refers to the uncertainty that the market value of the securities or portfolios will decline due to changes in market interest rates. Modified duration is the key measure for interest rate risk and quantifies the sensitivity of the value of a fixed income instrument to changes in interest rates. The Bank uses the investment benchmark's target duration as a means of managing the interest rate risk by setting maximum deviation beyond benchmark duration. As at 31 December 2013, the modified durations of the EUR, USD, and ZAR portfolio were 1.839 years, 1.754 years 0.422 years, respectively as opposed to 1.856 years, 2.091 years and 0.715 years, for the respective benchmarks. Both the portfolio's durations were lower than that of their respective benchmark duration. Given the high uncertainties regarding the international financial markets, the Bank of Namibia investment team found it prudent to maintain lower duration in order to keep interest rate risk minimal. The sensitivity analysis tables below measures the impact of a 100 basis points parallel increase in interest rates on both the EUR and USD portfolios for 2013 and compares with portfolio holdings of 2012.

The sensitivity analysis below for 2013 indicates that the portfolios were invested at longer duration in 2013 compared to the duration in 2012.

IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2013

Instrument	Amount invested €'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio €'000	Effect on Income Statement N$'000
Working Capital	18 969	31%	0.000%	0.000	0.000%	0.000%	-	-
Liquidity Tranche	84	0%	0.138%	0.435	1.13800%	(0.435%)	(0)	(4)
Investment Tranche	42 223	69%	0.522%	2.692	1.522%	(2.692%)	(1 137)	(12 701)
	61 275	**100%**	**0.360%**	**1.856**	**-**	**(1.856%)**	**(1 137)**	**(12 705)**

IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO – 2013

Instrument	Amount invested US$'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio US$'000	Effect on Income Statement N$'000
Working Capital	864	1%	0.000%	0.000	0.000%	0.000%	-	-
Liquidity Tranche	20 259	25%	0.059%	0.363	1.059%	(0.363%)	(74)	(623)
Investment Tranche	60 222	74%	0.763%	2.702	1.763%	(2.702%)	(1 627)	(13 787)
	81 344	**100%**	**0.580%**	**2.091**	**-**	**(2.091%)**	**(1 701)**	**(14 410)**

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25.1.1 INTEREST RATE RISK (CONTINUED)

IMPACT OF 100 BASIS POINTS SHOCK ON ZAR PORTFOLIO - 2013[1]

Instrument	Amount invested R'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio R'000	Effect on Income Statement N$'000
Working Capital	2 493 582	61%	0.000%	0.000	0.000%	0.000%	-	-
Liquidity Tranche	307 134	7%	4.969%	0.125	5.969%	(0.125%)	(384)	(384)
Investment Tranche	1 304 503	32%	6.937%	2.223	7.937%	(2.223%)	(28 999)	(28 999)
	4 105 219	**100%**	**2.576%**	**0.716**	**-**	**(0.716%)**	**(29 383)**	**(29 383)**

IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2012

Instrument	Amount invested €'000	Actual Portfolio Weight (%)	Interest Rate (%)	Duration	Yield after 1% Shock	Estimate Total Return (%)	Return Contribution (%)	Effect on Income Statement €'000	Effect on Income Statement N$'000
Working Capital	13 163	7	0.000	0.000	0.000	0.000	0.000	-	-
Liquidity Tranche	34 868	18	0.000	0.000	0.000	0.000	0.000	-	-
Investment Tranche	146 482	75	0.163	2.132	1.163	(2.132)	(1.728)	-	-
	194 513	**100**	**0.163**	**1.605**	**-**	**(2.132)**	**(1.728)**	**(3 123)**	**(34 891)**

IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2012

Instrument	Amount invested US$'000	Actual Portfolio Weight (%)	Interest Rate (%)	Duration	Yield after 1% Shock	Estimate Total Return (%)	Return Contribution (%)	Effect on Income Statement US$'000	Effect on Income Statement N$'000
Working Capital	7 842	7	0.00	0.000	0.000	0.000	0.000	-	-
Liquidity Tranche	33 132	27	0.000	0.497	0.000	0.000	0.000	-	-
Investment Tranche	79 609	66	0.017	0.433	1.017	(0.433)	(0.297)	(4 000)	(33 890)
	120 583	**100**	**0.017**	**0.422**	**-**	**(0.286)**	**(0.297)**	**(4 000)**	**(33 890)**

1 Sensitivity analysis for the ZAR portfolio was not performed for 2012 because all funds were invested on non-interest bearing investments. Investments into bonds and floating rate notes only commenced in January 2013 following the introduction of the ZAR Investment Tranche

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25.1.1 INTEREST RATE RISK (CONTINUED)

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INTEREST RATE REPRICING

The following table summarises the Bank's interest rate exposure in the form of an interest rate repricing table. This shows when the interest rate earned or charged on assets and liabilities are expected to change. The table can therefore be used as the basis for an assessment of the sensitivity of the Bank's net income to interest rate movements.

AS AT YEAR ENDED 31 DECEMBER 2013

N$'000	0 – 3 Months	3 – 12 Months	1 - 5 Years	Non Interest Bearing	Total
Assets					
Property, equipment and intangible assets	-	-	-	310 092	310 092
Inventory	-	-	-	120 906	120 906
Loans and advances - non current	-	-	62 513	-	62 513
Investment	6 989 055	2 484 639	6 138 751	-	15 612 445
Loans and advances - current	-	750	-	-	750
Rand deposits	-	-	-	144 499	144 499
Other receivables	326 976	-	-	-	326 976
Total Assets	**7 316 031**	**2 485 389**	**6 201 264**	**575 497**	**16 578 181**
Equity and Liabilities					
Shareholders' equity	-	-	-	3 769 643	3 765 221
Post employment benefits	-	-	-	56 306	56 306
Note and coins in circulation	-	-	-	3 401 981	3 401 981
Deposits	8 577 026	-	-	722 525	9 299 551
Trade and other payables	50 700	-	-	50 700	50 700
Total Equity and Liabilities	**8 627 726**	**-**	**-**	**10 066 879**	**16 578 181**
Interest rate reprising gap	**(1 311 695)**	**2 485 389**	**6 201 264**	**(9 491 382)**	**-**

AS AT YEAR ENDED 31 DECEMBER 2012

N$'000	0 – 3 Months	3 – 12 Months	1 - 5 Years	Non Interest Bearing	Total
Assets					
Property, equipment and intangible assets	-	-	-	308 076	308 076
Inventory	-	-	-	84 571	84 571
Loans and advances - non current	-	-	45 562	-	45 562
Investment	6 601 307	2 329 329	5 682 192	-	14 612 828
Loans and advances - current	-	2 529	-	-	2 529
Rand deposits	-	-	-	161 233	161 233
Other receivables	331 068	-	-	-	331 068
Total Assets	**6 932 375**	**2 331 858**	**5 727 754**	**553 880**	**15 545 867**
Equity and Liabilities					
Shareholders' equity	-	-	-	2 142 630	2 142 630
Post employment benefits	-	-	-	44 736	44 736
Note and coins in circulation	-	-	-	2 773 341	2 773 341
Deposits	9 949 825	-	-	610 250	10 560 075
Trade and other payables	-	-	-	25 085	25 085
Total Equity and Liabilities	**9 949 825**	**-**	**-**	**5 596 042**	**15 545 867**
Interest rate reprising gap	**(3 017 450)**	**2 331 858**	**5 727 754**	**(5 042 162)**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.1.2. CURRENCY RISK

Foreign exchange reserves are held in foreign currencies and this gives rise to a risk that the reserves will decline in value due to adverse changes in foreign exchange rates. In terms of the Investment policy and guidelines, foreign exchange risk is managed on indexation basis through a currency composition (benchmark) that provides a natural hedge against potential liabilities. The currency composition of the foreign exchange reserves reflects the currency distribution of the country's short-term external debt, imports and other contingent liabilities. The Bank's foreign reserves are divided into three tranches, namely: Working capital, Liquidity and Investment Tranche which in return are composed of different currencies. For the year 2013, which remains the same as for 2012, the following was the benchmark portfolio used to manage this risk. The currency composition of reserves is determined using the liability approach whereby the potential calls on the reserves form the basis for the respective currency allocations (i.e. contingent liabilities).

Instruments	ZAR Portfolio	USD Portfolio	EUR Portfolio
Working Capital	500 mil - 2500 mil	0 mil – 10mil	0 mil – 5 mil
Liquidity Tranche (%)	35	30	35
Investment Tranche (%)	0	30	70

Risk-return preferences per tranche

Tranche	Horizon	Objective
Working Capital	0-3 Months	Provide Liquidity, No negative returns allowed on any period (100% Cash)
Liquidity	1 Year	Maximize returns subject to avoiding negative returns at 99% confidence (as measured on an annual basis)
Investment	1 Years	Maximize returns subject to a negative return of 100 bps with 95% probability (as measured on an annual basis)

The effect of Namibia dollar exchange rates against the foreign currencies can have an impact on the level of foreign currency reserves in terms of the reporting currency. For instance, with the foreign reserves at N$9.5 billion based on an USD/NAD exchange rate of 8.5 and EUR/NAD exchange rate of 10.5, a 10 percent depreciation in both the two exchange rates by 10 percent would result in an increase of reserves to N$10.45 billion. On the other hand a 10 percent appreciation would result in a decrease in foreign reserves to N$7.65 billion. The Namibia Dollar is pegged to the South African Rand at one to one parity and hence there is no currency risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.1.2 CURRENCY RISK (CONTINUED)

AT 31 DECEMBER 2013 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Property,equipment and intangible assets	310 092	-	-	-	-	310 092
Currency inventory – notes and coins	118 711	-	-	-	-	118 711
Loans and advances - non current	62 513	-	-	-	-	62 513
Investment	-	6 692 116	1 679 632	6 864 070	376 627	15 612 445
Loans and advances - current	750	-	-	-	-	750
Rand deposits	-	144 499	-	-	-	144 499
Other inventory – stationery & spares	2 195	-	-	-	-	2 195
Other receivables	13 337	214 730	-	-	98 909	326 976
Total Assets	**507 598**	**7 051 345**	**1 679 632**	**6 864 070**	**475 536**	**16 578 181**
Liabilities						
Post employment benefits	56 306	-	-	-	-	56 306
Note and coins in circulation	3 401 981	-	-	-	-	3 401 981
Deposits	7 164 016	-	-	-	2 135 535	9 299 551
Trade and other payables	50 700	-	-	-	-	50 700
Total Liabilities	**10 673 003**	**-**	**-**	**-**	**2 135 535**	**12 808 538**
Net Balance Sheet position	**(10 165 405)**	**7 051 345**	**1 679 632**	**6 864 070**	**(1 659 999)**	**3 769 643**

AT 31 DECEMBER 2012 THE BANK HAD THE FOLLOWING CURRENCY POSITION EXPOSURES

	N$ '000	ZAR '000	Euro '000	US$ '000	Other '000	Total N$'000
Assets						
Property, equipment and intangible assets	308 076	-	-	-	-	308 076
Currency inventory – notes and coins	82 382	-	-	-	-	82 382
Loans and advances - non current	45 562	-	-	-	-	45 562
Investment	-	5 474 834	3 182 744	5 608 696	346 554	14 612 828
Loans and advances - current	2 529	-	-	-	-	2 529
Rand deposits	-	161 233	-	-	-	161 233
Other inventory – stationery & spares	2 189	-	-	-	-	2 189
Other receivables	57 473	193 612	-	-	79 983	331 068
Total Assets	**498 211**	**5 829 679**	**3 182 744**	**5 608 696**	**426 537**	**15 545 867**
Liabilities						
Post employment benefits	44 736	-	-	-	-	44 736
Note and coins in circulation	2 773 341	-	-	-	-	2 773 341
Deposits	8 823 472	-	-	-	1 736 603	10 560 075
Trade and other payables	25 085	-	-	-	-	25 085
Total Liabilities	**11 666 634**	**-**	**-**	**-**	**1 736 603**	**13 403 237**
Net Balance Sheet position	**(11 168 423)**	**5 829 679**	**3 182 744**	**5 608 696**	**(1 310 066)**	**2 142 630**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.2. LIQUIDITY RISK

Liquidity risk is the risk that the Bank will fail to meet its foreign exchange obligations when they fall due or the possibility that the Bank will incur huge capital losses when it disposes its securities in the secondary market. Liquidity is the second most important foreign exchange reserves management objective after capital preservation and the Bank seeks to maintain sufficient liquidity by investing in securities with an active secondary market. As at 31 December 2013, 84 percent of investments could be liquidated within two working days, reflecting the highly liquid nature of the portfolio.

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2013

N$'000	0 – 3 Months	4 – 12 Months	1 - 5 Years	No maturity	Total
Assets					
Property, equipment and intangible assets	-	-	-	310 092	310 092
Inventory	-	-	-	120 906	120 906
Loans and advances - non current	-	-	62 513	-	62 513
Investment	6 989 055	2 484 639	6 138 751	-	15 612 445
Loans and advances - current	-	750	-	-	750
Rand deposits	-	-	-	144 499	144 499
SDR Holdings -IMF	-	-	-	98 909	98 909
Other receivables	228 067	-	-	-	228 067
Total Assets	**7 217 122**	**2 485 389**	**6 201 264**	**674 406**	**16 578 181**
Equity and Liabilities					
Shareholders' equity	-	-	-	3 769 643	3 769 643
Post employment benefits	-	-	-	56 306	56 306
Note and coins in circulation	-	-	-	3 401 981	3 401 981
Deposits	6 460 602	-	-	722 525	7 183 127
SDR Allocation - IMF	-	-	-	2 116 424	2 116 424
Trade and other payables	50 700	-	-	-	50 700
Total Equity and Liabilities	**6 511 302**	**-**	**-**	**10 066 879**	**16 578 181**
Liquidity sensitivity gap	**705 820**	**2 485 389**	**6 201 264**	**(9 392 473)**	**-**
Cumulative liquidity sensitivity gap	**705 820**	**3 191 209**	**9 392 473**	**-**	**-**

LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2012

N$'000	0 – 3 Months	4 – 12 Months	1 - 5 Years	No maturity	Total
Assets					
Property, equipment and intangible assets	-	-	-	308 076	308 076
Inventory	-	-	-	84 571	84 571
Loans and advances - non current	-	-	45 562	-	45 562
Investment	7 236 808	2 995 150	4 380 870		14 612 828
Loans and advances - current	-	2 529	-	-	2 529
Rand deposits	-	-	-	161 233	161 233
SDR Holdings -IMF	-	-	-	79 983	79 983
Other receivables	190 286	-	-	60 799	251 085
Total Assets	**7 427 094**	**2 997 679**	**4 426 432**	**694 662**	**15 545 867**
Equity and Liabilities					
Shareholders' equity	-	-	-	2 142 630	2 142 630
Post employment benefits	-	-	-	44 736	44 736
Note and coins in circulation	-	-	-	2 773 341	2 773 341
Deposits	8 238 577	-	-	610 250	8 848 827
SDR Allocation - IMF	-	-	-	1 711 248	1 711 248
Trade and other payables	25 085	-	-	-	25 085
Total Equity and Liabilities	**8 263 662**	**-**	**-**	**7 282 205**	**15 545 867**
Liquidity sensitivity gap	**(836 568)**	**2 997 679**	**4 426 432**	**(6 587 543)**	**-**
Cumulative liquidity sensitivity gap	**(836 568)**	**2 161 111**	**6 587 543**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.3 CREDIT RISK

This is the risk that the Bank's counterparty will default on its contractual obligations resulting in a financial loss to the Bank. With safety of principal being the foremost investment objective, the Bank seeks to manage credit risk by investing in money market instruments issued by counterparts with a minimum short-term credit rating of F2. Longer-dated fixed income instruments are limited to issues by members of the Group of 7 Nations (G7), Organisation for Economic Cooperation and Development (OECD) and the Republic of South Africa with a minimum credit rating of BBB- by Fitch Rating Agency or equivalent by Standard & Poor (BBB-) and Moody's (Baa3).

Detailed below is a table which provides rating information on institutions where the Bank invests its funds:

NAME OF ISSUER	LT FITCH RATING
EUROPEAN INVESTMENT BANK (EIB)	A+
INVESTEC BANK LIMITED	BBB+
FIRSTRAND BANK LIMITED	BBB
AFRICAN BANK	BBB
TRANSNET SOC LIMITED	BBB
LAND & AGRICULTURAL BANK OF SA	BBB
SOUTH AFRICAN NATL RDS	BBB
DEVELOPMENT BANK SA	BBB
SOUTH AFRICAN AIRPORT CO	BBB
SOUTH AFRICAN GOVERNMENT	BBB
CROWN AGENTS	BBB+
NEDBANK LONDON	BBB
BLUE TITANIUM CONDUIT	AA (zaf)
CLEARSTREAM	AA
SIRESS RTL ACCOUNT (ZAR)	BBB
KINGDOM OF SWEDEN	AAA
DUTCH GOVERNMENT	AAA
AUSTRIAN GOVERNMENT	AAA
BELGIUM GOVERNMENT	AA
FRENCH GOVERNMENT	AAA
KOMMUNINVEST I SVERIGE	AAA
BK NEDERLAND GEMEEND	AAA
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD,NEW YORK	AA-
NORDEA BANK AB	AA-
HSBC BANK PLC	AA-
RABOBANK NETHERLANDS	AA-
TORONTO-DOMINION BANK	AA-
US GOVERNMENT	AAA
BARCLAYS CAPITAL	A+
CREDIT SUISSE	A
ABBEY NATIONAL	A
DANKSKE BANK	A
CLYDESDALE BANK	A
NEDBANK GROUP	BBB
BIS	AAA
JP MORGAN CHASE	A+
COMMERZBANK AG	A+
BANK OF ENGLAND	AAA
SARB	BBB
FED RESERVE	AAA
IMF	AAA
STD CHART BANK LOND	AA-
NORDBANKEN CURRENT	A
UBS AG ZURICH	A
BANK OF TOKYO SETTL.	AA
WESTPAC BANK CORP	AA-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.3 CREDIT RISK (CONTINUED)

The table below shows the maximum exposure to credit risk for the financial instruments held. The maximum exposure is shown gross, before the effect of any mitigating factors.

INSTITUTIONAL CREDIT RISK RATING ANALYSIS

RAND INVESTMENTS	CREDIT RATING	2013 N$'000	2012 N$'000
AFRICAN BANK LIMITED	Baa3	303 587	-
BLUE TITANIUM CONDUIT (PTY) LTD	AA (zaf)	51 149	-
CLEARSTREAM BANKING	AA	40 953	-
CROWN AGENTS	BBB+	267 017	511 034
CORPORATE FOR PUBLIC DEPOSITS (CPD)	BBB	2 650 917	1 876 926
DEVELOPMENT BANK OF SOUTHERN AFRICA	BBB	7 519	-
EUROPEAN INVESTMENT BANK (EIB)	A2	205 826	-
FIRSTRAND BANK LTD	BBB	38 433	-
INVESTEC BANK LTD	BBB+	98 810	-
LAND & AGRIC BANK SOUTH AFRICA	BBB	43 737	-
NEDBANK LIMITED SA	BBB	245 000	-
SOUTH AFRICAN RESERVE BANK	BBB	140	(25)
SIRESS	BBB	901	-
AIRPORT COMPANY OF SOUTH AFRICA	BBB	1 978	-
SOUTH AFRICAN GOVERNMENT	BBB	480 303	-
STANDARD CHARTERED BANK	AA-	-	296 505
SOUTH AFRICAN NATIONAL ROADS AGENCY	BBB	14 035	-
TRANSNET LIMITED	BBB	60 318	-
STANDARD BANK SOUTH AFRICA	BBB	686	8
CADIZ ASSET MANAGEMENT LTD	NR	1 091 927	1 296 080
INVESTEC ASSET MANAGEMENT LTD	NR	1 088 880	1 494 306
		6 692 116	**5 474 834**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.3 CREDIT RISK (CONTINUED)

NON-RAND INVESTMENTS	CREDIT RATING	2013 N$'000	2012 N$'000
ABBEY NATIONAL TREASURY SERVICES PLC	A	270 939	307 987
AUSTRALIA & NEW ZEALAND BANKING GROUP	AA-	99 173	-
GOVERNMENT OF AUSTRIA	AAA	37 177	-
BARCLAYS CAPITAL	A+	726 096	-
GOVERNMENT OF KINGDOM BELGIUM	AA	110 912	-
BANK FOR INTERNATIONAL SETTLEMENT	AAA	10	546 929
BANK OF NAMIBIA	BBB-	-	124
BK BANK NEDERLANDSE GEMEENTEN	AAA	15 673	-
CLEARSTREAM BANKING	AA	33 595	41 192
SOUTH AFRICAN RESERVE BANK	BBB	-	-
CITI BANK	A	106	-
CLYDESDALE BANK PLC	A	522 267	-
COMMERZBANK AG	A+	271 260	428
CREDIT SUISSE AG	A	129 852	-
DANSKE BANK	A	270 939	289 666
EUROPEAN INVESTMENT BANK (EIB)	AAA	129 894	273 574
FEDERAL RESERVE BANK	AAA	11 484	199 814
GOVERNMENT REPUBLIC OF FRANCE	AA+	138 875	-
CRÉDIT AGRICOLE CORPORATE	A+	-	120 750
CITI BANK	A	106	46
HSBC BANK PLC	AA-	62 975	-
JP MORGAN CHASE EUROP LIMITED	A+	74 913	513 030
KINGDOM OF DENMARK GOVERNMENT	AAA	20 787	-
THE KINGDOM OF SWEDEN	AAA	43 408	-
GOVERNMENT OF NETHERLANDS	AAA	-	-
NEDBANK LIMITED SA	BBB	-	-
NORDEA BANK AB	AA-	23 036	-
RABOBANK INTERNATIONAL LONDON	AA-	181 350	335 086
THE TORONTO-DOMINIOIN BANK	AA-	108 101	-
US GOVERNMENT	AAA	377 161	420 379
WESTPAC	AA-	69	8
NORDBANKEN	A	15	62
BANK OF TOKYO	AA	78	76
UBS	A	57	54
US AGENCIES	AAA	676	-
BANK OF ENGLAND	AAA	256	64
STANDARD CHARTERED BANK	AA-	14	11
SOCIETY GENERALE BANK	A+	-	99 021
ROYAL BANK OF SCOTLAND	A	-	410 280
GERMANY GOVERNMENT	AAA	-	1 298 285
ALLIANZ GLOBAL INVESTORS	NR	2 074 901	1 695 511
BLACKROCK INVESTMENT MANAGEMENT LTD	NR	2 080 207	1 693 557
SBSA - BANK OF NAMIBIA - USD CASH ACCO		153	-
WORLD BANK RESERVES MANAGEMENT	NR	1 103 831	891 787
SWIFT SHARES	A+	(17)	273
		8 920 329	**9 137 994**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.3 CREDIT RISK (CONTINUED)

The Bank invests/buys securities in reputable institutions who are rated by Fitch, Moody's and Standard & Poor rating agencies. The Bank's credit risk exposure has remained static and movements in the fair values of our external portfolio investments were as a result of movements in interest rate risk, foreign exchange risk, etc.

25.4 SETTLEMENT RISK

This is the risk that the Bank is exposed to when settling or clearing transactions. The Bank faces this risk when the counterparty in the dealing contract fails to settle or clear transactions where the exchange of cash, securities is not instantaneous. This risk is of particular significance as foreign exchange transactions are settled only two days after the deal date, and uncertain events within these two days could have a negative impact on the Bank. In order to control this risk, the Bank has imposed settlement limits so as to limit the bank's exposure to counterparty at any given time in the deal cycle. For foreign exchange transactions entered into by the Bank, settlement limits will be 60 percent of maximum counterparty limit.

25.5 OPERATIONAL RISK

Like any other institutions, the Bank is exposed to operational risk, which is the risk of financial losses or damage to the Bank's reputation resulting from one or more risk factors such as human factors, failed or inadequate processes, failed or inadequate systems and external events.

These factors are defined in details as follows:

- Human Factors: insufficient personnel, lack of knowledge, skills or experience, inadequate training and development, inadequate supervision, loss of key personnel, inadequate succession planning or lack of integrity or ethical standards.
- Failed or inadequate processes: a process is poorly designed or unsuitable, or not properly documented, understood, implemented, followed or enforced.
- Failed or inadequate systems: a system is poorly designed, unsuitable or unavailable or does not operate as intended.
- External events: the occurrence of an event having an adverse impact on the Bank but outside its control.

The operational risk at the Bank is managed by having a suitable operational organizational structure with clear segregation of duties as well as defined built-in systematic controls. Bank wide operations manuals are in place to be followed by staff. The Bank wide business continuity plans which clearly states effective disaster recovery plans are currently being developed.

25.6 OPERATIONAL RISK

In as far as the treasury operations are concerned the Bank ensures that dealers and analysts are well trained in instruments in which they are trading and that the systems they need to operate on is in place. The Bank also makes sure that all investment officers are aware of procedures in place and have access to relevant documents. The Financial Markets Department Director reviews all procedures, documentation requirements and the operational practices.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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25.6 LEGAL RISK

Legal risk is the risk arising from failure to comply with statutory or regulatory obligations. Legal risk also comes about if the rights and obligations of parties involved in a payment are subject to significant uncertainty, for example if a payment participant declares bankruptcy. Legal disputes that delay or prevent the resolution of payment settlement can cause credit, liquidity, or reputation risks at individual institutions. Legal risk also results from a financial institution's failure to comply with the bylaws and contractual agreements established with the counter-parties with which it participates in processing, clearing, and settling payment transactions. The Bank therefore manages this risk by having appropriate documentation and using the market-customary, standard master-agreements where possible.

25.7 COLLATERAL

The Bank provides overnight and seven day loans (Repo's) to Commercial Banks to cover for temporary liquidity shortages. The commercial banks pledge eligible securities in the form of Government bonds, treasury bills, etc, as collateral for this facility. The Bank is not permitted to sell or re-pledge these securities in the absence of default from the said commercial banks. As at 31 December 2013 there were no overnight repo's granted to commercial banks.

25.8 CREDIT LOSSES

The Bank's financial assets were not impaired as a consequence of credit losses, however when instances of this nature occur the Bank records the impairment in a separate impairment account rather than directly reducing the carrying amount of the concerned assets.

25.9 DEFAULTS AND BREACHES

The Bank did not default on any of its loan commitments both during the current and previous financial year.

26. CAPITAL COMMITMENTS

	2013 N$' 000	2012 N$' 000
Contracted	-	32 000

27. RELATED PARTY INFORMATION

During the year the Bank, in its ordinary course of business, entered into various transactions. These transactions were under taken on commercial terms and conditions. The Bank of Namibia Act, 1997 prescribes that the emoluments of the Governor, Deputy Governor and Board members be determined by the Minister of Finance. The emoluments of the Board members are primarily sitting fees and the annual stipend. The Governor and the Deputy Governor's emoluments are all inclusive packages which comprises of salaries, pension contributions, medical aid and leave pay. The gross emoluments of executive, senior management and Board members are detailed below. Transactions with the Namibian Government who is the sole shareholder of the institution are detailed in note 1.16 of this report. Note 24 provides more information on the Financial Intelligence Centre.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

27. RELATED PARTY INFORMATION (CONTINUED)

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Gross Emoluments	Salaries	Retirement Benefit	Medical Aid Benefit	Total 2012	Total 2011
	N$'000	N$'000	N$'000	N$' 000	N$'000
Executive Management					
Governors'	4 702	736	147	5 585	4 754
Senior Management	9 137	1 103	389	10 629	10 145
Non-Executive Board					
Mr V Malango				86	85
Mr F Kisting				46	78
Ms O Netta				2	-
Dr NK Shivute				-	-
Dr O Kakujaha- Matundu				75	82
Ms E B Shafudah				-	-
Ms C v/d Westhuizen				79	54

There were no other related party transactions with either the executive management and non-executive Board members.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2013

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013 (IN COMPLIANCE WITH THE BANK OF NAMIBIA ACT, 1997)

	Notes	2013 N$'000	2012 N$'000
Net interest income		**254 088**	**150 927**
Interest income	2	345 506	255 833
Interest expense	2	(91 418)	(104 906)
		253 035	**210 370**
Rand Compensation Income	2	214 618	190 174
Other income	2	38 417	20 196
Total income		**507 123**	**361 297**
Operating expenses	2	(301 292)	(268 200)
Net (loss)/gain on investment portfolio		(148 502)	(39 301)
Profit for the Year		**57 329**	**53 796**
Other Comprehensive Income		-	-
Total Comprehensive Profit for the Year		**57 329**	**53 796**
Transfer to Unrealised Gain Reserve		(24 763)	(721)
Net Profit for the Year		**32 566**	**53 075**
Profits available for Distribution		**32 566**	**53 075**
State revenue fund		9 770	25 365
General reserve	14	22 796	22 710
Building fund reserve	16	-	5 000

Part C

Economic and Financial Developments in 2013

Content | C

SELECTED FINANCIAL AND ECONOMIC INDICATORS

	2009 Actual	2010	2011	2012	2013 Estimates*
(Annual percentage change)					
Real GDP growth	-1.1	6.3	5.7	5.0	4.4
GDP deflator	4.0	1.6	7.1	11.5	6.4
Consumer price inflation (period average)	9.5	4.9	5.0	6.7	5.6
Consumer price inflation (end-of-period)	7.9	3.1	7.4	6.4	4.9
Exports	-0.3	11.8	8.8	12.2	25.0
Imports	8.1	2.6	6.9	33.5	19.4
Real effective exchange rate[8]	12.5	16.1	0.7	-3.8	-4.5
Private sector credit	10.0	10.8	9.9	17.0	14.3
Net claims on central government	-1.9	7.0	2.1	135.7	-120.6
Broad money supply	70.0	9.0	11.7	4.1	12.8
(In percent of GDP, unless otherwise stated)					
Investment	22.4	21.1	20.0	23.4	25.8
Public	5.8	6.8	9.2	7.9	7.4
Private	16.6	14.2	10.9	15.5	18.4
Savings	22.4	21.1	20.0	23.4	25.8
External	1.7	3.2	3.0	6.3	4.6
Domestic	20.6	17.9	16.9	17.1	21.2
Public	6.9	2.3	0.3	2.4	5.5
Private	13.7	15.7	16.6	14.7	15.7
Public Finance					
Overall government deficit[9]	-1.2	-4.6	-7.0	-0.1	-3.0
Public debt outstanding	17.6	15.5	27.0	23.8	23.9
Public guaranteed debt outstanding	3.4	2.9	2.0	2.0	6.0
External Sector					
Current account balance	-1.7	-4.3	-3.3	-7.5	-6.2
excluding official transfers	-14.9	-15.2	-12.3	-19.4	-18.6
Gross official reserves					
In million of Namibia Dollar	13,828.1	10,207.8	14,753.4	14,729.2	15,709.5
In million of US Dollar	1,846.4	1,494.7	1,762.3	1,705.1	1,515.3
in months of imports	4.0	2.9	3.8	3.0	2.6
External debt[10]	20.8	25.4	41.0	32.7	33.9
Exchange rate to US Dollar (end-of period)	7.4894	6.8294	8.1745	8.6385	10.3675
Exchange rate to US Dollar (period average)	8.4371	7.3303	7.2531	8.2099	9.6502
GDP at current market prices (N$ million)	**75,070**	**81,016**	**91,658**	**107,323**	**121,126**
Fiscal GDP (N$ million)	**76,557**	**83,677**	**95,575**	**110,775**	**124,859**

* While most of the data for 2013 are estimates, where possible actual data have been used.

Sources: MoF, BoN and NSA

8 A decrease in Real effective exchange rate index means that the national currency depreciated, reflecting a gain in the competitiveness of the Namibian products in the international market. An increase in the index on the other hand, represents an effective appreciation of the national currency, indicating a loss in competitiveness of the local products in the international market.

9 These are fiscal year data, starting from the 2009/10 - 2013/14 financial years.

10 Includes government, parastatals and private sector debt

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SUMMARY OF ECONOMIC AND FINANCIAL DEVELOPMENTS

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The global economy was relatively weak at the start of 2013, but strengthened in the second half of the year as growth in advanced economies picked up and emerging market economies performed better than expected. Weak domestic demand among the advanced economies and weak export demand restrained global growth. Nevertheless, stronger than anticipated inventory demand in the advanced economies, supported by a pick up in exports by emerging market economies boosted global growth in the latter part of 2013. Firm growth levels in China and Sub-Saharan Africa, the rebound in Brazil as well as India's growth, resulted in the emerging market and developing economies being the mainstay of global growth in 2013. The global economy is expected to improve modestly in 2014, although these projections could be offset by contractionary monetary and fiscal policies across many countries as well as mild growth in China.

Financial markets bounced back in 2013, but remained tight in the emerging and developing economies, due to worries over the magnitude and effects of the US Federal Reserve's plan to start phasing out the quantitative easing (QE) bond buying program. Financial conditions improved in the advanced economies and did not change much after the US Federal Reserve announced the beginning of the tapering of its QE program in May 2013. In emerging markets, however, financial conditions remained tighter following this announcement. Consequently, equity prices in emerging and developing economies weakened in the early part of the year but strengthened towards the end of 2013, while sovereign bond yields increased, and currencies remained under pressure.

The monetary policy environment remained relatively relaxed, although it deviated among the emerging and developing economies, while prices of non-energy commodities declined. Continued low inflation levels among the majority of the advanced economies allowed relaxed monetary policy stances, amid deflation fears. The situation was, however, mixed for the emerging markets and developing economies, where some countries tightened monetary policy stances in reaction to inflationary pressures.

On the domestic front, the Namibian economy is estimated to have grown by 4.3 percent in 2013, compared to 5.0 percent in 2012. The estimated growth is accredited to the construction sector along large private sector projects, notably in the mining sector and business facilities, coupled with a large public works programme. Contrarily, the experienced protracted drought that was experienced during the year adversely affected the agriculture and electricity generation sectors. The tertiary sector grew mainly due to strong domestic demand that sustained the expansion of wholesale and retail trade activities.

Namibia's average consumer price inflation rate decreased from 6.7 percent in 2012 to 5.6 percent in 2013, mainly due to a reduction in food and transport inflation. The inflation rate averaged around 6.0 percent between January and June, before declining to 4.4 percent in November. A marginal increase in overall inflation in December to 4.9 percent reflected an increase in food and non-alcoholic beverages during that month.

During 2013, the Bank retained its accommodative monetary policy stance to support the domestic economy in the context of a fragile external environment. The repo rate remained unchanged at 5.5 percent throughout 2013, following a cut of 50 basis points in August 2012. Average deposit rates and lending rates slightly declined to 3.96 percent and 8.20 percent, respectively, from 4.0 percent and 8.57 percent, in 2012. The annual growth in credit extended to the private sector, slowed to 14.3 percent from 17.0 percent in the previous year. This slower growth in private sector credit was mainly driven by a slowdown in credit to business.

Government's fiscal position remained strong during 2013/14, although a slightly higher budget deficit was recorded, compared to a balanced budget estimated in 2012/13. Revenue and grants, increased significantly during 2013/14 driven mainly by increases in taxes on income and profits and individual income tax, as well as increases in SACU receipts. Notwithstanding the implemented tax relief during 2013/14, tax revenue has increased markedly and it is projected to increase in the medium term (as a share of GDP). Expenditure also increased during the year under review, as reflected in both capital and operational spending. Namibia's debt stock increased in nominal terms during 2013, but remained unchanged at around

24.0 percent of GDP, well below the Government's debt ceiling of 35 percent of GDP.

During 2013, the overall balance of payments recorded a surplus of N$598 million, compared to a surplus of N$231 million in 2012, as sizeable financial inflows in the capital and financial account more than compensated for a widening external current account balance. The 2013 current account deficit was however lower than that registered in 2012.

During 2013, the stock of *international reserves* held by the Bank increased by 6.7 percent to N$15.7 billion due to the higher net inflows of funds and valuation adjustments. The increase in reserves mainly emanated from a rise in the net sales of Rand by the commercial banks as well as valuation adjustments that resulted from further depreciation of the Namibia Dollar against major trading currencies in 2013. Over the same period, imports rose faster than the accumulation of reserves, causing the import cover to decrease from 3.1 months in 2012 to 2.7 months in 2013. The months of import cover was slightly below the international benchmark of 3.0 months.

The Namibia Dollar/Rand weakened against the US Dollar, British Pound and Euro during 2013, resulting in gains in external competitiveness for Namibia. On the domestic front, the weakening of the Namibia Dollar/Rand emanated from negative sentiments that arose from labour unrests in South Africa's manufacturing and mining sectors. Furthermore, pressure was exerted on the currency by economic challenges in South Africa linked to vulnerable average budget deficit figures of around 5.0 percent of GDP since 2009 and a widening current account deficit nearing 7.0 percent of GDP since 2012. On the global front, the appreciation of the US Dollar against the Namibia Dollar/Rand and other emerging market currencies was driven by some improved economic data in the US, leading to expectations that the US Federal Reserve would commence tapering off its QE program in late 2013.

GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

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The global economy was weak in the first half of the year, but strengthened in the second half, as growth in advanced economies picked up, and emerging market economies performed better than expected. The improvements in the latter part of 2013 were mainly boosted by stronger-than-anticipated investment and inventory demand in the advanced economies, coupled with a pick-up in exports by emerging market economies. China's economic growth remained broadly constant amid changes from an investment and export driven model to a consumption driven model. Notwithstanding the rebound in the second half of 2013, global output growth is expected to moderate marginally to 3.0 percent down from 3.1 percent in 2012, largely due to a base effect of the 2012 recovery (Table C.1). Looking ahead, global economic activity is expected to improve modestly in 2014, although these prospects could be undermined by tightening monetary policies and fiscal consolidation across countries, and slow growth in China.

During 2013, financial markets rebounded in advanced economies, but remained tight in the emerging markets, due to concerns over the magnitude of the tapering of quantitative easing measures by the US Federal Reserve. Financial conditions were generally better in the advanced economies and did not change much in the face of the US Federal Reserve's announcement to begin tapering its QE measures. However, financial market conditions were volatile in emerging market economies following the US tapering suggestions in May 2013. As a result, equity prices in the emerging and developing economies weakened initially, although they have strengthened towards the end of 2013, while sovereign bond yields increased and currencies remained under pressure.

Across nations, the monetary policy environment remained relatively accommodative, although it was divergent among the emerging and developing economies, while the prices of non-energy commodities declined. Among the majority of the advanced economies, continued concerns over the revival of the economy and reduction in unemployment rates underpinned relaxed monetary policy stances, amid deflation worries. The situation was, however, mixed for the emerging markets and developing economies, with some countries (e.g. Brazil) tightening their monetary policy stances in response to inflationary pressures and/or in support of their currencies in the event of sizeable capital outflows triggered by the US Federal Reserve's tapering of its QE program, while others kept leading central bank interest rates unchanged.

Table C. 1: World economic output (annual percentage change)

	2009	2010	2011	2012	2013(est)	2014(proj)
World Output	-0.4	5.2	3.9	3.1	3.0	3.7
Advanced Economies	-3.4	3.0	1.7	1.4	1.3	2.2
USA	-2.8	2.5	1.8	2.8	1.9	2.8
Euro Area	-4.4	2.0	1.5	-0.7	-0.4	1.0
Germany	-5.1	3.9	3.4	0.9	0.5	1.6
Spain	-3.8	-0.2	0.1	-1.6	-1.2	0.6
UK	-5.2	1.7	1.1	0.3	1.7	2.4
Japan	-5.5	4.7	-0.6	1.4	1.7	1.7
Other Advanced Economies	-2.3	4.5	2.6	1.9	2.2	3.0
Emerging Markets Economies	3.1	7.5	6.2	4.9	4.7	5.1
Sub-Saharan Africa	2.6	5.6	5.5	4.8	5.1	6.1
Angola	2.4	3.4	3.9	5.2	5.6	6.3
Botswana	-7.8	8.6	6.1	4.2	3.9	4.1
South Africa	-1.5	3.1	3.5	2.5	1.8	2.8
Zambia	6.4	7.6	6.8	7.2	6.0	6.5
Zimbabwe	8.9	9.6	10.6	4.4	3.2	3.6
Developing Asia	7.7	9.8	7.8	6.4	6.5	6.7
Russia	-7.8	4.5	4.3	3.4	1.5	2.0
China	9.2	10.4	9.3	7.7	7.7	7.5
India	8.5	10.5	6.3	3.2	4.4	5.4
Brazil	-0.3	7.5	2.7	1.0	2.3	2.3

Source: IMF World Economic Outlook January 2014.

OUTPUT GROWTH AND OUTLOOK BY MAIN REGIONS AND ECONOMIC BLOCS

Collectively, the advanced economies are estimated to have grown by 1.3 percent in 2013, compared to 1.4 percent in 2012. The marginal slowdown is largely due to continued recession in the Euro Area and weaker than expected performance of the US economy, which was constrained by fiscal consolidation, thus cutting back overall growth for the advanced economies. The US economy is estimated to have grown by 1.9 percent, down from 2.8 percent in 2012. The political stalemate on the federal budget, which caused a partial Government shutdown also negatively, impacted growth during 2013. Unemployment in the US declined to 6.7 percent at the end of December 2013, the lowest level since 2008. The US economy is expected to grow to 2.8 percent in 2014 due to improved domestic demand and the reduction in fiscal drag following the federal budget agreement.

The stimulus measures of Japan resulted in improved economic performance in 2013, notwithstanding the fiscal drag. The Japanese economy grew by 1.7 percent in 2013, up from 1.4 percent in the previous year, on the basis of an accommodative monetary policy stance aimed at reversing earlier deflationary trends. These policies offset the drag on growth, caused by the consumption tax increases implemented in 2013. Unemployment remained unchanged at 4.0 percent at the end of 2013, above its long term average of 2.7 percent. Economic activity in Japan is expected to remain constant in 2014, due to the tightening of the fiscal policy and the unwinding of the recent monetary stimulus along the implementation of consumption tax hikes.

The UK economy posted one of the strongest recoveries among European economies, due to easier credit conditions and improved confidence. Growth in the UK is expected to post improved economic performance in 2013 at an estimated growth of 1.7 percent, up from 0.3 percent recorded in 2012. The surge in growth reflected strong consumption growth, while unemployment fell to 7.1 percent at the end of November 2013. Overall economic growth is expected to improve to 2.4 percent in 2014, based on a firming of the global economic performance.

The Euro Area was estimated to have registered negative growth for 2013, thereby remaining in a recession, with looming evidence of deflation. IMF estimates indicate that real GDP for the Euro Area grew by -0.4 percent in 2013. The Euro Area continued to face weak demand causing uncertainty about growth prospects for the region. Weak bank balance sheets also continued to weaken the transmission of the accommodative monetary policy by the European Central Bank (ECB). Growth in the Euro Area is expected to strengthen to 1.0 percent in 2014, although the recovery is expected to be modest among countries that are under stress, such as Spain and Italy. The monetary area is currently facing looming deflation, with core inflation hovering below 1.0 percent on an annual basis.

Output growth among the emerging market economies is anticipated to have slowed slightly, although performance was better than anticipated. Overall growth in the emerging market economies slowed further to 4.7 percent in 2013, from 4.9 percent in 2012. India and Brazil posted improved growth performance during 2013 (Table C.1). China's growth is estimated to have remained at 7.7 percent, while Russia and South Africa are expected to have recorded lacklustre growth rates during 2013. India's growth was supported by strong export and structural policies supporting investment. Going forward, growth in emerging markets and developing economies is expected to improve as a result of improved global growth. In China, however, growth is expected to slow to 7.5 percent in 2014, amid slowing investment and mounting public debt.

Sub-Sahara Africa is estimated to have recorded robust growth in 2013, on the back of strong domestic demand. Growth is expected to be at 5.1 percent in 2013 up from 4.8 percent in 2012. This growth is anticipated to be particularly strong in oil-producing countries, such as Angola (5.6 percent), which benefited from a recovery in oil production and the relatively high oil prices. Oil prices also underpinned Nigeria's strong growth of 6.2 percent. South Africa's growth slowed due to labour unrest, weak private investment and weak growth in consumption. South Africa's currency suffered a steep decline while the bond yields increased, due to financial market volatility combined with domestic economic vulnerabilities ignited by labour unrest in the manufacturing and mining sectors. The economies of Zambia and Botswana are also expected to experience a slowdown in 2013 (Table C.1).

MONETARY POLICY STANCE AND INTEREST RATE DEVELOPMENTS

The modest economic recovery and low inflation among the majority of the advanced economies resulted in monetary authorities maintaining accommodative policy stances in 2013. The US, Canada, and the UK kept their policy rates unchanged throughout 2013. Australia and the Euro Area eased their policy rates from 3.0 percent to 2.5 percent and 0.75 percent to 0.25 percent, respectively, by the end of December 2013 (Table C.2). A negative output gap and declining inflation among the advanced economies has allowed monetary policy to remain supportive of the recovery. Over 2013, inflation declined in the US, Australia, the Euro Area, UK and Japan, despite a low interest environment. An eventual tightening of monetary policy carries a deflationary risk, especially for the Euro Area, where core inflation is below 1 percent, on an annual basis.

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Emerging market economies experienced divergent monetary policy actions and inflation patterns. Among Brazil, Russia, India, China and South Africa (the BRICS economies), Brazil tightened its monetary policy amid inflation that persisted above the target of 4.5 percent and in anticipation of the Federal Reserve's tapering of QE (Table C.2). Policy rates remained unchanged for China, Russia and South Africa. India's policy rate decreased for the first part of the year but started to rise in September and ended the year at 7.75 percent, which is still 0.25 percentage points lower than at the end of 2012. The rise in India's interest rate was due to rising inflation. Inflation decreased mildly in Russia and by 0.4 percentage point in South Africa.

Table C.2: Latest policy rates of selected economies

Countries	Policy Rate	Current Rate (%)	Policy Rate % ∆**	Last Meeting	December Inflation	Real Interest
Advanced						
USA	Fed Fund rate	0.00-0.25	0.00	December	1.2	-1.3
Canada	Overnight rate	1.00	0.00	December	0.9	0.1
Australia	Cash rate	2.50	0.00	December	2.2	0.3
Euro Area	Refinance rate	0.25	0.25	December	0.8	-0.6
UK	Base rate	0.50	0.00	December	2.1	-1.6
Japan	Call rate	0.0-0.1	0.00	December	1.5	-1.5
BRICS						
Brazil	Short term interest rate	10.0	1.00	November	5.8	4.2
Russia	Refinancing rate	5.50	-2.75	December	6.5	-1.0
India	Repo rate	7.75	0.25	December	7.5	0.2
China	Lending rate	6.00	0.00	November	2.5	3.5
South Africa	Repo rate	5.00	0.00	November	5.3	-0.3

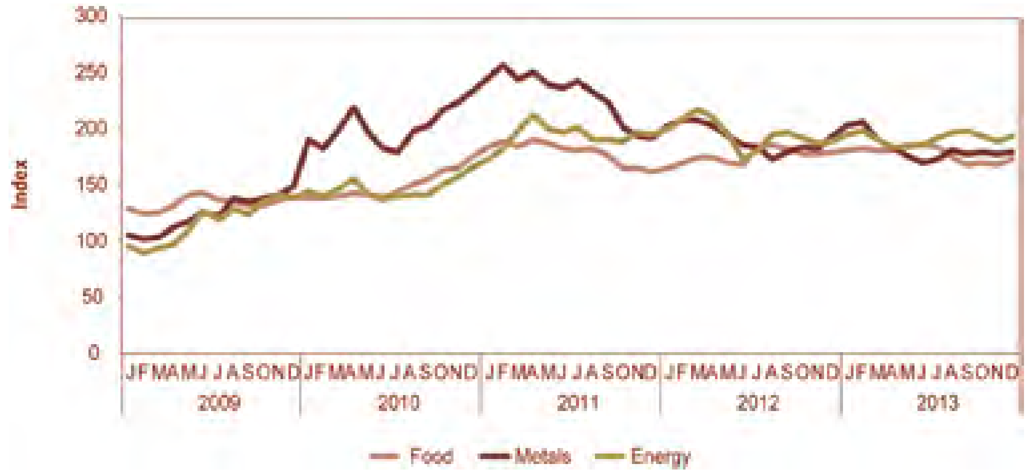
Source: Trading Economics /Respective Central Banks

**Change in policy rate at the end of 2012 and 2013

COMMODITY PRICE DEVELOPMENTS AND PROSPECTS

Despite volatility, the average international energy price index remained broadly unchanged between 2012 and 2013, while prices of non-energy commodities—especially metals generally declined (Chart C.1). Energy prices were initially influenced by supply disruptions due to geopolitical factors at the beginning of the year that continued to mid-year. The prices, however, declined in the second part of the year as these geopolitical issues eased and with the start of the maintenance season in the US, which pushed up inventory levels. At the same time, favourable weather conditions pushed down corn prices, while the metal indices recorded an overall decline mainly due to a fall in gold and copper prices. The IMF projects that most commodity prices will remain flat or decline during 2014, with the exception of gasoline, natural gas and some food products.

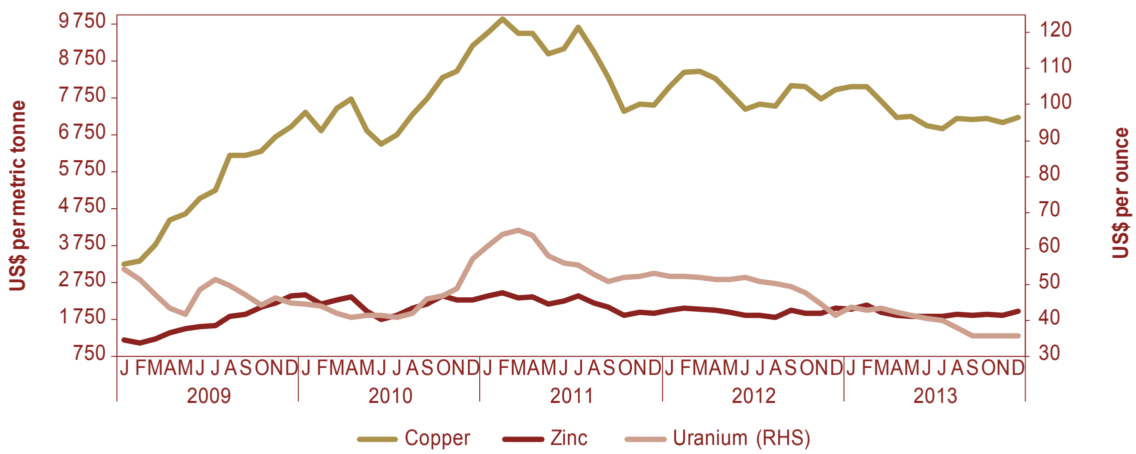
Chart C.1: Selected commodity price indices



Source: IMF

Uranium and copper prices continued to decline during 2013, while zinc prices increased in the second half of the year (Chart C.2). Uranium prices declined to U$35.75 per pound at the end of 2013 from US$43.67 per pound at the end of 2012. The declining trend in uranium prices was partly attributed to the coming on stream of new mines, which increased supply. Also, demand factors remained an issue as over 50 nuclear reactors in Japan remain closed in the aftermath of the Fukushima nuclear disaster in March 2011. The price of zinc declined from U$2 040.43 per metric tonne at the end of 2012 to U$1 831.00 per metric tonne in May 2013, due mainly to decelerating growth in emerging markets. However, zinc prices recovered somewhat in the second half of the year, closing the year at U$1 974.98, due to increased demand from India and Russia. The price of copper also declined to U$7 214.90 per metric tonne during 2013 from U$7 966.49 per metric tonne at the end of 2012, as a result of high inventory levels and slowing economic growth in China.

Chart C.2: Selected commodity prices



Source: IMF

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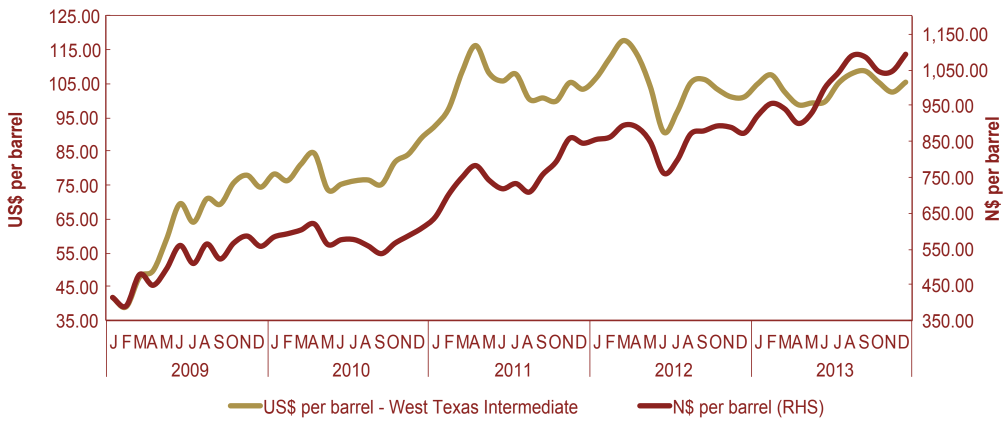
The international price for crude oil continued to increase during 2013, due to geopolitical issues and demand and supply factors (Chart C.3). The price of crude oil ended the year at U$105.49 per barrel up from U$101.17 at the end of 2012. Initially, the price rose due to supply constraints as a result of geopolitical tensions in the Middle East. The prices started to decline in the middle of the year as crude oil production increased in the non-OPEC oil-producing countries, then rose at the end of year. The US's crude oil production increased one million barrel per day, more than the combined increases in the rest of the world. The improved global economic growth outlook, led by the performance of the US economy, resulted in the rise in the price of crude oil in the fourth quarter of 2013.

Chart C.3: Crude oil prices (West Texas Intermediate)



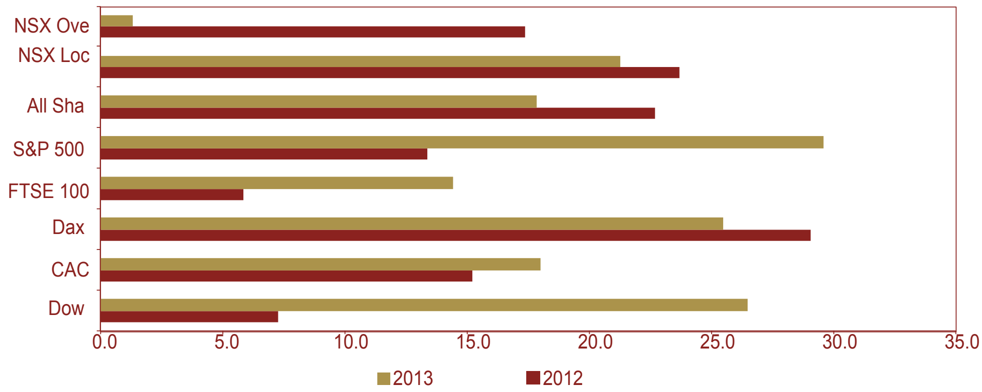
Source: IMF

DEVELOPMENTS IN FINANCIAL MARKETS

All the major financial market indices posted positive growth in 2013 (Chart C.4). The US equity markets registered the strongest growth, with S&P 500 ending the year 30.0 percent higher than 12 months earlier. The European stock markets also recorded their strongest performance since 2009, with Germany's Dax index[11], and France's CAC index rising 23.0 percent and 18.0 percent on the year, respectively. The performance of the Eurozone stock markets was a result of abating fears of the Eurozone breakup and emergence from recession. In the UK, the FTSE100 recorded a four year best, ending the year 14.0 percent up. In Japan, the Nikkei index posted the strongest performance, increasing 52.0 percent year-on-year, on the basis of an overhaul of Japan's monetary policy and a fiscal policy aimed at reversing its two decade long deflationary stagnation. The All Share Index of the Johannesburg Stock Exchange also rose by 17.8 percent reflecting the positive effects of global equity markets.

11 During 2013, the German Dax grew at a slower pace than in 2012, due to the slow recovery.

Chart C.4: Annual growth rates in stock markets (percentage change in indices in USD terms



Source: Bloomberg

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WORLD TRADE DEVELOPMENTS

Growth in world trade volumes recorded a marginal improvement in 2013, and may continue to improve in 2014. World trade volume increased by 2.9 percent in 2013, up from 2.7 percent in 2012 (Table C.3). The gains in global trade volume growth during 2013 are explained by a stronger export and import growth by advanced economies than that of 2012. Exports and import volume growth rates by emerging markets and developing economies continued to decline in 2013. For 2014, the IMF projects improved trade volumes for the advanced economies and the emerging market and developing economies, as well as for the emerging markets and developing economies due to on a better global economic outlook.

Table C. 3: Growth in the volume of world (goods and services) 2010-2014 (annual percentage change)

	Actual			Estimate	Projections
World Merchandise Trade	**2010**	**2011**	**2012**	**2013**	**2014**
World Trade Volume (Goods and Services)	12.8	6.1	2.7	2.9	4.9
Imports					
Advanced Economies	11.7	4.7	1.0	1.5	4.0
Emerging Markets and Developing Economies	14.7	8.8	5.5	5.0	5.9
Exports					
Advanced Economies	12.4	5.7	2.0	2.7	4.7
Emerging Market and Developing Economies	14.0	6.8	4.2	3.5	5.8

Source: IMF

IMPLICATIONS OF GLOBAL DEVELOPMENTS FOR NAMIBIA

During 2013, the fragile, albeit improving external environment, challenged Namibia's economic development. A significant deterioration in international terms of trade, coupled with depressed external demand for Namibia's traditional exports put pressure on the country's external position. Also, the initial anticipated and actual tapering of the Quantitative Easing bond-buying program by the Federal Reserve added volatility to the exchange rate. The resulting depreciation of the South African Rand and Namibia Dollar represents an opportunity for improved export competitiveness. However, the downside of the depreciation of the Namibia Dollar is that it may have an adverse impact on inflation in future, if it is transmitted to the prices of imported goods and services. Namibia's sources of growth for 2014 are likely to remain with the domestic economy, especially as the construction of sizeable mining projects proceeds.

DOMESTIC ECONOMIC AND FINANCIAL DEVELOPMENTS

REAL SECTOR DEVELOPMENTS[12]

The Namibian economy is estimated to have grown by 4.3 percent in 2013, compared to 5.0 percent in 2012. *The estimated growth is accredited to the construction sector along large private sector projects, notably in the mining sector and commercial real estate, coupled with a large public works programme. Contrarily, the protracted drought that was experienced during the year adversely affected the agriculture and the electricity generation sectors. The tertiary sector grew mainly due to strong domestic demand that sustained the expansion of wholesale and retail trade activities.*

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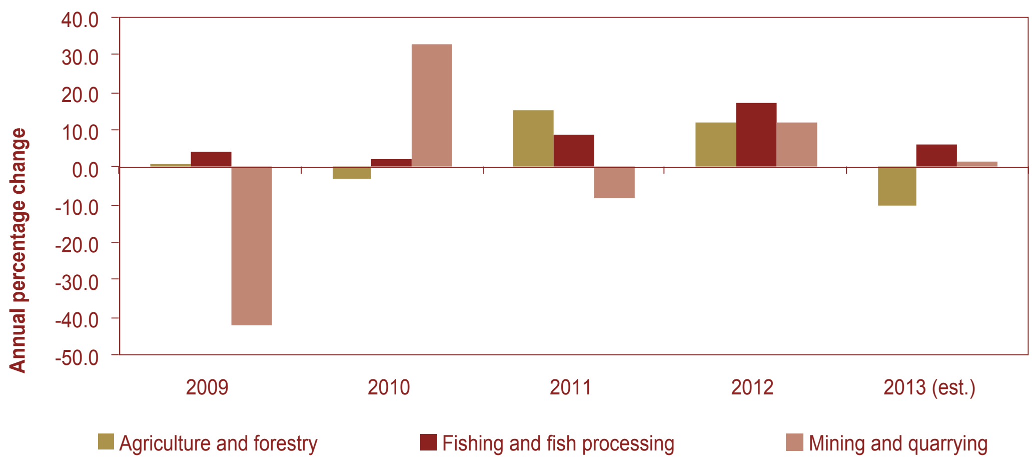
PRIMARY INDUSTRY

The primary industry weakened during 2013 due to protracted drought conditions that affected the agricultural sector and poor performance in the mining sector. Growth in the primary industry is estimated to have contracted by 1.6 percent in 2013, following a robust growth of 12.8 percent in 2012 (Chart C.5). This is mainly attributed to a significant contraction of 9.9 percent in the agricultural sector, stemming from the severe drought experienced in the country that affected livestock and crop farming. Growth in the mining and quarrying sector is also estimated to have slowed to 1.6 percent in 2013 from 12.0 percent in 2012, along a slowdown in other mining and quarrying extraction activities, in particular.

Chart C.5: Primary industry real growth rates



Sources: NSA for 2008-2012 figures, BoN 2013 estimates

12 Growth estimates are based on BON's estimates.

Mining

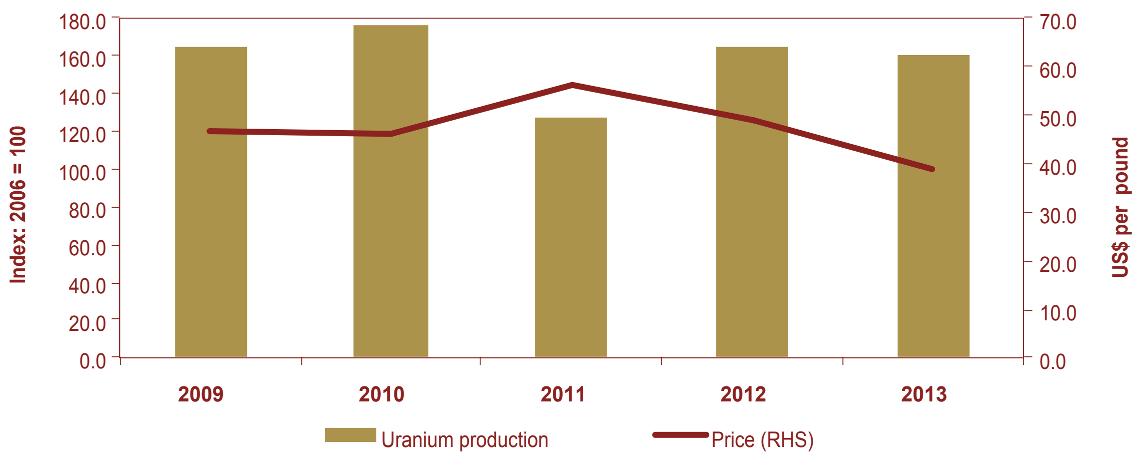
***Diamond mining* annual output increased by 5.7 percent in 2013, primarily due to improved operations.** Production reached 1.7 million carats in 2013 as the mine's operations improved (Chart C.6). The past two years saw production gains with increased activities in onshore and offshore mining along the reopening of an old mine and the acquisition of an offshore mining vessel in 2012. Favourable labour relations and the absence of any major technical challenges also contributed to the increase in diamond production in 2013.

Chart C.6: Diamond production

Sources: Namdeb

***Uranium production* decreased in 2013 due to operational challenges at the mines.** Annual production decreased by 2.4 percent to 5 382 tonnes (Chart C7). Limited water supply affected production during the third quarter of 2013. Despite declining international prices, production remained relatively high. International prices for uranium averaged around US$38.9 per pound during 2013 compared to the average price of US$49.0 per pound in 2012.

Chart C.7: Uranium production



Sources: Langer Heinrich, Rio Tinto and IMF

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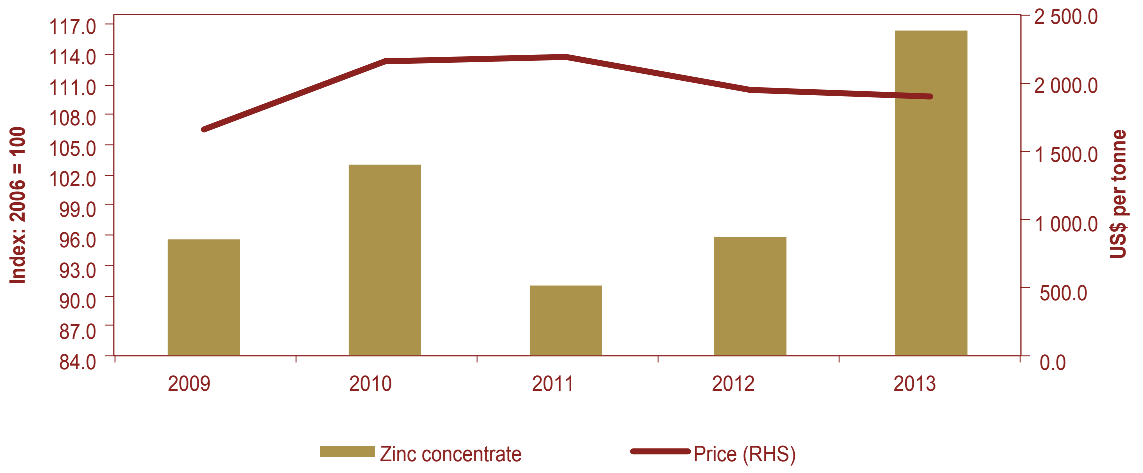
The production of zinc concentrate increased in 2013 due to improved operations at the mine, despite the decline in international zinc prices. Zinc production increased by 20.7 percent to 113 818 tonnes in 2013, the highest annual production in seven years (Chart C.8). The mine encountered operational challenges during 2011 and 2012, but with the change of ownership and new clients having been resolved at the end of 2012, production improved significantly in 2013. International zinc prices moderated in 2013, averaging around US$1 902 per metric tonne throughout the year, compared to US$1 950 per metric tonne in 2012.

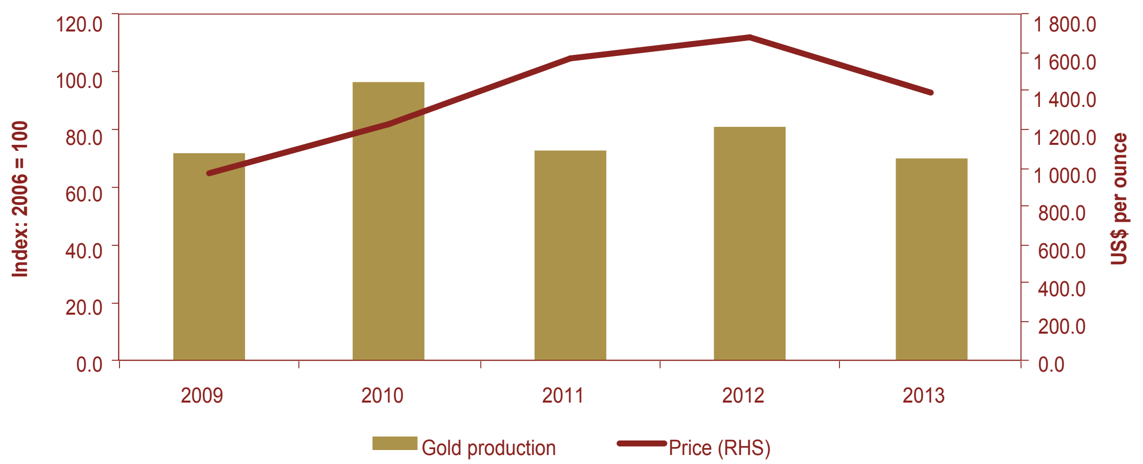
Chart C.8: Production of zinc concentrate



Sources: Rosh Pinah Zinc Corporation and IMF

Gold production decreased in 2013 compared to the preceding year due to disruptions in production, coupled with declining international prices and lower grades of ore mined. Production decreased by 16.2 percent to 1 918 kilograms (Chart C.9). The gold mine engaged in waste stripping activities which disrupted production during the year. Lower grades ore mined during the review period also contributed to the decline in production. Further, international gold prices continued to decline averaging around US$1 393 per ounce during 2013 compared to the average price of US$1 678 in 2012.

Chart C.9: Gold production

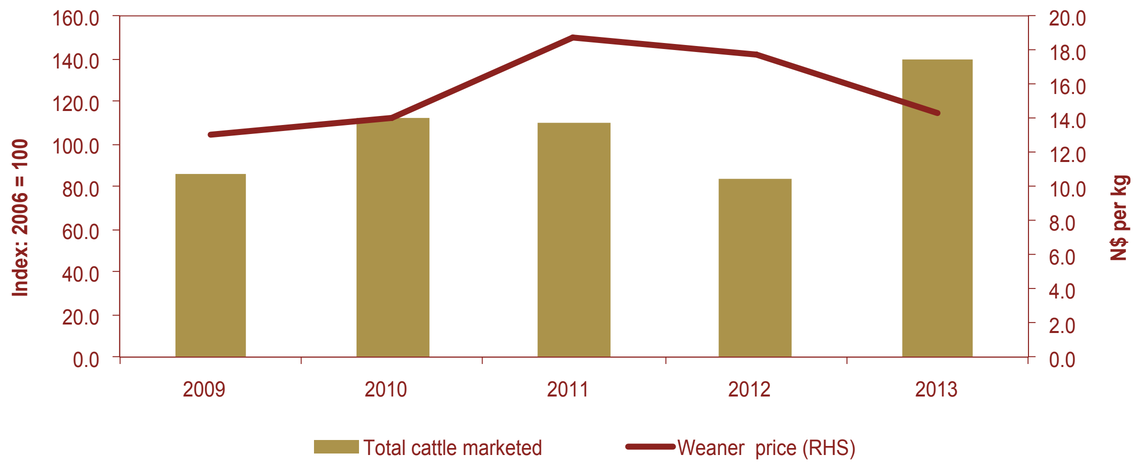


Sources: Navachab Gold Mine and the World Gold Council

Agriculture

Growth in the *agriculture sector* slowed in 2013 due to shrinking livestock inventories and high intermediate costs in response to the severe drought in the country. The total number of cattle marketed increased substantially by 63.7 percent in 2013 to 433 688 head sold compared to the figures for 2012 (Chart C.10). The surge in livestock sales reflect the hikes in cattle marketed in the local market and live weaners exported to South Africa. The average prices for weaners declined by 19.0 percent to N$14.40 per kilogram in 2013.

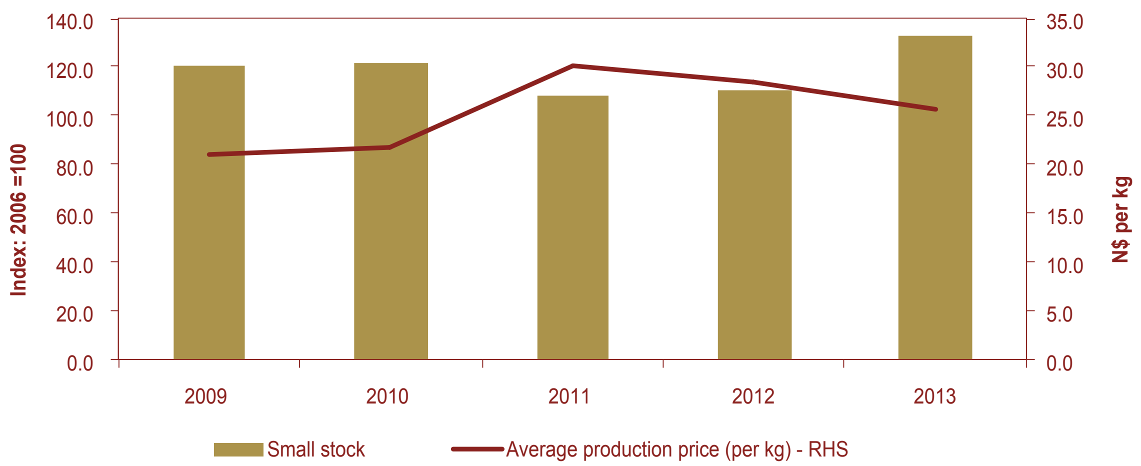
Chart C.10: Cattle marketed



Source: Meat Board of Namibia

***During 2013, the number of small stock* marketed increased significantly, as farmers sold-off their stock in response to adverse weather conditions.** The number of small stock marketed increased by 20.1 percent to 1 383 004 in 2013. The rise in sales was reflected in both the domestic market and the marketing of live animals to South Africa. The average price for small stock declined by 9.9 percent to N$28.40 per kilogram during the year under review (Chart C.11).

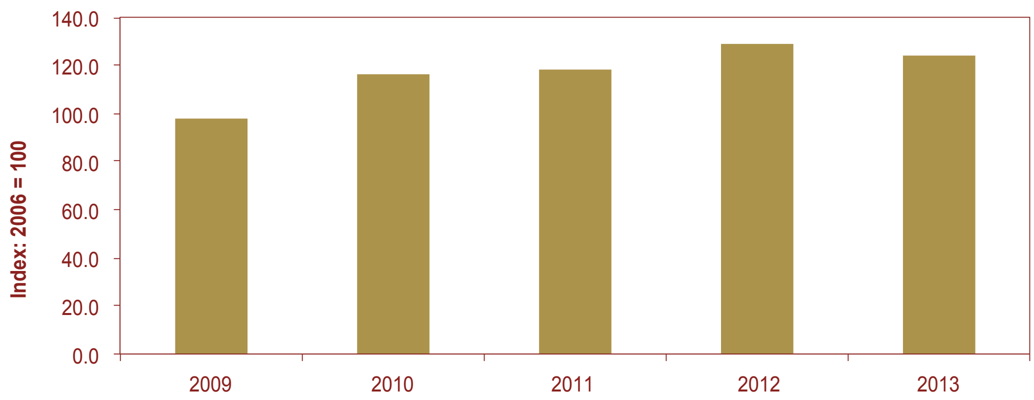
Chart C.11: Small stock marketed



Source: Meat Board of Namibia

Milk production decreased during 2013, compared to the preceding year, owing to the unfavourably hot and dry weather condition. Milk production recorded a decline of 4.0 percent, with about 23.0 million litres produced during this period (Chart C. 12).

Chart C.12: Milk production



Source: Agricultural Union of Namibia

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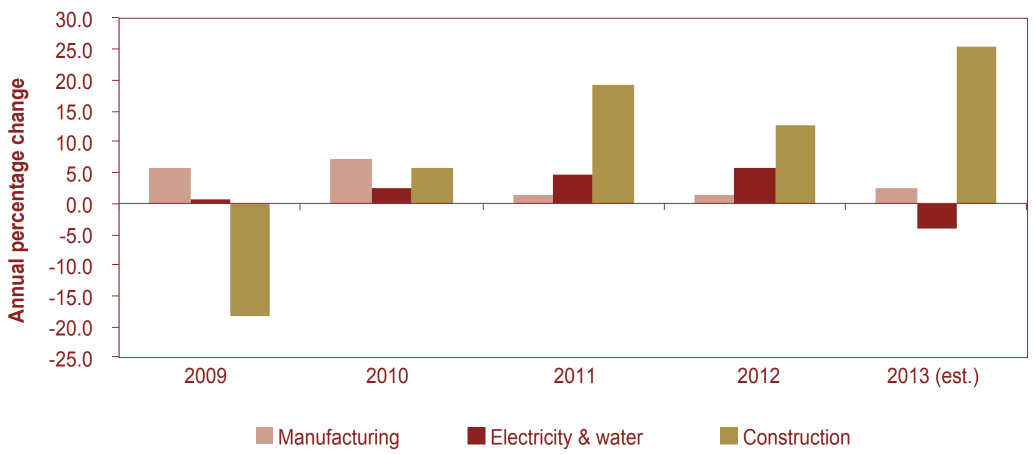
SECONDARY INDUSTRY

Growth in the secondary industry accelerated during 2013, largely driven by the construction sector and to a lesser extent by growth in manufacturing. Major Private Sector projects in the mining sector and in commercial real estate, augmented by public investment programmes, drove growth in the construction sector. Positive growth in a number of manufacturing sub-categories (e.g., other food products and beverages and meat processing) also contributed to growth in the secondary industry which expanded by 6.5 percent in 2013, compared to 3.9 percent in 2012 (Chart C.13).

Chart C.13: Secondary industry real growth rates



Sources: NSA for 2009-2012 figures, BoN 2013 estimates

The manufacturing sector expanded marginally in 2013, underpinned by increased activities in other food products and beverages, meat processing and other manufacturing subsectors.

This sector grew by 2.5 percent in 2013, compared to the subdued growth of 1.2 percent in 2012 (Chart C.13). Food and beverages production increased along with consumer spending in the local market. Increased meat processing reflected live stock slaughtered both for export and local consumption due to the drought which forced farmers to reduce their herds. Growth in value added in the other manufacturing subsector was supported by the rise in cement production driven by activities in the construction sector.

Refined zinc production decreased in 2013, due to lower grades of ore extracted, coupled with production disruption and declining international zinc prices (Chart C.14). Production of refined zinc declined by 11.2 percent to 128 291 tonnes during 2013 compared to 2012. Moreover, the yearly zinc prices declined by 2.5 percent to an average of US$1 902 per tonne, as a result of slow demand in emerging economies, especially China and India.

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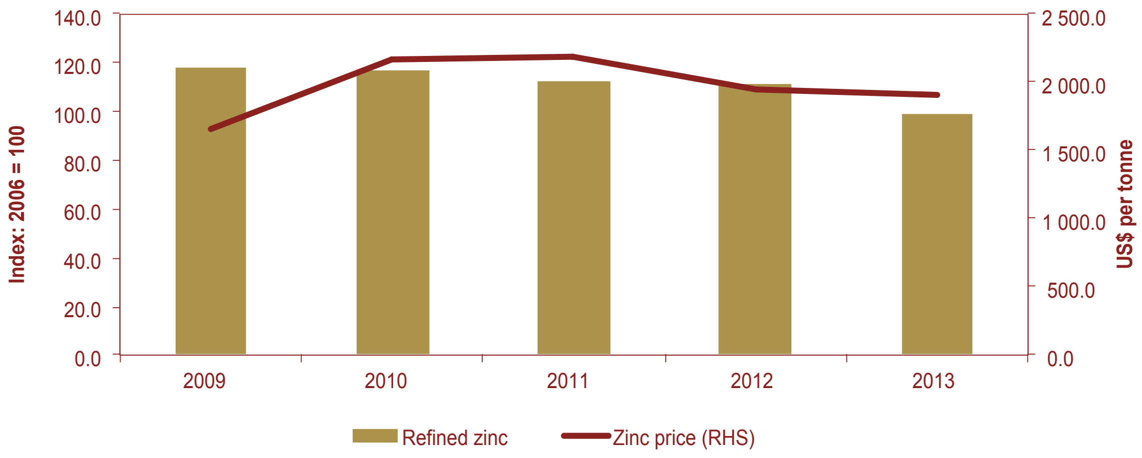
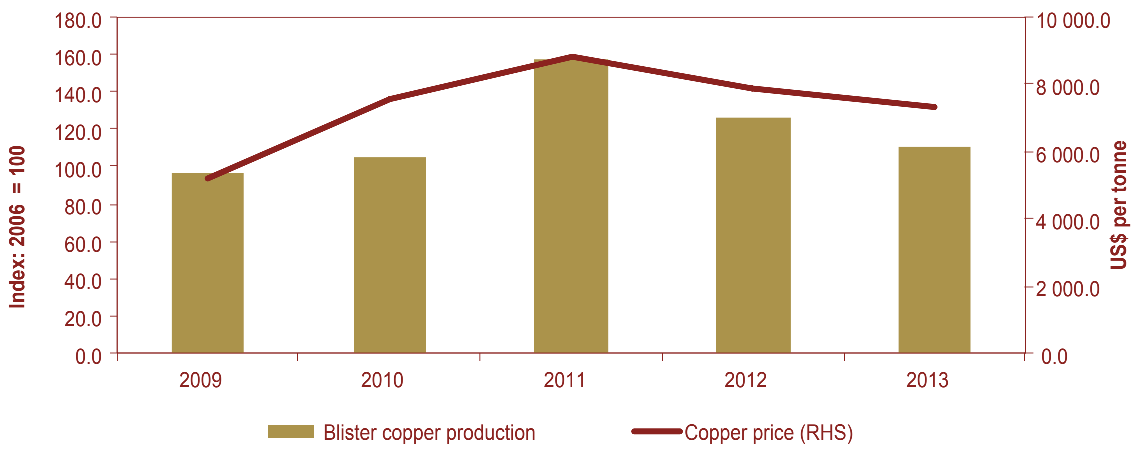
Chart C.14: Production of refined zinc



Sources: NamZinc and IMF

During 2013, blister copper production decreased due to experienced breakdowns and maintenance works carried out at the plant, which were further exacerbated by declining international copper prices (Chart C.15). Production declined by 12.3 percent to 24 354 tonnes as a result of mechanical problems with the smelter plant that disrupted production. International copper prices fell by 7.3 percent to an annual average of US$7 331 per tonne.

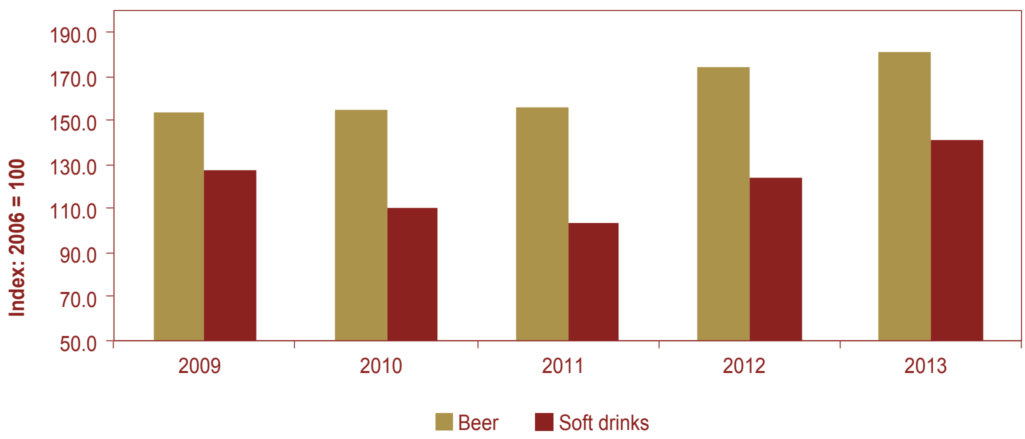
Chart C.15: Blister copper production



Sources: Namibia Custom Smelters and IMF

During 2013, *beer and soft drinks production* increased due to strong domestic demand, supported by the uptake of a new premium soft drink introduced in the local market in mid-2012. The production of beer and soft drinks rose by 3.9 percent and 14.2 percent, respectively (Chart C.16). The increase in beer production could be ascribed to sustained demand due to the re-branding of some product lines targeting an increased market share. Increased demand, coupled with the uptake of a new premium soft drink in the local market, contributed to the rise in output of soft drinks in 2013.

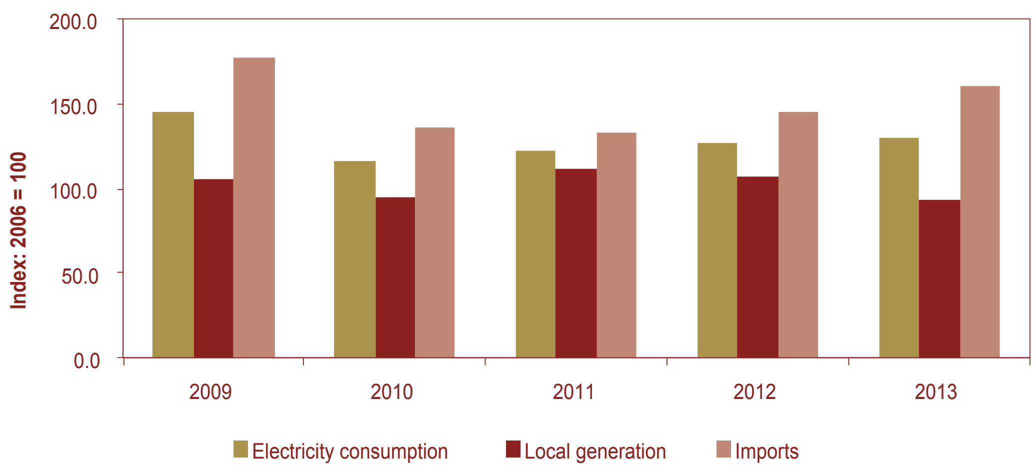
Chart C.16: Production of beer and soft drinks



Sources: Namibia Breweries, Camelthorn Brewing and Namibia Beverages

Domestic production of the *electricity and water sector* contracted in 2013 due to drought conditions. Electricity supply declined due to inadequate water flow in the Kunene River at the Ruacana Hydro Power Station. The sector is estimated to have contracted to 4.0 percent in 2013 compared to an expansion of 5.8 percent in 2012. Electricity imports rose by 9.9 percent during the year to compensate for the decline in local generation of electricity (Chart C.17). Consumption of electricity increased marginally by 1.6 percent on account of demand from the mining sector.

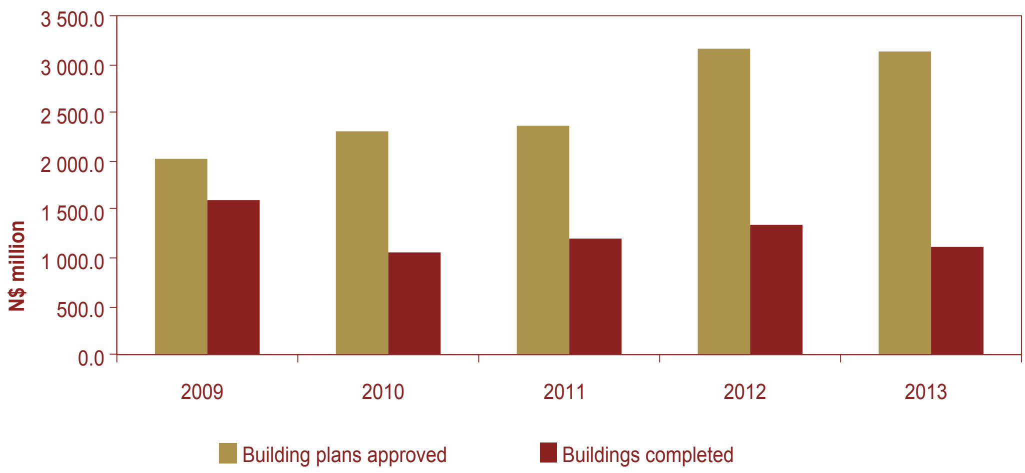
Chart C.17: Electricity production and consumption



Source: Nampower

The *construction sector* grew at a very brisk pace during 2013, underpinning the economy's overall growth. The sector is estimated to have expanded by 25.4 percent in 2013 from 12.5 percent in 2012 (Chart C.13). Major private-sector construction projects undertaken included Husab Uranium Mine, Ojikoto Gold Mine, several shopping malls country wide, FNB Namibia Headquarters, the Strand Hotel, the Dundee Precious Metal Sulphuric Acid Plant and the SABMiller Brewery, amongst others. Further, public investment projects in health, education, safety and security, transport, water and agriculture supported the sector's growth. The real value[13] of building plans approved in the surveyed towns remained flat, however, that of completed buildings declined by 17.0 percent to N$1.1 billion, driven by properties in Windhoek, Walvis Bay and Swakopmund (Chart C.18).

Chart C.18: Real value of building plans approved and buildings completed[14]

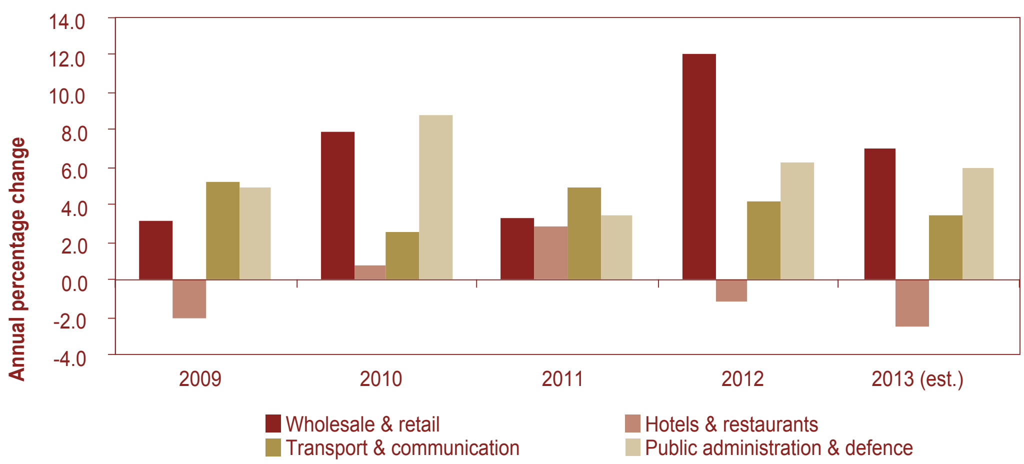


Sources: Various municipalities and town councils

TERTIARY INDUSTRY

The tertiary registered an estimated lower growth in 2013 compared to 2012. The tertiary industry expanded to 4.7 percent in 2013, lower than 6.4 percent in 2012 which was a result of the robust growth registered in value added for wholesale and retail trade. Strong growth for wholesale and retail trade, supported by public administration, and transport and communication sustained the 2013 developments (Chart C.19).

Chart C.19: Tertiary industry real growth rates



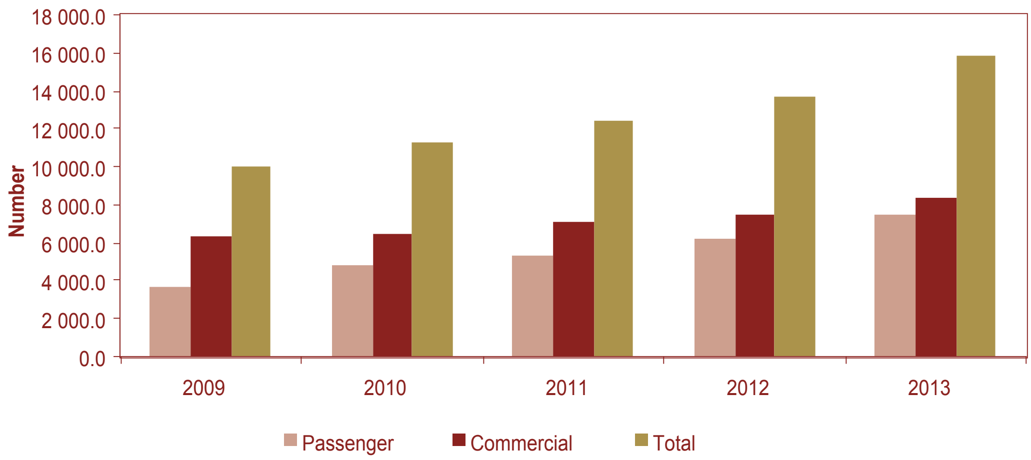
Sources: NSA for 2009-2012 figures, BoN 2013 estimates

13 The data on building plans approved and buildings completed are deflated by Namibia Consumer Price Index (NCPI) (Dec.2012 = 100).

14 The analysis is based on data collected from Windhoek, Swakopmund, Walvis Bay, Ongwediva and Rundu on new building plans approved and buildings completed, including additions and alterations of residential, institutions, industrial and commercial buildings.

During 2013, the *wholesale and retail trade sector* is estimated to have expanded along strong growth in consumer demand, sustained by an accommodative monetary policy and gains in households' disposable income. The sector is estimated to have expanded by 7.0 percent in 2013, which albeit less than the 12.1 percent growth recorded in 2012 (Chart C.19). Wholesale and retail trade turnover in real terms maintained positive momentum in a low interest rate environment. Also, households' disposable income increased following the lowering of income tax rates and the re-grading of public sector salaries. The number of new vehicles sold rose further by 16.1 percent to 15 895 units, of which sales of commercial vehicles rose by 11.8 percent and that of passenger vehicles 21.3 percent (Chart C.20).

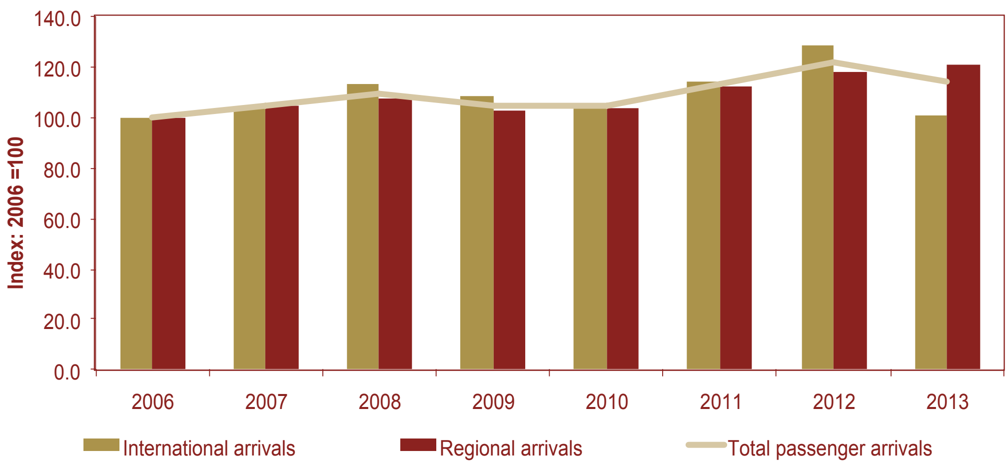
Chart C.20: Total number of new vehicles sold



Source: Simonis Storm Securities

The performance of the *tourism sector*, as measured by the economic activities of *hotels and restaurants*, remained weak mainly due to frail demand of visitors from advanced economies. The sector is estimated to have contracted by 2.5 percent in 2013, compared to a 1.2 percent contraction registered in 2012. Despite the favourable exchange rate, the number of visitors' arrivals also declined during 2013. Total passenger arrivals, inclusive of international and regional arrivals decreased by 6.3 percent compared to 2012 (Chart C.21).

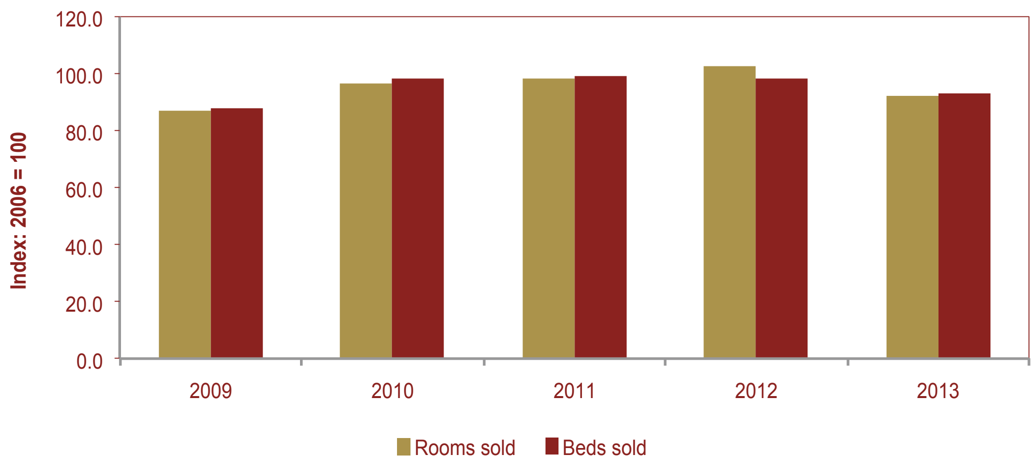
Chart C.21: Tourism arrival statistics



Source: Namibia Airports Company (NAC)

Occupancy rates declined in 2013 as reflected in the number of rooms and beds sold as a result of decreased demand mainly from advanced economies. Rooms and beds sold decreased by 10.2 percent and 5.1 percent, respectively, compared to 2012 (Chart C.22).

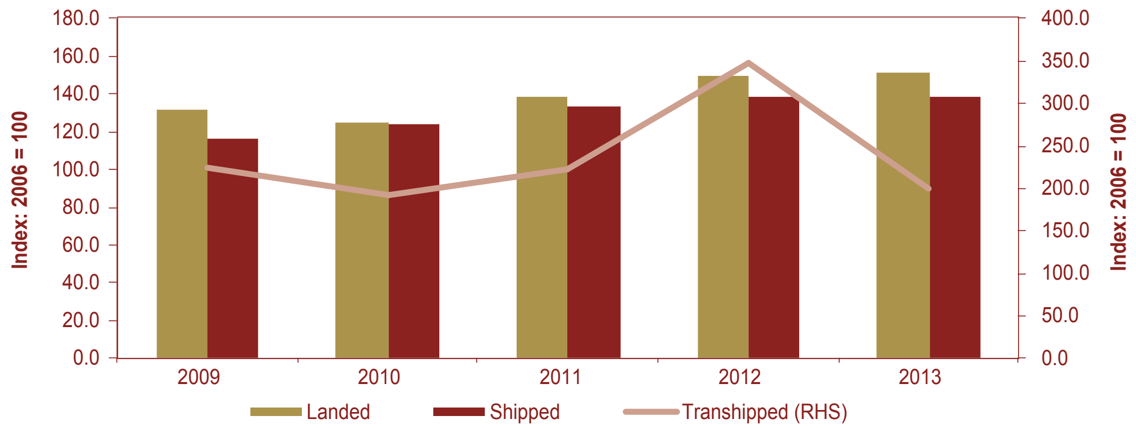
Chart C.22: Occupancy rates



Source: Hospitality Association of Namibia (HAN)

During 2013, growth of the *transport and communication sector* decelerated, largely due to a decline in transhipped cargo volumes. The sector's growth moderated to 3.5 percent in 2013 from 4.2 percent in 2012. Transhipped cargo volumes declined as some shipping lines redirected their vessels to other ports in the Southern African region in 2013 (Chart C.23). Landed cargo volumes improved slightly, while shipped cargo remained flat over the same period.

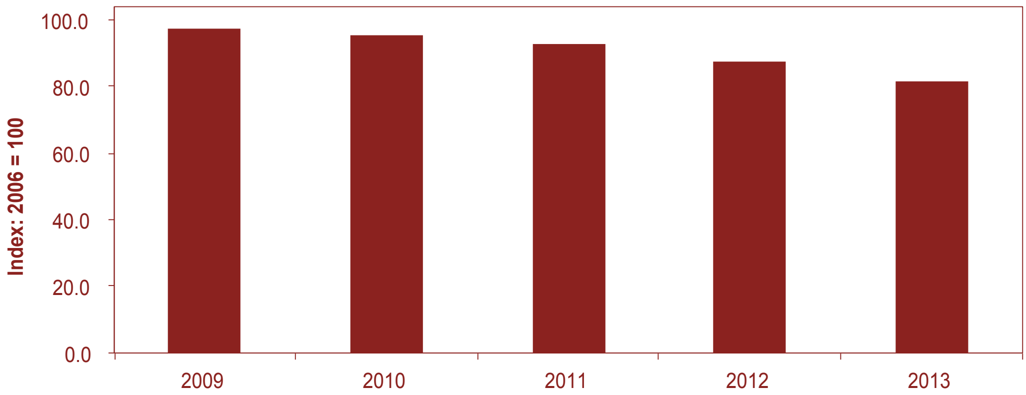
Chart C.23: Namport operations



Source: Namport

In addition, rail and road transportation activities declined in 2013 by 7.2 percent due to reduced transported volumes of sulphuric acid, refined zinc and zinc concentrate (Chart C.24).

Chart C.24: Road and rail freight



Source: TransNamib

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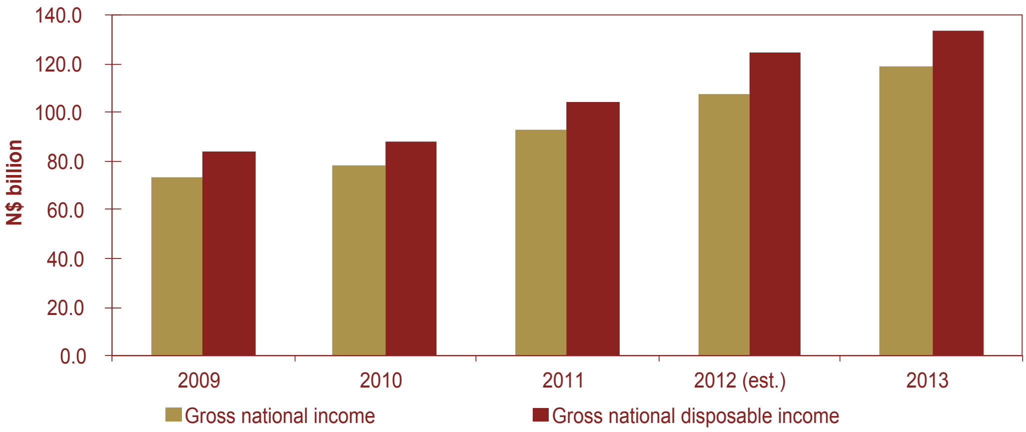
Value added of public administration and defence grew by around 6 percent in 2013, same as in 2012. The volume increase in the sector largely reflected employment gains, mainly in the provision of social services.

GROSS NATIONAL INCOME AND GROSS NATIONAL DISPOSABLE INCOME

During 2013, Namibia continued to receive more income from the rest of the world than the income earned by foreigners in Namibia. Gross national income (GNI)[15] is estimated to have increased from N$107.1 billion in 2012 to N$118.9 billion in 2013, an increase of about 11.1 percent (Chart C 25). Gross national disposable income (GNDI) is estimated to have increased from N$124.7 billion in 2012 to N$137.2 billion in 2013.

Chart C.25: GNI and GNDI (current market prices)



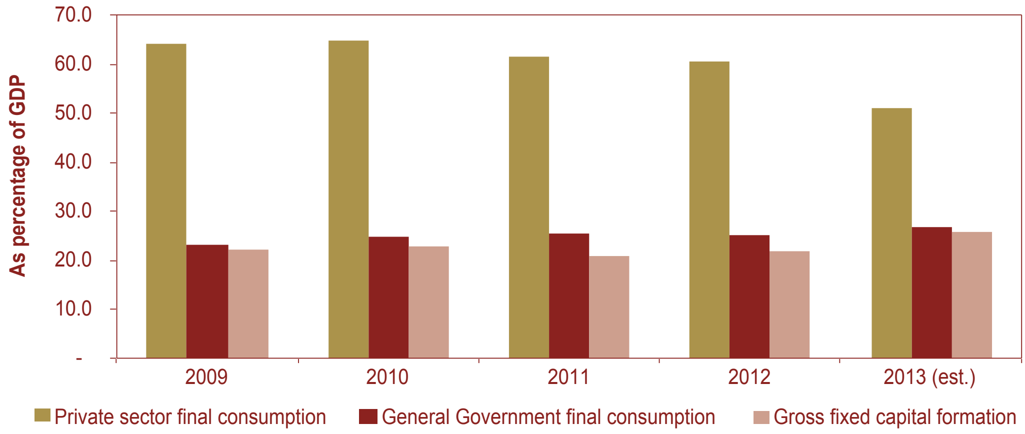
Source: NSA for 2009-2012, BoN 2013 estimates

15 In contrast to gross domestic product (GDP) which measures domestic output, gross national income (GNI) and gross national disposable income (GNDI) measures total income received by residents. GNI measures total income earned by the factors of production owned by residents; irrespective of the location of the activity from which the income is derived (domestically or abroad), while GNDI measures disposable income of residents, after transfers and taxes.

GROSS DOMESTIC EXPENDITURE (GDE)

Gross domestic expenditure (GDE) at current price is estimated to have increased on the back of estimated increases in investment in 2013. Aggregate (GDE) is estimated to have risen to N$125.1 billion in 2013, from N$117.1 billion recorded in 2012. This growth was mainly driven by gross fixed capital formation (GFCF), which is estimated to have increased by 32.6 per cent in 2013. The growth is further supported by growth in final consumption by General Government, which is estimated to have increased by 19.6 per cent in 2013. As a percentage of GDP, GFCF is estimated to have increased by 3.9 percentage points to 25.8 per cent in 2013. Private final consumption is estimated to have slowed significantly from 60.6 per cent to 51.0 per cent of GDP, while General Government consumption is estimated to have risen slightly by 1.6 percentage point to 26.7 per cent (Chart C.26).

Chart C.26: Components of real GDE

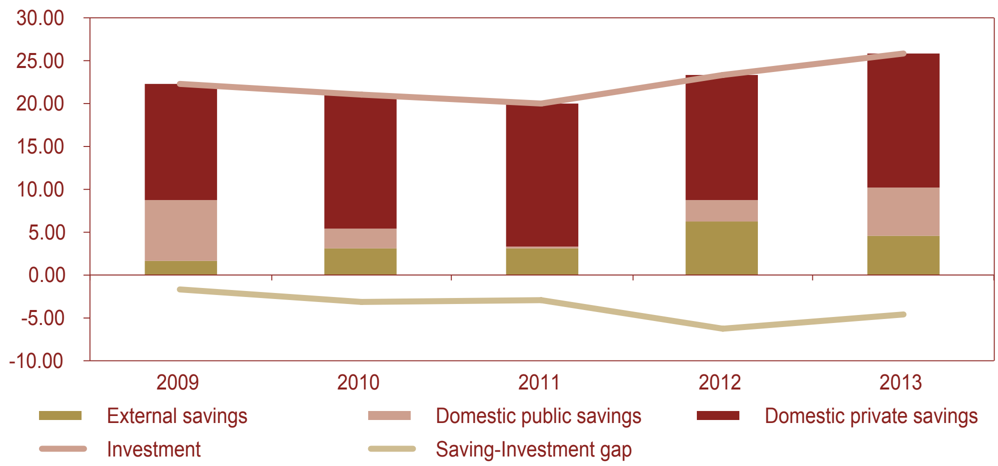


Source: NSA for 2009-2012 figures, BoN 2013 estimates

SAVINGS AND INVESTMENT BALANCE

Namibia's gross savings is estimated to have increased slightly in 2013. National savings play a significant role in an economy as a stimulant for economic growth and by contributing to increased productivity over the long term. Domestic private savings is estimated to have increased from 14.7 per cent of GDP in 2012 to 15.7 percent in 2013. Public sector savings as a percentage of GDP is estimated to have increased by 3.1 percentage points to 5.5 percent in 2013. As a result, Namibia's gross domestic savings as a percentage of GDP is estimated to have increased from 17.1 percent to 21.2 percent in 2013 (chart C.27).

Chart C.27: Savings



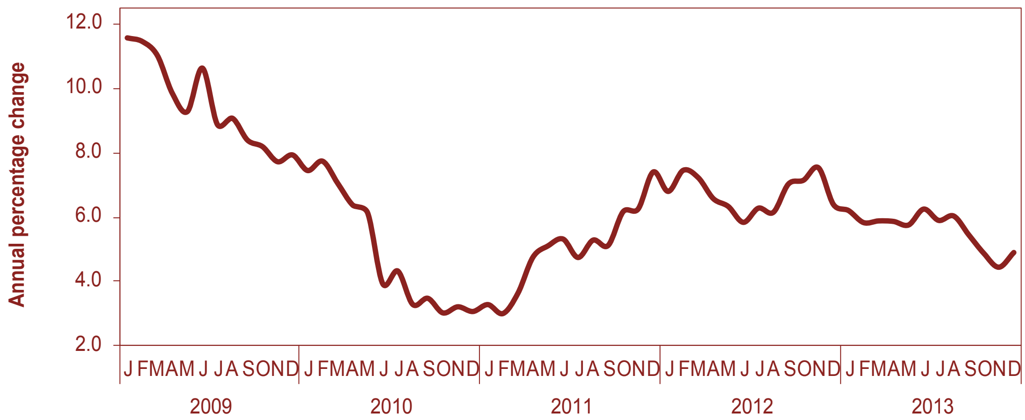
Source: NSA for 2009-2012, BoN 2013 estimates

In recent years, Namibia has been running external current account deficits and thus it cannot longer fully finance its investment envelope. The savings–investment gap as a proportion of GDP increased from 1.7 percent in 2009 to 6.3 percent in 2012. It is however estimated to have decreased slightly to 4.6 percent of GDP in 2013. The policy trade offs of closing this gap requires further investigation.

PRICE DEVELOPMENTS[16]

Namibia's average consumer price inflation rate decreased from 6.7 percent in 2012 to 5.6 percent in 2013, mainly due to a reduction in food and transport inflation (Chart C.28). *The inflation rate averaged around 6.0 percent between January and June, before declining to 4.4 percent in November. An increase in overall inflation in December to 4.9 percent reflected an increase in inflation for food and non-alcoholic beverages during that month.*

Chart C.28: Overall inflation rate



Source: NSA

INFLATION FOR FOOD AND NON-ALCOHOLIC BEVERAGES

The average annual inflation rate for *food and non-alcoholic beverages* decelerated from 9.1 percent in 2012 to 6.5 percent in 2013, in line with declining international food prices. The decline was predominantly reflected in the food category, which averaged around 6.6 percent in 2013, compared to an average annual inflation rate of 9.1 percent in 2012. During the first half of 2013, the annual inflation rate for food and non-alcoholic beverages averaged around 7.2 percent, before gradually declining to 5.8 percent during the second half of the year (Chart C.29). International food prices declined during 2013 as favourable weather conditions pushed down corn prices. The average inflation rate for non-alcoholic beverages declined from 8.2 percent in 2012 to 5.3 percent in 2013.

16 The analyses in this section are based on the new National Consumer Price Index (NCPI) series based on the 2009/2010 Namibia Household Income and Expenditure Survey (NHIES), as released by the Namibia Statistics Agency (NSA) in November 2013.

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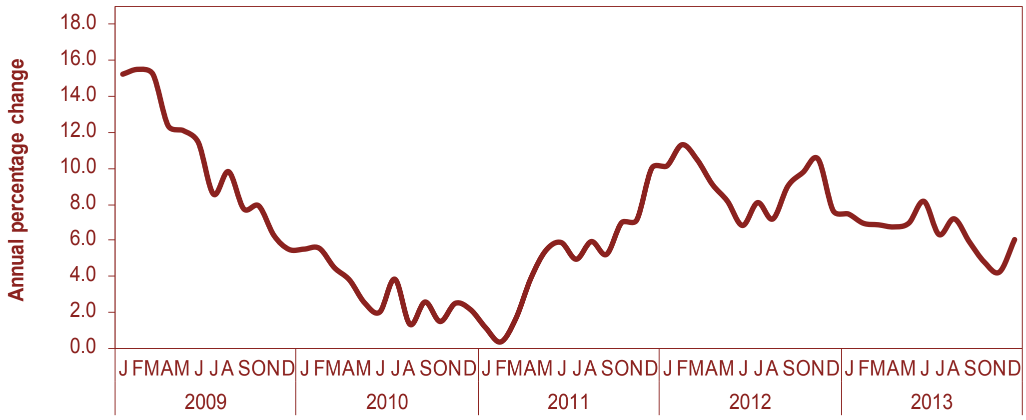
Chart C.29: Inflation for food and non-alcoholic beverages



Source: NSA

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The reduction in food inflation covered several main sub-categories within this sub-index. Inflation for both bread and cereals and meat averaged around 4.6 percent and 6.5 percent in 2013, down from 9.5 percent and 13.9 percent in 2012, respectively. Other categories such as *fish, milk, cheese and eggs, fruits and vegetables*, however, registered relatively higher inflation rates during 2013 compared to 2012 (Table C.4).

Table C.4: Inflation for food and non-alcoholic beverages

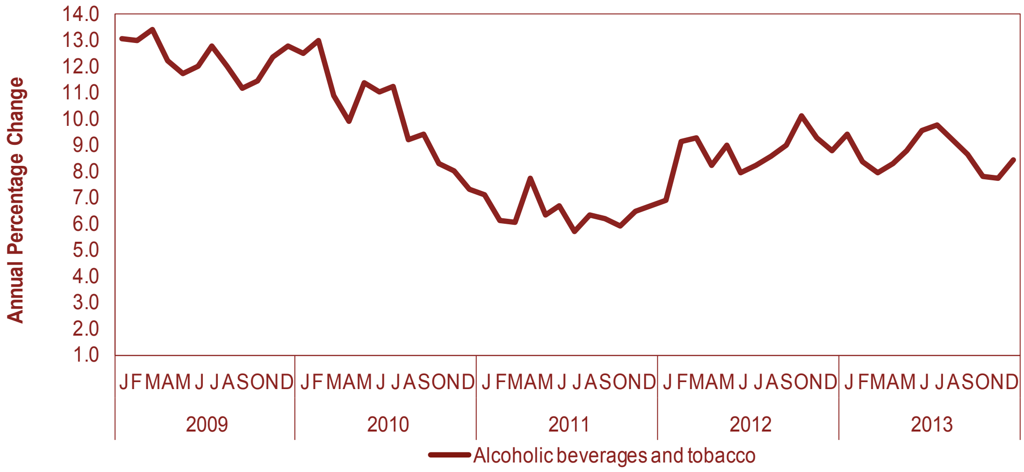
	Weight	2009	2010	2011	2012	2013
Food and Non-alcoholic Beverages	**16.4**	**10.7**	**3.2**	**4.9**	**9.1**	**6.5**
Food	**14.8**	**10.3**	**3.0**	**5.0**	**9.1**	**6.6**
Bread and cereals	4.8	10.2	5.2	3.8	9.5	4.6
Meat	3.5	9.1	2.0	9.8	13.9	6.5
Fish	0.8	6.3	-10.3	4.2	8.0	8.6
Milk, cheese and eggs	1.2	7.7	2.0	1.4	4.0	5.3
Oils and fats	0.8	1.3	-2.6	5.3	9.7	7.5
Fruit	0.3	14.1	3.5	0.3	3.0	13.1
Vegetables	1.2	18.5	5.9	2.8	5.8	11.7
Sugar, jam, honey syrups etc.	1.4	10.2	2.0	8.9	11.5	7.9
Food products	0.6	13.4	5.9	5.1	5.7	5.1
Non-alcoholic Beverages	**1.7**	**16.0**	**5.7**	**4.1**	**8.3**	**5.3**
Coffee, tea, and cocoa	0.3	24.2	3.6	3.3	7.4	4.6
Mineral waters, soft drinks and juices	1.4	13.3	6.5	4.4	8.6	5.6

Source: NSA

INFLATION FOR ALCOHOLIC BEVERAGES AND TOBACCO

During 2013, the annual average inflation rate for *alcoholic beverages and tobacco* remained relatively high and did not change from that in 2012. The annual average inflation rate for alcoholic beverages and tobacco was 8.7 percent (Chart C.30). The weight of *alcoholic beverages and tobacco* within the CPI basket increased from 3.3 percent to 12.6 percent due to the re-basing exercise. This shows the relative importance of these products for the average consumer according to data from the 2009/10 Namibia Household Income and Expenditure Survey (NHIES).

Chart C.30: Inflation for alcoholic and beverages and tobacco



Source: NSA

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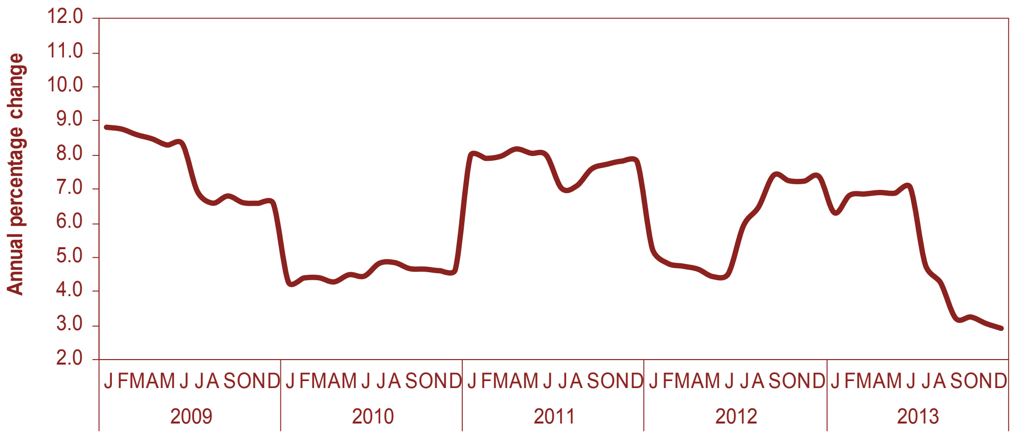
INFLATION FOR HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

The average annual inflation rate for *housing, water, electricity, gas and other fuels* declined from 5.8 percent in 2012 to 5.2 percent in 2013. Inflation for housing, water, electricity, gas and other fuels was relatively high during the first half of the year, averaging around 6.8 percent, before decelerating to 3.6 percent in the second half of the year (Chart C.31).

Chart C.31: Inflation for housing, water, electricity, gas and other fuels

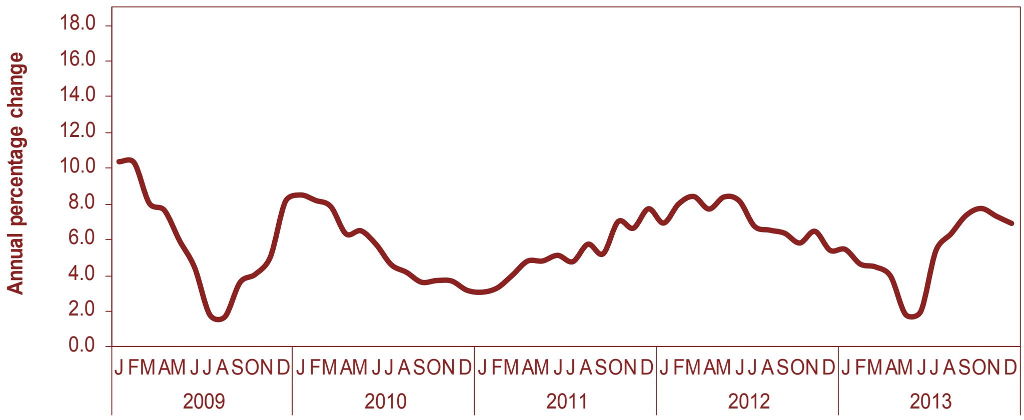


Source: NSA

TRANSPORT INFLATION

The annual average inflation rate for *transport* slowed in 2013, compared to 2012. Transport inflation declined to 5.3 percent in 2013, compared to the average rate of 7.1 percent in 2012 (Chart C.32). The decline in inflation was reflected in the subcategories: *operation of personal transport equipment and public transportation service*, both of which slowed by 4.8 and 1.9 percentage points to 8.5 and 6.1 percent, respectively.

Chart C.32: Transport inflation



Source: NSA

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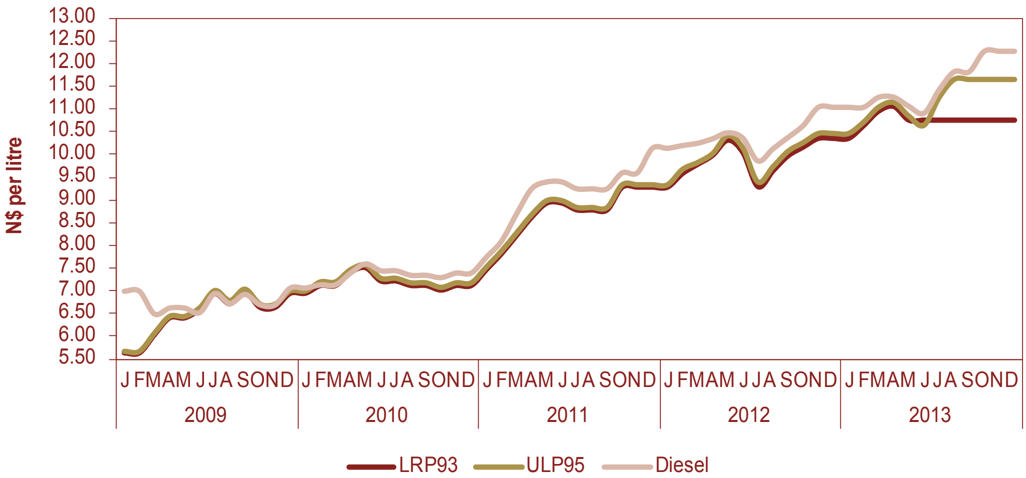
***Domestic pump prices* for petrol and diesel were increased at a slower rate in 2013 than in 2012, in line with international oil price developments.** *Pump prices* for petrol and diesel increased by an average of 12.2 percent and 10.9 percent in 2013, respectively, which was lower than the corresponding increase of 14.3 percent and 13.8 percent in 2012 (Chart C.33). At the end of December 2013, pump prices at Walvis Bay stood at N$11.66 per litre for petrol 95, and N$12.27 per litre for diesel compared to N$10.47 for petrol 95 and N$11.04 for diesel at the end of December 2012.

Chart C.33: Coastal pump prices

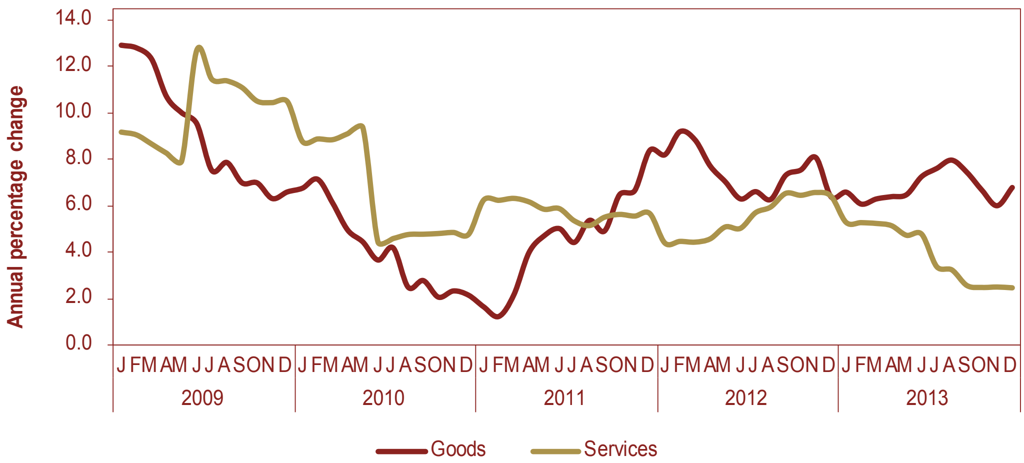


Source: Ministry of Mines and Energy

GOODS AND SERVICES INFLATION

Average annual inflation rates for both *goods and services* declined during 2013, in line with lower inflation rate for *food and utilities* (Chart C.34). The average annual inflation rate for *goods and services* slowed from 7.4 and 5.4 percent in 2012 to 6.8 and 3.9 percent in 2012, respectively. *Goods* inflation rate started the year at 6.6 percent in January, rose gradually to 7.2 in June, then slowed during the second half of the year, ending the year with an annual inflation rate of 6.8 percent. Annual inflation rate for services trended downward throughout 2013, starting the year at 5.3 percent in January, before slowing to 4.8 and 2.4 percent in June and December, respectively.

Chart C.34: Goods and services inflation



Source: NSA

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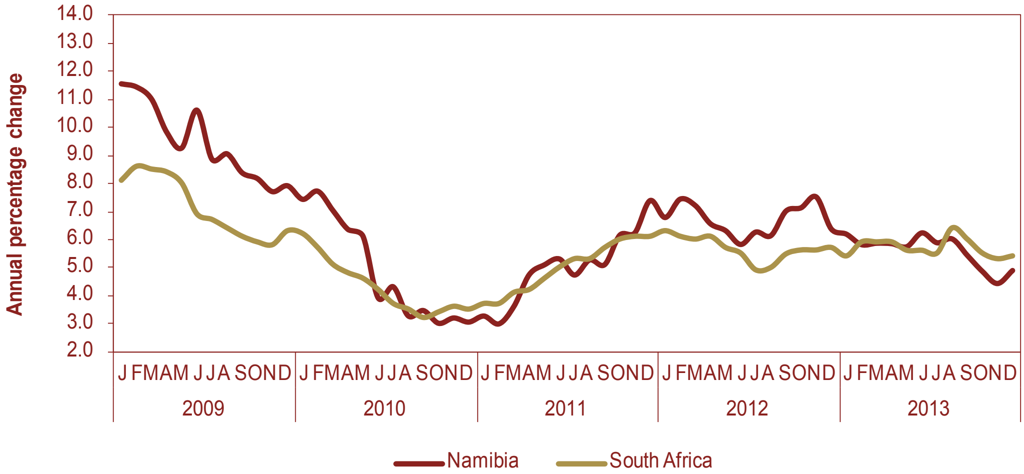
NAMIBIAN INFLATION VERSUS SOUTH AFRICAN INFLATION

***Annual inflation rates* for Namibia and South Africa trended somewhat similar for the most part of the year (Chart C.35).** Annual average inflation rates for the two countries were close in 2013, averaging 5.6 and 5.7 percent, for Namibia and South Africa, respectively. The similar trending reflects similar inflation for food, housing and transport, as Namibia imports most of its food products from South Africa. Food inflation remains the main contributor to inflation in the two countries, with developments in international food prices yielding significant impact on overall inflation rates in both economies.

Chart C.35: Namibian inflation versus South African inflation



Sources: NSA and STATSSA

MONETARY AND FINANCIAL MARKET DEVELOPMENTS

During 2013, the Bank retained its accommodative monetary policy stance to support the domestic economy in the context of a fragile external environment, while monetary and credit aggregates grew at double digit rates. *The repo rate remained unchanged at 5.5 percent throughout 2013, following a cut of 50 basis points in August 2012. As of December 2013, the 12-month (annual) growth rate of private sector credit slowed to 14.3 percent from 17.0 percent as of end-December 2012. The average growth rate of private sector credit increased to 15.9 percent by mid-2013, but has gradually declined thereafter. The annual growth rate of broad money was 12.8 percent in 2013.*

MONETARY AND CREDIT AGGREGATES

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During 2013, broad money supply (M2) grew strongly along a rapid growth of Net Domestic Assets (NDA), while Net Foreign Assets (NFA) grew on account of valuation adjustments due to the depreciation of national currency and net increases in Other Depository Corporations (ODCs)' claims on the rest of the world. Growth in M2 rose to 12.8 percent at the end of 2013, compared to a 4.1 percent growth recorded in 2012. The expansion in NDA mainly reflected a robust growth in claims on individuals. Contribution by NFA to the growth of broad money strengthened to 4.2 percent in 2013 compared to a negative contribution of 4.7 percent in the 2012. During 2013, hikes in ODCs' deposit holdings abroad, including the valuation adjustments, explained most of the increase in NFA.

Table C.5: Monetary and credit aggregates

		2009	2010	2011	2012	2013
(N$ million)						
Net Foreign Assets (NFA)		25 097.0	20 131.5	23 668.5	20 904.0	23 471.8
Net Domestic Assets (NDA)		34 504.1	42 737.6	46 365.4	53 159.7	62 866.5
of which:	Claims on Individuals	23 319.7	25 037.6	27 980.3	31 864.6	36 662.7
	claims on Businesses	13 248.1	15 528.5	16 434.4	20 069.8	22 783.9
	Net Claims on Central Govt	-5 227.5	-1 721.3	-553.9	-1 305.6	269.4
Other Items, net		13 248.1	-10 303.1	-11 325.0	-12 922.0	-17 379.6
Broad Money		48 730.4	52 566.0	58 708.9	61 141.7	68 958.8
Contribution growth to M2 (in percent)						
Net Foreign Assets (NFA)		39.2	-10.2	6.7	-4.7	4.2
Net Domestic Assets		8.7	16.9	6.9	11.6	15.9
of which:	Claims on Individuals	4.3	3.5	5.6	6.6	7.8
	Claims on Businesses	6.9	4.7	1.7	6.2	4.4
	Net Claims on Central Govt	-2.0	7.2	2.2	-1.3	2.6
Other Items, net		101.2	-48.3	-1.9	-2.7	-7.3
Broad money		66.6	7.9	11.7	4.1	12.8
Annual growth rates (in percent)						
Net Foreign Assets (NFA)		83.7	-19.8	17.6	-11.7	12.3
Net Domestic Assets NDA)		8.1	23.9	8.5	14.7	18.3
of which:	Claims on Individuals	5.8	7.4	11.8	13.9	15.1
	Claims on Businesses	18.0	17.2	5.8	22.1	13.5
	Net Claims on Central Govt	11.4	-67.1	-67.8	135.7	-120.6
Other Items, net		18.0	-177.8	9.9	14.1	34.5
Broad money		66.7	7.9	11.7	4.1	12.8

In 2013, net claims on central government registered a positive contribution to broad money growth, along a drawdown in government deposits held with the Bank (Table C.5). This reflected the government's decision to use more of its cash balances with the central bank than issuing securities to finance its overall deficit.

MONEY SUPPLY

A change in the composition of M2 underpinned the annual growth in money supply in 2013. Narrow money (M1) expanded rapidly, while "other deposits", including longer-term maturity deposits, declined in nominal terms (Table C.6). The growth of the component "transferable deposits", explained most of the growth in M1.

Table C.6. Broad Money and its components (contribution to growth of M2)

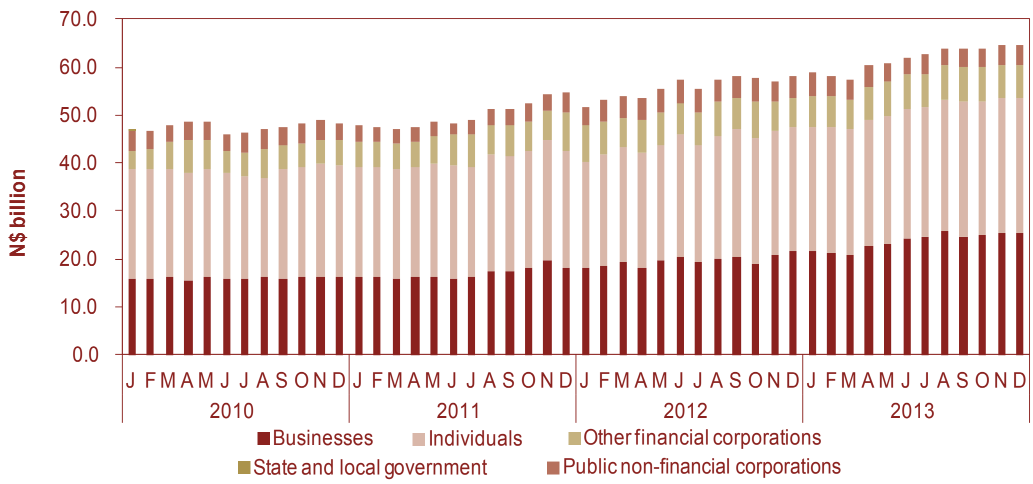
Monetary Aggregates	2012	2013
Broad Money (M2)	**4.1**	**12.8**
Narrow Money (M1)	**-2.3**	**14.6**
Currency in Circulation	0.0	0.7
Transferable Deposits	-2.3	13.9
Other Deposits	**6.5**	**-1.8**

C

SOURCES OF FUNDS OF OTHER DEPOSITORY CORPORATIONS (ODCS)

Total deposit holding of institutional sectors rose by 10.6 percent by the end of 2013, with the share of deposits of households and businesses remaining broadly unchanged from 2012. Deposits of 'household and businesses' with other depository corporations represented around 44 percent and 38 percent of total deposits, respectively. Deposits of public non-financial corporations were about 6 percent of total deposits. Deposits of other financial corporations represented the remaining 10 percent of total deposits at other depository corporations.

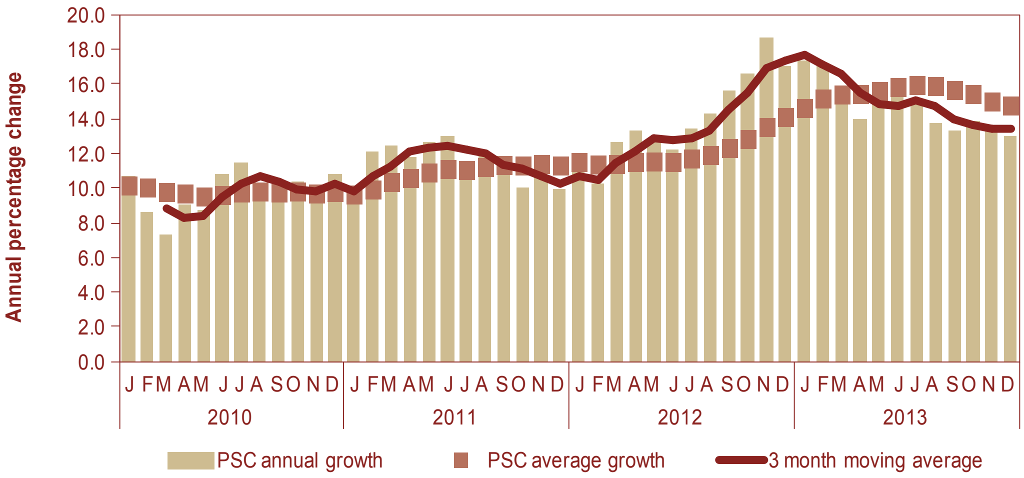
Chart C.36: Sources of funds of ODCs



PRIVATE SECTOR CREDIT EXTENSION

The growth in private sector credit extension (PSCE) moderated at the end of 2013, although it remained within a double-digit range. Growth in PSCE slowed to 14.3 percent at the end of 2013, compared to the growth of 17.0 percent at the end of 2012 (Chart C.37). A marked deceleration in overdraft credit explains the referred deceleration in PSC during 2013. Average growth in private sector credit has been gradually declining since mid-2013. On an inflation-adjusted basis, annual growth in PSCE hovered around 9.1 percent on average over the 12 months of 2013, compared to 7.5 percent, on average, during 2012.

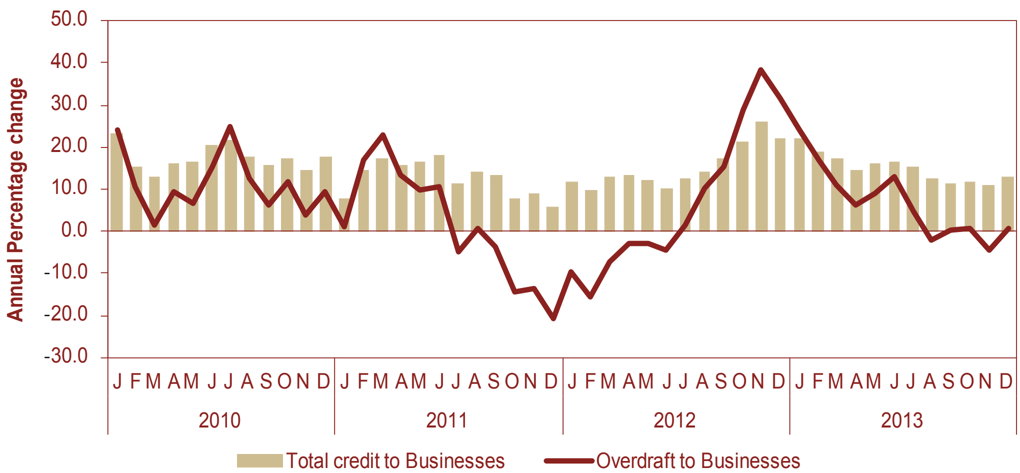
Chart C.37 Private Sector credit extended



CREDIT EXTENDED TO BUSINESSES

Credit extended to the corporate sector slowed towards the end of 2013, becoming the main contributor to the marginal slowdown in PSCE growth. Credit extended to the corporate sector slowed to 13.5 percent at the end of 2013, compared to 22.1 percent recorded at the end of 2012. Growth in credit extended to businesses remained robust in the first few months of 2013, but decelerated rapidly during the course of the year. This slower growth in PSCE is mainly attributed to business overdraft repayments (Chart C.38).

Chart C.38: Credit extended to businesses (percentage change over 12 months)



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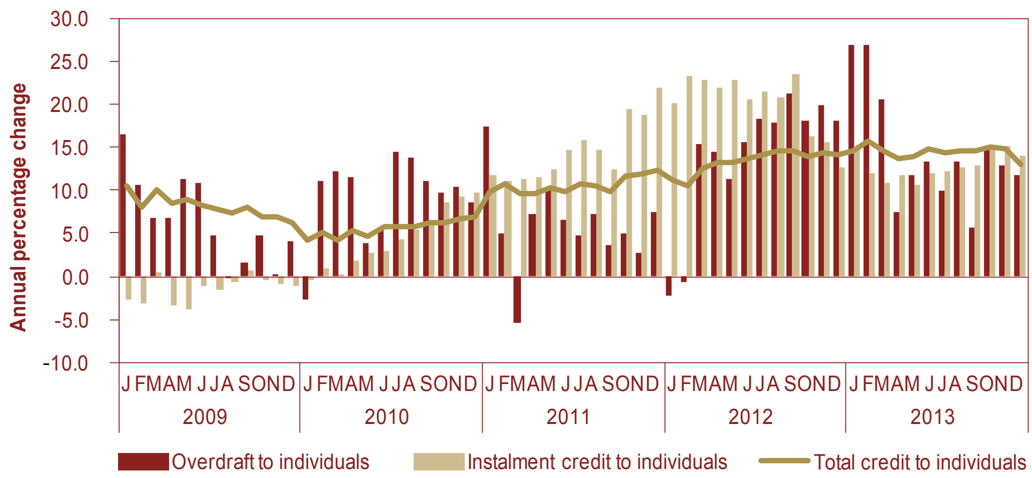
CREDIT EXTENDED TO INDIVIDUALS

Credit extended to individuals grew at an average rate of 14.6 percent throughout 2013 (Chart C.39). The registered growth rate in 2013 was higher than the one registered in 2012. Like in the previous years, the expansion of mortgage loans to individuals explains the overall trend of this credit aggregate.

Chart C.39: Credit extended to individuals (percentage change over 12 months)



CREDIT BY TYPE

During 2013, the growth in mortgage loans explained most of the growth in PSCE. Mortgage loans continued to represent more than half of the stock of PSCE, followed somewhat distantly by the stock of instalment credit and overdrafts. However, there was a marginal deceleration in the average growth rate of mortgage credit; from 14.3 percent in 2012 to 13.8 percent in 2013 (Chart C.40).

Chart C.40: Credit categories (percentage share)

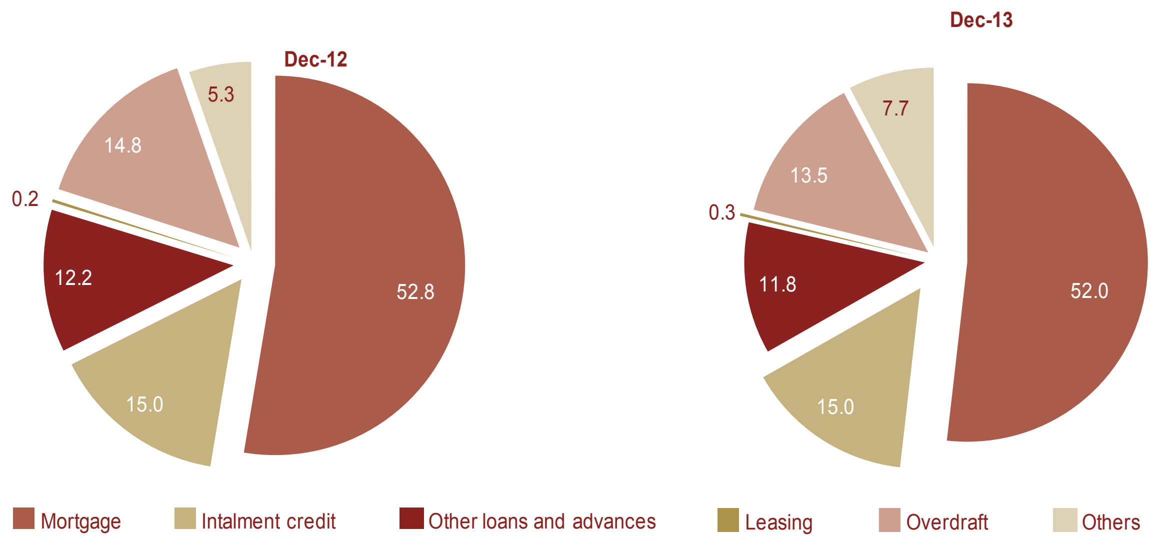


Table C.8: Credit aggregates (N$ million)

Component	2012	2013	Percentage change
Asset-backed Credit	35 179.9	39 301.6	11.7
Mortgage Advances	27 387.4	30 487.3	11.3
Instalment	7 792.4	8 814.3	13.1
Overdraft Lending	7 656.1	7 913.5	3.4
Other Loans and Advances	6 311.2	6 945.9	10.1
Total Loans and Advances	51 880.5	58 632.2	13.0

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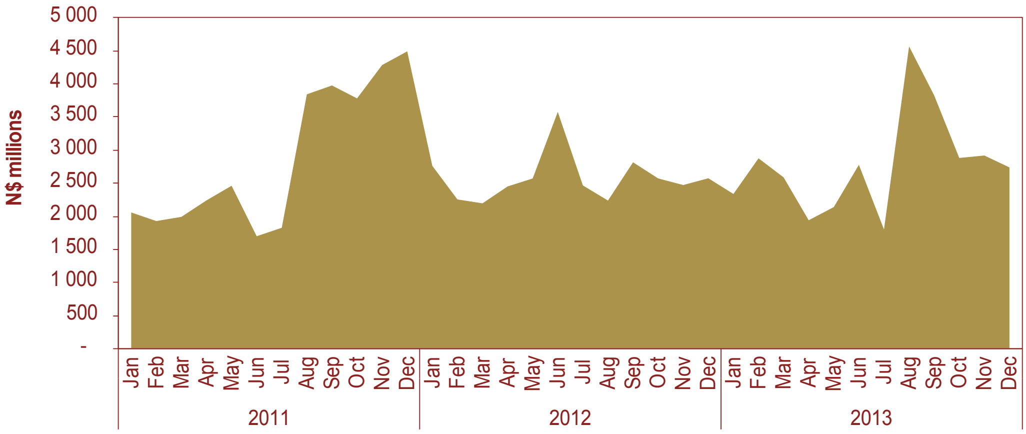
BANKING SYSTEM LIQUIDITY

The liquidity position of the Namibian banking system is influenced mainly by Government spending, the level of required reserves, currency in circulation, corporate tax payments, inflows and outflows to South Africa, government security issuances and mineral sale proceeds.

The overall liquidity position of the banking industry increased in 2013 compared to the preceding year (Chart C.41). The annual average liquidity for 2013 stood at about N$2.8 billion, marginally higher than the N$2.6 billion recorded during 2012. The highest monthly average liquidity during the year under review was N$4.6 billion in August (owing to significant diamond sales receipts in that month), while the lowest liquidity level recorded was N$1.8 billion in July (following corporate tax payments at the end of June). The observed high banking system liquidity was well in line with increased government spending particularly during the second half of the year. The Government embarked on an exercise to address the backlog in VAT and corporate tax refunds over this period, which resulted in high liquidity.

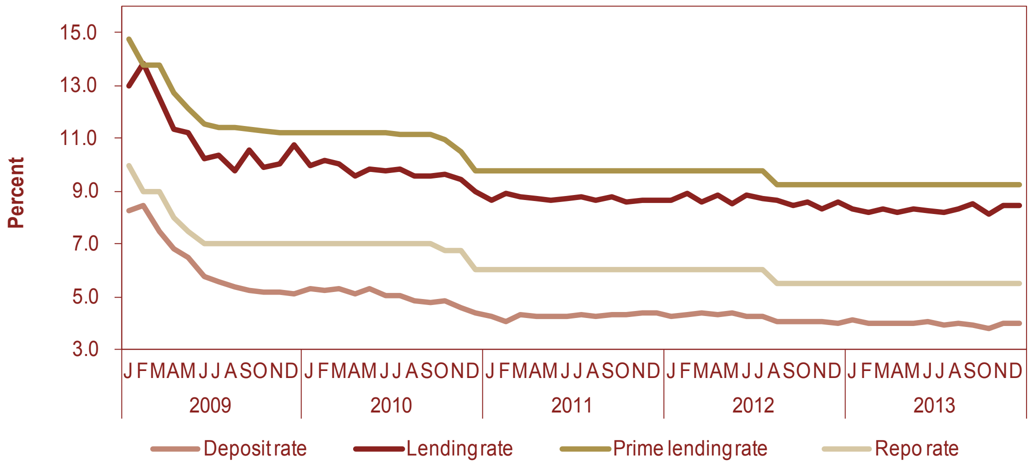
Chart C.41: Overall liquidity of the banking industry



MONEY MARKET DEVELOPMENTS

Consistent with the lowest level of the Repo rate since independence, money market rates remained at historically lower levels during 2013. On an annual basis average lending rate moderated to around 8.20 percent at the end of 2013, when compared to the 8.57 percent recorded at the end of the previous year. The average deposit rate slowed to 3.96 percent at the end of 2013 from 4.0 percent at the end of the previous year (Chart C.42). Meanwhile, the bank maintained a 5.50 percent repo rate, since it was last scaled down by 50 basis points in August 2012.

Chart C.42: Average lending, deposit rates and repo rate.



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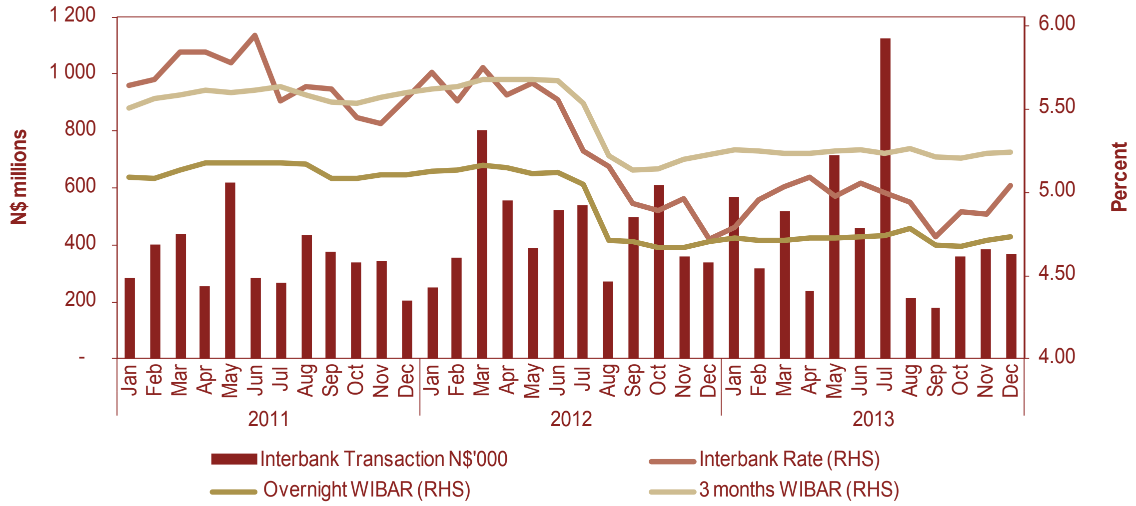
THE NAMIBIAN INTERBANK MARKET ACTIVITIES

The value of transactions in the interbank market and the level of money-market rates moderated slightly during 2013, in contrast to the preceding year. Funds amounting to N$5.46 billion flowed through the local interbank market in 2013, just marginally lower than the N$5.49 billion recorded in 2012 (Chart C.43). The lower interbank market activities can be attributed to the strong liquidity levels that prevailed in the banking industry during the year under review. The highest monthly value of transactions in the interbank market, amounting to N$1.1 billion, was recorded in July 2013 when liquidity levels were at their lowest. In line with the lower interest rates in the market, the weighted average interbank market rate fell from 5.31 percent in 2012 to 4.95 percent in 2013. The drop in the interbank market rate was consistent with the movements in money market rates, following lower benchmark rates, both in Namibia and South Africa. Similarly, the average overnight and the three months Windhoek Interbank Bank Agreed Rate (WIBR) also fell by over 20 basis points each during 2013, to 4.72 percent and 5.24 percent, respectively (Chart C.42).

Chart C.43: Interbank trading activities and WIBAR



BOND MARKET DEVELOPMENT

During the year 2013, three new domestic bonds were introduced. As part of the 2013/14 budget deficit funding strategy, the Namibian Government listed one medium-term bond and two long-term bonds. The new medium-term bond is the 8.50 percent GC25 which was introduced to supplement the active bonds in the 8 year to 15 year maturity range. The GC25 is maturing on 15 April 2025 and was issued on 01 August 2013. The long-term bonds are the 9.00 percent GC32 and the 9.50 percent GC35 which are due on 15 April 2032 and 15 July 2035, respectively. The long-term bonds were issued to extend the yield curve beyond 2030. The introduction of the new bonds will enable the Government to raise funding at a relatively low cost of borrowing.

With the additional new bonds, the total number of domestic government bonds outstanding increased from eight in 2012 to eleven, with nine of those being actively issued in the primary market. In line with the increased issuance of bonds, the nominal value of domestic government bonds outstanding increased from N$9.24 billion in December 2012 to N$10.89 billion in December 2013 (Chart C.44).

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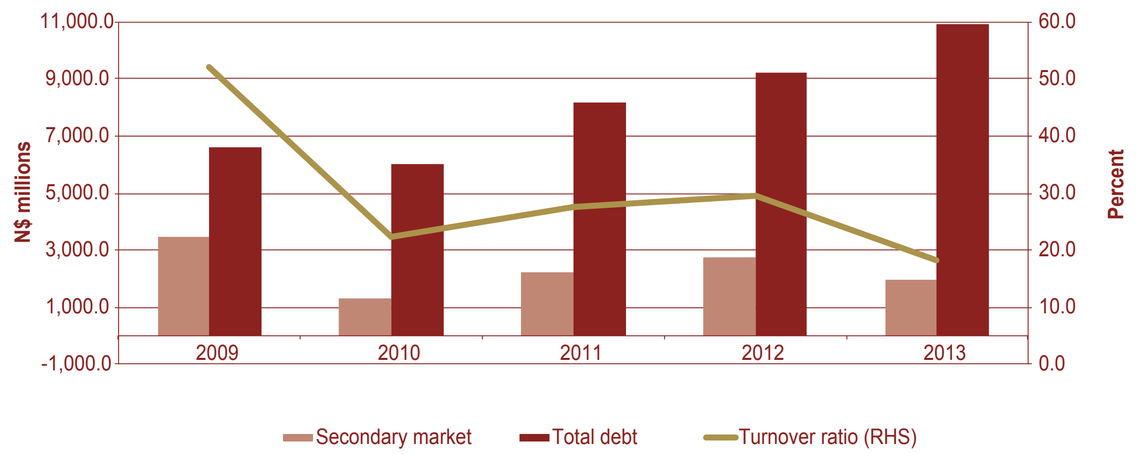
SECONDARY MARKET TRADING OF GOVERNMENT BONDS

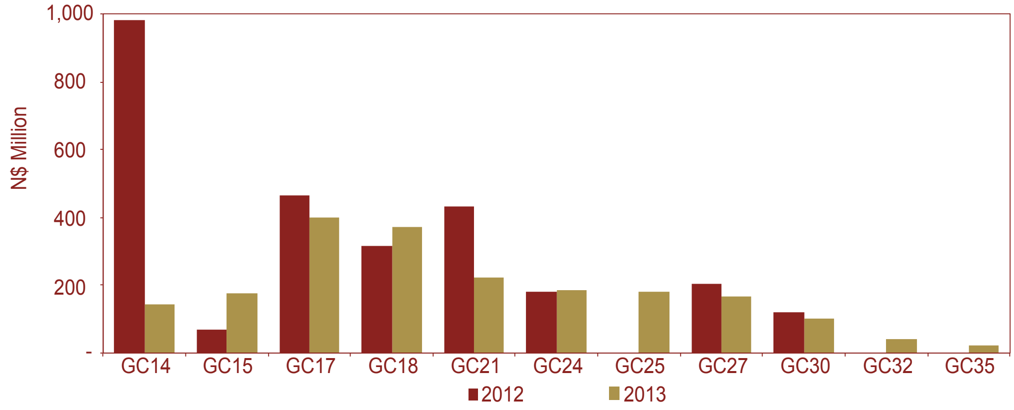
The secondary market trading for government bonds was relatively lower during 2013 compared to the preceding year (Chart C.46). Government bonds worth N$1.99 billion were traded on the secondary market during the year under review, lower than the corresponding amount of N$2.73 billion registered in 2012. Correspondingly, the turnover ratio of government bonds fell from 29.5 percent recorded in 2012 to a rate of 18.2 percent in 2013.

Chart C.44: Turnover ratio of Namibian government bonds



Trades in the secondary market were well spread across the entire yield curve during 2013 (Chart C.45). The GC17 and GC18 were the most traded bonds accounting for 38.4 percent of the secondary market trading during the year. The newly introduced GC32 and GC35 traded the least, with total trades amounting to N$58.8 million, or 3.0 percent of turnover, during the year under review.

Chart C.45: Secondary market trading of government bonds



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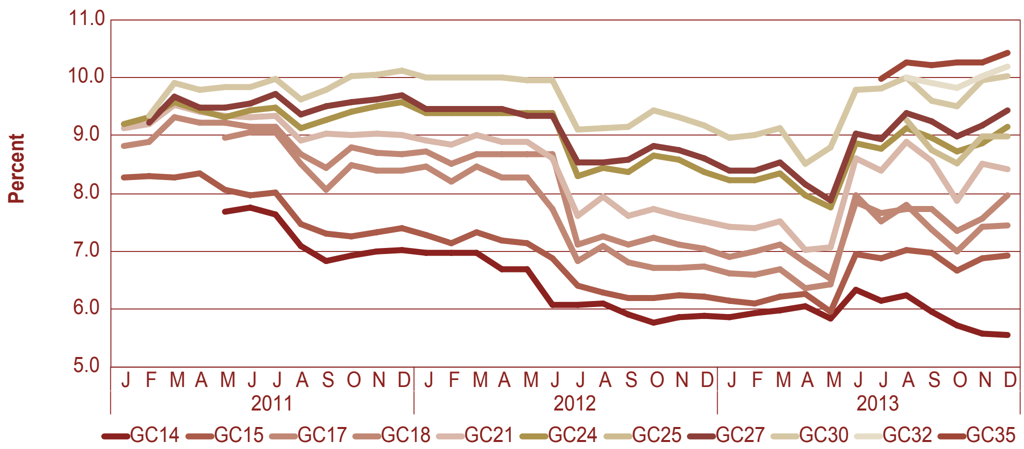
GOVERNMENT BOND YIELDS

Overall, the yields on government debt instruments increased during 2013, in line with developments in the bond markets globally. Bond yields increased in excess of 70 basis points across the yield curve. The yield on the GC15, the shortest-dated bond[17], rose from 6.15 percent in January to 6.94 percent in December 2013 (Chart C.46). Similarly, the yields on the GC21 and GC24 rose by 90 basis points and 79 basis points, respectively. Meanwhile, the yield on the GC27 and GC30 increased by 84 basis points to close the year at 9.44 percent and 10.02 percent, respectively. The increase in yields mirrors the development in the benchmark South African bonds, which saw yields rising due to concerns around declining capital inflows from developed markets, rising US Treasury yields, and fears of tapering, among other things.

Chart C.46: Namibian government bond yields

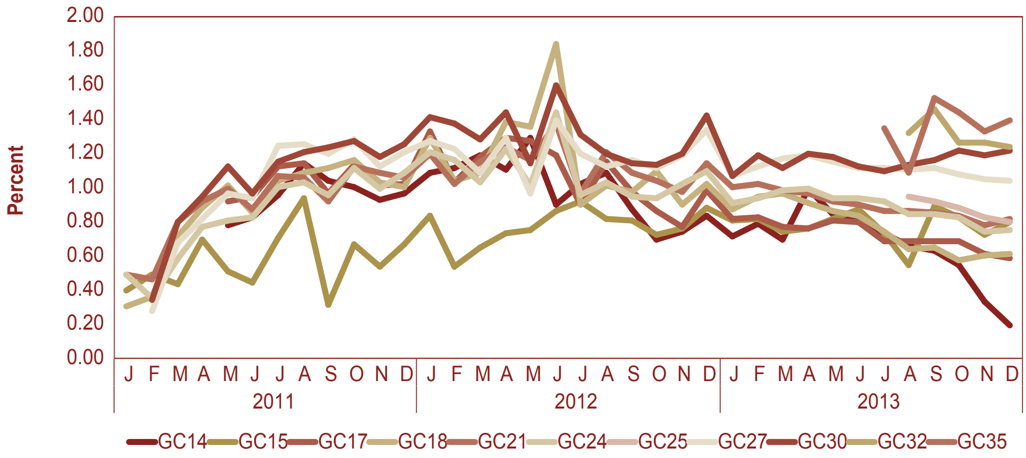


17 The GC14 is due on 15 July 2014, thus it has less than 1 year to maturity. As such, it is technically no longer a bond but a money-market instrument.

YIELD SPREADS

The average spread between Namibian bonds and equivalent South African bonds narrowed somewhat during 2013 (Chart C.47). The narrowing of spreads was more pronounced during the last quarter of the year, as South African (SA) bond yields rose by higher margins. The spread on the GC17 and GC18 against the R203 and R204 averaged 73 and 77 basis points during 2013, respectively. Meanwhile, for medium-dated bonds, the GC21 and GC24 recorded an annual average spread of 88 and 90 basis points, above the R208 and R186, correspondingly. The yield spreads remained rather static on the longer end of the curve during 2013. In this regard, the yields on the GC27 and GC30 averaged 111 and 116 basis points above the SA benchmarks, the R186 and R213, respectively. The wider spreads for longer-dated bonds could be explained by illiquidity due to small supply and limited demand.

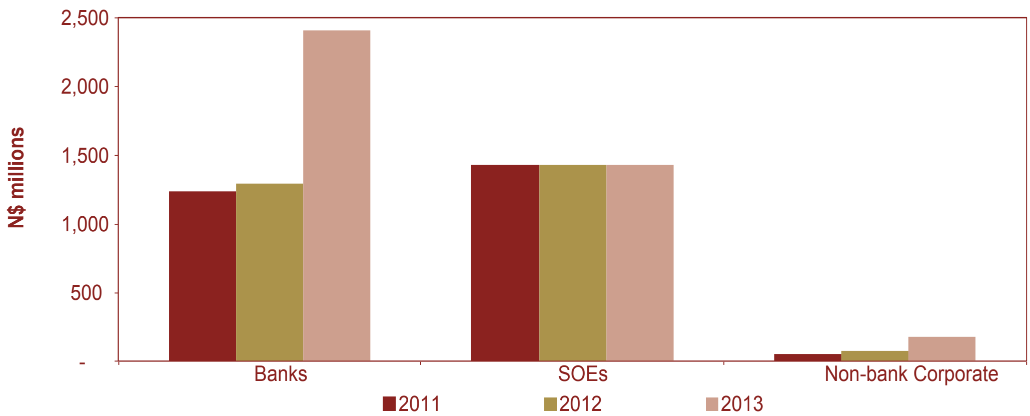
Chart C.47: Spreads between Namibian government bonds and SA benchmark bonds



CORPORATE BONDS

The value of corporate bond outstanding increased markedly in 2013. The stock of bonds issued by Namibian corporates stood at N$4.0 billion, of which N$2.4 billion where issued by commercial banks. This compares with an outstanding amount of N$2.8 billion reported at the end of 2012. In total, the number of corporate bonds remained unchanged, at 22. Nonetheless, the domestic bond market continues to be highly dominated by sovereign issues. Corporate bonds constituted 26.9 percent of the total bonds outstanding in the market during 2013. This is higher than the 16.7 percent non-sovereign bonds' share of the total value of bonds outstanding in 2012. The increase is attributed to bond issuances by commercial banks during the year.

Chart C.48: Outstanding corporate bonds



Source: NSX

NAMIBIA'S USD 500 MILLION EUROBOND PERFORMANCE

The year under review has been a turning point for bond markets. The yield on Namibia's 10-year USD Eurobond reached the highest level since issuance, reaching a record high of 5.32 per cent during June, from a level of just below 4 per cent during the first quarter of 2013. The increase in the yield largely tracked the increase in US Treasury yields, which rose mainly during the last half of the year as the Federal Reserve announced plans to taper its QE bond-buying program.

The 10-year US Treasury yields in particular rose from a low of 1.63 per cent to a peak of 2.98 per cent in a period of only four months as the Federal Reserve announced plans to tapper its QE program. In this regard, higher Treasury yields induced a rotation away from bonds and into equities and short-duration fixed income. As a result, fixed income markets experienced significant outflows. These movements in the international bond markets were similarly observed in emerging markets. The increases in yields were also a result of a general return from bonds to other securities, mainly equities.

The observed spread between the Namibian international bond and the US benchmark narrowed during 2013. In this regard, the changes in the US Treasury yields were relatively higher compared to the changes in the yields observed in emerging market debt. The spread between the Namibian Eurobond and the US benchmark averaged 268 basis points during 2013 compared to an average spread of 299 basis points during 2012.

The increase in the yields started to decline when the Federal Reserve announced plans to defer tapering on 18th September 2013 (Chart C.49). Nevertheless, the bond yields remained higher at the end of 2013, as the on-going debate over the US debt ceiling and budget has shifted expectations for the Federal Reserve's taper well into 2014.

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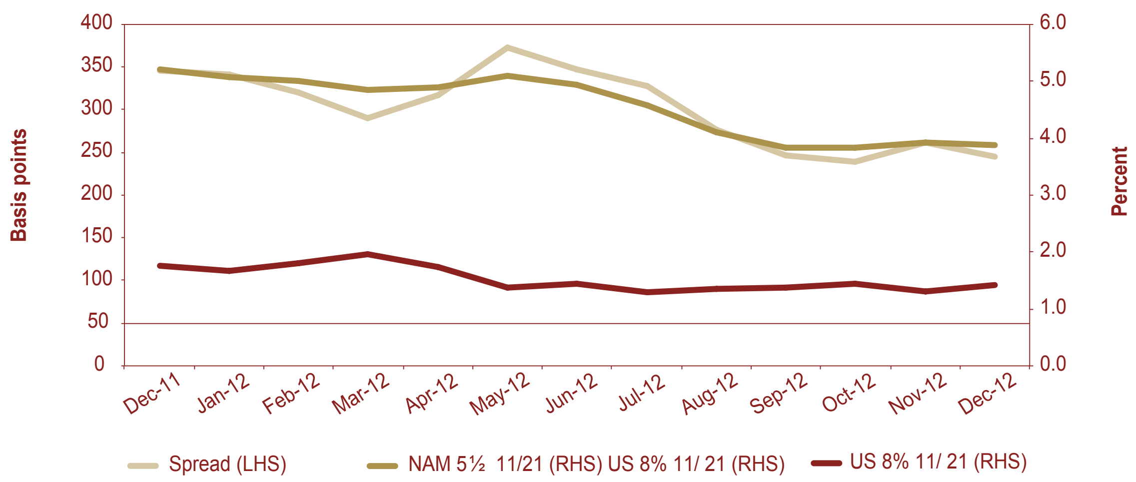
Chart C.49: Namibia's Eurobond performance



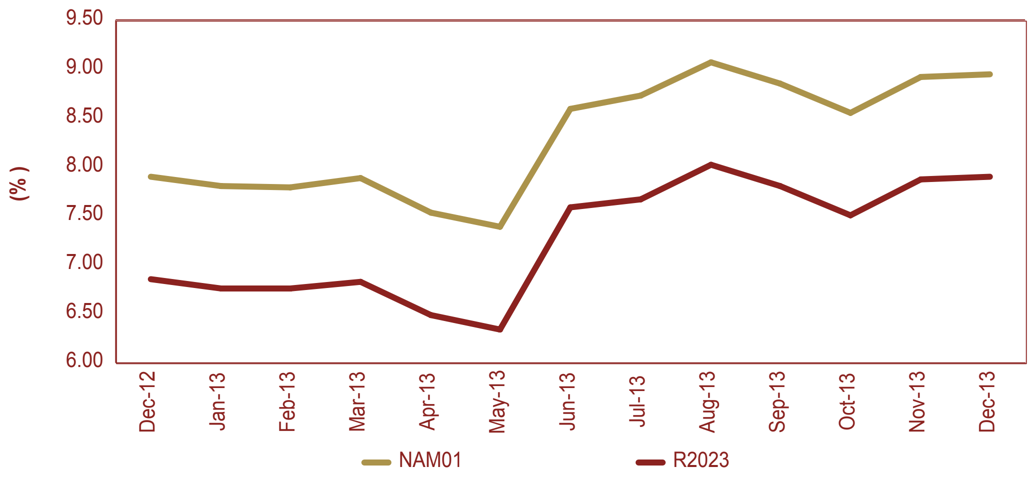
Source: Bloomberg

NAMIBIA'S ZAR850 MILLION JSE LISTED BOND'S PERFORMANCE

The performance of Namibia's ZAR850 million bond trading on the Johannesburg Stock Exchange (JSE) (NAM01) tracked the developments in other bonds. In this regard, the yields of the NAM01 bond started to rise at the end of May 2013, reaching the highest average level of 9.01 per cent during August 2013. The movements in the yield on the NAM01 were in line with those of the benchmark bond, the R2023 (Chart C.50).

The yield on this bond declined toward the end of the year. Except for June 2013, the average spread between the NAM01 and the R2023 was constant at 105 basis points through out the year. This was the same spread at the time of issuance during November 2012.

Chart C.50: Namibia's JSE listed bond performance



Source: JSE

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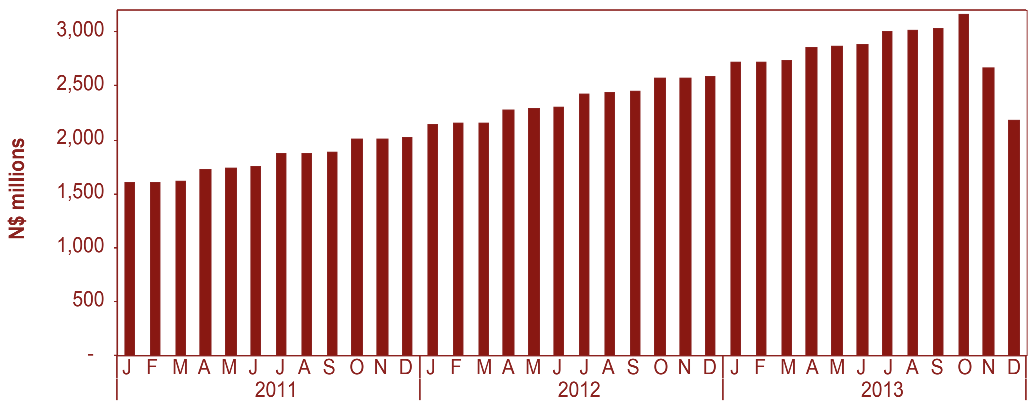
INTERNAL REGISTERED STOCK REDEMPTION ACCOUNT (IRSRA)

The balance of the Internal Registered Stock Redemption Account (IRSRA) fell during 2013 owing to the withdrawal of funds (Chart C.51). The balance on this account stood at N$2.2 billion at the end of December 2013, which is 15.8 percent lower than the N$2.6 billion recorded at the end of December 2012. The next government bond to mature is the GC14, whose total outstanding amount of N$1.53 billion is due on 15 July 2014. As such, the IRSRA has been overfunded which prompted the Government to make cash withdrawals from that account to finance the budget. In this context, a total of N$500 million was withdrawn in November 2013 and a further N$500 million in December 2013. This was done after the balance on the IRSRA reached an all-time high of N$3.2 billion in October 2013.

Chart C.51: Internal Registered Stock Redemption Account (IRSRA)



After the GC14, the next domestic bond to mature is the GC15 which has an outstanding amount of N$1.65 billion due on 15 April 2015. The Government will continue to invest funds in this account to fully cover for the redemption of upcoming maturing bonds, while ensuring that the account is not unnecessarily overfunded.

CREDIT RATINGS

SOVEREIGN CREDIT RATING

Moody's Ratings Agency affirmed Namibia's BAA3 rating. Moody's assessment is that Namibia's credit strengths are driven by the country's relatively rapid growth, relatively low public debt, high savings, and a stable political system. Increased exploration and development of the country's natural resources is one of the factors underpinning the country's growth. In this regard, the completion of the several mine construction projects currently underway, as well as the Kudu Gas Field and Power Station are particularly expected to drive foreign direct investment (FDI) and increase the country's growth at relatively rapid rates in the years to come.

The country's ability to maintain the Namibia Dollar's peg to the South African Rand has provided credibility to the country's monetary policy. The country's savings position, with long-term insurers and pension funds having assets up to 103 percent of GDP was also reflected in the rating. Moody's also rated the country's fiscal strength high, since at less than 25 per cent of GPD, the government debt is relatively low by international standards. Namibia's reserves, although low in relation to imports, are more than adequate to maintain the currency peg to the South African Rand and adequately cover upcoming debt maturities. In this regard, Namibia's risk level is said to be low. Moreover, the country's well-regulated and supervised banking system has resulted in a more resilient banking systems and receding contagion risks.

Moody's outlook on Namibia's ratings is stable. Namibia's rating outlook is relatively good, as most of the sovereign rating outlooks by Moody's were downgraded. Among advanced economies, several rating outlooks have moved to stable from negative, as in the case of the US and several Euro Area countries. Among emerging economies, some outlooks moved to stable from positive, as in the case of China and Brazil. Nevertheless, high unemployment and wide income inequality still remain challenges to the sovereign's creditworthiness.

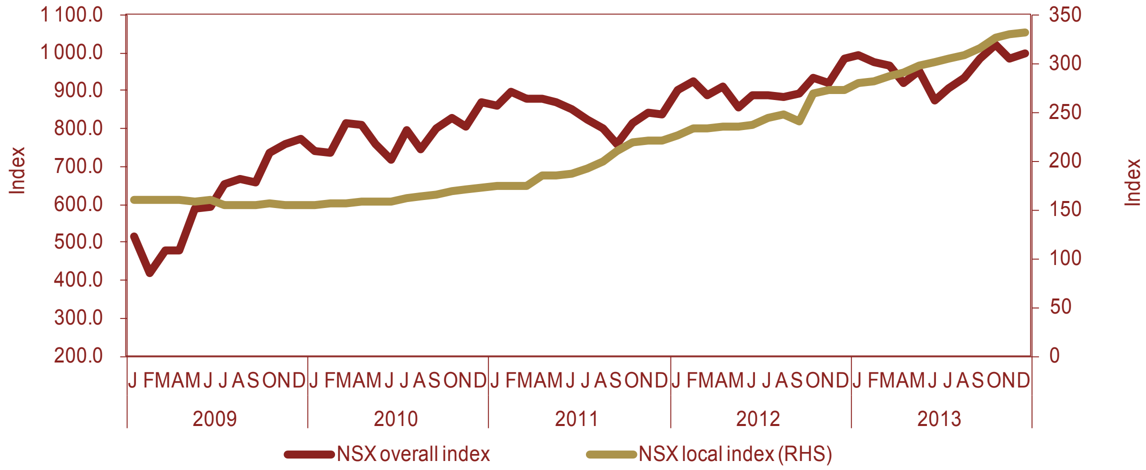
Equally, Fitch Ratings has affirmed Namibia's long-term foreign and local currency Issuer Default Ratings (IDR) at 'BBB-' and 'BBB', respectively. The issuer ratings on Namibia's senior unsecured foreign and local currency bonds have also been affirmed at 'BBB-' and 'BBB', respectively. The outlooks on the long-term IDRs are stable. Fitch has also affirmed the country ceiling at 'A-', short-term foreign currency IDR at 'F3' and national rating on the South African scale at 'AA-(zaf). The key drivers of the creditworthiness of the country are very much similar to those cited by Moody's, with low public debt as a share of GDP, a sovereign net external creditor position and a robust real GDP growth.

EQUITY MARKET DEVELOPMENT

The Overall Namibian Stock Exchange (NSX) Index recorded a slight increase at the end of 2013 compared to the level of the previous year. The Overall Index of the NSX closed at 996.73 at the end of December 2013; which represents a 1.3 percent growth when compared to a growth of 17.1 percent over the same period last year. The market uncertainty surrounding some sectors, such as basic materials and consumer services contributed to the slow growth in the Overall Index. Market capitalisation stood at N$1.4 trillion at the end of 2013.

The local index performed very well in 2013. The Local Index closed higher at 331.72 up from 273.56 recorded the same period last year. The strong performance in most local shares contributed to the increase in the Local Index, notably, Namibian Breweries, FNB Holdings and Oryx Properties. Local stock-market capitalisation also portrayed a growth, rising by 65.3 percent to N$18.7 billion from N$11.1 billion at the end of the previous year. This was due to a combination of increases in almost all share prices and the listing of Bank Windhoek Holdings in June 2013.

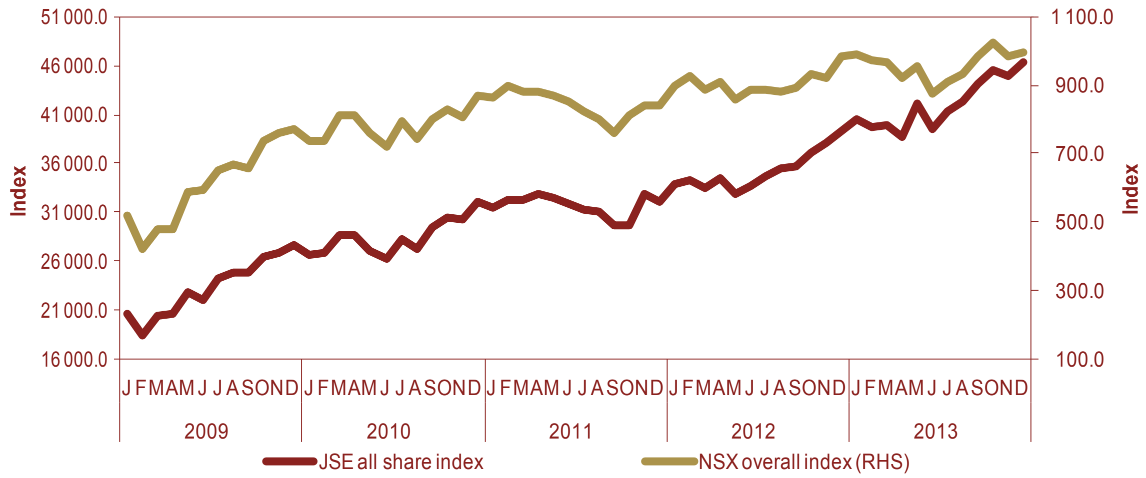
Chart C.52: Namibia Stock of Exchange (NSX)



Source: NSX

The Johannesburg Stock Exchange (JSE) All Share Index (Alsi) and the Namibian Stock Exchange (NSX) Overall Index continue trending in the same direction because some companies that are listed on the JSE are also listed on the NSX. The JSE closed off with a favourable index of 46 256.23 compared to an index of 39 250.24 last year. The index increased by 17.8 percent in 2013 compared to a 22.6 percent growth registered in 2012.

Chart. C.53: NSX overall Index; JSE All Share Index



Source: NSX and JSE

The year 2013 recorded robust annual trading compared to the trading registered in the 2012. The 2013 annual turnover rose to N$5.5 billion from N$4.0 billion recorded in 2012. Volume of shares traded also rose by 2.01 percent to 112.7 million compared to 110.4 million recorded in the preceding year (Table C.10).

Table C.10: NSX summary statistics

Category	2012	2013	Percentage change
Overall			
Index (end of year)	983.79	996.73	1.32
Market Capitalisation (N$ million) (end of year)	1 355 081	1 405 908	3.75
Free-float Market Capitalisation (N$ million) (end of year)	1 225 744	1 069 312	-12.76
Volume Traded ('000)	110 448	112 667	2.01
Value Traded (N$'000)	4 017 260	5 506 705	37.08
Number of Deals	2 692	3 788	40.71
Number of New Listings (DevX)	4	2	-50.00
Local			
Index (end of year)	273.56	331.72	21.26
Market Capitalisation (N$ million) (end of year)	11 057	18 729	69.39
Volume Traded ('000)	39 927	29 561	-25.96
Value Traded (N$ '000)	507 837	351 878	-30.71
Number of Deals	457	800	75.05
Number of New Listings	1	1	0

Source: NSX

PUBLIC FINANCE

During 2013/14, the government's fiscal position remained strong, although a budget deficit was recorded, compared to an estimated balanced budget in 2012/13. *The government recorded a budget deficit estimated at 3.0 percent of GDP in 2013/14, compared to a balanced budget in 2012/13. Revenue and grants, increased significantly during 2013/14 driven mainly by increases in taxes on income and profits and individual income tax, as well as increases in SACU receipts. Expenditure also increased during the reviewed fiscal year, as reflected in both capital and operational spending hikes. Namibia's debt stock increased in nominal terms during 2013, but total debt as a percentage of GDP remained well below the government's debt ceiling of 35 percent of GDP. The government's total loan guarantees rose during 2013, reflecting increases in loan guarantees granted to the transport sector.*

REVENUES AND GRANTS

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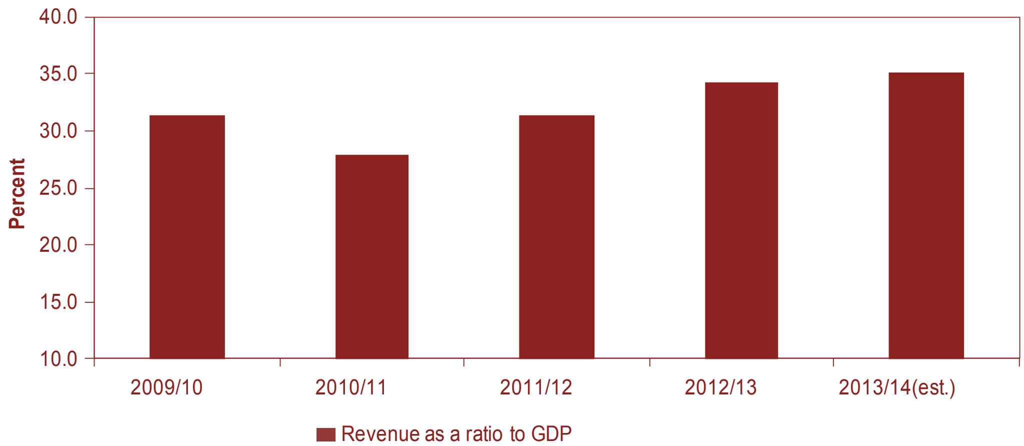
Revenue growth improved during 2013/14, reflecting increases in income tax receipts of individuals and corporations as well as increases in the SACU revenue receipts. Total revenue is estimated to have increased by 15.4 percent, to N$43.8 billion during 2013/14 (Chart C.54). Individual income tax increased by 26.3 percent to N$11.2 billion; taxes on income and profits increased by 21.3 percent to N$17.7 billion; while SACU receipts increased by 6.7 percent to N$14.7 billion during 2013/14. Total revenue increased from 34.3 percent of GDP in 2012/13 to 35.1 percent of GDP in 2013/14.

Chart C.54: Government revenue as percent of GDP

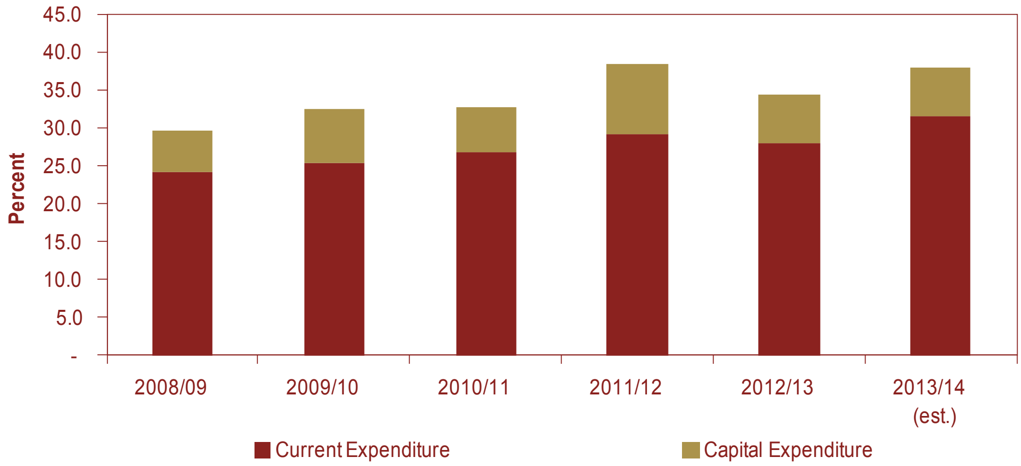


Source: MoF

GOVERNMENT EXPENDITURE

During 2013/14, total government expenditure increased at a substantially faster rate than in the preceding fiscal year, on account of rapid growth in operational and development expenditure, but the ratio to GDP remain within the government ceiling. During the fiscal year, total government expenditure increased by 25.0 percent, while operational and capital expenditure increased by 27 and 16.4 percent, respectively (Chart C.55). The increase in operational expenditure emanated from increased personnel spending following the regrading of public servants salaries. Development expenditure, which declined during the 2012/13 fiscal year, increased along funding for capital projects under the fourth National Development Plan (NDP4). The increase in development expenditure during 2013/14 was also necessitated by spending on capital projects under the Targeted Intervention Programme for Employment and Economic growth (TIPEEG), which entered its third and final year of implementation during 2013/14. Total expenditure during 2012/13 and 2013/14 amounted to 34.4 and 38.0 percent of GDP, respectively, lower than the 40.0 percent of GDP Government's ceiling.

Chart C.55: Government expenditure as percentage of GDP



Source: MoF

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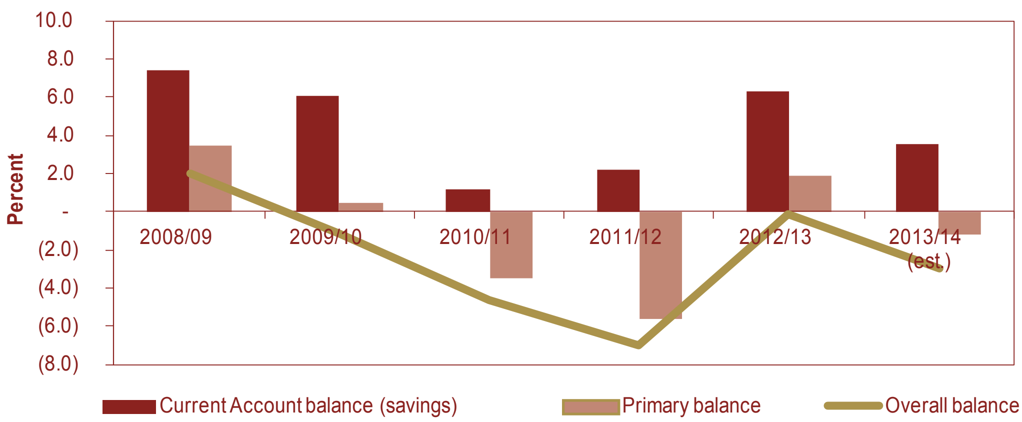
During 2013/14, the increases in expenditure reflected government support for key economic sectors, mainly, transport infrastructure, rural development, health and social services, and police, while spending in education was the largest component in total expenditure. The investment in education has been priority for government as lack of technical skills is identified as the most binding constraint to business growth and employment creation. Expenditure hikes in other leading sectors reflected the Government's priorities in economic development.

BUDGET DEFICIT

During 2013/14, the primary and the overall fiscal balance shifted into deficits, although the government's savings position remained positive. The primary balance moved from a surplus of about 2.0 percent of GDP in 2012/13 to a deficit of 1.2 percent of GDP. The overall government balance deteriorated from a balanced budget in 2012/13 to a deficit equivalent to 3.0 percent of GDP in 2013/14. This overall deficit compares to a deficit of 6.4 percent of GDP included in the 2013/14 fiscal budget. Sustained growth in current revenue—tax collections and SACU revenue—were more than enough to finance current expenditure, resulting in a current account balance of about 3.7 percent of GDP in 2013/14. Going forward, the overall budget deficit is projected to average 3.5 percent of GDP over the 2014/15 – 2016/17 MTEF period. At this average ratio, the budget deficit would remain below the 7 percent Government's deficit ceiling.

Chart C.56: Fiscal balances as percentage of GDP

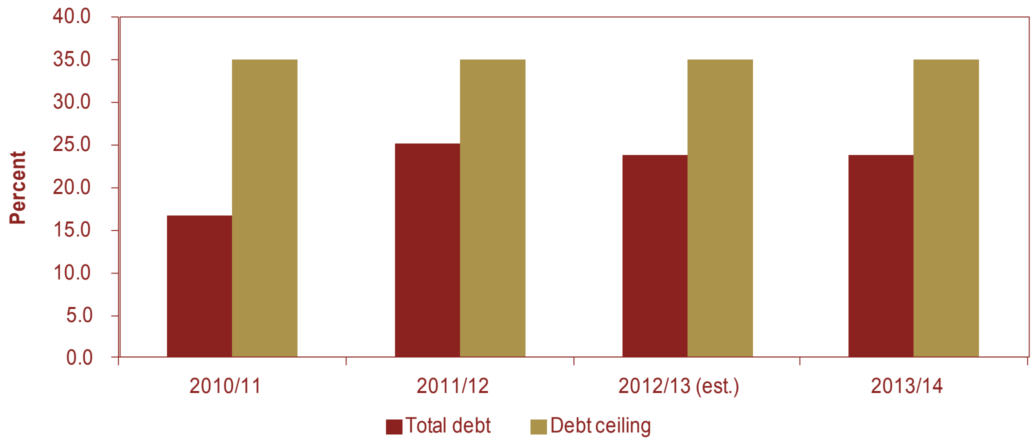


Source: MoF

CENTRAL GOVERNMENT DEBT

Total government debt is estimated to have increased in nominal terms during 2013/14, and total debt to GDP increased slightly. Total debt increased by 13.6 percent to N$29.9 billion at the end of 2013 compared to the debt stock at the end of 2012. The nominal increases emanated mainly from an increase in domestic borrowing, new bilateral loans and currency depreciation. The latter led to a revaluation of bilateral loans and the Eurobond. Debt level as a percentage of GDP increased slightly by 0.8 percentage point to 23.9 percent the end of 2013. At that level, the ratio of debt to GDP remains below the Government's debt ceiling of 35 percent of GDP (Chart C.57).

Chart C.57: Government debt and debt ceiling as a percentage of GDP



Source: MoF, BoN

DOMESTIC DEBT

Domestic debt increased in nominal terms at the end of 2013 compared to the debt stock at the end of 2012, on account of increased Internal Registered Stock (IRS). Total domestic debt stock increased by 10.1 percent to N$19.0 billion at the end of 2013. The increase was reflected in internal registered stocks, while Treasury Bills (TBs) declined over the reviewed period. The ratio of domestic debt to GDP, slightly declined by 0.4 percentage points to 15.2 percent at the end of 2013, compared to the previous year (Table C.9). The slight decline in the ratio was due to the fact that nominal GDP grew at a faster rate than the accumulation of domestic debt. As a ratio of total debt, domestic debt constituted about 63.6 percent at the end of 2013, lower by 2.0 percentage points compared to the proportion at the end of the preceding year.

Table C.9: Central government debt as at 31 December 2013 (N$ million)

	2009	2010	2011	2012	2013
GDP	**76 557**	**83 677**	**95 575**	**110 775**	**124 859**
Total export of goods and services	**31 720**	**34 346**	**37 316**	**41 398**	**38 610**
Foreign debt stock	**3 322.0**	**2 986.1**	**7 917.4**	**9 040.3**	**10 880.0**
Bilateral	1 425.4	980.3	1 293.5	1 313.6	1 938.4
As % of total	42.9	32.8	16.3	14.5	17.8
Multilateral	1 896.6	2 005.8	2 548.8	2 640.4	2 866.6
As % of total	57.1	67.2	32.2	29.2	26.3
Eurobond			4 075.1	4 236.3	5 225.0
As % of total			51.5	46.9	48.0
JSE Listed bond				850.0	850.0
As % of total				9.4	7.8
Foreign debt service	**730.8**	**305.6**	**203.6**	**575.5**	**605.4**
As % of export	2.3	0.9	0.5	1.8	1.6
Domestic debt stock	**10 177.0**	**9 982.6**	**17 870.2**	**17 277.9**	**19 023.3**
Treasury bills	3 510.4	3 994.1	8 077.6	8 041.9	8 132.3
As % of total	34.5	40.0	45.2	46.5	42.7
Internal registered stock	6 666.7	5 988.5	9 792.6	9 236.0	10 891.0
As % of total	65.5	60.0	54.8	53.5	57.3
Total Central Government debt	**13 499.0**	**12 968.7**	**25 787.6**	**26 318.2**	**29 903.4**
Proportion of total debt					
Foreign debt stock	24.6	23.0	30.7	34.4	36.4
Domestic debt stock	75.4	77.0	69.3	65.6	63.6
As % of GDP					
Foreign debt stock	4.3	3.6	8.3	8.2	8.7
Domestic debt stock	13.3	11.9	18.7	15.6	15.2
Total debt	**17.6**	**15.5**	**27.0**	**23.8**	**23.9**

Sources: MoF, BoN and NSA

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FOREIGN DEBT

The Government's total foreign debt increased at the end of 2013 compared to the stock at the end of 2012 due to new borrowings and currency depreciation[18]. Foreign debt increased by 20.4 percent to N$10.9 billion at the end of 2013 (Table C.9). The increase was largely attributable to new borrowing in bilateral loans, as well as the depreciation of the Namibia Dollar against major trading currencies during 2013. External debt as a percentage of GDP increased marginally by 0.6 percentage points to 8.7 percent at the end of the 2013.

18 On average, during 2013/14, the Namibia Dollar/Rand depreciated by 17.5 percent against the USD, and by 16.0 percent and 21.5 percent against the Pound and Euro, respectively.

The composition of the Government's external debt remained broadly unchanged in 2013/14. The largest component of the Government's external debt portfolio at the end of 2013 was the Eurobond, followed by multilateral loans. The Eurobond increased by 23.3 percent to N$5.2 billion compared to the stock at the end of 2012, due to the depreciation of the Namibia Dollar against the US Dollar over the period. Multilateral loans, which made up the second largest component, increased by 8.6 percent to N$2.9 billion at the end of 2013, while bilateral loans increased substantially by 47.6 percent to N$1.9 billion due to new loans and the local currency depreciation.

CURRENCY COMPOSITION

The US Dollar continued to be the dominant currency in the total external debt portfolio at the end of 2013. Almost half of Government's total foreign loan are denominated in US Dollar as the currency accounted for 49.8 percent at the end of 2013, albeit lower by 1.1 percentage points compared to the ratio at the end of 2012 (Chart C.58). Loans denominated in Euro accounted for 21.8 percent of the total external debt at the end of 2013, while the Rand accounted for about 11.6 percent of government's total foreign loans.

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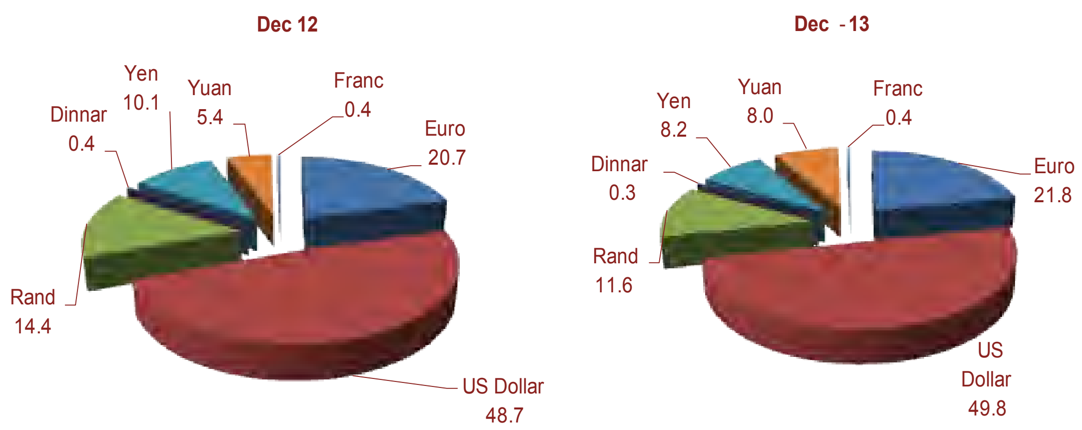
Chart C.58: External debt currency composition (percentage share)



Source: MoF

CENTRAL GOVERNMENT LOAN GUARANTEES

The Government's total loan guarantees (as a share of GDP) rose at the end of 2013, due to increases in granted guarantees for external borrowing. The total stock of loan guarantees stood at N$7.5 billion (6.0 percent of GDP) at the end of 2013, representing a significant increase when compared to N$2.2 billion (2.0 percent of GDP) at the end of the preceding year (Table C.10). The rise in the stock reflected increases in foreign loan guarantees, while domestic loan guarantees declined. The upsurge in foreign guarantees emanated from the transport sector, where new loan guarantees were granted during the review period. The stock of government loan guarantees remains below the government's ceiling of 10 percent of GDP.

Table C.10: Central government loan guarantees as at 31 December 2013 (N$ million)

	2009	2010	2011	2012	2013
GDP	**76 556.5**	**83 676.5**	**95 574.8**	**110 775.0**	**124 859.0**
Domestic Guarantees	1 095.6	1 081.4	945.9	918.0	732.2
As % of GDP	1.4	1.3	1.0	0.8	0.6
As % of Total Guarantees	41.9	44.5	48.4	41.6	9.8
Foreign Guarantees	1 519.4	1 346.2	1 008.7	1 288.1	6 739.9
As % of GDP	2.0	1.6	1.1	1.2	5.4
As % of Total Guarantees	58.1	55.5	51.6	58.4	90.2
Total Guarantees	**2 615.1**	**2 427.6**	**1 954.6**	**2 206.1**	**7 472.1**
As % of GDP	3.4	2.9	2.0	2.0	6.0

Sources: MoF, BoN and NSA

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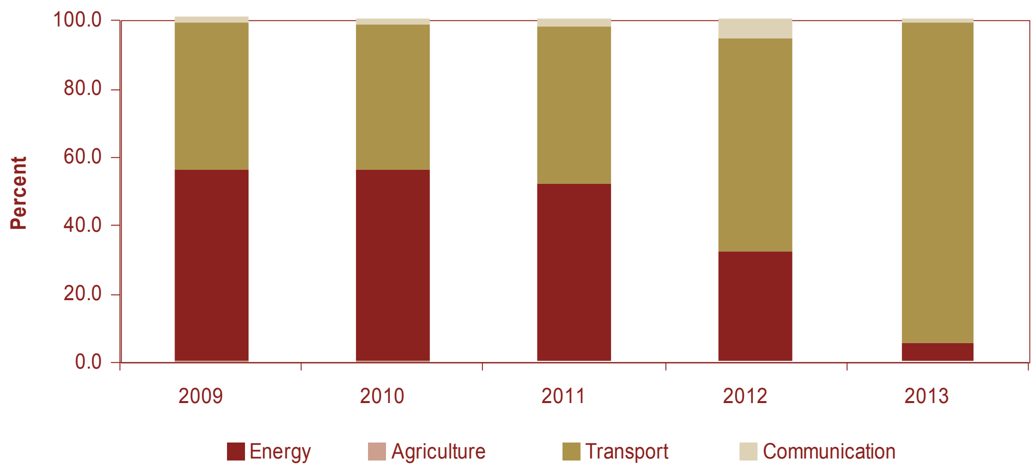
FOREIGN LOAN GUARANTEES

Foreign loan guarantees increased at the end of the review period due to new guarantees granted to the transport sector as well as the impact of the depreciation of the local currency against the US Dollar and the Euro. Loan guarantees to external creditors increased from N$1.3 billion at the end of 2012 to N$6.7 billion at the end of 2013 (Table C.10). The upsurge was reflected, in part, in the transport sector, where new loans amounting to N$2.9 billion were taken up, although actual disbursements for these particular loans are yet to take effect. Consequently, the ratio of foreign loan guarantees to GDP increased from 2.0 percent at the end of 2012 to 6.0 percent at the end of 2013.

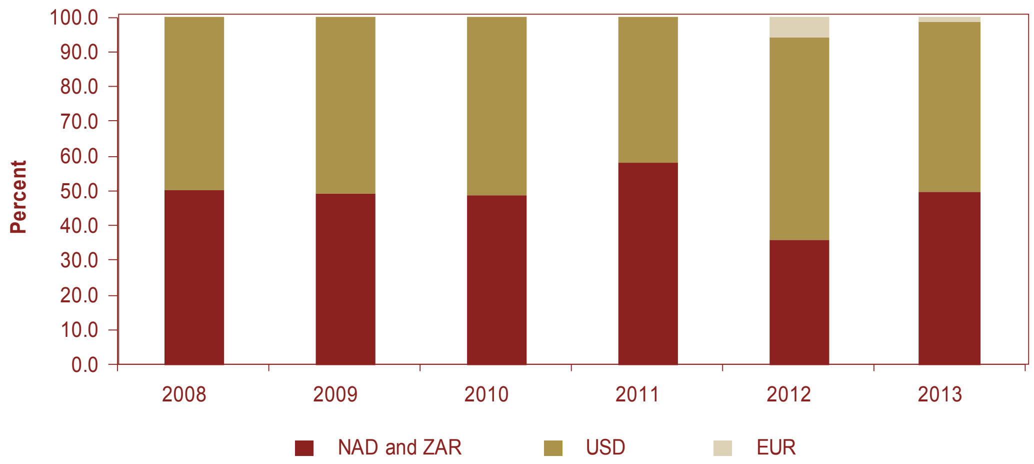
Chart C.59: Proportion of government foreign loan guarantees by sector



Source: MoF

The transport sector remained the largest component of total foreign loan guarantees. The transport sector made up 93.4 percent of total foreign loan guarantees at the end of 2013, representing an increase from 31.3 percent at the end of the preceding year (Chart C.59). On the other hand, the share of the energy sector, which dominated foreign loan guarantees between 2009 and 2011, declined from 31.9 percent to 5.3 percent over the same period due to repayments made on existing external liabilities.

Chart C.60: Currency composition of government foreign loan guarantees



Source: MoF

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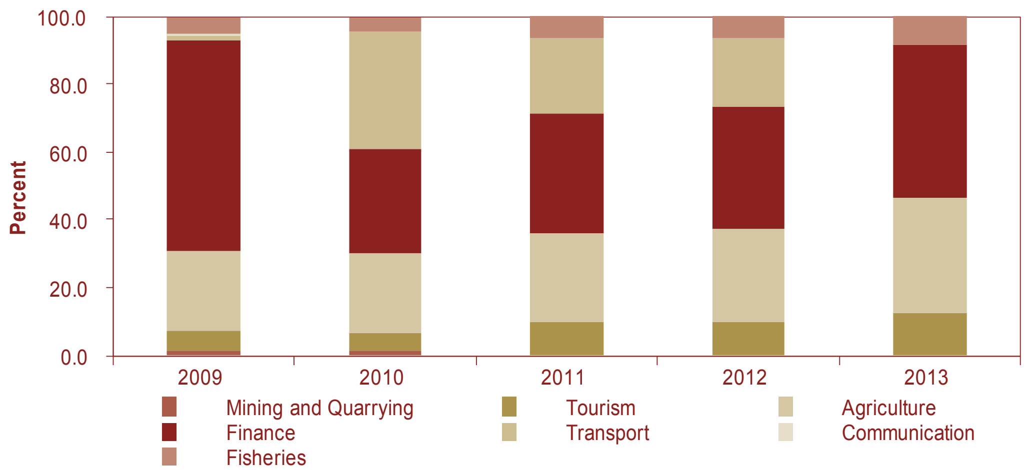
The proportion of government loan guarantees denominated in Namibia Dollars and South African Rands increased while the ratio of US Dollar and Euro denominated loan guarantees declined in 2013. The portion of loan guarantees denominated in Namibia Dollar and South African Rand increased from 36.1 percent to 49.4 percent at the end of 2013 mainly as a result of new loan guarantees in the transport sector (Chart C.60). Consequently, the portion of the US Dollar denominated loan guarantees decreased from 58.3 percent to 48.8 percent, while the share of Euro denominated loan guarantees decreased by 5.1 percentage points to 1.3 percent over the same period.

DOMESTIC LOAN GUARANTEES

Domestic Loan guarantees *decreased* at the end of 2013, compared to the previous year due to repayments in the transport sector. In this regard, domestic loan guarantees declined by 20.2 percent to N$732.2 million at the end of 2013. The decline was due to repayments made for all domestic guaranteed loans in the transport sector in August 2013. As a result, the finance sector made up the largest portion of domestic loan guarantees, accounting for 45.1 percent (ChartC.61). This was followed by loan guarantees to the agricultural and tourism sectors, which made up 34.4 percent and 12.0 percent, respectively. Consequently, as a ratio to GDP, domestic loan guarantees decreased slightly by 0.2 percentage points to 0.6 percent at the end of 2013.

Chart C.61: Proportion of government domestic loan guarantees by sector

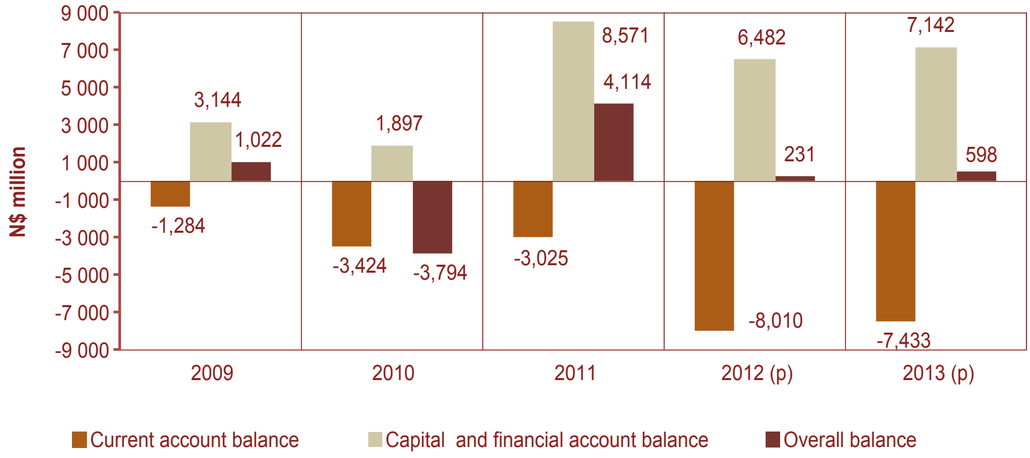


Source: MoF

FOREIGN TRADE AND PAYMENTS[19]

During 2013, the overall balance of payments (including valuation adjustments) recorded a surplus of N$598 million, compared to a surplus of N$231 million in 2012, as sizeable financial inflows in the capital and financial account more than compensated for the deficit in the current account. *The 2013 current account deficit was, however, lower than that registered in 2012 (Chart C.62). During 2013, the Namibia Dollar[20] continued to depreciate against currencies of its major trading partners. This development was mainly due to South Africa's domestic and external imbalances and the impact of the suggested tapering of the Federal Reserve's expansionary monetary policy due to the improved economic prospects of the US economy. In 2013, the International Investment Position (IIP) registered a lower net asset position.*

Chart C.62: Balance of payments, major accounts



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CURRENT ACCOUNT[21]

During 2013, Namibia's *current account* registered a large deficit, though smaller than the previous year. At about N$7.4 billion, the deficit was equivalent to 6.2 percent of GDP, down from a deficit of 7.5 percent of GDP in 2012. During 2013, a widening trade deficit and sizeable net service payments abroad more than compensated for increases in SACU receipts, which peaked to N$14.5 billion.

MERCHANDISE TRADE BALANCE

The deficit in the *merchandise trade balance* peaked at N$19.2 billion in 2013 (Chart C.63). Import values increased by 19.4 percent to N$64.0 billion, while exports proceeds grew by 25.0 percent to N$44.8 billion in 2013. The rise in the import bill mirrored high *fuel* imports, *motor vehicles* and other equipment such as, *vessel docking platforms* and other *tags for pushing/pulling ships*. The rise in *export* earnings mainly reflected

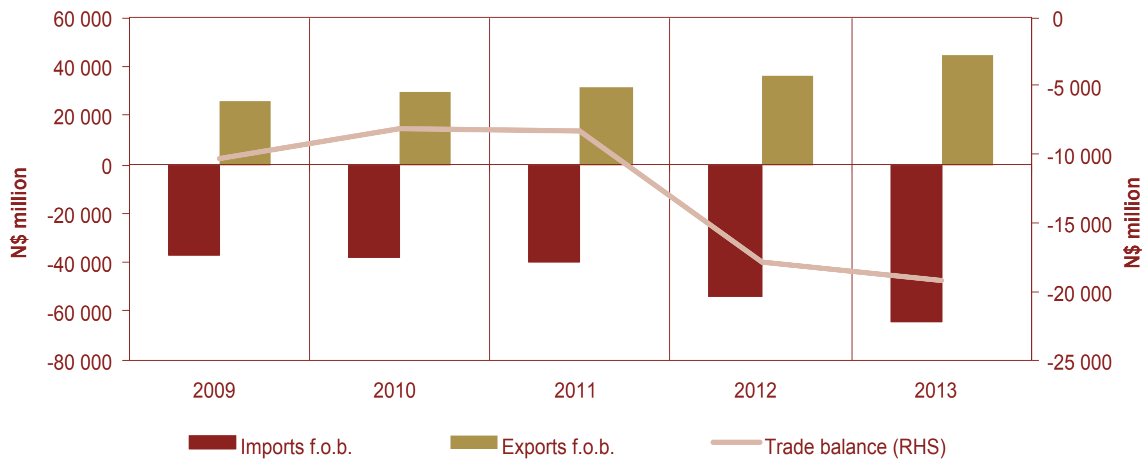
19 p in this section stands for *provisional*.

20 The exchange rate used for Balance of payments (BOP) transactions and those referred to in the Exchange Rate Development section in this Report are simple average rates of the year for the respective currencies, while the exchange rates used for the IIP and External Debt and Public Finance sections are as at the end of period rates.

21 The differences in trade data between NSA and BON is due to the BOP adjustments for imports, while for the exports is due to different data sources. In that regard, BON conducts its own survey, while Customs and Excise is the source for NSA. It should be noted that NSA is in the process of rebasing and as such, the process of data reconciliation between the two institutions will take place thereafter.

increases in *diamond export* receipts and *re-exports* of *high-value commodities*. Both export and import values were affected by the depreciation of the local currency against major trading currencies, although a higher percentage of imports were in Rand relative to exports.

Chart C.63: Merchandise trade



Sources: BoN, NSA

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EXPORTS

During 2013, Namibia's *export receipts* recorded substantial increases, due to hikes in export values of diamonds and re-exported commodities, coupled with the depreciation of the local currency. Exports of *minerals* remained the main source of export earnings, representing more than 40.0 percent of total export receipts. The share of diamond export receipts in total export earnings increased from 23.0 percent in 2012 to 26.1 percent in 2013. The share of *re-exports* in total export earnings peaked at 13.5 percent as a result of the re-exporting of high-value commodities, while that of *uranium* and *other minerals* declined (Table C.11). The share of exports of food and *live animals* and that of *manufactured products* also declined during 2013.

Table C.11: Major export receipts (percentage of total exports)

Export receipts	2009	2010	2011	2012	2013
Minerals	40.7	44.00	41.1	42.5	42.7
Diamonds	17.3	20.6	20.0	23.0	26.1
Uranium	17.8	17.2	15.6	12.8	11.4
Other minerals	5.6	6.2	5.5	6.7	5.2
Food and live animals	12.0	12.3	12.7	10.2	9.7
Manufactured products	23.7	22.2	22.3	18.3	16.8
Re-exports	-	-	-	7.5	13.5
Other commodities	23.6	21.4	23.9	21.5	17.6

During the period under review, South Africa, Botswana, the Euro Area and Switzerland were the top four destinations for Namibian exports. Exports to South Africa accounted for 21.9 percent of total exports, which included beverages, beef, live animals and fish (Table C.12). Botswana absorbed most of Namibia's exported rough diamonds along with the re-settling of De Beer's diamond trade counter from London to Gaborone and represented 15.4 percent of total exports, while the Euro Area imported mostly beef and fish products.

Table C.12: Namibia's major export destinations

Countries	Percentage share
South Africa	21.9
Botswana	15.4
Euro Area	12.9
Switzerland	9.4
Angola	7.9
United States of America	3.8
Canada	3.5
China	2.6
Democratic Republic of Congo	2.6
United Kingdom	2.2
Rest of the world	17.8

Source: NSA.

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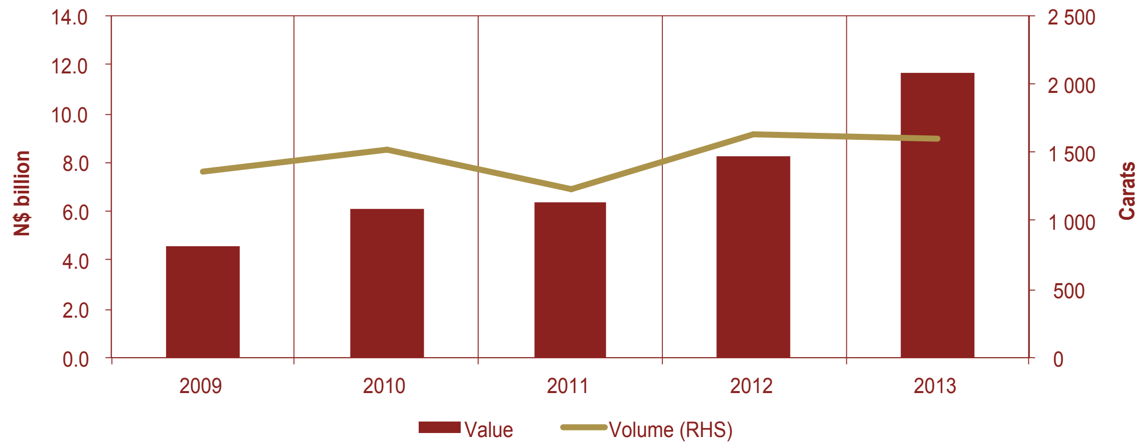
MINERAL EXPORTS

DIAMONDS

During 2013, diamond export earnings **rose substantially due to increased export volumes and the impact of the depreciation of the local currency against its major trading currencies.** Diamonds export receipts increased by 41.8 percent to N$11.7 billion during 2013 (Chart C.64). The rise in export earnings was mainly due to increased volume of carats exported, which reached 1.8 million carats in 2013. The depreciation of the Namibia Dollar in the foreign exchange market also contributed to the remarkable rise in export proceeds.

Chart C.64: Diamond exports

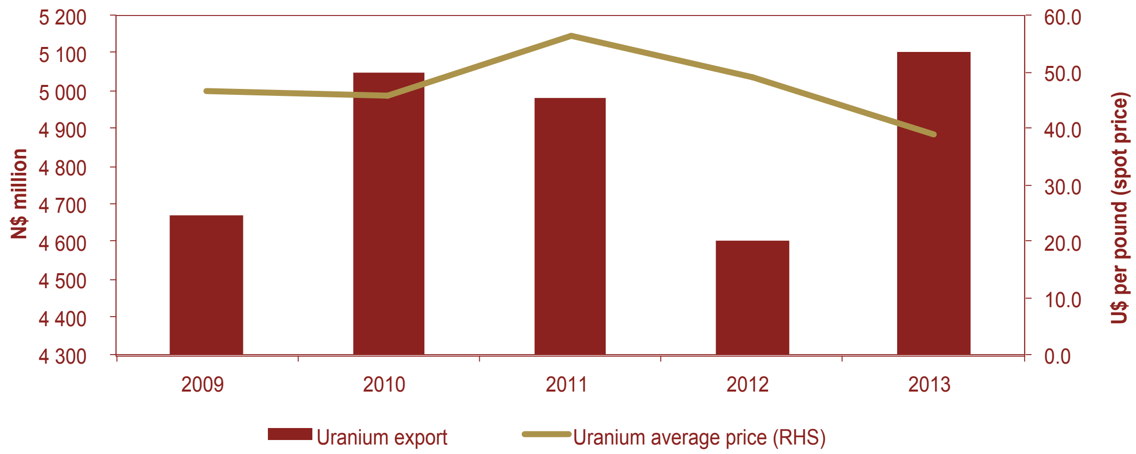


Source: MME

URANIUM

***Uranium export receipts increased significantly* in 2013, as a result of higher export volumes and the impact from a weak local currency, notwithstanding further declines in international uranium prices.** Export volumes rose by 9.9 percent from 5 327 tonnes exported in 2012. During 2013, the average international price for uranium declined by 20.4 percent to US$38.9 per pound (Chart C.65). Low international prices reflected the depressed global demand, combined with delays in re-starting Japan's nuclear reactors after the Fukushima nuclear disaster in March 2011.

Chart C.65: Uranium – export earnings



Source: MME

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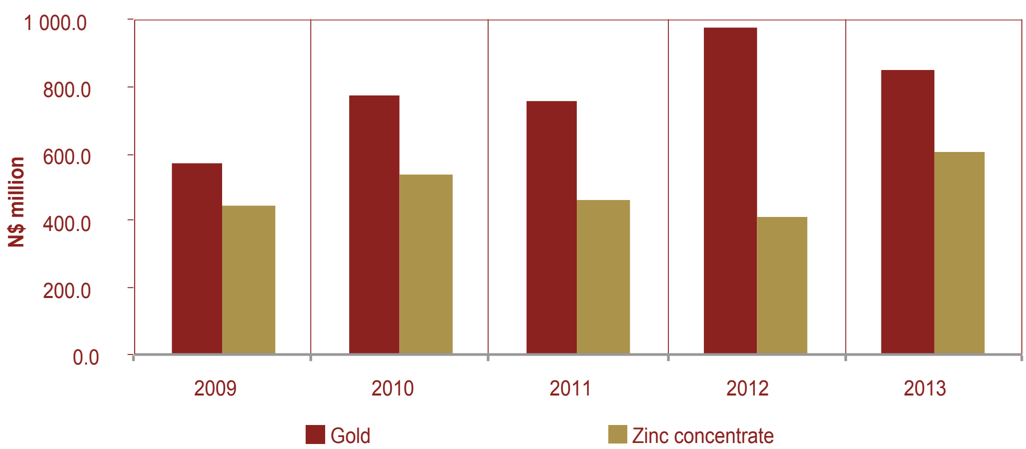
OTHER MINERALS

During 2013, export receipts from *other minerals* declined, mainly due to a drop in gold export receipts. *Gold export receipts* declined from N$982 million in 2012 to N$846 million in 2013 (Chart C.66). Also, the average international gold price declined by 17.0 percent to US$1 393.3 per ounce in 2013. This was largely due to global economic activities and investor risk appetite, which continued to improve and financial investors reduced their demand for the precious metal. Furthermore, export earnings for *dimension stones and other industrial minerals* declined from N$498 million during 2012 to N$436 million during the year under review, mostly due to depressed international prices. By contrast, export earnings for *zinc concentrate* recorded a remarkable increase of 46.6 percent in 2013, due to higher exported volumes, which rose by 21.3 percent and the high quality ore that was produced during 2013.

Chart C.66: Other minerals – export earnings



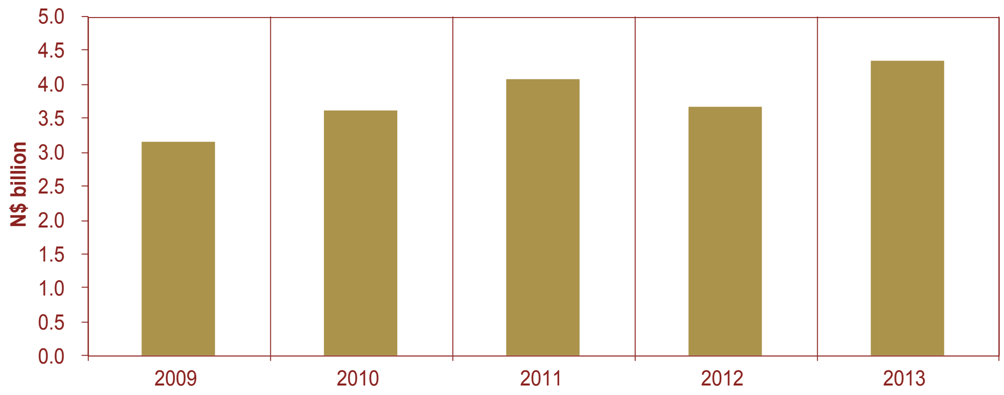
Source: MME

NON-MINERAL EXPORTS

FOOD AND LIVE ANIMALS

Export earnings for *food and live animals* sub-category increased markedly in 2013, as a result of a rise in export receipts for *live animals, meat preparation and fish products*, coupled with the depreciation of the local currency. Export receipts for live *animals, fish products and meat preparations* rose by 76.7 percent, 32.8 percent and 24.7 percent, respectively (Chart C.67). Increases in *live animals and meat preparations* mirrored the rise in the number of live-stock marketed in response to the drought. Export earnings also reflected the depreciation of the local currency, especially against the Euro. The European Union is one of Namibia's top exports destination, especially for *processed meat* and *fish products*.

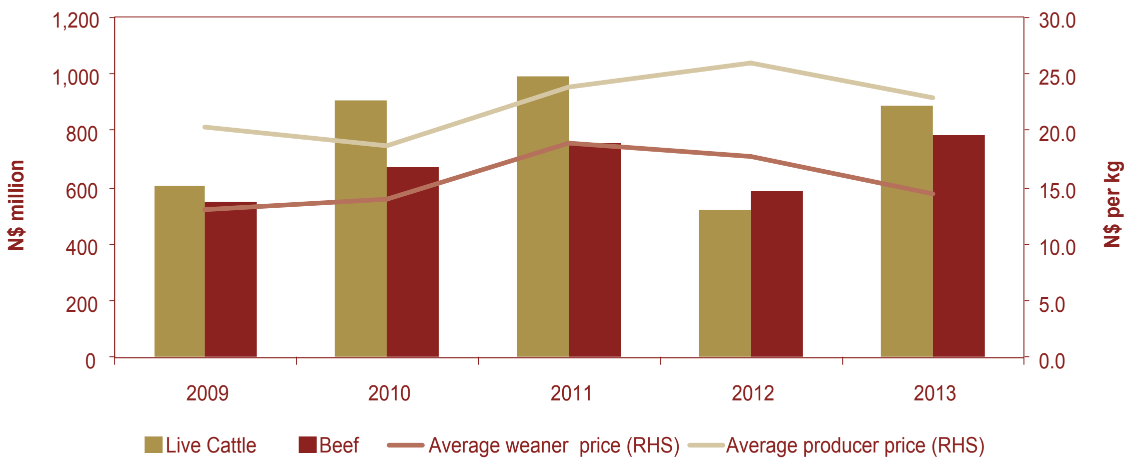
Chart C.67: Food and live animals – export value



Source: Meat Board of Namibia

Average export prices for *live animals* declined during 2013. The declines resulted from live-stock sell-offs in response to the drought. Average weaner and beef prices also decreased from N$17.7 per kilogram and N$26.0 per kilogram during 2012, to N$13.3 per kilogram and N$22.9 per kilogram during 2013, respectively (Chart C.68).

Chart C.68: Cattle exported – live and slaughtered

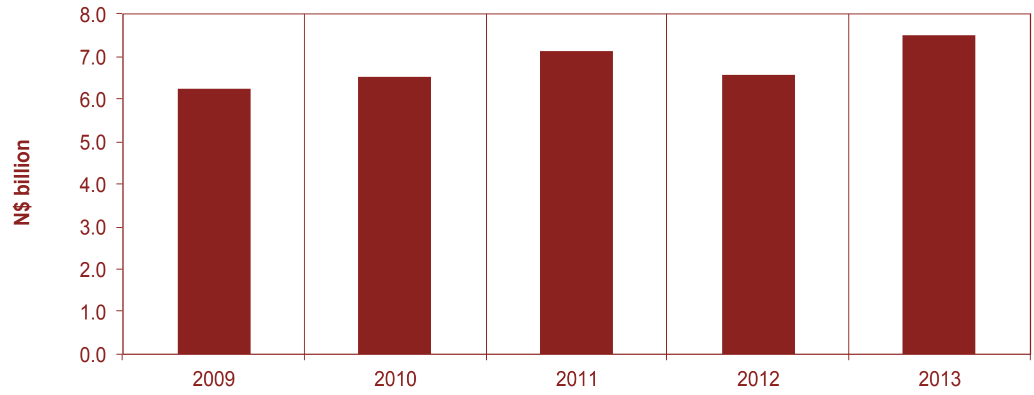


Source: Meat Board of Namibia

MANUFACTURED PRODUCTS

During 2013, export receipts from *manufactured products* rose by 14.3 percent to N$7.5 billion. This was mainly attributed to the export earnings from *beer and soft drinks* and polished *diamonds*, which increased by 25.4 percent and 15.5 percent, respectively, (Chart C.69).

Chart C.69: Manufactured products – export value



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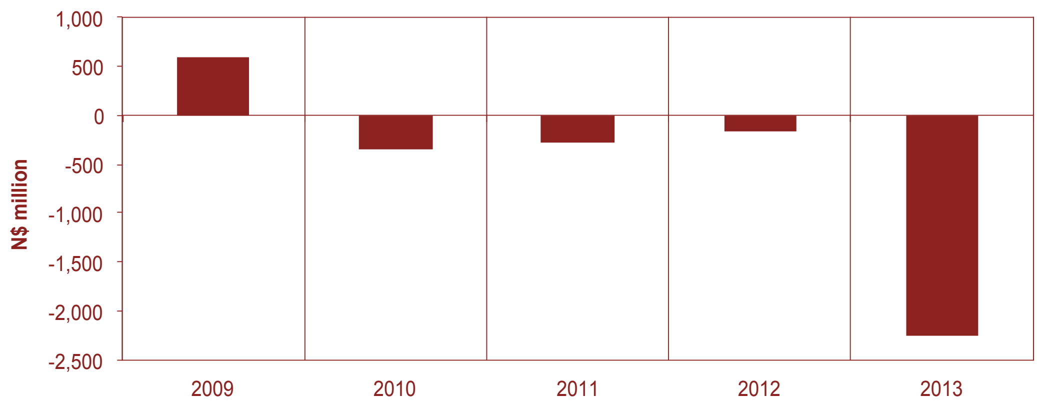
IMPORTS

During 2013, total commodity import values increased significantly along a high *fuel import bill* and hikes in imports of *vehicles, pharmaceutical products* and *other capital goods*. Total *imports* grew by 19.4 percent to N$64.0 billion during the year under review. South Africa remained the leading import source for Namibia, being the source of *vehicles, fuel, pharmaceuticals* and various other *household items*. The Euro Area and China were the other main import sources.

SERVICES

Namibia's *net services* balance registered a deficit of N$2.3 billion compared to a deficit of N$0.2 million in 2012 (Chart C.70). A sharp increase in net payments abroad was experienced, mainly due to *construction services* provided by non-residents in the mining sector.

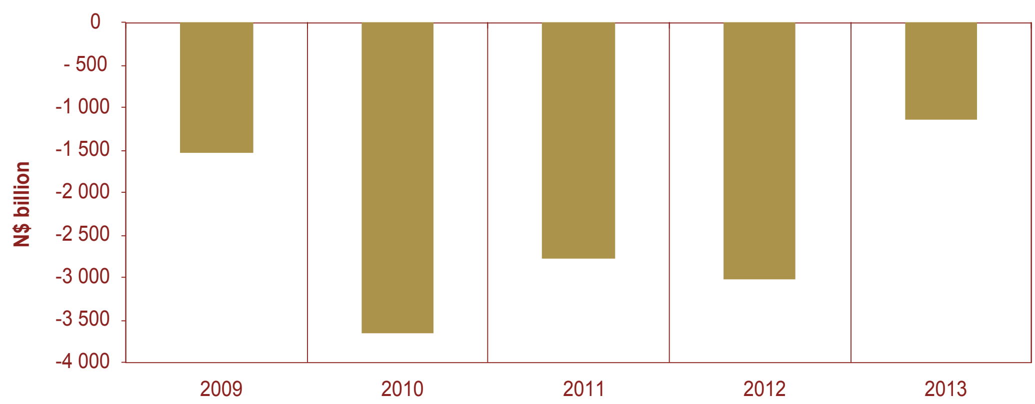
Chart C.70: Net trade in services



INVESTMENT INCOME

Similar to previous years, *net investment income* recorded net payments abroad during 2013. Net payments were, however, down by N$1.9 billion, from N$3.0 billion registered during 2012 (Chart C.71). The decrease in net payments can be mostly attributed to lower profit earned by foreign direct investors in Namibia.

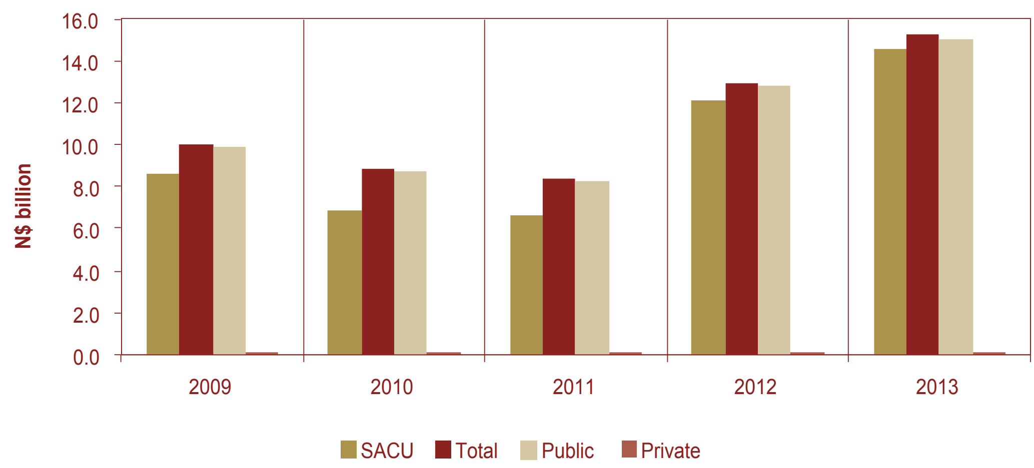
Chart C.71: Net investment income



CURRENT TRANSFERS

***Net current transfers* rose mainly as a result of sizeable SACU receipts during 2013.** Namibia's net current transfers rose from N$13.0 billion in 2012 to N$15.2 billion in 2013 (Chart C.72). The increase was mostly attributed to *higher SACU revenue*, which rose by 19.5 percent to N$14.5 billion during 2013. Transfers accruing to the private sector remained insignificant.

Chart C.72: Current account transfers



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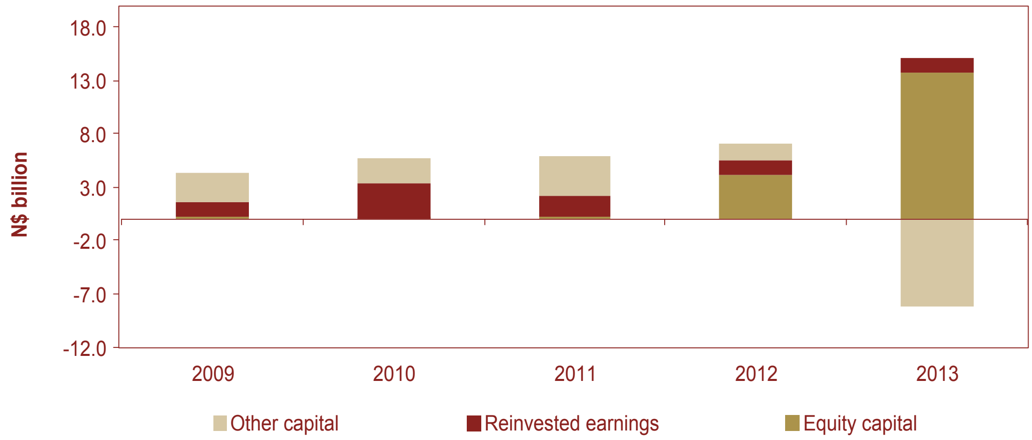
CAPITAL AND FINANCIAL ACCOUNT

During 2013, the Capital and financial account recorded relatively large net inflows compared to the previous year. Hikes in (net) FDI inflows and other long-term investment, contributed to the surplus in the Capital and financial account.

FOREIGN DIRECT INVESTMENT (FDI)

During 2013, net FDI flows into Namibia declined slightly, despite the significant rise in equity capital. FDI inflows declined by 4.6 percent to N$6.8 billion during 2013, when compared to the preceding year (Chart C.73). Equity capital, however, rose from N$4.1 billion to N$13.8 billion, mainly due to debt-equity swap undertaken by mining entities, as well as sizeable investment undertakings in the same sector. Reinvested earnings decreased to N$1.2 billion in 2013, as operating profits of foreign-owned corporations operating in Namibia were lower than in 2012. Debt to foreign direct investors (i.e. other capital) also declined significantly along the referred debt-equity swap undertaken by foreign mining companies.

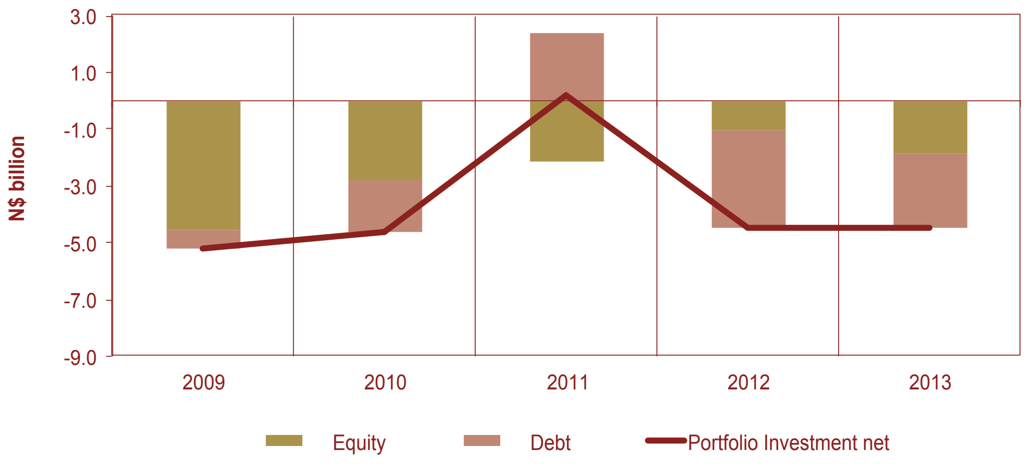
Chart C.73: Foreign direct investment (net)



PORTFOLIO INVESTMENT

During 2013, the *net* outflows of *portfolio investment* declined slightly compared to 2012 as a result of decreased investments in *debt securities by residents, while investments in equity rose*. Net capital outflows in *portfolio investment* remained almost the same at N$4.5 billion during 2013 when compared to the previous year (Chart C.74). This was due to the remarkable decline in foreign invested *debt securities*, which decreased by 22.4 percent to N$2.6 billion, while foreign investment in *equity* rose from N$1.1 billion to N$1.8 billion over the same period.

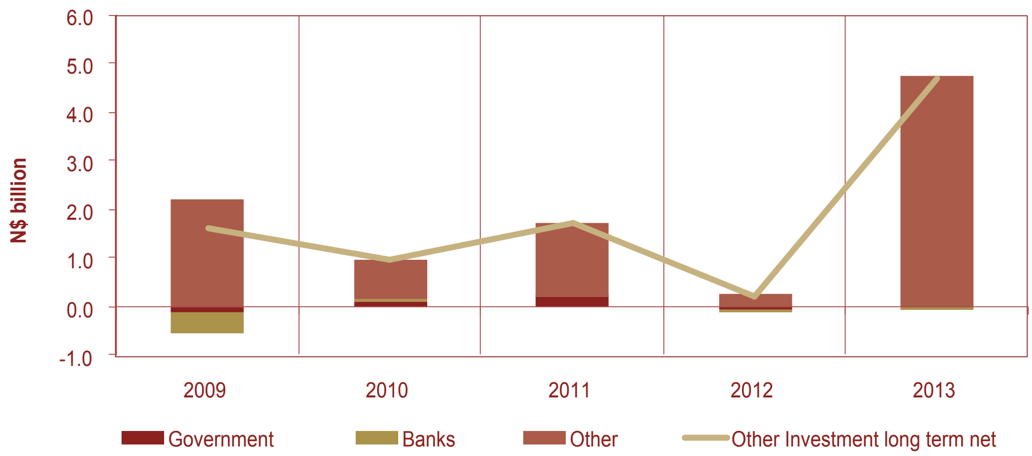
Chart C.74: Portfolio investment (net)



OTHER INVESTMENT

Inflows in *other long-term investment*[22] increased to N$5.0 billion in 2013. Inflows in this category mainly reflected *long-term funding of mining projects* by non-residents. Drawings on loans received by *General Government* also rose in 2013 and contributed to the net inflow in this category (Chart C.75).

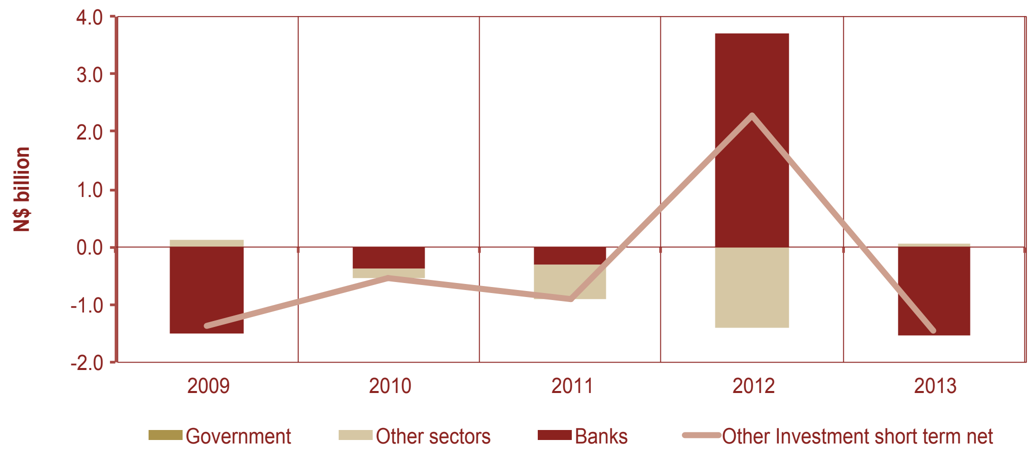
Chart C.75: Other investment - long term (net)



During 2013, the category *other short-term investment* registered a net outflow, compared to a net inflow recorded during 2012, as *ODCs* increased their net foreign assets. An outflow of N$1.5 billion was registered during 2013, compared to an inflow of N$2.3 billion recorded during 2012 (Chart C.76). Most of the outflows reflected increases in *foreign assets* held by ODCs of about N$2.2 billion. By contrast, *other sectors* registered a small net capital inflow of N$72.0 million over the same period from an outflow during the previous year.

22 This category consists of loans with the original contractual maturity of more than one year or with no stated maturity (e.g. equity securities), while the category short-term investments are those that are payable on demand (e.g. currency), or which have an original contractual maturity of one year or less.

Chart C.76: Other investment - short term (net)



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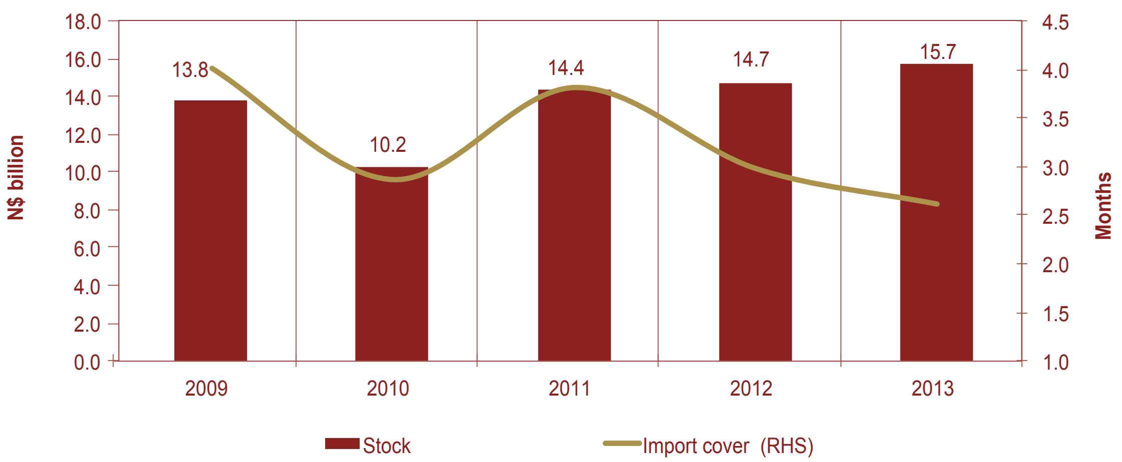
INTERNATIONAL RESERVES

During 2013, the stock of international reserves held by the Bank increased by 6.7 percent to N$15.7 billion in 2013 due to higher net inflows of funds and valuation adjustments. Over the same period, imports rose faster than the accumulation of reserves, causing the import cover to decrease from 3.0 months in 2012 to 2.6 months in 2013 (Chart C77). The months of import cover was below the international benchmark of 3.0 months.

Chart C.77: Stock of international reserves



EXTERNAL DEBT[23]

During 2013, Namibia's *external debt stock* rose as a ratio to GDP, largely due to the increase in the share of private sector in total external debt (Table C.13 and Chart C.78). *External debt stock* increased from 32.7 percent of GDP in 2012 to 33.9 percent of GDP in 2013. The increase was mainly ascribed to the depreciation of the national currency during the year.

23 The external debt levels for Namibia, which is based on the surveys carried out by the Bank, have been revised due to the reclassification of certain items.

Table C. 13. Namibia: External Debt Stock

	2009	2010	2011	2012	2013
(N$ billion)					
Central Gvt.	3.1	3.1	7.9	9.0	10.9
Parastatals	1.5	1.5	2.1	2.2	4.1
Private sector	11.1	15.7	27.5	23.8	26.1
Total debt	15.6	20.3	37.6	35.0	41.1
(In percentage of total external debt)					
Central Gvt.	19.5	15.0	21.0	25.8	26.5
Parastatals	9.7	7.5	5.7	6.2	10.0
Private sector	70.8	77.5	73.3	68.0	63.5
Total debt	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
(In percentage of GDP)					
Central Gvt.	4.1	3.8	8.6	8.4	9.0
Parastatals	2.0	1.9	2.3	2.0	3.4
Private sector	14.7	19.7	30.0	22.2	21.5
Total debt	**20.8**	**25.4**	**41.0**	**32.7**	**33.9**

Source: BoN.

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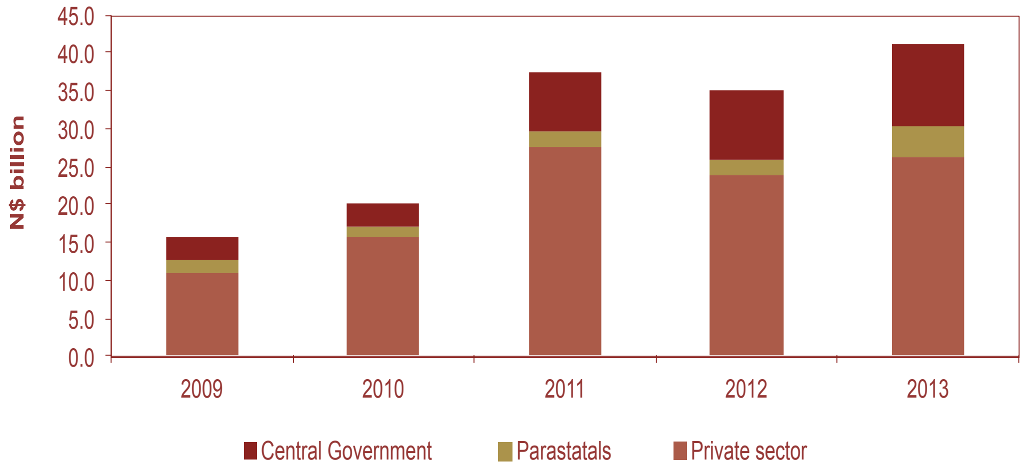
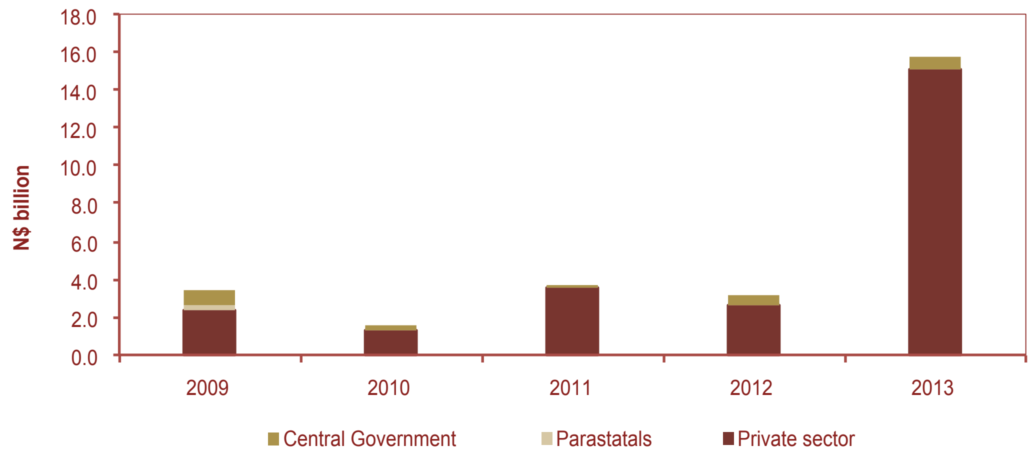
Chart C.78: External debt outstanding



Namibia's *external debt service* rose significantly in 2013 along a sizeable *debt-equity swap* undertaken by some *foreign direct investment enterprises* operating in the domestic mining sector. As such, *loan repayments* by the *private sector* rose to N$15.0 billion in 2013 from N$2.6 billion in 2012 (Chart C.79). *Debt service payments* by the Central Government were mainly on account of the *Eurobond debt* and *other Government debt denominated in foreign currencies*. Debt service payments by parastatals rose along significant loan repayments by state-owned enterprises.

Chart C.79: External debt servicing



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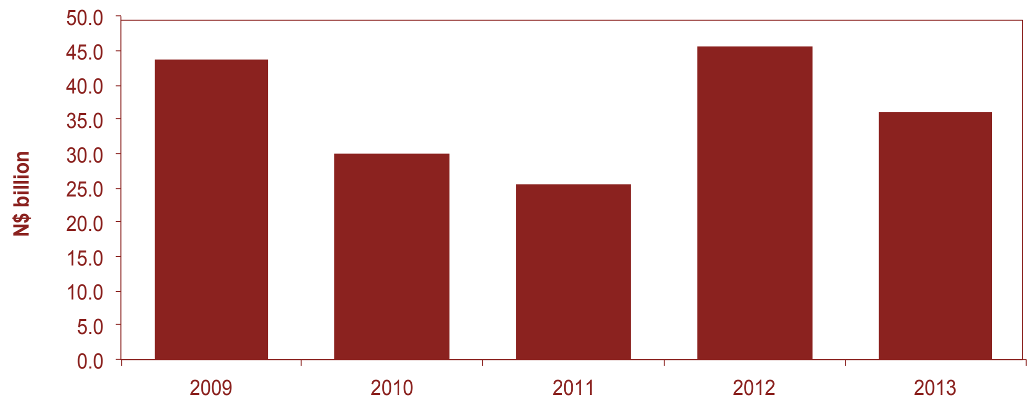
In 2013, *the ratio of debt servicing to exports* rose significantly compared to 2012. The rise in the ratio to 35.1 percent in 2013 from 8.8 percent was mainly due to the *debt-equity swap operation* by *foreign-owned enterprises* (Chart C.79). As a result, the ratio surpassed the international benchmark of 15.0 to 25.0 percent.

INTERNATIONAL INVESTMENT POSITION (IIP)

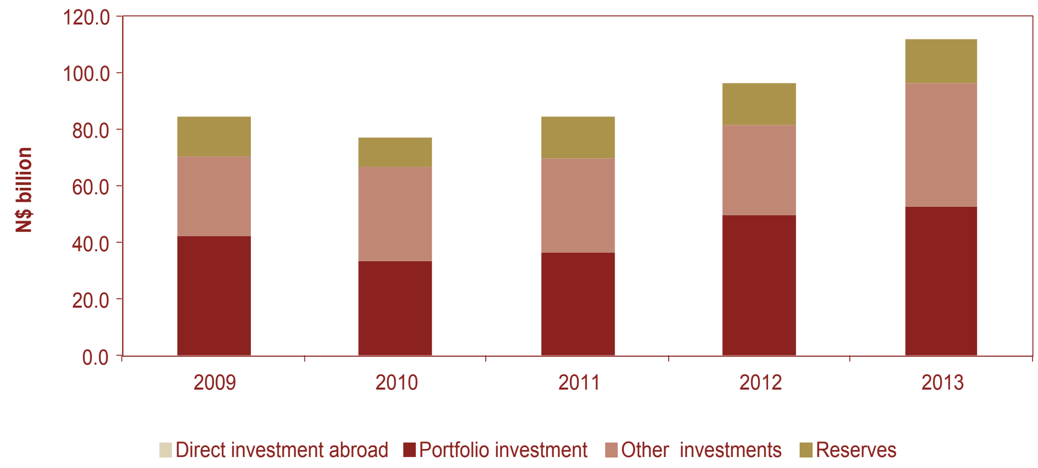
Namibia's net *asset position* declined from N$45.7 billion to N$36.0 billion in 2013, stemming from a higher growth in Namibia's foreign liabilities in relation to foreign assets (Chart C.80). The *Namibian foreign assets* rose along hikes in *other investment, portfolio investment and international reserves*. *Other investments* by non-residents *and direct investment into Namibia* mostly explained the rise in *Namibia's liabilities* to the rest of the world.

Chart C.80: Net international investment position



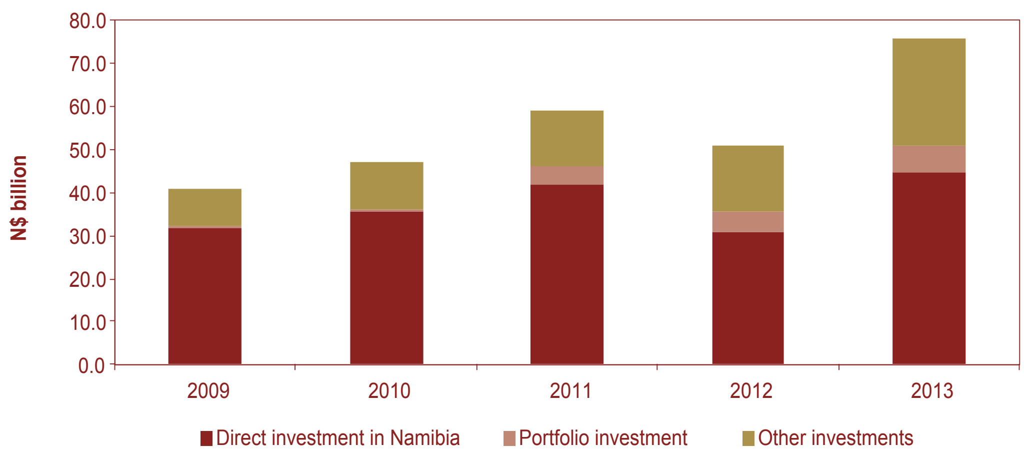
Namibia's foreign assets rose by 16.0 percent to N$111.9 billion at the end of 2013 compared to 2012 (Chart C.81). This was mainly due to *other investments*, which rose by 35.0 percent to N$43.2 billion, as noted in a rise of offshore investments by some asset management companies. In addition, *portfolio investment* and *international reserves* rose by 7.0 percent and 6.7 percent to N$52.7 billion and N$15.7 billion, respectively. The increased *portfolio investment* was largely due to a rise in the investment of *equity securities* by 7.1 percent to N$30.6 billion, while *debt securities* rose by 6.8 percent to N$22.1 billion. The above developments contributed to the overall rise in foreign assets.

Chart C.81: International investment position – assets



Namibia's *foreign liabilities* rose from N$50.8 billion at the end of 2012 to N$75.9 billion at the end of 2013, due to increases in *other investment capital inflows and foreign direct investment into Namibia (FDI).* *FDI into Namibia* rose by 46.6 percent to N$44.9 billion, following significant increases in *equity capital* from N$11.3 billion to N$30.4 billion, while *other capital* declined by 24.9 percent to N$14.5 billion. This follows the debt-equity swap undertaken by *FDI enterprises* in the mining sector. Similarly, *other investment* increased *significantly* from N$15.0 billion to N$24.9 billion due to higher borrowings by other sectors, primarily EPZ companies in the year under review (Chart C.82).

Chart C.82: International investment position – liabilities



EXCHANGE RATE DEVELOPMENTS

The *Namibia Dollar/Rand* weakened against the US Dollar, British Pound and Euro during 2013. The NAD/ZAR depreciated by 17.5 percent against the USD, 16.0 percent against the GBP and 21.5 percent against the EUR (Chart C.83). The weakness of the domestic currency reflected the *external* and *domestic imbalances* confronting South Africa, which were compounded by *capital outflows* in the context of the Federal Reserve's tapering of its bond-buying program.

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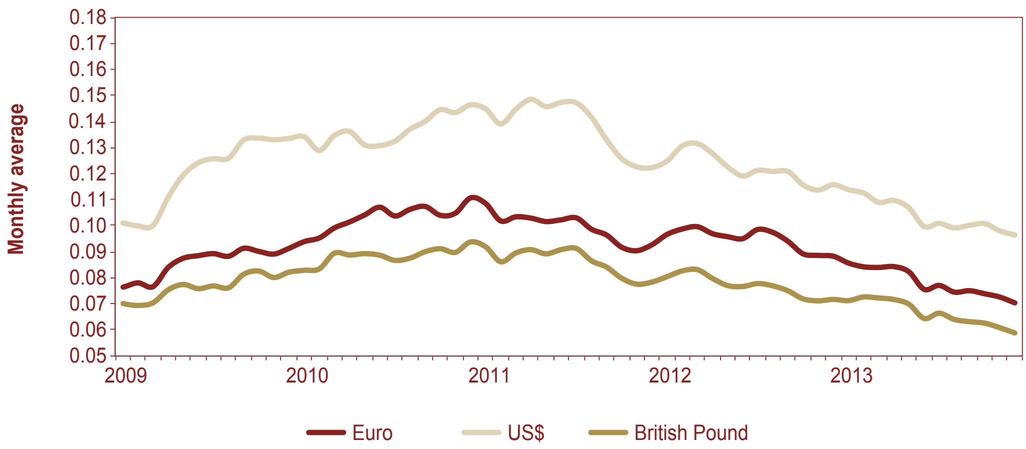
Chart C.83: Selected foreign currency against the Namibia Dollar



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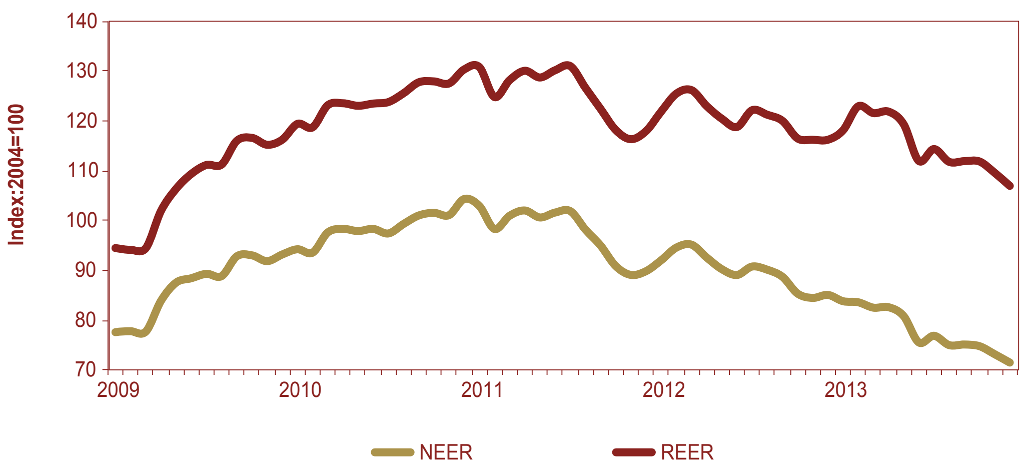
TRADE-WEIGHTED INDEX

Namibia's external competitiveness was sustained following a further depreciation of the trade weighted effective exchange rate during 2013 compared to 2012. The nominal effective exchange rate (NEER) index[25] declined by 13.3 percent in 2013. Similarly, the real effective exchange rate (REER) index[25] depreciated by 4.5 percent during 2013. The depreciation of the REER implies that Namibian products became more competitive on the international market during the review period (Chart C.84).

Chart C84: Trade-weighted effective exchange rate indices



24 The NEER index is a trade-weighted index of the bilateral nominal exchange rate of the NAD against the currencies of major trading partners namely the EUR, GBP, ZAR and USD.

25 The REER index is the deflation of the NEER with the relative consumer price indices, i.e. the ratios of Namibia's CPI and that of the aforementioned major trading partners.

Part D

Banking Supervision

Content | D

D

INTRODUCTION

The domestic banking sector remained sound during 2013. *This performance was supported by consistently high capital levels, together with strong aggregate balance sheet growth, and improved profitability and liquidity. Non-performing loans remained at low levels, given the low interest-rate environment. The outlook for the banking sector remains positive, with strong balance sheet growth anticipated.*

DEVELOPMENTS IN THE LEGAL AND REGULATORY FRAMEWORK

DEVELOPMENTS RELATING TO BANKING LEGISLATION

During 2013, the Bank embarked on a review to consolidate the Banking Institutions Act, 1998 (Act No. 2 of 1998) and the Banking Institutions Amendment Act, 2010 (Act No. 14 of 2010), (hereinafter referred to as the Act) as well as to incorporate additional regulatory amendments that were considered necessary. The amendments to the Act have reached an advanced stage, and consultations with all relevant stakeholders were concluded in September 2013. The new Banking Institutions Bill is expected to be tabled in Parliament in 2014.

Some of the **key issues** addressed by the Bill include:

(a) The revision and enhancement of various definitions so as to provide more clarity and ensure proper application of terms as defined, in particular the definition of banking business;

(b) The strengthening of provisions relating to foreign shareholding in banking institutions, to support financial stability as well as economic development and the Namibia Financial Sector Strategy (NFSS);

(c) Clearer and stronger provisions relating to the prevention and deterrence of illegal financial schemes;

(d) The requirement for banking institutions to have recovery plans in place to enable them to identify various options for restoring their financial strength and viability when faced with severe financial distress; and

(e) Resolution measures for problem banking institutions. Currently, Namibia does not have a clear or effective statutory regime specifically tailored to deal with problem banking institutions. An ineffective resolution framework could lead to a prolonged resolution process which is associated with high costs to tax payers.

LICENSING OF NEW BANKING INSTITUTIONS

On 30 July 2013, the Bank granted provisional authorization to E-Bank to conduct business as a banking institution in Namibia in terms of Section 11 of the Act. The provisional licence is valid for a period of six months, during which E-Bank is required to ready itself to commence banking operations. The provisional licence was extended in 2014.

DETERRENCE OF ILLEGAL SCHEMES

During 2013, the Bank observed new incidences of suspected illegal financial schemes, which were investigated in terms of the applicable provisions of the Act. Some of the entities operating these schemes were found to be in contravention of the Act and were directed to cease and desist from their business activities in Namibia. Where applicable, they were further directed in terms of the law to repay all monies illegally obtained from the Namibian public, or otherwise face legal action.

In addition, three entities previously pronounced to be illegal financial schemes failed to fully comply with the directive of the Bank, in terms of Section 7 (1) of the Act, to repay all monies they illegally obtained from the public. This non-compliance prompted the Bank to apply to the High Court, in terms of Section 7(2) of the Act, as amended, in order to wind up these entities, namely Penta Stream Investment Close Corporation, Gold Prime Investments Namibia Close Corporation and U-Care Marketing Namibia Close Corporation. Consequently, the High Court issued a provisional liquidation order against the aforementioned entities.

CONSOLIDATED SUPERVISION

Following lessons learnt from the global financial crisis, the Bank harmonised banking regulation further (in 2012) by tightening regulatory requirements inline with international best practices. The Bank introduced the Determination on Consolidated Supervision (BID-24), in order to evaluate the strength of banking groups, considering all the risks that may affect a banking institution, regardless of whether these risks are identified in the banking institution itself or in independent and affiliated entities.

The banking groups consist of different forms of legal entities with different risk profiles, such as the parent company and all its regulated and unregulated entities. The banking groups thus potentially provide a wide range of financial services, such as banking, insurance operations, investments or security activities, which cut across different financial and economic sectors and endeavour to deliver scale effects and diversification benefits.

SPECIALISED INSTITUTIONS

Currently, the Bank regards Fides Bank and SME Bank as specialised banking institutions. The business models of these institutions comprise, to a large extent, microfinance activities and a combination of commercial banking activities with a strong focus on SME lending. As both of these institutions find themselves at the infancy stages of development, they require close monitoring and supervisory guidance, being expected to submit information more periodically than the existing market players. They are also subjected to more frequent routine inspections by the supervisor than other banking institutions.

Fides Bank is the only bank in Namibia specialising in microfinance activities. Fides Bank received its licence from the Bank in February 2010 to operate as a banking institution in accordance with the requirements of the Act. Since its inception, Fides Bank has opened branches in Oshakati, Ondangwa, Oshikango, Windhoek and Outapi. The Bank conducted a risk-based examination on Fides Bank in June 2013.

The Small and Medium Enterprises Bank Limited (SME Bank) is a banking institution aimed at enhancing financial inclusion and the developing the agenda of Namibia's SME sector. An examination and an assessment on the business capacity of the SME Bank were conducted in March 2013 and August 2013, respectively. These were done to follow up on matters identified during the pre-opening examination carried out in August 2012. Further, the examination and assessment aimed at assessing whether the business expansion of SME Bank was appropriately aligned with the findings identified and communicated to the bank regarding the implementation of this Business Plan Projections and Strategies.

ON-SITE EXAMINATIONS AND OFF-SITE ANALYSES

During 2013, the Bank carried out its supervisory function as mandated by the Act. The Bank undertook a number of regulatory and supervisory activities by conducting on-site examinations and off-site analyses of banking institutions in accordance with internationally accepted best practices, as recommended by the Basel Committee on Banking Supervision. As at 31 December 2013, the financial analyses performed on banking institutions concluded that the domestic banking industry remained financially sound and stable.

The Bank conducted two risk-based examinations and two follow-up examinations, which confirmed the assessment that the overall performance of the examined banking institutions was sound. The examinations were aimed at providing supervisory assurance on the financial condition and soundness of the targeted banking institutions. In addition, the Bank, through its off-site analyses, monitored financial soundness and assessed compliance with the prescribed prudential standards and limits based on the institutions' statutory return submissions. Any weaknesses identified during these supervisory examinations were reported to the respective Executive Management teams and presented to the banks' Board of Directors to facilitate timely remedial action. The assessments carried out during these examinations confirmed that the overall performance of the examined banking institutions was fundamentally sound.

PERFORMANCE OF THE BANKING SECTOR

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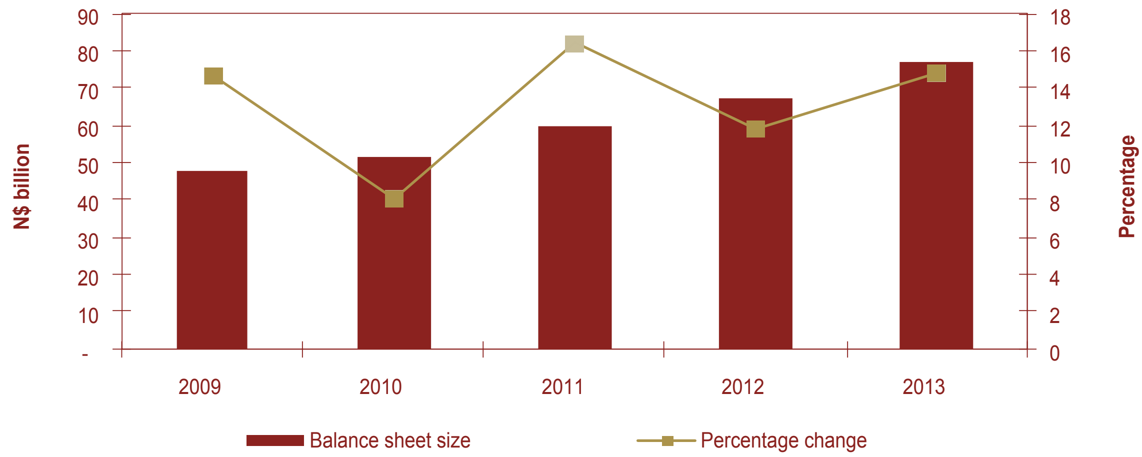
This section analyses the performance and financial condition of the banking sector, which comprises four retail banking institutions. *The performance of the micro-finance banking institution (Fides) and that of the newly established SME Bank is summarised above under subsection "Specialised Institutions".*

BALANCE SHEET STRUCTURE

The banking sector's balance sheet grew by 14.8 percent to a total of N$76.9 billion during the year under review, compared to 11.8 percent growth and a total of N$67.1 billion observed during 2012 (Chart D.1). The growth mainly stemmed from an increase in *total loans and advances* on the asset side, and *non-bank funding (deposits)* on the liability side.

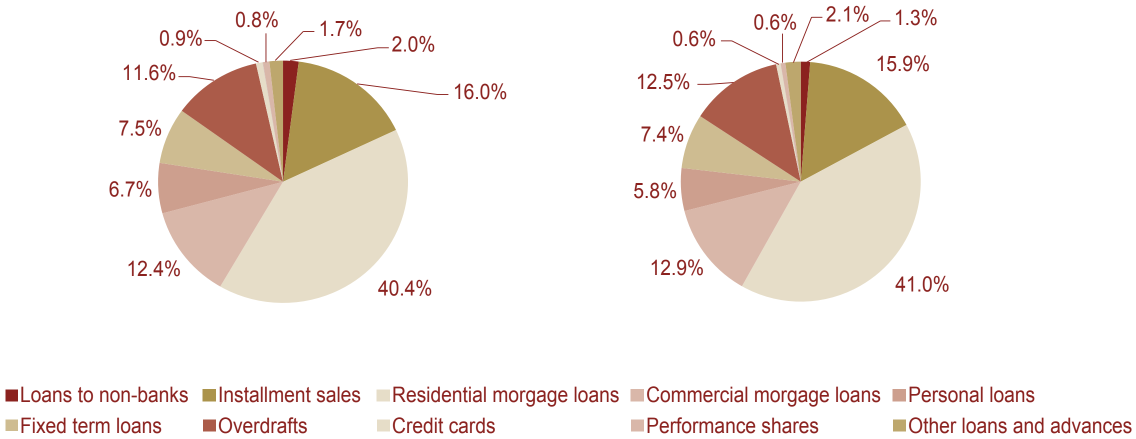
Chart D.1: Aggregated balance sheet



ASSET STRUCTURE

The growth on the asset-side of the balance sheet resulted largely from a N$7.6 billion increase in total loans and advances. The increase in total loans and advances reflected growth *in commercial and real estate mortgage loans* to N$30.7 billion. In addition, *installment debtors and leases* increased by N$1.2 billion to N$9.3 billion.

Chart D.2: Composition of total loans and advances



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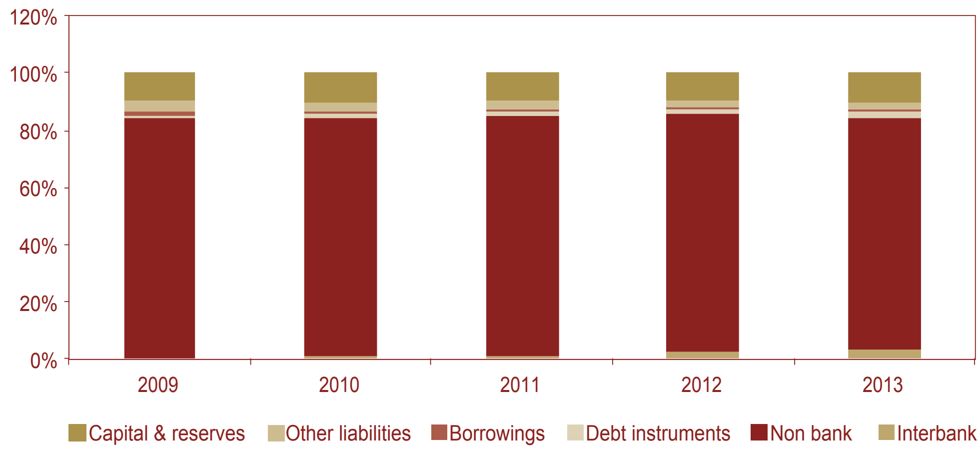
As at 31 December 2013, loans and advances, which totaled N$58.2 billion, remained the largest portion of the banking sector's total assets, which constituted 74.5 percent. *Mortgage loans* remained the largest portion of loans and advances, accounting for 52.8 percent of the total loan book. *Installment sales* and *overdrafts* followed at 16.0 percent and 11.6 percent share of total loans, respectively (Chart D.2). *Fixed term loans* and *personal loans* accounted for 7.5 percent and 6.7 percent, while all *other loans* (i.e. preference shares, credit cards, loans payable in foreign currencies and loans under resale agreements) took up the remaining share of 5.4 percent.

FUNDING STRUCTURE

The growth on the liability side of the balance sheet was mainly attributed to an increase in non-bank funding (deposits). *Demand deposits* grew by N$5.1 billion to N$33.7 billion and *Negotiable Certificates of Deposit (NCD's)* grew by N$2.9 billion to N$15.8 billion. Deposits alone comprised 80.8 percent of the banking sector's total funding,[26] while *equity capital* and *interbank funding* represented 10.1 percent and 3.3 percent of total funding, respectively (Chart D.3). Other liabilities accounted for the remaining 5.8 percent.

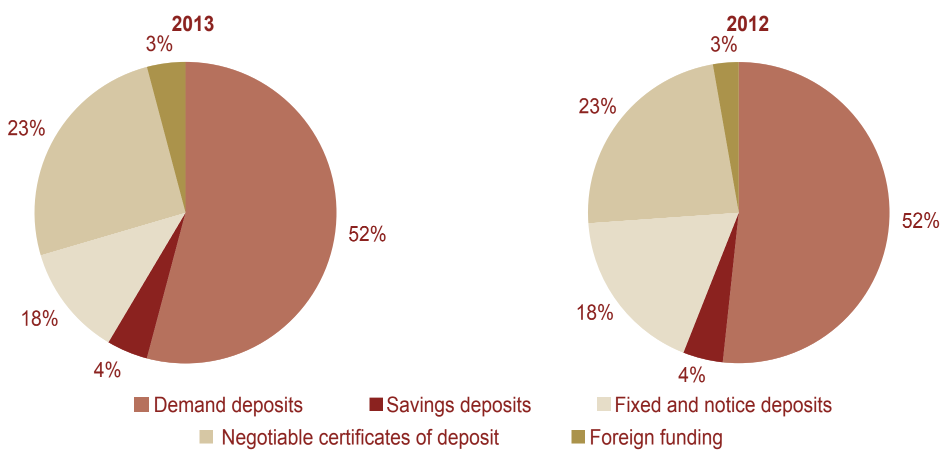
26 Total funding comprises all liabilities to the public, including capital and reserves; also termed 'liabilities and capital'.

Chart D.3: Composition of total liabilities and capital



The composition of the banking industry's deposits is skewed towards short-term deposits (Chart D.4). A further breakdown of total deposits shows that *demand deposits* remain the largest component of non-bank funding, representing 54.1 percent of total deposits. This is followed by NCD's and *fixed and notice deposits*, with shares of 25.4 percent and 11.9 percent of total funding, respectively. The remaining 8.5 percent was made up of savings *deposits and foreign funding*.

Chart D.4: Composition of Deposits



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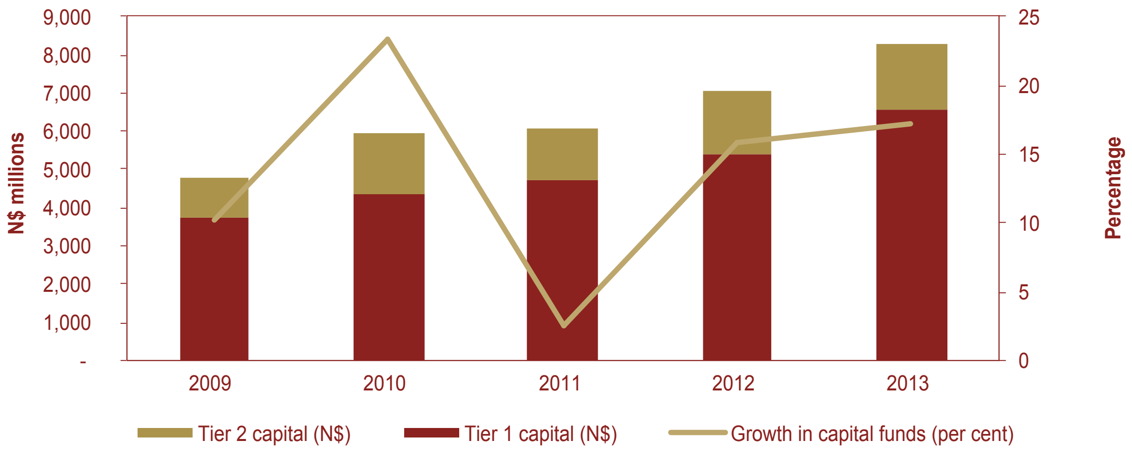
CAPITAL ADEQUACY

During 2013, *capital remained adequate* as evidenced by the high level of quality capital maintained by the banking industry. Maintaining adequate capital serves as a cushion against risks associated with banking institutions' growing operations and unexpected financial events. Banking institutions are required to keep a *risk-weighted capital ratio (RWCR)* of at least 10.0 percent, of which 7.0 per cent should be Tier 1 risk-weighted capital. Further, banking institutions are required to maintain a minimum Tier 1 leverage ratio of 6.0 percent at all times to reduce the risk of excessive leveraging.

Total *qualifying capital* grew from N$7.1 billion to N$8.3 billion between 31 December 2012 and 31 December 2013. The growth in qualifying capital was mirrored by the significant growth in Tier 1 capital, which increased by N$1.1 billion to N$6.6 billion during the year under review. Chart D.5 illustrates the composition of total qualifying capital (Tier 1 capital and Tier 2 capital).

Chart D.5: Elements of capital funds



The *risk-weighted capital ratio (RWCR)* for the banking sector increased to 14.4 percent during 2013 (Chart D.6). The improvement in the RWCR resulted from the 17.3 percent growth in *qualifying capital* which outpaced the 15.5 percent growth in *total risk-weighted assets*. Both, the tier 1 capital ratio and tier 1 leverage ratio improved during the year under review as a result of a 22.3 percent growth in tier 1 capital, which grew faster than the 15.5 percent growth in risk-weighted assets and the 14.8 percent growth in gross assets.

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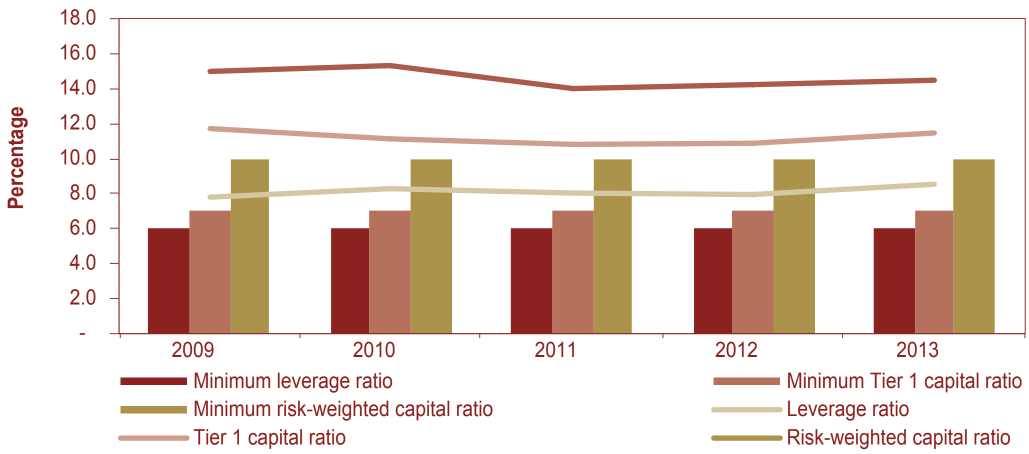
Chart D. 6: Capital adequacy ratios

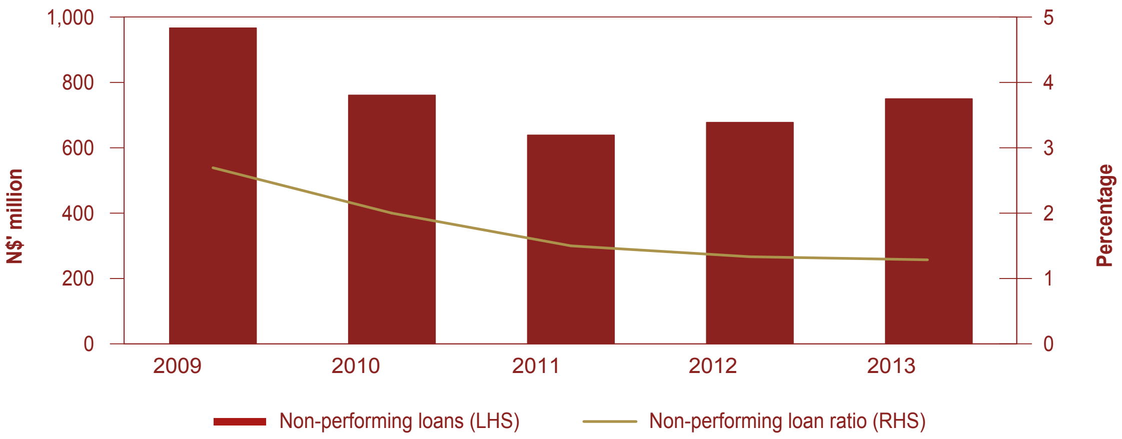


CREDIT RISK

The quality of assets remained adequate during the year under review, despite an increase in non-performing loans (NPLs) (Chart 7). The NPLs ratio[27] remained rather static at 1.2 percent of *total loans and advances*. Total loans and advances at 15.1 percent grew faster than the growth of NPLs at 10.6 percent. This resulted in a relatively static position of the NPL ratio. The banking industry's NPL ratio remains well below the 4.0 percent benchmark.

27 NPL ratio refers to the NPLs as a percentage of total loans and advances.

Chart D.7: Non-performing Loans



The level of NPLs in the banking industry increased to N$747.9 million as at 31 December 2013 (Chart 8). With the exception of credit cards, small increases in all other loan types (*instalment sales, mortgages, personal loans* and *other loan portfolios*) contributed to the relatively static position of NPLs. The composition of NPLs, similar to the loan composition of loans, comprises *mortgages* which constitute the largest share at 53.7 percent (56.2 percent as at December 2012), trailed by *overdrafts* and *instalment sales* at 14.8 percent and 13.8 percent, respectively. *Personal loans, other loans* and *advances and credit cards* made up the remaining 17.6 percent.

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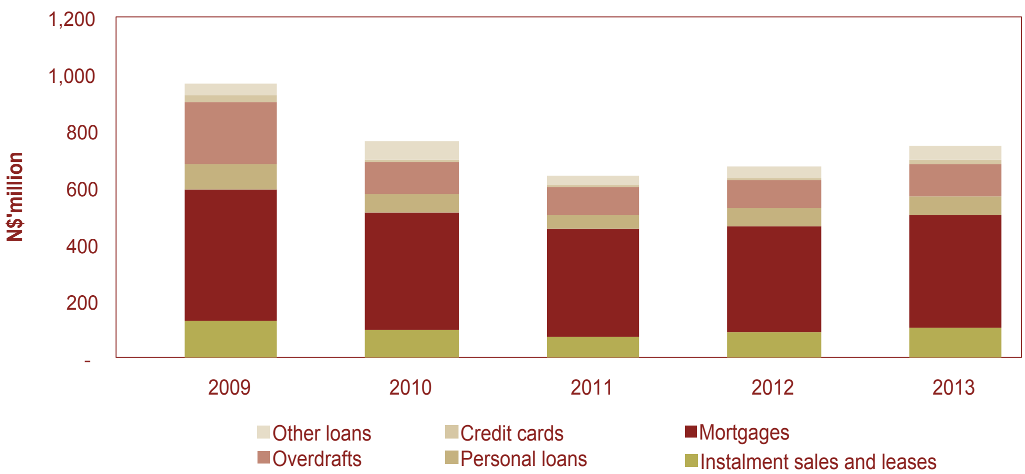
Chart D.8: Nonperforming loans per product



ADEQUACY OF PROVISIONS

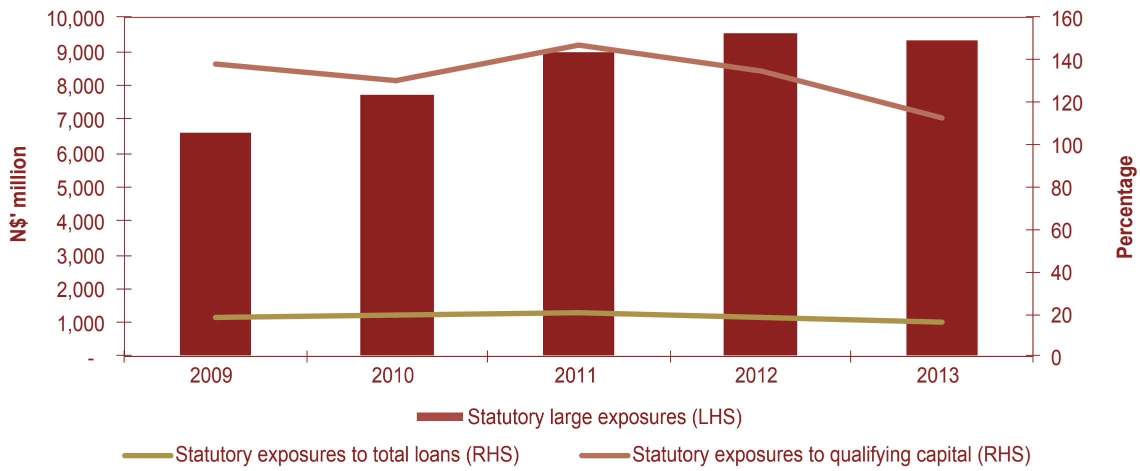
The banking sector's *provisions for loan losses remained adequate* throughout the year and were in line with the minimum regulatory provisioning requirements, as outlined in the Determination on Asset Classification, Suspension of Interest and Provisioning (BID-2). *Total provisions* increased by N$74.9 million to N$694.1 million during 2013 to cater for the overall increase in non-performing loans. The increase is attributable to both *specific provisions* that increased by 11.4 percent to N$221.0 million and *general provisions* that increased by 12.4 percent to N$473.1 million. The ratio of total provisions as a percentage of total assets, as well as the specific provision cover (specific provisions as a percentage of

NPLs) remained static, at 1.2 percent and 29.5 percent, respectively, as at 31 December 2013.

STATUTORY LARGE EXPOSURES

The banking industry's *large exposures* decreased during the year, and remained significantly lower than the prudential limits so did not cause any alarm. The banking industry's large exposures amounted to N$9.3 billion, representing a decline of 2.2 percent compared to 2012 levels. All banking institutions maintained the ratio of large exposures to capital funds far below the maximum of 800.0 percent of qualifying capital prudential ratio. The ratio declined from 135.0 percent to 112.5 percent in 2013 (Chart D.9).

Chart D.9: Statutory large exposure relative to total loans and capital funds



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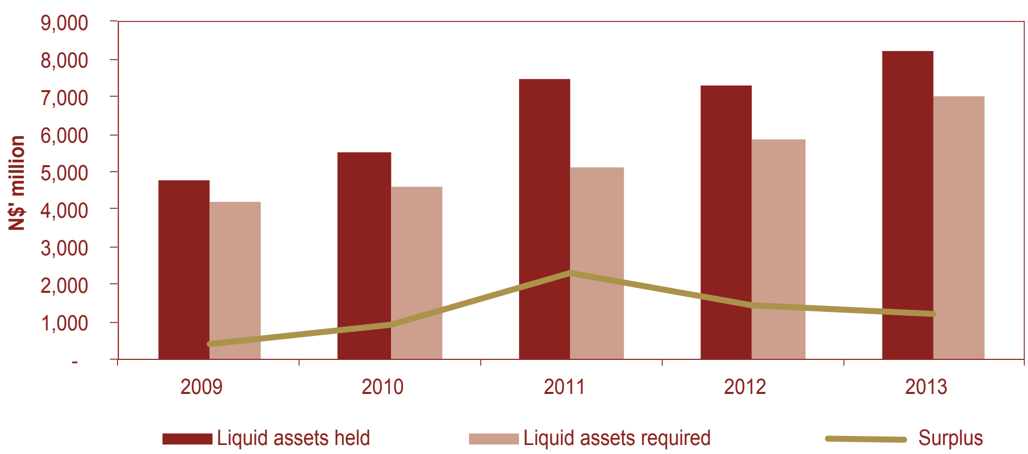
LIQUIDITY

The banking industry was *relatively liquid* during 2013 and continued to maintain liquid assets in excess of the statutory requirements. All banking institutions held liquid assets above the 10 percent statutory limit and the early warning trigger ratio of 10.5 percent (Chart D.10).

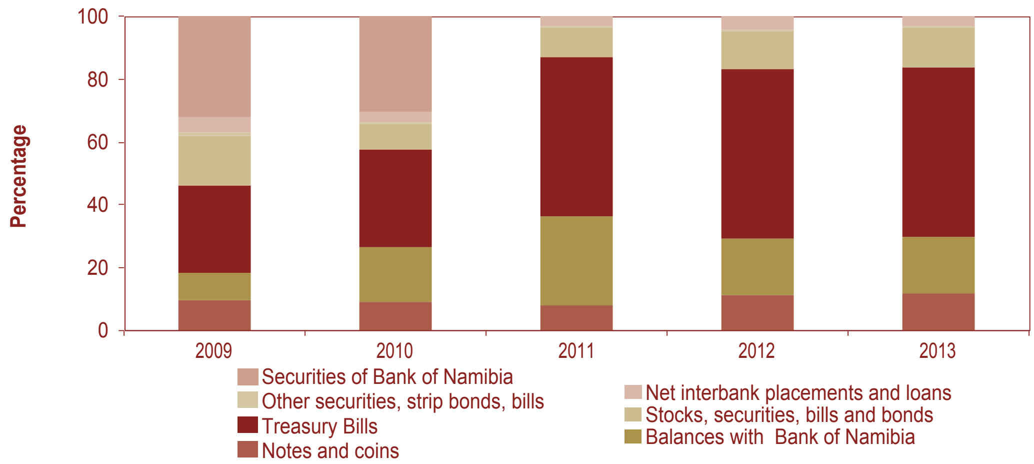
Chart D.10: Statutory liquid assets



***Liquid* assets held by the banking sector as at 31 December 2013 were N$8.2 billion, with a surplus of N$1.2 billion over the minimum required limit of N$7.08 billion (Chart D.10).** The gap between the actual and required liquid assets has been declining since 2011. The *liquid assets portfolio* decreased by 18.4 percent during the year under review, and consequently, compared to total assets, the ratio declined to 10.7 percent from 10.9 percent recorded in the previous year. Banking institutions have managed liquid assets lower in order to maximize productivity of liquid assets, as well as to reduce the holding of surplus liquid assets.

The *loan-to-asset ratio* increased to 74.8 percent at the end of 2013, thus remaining just below the international benchmark of 75.0 percent. The increase in the loan-to-asset ratio emanated from a higher percentage increase in the *net loans and advances* in comparison to the percentage increase in the *total assets*, as well as the relatively low levels of *liquid assets*. Similarly, the *loans-to-deposit ratio* increased from 85.6 percent to 86.4 percent, emanating from a higher percentage increase in *net loans and advances* in comparison to the percentage increase in *deposits*. The banking sector still has enough scope in the deposit base to support the credit extension activities, as indicated by the loans-to-deposits ratio, which remains below the international benchmark of 100 percent.

Chart D.11: Liquid assets composition



The banking sector's liquid assets were dominated by Government Treasury Bills, with a share in total assets of 60.6 percent, followed by *Government stocks, securities, and bills and bonds* at 13.1 percent. *Notes and coins* had a share of 13.0 percent and *clearing account balances with the Bank* were at 9.7 percent. *Net interbank placements and loans*, and *other securities*, including *strip bonds* and *public-sector entities (PSEs)* made up the remaining 3.6 percent (Chart D.11).

***Government Treasury Bills* increased from N$4.0 billion to N$4.8 billion during the year under review, pushing up the proportionate share in liquid assets from 54.2 percent recorded a year ago.** The *share of clearing account balances with the Bank in liquid assets decreased* from 16.6 percent recorded at the end of 2012 to 9.7 percent. The share of *stocks, securities, and bills and bonds* in liquid assets increased from 12.4 percent, while the share of *notes and coins* also increased from 10.4 percent.

As at December 2013, a *liquidity stress test* for the industry, on aggregate projected for the first 30 days, resulted in a cumulative funding shortage of N$10.0 billion. However, the industry had sufficient funding sources, amounting to N$11.8 billion, to cover this mismatch. These funding sources comprise mainly *available-for-sale investment securities, unencumbered securities, available repo facilities, interbank funding, uncovered/covered funding lines* and *drawdown facilities* in respect of *call loans*. Therefore, the banking sector continued to hold adequate funding to honour its commitments under stressful conditions.

Regarding the *concentration of funding sources* of the banking sector, the ten largest depositors constituted 27.1 percent of total related funding

liabilities. In the 1-7 days time bucket, funding from *large depositors* stood at N$7.2 billion, constituting 10.7 percent of total funding-related liabilities at the end of 2013. This indicates that the volatile portfolio is improving compared to the position of 13.1 percent a year ago.

In terms of *foreign exchange exposures*, the banking sector recorded a liability-sensitive position in the short-term bands (1-3 months). This scenario indicates that the industry is in a position to gain when the local currency appreciates against foreign currencies. The *most-traded foreign currencies* remained the USD and the EUR.

INTEREST-RATE RISK

In terms of the banking industry's *interest rate risk exposures*, the short-term variable rate liabilities (0-30 days) amounted to N$43.5 billion, while the short-term variable rate assets amounted to N$65.2 billion as at 31 December 2013. On the net, 86.0 percent of total assets could be reprised within a month, while 58.7 percent liabilities could be reprised over the same period.

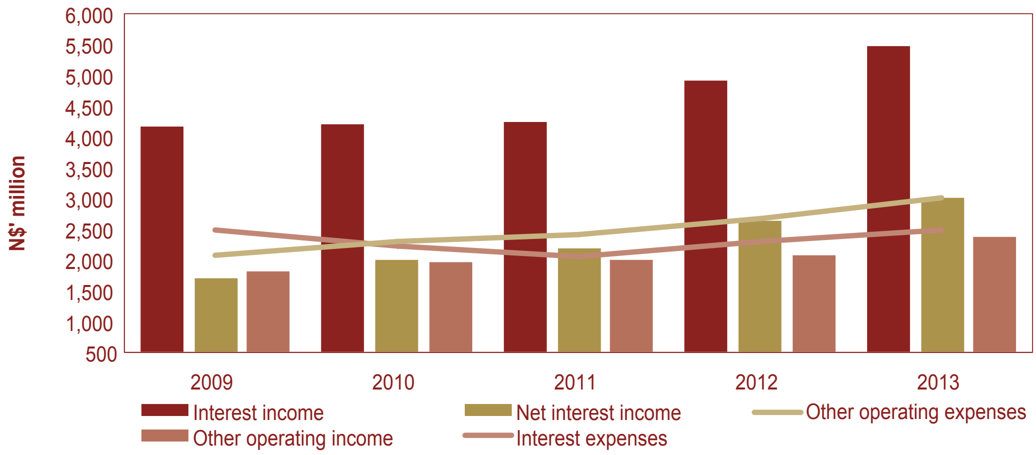
***Fixed rate liabilities* constituted 15.1 percent of total liabilities and capital, while variable rate liabilities equaled 65.8 percent, with the remainder shared by capital and non-rate sensitive items.** In comparison, *fixed rate assets* constituted 7.4 percent of total assets, while *variable rate assets* constituted 86.7 percent. As a result, the banking industry reported an asset-sensitive net repricing gap of N$21.2 billion for the first 30 days.

The effect of a *positive or negative 200 basis points interest rate shock* on the balance sheet of the banking sector over a 12-month period will cause a change of N$441.60 million in net interest income and a 1.5 percent shift in the value of capital. This shift in values will however be insignificant and does not pose any supervisory concern.

PROFITABILITY AND EARNINGS

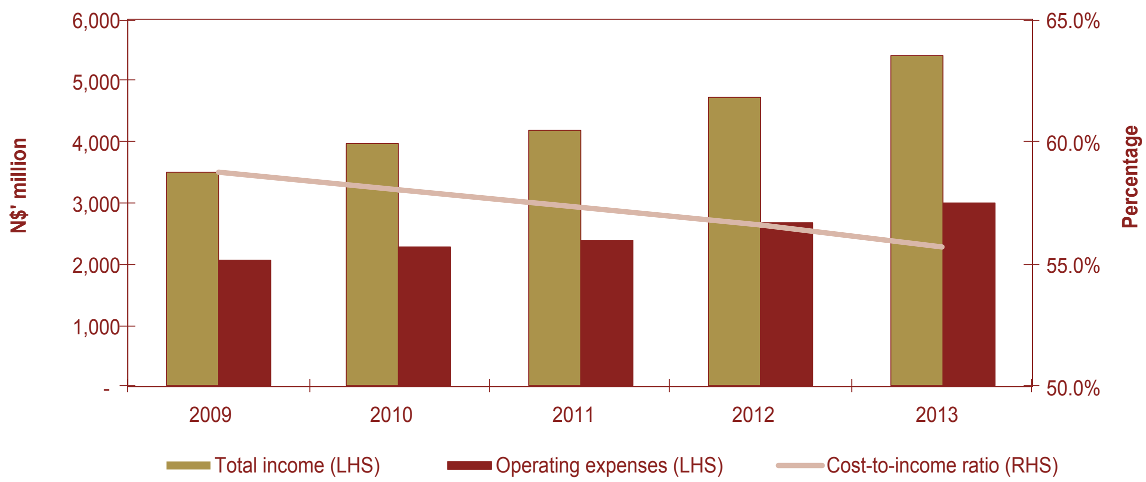
Banking institutions remained *profitable and solvent*. The banking industry registered an increase in total income *(net interest income and non-interest income)* of 14.5 percent, to reach N$5.4 billion, up from N$4.6 billion reported in 2012. The significant growth in total income from banking institutions derived from the growth in *net interest income (NII)* and *other operating income*. NII increased by 13.8 percent to N$3.0 billion, while other operating income increased by 15.4 percent to N$2.4 billion during the year (Chart D.12). This means that NII remained the largest contributor to total income, accounting for around 55.7 percent. Over a period of five years, the net interest income has seen an upward trend from N$1.7 billion to N$3.0 billion, while other operating income increased from N$1.8 billion to N$2.4 billion during the same period.

Chart D.12: Key income statement indicators



The banking sector's operating expenses increased by 12.7 percent during 2013. The major contributors to the increase of operating expenses up to N$3.0 billion were the expansion in staff costs, occupancy expenses, consultancy and management fees and depreciation and amortisation costs. Staff costs continued to dominate operating expenses at 52.2 percent, followed by administration and overheads at 26.4 percent, occupancy expenses at 7.2 percent, and other expenses at 9.5 percent. Provision charges increased to N$146.2 million from N$61.0 million recorded in the previous year.

Chart D.13: Efficiency indicators of the banking sector



Cost-efficiency in the banking sector improved in 2013. The *cost-efficiency ratio*, which is a measure of the efficient allocation of funds (operating expenses) against operating income, was 55.7 percent in 2013, below the 56.6 percent recorded in 2012 (Chart D.13). Although the ratio still remained above the international benchmark of 50.0 percent, it is well below the Bank's trigger level of 65.0 percent.

The banking industry's *after tax profits increased* by 15.3 percent, standing at N$1.5 billion as at 31 December 2013. *Average gross assets* increased by 12.1 percent to N$74.0 billion. The *return on assets (ROA) ratio* increased from 2.0 percent to 2.1 percent (Table D.1). On the other hand, although the bank's average total equity increased by 15.6 percent to N$7.4 billion during the year, the *return on equity (ROE)* ratio decreased from 21.0 percent to 20.9 percent.

Table D.1: ROA and ROE ratio

Earnings	2009	2010	2011	2012	2013
Return on Assets ratio (ROA)	2.1%	2.5%	2.1%	2.0%	2.1%
Return on Equity ratio (ROE)	20.4%	21.6%	20.9%	21.0%	20.9%

Six *new bank branches were established* during 2013, bringing the banking sector's branch network to 105 branches (Table D.2). Temporary personnel decreased sharply by 32.2 percent during the year, while permanent personnel increased by 5.4 percent.

Table D.2: Bank branch network

Description	2008	2009	2010	2011	2012	2013
Branches	94	96	100	99	99	105
Agencies	64	66	66	72	72	73
Total	**158**	**162**	**166**	**171**	**171**	**178**

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The banking sector's *staff* increased by 3.2 percent during 2013 compared to 4.3 percent in 2012 (Table D.3). Temporary personnel decreased sharply by 32.2 percent during the year, while permanent personnel increased by 5.4 percent

Table D.3: Bank staffing levels

Description (Number of Employees)	2009	2010	2011	2012	2013
Permanent Personnel	4 486	4 608	4 663	4 858	5 122
Temporary Personnel	134	224	322	301	204
Total	4 620	4 832	4 945	5 159	5 233

FRAUD

The *levels of fraud* and *other economic crime increased* marginally during 2013 compared to the past three years. The amount involved in these fraudulent activities decreased to $37.2 million in 2013 from N$56.5 million in 2012, while the actual amount of financial loss increased to N$15.0 million from N$8.0 (Chart D.15). However, 60 percent of the amount involved could be recovered during the year. The types of economic crimes experienced by the banking sector were mainly *ATM fraud, credit-card fraud, cheque fraud, theft of cash, computer fraud* and *counterfeit currency*.

Banking institutions have become vigilant against such fraud and economic crime given the growing incidence of such activities globally. Banking institutions are also required to strengthen their surveillance systems and institute adequate and appropriate internal controls in an effort to combat fraud.

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Chart D.14: Fraud

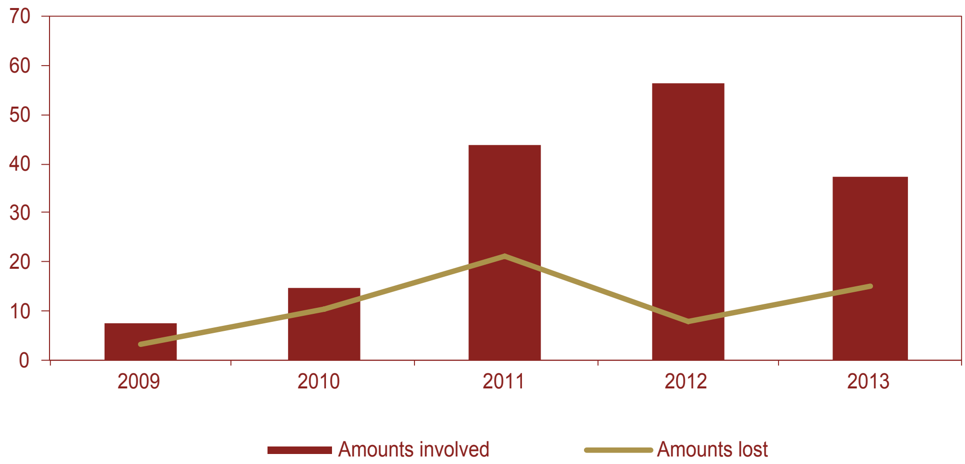

Table D.4 Composition of the balance sheet - N$ ‘000

	2009	2010	2011	2012	2013
Interbank Funding	267,830	493,289	557,176	1,931,426	2,524,918
Non-bank Funding:	**39,761,640**	**42,885,051**	**50,525,687**	**55,334,033**	**62,214,004**
Demand	19,778,437	23,300,184	27,527,215	28,605,507	33,676,364
Savings	1,618,314	1,855,210	2,238,175	2,375,776	2,738,872
Fixed & notice deposits	7,604,343	5,961,519	7,909,775	9,904,067	7,411,996
Negotiable Certificate of Deposits	9,882,954	10,054,312	11,794,018	12,922,602	15,822,443
Foreign Funding*	877,592	1,713,826	1,056,504	1,526,081	2,564,329
Loans under repurchase agreement	-	-	-	-	-
Debt Instruments issued	620,174	686,788	885,568	1,010,527	1,783,257
Other borrowings	551,188	518,703	389,258	655,172	664,552
Other liabilities	1,859,039	1,461,905	1,834,995	1,609,038	2,024,140
Capital & Reserves	4,609,321	5,455,463	5,778,759	6,528,521	7,778,365
TOTAL FUNDING	**47,669,192**	**51,501,199**	**59,971,443**	**67,068,717**	**76,989,236**
Cash and Balances **	4,080,625	4,435,965	7,767,489	6,568,885	7,112,890
Short term negotiable securities	-	3,043,583	6,266,118	6,979,012	7,362,334
Interbank Loans and Advances**	-	9	11	1	-
Foreign currency loans and advances	12,253	39,953	136,034	636,005	1,170,564
Instalment debtors and leases	5,639,406	6,202,258	7,193,255	8,038,539	9,283,690
Mortgage loans	17,464,902	20,237,838	23,755,059	27,248,392	30,738,321
Other fixed term loans***	2,752,972	2,801,169	3,025,506	3,724,441	4,342,456
Personal loans	2,062,542	2,169,560	2,526,187	2,912,261	3,897,957
Overdraft	6,709,764	5,531,256	4,795,467	6,321,038	6,723,390
Credit card debtors	238,630	248,058	265,975	314,855	522,619
Acknowledgement of debts discounted	1,082	-	-	-	-
Loans granted under resale agreement	-	-	83,342	-	-
Investment in Preference Shares	270,320	229,030	283,531	317,121	485,585
Other loans and advances	266,949	1,266,039	1,073,944	1,038,375	1,015,915
Total loans and advances	35,418,820	38,725,170	43,138,311	50,551,028	58,180,498
Less: Specific provisions	276,900	230,386	213,774	198,430	220,985
Less: General provisions	362,658	367,565	389,165	420,833	473,130
Less: Interest- in- suspense	258,018	135,281	102,464	91,105	106,367
Investment portfolio	6,816,000	4,186,500	1,723,518	1,857,418	2,416,589
Trading securities	2,927,754	1,161,824	1,218,321	1,446,986	2,003,945
Available for sale securities	3,715,015	2,839,522	283,504	220,670	268,533
Held to maturity securities	157,223	167,234	204,994	169,078	121,215
Unconsolidated subsidiaries, associates	16,008	17,920	16,699	20,684	22,896
Property, plant and equipment	576,974	655,150	718,060	745,658	1,033,290
Other assets	1,674,349	1,188,063	1,063,350	1,077,084	1,684,118
TOTAL ASSETS	**47,669,192**	**51,501,199**	**59,971,443**	**67,068,717**	**76,989,236**
Average Assets	**45,472,529**	**49,599,928**	**58,064,394**	**65,994,937**	**73,959,273**
Average Equity	**4,476,445**	**5,192,629**	**5,705,175**	**6,405,980**	**7,403,069**

*** Effective from January 2004, the balance sheet was re-designed and foreign funding was made part of non-bank funding.**

**** Effective from January 2004, cash and balances with the Bank of Namibia included balances held with other banks, hence the increase in cash & balances and the decrease in interbank loans and deposits**

***** Before 2004, there was no provision made for personal loans category on the balance sheet return.**

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Table D.5 Capital adequacy - N$ '000

	2009	2010	2011	2012	2013
Tier 1 capital	**3 750 305**	**4 325 408**	**4 703 073**	**5 395 064**	**6,596,005**
Paid up shares	23 822	23 822	23 822	23 841	23,861
Share premium	1 791 099	1 791 099	1 791 099	1 912 574	2,112,553
Retained profits/(accumulated losses)	871 763	1 194 217	1 163 479	1 346 202	3,013,465
Reserves	1 491 120	1 628 187	2 065 925	2 285 721	1,612,070
Current Unaudited losses	177 220	-	-	-	-
Less: Intangible Asset/Goodwill	250 279	311 917	341 252	173 274	165,943
Tier 2 capital	**1 062 962**	**1 615 596**	**1 387 384**	**1 658 628**	**1,677,599**
Hybrid Debt	-	-	-	-	-
Subordinated-term Debt	636 048	672 140	572 565	705 126	705,320
Current Unaudited losses	177 220	543 836	334 698	411 237	339,330
General Provisions	401 028	380 658	459 298	523 589	613,367
Revaluation Reserves	25 886	18 962	20 823	18 676	19,582
Less: Investment in unconsolidated subsidiaries	-	-	-	-	-
Total Qualifying capital	**4 813 267**	**5 941 004**	**6 090 457**	**7 053 692**	**8,273,604**
Aggregated Risk-weighted Assets	**32 087 728**	**38 847 413**	**43 483 180**	**48 268 067**	**57,311,215**
Total Risk-weighted amount for Credit Risk		34 096 259	38 324 043	43 804 645	50,606,374
Calibrated Risk-weighted amount for Operational Risk		4 582 293	4 945 028	4 207 053	6,269,197
Calibrated Risk-weighted amount for Market Risk		168 861	214 109	256 368	435,644
Gross Assets*	**48 134 947**	**51 951 134**	**60 574 381**	**67 511 723**	**77,517,409**

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Table D.6 Analysis of overdue and non-performing loans - N$ ‘000

		2009	2010	2011	2012	2013
Overdue loans*		**2,803,247**	**1,652,510**	**1,531,232**	**1,809,549**	**2,400,758**
Amounts overdue:	<1 month	1,411,571	373,458	589,378	376,347	544,499
Amounts overdue:	1 to < 3 months	425,385	518,208	300,670	757,160	1,108,313
Amounts overdue:	3 to < 6 months	213,194	182,756	183,127	129,771	215,771
Amounts overdue:	6 to <12 months	128,048	112,335	85,712	151,074	160,890
Amounts overdue:	12 to <18 months	471,003	376,498	291,368	332,747	324,709
Amounts overdue:	18 months and above	154,046	89,255	80,977	62,450	46,576
Total Non-performing loans		**966,296**	**760,844**	**641,186**	**676,046**	**747,946**
Instalment sales		131,782	97,486	70,106	85,476	102,875
Mortgages		462,485	411,165	381,754	380,203	402,043
Personal loans/ Other fixed loans		85,255	66,220	49,748	63,955	65,994
Overdraft		223,248	112,944	95,701	93,755	111,422
Other loans & advances		44,701	67,130	34,378	43,106	51,714
Credit cards		18,825	5,899	9,499	9,551	13,899
Realizable Security		459,037	489,091	334,066	391,822	441,116
Specific Provisions		276,900	230,386	213,776	241,074	263,571

***Before 2004 BoN did not require banks to report an ageing analysis of overdues.**

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Table D.7 Sectoral distribution of loans and advances - N$ '000

	2009	2010	2011	2012	2013
Total loans and advances	**35,418,822**	**38,725,171**	**43,138,313**	**50,551,028**	**58,180,497**
Agriculture and Forestry	1,188,120	1,332,828	1,331,272	2,059,280	2,409,188
Fishing	877,412	982,577	767,316	928,336	618,205
Mining	967,554	668,325	407,614	1,102,948	1,135,565
Manufacturing	705,983	902,789	1,154,429	1,260,633	1,256,908
Construction	542,582	1,114,058	980,296	1,642,809	2,179,852
Electricity , Gas and Water	201,994	191,160	244,982	410,283	472,872
Trade and Accommodation	1,589,353	6,468,010	10,412,803	10,790,577	12,694,213
Transportand Communication	647,337	867,346	889,241	1,166,495	1,223,429
Finance and Insurance	2,361,067	1,019,361	907,101	1,102,760	1,368,515
Real Estate and Business Services	6,339,497	6,828,118	5,577,534	5,627,413	6,092,015
Government Services	552,595	511,383	582,903	511,232	1,399,121
Individuals	18,357,267	17,084,843	18,664,141	22,843,338	26,157,065
Other	1,088,061	754,373	1,218,681	1,104,924	1,173,548

Table D.8 Composition of income statement - N$ '000

	2009	2010	2011	2012	2013
Interest Income	**4,168,666**	**4,201,216**	**4,256,731**	**4,931,535**	**5,478,392**
Balances with banks	172,005	171,868	127,498	141,610	140,875
Installment debtors , hire purchase , etc	649,662	622,166	629,164	733,886	806,162
Mortgage loans: Residential	1,879,012	1,604,511	1,645,592	1,850,599	2,040,725
Mortgage Loans: Commercial	-	360,434	428,835	508,165	591,686
Personal loans	305,546	302,253	299,323	341,568	388,668
Fixed term loans	262,023	267,156	263,513	310,443	356,372
Overdraft	744,638	590,493	535,663	598,997	668,338
Other interest related income	155,780	282,335	327,143	446,267	485,567
Interest Expenses	**2,483,067**	**2,213,269**	**2,055,540**	**2,291,295**	**2,472,612**
Demand deposits	976,530	582,317	573,537	587,275	615,187
Current Accounts	-	336,783	268,249	298,843	318,449
Savings deposits	38,080	29,985	27,700	30,940	33,261
Fixed and notice deposits	634,244	390,291	345,175	466,656	408,042
Negotiable certificates of deposits	657,711	746,504	662,146	751,262	871,304
Debt instruments issued	61,403	57,896	78,058	77,068	89,377
Other interest related expenses	115,099	69,493	100,675	79,251	136,992
Interest Margin	**1,685,599**	**1,987,947**	**2,201,191**	**2,640,240**	**3,005,780**
Less: Provisions	136,417	56,543	36,151	60,990	146,196
Total operating Income	1,833,199	1,968,860	1,988,965	2,073,005	2,391,510
Trading Income	182,849	261,781	285,642	341,997	382,123
Investment Income	375,704	221,651	96,517	56,929	59,561
Transaction-based Fee Income	1,008,629	1,225,736	1,360,361	1,453,897	1,710,953
Knowledge-based Fee Income	72,080	77,424	98,587	81,344	93,182
Other income	193,937	182,268	147,858	138,838	145,691
Total Income	**3,518,798**	**3,956,807**	**4,190,156**	**4,713,245**	**5,397,290**
Total Operating Expenses	**2,068,006**	**2,297,349**	**2,403,057**	**2,666,424**	**3,004,450**
Staff costs	1,028,111	1,144,906	1,252,817	1,438,525	1,568,785
Administration & Overheads	586,592	665,169	630,274	659,927	794,425
Depreciation and amortisation	104,336	138,770	113,633	118,750	138,777
Occupancy expenses	140,589	136,196	167,896	190,855	216,320
Other operating expenses	208,378	212,308	238,437	258,367	286,144
Net Income Before Tax	**1,314,375**	**1,602,915**	**1,750,948**	**1,985,831**	**2,246,643**
Taxation	405,050	480,312	556,057	642,389	697,862
Net Income After Tax	**909,325**	**1,122,603**	**1,194,891**	**1,343,442**	**1,548,782**

Table D.9 Selected key ratios

	2009	2010	2011	2012	2013
Capital					
Tier 1 Leverage	7.8	8.3	7.8	8.0	8.5
Tier 1 Risk-weighted Capital	11.7	11.1	10.8	10.9	11.5
Total Risk-weighted Capital	15.0	15.3	14.0	14.2	14.4
Asset Quality					
Non-performing loans to Total loans	2.7	2.0	1.5	1.3	1.3
Overdue loans to Total loans	8.0	4.3	3.6	3.6	4.1
Total Provisions to Total loans	1.8	1.5	1.4	1.2	1.2
Specific Provisions to Non-performing loans	28.7	33.3	33.3	29.4	29.5
Earnings					
Return on Assets	2.1	2.5	2.1	2.0	2.1
Return on Equity	20.4	21.6	20.9	21.0	20.9
Net Interest Margin	3.8	4.0	3.8	4.0	4.1
Other Operating Income: Total Assets	4.1	3.8	3.3	3.1	3.1
Other Operating Income: Total Income	52.1	49.8	47.5	44.0	44.3
Other Exp: Total Income	58.8	58.1	57.4	56.6	55.7
Liquidity					
Liquid Assets / Total Assets	9.5	10.7	23.7	21.2	10.7
Liquid Assets / Average total liabilities	11.0	12.0	14.2	12.5	12.2
Total Loans / Total Assets	74.3	75.2	71.9	10.9	74.8
Total Loans / Total Deposits	94.3	90.3	85.4	12.5	86.4
Growth Rates					
Total Assets	14.7	8.0	16.4	11.8	14.8
Total Qualifying Capital	10.3	23.4	2.5	15.8	17.3
Tier 1 Capital	13.0	15.3	8.7	14.7	22.3
Total Loans	10.8	9.3	11.4	17.2	15.1
Total Deposits	17.5	7.9	17.8	9.5	12.4
Overdue loans	54.9	-41.1	-7.3	18.2	32.7
Non-performing loans	-1.0	-21.3	-15.7	5.4	10.6
Liquid Assets	14.4	15.3	34.7	-0.2	-0.2
Large Exposures	17.0	16.6	16.0	-9.8	0.0
Off-Balance Sheet Items	22.4	19.2	167.9	29.2	20.4

Part E

Statistical Tables

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E

METHODS AND CONCEPTS

BALANCE OF PAYMENTS

Accrual accounting basis
This applies where an international transaction is recorded at the time when ownership changes hands, and not necessarily at the time when payment is made. This principle governs the time of recording for transactions; transactions are recorded when economic value is created, transformed, exchanged, transferred or extinguished.

Balance of Payments
The balance of payments (BOP) is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of an economy with the rest of the world. Transactions, for the most part between residents and non residents, consist of those involving goods, services, and income; those involving financial claims and liabilities to the rest of the world; and those (such as gifts) classified as transfers. It has two main accounts viz, the current account, capital and financial account. Each transaction in the balance of payments is entered either as a credit/asset or a debit/liability. A credit/asset transaction is one that leads to the receipts of payment from non-residents. Conversely, the debit/liability leads to a payment to non-residents.

Current Account
The current account of the balance of payments covers all transactions (other than those in financial account) that involve economic values, (i.e.; real transactions) and occur between residents and non-resident entities. Also covered are offsets to current economic values provided or acquired without a quid pro quo. Included are goods, services, income and current transfers. The balance on goods, services, income and current transfers is commonly referred to as the “current balance” or “current account balance”.

Capital and Financial Account
In the balance of payments, the capital account covers capital transfers and the acquisition or disposal of non-produced non-financial items such as patents. The financial account of the balance of payments consists of the transactions in foreign financial assets and liabilities of an economy. The foreign financial assets of an economy consist of holdings of monetary gold, IMF Special Drawing Rights and claims on non-residents. The foreign financial liabilities of an economy consist of claims of non-residents on residents. The primary basis for classification of the financial account is functional: direct, portfolio, other investment and reserve assets.

Current Transfers
Current transfers are all transfers of real resources or financial items without a quid pro quo and exclude transfers of funds directed for capital investments. Included are gifts of goods and money to or from non-residents viz, governments and private individuals. Current transfers directly affect the level of disposable income and should influence the consumption of goods and services.

Capital Transfers
Capital transfers in kind consists of the transfers without a quid pro quo of the (1) ownership of a fixed asset or (2) the forgiveness, by mutual agreement between creditor and debtor, of the debtor’s financial liability when no counterpart is received in return by the creditor. Capital transfer in cash, on the other hand, is linked to or conditional on, the acquisition or disposal of a fixed asset by one or both parties to the transaction (e.g., an investment grant).

Direct Investment
Direct investment refers to a lasting interest of an entity resident in one economy (the director investor) in an entity resident in another economy (the direct investment enterprise), with an ownership of 10 per cent or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).

Double-entry accounting
The basic accounting conversion for a balance of payment statement is that every recorded transaction is represented by two entries with exactly equal values. Each transaction is reflected as a credit (+) and a debit (-) entry. In conformity with business and national accounting, in the balance of payment, the term: credit is used to denote a reduction in assets or an increase in liabilities, and debit a reduction in liabilities or an increase in assets.

Goods

These are real transactions with change in the ownership of physical products and include consumer and capital goods.

Income

Income covers two types of transactions between residents and non residents: (i) those involving compensation of employees, which is paid to non-resident workers (e.g. border, seasonal and other short-term workers), and (ii) those involving investment income receipts and payments on external financial assets and liabilities. Included in the latter are receipts and payments on direct investment, portfolio investment and other .investment and receipts on reserve assets. Income derived from the use of tangible asset e.g., car rental by a non-resident is excluded from income and is classified under services such as travel.

Merchandise Trade Balance

This is net balance of the total export and import of goods excluding transactions in services between residents and non-residents. Trade balance is the net balance of the total export and import of goods including transactions in services between residents and non-residents.

Net Errors and Omissions

The balance of payment accounting framework requires a balancing item as the measure of the difference between recorded credits/debits and omissions. This is called net errors and omissions'. Theoretically, it measures quality though in practice a zero/lower net errors and omissions could imply not necessarily good quality data but that debits and credits just cancelled each other.

Other Investment

Other investment covers all financial instruments other than those classified as direct investment, portfolio investment or reserve assets.

Overall Balance of Payments

A balance simply refers to the difference between the sum of credits and debit entries. The overall balance is a very simple concept but a powerful analytical tool often used by analysts. In the balance of payment, overall balance refers to the balance between the sum of the current account balance, the capital and financial account balance and net errors and omissions.

Portfolio Investment

Portfolio investment includes trading in equity and debt securities (other than those included in direct investment and reserve assets). These instruments are usually traded (or tradable) in organized and other financial markets, including over-the-counter (OTC) markets.

Reserve Assets

Reserve assets consist of those external assets that are readily available to and controlled by the monetary authority for the direct financing of payments imbalances, for indirectly regulating the magnitude of such balances through intervention in exchange markets to affect the currency exchange rate, and/or for other purposes.

Residency

In the balance of payments, the concept of residency is based on a sectoral transactor's center of economic interest. Country boundaries recognized for political purposes may not always be appropriate for economic interest purposes. Therefore, it is necessary to recognize the economic territory of a country as the relevant geographical area to which the concept of residence is applied. An institutional unit is a resident unit when it has a center of economic interest in the territory from which the unit engages in economic activities and transactions on a significant scale, for a year or more.

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MONETARY AND FINANCIAL STATISTICS

3-Month BA Rate

The interest rate on a time draft (bill of exchange) drawn on and accepted by Other Depository Corporations on which it was drawn; the bank accepting the draft assumes the obligation of making payment at maturity on behalf of its client.

Repo rate

The rate charged by the Bank of Namibia on advances on specific collateral to Other Depository Corporations. The Repo rate is the cost of credit to the banking sector and therefore eventually affects the cost of credit to the general public.

Depository Corporations Survey

The Depository Corporations Survey is a consolidation of the Central Bank Survey and the Other Depository Corporations Survey.

Bond

A security that gives the holder the unconditional right to a fixed money income or an income linked to some index, and except for perpetual bonds, an unconditional right to a stated fixed sum or a sum linked to some index on a specified date or dates.

Currency in circulation

Consist of notes and coins that are of fixed nominal values and are issued by central banks and governments. Currency is the most liquid financial asset and is included in broad money aggregates.

Narrow Money Supply (M1)

Narrow Money Supply (M1) is defined to include currency in circulation and transferable deposits of resident sectors, excluding Central Government and depository corporations.

Broad Money Supply (M2)

Broad Money Supply (M2) is defined to include currency outside depository corporations, transferable and other deposits in national currency of the resident sectors, excluding deposits of the Central Government and those of the depository corporations.

Transferable Deposits

These are deposits that are exchangeable without penalty or restriction, on demand and are directly usable for making third party payments.

Other Depository Corporations (ODCs)

The ODC sub-sector consists of all resident financial corporations (except the Central Bank) and quasi-corporations that are mainly engaged in financial intermediation and that issue liabilities included in the national definition of broad money. There are currently fourteen financial intermediaries classified as ODCs in Namibia, i.e. First National Bank of Namibia, Standard Bank of Namibia, Nedbank Namibia, Bank Windhoek, Agribank of Namibia, National Housing Enterprise, Namibia Post Office Savings Bank, Fides Bank, FNB Unit Trust, Stanlib Unit Trust, Pointbreak, Prudential, Salam Unit trust, Old Mutual Unit Trust and Capricorn Unit Trust.

Other Deposits

The other deposit category comprises all claims, other than transferable deposits, that are represented by evidence of deposit. Different forms of other deposits are e.g. savings and fixed investments. Other deposit is thus a component of broad money supply.

Deposit rate

The deposit rate refers to the weighted average deposit rate of the ODC's i.e. the rate that ODC's declare on other deposits (e.g. time deposits).

Dual-listed Companies

Refer to those companies listed and trading on two stock exchanges, such as the Johannesburg Stock Exchange as well as on the NSX.

Lending rate

The lending rate refers to the weighted average lending rate, i.e. the rate charged by ODC's to borrowers.

Local Market in terms of NSX

Only local (Namibian) companies listed on the NSX.

Market Capitalisation

Market Capitalisation is the total market value of a company's issued share capital. It is equal to the number of fully paid shares listed on the NSX multiplied by the share price.

Free-float Market Capitalisation

Free-float market capitalisation is the value of shares held by investors who are likely to be willing to trade. It is a measure of how many shares are reasonably liquid.

Market Turnover

Volume of shares traded on the NSX multiplied by the share price.

Market Volume

The number of shares traded on the NSX.

Money Market rate

The money market rate refers to the inter-bank interest rate; the rate at which ODC's extend credit to each other.

Money Market Unit Trust (MMU)

The MMU sub-sector consists of all resident unit trust companies that have money market funds. There are currently seven of those companies in Namibia: FNB Unit Trust, Stanlib Unit Trust, Pointbreak, Prudential, Salam Unit trust, Old Mutual Unit Trust and Capricorn Unit Trust.

Mortgage rate
The rate charged on a loan for the purpose of financing construction or purchasing of real estate.

Overall Market in terms of NSX
Refers to all companies, local as well as foreign, listed on the NSX.

Prime rate
The rate of interest charged by Other Depository Corporations (ODC's) for loans made to its most credit-worthy business and industrial customers; it is a benchmark rate that banks establish from time to time in computing an appropriate rate of interest for a particular loan contract.

Real Interest rate
The rate of interest adjusted to allow for inflation; the nominal interest rate less the rate of inflation for Namibia, is the real interest rate.

STATISTICAL TABLES

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III Public Finance

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Table 1.1 Aggregate economic indicators

	2008	2009	2010	2011	2012
Current prices					
GDP (N$ mil.)	72,946	75,070	81,016	91,658	107,323
% Change	17.5	2.9	7.9	13.1	17.1
GNI (N$ mil.)	71,149	73,245	78,575	92,544	107,088
% Change	17.0	2.9	7.3	17.8	15.7
GDP per capita (N$)	35,325	35,697	37,805	43,545	50,234
% Change	15.4	1.1	5.9	15.2	15.4
GNI per capita (N$)	34,455	34,829	36,666	43,966	50,123
% Change	14.9	1.1	5.3	19.9	14.0
Constant 2004 prices					
GDP (N$ mil.)	51,038	50,482	53,649	56,694	59,538
% Change	3.4	-1.1	6.3	5.7	5.0
GNI (N$ mil.)	57,573	56,056	56,877	62,416	67,431
% Change	5.2	-2.6	1.5	9.7	8.0
GDP per capita (N$)	24,716	24,005	25,034	26,934	27,867
% Change	1.5	-2.9	4.3	7.6	3.5
GNI per capita (N$)	27,880	26,655	26,541	29,653	31,562
% Change	3.3	-4.4	-0.4	11.7	6.4

Source: NSA

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Table I.2 Gross Domestic Product and Gross National Income

Current prices - N$ million	2008	2009	2010	2011	2012
Compensation of employees	28,481	31,065	35,886	39,397	45,681
Consumption of fixed capital	8,776	9,713	10,606	11,588	12,735
Net operating surplus	29,813	28,018	27,391	31,546	40,061
Gross domestic product at factor cost	**67,070**	**68,795**	**73,883**	**82,531**	**98,477**
Taxes on production and imports	5,877	6,275	7,133	9,127	8,846
Subsidies	72,946	75,070	81,016	91,658	107,323
Gross domestic product at market prices					
Primary incomes					
- receivable from the rest of the world	1,870	2,112	1,524	1,797	1,732
- payable to rest of the world	-3,666	-3,937	-3,965	-910	-1,968
Gross national income at market prices	**71,149**	**73,245**	**78,575**	**92,544**	**107,088**
Current transfers					
- receivable from the rest of the world	9,762	11,245	9,659	12,339	18,136
- payable to rest of the world	-484	-632	-640	-579	-556
Gross national disposable income	80,428	83,859	87,594	104,304	124,668
Current prices - N$ per capita					
Gross domestic product at market prices	35,325	35,697	37,805	43,545	50,234
Gross national income at market prices	34,455	34,829	36,666	43,966	50,123
Constant 2004 prices - N$ millions					
Gross domestic product at market prices	**51,038**	**50,482**	**53,649**	**56,694**	**59,538**
- Annual percentage change	3.4%	-1.1%	6.3%	5.7%	5.0%
Real gross national income	**57,573.2**	**56,056.0**	**56,877.1**	**62,416.2**	**67,431.3**
- Annual percentage change	5.2%	-2.6%	1.5%	9.7%	8.0%
Constant 2004 prices - N$ per capita					
Gross domestic product at market prices	**24,716**	**24,005**	**25,034**	**26,934**	**27,867**
- Annual percentage change	1.5%	-2.9%	4.3%	7.6%	3.5%
Real gross national income	**27,880.5**	**26,655.3**	**26,540.9**	**29,652.8**	**31,562.0**
- Annual percentage change	3.3%	-4.4%	-0.4%	11.7%	6.4%

Source: NSA

Table I.3 NATIONAL DISPOSABLE INCOME AND SAVINGS

Current prices - N$ million	2008	2009	2010	2011	2012
Disposable income and saving					
Gross national disposable income	**80,428**	**83,859**	**87,594**	**104,304**	**124,668**
Consumption of fixed capital	8,776	9,713	10,606	11,588	12,735
Net national disposable income	71,652	74,146	76,987	92,716	111,933
All other sectors	52,348	52,639	55,780	66,974	82,016
General government	19,303	21,507	21,207	25,742	29,916
Final consumption expenditure	**56,797**	**65,345**	**72,504**	**79,685**	**92,006**
Private	41,946	48,069	52,472	56,243	65,006
General government	14,851	17,277	20,032	23,441	27,000
Saving, net	**14,854**	**8,801**	**4,483**	**13,031**	**19,927**
All other sectors	10,402	4,570	3,308	10,730	17,011
General government	4,452	4,231	1,176	2,301	2,916
Financing of capital formation					
Saving, net	14,854	8,801	4,483	13,031	19,927
Capital transfers receivable from abroad	633	628	878	1,426	1,293
Capital transfers payable to foreign countries	-3	-70	-70	-74	-75
Total	**15,484**	**9,359**	**5,292**	**14,384**	**21,145**
Capital formation					
Gross fixed capital formation	17,838	16,609	18,378	19,078	23,500
All other sectors	14,915	13,816	15,516	15,524	19,226
General government	2,923	2,792	2,862	3,554	4,274
Consumption of fixed capital-	8,776	-9,713	-10,606	-11,588	-12,735
All other sectors	-7,137	-7,890	-8,662	-9,499	-10,460
General government	-1,640	-1,823	-1,944	-2,090	-2,276
Changes in inventories	661	168	-1,303	-749	1,592
Net lending (+) / Net borrowing(-)	5,761	2,295	-1,177	7,643	8,789
All other sectors	3,129	301	1,235	9,504	10,724
General government	2,633	1,993	-2,412	-1,860	-1,935
Discrepancy on GDP 1)	1,278	448	2,620	-1,983	-809
Net lending/borrowing in external transactions 2)	7,039	2,743	1,443	5,660	7,980
Total	**15,484**	**9,359**	**5,292**	**14,384**	**21,145**

Source: NSA

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Table I.4 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Current prices - N$ Million

Industry	2008	2009	2010	2011	2012
Agriculture and forestry	2,969	2,989	3,339	4,312	5,433
Livestock farming	1,540	1,527	1,785	2,706	3,712
Crop farming and forestry	1,428	1,462	1,555	1,606	1,721
Fishing & fish processing on board	2,411	2,428	2,539	2,851	4,054
Mining and quarrying	11,772	8,002	6,882	7,470	12,138
Diamond mining	5,500	2,749	4,042	5,430	8,970
Other mining and quarrying	6,272	5,254	2,840	2,041	3,168
Primary industries	**17,151**	**13,420**	**12,761**	**14,634**	**21,624**
Manufacturing	9,405	10,142	10,239	10,439	12,118
Meat processing	145	229	181	189	269
Fish processing on shore	993	951	60	562	70
Other food products and beverages	3,678	4,211	4,067	4,156	4,904
Other manufacturing	4,588	4,751	5,930	5,532	6,875
Electricity and water	1,590	1,850	1,976	2,281	2,388
Construction	2,880	2,465	2,644	3,234	3,818
Secondary industries	**13,875**	**14,456**	**14,859**	**15,954**	**18,324**
Wholesale and retail trade, repairs	7,682	8,610	9,711	10,538	12,585
Hotels and restaurants	1,283	1,399	1,467	1,693	1,752
Transport, and communication	3,395	3,800	4,545	4,942	5,128
Transport and storage	1,442	1,671	2,285	2,318	2,308
Post and telecommunications	1,953	2,129	2,260	2,624	2,821
Financial intermediation	2,849	3,648	4,264	4,711	5,533
Real estate and business services	5,415	5,987	6,363	7,254	7,938
Real estate activities	3,778	4,166	4,468	5,126	5,651
Other business services	1,637	1,820	1,895	2,128	2,287
Community, social and personal services	2,193	2,446	2,522	2,647	2,824
Public administration and defence	6,143	7,100	8,405	9,590	10,994
Education	5,202	5,948	6,853	8,143	9,195
Health	2,229	2,437	2,721	3,047	3,420
Private household with employed persons	492	559	597	643	708
Tertiary industries	**36,884**	**41,933**	**47,448**	**53,208**	**60,077**
Less: Financial intermediation services indirectly measured	840	1,014	1,185	1,265	1,548
All industries at basic prices	**67,070**	**68,795**	**73,883**	**82,531**	**98,477**
Taxes less subsidies on products	5,877	6,275	7,133	9,127	8,846
GDP at market prices	**72,946**	**75,070**	**81,016**	**91,658**	**107,323**

Source: NSA

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Table I.4 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Percentage Contribution

Industry	2008	2009	2010	2011	2012
Agriculture and forestry	4.1	4.0	4.1	4.7	5.1
Livestock farming	2.1	2.0	2.2	3.0	3.5
Crop farming and forestry	2.0	1.9	1.9	1.8	1.6
Fishing & fish processing on board	3.3	3.2	3.1	3.1	3.8
Mining and quarrying	16.1	10.7	8.5	8.2	11.3
Diamond mining	7.5	3.7	5.0	5.9	8.4
Other mining and quarrying	8.6	7.0	3.5	2.2	3.0
Primary industries	**23.5**	**17.9**	**15.8**	**16.0**	**20.1**
Manufacturing	12.9	13.5	12.6	11.4	11.3
Meat processing	0.2	0.3	0.2	0.2	0.3
Fish processing on shore	1.4	1.3	0.1	0.6	0.1
Other food products and beverages	5.0	5.6	5.0	4.5	4.6
Other manufacturing	6.3	6.3	7.3	6.0	6.4
Electricity and water	2.2	2.5	2.4	2.5	2.2
Construction	3.9	3.3	3.3	3.5	3.6
Secondary industries	**19.0**	**19.3**	**18.3**	**17.4**	**17.1**
Wholesale and retail trade, repairs	10.5	11.5	12.0	11.5	11.7
Hotels and restaurants	1.8	1.9	1.8	1.8	1.6
Transport, and communication	4.7	5.1	5.6	5.4	4.8
Transport and storage	2.0	2.2	2.8	2.5	2.2
Post and telecommunications	2.7	2.8	2.8	2.9	2.6
Financial intermediation	3.9	4.9	5.3	5.1	5.2
Real estate and business services	7.4	8.0	7.9	7.9	7.4
Real estate activities	5.2	5.5	5.5	5.6	5.3
Other business services	2.2	2.4	2.3	2.3	2.1
Community, social and personal services	3.0	3.3	3.1	2.9	2.6
Public administration and defence	8.4	9.5	10.4	10.5	10.2
Education	7.1	7.9	8.5	8.9	8.6
Health	3.1	3.2	3.4	3.3	3.2
Private household with employed persons	0.7	0.7	0.7	0.7	0.7
Tertiary industries	**50.6**	**55.9**	**58.6**	**58.1**	**56.0**
Less: Financial intermediation services indirectly measured	1.2	1.4	1.5	1.4	1.4
All industries at basic prices	**91.9**	**91.6**	**91.2**	**90.0**	**91.8**
Taxes less subsidies on products	8.1	8.4	8.8	10.0	8.2
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

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Table I.5(a) GROSS DOMESTIC PRODUCT BY ACTIVITY
Constant 2004 Prices - N$ millions

Industry	2008	2009	2010	2011	2012
Agriculture and forestry	2,101	2,114	2,048	2,366	2,645
Livestock farming	803	838	779	982	1,190
Crop farming and forestry	1,298	1,276	1,269	1,384	1,455
Fishing & fish processing on board	1,003	1,047	1,069	1,159	1,355
Mining and quarrying	4,606	2,663	3,533	3,253	3,643
Diamond mining	3,815	1,877	2,564	2,499	2,723
Other mining and quarrying	791	786	968	754	920
Primary industries	**7,710**	**5,824**	**6,650**	**6,778**	**7,643**
Manufacturing	6,537	6,920	7,427	7,519	7,610
Meat processing	155	163	171	160	165
Fish processing on shore	617	821	826	962	701
Other food products and beverages	2,654	2,877	2,809	2,658	2,830
Other manufacturing	3,111	3,059	3,621	3,739	3,915
Electricity and water	1,214	1,221	1,251	1,311	1,387
Construction	2,015	1,644	1,737	2,072	2,331
Secondary industries	**9,766**	**9,786**	**10,416**	**10,902**	**11,328**
Wholesale and retail trade, repairs	6,072	6,259	6,754	6,977	7,821
Hotels and restaurants	961	941	947	974	962
Transport, and communication	3,243	3,416	3,502	3,674	3,827
Transport and storage	1,498	1,613	1,682	1,791	1,854
Post and telecommunications	1,746	1,802	1,820	1,883	1,973
Financial intermediation	2,488	2,793	2,943	3,067	3,269
Real estate and business services	4,874	5,166	5,254	5,482	5,835
Real estate activities	3,613	3,780	3,907	3,985	4,255
Other business services	1,260	1,387	1,347	1,497	1,579
Community, social and personal services	1,727	1,771	1,714	1,736	1,685
Public administratin and defence	4,668	4,901	5,331	5,510	5,852
Education	3,559	3,705	3,907	4,454	4,562
Health	1,727	1,777	1,820	1,888	2,111
Private household with employed persons	389	406	415	426	440
Tertiary industries	**29,708**	**31,136**	**32,587**	**34,188**	**36,362**
Less: Financial intermediation secvices indirectly measured	670	666	724	766	845
All industries at basic prices	**46,514**	**46,080**	**48,929**	**51,102**	**54,488**
Taxes less subsidies on products	4,523	4,402	4,720	5,592	5,050
GDP at market prices	**51,038**	**50,482**	**53,649**	**56,694**	**59,538**

Source: NSA

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Table I.5 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Annual Percentage Changes

Industry	2008	2009	2010	2011	2012
Agriculture and forestry	-18.1	0.6	-3.1	15.5	11.8
Livestock farming	-35.9	4.4	-7.1	26.1	21.1
Crop farming and forestry	-1.0	-1.7	-0.5	9.0	5.1
Fishing and fish processing on board	-5.3	4.4	2.1	8.5	16.9
Mining and quarrying	-2.9	-42.2	32.7	-7.9	12.0
Diamond mining	-0.6	-50.8	36.6	-2.6	9.0
Other mining and quarrying	-12.3	-0.6	23.2	-22.1	22.0
Primary industries	**-7.8**	**-24.5**	**14.2**	**1.9**	**12.8**
Manufacturing	2.1	5.9	7.3	1.2	1.2
Meat processing	-8.4	4.9	5.1	-6.4	2.8
Fish processing on shore	-3.6	33.1	0.6	16.5	-27.2
Other food products and beverages	10.0	8.4	-2.4	-5.4	6.5
Other manufacturing	-2.1	-1.7	18.4	3.3	4.7
Electricity and water	-1.6	0.6	2.5	4.8	5.8
Construction	10.0	-18.4	5.7	19.3	12.5
Secondary industries	**3.2**	**0.2**	**6.4**	**4.7**	**3.9**
Wholesale and retail trade, repairs	2.9	3.1	7.9	3.3	12.1
Hotels and restaurants	2.7	-2.0	0.7	2.8	-1.2
Transport, and communication	2.6	5.3	2.5	4.9	4.2
Transport and storage	12.8	7.7	4.2	6.5	3.5
Post and telecommunications	-4.7	3.3	1.0	3.5	4.8
Financial intermediation	9.7	12.3	5.3	4.2	6.6
Real estate and business services	4.4	6.0	1.7	4.3	6.4
Real estate activities	4.8	4.6	3.4	2.0	6.8
Other business services	3.2	10.0	-2.8	11.1	5.5
Community, social and personal services	0.6	2.6	-3.2	1.3	-2.9
Public administratin and defence	10.8	5.0	8.8	3.3	6.2
Education	5.8	4.1	5.5	14.0	2.4
Health	11.8	2.9	2.4	3.8	11.8
Private household with employed persons	5.2	4.4	2.3	2.5	3.3
Tertiary industries	**5.6**	**4.8**	**4.7**	**4.9**	**6.4**
Less: Financial intermediation secvices indirectly measured	2.7	-0.6	8.7	5.8	10.4
All industries at basic prices	**2.6**	**-0.9**	**6.2**	**4.4**	**6.6**
Taxes less subsidies on products	11.8	-2.7	7.2	18.5	-9.7
GDP at market prices	**3.4**	**-1.1**	**6.3**	**5.7**	**5.0**

Source: NSA

E

Table I.6 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Current prices - N$ million

Expenditure category	2008	2009	2010	2011	2012
Final consumption expenditure	56,797	65,345	72,504	79,685	92,006
Private	41,946	48,069	52,472	56,243	65,006
General government	14,851	17,277	20,032	23,441	27,000
Gross fixed capital formation	17,838	16,609	18,378	19,078	23,500
Changes in inventories	661	168	-1,303	-749	1,592
Gross domestic expenditure	**75,296**	**82,122**	**89,579**	**98,014**	**117,097**
Exports of goods and services	38,777	35,511	38,476	37,581	45,713
Imports of goods and services	39,849	42,116	44,419	45,920	56,296
Discrepancy	-1,278	-448	-2,620	1,983	809
Gross domestic product at market prices	72,946	75,070	81,016	91,658	107,323

Source: NSA

Table I.6 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Current prices - Per cent

Expenditure category	2008	2009	2010	2011	2012
Final consumption expenditure	77.9	87.0	89.5	86.9	85.7
Private	57.5	64.0	64.8	61.4	60.6
General government	20.4	23.0	24.7	25.6	25.2
Gross fixed capital formation	24.5	22.1	22.7	20.8	21.9
Changes in inventories	0.9	0.2	-1.6	-0.8	1.5
Gross domestic expenditure	**103.2**	**109.4**	**110.6**	**106.9**	**109.1**
Exports of goods and services	53.2	47.3	47.5	41.0	42.6
Imports of goods and services	54.6	56.1	54.8	50.1	52.5
Discrepancy	-1.8	-0.6	-3.2	2.2	0.8
Gross domestic product at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: NSA

E

Table I.7 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Constant 2004 prices - N$ million

Expenditure category	2008	2009	2010	2011	2012
Final consumption expenditure	43,674	47,508	49,780	52,462	56,628
Private	32,833	36,010	37,589	39,271	42,398
General government	10,840	11,498	12,192	13,191	14,230
Gross fixed capital formation	12,809	11,398	12,348	12,474	14,927
Changes in inventories	-106	-494	-555	-116	543
Gross domestic expenditure	**56,376**	**58,411**	**61,573**	**64,820**	**72,098**
Exports of goods and services	21,740	19,850	23,163	21,275	22,278
Imports of goods and services	30,440	31,692	32,405	32,271	37,336
Discrepancy	3,361	3,913	1,317	2,870	2,497
Gross domestic product at market prices	**51,038**	**50,482**	**53,649**	**56,694**	**59,538**

Source: NSA

Table I.7 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT
Constant 2004 Prices - Percent

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Expenditure category	2008	2009	2010	2011	2012
Final consumption expenditure	8.2	8.8	4.8	5.4	7.9
Private	9.0	9.7	4.4	4.5	8.0
General government	6.1	6.1	6.0	8.2	7.9
Gross fixed capital formation	7.2	-11.0	8.3	1.0	19.7
Changes in inventories	-1.0	-0.8	-0.1	0.8	1.2
Gross domestic expenditure	**7.0**	**3.6**	**5.4**	**5.3**	**11.2**
Exports of goods and services	5.2	-8.7	16.7	-8.2	4.7
Imports of goods and services	9.6	4.1	2.2	-0.4	15.7
Discrepancy	-0.9	1.1	-5.1	2.9	-0.7
Gross domestic product at market prices	**3.4**	**-1.1**	**6.3**	**5.7**	**5.0**

Source: NSA

Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY

Current prices - N$ Million

Industry	2008	2009	2010	2011	2012
Agriculture	649	720	757	800	851
Fishing	195	234	290	56	833
Mining and quarrying	4,274	3,720	4,380	3,115	5,226
Manufacturing	2,164	2,674	2,700	2,423	2,632
Electricity and water	680	762	1,248	2,101	1,173
Construction	601	577	542	829	914
Wholesale and retail trade; hotels, restaurants	1,147	1,074	1,082	1,171	775
Transport, and communication	2,808	1,302	2,465	2,751	2,948
Finance, real estate, business services	2,456	2,814	2,121	2,347	3,953
Community, social and personal services	42	47	42	48	43
Producers of government services	2,821	2,686	2,750	3,437	4,152
Total	**17,838**	**16,609**	**18,378**	**19,078**	**23,500**
Percent of GDP	24.5	22.1	22.7	20.8	21.9

Source: NSA

Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVTY

Constant 2004 prices - N$ million

Industry	2008	2009	2010	2011	2012
Agriculture	503	523	544	567	590
Fishing	181	205	254	49	750
Mining and quarrying	2,970	2,498	2,855	1,966	3,203
Manufacturing	1,524	1,794	1,796	1,575	1,659
Electricity and water	486	524	846	1,387	759
Construction	468	418	402	584	623
Wholesale and retail trade; hotels, restaurants	858	772	759	799	469
Transport, and communication	2,069	935	1,645	1,793	1,883
Finance, real estate, business services	1,698	1,847	1,343	1,431	2,290
Community, social and personal services	32	34	30	33	30
Producers of government services	2,018	1,846	1,874	2,290	2,672
Total	**12,809**	**11,398**	**12,348**	**12,474**	**14,927**
Annual change, percent	7.2	-11.0	8.3	1.0	19.7

Source: NSA

Table I.10 GROSS FIXED CAPITAL FORMATION BY THE TYPE OF ASSET

Current prices - N$ million

Type of Asset	2008	2009	2010	2011	2012
Buildings	4,176	4,512	5,828	6,278	8,232
Construction works	5,530	4,796	4,054	5,283	5,408
Transport equipment	1,602	1,569	1,644	1,363	2,148
Machinery and other equipment	5,925	5,055	6,200	5,703	5,670
Mineral exploration	605	677	652	451	2,042
Total	**17,838**	**16,609**	**18,378**	**19,078**	**23,500**

Source: NSA

Table I.11 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

Constant 2004 prices - N$ million

Type of Asset	2008	2009	2010	2011	2012
Buildings	2,799	2,882	3,686	3,822	4,763
Construction works	3,949	3,296	2,763	3,517	3,465
Transport equipment	1,491	1,376	1,442	1,202	1,934
Machinery and other equipment	4,136	3,362	4,002	3,634	3,477
Mineral exploration	433	482	455	298	1,287
Total	**12,809**	**11,398**	**12,348**	**12,474**	**14,927**

Source: NSA

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Table I.12 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Current prices - N$ million

Ownership	2008	2009	2010	2011	2012
Public	4,748	4,106	5,812	7,764	7,950
Producers of government services	2,821	2,686	2,750	3,437	4,152
Public corporations and enterprises	1,927	1,421	3,062	4,327	3,798
Private	13,090	12,502	12,566	11,314	15,550
Total	**17,838**	**16,609**	**18,378**	**19,078**	**23,500**

Source: NSA

Table I.13 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

Constant 2004 prices - N$ million

Ownership	2008	2009	2010	2011	2012
Public	3,433	2,843	3,929	5,126	5,110
Producers of government services	2,018	1,846	1,874	2,290	2,672
Public corporations and enterprises	1,415	997	2,055	2,835	2,438
Private	9,376	8,555	8,419	7,348	9,818
Total	**12,809**	**11,398**	**12,348**	**12,474**	**14,927**

Source: NSA

Table I.14 FIXED CAPITAL STOCK BY ACTIVITY
Current prices - N$ million

Industry	2008	2009	2010	2011	2012
Agriculture	11,688	12,158	12,156	12,331	12,626
Fishing	1,954	2,212	2,402	2,320	3,112
Mining and quarrying	22,167	24,774	27,056	28,383	31,624
Manufacturing	10,766	12,986	14,631	16,140	17,876
Electricity and water	9,568	9,832	10,034	11,388	12,367
Construction	1,940	2,297	2,505	2,974	3,509
Wholesale and retail trade; hotels, restaurants	6,214	6,981	7,421	7,989	8,239
Transport, and communication	16,538	17,141	18,915	20,308	22,213
Finance, real estate, business services	27,963	31,131	32,576	34,945	39,342
Community, social and personal services	825	848	832	826	825
Producers of government services	35,748	38,107	39,241	41,647	45,257
Total	**145,371**	**158,468**	**167,770**	**179,252**	**196,991**

Source: NSA

Table I.15 FIXED CAPITAL STOCK BY ACTIVITY
Constant 2004 prices - N$ million

Industry	2008	2009	2010	2011	2012
Agriculture	8,481	8,397	8,316	8,239	8,138
Fishing	1,643	1,736	1,869	1,794	2,390
Mining and quarrying	16,302	17,492	18,921	19,380	20,958
Manufacturing	7,389	8,508	9,498	10,151	10,763
Electricity and water	6,796	6,734	6,807	7,555	7,871
Construction	1,555	1,707	1,830	2,096	2,363
Wholesale and retail trade; hotels, restaurants	4,543	4,858	5,121	5,367	5,266
Transport, and communication	12,142	11,955	12,403	12,922	13,441
Finance, real estate, business services	18,932	20,070	20,680	21,350	22,834
Community, social and personal services	597	582	563	545	521
Producers of government services	25,160	25,770	26,337	27,248	28,460
Total	**103,540**	**107,809**	**112,344**	**116,648**	**123,004**

Source: NSA

E

Table 1.16 (a) NATIONAL CONSUMER PRICE INDEX (December 2012 = 100)

	Food & non alcoholic beverages	Alcoholic B everages & tabacco	Clothing and foodwear	Housing,water, electricity, gas & others	Furnitures, household equipment & maintenance	Health	Transport	Communications	Recreation & culture	Education	Hotels, cafes & restaurands	Miscellaneous goods & services	All items	All Items Annual percentage changes
weights	**16.45**	**12.59**	**3.05**	**28.36**	**5.47**	**2.01**	**14.28**	**3.81**	**3.55**	**3.65**	**1.39**	**5.39**	**100.0**	
2006	**56.6**	**57.5**	**82.0**	**70.2**	**69.7**	**77.2**	**65.4**	**84.3**	**70.4**	**74.2**	**62.0**	**77.8**	**65.3**	**5.0**
2007	**63.4**	**61.8**	**84.9**	**71.7**	**72.5**	**87.2**	**69.1**	**85.5**	**73.0**	**78.9**	**66.0**	**79.1**	**69.6**	**6.6**
2008	**74.0**	**68.3**	**85.4**	**68.3**	**79.0**	**111.6**	**78.3**	**89.8**	**80.5**	**83.9**	**73.6**	**83.1**	**75.9**	**9.1**
2009	**81.8**	**76.7**	**94.1**	**78.5**	**88.1**	**91.4**	**82.8**	**95.1**	**86.8**	**87.1**	**81.5**	**91.8**	**83.0**	**9.5**
2010														
Jan-10	83.7	80.5	98.5	84.0	89.7	91.0	86.1	96.0	87.2	91.5	85.6	94.2	86.2	7.4
Feb-10	84.3	80.9	98.8	84.1	89.8	91.0	86.4	95.7	87.9	91.5	85.8	94.5	86.5	7.7
Mar-10	84.4	83.3	97.8	84.1	90.2	91.1	86.4	95.9	88.2	91.5	86.2	94.2	86.6	7.0
Apr-10	84.0	83.5	96.2	84.0	89.5	91.4	87.1	96.0	88.5	91.5	87.5	93.8	86.5	6.4
May-10	83.5	84.7	97.7	84.2	89.9	91.5	87.8	96.0	89.4	91.5	87.5	94.0	86.7	6.1
Jun-10	83.5	85.0	97.8	84.2	90.4	92.1	87.6	96.0	89.6	91.5	87.7	94.0	86.7	3.9
Jul-10	84.8	85.9	97.9	86.4	90.3	92.4	88.1	96.0	90.4	91.5	88.3	94.3	87.7	4.3
Aug-10	84.6	85.7	97.1	86.4	90.1	92.6	87.7	96.0	89.1	91.5	88.9	95.7	87.6	3.3
Sep-10	85.1	85.9	95.6	86.4	90.2	93.0	87.8	96.0	88.8	91.5	89.1	95.5	87.7	3.5
Oct-10	84.9	85.9	95.2	86.4	89.7	93.0	87.5	96.5	89.1	91.5	89.1	95.6	87.6	3.0
Nov-10	85.3	86.2	95.2	86.4	89.2	93.0	88.0	96.7	89.1	91.5	89.3	95.6	87.8	3.2
Dec-10	84.4	86.2	95.3	86.4	89.6	92.9	88.0	96.8	88.8	91.5	89.8	95.8	87.5	3.1
Average	**84.4**	**84.5**	**96.9**	**85.3**	**89.9**	**92.1**	**87.4**	**96.1**	**88.9**	**91.5**	**87.9**	**94.8**	**87.1**	**4.9**
2011														
Jan-11	84.7	86.2	95.9	90.7	89.9	96.3	88.7	97.2	89.1	95.6	90.7	97.1	89.0	3.3
Feb-11	84.7	85.9	97.1	90.7	89.9	96.3	89.2	97.2	90.6	95.6	90.7	96.8	89.1	3.0
Mar-11	85.8	88.3	96.5	90.7	90.2	96.9	89.9	97.3	90.5	95.6	92.7	96.9	89.8	3.6
Apr-11	87.3	90.0	97.1	90.8	90.4	96.9	91.3	97.3	91.3	95.6	92.7	96.7	90.6	4.7
May-11	88.1	90.0	97.4	90.9	90.6	96.8	92.0	97.3	91.7	95.6	91.2	96.9	91.1	5.1
Jun-11	88.5	90.7	97.7	90.9	91.7	96.7	92.1	97.5	91.2	95.6	91.3	97.1	91.3	5.3
Jul-11	89.0	90.8	97.7	92.4	91.9	96.6	92.3	97.4	91.9	95.6	91.9	97.3	91.9	4.7
Aug-11	89.6	91.1	98.7	92.5	91.9	96.6	92.8	97.4	92.2	95.6	91.6	97.2	92.2	5.3
Sep-11	89.6	91.2	98.7	93.0	91.9	97.0	92.4	97.4	92.5	95.6	91.9	97.2	92.2	5.1
Oct-11	90.8	90.9	99.9	93.1	92.5	96.9	93.7	97.7	93.3	95.6	92.4	97.3	93.0	6.2
Nov-11	91.4	91.8	100.3	93.2	92.5	96.9	93.9	97.7	93.1	95.6	92.7	97.4	93.3	6.2
Dec-11	92.9	91.9	99.6	93.2	93.2	96.9	94.9	97.7	94.6	95.6	92.9	97.4	94.0	7.4
Average	**88.5**	**89.9**	**98.0**	**91.8**	**91.4**	**96.7**	**91.9**	**97.4**	**91.8**	**95.6**	**91.9**	**97.1**	**91.5**	**5.0**
2012														
Jan-12	93.3	92.1	98.5	95.5	94.3	99.4	94.9	97.8	96.6	100.0	93.8	98.1	95.1	6.8
Feb-12	94.3	93.8	98.2	95.1	95.3	99.7	96.4	97.8	98.0	100.0	93.7	99.3	95.8	7.5
Mar-12	94.8	96.5	98.3	95.1	96.3	99.9	97.5	97.8	97.1	100.0	93.8	99.1	96.3	7.2
Apr-12	95.3	97.4	97.4	95.0	96.2	100.1	98.3	97.8	97.7	100.0	94.1	99.2	96.6	6.6
May-12	95.3	98.1	96.9	95.0	95.3	99.9	99.8	97.8	98.6	100.0	95.7	99.2	96.8	6.3
Jun-12	94.6	97.9	97.2	95.0	96.1	99.9	99.6	97.8	98.6	100.0	95.8	99.8	96.6	5.8
Jul-12	96.3	98.2	97.5	97.9	96.3	100.0	98.5	97.3	99.6	100.0	96.2	99.4	97.6	6.3
Aug-12	96.1	98.9	98.6	98.5	96.9	100.0	98.8	98.0	99.7	100.0	97.0	100.0	97.9	6.1
Sep-12	97.7	99.4	99.8	99.8	98.0	100.2	98.2	97.5	98.7	100.0	98.8	99.8	98.7	7.0
Oct-12	99.7	100.2	100.0	99.8	98.2	100.4	99.1	98.5	99.7	100.0	98.9	100.0	99.6	7.1
Nov-12	101.0	100.3	100.0	99.9	99.2	100.4	100.0	99.6	100.2	100.0	99.1	100.1	100.3	7.5
Dec-12	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	6.4
Average	**96.5**	**97.7**	**98.5**	**97.2**	**96.8**	**100.0**	**98.4**	**98.1**	**98.7**	**100.0**	**96.4**	**99.5**	**97.6**	**6.7**
2013														
Jan-13	100.3	100.8	100.3	101.5	101.0	101.5	100.0	100.0	101.0	104.0	103.2	100.7	100.9	6.2
Feb-13	100.9	101.6	100.8	101.6	101.5	102.1	100.9	100.0	101.3	104.0	103.8	100.7	101.4	5.8
Mar-13	101.4	104.2	100.8	101.6	101.6	102.2	101.9	100.0	101.5	104.0	104.0	100.8	101.9	5.9
Apr-13	101.8	105.5	101.4	101.6	101.7	102.6	102.3	100.3	101.8	104.0	104.0	100.8	102.3	5.9
May-13	102.0	106.7	101.7	101.5	102.2	102.8	101.6	100.3	102.2	104.0	104.2	100.9	102.4	5.8
Jun-13	102.3	107.3	101.7	101.7	102.4	103.2	101.6	100.2	103.0	104.0	105.0	101.1	102.7	6.2
Jul-13	102.4	107.8	102.2	102.6	102.9	103.3	103.8	100.2	103.3	104.0	105.4	101.3	103.4	5.9
Aug-13	103.1	108.0	102.2	102.7	103.3	103.4	105.1	100.3	103.7	104.0	106.5	101.3	103.8	6.0
Sep-13	103.5	108.0	102.4	103.1	103.4	103.4	105.5	100.7	104.1	104.0	106.5	101.6	104.1	5.4
Oct-13	104.6	108.0	103.1	103.1	103.4	103.9	106.8	100.9	104.6	104.0	105.6	101.8	104.5	4.9
Nov-13	105.4	108.0	103.5	102.9	104.5	104.4	107.3	101.1	104.9	104.0	105.3	102.0	104.7	4.4
Dec-13	106.1	108.4	103.9	102.9	104.9	104.4	106.9	99.9	105.2	104.0	106.1	102.3	104.9	4.9
Average	**102.8**	**106.2**	**102.0**	**102.2**	**102.7**	**103.1**	**103.6**	**100.3**	**103.0**	**104.0**	**105.0**	**101.3**	**103.1**	**5.6**

Table 1.16 (b) NATIONAL CONSUMER PRICE INDEX (December 2012=100)

	Services			Goods		
	Index	Monthly Infl. Rate	Annual infl. rate	Index	Monthly infl. rate	Annual infl. rate
2006	**72.2**	**0.4**	**4.2**	**61.5**	**0.5**	**5.4**
2007	**74.6**	**(0.1)**	**3.3**	**66.8**	**0.8**	**8.6**
2008	**75.2**	**0.5**	**0.8**	**76.3**	**1.1**	**14.1**
2009						
Jan-09	80.0	4.1	9.2	80.3	0.8	12.9
Feb-09	80.0	(0.0)	9.0	80.5	0.2	12.8
Mar-09	80.0	0.1	8.6	81.4	1.1	12.3
Apr-09	79.9	(0.1)	8.2	82.1	0.9	10.7
May-09	79.9	0.0	7.9	82.6	0.6	10.0
Jun-09	83.8	4.8	12.7	83.2	0.8	9.5
Jul-09	84.9	1.3	11.4	83.6	0.5	7.5
Aug-09	84.9	0.0	11.4	84.8	1.3	7.9
Sep-09	84.9	(0.0)	11.1	84.8	(0.0)	7.0
Oct-09	84.9	(0.0)	10.5	85.1	0.4	7.0
Nov-09	84.9	0.0	10.4	85.2	0.1	6.3
Dec-09	84.9	0.1	10.5	84.9	(0.3)	6.6
Average	**82.7**	**0.8**	**10.1**	**83.2**	**0.5**	**9.2**
2010						
Jan-10	87.0	2.5	8.7	85.7	1.0	6.7
Feb-10	87.1	0.1	8.9	86.2	0.6	7.1
Mar-10	87.1	0.0	8.8	86.4	0.2	6.1
Apr-10	87.2	0.1	9.1	86.2	(0.3)	4.9
May-10	87.4	0.2	9.3	86.2	0.1	4.4
Jun-10	87.5	0.1	4.4	86.3	0.0	3.7
Jul-10	88.7	1.4	4.6	87.1	1.0	4.2
Aug-10	88.9	0.2	4.7	86.9	(0.3)	2.5
Sep-10	88.9	(0.0)	4.8	87.1	0.3	2.8
Oct-10	88.9	0.0	4.8	86.9	(0.3)	2.1
Nov-10	89.0	0.1	4.8	87.2	0.3	2.3
Dec-10	89.0	(0.0)	4.7	86.7	(0.5)	2.1
Average	**88.1**	**0.4**	**6.5**	**86.6**	**0.2**	**4.1**
2011						
Jan-11	92.4	3.9	6.2	87.1	0.5	1.6
Feb-11	92.5	0.1	6.2	87.3	0.2	1.2
Mar-11	92.6	0.1	6.3	88.3	1.1	2.2
Apr-11	92.6	(0.0)	6.1	89.6	1.5	4.0
May-11	92.5	(0.1)	5.8	90.3	0.8	4.7
Jun-11	92.6	0.1	5.9	90.6	0.3	5.0
Jul-11	93.5	0.9	5.3	91.0	0.4	4.4
Aug-11	93.5	0.0	5.1	91.5	0.6	5.4
Sep-11	93.8	0.3	5.5	91.4	(0.2)	4.9
Oct-11	93.9	0.1	5.6	92.5	1.2	6.5
Nov-11	93.9	(0.0)	5.5	92.9	0.5	6.6
Dec-11	94.0	0.1	5.6	94.0	1.1	8.4
Average	**93.1**	**0.5**	**5.8**	**90.5**	**0.7**	**4.6**
2012						
Jan-12	96.5	2.7	4.4	94.3	0.3	8.2
Feb-12	96.6	0.1	4.4	95.3	1.1	9.2
Mar-12	96.7	0.1	4.4	96.0	0.7	8.8
Apr-12	96.8	0.1	4.6	96.5	0.5	7.7
May-12	97.2	0.4	5.1	96.6	0.1	7.0
Jun-12	97.2	0.0	5.0	96.3	(0.4)	6.3
Jul-12	98.8	1.6	5.7	97.0	0.7	6.6
Aug-12	99.0	0.2	5.9	97.3	0.3	6.3
Sep-12	99.9	0.9	6.5	98.1	0.8	7.3
Oct-12	99.9	0.1	6.4	99.4	1.4	7.5
Nov-12	100.1	0.1	6.6	100.4	1.0	8.1
Dec-12	100.0	(0.1)	6.4	100.0	(0.4)	6.4
An. Av	**98.2**	**0.5**	**5.4**	**97.3**	**0.5**	**7.4**
2013						
Jan-13	101.6	1.6	5.3	100.5	0.5	6.6
Feb-13	101.7	0.1	5.3	101.1	0.6	6.1
Mar-13	101.7	0.0	5.2	102.1	1.0	6.3
Apr-13	101.7	0.0	5.1	102.6	0.6	6.4
May-13	101.8	0.0	4.7	102.9	0.2	6.5
Jun-13	101.9	0.1	4.8	103.3	0.4	7.2
Jul-13	102.1	0.2	3.4	104.4	1.1	7.6
Aug-13	102.2	0.1	3.2	105.0	0.6	8.0
Sep-13	102.4	0.2	2.5	105.3	0.3	7.4
Oct-13	102.4	0.0	2.5	106.1	0.7	6.7
Nov-13	102.5	0.1	2.5	106.5	0.4	6.0
Dec-13	102.4	(0.1)	2.4	106.8	0.3	6.8
Average	**102.0**	**0.2**	**3.9**	**103.9**	**0.5**	**6.8**

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Table II.1(a) Central bank survey (end of period in N$ million)

Assets	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Net foreign assets	10153.1	9308.2	8001.9	9492.0	9595.0	9661.3	10498.0	9970.7	9245.2	10550.6	13517.7	13027.2
Claims on nonresidents	11 615.6	10 737.1	9 406.4	10 885.5	11 027.6	11 084.1	11 902.0	11 447.7	10 891.4	12 170.0	15 202.6	14 658.6
Monetary gold and SDR holdings	1 462.1	1 428.5	1 404.4	1 393.5	1 432.1	1 422.6	58.2	61.0	67.9	66.8	68.1	65.9
Foreign currency	164.0	79.2	181.1	116.8	90.4	52.8	180.9	119.7	71.2	159.6	111.1	101.4
Deposits	5 044.7	5 184.0	4 740.1	4 823.9	5 004.0	5 256.1	7 819.0	7 138.9	6 270.9	7 127.7	8 022.8	6 997.5
Securities other than shares	4 768.8	4 016.9	3 038.0	4 495.4	4 432.6	4 270.5	3 749.2	4 019.6	4 359.7	4 680.7	6 851.5	7 331.7
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	175.9	28.4	42.8	55.9	68.4	82.1	94.7	108.4	121.7	135.2	149.1	162.0
less: Liabilities to nonresidents	1462.5	1428.9	1404.5	1393.6	1432.6	1422.8	1404.0	1477.0	1646.3	1619.3	1684.9	1631.4
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Liabilities	1462.5	1428.9	1404.5	1393.6	1432.6	1422.8	1404.0	1477.0	1646.3	1619.3	1684.9	1631.4
Claims on other depository corporations	39.9	39.8	39.9	40.1	138.9	137.7	40.9	160.3	41.2	41.3	41.5	41.9
Net claims on central government	- 4 659.1	- 4 107.1	- 2 434.0	- 4 556.2	- 4 243.3	- 5 268.2	- 5 651.1	- 4 331.9	- 3 629.0	- 4 782.3	- 7 165.7	- 5 915.8
Claims on central government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to central government	4 659.1	4 107.1	2 434.0	4 556.2	4 243.3	5 268.2	5 651.1	4 331.9	3 629.0	4 782.3	7 165.7	5 915.8
Deposits	4 659.1	4 107.1	2 434.0	4 556.2	4 243.3	5 268.2	5 651.1	4 331.9	3 629.0	4 782.3	7 165.7	5 915.8
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on other sectors	23.2	23.7	24.5	25.3	25.9	26.0	26.3	25.3	25.8	25.4	26.0	26.4
Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.0	0.0	0.0
State and local government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other resident sectors	23.2	23.7	24.5	25.3	25.8	26.0	25.9	24.9	25.4	25.4	26.0	26.4

Assets	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Net foreign assets	13755.4	12138.3	10744.4	13683.2	12210.0	12818.2	14370.2	13490.1	12204.2	13481.7	13814.4	13366.7
Claims on nonresidents	15 314.1	13 642.4	12 302.4	15 252.1	13 937.0	14 434.9	16 014.0	15 148.1	13 841.6	15 226.6	15 585.9	15 068.3
Monetary gold and SDR holdings	63.0	60.8	62.3	62.6	69.1	64.1	65.2	65.8	64.3	68.8	69.8	66.7
Foreign currency	139.1	112.7	189.3	174.4	152.2	144.8	160.5	186.0	108.8	159.6	141.9	160.6
Deposits	7 514.1	7 819.4	6 254.1	8 987.0	8 121.2	7 927.2	9 529.5	8 107.5	7 967.6	8 647.2	5 812.6	5 830.3
Securities other than shares	7 395.8	5 431.8	5 723.9	5 961.4	5 511.6	6 200.5	6 144.4	6 657.9	5 554.1	6 188.1	9 382.3	8 819.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	202.1	217.8	72.8	66.7	82.9	98.3	114.3	130.9	146.7	162.9	179.3	191.7
less: Liabilities to nonresidents	1558.7	1504.1	1558.1	1568.9	1727.0	1616.7	1643.8	1658.0	1637.4	1744.9	1771.5	1701.6
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Liabilities	1558.7	1504.1	1558.1	1568.9	1727.0	1616.7	1643.8	1658.0	1637.4	1744.9	1771.5	1701.6
Claims on other depository corporations	42.1	42.3	42.4	42.6	42.8	43.1	42.9	43.5	43.7	43.8	44.1	44.3
Net claims on central government	- 8 915.3	- 7 768.2	- 5 190.9	- 8 996.1	- 6 616.3	- 6 407.2	- 8 726.3	- 7 379.5	- 6 346.7	- 7 462.7	- 7 745.4	- 6 617.2
Claims on central government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to central government	8 915.3	7 768.2	5 190.9	8 996.1	6 616.3	6 407.2	8 726.3	7 379.5	6 346.7	7 462.7	7 745.4	6 617.2
Deposits	8 915.3	7 768.2	5 190.9	8 996.1	6 616.3	6 407.2	8 726.3	7 379.5	6 346.7	7 462.7	7 745.4	6 617.2
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on other sectors	30.1	32.1	32.6	34.2	30.7	31.9	31.6	34.3	34.9	35.5	35.6	39.3
Other financial corporations	3.7	3.7	3.7	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7
State and local government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other resident sectors	26.5	28.4	28.9	30.5	30.7	31.9	31.6	34.3	34.9	35.5	35.6	35.6

Assets	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Net foreign assets	15993.1	14633.2	13154.3	16052.6	15359.6	14267.9	16394.7	15125.3	12800.9	14272.7	13022.0	13944.5
Claims on nonresidents	17 807.4	16 410.8	14 978.3	17 807.0	17 386.5	16 233.3	18 330.5	17 167.6	14 781.5	16 265.6	15 082.0	16 016.6
Monetary gold and SDR holdings	71.1	69.7	71.2	68.5	78.3	75.5	74.9	79.3	76.5	90.0	91.0	91.0
Foreign currency	164.0	93.8	89.5	175.3	165.3	108.7	107.0	158.4	151.4	153.8	38.3	112.5
Deposits	4 563.9	4 495.9	4 562.0	4 735.3	4 729.7	4 797.4	4 699.8	5 139.6	4 362.4	5 074.6	4 467.6	3 923.6
Securities other than shares	12 798.4	11 712.8	10 199.4	12 754.2	12 321.2	11 141.5	13 320.6	11 644.1	10 026.8	10 665.2	10 172.6	11 670.8
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Assets	209.9	38.6	56.2	73.7	92.0	110.2	128.1	146.3	164.4	282.0	312.6	218.8
less: Liabilities to nonresidents	1814.3	1777.6	1824.1	1754.4	2026.9	1965.4	1935.9	2042.3	1980.7	1992.9	2060.1	2072.1
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Foreign Liabilities	1814.3	1777.6	1824.1	1754.4	2026.9	1965.4	1935.9	2042.3	1980.7	1992.9	2060.1	2072.1
Claims on other depository corporations	44.5	44.6	44.8	44.9	44.8	45.4	45.7	45.8	46.0	46.2	46.4	46.6
Net claims on central government	- 9 486.4	- 8 555.3	- 6 314.1	- 9 818.5	- 7 765.0	- 6 696.1	- 8 281.5	- 6 076.0	- 4 644.6	- 6 362.5	- 4 562.7	- 5 329.1
Claims on central government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to central government	9 486.4	8 555.3	6 314.1	9 818.5	7 765.0	6 696.1	8 281.5	6 076.0	4 644.6	6 362.5	4 562.7	5 329.1
Deposits	9 486.4	8 555.3	6 314.1	9 818.5	7 765.0	6 696.1	8 281.5	6 076.0	4 644.6	6 362.5	4 562.7	5 329.1
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on other sectors	39.5	40.6	40.2	36.5	36.5	37.4	37.5	38.0	39.2	40.5	40.3	39.8
Other financial corporations	3.7	3.7	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State and local government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other nonfinancial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other resident sectors	35.8	36.9	36.5	36.5	36.5	37.4	37.5	38.0	39.2	40.5	40.3	39.8

Table II.1(b) Central bank survey (end of period in N$ million)

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Liabilities												
Monetary base	**2846.5**	**2754.4**	**3069.0**	**3042.4**	**3478.1**	**2823.0**	**3578.2**	**4595.6**	**4097.9**	**4241.5**	**4448.3**	**5507.8**
Currency in circulation	1777.4	1792.8	1840.3	1933.0	1901.9	1876.3	1939.3	2139.4	2104.0	2155.3	2253.2	2397.5
Liabilities to other depository corporations	1069.1	961.6	1228.7	1109.4	1576.2	946.7	1639.0	2456.3	1993.9	2086.3	2195.1	3110.3
Reserve deposits	1069.1	961.6	1228.7	1109.4	1576.2	946.7	1639.0	2456.3	1993.9	2086.3	2195.1	3110.3
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transferable deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, included in broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Deposits excluded from broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, excluded from broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	**1312.5**	**1302.5**	**1257.5**	**1216.9**	**1295.5**	**1258.9**	**1240.7**	**1483.0**	**1844.3**	**1827.4**	**2211.0**	**1929.6**
Funds contributed by owners	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	151.4	151.4	151.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General and special reserves	1086.6	1070.2	1021.7	1126.1	1190.9	1145.9	1110.8	1335.1	1682.5	1660.4	2008.0	1750.0
Valuation adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current year result	34.5	40.9	44.3	50.8	64.6	73.0	89.9	107.9	121.9	127.0	163.0	139.5
Other items (net)	**-247.5**	**-253.1**	**-161.6**	**-233.0**	**-236.7**	**-214.3**	**-224.9**	**-254.6**	**-259.4**	**-234.1**	**-240.1**	**-258.1**
Unclassified Assets	-409.6	-416.0	-325.8	-396.5	-402.0	-399.5	-398.8	-425.3	-417.1	-419.4	-425.3	-444.2
Unclassified Liabilities	162.1	162.9	164.2	163.5	165.3	185.2	173.9	170.7	157.7	185.3	185.3	186.1

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Liabilities												
Monetary base	**3486.9**	**3363.7**	**4179.8**	**3541.1**	**3898.3**	**4821.4**	**4271.8**	**4423.9**	**4299.9**	**4108.3**	**4031.2**	**4983.2**
Currency in circulation	2168.5	2116.0	2140.2	2232.8	2316.6	2267.7	2352.4	2401.2	2331.6	2383.8	2495.8	2772.5
Liabilities to other depository corporations	1318.3	1247.6	2039.5	1308.3	1581.8	2553.8	1919.4	2022.7	1968.3	1724.5	1535.5	2210.7
Reserve deposits	1318.3	1247.6	2039.5	1308.3	1581.8	2553.8	1919.4	2022.7	1968.3	1724.5	1535.5	2210.7
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transferable deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, included in broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Deposits excluded from broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, excluded from broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	**1662.1**	**1353.6**	**1550.7**	**1529.1**	**2125.7**	**1972.1**	**1812.9**	**2107.9**	**2009.7**	**2395.8**	**2475.9**	**2231.1**
Funds contributed by owners	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	123.8	123.8	123.8	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0
General and special reserves	1449.8	1133.4	1322.8	1413.4	2003.2	1859.1	1686.9	1975.9	1877.7	2252.6	2330.6	2096.2
Valuation adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current year result	48.5	56.4	64.1	75.7	82.5	73.0	86.0	92.0	92.0	103.2	105.3	94.9
Other items (net)	**-236.8**	**-273.0**	**-102.5**	**-306.5**	**-357.1**	**-307.9**	**-366.5**	**-343.6**	**-374.1**	**-406.0**	**-398.7**	**-392.0**
Unclassified Assets	-445.2	-475.6	-296.3	-497.3	-518.1	-527.0	-532.1	-544.4	-561.6	-568.9	-588.3	-603.7
Unclassified Liabilities	208.4	202.6	193.8	190.9	161.0	219.1	165.7	200.8	187.5	162.9	189.6	211.7

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Liabilities												
Monetary base	**4258.8**	**4057.1**	**4503.7**	**4065.4**	**4509.5**	**4703.6**	**5301.4**	**5865.0**	**5184.1**	**4765.7**	**5156.0**	**4942.3**
Currency in circulation	2414.0	2340.4	2556.5	2625.5	2679.5	2768.3	2832.0	3180.8	3148.9	2934.8	3070.6	3373.3
Liabilities to other depository corporations	1844.8	1716.7	1947.2	1439.8	1830.0	1935.3	2469.4	2684.2	2035.2	1831.0	2085.4	1569.0
Reserve deposits	1844.8	1716.7	1947.2	1439.8	1830.0	1935.3	2469.4	2684.2	2035.2	1831.0	2085.4	1569.0
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transferable deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, included in broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Deposits excluded from broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securities other than shares, excluded from broad money	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Of which: Other financial corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares and other equity	**2754.6**	**2541.3**	**2838.4**	**2657.6**	**3600.7**	**3370.2**	**3306.1**	**3685.2**	**3563.5**	**3492.1**	**3669.3**	**3838.3**
Funds contributed by owners	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	53.8	53.1	53.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0
General and special reserves	2614.0	2389.0	2653.2	2497.7	3425.9	3245.4	3186.9	3555.2	3430.0	3300.8	3463.9	3667.6
Valuation adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current year result	46.8	59.2	92.2	119.9	134.9	84.8	79.2	89.9	93.6	151.3	165.4	130.7
Other items (net)	**-423.0**	**-445.1**	**-417.4**	**-407.6**	**-434.6**	**-419.8**	**-412.1**	**-418.2**	**-507.5**	**-261.3**	**-283.5**	**-348.0**
Unclassified Assets	-607.8	-623.1	-622.2	-632.0	-648.4	-647.4	-639.2	-635.4	-631.9	-615.2	-617.5	-616.7
Unclassified Liabilities	184.8	178.0	204.8	224.3	213.8	227.6	227.1	217.1	124.5	353.9	334.0	268.7

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Table II.2(a) Other depository corporations survey (end of period in N$ million)

Description	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Assets																																				
Net foreign assets	10929.8	9952.4	10506.6	10536.5	10014.1	9021.0	10126.9	9954.4	10373.6	11085.0	11306.5	10641.3	9317.9	8751.0	9077.9	8008.6	9578.0	8377.4	8895.7	8398.1	9645.9	9253.5	7494.4	7537.3	9805.8	8954.6	8202.2	7853.8	7922.3	8767.4	9440.4	10611.1	10471.1	12873.8	11670.2	9432.3
Claims on nonresidents	11884.9	11202.1	11319.3	11227.9	10724.8	9863.1	10837.4	10686.1	11161.1	11853.8	12013.7	11545.6	10407.1	9670.5	10139.3	9092.8	10427.9	9155.9	10022.9	9841.7	11142.7	11851.7	10074.6	9986.3	12180.1	11697.1	10598.3	10158.5	10355.0	11146.0	11667.3	12878.4	12985.2	15036.5	14384.8	12586.2
Foreign currency	111.8	123.2	102.3	95.9	158.0	121.9	93.6	132.4	118.9	201.1	132.6	179.4	145.5	136.6	136.6	116.7	158.8	156.1	141.5	160.7	129.7	117.8	116.5	173.9	152.1	119.7	136.8	134.9	167.9	165.0	140.7	247.1	227.3	199.4	195.1	206.5
Deposits	5828.7	5322.4	5197.3	5348.9	5106.6	4474.4	5719.9	5852.7	6119.7	6158.7	6615.2	6331.5	5692.2	4858.7	4531.8	3817.8	4968.0	3803.3	4678.6	3847.6	4433.9	5679.0	4277.9	4059.8	6332.3	5963.6	5543.1	4504.6	4658.2	5364.9	6235.3	7183.0	6746.7	8709.7	7862.4	6219.9
Securities other than shares	5794.7	5611.5	5871.8	5633.7	5305.1	5108.6	4812.4	4431.4	4672.3	5259.9	5073.9	4777.7	4372.5	4508.1	5247.0	4932.9	5087.8	5016.1	5020.9	5654.3	6399.8	5873.1	5487.6	5557.0	5499.8	5403.7	4679.1	5231.6	5206.2	5378.0	5052.9	5196.9	5746.3	5883.2	6065.5	5888.2
Loans	138.9	134.0	137.2	138.3	143.2	146.0	199.2	246.2	219.3	221.7	179.6	247.9	191.5	163.5	215.9	220.2	210.3	175.6	177.3	176.2	177.1	180.2	185.6	186.0	190.5	203.9	234.6	273.1	288.7	205.7	214.1	223.3	242.0	228.3	247.5	254.5
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	16.0	12.4	12.5	9.1	5.3	3.6	8.0	5.2	2.9	4.8	4.6	3.0	2.3	1.6	7.1	9.5	5.3	6.2	4.6	14.2	34.0	32.4	24.4	28.0	22.9	16.0	14.3	17.0
Other	10.8	10.9	10.7	11.0	11.9	12.3	12.3	13.2	14.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to nonresidents	955.1	1249.7	812.7	691.3	710.7	842.1	710.5	731.7	787.5	768.8	707.2	904.3	1089.2	919.5	1061.5	1084.2	849.9	778.5	1127.2	1443.6	1496.8	2598.3	2580.3	2449.0	2374.3	2742.4	2396.1	2304.6	2432.7	2378.6	2227.0	2267.3	2514.1	2162.7	2714.6	3153.9
Deposits	849.6	947.6	653.7	574.0	561.4	731.6	601.3	599.0	660.7	619.6	558.6	764.1	927.9	783.0	920.5	941.2	684.6	625.3	966.2	1268.1	1317.9	2301.7	2375.4	2274.9	2189.2	2566.4	2197.2	2069.1	2095.5	1928.1	2007.7	2023.2	2272.0	1944.5	2511.2	2933.7
Securities other than shares	100.6	100.6	105.7	100.6	100.6	100.6	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0
Loans	4.8	9.8	9.9	10.0	10.0	9.9	16.2	16.3	16.3	16.2	15.0	20.0	22.7	17.9	17.7	17.8	19.7	9.5	9.6	22.5	31.1	24.7	21.6	21.8	30.4	20.0	20.2	20.3	20.5	20.8	20.5	20.4	26.6	26.8	24.9	25.8
Financial derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.5	17.5	23.6	20.4	27.2	28.4	25.5	30.3	32.2	52.6	50.7	58.4	60.0	54.8	50.7	63.6	59.4	60.7	63.1	65.0	75.4	175.8	105.4	105.7	130.7	122.5	98.3	85.5	101.4
Other	0.0	191.6	43.4	6.8	38.7	0.0	0.0	0.0	0.0	16.5	20.2	0.0	17.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	128.2	26.6	0.0	1.1	0.0	20.7	46.8	47.8	231.2	0.0	0.0	0.0	0.0	0.0	0.0
Claims on central bank	2877.7	2545.2	3232.5	2747.7	3168.6	2281.0	2600.2	3481.0	2980.4	3115.5	3244.9	4421.0	2369.9	2383.0	3200.1	2449.0	2835.6	3695.8	3217.9	3337.5	3148.4	3006.5	2890.4	3936.2	3392.4	3078.3	3216.9	2998.4	3412.6	3469.9	4094.5	4341.7	3608.6	3554.6	3597.3	3684.2
Currency	495.8	427.0	449.7	517.2	512.4	425.4	416.4	579.9	463.7	459.1	580.8	700.5	509.2	519.5	615.5	597.8	717.3	552.4	722.8	691.7	619.4	767.9	786.4	1087.6	770.1	645.0	669.0	862.4	907.5	764.6	956.0	1053.8	974.4	1039.7	884.3	1236.2
Reserve deposits	1072.2	938.7	1160.3	1016.4	1527.5	847.0	1487.3	2382.9	1908.5	2033.8	2045.3	3099.3	1208.2	1232.7	1950.2	1202.4	1471.7	2451.0	1787.3	1939.4	1819.3	1623.8	1375.7	2113.2	1827.1	1643.1	1746.3	1334.4	1703.5	1935.7	2403.2	2533.0	1863.0	1730.6	1900.4	1433.7
Other claims	1309.8	1179.4	1622.5	1214.1	1128.7	1008.5	696.5	518.2	608.1	622.7	618.9	621.2	652.5	630.7	634.4	648.8	646.7	692.4	707.8	706.4	709.7	614.8	728.4	735.5	795.2	790.2	801.6	801.6	801.6	769.6	735.4	754.8	771.2	784.2	812.6	1014.2
Net claims on central government	1693.8	1816.6	1956.4	2591.8	3018.1	3493.2	3701.6	3986.1	4576.3	4667.1	4899.3	5361.9	5478.3	5674.5	5236.0	5326.4	5094.1	5373.1	5400.8	5555.8	5303.9	5057.8	5386.5	5311.5	5331.0	5442.4	5205.7	5417.1	5346.2	5050.5	4925.1	4853.8	5491.5	5616.5	5446.7	5598.5
Claims on central government	3205.7	3314.4	3394.4	3876.0	4473.2	4865.3	5054.1	5392.8	5976.8	6314.5	6509.8	6969.0	6833.5	6780.6	6717.8	6748.7	6632.0	6689.9	6765.0	7110.2	6984.3	6785.5	6825.9	6825.2	6877.7	6897.0	7078.2	7125.3	7071.1	6871.8	6931.1	6962.0	7325.9	7230.8	7251.9	7340.6
Securities other than shares	3205.7	3314.4	3394.4	3876.0	4473.2	4865.3	5054.1	5392.8	5976.8	6314.5	6509.8	6969.0	6833.5	6780.6	6717.8	6748.7	6632.0	6689.9	6765.0	7110.2	6984.3	6785.5	6825.9	6825.2	6877.7	6897.0	7078.2	7125.3	7071.1	6871.8	6931.1	6962.0	7325.9	7230.8	7251.9	7340.6
less: Liabilities to central government	1511.9	1497.7	1438.1	1284.2	1455.1	1372.1	1352.5	1406.7	1400.4	1647.4	1610.5	1607.1	1355.2	1106.2	1481.8	1422.3	1537.8	1316.8	1364.2	1554.4	1680.5	1727.7	1439.4	1513.7	1546.7	1454.7	1872.4	1708.2	1724.9	1821.3	2006.0	2108.2	1834.4	1614.2	1805.2	1742.1
Deposits	1511.9	1497.7	1438.1	1284.2	1455.1	1372.1	1352.5	1406.7	1400.4	1647.4	1610.5	1607.1	1355.2	1106.2	1481.8	1422.3	1537.8	1316.8	1364.2	1554.4	1680.5	1727.7	1439.4	1513.7	1546.7	1454.7	1872.4	1708.2	1724.9	1821.3	2006.0	2108.2	1834.4	1614.2	1805.2	1742.1
Claims on other sectors	44264.7	44753.8	44702.3	43924.8	43873.5	44686.3	44648.5	44963.2	45581.3	45906.4	46211.5	46892.8	47454.1	47823.9	48879.8	49861.4	49828.9	49629.9	50440.0	50715.6	51737.1	52357.3	54063.7	54426.0	55359.4	55200.5	56235.9	56736.0	57450.6	58352.5	58564.9	58950.3	59427.3	60121.6	61489.8	62557.2
Other financial corporations	3387.9	3327.7	3252.4	1534.8	1353.3	1368.7	1475.7	1349.0	1425.7	1415.4	1501.6	1399.1	1447.2	1576.9	1588.6	1700.2	1672.1	816.9	1370.3	875.2	940.5	1086.9	957.7	1395.7	1519.4	1433.0	1476.2	1539.8	1467.2	1605.8	1558.9	1705.6	1876.7	1648.6	1659.9	1706.9
State and local government	113.5	59.7	16.6	16.9	16.1	16.9	61.3	107.4	111.3	111.5	128.9	175.9	188.4	152.6	91.2	118.7	93.1	60.4	35.6	49.3	88.3	43.0	76.3	66.0	56.8	32.0	31.8	29.5	30.3	56.6	90.7	152.3	131.8	130.0	143.6	163.6
Public nonfinancial corporations	494.3	503.2	504.8	839.4	712.6	833.8	689.6	747.5	1099.1	1222.2	843.0	903.0	1074.3	1109.9	1137.5	1044.7	917.4	1062.8	910.1	934.4	1124.5	980.4	1232.8	1029.8	1274.8	1135.9	1499.6	1618.5	1693.9	1603.5	1647.1	1374.4	1131.6	1097.0	953.1	1240.2
Other nonfinancial corporations	14986.9	15411.4	15510.2	15899.0	15889.8	16438.3	16229.7	16370.7	16304.5	16006.3	16205.8	16434.4	16725.8	16910.3	17508.3	18014.6	17861.2	18129.8	18258.1	18676.3	19111.8	19382.1	20403.3	20069.8	20427.6	20122.0	20537.8	20635.8	20847.0	21176.8	21118.0	21117.2	21367.6	21748.1	22711.8	22783.9
Other resident sectors	25282.2	25451.8	25418.2	25634.7	25901.8	26028.6	26192.2	26388.6	26640.6	27151.1	27532.3	27980.3	28018.5	28074.2	28554.1	28983.2	29285.1	29560.0	29865.9	30180.4	30472.0	30865.0	31393.5	31864.6	32080.8	32477.6	32690.4	32912.4	33412.3	33909.8	34150.3	34600.7	34919.7	35497.9	36021.4	36662.7

Table II.2(b) Other depository corporations survey (end of period in N$ million)

Liabilities	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Liabilities to central bank	37.4	38.1	38.3	38.5	137.5	136.1	39.6	159.1	40.0	40.2	40.9	40.6
Deposits included in broad money	50412.0	50068.6	49327.9	49938.0	50635.9	50362.3	51435.6	53622.3	53976.0	54981.4	56895.4	57011.9
Transferable deposits	21308.6	21432.5	21317.9	22139.5	22020.6	20907.2	21307.3	23022.3	22980.0	23356.8	24788.3	24621.7
Other financial corporations	2035.3	2025.3	2080.3	2012.4	2170.2	2242.6	2687.4	2538.4	2732.0	2807.0	2769.4	3213.1
State and local government	366.3	363.3	365.8	348.5	414.4	387.0	313.4	393.1	794.6	873.6	729.9	652.9
Public nonfinancial corporations	1725.9	1653.6	1653.9	1847.0	1579.0	1451.3	1687.7	1967.5	1745.1	1504.5	1713.0	2131.7
Other nonfinancial corporations	12245.0	12197.9	12031.0	12551.7	12278.3	11513.1	11801.2	13059.6	12476.5	13077.3	14196.6	13342.2
Other resident sectors	4936.3	5192.4	5186.9	5379.9	5578.7	5313.3	4817.6	5063.8	5231.8	5094.4	5379.3	5281.8
Other deposits	29103.4	28636.1	28010.1	27798.5	28615.3	29455.1	30128.3	30600.0	30996.1	31624.6	32107.1	32390.2
Other financial corporations	3202.8	3163.5	3214.7	3270.9	3248.1	3955.4	4054.0	3526.1	3497.5	3472.5	3690.9	4872.3
State and local government	509.5	669.4	409.7	466.6	418.0	417.8	461.5	362.6	444.7	458.1	459.7	494.2
Public nonfinancial corporations	1829.2	1441.1	1351.2	1432.6	1488.7	927.9	1456.9	1787.3	1993.8	2103.4	1516.1	2036.6
Other nonfinancial corporations	4637.7	4605.5	4411.9	4164.4	4378.4	4986.8	4902.7	4857.0	5070.6	5437.2	6018.5	5321.2
Other resident sectors	18924.2	18756.7	18622.5	18464.0	19082.1	19167.2	19253.1	20067.0	19989.6	20153.3	20421.9	19666.1
Securities other than shares, included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	406.5	511.8	841.6	1054.6	576.5	754.8	816.5	697.0	627.6	597.7	637.2	642.0
Securities other than shares, excluded from broad money	10782.4	10406.8	11114.7	10700.2	10467.3	10499.2	10360.8	10865.1	10763.1	11342.3	11968.8	11906.4
Of which: Other financial corporations	9800.7	9557.1	10037.0	9673.9	9446.5	9472.4	9356.6	9755.7	9847.4	10433.6	11056.7	10902.8
Loans	32.3	32.1	32.1	31.7	31.7	31.7	30.8	28.9	28.9	27.6	27.6	27.7
Financial derivatives	0.0	0.0	0.0	48.2	30.9	41.5	51.9	61.5	133.8	94.8	126.4	103.8
Shares and other equity	7477.3	7524.6	7103.8	7368.7	7338.1	7381.8	7551.2	7595.5	7689.9	7869.5	7988.5	7925.1
Funds contributed by owners	2036.1	2036.1	1992.1	2023.1	2023.1	2023.1	2068.2	2068.2	2109.3	2109.3	2114.2	2114.2
Retained earnings	3432.5	3438.6	3474.2	3537.1	3545.0	3553.8	3425.6	3437.8	3437.7	3454.5	3472.1	3462.5
General and special reserves	1563.2	1563.2	1563.4	1564.0	1566.4	1567.9	1738.9	1761.3	1764.2	1765.5	1766.2	1784.3
Valuation adjustment	19.4	17.5	15.7	15.3	18.5	20.0	22.8	27.5	25.3	22.0	19.9	20.8
Current Year Result	426.1	469.1	58.3	229.2	185.1	216.9	295.6	300.6	353.4	518.2	616.1	543.3
Other items (net)	-9382.0	-9514.1	-8060.6	-9379.2	-9143.7	-9725.9	-9209.1	-10644.8	-9747.7	-10179.6	-12022.5	-10340.4
Consolidation adjustment	9197.8	9348.3	8610.2	9900.8	9264.7	9705.8	9168.5	10760.4	10135.0	11033.2	11859.8	10467.6
Unclassified Assets	-2602.6	-2671.4	-2409.7	-2294.4	-2300.2	-2578.0	-2281.7	-2566.8	-2525.4	-2266.8	-2838.4	-2300.9
Unclassified liabilities	2418.4	2505.7	2959.3	2816.0	2421.3	2557.9	2241.1	2682.4	2912.7	3120.4	2675.7	2428.2

Liabilities	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Liabilities to central bank	41.2	41.5	41.6	41.8	42.2	42.5	42.7	43.3	43.5	43.7	43.9	44.1
Deposits included in broad money	54051.1	55453.0	56627.7	56195.1	57848.9	58822.9	56950.0	58781.6	59537.2	59417.0	59075.4	59456.7
Transferable deposits	23438.5	23905.8	25062.6	23960.5	25506.6	25653.5	24795.4	24611.1	25306.1	23904.0	23570.4	23263.9
Other financial corporations	2792.7	2522.9	2535.8	2993.7	2874.7	2502.1	2469.2	2513.2	2385.2	2667.3	2439.6	2343.2
State and local government	670.0	661.3	817.9	760.1	787.1	788.5	742.5	638.6	692.6	1005.7	1515.4	882.4
Public nonfinancial corporations	1974.4	2522.4	2154.4	2174.9	2512.7	2541.0	2399.1	2243.6	1983.2	1875.0	2066.4	2039.2
Other nonfinancial corporations	12916.5	13162.8	14281.1	12958.5	14180.2	14536.0	14008.6	13989.7	14382.5	12684.0	11823.2	12428.0
Other resident sectors	5084.9	5036.3	5273.3	5073.2	5151.9	5285.9	5176.0	5225.9	5862.6	5671.9	5725.8	5571.1
Other deposits	30612.6	31547.2	31565.1	32234.6	32342.2	33169.4	32154.6	34170.6	34231.1	35513.0	35505.0	36192.8
Other financial corporations	4682.1	4324.0	3805.3	3889.2	4090.6	3992.6	4374.8	4426.4	4187.6	5156.7	3609.8	3569.7
State and local government	573.7	470.3	440.3	453.7	484.8	451.0	437.2	433.5	413.7	472.8	361.9	463.5
Public nonfinancial corporations	1834.9	1873.3	2485.5	2468.7	2276.4	2377.9	2642.5	2584.4	2600.7	2870.9	2146.4	2398.7
Other nonfinancial corporations	5410.6	5688.2	5494.7	5835.1	5901.1	5970.1	5579.7	6154.0	6298.0	6382.7	9341.1	9141.2
Other resident sectors	18111.2	19191.3	19339.2	19587.9	19589.3	20377.7	19120.4	20572.2	20731.1	20629.9	20045.9	20619.6
Securities other than shares, included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	501.8	584.7	663.8	675.2	630.5	850.4	994.9	584.4	780.1	842.9	760.1	954.4
Securities other than shares, excluded from broad money	12367.2	12400.5	12454.8	12552.0	12376.2	12267.0	12623.4	12653.9	12734.5	12459.3	12871.4	13352.6
Of which: Other financial corporations	11364.3	11446.7	11563.5	11666.5	11420.1	11309.2	11492.0	11519.2	11602.0	11334.8	11750.3	12230.2
Loans	27.7	24.7	24.7	26.7	26.4	29.0	29.6	35.7	33.9	51.6	51.6	50.2
Financial derivatives	73.1	56.9	61.7	49.8	68.6	64.2	76.5	43.8	28.6	50.5	52.5	42.9
Shares and other equity	7960.3	8124.9	8378.1	8369.7	8445.4	8576.3	8513.7	8665.4	8568.7	8513.3	8717.0	8893.8
Funds contributed by owners	2127.2	2139.2	2279.2	2292.2	2298.2	2302.2	2302.2	2302.2	2307.2	2428.7	2428.7	2468.7
Retained earnings	3493.7	3582.7	3593.0	3611.6	3612.9	3569.9	3754.5	3781.5	3812.9	3807.2	3872.7	3879.6
General and special reserves	1784.2	1783.2	1784.1	1792.5	1788.3	2132.3	2019.8	2021.1	2021.9	2028.5	2031.8	2042.3
Valuation adjustment	22.9	22.2	22.0	24.7	24.1	25.7	34.6	31.6	31.6	29.6	31.2	34.3
Current Year Result	532.3	597.6	699.8	648.7	721.9	546.2	402.6	529.0	395.1	219.3	352.6	468.9
Other items (net)	-10402.1	-12053.9	-11858.6	-12264.9	-12101.5	-13576.3	-11276.3	-12801.2	-11891.3	-11703.2	-11736.8	-11583.6
Consolidation adjustment	10079.4	11306.1	11546.0	11925.7	11868.7	12770.5	10991.1	12342.6	12284.2	11346.2	11136.9	11212.0
Unclassified Assets	-2489.6	-3529.6	-3171.2	-3307.2	-2927.3	-3183.5	-2754.4	-3351.8	-2879.5	-3128.4	-4115.9	-2452.6
Unclassified liabilities	2166.9	2781.8	2858.6	2968.1	2694.4	2377.7	2469.1	2893.2	3272.4	2771.5	3516.0	2081.0

Liabilities	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Liabilities to central bank	44.3	44.5	44.7	44.9	45.1	45.7	46.4	46.6	46.8	47.0	47.2	47.4
Deposits included in broad money	60476.8	59747.9	59677.5	61818.7	62282.5	63076.3	64243.0	66091.0	65804.1	68162.2	67195.6	66820.8
Transferable deposits	24943.2	24261.2	24516.0	26618.2	26989.7	27925.5	30067.7	31739.5	31225.0	33665.9	32897.0	31743.1
Other financial corporations	2347.8	2368.9	2427.0	2640.1	2323.2	2458.0	2321.8	2425.0	2822.4	2552.2	2514.9	2461.2
State and local government	882.0	874.3	851.7	828.2	865.5	838.9	915.3	884.3	961.8	911.0	1056.9	875.6
Public nonfinancial corporations	2466.4	2447.9	2368.5	2220.6	2171.5	1739.3	2297.3	2371.0	2354.1	2248.9	2368.3	2250.3
Other nonfinancial corporations	13956.1	13083.7	13217.6	15093.1	15859.2	16637.8	17935.8	19087.8	18130.6	20976.7	19782.6	19102.0
Other resident sectors	5290.8	5486.5	5651.1	5836.1	5770.2	6251.6	6597.6	6971.4	6956.0	6977.2	7174.2	7053.9
Other deposits	35533.6	35486.7	35161.6	35200.5	35292.8	35150.8	34175.3	34351.5	34579.1	34496.2	34298.6	35077.7
Other financial corporations	4127.2	3986.2	4297.2	4542.2	4724.1	4523.8	4520.9	4482.9	4382.9	4467.4	4210.0	4239.6
State and local government	434.8	380.5	360.7	385.7	371.4	389.2	383.0	381.2	439.2	427.8	336.2	369.3
Public nonfinancial corporations	2287.1	1694.7	2101.3	1975.8	1811.1	1577.8	1571.6	1338.5	1722.9	1718.3	1767.3	1873.2
Other nonfinancial corporations	8111.5	8628.1	7934.2	7855.6	7522.4	7756.8	7058.4	7401.5	6907.5	6899.6	6654.0	6886.6
Other resident sectors	20573.0	20797.3	20468.1	20441.2	20863.8	20903.1	20641.3	20747.4	21126.7	20983.1	21331.2	21709.0
Securities other than shares, included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	1111.8	1144.3	1072.9	721.6	938.5	919.2	1304.3	869.9	1030.9	1032.3	1345.3	1088.6
Securities other than shares, excluded from broad money	13799.4	13956.1	14233.0	14790.8	15255.8	15235.9	15521.5	15379.5	15571.6	15779.9	16064.5	16352.8
Of which: Other financial corporations	12675.9	12931.2	13210.3	13779.3	14238.0	14075.6	14363.6	14214.7	14409.5	14626.0	14968.8	15256.3
Loans	60.3	57.2	56.5	56.5	66.6	56.5	54.4	50.4	51.2	68.7	68.7	52.3
Financial derivatives	77.7	65.2	89.0	28.3	147.2	103.0	86.9	121.7	94.4	29.2	32.9	48.7
Shares and other equity	8934.4	8995.6	8963.7	9080.4	9234.1	9433.4	9645.6	9633.2	9909.3	10119.2	10222.9	10612.2
Funds contributed by owners	2479.1	2479.1	2559.1	2559.1	2559.1	2759.1	2793.7	2793.7	2893.7	2898.8	2898.8	2897.1
Retained earnings	3939.0	3948.2	3872.7	3944.4	3980.2	4150.6	4171.7	4054.0	4139.4	4271.2	4389.9	4414.3
General and special reserves	2044.9	2044.7	2046.9	2044.5	2045.6	2331.1	2335.9	2332.6	2333.9	2329.8	2332.6	2361.7
Valuation adjustment	31.9	32.6	21.2	34.7	25.4	25.5	24.2	23.1	31.6	33.9	31.5	32.8
Current Year Result	439.5	491.0	463.8	497.8	623.9	167.1	320.0	429.7	510.7	585.6	570.1	906.3
Other items (net)	-10616.1	-11335.1	-11276.7	-13535.8	-13838.1	-13229.7	-13876.4	-13435.3	-13509.8	-13072.1	-12773.1	-13750.6
Consolidation adjustment	10676.9	10918.7	10814.8	13474.5	13691.9	13714.2	13817.3	13925.4	13459.2	12995.1	12776.9	13625.8
Unclassified Assets	-2425.8	-3071.9	-3275.1	-2770.9	-3219.6	-2444.5	-2992.2	-2845.7	-3362.8	-2856.1	-3279.4	-3347.5
Unclassified liabilities	2486.6	2655.5	2813.1	2709.6	3073.4	2929.0	2933.1	3335.8	3312.2	2779.1	3283.3	3222.8

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Table II.3 Depository corporations survey (end of period in N$ million)

Description	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Net foreign assets	21082.9	19260.5	18508.5	20028.5	19609.1	18682.3	20624.9	19925.1	19618.8	21635.6	24824.2	23668.5
Claims on nonresidents	23500.4	21939.1	20725.7	22113.4	21752.4	20947.2	22739.5	22133.8	22052.6	24023.7	27216.4	26204.2
less: Liabilities to nonresidents	2417.6	2678.6	2217.2	2084.9	2143.3	2264.9	2114.6	2208.7	2433.8	2388.2	2392.1	2535.7
Domestic claims	41322.7	42487.1	44249.2	41985.7	42674.1	42937.3	42725.3	44642.7	46554.4	45816.7	43971.1	46365.4
Net claims on central government	-2965.3	-2290.5	-477.6	-1964.4	-1225.3	-1775.0	-1949.5	-345.8	947.4	-115.2	-2266.4	-553.9
Claims on central government	3205.7	3314.4	3394.4	3876.0	4473.2	4865.3	5054.1	5392.8	5976.8	6314.5	6509.8	6969.0
less: Liabilities to central government	6171.0	5604.8	3872.0	5840.4	5698.4	6640.3	7003.7	5738.6	5029.4	6429.7	8776.2	7522.9
Claims on other sectors	44288.0	44777.6	44726.8	43950.1	43899.4	44712.3	44674.8	44988.5	45607.1	45931.9	46237.5	46919.3
Other financial corporations	3387.9	3327.7	3252.4	1534.8	1353.3	1368.7	1476.1	1349.4	1426.1	1415.4	1501.6	1399.1
State and local government	113.5	59.7	16.6	16.9	16.1	16.9	61.3	107.4	111.3	111.5	128.9	175.9
Public nonfinancial corporations	494.3	503.2	504.8	839.4	712.6	833.8	689.6	747.5	1099.1	1222.2	843.0	903.0
Other nonfinancial corporations	14986.9	15411.4	15510.2	15899.0	15889.8	16438.3	16229.7	16370.7	16304.5	16006.3	16205.8	16434.4
Other resident sectors	25305.4	25475.5	25442.8	25660.0	25927.6	26054.6	26218.1	26413.6	26665.9	27176.5	27558.3	28006.8
Broad money liabilities	51,694	51,434	50,719	51,354	52,025	51,813	52,958	55,182	55,616	56,678	58,568	58,709
Currency outside depository corporations	1281.6	1365.7	1390.6	1415.8	1389.5	1450.9	1522.8	1559.5	1640.3	1696.2	1672.4	1697.0
Transferable deposits	21308.6	21432.5	21317.9	22139.5	22020.6	20907.2	21307.3	23022.3	22980.0	23356.8	24788.3	24621.7
Other financial corporations	2035.3	2025.3	2080.3	2012.4	2170.2	2242.6	2687.4	2538.4	2732.0	2807.0	2769.4	3213.1
State and local government	366.3	363.3	365.8	348.5	414.4	387.0	313.4	393.1	794.6	873.6	729.9	652.9
Public nonfinancial corporations	1725.9	1653.6	1653.9	1847.0	1579.0	1451.3	1687.7	1967.5	1745.1	1504.5	1713.0	2131.7
Other nonfinancial corporations	12245.0	12197.9	12031.0	12551.7	12278.3	11513.1	11801.2	13059.6	12476.5	13077.3	14196.6	13342.2
Other resident sectors	4936.3	5192.4	5186.9	5379.9	5578.7	5313.3	4817.6	5063.8	5231.8	5094.4	5379.3	5281.8
Less: Central bank float	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	29103.4	28636.1	28010.1	27798.5	28615.3	29455.1	30128.3	30600.0	30996.1	31624.6	32107.1	32390.2
Other financial corporations	3202.8	3163.5	3214.7	3270.9	3248.1	3955.4	4054.0	3526.1	3497.5	3472.5	3690.9	4872.3
State and local government	509.5	669.4	409.7	466.6	418.0	417.8	461.5	362.6	444.7	458.1	459.7	494.2
Public nonfinancial corporations	1829.2	1441.1	1351.2	1432.6	1488.7	927.9	1456.9	1787.3	1993.8	2103.4	1516.1	2036.6
Other nonfinancial corporations	4637.7	4605.5	4411.9	4164.4	4378.4	4986.8	4902.7	4857.0	5070.6	5437.2	6018.5	5321.2
Other resident sectors	18924.2	18756.7	18622.5	18464.0	19082.1	19167.2	19253.1	20067.0	19989.6	20153.3	20421.9	19666.1
Securities other than shares, included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	406.5	511.8	841.6	1054.6	576.7	754.9	816.5	697.0	627.6	597.7	637.2	642.0
Securities other than shares, excluded from broad money	10782.4	10406.8	11114.7	10700.2	10467.3	10499.2	10360.8	10865.1	10763.1	11342.3	11968.8	11906.4
Loans	32.3	32.1	32.1	31.7	31.7	31.7	30.8	28.9	28.9	27.6	27.6	27.7
Financial derivatives	0.0	0.0	0.0	48.2	30.9	41.5	51.9	61.5	133.8	94.8	126.4	103.8
Shares and other equity	8789.8	8827.1	8361.2	8585.6	8633.6	8640.7	8791.9	9078.4	9534.2	9696.9	10199.5	9854.6
Other items (net)	-9299.1	-9464.5	-8310.5	-9760.1	-9482.4	-10161.7	-9660.1	-11345.0	-10530.7	-10984.7	-12731.9	-11209.5
Consolidation adjustment	330.4	302.6	-88.2	-147.8	-102.1	-221.5	-226.1	-445.6	-523.6	-571.0	-469.3	-611.0
OIN	-247.5	-253.1	-161.6	-233.0	-236.7	-214.3	-224.9	-254.6	-259.4	-234.1	-240.1	-258.1
OIN	(9,381.96)	(9,514.05)	(8,060.62)	(9,379.23)	(9,143.66)	(9,725.89)	(9,209.14)	(10,644.78)	(9,747.74)	(10,179.58)	(12,022.50)	(10,340.38)

Description	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Net foreign assets	23073.3	20889.3	19822.2	21691.8	21788.0	21195.6	23265.9	21888.1	21850.1	22735.2	21308.7	20904.0
Claims on nonresidents	25721.1	23312.9	22441.8	24345.0	24364.8	23590.8	26036.8	24989.8	24984.3	27078.3	25660.5	25054.6
less: Liabilities to nonresidents	2647.9	2423.6	2619.6	2653.1	2576.8	2395.3	2770.9	3101.6	3134.2	4343.1	4351.8	4150.6
Domestic claims	44047.3	45762.3	48957.5	46225.9	48337.5	48627.6	47146.1	48926.2	50729.1	49987.9	51740.4	53159.7
Net claims on central government	-3436.9	-2093.7	45.1	-3669.7	-1522.1	-1034.1	-3325.5	-1823.7	-1042.9	-2404.9	-2358.9	-1305.6
Claims on central government	6833.5	6780.6	6717.8	6748.7	6632.0	6689.9	6765.0	7110.2	6984.3	6785.5	6825.9	6825.2
less: Liabilities to central government	10270.5	8874.3	6672.7	10418.4	8154.1	7724.0	10090.5	8933.8	8027.2	9190.4	9184.8	8130.9
Claims on other sectors	47484.3	47856.0	48912.4	49895.6	49859.6	49661.8	50471.6	50749.9	51772.0	52392.8	54099.3	54465.3
Other financial corporations	1450.9	1580.6	1592.3	1703.9	1672.1	816.9	1370.3	875.2	940.5	1086.9	957.7	1399.4
State and local government	188.4	152.6	91.2	118.7	93.1	60.4	35.6	49.3	88.3	43.0	76.3	66.0
Public nonfinancial corporations	1074.3	1109.9	1137.5	1044.7	917.4	1062.8	910.1	934.4	1124.5	980.4	1232.8	1029.8
Other nonfinancial corporations	16725.8	16910.3	17508.3	18014.6	17861.2	18129.8	18258.1	18676.3	19111.8	19382.1	20403.3	20069.8
Other resident sectors	28044.9	28102.6	28583.0	29013.7	29315.8	29591.9	29897.5	30214.8	30506.9	30900.4	31429.1	31900.2
Broad money liabilities	55,710	57,050	58,152	57,830	59,448	60,538	58,580	60,491	61,249	61,033	60,785	61,142
Currency outside depository corporations	1659.4	1596.5	1524.7	1634.9	1599.3	1715.3	1629.6	1709.5	1712.2	1615.8	1709.4	1685.0
Transferable deposits	23438.5	23905.8	25062.6	23960.5	25506.6	25653.5	24795.4	24611.1	25306.1	23904.0	23570.4	23263.9
Other financial corporations	2792.7	2522.9	2535.8	2993.7	2874.7	2502.1	2469.2	2513.2	2385.2	2667.3	2439.6	2343.2
State and local government	670.0	661.3	817.9	760.1	787.1	788.5	742.5	638.6	692.6	1005.7	1515.4	882.4
Public nonfinancial corporations	1974.4	2522.4	2154.4	2174.9	2512.7	2541.0	2399.1	2243.6	1983.2	1875.0	2066.4	2039.2
Other nonfinancial corporations	12916.5	13162.8	14281.1	12958.5	14180.2	14536.0	14008.6	13989.7	14382.5	12684.0	11823.2	12428.0
Other resident sectors	5084.9	5036.3	5273.3	5073.2	5151.9	5285.9	5176.0	5225.9	5862.6	5671.9	5725.8	5571.1
Less: Central bank float	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	30612.6	31547.2	31565.1	32234.6	32342.2	33169.4	32154.6	34170.6	34231.1	35513.0	35505.0	36192.8
Other financial corporations	4682.1	4324.0	3805.3	3889.2	4090.6	3992.6	4374.8	4426.4	4187.6	5156.7	3609.8	3569.7
State and local government	573.7	470.3	440.3	453.7	484.8	451.0	437.2	433.5	413.7	472.8	361.9	463.5
Public nonfinancial corporations	1834.9	1873.3	2485.5	2468.7	2276.4	2377.9	2642.5	2584.4	2600.7	2870.9	2146.4	2398.7
Other nonfinancial corporations	5410.6	5688.2	5494.7	5835.1	5901.1	5970.1	5579.7	6154.0	6298.0	6382.7	9341.1	9141.2
Other resident sectors	18111.2	19191.3	19339.2	19587.9	19589.3	20377.7	19120.4	20572.2	20731.1	20629.9	20045.9	20619.6
Securities other than shares, included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	501.8	584.7	663.8	675.2	630.5	850.4	994.9	584.4	780.1	842.9	760.1	954.4
Securities other than shares, excluded from broad money	12367.2	12400.5	12454.8	12552.0	12376.2	12267.0	12623.4	12653.9	12734.5	12459.3	12871.4	13352.6
Loans	27.7	24.7	24.7	26.7	26.4	29.0	29.6	35.7	33.9	51.6	51.6	50.2
Financial derivatives	73.1	56.9	61.7	49.8	68.6	64.2	76.5	43.8	28.6	50.5	52.5	42.9
Shares and other equity	9622.4	9478.5	9928.7	9898.9	10571.2	10548.4	10326.6	10773.3	10578.4	10909.1	11192.9	11124.9
Other items (net)	-11181.9	-12943.3	-12506.5	-13114.9	-12995.5	-14474.1	-12218.5	-13767.8	-12825.8	-12623.2	-12664.1	-12602.8
Consolidation adjustment	-543.1	-616.4	-545.4	-543.5	-536.9	-589.9	-575.8	-623.0	-560.4	-514.0	-528.6	-627.2
OIN	-236.8	-273.0	-102.5	-306.5	-357.1	-307.9	-366.5	-343.6	-374.1	-406.0	-398.7	-392.0
OIN	(10,402.07)	(12,053.91)	(11,858.59)	(12,264.91)	(12,101.53)	(13,576.27)	(11,276.32)	(12,801.20)	(11,891.26)	(11,703.22)	(11,736.77)	(11,583.60)

Description	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Net foreign assets	25798.9	23587.8	21356.4	23906.4	23281.9	23035.4	25835.0	25736.4	23272.0	27146.5	24692.2	23376.9
Claims on nonresidents	29987.5	28107.9	25576.6	27965.5	27741.5	27379.3	29997.9	30045.9	27766.7	31302.0	29466.9	28602.9
less: Liabilities to nonresidents	4188.6	4520.1	4220.2	4059.1	4459.6	4343.9	4162.8	4309.5	4494.7	4155.6	4774.7	5226.0
Domestic claims	51243.5	52128.2	55167.7	52371.1	55068.3	56744.4	55246.0	57766.2	60313.4	59416.1	62414.1	62866.5
Net claims on central government	-4155.4	-3112.9	-1108.4	-4401.4	-2418.8	-1645.6	-3356.4	-1222.2	846.9	-746.0	884.0	269.4
Claims on central government	6877.7	6897.0	7078.2	7125.3	7071.1	6871.8	6931.1	6962.0	7325.9	7230.8	7251.9	7340.6
less: Liabilities to central government	11033.1	10010.0	8186.5	11526.7	9489.9	8517.4	10287.5	8184.2	6479.0	7976.7	6367.9	7071.2
Claims on other sectors	55399.0	55241.1	56276.1	56772.5	57487.1	58389.9	58602.4	58988.3	59466.5	60162.1	61530.1	62597.1
Other financial corporations	1523.1	1436.7	1480.0	1539.8	1467.2	1605.8	1558.9	1705.6	1876.7	1648.6	1659.9	1706.9
State and local government	56.8	32.0	31.8	29.5	30.3	56.6	90.7	152.3	131.8	130.0	143.6	163.6
Public nonfinancial corporations	1274.8	1135.9	1499.6	1618.5	1693.9	1603.5	1647.1	1374.4	1131.6	1097.0	953.1	1240.2
Other nonfinancial corporations	20427.6	20122.0	20537.8	20635.8	20847.0	21176.8	21118.0	21117.2	21367.6	21748.1	22711.8	22783.9
Other resident sectors	32116.6	32514.5	32726.9	32948.9	33448.7	33947.2	34187.9	34638.7	34958.9	35538.4	36061.7	36702.5
Broad money liabilities	62,121	61,443	61,565	63,582	64,055	65,080	66,119	68,218	67,979	70,057	69,382	68,958
Currency outside depository corporations	1643.9	1695.4	1887.5	1763.2	1772.0	2003.7	1876.0	2126.9	2174.5	1895.0	2186.2	2137.1
Transferable deposits	24943.2	24261.2	24516.0	26618.2	26989.7	27925.5	30067.7	31739.5	31225.0	33665.9	32897.0	31743.1
Other financial corporations	2347.8	2368.9	2427.0	2640.1	2323.2	2458.0	2321.8	2425.0	2822.4	2552.2	2514.9	2461.2
State and local government	882.0	874.3	851.7	828.2	865.5	838.9	915.3	884.3	961.8	911.0	1056.9	875.6
Public nonfinancial corporations	2466.4	2447.9	2368.5	2220.6	2171.5	1739.3	2297.3	2371.0	2354.1	2248.9	2368.3	2250.3
Other nonfinancial corporations	13956.1	13083.7	13217.6	15093.1	15859.2	16637.8	17935.8	19087.8	18130.6	20976.7	19782.6	19102.0
Other resident sectors	5290.8	5486.5	5651.1	5836.1	5770.2	6251.6	6597.6	6971.4	6956.0	6977.2	7174.2	7053.9
Less: Central bank float	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other deposits	35533.6	35486.7	35161.6	35200.5	35292.8	35150.8	34175.3	34351.5	34579.1	34496.2	34298.6	35077.7
Other financial corporations	4127.2	3986.2	4297.2	4542.2	4724.1	4523.8	4520.9	4482.9	4382.9	4467.4	4210.0	4239.6
State and local government	434.8	380.5	360.7	385.7	371.4	389.2	383.0	381.2	439.2	427.8	336.2	369.3
Public nonfinancial corporations	2287.1	1694.7	2101.3	1975.8	1811.1	1577.8	1571.6	1338.5	1722.9	1718.3	1767.3	1873.2
Other nonfinancial corporations	8111.5	8628.1	7934.2	7855.6	7522.4	7756.8	7058.4	7401.5	6907.5	6899.6	6654.0	6886.6
Other resident sectors	20573.0	20797.3	20468.1	20441.2	20863.8	20903.1	20641.3	20747.4	21126.7	20983.1	21331.2	21709.0
Securities other than shares, included in broad money	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	1111.8	1144.3	1072.9	721.6	938.5	919.2	1304.3	869.9	1030.9	1032.3	1345.3	1088.6
Securities other than shares, excluded from broad money	13799.4	13956.1	14233.0	14790.8	15255.8	15235.9	15521.5	15379.5	15571.6	15779.9	16064.5	16352.8
Loans	60.3	57.2	56.5	56.5	66.6	56.5	54.4	50.4	51.2	68.7	68.7	52.3
Financial derivatives	77.7	65.2	89.0	28.3	147.2	103.0	86.9	121.7	94.4	29.2	32.9	48.7
Shares and other equity	11689.0	11536.9	11802.1	11738.1	12834.8	12803.5	12951.7	13318.3	13472.8	13611.3	13892.2	14450.5
Other items (net)	-11816.5	-12487.1	-12294.5	-14639.5	-14947.4	-14418.6	-14956.6	-14456.1	-14615.1	-14016.6	-13679.7	-14708.4
Consolidation adjustment	-777.4	-706.9	-600.4	-696.1	-674.6	-769.1	-668.1	-602.5	-597.8	-683.2	-623.2	-609.9
OIN	-423.0	-445.1	-417.4	-407.6	-434.6	-419.8	-412.1	-418.2	-507.5	-261.3	-283.5	-348.0
OIN	(10,616.13)	(11,335.10)	(11,276.71)	(13,535.78)	(13,838.11)	(13,229.70)	(13,876.42)	(13,435.32)	(13,509.82)	(13,072.06)	(12,773.08)	(13,750.55)

Table II.4 Other depository corporations' claims on private sectors (end period in N$ million)

Description	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Loans	41 667.2	42 287.5	42 329.5	43 054.0	43 250.7	44 061.9	44 186.9	44 481.1	44 892.5	45 248.0	45 431.2	46 177.5
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other depository corporations	24.1	24.5	21.4	22.7	24.4	23.8	157.7	27.2	24.1	30.3	31.7	21.4
Other financial corporations	918.0	977.5	971.3	964.3	1 002.2	1 014.6	1 133.8	1 062.4	983.7	975.4	1 040.6	939.7
Central government	48.1	49.9	64.5	63.8	52.7	51.9	51.5	51.9	51.5	52.0	12.2	12.4
State and local government	113.5	59.7	16.6	16.9	16.1	16.9	61.3	107.4	111.3	111.5	128.9	175.9
Public non-financial corporations	304.3	313.2	279.9	425.2	294.6	415.8	247.1	296.0	657.6	775.5	398.2	453.1
Other non-financial corporations (Businesses)	14 965.4	15 387.8	15 485.0	15 870.4	15 873.7	16 420.6	16 210.1	16 357.8	16 282.7	15 990.1	16 177.7	16 410.5
Loans and Advances	11 577.6	11 944.6	11 943.5	12 209.9	12 216.3	12 686.5	12 426.1	12 539.2	12 574.3	12 282.1	12 446.4	12 598.2
Farm mortgage loans	27.1	27.3	27.5	27.7	27.9	24.8	25.0	25.2	25.3	25.5	25.7	25.9
Other mortgage loans	3 746.6	3 840.8	3 790.4	3 936.3	4 300.2	4 464.9	4 599.8	4 662.6	4 705.5	4 733.0	4 959.6	5 094.8
Dwellings	429.0	450.8	446.6	445.3	454.5	454.4	452.4	446.7	444.8	455.5	468.2	467.2
Other	3 317.7	3 390.0	3 343.8	3 491.1	3 845.7	4 010.5	4 147.4	4 215.9	4 260.7	4 277.5	4 491.4	4 627.6
Overdrafts	5 285.3	5 532.8	5 402.8	5 495.0	5 113.9	5 391.1	4 987.0	4 931.6	4 759.6	4 484.5	4 426.4	4 427.1
Other loans and advances	2 518.6	2 543.8	2 722.8	2 750.9	2 774.3	2 805.8	2 814.3	2 919.9	3 083.9	3 039.1	3 034.7	3 050.3
Leasing	69.4	69.0	71.6	74.0	72.1	74.2	80.4	81.3	86.8	96.1	106.6	109.8
Instalment credit	2 254.4	2 302.7	2 335.2	2 357.2	2 365.5	2 393.1	2 403.5	2 419.1	2 434.5	2 444.2	2 462.6	2 513.5
Other	1 064.0	1 071.5	1 134.7	1 229.3	1 219.8	1 266.7	1 300.2	1 318.2	1 187.0	1 167.6	1 162.1	1 189.1
Other resident sectors (Individuals)	25 155.1	25 341.0	25 353.5	25 552.3	25 843.9	25 972.4	26 126.1	26 332.1	26 562.4	27 091.6	27 462.3	27 916.5
Loans and Advances	20 669.5	20 829.3	20 802.3	20 970.8	21 210.6	21 232.4	21 361.1	21 532.1	21 754.3	21 986.0	22 225.5	22 538.6
Farm mortgage loans	925.7	925.1	875.8	844.2	910.9	842.4	875.6	848.9	840.4	841.6	857.4	860.2
Other mortgage loans	16 285.0	16 425.3	16 639.2	16 712.9	16 838.8	16 987.2	17 104.9	17 284.0	17 494.3	17 667.8	17 880.0	18 138.2
Dwellings	16 285.0	16 425.3	16 639.2	16 712.9	16 838.8	16 987.2	17 104.9	17 284.0	17 494.3	17 667.8	17 880.0	18 138.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	1 498.8	1 508.9	1 374.1	1 502.3	1 550.4	1 492.8	1 459.3	1 466.2	1 439.4	1 460.3	1 455.1	1 490.4
Other loans and advances	1 960.0	1 969.9	1 913.2	1 911.4	1 910.6	1 910.1	1 921.3	1 933.0	1 980.1	2 016.3	2 032.9	2 049.8
Leasing	126.6	124.6	120.3	115.3	113.5	108.8	105.7	102.8	93.8	94.6	91.8	88.6
Instalment credit	3 671.7	3 686.4	3 718.7	3 743.6	3 789.2	3 883.0	3 893.4	3 920.8	3 916.6	4 192.8	4 247.4	4 405.2
Other	687.3	700.7	712.2	722.6	730.6	748.3	765.9	776.4	797.6	818.1	897.6	884.1
Nonresidents	138.9	134.0	137.2	138.3	143.2	146.0	199.2	246.2	219.3	221.7	179.6	247.9
Loans and Advances	138.8	134.0	136.8	138.3	143.2	146.0	144.8	174.1	151.7	152.8	155.5	164.6
Farm mortgage loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other mortgage loans	86.9	82.3	85.2	85.9	90.1	90.2	90.3	102.8	90.0	90.6	91.0	92.9
Dwellings	86.9	82.3	85.2	85.9	90.1	90.2	90.3	102.8	90.0	90.6	91.0	92.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	49.9	49.6	49.6	50.5	51.2	52.4	51.2	59.8	55.4	55.9	58.2	65.2
Other loans and advances	2.1	2.1	2.0	1.9	1.9	3.3	3.4	11.5	6.3	6.3	6.3	6.4
Leasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.4	0.0	0.0	0.0	54.4	72.0	67.6	68.9	24.2	83.4

Description	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Loans	46 695.1	47 032.2	48 107.8	49 014.7	49 000.5	48 835.7	49 029.9	49 850.4	50 759.5	51 217.4	53 075.3	52 962.3
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other depository corporations	23.9	26.4	18.9	20.2	23.6	23.1	27.1	28.1	26.2	24.5	24.5	31.3
Other financial corporations	987.2	1 099.8	1 083.8	1 127.8	1 137.5	276.0	217.6	218.9	243.7	227.4	244.5	193.3
Central government	11.9	12.8	13.5	11.3	12.0	11.0	11.4	15.3	13.0	14.8	14.0	13.0
State and local government	188.4	152.6	91.2	118.7	93.1	60.4	35.6	49.3	88.3	43.0	76.3	66.0
Public non-financial corporations	615.6	663.4	688.0	590.6	463.3	684.3	528.9	557.8	662.2	520.1	768.0	592.2
Other non-financial corporations (Businesses)	16 707.8	16 891.5	17 484.2	17 994.9	17 821.0	18 101.3	18 231.5	18 652.6	19 092.6	19 364.6	20 375.3	20 048.7
Loans and Advances	12 857.6	12 888.1	13 429.2	13 882.8	13 581.0	13 732.0	13 844.7	14 240.0	14 495.3	14 919.6	15 893.8	15 584.1
Farm mortgage loans	26.1	26.3	26.5	26.7	26.9	27.1	24.0	24.0	24.3	24.5	24.7	24.9
Other mortgage loans	5 020.4	5 148.0	5 228.2	5 315.5	5 365.9	5 490.2	5 548.5	5 501.8	5 701.4	5 785.0	5 827.9	5 796.8
Dwellings	482.6	482.7	497.3	493.8	501.3	510.8	515.3	520.1	527.1	524.7	533.0	531.0
Other	4 537.8	4 665.3	4 730.8	4 821.7	4 864.6	4 979.4	5 033.2	4 981.8	5 174.3	5 260.3	5 295.0	5 265.8
Overdrafts	4 780.1	4 662.3	5 017.9	5 325.0	4 968.9	5 157.4	5 059.7	5 441.5	5 498.5	5 768.3	6 125.5	5 821.9
Other loans and advances	3 031.0	3 051.5	3 156.7	3 215.7	3 219.4	3 057.3	3 212.6	3 272.6	3 271.1	3 341.8	3 915.6	3 940.5
Leasing	106.6	104.4	104.7	106.9	108.3	112.4	116.6	120.0	124.8	125.3	124.9	124.5
Instalment credit	2 504.8	2 561.5	2 594.9	2 632.3	2 685.3	2 717.6	2 704.0	2 748.3	2 756.6	2 774.1	2 789.3	2 831.8
Other	1 238.8	1 337.5	1 355.4	1 372.9	1 446.3	1 539.4	1 566.1	1 544.3	1 715.9	1 545.5	1 567.3	1 508.3
Other resident sectors (Individuals)	27 968.7	28 022.3	28 512.4	28 931.0	29 239.7	29 504.1	29 800.7	30 152.2	30 456.3	30 842.8	31 387.2	31 831.8
Loans and Advances	22 568.1	22 583.9	23 028.0	23 452.4	23 591.5	23 819.1	24 042.6	24 343.7	24 631.7	24 841.5	25 357.0	25 609.5
Farm mortgage loans	938.9	911.8	894.6	903.3	871.2	913.7	937.7	940.9	946.7	970.6	1 026.9	987.4
Other mortgage loans	18 111.1	18 097.1	18 433.7	18 731.9	18 875.3	19 024.6	19 201.3	19 458.3	19 713.0	19 882.0	20 255.0	20 496.8
Dwellings	18 111.1	18 097.1	18 433.7	18 731.9	18 875.3	19 024.6	19 201.3	19 458.3	19 713.0	19 882.0	20 255.0	20 496.8
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	1 466.9	1 500.2	1 584.2	1 718.1	1 727.0	1 725.5	1 727.4	1 727.4	1 746.6	1 723.2	1 742.9	1 759.3
Other loans and advances	2 051.2	2 074.8	2 115.5	2 099.2	2 118.0	2 155.3	2 176.1	2 217.1	2 225.5	2 265.8	2 332.1	2 366.0
Leasing	87.5	4.7	4.5	4.5	4.8	4.7	4.4	4.0	3.9	4.0	3.8	4.1
Instalment credit	4 409.7	4 547.5	4 568.5	4 565.8	4 656.8	4 681.9	4 729.2	4 734.0	4 834.0	4 871.9	4 911.4	4 960.7
Other	903.4	886.1	911.4	908.3	986.6	998.3	1 024.6	1 070.5	986.7	1 125.3	1 115.0	1 257.5
Nonresidents	191.5	163.5	215.9	220.2	210.3	175.6	177.3	176.2	177.1	180.2	185.6	186.0
Loans and Advances	160.7	163.2	163.5	173.9	174.1	175.6	177.3	176.2	177.0	180.2	185.2	186.0
Farm mortgage loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other mortgage loans	90.9	92.1	92.3	99.7	98.3	98.7	99.3	99.2	100.3	102.2	106.0	106.5
Dwellings	90.9	92.1	92.3	99.7	98.3	98.7	99.3	99.2	100.3	102.2	106.0	106.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	63.4	64.5	64.8	68.1	69.7	71.2	72.2	72.3	72.1	73.5	74.6	74.9
Other loans and advances	6.4	6.5	6.4	6.1	6.0	5.6	5.8	4.7	4.6	4.6	4.7	4.7
Leasing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	30.8	0.3	52.4	46.3	36.2	0.0	0.0	0.0	0.1	0.0	0.4	0.0

Description	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Loans	53 763.4	53 731.3	54 740.6	55 305.3	55 888.3	56 749.9	56 974.3	57 228.8	57 650.3	58 485.3	59 860.5	60 812.1
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other depository corporations	19.5	31.3	26.6	30.4	23.0	25.4	23.8	24.6	25.8	25.6	0.0	0.8
Other financial corporations	220.0	217.6	221.6	276.6	225.3	306.5	266.1	323.2	276.0	276.8	332.5	332.4
Central government	11.0	11.6	12.1	12.1	12.0	12.4	12.6	12.3	132.5	12.0	10.8	11.1
State and local government	56.8	32.0	31.8	29.5	30.3	56.6	90.7	152.3	131.8	130.0	143.6	163.6
Public non-financial corporations	834.4	698.0	1 062.6	1 180.6	1 267.6	1 175.8	1 221.4	954.5	705.5	668.0	491.1	726.7
Other non-financial corporations (Businesses)	20 397.4	20 099.7	20 510.6	20 608.2	20 721.3	21 109.6	21 043.8	21 009.5	21 272.9	21 676.3	22 643.7	22 702.4
Loans and Advances	15 861.4	15 441.9	15 609.8	15 563.9	15 544.0	15 879.0	15 761.8	15 681.3	15 931.9	16 314.0	16 466.6	16 367.1
Farm mortgage loans	25.1	25.2	25.4	25.6	25.8	26.0	25.4	25.6	25.7	25.9	25.9	26.3
Other mortgage loans	5 883.7	5 985.5	6 049.2	6 298.1	6 302.1	6 336.7	6 487.9	6 489.0	6 591.2	6 346.4	6 411.9	6 556.8
Dwellings	542.0	539.5	535.9	537.7	537.7	533.0	530.0	528.0	535.5	533.4	538.0	529.4
Other	5 341.7	5 446.1	5 513.3	5 760.4	5 764.4	5 803.7	5 957.9	5 960.9	6 055.7	5 813.0	5 873.9	6 027.4
Overdrafts	5 934.8	5 456.6	5 565.2	5 646.3	5 422.0	5 829.5	5 285.1	5 320.7	5 511.1	5 798.5	5 857.8	5 655.9
Other loans and advances	4 017.8	3 974.5	3 970.0	3 593.8	3 794.1	3 686.8	3 963.4	3 846.1	3 803.9	4 143.3	4 171.0	4 128.1
Leasing	125.1	128.7	129.1	131.3	141.0	150.9	153.4	160.8	163.0	147.7	148.5	146.7
Instalment credit	2 820.0	2 865.0	2 880.4	2 894.4	2 914.6	2 960.0	2 979.5	3 019.5	3 049.4	3 106.6	3 157.1	3 210.4
Other	1 590.9	1 664.1	1 891.3	2 018.6	2 121.7	2 119.7	2 149.1	2 148.0	2 128.6	2 108.0	2 871.5	2 978.3
Other resident sectors (Individuals)	32 033.8	32 437.1	32 640.8	32 894.8	33 320.1	33 858.1	34 101.8	34 528.9	34 863.8	35 468.4	35 991.4	36 620.6
Loans and Advances	25 765.2	26 006.9	26 253.5	26 391.6	26 728.5	27 125.5	27 268.1	27 618.8	27 799.5	28 227.4	28 661.2	29 144.8
Farm mortgage loans	1 015.2	999.7	998.5	1 012.9	996.6	1 105.0	1 064.9	1 068.6	1 067.9	1 067.5	1 067.5	1 053.7
Other mortgage loans	20 524.3	20 720.4	20 934.6	21 135.8	21 367.9	21 628.2	21 837.9	22 043.6	22 293.8	22 575.0	22 844.3	23 232.2
Dwellings	20 524.3	20 720.4	20 934.6	21 135.8	21 367.9	21 628.2	21 837.9	22 043.6	22 293.8	22 575.0	22 844.3	23 232.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	1 859.5	1 901.9	1 911.2	1 845.2	1 928.5	1 957.4	1 899.3	1 958.4	1 845.7	1 985.0	1 966.8	2 038.0
Other loans and advances	2 366.2	2 385.0	2 409.2	2 397.6	2 435.6	2 434.8	2 466.1	2 548.2	2 592.2	2 600.0	2 782.7	2 820.9
Leasing	4.0	3.8	4.8	5.0	5.0	4.4	4.8	4.9	4.8	4.7	4.8	4.7
Instalment credit	5 056.4	5 092.5	5 064.1	5 102.3	5 153.6	5 242.8	5 301.7	5 330.5	5 452.6	5 604.4	5 657.6	5 785.4
Other	1 208.2	1 333.9	1 318.3	1 395.9	1 433.1	1 485.4	1 527.2	1 574.8	1 606.9	1 631.9	1 667.7	1 685.7
Nonresidents	190.5	203.9	234.6	273.1	288.7	205.7	214.1	223.3	242.0	228.3	247.5	254.5
Loans and Advances	190.5	203.7	202.2	205.0	205.8	205.6	213.9	220.4	224.4	228.2	247.4	254.4
Farm mortgage loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other mortgage loans	106.5	111.4	109.6	112.6	113.6	113.4	122.4	129.4	87.4	131.6	151.8	156.9
Dwellings	106.5	111.4	109.6	112.6	113.6	113.4	122.4	129.4	87.4	131.6	151.8	156.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overdrafts	79.4	85.8	86.1	86.0	86.0	85.9	85.5	84.7	130.4	87.8	88.9	90.9
Other loans and advances	4.6	6.4	6.5	6.4	6.2	6.2	6.1	6.3	6.6	8.7	6.6	6.7
Leasing	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Instalment credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.1	32.3	68.0	82.8	0.0	0.0	2.8	17.5	0.0	0.0	0.0

*Other loans and advances comprises personal loans for businesses and individuals and nonresidents.

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Table II.5 Deposits of other depository corporations (end period in N$ million)

Description	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Total Deposits	56 027.4	56 332.9	55 537.2	55 991.5	57 415.3	56 985.9	58 936.0	60 023.8	60 314.9	60 495.3	61 754.2	62 178.4
Deposits included in broad money	50 412.0	50 068.6	49 327.9	49 938.0	50 635.9	50 362.3	51 435.6	53 622.3	53 976.0	54 981.4	56 895.4	57 011.9
Transferable deposits	21 308.6	21 432.5	21 317.9	22 139.5	22 020.6	20 907.2	21 307.3	23 022.3	22 980.0	23 356.8	24 788.3	24 621.7
In national currency	20 656.1	20 886.5	20 887.1	21 575.5	21 726.1	20 529.7	20 757.4	22 622.7	22 733.2	23 090.4	24 382.9	24 367.8
Other financial corporations	2 035.3	2 025.3	2 080.3	2 012.4	2 170.2	2 242.6	2 687.4	2 538.4	2 732.0	2 807.0	2 769.4	3 213.1
State and local government	366.3	363.3	365.8	348.5	414.4	387.0	313.4	393.1	794.6	873.6	729.9	652.9
Public non-financial corporations	1 725.9	1 653.6	1 653.9	1 847.0	1 579.0	1 451.3	1 687.7	1 967.5	1 745.1	1 504.5	1 713.0	2 131.7
Other non-financial corporations	11 592.4	11 651.9	11 600.2	11 987.7	11 983.8	11 135.6	11 251.3	12 660.0	12 229.7	12 810.9	13 791.2	13 088.3
Other resident sectors	4 936.3	5 192.4	5 186.9	5 379.9	5 578.7	5 313.3	4 817.6	5 063.8	5 231.8	5 094.4	5 379.3	5 281.8
In foreign currency	652.5	546.0	430.8	564.0	294.5	377.5	549.9	399.6	246.8	266.4	405.4	253.9
Other deposits	29 103.4	28 636.1	28 010.1	27 798.5	28 615.3	29 455.1	30 128.3	30 600.0	30 996.1	31 624.6	32 107.1	32 390.2
In national currency	29 103.4	28 636.1	28 010.1	27 798.5	28 615.3	29 455.1	30 128.3	30 600.0	30 996.1	31 624.6	32 107.1	32 390.2
Other financial corporations	3 202.8	3 163.5	3 214.7	3 270.9	3 248.1	3 955.4	4 054.0	3 526.1	3 497.5	3 472.5	3 690.9	4 872.3
State and local government	509.5	669.4	409.7	466.6	418.0	417.8	461.5	362.6	444.7	458.1	459.7	494.2
Public nonfinancial corporations	1 829.2	1 441.1	1 351.2	1 432.6	1 488.7	927.9	1 456.9	1 787.3	1 993.8	2 103.4	1 516.1	2 036.6
Other nonfinancial corporations	4 637.7	4 605.5	4 411.9	4 164.4	4 378.4	4 986.8	4 902.7	4 857.0	5 070.6	5 437.2	6 018.5	5 321.2
Other resident sectors	18 924.2	18 756.7	18 622.5	18 464.0	19 082.1	19 167.2	19 253.1	20 067.0	19 989.6	20 153.3	20 421.9	19 666.1
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	5 615.4	6 264.3	6 209.3	6 053.5	6 779.4	6 623.6	7 500.4	6 401.5	6 338.9	5 514.0	4 858.8	5 166.5
Transferable deposits	4 075.7	4 324.7	3 809.0	3 465.2	4 471.5	4 105.6	4 854.2	3 734.3	3 662.2	3 061.3	2 410.9	2 656.4
In national currency	3 295.5	3 460.4	3 250.1	2 953.5	3 966.0	3 527.1	4 419.5	3 243.0	3 136.5	2 577.5	2 034.6	2 127.4
In foreign currency	780.3	864.3	558.9	511.7	505.4	578.4	434.6	491.3	525.7	483.9	376.3	529.0
Other deposits	1 539.6	1 939.6	2 400.3	2 588.3	2 307.9	2 518.0	2 646.2	2 667.2	2 676.7	2 452.6	2 447.9	2 510.0
In national currency	1 344.4	1 652.3	1 791.8	1 802.0	1 908.0	1 921.2	2 054.4	2 208.9	2 234.3	2 052.3	1 983.3	2 049.1
In foreign currency	195.2	287.3	608.5	786.3	400.0	596.8	591.8	458.3	442.4	400.3	464.6	460.9

Description	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Total Deposits	58 896.6	60 311.7	62 329.7	62 517.9	63 439.9	64 729.7	63 603.5	65 122.0	65 897.3	68 247.9	67 805.8	68 359.2
Deposits included in broad money	54 051.1	55 453.0	56 627.7	56 195.1	57 848.9	58 822.9	56 950.0	58 781.6	59 537.2	59 417.0	59 075.4	59 456.7
Transferable deposits	23 438.5	23 905.8	25 062.6	23 960.5	25 506.6	25 653.5	24 795.4	24 611.1	25 306.1	23 904.0	23 570.4	23 263.9
In national currency	23 236.1	23 689.1	24 769.2	23 607.3	25 348.8	25 522.0	24 631.7	24 436.4	24 977.9	23 582.0	23 404.7	23 089.5
Other financial corporations	2 792.7	2 522.9	2 535.8	2 993.7	2 874.7	2 502.1	2 469.2	2 513.2	2 385.2	2 667.3	2 439.6	2 343.2
State and local government	670.0	661.3	817.9	760.1	787.1	788.5	742.5	638.6	692.6	1 005.7	1 515.4	882.4
Public non-financial corporations	1 974.4	2 522.4	2 154.4	2 174.9	2 512.7	2 541.0	2 399.1	2 243.6	1 983.2	1 875.0	2 066.4	2 039.2
Other non-financial corporations	12 714.2	12 946.1	13 987.7	12 605.4	14 022.3	14 404.4	13 844.8	13 815.0	14 054.4	12 361.9	11 657.5	12 253.6
Other resident sectors	5 084.9	5 036.3	5 273.3	5 073.2	5 151.9	5 285.9	5 176.0	5 225.9	5 862.6	5 671.9	5 725.8	5 571.1
In foreign currency	202.4	216.7	293.4	353.2	157.9	131.5	163.8	174.7	328.2	322.0	165.7	174.4
Other deposits	30 612.6	31 547.2	31 565.1	32 234.6	32 342.2	33 169.4	32 154.6	34 170.6	34 231.1	35 513.0	35 505.0	36 192.8
In national currency	30 612.6	31 547.2	31 565.1	32 234.6	32 342.2	33 169.4	32 154.6	34 170.6	34 231.1	35 513.0	35 505.0	36 192.8
Other financial corporations	4 682.1	4 324.0	3 805.3	3 889.2	4 090.6	3 992.6	4 374.8	4 426.4	4 187.6	5 156.7	3 609.8	3 569.7
State and local government	573.7	470.3	440.3	453.7	484.8	451.0	437.2	433.5	413.7	472.8	361.9	463.5
Public nonfinancial corporations	1 834.9	1 873.3	2 485.5	2 468.7	2 276.4	2 377.9	2 642.5	2 584.4	2 600.7	2 870.9	2 146.4	2 398.7
Other nonfinancial corporations	5 410.6	5 688.2	5 494.7	5 835.1	5 901.1	5 970.1	5 579.7	6 154.0	6 298.0	6 382.7	9 341.1	9 141.2
Other resident sectors	18 111.2	19 191.3	19 339.2	19 587.9	19 589.3	20 377.7	19 120.4	20 572.2	20 731.1	20 629.9	20 045.9	20 619.6
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	4 845.5	4 858.7	5 702.0	6 322.8	5 591.1	5 906.8	6 653.5	6 340.3	6 360.0	8 830.9	8 730.4	8 902.5
Transferable deposits	2 487.9	2 425.6	2 966.7	3 349.4	2 785.7	2 636.2	3 273.6	3 538.2	3 278.1	5 636.4	5 872.7	5 582.8
In national currency	1 754.6	1 655.6	2 037.7	2 374.7	2 124.0	2 093.6	2 377.7	2 384.8	2 072.1	3 409.7	3 611.4	3 585.3
In foreign currency	733.3	770.0	929.0	974.8	661.7	542.6	896.0	1 153.4	1 206.0	2 226.6	2 261.3	1 997.5
Other deposits	2 357.6	2 433.1	2 735.3	2 973.3	2 805.4	3 270.5	3 379.8	2 802.1	3 081.9	3 194.6	2 857.8	3 319.7
In national currency	2 057.9	2 121.0	2 332.6	2 588.5	2 422.5	2 659.2	2 614.6	2 416.8	2 489.9	2 562.2	2 450.2	2 359.3
In foreign currency	299.7	312.1	402.8	384.9	382.9	611.3	765.2	385.3	592.0	632.3	407.6	960.5

Description	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Total Deposits	69 691.9	68 919.5	68 479.0	67 227.1	68 207.8	68 677.2	70 707.5	72 031.9	71 803.0	74 287.8	73 880.6	73 486.5
Deposits included in broad money	60 476.8	59 747.9	59 677.5	61 818.7	62 282.5	63 076.3	64 243.0	66 091.0	65 804.1	68 162.2	67 195.6	66 820.8
Transferable deposits	24 943.2	24 261.2	24 516.0	26 618.2	26 989.7	27 925.5	30 067.7	31 739.5	31 225.0	33 665.9	32 897.0	31 743.1
In national currency	24 556.7	23 905.1	24 231.1	26 275.7	26 761.8	27 756.9	29 686.7	30 900.5	30 824.4	30 785.6	31 720.4	30 495.9
Other financial corporations	2 347.8	2 368.9	2 427.0	2 640.1	2 323.2	2 458.0	2 321.8	2 425.0	2 822.4	2 552.2	2 514.9	2 461.2
State and local government	882.0	874.3	851.7	828.2	865.5	838.9	915.3	884.3	961.8	911.0	1 056.9	875.6
Public non-financial corporations	2 466.4	2 447.9	2 368.5	2 220.6	2 171.5	1 739.3	2 297.3	2 371.0	2 354.1	2 248.9	2 368.3	2 250.3
Other non-financial corporations	13 569.6	12 727.5	12 932.8	14 750.6	15 631.3	16 469.1	17 554.7	18 248.8	17 730.0	18 096.4	18 606.0	17 854.9
Other resident sectors	5 290.8	5 486.5	5 651.1	5 836.1	5 770.2	6 251.6	6 597.6	6 971.4	6 956.0	6 977.2	7 174.2	7 053.9
In foreign currency	386.5	356.1	284.8	342.5	227.9	168.6	381.0	839.0	400.6	2 880.3	1 176.7	1 247.1
Other deposits	35 533.6	35 486.7	35 161.6	35 200.5	35 292.8	35 150.8	34 175.3	34 351.5	34 579.1	34 496.2	34 298.6	35 077.7
In national currency	35 533.6	35 486.7	35 161.6	35 200.5	35 292.8	35 150.8	34 175.3	34 351.5	34 579.1	34 496.2	34 298.6	35 077.7
Other financial corporations	4 127.2	3 986.2	4 297.2	4 542.2	4 724.1	4 523.8	4 520.9	4 482.9	4 382.9	4 467.4	4 210.0	4 239.6
State and local government	434.8	380.5	360.7	385.7	371.4	389.2	383.0	381.2	439.2	427.8	336.2	369.3
Public nonfinancial corporations	2 287.1	1 694.7	2 101.3	1 975.8	1 811.1	1 577.8	1 571.6	1 338.5	1 722.9	1 718.3	1 767.3	1 873.2
Other nonfinancial corporations	8 111.5	8 628.1	7 934.2	7 855.6	7 522.4	7 756.8	7 058.4	7 401.5	6 907.5	6 899.6	6 654.0	6 886.6
Other resident sectors	20 573.0	20 797.3	20 468.1	20 441.2	20 863.8	20 903.1	20 641.3	20 747.4	21 126.7	20 983.1	21 331.2	21 709.0
In foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	9 215.1	9 171.6	8 801.5	5 408.3	5 925.3	5 600.9	6 464.4	5 940.9	5 998.9	6 125.6	6 685.0	6 665.7
Transferable deposits	5 828.6	6 123.8	6 311.1	3 383.7	3 526.9	3 410.5	4 037.0	3 749.2	3 789.1	3 704.4	3 738.3	4 026.3
In national currency	3 700.8	3 489.9	4 231.7	1 652.1	1 784.2	1 846.8	2 109.9	2 071.3	1 860.4	2 130.1	2 149.0	1 961.5
In foreign currency	2 127.8	2 634.0	2 079.4	1 731.6	1 742.6	1 563.7	1 927.1	1 677.9	1 928.7	1 574.3	1 589.2	2 064.8
Other deposits	3 386.5	3 047.7	2 490.4	2 024.6	2 398.4	2 190.4	2 427.5	2 191.7	2 209.8	2 421.2	2 946.7	2 639.5
In national currency	2 603.4	2 291.6	1 792.3	1 407.4	1 566.8	1 433.1	1 530.0	1 300.8	1 278.1	1 538.6	1 176.8	1 202.4
In foreign currency	783.1	756.1	698.0	617.3	831.6	757.3	897.4	890.9	931.7	882.6	1 769.9	1 437.1

Table II.6 Monetary Aggregates (end of period in N$ million)

		Currency in circulation 1	Transferable deposits 2	Narrow money (M1) 3 1+2 = 3	Other deposits 4	Securities included in M2 5	Broad money supply (M2) 6 3+4+5=6
2005		**680.0**	**9 096.6**	**9 776.6**	**7 261.7**	**31.4**	**17 069.6**
2006		**763.4**	**12 937.7**	**13 701.0**	**8 833.3**	**5.9**	**22 540.2**
2007		**820.3**	**13 815.9**	**14 636.2**	**10 166.1**	**6.0**	**24 808.3**
2009	**Jan**	**1 216.5**	**17 746.2**	**18 962.7**	**29 059.1**	**3.9**	**48 025.8**
	Feb	1 234.1	17 683.3	18 917.3	28 945.8	3.9	47 867.0
	Mar	1 227.1	18 608.0	19 835.1	23 859.8	3.9	43 698.8
	Apr	1 247.1	18 473.0	19 720.1	25 160.9	3.9	44 885.0
	May	1 234.0	18 650.5	19 884.5	25 350.7	3.9	45 239.2
	Jun	1 132.2	19 032.8	20 165.0	25 645.0	3.9	45 813.9
	Jul	1 207.8	18 192.8	19 400.6	26 256.5	3.9	45 661.1
	Aug	1 179.3	18 363.0	19 542.3	25 936.9	4.0	45 483.2
	Sep	1 084.4	17 954.9	19 039.3	25 942.1	3.9	44 985.4
	Oct	1 145.0	19 121.2	20 266.2	26 561.6	3.9	46 831.8
	Nov	1 202.3	19 195.6	20 398.0	27 104.9	3.9	47 506.8
	Dec	1 156.3	19 391.1	20 547.3	27 180.2	3.9	47 731.4
2010	**Jan**	**1 127.0**	**20 612.6**	**21 739.5**	**27 019.5**	**3.9**	**48 762.9**
	Feb	1 117.2	20 663.4	21 780.5	26 869.7	3.9	48 654.2
	Mar	1 051.6	21 438.5	22 490.1	27 453.6	3.9	49 947.6
	Apr	1 144.7	21 933.4	23 078.1	28 085.2	3.9	51 167.2
	May	1 129.6	22 003.2	23 132.8	27 705.9	3.9	50 842.7
	Jun	1 134.6	19 420.4	20 555.0	27 618.2	3.9	48 177.1
	Jul	1 229.3	20 015.5	21 244.9	27 761.9	3.9	49 010.7
	Aug	1 232.5	21 274.3	22 506.8	27 587.4	3.9	50 098.1
	Sep	1 217.1	21 404.1	22 621.2	27 475.6	-	50 096.9
	Oct	1 271.6	20 844.8	22 116.4	28 741.8	-	50 858.2
	Nov	1 315.3	21 398.1	22 713.3	28 944.5	-	51 657.9
	Dec	1 291.6	21 769.5	23 061.1	28 505.9	-	51 567.0
2011	**Jan**	**1 281.6**	**21 308.6**	**22 590.2**	**28 104.4**	**-**	**50 694.6**
	Feb	1 365.7	21 432.5	22 798.3	27 637.1	-	50 435.4
	Mar	1 390.6	21 317.9	22 708.5	27 011.1	-	49 719.6
	Apr	1 415.8	22 139.5	23 555.3	26 799.5	-	50 354.8
	May	1 389.5	22 020.6	23 410.1	27 616.3	-	51 026.4
	Jun	1 450.9	20 907.2	22 358.1	28 456.1	-	50 814.2
	Jul	1 522.8	21 307.3	22 830.1	29 129.3	-	51 959.4
	Aug	1 559.5	23 022.3	24 581.8	29 601.0	-	54 182.8
	Sep	1 640.3	22 980.0	24 620.3	29 997.1	-	54 617.3
	Oct	1 696.2	23 356.8	25 052.9	30 625.6	-	55 678.5
	Nov	1 672.4	24 788.3	26 460.6	31 108.1	-	57 568.8
	Dec	1 697.0	24 621.7	26 318.7	31 391.2	-	57 709.9
2012	**Jan**	**1 659.4**	**23 438.5**	**25 097.9**	**29 613.6**	**-**	**54 711.5**
	Feb	1 596.5	23 905.8	25 502.3	30 476.8	-	55 979.1
	Mar	1 524.7	25 062.6	26 587.4	30 596.0	-	57 183.4
	Apr	1 634.9	23 960.5	25 595.4	31 227.5	-	56 822.9
	May	1 599.3	25 506.6	27 105.9	31 270.5	-	58 376.4
	Jun	1 715.3	25 653.5	27 368.8	33 169.4	-	60 538.2
	Jul	1 629.6	24 795.4	26 425.1	32 154.6	-	58 579.7
	Aug	1 709.5	24 611.1	26 320.6	34 170.6	-	60 491.1
	Sep	1 712.2	25 306.1	27 018.3	34 231.1	-	61 249.5
	Oct	1 615.8	23 904.0	25 519.8	35 513.0	-	61 032.9
	Nov	1 709.4	23 570.4	25 279.8	35 612.0	-	60 891.8
	Dec	1 685.0	23 263.9	24 948.9	36 381.3	-	61 330.1
2013	**Jan**	**1 643.9**	**24 943.2**	**26 587.0**	**35 533.6**	**-**	**62 120.7**
	Feb	1 695.4	24 261.2	25 956.6	35 486.7	-	61 443.3
	Mar	1 887.5	24 515.6	26 403.2	34 551.4	-	60 954.6
	Apr	1 763.2	26 618.2	28 381.3	35 200.5	-	63 581.9
	May	1 772.0	26 989.7	28 761.7	35 292.8	-	64 054.5
	Jun	2 003.7	27 925.5	29 929.2	35 258.0	-	65 187.2
	Jul	1 876.0	30 067.7	31 943.8	34 175.3	-	66 119.1
	Aug	2 126.9	31 739.5	33 866.4	34 351.5	-	68 217.9
	Sep	2 174.5	31 224.4	33 398.9	34 579.1	-	67 978.0
	Oct	1 895.0	33 665.9	35 561.0	34 496.2	-	70 057.2
	Nov	2 186.2	32 897.0	35 083.2	34 298.6	-	69 381.9
	Dec	2 137.1	31 743.1	33 880.1	35 077.7	-	68 957.8

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Table II.7 Monetary analysis (end of period in N$ million)

		Broad money supply (M2)	Net foreign assets (cumulative flow)	Determinants of money supply					
				Claims on the Central Government				Claims on private sectors	Other items net
				Gross claims	Government deposits	Other liabilities	Net claims on Government		
2005		17 370.2	- 156.3	2 586.1	1 140.6	39.8	1 405.7	24 264.4	-8 143.6
2006		22 605.0	4 844.5	2 767.3	2 589.6	64.4	113.3	28 284.2	-10 637.0
2007		24 808.3	7 461.7	2 981.3	-5 242.6	-50.2	-2 261.2	32 374.8	-12 772.9
2009	Jan	48 025.8	25 719.5	2 706.5	9 465.1	-52.8	-6 758.5	36 734.8	-9 397.0
	Feb	47 867.0	24 828.7	2 610.5	9 195.7	-53.5	-6 585.2	36 712.4	-9 230.9
	Mar	43 698.8	22 714.9	2 589.0	7 974.9	-161.1	-5 385.8	37 390.8	-6 044.3
	Apr	44 885.0	25 471.8	2 507.3	9 805.5	-173.2	-7 298.2	37 636.8	-5 471.1
	May	45 239.2	24 790.4	2 409.5	9 633.7	-186.2	-7 224.2	37 712.8	-5 964.1
	Jun	45 813.9	24 379.8	2 519.4	9 073.7	-126.6	-6 554.3	37 650.3	-6 567.0
	Jul	45 661.1	25 349.7	2 659.8	10 118.9	-142.5	-7 459.1	37 817.2	-6 098.7
	Aug	45 483.2	24 988.9	2 653.9	9 439.3	-166.2	-6 785.4	38 490.1	-6 342.4
	Sep	44 985.4	23 806.2	2 534.2	9 055.5	-175.7	-6 521.4	39 040.0	-6 378.7
	Oct	46 831.8	26 959.9	2 760.0	9 746.3	-194.0	-6 986.3	38 521.6	-7 563.9
	Nov	47 506.8	25 354.6	2 731.6	8 263.5	-207.1	-5 531.9	39 124.0	-8 223.2
	Dec	47 731.4	24 600.2	2 814.0	8 041.4	-130.2	-5 227.5	39 731.5	-8 459.9
2010	Jan	48 762.9	26 509.4	2 392.8	8 595.1	-143.5	-6 202.3	40 129.7	-8 555.8
	Feb	48 654.2	26 045.3	2 780.4	8 090.7	-183.2	-5 310.3	39 756.0	-7 953.8
	Mar	49 947.6	24 471.2	2 843.6	6 475.6	-201.6	-3 632.0	39 905.9	-8 757.4
	Apr	51 167.2	25 025.7	3 026.1	7 161.4	-214.5	-4 135.3	40 723.7	-8 169.4
	May	50 842.7	23 568.6	3 003.9	6 286.8	-218.1	-3 282.8	40 523.6	-8 369.6
	Jun	48 177.1	21 321.4	2 620.1	6 865.5	-125.9	-4 245.4	41 189.3	-8 976.2
	Jul	49 010.7	21 453.6	2 721.2	6 780.4	-135.6	-4 059.2	41 835.7	-9 868.7
	Aug	50 098.1	22 317.7	2 800.5	6 618.6	-172.1	-3 818.2	41 763.9	-9 766.5
	Sep	50 096.9	20 963.6	2 861.9	5 640.4	-173.5	-2 778.5	42 202.9	-9 860.7
	Oct	50 858.2	21 675.8	2 835.3	5 603.0	-198.2	-2 767.7	42 805.8	-9 225.3
	Nov	51 657.9	20 438.2	2 854.9	4 377.9	-209.4	-1 523.0	43 308.0	-9 670.5
	Dec	51 567.0	19 634.7	3 080.0	4 801.3	-132.4	-1 721.3	44 458.9	-8 771.0
2011	Jan	50 694.6	20 586.1	3 205.7	6 171.0	-104.4	-2 965.3	44 288.0	-8 796.9
	Feb	50 435.4	18 763.7	3 314.4	5 604.8	-124.9	-2 290.5	44 777.6	-8 962.4
	Mar	49 719.6	18 011.7	3 394.4	3 872.0	-138.4	- 477.6	44 726.8	-7 808.3
	Apr	50 354.8	19 531.7	3 876.0	5 840.4	-177.5	-1 964.4	43 950.1	-9 257.9
	May	51 026.4	19 112.3	4 473.2	5 698.4	-80.7	-1 225.3	43 899.4	-8 980.2
	Jun	50 814.2	18 185.5	4 865.3	6 640.3	-103.0	-1 775.0	44 712.3	-9 659.5
	Jul	51 959.4	20 128.1	5 054.1	7 003.7	-104.9	-1 949.5	44 674.8	-9 157.9
	Aug	54 182.8	19 428.3	5 392.8	5 738.6	-118.9	- 345.8	44 988.5	-10 842.9
	Sep	54 617.3	19 122.0	5 976.8	5 029.4	-111.3	947.4	45 607.1	-10 028.5
	Oct	55 678.5	21 138.8	6 314.5	6 429.7	-119.1	- 115.2	45 931.9	-10 482.5
	Nov	57 568.8	24 327.4	6 509.8	8 776.2	-71.1	-2 266.4	46 237.5	-12 229.7
	Dec	57 709.9	23 171.7	6 969.0	7 522.9	-132.2	- 553.9	46 919.3	-10 707.3
2012	Jan	54 711.5	22 576.5	6 833.5	10 270.5	-82.1	-3 436.9	47 484.3	-10 679.7
	Feb	55 979.1	20 354.0	6 780.6	8 874.3	-51.1	-2 093.7	47 856.0	-12 408.2
	Mar	57 183.4	19 353.5	6 717.8	6 672.7	-131.6	45.1	48 912.4	-8 832.2
	Apr	56 822.9	21 225.0	6 748.7	10 418.4	-126.7	-3 669.7	49 895.6	-12 574.5
	May	58 376.4	21 297.2	6 632.0	8 154.1	-116.6	-1 522.1	49 859.6	-12 414.6
	Jun	60 538.2	21 195.6	6 689.9	7 724.0	-80.6	-1 034.1	49 661.8	-14 474.1
	Jul	58 579.7	23 265.9	6 765.0	10 090.5	-80.6	-3 325.5	50 471.6	-12 218.5
	Aug	60 491.1	21 888.1	7 110.2	8 933.8	-80.6	-1 823.7	50 749.9	-13 767.8
	Sep	61 249.5	21 850.1	6 984.3	8 027.2	-80.6	-1 042.9	51 772.0	-12 825.8
	Oct	61 032.9	22 735.2	6 785.5	9 190.4	0.0	-2 404.9	52 392.8	-12 623.2
	Nov	60 891.8	21 308.7	6 825.9	9 184.8	0.0	-2 358.9	54 099.3	-12 771.1
	Dec	61 330.1	20 904.0	6 825.2	8 130.9	0.0	-1 305.6	54 465.3	-12 602.8
2013	Jan	62 120.7	25 798.9	6 877.7	11 033.1	0.0	-4 155.4	55 399.0	-11 816.5
	Feb	61 443.3	23 587.8	6 897.0	10 010.0	0.0	-3 112.9	55 241.1	-12 487.1
	Mar	60 954.6	21 356.4	7 078.2	8 186.5	0.0	-1 108.4	56 238.4	-12 294.5
	Apr	63 581.9	23 906.4	7 125.3	11 526.7	0.0	-4 401.4	56 772.5	-14 639.5
	May	64 054.5	23 281.9	7 071.1	9 489.9	0.0	-2 418.8	57 487.1	-14 947.4
	Jun	65 187.2	22 927.1	6 871.8	8 517.4	0.0	-1 645.6	58 451.4	-14 418.6
	Jul	66 119.1	25 835.0	6 931.1	10 287.5	0.0	-3 356.4	58 602.4	-14 956.6
	Aug	68 217.9	25 736.4	6 962.0	8 184.2	0.0	-1 222.2	58 988.3	-14 456.1
	Sep	67 978.0	23 272.0	7 325.9	6 479.0	0.0	846.9	59 466.5	-14 615.1
	Oct	70 057.2	27 146.5	7 230.8	7 976.7	0.0	- 746.0	60 162.1	-14 016.6
	Nov	69 381.9	24 692.2	7 251.9	6 367.9	0.0	884.0	61 530.1	-13 679.7
	Dec	68 957.8	23 471.8	7 340.6	7 071.2	0.0	269.4	62 597.1	-14 613.5

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Table II.8 Changes in determinants of money supply (end of period in N$ million)

			Determinants of money supply						
		Broad money supply (M2)	Net foreign assets (cumulative flow)	Claims on the Central Government				Claims on other sectors	Other items net
				Gross claims	Government deposits	Other liabilities	Net claims on Government		
2008	Jan	1 100.4	2 932.5	-382.8	-1 023.9	0.0	-1 406.8	285.0	-704.3
	Feb	1 806.9	182.0	-277.2	487.1	-15.9	209.9	978.5	436.5
	Mar	-685.9	230.9	95.2	306.3	0.0	401.5	211.8	-1 530.1
	Apr	756.5	1 659.3	25.4	-1 611.7	0.0	-1 586.3	447.4	304.7
	May	-11.5	-467.5	24.0	545.5	-0.1	569.5	-374.9	193.0
	Jun	224.4	-708.2	112.6	-189.4	-0.8	-76.8	546.0	463.2
	Jul	1 777.5	3 331.4	122.5	-1 657.0	0.0	-1 534.5	215.7	-244.0
	Aug	-1 600.8	-2 948.3	214.9	851.3	0.0	1,066.1	353.5	-63.1
	Sep	813.9	943.1	- 67.4	405.6	0.0	338.2	483.0	-950.4
	Oct	186.7	3 947.2	-86.1	-1 464.4	2.7	-1 550.5	52.3	-2 262.4
	Nov	507.2	-1 346.4	-144.9	1 227.3	0.0	1 082.5	127.0	644.2
	Dec	-442.4	-1 590.3	14.2	96.4	0.8	110.6	910.2	127.1
2009	Jan	18 784.4	12 135.3	74.8	2 195.6	10.7	-2 120.8	124.6	6 918.4
	Feb	-158.8	-890.8	-96.0	-269.3	-0.6	173.3	-22.4	166.1
	Mar	-4 168.2	-2 113.9	-21.5	-1 220.9	-107.6	1 199.4	678.4	3 186.5
	Apr	1 186.1	2 756.9	-81.8	1 830.6	-12.1	-1 912.4	246.0	573.2
	May	354.2	-681.3	-97.7	-171.8	-13.0	74.0	76.0	-493.0
	Jun	574.7	-410.7	109.9	-560.0	59.6	669.9	-62.6	-602.9
	Jul	-152.8	969.9	140.4	1 045.3	-16.0	-904.8	167.0	468.4
	Aug	-177.8	-360.9	-5.9	-679.6	-23.6	673.7	672.8	- 243.7
	Sep	-497.8	-1,182.6	-119.7	-383.7	-9.5	264.0	550.0	-36.3
	Oct	1 846.4	3 153.6	225.8	690.7	-18.4	-464.9	-518.5	-1,185.2
	Nov	675.0	-1,605.3	-28.4	-1,482.8	-13.1	1,454.4	602.5	-659.3
	Dec	224.6	-754.3	82.4	-222.1	76.9	304.4	607.5	-236.8
2010	Jan	1 031.5	1 909.2	-421.2	553.7	-13.3	-974.8	398.2	-95.8
	Feb	-108.7	-464.2	387.5	-504.4	-39.7	892.0	-373.7	601.9
	Mar	1 293.4	-1 574.1	63.3	-1,615.0	-18.3	1,678.3	149.8	-803.6
	Apr	1 219.6	554.5	182.4	685.8	-12.9	-503.3	817.8	588.0
	May	-324.5	-1,457.1	-22.1	-874.6	-3.6	852.5	-200.1	-200.1
	Jun	-2 665.5	-2 247.1	-383.8	578.7	92.2	-962.5	665.7	-606.6
	Jul	833.6	132.1	101.1	-85.1	-9.7	186.2	646.5	-892.5
	Aug	1 087.3	864.1	79.3	-161.7	-36.5	241.0	-71.8	102.2
	Sep	-1.2	-1,354.1	61.4	-978.2	-1.4	1,039.6	439.0	-94.2
	Oct	761.3	712.2	-26.5	-37.4	-24.8	10.8	602.9	635.4
	Nov	799.7	-1 237.6	19.6	-1 225.1	-11.2	1 244.7	502.2	-445.2
	Dec	-90.9	- 803.5	225.1	423.4	77.0	-198.3	1,150.9	899.5
2011	Jan	-872.4	951.4	125.7	1 369.7	27.9	-1 243.9	-170.9	-25.9
	Feb	-259.2	-1 822.3	108.6	-566.2	-20.4	674.8	489.6	-165.4
	Mar	- 715.8	- 752.0	80.1	-1 732.8	-13.5	1 812.9	-50.8	1 154.1
	Apr	635.3	1 520.0	481.5	1 968.3	-39.1	-1 486.8	-776.7	-1 449.6
	May	671.6	-419.4	597.2	-141.9	96.8	739.1	-50.7	277.7
	Jun	-212.2	-926.8	392.1	941.9	-22.4	-549.8	812.9	-679.3
	Jul	1 145.2	1 942.6	188.8	363.4	-1.9	-174.5	-37.5	501.6
	Aug	2 223.4	-699.8	338.7	-1 265.1	-13.9	1 603.7	313.7	-1685.0
	Sep	434.5	-306.3	583.9	-709.2	7.6	1 293.1	618.6	814.3
	Oct	1,061.2	2 016.8	337.7	1 400.3	-7.8	-1 062.6	324.8	-454.0
	Nov	1 890.2	3 188.7	195.3	2 346.5	47.9	-2 151.2	305.7	-1747.2
	Dec	141.1	-1 155.7	459.2	-1 253.3	-61.1	1,712.5	681.7	1522.4
2012	Jan	-2 998.4	-595.3	-135.5	2 747.6	50.1	-2 883.0	565.0	27.6
	Feb	1 267.6	-2 222.5	-52.9	-1 396.2	31.0	1 343.2	371.7	-1 728.5
	Mar	1 204.3	-1,000.4	-62.8	-2 201.6	-80.5	2 138.8	1 056.4	3 576.0
	Apr	-360.5	1 871.5	30.8	3 745.6	4.9	-3 714.8	983.3	-3742.3
	May	1 553.5	72.1	-116.7	-2 264.2	10.1	2 147.6	-36.0	159.9
	Jun	2,161.8	- 101.6	57.9	-430.1	36.1	488.0	-197.8	-2 059.5
	Jul	-1 958.6	2 070.4	75.1	2 366.4	-0.0	-2 291.3	809.8	2 255.5
	Aug	1 911.5	-1 377.8	345.2	-1 156.6	-0.0	1 501.8	278.3	-1 549.3
	Sep	758.3	-38.1	-125.8	-906.6	-0.0	780.8	1 022.1	942.0
	Oct	-216.6	885.1	-198.8	1 163.2	80.6	-1 362.0	620.8	202.6
	Nov	-141.1	-1 426.5	40.4	-5.6	0.0	46.0	1 706.5	-147.9
	Dec	438.4	-404.7	-0.7	-1 053.9	0.0	1 053.3	366.0	-20.3
2013	Jan	790.5	4,894.9	52.4	2 902.2	0.0	-2 849.8	933.7	786.4
	Feb	- 677.3	-2 211.1	19.4	-1 023.1	0.0	1 042.5	-157.8	- 670.6
	Mar	- 488.8	-2,231.4	181.1	-1 823.4	0.0	2 004.5	997.3	192.6
	Apr	2,627.3	2 550.0	47.1	3 340.2	0.0	-3 293.1	534.1	-2345.0
	May	472.7	-624.5	-54.2	-2 036.8	0.0	1 982.6	714.5	-307.8
	Jun	1,132.7	- 354.9	-199.2	-972.5	0.0	773.3	964.3	528.7
	Jul	931.8	2 908.0	59.2	1 770.1	0.0	-1 710.8	151.0	- 538.0
	Aug	2 098.8	- 98.6	30.9	-2 103.3	0.0	2 134.2	385.9	500.5
	Sep	-239.9	-2,464.4	363.9	-1,705.2	0.0	2,069.1	478.1	- 159.0
	Oct	2,079.2	3,874.5	-95.2	1 497.7	0.0	-1 592.9	695.6	598.5
	Nov	-675.3	-2 454.3	21.2	-1,608.9	0.0	1,630.0	1 368.0	336.8
	Dec	-424.0	-1,220.4	88.7	703.3	0.0	- 614.6	1,067.0	-933.7

Table II.9 Selected interest rates: Namibia and South Africa

		Prime lending rate		Average lending rate		Treasury bill rate (3 month)		Deposit rates		Bank rate	Repo rate
		Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA	Namibia	SA
2008	**Jan**	**15.25**	**14.50**	**14.01**	**14.50**	**9.70**	**10.37**	**8.13**	**10.82**	**10.50**	**11.00**
	Feb	15.25	14.50	14.18	14.50	9.24	10.24	8.23	10.32	10.50	11.00
	Mar	15.25	14.50	13.93	14.50	9.20	10.04	8.35	10.99	10.50	11.00
	Apr	15.25	15.00	13.14	14.82	9.15	10.46	8.14	11.05	10.50	11.50
	May	15.25	15.00	13.20	15.00	9.36	11.55	8.29	11.51	10.50	11.50
	Jun	15.25	15.50	13.49	15.29	10.19	11.38	8.33	11.20	10.50	12.00
	Jul	15.25	15.50	13.13	15.50	10.74	11.35	8.28	12.02	10.50	12.00
	Aug	15.25	15.50	13.80	15.50	10.79	11.16	8.40	11.91	10.50	12.00
	Sep	15.25	15.50	13.91	15.50	10.89	11.11	8.54	11.99	10.50	12.00
	Oct	15.25	15.50	13.99	15.50	11.22	10.93	8.70	12.00	10.50	12.00
	Nov	15.25	15.50	14.32	15.50	11.26	10.85	8.62	11.95	10.50	12.00
	Dec	14.75	15.00	13.74	15.21	11.29	10.77	8.60	11.61	10.00	11.50
2009	**Jan**	**14.75**	**15.00**	**12.96**	**15.00**	**11.16**	**10.66**	**8.27**	**11.32**	**10.00**	**11.50**
	Feb	13.75	14.00	13.84	14.17	10.90	9.22	8.46	10.49	9.00	10.50
	Mar	13.75	13.00	12.55	13.76	9.68	8.62	7.47	10.11	9.00	9.50
	Apr	12.75	13.00	11.35	13.00	9.33	8.28	6.84	9.43	8.00	9.50
	May	12.13	11.00	11.19	11.96	8.67	7.68	6.48	8.85	7.50	7.50
	Jun	11.56	11.00	10.21	11.00	7.63	7.23	5.78	8.29	7.00	7.50
	Jul	11.44	11.00	10.35	11.00	7.68	7.39	5.55	8.22	7.00	7.50
	Aug	11.44	10.50	9.75	10.70	7.48	7.16	5.35	8.00	7.00	7.00
	Sep	11.38	10.50	10.55	10.50	7.27	6.94	5.27	7.75	7.00	7.00
	Oct	11.31	10.50	9.91	10.50	7.34	6.95	5.15	7.68	7.00	7.00
	Nov	11.25	10.50	10.01	10.50	7.37	7.01	5.15	7.44	7.00	7.00
	Dec	11.25	10.50	10.75	10.50	7.42	7.07	5.11	7.40	7.00	7.00
2010	**Jan**	**11.25**	**10.50**	**9.95**	**10.50**	**7.38**	**7.11**	**5.31**	**7.31**	**7.00**	**7.00**
	Feb	11.25	10.50	10.15	10.50	7.26	7.08	5.27	7.42	7.00	7.00
	Mar	11.25	10.00	10.06	10.40	7.24	6.95	5.31	7.23	7.00	6.50
	Apr	11.25	10.00	9.60	10.00	7.02	6.59	5.12	7.10	7.00	6.50
	May	11.25	10.00	9.87	10.00	6.93	6.58	5.29	6.87	7.00	6.50
	Jun	11.25	10.00	9.78	10.00	6.92	6.54	5.06	6.88	7.00	6.50
	Jul	11.13	10.00	9.82	10.00	6.77	6.48	5.04	6.66	7.00	6.50
	Aug	11.13	10.00	9.60	10.00	6.59	6.42	4.88	6.60	7.00	6.50
	Sep	11.13	9.50	9.59	9.66	6.59	6.08	4.81	6.36	7.00	6.00
	Oct	10.94	9.50	9.66	9.50	6.37	5.97	4.84	6.17	6.75	6.00
	Nov	10.50	9.00	9.42	9.31	5.94	5.65	4.62	5.97	6.75	5.50
	Dec	9.75	9.00	9.14	9.00	5.68	5.59	4.41	6.37	6.00	5.50
2011	**Jan**	**9.75**	**9.00**	**8.65**	**9.00**	**5.64**	**5.54**	**4.29**	**6.05**	**6.00**	**5.50**
	Feb	9.75	9.00	8.93	9.00	5.68	5.53	4.07	5.98	6.00	5.50
	Mar	9.75	9.00	8.77	9.00	5.74	5.50	4.33	5.92	6.00	5.50
	Apr	9.75	9.00	8.72	9.00	6.95	5.46	4.27	5.85	6.00	5.50
	May	9.75	9.00	8.63	9.00	5.95	5.45	4.29	5.83	6.00	5.50
	Jun	9.75	9.00	8.74	9.00	5.96	5.46	4.29	5.82	6.00	5.50
	Jul	9.75	9.00	8.81	9.00	5.99	5.49	4.33	5.79	6.00	5.50
	Aug	9.75	9.00	8.65	9.00	5.70	5.49	4.28	5.75	6.00	5.50
	Sep	9.75	9.00	8.79	9.00	5.74	5.49	4.32	5.71	6.00	5.50
	Oct	9.75	9.00	8.60	9.00	5.83	5.49	4.34	5.67	6.00	5.50
	Nov	9.75	9.00	8.67	9.00	5.84	5.45	4.36	5.65	6.00	5.50
	Dec	9.75	9.00	8.80	9.00	5.86	5.47	4.22	5.65	6.00	5.50
2012	**Jan**	**9.75**	**9.00**	**8.68**	**9.00**	**5.89**	**5.47**	**4.29**	**5.74**	**6.00**	**5.50**
	Feb	9.75	9.00	8.92	9.00	5.93	5.50	4.32	5.70	6.00	5.50
	Mar	9.75	9.00	8.62	9.00	5.92	5.54	4.36	5.72	6.00	5.50
	Apr	9.75	9.00	8.84	9.00	5.92	5.57	4.32	5.71	6.00	5.50
	May	9.75	9.00	8.55	9.00	5.77	5.56	4.36	5.82	6.00	5.50
	Jun	9.75	9.00	8.88	9.00	5.81	5.58	4.27	5.54	6.00	5.50
	Jul	9.75	8.81	8.71	8.81	5.79	5.37	4.24	5.36	6.00	5.50
	Aug	9.25	8.50	8.64	8.50	5.54	5.05	4.09	5.22	5.50	5.00
	Sep	9.25	8.50	8.46	8.50	5.34	4.94	4.09	5.14	5.50	5.00
	Oct	9.25	8.50	8.60	8.50	5.45	4.94	4.09	5.12	5.50	5.00
	Nov	9.25	8.50	8.36	8.50	5.43	4.93	4.08	5.08	5.50	5.00
	Dec	9.25	8.50	8.57	8.50	5.53	4.99	4.00	5.09	5.50	5.00
2013	**Jan**	**9.25**	**8.50**	**8.35**	**8.50**	**5.71**	**5.06**	**4.12**	**5.09**	**5.50**	**5.00**
	Feb	9.25	8.50	8.22	8.50	5.68	5.04	3.99	5.08	5.50	5.00
	Mar	9.25	8.50	8.30	8.50	5.66	5.05	3.98	5.12	5.50	5.00
	Apr	9.25	8.50	8.23	8.50	5.49	5.12	4.02	5.13	5.50	5.00
	May	9.25	8.50	8.30	8.50	5.54	5.03	4.00	5.13	5.50	5.00
	Jun	9.25	8.50	8.26	8.50	5.72	5.12	4.04	5.14	5.50	5.00
	Jul	9.25	8.50	8.22	8.50	5.79	5.12	3.93	5.15	5.50	5.00
	Aug	9.25	8.50	8.32	8.50	5.73	5.09	3.98	5.13	5.50	5.00
	Sep	9.25	8.50	8.50	8.50	5.64	5.06	3.90	5.13	5.50	5.00
	Oct	9.25	8.50	8.11	8.50	5.63	5.04	3.81	5.14	5.50	5.00
	Nov	9.25	8.50	8.46	8.50	5.60	5.07	4.00	5.18	5.50	5.00
	Dec	9.25	8.50	8.20	8.50	5.64	5.14	3.96	5.22	5.50	5.00

Table III.1(a) Treasury bills auction - N$ million

	Period	Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
91 days	2012				
	Jan	250.0	211.8	-38.2	5.9
	Feb	250.0	394.5	144.5	5.9
	Mar	250.0	341.3	91.3	5.9
	Apr	200.0	327.0	127.0	5.9
	May	250.0	191.2	-58.8	5.9
	Jun	250.0	471.9	221.9	5.9
	Jul	200.0	396.9	196.9	5.9
	Aug	250.0	242.0	-8.0	5.5
	Sep	250.0	360.6	110.6	5.5
	Oct	200.0	344.0	144.0	5.5
	Nov	250.0	467.5	217.5	5.4
	Dec	250.0	278.0	28.0	5.5
	2013				
	Jan	200.0	326.4	126.4	5.7
	Feb	250.0	316.1	66.1	5.7
	Mar	250.0	414.3	164.3	5.5
	Apr	200.0	177.0	-23.0	5.5
	May	250.0	251.2	1.2	5.5
	June	250.0	250.3	0.3	5.7
	Jul	200.0	317.2	117.2	5.8
	Aug	250.0	557.1	307.1	5.7
	Sep	250.0	577.1	327.1	5.6
	Oct	200.0	315.4	115.4	5.6
	Nov	250.0	208.1	-41.9	5.6
	Dec	250.0	336.9	86.9	5.6
182 days	2012				
	Jan	250.0	254.1	4.1	6.0
	Feb	250.0	284.1	34.1	6.0
	Feb	250.0	522.4	272.4	6.1
	Mar	270.0	351.7	81.7	6.1
	Apr	250.0	540.6	290.6	6.1
	May	270.0	223.6	-46.4	6.1
	Jun	270.0	496.2	226.2	6.1
	Jun	250.0	609.7	359.7	5.9
	Jul	250.0	426.9	176.9	5.9
	Aug	250.0	371.9	121.9	5.5
	Aug	250.0	260.7	10.7	5.5
	Sep	270.0	614.5	344.5	5.5
	Oct	250.0	441.0	191.0	5.4
	Nov	270.0	559.4	289.4	5.5
	Nov	270.0	181.9	-88.2	5.5
	Dec	250.0	400.6	150.6	5.6
	2013				
	Jan	250.0	314.8	64.8	5.6
	Feb	250.0	436.2	186.2	5.5
	Feb	250.0	454.2	204.2	5.5
	Mar	270.0	306.0	36.0	5.5
	Apr	260.0	377.7	117.7	5.5
	May	270.0	139.1	-130.9	5.6
	May	190.0	214.4	24.4	5.8
	Jun	250.0	312.4	62.4	5.8
	Jul	260.0	274.3	14.3	5.8
	Aug	250.0	403.1	153.1	5.8
	Aug	250.0	476.0	226.0	5.7
	Sep	280.0	388.1	108.1	5.7
	Oct	260.0	546.3	286.3	5.6
	Nov	270.0	346.6	76.6	5.6
	Nov	200.0	297.5	97.5	5.6
	Dec	250.0	152.1	-97.9	5.7
273 days	2012				
	Jan	200.0	412.5	212.5	6.0
	Feb	200.0	475.2	275.2	6.1
	Mar	200.0	425.9	225.9	6.1
	Apr	150.0	300.9	150.9	6.1
	May	200.0	285.0	85.0	6.1
	Jun	200.0	480.0	280.0	6.0
	Jul	200.0	448.0	248.0	5.6
	Aug	200.0	210.6	10.6	5.7
	Oct	200.0	670.2	470.2	5.5
	Nov	200.0	415.0	215.0	5.5
	Dec	200.0	233.0	33.0	5.7
	2013				
	Jan	150.0	392.3	242.3	5.4
	Feb	200.0	407.7	207.7	5.5
	Mar	200.0	271.5	71.5	5.5
	Apr	210.0	327.5	117.5	5.6
	May	200.0	186.0	-14.0	5.6
	Jul	220.0	301.6	81.6	5.8
	Aug	210.0	397.1	187.1	5.8
	Sep	220.0	425.3	205.3	5.7
	Oct	160.0	460.4	300.4	5.7
	Nov	210.0	522.0	312.0	5.7
	Dec	220.0	225.7	5.7	5.9
365 days	2012				
	Jan	250.0	479.8	229.8	6.0
	Feb	250.0	378.0	128.0	6.1
	Mar	250.0	364.3	114.3	6.2
	Apr	250.0	361.0	111.0	6.2
	May	250.0	281.7	31.7	6.2
	May	200.0	276.1	76.1	6.3
	Jun	400.0	767.7	367.7	6.2
	Jun	250.0	712.8	462.8	6.1
	Jul	200.0	470.9	270.9	5.7
	Aug	220.0	483.6	263.6	5.6
	Sep	200.0	485.1	285.1	5.6
	Sep	220.0	514.1	294.1	5.6
	Oct	200.0	366.6	166.6	5.6
	Nov	250.0	398.7	148.7	5.5
	Nov	230.0	330.4	100.4	5.5
	Dec	200.0	275.1	75.1	5.6
	2013				
	Jan	250.0	539.2	289.2	5.5
	Feb	250.0	248.8	-1.2	5.5
	Mar	250.0	385.1	135.1	5.5
	Apr	270.0	441.2	171.2	5.6
	May	250.0	301.0	51.0	5.6
	May	220.0	274.1	54.1	5.7
	May	400.0	318.1	-81.9	5.8
	Jun	270.0	372.4	102.4	5.9
	July	220.0	343.9	123.9	5.9
	Aug	240.0	513.4	273.4	5.9
	Sep	220.0	393.5	173.5	5.9
	Sep	220.0	354.7	134.7	6.0
	Oct	220.0	339.4	119.4	6.0
	Nov	250.0	542.4	292.4	5.9
	Nov	250.0	479.3	229.3	5.9
	Dec	220.0	239.3	19.3	6.0

Table III.1 (b) Allotment of Government of Namibia Treasury Bills - N$ ‘000

Date issued	Date due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
2012									
Jan	04/12	190,000.0	0.0	190,000.0	11,200.0	0.0	600.0	201,800.0	7,833,800.0
Jan*	07/12	185,890.0	0.0	185,890.0	63,500.0	0.0	610.0	250,000.0	7,833,800.0
Jan***	10/12	158,340.0	0.0	158,340.0	41,660.0	0.0	0.0	200,000.0	7,833,800.0
Jan**	01/13	200,230.0	0.0	200,230.0	49,770.0	0.0	0.0	250,000.0	7,983,800.0
Feb	05/12	211,650.0	0.0	211,650.0	31,600.0	0.0	6,750.0	250,000.0	7,983,800.0
Feb*	08/12	221,000.0	0.0	221,000.0	29,000.0	0.0	0.0	250,000.0	7,983,800.0
Feb*	08/12	220,910.0		220,910.0	27,030.0	0.0	2,060.0	250,000.0	7,983,800.0
Feb***	11/12	199,770.0	0.0	199,770.0	230.0	0.0	0.0	200,000.0	7,983,800.0
Feb**	02/13	218,330.0	0.0	218,330.0	31,670.0	0.0	0.0	250,000.0	8,083,800.0
Mar	06/12	165,000.0	0.0	165,000.0	85,000.0	0.0		250,000.0	8,083,800.0
Mar*	09/12	226,270.0	0.0	226,270.0	42,190.0	0.0	1,540.0	270,000.0	8,083,800.0
Mar***	12/12	173,080.0	0.0	173,080.0	26,920.0	0.0		200,000.0	8,083,800.0
Mar**	03/13	190,000.0	0.0	190,000.0	60,000.0	0.0		250,000.0	8,133,800.0
Apr	07/12	183,200.0	0.0	183,200.0	16,200.0	0.0	600.0	200,000.0	8,132,000.0
Apr*	10/12	217,420.0	0.0	217,420.0	22,080.0	10,000.0	500.0	250,000.0	8,132,000.0
Apr***	01/13	129,140.0	0.0	129,140.0	20,620.0	0.0	240.0	150,000.0	8,132,000.0
Apr**	04/13	229,010.0	0.0	229,010.0	20,990.0	0.0		250,000.0	8,132,000.0
May	08/12	168,000.0	0.0	168,000.0	23,190.0	0.0		191,190.0	8,073,190.0
May*	11/12	185,000.0	0.0	185,000.0	38,100.0	0.0	540.0	223,640.0	8,026,830.0
May***	02/13	190,000.0	0.0	190,000.0	10,000.0	0.0		200,000.0	8,026,830.0
May**	05/13	219,310.0	0.0	219,310.0	30,690.0	0.0		250,000.0	8,076,830.0
May**	05/13	169,900.0	0.0	169,900.0	30,100.0	0.0	0.0	200,000.0	8,026,830.0
Jun	09/12	194,070.0	0.0	194,070.0	55,930.0	0.0	0.0	250,000.0	8,026,830.0
Jun*	11/12	223,810.0	0.0	223,810.0	45,610.0	0.0	580.0	270,000.0	8,026,830.0
Jun*	12/12	243,000.0	0.0	243,000.0	7,000.0	0.0	0.0	250,000.0	8,026,830.0
Jun***	03/13	170,000.0	10,000.0	180,000.0	20,000.0	0.0	0.0	200,000.0	8,026,830.0
Jun**	05/13	339,950.0	0.0	339,950.0	60,050.0	0.0	0.0	400,000.0	8,026,830.0
Jun**	06/13	143,060.0	0.0	143,060.0	106,010.0	0.0	930.0	250,000.0	8,026,830.0
Jul	10/12	155,130.0	0.0	155,130.0	44,870.0	0.0	0.0	200,000.0	8,026,830.0
Jul*	01/13	228,120.0	0.0	228,120.0	21,260.0	0.0	620.0	250,000.0	8,026,830.0
Jul***	04/13	187,000.0	0.0	187,000.0	13,000.0	0.0	0.0	200,000.0	8,026,830.0
Jul**	07/13	189,000.0	0.0	189,000.0	11,000.0	0.0	0.0	200,000.0	8,026,830.0
Aug	11/12	235,000.0	0.0	235,000.0	6,400.0	0.0	570.0	241,970.0	8,077,610.0
Aug*	02/13	229,340.0	0.0	229,340.0	20,660.0	0.0	0.0	250,000.0	8,077,610.0
Aug*	02/13	230,510.0	0.0	230,510.0	19,430.0	0.0	60.0	250,000.0	8,077,610.0
Aug***	05/13	164,440.0	0.0	164,440.0	35,560.0	0.0	0.0	200,000.0	8,077,610.0
Aug**	08/13	215,000.0	0.0	215,000.0	5,000.0	0.0	0.0	220,000.0	8,077,610.0
Sept	12/12	214,940.0	0.0	214,940.0	27,000.0	8,060.0	0.0	250,000.0	8,077,610.0
Sept*	03/13	208,130.0	0.0	208,130.0	60,310.0	0.0	1,560.0	270,000.0	8,077,610.0
Sept**	09/13	132,000.0	0.0	132,000.0	68,000.0	0.0	0.0	200,000.0	8,077,610.0
Sept**	09/13	202,870.0	0.0	202,870.0	17,130.0	0.0	0.0	220,000.0	8,077,610.0
Oct	01/13	146,150.0	0.0	146,150.0	53,850.0	0.0	0.0	200,000.0	8,077,610.0
Oct*	04/13	221,740.0	0.0	221,740.0	28,260.0	0.0	0.0	250,000.0	8,077,610.0
Oct***	07/13	191,890.0	0.0	191,890.0	8,110.0	0.0	0.0	200,000.0	8,077,610.0
Oct**	10/13	160,000.0	0.0	160,000.0	40,000.0	0.0	0.0	200,000.0	8,077,610.0
Nov	02/13	228,350.0	0.0	228,350.0	21,650.0	0.0	0.0	250,000.0	8,085,640.0
Nov*	05/13	190,570.0	40,000.0	230,570.0	38,880.0	0.0	550.0	270,000.0	8,132,000.0
Nov*	05/13	170,000.0	0.0	170,000.0	11,260.0	0.0	590.0	181,850.0	8,043,850.0
Nov***	08/13	175,000.0	25,000.0	200,000.0	0.0	0.0	0.0	200,000.0	8,043,850.0
Nov**	11/13	216,270.0	5,000.0	221,270.0	28,730.0	0.0	0.0	250,000.0	8,043,850.0
Nov**	11/13	226,490.0	0.0	226,490.0	3,510.0	0.0	0.0	230,000.0	8,041,850.0
Dec	03/13	225,000.0	0.0	225,000.0	25,000.0	0.0	0.0	250,000.0	8,041,850.0
Dec*	06/13	223,580.0	0.0	223,580.0	26,000.0	0.0	420.0	250,000.0	8,041,850.0
Dec***	09/13	187,000.0	0.0	187,000.0	13,000.0	0.0	0.0	200,000.0	8,041,850.0
Dec**	12/13	166,280.0	0.0	166,280.0	33,720.0	0.0	0.0	200,000.0	8,041,850.0
2013									
Jan	04/13	190,000.0	2,700.0	192,700.0	7,300.0	0.0	0.0	200,000.0	8,041,850.0
Jan*	07/13	186,180.0	10,000.0	196,180.0	53,200.0	0.0	620.0	250,000.0	8,041,850.0
Jan***	10/13	150,000.0	0.0	150,000.0	0.0	0.0	0.0	150,000.0	8,041,850.0
Jan**	01/14	250,000.0	0.0	250,000.0	0.0	0.0	0.0	250,000.0	8,041,850.0
Feb	05/13	159,320.0	5,000.0	164,320.0	85,680.0	0.0	0.0	250,000.0	8,041,850.0
Feb*	08/13	216,530.0	0.0	216,530.0	33,470.0	0.0	0.0	250,000.0	8,041,850.0
Feb*	08/13	222,420.0	0.0	222,420.0	27,580.0	0.0	0.0	250,000.0	8,041,850.0
Feb***	11/13	200,000.0	0.0	200,000.0	0.0	0.0	0.0	200,000.0	8,041,850.0
Feb**	01/14	225,000.0	0.0	225,000.0	23,760.0	0.0	0.0	248,760.0	8,040,610.0
Mar	06/13	218,730.0		218,730.0	31,270.0	0.0	0.0	250,000.0	8,040,610.0
Mar*	09/13	219,040.0	0.0	219,040.0	49,380.0	0.0	1,580.0	270,000.0	8,040,610.0
Mar***	12/13	143,460.0	0.0	143,460.0	56,540.0	0.0	0.0	200,000.0	8,040,610.0
Mar**	02/14	229,870.0	0.0	229,870.0	20,130.0	0.0	0.0	250,000.0	8,040,610.0
Apr	07/13	150,000.0	5,000.0	155,000.0	22,030.0	0.0	0.0	177,030.0	8,017,640.0
Apr*	10/13	253,300.0	0.0	253,300.0	6,700.0	0.0	0.0	260,000.0	8,027,640.0
Apr***	01/14	197,500.0	0.0	197,500.0	12,500.0	0.0	0.0	210,000.0	8,037,640.0
Apr**	04/14	268,830.0	0.0	268,830.0	1,170.0	0.0	0.0	270,000.0	8,057,640.0
May	08/13	228,770.0	5,000.0	233,770.0	16,230.0	0.0	0.0	250,000.0	8,057,640.0
May*	11/13	125,000.0	0.0	125,000.0	13,570.0	0.0	560.0	139,130.0	7,926,770.0
May*	11/13	155,560.0	0.0	155,560.0	33,940.0	0.0	500.0	190,000.0	7,934,920.0
May***	02/14	145,000.0	0.0	145,000.0	41,000.0	0.0	0.0	186,000.0	7,920,920.0
May**	05/14	213,980.0	0.0	213,980.0	36,020.0	0.0	0.0	250,000.0	7,920,920.0
May**	05/14	160,950.0	0.0	160,950.0	59,050.0	0.0	0.0	220,000.0	7,940,920.0
May**	05/14	270,000.0	0.0	270,000.0	48,130.0	0.0	0.0	318,130.0	7,859,050.0
Jun	09/13	214,680.0	0.0	214,680.0	30,060.0	5,260.0	0.0	250,000.0	7,859,050.0
Jun*	12/13	30,000.0	0.0	30,000.0	70,000.0	10,000.0	0.0	110,000.0	7,719,050.0
Jun**	06/14	62,500.0	0.0	62,500.0	206,520.0	0.0	980.0	270,000.0	7,739,050.0
Jul	10/13	162,770.0	0.0	162,770.0	37,230.0	0.0	0.0	200,000.0	7,762,020.0
Jul*	01/14	199,660.0	10,000.0	209,660.0	49,720.0	0.0	620.0	260,000.0	7,772,020.0
Jul***	04/14	181,400.0	10,000.0	191,400.0	28,600.0	0.0	0.0	220,000.0	7,792,020.0
Jul**	07/14	189,140.0	0.0	189,140.0	30,860.0	0.0	0.0	220,000.0	7,812,020.0
Aug	11/13	247,860.0	0.0	247,860.0	2,140.0	0.0	0.0	250,000.0	7,812,020.0
Aug*	01/14	250,000.0	0.0	250,000.0	0.0	0.0	0.0	250,000.0	7,812,020.0
Aug*	02/14	242,000.0	0.0	242,000.0	8,000.0	0.0	0.0	250,000.0	7,812,020.0
Aug***	05/14	197,800.0	0.0	197,800.0	12,200.0	0.0	0.0	210,000.0	7,822,020.0
Aug**	08/14	236,590.0	0.0	236,590.0	3,410.0	0.0	0.0	240,000.0	7,842,020.0
Sept	12/13	243,070.0	0.0	243,070.0	6,930.0	0.0	0.0	250,000.0	7,842,020.0
Sep*	03/14	247,950.0	0.0	247,950.0	32,050.0	0.0	0.0	280,000.0	7,852,020.0
Sep***	06/14	220,000.0	0.0	220,000.0	0.0	0.0	0.0	220,000.0	7,872,020.0
Sep**	05/14	220,000.0	0.0	220,000.0	0.0	0.0	0.0	220,000.0	7,892,020.0
Sep**	09/14	186,260.0	0.0	186,260.0	33,740.0	0.0	0.0	220,000.0	7,892,020.0
Oct	01/14	172,090.0	0.0	172,090.0	27,910.0	0.0	0.0	200,000.0	7,892,020.0
Oct*	04/14	255,000.0	5,000.0	260,000.0	0.0	0.0	0.0	260,000.0	7,892,020.0
Oct***	07/14	153,180.0	0.0	153,180.0	6,720.0	0.0	100.0	160,000.0	7,902,020.0
Oct**	10/14	144,690.0	0.0	144,690.0	75,310.0	0.0	0.0	220,000.0	7,922,020.0
Nov	01/14	160,100.0	0.0	160,100.0	48,010.0	0.0	0.0	208,110.0	7,880,130.0
Nov*	05/14	260,000.0	0.0	260,000.0	8,920.0	0.0	1,080.0	270,000.0	8,011,000.0
Nov*	05/14	192,550.0	0.0	192,550.0	7,450.0	0.0	0.0	200,000.0	8,021,000.0
Nov***	08/14	185,000.0	0.0	185,000.0	25,000.0	0.0	0.0	210,000.0	8,031,000.0
Nov**	11/14	177,600.0	0.0	177,600.0	71,880.0	0.0	520.0	250,000.0	8,031,000.0
Nov**	11/14	194,760.0	0.0	194,760.0	54,200.0	0.0	1,040.0	250,000.0	8,051,000.0
Dec	03/14	238,140.0	5,000.0	243,140.0	770.0	6,090.0	0.0	250,000.0	8,051,000.0
Dec*	05/14	130,000.0	5,000.0	135,000.0	17,100.0	0.0	0.0	152,100.0	8,093,100.0
Dec***	09/14	150,000.0	0.0	150,000.0	69,220.0	0.0	0.0	219,220.0	8,112,320.0
Dec**	12/14	190,000.0	0.0	190,000.0	29,500.0	0.0	500.0	220,000.0	8,132,320.0

*** 182 days**
**** 365 days**
***** 274 days**

Table III. 2 (a) Internal Registered Stock auction - N$ million

Bond (coupon rate)	Period	Offer	Amount Tendered	Surplus (+) Deficit (-)	Weighted YTM %
GC14 (7.50%)	2012				
	Jan	150.0	392.6	242.6	7.0
	Feb	150.0	348.2	198.2	7.0
	Mar	150.0	461.1	311.1	7.0
	Apr	60.0	111.0	51.0	6.7
	Jun	50.0	154.0	104.0	6.1
	Aug	50.0	107.3	57.3	6.1
	Oct	120.0	473.7	353.7	5.8
GC17 (8.00%)	2012				
	Jan	80.0	57.5	-22.5	8.5
	Feb	80.0	107.0	27.0	8.2
	Mar	80.0	122.0	42.0	8.5
	Apr	60.0	85.5	25.5	8.3
	Jun	60.0	116.3	56.3	7.7
	Aug	60.0	166.4	106.4	7.1
	Oct	120.0	349.6	229.6	6.7
	Nov	60.0	144.5	84.5	6.7
	2013				
	Jan	60.0	116.1	56.1	6.5
	Mar	60.0	253.4	193.4	6.6
	Apr	40.0	92.0	52.0	6.4
	May	40.0	51.2	11.2	6.4
	Jun	40.0	58.0	18.0	8.0
	Aug	40.0	130.5	90.5	7.5
	Aug	40.0	151.4	111.4	8.1
	Sep	40.0	29.6	-10.4	7.4
	Oct	40.0	127.0	87.0	7.0
	Nov	40.0	188.1	148.1	7.4
	Dec	40.0	99.0	59.0	7.5
GC18 (9.50%)	2012				
	Jan	80.0	117.2	37.2	8.72
	Feb	80.0	111.0	31.0	8.51
	Mar	80.0	203.0	123.0	8.7
	2013				
	Apr	40.0	148.3	108.3	6.8
	May	40.0	120.0	80.0	6.5
	Jun	40.0	98.4	58.4	7.8
	Jul	40.0	125.6	85.6	7.7
	Aug	40.0	219.5	179.5	7.7
	Sep	40.0	137.0	97.0	7.7
	Oct	40.0	209.0	169.0	7.4
	Nov	40.0	100.5	60.5	7.6
	Dec	40.0	175.3	135.3	8.0
GC21 (7.75%)	2012				
	Jan	20.0	30.3	10.3	8.91
	Feb	20.0	61.2	41.2	8.84
	Mar	20.0	107.5	87.5	9.0
	Apr	60.0	83.5	23.5	8.9
	Jun	60.0	61.8	1.8	8.6
	Aug	60.0	131.1	71.1	7.9
	Oct	120.0	136.8	16.8	7.7
	Nov	60.0	109.1	49.1	7.6
	2013				
	Jan	60.0	49.9	-10.1	7.28
	Mar	60.0	125.9	65.9	7.50
	Apr	10.0	22.5	12.5	7.03
	Jun	10.0	53.0	43.0	8.60
	Aug	10.0	36.5	26.5	8.90
	Oct	10.0	56.0	46.0	7.87
	Dec	10.0	36.0	26.0	8.42
GC24 (10.50%)	2012				
	Jan	20.0	65.0	45.0	9.4
	Oct	120.0	203.8	83.8	8.7
	2013				
	Apr	20.0	70.6	50.6	8.0
	May	20.0	28.7	8.7	7.8
	Jun	20.0	39.6	19.6	8.9
	Jul	20.0	68.1	48.1	8.8
	Aug	20.0	67.1	47.1	9.1
	Sep	20.0	71.0	51.0	9.0
	Oct	20.0	85.0	65.0	8.7
	Nov	20.0	83.0	63.0	8.9
	Dec	20.0	104.0	84.0	9.2
GC25 (8.50%)	2013				
	Aug	30.0	72.7	42.7	9.1
	Aug	30.0	68.6	38.6	9.4
	Sep	30.0	21.0	-9.0	8.8
	Oct	30.0	100.0	70.0	8.5
	Nov	30.0	68.0	38.0	9.0
	Dec	30.0	54.1	24.1	9.0
GC27 (8.00%)	2012				
	Jan	20.0	25.0	5.0	9.5
	May	30.0	46.3	16.3	9.3
	Jul	30.0	74.9	44.9	8.5
	Sep	30.0	65.2	35.2	8.6
	Oct	110.0	91.9	-18.1	8.8
	Dec	30.0	13.2	-16.8	8.6
	2013				
	Feb	30.0	8.8	-21.3	0.0
	Apr	20.0	24.7	4.7	8.2
	May	20.0	5.5	-14.5	0.0
	Jun	20.0	30.0	10.0	9.0
	Jul	20.0	25.6	5.6	9.0
	Aug	20.0	11.5	-8.5	9.4
	Sep	20.0	25.1	5.1	9.2
	Oct	20.0	76.0	56.0	9.0
	Nov	20.0	61.0	41.0	9.2
	Dec	20.0	57.0	37.0	9.4
GC30 (8.00%)	2012				
	Jan	10.0	26.1	16.1	10.0
	May	30.0	8.2	-21.8	10.0
	June	30.0	48.0	18.0	9.1
	Sep	30.0	81.8	51.8	9.2
	Oct	110.0	155.9	45.9	9.4
	Dec	30.0	7.9	-22.1	9.2
	2013				
	Feb	30.0	12.9	-17.2	9.1
	Apr	15.0	5.6	-9.4	8.5
	May	15.0	8.6	-6.4	8.8
	June	15.0	22.6	7.6	9.8
	Aug	15.0	25.0	10.0	9.8
	Aug	15.0	12.1	-2.9	10.2
	Sep	15.0	9.0	-6.0	9.6
	Oct	15.0	12.3	-2.7	9.5
	Nov	15.0	43.5	28.5	10.0
	Dec	15.0	10.5	-4.5	10.0
GC32 (9.00%)	2013				
	Aug	10.0	13.6	3.6	10.0
	Aug	10.0	8.5	-1.5	10.3
	Sep	10.0	2.0	-8.0	9.9
	Oct	10.0	16.2	6.1	9.8
	Nov	10.0	13.1	3.1	10.0
	Dec	10.0	20.6	10.6	10.2
GC35 (9.50%)	2013				
	Jul	10.0	20.6	10.6	10.0
	Sep	10.0	5.0	-5.0	0.0
	Nov	10.0	28.5	18.5	10.3

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Table III.2 (b) Allotment of Government of Namibia Internal Registered Stock - N$ '000

Date issued	Date due	Coupon rate	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-bank Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
2012										
Jan	07/14	7.50	50,000.0		50,000.0	100,000.0	0.0		150,000.0	8,297,420.0
Jan	10/17	8.00	32,500.0	0.0	32,500.0	25,000.0	0.0	0.0	57,500.0	8,354,920.0
Jan	07/18	9.50	28,500.0	0.0	28,500.0	51,500.0	0.0	0.0	80,000.0	8,434,920.0
Jan	10/21	7.75	12,100.0	0.0	12,100.0	7,900.0	0.0	0.0	20,000.0	8,454,920.0
Jan	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	8,474,920.0
Jan	01/27	8.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	8,484,920.0
Jan	01/30	8.00	100.0	0.0	100.0	9,900.0	0.0	0.0	10,000.0	8,494,920.0
Feb	07/14	7.50	121,000.0	0.0	121,000.0	9,000.0	20,000.0	0.0	150,000.0	8,644,920.0
Feb	10/17	8.00	10,000.0	0.0	10,000.0	16,000.0	10,000.0	0.0	36,000.0	8,680,920.0
Feb	07/18	9.50	40,000.0	0.0	40,000.0	17,500.0	20,000.0	2,500.0	80,000.0	8,760,920.0
Feb	10/21	7.75	7,000.0	0.0	7,000.0	13,000.0	0.0	0.0	20,000.0	8,780,920.0
Feb	10/24	10.50	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8,780,920.0
Feb	01/27	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8,780,920.0
Feb	01/30	8.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8,780,920.0
Mar	07/14	7.50	114,000.0	0.0	114,000.0	36,000.0	0.0	0.0	150,000.0	8,930,920.0
Mar	10/17	8.00	35,000.0	42,000.0	77,000.0	0.0	3,000.0	0.0	80,000.0	9,010,920.0
Mar	07/18	9.50	34,000.0	46,000.0	80,000.0	0.0	0.0	0.0	80,000.0	9,090,920.0
Mar	10/21	7.75	8,330.0	0.0	8,330.0	11,670.0	0.0	0.0	20,000.0	9,110,920.0
Apr	07/14	7.50	54,830.0	0.0	54,830.0	5,170.0	0.0	0.0	60,000.0	9,170,920.0
Apr	10/17	8.00	26,500.0	0.0	26,500.0	33,500.0	0.0	0.0	60,000.0	9,230,920.0
Apr	10/21	7.75	34,500.0	0.0	34,500.0	25,500.0			60,000.0	9,290,920.0
May	01/27	8.00	4,000.0	0.0	4,000.0	26,000.0	0.0	0.0	30,000.0	9,320,920.0
May	01/30	8.00	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	9,350,920.0
Jun	07/14	7.50	50,000.0	0.0	50,000.0	0.0	0.0	0.0	50,000.0	9,400,920.0
Jun	10/17	8.00	29,500.0	25,000.0	54,500.0	450.0	0.0	5,050.0	60,000.0	9,460,920.0
Jun	10/21	7.75	42,250.0	0.0	42,250.0	3,500.0	0.0	0.0	45,750.0	9,506,670.0
Jul	01/27	8.00	28,350.0	0.0	28,350.0	1,500.0	0.0	0.0	29,850.0	9,536,520.0
Jul	01/30	8.00	9,040.0	0.0	9,040.0	17,000.0	0.0	0.0	26,040.0	9,562,560.0
Aug	07/14	7.50	31,540.0	0.0	31,540.0	18,460.0	0.0	0.0	50,000.0	9,612,560.0
Aug	10/17	8.00	11,170.0	0.0	11,170.0	36,450.0	10,000.0	2,380.0	60,000.0	9,672,560.0
Aug	10/21	7.75	37,000.0	0.0	37,000.0	3,000.0	20,000.0	0.0	60,000.0	9,732,560.0
Sep	01/27	8.00	6,780.0	0.0	6,780.0	23,000.0	0.0	220.0	30,000.0	9,762,560.0
Sep	01/30	8.00	29,200.0	0.0	29,200.0	0.0	0.0	800.0	30,000.0	9,792,560.0
Oct	07/14	7.50	60,000.0	0.0	60,000.0	60,000.0	0.0	0.0	120,000.0	9,912,560.0
Oct	10/17	8.00	9,570.0	0.0	9,570.0	110,430.0	0.0	0.0	120,000.0	10,032,560.0
Oct	10/21	7.75	65,760.0	0.0	65,760.0	54,240.0	0.0	0.0	120,000.0	10,152,560.0
Oct	10/24	10.50	55,500.0	0.0	55,500.0	64,500.0	0.0	0.0	120,000.0	10,272,560.0
Oct	01/27	8.00	71,500.0	0.0	71,500.0	20,400.0	0.0	0.0	91,900.0	10,364,460.0
Oct	01/30	8.00	52,000.0	0.0	52,000.0	58,000.0	0.0	0.0	110,000.0	9,094,960.0
Nov	10/17	8.00	1,510.0	10,000.0	11,510.0	32,610.0	14,760.0	1,120.0	60,000.0	9,154,960.0
Nov	07/21	7.75	8,000.0	30,000.0	38,000.0	21,150.0	0.0	850.0	60,000.0	9,214,960.0
Dec	01/27	8.00	1,200.0	0.0	1,200.0	12,000.0		0.0	13,200.0	9,228,160.0
Dec	01/30	8.00	2,000.0	0.0	2,000.0	2,500.0	0.0	3,360.0	7,860.0	9,236,020.0
2013										
Jan	10/17	8.00	21,720.0	0.0	21,720.0	36,900.0	0.0	1,380.0	60,000.0	9,296,020.0
Jan	10/21	7.75	3,000.0	30,000.0	33,000.0	16,940.0	0.0	0.0	49,940.0	9,345,960.0
Feb	01/30	8.00	1,000.0	0.0	1,000.0	5,600.0	0.0		6,600.0	9,352,560.0
Mar	10/17	8.00	15,000.0	0.0	15,000.0	45,000.0	0.0	0.0	60,000.0	9,412,560.0
Mar	10/21	7.75	20,000.0	14,060.0	34,060.0	22,930.0	3,010.0	0.0	60,000.0	9,472,560.0
Apr	10/17	8.00	30,000.0	0.0	30,000.0	10,000.0	0.0	0.0	40,000.0	9,512,560.0
Apr	07/18	9.50	35,000.0	0.0	35,000.0	5,000.0	0.0	0.0	40,000.0	9,552,560.0
Apr	10/21	7.75	8,000.0	0.0	8,000.0	2,000.0	0.0	0.0	10,000.0	9,562,560.0
Apr	10/24	10.50	5,000.0	0.0	5,000.0	15,000.0	0.0	0.0	20,000.0	9,582,560.0
Apr	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	9,602,560.0
Apr	01/30	8.00	0.0	0.0	0.0	5,000.0	0.0	0.0	5,000.0	9,607,560.0
May	10/17	8.00	23,850.0	0.0	23,850.0	16,000.0	0.0	150.0	40,000.0	9,647,560.0
May	07/18	9.50	22,000.0	0.0	22,000.0	18,000.0	0.0	0.0	40,000.0	9,687,560.0
May	10/24	10.50	2,300.0	0.0	2,300.0	17,700.0	0.0	0.0	20,000.0	9,707,560.0
May	01/30	8.00	0.0	0.0	0.0	5,010.0	0.0	570.0	5,580.0	9,713,140.0
Jun	10/17	8.00	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	9,753,140.0
Jun	07/18	9.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	9,793,140.0
Jun	10/21	7.75	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	9,803,140.0
Jun	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	9,823,140.0
Jun	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	9,843,140.0
Jun	01/30	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	9,858,140.0
Jul	07/18	9.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	9,898,140.0
Jul	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	9,918,140.0
Jul	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	9,938,140.0
Jul	01/30	8.00	6,500.0	0.0	6,500.0	3,500.0	0.0	0.0	10,000.0	9,948,140.0
Aug	07/17	8.00	26,720.0	0.0	26,720.0	13,000.0	0.0	280.0	40,000.0	9,988,140.0
Aug	07/17	8.00	10,000.0	10,000.0	20,000.0	20,000.0	0.0	0.0	40,000.0	10,028,140.0
Aug	07/18	9.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	10,068,140.0
Aug	10/21	7.75	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	10,078,140.0
Aug	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,098,140.0
Aug	04/25	8.50	0.0	0.0	0.0	29,950.0	0.0	50.0	30,000.0	10,128,140.0
Aug	04/25	8.50	29,850.0	0.0	29,850.0	0.0	0.0	150.0	30,000.0	10,158,140.0
Aug	01/27	8.00	11,500.0	0.0	11,500.0	0.0	0.0	0.0	11,500.0	10,169,640.0
Aug	01/30	8.00	1,600.0	0.0	1,600.0	10,500.0	0.0	0.0	12,100.0	10,181,740.0
Aug	01/30	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	10,196,740.0
Aug	04/32	9.00	5,000.0	0.0	5,000.0	5,000.0	0.0	0.0	10,000.0	10,206,740.0
Aug	04/32	9.00	1,500.0	0.0	1,500.0	7,000.0	0.0	0.0	8,500.0	10,215,240.0
Sep	07/17	8.00	0.0	0.0	0.0	19,000.0	0.0	0.0	19,000.0	10,234,240.0
Sep	07/18	9.50	21,000.0	0.0	21,000.0	19,000.0	0.0	0.0	40,000.0	10,274,240.0
Sep	10/24	10.50	4,000.0	0.0	4,000.0	16,000.0	0.0	0.0	20,000.0	10,294,240.0
Sep	04/25	8.50	2,000.0	0.0	2,000.0	19,000.0	0.0	0.0	21,000.0	10,315,240.0
Sep	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,335,240.0
Sep	01/30	8.00	1,000.0	0.0	1,000.0	8,000.0	0.0	0.0	9,000.0	10,344,240.0
Oct	07/17	8.00	16,000.0	0.0	16,000.0	24,000.0	0.0	0.0	40,000.0	10,384,240.0
Oct	07/18	9.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	10,424,240.0
Oct	10/21	7.75	3,000.0	0.0	3,000.0	7,000.0	0.0	0.0	10,000.0	10,434,240.0
Oct	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,454,240.0
Oct	04/25	8.50	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	10,484,240.0
Oct	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,504,240.0
Oct	01/30	8.00	2,500.0	0.0	2,500.0	9,800.0	0.0	0.0	12,300.0	10,516,540.0
Oct	04/32	9.00	2,500.0	0.0	2,500.0	6,950.0	0.0	550.0	10,000.0	10,526,540.0
Oct	07/35	9.50	0.0	0.0	0.0		0.0	0.0	0.0	10,526,540.0
Nov	07/17	8.00	15,000.0	0.0	15,000.0	24,880.0	0.0	120.0	40,000.0	10,566,540.0
Nov	07/18	9.50	11,500.0	0.0	11,500.0	28,500.0	0.0	0.0	40,000.0	10,606,540.0
Nov	10/21	7.75	0.0	0.0	0.0	19,900.0	0.0	100.0	20,000.0	10,626,540.0
Nov	04/25	8.50	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	10,656,540.0
Nov	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,676,540.0
Nov	01/30	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	10,691,540.0
Nov	04/32	9.00	0.0	0.0	0.0	8,930.0	0.0	1,070.0	10,000.0	10,701,540.0
Nov	07/35	9.50	6,000.0	0.0	6,000.0	4,000.0	0.0	0.0	10,000.0	10,711,540.0
Dec	07/17	8.00	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	10,751,540.0
Dec	07/18	9.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	10,791,540.0
Dec	10/21	7.75	2,000.0	0.0	2,000.0	8,000.0	0.0	0.0	10,000.0	10,801,540.0
Dec	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,821,540.0
Dec	04/25	8.50	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	10,851,540.0
Dec	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,871,540.0
Dec	01/30	8.00	2,000.0	0.0	2,000.0	7,500.0	0.0	0.0	9,500.0	10,881,040.0
Dec	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0		10,000.0	10,891,040.0

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Table III.3: Central Government revenue and expenditure - N$ million

				Estimates	Projections			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
REVENUE								
Tax on income and profits	8,136.6	9,910.4	11,597.2	14,536.7	13,924.4	21,182.3	23,876.5	27,369.8
Taxes on properties	221.9	138.5	233.5	288.5	243.8	274.1	302.9	335.2
Domestic taxes on goods and services	5,162.3	5,284.7	8,009.5	6,438.7	8,436.9	9,366.6	9,952.5	10,898.3
Tax on international trade (SACU)	8,585.2	5,975.9	7,137.0	13,795.8	14,726.6	18,116.6	20,336.2	22,564.0
Other taxes	166.7	208.4	210.8	259.6	222.0	273.6	325.8	342.7
Total tax revenue	**22,272.7**	**21,518.0**	**27,187.9**	**35,319.2**	**37,553.7**	**49,213.2**	**54,793.9**	**61,509.9**
Total non-tax revenue	**1,568.5**	**1,697.9**	**2,550.7**	**2,646.6**	**2,374.9**	**3,245.9**	**3,716.8**	**4,371.5**
Return on capital from lending & equity partc.	**4.6**	**4.2**	**4.8**	**4.2**	**20.3**	**6.4**	**7.3**	**8.3**
Total revenue (own sources)	**23,845.8**	**23,220.1**	**29,743.3**	**37,970.0**	**39,948.9**	**52,465.5**	**58,517.9**	**65,889.7**
Grants	200.8	23.5	178.7	16.8	192.6	7.1	180.3	184.3
TOTAL REVENUE AND GRANTS	**24,046.6**	**23,243.6**	**29,922.1**	**37,986.9**	**40,141.5**	**52,472.5**	**58,698.2**	**66,073.9**
EXPENDITURE								
Operational expenditure	**19,411.0**	**22,411.0**	**28,389.7**	**31,045.0**	**37,183.6**	**48,108.2**	**50,471.4**	**54,128.0**
Of which Statutory expenditure	1,350.3	998.7	1,390.9	2,312.3	2,246.2	2,517.4	3,131.5	3,616.9
Interest Payments	1,196.4	965.5	1,130.3	2,110.3	2,244.2	2,515.4	3,129.5	3,614.9
Domestic Interest Payments	1,063.0	880.2	1,058.5	1,810.7	1,845.2	2,049.1	2,568.7	2,995.8
Foreign Interest Payments	133.3	85.3	71.9	299.6	399.1	466.3	560.8	619.0
Other statotory	154.0	33.2	260.6	202.0	2.0	2.0	2.0	2.0
Development expenditure	**4,147.6**	**4,143.1**	**6,962.1**	**6,715.7**	**8,146.7**	**9,578.5**	**10,489.5**	**11,737.7**
TOTAL EXPENDITURE	**24,908.9**	**27,552.7**	**36,742.7**	**40,073.0**	**47,576.5**	**60,204.0**	**64,092.3**	**69,482.5**
BUDGET BALANCE	**-862.4**	**-4,309.1**	**-6,820.6**	**-2,086.1**	**-7,435.0**	**-7,731.5**	**-5,394.1**	**-3,408.6**
Domestic Debt Stock	**8,875.0**	**10,639.5**	**17,245.0**	**17,573.2**	**21,686.1**	**24,464.3**	**28,531.9**	**30,440.4**
Foreign Debt Stock (est.)	**3,000.0**	**3,253.9**	**7,682.0**	**9,976.4**	**10,699.4**	**14,019.2**	**15,475.6**	**16,132.1**
TOTAL DEBT	**11,875.0**	**13,893.4**	**24,927.0**	**27,549.6**	**32,385.5**	**38,483.5**	**44,007.5**	**46,572.5**

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Table IV.A Major balance of payments aggregates (a) (N$ million)

	2009	2010	2011(p)	2012p)	2013p)
Merchandise trade balance	**-10,340**	**-8,187**	**-8,199**	**-17,753**	**-19,196**
Exports fob	26,274	29,364	31,944	35,835	44,809
Imports fob	-36,614	-37,551	-40,143	-53,588	-64,005
Services (net)	**596**	**-348**	**-276**	**-166**	**-2,258**
Credit	5,446	4,982	5,375	5,558	5,489
Debit	-4,850	-5,330	-5,651	-5,724	-7,747
Compensation of employees (net)	**-34**	**-112**	**-102**	**-56**	**-55**
Credit	67	67	67	67	67
Debit	-101	-178	-168	-123	-121
Investment income (net)	**-1,539**	**-3,661**	**-2,784**	**-3,008**	**-1,136**
Credit	1,935	1,239	1,624	1,421	1,822
Debit	-3,474	-4,900	-4,408	-4,429	-2,958
Current transfers in cash and kind (net)	**10,042**	**8,888**	**8,340**	**12,977**	**15,216**
Credit	10,670	9,525	8,909	13,838	16,218
Debit	-628	-636	-569	-861	-1,002
Current Account Balance	**-1284**	**-3,424**	**-3,025**	**-8,010**	**-7,433**
Net capital transfers	**558**	**808**	**1,353**	**1,218**	**1,246**
Credit	628	878	1,426	1,293	1,321
Debit	-70	-70	-74	-75	-75
Direct investment	**4,448**	**5,773**	**5,886**	**7,125**	**6,829**
Abroad	24	-33	-39	52	79
In Namibia	4,424	5,806	5,925	7,073	6,750
Portfolio investment	**-5,201**	**-4,633**	**224**	**-4,480**	**-4,476**
Assets	-5,244	-4,675	-3,747	-5,404	-4,639
Liabilities	44	42	3,971	924	163
Other investment - long term	**4,719**	**490**	**1,997**	**321**	**4,993**
Assets	143	200	-25	239	329
Liabilities	4,576	290	2,022	83	4,663
Other investment - short term	**-1,381**	**-541**	**-890**	**2,298**	**-1,451**
Assets	-1,438	451	-359	1,972	-1,958
Liabilities	57	-993	-531	326	507
Capital and financial account excluding reserves	**3,144**	**1,897**	**8,571**	**6,482**	**7,142**
Net errors and omissions	**-838**	**-2,267**	**-1,432**	**1,759**	**888**
Overall balance	**1,022**	**-3,794**	**4,114**	**231**	**598**
Reserve assets (including valuation adjustment)	**-1,022**	**3,794**	**-4,114**	**-231**	**-598**

(a) Debit (negative) entries are used to record import of goods and services, investment income payable, the counterpart to transfers received from non-residents, and a deficit. Credit (positive) entries record exports of goods and services, income receivable, the counterpart to transfers made to non-residents, and a surplus.

(p) Provisional

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Table IV.B Supplementary table: balance of payments-services (N$ million)

	2009	2010	2011 (p)	2012 (p)	2013 (p)
Net	**596**	**-348**	**-276**	**-166**	**-2,258**
Credit	**5,446**	**4,982**	**5,375**	**5,558**	**5,489**
Transportation	973	995	1,058	1,075	1,081
Travel	3,374	3,206	3,751	3,981	3,945
Insurance	24	42	43	9	8
Communication	105	105	107	108	98
Construction	0	0	0	0	0
Financial	21	17	21	24	45
Computer and information	11	9	4	3	3
Royalties and license fees	0	0	0	0	0
Administrative and business	2	0	1	1	1
Professional and technical	6	35	61	18	39
Others, not included elsewhere	795	435	191	202	133
Government	136	136	136	136	136
Debit	**-4,850**	**-5,330**	**-5,651**	**-5,724**	**-7,747**
Transportation	-1,640	-1,674	-1,839	-2,429	-3,295
Travel	-1,007	-1,061	-1,501	-1,259	-1,225
Insurance	-142	-240	-245	-168	-126
Communication	-2	-1	-2	-2	-1
Construction	-830	-385	-293	-47	-528
Financial	-3	-115	-24	-19	-42
Computer and information	-249	-230	-223	-210	-279
Royalties and license fees	-47	-56	-52	-38	-40
Administrative and business	-208	-360	-691	-216	-298
Professional and technical	-380	-750	-458	-712	-839
Others, not included elsewhere	-283	-398	-264	-566	-1,015
Government	-59	-59	-59	-59	-59

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Table IV.C Supplementary table: balance of payments- investment income (N$ million)

	2009	2010	2011 (p)	2012 (p)	2013 (p)
Compensation of employees, net	**-34**	**-112**	**-102**	**-56**	**-55**
Credit	67	67	67	67	67
Debit	-101	-178	-168	-123	-121
Investment income, net	**-1,539**	**-3,661**	**-2,784**	**-3,008**	**-1,136**
Credit	**1,935**	**1,239**	**1,624**	**1,421**	**1,822**
Direct investment	2	18	-7	-57	11
Portfolio investment	1,484	1,054	1,429	1,267	1,586
Other investment	449	166	202	211	224
Debit	**-3,474**	**-4,900**	**-4,408**	**-4,429**	**-2,958**
Direct investment	-3,071	-4,594	-4,074	-3,269	-2,241
Portfolio investment	-170	-170	-170	-170	-178
Other investment	-233	-136	-164	-990	-538

Table IV.D Supplementary table : balance of payments- transfers (N$ million)

	2009	2010	2011 (p)	2012 (p)	2013 (p)
Net current transfers	**10,042**	**8,888**	**8,340**	**12,977**	**15,216**
Credit	**10,670**	**9,525**	**8,909**	**13,838**	**16,218**
Government	10,503	9,379	8,757	13,670	16,026
Grants from foreign governments, etc	1,624	2,229	1,751	1,201	1,221
SACU receipts	8,564	6,861	6,638	12,131	14,494
Witholding taxes	168	143	212	174	147
Other transfers received	146	147	156	164	164
Private	168	145	153	167	193
Grants received by NGO's	46	24	32	46	71
Other transfers received	121	121	121	121	121
Debit	**-628**	**-636**	**-569**	**-861**	**-1,002**
Government	-601	-609	-542	-834	-975
Grants to foreign governments, etc	-17	-17	-17	-17	-17
SACU receipts	-584	-592	-525	-817	-958
Witholding taxes	0	0	0	0	0
Other transfers	0	0	0	0	0
Private	-27	-27	-27	-27	-27
Grants received by NGO's	0	0	0	0	0
Other transfers received	-27	-27	-27	-27	-27
Net capital transfers	**558**	**808**	**1,353**	**1,218**	**1,246**
Credit	**628**	**878**	**1,426**	**1,293**	**1,321**
Government	602	852	1,400	1,267	1,295
Private	26	26	26	26	26
Debit	**-70**	**-70**	**-74**	**-75**	**-75**
Government	-66	-66	-70	-71	-71
Private	-3	-3	-3	-3	-3

Table IV.E Supplementary table: balance of payments-direct investment (N$ million)

	2009	2010	2011 (p)	2012 (p)	2013 (p)
Direct investment abroad	**24**	**-33**	**-39**	**52**	**79**
Equity capital	2	-21	-31	7	57
Reinvested earnings	10	-9	18	64	30
Other capital	12	-3	-25	-19	-7
Direct investment in Namibia	**4,424**	**5,806**	**5,925**	**7,073**	**6,750**
Equity capital	275	66	220	4,109	13,804
Reinvested earnings	1,375	3,256	1,895	1,363	1,209
Other capital	2,774	2,484	3,809	1,601	-8,262

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Table IV.F Supplementary table: balance of payments-portfolio investment (N$ million)

	2009	2010	2011(p)	2012(p)	2013(p)
Portfolio investment, net	**-5,201**	**-4,633**	**224**	**-4,480**	**-4,476**
Equity	**-4,536**	**-2,771**	**-2,146**	**-1,070**	**-1,831**
Assets	-4,567	-2,802	-2,177	-1,102	-1,954
Liabilities	31	31	31	31	123
Debt	**-665**	**-1,862**	**2,370**	**-3,410**	**-2,645**
Assets	-677	-1,873	-1,570	-4,302	-2,685
Liabilities	13	10	3,940	893	40

Table IV.G Supplementary table: balance of payments-other investment (N$ million)

	2009	2010	2011 (p)	2012 (p)	2013 (p)
Long-term, net	**4,719**	**490**	**1,997**	**321**	**4,993**
General Government	-99	128	221	-64	-8
Assets	-40	-40	-40	-40	-40
Liabilities	-59	168	260	-24	32
Of which: Drawings	-59	168	260	-24	32
Repayments	521	381	413	224	304
Monetary authorities	3,089	-497	275	120	307
Assets	80	-132	-109	61	-69
Liabilities	3,009	-364	384	59	375
Banks	-454	22	13	-2	-53
Assets	18	21	13	-2	-53
Liabilities	-471	1	0	0	0
Other sectors	2,182	836	1,489	267	4,746
Assets	85	351	111	219	490
Liabilities	2,098	485	1,378	48	4,256
Short-term, net	**-1,381**	**-541**	**-890**	**2,298**	**-1,451**
General Government	0	0	0	0	0
Assets	0	0	0	0	0
Liabilities	0	0	0	0	0
Banks	-1,510	-361	-318	3,714	-1,523
Assets	-1,510	119	-259	2,203	-2,182
Liabilities	0	-480	-60	1,511	659
Other sectors	129	-180	-571	-1,416	72
Assets	72	332	-100	-231	224
Liabilities	57	-513	-471	-1185	-152

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Table IV.H International foreign exchange reserves stock (including valuation adjustment) (N$ million)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	2,078	2,320	3,258	2,907	2,614	2,164	2,521	5,289	8,266	14,841	14,521	11,252	14,984	17,447
February	1,938	2,005	3,054	2,454	1,935	1,874	2,571	4,876	8,592	14,516	14,462	10,635	13,323	16,291
March	1,638	1,923	2,705	2,081	1,751	1,786	2,253	6,095	8,696	13,832	12,875	9,183	12,051	14,847
April	2,136	2,189	2,566	2,183	2,276	2,213	2,934	6,659	9,730	14,370	13,495	10,721	15,022	17,590
May	1,948	1,880	2,396	1,959	1,787	1,957	2,785	6,055	9,254	13,814	12,770	10,870	13,712	17,163
June	1,865	1,950	2,317	2,032	1,678	1,744	2,494	6,485	9,470	13,156	12,313	10,939	14,205	16,058
July	2,347	2,664	3,373	2,016	1,881	2,240	3,111	7,888	11,556	14,135	12,255	11,793	15,750	18,131
August	1,865	2,281	3,220	1,798	1,853	2,001	2,593	6,423	10,499	15,070	11,878	11,219	14,844	16,898
September	2,069	1,962	2,905	2,080	1,731	1,617	2,877	5,947	10,781	14,720	11,440	10,708	13,598	14,503
October	2,141	2,303	2,834	2,198	2,075	2,070	3,883	6,562	13,629	15,827	11,632	11,885	14,916	15,851
November	1,936	2,382	2,392	2,015	1,891	1,762	3,392	6,321	12,801	14,351	10,152	14,954	15,278	14,742
December	1,976	2,699	2,797	2,044	1,847	1,861	2,939	6,801	12,713	13,828	10,208	14,406	14,729	15,709

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Table IV.I (a) International investment position - N$ million

	2011(p) Q1			2011(p) Q2			2011(p) Q3			2011(p) Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN ASSETS	59,901	14,975	74,876	60,453	15,113	75,566	62,009	15,502	77,512	67,376	16,844	84,220
Direct investment	237	59	296	245	61	306	260	65	324	280	70	350
1.1 Equity capital	164	41	205	173	43	216	173	43	216	147	37	184
1.2 Other capital	73	18	91	72	18	90	87	22	108	132	33	166
Long-term	0	0	0	0	0	0	0	0	0	0	0	0
Short-term	73	18	91	72	18	90	87	22	108	132	33	166
Portfolio investment	30,741	4,986	35,727	29,772	4,636	34,408	30,944	8,768	39,712	28,111	8,256	36,367
2.1 Equity Securities	13,244	3,882	17,125	13,158	3,250	16,408	14,212	7,534	21,746	14,546	7,647	22,193
2.2 Debt Securities	17,498	1,105	18,602	16,614	1,386	18,000	16,732	1,234	17,966	13,565	609	14,174
Other investment	23,736	5,934	29,671	23,930	5,982	29,912	21,414	5,354	26,768	26,478	6,619	33,097
3.1 Claims of resident non-bank companies	646	161	807	714	179	893	734	184	918	734	184	918
3.1.1 short-term loans and trade finance	468	117	584	552	138	690	586	146	732	559	140	699
3.1.2 long-term loans	178	45	223	163	41	203	148	37	185	175	44	219
3.2 Claims of resident banks	2,593	648	3,242	1,752	438	2,190	2,197	549	2,746	3,438	859	4,297
3.2.1 short-term loans	2,519	630	3,148	1,673	418	2,091	2,116	529	2,644	3,356	839	4,195
3.2.2 long-term loans	75	19	94	79	20	99	81	20	102	82	21	103
3.3 Claims of resident parastatal companies	74	18	92	74	18	92	73	18	92	73	18	92
3.3.1 short-term loans and trade finance	70	18	88	70	18	88	70	18	88	70	18	88
3.3.2 long-term loans	3	1	4	3	1	4	3	1	4	3	1	4
3.4 Claims of local government authorities	0	0	0	0	0	0	0	0	0	0	0	0
3.4.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.4.2 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Claims of central government	0	0	0	0	0	0	0	0	0	0	0	0
3.5.1 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	14,409	3,602	18,012	14,548	3,637	18,186	15,298	3,824	19,122	18,537	4,634	23,172
3.7 Other assets	6,014	1,504	7,518	6,842	1,710	8,552	3,112	778	3,890	3,695	924	4,619
3.7.1 Other-eg., re-insurance and bonds	6,014	1,504	7,518	6,842	1,710	8,552	3,112	778	3,890	3,695	924	4,619
Reserve Assets	7,346	1,837	9,183	8,751	2,188	10,939	8,566	2,142	10,708	11,525	2,881	14,406
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reserve position in the IMF	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	7,346	1,837	9,183	8,751	2,188	10,939	8,566	2,142	10,708	11,525	2,881	14,406
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0

	2012(p) Q1			2012(p) Q2			2012(p) Q3			2012(p) Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN ASSETS	66,654	16,664	83,318	68,923	17,231	86,153	71,886	17,972	89,858	77,177	19,294	96,472
Direct investment	308	77	385	402	100	502	199	50	249	406	101	507
1.1 Equity capital	163	41	204	250	63	313	115	29	144	316	79	395
1.2 Other capital	145	36	182	152	38	189	84	21	105	90	22	112
Long-term	0	0	0	0	0	0	0	0	0	0	0	0
Short-term	145	36	182	152	38	189	84	21	105	90	22	112
Portfolio investment	33,814	8,882	42,696	32,243	9,078	41,321	34,326	10,454	44,780	37,950	11,278	49,228
2.1 Equity Securities	16,637	8,313	24,950	15,155	8,661	23,816	16,087	9,741	25,828	18,349	10,183	28,532
2.2 Debt Securities	17,177	569	17,746	17,088	417	17,505	18,239	713	18,952	19,601	1,095	20,696
Other investment	22,548	5,637	28,185	24,100	6,025	30,125	24,984	6,246	31,230	25,606	6,401	32,007
3.1 Claims of resident non-bank companies	1,107	277	1,384	717	179	896	531	133	664	897	224	1,121
3.1.1 short-term loans and trade finance	862	216	1,078	477	119	596	454	114	568	478	119	597
3.1.2 long-term loans	245	61	306	240	60	300	77	19	96	419	105	524
3.2 Claims of resident banks	2,759	690	3,449	2,714	678	3,392	2,654	663	3,317	3,490	873	4,363
3.2.1 short-term loans	2,680	670	3,349	2,630	657	3,287	2,569	642	3,211	3,400	850	4,251
3.2.2 long-term loans	80	20	100	84	21	105	85	21	106	90	22	112
3.3 Claims of resident parastatal companies	73	18	92	66	16	82	66	16	82	66	16	82
3.3.1 short-term loans and trade finance	70	18	88	63	16	78	63	16	78	63	16	78
3.3.2 long-term loans	3	1	4	3	1	4	3	1	4	3	1	4
3.4 Claims of local government authorities	0	0	0	0	0	0	0	0	0	0	0	0
3.4.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.4.2 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Claims of central government	0	0	0	0	0	0	0	0	0	0	0	0
3.5.1 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	15,483	3,871	19,354	16,956	4,239	21,196	17,480	4,370	21,850	16,723	4,181	20,904
3.7 Other assets	3,125	781	3,906	3,647	912	4,559	4,254	1,063	5,317	4,430	1,107	5,537
3.7.1 Other-eg., re-insurance and bonds	3,125	781	3,906	3,647	912	4,559	4,254	1,063	5,317	4,430	1,107	5,537
Reserve Assets	9,641	2,410	12,051	11,364	2,841	14,205	10,879	2,720	13,598	11,783	2,946	14,729
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reserve position in the IMF	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	9,641	2,410	12,051	11,364	2,841	14,205	10,879	2,720	13,598	11,783	2,946	14,729
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0

	2013(p) Q1			2013(p) Q2			2013(p) Q3			2013(p) Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN ASSETS	79,657	19,914	99,571	85,336	21,334	106,669	85,326	21,332	106,658	89,547	22,387	111,934
Direct investment	387	72	484	362	91	453	296	48	370	267	52	333
1.1 Equity capital	287	72	359	256	64	320	194	48	242	207	52	259
1.2 Other capital	100	0	125	106	26	132	102	0	127	60	0	75
Long-term	0	0	0	0	0	0	0	0	0	0	0	0
Short-term	100	25	125	106	26	132	102	25	127	60	15	75
Portfolio investment	38,761	12,907	51,668	39,944	13,578	53,522	42,067	14,615	56,682	44,736	9,537	52,673
2.1 Equity Securities	18,669	11,844	30,513	19,039	12,534	31,573	20,404	13,522	33,926	21,779	8,683	30,562
2.2 Debt Securities	20,092	1,063	21,155	20,905	1,044	21,949	21,663	1,093	22,756	22,957	854	22,111
Other investment	26,058	6,514	32,572	29,310	7,327	36,637	28,083	7,021	35,103	34,574	8,644	43,218
3.1 Claims of resident non-bank companies	631	158	789	1,190	298	1,488	543	136	679	857	214	1,072
3.1.1 short-term loans and trade finance	558	139	697	819	205	1,024	307	77	383	410	102	512
3.1.2 long-term loans	73	18	92	371	93	464	236	59	295	447	112	559
3.2 Claims of resident banks	4,011	1,003	5,013	3,922	980	4,902	4,552	1,138	5,690	4,084	1,021	5,106
3.2.1 short-term loans	3,918	979	4,897	3,826	956	4,782	4,443	1,111	5,554	3,954	988	4,942
3.2.2 long-term loans	93	23	116	96	24	120	109	27	137	131	33	164
3.3 Claims of resident parastatal companies	66	16	82	7	2	9	4	1	5	10	2	12
3.3.1 short-term loans and trade finance	63	16	78	4	1	5	2	0	2	10	2	12
3.3.2 long-term loans	3	1	4	3	1	4	2	0	2	0	0	0
3.4 Claims of local government authorities	0	0	0	0	0	0	0	0	0	0	0	0
3.4.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.4.2 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.5 Claims of central government	0	0	0	0	0	0	0	0	0	0	0	0
3.5.1 long-term loans	0	0	0	0	0	0	0	0	0	0	0	0
3.6 Currency and deposits reported by Namibian banks	17,085	4,271	21,356	19,992	4,998	24,990	18,618	4,654	23,272	20,448	5,112	25,561
3.7 Other assets	4,265	1,066	5,331	4,199	1,050	5,249	4,366	1,092	5,458	9,174	2,294	11,468
3.7.1 Other-eg., re-insurance and bonds	4,265	1,066	5,331	4,199	1,050	5,249	4,366	1,092	5,458	9,174	2,294	11,468
Reserve Assets	11,878	2,969	14,847	12,846	3,212	16,058	11,602	2,901	14,503	12,568	3,142	15,709
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reserve position in the IMF	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Foreign exchange	11,878	2,969	14,847	12,846	3,212	16,058	11,602	2,901	14,503	12,568	3,142	15,709
4.5 Other assets	0	0	0	0	0	0	0	0	0	0	0	0

(p) Provisional, except for the reserve assets.

Table IV.H (b) International investment position - N$ million

2011(p)

	Q1 South Africa	Q1 Others	Q1 Total	Q2 South Africa	Q2 Others	Q2 Total	Q3 South Africa	Q3 Others	Q3 Total	Q4 South Africa	Q4 Others	Q4 Total
FOREIGN LIABILITIES	39,399	13,250	51,526	38,868	13,594	52,463	38,743	13,837	52,580	40,868	17,917	58,785
Direct investment	32,190	8,048	40,238	32,635	8,159	40,793	31,979	7,995	39,973	33,571	8,393	41,963
1.1 Equity capital	16,846	4,211	21,057	16,736	4,184	20,921	15,627	3,907	19,534	14,730	3,683	18,413
1.2 Other capital	15,344	3,836	19,181	15,898	3,975	19,873	16,352	4,088	20,439	18,840	4,710	23,551
Long-term	10,802	2,701	13,503	11,089	2,772	13,861	12,364	3,091	15,455	14,454	3,613	18,067
Short-term	4,542	1,136	5,678	4,809	1,202	6,011	3,988	997	4,985	4,387	1,097	5,483
Portfolio investment	467	117	584	467	117	584	467	117	584	893	3,280	4,173
2.1 Equity securities	78	20	98	78	20	98	78	20	98	78	20	98
2.2 Debt securities (public/private)	389	97	486	389	97	486	389	97	486	815	3,260	4,075
Other investment	6,741	5,086	10,704	5,767	5,319	11,085	6,297	5,725	12,022	6,404	6,245	12,649
3.1 Liabilities of resident non-bank companies	2,188	547	2,735	2,236	559	2,795	2,464	616	3,080	2,224	556	2,780
3.1.1 short-term loans	655	164	818	678	169	847	943	236	1,178	783	196	979
3.1.2 long-term loans	1,533	383	1,916	1,558	390	1,948	1,522	380	1,902	1,441	360	1,801
3.2 Liabilities of resident banks	827	207	1,034	852	213	1,065	736	184	920	822	205	1,027
3.2.1 short-term loans	744	186	931	770	192	962	654	164	818	740	185	925
3.2.2 long-term loans	83	21	103	83	21	103	82	20	102	81	20	102
3.3 Liabilities of resident parastatal companies	1,242	310	1,552	1,204	301	1,505	1,667	417	2,084	1,714	428	2,142
3.3.1 short-term loans and trade finance	155	39	194	155	39	194	155	39	194	155	39	194
3.3.2 long-term loans	1,087	272	1,359	1,049	262	1,311	1,512	378	1,890	1,559	390	1,949
3.4 Liabilities of local government authorities	231	58	289	232	58	290	232	58	290	232	58	290
3.4.1 short-term loans and trade finance	2	1	3	3	1	4	3	1	4	3	1	4
3.4.2 l ong-term loans	229	57	287	229	57	287	229	57	287	229	57	287
3.5 Liabilities of central government	597	2,389	2,986	647	2,590	3,237	638	2,551	3,189	766	3,063	3,828
3.5.1 long-term loans	597	2,389	2,986	647	2,590	3,237	638	2,551	3,189	766	3,063	3,828
3.6 Currency and deposits reported by Namibian banks	523	131	654	585	146	732	529	132	661	611	153	764
3.7 Liabilities of EPZ companies	10	40	50	10	39	49	31	125	157	36	144	180
3.7.1 short-term loans and trade finance	9	34	43	7	29	36	6	25	31	7	29	37
3.7.2 long-term loans	1	6	7	3	11	14	25	100	126	29	115	144
3.8 Other liabilities	1,123	1,404	1,404	0	1,412	1,412	0	1,642	1,642	0	1,637	1,637
3.8.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 long-term loans	1,123	1,404	1,404	0	1,412	1,412	0	1,642	1,642	0	1,637	1,637
Net Foreign Assets (+)/Liabilities(-)	20,502	1,725	23,351	21,584	1,519	23,103	23,266	1,666	24,932	26,508	-1,073	25,435

2012(p)

	Q1 South Africa	Q1 Others	Q1 Total	Q2 South Africa	Q2 Others	Q2 Total	Q3 South Africa	Q3 Others	Q3 Total	Q4 South Africa	Q4 Others	Q4 Total
FOREIGN LIABILITIES	41,480	14,923	56,403	42,131	13,797	55,929	39,252	13,033	52,285	37,462	13,291	50,754
Direct investment	30,521	7,630	38,151	30,664	7,666	38,330	27,681	6,920	34,602	24,485	6,121	30,607
1.1 Equity capital	15,157	3,789	18,946	14,924	3,731	18,655	12,626	3,157	15,783	9,060	2,265	11,325
1.2 Other capital	15,364	3,841	19,205	15,741	3,935	19,676	15,055	3,764	18,819	15,425	3,856	19,281
Long-term	14,206	3,552	17,758	14,603	3,651	18,254	14,124	3,531	17,655	14,329	3,582	17,912
Short-term	1,158	289	1,447	1,138	284	1,422	931	233	1,164	1,096	274	1,370
Portfolio investment	846	3,089	3,935	910	3,345	4,255	901	3,309	4,209	1,096	4,089	5,184
2.1 Equity securities	78	20	98	78	20	98	78	20	98	78	20	98
2.2 Debt securities (public/private)	767	3,069	3,837	831	3,326	4,157	822	3,289	4,111	1,017	4,069	5,086
Other investment	10,113	4,204	14,317	10,557	2,786	13,343	10,670	2,804	13,474	11,881	3,081	14,963
3.1 Liabilities of resident non-bank companies	3,658	915	4,573	2,980	745	3,725	2,055	514	2,569	1,743	436	2,179
3.1.1 short-term loans	822	205	1,027	536	134	670	700	175	875	331	83	413
3.1.2 long-term loans	2,837	709	3,546	2,444	611	3,055	1,356	339	1,695	1,412	353	1,765
3.2 Liabilities of resident banks	861	215	1,076	622	156	778	1,113	278	1,391	1,775	444	2,219
3.2.1 short-term loans	779	195	974	543	136	679	1,017	254	1,272	1,680	420	2,099
3.2.2 long-term loans	82	20	102	80	20	100	96	24	120	96	24	120
3.3 Liabilities of resident parastatal companies	1,684	421	2,105	1,725	431	2,156	1,719	430	2,149	1,750	437	2,187
3.3.1 short-term loans and trade finance	155	39	194	155	39	194	155	39	194	169	42	211
3.3.2 long-term loans	1,529	382	1,911	1,570	393	1,963	1,564	391	1,955	1,581	395	1,976
3.4 Liabilities of local government authorities	232	58	290	232	58	290	232	58	290	232	58	290
3.4.1 short-term loans and trade finance	3	1	4	3	1	4	3	1	4	3	1	4
3.4.2 l ong-term loans	229	57	287	229	57	287	229	57	287	229	57	287
3.5 Liabilities of central government	2,910	728	3,638	3,139	785	3,924	3,156	789	3,945	3,163	791	3,954
3.5.1 long-term loans	2,910	728	3,638	3,139	785	3,924	3,156	789	3,945	3,163	791	3,954
3.6 Currency and deposits reported by Namibian banks	736	184	921	500	125	625	1,054	264	1,318	1,820	455	2,275
3.7 Liabilities of EPZ companies	32	127	159	39	156	195	36	145	182	30	118	148
3.7.1 short-term loans and trade finance	2	9	11	10	38	48	7	27	34	10	40	50
3.7.2 long-term loans	30	118	148	30	118	148	30	118	148	20	78	98
3.8 Other liabilities	0	1,557	1,557	1,320	330	1,650	1,304	326	1,630	1,369	342	1,711
3.8.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 long-term loans	0	1,557	1,557	1,320	330	1,650	1,304	326	1,630	1,369	342	1,711
Net Foreign Assets (+)/Liabilities(-)	25,174	1,740	26,915	26,791	3,433	30,225	32,634	4,939	37,572	39,715	6,003	45,718

2013(p) 2013

	Q1 South Africa	Q1 Others	Q1 Total	Q2 South Africa	Q2 Others	Q2 Total	Q3 South Africa	Q3 Others	Q3 Total	Q4 South Africa	Q4 Others	Q4 Total
FOREIGN LIABILITIES	38,258	13,803	52,061	42,991	15,251	58,242	49,447	16,892	66,339	55,813	20,113	75,926
Direct investment	23,293	5,823	29,116	28,266	7,066	35,332	31,461	7,865	39,327	35,894	8,974	44,868
1.1 Equity capital	5,408	1,352	6,760	8,280	2,070	10,350	20,080	5,020	25,100	24,311	6,078	30,388
1.2 Other capital	17,885	4,471	22,356	19,986	4,997	24,983	11,381	2,845	14,226	11,583	2,896	14,479
Long-term	16,681	4,170	20,851	18,684	4,671	23,355	9,883	2,471	12,354	10,119	2,530	12,649
Short-term	1,204	301	1,505	1,302	326	1,628	1,498	374	1,872	1,464	366	1,830
Portfolio investment	1,172	4,393	5,565	1,243	4,680	5,923	1,249	4,703	5,952	1,293	4,880	6,173
2.1 Equity securities	78	20	98	78	20	98	78	20	98	78	20	98
2.2 Debt securities (public/private)	1,093	4,373	5,467	1,165	4,660	5,825	1,171	4,683	5,854	1,215	4,860	6,075
Other investment	13,793	3,587	17,380	13,482	3,505	16,986	16,737	4,324	21,061	18,626	6,260	24,886
3.1 Liabilities of resident non-bank companies	3,244	811	4,055	1,941	485	2,427	4,558	1,140	5,698	5,694	1,424	7,118
3.1.1 short-term loans	568	142	710	304	76	380	492	123	615	492	123	615
3.1.2 long-term loans	2,676	669	3,345	1,637	409	2,047	4,066	1,017	5,083	5,202	1,300	6,502
3.2 Liabilities of resident banks	2,018	504	2,522	1,696	424	2,121	2,132	533	2,665	1,889	472	2,362
3.2.1 short-term loans	1,921	480	2,401	1,397	349	1,746	1,840	460	2,300	1,159	290	1,449
3.2.2 long-term loans	97	24	121	299	75	374	292	73	365	730	183	913
3.3 Liabilities of resident parastatal companies	1,806	451	2,257	2,977	744	3,721	2,902	726	3,628	3,303	826	4,129
3.3.1 short-term loans and trade finance	170	42	212	188	47	235	183	46	229	202	50	252
3.3.2 long-term loans	1,636	409	2,045	2,789	697	3,486	2,719	680	3,399	3,101	775	3,877
3.4 Liabilities of local government authorities	232	58	290	232	58	290	232	58	290	232	58	290
3.4.1 short-term loans and trade finance	3	1	4	3	1	4	3	1	4	3	1	4
3.4.2 l ong-term loans	229	57	287	229	57	287	229	57	287	229	57	287
3.5 Liabilities of central government	3,234	808	4,042	3,478	869	4,347	3,696	924	4,621	3,844	961	4,805
3.5.1 long-term loans	3,234	808	4,042	3,478	869	4,347	3,696	924	4,621	3,844	961	4,805
3.6 Currency and deposits reported by Namibian banks	1,758	439	2,197	1,542	386	1,928	1,542	386	1,928	1,542	386	1,928
3.7 Liabilities of EPZ companies	37	148	185	36	143	179	37	149	186	428	1,710	2,138
3.7.1 short-term loans and trade finance	30	119	148	27	110	137	29	114	143	31	123	154
3.7.2 long-term loans	7	30	37	8	34	42	9	34	43	397	1,587	1,984
3.8 Other liabilities	1,465	366	1,831	1,579	395	1,974	1,636	409	2,045	1,693	423	2,116
3.8.1 short-term loans and trade finance	0	0	0	0	0	0	0	0	0	0	0	0
3.8.2 long-term loans	1,465	366	1,831	1,579	395	1,974	1,636	409	2,045	1,693	423	2,116
Net Foreign Assets (+)/Liabilities(-)	41,399	6,111	47,510	42,345	6,083	48,428	35,879	4,440	40,319	33,734	2,274	36,007

(p) Provisional.

Table IV.J Foreign exchange rates Foreign currency per Namibia Dollar Period averages

Period		US Dollar	UK Pound	Japan Yen	Switzerland Franc	EU ECU
2009	Jan	0.101	0.070	9.132	0.114	0.076
	Feb	0.100	0.069	9.234	0.116	0.078
	Mar	0.100	0.070	9.775	0.116	0.077
	Apr	0.111	0.075	10.953	0.127	0.084
	May	0.119	0.077	11.547	0.132	0.088
	Jun	0.124	0.076	11.990	0.134	0.089
	Jul	0.126	0.077	11.891	0.136	0.089
	Aug	0.126	0.076	11.933	0.135	0.088
	Sep	0.133	0.081	12.151	0.138	0.091
	Oct	0.134	0.083	12.063	0.137	0.090
	Nov	0.133	0.080	11.848	0.135	0.089
	Dec	0.134	0.082	11.976	0.137	0.091
2010	Jan	0.134	0.083	12.255	0.139	0.094
	Feb	0.129	0.083	11.779	0.140	0.095
	Mar	0.135	0.089	12.195	0.144	0.099
	Apr	0.136	0.089	12.706	0.145	0.101
	May	0.131	0.089	12.077	0.148	0.104
	Jun	0.131	0.089	11.876	0.147	0.107
	Jul	0.133	0.087	11.614	0.140	0.104
	Aug	0.137	0.088	11.710	0.143	0.106
	Sep	0.140	0.090	11.820	0.141	0.107
	Oct	0.145	0.091	11.820	0.140	0.104
	Nov	0.143	0.090	11.820	0.141	0.105
	Dec	0.146	0.094	12.195	0.142	0.111
2011	Jan	0.145	0.092	11.962	0.139	0.109
	Feb	0.139	0.086	11.481	0.132	0.102
	Mar	0.145	0.090	11.834	0.133	0.103
	Apr	0.149	0.091	12.392	0.134	0.103
	May	0.146	0.089	11.834	0.127	0.102
	Jun	0.147	0.091	11.848	0.124	0.102
	Jul	0.147	0.091	11.682	0.121	0.103
	Aug	0.142	0.087	10.917	0.111	0.099
	Sep	0.133	0.084	10.204	0.116	0.096
	Oct	0.126	0.080	9.320	0.113	0.092
	Nov	0.123	0.078	9.506	0.111	0.090
	Dec	0.122	0.078	9.515	0.114	0.093
2012	Jan	0.125	0.080	9.606	0.117	0.097
	Feb	0.131	0.083	10.256	0.119	0.099
	Mar	0.132	0.083	10.846	0.120	0.100
	Apr	0.128	0.080	10.395	0.117	0.097
	May	0.123	0.077	9.785	0.115	0.096
	Jun	0.119	0.077	9.443	0.114	0.095
	Jul	0.121	0.078	9.579	0.118	0.099
	Aug	0.121	0.077	9.506	0.117	0.097
	Sep	0.121	0.075	9.443	0.114	0.094
	Oct	0.116	0.072	9.132	0.108	0.089
	Nov	0.114	0.071	9.208	0.107	0.089
	Dec	0.116	0.072	9.681	0.107	0.088
2013	Jan	0.114	0.071	10.121	0.105	0.086
	Feb	0.113	0.073	10.471	0.104	0.084
	Mar	0.109	0.072	10.331	0.103	0.084
	Apr	0.110	0.072	10.753	0.103	0.084
	May	0.107	0.070	10.787	0.102	0.082
	Jun	0.100	0.064	9.737	0.093	0.076
	Jul	0.101	0.066	10.526	0.095	0.077
	Aug	0.099	0.064	9.709	0.092	0.075
	Sep	0.100	0.063	9.940	0.093	0.075
	Oct	0.101	0.063	9.862	0.091	0.074
	Nov	0.098	0.061	9.804	0.089	0.073
	Dec	0.096	0.059	9.980	0.086	0.070

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Table IV.K Effective exchange rate indices

		Nominal effective exchange rate indices			Real effective exchange rate indices		
		Import trade weighted	Export trade weighted	Total trade weighted	Import trade weighted	Export trade weighted	Total trade weighted
2010	Jan	95.4	93.4	94.2	87.7	82.1	120.1
	Feb	94.7	92.8	93.5	88.2	82.4	119.6
	Mar	97.6	97.2	97.6	86.3	79.1	124.0
	Apr	98.2	98.0	98.3	85.9	78.5	124.7
	May	97.7	97.7	97.9	86.3	78.7	124.2
	Jun	98.0	98.3	98.3	85.9	78.1	124.9
	Jul	97.5	97.1	97.4	85.6	78.2	125.1
	Aug	99.0	99.2	99.3	84.7	76.8	127.0
	Sep	100.2	101.1	101.0	83.9	75.5	129.0
	Oct	100.6	101.5	101.5	83.8	75.5	129.2
	Nov	100.3	101.0	101.1	83.8	75.5	129.1
	Dec	102.5	104.7	104.3	82.7	73.5	132.0
2011	Jan	101.6	103.1	102.9	82.1	73.3	132.6
	Feb	98.3	97.9	98.3	84.8	77.3	126.5
	Mar	100.3	100.8	100.9	83.5	75.2	129.7
	Apr	101.1	101.9	102.0	82.4	74.1	131.7
	May	100.1	100.3	100.6	83.1	75.0	130.2
	Jun	100.8	101.4	101.6	82.6	74.1	131.6
	Jul	100.9	101.8	101.9	82.3	73.5	132.4
	Aug	98.3	97.7	98.2	84.0	76.3	128.2
	Sep	95.8	94.3	95.0	86.1	79.1	124.0
	Oct	92.7	89.8	90.8	88.1	82.4	119.7
	Nov	91.4	87.9	89.1	89.1	83.8	117.8
	Dec	91.9	88.8	89.8	88.0	82.4	119.6
2012	Jan	93.5	91.2	92.0	85.9	79.4	123.6
	Feb	95.5	93.9	94.6	84.0	76.8	127.4
	Mar	96.0	94.6	95.1	84.1	76.5	127.8
	Apr	94.1	91.8	92.6	85.4	78.6	124.7
	May	92.3	89.3	90.2	86.5	80.5	122.1
	Jun	91.3	88.1	89.1	87.7	81.7	120.4
	Jul	92.6	90.0	90.8	85.7	79.1	123.9
	Aug	92.1	89.3	90.1	86.1	79.8	123.0
	Sep	91.1	87.7	88.7	86.7	80.8	121.7
	Oct	88.5	84.0	85.3	113.2	119.1	117.3
	Nov	87.8	83.1	84.5	113.1	118.6	117.0
	Dec	88.3	83.7	85.1	113.0	118.4	116.9
2013	Jan	87.3	82.3	83.8	115.1	121.6	119.6
	Feb	87.0	82.1	83.6	126.5	123.9	124.4
	Mar	86.1	81.0	82.5	125.0	122.4	122.9
	Apr	86.2	81.1	82.6	125.1	122.5	123.0
	May	84.7	79.2	80.8	123.3	119.7	120.5
	Jun	80.5	73.6	75.5	117.2	111.2	112.6
	Jul	81.5	75.0	76.9	118.8	113.7	114.9
	Aug	80.0	73.0	75.0	117.0	111.0	112.4
	Sep	80.2	73.1	75.1	117.2	111.2	112.6
	Oct	80.0	72.7	74.8	116.6	110.4	111.8
	Nov	78.6	71.1	73.2	114.9	108.0	109.6
	Dec	77.3	69.3	71.5	112.8	105.1	106.9

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LIST OF ABBREVIATIONS

AACB	Association of African Central Banks
AALS	Affirmative Action Loan Scheme
ADLAs	Authorised Dealers with Limited Authority
AMCP	African Monetary Cooperation Programme
AML	Anti-money laundering
AMLAC	Anti-Money Laundering Advisory Council
AMLCOs	Anti-Money Laundering Compliance Officers
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
ATM	Automated teller machine
AU	African Union
BAN	Bankers Association of Namibia
BBA	Basic Bank Account
BC	Business Continuity
BCBS	Basel Committee on Banking Supervision
BIG	Basic Income Grant
BNA	National Bank of Angola
BoN	Bank of Namibia
BOP	Balance of Payments
BTP	Build Together Project
CABS	Community of African Banking Supervisors
CBK	Central Bank of Kenya
CCBG	Committee of Central Bank Governors (in SADC)
CDFs	Cash deposit fees
CGE	Computable General Equilibrium
CLBs	Communal Land Boards
CLC	Code Line Clearing
COBIT	Control Objectives for Information and Related Technology
CPC	Committee for Policy Coordination
CPS	Cheque Processing System
CMA	Common Monetary Area
COMFI	Committee of Ministers of Finance and Investment
CPS	Country Partnership Strategy
CRO	Chief Risk Officer
CSD	Central Securities Depository
DNFBPs	Designated Non-Financial Businesses and Professions
DR	Disaster Recovery
DTCs	Developing and Transition Countries
ECB	European Central Bank
EDDI	Enhanced Data Dissemination Initiative
EFT	Electronic Funds Transfer
ELF	Employee Liaison Forum
ERP	Enterprise Resource Planning
ESAAMLG	Eastern and Southern African Anti-Money Laundering Group
EMEA	Euromoney's Middle East and Africa (Deal)
EU	European Union
EUR	Euro/European Union currency
FATF	Financial Action Task Force
FDI	Foreign direct investment

FIA	Financial Intelligence Act
FIC	Financial Intelligence Centre
FIFSC	Financial Institutions Fraud and Security Committee
FIUs	Financial Intelligence Units
FIP	Finance and Investment Protocol
FLC	Financial Literacy Initiative
FNB	First National Bank
FSC	Financial Stability Committee
FSS	Financial Sector Strategy
GAP	Graduate Accelerated Programme
GBP	British Pound Sterling
GC10	Government internal registered stock maturing in 2010
GC12	Government internal registered stock maturing in 2012
GC14	Government internal registered stock maturing in 2014
GC15	Government internal registered stock maturing in 2015
GC17	Government internal registered stock maturing in 2017
GC18	Government internal registered stock maturing in 2018
GC21	Government internal registered stock maturing in 2021
GC24	Government internal registered stock maturing in 2024
GC27	Government internal registered stock maturing in 2027
GC30	Government internal registered stock maturing in 2030
GDE	Gross domestic expenditure
GDP	Gross domestic product
GFCF	Gross fixed capital formation
GIZ	Gesellschaft für Internationale Zusammenarbeit
GNDI	Gross national disposable income
GNI	Gross national income
HAN	Hospitality Association of Namibia
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HR	Human Resources
IACA	International Association of Currency Affairs
IAD	Internal Audit Division
IC	Investment Committee
ICRG	International Cooperation Review Group
IDR	Issuer Default Rating
IIA	Institute of Internal Auditors
IIP	International Investment Position
IMF	International Monetary Fund
IRS	Internal Registered Stock
IRSRA	Internal Registered Stock Redemption Account
ISACA	Information Systems Audit and Control Association
IT	Information Technology
JPY	Japanese Yen
JSE	Johannesburg Stock Exchange
LEAs	Law Enforcement Agencies
LHS	Left-hand side
LTV	Loan-to-value
LTU	Large Taxpayer Unit
M1	Narrow money

M2	Money supply
MC	Management Committee
MEF	Macroeconomic Framework
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MENA	Middle East and North Africa
MEWG	Macroeconomic Working Group
MFS	Monetary and Financial Statistics
MISA	Media Institute of Southern Africa
ML	Money Laundering
MME	Ministry of Mines and Energy
MoF	Ministry of Finance
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPC	Monetary Policy Committee
MTEF	Medium-term expenditure framework
NAC	Namibia Airports Company
NAD/N$	Namibia Dollar
NAFINU	Namibia Financial Institutions National Union
NAMFISA	Namibia Financial Institutions Supervisory Authority
NAMSWITCH	Namibia Card Switching System
NCDs	Negotiable certificates of deposits
NCPI	National Consumer Price Index
NDA	Net Domestic Assets
NDP4	Fourth National Development Plan
NEER	Nominal effective exchange rate
NFA	Net Foreign Assets
NFSS	Namibia Financial Sector Strategy
NGOs	Non-Governmental Organisations
NHE	National Housing Enterprise
NHIES	Namibia Household Income and Expenditure Survey
NII	Net interest income
NISS	Namibia Interbank Settlement System
NPLs	Non-performing loans
NPC	National Planning Commission
NPS	National Payment System
NSA	Namibian Statistic Agency
NSX	Namibian Stock Exchange
ODCs	Other Depository Corporations
OP	Occasional Papers
OMT	Outright Monetary Transactions
OVI	Optical Variation Ink
PAN	Payment Association of Namibia
PCI DSS	Payment Card Industry Data Security Standard
PSCE	Private sector credit extension
PSE	Public Sector Enterprises
POS	Point-of-sale
PPSD	Public-Private Sector Dialogue
QE	Quantitative Easing

RA	Revenue Authorities
REER	Real effective exchange rate
RFIs	Requests for Information
RHS	Right-hand side
RMB	Chinese Renminbi
RMC	Risk Management Committee
ROA	Return on assets
ROE	Return on equity
RSA	Republic of South Africa
RTGS	Real-time Gross Settlement
RWA	Risk-weighted assets
RWCR	Risk-weighted capital ratio
SA	South Africa/South African
SAA	Strategic Asset Allocation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAP	Enterprise Resource Planning
SARB	South African Reserve Bank
SDF	Shark Dwellers Federation
SDR	Special Drawings Rights
SIRESS	SADC Integrated Regional Settlement System
SMEs	Small-Medium Enterprises
SOEs	State-owned enterprises
SSA	Sub-Saharan Africa
SSN	Social Safety Net
STP	Straight Through Processing
STR	Suspicious Transaction Report
TCREA	Technical Committee on the Resuscitation of Economic Activities
TBs	Treasury Bills
TF	Terrorism financing
TIPEEG	Targeted Intervention Programme for Employment and Economic Growth
TORs	Terms of Reference
UK	United Kingdom
UN	United Nations
US	United States
USA	United States of America
USD/US$	United States Dollar
VSP	Voice Secondment Programme
WACS	West Africa Cable System
WCR	World Competitive Report
WIBAR	Windhoek Interbank Agreed Rate
ZAR/Rand	South African Rand

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