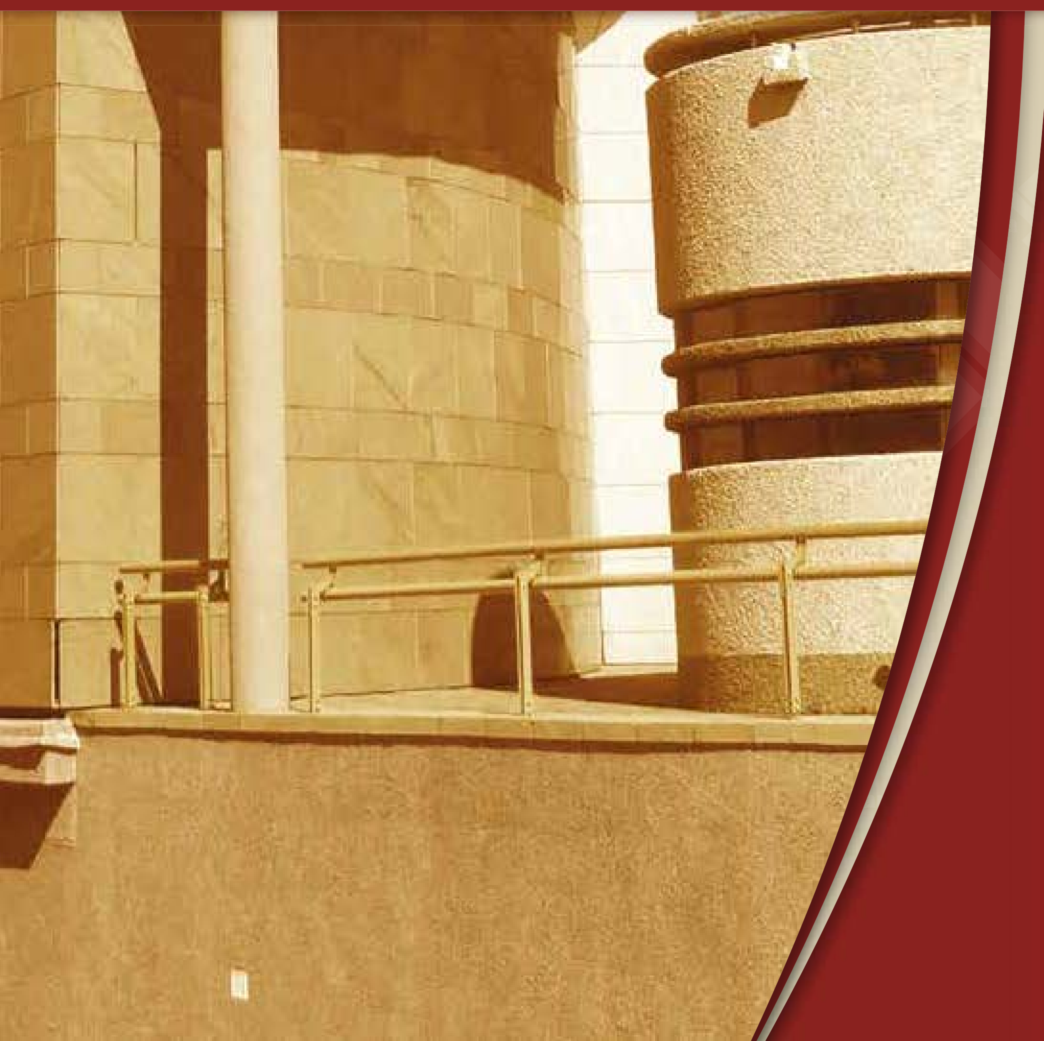
Annual Report 2014

Bank of Namibia



Bank of Namibia
Annual Report 2014

This is the Bank of Namibia Annual Report and Financial Statements for the financial year ended 31 December 2014, which are prepared pursuant to section 52(1) of the Bank of Namibia Act, 1997 (no. 15 of 1997)

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Content

Message from the Governor

This Annual Report comes at a time when the Bank of Namibia marks 25 years of existence and is prepared pursuant to Section 52(1) of the Bank of Namibia Act, 1997, (Act No.15 of 1997), covering the period 1 January to 31 December 2014. It outlines the governance of the Bank of Namibia (hereinafter referred to as the Bank), global and domestic economic developments, as well as milestones and key achievements of the Bank in 2014. I will reflect on some of the key developments of 2014 in the following paragraphs.

The year 2014 was characterised by lower than anticipated global economic growth, which emanated from slower growth in the emerging market economies, despite improvement in some advanced economies. Global growth is estimated to have remained unchanged at 3.3 percent in 2014, the same as in 2013. Emerging market economies, which have been the backbone of global growth during the recent financial crisis, slowed down, largely due to weaker external demand and lower commodity prices. Economic activity in the US and UK has gained momentum, while it has been faltering in the Euro Area and Japan. In line with the frail recovery in some of the major advanced economies and relatively slower economic activity in the emerging markets economies, the commodity prices were largely subdued. Going forward, global economic activity is expected to improve to 3.5 percent in 2015 on the back of firmer growth in the advanced economies and low crude oil prices.

I am pleased to report that the Namibian economy continued to be relatively strong during 2014, despite the fragile global economic environment. Annual economic growth is estimated to have expanded to 5.3 percent in 2014, compared to 5.1 percent in 2013. The growth in the domestic economy was mainly driven by robust construction activities, sustained growth in diamond mining, wholesale and retail trade and transport activities, as well as public investment in infrastructure. On the downside, uranium mining posted a weaker performance during 2014, on account of low international prices. Furthermore, the after-effects of the drought and the response to the South African veterinary restrictions imposed during the first part of the year, adversely affected livestock farming. Namibia's consumer price index (CPI) slowed in 2014, reflecting a moderation in the inflation rate for the category housing (in particular rental payments for dwelling), water, electricity, gas and other fuels, which constitutes the largest share (28.4 percent) in the CPI basket.

Namibia's external balance recorded a deficit, as the current account deficit widened because of larger imports which put pressure on reserves, but reserves remain sufficient to support the fixed currency peg. The capital and financial account, nonetheless, recorded an increased surplus, primarily due to large net capital inflows from other long-term investments, albeit not enough to offset the deteriorated current account deficit. The increased import payments caused the level of reserves to decline to N$13.5 billion at the end of December 2014, from N$15.7 billion in the previous year. It is, however, notable that the overall reserves remained more than sufficient to support the fixed exchange rate peg and to meet the international obligations.

In 2014, the Bank tightened its monetary policy stance to stem strong credit growth, particularly to households, used largely to finance the imports. Private sector credit rose by 15.9 percent in the year under review, reflecting strong demand from both businesses and households. The Bank's Monetary Policy Committee (MPC) was particularly concerned about the rapid increase in instalment credit for households which continued to finance imports, especially of non-productive luxury goods. In this regard, the MPC raised its repo rate by 50 basis points to 6.0 percent during 2014. Tightening monetary policy was necessary to reduce undue pressure on the international reserves of the country. Moreover, the Bank also recommended targeted interventions to the relevant authorities, which might still take some time before implemented, due to the legislative changes that will be required.

On the fiscal front, the Central Government outstanding debt as a percentage of GDP, moderated, thus debt continued to be sustainable. Namibia's total debt as a percentage of GDP moderated to 22.9 percent at the end of 2014, as the economy is estimated to have grown faster than it accumulated debt. I am therefore pleased to report that the country's debt to GDP ratio remained well within the set debt ceiling of 35 percent.

Although the global economy experienced another tough year, the financial performance of the Bank improved, in comparison with that in the previous financial year. This is mainly as a result of the revaluation gains from the depreciation of the local currency against major currencies, in which the Bank's investment portfolio is held ("safe haven" instruments such as US and German government bonds). This was complemented by the prudent management of the Bank's operational expenditure and adjustment in its investment strategies. The Bank expects to declare dividends amounting to N$ 158.1 million to the State for the 2014 financial year.

As a way of facilitating trade between Namibia and Angola, the Bank of Namibia and the Banco Nacional de Angola signed a currency conversion agreement during 2014. The main objective of the agreement is to stimulate trade between the two countries. This agreement will allow citizens and travellers of the two countries to exchange Namibia Dollars and Angolan Kwanzas for trading purposes. This conversion agreement will initially only be applicable to the border towns of Santa Clara (Angola) and Oshikango (Namibia).

I am pleased to report that Namibia's financial system, in particular the banking sector, remained sound. The banking industry posted strong quality capital holdings, high profitability, low levels of non-performing loans and satisfactory levels of liquid assets. The banking industry reported capital and liquidity levels that are well in excess of the minimum prescribed limits, which provide reasonable assurance with respect to its financial health.

In the quest to promote financial inclusion, the Bank introduced regulations on Credit Bureaus to ensure uniform standards. The regulations were drafted in terms of the Bank of Namibia Act, 1997 (Act no. 15 of 1997) to regulate and supervise the operations of credit bureaus in Namibia. Credit bureaus play a vital role in availing credit related information that can promote access to financial services especially for individuals and small and medium enterprises. The regulations compel lending institutions to provide borrower credit information to registered credit bureaus in an effort to address the challenges of accessing finance by SMEs.

Reform measures to facilitate access to banking, including regulations on fees and charges of banking services were introduced during 2014. This initiative will make sure that bank fees and charges in Namibia are transparent, which could make banking services more affordable, especially to individuals and SMEs. As a starting point, standards for cash deposit fees were developed by the Bank and in consultation with the industry, gazetted during 2014. These standards requires all banking institutions to apply zero rated cash deposit fees on individual and SMEs. All banking institutions in Namibia are expected to comply with these gazetted standards by 31 March 2015.

To strengthen anti-money laundering, combatting of financing of terrorism and proliferation preventative measures, inclusive of reporting suspicious transactions and suspicious activities pertaining thereto, a law was passed. Namibia passed the Prevention and Combatting of Terrorism and Proliferation Activities Act, 2014 (No. 4 of 2014) with consequential amendments to the Financial Intelligence Act, 2012 (No. 13 of 2012), during 2014. The legislative developments caused Namibia to be amongst the first countries in the world that have legislated proliferation financing. This will enable Namibia to be fully compliant with its obligations under applicable UN Conventions, Security Council Resolutions, Protocols and international standards and best practices on "Anti-Money Laundering, Combatting the Financing of Terrorism and Combatting Proliferation Financing." In 2014, the Bank also had to ensure that Namibia's Anti-Terrorism laws were reviewed in totality to address strategic deficiencies identified by the United Nations and the intergovernmental Financial Action Task Force.

The international credit rating agencies continued to have confidence in the management of the economy and governance of the country. This follows the affirmation of the Namibian investment credit rating grade by both Moody's Investors Service and Fitch Rating. The good name of Namibia internationally is also reflected in good credit quality of sovereign issues, as indicated by the narrowing cost of borrowing in the international capital markets. In this regard, the spread between the Namibian Eurobond and the equivalent US Dollar bond reduced significantly during 2014. Also in the reporting year, the Namibian Government continued its commitment to develop the Namibian financial markets in line with the Financial Sector Strategy and setting benchmarks for other issuers. As a result, new long dated bonds were introduced, extending the yield curve to over 25 years, making it one of the longest on the continent.

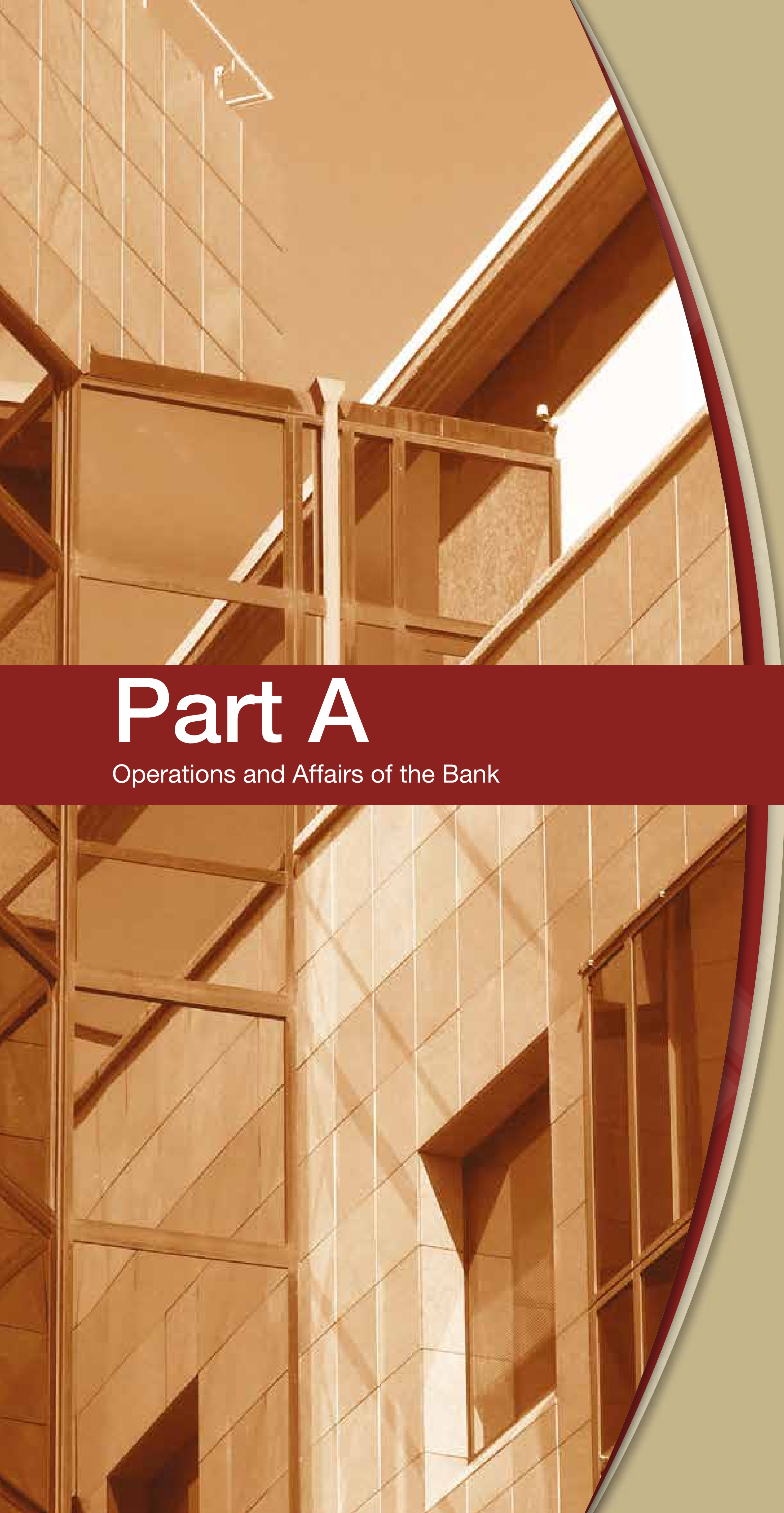
As a way of promoting good Corporate Governance, the Bank established an Information Technology (IT) Strategy and Steering Committee. Various business systems were assessed for feasibility by this Committee during the year under review. The Bank continued to make strides to improve the IT Infrastructure and the availability of IT Systems for internal staff, as well as external stakeholders in the financial industry. The Bank's IT Master Plan reached its midpoint in 2014, an evidence that the Bank is on track to achieve key objectives by 2016, in line with the overall Strategic Plan.

We continued to invest in human capacity-building. During the period under review, the Bank granted a combination of bursaries and study loans to staff members, in addition to training staff in various disciplines. Additionally, a number of employees were provided with technical and soft skills training interventions. The Bank also awarded bursaries to Namibian school leavers, of which 75 percent were female, in the fields of IT, Accounting, Economics, Finance and Banking, to study at recognized institutions within the SADC region. In addition, under the PhD programme, one candidate completed his Doctorate degree in Economics.

In 2014, the Bank continued to produce a number of publications, to keep the public informed about economic and financial developments as well as key policy decisions and other important issues. These publications include amongst others; the Bank's Quarterly Bulletins, the Financial Stability Report, Economic Outlook Reports and the Annual Report.

The achievements noted in this report would not have been feasible without the invaluable contributions of staff members and the Board of the Bank of Namibia, as well as our stakeholders. I wholeheartedly acknowledge the commitment and dedication of staff members towards their work and their endeavour to deliver excellent service to the Bank. My gratitude goes to the Board of the Bank of Namibia who has tirelessly given strategic direction and oversight towards attaining the objectives of the Bank. I also recognize the support of stakeholders who equally contributed a great deal towards realising the strategic goals of the Bank in 2014.

Ipumbu Shiimi
Governor
27 March 2015



Part A

Operations and Affairs of the Bank

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Content

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.

Bank of Namibia - Management Structure

(As at 31 December 2014)

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- **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* – Sencia Rukata
      - *Deputy Director: Protection Services* – Bryan Eiseb
      - *Oshakati Branch Manager* – Phillip Ndjendja
    - **Director of Research** – Florette Nakusera
      - *Deputy Director: Macro Models & Financial Stability* – Lelly Usiku
      - *Deputy Director: Policy Research & International Affairs* – Abed Iyambo
      - *Deputy Director: Statistics & Publications* – {Vacant}
    - **Director of Financial Markets** – Titus Ndove
      - *Deputy Director: Investments & Domestic Markets* – Dantagos Jimmy
    - **Director of Finance & Administration** – Kuruvilla Mathew
      - *Deputy Director: Financial Administration* – John Amakali
      - *Deputy Director: General Services* – Saara Shivute
  - **Assistant Governor & Head of Financial Stability** – {Vacant}
    - **Director of Banking Supervision** – Romeo Nel
      - *Deputy Director: Analysis & Examinations* – {Vacant}
      - *Deputy Director: Policy & Regulations* – Urbans Karumendu
      - *Deputy Director: Banking Groups & Special Institutions* – Ancois Plaatje
    - **Director of Payment and Settlement Systems** – Barbara Gowaseb
      - *Deputy Director: NISS Operations & Projects* – Brian Geikhoibeb
      - *Deputy Director: Oversight Policy & Research* – Sergio de Sousa
  - **Technical Advisor to the Governor** – Emile van Zyl
  - **Research Advisor to the Governor** – Meshack Tjirongo
  - **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, Policy & Enforcement* – Zenobia Barry
    - *Deputy Director: Compliance* – Shaun van Rooi
    - *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 2014)

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

Adv Charmaine van der Westhuizen
Member since 30 May 2012 / Current term ends 1 February 2019
(Member of the Remuneration Committee and member of the Audit Committee)

Mr Veston Malango
Member since 1 April 2008
Current term ends 31 March 2018
(Chairperson of the Remuneration Committee)

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

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

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

Tuyakula Haipinge
Member since 18 July 2014
Current term ends 31 December 2018
(Member of Remuneration Committee and member of the Audit Committee)

Ally Angula
Member since 1 February 2014
Current term ends 1 February 2019
(Chairperson of the Audit Committee)

The Bank's Senior Management Team

Ipumbu Shiimi
Governor

Ebson Uanguta
Deputy Governor

Meshack Tjirongo
Research Advisor
to the Governor

Emile van Zyl
Technical Advisor
to the Governor

Florette Nakusera
Director: Research

Samuel Shivute
Director: Banking Services

Ndangi Katoma
Director: Strategic
Communications & Financial
Sector Development

Leonie Dunn
Director: Financial
Intelligence Centre

Titus Ndove
Director: Financial Markets

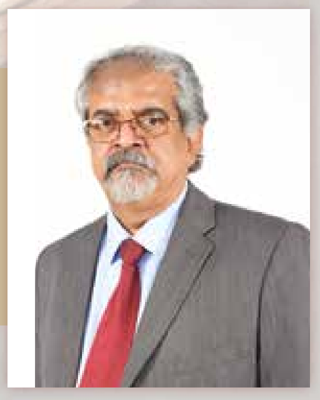
Lea Namoloh
Director: Human Resources

Romeo Nel
Director: Banking Supervision

Magreth Tjongarero
Head: Risk Management & Assurance

Barbara Gowaseb
Director: Payment & Settlement Systems

Kuruvilla Mathew
Director: Finance & Administration



Marsorry Ickua
Director: Information Technology

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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 Namibian Constitution. The Constitution mandates the Bank to serve as the State's principal 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, as follows:

- 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; and
- 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 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; and
- Financial Intelligence Act, 13 of 2012, which provides for the combatting of money laundering and financing of terrorism activities. It also provides for the establishment of the Anti-Money Laundering and Combatting of the Financing of Terrorism Council, and for its functions and the registration of accountable and reporting institutions.

In line with section 3(b) of the Bank of Namibia 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 Bank's specific obligations are, clearly defined in a Memorandum of Understanding (MOU) entered into between the Ministry of Finance and the Bank. The Memorandum covers the terms and conditions of banking services rendered to Government, public debt management arrangements, and the nature and frequency of consultations. The Minister of Finance and the Governor of the Bank of Namibia 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 Mission and Vision 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 toward ethical behaviour and excellence. The Charter strives to promote a sense of shared expectations among all levels and generations of employees toward 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

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; and
- 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 mission and vision, 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 (8) 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; and
8) Enhance contribution towards sustainable economic growth.

Measureable strategies are designed, with clear outcomes to achieve the strategic objectives. To ensure a successful implementation of the strategic plan, the strategic objectives have been transformed into areas of concentration with clear measurable targets. As such, twice a year, the Directors of the various Departments report progress in their areas of concentration and the achievement of their targets. On an annual basis, the entire plan is reviewed and refreshed. Therefore, it is important not only 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 objective has 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 titled "The Year in Review" in this Report, explains the activities and progress under each of the eight (8) 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 must always maintain 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 the Bank 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 communicating about why and how the Bank is doing what it does. Below 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 its services; and
- To be flexible and forward-looking in its approach, but to avoid undue risks.

THE GOVERNOR

The Governor serves the Bank of Namibia as the Chief Executive Officer and is accountable to the Board for the management of the Bank and for the implementation of its policies. The 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 delegates. The Governor is appointed by the President 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 Bank's financial statements and annual budgets, promoting effective corporate governance practices, and monitoring internal control and risk management frameworks.

The Board of the Bank of Namibia, is appointed by the President of the Republic of Namibia, and 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 is an ex officio member, one staff member from the Public Service, and four other persons constitute the Non-executive Members. The Assistant Governor (once the vacancy is filled) also attends Board Meetings in an advisory capacity. Board Members who served during the year under review are portrayed on page 10 of this report.

The Board meets regularly – at least four times a year – with the main purpose of overseeing and monitoring the Bank's finances, operations and policies. During 2014, four ordinary Board meetings were held. Table A.1 below sets out the frequency and attendance of Board meetings.

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Table A.1: Frequency and attendance of Board meetings during 2014

Board member	24/02/2014	26/05/2014	18/08/2014	17/11/2014
Mr I Shiimi	✓	✓	✓	✓
Mr Ebson Uanguta	✓	✓	✓	✓
Ms E Shafudah	✓	x	✓	✓
Ms S Ausiku	✓	**	**	**
Ms A Angula	✓	x	x	x
Adv. Charmaine van der Westhuizen	✓	✓	x	✓
Ms T Haipinge	-	-	✓	x
Mr V Malango	✓	✓	✓	✓
Dr O Kakujaha-Matundu	✓	✓	x	✓

** Denotes that Board member term has expired.

- Denotes that Board member was not a member yet.

The Board's Committees, namely the Audit Committee and the Remuneration Committee, 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 its 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 to consider all audit plans and scope of the external and internal audits, to ensure that the coordination of the audit effort is optimised. The Committee must also introduce measures to enhance the credibility and objectivity of financial statements and 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 of three Non-executive Board Members. Table A.2 sets out the frequency and attendance of Audit and Remuneration Committee meetings.

Table A.2: Frequency and attendance of Committee meetings during 2014

Audit Committee	20/02/2014	22/05/2014	14/08/2014	13/11/2014
Ms A Angula (Chair)	✓	✓	x	✓
Ms S Ausiku	✓	**	**	**
Adv. Van der Westhuizen	✓	✓	✓	x
Ms T Haipinge	-	-	✓	x
Dr O Kakujaha-Matundu	✓	x	x	✓

** Denotes that Board member term has expired.

- Denotes that Board member was not a member yet.

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Remuneration Committee	07/08/2014	06/11/2014
Mr V Malango (Chair)	✓	✓
Adv. Van der Westhuizen	X	✓
Dr O Kakujaha-Matundu	✓	✓

MANAGEMENT STRUCTURE

The Bank's senior management team consists of the Governor, the Deputy Governor, the Assistant Governor, Technical Advisors to the Governor, and the Directors of the Bank's various Departments, as outlined on page 12 of this Report. The positions of Governor and Deputy Governor are required by law. To ensure that the Bank implement its policies effectively, various committees have been created, including the Monetary Policy Committee, Investment Committee, Financial System Stability Committee and Management Committee.

The Bank's Monetary Policy Committee (MPC) membership consists of the Governor (Chair), Deputy Governor, Assistant Governor, Advisors to the Governor, the Director of Strategic Communications and Financial Sector Development, the Director of Financial Markets, and the Director of Research. The MPC meets every second month to deliberate on an appropriate monetary policy stance to be implemented by the Bank over the next two months. The monetary policy decision is communicated to the public through a media statement, delivered at a media conference. Decision making by the MPC is by consensus.

The Investment Committee (IC) consists of the Governor, Deputy Governor, Assistant Governor, Advisors to the Governor, the Director of Strategic Communications and Financial Sector Development, the Director of Financial Markets, the Director of Research, and the Director of Finance and Administration. The Committee 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 does 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 the Governor, Deputy Governor, Assistant Governor, Advisors to the Governor, all Directors, and the Head of Risk Management and Assurance. The Governor chairs the Management Committee. The Committee is responsible for reviewing Bank-wide policies dealing with financial, human resources, operational and risk management. The Governor is, however, responsible for the final approval of these policies. The MC meets every second week.

The Financial System Stability Committee (FSSC) is an inter-agency committee between the Bank, Namibia Financial Institutions Supervisory Authority (NAMFISA) and Ministry of Finance as an observer. This committee is currently chaired by the Deputy Governor and the chairpersonship is rotated with the Assistant Chief Executive Officer (Supervision) of NAMFISA. The committee is composed of representatives from both institutions. The FSSC 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 Annual 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 submits a monthly balance sheet to the Minister, 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 channels of communication. 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.

Photo: Bank of Namibia Board Stakeholder Lunch Engagement: Left Front: Adv. Charmaine van der Westhuizen, Board Member; Hon. Saara Kuugongelwa-Amadhila, Minister of Finance; Ms Estelle Tjipuka, NAMFISA Board Chairperson. Left Back: Mr Phillip Shiimi, NAMFISA Chief Executive Officer, Mr Ipumbu Shiimi, Governor; Mr Ebson Uanguta, Deputy Governor, Dr Omu Kakujaha-Matundu, Board Member; Mr Veston Malango, Board Member; Mr Martin Inkumbi, Development Bank of Namibia Chief Executive Officer

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 and other consultative meetings 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.

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

- On 24 January 2014, the Bank hosted a highly stimulating and thought provoking round-table discussion under the theme "Opportunities to respond to the needs of the people while building a new competitive edge in Namibia". The highly acclaimed author, teacher, activist and entrepreneur, Prof Gunter Pauli facilitated the discussion. Policy makers, representatives from public and private sectors, business people and entrepreneurs attended the event.

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Photo: Professor Gunter Pauli

- The Bank of Namibia in collaboration with Prudential Portfolio Managers (Namibia) (Pty) Ltd hosted a discussion around the book "Start-up Nation – The story of Israel's Economic Miracle" by Dan Senor and Saul Singer on 12 February 2014. Mr Ben Bertolini from Prudential made a very insightful presentation in this regard, followed by a discussion from invited stakeholders. The session was meant to explore the question on how Namibia can also become a "Start-up Nation" in terms of creating entrepreneurship in Namibia and what lessons could be learned from Israel's example.

Photo: Mr Ben Bertolini, Managing Director of Prudential Portfolio Managers (Namibia) (Pty) Ltd

- The Bank held its Annual Economic Round-table Forum in Windhoek, on 8 July 2014, under the theme "Viability of a Credit Guarantee Scheme in Namibia". Various market players attended this forum which was aimed at enabling participants to share views and expectations with regard to the viability of setting up a credit guarantee scheme in Namibia. In conducting a forum such as this, the Bank seeks to gauge market views on these issues.

The Bank hosted its Annual Symposium on 25 September 2014, under the theme "Financing of infrastructure for sustainable development in Namibia". This 16th Symposium was organised to address key issues pertaining to infrastructure development which plays a critical role in the promotion of economic growth. About 200 people attended the event which comprised of representatives from both the public and private sector including role players such as academics, researchers, media and policy makers. From the evaluation of the event, stakeholders expressed that they were highly satisfied with the event and found it relevant to the development needs and interest of Namibia. They further made useful suggestions for future events. Outcomes, recommendations and other details pertaining to the symposium are covered under the theme chapter in this report.

Photo: Main Speakers and presenters at the Annual Symposium 2014: From left: Governor Ipumbu Shiimi (Bank of Namibia); Dr Emelly Mutambatsere (African Development Bank), Mr Leevi Hungamo (National Planning Commission); Ms Florette Nakusera (Bank of Namibia), Dr Jeff Delmon (World Bank) and Dr Bernie Zaaruka (Bank of Namibia).

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, four monthly internal newsletters, 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 Senior Management Team of the Bank gives feedback to the rest of the Bank's employees regarding progress on the respective departmental strategies. These enable employees to participate and be constantly aware of the Bank's strategic direction and are allowed to make contributions regarding matters of concern.

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

- The Employee Liaison Forum continued to provide constructive input regarding policy matters and strengthening communication channels within the Bank. A new Forum Committee was elected during the year under review to serve for the next two years.

- The Bank continued with staff briefing meetings 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 2014, 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 Bank'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. The Review is aimed at providing an understanding of the monetary policy and the factors that were taken into consideration by the MPC in arriving at a monetary policy decision.

- **The *Financial Stability Report* provides an assessment of the financial conditions 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 an Economic Outlook Update in December 2014.** These reports highlighted the global, regional and domestic economic growth prospects and outlook as well as domestic sectoral forecasts.

- **The 2013 *Annual Report* was released in March 2014.** This Report not only covered the operations and affairs of the Bank during the 2013 financial year, but provided information on the Bank's annual financial statements, as well as macroeconomic information and an analysis of the state of the economy for the period concerned.

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THE YEAR IN REVIEW

The Bank's activities are premised on eight strategic objectives that guide the operations of the Bank over a five year period. These strategic objectives are directly connected to the Bank's functional priorities, its mission and its vision, 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. In this section, for the sake of presentation and clarity, each of the eight strategic objectives are first highlighted, followed by the agreed initiatives and strategies to accomplish these, as well as the strategic outcomes that could indicate the success or failure of these strategies. This is followed by key actions and activities undertaken during the course of the year.

STRATEGIC OBJECTIVE 1: SAFEGUARD AND ENHANCE FINANCIAL STABILITY

Initiatives and strategies

- Deter illegal financial schemes;
- Supervise and regulate banking institutions;
- Licencing;
- Ensure efficient, safe and effective payment and settlement systems;
- Assist in effective mitigation of national money-laundering and terrorism-financing risks;
- Enhance the assessment of financial sector stability;
- Develop the ability to handle crises in the financial system; and
- Introduce financial sector safety net.

Strategic outcomes

- All known and detected schemes declared illegal within three months of their identification.
- Early warning indicators in place.
- Qualified entities are issued with provisional licences within three months.
- 95% compliance with regulations and standards.
- 100% of all suspicious transaction reports (STRs), suspicious activity reports (SARs), and request for information (RFIs) identified as "high risks" processed within 90 days.
- Identify and act on the vulnerabilities in the financial system in advance.
- A tested crises resolution framework is in place.
- Small depositors are protected in case of a bank failure.

Financial Stability Assessment and Surveillance

The Bank publishes a regular Financial Stability Report, aimed at assessing the stability and resilience of the financial system. Such assessments include identifying the main risks to the financial system resulting from the external macroeconomic environment, trends in household and corporate debt, and trends in the financial soundness indicators of the domestic banking as well as non-banking financial institutions. Risks to the national payment and settlement system are also reviewed.

The latest Financial Stability Report for March 2014 underscored the continued stability of commercial banking institutions in Namibia, though some structural balance sheet risks still remain. Overall the banking sector remains liquid, profitable and adequately capitalised. The large portion of their assets, however, continues to be highly concentrated in long-term mortgage loans. The banking sector also continues to remain compliant with regulatory liquidity requirements, an indicator that commercial banking

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institutions are able to withstand a shock to the banking system. 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 report further highlighted that household debt as a share of disposable income increased, thus warranting strong monitoring, while corporate debt levels as a share of GDP are higher than years back. The rise in the household indebtedness ratio is largely attributed to a faster increase in bank credit to households relative to the growth in households' disposable income. Corporate debt levels as a share of GDP are higher than years back, though recently declined marginally.

PAYMENT SYSTEMS OVERSIGHT

The Bank oversees the domestic payment systems in line with the Payment System Management Act (Act 18 of 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 (Act 18 of 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.

The Bank continued to carry out its mandate to oversee the NPS through on-site and off-site activities to ensure the safe, secure, efficient and cost-effective operations of the NPS. These activities confirmed the stability of the Namibia Interbank Settlement System (NISS) in terms of its ability to enable time-critical payments to be processed without major disruptions. The 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 2014.

The Bank amended the Payment and Settlements System Risk-Based Oversight Policy Framework during the first quarter of 2014. Since the implementation of the risk-based oversight framework in 2009 there have been significant changes and developments necessitating its review. The framework was updated to include clear guidelines and rules, which are critical for effective oversight. The framework additionally highlights the Bank as an important player within the National Payment System (NPS) to prevent possible market failures and promote efficiency in payment and settlement systems.

Ensuring the smooth functioning of payment systems and preserving financial stability while promoting the efficiency of payment methods and systems, is among the Bank's primary responsibilities. Information of the costs of the provision of payment services is critical to the Bank in terms of ascertaining the efficiency of the national payments systems. Accurate and up-to-date information about the relative costs of the provision of payment services would help the Bank in attaining its objective of cost-effectiveness. To that effect, the Bank, after industry consultations, has developed a payment services costing framework for the collection of costs of payment services. The framework will be used by the industry to determine costs of selected payment services from January 2015, and is expected to be completed by the third quarter of 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-based card technology. The new Europay, MasterCard and Visa (EMV) standard covers the processing of credit and debit card payments using a card that contains a microprocessor chip at a payment terminal. During 2014, the migration of Point of Sale (POS) and Automated Teller Machine (ATM) devices to EMV platform has been completed, while the issuing of chip and PIN, EMV-compliant payment cards has been re-scheduled for completion by 30 September 2015.

During 2014, the Bank issued the revised Determination on Standards for Basic Bank Account and Cash Deposit Fees. This allows cash deposits free of charge for all individual accounts; and businesses with an annual turnover of N$1,000,000 or less, effective from 31 March 2015. Additionally, the Determination provides minimum standards with which a Basic Bank Account must comply.

The Bank continued to participate in the joint oversight function of SIRESS, a regional system catering for cross-border settlement and time critical or high value payments between SADC countries, in cooperation with various other regional central banks. The relationship between the Bank of Namibia and the aforementioned cooperating central banks is laid down in a bilateral Memorandum of Understanding (MoU), which highlights the cooperative oversight arrangement in place in order to provide a mechanism for mutual assistance between the participating central banks.

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 through NISS. During 2014, NISS availability was high, at 99.7 percent, and was broadly in line with those reported for large values and retail payment systems in other countries. High priority was given to ensure uninterrupted availability of NISS operations.

In 2014, the total value settled through NISS increased significantly when compared to the previous financial year. The total value settled through NISS was N$611.7 billion, of which approximately 61 percent emanated from real-time (typically high value) transactions, and 39 percent from retail payment transactions. The total number of transactions settled during 2014 was 52,658, which is, on average, 175 transactions per settlement day. The total volume settled in NISS increased by 7 percent from 2013. The value of interbank and retail payment transactions increased by 22 percent and 14 percent, respectively. The total value settled in NISS increased by 18 percent, due to the significant increase in the value of real-time transactions. The total settlement value for the retail payment system (EFT, Cheque, and Card) operated by Namclear was N$241.2 billion (Table A.3).

Table A.3: NISS transaction values and volumes

Year	Number of settlement days	Value settled (N$ billion)			Total number for settlement transactions
		Total value settled	Real-time transactions[1]	Retail payment transactions	
2010	301	443.9	306.5	137.4	50 100
2011	302	454.1	295.1	158.9	50 315
2012	300	480.1	300.5	179.6	49 453
2013	301	516	304	212	49 049
2014	301	611.7	370.4	241.2	52 658

The Bank provided sufficient collateralized liquidity to the participants in NISS through overnight and intra day Repo facilities. The value of overnight credit extended in 2014 increased by 17.8 percent to N$468.8 million from 2013. Apart from the overnight repo facilities, the Bank provides interest-free intraday credit to the participants. As real-time payments are made throughout the day, this facility is a valuable avenue for participants to fund intra-day commitments to one another.

The usage of the 7-day repo facility picked up during 2014. Despite the higher liquidity balances observed in the Namibian banking industry during 2014, a total amount of N$564.4 million was utilized on the 7-day Repo lending facility. The transactions occurred during the months of July and December and were mainly due to the concentration of cash balances with a few banks in the industry as well as the seasonality of revenue payments to the state account, leaving some banks with lower liquidity balances. The 7-day repo facility was not utilised during 2013.

1 Transcations captured for settlement directly in NISS

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During 2014, cheque volumes and values processed by Namclear continued to decrease. The number of cheques processed during the period under review was 1.8 million with a total value of N$28.1 billion. The value of cheques processed decreased by 8 percent in 2014 compared to 2013 (Table A.4). This continuing downward trend in volume and value is mostly due to the inefficient nature of cheques as a payment instrument when compared to cards and EFT.

EFT transactions processed by Namclear increased in 2014. Namclear processed 15 million EFT transactions to the combined value of N$270.4 billion in 2014, which is a 7.3 percent and 16.4 percent increase in volume and value, respectively, from 2013. The increased EFT usage reflects efficiency and security of this method of payment as compared to instruments such as cheques.

The card payment stream (NamSwitch) reflected a significant increase in volumes and values. Namclear processed 5.8 million card transactions to the total value of N$11 billion in 2014. The volumes and values switched through NamSwitch increased by 13.5 percent and 20.9 percent respectively, when compared to 2013 (Table A.4). The increase in volumes and values can be partly attributed to domestic debit card transactions being routed through NamSwitch that were previously routed internationally.

Table A.4: Namclear 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)
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
2014	28 129	1 822	207 428	15 085	5 818	11 017	241 375
Annual percentage Change							
2010	-39.02	-17.01	33.68	13.55	220.92	124.44	-5.12
2011	-34.03	-12.99	33.81	7.56	39.62	23.53	10.10
2012	-0.16	-15.59	30.37	26.68	49.97	42.02	24.36
2013	-0.77	-6.17	21.21	14.94	6.27	-0.80	17.13
2014	-7.91	-14.38	16.37	7.24	20.88	13.54	13.00

Overall, the total value of retail payments cleared through Namclear increased significantly from 2013 to 2014. This is due to an increase in the usage of card and EFT transactions. This in turn shows a significant move towards electronic payments being processed in the NPS underlining that they are safer and more efficient than paper based instruments.

COMBATTING MONEY LAUNDERING, FINANCING OF TERRORISM AND PROLIFERATION FUNDING

Namibia introduced the Financial Intelligence Act, 2012 (Act No. 13 of 2012), and the Prevention and Combatting of Terrorism and Proliferation Activities Act 2014 (Act No. 4 of 2014) (PACOTAPAA) to combat Money Laundering, Terrorism, Proliferation and the financing thereof. Money laundering, terrorism financing and proliferation financing crimes have become a global challenge. Such crimes affect Namibia and its financial system. The Bank of Namibia operations are also vulnerable to these crimes albeit to a minimal extent compared with the exposure experienced by commercial banks that deal with the general public. Therefore there was a need for the country to develop and adopt a sound Anti-Money Laundering, Combatting the Financing of Terrorism and Proliferation policy framework which will be used to combat financial and related crimes. The purpose of this policy is to enhance the country and the Bank's compliance with anti-money laundering, Combatting Financing of Terrorism and Combatting Proliteration Financing laws and regulations, to assist law enforcement in combatting illegal money laundering, Terrorist Financing and Proliferation Financing and to minimize the risk of the Bank's resources and the country's financial system being used for improper purposes.

The Financial Intelligence Centre (FIC) acts as technical advisor to the Anti-money Laundering and Combatting the Financing of Terrorism Proliferation Council. The Council is Namibia's main coordinating body on policy matters regarding Anti-Money Laundering, Combatting the Financing of Terrorism and Combatting Proliferation Financing. In 2014 the Council recommended the repeal and replacement of the Prevention of Terrorist Activities Act, 2012 (Act No. 12 of 2012) and its complementing regulations in order to fully comply with international standards and concerns that were raised by the Financial Action Task Force (FATF)[2] where Namibia was under targeted review. The new PACOTAPAA and complementing regulations were passed and came into operation on 1 July 2014 and 16 September 2014 respectively. The PACOTAPAA also amended the Financial Intelligence Act, 2012 (Act No. 13 of 2012) to include matters of proliferation financing, resulting in Namibia being removed in February 2015 from the FATF public statement as a country with strategic deficiencies in its national AML/CFT regime.

The FIC performs a range of Supervision, Compliance Monitoring and Enforcement activities aimed at ensuring that all accountable and reporting institutions comply with the provisions of the Financial Intelligence Act, 2012 as amended (FIA). During the year under review compliance assessments (inspections) were conducted across all regulated sectors as depicted in table A.5 below. The FIC also conducted FIA training and awareness sessions based on the identified needs, aimed at assisting the regulated entities to understand their legal obligations and to design and implement the required preventive measures. A total of 9 training sessions on the FIA were conducted during the year under review compared to 28 in 2013. The FIC issued a total of 30 circulars during 2014 compared to 6 in 2013. The main purpose of these circulars is to alert accountable and reporting institutions on developments pertaining money laundering, terrorist financing and proliferation risks and to assist in the compliance with the FIA.

Lastly, the FIC performs Legal, Policy and Enforcement activities to ensure that observed non-compliance issues are addressed timely and adequately. The regulations to the FIA 2012 were finalized during 2014, Gazetted and became operational on 28 January 2015. No enforcement action was undertaken during the year under review compared to the one enforcement action during 2013. A key objective of enhancing the compliance behaviour of the regulated institutions is to ensure that suspicious or unusual activities relating to money laundering, terrorist financing and/or proliferation financing is reported to the FIC in a timely manner with adequate supporting documentation to assist in the production of useful financial intelligence.

Table A.5: Compliance Assessments

Compliance assessments	2013- On-site	2013- Off-site	2014- On-site	2014- Off-site
Banking	6	6	8	9
Non Banking	10	14	6	6
Designated Non-Financial Businesses and Professions (DNFBPs)	3	1	6	7
Total	**19**	**21**	**20**	**22**

Source: FIC

2 The Financial Action Task Force is an international standard setting body as far as combatting money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction is concerned. All United Nations (UN) member states are obliged to comply with UN Conventions and Security Council Resolutions pertaining the combatting of money laundering, financing of terrorism and the financing of proliferation of weapons of mass destruction and as such the FATF is recognised by the United Nations as the implementing arm as far as these obligations are concerned.

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FINANCIAL INVESTIGATIONS AND ANALYSES

The FIC is responsible for receiving suspicious transaction and suspicious activity reports, as well as requests for information submitted by law enforcement agencies and foreign financial intelligence units. The FIC analyses these reports and requests and, where appropriate, disseminate relevant information to domestic law enforcement agencies and foreign financial intelligence units for further action. The total number of suspicious transaction reports decreased considerably between 2013 and 2014. This decrease can be attributed to various factors such as measures put in place to increase the quality of both suspicious transaction and suspicious activity reports, compliance training, compliance inspections, industry-specific guidance and feedback provided to institutions on the quality of such reports to the FIC. Table A.6 below sets out the number of reports received per source.

Table A.6: Suspicious transaction and suspicious activity reports per annum, and per reporting source

	January – December 2013		January – December 2014	
Source of report	**Number of reports**	**Share of total (%)**	**Number of reports**	**Share of total (%)**
Internally generated	6	1.4	4	1.3
Members of public	4	0.9	13	4.2
Financial service providers	300	70.9	268	87.0
Asset managers	2	0.5	3	1.0
Supervisory authorities	4	0.9	1	0.3
Legal practitioners	6	1.4	4	1.3
Government ministries	1	0.2	1	0.3
Accounting firms	-	-	-	-
Money remitters	78	18.4	7	2.3
Insurance companies	17	4.0	2	0.6
Motor vehicle dealers	2	0.5	3	1.0
Casino/gambling houses	1	0.2	1	0.3
Law Enforcement Agencies	2	0.5	1	0.3
Total	**423**	**100%**	**308**	**100%**

More requests for information were submitted to the FIC during 2014 than in 2013. Table A.7 below sets out the number requests for information received per source. FIC facilitated training in financial investigation in anti-money laundering, combatting the financing of terrorism and proliferation in 2014. The training targeted all the law enforcement agencies, whereby 613 officers were trained in effective investigation of money laundering, financing of terrorism, and proliferation financing. Law enforcement agencies are expected to make increasing use of the FIC to request and exchange information that can supplement their investigations. In June 2014, the FIC became a member of the Egmont Group of Intelligence Units. The Egmont Group offers access to yet another source of financial asset and investigative information held in foreign jurisdictions.

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Table A.7: Request for Information Received per source

	January – December 2013		January – December 2014	
Source of request	**Number of request**	**Share of total (%)**	**Number of request**	**Share of total (%)**
Local Law Enforcement Agencies	31	88.6	35	92.1
Supervisory Bodies	1	2.9	-	-
GRN Ministries	2	5.7	-	-
Foreign Financial Intelligence Units	1	2	3	7.9
Total	**35**	**100%**	**38**	**100%**

During 2014, reports were disseminated to other agencies for further investigation on suspected money laundering, terrorist financing, proliferation financing and other activities. A total of 170 Spontaneous Disclosures (SDs)[3] and 56 Responses to Request for Information (RRFIs)[4] were disseminated to local Law-Enforcement Agencies (LEAs) and Foreign Financial intelligence Units for further investigation of suspected activities of Money Laundering (ML), Terrorist Financing, and Proliferation Financing (PF) in Namibia. The aim of these reports was to facilitate the seizing, freezing and confiscation of suspected proceeds of crime within Namibia and in foreign jurisdictions. The said SDs and responses to requests for Information identified potential proceeds of crime amounting to N$329.0 million. However the identified potential proceeds of crime are still subject to investigations by Law Enforement Agencies.

Possible offences identified during analyses of the reports received were, among others, corruption, fraud, tax evasion, contravention of exchange control regulations, rhino poaching, theft, 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, 2004 (Act No. 29 of 2004) as amended.

Furthermore the FIC issued a total of nine (9) intervention[5] orders during 2014 restricting a total of N$8.7 million suspected proceeds of crime allowing for further enquiries to determine the legitimacy of the funds and where appropriate enable law enforcement agencies to initiate court applications. The FIC contributed to successful preservation applications in at least four High Court cases involving N$2.3 million potential proceeds of crime during 2014. See Table A.8 below for detail.

Table A.8: Investigation outcomes following FIC Analyses:

	January – December 2014
Description	**Amount Involved**
Total funds preserved in High Court	N$ 2.3 Million
Tax Assessment Raised	N$ 69.3 Million

3 These are intelligence reports that the FIC shares with law enforcement agencies as a result of proactive analysis conducted.

4 These are FIC responses to requests emanating from law enforcement agencies and Foreign Financial Intelligence Units to supplement their investigations.

5 Intervention by FIC, per section 42 of the Financial Intelligence Act 2012, Act 13 of 2014

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STRATEGIC OBJECTIVE 2: PROMOTE PRICE STABILITY

Initiatives and strategies

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

Strategic outcomes

- Monetary and financial data provided when it is available, as well as market information to support monetary policy decision.
- Maintain headline inflation below 10 percent without compromising economic growth.

The primary objective of monetary policy in Namibia is to protect and sustain the currency peg arrangement in order to support price stability, 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. Namibia continued to achieve the monetary policy objective, through the peg between the Namibia Dollar and the Rand. As per the strategic outcome, inflation has not only been in single digits but has been trending downwards from a high of 6.1 percent in May and June 2014 to 4.6 percent in December 2014. The realised low inflation rate did not affect the efficient allocation of resources in the economy nor compromise economic growth.

MONETARY POLICY STANCE DURING 2014

The Bank of Namibia kept interest rates relatively low in 2014, to support the domestic economy amid an environment of low inflation. The domestic economy remained relatively resilient supported mainly by construction activities, especially in the mining sectors. Inflation levels were relatively low and as stated earlier declined from a high of 6.1 percent in June 2014 to 4.6 percent in December 2014. At its June 2014 meeting, the MPC increased the Repo rate by 0.25 percentage points to 5.75 percent after it had remained unchanged for 22 months since August 2012. The Repo rate was increased further by the same margin to 6.0 percent in August 2014. The upward increases in both June and August 2014 were triggered by concerns about the widening trade deficit, which was partially financed by instalment credit; thus putting increased pressure on international reserves. The stock of international reserves declined by 13.9 percent to N$13.5 billion in 2014, but remained sufficient to maintain the currency peg and meet short-term international obligations of the country.

STRATEGIC OBJECTIVE 3: 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; and
- Administer exchange control in accordance with relevant law.

Strategic outcomes

- Returns in line with agreed benchmarks.
- 100 percent compliance with reserve adequacy threshold as stated in the Market Intervention Framework.
- All known and detected illegal cash movements are dealt within a period of 3 months.

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 Namibian currency in circulation, which is required to maintain the peg to the South African Rand and to ensure that the country meets its international financial obligations. In satisfying the level of prudence required in managing foreign 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 and 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 2014

The pressure on the foreign exchange reserves continued and increased from the previous financial year causing the level of reserves to decline during 2014. As at 31 December 2014, the level of reserves was recorded at NAD13.5 billion. This represents a 13.9 percent decline compared to the NAD15.7 billion level recorded on the 31 December 2013. The decline in foreign reserves was mainly driven by the rising import bill mainly relating to the construction activities in the mining sector. The import of luxury goods, government payments as well as commercial bank transfers also contributed to the decline in foreign exchange reserves during 2014. Rand notes repatriated to South Africa, compensation for the circulation of the South African Rand in Namibia, SACU receipts and the depreciation of the Namibia Dollar helped to ease the pressure on foreign reserves during 2014.

Despite the decline in foreign reserves during 2014, the level of foreign reserves is considered adequate. At the level of NAD13.5 billion, the foreign reserves are above the level required 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. In terms of import coverage, however, foreign reserves adequacy has deteriorated materially below the international benchmark of 12 weeks, driven by rising imports. The import coverage ratio has declined from 9.2 weeks as at 31 December 2013 to 7.6 weeks as at 31 December 2014, (Figure A.1). The deterioration in import coverage ratio is considered transitory and expected to improve once most of the infrastructural projects are completed. This phenomenon is expected to payoff as current investments taking place in the country are projected to increase productive capacity, which will boost exports in the long term.

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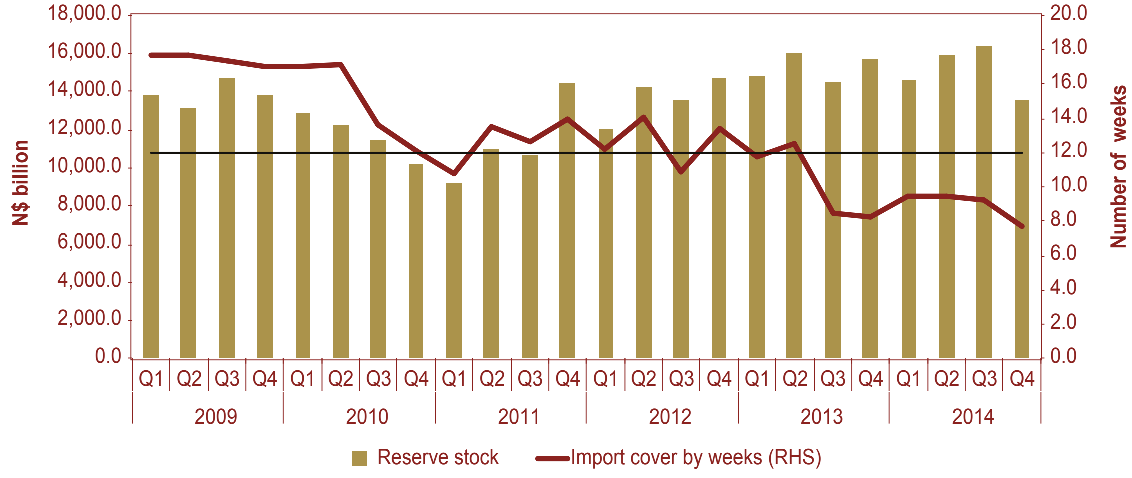
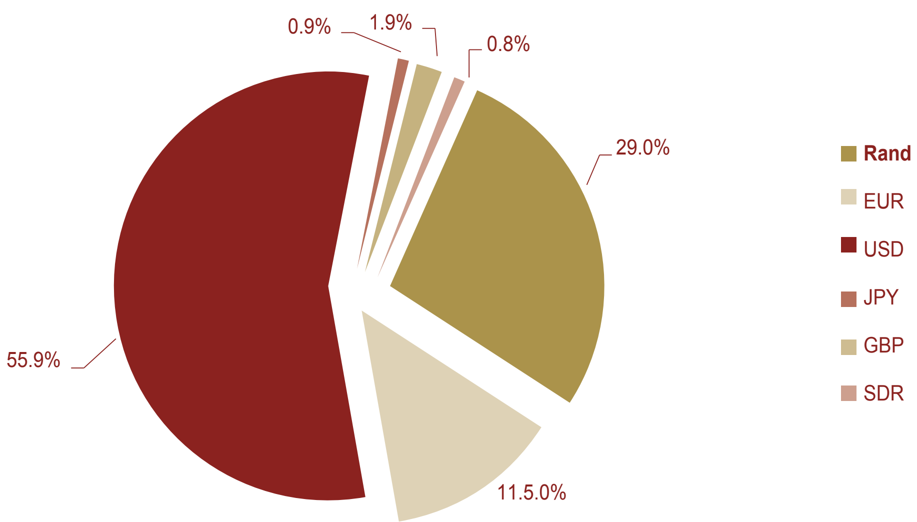
Figure A.1: Official foreign exchange reserve stock and import cover



As has been the case in recent years, foreign reserves were managed under difficult and challenging market conditions during 2014. The uncertainty surrounding the withdrawal of the quantitative easing program in the U.S., the poor economic performance of the Euro Area and rising geopolitical risks led to volatility in capital markets during 2014. Despite this uncertainty, capital markets, including industrialised countries government bonds, ended the year on a positive note. Against this background, all foreign reserve portfolios generated positive returns for the 12 months under review.

In line with the asset/liability approach, the EUR, USD and the ZAR currencies continue to make up a significant portion of the Bank's foreign reserves. As at 31 December 2014, the USD and ZAR accounted for 55.9 percent and 29.0 percent of foreign reserves, respectively. As at the 31 December 2013, the USD and ZAR accounted for 42.6 percent and 43.7 percent of reserves, respectively. The weight of the EUR increased from 10.7 percent in 2013 to 11.5 percent in 2014. The increase in the weights of both the USD and EUR reserves during 2014 mainly reflects weakness in the NAD relative to these currencies. The Bank also held a small percentage of reserves in currencies such as British Pounds Sterling (GBP) and Japanese Yen (JPY) (See Figure A.2 below).

Figure A. 2: Currency mix of foreign exchange reserves as at 31 December 2014



ADMINISTRATION OF EXCHANGE CONTROL

During 2014, the Bank oversaw the approval of two new applicants as Authorised Dealers with Limited Authority (ADLA) to operate bureaux de change in Namibia in terms of the Exchange Control Regulations. The total ADLAs in Namibia are currently 9 with a number of them having branches country-wide. In addition, seven of these ADLAs operate money transfer services in partnership with international money remittance operators.

The following table lists all approved ADLAs currently operating in Namibia.

Table A.9: Approved Authorised Dealers with Limited Authority currently operating in Namibia

Name of ADLA
Casa De Cambio Forex (Pty) Ltd
Interchange Money Exchange Namibia (Pty) Ltd
Magnet Bureau de Change (Pty) Ltd
Namibia Bureau de Change (Pty) Ltd
Novacambios Namibia (Pty) Ltd
Oshikango Bureau de Change (Pty) Ltd
Real Transfer Bureau de Change (Pty) Ltd
Rockhard Bureau de Change(Pty) Ltd
United Bureau de Change (Pty) Ltd

During the year under review, the Bank continued to fulfil its obligations in terms of the Multilateral Agreements through the CMA quarterly Exchange Control Technical meetings. These meetings ensure that the Exchange Controls remain harmonised within CMA and in line with the collective objective of gradual liberalisation of the remaining exchange controls.

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STRATEGIC OBJECTIVE 4: PROVISION OF CURRENCY, GOVERNMENT DEBT ISSUANCE AND BANKING SERVICES

Initiatives and strategies

- Provide effective and efficient provision of Banking services;
- Issue and manage government securities;
- Provide effective lending facilities to the banking institutions; and
- Provide sufficient quality and quantity of currency.

Strategic outcomes

- Currency supplied to commercial banks as per demand at all times.
- 100% of GRN payments and deposits correctly effected and recorded within the agreed timeline.
- Meet 100% of banking institutions' borrowing needs.
- Funds raised for Government in line with the approved borrowing plan.
- Counterfeit is detected, and counterfeit in circulation does not exceed the threshold of ten pieces per one million notes.

CURRENCY OPERATIONS

Currency management and issuance is one of the strategic functions of the Bank. The Bank is the only institution within the country tasked to arrange for the printing of banknotes and the minting of coins. The Bank is further required to ensure that sufficient quantity and good quality currency are in circulation and hence all unfit, soiled and mutilated currency are returned by the commercial banks to the Bank for destruction.

In 2014, the Bank recorded an increase in net issuance across all denominations. The highest increase was observed on the N$200 banknote followed by the N$50 and N$20 banknotes. Although the N$200 banknote recorded the highest increase of 28.2 percent in 2014, it remains significantly lower than the growth of 83 percent recorded in 2013. The aforesaid slowdown in 2014 was attributed to the strategies implemented by the Bank that mandated commercial banks to re-calibrate their Automated Teller Machines (ATMs) to dispense a fairly balanced distribution of all denominations in the market.

The Bank witnessed a growth in the total currency in circulation in comparison to the previous financial year. The total volume of banknotes in circulation as recorded for the year increased to 50.2 million pieces from 42.5 million pieces the previous year. The number of coins also increased from 422.9 million pieces to 473.3 million pieces over the corresponding period (Figure A.3 and Table A.9), of which the highest increase was noted on the 5c and 10c coins.

The growth rate in the currency in circulation slowed during 2014. The annual growth in the value of currency in circulation was 21.9 percent as compared to 22.7 percent in 2013. At the end of 2014, total currency in circulation stood at N$4.1 billion in comparison to N$3.4 billion end of 2013. Banknotes constituted the main component of this amount, with a share of 95.2 percent, while coins represented 4.8 percent. This represents an increase of 22.6 percent in pieces of banknotes and 9.3 percent in pieces of coins put into circulation. As in 2013, the N$100 note still remained the most widely circulated banknote of which an increase of 16.8 percent was recorded during 2014.

The Bank continues to ensure that there is quality cash in circulation. In 2014, the Bank issued a total of N$2.2 billion new banknotes, which was lower than the N$2.8 billion issued in 2013. In 2014, an increase was noted in the total volume of banknotes withdrawn from circulation. A total of 38.7 million banknote pieces were withdrawn from circulation in 2014 as compared to 32.2 million pieces in 2013, reflecting an increase of 16.8 percent. The improved cash management strategy introduced by the Bank in April 2013 attributed to the number of pieces withdrawn from circulation, given the improved currency recycling standards.

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Figure A.3: Growth in currency in circulation

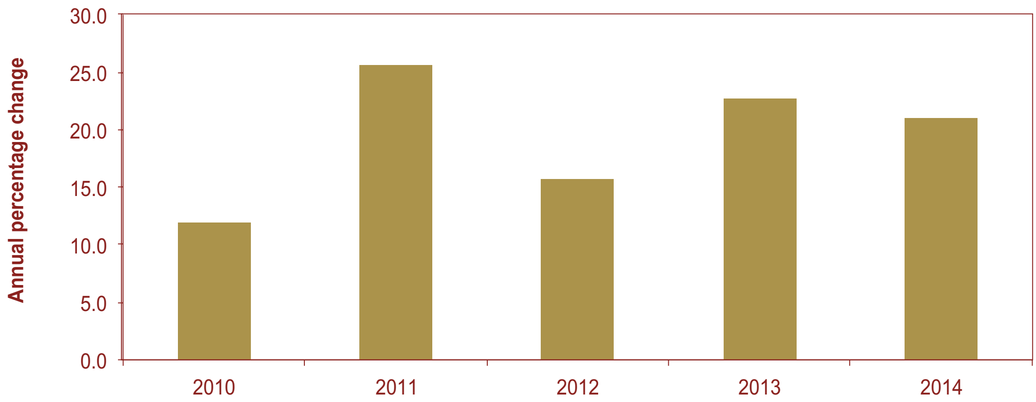

Table A.9: Composition of currency in circulation at 31 December 2014

Denomination	2013 Value (N$ million)	2013 Volume (million)	2014 Value (N$ million)	2014 Volume (million)	Change in value (%)
5c coin	8.2	164.2	9.3	185.2	13.0
10c coin	13.4	134.2	15.2	151.7	13.2
50c coin	12.2	24.3	13.4	26.7	9.5
N$1 coin	89.3	89.3	97.8		
N$5 coin	48.6	9.7	52.7	10.5	8.4
N$10 coin	12.1	1.2	12.7	1.3	4.9
TOTAL - COINS	**183.8**	**422.9**	**201.0**	**473.3**	**9.3**
N$10 notes	103.3	10.3	108.0	10.8	4.5
N$20 notes	133.9	6.7	164.0	8.2	22.5
N$50 notes	273.1	5.5	349.6	7.0	28.0
N$100 notes	1 292.8	12.9	1 510.2	15.1	16.8
N$200 notes	1 415.2	7.1	1 813.7	9.1	28.2
TOTAL-NOTES	**3 218.3**	**42.5**	**3 945.6**	**50.2**	**22.6**
GRAND TOTAL	**3 402.1**	**465.4**	**4 146.6**	**523.4**	**21.9**

In accordance with the Bilateral Monetary Agreement with South Africa, the Bank is required to repatriate South African Rand banknotes that are deposited at the Bank 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. The commercial banks repatriate South African coins on behalf of the Bank to the South African Reserve Bank. A significant reduction was noted in the total amount of South African Rand banknotes repatriated to the South African Reserve Bank during 2014. An amount of R975 million was repatriated in 2014, in comparison to R1.8 billion in 2013. The ratio of South African Rand to the Namibia Dollar banknotes circulating in Namibia has recorded a significant decrease from about 75 percent in 2010 to 22 percent in 2014. The decrease in rand banknotes was largely recorded in the Northern part of Namibia.

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One of the historic milestones for the Bank during 2014 was the signing of the Currency Conversion Agreement on 22 September 2014 between the Bank and the Banco Nacional de Angola. The said Agreement will allow the conversion of the two national currencies of the Republic of Angola and the Republic of Namibia in the two countries respectively. The main objective of the Agreement is to stimulate trade between Namibia and Angola and the two central banks anticipate the full implementation of the said Agreement during 2015.

Rand repatriation and the Namibia Dollar in circulation are presented in Table A.11.

Table A.10: Rand repatriation versus Namibia Dollar in circulation

Calendar Year	Value of Rand repatriation		N$ in Circulation	
	Rand (million)	Change in value (percent)	N$ (million)	Change (percent)
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
2014	975.0	(45.8)	4 146.6	21.9

For the period ending 31 December 2014, the Bank recorded a reduction in the total number of counterfeits detected. The total number of counterfeit Namibia Dollar banknotes detected reduced from 383 pieces from the previous year to 343 pieces in 2014 (Table A.11). During the period under review, the ratio of counterfeits per million of banknotes in circulation of the N$10 banknote remained at zero whilst for the N$20 the ratio had increased to one in a million pieces. However, for the N$50 and N$100 banknotes, the counterfeit ratio per million have reduced during the same reporting period. The high-value banknotes are the most targeted with the N$200 banknotes counterfeits being the most prevalent and hence accounting for 48.4 percent of all counterfeits received by the Bank. In its pursuit to combat counterfeiting of the banknotes, the Bank consistently embarked upon various intervention measures to curb and lessen counterfeits in collaboration with various law enforcement agencies and stakeholders. A total of 1 895 persons from the different law enforcement agencies and commercial banks were trained in 2014. Losses to stakeholders who encountered incidences of counterfeit were minimal. The ratio of counterfeits per million of all Namibia Dollar banknotes denominations is 7 pieces, well below the international benchmark of 70 banknotes per million. It is also worth noting that the 7 pieces fall below the Bank's own threshold of 10 pieces per 1 million banknotes, thus achieving the strategic outcome.

An increase in the counterfeits detected on the new series issued in 2012 was observed during the period under review. The Bank witnessed an increase in the new series of 249 pieces compared to 84 pieces of the old series. Given the analysis carried out on the counterfeits, it has transpired that the quality of the counterfeits was still poor and hence was detected by the respective institutions and individuals at the first point of entry (Table A.11 and A.12).

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Table A.11: Counterfeit Namibia Dollar banknotes

Denomination	Number of counterfeit banknotes detected					Counterfeits per single denomination per million notes in 2013	Counterfeits per single denomination per million notes in 2014
	2010	2011	2012	2013	2014		
N$10	2	0	4	3	1	0	0
N$20	5	3	2	3	8	0	1
N$50	49	80	57	40	28	7	4
N$100	33	119	258	125	140	10	9
N$200	7	9	62	212	166	30	18
TOTAL	**96**	**211**	**383**	**383**	**343**		
Total Counterfeits per million notes for all denominations	**4**	**6**	**10**	**9**	**7**		

Table A.12: 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	8	21	80	149	249	39 020
Old Series	0	0	7	60	17	84	9 750
TOTAL	**1**	**8**	**28**	**140**	**166**	**343**	**48 770**

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 affected through the Namibia Interbank Settlement System (NISS), to ensure timely and irrevocable payments. During the period of 2014, the volume of government transactions in respect of local transfers processed by the Bank from Government increased by 17.2 percent from 750 to 879 (Table A.13). The volume of NISS payments effected to the Government by the commercials banks increased from 1 864 to 2 082 which equates to a 11.7 percent growth.

During the review period, the Bank continued to ensure that all foreign obligations of the Government were honoured timeously. The quantity of foreign transfers from Government increased from 1 959 in 2013 to 2 453 in 2014, which reflects a 20 percent growth (Table A.13).

Table A.13: Foreign and Local Transfers by Government

Calendar year	Foreign Transfers (Volume)	Local Transfers (Volume)
2010	1 118	1 717
2011	1 311	1 175
2012	1 531	768
2013	1 959	750
2014	2 453	879

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Since the implementation of the EFT system in 2010, a significant reduction was noted in the number of Government cheques processed. In 2014, however, there was a slight increase of 1 percent in the total number of Government cheques processed. The total number of Government cheques processed increased from 229 157 in 2013 to 231 705 in 2014. Enhanced usage of the EFT system to process payments is expected in the future, which will in turn cause a reduction in the number of Government cheques processed by the Bank (Table A.15).

Table A.14: Government Cheques Processed

Calendar year	Volume	Change (% decrease)/% increase
2010	691 080.0	(0.5)
2011	433 751.0	(37.2)
2012	271 519.0	(37.4)
2013	229 157.0	(15.6)
2014	231 705.0	1.1

ISSUANCE OF GOVERNMENT DEBT

The Namibian Government introduced two new domestic bonds from the Borrowing Plan for the 2014/15 fiscal year to extend the Government securities yield curve. The funding strategy is aligned to the Sovereign Debt Management Strategy where close to 80 percent of the deficit financing requirements will be raised from the domestic markets. As part of the 2014/15 budget deficit funding strategy, the Namibian Government listed two long-term bonds, namely the GC37 and GC40. The GC37, with a coupon of 9.50 percent, was first issued on 15 July 2014 and is set to mature on 15 July 2037. The 9.80 percent GC40 was also introduced on 15 July 2014 and its maturity date is on 15 October 2040. The GC37 is benchmarked against the South African R2037 due on 31 January 2037, while the GC40 is benchmarked to the R214 maturing on 28 February 2041.

The introduction of the two bonds extended the Government securities yield curve from 21 years to 26 years. By increasing long term issuances, the Government aims to support the market by providing increased flexibility in duration positioning, as well as offering a more complete yield curve.

STRATEGIC OBJECTIVE 5: PROMOTE A POSITIVE REPUTATION

Initiatives and strategies

- Enhance corporate image

Strategic outcomes

- More than 80 percent satisfaction response rate of 60 percent express satisfaction with the Bank.
- The tone with which reference is made to the Bank in the media is positive more than 50 percent of the time, according to systematic media analyses.

CORPORATE IMAGE

The Bank continues to function and operate as an independent institution with a positive image and good stakeholder relationships. During the period under review, the Bank realised its strategic outcome by recording positive media coverage and high stakeholder satisfaction based on systematic evaluation and feedback mechanism in place, informed by various engagement strategies and activities to build trust and confidence with all stakeholders.

PUBLIC EDUCATION

The Bank supports 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 its operational activities. One of such annual event is the economic reporting workshop for the media which was undertaken on 23 - 24 June 2014. Media practitioners contribute greatly to the dissemination of information and help to educate the public on various issues. This workshop was therefore aimed at sharing information and equipping journalists with a good understanding of economic and financial concepts necessary to improve their understanding of economics, the economy and the reporting thereof.

CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY

During 2014, 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 Bank continued to provide a human development programme at Hans Daniel Namuhuya Senior Secondary School and provided maintenance of equipment at both schools.

The Bank further supported other community activities in the form of donations and sponsorships. A total amount of N$220 000 was spent in 2014 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 Namibia Business Innovation Centre (NBIC), University of Namibia's Student Economic and Accounting Societies, and the Polytechnic of Namibia's Student Economic and Accounting Societies. Limited support was also given to community charities. In addition to the corporate donations and sponsorships, staff members of the Bank made generous donations to various needy community initiatives such as the Haphata Care Centre, a community based initiative taking care of mentally challenged people.

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Photo: BoN supporting innovation: From left to right: NBIC Director, Ms Dorothea Westhofen - Kunz; Ms Angelica Bergmann, NBIC Innovation Manager and Mr Ndangi Katoma, Director of Strategic Communications and Financial Sector Development, Bank of Namibia.

STRATEGIC OBJECTIVE 6: PROMOTE FINANCIAL SECTOR DEVELOPMENT

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Initiatives and strategies

- Promote financial sector development

Strategic outcomes

- Namibia Financial Sector Strategy (NFSS) implementation coordinated in line with agreed implementation action plan.

FINANCIAL SECTOR DEVELOPMENT

Since the launch of the Namibia Financial Sector Strategy (NFSS) in 2012, the Bank of Namibia and other relevant stakeholders have implemented a number of projects geared towards the promotion of the Strategy. In 2014, the Bank, as the Secretariat of the NFSS, continued to play a critical role in the implementation of the overall Strategy, thus working toward realising its strategic outcome. This was done through the direct implementation of projects identified in the Strategy that falls within the mandate of the Bank, participating in the projects implemented by other stakeholders and coordinating the overall implementation of the Strategy. These roles are outlined below.

As part of its secretariat duties, the Bank organised and hosted Financial Inclusion Council Advisory Body (FICAB) meetings. The main purpose of the FICAB is to discuss issues pertaining to financial inclusion and identify pertinent issues to be included in the Secretariat report for the consideration of the Financial Inclusion Council. The main items which formed part of the agenda include the risk-financing facility/venture capital study; study on the viability of establishing a credit guarantee scheme, monitoring and evaluation system for the NFSS; investigation on how best to coordinate existing government funds aimed at assisting small entrepreneurs and the poor credit bureau regulations; and the revision of the 1997 SME policy. Below is an outline of the details and status of these projects and activities.

The NFSS recognises that SMEs face a number of challenges in regard to accessing finance. In order to address this challenge, the NFSS provides that studies be undertaken to investigate ways in which this constraint can be addressed. In 2013, the Financial Inclusion Council approved the recommendation to regulate credit bureaus in Namibia based on a study undertaken by the Bank of Namibia which highlighted the significant role that credit bureaus play in availing credit related information that can ensure access to finance for individuals and SMEs. Following this approval, Credit Bureau Regulations were drafted in terms of the Bank of Namibia Act, 1997 (Act No. 15 of 1997) and Gazetted in July 2014 to regulate the operations of credit bureaus in Namibia.

The Bank of Namibia further undertook a study to assess the viability of establishing a credit guarantee scheme in Namibia. The study concluded that there is a need to establish a credit guarantee scheme (CGS) as it would assist SMEs, who lack or have inadequate collateral to access finance. However, in recognition of the moral hazard normally associated with CGSs, the study made a number of operational and governance design rules to administer the scheme. The draft report was shared with various stakeholders from the Government and financial institutions, who showed interest in the establishment of such a facility. A Working Group/Committee has since been established and is reviewing and making final proposals to address the issues raised by stakeholders. It is envisaged that the report will be finalised early 2015.

The Bank formed part of a Steering Committee established to oversee a study, commissioned by the Development Bank of Namibia and carried out by an expert. It assessed the need and viability of establishing a risk-financing facility/venture capital in order to increase financing options for start-up projects in Namibia. The study was undertaken in two phases, with the first phase assessing the feasibility of such a risk facility and determined the need to proceed to

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phase two and design an appropriate facility. The second phase proposed that three facilities (a Challenge Fund, a Venture Capital Fund with Catalytic First Loss Capital (CFLC) and a Credit Guarantee Scheme) be established to cater for debt and equity financing as well as improving skills among SMEs. Work on the details of these facilities (which now together forms the 'SME Financing Strategy') has been on-going, undertaken at a working-group level for each facility, with membership from relevant institutions in the country; and overseen by a Steering Committee comprising of members from the BoN, DBN, GIZ, Ministry of Finance and Ministry of Trade and Industry. A final proposal is expected to be made within the first half of 2015.

Also during this review period, the Bank commissioned a study, as directed by the Financial Inclusion Council, to investigate how best to coordinate existing government funds aimed at assisting small entrepreneurs and the poor. The main objective of the study is to do a review of various existing Government funds/programs/schemes administered by different Government ministries, offices and agencies to determine how they could be better coordinated to ensure the achievement of the intended objectives. The study which is being carried out by an expert is envisaged to be completed in February 2015.

The Bank further participated in a project aimed at reviewing the 1997 SME policy as part of a Technical Committee Chaired by the Ministry of Trade and Industry. To date, a revised draft policy has been drafted and discussed at a workshop. The document is still being reviewed by a Technical Committee.

One of the outcomes of the NFSS is that appropriate safety nets shall be put in place to protect depositors. During the period under review, a team from the Bank undertook a desk study and study tour to Malaysia to investigate and determine the feasibility and format of an appropriate deposit insurance and resolution scheme for Namibia. The study was finalised and will be shared with all stakeholders in 2015.

Subsequent to the approval of the Monitoring and Evaluation (M&E) System by the Financial Inclusion Council Advisory Body in November 2013 to track the progress of the implementation of the NFSS, the Bank, working with implementing agencies, has populated the framework with indicators and targets for 2015. Accordingly, most of the indicators were identified and targets set for 2015. Those still outstanding have been due to unavailability of data and relevant institutions have undertaken to collect the necessary data going forward.

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STRATEGIC OBJECTIVE 7: OPTIMISE ORGANISATIONAL EFFICIENCY AND COST-EFFECTIVENESS

Initiatives and strategies

- Manage risk effectively;
- Ensure that the Bank can function in case of disasters (business continuity);
- Enhance a high performance-driven culture which is living the values of the Bank
- Enhance strategic talent management;
- Manage the Bank's financial affairs in a prudent manner;
- Ensure functionality, security and availability of facilities, other assets and infrastructure that support the Bank's operations in an environment-friendly manner;
- Provide relevant, secure, dependable and efficient IT technology to improve business operations; and
- Employ efficient procurement practices.

Strategic outcomes

- All gaps identified and mitigating strategies for medium and high risks implemented within the agreed time frame.
- A tested Crisis Management Plan in place.
- 100 percent Goal Achievement by the Organization, Staff members living the values of the Bank and 90 percent of the critical talent of the Bank retained.
- Unqualified Annual Financial Statements in compliance with BoN Act and International Financial Reporting Standards.
- 97 percent availability and functionality of facilities, other assets and infrastructure that supports its operations in an environment-friendly manner.
- The Bank's security system is 100 percent functional.
- Initiatives have been taken to reduce the Bank's carbon footprint.
- 99.99 percent availability of IT systems and level of security that should be achieved is defined at Level 3.5 Maturity.
- Procurement practises that result in cost savings and reduction in procurement cycle time are in place.

RISK MANAGEMENT AND ASSURANCE

As an integral part of good governance the Internal Audit function has continued to provide independent and objective assurance on the adequacy and effectiveness of the control, risk management and governance processes of the Bank. Sufficient audit coverage was achieved through the implementation of the risk-based audit plan. In this regard, certain key matters affecting the Bank have been raised during the year and appropriate corrective actions were recommended. Management has agreed to implement the recommended action.

The tracking and accountability for corrective actions on issues raised during audits has been prioritized with quarterly reporting of the Bank-wide cure rate to the Audit Committee. Overall, the audit function has provided an opinion and reasonable assurance that the system of internal controls and risk management are adequate and operated effectively to reduce the degree of risk taken by the Bank to an acceptable level. Five planned audits were, however, moved to 2015 due to resource constraints.

Implementation of projects under the Bank's Business Continuity Management (BCM) Programme is ongoing. During the year, the BCM policy, business impact and threat analyses and recovery strategies have been revised. Following the revision of all critical Business Continuity Plans and continuity strategies, a bank-wide crisis simulation is planned for early 2015. Critical systems have already been successfully tested. In order to cater for the simultaneous operation of all critical systems from the Disaster Recovery (DR) site, the acquisition and installation of increased IT storage and disk capacity has been completed during 2014.

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The Bank's management continues to monitor its top strategic and operational risks and it's identified response strategies. The reporting of risk incidents and near-misses has improved significantly and lessons learnt from these incidents are being incorporated through improved management controls.

STAFFING AND HUMAN RESOURCES DEVELOPMENTS

STAFFING

The Bank achieved significant milestones in 2014 by ensuring that it had adequate human capacity and staff complement in the right positions willing and able to contribute to the mandate of the Bank.

The staff complement as at 31 December 2014 was 291 employees. This is 35 staff members less than the approved establishment of 326 positions, which was due to vacancies resulting from retirements, promotions, and resignations during the year (Table A.15). 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 a number of the positions remained vacant.

Table A.15: Number of staff as at 31 December 2014

Staff Category	2010	2011	2012	2013	2014
General Staff	274	274	278	271	257
Management (excl. Executive Management	29	30	34	33	32
Executive Management	3	3	3	3	2
Total Employed	**306**	**307**	**315**	**307**	**291**

EMPLOYMENT EQUITY

The Bank continued to comply with and fulfil the requirements of the Affirmative Action (Employment) 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 2013 – 2015. 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 2014 stood at 291 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 52.0 percent, whilst female representation at management level improved to 43.75 percent from 42.0 percent in 2013.

- A total number of twelve new employees were recruited of which 50.0 percent were female employees. Two of these new female employees were appointed at management level.

Table A.16: Employment Equity data (2010-2014)

Workforce	2010	2011	2012	2013	2014
Male	162	156	161	153	140
Female	148	151	154	154	151
Racially disadvantaged	296	293	301	297	282
Racially advantaged	9	9	9	5	4
Persons with disabilities	2	3	4	4	5
Non-Namibians	3	2	1	1	0
TOTAL	**310***	**307**	**315**	**307**	**291**

*These figures include temporary staff, which is not reflected in Table A 16.

CAPACITY 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 2014, a total number of 114 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 staffs' performance appraisal as well as by the developmental needs identified and proposed by their supervisors/managers.

Deputy Governor, Mr Ebson Uanguta and Director of Human Resources, Ms Lea Namoloh with the 10 bursary recipients

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, 9 staff bursaries were renewed 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. In respect of the latter bursaries, 75 percent are female beneficiaries. In addition, the Bank sponsors PhD candidates to pursue studies at recognized universities of their choice. One such candidate was awarded his Doctorate in Economics during the year under review. The total number of bursaries sponsored by the Bank at the time of this report is 29 (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	15
Economics	7
Computer Science/IT	5
Education: Mathematics and Science	2
Total	**29**

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The Graduate Accelerated Programme (GAP), which was introduced in 2011, continued to progress well in 2014. 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. For the first intake, the candidates have all successfully completed the programme with three of them ending up permanently employed by the Bank. The year 2014 saw another intake of 4 candidates of which one has secured permanent employment and the other three continue to rotate amongst the various departments.

In 2014, the Bank also provided various in-house training courses in supervision, advanced policy development, writing skills and the role of central banks. The technical training covered all mission critical areas relevant to the operations of the Bank. The in-house training aims to develop staff's competencies in general management and creating awareness on the role of the Central Bank. Technical courses are meant to improve the staff's technical competencies and thereby bridge performance gaps.

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 are aimed at inculcating the values of the Bank and ensuring that all staff members are well conversant with the Bank's vision and mission. This initiative was further strengthened by various teambuilding intervention sessions for the various departments of the Bank, and coaching and development support for the leadership cadre.

An appropriately designed Wellness Programme is an important component in any organisation and the Bank is no exception. During 2014, 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. The Bank also improved the Employees' Value Proposition with the introduction of flexi-time which allows staff extended lunch hours or later starting times to address their personal needs. The Bank also continues to recognize high performers by awarding special awards and bonuses.

DO MORE WITH LESS

The Bank continues to embark on a "Do More with Less" project, which intends to maximise 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. The business processes of the various departments are reviewed, mapped, re-engineered and developed with the view to enhance efficiency and ensure value-addition on all levels of operation. The project also involves an analysis of skills, competencies and utility of human resources for improved workforce planning and talent management. The project commenced in 2013 and it is envisaged to continue until 2016.

The primary objective of the IT function at the Bank is to ensure operational efficiency and cost effectiveness and as such, several initiatives were realized during the course of the year under review. Among the initiatives realized for 2014 includes the introduction of highly cost-effective electronic Board and Meeting packs to speed up document dissemination and reduce the carbon footprint through less paper usage. A Project Management solution was also introduced at no additional cost as part of new functionality of an existing system in use at the Bank to automate planning and execution of projects. The most significant initiative for the year came as result of the revision of three or the Bank's largest service level agreements. The associated renegotiations with industry partners have significantly reduced the cost of providing infrastructure services, without compromising quality. The Bank has therefore done much better in the area of IT Operational Efficiency and Cost Effectiveness in relation to other financial years and continues to meet this strategic outcome.

FINANCIAL MANAGEMENT

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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	2010	2011	2012	2013	2014
N$ million					
Capital and reserves	1 211	1 389	1 798	3 165	4 018
Currency in circulation	1 688	2 010	2 332	2 864	3 385
Government deposits	5 106	4 669	7 328	6 975	3 556
Bank deposits	1 433	1 698	1 790	1 950	2 513
Other	3 476	2 346	1 804	2 134	3 155
Total	**12 914**	**12 112**	**15 052**	**17 088**	**16 627**
Percentage composition					
Capital and reserves	9.4	11.5	11.9	18.5	24.1
Currency in circulation	13.1	16.6	15.5	16.8	20.4
Government deposits	39.5	38.5	48.7	40.8	21.4
Bank deposits	11.1	14.0	11.9	11.4	15.1
Other	26.9	19.4	12.0	12.5	19.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The sources of Bank funds decreased from N$17.1 billion in 2013 to N$16.6 billion in 2014. One of the main contributing factors to this decrease can be attributed to the decrease in Government Deposits. Government Deposits decreased from N$6.9 billion in 2013 to N$3.6 billion in 2014. As a percentage of liabilities, average Government Deposits decreased from 40.8 percent to 21.4 percent, a significant 19 percent decrease that can be attributed mainly to an increase in Government spending during 2014.

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 2010, the share of foreign investments as a percentage of total assets has remained relatively constant. The value of foreign investments decreased from N$16.3 billion in 2013 to N$15.5 billion in 2014 due to higher Government expenditure with the resultant decline in Bank's foreign reserves.

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

Financial year	2010	2011	2012	2013	2014
N$ million					
Foreign investments	12 313	11 526	14 334	16 253	15 487
Loans and advances	72	61	42	48	82
Fixed assets	173	207	247	311	306
Other assets	356	318	429	476	380
Total	**12 914**	**12 112**	**15 052**	**17 088**	**16 255**
Percentage composition					
Foreign investments	95.3	95.2	95.2	95.1	95.3
Loans and advances	0.6	0.5	0.3	0.3	0.5
Fixed assets	1.3	1.7	1.6	1.8	1.9
Other assets	2.8	2.6	2.9	2.8	2.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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As outlined in Table A.20, the Bank's total income in 2014 showed a marked improvement when compared to the 2013 financial year. Interest earnings showed only a marginal improvement, however market valuation gains on our investment portfolios would be considered one of the primary reasons for the good performance.

Table A. 20: Sources of Bank income

Income component	2012		2013		2014	
	N$ million	Percent	N$ million	Percent	N$ million	Percent
Interest received	255.8	79.4	345.5	96.3	366.2	60.8
less: Interest paid	(104.9)	(32.6)	(91.4)	(25.5)	(124.6)	(20.7)
Net interest earned	150.9	46.9	254.1	70.9	241.6	40.1
Net realised gain/(loss)	(39.3)	(12.2)	(148.5)	(41.4)	102.2	17.0
Rand seigniorage	190.2	59.1	214.6	59.8	217.6	36.1
Other income	20.2	6.3	38.4	10.7	41.2	6.8
Total income	**322.0**	**100.0**	**358.6**	**100.0**	**602.6**	**100.0**
Annual % change	**n/a**	**(11.8)**	**n/a**	**11.4**	**n/a**	**68.0**

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$163.9 million in 2013 to N$168.5 million in 2014. Annual increment awarded to all staff is the main reason for this increase. There is a slight decrease in Other Operating costs from N$79 million in 2013 to N$73 million in 2014, due to once off costs incurred in 2013 but not in 2014. However, it is to be noted that 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	2012		2013		2014	
	N$ million	Percent	N$ million	Percent	N$ million	Percent
Staff costs	142.9	53.3	163.9	54.4	168.5	54.2
Currency expenses	42.1	15.7	42.7	14.2	44.4	14.3
Depreciation charges	18.9	7.0	15.7	5.2	18.4	5.9
Other operating expenses	64.4	24.0	79	26.2	79.5	25.6
Total operating expenses	**268.3**	**100.0**	**301.3**	**100.0**	**310.8**	**100.0**
Annual % change	**n/a**	**13.7**	**n/a**	**12.3**	**n/a**	**3.2**

FACILITIES MANAGEMENT

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

In 2014 the Bank continued to enhance and maintain its physical infrastructure by focusing on three projects. The first of these was the continuation of Phase 4 of the project to address the building's heaving basement floor. The project involved renovating and doing remedial work in the note sorting area, in order to make the environment conducive and safer for staff members. As a green initiative, LED (energy saving) lights were also installed as a cost saving mechanism.

Concrete Flooring Truck & Excavated Basement Floor (Before)

Newly renovated Note Sorting Area & Project Team: Mr David Kambinda (BoN), Mr Peter Roland (Buhrmann & Partners), Mr Kuruvilla Mathew (BoN), Ms Saara Shivute (BoN), Mr Daniel Stephanus (BoN), Mr Ockie Oosthuizen (OJ Construction), Mr Johan Raubenheimer (OJ Construction) and Mr Carel Fouche (Buhr & Fouche)

During the year under review, the Bank also had another capital project namely the Air-conditioning. This project commenced in February 2014 and involved upgrading the air-conditioning system at the Head Office. This 12-months project was necessitated because of the problems that were experienced due to malfunctioning of our existing air-conditioning system, which ultimately affected the productivity levels of staff members. The upgrade of air conditioning system project is scheduled to be completed by February 2015.

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Air Handling Unit Plant and Air-Supply Fan


Site Meeting with Mr William Hudson (BoN), Ms Saara Shivute (BoN), Mr Willem Steenkamp (Seasonaire) and Mr Abner Nanguti (Seasonaire) hard at work

The third project involved the provision of additional parking area for staff. An area at the Bank's Training Centre was prepared in order to accommodate 12 additional bays. The project commenced on 18 November 2014 and was completed on 04 December 2014.


Construction of Shade-net Poles

Newly Constructed Shade-net Parking Bays

Parking Bay - Project Team

INFORMATION TECHNOLOGY

In its continued drive towards operational excellence, the Bank of Namibia improved IT Governance compliance through the Control Objectives for Information and Related Technology (COBIT), the leading framework for the governance of enterprise IT. The Bank achieved this improvement by enhancing various processes and strengthening the governance of IT through formal structures. During 2014, the key focus was on structural Governance, Project Management and basic Quality Management that will continue in 2015. In the area of structural governance, the Bank established the IT Strategy and Steering Committee in the first quarter of 2014. The committee was established with five permanent members consisting of members from the Bank's management, the Director of IT as advisor and chaired by the Deputy Governor to help drive the technological agenda for the Bank. The committee, along with Board members and the Bank's management team received training on IT Governance to better understand their respective roles, the discipline of technology governance and how to best execute their functions on behalf of the Bank.

During the course of the year, the committee met three times and adopted and approved various submissions. Amongst others, the committee approved its terms of reference (ToR), its membership as appointed by the Governor and its place in the governance and reporting structures of the Bank. Various solutions were also approved through these structures that include an upgrade to the National Payment System (NISS), a feasibility study to acquire a Plant Maintenance solution, transforming the Bank's end user computing platform to include Virtual Desktops and an approval to conduct a feasibility study and possible replacement of the Electronic Funds Transfer (EFT) system at the Bank.

The Bank's IT infrastructure availability across all critical business systems improved. As an area that contributes directly to the strategic outcome of "Maximising Operational Efficiency and Cost Effectiveness", IT availability was strong and effective during the year under review. The IT infrastructure recorded a combined availability of 94 percent across all critical business systems and underlying infrastructure recorded in the official Early Warning System. This is a slight decrease from 2013 and is attributed primarily to a particular database that was incorrectly configured for reporting purposes, but remained available to serve stakeholders. The IT Data Centre also received a much-needed revamp. Since the Bank adopted virtual technology in 2007, there remained an excess amount of servers and networking cables. This additional equipment and all excess networking cables were removed which allowed much better flow of cool air-conditioned air to keep the facility cool without the blockages in the raised floor. The facility received energy efficient lights and new Uninterruptible Power Supply (UPS) equipment to ensure optimal efficiency in energy use. Unnecessary server and networking racks were also removed, now fully enabling this very modern, world-class facility to meet the expected standards of the Bank. All critical and operational business systems rely on a stable and highly available IT infrastructure to enable the Bank to achieve its other objectives. With

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downtime being kept to a minimum, the Bank remains largely on target to meet this strategic outcome and continues to identify and rectify areas that require improvement.

Due to the highly pervasive nature of Information Technology, IT Risk Management remained a top priority and the activities of 2014 were no exception. Auditing firms PricewaterhouseCoopers and Deloitte and Touche subjected the IT function to two external audits, while the Internal Audit function conducted four of the planned six internal audits. These risk and audit assessments focused on areas that include IT Availability, IT Asset Management, Database Management, IT Security and the SAP Enterprise Resource Planning solution. In addition to the formal assessments, the Bank also concentrated on addressing IT-associated weaknesses identified in 2013. These weaknesses were aimed at addressing Data Replication to the new Disaster Recovery facility as well as rectifying corporate backups that were not completely operational. Furthermore, the capacity of server computing power and the adequacy of enterprise storage were also addressed during the course of the year under review. Finally, information security was a top priority on the Bank's risk log and various measures were put in place to increase the Bank's IT Security posture, which remains an on-going process for improvement. Based on the Bank's IT Governance framework, the Bank's overall COBIT maturity rating increased from 2.05 to 2.25, while a target of 3.5 has been set for 2016. This increase was attributed to initiatives such as improved security awareness to staff, improved security management of information such as e-mail and file encryption and data loss prevention and the management of mobile devices.

Dependable IT Business Systems were introduced in the various functions of the Bank to improve business processes and reduce risks. During the reporting year, two business systems, namely, the Straight Through Processing (STP), and the Research Database System were completed.

The Bank's Strategic Plan is complemented by an IT Master Plan to manage the high-level strategic direction of the IT function to assist in achieving its Strategic Objectives. The progress of the IT Master plan is very good, having completed the third of five years of the plan ending in 2016. While not all identified initiatives can be executed due to the changing nature of technology specific needs, the Bank has done very well over the past three years to leverage technology optimally. The Master Plan consists of approximately 69 Activities, across 7 Strategic Themes of which 29 have been successfully completed over the past 3 years. This represents a 42 percent execution rate across the identified disciplines, with a few activities shelved due to budgetary reasons or a change in requirements towards the Bank's revised strategic objectives. Various initiatives are currently in Feasibility Study status for consideration by the newly established IT Strategy & Steering Committee and the Bank of Namibia Board. In conclusion, the Bank's IT function and activities remain on target in terms of the Bank's objective to provide relevant, secure, dependable and available IT solutions.

STRATEGIC OBJECTIVE 8: ENHANCE CONTRIBUTION TOWARDS SUSTAINABLE ECONOMIC GROWTH

Initiatives and strategies

- Deliver and assist with implementation of relevant and quality policy advice;
- Deliver innovative and quality research output; and
- Promote regional integration

Strategic outcome

- The Bank of Namibia operates as a leading research centre whose advice is accepted and implemented.
- The Bank's SADC Regional Integration Agenda is implemented.

As part of its 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 or advice. Furthermore, 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 2014, 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 "Financing Infrastructure for Sustainable Development in Namibia" was carried out. The paper, which was also presented at the Bank's 16th Annual Symposium held on the 25 September 2014 under the Theme 'Infrastructure Financing for a Sustainable Development in Namibia', was informed by the current need of infrastructure investment in the country and the realisation of the significance of infrastructure investment in promoting economic growth as outlined in the Fourth National Development Plan (NDP4). The paper concluded that Namibia needs a large amount of both public and private investment to curb the infrastructure deficit in the country. The total infrastructure funding requirement for Namibia was estimated at N$224 billion. However, it is projected that SOEs can only manage to raise N$74 billion through a combination of user fee charges, Government subsidies and borrowing. This leaves a net funding gap of about N$150 billion. There is, therefore, a need to establish additional sources of funding to complement the traditional approaches.

The Establishment of the Revenue Agency for Namibia: The Bank's staff formed part of the Task Team, which investigated the appropriate model for the Revenue Agency for Namibia. The team under the leadership of the Minister of Finance has been drafting and fine-tuning the Policy Framework outlining the appropriate model for the Revenue Agency for Namibia for Cabinet's approval. Going forward, the Bank will continue to provide the necessary support and advice, with regard to the transitional and administrative arrangements required in setting up the Revenue Agency, including the drafting of legislation, where necessary.

In addition, the Bank has undertaken several other studies for its stakeholders and participated in various projects with Government ministries, offices and agencies. Among the work produced include (i) a study on Containing the Wage bill: strategies and policy options; and (ii) Fiscal Position note: Preserving fiscal space and enhancing efficiency. These studies were discussed with the relevant line ministries.

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INTERNATIONAL FINANCIAL COOPERATION

The Bank of Namibia regularly engages and collaborates with international and regional stakeholders as part of its day to day activities. Among the international stakeholders, the Bank collaborates with the International Monetary Fund (IMF), the World Bank Group and other central banks on various economic and financial issues. Within the African continent, the Bank is a member of the Association of African Central Banks (AACB) and participated in numerous activities of this Association. At the regional front, the Bank continues to participate in the activities of the Southern African Development Community (SADC) through the Committee of Central Bank Governors in SADC. These activities are geared toward economic and financial integration in SADC. Similarly, the Bank participates in activities of the Common Monetary Area (CMA), and the Southern African Customs Union (SACU), respectively. These co-operation arrangements are elaborated below:

The World Bank Group (WBG) and the International Monetary Fund (IMF)

A delegation led by the Vice President and Chief Operating Officer of the Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, visited the Bank in May 2014. The purpose of the visit was to sensitise Namibia about the MIGA guarantees and the Host Country Agreements on the Legal Protection for Guaranteed Foreign Investment (LPA) and on the use of Local Currency Agreement (LCA) which Namibia needs to sign in order to be able to benefit from MIGA projects. MIGA provides political risk insurance against currency inconvertibility and transfer restrictions, expropriation, war, terrorism and civil disturbances, breach of contract, and non-honouring of financial obligations.

The World Bank also assisted the Bank in several activities related to payment and settlement systems. Experts from the World Bank visited the Bank during 2014 and assisted with the establishment of an appropriate Central Securities Depository (CSD) for Namibia. The experts also reviewed the Payments Legal Framework and the Oversight Framework. The World Bank carried out a remittances review and further collaboration activities are expected in 2015.

Furthermore, the Bank participated in the Annual Meetings of the IMF and the World Bank in Washington DC, USA, in October 2014. The Annual Meetings of the IMF and WBG, each year brings together central bankers, ministers of finance and development, private sector executives and academics to discuss issues of global concern. The topics and issues that were very relevant to Namibia, included amongst others: challenges of job-rich and inclusive growth; building shared prosperity in an unequal world; making extractive industries' wealth work for the poor; and transforming world trade through value chain development. The meetings also offered an opportunity for the Bank of Namibia to meet with other central banks, in particular the Bank of Portugal and the Sveriges Riksbank, where issues of mutual interest such as financial stability were discussed.

The Bank benefited from capacity building cooperation with the Bank of Namibia in 2014. In this regard, an IMF mission visited Namibia during April and May of 2014 and provided technical assistance in the area of monetary statistics. The IMF Mission worked closely with the Research, Finance and Administration, and the Financial Markets Departments. The Mission made recommendations for improving the methodology for compiling monetary statistics in compliance with the IMF's Monetary and Financial Statistics Manual 2000.

The Bank of Namibia participated in the G20[6] Central Bank Communications Round-table, hosted by the South African Reserve Bank (SARB) in Pretoria, South Africa, in March 2014. The meeting brought together 24 delegates representing heads of communication from various central banks. A number of Round Table meetings have taken place to date among G20 countries. Previously, SARB has been the only African central bank attending this Round Table. Since SARB was hosting in 2014, it, however, extended an invitation to central banks of Namibia, Botswana, Mozambique and Lesotho. At the meeting,

6 The G20 – or Group of 20 – is an international forum for the governments and central bank governors from 20 major economies.

central bank communication practitioners shared experiences and lessons on key topics ranging from the specific communication approaches in central banks, experience on the introduction/launch of the new currency, central bank interaction with the media, transition at the top and strategies for managing changes at senior level, amongst others. For monetary policy and financial stability in particular, communication is considered a policy tool.

BILATERAL COOPERATION WITH OTHER CENTRAL BANKS

As mentioned earlier herein, the Bank of Namibia and Banco Nacional De Angola signed a Currency Conversion Agreement in 2014. The agreement provides for Namibians and Angolans to exchange local currencies at banks and authorised dealers at Oshikango in Namibia and Santa Clara in Angola. The agreement is aimed at minimising exchange rate conversion costs and to promote trade between the two countries. The agreement, which was signed during September 2014, will become effective during the first half of 2015.

Governor of the Bank of Namibia, Mr Ipumbu Shiimi and the former Governor of Banco Nacional de Angola, Dr Jose de Lima Massano signing the Currency Conversion Agreement between the Bank of Namibia and Banco Nacional de Angola on 22 September 2014 in Santa Clara, Angola.

The Bank also collaborated with Denmarks Nationalbank and the Deutche Gesellschaft Internationale Zusammenarbeit (GIZ) in the area of cost of payments services in Namibia. Experts from the Kingdom of Denmark's central bank visited and spent two months at the Bank and assisted with the development of a costing framework, which will enable the Bank to better understand the costs of payment services in Namibia. GIZ funded and assisted in the selection of a consultant that will help to develop a framework that will be used to compare fees and charges across banks. This will enable greater transparency.

Regionally, the Bank also collaborated with the Bank of Zambia in the area of Payment and Settlement Systems. In this regard, the Bank hosted a delegation from the Bank of Zambia during 2014. The visit was intended to offer peer learning and an understanding of Namibia's Payments Environment and the role of the Bank of Namibia.

The Bank cooperated with the Sveriges Riksbank on the monetary policy and macro-economic modelling. The Bank's staff took part in the technical assistance visit to Sveriges Riksbank in Sweden as part of the staff exchange arrangement between the two institutions. This particular visit focused on the monetary policy processes and refining the Bank's inflation forecasting model.

Association of African Central Banks

The Governor of the Bank of Namibia was appointed as the new Chair of the AACB Southern African Sub Region effective January 2015. This position was previously held by the Governor of the Bank of Lesotho. In this new role, the Governor and the Bank of Namibia will take responsibility to coordinate progress on the

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African Monetary Cooperation Programme (AMCP) of the Southern Africa AACB Sub Regional Bureau. The AMCP is a programme of the AACB that is aimed at the harmonisation of the monetary, financial and payments policies and to enhance monetary cooperation among African countries. The Bank of Namibia will also represent the Southern Africa AACB Sub Region at the AACB Bureau meetings that precede the AACB General Annual meetings.

COMMITTEE OF CENTRAL BANK GOVERNORS IN SADC

The Bank of Namibia continues to participate in activities of the Committee of Central Bank Governors (CCBG) in SADC. In this connection, the Bank staff participated in two CCBG meetings as well as in a CCBG Strategic meeting held in March, August and December 2014, in Namibia, Zambia and South Africa, respectively. During these meetings, the Governors discussed economic and financial developments and the region's progress towards economic integration. The CCBG Strategic meeting, which was held in December 2014, provided an opportunity for the Central Bank Governors to strategise how the CCBG can make an impact on regional integration during the next five years taking into account the milestones and targets set in the SADC's Regional Indicative Strategic Development Plan (RISDP) 2015 – 2020. The remaining five years of RISDP has been realigned to focus on consolidating the SADC Free Trade Agreement (FTA), with emphasis on industrialisation and market integration.

The Bank hosted the CCBG's Subcommittee for ICT annual meeting in February at the Swakopmund Hotel and Entertainment Centre. The event was hosted for only the second time by Namibia in the last 12 years and was a resounding success. Among the initiatives that progressed well from this regional body were improvements in IT Governance, collaboration in developing regional communication infrastructure between the central banks, Business Continuity Planning for regional systems and adoption of platforms that can be shared across all 15 central banks.

Common Monetary Area (CMA)

As in the past years, the Bank continued to partake in the meetings of the CMA during 2014. In this respect, the Bank participated in the CMA Governors' meetings held in May, August and November 2014, in South Africa, Zambia and Swaziland, respectively. At these meetings, the Governors discussed and exchanged views on economic developments in their respective countries.

Southern African Customs Union (SACU)

The Bank continued to participate in the Southern African Customs Union (SACU) activities during 2014. The Bank provided technical support and advice to the Ministry of Finance on issues related to the revenue-sharing arrangement. 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.

Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)

MEFMI provided technical assistance to the Bank in the area of the Balance of Payment Statistics during 2014. The assistance was meant to enable the Bank to migrate from the Balance of Payment Manual 5th edition (BPM5) to Balance of Payment Manual 6th edition (BPM6). MEFMI assisted the Bank with BPM6 concepts and their application in data compilation, data sources and customisation of the Capital Monitoring System (CMS) and skills needed to participate in the IMF's Coordinated Direct Investment Survey (CDIS) and Coordinated Portfolio Investment Survey (CPIS).

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THEME CHAPTER

FINANCING INFRASTRUCTURE FOR SUSTAINABLE DEVELOPMENT IN NAMIBIA

INTRODUCTION

On 25 September 2014, the Bank of Namibia held its 16th annual symposium under the theme: "Infrastructure Financing for Sustainable Development in Namibia". The selection of the theme was informed by the existing need of infrastructure investment in the country and the acknowledgement of the significance of infrastructure investment in promoting economic growth.

Investment in infrastructure has numerous benefits. Investment in infrastructure helps create employment, enhance trade flows, spur economic productivity and overall, enhance economic competitiveness. Thus, an expansion of infrastructure will enable the country to reap from the benefits associated with infrastructure investment and provides capacity to increase production and economic activities in general.

The opbjective of the symposium was to identify alternative models to effectively finance infrastructure in the country. In this theme chapter, we provide a brief summary of the key policy issues pertaining to infrastructure financing including a brief background on the state of infrastructure in the country, the funding needs identified and different funding options that can be considered.

Following this introductory section, the rest of the Chapter is structured as follows: Section 2 is a brief summary on the state of infrastructure

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and investment requirement in Namibia. Section 3 highlights the alternative funding options available for Namibia and the last section (Section 4) concludes with the way forward.

SECTION 2: THE STATE OF INFRASTRUCTURE IN NAMIBIA AND INVESTMENT REQUIRED

Since Independence, the Namibian Government has consistently invested in various developmental projects, most of which are of an infrastructure nature. Financing of these projects was mainly done, directly and indirectly, through the annual budgetary allocations, which was funded through revenue collected and debt. Of late, State Owned Enterprises (SOE's) were encouraged to raise funds on the capital markets, either through their own balance sheets or backed by government guarantees, and more recently to engage in public-private partnership (PPP). These latest development were done to enhance the pool of finances available to fund capital projects.

Unfortunately, despite these initiatives, the rate of investment in infrastructure has lagged behind the levels required to propel Namibia's economic growth and to achieve its long-term national development plan, Vision 2030. Maintenance and development of rail infrastructure is one of the infrastructures that have lagged behind. As a result, a series of rail accidents have been witnessed in the past number of years, while the roads infrastructure has been put under severe pressure as a result.

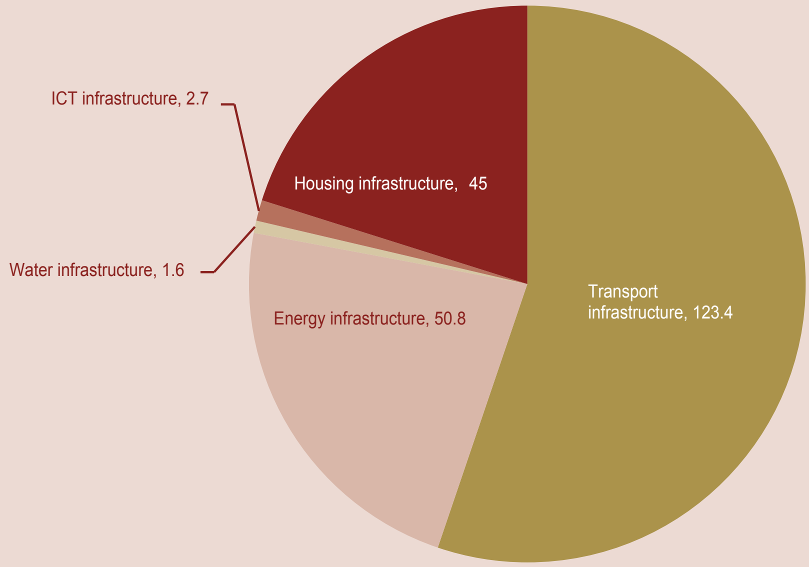
Other modes of transport infrastructure such as roads, aviation and ports also need urgent renovations and/or expansions. Road infrastructure for example needs some urgent rehabilitation as most of the existing roads have completed their life cycle. Air travel infrastructure also calls for urgent upgrades especially the airports, to make it more suitable to accommodate aircrafts efficiently to support national economic objectives. Within the aviation infrastructure, there is also need to build new terminals at some local airports and also rehabilitate runways, and taxiways. Similarly, there is a need for extensive upgrades and expansion of the county's port infrastructure.

Information and Communication Technology (ICT) especially the data network, has limited depth coverage and requires further improvements to keep abreast of international developments. Due to insufficient coverage, a significant portion of the population is still excluded from vital information and other related benefits of ICT. Furthermore, the exclusion of rural masses may have a direct impact on economic performance of Namibia.

The energy, water and the housing sectors share the same dire need of further investments. Electricity demand is expected to intensify especially by 2015/16 due to expected high demand from mines and commercial ventures. Indeed, there is need for an increased electricity supply to meet the increased demand. In this regard, there are plans to carry out some renewable energy projects. The Kudu project is also planned to kick-start in 2016. Similarly, the ensuing increase in mining activities calls for increased water supply in the country. In a similar vein, housing infrastructure continues to require much needed infrastructure development in the country. The country has a housing backlog estimated at around 100,000 units. Emerging from this backlog is the on-going mass housing initiative, whose objective is the construction of low cost housing units amounting to 185,000 houses over the period of 18 years at an estimated cost of N$45 billion. On average, 10,278 houses are expected to be constructed on a yearly basis.

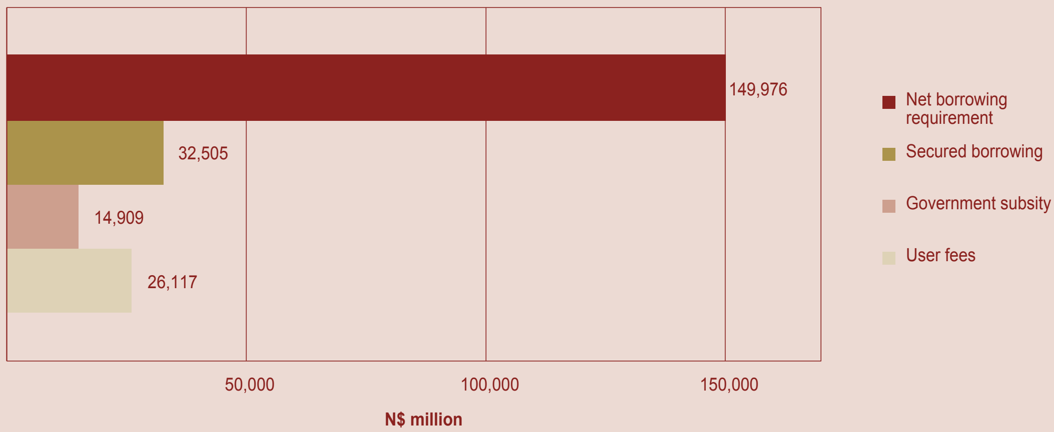
Investment required in the country's infrastructure is sizable. Infrastructure investment need is estimated at N$223.6 billion over the next five years and beyond. As can been seen from Figure T1, a large proportion of the funds is needed in the transport sector, with the rail infrastructure requiring almost 50 percent of this sector's total requirement.

Figure T1: Infrastructure investment needs in Namibia (N$ billion)



Of the estimated infrastructure investment needs, about 33.0 percent is expected to come from user fees, government subsidy and borrowing. This means that the country is faced with a financing gap of about N$150 billion (Figure T2). The ensuing gap suggests the need to explore other possible funding options since the public sector alone will not be able to fund all the required infrastructure investment.

Figure T2: Current Sources of Funding (N$ millions)



SECTION 3: OPTIONS TO FINANCE THE INFRASTRUCTURE GAP

Drawing from the international experience, it became clear that there are different financing models that Namibia can consider. These include Public Private Partnerships (PPPs), Bond issuance, Resource-backed Instruments, Institutional Savings, Infrastructure Fund, Privatization, Infrastructure bonds and Private Equity Funds. Most of these models have been used successfully in many countries across the globe. There are no 'One Size Fits All' financing solutions. This means that a financing model can be successful for one infrastructure sector but not necessarily for all. Below is a summary of the individual financing models.

A

Public Private Partnerships (PPPs)

The rationale for a PPP is mostly because it helps the government to tap on private capital and to benefit from improvement in efficiency and better performance. A PPP in which the private partner brings private capital is a powerful tool for off-balance sheet financing of public infrastructure since the public service concerned can be provided more quickly than is likely to be the case when the public authority alone has to mobilise these resources. Also, implementing infrastructure projects sometimes requires capacities not available in the public sector, such as the expertise to procure the best contractors, mobilize financing at the lowest cost. Another advantage of the PPP is that it provides a framework to optimally allocate risks to the partner best placed to absorb the risk, which improves the quality and efficiency (cost-effectiveness) of the transaction. Also, private sector is profit driven; running projects in a PPP setting will enhance performance since performance enhancement is generally compatible with profit maximization.

Although PPPs can vary in form, they all offer an opportunity to fill infrastructure financing gaps. A PPP may take a form of a concession, joint ventures, management or lease contracts, and outsourcing, for example. Thus, PPPs involving a concession agreement could be applied to industries where the private partner directly serves end-users, or in those where the government is the (sole) buyer of the infrastructure service produced.

The public authority's primary role in a PPP is normally regulatory, although it might also provide reimbursable financial support or a subsidy in cash or in kind where such a subsidy is required to ensure financial viability of the project.

The growth of PPPs as a method of procurement of infrastructure services in Africa recently gained momentum. In this regard, the cumulative investment commitments in Africa reached US$110 billion in 2013. According to the 2014 World Bank study, the PPP models have a history of being very successful in financing infrastructure in the energy and transport sectors. Observations in the Sub-Saharan Africa on the other hand indicate that PPP options in water and sanitation have been associated with only minimal financial commitments. However, there are a few cases of best practices of PPP reported in the water sector in Côte d'Ivoire and Ghana. In the ICT sector, projects procured as PPPs, exhibited a marginally higher number of cancellations.

In Namibia, efforts have been made towards establishing the PPP unit. Thus far, Namibia has drafted the PPP Policy aiming at attracting private fund for economically viable projects. The policy is expected to be implemented under the Ministry of Finance (MoF) and plans to make the PPP Unit operational are underway. It is of crucial importance that the PPP unit is properly staffed with an appropriate combination of skills.

Bonds

Bond issuances, in particular, sovereign bonds have picked up in the recent past, benefiting from improvements in debt sustainability on the African continent. However, bond markets remain relatively underdeveloped due to cumbersome regulations, high issuance costs borne by the issuer, and the general absence of a market for secondary trade; all of which negatively effect potential interest and pricing.

The use of bond issuances to finance infrastructure projects is a relatively new phenomenon in Africa; however, there are notable success stories where they were implemented. Kenya, for example, issued five sovereign infrastructure bonds over the period 2009 to 2011, and was all successful. It is, however, important to note that the macroeconomic environment determines the success of the bond issuance especially in raising debt in local currency.

Resource-backed instruments

Another method of sourcing infrastructure financing is through resource-backed instruments, which takes three forms. The first form is the Resources-for-infrastructure model, whereby mining revenues for examples, are committed to service debt associated with infrastructure projects. The second form is the Leveraging of infrastructure, which is mainly developed for mining operations to serve a wider population; and the third form is the establishment of the Sovereign wealth funds with infrastructure focus. The latter form of financing is done to accumulate windfall gains from natural resources and direct them to infrastructure development.

Chinese investments in African infrastructure are a good example of resources backed instrument. In some cases, Chinese investment in African countries are supported by strategic partnerships negotiated between the African governments and the Chinese government, where the Chinese government offers concessions to develop infrastructure in exchange for natural resources. In Angola for example, oil-backed concessional loans from China were used to support post-war reconstruction over the period 2004 to 2008, and serviced through dedicated oil revenues (Mutambatsere, 2014)

One of the key challenges with this type of financing is that in most cases, the bulk of the services and equipment are procured from the country supplying the loan. Also, there is risk of unbalanced sharing of risks and rewards in resources-for-infrastructure deals particularly as they relate to new discoveries, given that for most natural resources, it is not possible to determine the exact amount and quality of natural resource reserves to be yielded before the project kick-start.

Private equity and debt instrument

The use of private equity and debt instruments are also one of the infrastructure funding mechanisms. Equity and debt funds can be specialized, focusing exclusively on infrastructure investments or on specific infrastructure sectors. The use of equity funds in infrastructure in Africa is a relatively recent development with early applications being observed in South Africa in the mid 1990's. However, the investors' appetite for equity instruments is negatively affected by funds' tendency to deliver negative returns initially (during their investment period), lack of familiarity with private equity funds as an asset class, and investment mandates of institutional investors often not matching the risks associated with some of the infrastructure funds. Therefore, in implementing this model, one has to remain mindful of the conditions for success.

Privatisation Proceeds

Privatisation is another widely discussed method of financing infrastructure. Privatisation refers to the arrangement where ownership and control of public assets are transferred to the private sector. This can take the form of the individual asset sales or sale of shareholding in state-owned companies. The rationale is for the Government to use the proceeds from the sales of such assets to finance critical infrastructure projects. Ideally, Privatisation should be considered for non-core essential services such as operation of tourism establishments, airlines and telecommunication functions.

Infrastructure fund

Some countries establish funds aimed specifically at financing their infrastructure projects. An infrastructure fund can be listed on the stock exchange to raise funds to this end. This approach is geared towards attracting funds from pension funds, fund managers and long-term insurers with longer-term investment mandates, while providing liquidity and better price discovery. International experience indicates that this mode of financing provides an opportunity to fast track the implementation of projects.

Institutional savings

Another method to finance infrastructure is to utilize national savings for infrastructure development. This means that, there is a need to attract funds from institutions with long-term investment mandates. In the case of Namibia, this will require amendments of regulatory frameworks. Direct investment in infrastructure by institutional investors in Namibia has been limited so far. Regulation 15

A

and Regulation 28 (Long-Term Insurance Act and Pension Fund Act 24 of 1956) prescribe the amount of funds institutional investors can invest domestically in listed and unlisted instruments. However, there are no clear frameworks of how institutional investor can participate in infrastructure financing. These constraints can be addressed through regulatory amendments as well as creating infrastructure funding instruments and structures, should Namibia chose to pursue this method of financing.

SECTION 4: WAY FORWARD

Although there are a number of funding models available for Namibia, PPPs, Infrastructure Fund and Privatization appear to be viable for Namibia. The PPP has worked successful in so many countries including South Africa which has similar economic characteristics as Namibia. Given this position, the Bank is of the view that establishing a PPP model in Namibia would help fill the infrastructure development financing gap. As mentioned elsewhere in this Report, however, it is very important to ensure that the newly established PPP unit is properly staffed with the right skills and expertise. Infrastructure fund and privatization also have some success stories in a number of countries and as such, must be considered for investigation and possible implementation.

As a way forward, the Bank of Namibia believes that since the magnitude of the finance gap has been estimated; it is now up to the implementing institutions/agencies to speed up the implementation process. The proposal is to entrust the implementation of the three financing models with the Ministry of Finance and the Development Bank of Namibia. In implementing these methods, it is imperative to ensure that these models are well packaged as their success will be much dependent on it.

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FIVE YEAR HISTORICAL FINANCIAL OVERVIEW

Table A.22: Statement of financial position, comparisons, 2010-2014 - N$'000

	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14
ASSETS					
Non-current assets	**306 355**	**317 099**	**436 020**	**491 316**	**460 401**
Property, plant and equipment	187 662	203 898	299 628	304 926	300 937
Intangible assets - computer software	15 883	13 512	8 448	5 166	2 686
Currency inventory - notes and coins	71 793	61 985	82 382	118 711	108 831
Loans and advances	31 017	37 704	45 562	62 513	47 947
Current assets	**10 459 522**	**14 727 531**	**15 109 847**	**16 086 865**	**16 437 114**
Investments	8 876 115	14 303 307	14 612 828	15 612 445	13 418 719
Loans and advances	951	938	2 529	750	358 415
Rand Cash	72 889	101 907	161 233	144 499	80 645
Other inventory - stationary and spares	2 464	2 424	2 189	2 195	2 211
Other assets	1 507 103	318 955	331 068	326 976	2 577 124
TOTAL ASSETS	**10 765 877**	**15 044 630**	**15 545 867**	**16 578 181**	**16 897 515**
EQUITY AND LIABILITIES					
Capital and reserves	**960 192**	**1 854 698**	**2 142 630**	**3 769 643**	**4 525 798**
Share capital	40 000	40 000	40 000	40 000	40 000
General reserve	736 256	790 082	812 792	835 588	1 127 638
Foreign Currency revaluation reserve	15 755	826 491	1 099 415	2 688 311	3 310 620
Distribution state revenue fund	8 181	22 865	9 442	-	-
Training fund reserve	-	-	-	-	10 000
Building fund reserve	150 000	150 000	150 000	150 000	-
Development fund reserve	10 000	20 000	25 000	25 000	35 000
Unrealised gain reserve	-	5 260	5 981	30 744	2 540
Non-Current Liabilities	**35 451**	**39 433**	**43 846**	**55 107**	**61 494**
Provision for post-employment benefits	35 451	39 433	43 846	55 107	61 494
Current Liabilities	**9 770 234**	**13 150 499**	**13 359 391**	**12 753 431**	**12 310 223**
Notes and coins in circulation	1 909 341	2 398 164	2 773 341	3 401 981	4 146 558
Deposits	7 841 786	10 727 160	10 560 075	9 299 551	8 134 924
Provision for post-employment benefits	789	840	890	1 199	1 295
Trade and other payables	18 318	24 335	25 085	50 700	27 446
TOTAL EQUITY AND LIABILITIES	**10 765 877**	**15 044 630**	**15 545 867**	**16 578 181**	**16 897 515**

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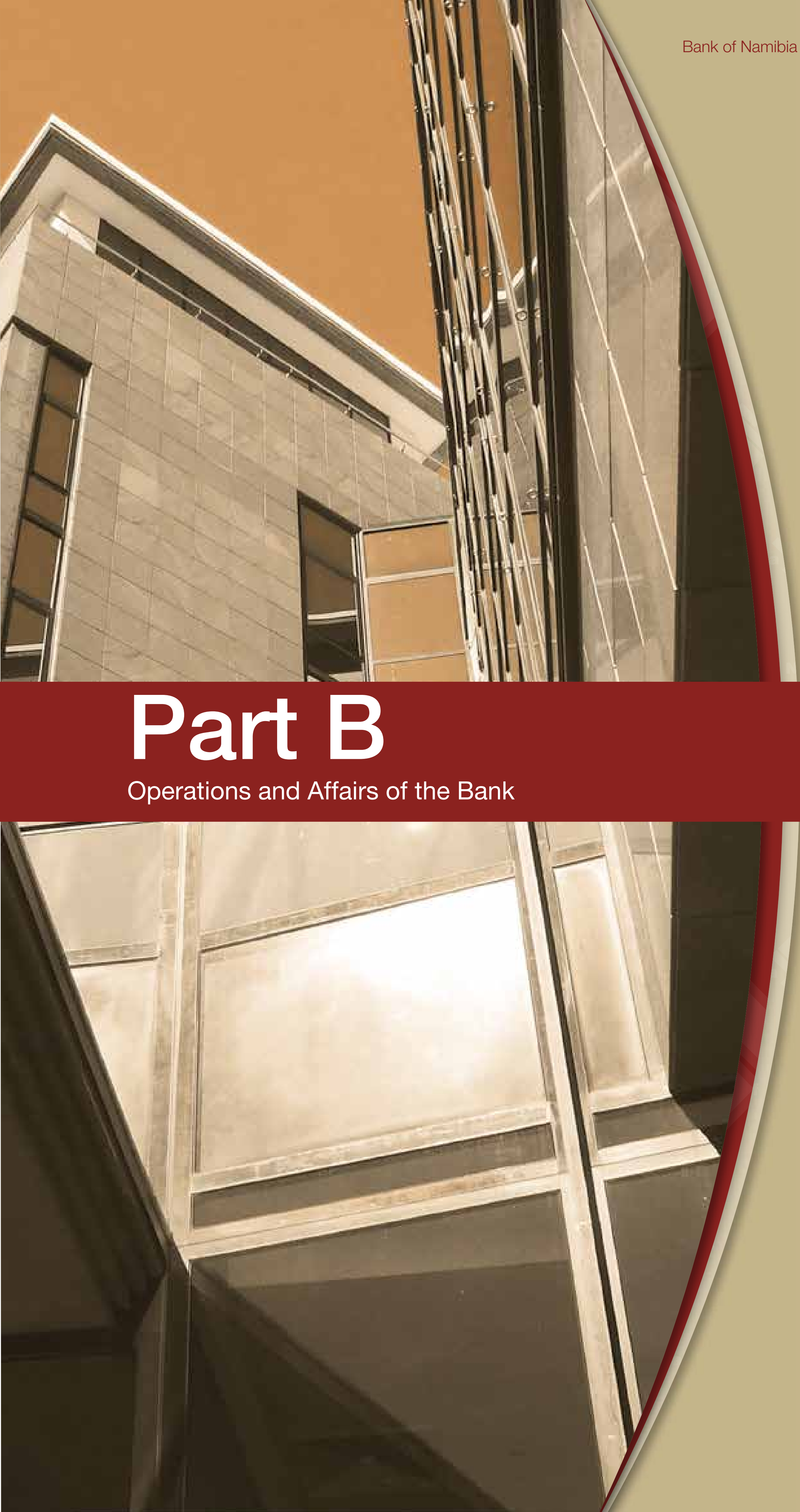
Table A. 23: Statement of Comprehensive Income comparisons, 2010 – 2014 – N$'000

	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14
Interest income	401 839	329 686	255 833	345 506	366 247
Interest expense	(248 534)	(158 188)	(104 906)	(91 418)	(124 569)
Net interest income	153 305	171 498	150 927	254 088	241 678
Net gains/(loss) on portfolio investments	31 133	(24 172)	(39 301)	(148 501)	102 158
Net foreign exchange gains/(losses)	(805 463)	810 736	272 924	1 588 895	622 309
Rand compensation	161 354	183 880	190 174	214 618	217 600
Other income	17 998	33 713	20 196	38 417	41 292
Total income	**(441 673)**	**1 175 655**	**594 920**	**1 947 517**	**1 225 037**
Operating expenses	**212 277**	**235 815**	**268 200**	**301 292**	**310 827**
Net income for the year	**(653 950)**	**939 840**	**326 720**	**1 646 225**	**914 210**
Transfer from/(to) revaluation reserve	805 463	(810 736)	(272 924)	(1 588 895)	(622 309)
Unrealised Gain Reserve	-	(5 260)	(721)		28 204
Net income available for distribution	**151 513**	**123 844**	**53 075**	**32 566**	**320 105**
Appropriations:	**151 513**	**123 844**	**53 075**	**32 566**	**320 105**
General Reserve	37 878	53 826	22 710	22 796	142 050
Building Reserve	50 000	-	-	-	-
Training Fund reserve	-	-	-	-	10 000
Development Fund reserve	10 000	10 000	5 000	-	10 000
Distribution to State Revenue Fund	45 454	37 153	15 923	9 770	158 055
Distribution to State Revenue Fund (retained)	8 181	22 865	9 442	-	-



Part B

Operations and Affairs of the Bank

Content

BOARD'S STATEMENT OF RESPONSIBILITIES

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 69 to 114 were approved by the Board and are signed on its behalf by:

____
Chairman
27 March 2015

____
Board Member
27 March 2015

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

We have audited the annual financial statements of the Bank of Namibia, which comprise the statement of financial position as at 31 December 2014, 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 114.

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 2014, 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.

Deloitte + Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
PO Box 47, Windhoek
Per: Erwin Tjipuka
Partner
Regional Executive:
LLBam (Chief Exectutive), A Swiegers, (Chief Operating Officer), GM Pinnock
Resident Partners:
E Tjipuka (Managing Partner), RH McDonald, J Kock, H de Bruin, J Cronje, A Akayombokwa
Director: G Brand

Grand Namibia

Grand Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
PO Box 24304, Windhoek
Per: Richard Theron
Partner
Resident Partners:
R Theron (Managing Partner), RN Beukes, FG Kisting

Windhoek
27 March 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 N$'000	2013 N$'000
Net interest income		**241 679**	**254 088**
Interest income	2	366 247	345 506
Interest expense	2	(124 568)	(91 418)
		258 891	**253 035**
Rand compensation income		217 600	214 618
Other income	2	41 291	38 417
Total income		**500 570**	**507 123**
Operating expenses	2	(310 827)	(301 292)
Net gain/(loss) on investment portfolio		102 158	(148 502)
Profit for the Year		**291 901**	**57 329**
Other Comprehensive Income		**622 309**	**1 588 896**
Net foreign exchange translation gains	15	**622 309**	**1 588 896**
Total Comprehensive Profit for the Year		**914 210**	**1 646 225**
Profits attributable to:			
Revaluation reserve	15	622 309	1 588 896
Unrealised gain reserve		(28 204)	24 763
Amount available for distribution	3	320 105	32 566
		914 210	**1 646 225**

B

STATEMENT OF FINANCIAL POSITION AS AT AS AT 31 DECEMBER 2014

B

	Notes	2014 N$'000	2013 N$'000
ASSETS			
Non-current Assets		**460 401**	**491 316**
Property and equipment	4	300 937	304 926
Intangible assets – computer software	5	2 686	5 166
Currency costs – notes and coins	6	108 831	118 711
Loans and advances	7	47 947	62 513
Current Assets		**16 437 114**	**16 086 865**
Investments	8	13 418 719	15 612 445
Loans and advances	9	358 415	750
Rand deposits	10	80 645	144 499
Other inventory – stationery and spares	11	2 211	2 195
Special Drawing Rights and Other receivables	12	2 577 124	326 976
TOTAL ASSETS		**16 897 515**	**16 578 181**
EQUITY AND LIABILITIES			
Capital and Reserves		**4 525 798**	**3 769 643**
Share capital	13	40 000	40 000
General reserve	14	1 127 638	835 588
Foreign currency revaluation reserve	15	3 310 620	2 688 311
Training fund reserve	22	10 000	-
Building fund reserve	16	-	150 000
Development fund reserve	17	35 000	25 000
Unrealised gain reserve		2 540	30 744
Non-Current Liabilities		**61 494**	**55 107**
Provision for post employment benefits	18	61 494	55 107
Current Liabilities		**12 310 223**	**12 753 431**
Notes and coins in circulation	19	4 146 558	3 401 981
Deposits	20	8 134 924	9 299 551
Provision for post employment benefits	18	1 295	1 199
Trade and other payables	21	27 446	50 700
TOTAL EQUITY AND LIABILITIES		**16 897 515**	**16 578 181**

IPUMBU W. SHIIMI
GOVERNOR
27 March 2015

KURUVILLA MATHEW
CHIEF FINANCIAL OFFICER
27 March 2015

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share Capital N$'000	Accumulated Profit & loss account N$'000	Training Fund Reserve 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 2013	**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	-	-	-	-	-	-	(19 212)	-	-	(19 212)
Balance at 31 December 2013	**40 000**	**-**	**-**	**835 588**	**2 688 311**	**30 744**	**-**	**25 000**	**150 000**	**3 769 643**
Profit for the year	-	914 210	-	-	-	-	-	-	-	914 210
Transfer to Revaluation reserve	-	(622 309)	-	-	622 309	-	-	-	-	-
Release from Unrealised Gain reserve	-	30 744	-	-	-	(30 744)	-	-	-	-
Transfers to Unrealised Gain reserve	-	(2 540)	-	-	-	2 540	-	-	-	-
Appropriation of net profit for the year	-	(320 105)	10 000	142 050	-	-	158 055	10 000	-	-
Transfer to General Reserve	-	-	-	150 000	-	-	-	-	(150 000)	-
Dividend distribution (current year)	-	-	-	-	-	-	(158 055)	-	-	(158 055)
Balance at 31 December 2014	**40 000**	**-**	**10 000**	**1 127 638**	**3 310 620**	**2 540**	**-**	**35 000**	**-**	**4 525 798**

B

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

B

	Notes	2014 N$'000	2013 N$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised by operations	A	(698 606)	(485 269)
CASH FLOWS FROM INVESTING ACTIVITIES		**(36 201)**	**(118 006)**
Proceeds on disposals of property & equipment and intangible assets		2	144
Purchase of property & equipment		(14 427)	(21 025)
Purchase of currency inventory		(34 544)	(79 035)
Purchase of other inventory		(500)	(464)
Purchase of intangible asset – computer software		(1 298)	(675)
(Increase)/Decrease in loans and advances		14 566	(16 951)
CASH FLOWS FROM FINANCING ACTIVITIES		**734 807**	**603 275**
Distribution to the State revenue fund	B	(9 770)	(25 365)
Notes and coins issued		744 577	628 640
		-	-

NOTE:

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

	2014 N$'000	2013 N$'000
Profit for the year	291 901	57 329
Adjusted for:		
Depreciation	18 374	15 687
Currency inventory amortisation cost	44 423	42 707
Other inventory issuance cost	484	458
Provision post employment benefits	6 483	11 570
Amortisation of computer software	3 778	3 957
Loss/(Profit) on disposal of property & equipment	42	(104)
Operating cash flows before movements in working capital	**365 485**	**131 604**
(Increase)/Decrease in loans and advances	(357 665)	1 779
Decrease in Rand cash	63 854	16 734
(Increase)/Decrease in other receivables	(2 250 148)	4 092
Decrease in deposits	(1 312 912)	(1 254 371)
(Decrease)/Increase in trade and other payables	(23 254)	25 615
Decrease in investments	2 816 034	589 278
	(698 606)	**(485 269)**

B. DISTRIBUTION TO STATE REVENUE FUND

	2014 N$'000	2013 N$'000
Opening balance included in deposits	(9 770)	(25 365)
Appropriations of net profit for the year	158 055	9 770
Closing balance included in deposits	(158 055)	(9 770)
Paid for the year	**(9 770)**	**(25 365)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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 2014 year-end:

Number	Effective date	Executive summary
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 to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:* *The meaning of 'currently has a legally enforceable right of set-off', the application of simultaneous realisation and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.*
Amendments to IFRS 10, consolidated financial statements', IFRS 12 and IAS 27 for investment entities	1 January 2014	*Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement. Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries. Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).*
Amendments to IAS 36, 'Impairment of assets'	1 January 2014	*Reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Number	Effective date	Executive summary
Amendment to IAS 39 on novation of derivatives	1 January 2014	*Makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.*

International Financial Reporting Standards and amendments issued *<u>but not effective</u>* *for 31st December 2014 year-end:*

Number	Effective Date	Executive summary
Amendment to IAS 19 defined benefit plans: employee contributions.	1 July 2014	*To clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.*
IFRS 9 – Financial Instruments (2009)	No stated effective date	*Introduces new requirements for classifying and measuring financial assets, as follows:* *Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances) Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss. All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss. The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines. IFRS 9 (2014) was issued on 24 July 2014 and supersedes IFRS 9 (2009), but this version of the standard remains available for application if the relevant date of initial application is before 1 February 2015.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

B

Number	Effective Date	Executive summary
IFRS 9 – Financial Instruments (2010)	No stated effective date	*A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 (2014) was issued on 24 July 2014 and supersedes IFRS 9 (2010), but this version of the standard remains available for application if the relevant date of initial application is before 1 February 2015.*
Amendments to IFRS IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (2013)	No stated effective date	*A revised version of IFRS 9 which:* *Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.* *Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss.* *Removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application*.* ** IFRS 9 (2014) was issued on 24 July 2014 and supersedes IFRS 9 (2013), but this version of the standard remains available for application if the relevant date of initial application is before 1 February 2015.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Number	Effective Date	Executive summary
IFRS 9 – Financial Instruments (2014)	1 January 2018	*A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:* *Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.* *Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.* *Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.* *Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.* *Note: Depending on the chosen approach to applying IFRS 9, the transition can involve one or more than one date of initial application for different requirements.* *Note: IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before 1 February 2015.*
IFRS 14 Regulatory Deferral Accounts	1 January 2016	*Permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

B

Number	Effective Date	Executive summary
IFRS 15 Revenue from Contracts with Customers	1 January 2017	Provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows: Identify the contract with the customer. Identify the performance obligations in the contract. Determine the transaction price. Allocate the transaction price to the performance obligations in the contracts. Recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.
Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to: apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).
Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Number	Effective Date	Executive summary
Amendments to IAS 16 and IAS 41, Agriculture: Bearer Plants	1 January 2016	*Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16.* *Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales* *clarify that produce growing on bearer plants remains within the scope of IAS 41.*
Amendments to IAS 27, Equity Method in Separate Financial Statements	1 January 2016	*Amends IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.*
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	*Amends IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations)require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in an subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

1.1. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

B

Number	Effective Date	Executive summary
Amendments to IAS 1, Disclosure Initiative	1 January 2016	*Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply; clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.*
Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016	*Amends IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:* *The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity. When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries. An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

B

Annual Improvements issued 2010 – 2012 cycle and 2011 – 2013 cycle

Improvements to IFRSs 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 2015 year-ends:

IFRS	Effective Date	Subject of amendment
IFRS 2	1 July 2014	*Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.*
IFRS 3	1 July 2014	*IFRS 3 — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.*
IFRS 8	1 July 2014	*IFRS 8 — Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly.*
IFRS 13	1 July 2014	*IFRS 13 — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only).*
IAS 16 and IAS 38	1 July 2014	*IAS 16 and IAS 38 — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.*
IAS 24	1 July 2014	*IAS 24 — Clarify how payments to entities providing management services are to be disclosed.*
IFRS 1	1 July 2014	*Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only).*
IFRS 3	1 July 2014	*IFRS 3 — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.*
IFRS 13	1 July 2014	*IFRS 13 — Clarify the scope of the portfolio exception in paragraph 52.*
IAS 40	1 July 2014	*IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.*

Interpretations of International Financial Reporting Standards

Interpretations of International Financial Reporting Standards effective for the first time for 31st December 2014 year-end:

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 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

1.1 ANNUAL IMPROVEMENTS 2012 – 2014 CYCLE

Improvements to IFRSs 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 2014 year-ends:

Number	Title	Effective date
IFRS 5	*Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.*	1 July 2016
IFRS 7	*Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.*	1 July 2016
IAS 9	*Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.*	1 July 2016
IAS 34	*Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.*	1 July 2016

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 note18.

   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 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

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 Statement of financial position items.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

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.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

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 Statement of financial position 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.

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.

Statement of comprehensive income net gains or losses

	2014 N$'000	2013 N$'000
Financial assets – at fair value through profit or loss		
Designated on initial recognition		
External portfolio investments – net profit(loss)	102 158	(148 502)
	102 158	**(148 502)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

1.4 FINANCIAL INSTRUMENTS (CONTINUED)

Impairment

The Bank reviewed its financial assets and determined that there were some investments that were impaired and adjustments were processed to the Statement of comprehensive income to reflect the impairment.

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

1. ACCOUNTING POLICIES (CONTINUED)

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 Statement of financial position 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 statement of comprehensive income 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.

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-Statement of financial position 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

1. ACCOUNTING POLICIES (CONTINUED)

B

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.

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. It is to be noted that the securities (promissory notes) were recorded in the Bank’s books for the first time during the current financial year.

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 2014

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2. RESULTS FOR THE YEAR

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

	2014 N$'000	2013 N$'000
Interest Income		
Namibia Dollar & Rand Currency	**248 214**	**214 162**
Debt securities – fair value through profit or loss	-	49 379
Money market instruments – fair value through profit or loss	159 976	158 092
Money market instruments – held to maturity	88 238	6 691
Other Currency	**115 850**	**129 258**
Debt securities – fair value through profit or loss	102 668	124 593
Money market instruments – fair value through profit or loss	11 110	4 665
Money market instruments – held to maturity	2 072	-
Unwinding of present value adjustments	2 183	2 086
	366 247	**345 506**
Interest Paid		
Government	17 133	29 400
Commercial Banks	105 403	59 927
Other	2 032	2 091
	124 568	**91 418**
Other Income		
Rand compensation income	217 600	214 618
Sundry income	41 291	38 417
	258 891	**253 035**
Operating Expenses		
Depreciation	18 374	15 686
Amortisation of computer software	3 778	3 957
Currency inventory amortisation costs	44 423	42 707
Other inventory expensed	483	458
Salaries and related personnel costs	168 552	163 904
Staff training and development	8 115	1 586
Social responsibility	2 234	7 006
Board members' fees - for services as board members	321	329
Auditors' remuneration - audit fees	995	857
Membership fees	1 308	420
Building and other maintenance costs	13 123	13 268
Loss on disposal of property, equipment and intangible assets	64	41
Amortisation of prepaid long-term employee benefit	2 183	2 086
Other expenditure	46 874	48 926
Total operational expenditure	**310 827**	**301 292**
Number of employees	**310**	**307**

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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

	Notes	2014 N$ `000	2013 N$ `000
Total Comprehensive Profit for the Year		**914 210**	**1 646 225**
Unrealised Gains release from Reserve		28 204	(24 763)
Exchange Rate Gains/Losses transferred to the Revaluation Reserve		(622 309)	(1 588 896)
Net Profit for the Year		**320 105**	**32 566**
Appropriation of Profits		**320 105**	**32 566**
General Reserve	14	142 050	22 796
Building Fund Reserve	16	-	-
Development Fund Reserve	17	10 000	-
Training Fund Reserve	22	10 000	-
Distribution to State Revenue Fund		158 055	9 770
Distribution to State Revenue Fund (Retained)		-	-

The IFRS gain reflected on the Statement of Comprehensive Income includes translation gains for the year that has been charged to the Statement of comprehensive income 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$320.105 million. Appropriations of profits are based on this Net Profit figure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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4. PROPERTY AND EQUIPMENT

2014 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 2014	309 047	23 549	93 411	4 692	430 699
Additions	7 305	2 358	1 033	3 731	14 427
Disposals	-	(598)	(1 372)	(709)	(2 679)
Adjustments	-	23	-	-	23
At 31 December 2014	**316 352**	**25 332**	**93 072**	**7 714**	**442 470**
Accumulated depreciation					
At 1 January 2014	40 210	18 621	64 883	2 059	125 773
Current year charge	5 980	3 218	7 619	1 557	18 374
Disposals/write-offs	-	(594)	(1 311)	(709)	(2 614)
At 31 December 2014	**46 190**	**21 245**	**71 191**	**2 907**	**141 533**
Carrying value					
At 1 January 2014	**268 837**	**4 928**	**28 528**	**2 633**	**304 926**
At 31 December 2014	**270 162**	**4 087**	**21 881**	**4 807**	**300 937**
2013					
Cost					
At 1 January 2013	299 847	22 755	92 330	3 359	418 291
Additions	17 686	972	943	1 424	21 025
Disposals/write-offs	-	(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**

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 2014

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5. INTANGIBLE ASSETS - COMPUTER SOFTWARE

	N$'000
2014	
Cost	
At 1 January 2014	45 284
Additions	1 298
At 31 December 2014	**46 582**
Amortisation	
At 1 January 2014	40 118
Current year charge	3 778
At 31 December 2014	**43 896**
Carrying value	
At 1 January 2014	**5 166**
At 31 December 2014	**2 686**
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**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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6. CURRENCY COSTS - NOTES AND COINS

	2014 N$'000	2013 N$'000
Opening Balance	118 711	82 382
Purchases current year	36 903	79 035
Adjustments	(2 360)	-
Amortisation current year	(44 423)	(42 706)
Closing Balance	**108 831**	**118 711**

7. LOANS AND ADVANCES

	2014 N$'000	2013 N$'000
Staff loans	**39 470**	**40 137**
Less: Present value adjustment for off-market loans	**(3 244)**	**(3 554)**
Opening balance – 1 January	(3 554)	(3 254)
Current year Fair value adjustment of new loans	(1 873)	(2 385)
Amortised to Statement of comprehensive income	2 183	2 086
Add: Staff Long term benefit	**3 244**	**3 554**
Opening balance – 1 January	3 554	3 254
Current year Fair value adjustment of new loans	1 873	2 385
Amortised to Statement of comprehensive income	(2 186)	(2 086)
Net staff loans	**39 470**	**40 137**
Other loans	8 477	23 126
Short-term portion of loans (Note 9)	-	(750)
Closing Balance	**47 947**	**62 513**

8. INVESTMENTS

	2014 N$'000	2013 N$'000
Rand currency		
Fair value through profit or loss		
Designated		
Debt Securities & Money Market Investments	3 910 611	6 425 099
Held to maturity		
Money market instruments	-	267 017
	3 910 611	**6 692 116**
Other currencies		
Fair value through profit or loss		
Designated		
Debt Securities & Money Market Investments	3 412 833	8 920 329
Held to maturity		
Money market instruments	6 100 375	-
	9 513 208	**8 920 329**
Less : Impairment provision	(5 100)	-
Total Investments	**13 418 719**	**15 612 445**

The carrying amount of the held of maturity Instruments approximates fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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8. INVESTMENTS (CONTINUED)

8.1 LENT OUT SECURITIES

As at 31st December 2014, the value of lent out securities from our Investment Portfolio, managed by our custodians, nominal value amounted to US Dollar 6.6 million; NAD equivalent 76.3 million (2013: US Dollar 26.5 million; NAD equivalent 276.9 million). There is no lent out securities for the Euro in the current year (2013: Euro 8.4 million; NAD equivalent 122 million). 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 2014

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	1 644 375	5 673 969	7 318 344
	1 644 375	**5 673 969**	**7 318 344**

As at 31st December 2013

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**

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 Statement of financial position Assets and Liabilities have been valued based on prescriptions of other relevant IFRS Statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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9. LOANS AND ADVANCES

	2014 N$'000	2013 N$'000
Repurchase agreements – local banks	358 415	-
Add: Short-term portion of long-term loans (Note 7)	-	750
	358 415	**750**

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.

10. RAND DEPOSITS

	2014 N$'000	2013 N$'000
Closing Balance	80 645	144 499
	80 645	**144 499**

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

	2014 N$'000	2013 N$'000
Opening Balance	2 195	2 189
Purchases current year	500	464
Issues current year	(484)	(458)
Adjustments	-	-
Closing Balance	**2 211**	**2 195**

12. OTHER RECEIVABLES

	2014 N$'000	2013 N$'000
Rand compensation receivable – Government	217 712	214 730
Accounts receivable	27 080	13 337
IMF Quota	2 229 318	-
IMF – Special Drawing Rights	103 014	98 909
	2 577 124	**326 976**

Further to receiving Ministerial approval and being a depository agent of the Government, the IMF quota was recorded in the Bank's books during the current financial year. A corresponding liablilty is recorded under deposits in note 20.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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13. SHARE CAPITAL & CAPITAL MANAGEMENT

	2014 N$'000	2013 N$'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

	2014 N$'000	2013 N$'000
Opening Balance	835 588	812 792
Transfers	150 000	-
Appropriation of net profit for the year	142 050	22 796
Closing Balance	**1 127 638**	**835 588**

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

	2014 N$'000	2013 N$'000
Opening Balance	2 688 311	1 099 415
Net foreign exchange (losses)	622 309	1 588 896
Closing Balance	**3 310 620**	**2 688 311**

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

	2014 N$'000	2013 N$'000
Opening Balance	150 000	150 000
Transfer to General reserve	(150 000)	-
Closing Balance	**-**	**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 the reserve so created has been released to the General Reserve.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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17. DEVELOPMENT FUND RESERVE

	2014 N$'000	2013 N$'000
Opening Balance	25 000	25 000
Appropriation of net profit for the year	10 000	-
Closing Balance	**35 000**	**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 and predicted for the 2014 year.

	2014 N$'000	2013 N$'000
Opening Liability	56 306	44 736
Interest costs	5 161	3 601
Current service costs	2 521	2 230
Benefit payments	(1 199)	(894)
Actuarial loss/(gain)	-	6 633
Closing Liability	62 789	56 306
Current portion of post employment benefits obligation	(1 295)	(1 199)
Non-current portion of post employment benefits obligation	**61 494**	**55 107**

Key assumptions	**2014**	**2013**
Discount rate	9.26 % p.a.	9.26 % p.a
Medical inflation	7.97 % p.a.	7.97 % p.a
Valuation date	31 December 2013	31 December 2013

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	1 627	1 287
Effect on the defined benefit obligation	**64 416**	**61 502**

At 31 December	**2014 N$'000**	**2013 N$'000**	**2012 N$'000**	**2011 N$'000**	**2010 N$'000**
Present value of post-retirement benefit obligation	62 789	56 306	44 736	40 273	36 240

The Banks post retirement plan is unfunded.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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19. NOTES AND COINS IN CIRCULATION

	2014 N$'000	2013 N$'000
Notes	3 945 577	3 218 231
Coins	200 981	183 750
	4 146 558	**3 401 981**

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

	2014 N$'000	2013 N$'000
Government of the Republic of Namibia	1 089 955	5 325 103
Domestic bankers' reserve account	807 054	703 414
Domestic bankers' settlement account	1 782 709	866 745
Bank of Namibia 52 day Bills measured at amortised cost	-	268 754
SDR Allocation account	2 204 308	2 116 424
IMF Securities account	2 229 318	-
Other – Pre-funded donor funds at cost	21 580	19 111
	8 134 924	**9 299 551**

Bankers' 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 (2013: N$250 million) at the 91 day Treasury Bill rate less a discount of 4.5%.

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

	2014 N$'000	2013 N$'000
Sundry Creditors	**27 446**	**50 700**

22. TRAINING FUND RESERVE

	2014 N$'000	2013 N$'000
Closing Balance	**10 000**	**-**

The training fund reserve has been created to provide funds to up-skill the Bank's human capacity in order to meet challenges of a rapidly changing and complex financial environment that the Bank operates under.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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23. 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$16,036,967.22 (31 December 2013: N$15,813,332.43).

24. 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.

25. 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 statement of comprehensive income 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.

26. 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 (FMD). 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:

26.1 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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26.1 MARKET RISK (CONTINUED)

26.1.1 INTEREST RATE RISK

IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2014

Instrument	Amount invested €'000	Actual Portfolio Weight	Interest Rate	Duration	Yield after 1% Shock	Estimate Total Return	Estimated Loss on Portfolio €'000	Effect on Statement of comprehensive income N$'000
Working Capital	2 943	6%	0.000%	-	1.000%	0.000%	-	-
Liquidity Tranche	6 599	13%	0.000%	-	1.000%	0.000%	-	-
Investment Tranche	42 798	81%	-	1.800	1.000%	(1.800%)	(770)	(10 826)
	52 340	**100%**	**0.000%**	**1.472**	**-**	**(1.472%)**	**(770)**	**(10 826)**

IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2014

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 Statement of comprehensive income N$'000
Working Capital	3 560	6%	0.000%	-	1.000%	0.000%	-	-
Liquidity Tranche	7	0%	-	-	1.000%	0.000%	-	-
Investment Tranche	51 492	94%	0.780%	1.349	1.780%	(1.349%)	(695)	(8 031)
	55 059	**100%**	**0.729%**	**1.262**	**-**	**(1.262%)**	**(695)**	**(8 031)**

IMPACT OF 100 BASIS POINTS SHOCK ON ZAR PORTFOLIO - 2014

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 Statement of comprehensive income N$'000
Working Capital	2 433 551	78%	6.080%	-	7.080%	0.000%	-	-
Liquidity Tranche	160 062	5%	7.580%	0.119	8.580%	(0.119%)	(190)	(190)
Investment Tranche	532 061	17%	-	0.726	1.000%	(0.726)	(3 863)	(3 863)
	3 125 674	**100%**	**5.122%**	**0.130**	**-**	**(0.130%)**	**(4 053)**	**(4 053)**

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26.1.1 INTEREST RATE RISK (CONTINUED)

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 Statement of comprehensive income 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 Statement of comprehensive income 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)**

IMPACT OF 100 BASIS POINTS SHOCK ON ZAR PORTFOLIO - 2013

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 Statement of comprehensive income 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)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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26.1.1 INTEREST RATE RISK (CONTINUED)

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 2014

N$'000	0 – 3 Months	3 – 12 Months	1 – 10 Years	Non Interest Bearing	Total
Assets					
Property, equipment and intangible assets	-	-	-	303 623	303 623
Inventory	-	-	-	111 042	111 042
Loans and advances - non current	-	-	47 947	-	47 947
Investment	5 126 068	1 742 890	6 549 761	-	13 418 719
Loans and advances - current	358 415	-	-	-	358 415
Rand deposits	-	-	-	80 645	80 645
Other receivables	2 577 124	-	-	-	2 577 124
Total Assets	**8 061 607**	**1 742 890**	**6 597 708**	**495 310**	**16 897 515**
Equity and Liabilities					
Shareholders' equity	-	-	-	4 525 798	4 525 798
Post employment benefits	-	-	-	62 789	62 789
Note and coins in circulation	-	-	-	4 146 558	4 146 558
Deposits	7 306 290	-	-	828 634	8 134 924
Trade and other payables	27 446	-	-	-	27 446
Total Equity and Liabilities	**7 333 736**	**-**	**-**	**9 563 779**	**16 897 515**
Interest rate reprising gap	**727 871**	**1 742 890**	**6 597 708**	**(9 068 469)**	**-**

AS AT YEAR ENDED 31 DECEMBER 2013

N$'000	0 – 3 Months	3 – 12 Months	1 - 10 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	3 769 643
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
Total Equity and Liabilities	**8 627 726**	**-**	**-**	**7 950 455**	**16 578 181**
Interest rate reprising gap	**(1 311 695)**	**2 485 389**	**6 201 264**	**(7 374 958)**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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26.1.2 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 2014, which remains the same as for 2013, 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 (%)	< 1mil	2 mil – 10mil	2 mil – 5 mil
Investment Tranche (%)	26	67	7

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 the 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 2014

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26.1.2 CURRENCY RISK (CONTINUED)

AT 31 DECEMBER 2014 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	303 623	-	-	-	-	303 623
Currency inventory – notes and coins	108 831	-	-	-	-	108 831
Loans and advances - non current	47 947	-	-	-	-	47 947
Investment	-	3 905 511	1 189 680	7 937 329	386 199	13 418 719
Loans and advances - current	358 415	-	-	-	-	358 415
Rand deposits	-	80 645	-	-	-	80 645
Other inventory – stationery & spares	2 211	-	-	-	-	2 211
Other receivables	27 080	217 712	-	-	2 332 332	2 577 124
Total Assets	**848 107**	**4 203 868**	**1 189 680**	**7 937 329**	**2 718 531**	**16 897 515**
Liabilities						
Post employment benefits	62 789	-	-	-	-	62 789
Note and coins in circulation	4 146 558	-	-	-	-	4 146 558
Deposits	5 909 036	-	-	-	2 225 888	8 134 924
Trade and other payables	27 446	-	-	-	-	27 446
Total Liabilities	**10 145 829**	**-**	**-**	**-**	**2 225 888**	**12 371 717**
Net Statement of financial position	**(9 297 722)**	**4 203 868**	**1 189 680**	**7 937 329**	**492 643**	**4 525 798**

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 Statement of financial position	**(10 165 405)**	**7 051 345**	**1 679 632**	**6 864 070**	**(1 659 999)**	**3 769 643**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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26.2 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 2014, 90 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 2014

N$'000	0 – 3 Months	4 – 12 Months	1–10 Years	No maturity	Total
Assets					
Property, equipment and intangible assets	-	-	-	303 623	303 623
Inventory	-	-	-	111 042	111 042
Loans and advances - non current	-	-	47 947	-	47 947
Investment	5 126 068	1 742 890	6 549 761	-	13 418 719
Loans and advances - current	358 415	-	-	-	358 415
Rand deposits	-	-	-	80 645	80 645
SDR Holdings - IMF	-	-	-	103 014	103 014
SDR Quota	-	-	-	2 229 318	2 229 318
Other receivables	244 792	-	-	-	244 792
Total Assets	**5 729 275**	**1 742 890**	**6 597 708**	**2 827 642**	**16 897 515**
Equity and Liabilities					
Shareholders' equity	-	-	-	4 525 798	4 525 798
Post employment benefits	-	-	-	62 789	62 789
Note and coins in circulation	-	-	-	4 146 558	4 146 558
Deposits	2 872 664	-	-	828 634	3 701 298
SDR Allocation - IMF	-	-	-	2 204 308	2 204 308
IMF Securities Account	-	-	-	2 229 318	2 229 318
Trade and other payables	27 446	-	-	-	27 446
Total Equity and Liabilities	**2 900 110**	**-**	**-**	**13 997 405**	**16 897 515**
Liquidity sensitivity gap	**2 829 165**	**1 742 890**	**6 597 708**	**(11 169 763)**	**-**
Cumulative liquidity sensitivity gap	**2 829 165**	**4 572 055**	**11 169 763**	**-**	**-**

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

N$'000	0 – 3 Months	4 – 12 Months	1 - 10 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
SDR Quota	-	-	-	-	-
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
IMF Securities Account	-	-	-	-	-
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**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

26.3 CREDIT RISK

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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*
AUSTRALIA & NEW ZEALAND BANKING GROUP	AA-
AFRICAN BANK LIMITED	CCC
AIRPORT COMPANY OF SOUTH AFRICA	BBB
BANK OF CHINA (AUSTRALIA) LTD	A
BANK OF CHINA (UK)	A
BANQUE POPULAIRE AND CAISSE D'EPARGNE (BPCE SA)	A
BK BANK NEDERLANDSE GEMEENTEN	AAA
CLEARSTREAM BANKING	AA
COMMERZBANK AG	A+
CROWN AGENTS	BBB+
DEVELOPMENT BANK OF SOUTHERN AFRICA	BBB
EUROPEAN INVESTMENT BANK (EIB)	AAA
FEDERAL HOME LOAN BANK	AAA
FEDERAL RESERVE BANK	AAA
FIRSTRAND BANK LTD	BBB
GOVERNMENT OF AUSTRIA	AAA
GOVERNMENT OF KINGDOM BELGIUM	AA
GOVERNMENT OF NETHERLANDS	AAA
GOVERNMENT REPUBLIC OF FINLAND	AAA
GOVERNMENT REPUBLIC OF FRANCE	AA+
HSBC BANK PLC	AA-
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED	A
ING BANK INV (AMSTERDAM)	A+
INTER-AMERICAN DEVELOPMENT BANK	AA+
INVESTEC BANK LTD	BBB-
JP MORGAN CHASE EUROP LIMITED	A+
KOMMUNALBANKEN AS	AAA
LAND & AGRIC BANK SOUTH AFRICA	BBB-
LANDESBANK BADEN-WURTTEMBERG	A+
NEDBANK LIMITED SA	BBB
NORDEA BANK AB	AA-
NRW BANK	AAA

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26.3 CREDIT RISK (CONTINUED)

NAME OF ISSUER	LT FITCH RATING
RABOBANK INTERNATIONAL LONDON	AA-
SIRESS (RTL)	BBB
SOUTH AFRICAN NATIONAL ROADS AGENCY	BBB-
SOUTH AFRICAN RESERVE BANK	BBB
STANDARD BANK SOUTH AFRICA	BBB
THE TORONTO-DOMINION BANK	AA-
TRANSNET LIMITED	BBB
BARCLAYS CAPITAL	A+
BANK FOR INTERNATIONAL SETTLEMENT	AAA
BANK OF NAMIBIA	BBB-
CITI BANK	A
CLYDESDALE BANK PLC	A
CREDIT SUISSE AG	A
DANSKE BANK	A
CRÉDIT AGRICOLE CORPORATE	A+
THE KINGDOM OF SWEDEN	AAA
GOVERNMENT OF NETHERLANDS	AAA
WESTPAC	AA-
NORDBANKEN	A
BANK OF TOKYO	AA
UBS	A
US AGENCIES	AAA
BANK OF ENGLAND	AAA
STANDARD CHARTERED BANK	AA-
SOCIETY GENERALE BANK	A+
ROYAL BANK OF SCOTLAND	A
GERMANY GOVERNMENT	AAA
ALLIANZ GLOBAL INVESTORS	NR
BLACKROCK INVESTMENT MANAGEMENT LTD	NR
WORLD BANK RESERVES MANAGEMENT (RAMP)	NR
SWIFT SHARES	A+
US GOVERNMENT	AAA

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

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26.3 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	2014 N$'000	2013 N$'000
AFRICAN BANK LIMITED	CCC	38 998	303 587
BLUE TITANIUM CONDUIT (PTY) LTD	AA (zaf)	-	51 149
CLEARSTREAM BANKING	AA	-	40 953
CROWN AGENTS	BBB+	-	267 017
CORPORATE FOR PUBLIC DEPOSITS (CPD)	BBB	2 754 860	2 650 917
DEVELOPMENT BANK OF SOUTHERN AFRICA	BBB	7 981	7 519
EUROPEAN INVESTMENT BANK (EIB)	AAA	75 253	205 826
FIRSTRAND BANK LTD	BBB	-	38 433
INVESTEC BANK LTD	BBB-	319 322	98 810
LAND & AGRIC BANK SOUTH AFRICA	BBB	73 244	43 737
NEDBANK LIMITED SA	BBB	160 076	245 000
SOUTH AFRICAN RESERVE BANK	BBB	(149)	140
SIRESS	BBB	-	901
AIRPORT COMPANY OF SOUTH AFRICA	BBB	2 040	1 978
SOUTH AFRICAN GOVERNMENT	BBB	-	480 303
STANDARD CHARTERED BANK	AA-	-	-
SOUTH AFRICAN NATIONAL ROADS AGENCY	BBB	13 830	14 035
TRANSNET LIMITED	BBB	70 732	60 318
STANDARD BANK SOUTH AFRICA	BBB	1 011	686
CADIZ ASSET MANAGEMENT LTD	NR	322 398	1 091 927
INVESTEC ASSET MANAGEMENT LTD	NR	71 100	1 088 880
SIRESS (CPL)		(85)	-
		3 910 611	**6 692 116**

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26.3 CREDIT RISK (CONTINUED)

NON-RAND INVESTMENTS	CREDIT RATING	2014 N$'000	2013 N$'000
ABBEY NATIONAL TREASURY SERVICES PLC	A	-	270 939
AUSTRALIA & NEW ZEALAND BANKING GROUP	AA-	110 371	99 173
GOVERNMENT OF AUSTRIA	AAA	23 021	37 177
BARCLAYS CAPITAL	A+	-	726 096
GOVERNMENT OF KINGDOM BELGIUM	AA	31 934	110 912
BANK FOR INTERNATIONAL SETTLEMENT	AAA	1 575	10
BANK OF NAMIBIA	BBB-	-	-
BK BANK NEDERLANDSE GEMEENTEN	AAA	17 358	15 673
CLEARSTREAM BANKING	AA	61 928	33 595
SOUTH AFRICAN RESERVE BANK	BBB	-	-
CITI BANK	A	2	106
CLYDESDALE BANK PLC	A	-	522 267
COMMERZBANK AG	A+	691 996	271 260
CREDIT SUISSE AG	A	-	129 852
DANSKE BANK	A	-	270 939
EUROPEAN INVESTMENT BANK (EIB)	AAA	17 449	129 894
FEDERAL RESERVE BANK	AAA	91 518	11 484
GOVERNMENT REPUBLIC OF FRANCE	AA+	132 831	138 875
CRÉDIT AGRICOLE CORPORATE	A+	-	-
CITI BANK	A	-	106
HSBC BANK PLC	AA-	70 074	62 975
JP MORGAN CHASE EUROP LIMITED	A+	236	74 913
KINGDOM OF DENMARK GOVERNMENT	AAA	-	20 787
THE KINGDOM OF SWEDEN	AAA	-	43 408
GOVERNMENT OF NETHERLANDS	AAA	35 683	-
NEDBANK LIMITED SA	BBB	-	-
NORDEA BANK AB	AA-	25 585	23 036
RABOBANK INTERNATIONAL LONDON	AA-	45 498	181 350
THE TORONTO-DOMINIOIN BANK	AA-	119 948	108 101
US GOVERNMENT	AAA	160 648	377 161
WESTPAC	AA-	95	69
NORDBANKEN	A	58	15
BANK OF TOKYO	AA	87	78
UBS	A	34	57
US AGENCIES	AAA	-	676
BANK OF ENGLAND	AAA	409	256
STANDARD CHARTERED BANK	AA-	15	14
SOCIETY GENERALE BANK	A+	-	-
ROYAL BANK OF SCOTLAND	A	-	-

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26.3 CREDIT RISK (CONTINUED)

NON-RAND INVESTMENTS	CREDIT RATING	2014 N$'000	2013 N$'000
GERMANY GOVERNMENT	AAA	32 452	-
ALLIANZ GLOBAL INVESTORS	NR	2 385 465	2 074 901
BLACKROCK INVESTMENT MANAGEMENT LTD	NR	2 385 007	2 080 207
SBSA - BANK OF NAMIBIA - USD CASH ACCO		-	153
WORLD BANK RESERVES MANAGEMENT (RAMP)	NR	1 227 726	1 103 831
SWIFT SHARES	A+	(17)	(17)
BANK OF CHINA (AUSTRALIA) Ltd	A	437 764	-
BANK OF CHINA (UK)	A	313 168	-
BANQUE POPULAIRE CAISSE D' EPARGNE (BPCE SA)	A	210 965	-
CROWN AGENTS	BBB+	258 254	-
GOVERNMENT REPUBLIC OF FINLAND	AAA	7 679	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA (ASIA) Ltd	A	463 470	-
ING BANK INV (AMSTERDAM)	A+	14 053	-
INTER-AMERICAN DEVELOPMENT BANK	A+	17 362	-
KOMMUNALBANKEN AS	AAA	22 924	-
LANDESBANK BADEN-WURTTERMBERG	A+	23 155	-
NRW BANK	AAA	58 185	-
FEDERAL HOME LOAN BANK	AAA	17 243	-
		9 513 208	**8 920 329**

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.

26.4 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.

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26.5 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.

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.

26.6 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.

26.7 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 2014 the Repo's to Commercial Banks were to the tune of N$358 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

26.8 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.

26.9 DEFAULTS AND BREACHES

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

27. CAPITAL COMMITMENTS

	2014 N$' 000	2013 N$' 000
Contracted	-	-

28. 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.

Gross Emoluments	Salaries N$'000	Retirement Benefit N$'000	Medical Aid Benefit N$'000	Total 2014 N$' 000	Total 2013 N$'000
Executive Management					
Governors'	3 419	527	108	4 054	5 585
Senior Management	10 219	1 317	465	12 001	10 629
Non-Executive Board					
Ms S T Haipinge				10	-
Ms A S I Angula				73	-
Mr F Kisting				-	46
Mr V Malango				79	86
Ms O Netta				-	2
Dr O Kakujaha- Matundu				72	75
Ms E B Shafudah				-	-
Ms C v/d Westhuizen				81	79

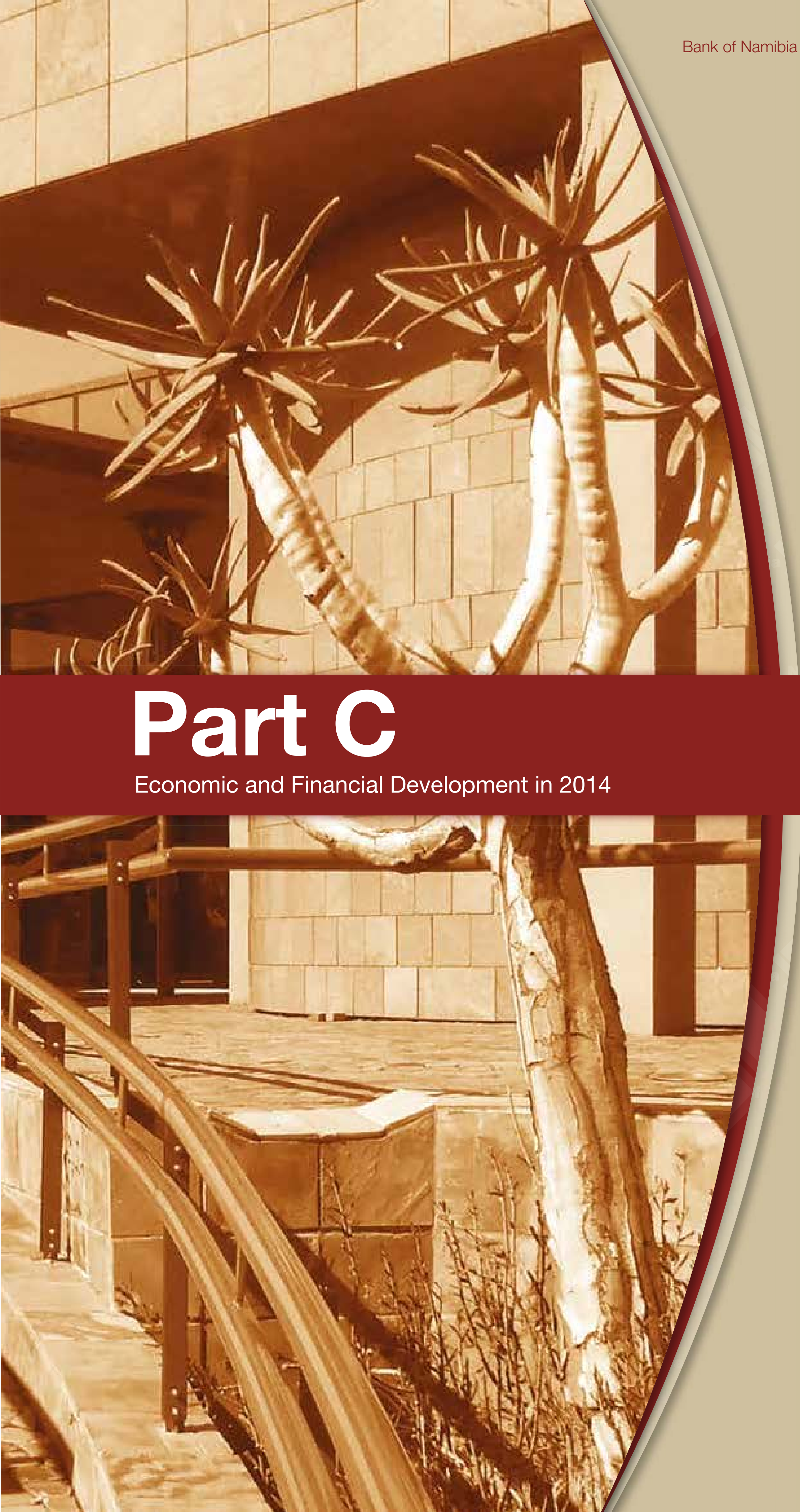
There were no other related party transactions with either the executive management or non- executive Board members.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2014

B

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014 (IN COMPLIANCE WITH THE BANK OF NAMIBIA ACT, 1997)

	Notes	2014 N$'000	2013 N$'000
Net interest income		**241 679**	**254 088**
Interest income	2	366 247	345 506
Interest expense	2	(124 568)	(91 418)
		258 891	**253 035**
Rand Compensation Income	2	217 600	214 618
Other income	2	41 291	38 417
Total income		**500 570**	**507 123**
Operating expenses	2	(310 827)	(301 292)
Net (loss)/gain on investment portfolio		102 158	(148 502)
Profit for the Year		**291 901**	**57 329**
Other Comprehensive Income		-	-
Total Comprehensive Profit for the Year		**291 901**	**57 329**
Release from/(Transfer) to Unrealised Gain Reserve		28 204	(24 763)
Net Profit for the Year		**320 105**	**32 566**
Profits available for Distribution		**320 105**	**32 566**
State revenue fund		158 055	9 770
General reserve	14	142 050	22 796
Training fund reserve	22	10 000	-
Building fund reserve	16	-	-
Development fund reserve	17	10 000	-



Part C

Economic and Financial Development in 2014

Content

SELECTED FINANCIAL AND ECONOMIC INDICATORS

	2010	2011	2012	2013	2014
	Actual				Estimates*
(Annual percentage change)					
Real GDP growth	6.0	5.1	5.2	5.1	5.3
GDP deflator	3.6	3.8	12.9	12.5	8.4
Consumer price inflation (period average)	4.9	5.0	6.7	5.6	5.4
Consumer price inflation (end-of-period)	3.1	7.4	6.4	4.9	4.6
Exports (fob)	11.8	8.8	12.2	24.8	7.2
Imports (fob)	2.6	6.9	33.5	19.4	15.5
Real effective exchange rate[9]	16.1	0.7	-3.8	-4.5	-8.3
Private sector credit	10.8	9.9	17.0	14.3	16.4
Net claims on central government	7.0	2.1	135.7	-120.6	1 513.3
Broad money supply	9.0	11.7	4.1	12.8	7.8
(In percent of GDP, unless otherwise stated)					
Investment	24.1	22.4	26.8	24.5	29.2
Public	3.3	3.5	3.2	4.2	5.4
Private	20.8	18.9	23.6	20.3	23.8
Savings	24.1	22.4	26.8	24.5	29.2
External	3.4	2.8	5.8	4.0	6.7
Domestic	20.7	19.8	21.0	20.5	22.5
Public	3.1	6.9	5.0	6.8	4.1
Private	17.7	12.9	16.1	13.7	18.3
Public Finance					
Overall government deficit[10]	-4.6	-7.0	-0.1	-3.0	-5.4
Public debt outstanding	15.7	26.6	24.6	23.6	22.9
Public guaranteed debt outstanding	2.9	2.2	2.1	6.0	5.3
External Sector					
Current account balance	-3.4	-2.8	-5.8	-4.0	-6.7
excluding official transfers	-14.6	-11.9	-17.8	-16.0	-19.5
Gross official reserves					
In million of Namibia Dollar	10 207.8	14 753.4	14 729.2	15 709.5	13 526.9
In million of US Dollar	1 494.7	1 762.3	1 705.1	1 515.3	1 180.2
in months of imports	2.9	3.8	2.8	2.4	1.9
External debt[11]	24.6	41.7	32.7	37.0	40.7
Exchange rate to US Dollar (end-of period)	6.8294	8.1745	8.6385	10.3675	11.4613
Exchange rate to US Dollar (period average)	7.3303	7.2531	8.2099	9.6502	10.8444
GDP at current market prices (N$ million)	**82 598**	**90 128**	**107 037**	**126 608**	**142 753**
Fiscal GDP (N$ million)	**84 481**	**94 355**	**111 930**	**130 644**	**147 805**

* While most of the data for 2014 are estimates, actual data have been used, where possible.

9 A decrease in Real Effective Exchange Rate index means that the national currency depreciated, reflecting a gain in the competitiveness of the Namibian products on 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 on the international market.

10 These are fiscal year data, starting from the 2010/11 – 2014/15 financial year, 2014/15 still provisional.

11 Includes government, parastatals and private sector debt

C

SUMMARY OF ECONOMIC AND FINANCIAL DEVELOPMENTS

C

Global economic growth remained unchanged in 2014 compared to 2013, despite improvement in some key advanced economies. Global growth is estimated to have remained at 3.3 percent in 2014, the same as 2013. Some major advanced economies such as the US and UK supported this growth, while others such as the Euro Area and Japan continued to be lacklustre. Persistent pre-crisis challenges such as high private and public debt continued to inhibit global growth. Growth in emerging market economies slowed, as they adjusted to lower growth than those achieved in the pre-financial crisis and during the crisis. Financial markets were generally positive, although this has not transformed into a pickup in real investment, due to concerns that markets had not fully internalised the uncertainties surrounding the macroeconomic outlook. The frail recovery by the advanced economies and weakening economic activities in the emerging markets and developing economies also added to soft commodity prices in 2014. Looking ahead, global growth is estimated to improve to 3.5 percent in 2015, on account of higher growth in the advanced economies and low international oil prices.

In 2014, whereas most central banks in the advanced economies continued to maintain accommodative monetary policies, while emerging markets and developing economies tightened their monetary policies. Central banks in some advanced economies maintained accommodative monetary policies to support economic growth and help the weak recovery. Some central banks in emerging markets, however, raised their policy rates in response to inflationary pressures driven by the depreciation of their currencies.

The Namibian economy continued to be relatively strong during 2014, driven mostly by robust construction and sustained growth in diamond mining and wholesale and retail trade activities. The annual economic growth is estimated to have expanded by 5.3 percent in 2014 from 5.1 percent in 2013, due to the robust construction activities, reflecting large private sector projects in the mining sector, and public infrastructure investment. Contrary, uranium mining posted a weak performance during 2014, on account of low international prices. Furthermore, the after effects of the 2013 drought and the response to the South African veterinary restrictions on Namibian live animals exports imposed during the year, adversely affected livestock sales.

Namibia's average consumer price inflation rate decreased in 2014 compared to 2013, mainly due to a reduction in the inflation rate in the housing category. The annual inflation rate averaged around 5.4 percent in 2014, having fallen from a level of 5.6 percent in 2013. The reduction in overall inflation reflected a decrease in inflation rates in the housing category, particularly rental payments for dwelling and electricity, gas and other fuels. Other categories, which are usually main drivers of inflation in Namibia, namely food and transport, however, recorded higher average inflation rates in 2014, compared to the year earlier.

During 2014, the Bank of Namibia tightened its monetary policy stance in response to increased household credit, while monetary and credit aggregates grew at double digits. In this regard, the Bank raised its Repo rate by 50 basis points to 6.0 percent during 2014. Consequently, the average deposit and lending rates rose during the period under review. Annual growth in private sector credit rose to 16.4 percent in 2014, driven by both businesses and individuals, while the growth in broad money supply slowed to 7.8 percent during the same period.

The overall liquidity position of the Namibian banking industry increased significantly during 2014 in contrast to developments during the preceding year. The average liquid balances in 2014 stood at N$3.5 billion, substantially higher than the average of N$2.8 billion recorded during 2013. The increase in the liquidity position was largely driven by an increase in government spending, and to some extent, inflows from mineral export receipts.

The government recorded a wider budget deficit in 2014/15, compared to a smaller deficit during the preceding fiscal year. The estimated deficit of 5.4 percent of GDP is due to increased government spending. As at end of December 2014, debt as a percentage of GDP, however, decreased slightly to 22.9 percent, from 23.6 percent at the end of 2013. Thus, this ratio remained within the government debt ceiling of 35.0 percent. Similarly, total loan guarantees as a ratio of GDP declined to 5.3 percent at the end of 2014 from

6.0 percent at the end of 2013 and remained within the government ceiling of 10.0 percent.

During 2014, Namibia's external balance recorded a deficit mainly as a result of the widening current account deficit. The overall balance recorded a deficit of N$1.8 billion (-1.2 percent of GDP) in 2014, compared to a surplus of N$598 million (0.5 percent of GDP) in 2013. Large increases in private spending, fuelled by rapid credit growth, have contributed to the deterioration of the current account, despite the depreciated exchange rate. As such, imports of goods and services grew faster than exports. On the other hand, the capital and financial account recorded an increased surplus, primarily due to large net capital inflows from other long-term investments. Namibia's total external debt stock rose at the end of 2014, mainly due to increased borrowings by the private sector, and to a lesser extent, by the Central Government. The rise in external debt was mirrored in the reduced net asset position of the country, due to increased foreign liabilities in the form of other investment. Furthermore, the real effective exchange rate (REER) depreciated during 2014, thus improving Namibia's external competitiveness in the international market.

Weak global trade and soft metal commodity prices are expected to have a dampening effect on the Namibian economy, while the low oil prices can boost the economy, if sustained. The weak global trade is a result of low demand from emerging markets, particularly China. Such low demand exacerbated the export earnings from commodities, which are already shaken by low prices. On the contrary, the low oil prices can be expected to boost the economy through various channels such as low input costs and real income shifts.

GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS

C

Global economic growth remained virtually unchanged in 2014 compared to 2013, due to slower than anticipated growth in the emerging market economies despite improvements in some advanced economies. The US and UK were the notable economies among the advanced economies, where growth gained some momentum. Recovery in other advanced economies such as the Euro Area nevertheless continued to be weak due to persistent pre-crisis challenges, such as high private and public debt, while growth in Japan faltered. Growth in the emerging market economies slowed, as they adjusted to lower growth than those achieved in the pre-financial crisis and during the crisis.

Financial markets were largely optimistic, although this has not translated into an upsurge in real investment, especially in the advanced economies, while commodity prices remained soft. The optimism in the financial markets was characterised by high equity prices, compressed spreads and low volatility, although markets started to become more precarious in the second half of 2014. The subdued real investment in the advanced economies was due to concerns that markets had not fully internalised the uncertainties surrounding the macroeconomic outlook. The soft commodity prices were due to timid demand brought about by the weak recovery in the advanced economies and slowing growth in the emerging market and developing economies.

Monetary policies continued to be accommodative in the advanced economies, while such policies were tightened in the emerging markets and developing economies. The weak recovery and persistent low inflation resulted in most central banks in the advanced economies maintaining accommodative monetary policies to support economic growth. Conversely, most central banks in emerging markets and developing economies raised their policy rates in response to inflationary pressures that were driven by the depreciation of their currencies. The depreciation was largely as a result of the ending of the Quantitative Easing programme and expectation of rising interest rates in the US, which led capital to flow back to the advanced economies.

OUTPUT GROWTH AND OUTLOOK BY MAIN REGIONS AND ECONOMIC BLOCKS

World economic growth for 2014 is estimated to have remained the same as in 2013, as global recovery faltered. World economic growth is estimated to have expanded by only 3.3 percent in 2014, the same as 2013, before it is anticipated to improve to 3.5 percent in 2015. Collectively, advanced economies are projected to improve from a 1.3 percent in 2013 to 1.8 percent in 2014 and further to 2.4 percent in 2015. Global economic growth has been dragged down by the slowing growth in the emerging market economies, coupled with the weak recovery in the Euro Area and Japan. Growth in the emerging market economies is estimated to have slowed to 4.4 percent in 2014 ,down from 4.7 percent in 2013.

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

	2010	2011	2012	2013	2014(est.)	2015(proj)
World Output	5.4	4.1	3.4	3.3	3.3	3.5
Advanced economies	3.1	1.7	1.2	1.3	1.8	2.4
USA	2.5	1.6	2.3	2.2	2.4	3.6
Euro Area	1.9	1.6	-0.7	-0.5	0.8	1.2
Germany	3.9	3.4	0.9	0.2	1.5	1.3
Spain	2.0	2.1	0.3	-1.2	1.4	2.0
UK	1.7	1.1	0.3	1.7	2.6	2.7
Japan	4.7	-0.5	1.5	1.6	0.1	0.6
Other advanced economies	4.6	2.7	1.6	2.2	2.8	3.0
Emerging markets and developing economies	7.5	6.2	5.1	4.7	4.4	4.3
Sub-Saharan Africa	6.9	5.1	4.4	5.2	4.8	4.9
Angola	3.4	3.9	5.2	6.8	3.9	5.9
Botswana	8.6	6.2	4.3	5.9	4.4	4.2
South Africa	3.1	3.6	2.5	2.2	1.4	2.1
Zambia	10.3	6.4	6.8	6.7	6.5	7.2
Zimbabwe	11.4	11.9	10.6	3.3	3.1	3.2
Developing Asia	9.5	7.7	6.7	6.6	6.5	6.4
Russia	4.5	4.3	3.4	1.3	0.6	-3.0
China	10.4	9.3	7.7	7.8	7.4	6.8
India	10.3	6.6	4.7	5.0	5.8	6.3
Brazil	7.5	2.7	1.0	2.5	0.1	0.3
Middle East, North Africa, Afghanistan and Pakistan	5.5	4.5	4.8	2.2	2.8	3.3
Latin America and the Caribbean	6.0	4.5	2.9	2.8	1.2	1.3

Source: IMF World Economic Outlook October 2014 and January 2015. 2009-2013 Actual, 2014 and 2015 are projections.

Growth in the advanced economies improved only mildly, as the recovery in the Euro Area struggled to gain traction, while the US and UK posted notable growth in 2014. The Euro Area is expected to only grow by 0.8 percent in 2014, compared with a contraction of 0.5 percent in 2013, while the Japanese economy is expected to decelerate to 0.1 percent in 2014 from 1.6 percent in 2013. The fragile growth in the Euro Area was due to weak investment and expected deflation. In Japan, growth slowed significantly, as an increase in infrastructure spending and additional monetary easing, failed to subdue the impact of an increase in the consumption tax rate on domestic consumption. Overall growth for the US was restricted by the poor performance in the first quarter of 2014, due to a harsh winter, inventory correction and large declines in exports. Growth bounced back in the second half of the year, as unemployment declined and inflationary pressures remained low-key.

Major emerging market and developing economies, such as China, Brazil, Russia and South Africa, were all expected to slow down in 2014 compared to 2013. Growth for the emerging market and developing economies is expected to decline mildly, but remain stable at 4.4 percent in 2014, down from 4.7 percent in 2013 (Table C.1). The decline is due to lower growth in China and Russia, as well as soft commodity prices. The Chinese economy is expected to decelerate to 7.4 percent in 2014, down from 7.8 percent in 2013. The slowdown in the Chinese economy is part of China's transition to a more sustainable path and a slack in residential investment. Brazil's economic growth is expected to decelerate to 0.1 percent in 2014 from 2.5 percent in 2013. This is due to weak investment, slowing consumption, low business and consumer confidence and amid tight financial conditions. The Russian economy is estimated to have slowed down significantly in 2014 due to the sanctions imposed by the EU and US, as a result of the crisis in Ukraine and also due to the steep decline in oil prices.

Economic growth in South Africa and Angola are also estimated to have slowed down in 2014. The IMF estimates that the South African economy will slow to 1.4 percent 2014 compared to 2.2 percent in 2013. The slowdown in South Africa's economic growth is as a result of industrial frictions, infrastructure gap and electricity supply constraints. In Angola, the economy is expected to slow down to 3.4 percent in 2014, from 5.2 percent in 2013. The slowdown in Angola's economic growth is due to a combination of a fall in oil production, as a result of production challenges coupled with the steep drop in international oil prices. A prolonged slip in international oil prices can be expected to drag Angola's growth further down. It is also likely to cause the Angola Kwanza exchange rate to depreciate, and result in low imports by Angola, which will negatively impact Namibia's exports to Angola.

MONETARY POLICY STANCE AND INTEREST RATE DEVELOPMENTS

C

Monetary policy remained accommodative among the advanced economies amidst a prevailing low inflation environment. Policy rates remained unchanged for major advanced economies to support economic growth. In this connection, the Bank of Japan expanded its asset purchasing programme, to deal with a recession, while the European Central Bank (ECB) implemented monetary policy easing measures by buying bonds aimed at improving bank lending through liquidity injections. Further the ECB reduced its policy rate in December 2014 (Table C.2).The US Federal Reserve Bank concluded its quantitative easing programme during the fourth quarter of 2014, as the US economy gained momentum, however, interest rates remained low.

Table C.2: Latest monetary policy rates in selected economies

Economy	Policy rate	Current rate in 2014 (%)	Policy rate % Δ	Last MPC meeting	December 2014 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	-0.50	December	2.2	0.3
Euro Area	Refinance rate	0.05	0.00	December	0.8	-0.7
UK	Base rate	0.50	0.00	December	2.1	-1.6
Japan	Call rate	0.00	0.00	December	1.5	-1.5
BRICS						
Brazil	Short-term interest rate	11.75	0.50	December	5.8	6.0
Russia	Refinancing rate	17.00	6.50	December	6.5	10.5
India	Repo rate	8.00	0.00	December	7.5	0.5
China	Lending rate	5.60	0.40	November	2.5	3.1
South Africa	Repo rate	5.75	0.00	December	5.3	0.5

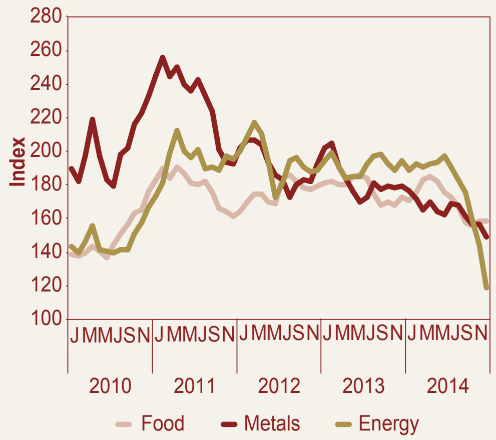
Source: Trading Economies and respective central banks.

Monetary policies in the emerging market economies were tightened in response to inflationary pressures driven by the depreciation of their currencies. Currencies of major emerging market economies depreciated against the US Dollar in 2014. In particular, Russia's currency was the hardest hit, causing the central bank to increase its refinancing rate by a total 11.5 percentage points during 2014. Russia's Central Bank raised the refinancing rate from 5.5 percent in December 2013 to 17 percent in December 2014 (Table C.2). For its part, the South African Reserve Bank increased its repo rate by a total of 75 basis points in 2014. The central banks of Brazil and India maintained their policy rates in the second quarter of 2014, but tightened them in the third quarter due to inflationary pressures, fuelled by exchange rate depreciations. Conversely, the People's Bank of China reduced its reserve requirement for rural commercial banks and for credit cooperatives for the agricultural sector, and further loosened its benchmark rate in the third quarter of 2014.

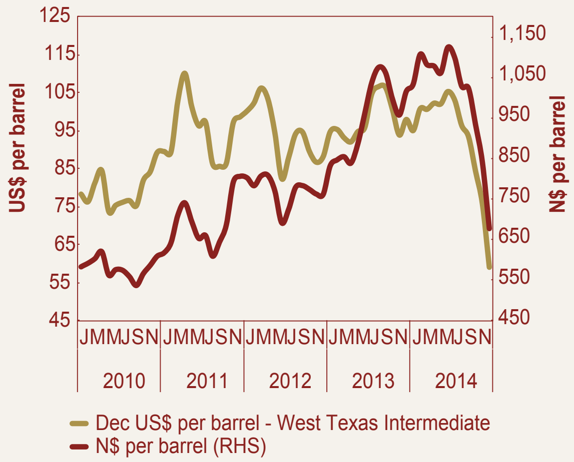
COMMODITY PRICE DEVELOPMENTS AND PROSPECTS

Figure C.1: Selected commodity prices and price indices

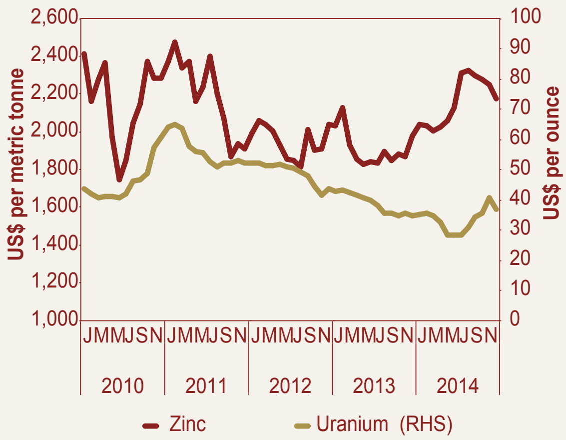
The frail recovery among advanced economies and weakening economic activities in emerging markets and developing economies, caused commodity price indices to maintain a declining trend in 2014.



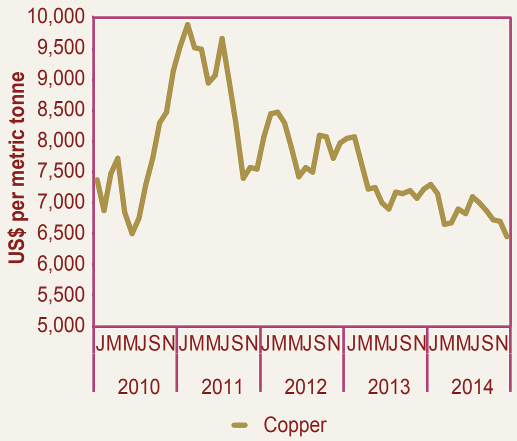
Increased supply coupled with weak demand for oil due to weak global economic activity have resulted in oil prices declining steeply in the second half of 2014.



Copper prices sustained a decreasing trend and prices for uranium improved but remain low



Similarly, the price of copper generally softened in 2014, amid weakening growth in China, the world's major consumer of industrial commodities.



Source: IMF

Overall commodity prices remained soft in 2014, as a result of weak global economic activities. The metal prices declined due to the slowdown in China's investment and real estate sectors. China is a major importer of industrial commodities, consuming around a quarter of global energy output and about half of global metal supply. The energy price index was dragged down by the large decline in oil prices. In terms of the food price index, crop production was better than projected in 2014, with the resulting increased supply, lowering food prices.

Oil prices recorded an atypical steep decline in the second half of 2014, amid increased supply and weak demand. Oil prices averaged U$105.43 per barrel since the beginning of 2011 to July 2014. In December 2014, the price of oil declined to US$60.55 per barrel after peaking at US$108.37 in June 2014 (Figure C.1). Unconventional oil production (shale oil extraction), a general increase in oil output by producers who are not members of the Organisation of Petroleum Exporting Countries (OPEC) and weak global economic activities have resulted in a shift in OPEC's policy objectives where they now prefer to maintain market share rather than targeting an oil price band. Oil prices are expected to remain low, as shale oil production costs fall, global demand remains weak and OPEC implements its new policy objectives.

Copper prices sustained a decreasing trend and prices for uranium improved but remain low, while the zinc price remained steady in 2014. Copper price declined to US$6 446 per metric tonne at the end 2014 down from US$7 215 per metric tonne at the end of 2013. Uranium prices improved somewhat towards the end of 2014, after ebbing out at US$28 per ounce in July 2014. Uranium prices closed the year slightly higher at US$37 per ounce in December 2014, compared to US$35 per ounce recorded in December 2013. The sustained soft commodity prices were as a result of improved supply as well as limited demand given the weak global economic performance. The prices are expected to remain subdued as expanding supply is only gradually soaked up by a slow growing demand.

DEVELOPMENTS IN FINANCIAL MARKETS

Most financial market indices posted positive growth in 2014, with the exception of the FTSE100[12] and the CAC 40[13]. Although the indices had a positive growth, it was slower than the average growth reported in 2013. Among the indices, the US's S&P500[14] and DOW[15] recorded the best growth in 2014, with a growth of 11.4 percent and 7.5 percent, respectively (Figure C.2), which reflected the improved growth prospects in the US. Germany's DAX[16] index posted only a growth of 2.7 percent in 2014, mainly as result of improved confidence towards the end of 2014, after weaknesses early in the year. The UK's FTSE100 recorded a negative growth of 2.7 percent, on account of concerns about the outlook for global growth, which stirred investors to reduce their exposure to growth susceptible stocks, particularly mining and energy. Growth of the South Africa's JSE[17] All Share Index slowed, compared to 2013, reflecting the on-going uneasy labour environment, as well as low commodity prices.

12 Financial Times Stock Exchange.

13 Cotation Assistée en Continu.

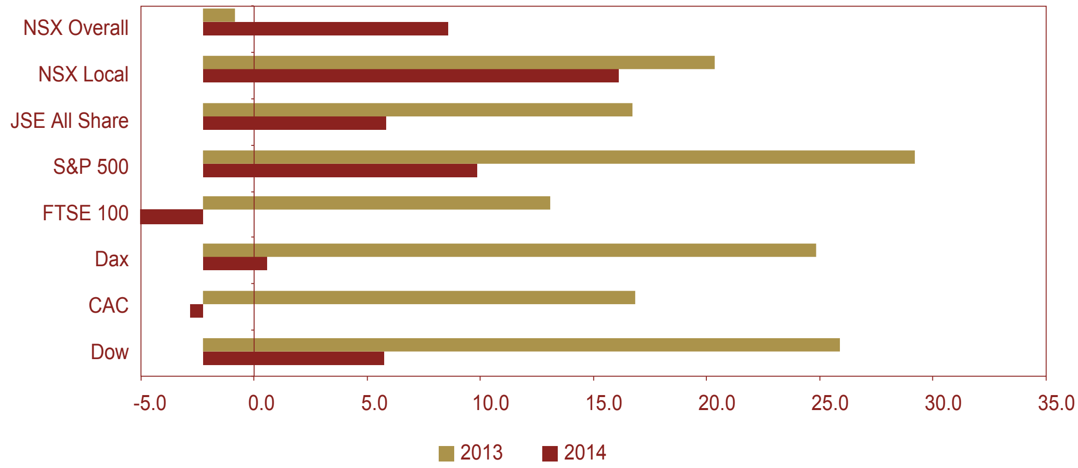
14 Standard & Poor's.

15 Dow Jones Industrial Average.

16 Deutscher Aktienindex.

17 Johannesburg Stock Exchange.

Figure C.2: Annual growth rates in stock markets (percentage change in indices in USD terms)



Source: Bloomberg and Namibia Stock Exchange (NSX)

C

WORLD TRADE DEVELOPMENTS

Global trade remained subdued, although it is estimated to have improved in 2014, compared to 2013. World trade volume for goods and services was expected to grow by 3.1 percent in 2014 down from 3.4 percent in 2013 (Table C.3). The projected low global trade is a result of declining trade volumes by the emerging market and developing economies, which offset the growth in trade volumes by the advanced economies. Growth in both imports and exports by the advanced economies improved from 2.0 percent and 2.4 percent in 2013 to 3.0 percent and 3.6 percent in 2014, respectively. Conversely, the growth of import and export volumes by the emerging market and developing economies slowed from 5.5 percent and 4.4 percent in 2013 to 3.6 percent and 3.9 percent in 2014, respectively.

Table C. 3: Growth in the volume of World Trade (goods and services) 2010-2015 (annual percentage change)

World trade by economy	Actual				Estimates	Projections
World Merchandise trade	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
World trade volume (goods and services)	12.6	6.7	2.9	3.4	3.1	3.8
Imports						
Advanced economies	11.7	5.3	1.2	2.0	3.0	3.7
Emerging Markets and developing economies	14.3	9.8	6	5.5	3.6	3.2
Exports						
Advanced economies	12.2	6.2	2.0	2.4	3.6	4.5
Emerging Markets and developing economies	13.5	7.2	4.6	4.4	3.9	5.8

Source: IMF

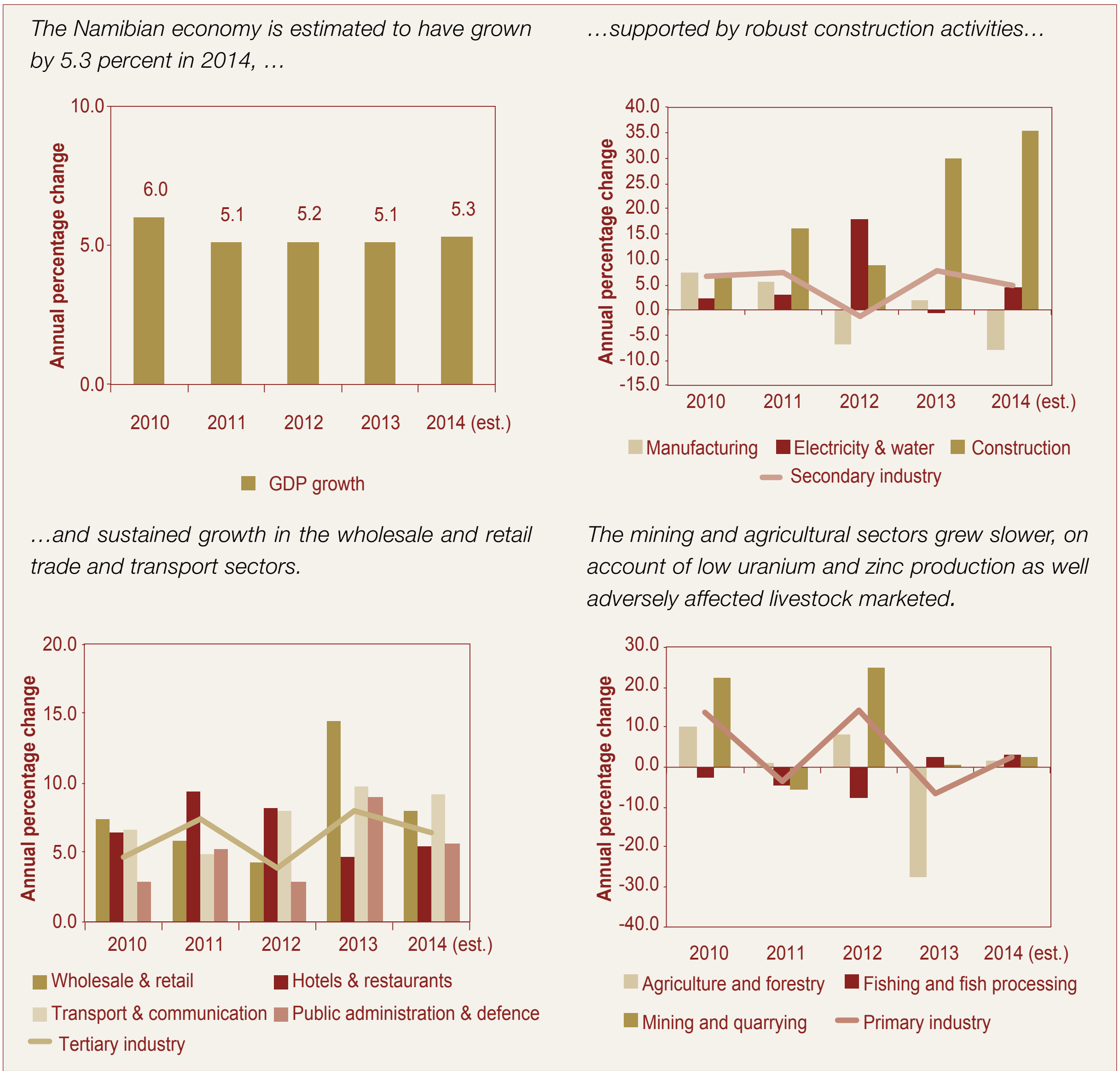
IMPLICATIONS OF GLOBAL DEVELOPMENTS

The continued weak global trade and the depressed commodity prices, particularly metals are expected to have a dampening effect on the Namibian economy, while the low oil prices can give a lift to the economy, if sustained. The observed weak global trade has been a result of low demand by emerging markets, especially China, which entails low demand for commodities. Such low demand is anticipated to exacerbate commodity export receipts, which have already been shaken by low prices. Going forward, the low oil prices can be expected to boost the economy through various channels such as low input costs, real income shifts and monetary and fiscal policies, as a result of low inflation.

DOMESTIC ECONOMIC AND FINANCIAL DEVELOPMENTS

REAL SECTOR DEVELOPMENTS

Figure C. 3: Real Sectoral Developments



Sources: NSA for 2010-2013 figures, BoN 2014 estimates

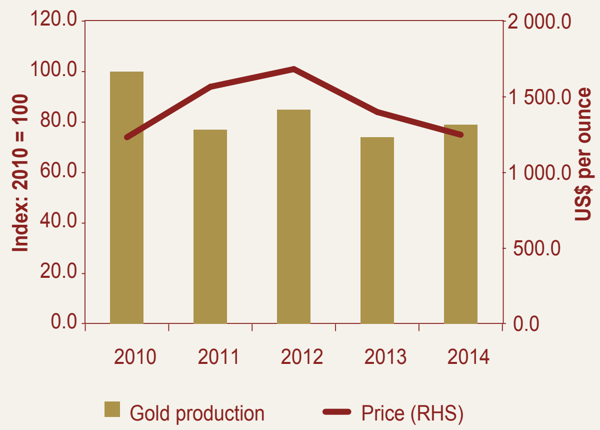
The domestic economy performed well in 2014, driven by construction activities, diamond mining and sustained growth in the transport and wholesale and retail trade sectors. Growth was supported by increased private and public investment in the construction sector, notably mining projects, coupled with public infrastructure development. Activities in the transport and wholesale and retail trade sectors also continued expanding at robust growth rates, mainly due to strong domestic demand. Conversely, uranium mining posted weak performance during 2014, on account of low international uranium prices, exerting negative pressure on growth. In addition, the after effects of the drought in Namibia and the negative impact of the South African veterinary restrictions imposed during the year, adversely affected livestock farming (Figure C. 3).

PRIMARY INDUTRY

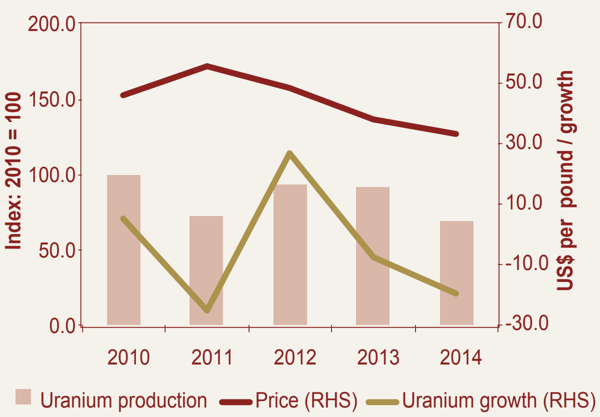
Figure C.4: Primary Industry

The primary industry is estimated to have recovered, due to a rise in diamond production...

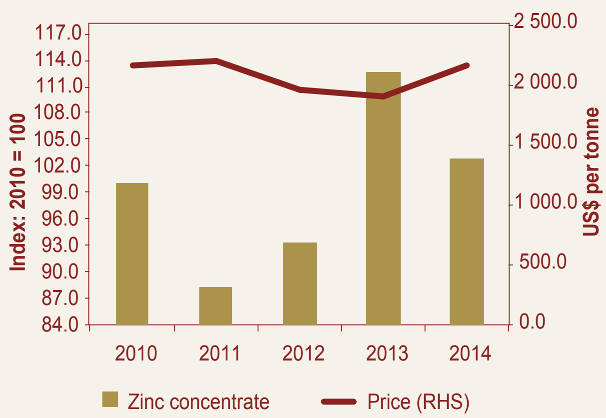
...and gold production as well as other mining extraction activities[18].



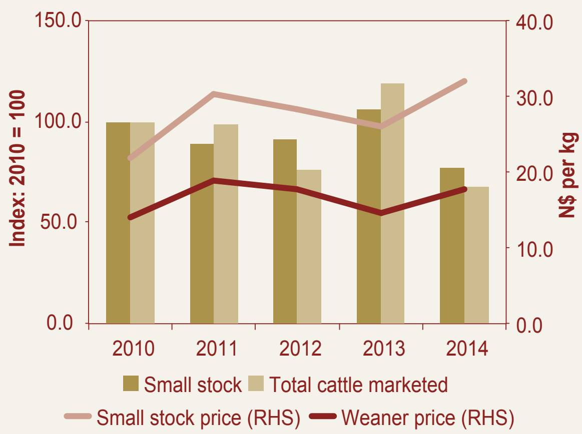
Uranium production declined, on account of low international uranium prices.



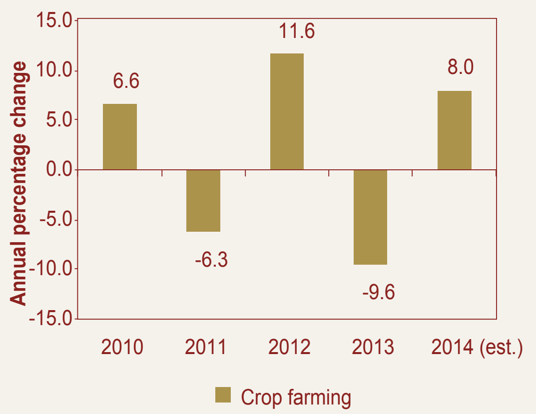
Zinc concentrate production also declined in 2014, due to operational challenges, despite the rise in international zinc prices.



Livestock marketing declined in 2014, mainly due to low supply of stock after the drought and strict South African veterinary requirements…



… but crop farming recovered in 2014 and boosted the growth in the agricultural sector.



Source: NAMDEB, Navachab Mine, Rio Tinto, Langer Heinrich, Rosh Pinah Zinc Corporation, Meatboard of Namibia and Agricultural Union of Namibia

18 Other mining include zinc concentrate, copper concentrate, lead and manganese

Mining

Annual output for diamond mining continued to grow at a slow pace in 2014, as on-shore output diminishes, while offshore production remains the main source of production. During 2014, the output of diamond mining grew by 3.4 percent, compared to 7.3 percent in 2013 (Figure C.4). Production reached 1.86 million carats in 2014 from 1.76 million carats in 2013, mainly derived from sustained activities in offshore mining.

Uranium mining output decreased in 2014, amidst low demand, depressed international uranium prices and operational challenges. Uranium output declined significantly by 19.5 percent in 2014, compared to a decline of 6.9 percent in 2013, as mines continued to scale down production. Mines only managed to produce 4 221 tonnes in 2014, compared to 5 382 tonnes in 2013. The average international uranium prices remained depressed, dropping by 13.2 percent to US$33.5 per pound in 2014, compared to 2013.

Zinc concentrate production declined in 2014, due to operational challenges, despite the rise in international zinc prices. The production decreased by 9.3 percent to 103 219 tonnes during 2014, compared to 2013. The industry encountered some operational problems, particularly during the first half of the year, which affected total production during the period under review. International zinc prices, however, rose in 2014, averaging around US$2 131 per metric tonnes, compared to US$1 902 per metric tonne in 2013.

Gold production increased slightly in 2014, compared to the previous year, owing to better grades ore mined, although the gold price declined. Production increased by 1.1 percent to 1 991 kg during 2014, compared to the previous year. The mine spent most of 2013 on waste-stripping activities and started operating during the year under review at pits, which contain better grade ores, hence the increased production in 2014. International gold prices, however declined to an average of US$1 303.8 per ounce during 2014 compared to an average price of US$1 393.7 in 2013.

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Agriculture

Following a contraction in 2013, the agricultural sector is estimated to have recovered in 2014, mostly driven by favourable weather conditions. The sector is estimated to have rebounded to 1.3 percent in 2014 following a contraction of 27.5 percent in the previous year. Crop farming rose by 8.0 percent from a contraction of 9.6 percent during the previous year. Conversely, livestock farming continued to decline during the year under review, due to low supply of livestock as farmers focused on restocking their herds. Furthermore, the response to the South African veterinary restrictions imposed on Namibia's exports of live animals in May 2014 (albeit lifted in August), impacted negatively on livestock marketed. In this connection, the total number of cattle marketed decreased substantially by 39.3 percent in 2014 to 257 480 head of cattle sold, compared to 2013. The decline in livestock sales reflected mainly the drop in live weaners exported to South Africa. The average price for weaners, however, rose by 19.3 percent to N$17.46 per kilogram in 2014, due to lower supply.

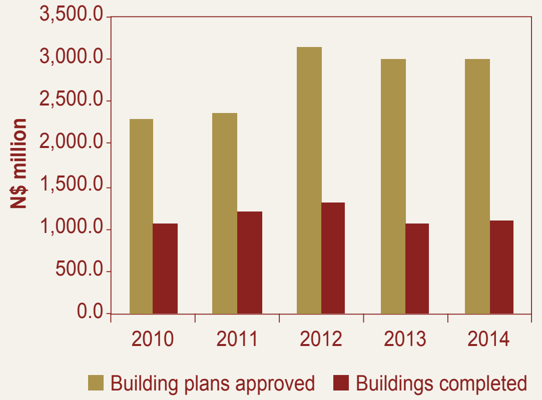
The total number of small stock marketed declined during 2014, while the average price for small stock rose. Small stock marketed, which includes sheep and goats, fell by 26.4 percent to 989 468 during 2014, when compared to 2013. The decline in the numbers of small stock marketed was a result of the response to the South African veterinary restrictions and the low level of stock. Accordingly, the average price of small stock rose by 21.2 percent to N$31.50 per kilogram during the year under review.

Milk production decreased during 2014, compared to the preceding year, owing to the unfavourable weather conditions. Milk production recorded a decline of 3.3 percent to 23.3 million litres produced during 2014, due to the relatively wet weather that affected milk producing cows.

SECONDARY INDUSTRY

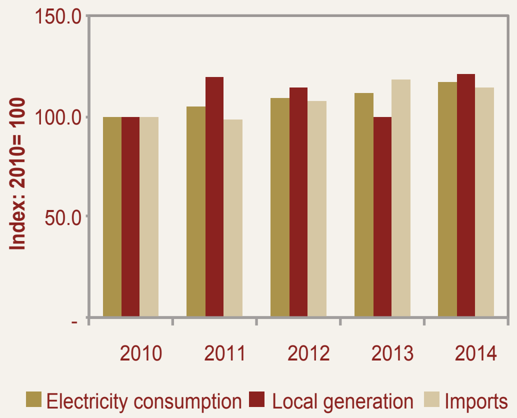
Figure C.5: Secondary industry

Growth in the secondary industry expanded by 4.8 percent in 2014, largely driven by construction.

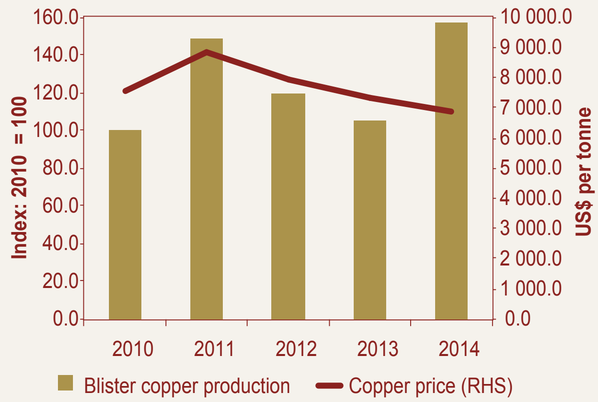


Public work programmes also boosted the growth in the construction sector …

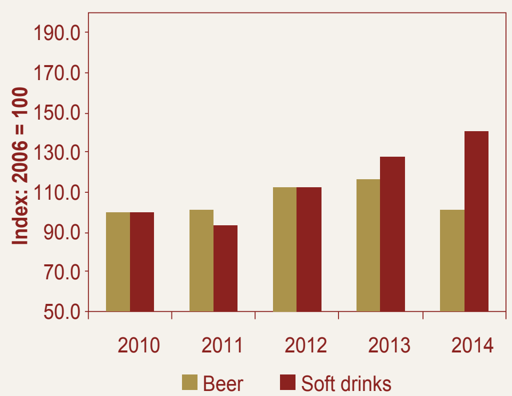
… and to a lesser extent growth in the electricity and water sector.



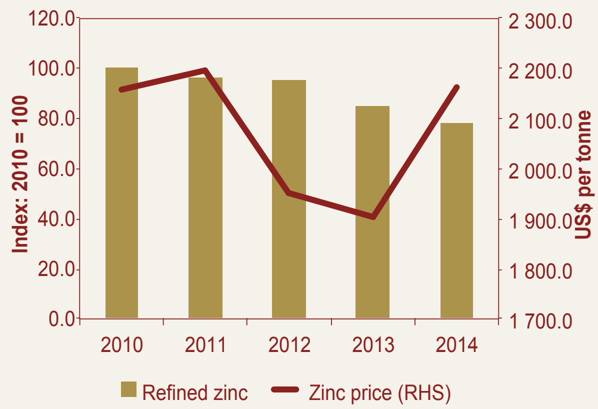
Conversely, manufacturing sector contracted by 7.9 percent, owing to a decline in refined zinc and other manufacturing products such as meat processing.



The decline in beer production also contributed to weak manufacturing activities during 2014.



Blister copper production, however, rose over the same period.



Source: Municipalities, MOF, NAMPOWER, Namibia Customs Smelters, Namibia Breweries, Namibia Beverages, Camelthorn Brewing and NAMZINC

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Construction

The construction sector continued to grow at a very brisk pace during 2014, underpinning the overall economic growth. The sector is estimated to have expanded by 35.4 percent in 2014, from 29.8 percent in 2013. The strong growth emanated mainly from major private-sector construction projects undertaken in the mining sector, coupled with construction of several shopping malls country wide. Furthermore, public investment projects in the economic and social sectors supported the growth in construction. Additionally, during 2014 real value[19] for building plans approved and buildings completed increased slighty by 0.1 percent to N$3.0 billion and by 3.0 percent to N$1.1 billion, respectively, compared to 2013 (Figure C.5).

Electricity and water

Value added in the electricity and water sector rebounded in 2014 owing to good rainfall compared to a negative growth registered in 2013. The sector is estimated to have expanded by 4.5 percent in 2014 compared to a contraction of 0.7 percent in 2013. Local electricity generation grew by 14.3 percent in 2014, due to adequate water flow in the Kunene River at the Ruacana Hydropower Station. As a result, imports of electricity declined by 6.0 percent over the same period. Consumption of electricity also increased by 1.6 percent on account of demand mainly from the mining sector.

Manufacturing

Growth in the manufacturing sector deteriorated in 2014, mainly due to a decline in meat processing. This sector contracted by 7.9 percent in 2014, compared to a mere growth of 1.9 percent in 2013. The decline was recorded in the meat processing subsector, in line with the decline in livestock marketing. Growth in value added for minerals, particularly diamonds, fish and other manufacturing products, however, rose over the same period, along with their associated primary products.

Refined zinc production continued to decrease, due to lower grade ores extracted, while international zinc prices rose. Production of refined zinc declined by 6.6 percent to 119 772 tonnes during 2014, compared to 2013. Moreover, zinc prices rose by 13.6 percent to an average of US$2,131 per tonne, which is ascribed to rising demand from the US.

During 2014, production of blister copper rose due to improved facilities added to the production chain, while international copper prices declined. Production of blister copper increased significantly by 43.9 percent to 35 042 tonnes as compared to the outturn achieved in 2013. International copper prices, however, fell by 6.4 percent to an annual average of US$6 863.4 per tonne, as demand from China slowed.

Production of beer declined due to the shift in the production strategy, while soft drinks production increased as a result of sustained demand. The production of beer decreased by 15.0 percent due to the transfer of some production activities to South Africa. Soft drinks production, however, increased by 3.2 percent in 2014 as a result of rising demand, coupled with improved logistics by one key entity in the production of beverages.

19 The data are deflated by Namibia Consumer Price Index (NCPI) (Dec.2012 = 100).

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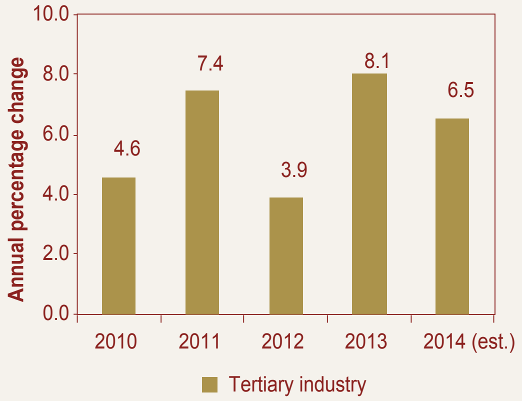
TERTIARY INDUSTRY

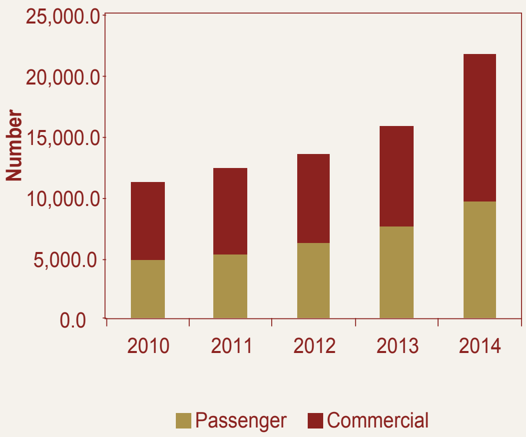
Figure C.6: Tertiary industry

The tertiary industry is estimated to have expanded, by 6.5 percent in 2014, although slower than in 2013.

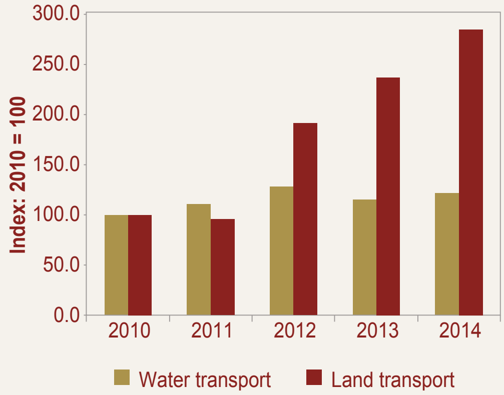


The 2014 growth was largely due to sustained demand in the wholesale and retail trade…

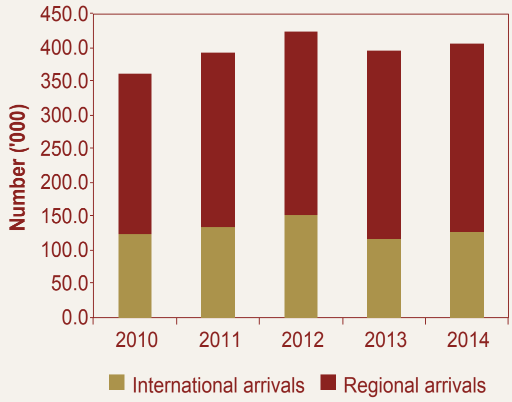
…spearheaded by strong sales in passenger and commercial vehicles.



Transport activities rose, driven by road and sea cargo volumes, supported the favourable performance of the tertiary industry.



Tourism sector also improved, as reflected in increased number of visitor arrivals



Rooms sold, as an indicator of tourism, also improved in 2014, while bed sold decreased slightly.

Source: NSA, Simonis Storm Securities, Namport, Road Authority, Namibia Airports Company and Hospitality Association of Namibia

WHOLESALE AND RETAIL TRADE

During 2014, the wholesale and retail trade sector is estimated to have expanded along strong growth in consumer demand, supported by the sale of high value equipment for mining and construction activities. The sector is estimated to have expanded by 8.0 percent in 2014, albeit less than the 14.5 percent growth recorded in 2013 (Figure C.6). Wholesale and retail trade turnover in real terms maintained positive momentum in a low interest rate environment. The demand for new vehicles continued to be strong, as reflected in sales of both new passenger and commercial vehicles. The number of new vehicles sold rose further by 37.9 percent to 21 916 units, of which sales of commercial vehicles rose by 47.1 percent and that of passenger vehicles by 27.7 percent.

TRANSPORT AND COMMUNICATION

In 2014, the transport and communication sector posted a positive growth, due to the increased land and water cargo volumes. The transport subsector grew by 14.5 percent in 2014 from 13.8 percent in 2013. Land transportation activities rose by 9.7 percent, mainly driven by road transport activities, while rail cargoes continue to decline due to lower export volumes of some minerals and other commodities. Furthermore, within the water transport subsector, landed and shipped cargo volumes drove the increase, recording increases of 9.9 percent and 4.5 percent in 2014 compared to 2013, respectively, while transhipped cargo volumes weakened during 2014. The increase in landed cargo was largely attributed to increased imported volumes of vehicles, coal, sulphur and diesel, while shipped cargo grew mainly due to improved fish export volumes.

TOURISM

The performance of the tourism sector, as measured by activities of hotels and restaurants, improved due to rising number of visitor arrivals and rooms sold. The sector is estimated to have expanded further by 5.5 percent in 2014, compared to 4.7 percent growth registered in 2013. Along with the favourable exchange rate, the increase in arrivals was supported by a slight recovery in economic activities in the global economy. The total number of passenger arrivals, inclusive of international and regional visitors, rose by 5.6 percent to 418 481 during 2014, compared to 2013. Furthermore, rooms sold, which is a robust indicator for tourism activities, increased by 11.6 percent in line with tourist arrivals.

PUBLIC ADMINISTRATION AND DEFENCE

Value added by public administration and defence continues to grow, largely reflecting employment gains, mainly in the provision of social services. The sector is estimated to have grown by 5.7 percent in 2014, compared to the 8.9 percent in 2013.

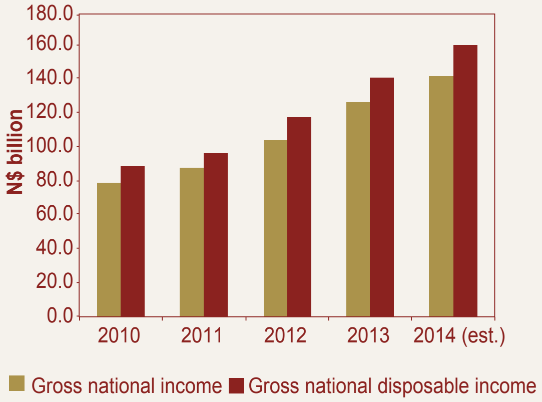
GROSS NATIONAL INCOME AND GROSS NATIONAL DISPOSABLE INCOME

Namibia's gross national income and gross national disposable income are estimated to have increased during 2014. The country's gross national income (GNI)[20] is estimated to have risen to N$143.0 billion in 2014 from N$125.4 billion in 2013, representing 12.3 percent increase (Figure C.7). Similarly, gross national disposable income (GNDI) is estimated to have surged to N$158.0 billion in 2014 from N$140.6 billion in 2013. Moreover, GNDI continued to be higher than GNI, indicating that Namibians received more transfers from the rest of the world compared to what they transfer abroad.

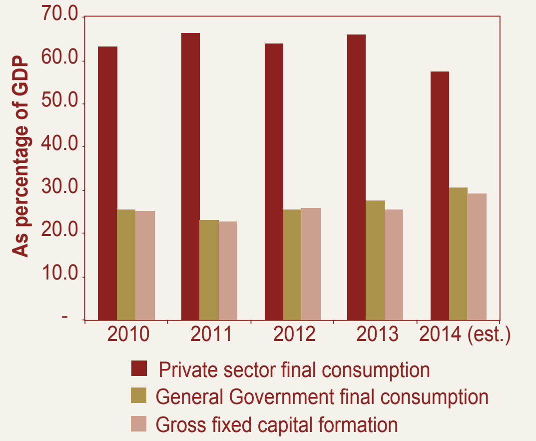
20 In contrast to gross domestic product (GDP) which measures domestic output, gross national income (GNI) and gross national disposable income (GNDI) measures total income received by residents. GNI measures total income earned by the factors of production owned by residents; irrespective of the location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

Figure C.7: GNI, GNDI and savings

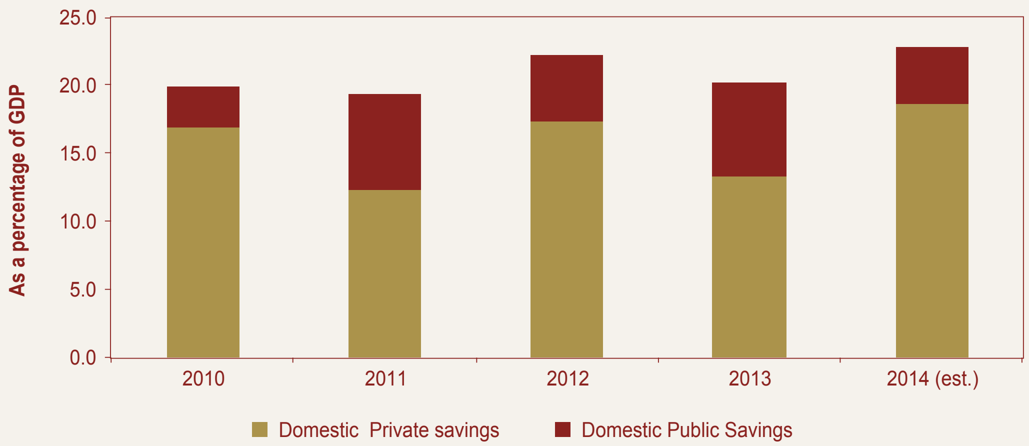
GNDI continued to be higher than GNI, reflecting the fact that Namibian is a net recipient of current transfers.



Gross domestic expenditure as a ratio of GDP declined slightly in 2014, ascribed to decrease in private final consumption.



Domestic private savings improved, while public savings declined in 2014, due to higher government spending.



Source: NSA for 2009-2013, BoN for 2014 estimates

GROSS DOMESTIC EXPENDITURE

Gross domestic expenditure as a ratio of GDP is estimated to have increased due to increases in both public consumption and GFSF during 2014. Gross domestic expenditure (GDE) at current prices is estimated to have increased from N$149.5 billion in 2013 to N$170.4 billion in 2014, representing a 14.0 percent growth. As a percentage of GDP, GDE has increaded slightly from 118.1 percent to 119.0 percent over the same period. Private final consumption as ratio of GDP declined from 66.0 percent in 2013 to 59.4 percent in 2014, while gross fixed capital formation increased from 25.7 percent to 29.2 percent over the same period. General government final consumption as a ratio of GDP is estimated to have increased from 27.6 percent in 2013 to 30.5 percent in 2014.

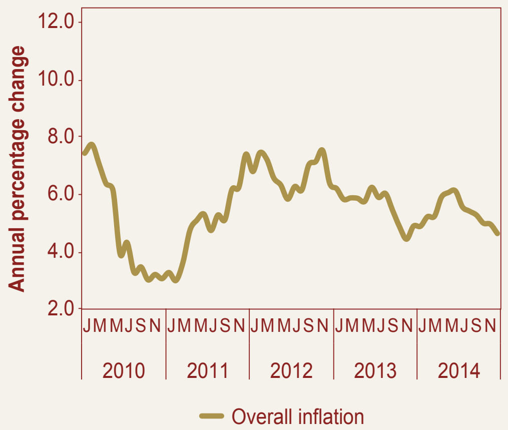
SAVINGS AND INVESTMENT BALANCE

Namibia's total domestic savings as percentage of GDP is estimated to have increased between 2013 and 2014. Domestic private savings are estimated to have risen from 13.7 percent of GDP in 2013 to 18.3 percent of GDP in 2014 (Figure C.7). On the contrary, public savings declined from 6.8 percent to 4.1 percent of GDP over the same period. Overall, total domestic savings are estimated at 23.8 percent of GDP for 2014, compared to 21.5 percent of GDP for the preceding year. National savings plays a significant role in driving investment, which can stimulate economic growth.

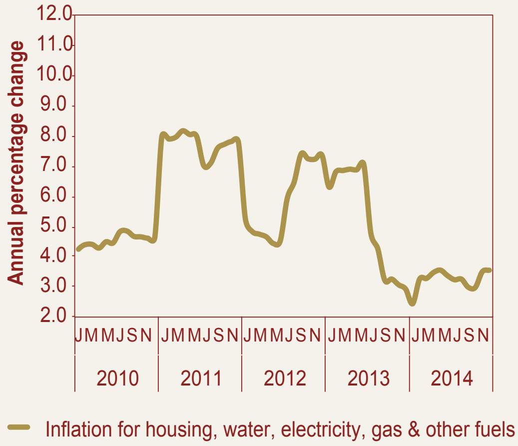
PRICE DEVELOPMENTS[21]

Figure C.8: Price Developments

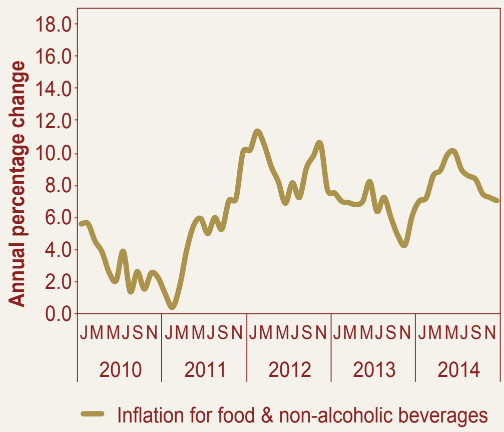
Namibia's average annual inflation rate decreased in 2014 compared to 2013…



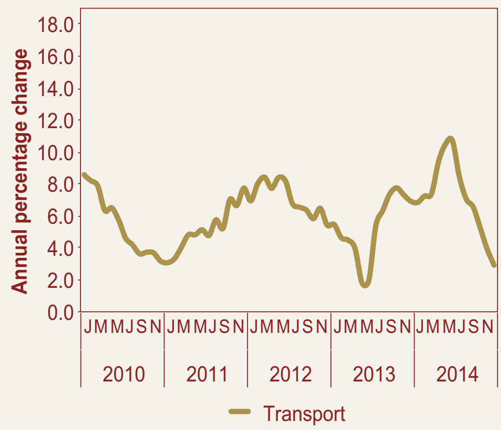
…mainly due to a reduction in the inflation rate for housing, water, electricity, gas and other fuels



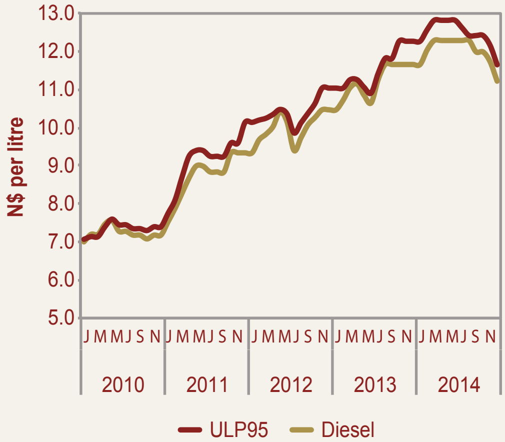
The average annual inflation rate for food increased during 2014. However, a downward trend is observed recently, in line with decreasing international food prices.



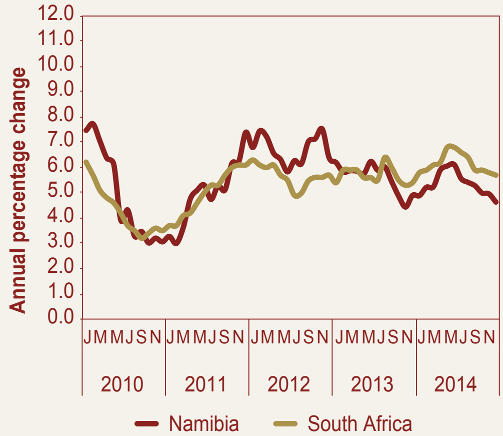
Despite decreases in international oil prices during the second half of 2014, transport inflation averaged higher in 2014, compared to 2013.



Pump prices were reduced drastically at the end of 2014, in line with the decline in international oil prices.



South African inflation remained relatively higher than that of Namibia.



Source: NSA, Ministry of Mines and Energy and STATSSA

21 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.

The decline in the average inflation rate for 2014 was predominantly reflected in the lower inflation rate for housing, water, electricity, gas and other fuels. This category carries the biggest weight of the total inflation basket in Namibia as per the rebased CPI in 2013. Inflation for housing, water, electricity, gas and other fuels slowed from 5.2 percent in 2013 to 3.2 percent in 2014 (Firuge C.8). The slowdown was more pronounced in categories such as rental payments for dwelling and electricity gas and other fuels, while other categories such as regular maintenance and repair of dwelling and water supply, sewerage service and refuse collection recorded higher average inflation rates than for the previous year.

The average annual inflation rate for food and non-alcoholic beverages increased in 2014, as food prices remained high. Average annual inflation rate for food and non-alcoholic beverages stood at 8.3 percent, an increase from 6.5 percent for the previous year. The upsurge was reflected in the food category, which averaged around 8.8 percent in 2014, compared to an average annual inflation rate of 6.6 percent in 2013. The increase in food inflation was reflected in higher weighted sub-categories such as bread and cereal and meat. Inflation for both bread and cereals and meat averaged around 8.2 percent and 12.4 percent in 2014, much higher compared to 4.6 percent and 6.5 percent in 2013, respectively. Other categories such as fish, fruits and vegetables, however, registered relatively lower price increases during 2014 compared to 2013 (Table C.4). The average inflation rate for non-alcoholic beverages, however, declined from 5.3 percent in 2013 to 3.2 percent in 2014.

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

	Weight	2010	2011	2012	2013	2014
Food and Non-alcoholic Beverages	16.4	3.2	4.9	9.1	6.5	8.3
Food	14.8	3.0	5.0	9.1	6.6	8.8
Bread and cereals	4.8	5.2	3.8	9.5	4.6	8.2
Meat	3.5	2.0	9.8	13.9	6.5	12.4
Fish	0.8	-10.3	4.2	8.0	8.6	3.3
Milk, cheese and eggs	1.2	2.0	1.4	4.0	5.3	11.4
Oils and fats	0.8	-2.6	5.3	9.7	7.5	4.5
Fruit	0.3	3.5	0.3	3.0	13.1	7.4
Vegetables	1.2	5.9	2.8	5.8	11.7	11.5
Sugar, jam, honey, syrups etc.	1.4	2.0	8.9	11.5	7.9	5.3
Food products	0.6	5.9	5.1	5.7	5.1	5.4
Non-alcoholic beverages	1.7	5.7	4.1	8.3	5.3	3.2
Coffee, tea, and cocoa	0.3	3.6	3.3	7.4	4.6	6.3
Mineral waters, soft drinks and juices	1.4	6.5	4.4	8.6	5.6	2.5

Despite the significant drop in international oil prices during the second half of 2014, the transport category recorded a higher average annual inflation in 2014, compared to 2013. Transport inflation rose to 7.2 percent in 2014, compared to the average rate of 5.3 percent in 2013. The increase was reflected in the subcategories, purchase of vehicles and public transportation service, which both rose by 3.7 and 2.5 percentage points to 8.4 and 8.6 percent, respectively. The subcategory, operation of personal transport equipment, which includes fuel, however, slowed, reflecting the declining fuel prices since August 2014. The drop in international oil prices continues to exert downward pressure on transport inflation and provides some relief for oil importing countries like Namibia.

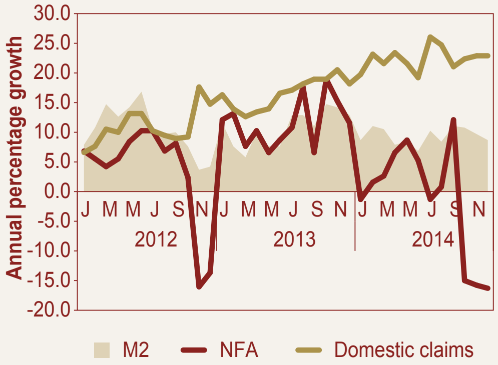
Despite high average prices for both petrol and diesel in 2014 compared to 2013, a notable decline was seen during the second half of 2014 in line with decreasing international oil price. Pump prices for petrol and diesel averaged N$12.03 and N$12.48 per litre in 2014, somewhat higher than the average prices of N$11.20 and N$11.54 in 2013. The recent decline in international oil prices, due to, among others, increased supply and weaker global demand, resulted in several rounds of reduction in domestic pump prices during the later part of 2014. Thus, by end of December 2014, pump prices at Walvis Bay stood at N$11.22 per litre for petrol 95, and N$11.65 per litre for diesel compared to N$11.66 for petrol 95 and N$12.27 for diesel at the end of December 2013.

Annual inflation rates for Namibia and South Africa trended somewhat in the same direction for the most part of 2014, although South African inflation remained relatively high. South Africa recorded a higher annual average inflation rate of 6.2 percent in 2014, compared to 5.7 percent recorded during the preceding year. Since August 2014, inflation in South Africa has somewhat slowed mainly on account of lower food inflation and continued with that trend for the rest of the year. This is on account of declining prices for bread and cereals, following a bumper harvest in 2014. The recent decline in international oil prices has also resulted in a slowdown in transport inflation during the second half of 2014 in the two economies.

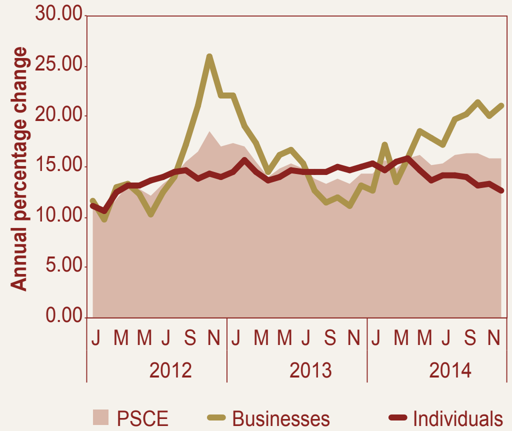
MONETARY AND FINANCIAL MARKET DEVELOPMENTS

Figure C.9: Money and Financial Market Developments

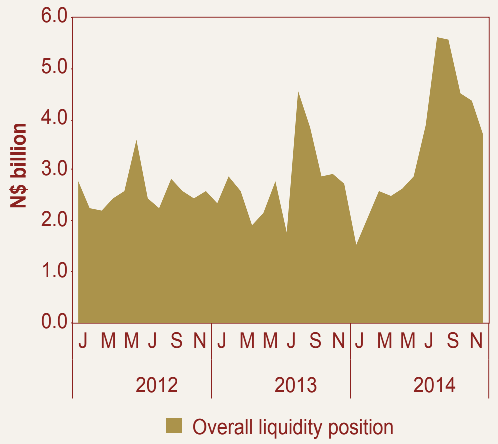
The growth in the broad money supply (M2) slowed during 2014, driven by a significant decrease in NFA.....



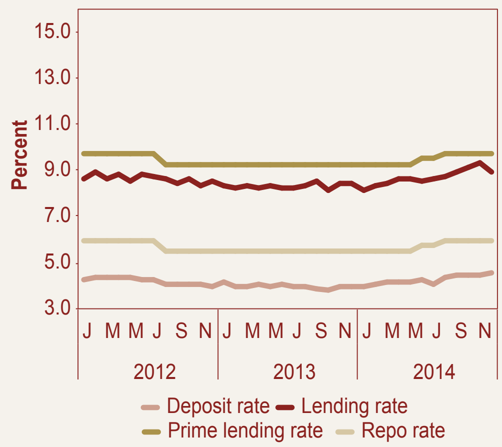
... while private sector credit extended (PSCE) continued to record double-digit growth, driven by both business and household credit growth.



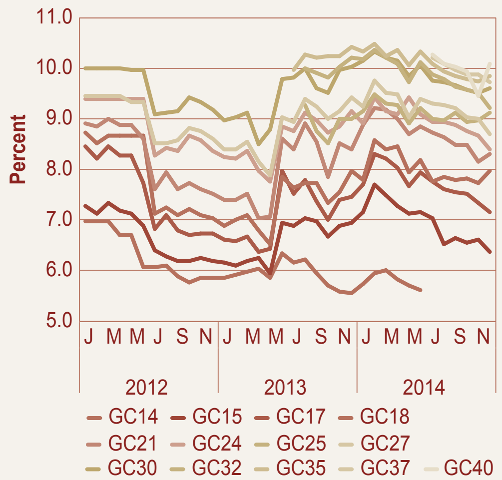
Overall liquidity position of the Namibian banking sector increased significantly during 2014 in comparison with 2013.



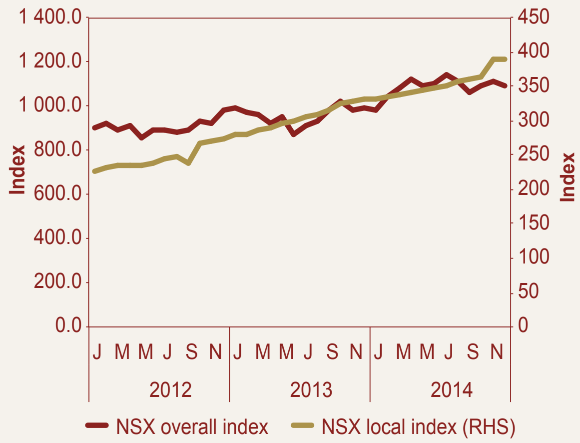
The Bank of Namibia tightened its monetary policy stance and as a result, money market rates rose during 2014.



In line with developments in the global bond markets, the yields for most Namibian government debt instruments increased during 2014 in comparison with 2013.



The Overall Index of the NSX rose in 2014 , following the development in South Africa's Johannesburg Stock Exchange (JSE, All Share Index)



Source: BoN and NSX

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MONETARY AGGREGATES

In 2014, growth in broad money supply (M2) moderated compared to a year ago. Growth in broad money supply slowed from 12.8 percent at the end of 2013 to 7.8 percent at the end of 2014, as the substantial decline in Net Foreign Assets (NFA) and other items (net) restrained the surge in Net Domestic Assets (NDA) (Figrue C.9). The sharp decrease in claims on non-residents explained most of the decrease in NFA during the period under review, while the expansion in NDA is mainly explained by the significant contribution of net claims on central government (Table C.5). Meanwhile, NFA's contribution to the growth in broad money declined to -5.9 percent in 2014 compared to 4.0 percent in 2013.

Table C.5: Monetary and credit aggregates

(N$ million)	2010	2011	2012	2013	2014
Net Foreign Assets	20 600.4	24 246.5	20 938.7	23 376.9	19 278.7
Net domestic assets	42 737.6	46 365.4	53 159.7	62 866.5	77 061.5
of which: Claims on individuals	25 037.6	27 980.3	31 864.6	36 662.7	41 602.6
claims on businesses	15 528.5	16 434.4	20 069.8	22 783.9	27 675.6
Other Items, net*	-10 771.9	-11 903.0	-12 956.7	-17 285.5	-21 973.8
Broad money	52 566.0	58 708.9	61 141.7	68 957.8	74 366.4
(Contribution to growth in M2)					
Net Foreign Assets	-10.3	6.9	-5.6	4.0	-5.9
Net domestic assets	16.9	6.9	11.6	15.9	20.6
of which: claims on individuals	3.5	5.6	6.6	7.8	7.1
claims on businesses	4.7	1.7	6.2	4.4	7.1
Other Items, net*	-49.3	-2.2	-1.8	-7.1	-6.8
Broad money	7.9	11.7	4.1	12.8	7.8
(Annual percentage growth rates)					
Net Foreign Assets	-19.7	17.7	-13.6	11.6	-17.5
Net domestic assets	23.9	8.5	14.7	18.3	22.6
of which: claims on individuals	7.4	11.8	13.9	15.1	13.4
claims on businesses	17.2	5.8	22.1	13.5	21.5
Other Items, net*	-181.3	10.5	8.9	33.4	27.1
Broad money	7.9	11.7	4.1	12.8	7.8

MONEY SUPPLY

The lower growth in M2 in 2014 was mainly explained by the deceleration in transferable and other deposits. The contribution of growth in transferable deposits slowed from 5.9 percent to 3.5 percent in 2014. Similar decelerations were in the contribution of growth in other deposits, which decreased from 6.5 percent in 2013 to 3.7 percent in 2014. The contribution of currency in circulation to M2 growth only rose slightly over the same period.

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

Monetary Aggregates	2013	2014
Broad Money (M2)	**12.8**	**7.8**
Narrow Money (M1)	6.3	4.1
Currency in Circulation	0.4	0.5
Transferable Deposits	5.9	3.5
Other Deposits	6.5	3.7

SOURCES OF FUNDS OF OTHER DEPOSITORY CORPORATIONS (ODCs)[22]

Total deposit holdings of institutional sectors increased by 8.2 percent by the end of 2014, compared with 7.5 percent in 2013. Deposits from individuals and businesses in 2014 accounted for 44.9 percent and 35.4 percent of total deposits, respectively, while the remaining 19 percent stemmed from other financial corporations, state and local governments, and public non-financial corporations (Figure C.10).

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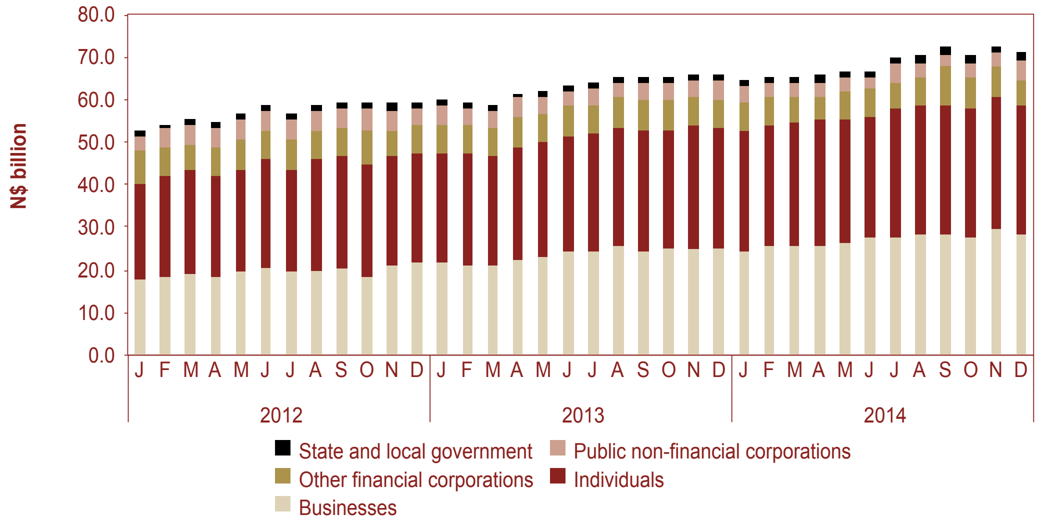
Figure C.10: Sources of funds of ODCs



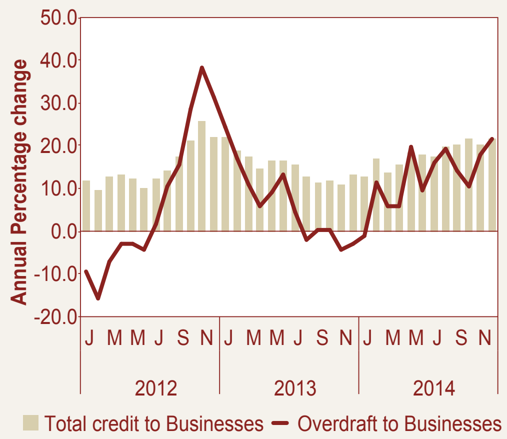
PRIVATE SECTOR CREDIT EXTENSION

During 2014, private sector credit extended (PSCE) continued to grow at double-digit, driven by both businesses and households. On an annual basis, total credit grew by 16.4 percent in 2014 compared to 14.3 percent at the end of 2013. The climb in 2014 was mainly attributed to a significant increase in instalment and overdrafts credit, which posted a rise of 18.2 percent and 21.1 percent, from 15.4 percent and 1.7 percent in 2013, respectively. In real terms, PSCE recorded an annual growth of 9.8 percent in 2014, which is 0.8 percent higher than the growth reported in 2013.

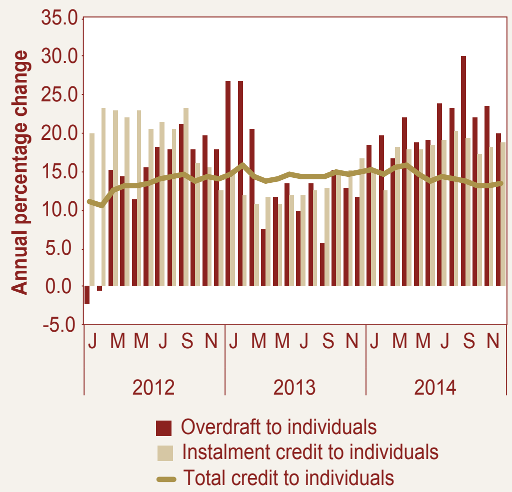
22 Total deposits for ODCs include deposits from Commercial banks, Money Market Unit Trusts and other depository takers such as Nampost saving bank, Agribank and National Housing Enterprise. Hence, total deposits reported in this section is differ from total deposits reported in the Banking Supervision section (Part D) as the latter section only reports deposits with the commercial banks

Figure C.11: Credit developments

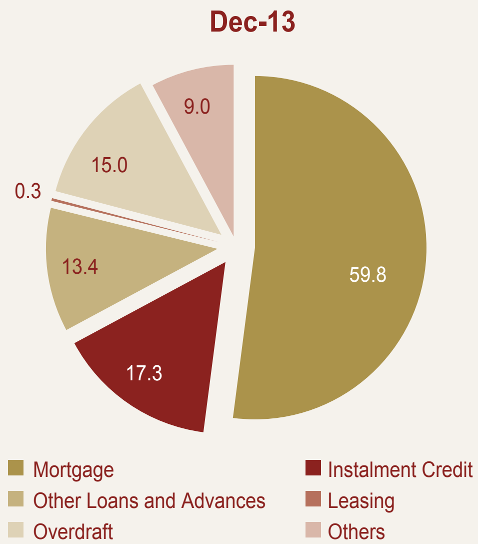
Growth in lending to businesses in Namibia increased in the last two quarters of 2014…

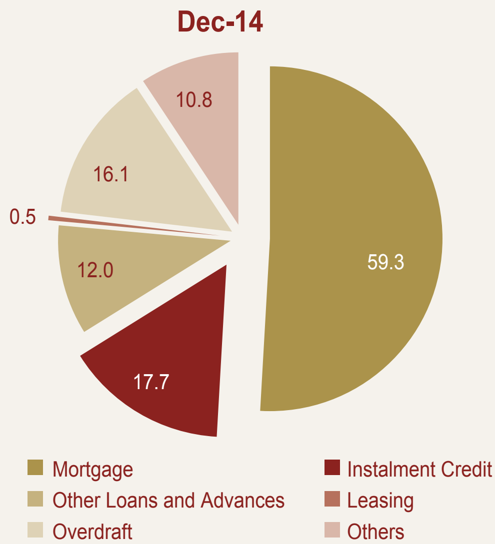


…while growth in credit extended to individuals continued to grow at double digits during 2014, despite the slower growth during the second half of 2014.



Mortgage loans continued to be the main contributor to total PSCE, followed by instalment and overdraft





Overall lending to businesses in Namibia increased in the last two quarters of the 2014, becoming the main driver of PSCE in 2014. Credit extended to businesses recorded a significant recovery, increasing by 21.4 percent at the end of 2014, compared with the rate of growth of 13.2 percent in December 2013. This resulted from the annual growth across most categories, with growths of 22.5 percent, 21.6 percent and 17.2 percent recorded for mortgage loans, overdrafts and instalment credit, respectively.

Growth in credit extended to individuals continued to be in double digits during 2014, driven by overdrafts and instalment credit, while other loans and advances slowed at the end of 2014. On average, credit extended to individuals grew by 14.4 percent in 2014 (Figure C.11). The increase was explained by the persistent growth in the overdraft and instalment credit categories. Lower growth of 13.3 percent was, however, recorded at the end of 2014, slower than the 15.0 percent at the end of 2013. Notably, growth in mortgage lending appears to have softened over the same period in comparison with 2013.

In 2014, mortgage loans accounted for more than half of the total credit extended to the private sector. The other credit categories with relatively a large share, accounting for more than 10.0 percent of total credit, include instalment credit, overdrafts and other loans and advances.

Table C.7: Credit aggregates (N$ million)

Component	2013	2014	Percentage change
Asset-backed credit	39 995.4	45 153.7	15.3
Mortgage advances	30 999.5	34 757.1	14.5
Instalment	8 995.8	10 396.6	18.2
Overdraft lending	7 784.7	9 446.8	21.1
Other loans and advances	6 955.8	7 032.4	1.3
Total loans and advances	**59 551.2**	**68 279.9**	**16.4**

BANKING SYSTEM LIQUIDITY[23]

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The overall liquidity position of the Namibian banking industry increased significantly during 2014, in contrast to developments during the preceding year. The average liquid balance during the year 2014 amounted to N$3.5 billion, substantially higher than the average of N$2.8 billion recorded during 2013. The increase in liquidity was driven mainly by increases in Government spending and mineral export receipts. During the year under review, the highest monthly average liquidity position was N$5.6 billion recorded in August 2014, while the lowest average liquidity position was N$1.5 billion in January 2014. The liquidity position remained elevated particularly during the second half of the year in line with high government spending during that period. The position, nonetheless, moderated during the last month of the year, owing to corporate tax payments.

MONEY MARKET DEVELOPMENTS

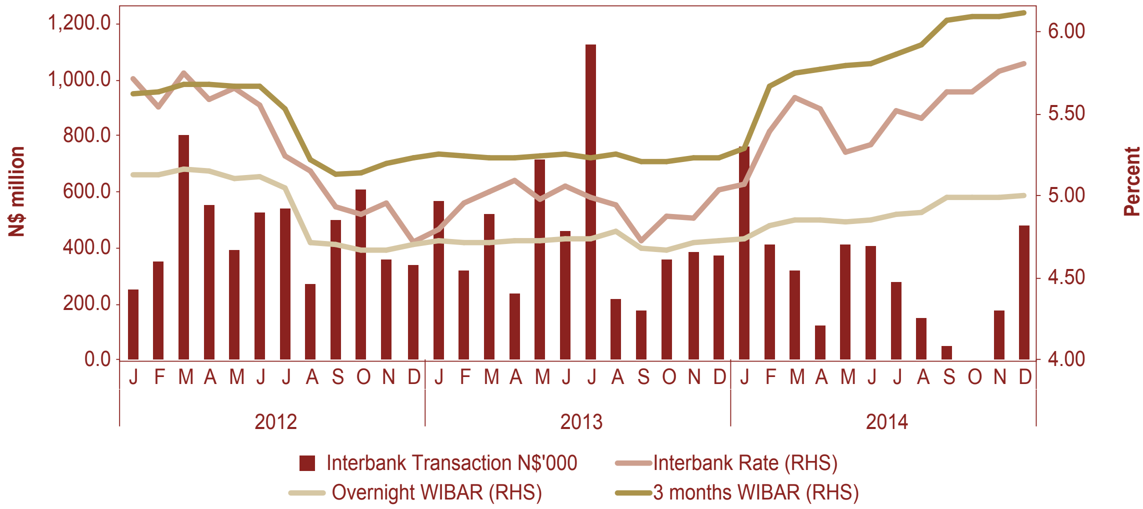
In line with the increased Repo rate, money market rates also rose during 2014 compared to 2013. The Bank of Namibia raised its Repo rate by 50 basis points to 6.00 percent in 2014, since it was lowered in August 2012. The decision in 2014 was taken to discourage strong growth in household credit, which is fuelling imports, and thus exerting pressure on the current account balance and international reserves. Consequently, the average lending rate rose to 9.13 percent at the end of 2014, when compared with the 8.20 percent recorded at the end of 2013. The average deposit rate also rose to 4.42 percent at the end of 2014 from 3.96 percent at the end of 2013.

THE NAMIBIAN INTERBANK MARKET ACTIVITIES

The value of transactions in the interbank market moderated during 2014, while the money market rates picked up when compared to the 2013 levels. As indicated in Figure C.12, the local interbank market traded funds amounting to N$3.5 billion during 2014, significantly lower than the N$5.5 billion observed in 2013. The lower interbank market activities correspond to the relatively strong liquidity levels that prevailed in the banking system during the year under review, as reported earlier. The highest monthly value of transactions was N$760 million recorded in January 2014, the month when liquidity was at its lowest for the reporting year. Meanwhile, no interbank transactions were recorded during the month of October 2014. In line with the Repo rate, both in Namibia and South Africa, the domestic interbank rate increased during 2014. In this regard, the weighted average interbank market rate increased from 4.95 percent in 2013 to an average of 5.50 percent during 2014. The rise in the interbank market rate was consistent with the interest rate tightening cycle. Similarly, the average overnight Windhoek Interbank Agreed Rate (WIBAR) increased moderately to 4.89 percent from 4.72 percent, while the three-month WIBAR increased from the 2013 levels by 62 basis points to 5.85 percent during 2014.

23 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 and proceeds from mineral sales.

Figure C.12: Interbank trading activities and WIBAR



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BOND MARKET DEVELOPMENTS

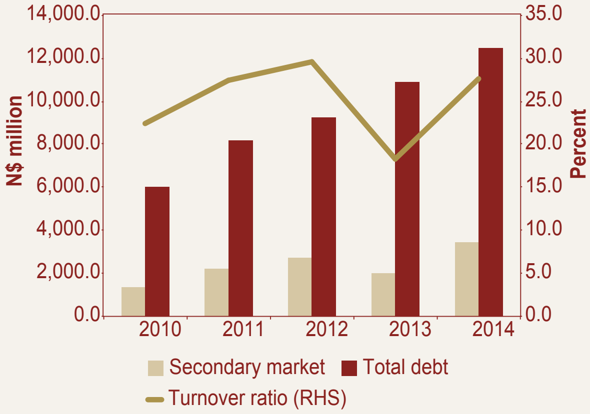
GOVERNMENT BONDS

During 2014, the GC14 matured and switch auctions for the GC15 were conducted. On 15 July 2014, the Government successfully redeemed the N$1.5 billion outstanding on the GC14. The bond was redeemed through a partial N$765 million rollover and N$765 million drawdown from the sinking fund. The Government also commenced a bond switch auction programme to induce holders of the GC15 to switch their holdings to longer-dated bonds. The long-dated bonds on offer were the GC18, GC25, GC27 and GC30. A total of four switch auctions were held during the months of July 2014, August 2014, October 2014 and November 2014. During the period, an amount of N$652.2 million was switched, thereby reducing the outstanding amount on the GC15 from N$1.6 billion to N$995.1 million. The GC15 is due to mature on 15 April 2015.

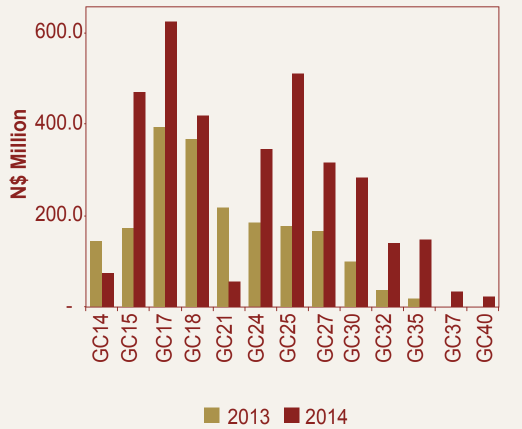
The number and value of outstanding Government bonds increased during 2014. With the additional two new bonds and the redemption of the GC14, the total number of domestic government bonds outstanding increased from 11 in 2013 to 12 in 2014, with 10 of those being actively issued in the primary market. Despite the redemption of the GC14, the outstanding amount on domestic government bonds increased from N$10.9 billion at the end of 2013 to N$12.5 billion by end of December 2014.

Figure C.13: Bond market developments

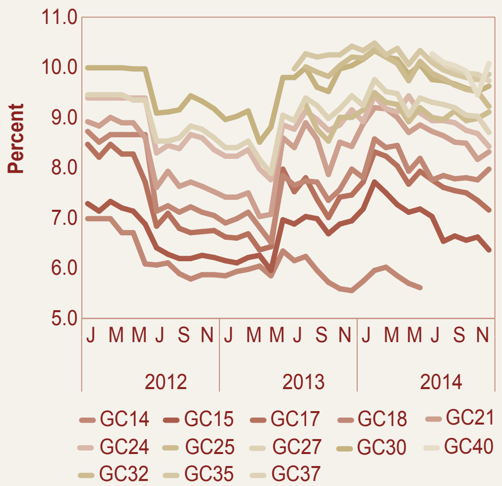
The trading of government bonds in the secondary market improved during 2014 compared to the preceding year.



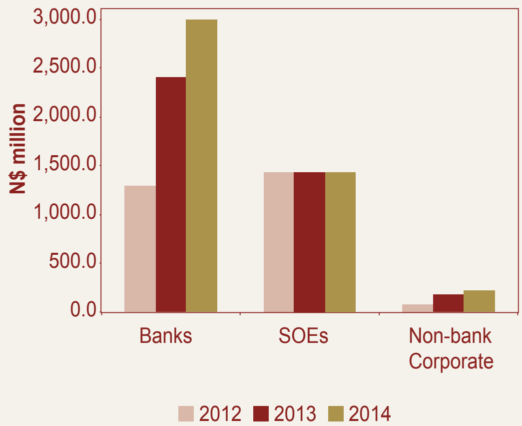
In line with developments regionally and globally, the yields on most Namibian government debt instruments increased during 2014.



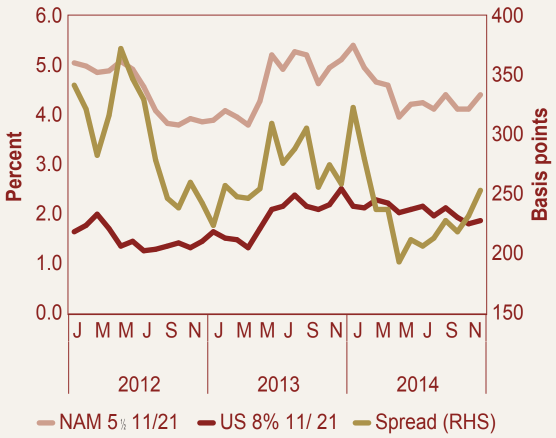
The spreads between Namibian longer dated bonds and equivalent South African bonds, though narrowing, continue to be higher owing to illiquidity stemming from limited supply volumes and low demand.



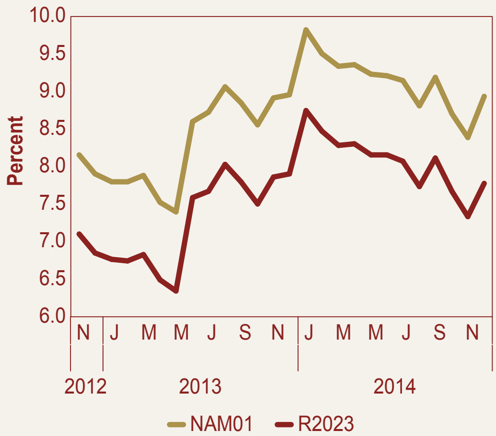
The volume of corporate bonds outstanding increased during 2014, highly dominated by commercial banks.



The spread between the Namibian Eurobond and the US benchmark narrowed further during 2014, implying that Namibia continues to be viewed strongly as a sovereign issuer.



The Namibia ZAR850 million bond trading on the Johannesburg Stock Exchange tracked developments in other bonds.



Secondary market activities

The trading of government bonds in the secondary market improved during 2014 compared to the preceding year. Government bonds worth N$3.5 billion were traded on the secondary market during the year under review, an increase from the corresponding amount of N$2.0 billion registered in 2013 (Figure C.13). The turnover ratio of government bonds also increased from 18.2 percent recorded in 2013 to a rate of 27.7 percent for 2014.

Trades in the secondary market were well spread across the entire yield curve during 2014. The GC17 and GC25 were the most frequently traded bonds, with turnover above N$500 million each and accounting for 32.9 percent of secondary market trading during the year. The GC15 and GC18 followed closely, trading over N$400 million each in the secondary market and constituted 25.7 percent of total annual turnover. The long-dated bonds, GC32, GC35, GC37 and GC40, together with the off-the-run GC21 and the redeemed GC14, traded the least. Each of these bonds recorded trades amounting to less than 5.0 percent of turnover during the year under review.

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GOVERNMENT BOND YIELDS

In line with international developments, the yields on most Namibian government debt instruments increased during 2014. Yields on short-dated and medium-dated bonds increased in excess of 20 basis points, while the yields on long-dated bonds declined, though also within 20 basis points. On average, the yield on the GC17, the shortest-dated bond[24], rose from 7.10 percent in during 2013 to 7.73 percent in 2014. Similarly, the yields on the GC18 and GC24 rose by 68 basis points and 75 basis points, respectively. Meanwhile, the yield on the GC27 and GC30 increased by 44 basis points and 46 basis points to close the year at 8.71 percent and 9.62 percent, respectively. The increase in yields mirrors similar developments in the benchmark South African bonds, which saw yields rising following international and emerging market economies' developments. Nonetheless, the yields on the GC32 and GC35 declined by 13 basis points and were trading at 9.22 percent and 9.86 percent, respectively, at the end of December 2014.

YIELD SPREADS

The average spread between Namibian bonds and equivalent South African bonds narrowed slightly during 2014. The spread on the GC17 and GC18 against the R203 and R204 averaged 54 and 55 basis points, respectively, during 2014. This is an improvement from the averages of 73 and 77 basis points in 2013. Meanwhile, for medium-dated bonds, the GC24 and GC25 recorded an annual average spread of 67 and 82 basis points, above the R186, correspondingly. A similar trend was also observed on the longer-end of the yield curve. In this regard, the spreads between the GC27, GC30, GC32, GC35 and their respective benchmarks each fell by more than 10 basis points. The GC27 has been trading at a spread below 100 basis points since July 2014. The spread on the longest bond, the GC40, recorded an average spread of 122 basis points during 2014. The spreads for longer dated bonds, though narrowing, continue to be higher owing to illiquidity stemming from limited supply volumes and low demand at the longer end of the curve.

CORPORATE BONDS

The volume of corporate bonds outstanding increased during 2014. The stock of bonds issued by Namibian corporates on the Namibian Stock Exchange increased from N$4.0 billion during 2013 to N$4.6 billion in 2014. Of this outstanding balance, N$3.0 billion were issued by commercial banks and N$1.4 billion by SOEs. The domestic bond market, nonetheless, continues to be highly dominated by Government bond issues. Corporate bonds as a proportion of total bonds outstanding in the market during 2014 stood at 21.9 percent. This is a decline from 26.9 percent non-sovereign bonds' share of the total volume of bonds outstanding in 2013. The decline in the proportion of corporate issues is due to increased bond issuance by the Government during the year, as alluded to earlier.

24 The GC15 is due on 15 April 2015, thus it has less than 4 months. As such, it is technically a money market instrument and no longer a bond.

NAMIBIA'S USD 500 MILLION EUROBOND PERFORMANCE

The spread observed between the Namibian Eurobond and the US benchmark narrowed further during 2014. The spread between the Namibian Eurobond and the US benchmark averaged 237 basis points during 2014 compared to an average spreads of 267 basis points during 2013 and 299 basis points during 2012. The yield on the Namibian bond largely tracked the development of its US Treasury benchmark. The yield on Namibia's 10 year USD Eurobond peaked at 5.42 percent during January 2014 and has been trending downwards since then before picking up during the second half of the year. The narrowing in the spread implies that Namibia continues to be viewed positively as a sovereign issuer and Namibian credit thus remain attractive in the international market.

NAMIBIA'S ZAR850 MILLION JSE-LISTED BOND PERFORMANCE

The Namibia ZAR850 million bond trading on the Johannesburg Stock Exchange - NAM01, tracked developments in other bonds. After peaking at 9.82 percent at the end of January 2014, the yield on the NAM01 continued to descend, before picking up during the second half of the year. The movements in the yield on the NAM01 were in line with those of the benchmark bond, the R2023. The spread between the NAM01 and the R2023 averaged 107 basis points during 2014, a mild increase from the spread of 105 basis points observed during the preceding year.

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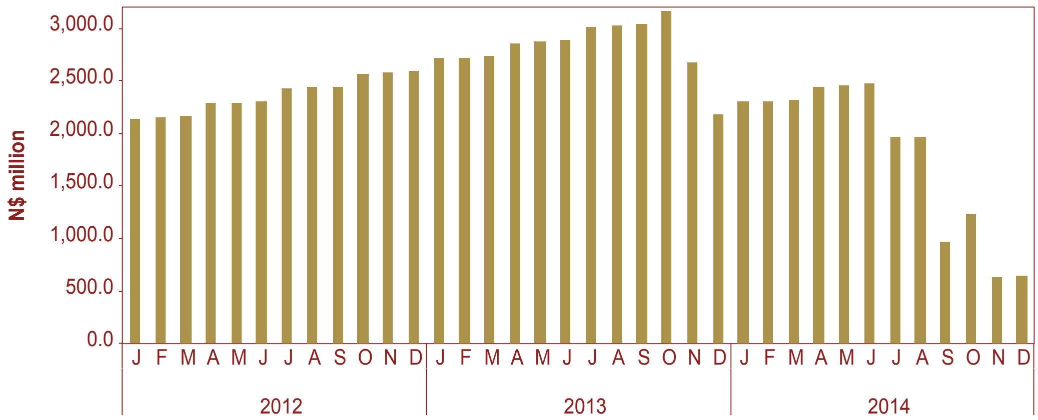
INTERNAL REGISTERED STOCK REDEMPTION ACCOUNT (IRSRA)

The balance of the IRSRA fell significantly during 2014 owing to withdrawal of funds. The balance on this account stood at N$641.7 million at the end of December 2014, lower than the balance of N$2.2 billion at the end of the previous year (Figure C.14). The Government made cash withdrawals from the IRSRA for budgetary financing purposes, in line with the cash allocation in the 2014/15 Budget Funding Plan. The next government bond to be redeemed is the GC15 due on 15 April 2015, with an outstanding amount N$995.1 million. After the GC15, the next domestic bond to mature is the GC17 due on 15 October 2017, with an outstanding amount of N$2.0 billion. The Government will continue to fund this account, when necessary, to ensure that maturing bonds can be redeemed smoothly, while also preventing the account not to be unnecessarily overfunded.

Figure C.14: Internal Registered Stock Redemption Account (IRSRA)



SOVEREIGN CREDIT RATING

The international rating agencies reaffirmed Namibia's investment grade rating during 2014. In this regard, Moody's Investor Services affirmed Namibia's Baa3 rating, while Fitch Ratings also affirmed Namibia's Long-term foreign and local currency Issuer Default Ratings (IDR) at 'BBB-' and 'BBB', respectively. The Ratings were affirmed by Moody's flowing from their assessments in January 2014 and July 2014. Similarly, Fitch Ratings undertook assessments during June 2014 and December 2014. During all four assessments, the two rating agencies affirmed Namibia's growth outlook as "Stable".

Moody's outlook on Namibia's ratings was stable. The rating is underpinned by the credit strengths of the country, which include plentiful natural resources, relatively low public debt, net creditor position of both the country and the government, and a stable political system. However, the ratings are constrained by various economic challenges, which include high unemployment rates, wide income disparities and a large segment of the population still involved in subsistence farming in the rural areas. Moody's highlighted that these issues pose longer-term risks for economic and political stability, thus need to be successfully addressed over time.

Moody's also highlighted factors that could lead to a rating upgrade and those that can result in a rating downgrade. In this regard, Namibia's ratings could be upgraded should progress be made in improving employment creation, particularly if managed while keeping the public debt at low and manageable levels. Similarly, continued good management of natural resource income, including building additional fiscal reserves from windfall revenues from resource exports could improve the country's rating. On the downside, sharp increases in Government debt without corresponding gains in job creation or other improvements in revenue prospects could threaten the current investment grade rating. Moody's also identified pursuit of policies that deter investment and reduce the potential for economic growth and increased government earnings as other factors that could place downward pressure on the rating.

Equally, Fitch Ratings maintained a stable outlook on Namibia during 2014. The rating was based on the country's strong growth and stable political and economic environment against a modest deterioration in its fiscal and external positions. Fitch forecasted an acceleration of Namibia's GDP growth in 2014, supported by the strong performance of the construction and retail industries. The agency cited the main risks to growth as weaker external demand for Namibia's exports and possible delays to production in the Husab uranium mine. Namibia's predictable policy framework was also highlighted as a strong factor in its positive rating.

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EQUITY MARKET DEVELOPMENT

Table C.8: NSX summary statistics

Category	2013	2014	Percentage change
Overall			
Index (end of year)	997	1 098	10.2
Market capitalisation (N$ million) (end of year)	1 405 908	1 679 740	19.5
Free-float market capitalisation (N$ million) (end of year)	1 069 312	1 217 651	13.9
Volume traded ('000)	112 667	164 916	46.4
Value traded (N$'000)	5 506 705	8 093 749	47.0
Number of deals	3 788	4 090	8.0
Number of new listings (DevX)	2	6	-
Local			
Index (end of year)	332	389	17.3
Market capitalisation (N$ million) (end of year)	18 729	22 322	19.8
Volume traded ('000)	29 561	34 460	16.6
Value traded (N$ '000)	351 878	293 683	-16.5
Number of deals	800	791	-1.1
Number of new listings	1	0	-
JSE All Share			
Index (end of year)	46 256	49 771	7.6

Source: NSX and JSE

In line with the global stock markets, the Overall Index of the Namibian Stock Exchange (NSX) was higher at the end of 2014 compared to the level of the previous year. The Overall Index of the NSX closed at 1 098 at the end of December 2014, representing a 10.2 percent growth when compared to a growth of 1.3 percent over the same period in 2013. The recovery in some sectors, such as basic materials and consumer services contributed to the increased growth in the Overall Index. Market capitalisation stood at N$1.7 trillion at the end of 2014.

The local index continued to perform well during 2014. The Local Index closed higher at 389.02 up from 331.72 recorded the same period in 2013. The strong performance in most local shares contributed to the increase in the Local Index. Local stock-market capitalisation portrayed a growth of 19.8 percent from N$18.7 billion at the end of the previous year. This was due to an increase in share prices during 2014.

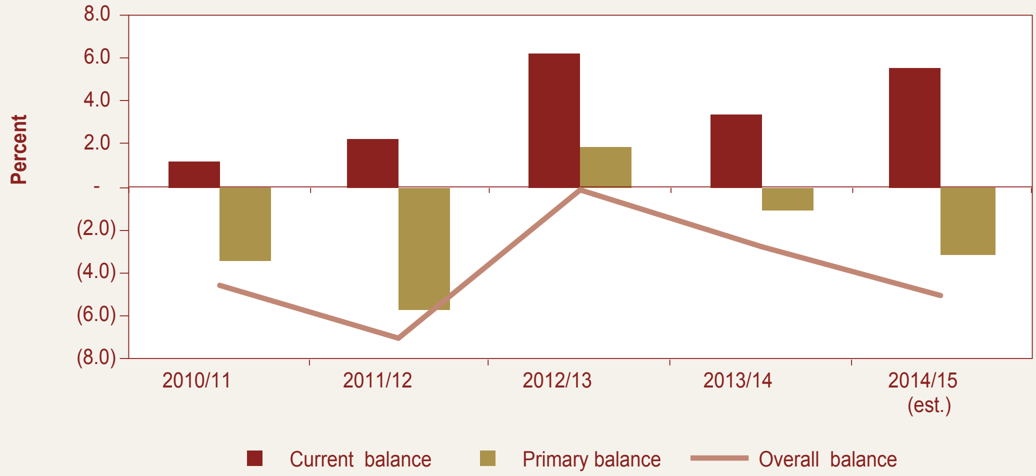
The Johannesburg Stock Exchange (JSE) All Share Index continued influencing the direction of the NSX Overall Index mainly as a result of the dual listing of some companies on both the JSE and NSX. The JSE closed off with a favourable index of 49 770.6 compared to an index of 46 256.2 in 2013. The index increased by 7.6 percent in 2014 compared to a 17.8 percent growth registered in 2013.

In 2014, annual trading registered a higher growth compared to the trading registered in 2013. Annual turnover in 2014 rose to N$8.1 billion from N$5.5 billion recorded in 2013. Volume of shares traded also rose by 46.4 percent to 164.9 million compared to 112.7 million recorded in 2013 (Table C.8).

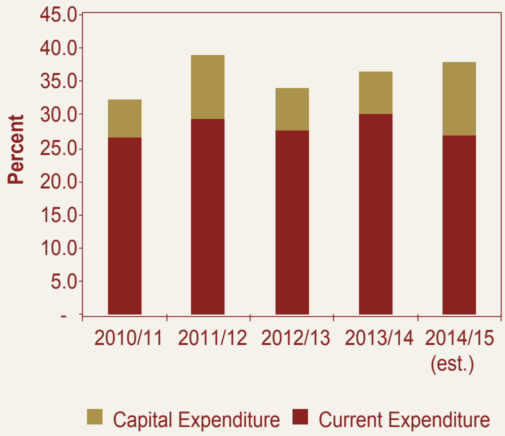
PUBLIC FINANCE

Figure C.15: Public Finance (as a percent of GDP)

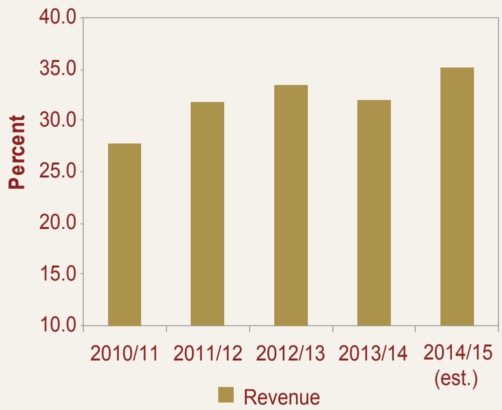
The Government estimated the budget deficit for the 2014/15 fiscal year at 5.4 percent of GDP, which is wider than the preceding fiscal year.



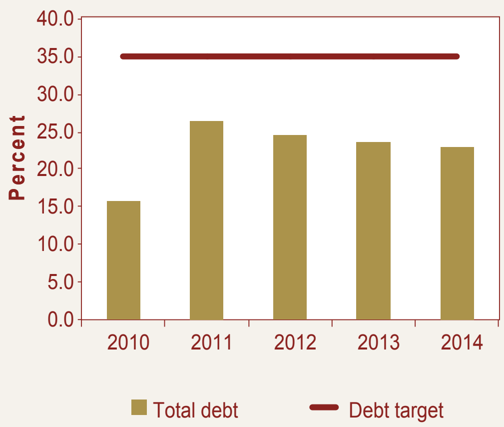
This occurred as a result of increased public spending, in line with Government's effort to address socio-economic challenges in the country.



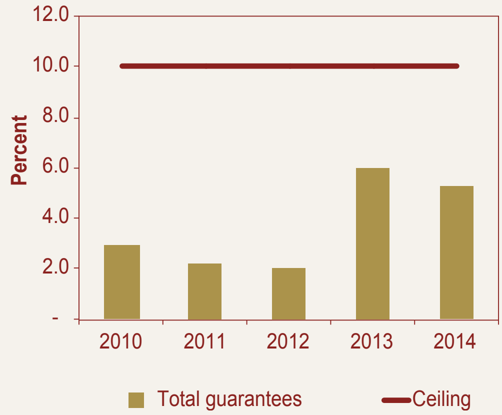
Revenue as a percentage of GDP also increased in 2014/15



As at end of December 2014, total government debt as a percentage of GDP declined to 22.9 percent and remained within the set ceiling



Total loan guarantees as a ratio of GDP, however, declined slightly and also remained within the set ceiling



Source: MOF, NSA and BoN

During 2014/15, the government is estimated to have recorded higher primary and overall fiscal deficits, owing to increased public expenditure. The primary balance moved from a small surplus of about 1.1 percent of GDP in 2013/14, to a wider deficit of 3.2 percent of GDP 2014/15. Moreover, the overall government balance also increased from a smaller deficit of 3.6 percent in 2013/14 to 5.4 percent of GDP in 2014/15 (Figure C.15). This is due to the increase in government expenditure during the fiscal year under review.

Government expenditure increased during 2014/15 at a faster rate than in the preceding fiscal year, reflected in both current and capital expenditure. Total government expenditure is estimated to increase by 17.2 percent to N$57.6 billion in 2014/15 fiscal year. This increase was reflected in both operational expenditure and spending on capital projects under the Fourth National Development Plan (NDP4). This outcome is in line with Government's effort to address the socio-economic challenges that the country faces. These challenges include high levels of poverty and unemployment, as well as relatively low infrastructure funding and marked shortages in the provision of housing. Against this background, Government prioritised funding for programmes and projects geared towards addressing these challenges. Total expenditure as a percentage of GDP increased by 4.7 percentage points to 38.9 percent at the end of 2014/15 compared to the preceding fiscal year.

Revenue growth improved during 2014/15, owing mainly to increased Individual income tax and SACU revenues. Total revenue is estimated to have increased by 24.6 percent, to N$52.2 billion during 2014/15. The increase in government revenue is in line with on-going reforms to tax administration. To this effect, individual income tax and SACU receipts continue to be the main drivers of government revenue. It is worth noting that lately, domestic sources of revenue are becoming increasingly significant contributors to government revenue. Consequently, total revenue as a percent of GDP increased by 3.2 percentage points to 35.2 percent of GDP in 2014/15.

CENTRAL GOVERNMENT DEBT

Total government debt increased in nominal terms at the end of 2014, while the ratio of total debt to GDP declined. Total debt increased by 9.6 percent to N$32.8 billion at the end of 2014, when compared to the debt stock at the end of 2013. The nominal increase emanated mainly from a rise in domestic borrowing, new bilateral loans, coupled with currency depreciation. The latter led to a revaluation of bilateral loans and the Eurobond. Total debt as a percent of GDP, however, declined by 0.7 percentage points to 22.9 percent at the end of 2014, as GDP growth is estimated to have outpaced debt accumulation. At that level, the ratio of debt to GDP remains below the Government's debt ceiling of 35.0 percent of GDP.

Table C.9: Central government debt as at 31 December 2014 (N$ million)

	2010	2011	2012	2013	2014
GDP	**82 598**	**90 128**	**107 037**	**126 608**	**142 753**
Total export of goods and services	**34 346**	**37 316**	**44 673**	**53 629**	**60 411**
Foreign debt stock	**2 986.1**	**7 903.5**	**9 040.3**	**10 876.6**	**11 476.8**
Bilateral	980.3	1 293.5	1 313.6	1 938.4	2 205.7
As % of total	32.8	16.4	14.5	17.8	19.2
Multilateral	2 005.8	2 534.9	2 640.4	2 863.2	2 640.3
As % of total	67.2	32.1	29.2	26.3	23.0
Eurobond		4 075.1	4 236.3	5 225.0	5 780.8
As % of total		51.6	46.9	48.0	50.4
JSE-Listed bond			850.0	850.0	850.0
As % of total			9.4	7.8	7.4
Foreign debt service	**305.6**	**203.6**	**575.5**	**605.4**	**605.4**
As % of export	0.9	0.5	1.8	1.1	1.0
Domestic debt stock	**9 982.6**	**16 029.4**	**17 277.9**	**19 023.4**	**21 282.3**
Treasury Bills	3 994.1	7 882.0	8 041.9	8 132.3	8 797.3
As % of total	40.0	49.2	46.5	42.7	41.3
Internal registered stock	5 988.5	8 147.4	9 236.0	10 891.0	12 485.0
As % of total	60.0	50.8	53.5	57.3	58.7
Total Central Government debt	**12 968.7**	**23 932.9**	**26 318.2**	**29 900.0**	**32 759.1**
Proportion of total debt					
Foreign debt stock	23.0	33.0	34.4	36.4	35.0
Domestic debt stock	77.0	67.0	65.6	63.6	65.0
As % of GDP					
Foreign debt stock	3.6	8.8	8.4	8.6	8.0
Domestic debt stock	12.1	17.8	16.1	15.0	14.9
Total debt	**15.7**	**26.6**	**24.6**	**23.6**	**22.9**

Sources: MoF, BoN and NSA

DOMESTIC DEBT

Domestic debt increased in nominal terms at the end of 2014, compared to 2013, reflected in both Internal Registered Stock (IRS) and Treasury Bills (TBs). Total domestic debt stock increased by 11.9 percent to N$21.3 billion at the end of 2014. The increase was reflected in both internal registered stocks and Treasury Bills, which increased by 14.6 percent and 8.2 percent, respectively. The share of IRS to total domestic debt increased to 58.7 percent, while that of TBs declined, trending towards the government desirable target of 60:40 ratios. The ratio of domestic debt to GDP, declined slightly by 0.1 percentage points to 14.9 percent at the end of 2014, compared to the previous year. As a ratio of total debt, domestic debt constituted about 65.0 percent at the end of 2014, from 63.7 percent at the end of the preceding year.

FOREIGN DEBT

The Government's total foreign debt increased at the end of 2014 due to new borrowings and currency depreciation[25]. Foreign debt increased by 5.5 percent to N$11.5 billion at the end of 2014 (Table C.9). The increase was largely attributed to new bilateral loans, as well as the depreciation of the Namibia Dollar against major trading currencies during 2014. External debt as a percentage of GDP, however, decreased marginally by 0.6 percentage point to 8.0 percent at the end of 2014. Foreign debt accounted about 35.0 percent to total debt at the end of 2014, which declined by 1.4 percentage points, compared to the preceding period. This ratio will over time move closer to guidelines set in the *Namibian Sovereign Debt Management Strategy* of 80:20 in respect of domestic to foreign debt ratio.

The composition of Government's external debt remained broadly unchanged at the end of 2014. The Eurobond remained the largest component of the Government's external debt portfolio, followed by multilateral loans. The Eurobond increased by 10.6 percent to N$5.8 billion compared to the stock at the end of 2013, as the Namibia Dollar depreciated against the US Dollar over the reporting period. Multilateral loans, which made up the second largest component, however, decreased by 7.8 percent to N$2.6 billion at the end of 2014, due to repayments. In contrast, bilateral loans increased by 13.8 percent to N$2.2 billion due to new loans, coupled with the depreciation of the local currency against major currencies.

The impact of the exchange rate was, however, softened by the built in natural hedging as per the country's debt management strategy and the reserve management policy. As such, the composition of Namibia's reserves and the management thereof is based on an asset-liability approach. This approach ensures that portfolio of reserves are invested in the foreign currency equivalent to each currency in which the country's debt are denominated. Thus the reserve management policy similar to the debt management strategy serves as a natural hedge against the volatility or the depreciation of the exchange rate. Furthermore, the country has large export earnings denominated in foreign currencies emanating from our natural resources. In this regards, the depreciation of the Namibia Dollar increases the export earnings, which thus softened the adverse effect of currency depreciation on foreign debt servicing cost.

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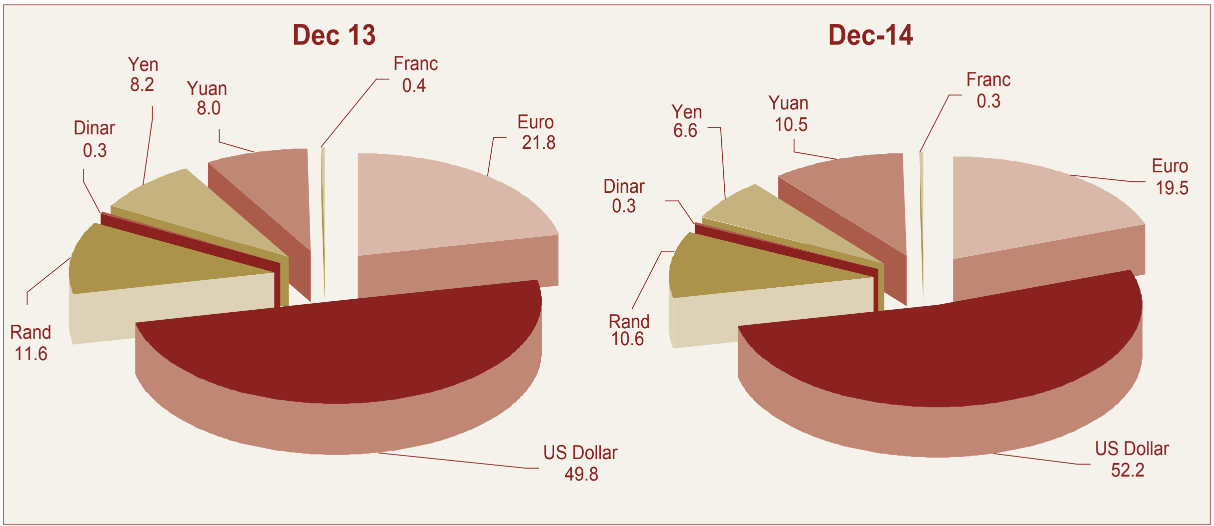
CURRENCY COMPOSITION

The US Dollar continued to be the dominant currency in the total external debt portfolio at the end of 2014. More than half of Government's total foreign loans are denominated in US Dollar, representing 52.2 percent at the end of 2014. This represented an increase of 2.4 percentage points compared to 2013 (Figure C.16). Loans denominated in the Euro accounted for 19.5 percent of the total external debt at the end of 2014, while the Rand accounted for about 10.6 percent of government's total foreign loans.

25 On average, during 2014, the Namibia Dollar depreciated by 12.4 percent against the USD, and by 18.2 percent against the Pound and by 12.3 percent against the Euro, compared to 2013.

Figure C.16: External debt currency composition (percent)



Source: MoF

CENTRAL GOVERNMENT LOAN GUARANTEES

The Government's total loan guarantees as a share of GDP declined at the end of 2014, in line with the decrease in total loan guarantees granted. The total stock of loan guarantees stood at N$7.5 billion at the end of 2014, representing a decline of 0.5 percent compared to 2013 (Table C.10). This decline was reflected in foreign loan guarantees, while domestic loan guarantees remained broadly unchanged. The stock of government loan guarantees, which stood at 5.3 percent of GDP at the end of 2014, remains below the government's ceiling of 10.0 percent of GDP.

Table C.10: Central government loan guarantees as at 31 December 2014 (N$ million)

	2010	2011	2012	2013	2014
GDP	**82 598**	**90 128**	**107 037**	**126 608**	**142 753**
Domestic Guarantees	1 081.4	945.9	918.0	832.2	832.1
As % of GDP	1.3	1.0	0.9	0.7	0.6
As % of Total Guarantees	44.5	48.4	41.6	11.0	11.0
Foreign Guarantees	1 346.2	1 008.7	1 288.1	6 739.9	6 700.5
As % of GDP	1.6	1.1	1.2	5.3	4.7
As % of Total Guarantees	55.5	51.6	58.4	89.0	89.0
Total Guarantees	**2 427.6**	**1 954.6**	**2 206.1**	**7 572.1**	**7 532.6**
As % of GDP	2.9	2.2	2.1	6.0	5.3

Sources: MoF, BoN and NSA

FOREIGN LOAN GUARANTEES

Foreign loan guarantees decreased at the end of 2014, due to repayments on loans granted to the transport and energy sector. Loan guarantees to external creditors decreased slightly by 0.6 percent to N$6.7 billion at the end of 2014 (Table C.10). Consequently, the ratio of foreign loan guarantees to GDP decreased by 0.6 percentage point to 4.7 percent at the end of 2014.

Most of the guarantees on foreign loans were granted to the transport sector. The transport sector made up 93.9 percent of total foreign loan guarantees at the end of 2014, followed by the energy sector at 4.8 percent.

The proportion of government loan guarantees denominated in Namibia Dollar and South African Rand decreased slightly, while the ratio of US Dollar denominated loan guarantees increased in 2014. The contribution of loan guarantees denominated in both the Namibia Dollar and the South African Rand decreased by 0.3 percent to 49.6 percent at the end of 2014. Consequently, the portion of the US Dollar denominated loan guarantees increased by the same magnitude to 49.1 percent, while the share of the Euro denominated loan guarantees remained unchanged at 1.3 percent over the same period.

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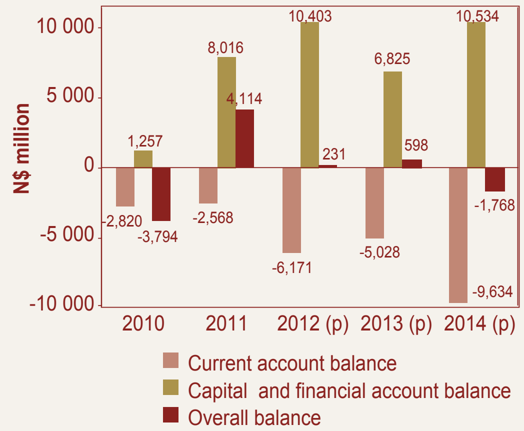
DOMESTIC LOAN GUARANTEES

Domestic loan guarantees *remained broadly unchanged* at the end of 2014, compared to the previous year. The stock of domestic loan guarantees stood at N$832.1 million at the end of 2014, compared to N$832.2 million at the end of the proceeding year. The slight decline was due to repayments made for domestic loans in the fishery sector, which recorded N$59.6 million at the end of the period under review. As in the previous year, the transport sector made up the largest portion of domestic loan guarantees, accounting for 39.7 percent. This was followed by loan guarantees to the finance and agricultural sectors, which made up 30.2 percent and 10.9 percent, respectively. As a ratio of GDP, domestic loan guarantees decreased slightly by 0.1 percentage point to 0.6 percent at the end of 2014.

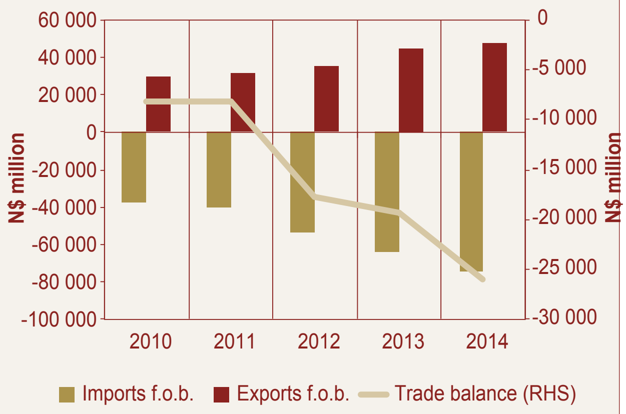
FOREIGN TRADE AND PAYMENTS[26]

Figure C.17: External Developments

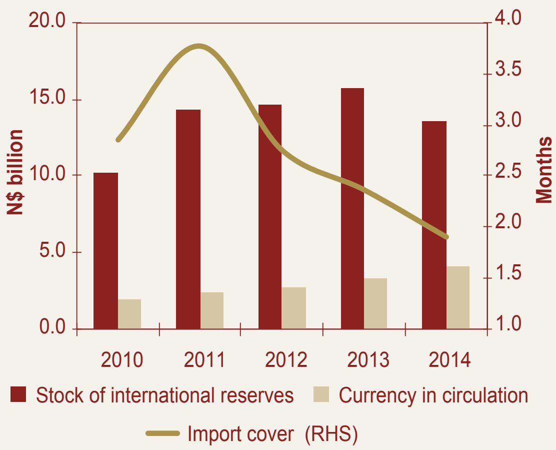
The overall balance recorded a deficit of N$1.8 billion during 2014, owing to the widening current account deficit, while the capital and financial account recorded a surplus.



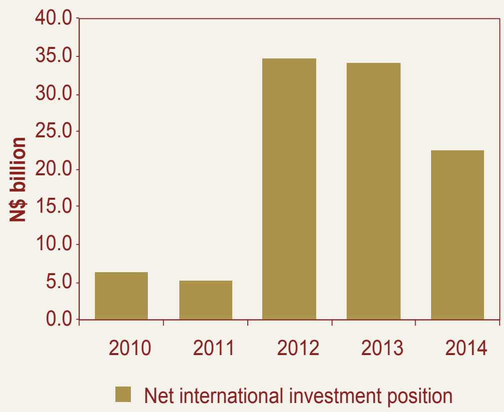
The deficit in the trade balance worsened, due to the rise in the import bill compared to export receipts.



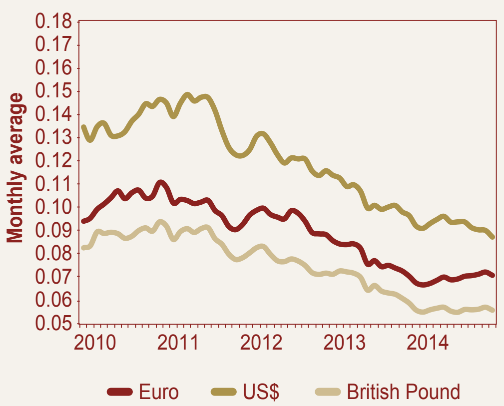
Even though the import cover declined to 1.9 months in 2014, the stock of international reserve assets remained adequate, as it was 3 times higher than the currency in circulation.



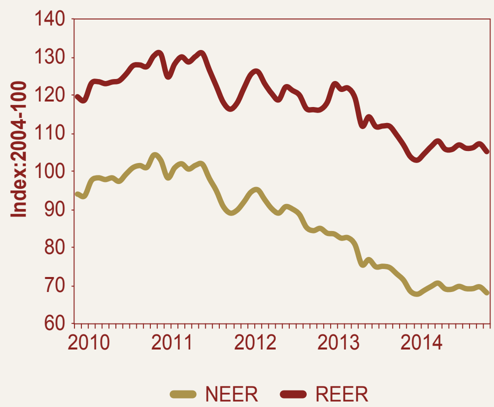
Namibia's net international investment position recorded a surplus in 2014, albeit lower than in 2013 due to higher liabilities than foreign invested assets.



During 2014, the Namibia Dollar weakened mainly due to capital outflows from emerging markets, coupled with negative economic conditions in South Africa….



…and led to the depreciation of the NEER and the REER. As a result of the depreciating REER, Namibia's external competitiveness improved.



Source: NSA, various companies and BoN surveys

26 P in this section stands for provisional.

CURRENT ACCOUNT

During 2014, the current account deficit widened, mainly due to the deteriorated merchandise trade balance. The current account registered a deficit of N$9.6 billion (6.7 percent of GDP), higher than N$5.0 billion (4.0 percent of GDP) during the preceding year (Figure C.17).

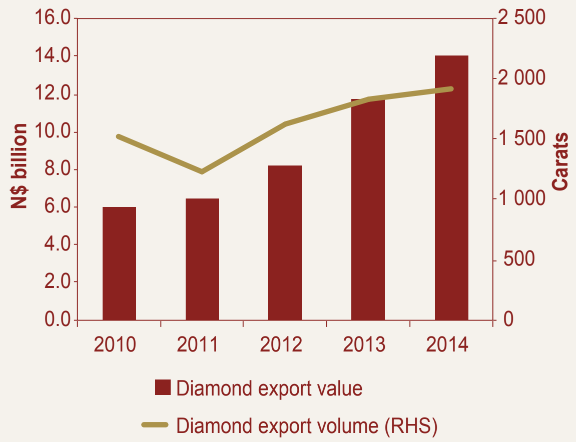
MERCHANDISE TRADE BALANCE

Namibia's *merchandise trade balance* deteriorated during 2014, as a result of a higher import bill. The merchandise trade deficit widened substantially by 34.8 percent to N$26.0 billion in 2014. The widening trade deficit was mainly as a result of a persistent increase in the value of imports relative to exports. The value of *imports* rose by 15.5 percent to N$73.9 billion, while *exports* earnings grew at a lower rate of 7.2 percent to N$47.9 billion. The increasing import bill continued to be mostly dominated by imported *vehicles, aircrafts and vessels* (20.6 percent share of total imports), *machinery and mechanical appliances* and *consumer goods* (accounting for 19.0 percent and 17.6 percent of total imports, respectively), while the increase in exports was underpinned by the rise in exported *minerals* and *manufactured products*.

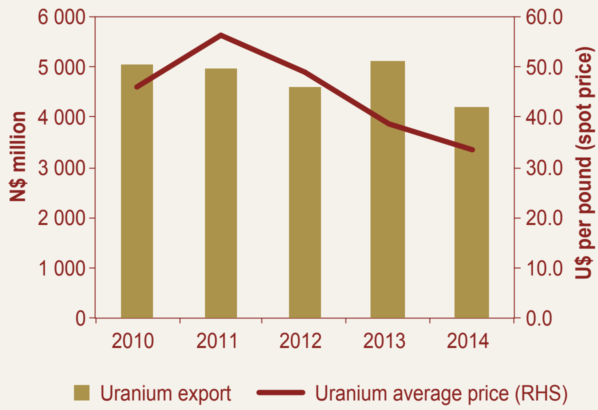
EXPORTS

Figure C.18: Export commodities

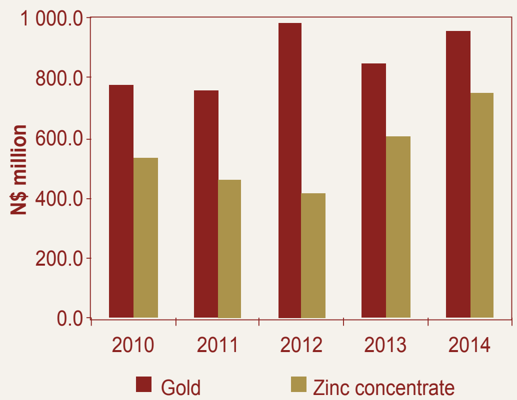
Exports of minerals remain the country's major foreign currency earner, mainly driven by diamond export receipts…



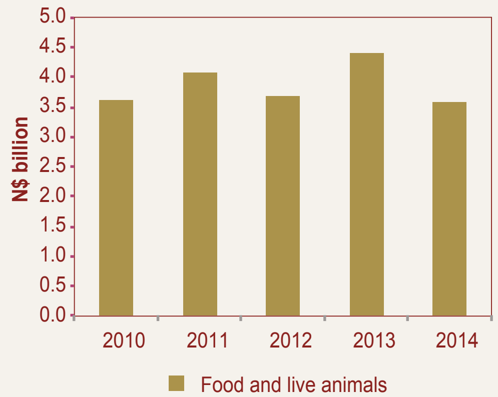
…while, declining uranium prices, weak external demand and logistical problems led to a drop in uranium export earnings during 2014.



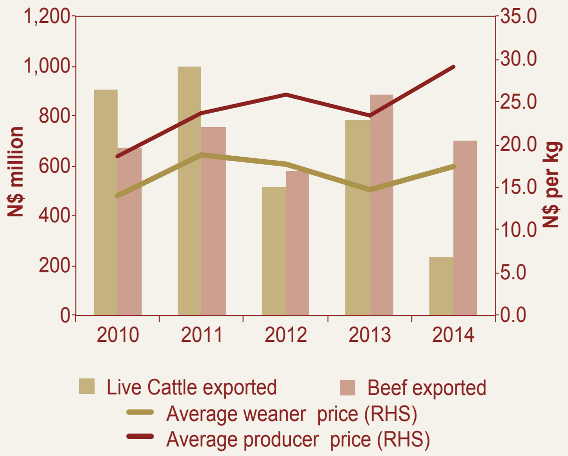
During 2014, export earnings for other minerals increased substantially, attributed largely to high earnings from exported zinc- and copper concentrates, as well as gold.



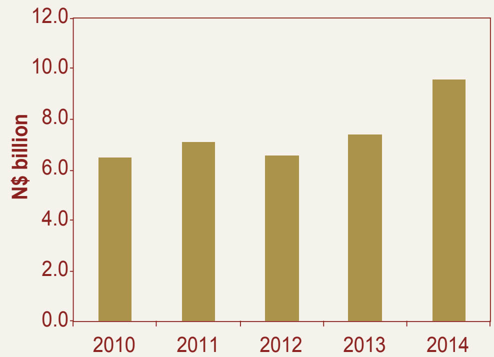
Due to the restrictive veterinary health regulations by South Africa on importing live animals from Namibia, exports of live animals from Namibia declined in 2014.



As a result of decreased supply of cattle, both weaners and beef prices rose significantly for the period under review.



Improved external competitiveness led to increased export earnings for manufactured products during 2014.



Source: NSA, MME, Meatboard and BON surveys

During 2014, Namibia's export earnings rose, mainly driven by mineral exports and manufactured products. Exports of *minerals* remain the country's major foreign currency earner, representing 44.4 percent of total export receipts. As a share of total exports, the earnings of *manufactured products* increased from 16.5 percent in 2013 to 20.2 percent during 2014. In contrast, the share of *food and live animals* to total exports declined during 2014. This was as a result of restrictive health regulations imposed by South Africa on imports of live animals from Namibia. Cattle off-take was also adversely affected by the restocking in the aftermath of the severe drought in 2013.

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

Export receipts	2010	2011	2012	2013	2014
Minerals	44.0	41.1	42.5	42.7	44.4
Diamonds	20.6	20.0	23.0	26.2	29.2
Uranium	17.2	15.6	12.8	11.4	8.8
Other minerals	6.2	5.5	6.6	5.2	6.4
Food and live animals	12.3	12.7	10.2	9.8	7.9
Manufactured products	22.2	22.3	18.3	16.5	20.2
Re-exports	-	-	7.5	13.5	11.7
Other commodities	21.4	23.9	21.5	17.5	15.8

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Botswana was the leading destination for Namibia's exports during 2014, followed by South Africa and the Euro Area. The increase in the value of diamond exports resulted in Botswana being the leading exports destination, accounting for 24.0 percent of Namibia's total exports. South Africa absorbed about 18.4 percent of exports, which included *fish products* and *beef*. The share of exports to the Euro Area was 14.0 percent and constituted primarily *fish products*, *beef* and *zinc concentrates*. Going forward, the slow economic growth in two of Namibia's major export destinations, namely, South Africa and the Euro Area could affect demand for Namibia's export commodities.

Table C.12: Namibia's major export destinations (2014)

Countries	Percentage share
Botswana	24.0
South Africa	18.4
Euro Area	14.0
Switzerland	13.5
Angola	11.1
Rest of the world	19.0

Source: NSA

MINERAL EXPORTS

DIAMONDS

In 2014, diamond export earnings rose significantly aided by high quality carats mix, the depreciation of the local currency and increased exported volumes. Diamond export earnings increased by 19.7 percent to N$14.0 billion during 2014 (Figure C.18). The rise was mainly supported by the favourable carats mix, which contained a high proportion of quality diamonds and increased exported volumes.

URANIUM

***Uranium export* receipts declined substantially in 2014 compared to 2013, mostly due to weak external demand, low international prices and logistical problems experienced by local mines.** Uranium export earnings declined noticeably by 17.7 percent to N$4.2 billion in 2014. Export volumes fell by 27.6 percent year-on-year to 4 238 metric tonnes, due to weak external demand and also logistical problems, mainly related to delayed shipments. The weak global demand and delays in the re-starting of Japan's nuclear reactors continues to put downward pressure on the average international prices for uranium. During 2014, the average uranium price dropped by 13.2 percent to US$33.5 per pound.

OTHER MINERALS

During 2014, the *other minerals* category, recorded higher export earnings, attributed largely to increased earnings for exported *zinc* and *copper concentrates*, as well as *gold*, despite the fall in prices for copper and gold. Export earnings for *other minerals* increased substantially by N$764 million to N$3.1 billion during 2014. The rise in earnings for *zinc* and *copper concentrates*, as well as *gold* were the main contributors to the overall increase in other mineral earnings. Export earnings for zinc concentrates rose significantly by 23.9 percent to N$752 million in 2014. This rise was due to increased zinc prices, high exported volumes and the depreciation of the local currency. Similarly, the weak NAD and increased exported volumes aided gold export receipts. The average price for zinc rose by 13.6 percent to US$2 160.9 per metric tonne in 2014. Falling inventories and expected supply constrains resulting from the closures of various mines globally, led to increased zinc prices. In contrast, the average price for gold declined in 2014 due to the strong US Dollar, which weakened the status of gold as a safe haven. The slowing demand from China and Europe, coupled with the growing supply, resulted in a 6.4 percent decline in the price of copper during 2014.

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NON-MINERAL EXPORTS

FOOD AND LIVE ANIMALS

Export earnings for *food and live animals* declined in 2014, mainly as a result of veterinary restrictions imposed by South Africa. Export earnings for *food and live animals* sub-category declined by 13.8 percent to N$3.8 billion, largely due to the decrease in the export receipts of *live animals*, in particular, *weaners*. As a result, earnings for live weaners declined by 57.4 percent to N$335 million in 2014.

The average price for weaners and beef increased in 2014, in line with limited supply of cattle. The restocking activities, which resulted in short supply in the number of live cattle marketed, resulted in increased domestic prices for both weaners and beef. Moreover, the rise in prices during 2014 compared to the previous year reflects the base effects that resulted from the severe drought experienced during 2013, which contributed to increased marketing activities and resulted in low prices for the preceding year. As a consequence, the average prices for beef and weaners rose by 24.1 percent and 20.9 percent compared with their 2013 levels, to N$29.0 per kilogram and N$17.7 per kilogram, respectively.

MANUFACTURED PRODUCTS

Export receipts from *manufactured products* rose substantially in 2014, driven by an increase in earnings from pelagic fish products and polished diamonds. In 2014, export earnings for the manufactured products rose by 30.9 percent to N$9.7 billion mainly on account of increased earnings from pelagic fish products and polished diamonds. *Pelagic fish products*, which, consist of canned fish, fish oil and fish meal, increased by N$335 million to N$690 million. Export earnings in respect of polished diamonds increased by N$1.0 billion to N$2.9 billion. The depreciation of the local currency against its major trading partners also contributed to the increased export earnings for this category.

IMPORTS

During 2014, the value of merchandise imports increased substantially, reflecting rising import bill for *vehicles* and *consumer goods as well as machinery and mechanical appliances*. The value of merchandise imports rose by 15.5 percent to N$73.9 billion in 2014. South Africa remained the leading source of imports for *vehicles, fuel, maize and consumer goods* into Namibia, accounting for 67.3 percent of all imported goods. The increased imports of *machinery and mechanical appliances* reflected the growth in the construction sector, especially from the mining companies, which drove economic output during the year.

Table C.13: Namibia's major import by origin (2014)

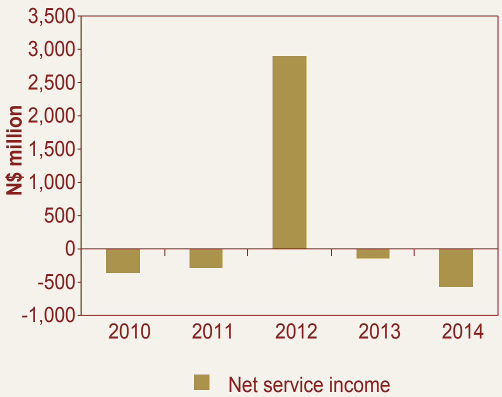
Countries	Percentage share
South Africa	67.3
Euro Area	5.8
Bahamas	4.1
China	3.6
United States of America	2.4
Rest of the world	16.8

Source: NSA.

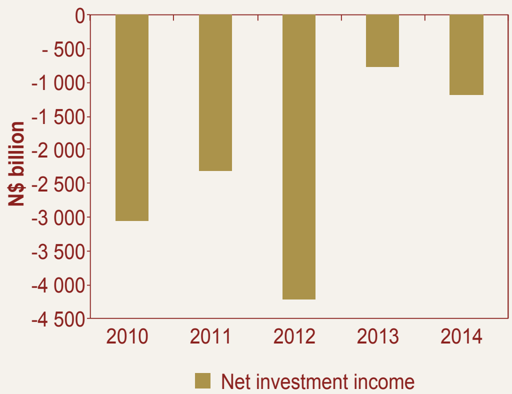
SERVICES, INVESTMENT INCOME AND CURRENT TRANSFERS

Figure C.19: Other current account components

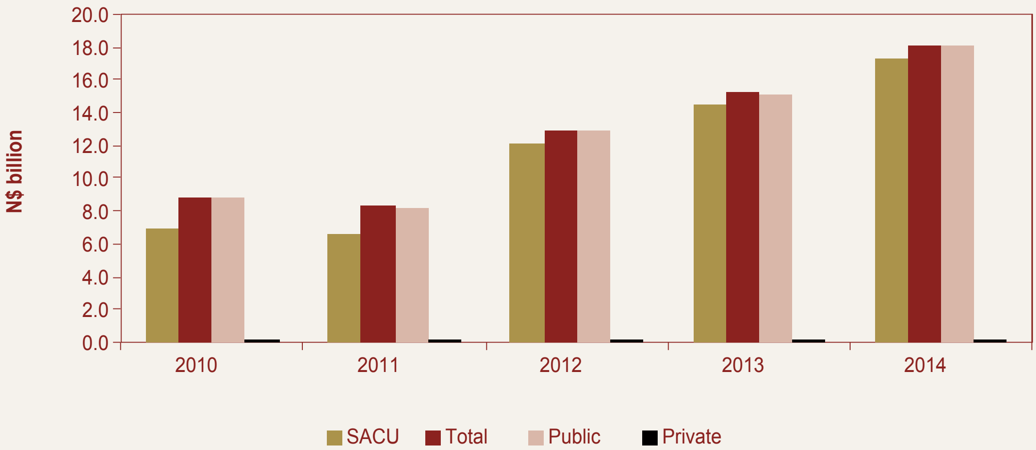
The services account registered a net outflow in 2014, owing to increased net payments for transportation and insurance services.



The investment income account registered a net outflow due to rising payments to foreign direct investors…



…significant inflows were registered in net current transfers, mainly as result of increased SACU receipts.



Source: NSA, various companies and BoN surveys

SERVICES

The deficit in the *services account* widened during 2014. Namibia's net services registered a higher deficit of N$588 million compared to the deficit of N$129 million registered in 2013 (Figure C.19). The higher deficit in net services was attributed to increased net payments in *transportation* and *insurance services*, which rose in line with rising merchandise imports.

INVESTMENT INCOME

In 2014, *net investment income* recorded a net outflow, attributed to increased payments to foreign direct investors. The investment income account registered a net outflow of N$1.2 billion in 2014, which was higher than N$773 million during 2013. The increased net outflow in 2014 was as a result of larger payments to foreign direct investors. Lower profits were, however, reported by most foreign owned companies during 2014, when compared to 2013 and this resulted in a reduction of debt owed to foreign direct investors in the form of retained earnings.

CURRENT TRANSFERS

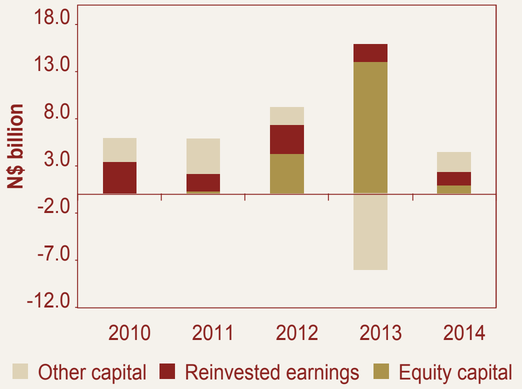
***Namibia's net current transfer receipts* rose substantially in 2014, mainly due to increased SACU revenue.** Namibia's net current transfers rose from N$15.2 billion in 2013 to N$18.2 billion in 2014. This rise was mainly underpinned by increased inflows from SACU transfers, which rose by 19.1 percent to N$17.3 billion, while transfers to the private sector remained insignificant.

CAPITAL AND FINANCIAL ACCOUNT

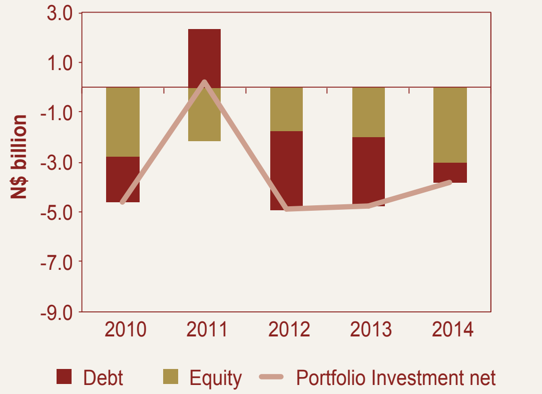
The surplus on the capital and financial account increased further in 2014. This was, primarily due to large net capital inflows from other long-term investment, while net foreign direct investment inflows declined, as a result of a significant slow down in invested equity capital.

Figure C.20: Capital and Financial Account components

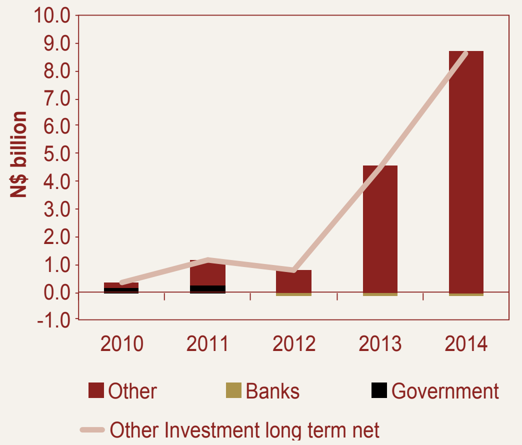
During 2014, net FDI flows into Namibia declined considerably, mainly owing to the fall in equity capital.



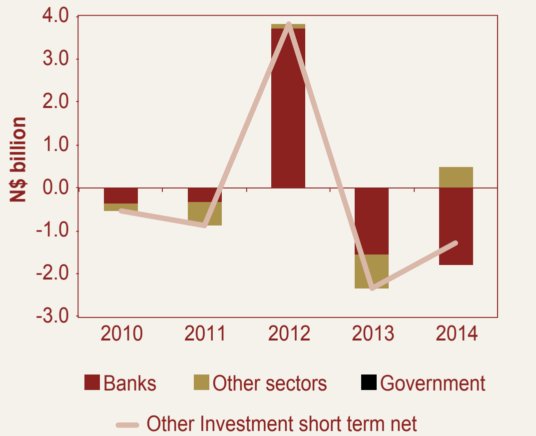
Similarly, net portfolio investment outflows declined during 2014, mostly due to lower investments in debt securities.



Other long-term investment recorded a remarkable net inflow during 2014, as local entities, especially in the mining sector continued increasing their foreign borrowings...



...while other short-term investment registered a substantial reduction in net capital outflows, as other sectors recorded large capital inflows.



FOREIGN DIRECT INVESTMENT (FDI)

***Net FDI flows into Namibia* declined during 2014, primarily due to a remarkable decrease in invested *equity capital*.** Meanwhile, *other capital* recorded an inflow due to increased borrowing by local entities from related entities abroad. FDI inflows declined by 41.9 percent to N$4.5 billion during 2014, compared to 2013 (Figure C.20). The decline was mirrored in equity capital, which moved from a higher investment capital of N$14.0 billion emanating from a debt/equity swap in 2013 to N$903 million during the year under review. Similarly, the net inflows in *reinvested earnings* declined in 2014, reflecting Namibia's reduced liability to FDI. In contrast, net borrowing from foreign direct investors rose to N$2.1 billion, compared to a significant repayment of N$7.7 billion during the previous year.

PORTFOLIO INVESTMENT

Net portfolio investment outflows declined during 2014, as Namibia's foreign investments mainly in debt securities fell. Net *portfolio investment* outflows declined by 20.0 percent to N$3.8 billion during 2014 compared to the previous year. This decline was mainly due to the decreased investment in foreign *debt securities* from N$2.7 billion during the previous year to N$775 million during the year under review. The decline was necessitated by withdrawal of funds coupled with the maturity of some ODCs' bond, especially the money market unit trust companies. On the contrary, foreign investment in equity securities rose by 51.2 percent to N$3.0 billion. The rise in foreign invested *equity securities* could be attributed to a positive performance of capital markets.

OTHER INVESTMENT

The net inflows in *other long-term investment*[27] rose significantly during 2014, as local entities continued increasing their foreign borrowings. The large inflow of N$9.3 billion registered in this category was mainly due to increased liabilities of other sectors – primarily for financing mining projects.

During 2014, *other short-term investment* registered a significant reduction in net capital outflows compared to 2013, as other sectors portrayed large inflows. An outflow of N$1.3 billion was recorded during 2014 relative to the larger outflow of N$2.4 billion during the previous year. In this regard, the reduction in the outflow arose from the significant inflow of N$502 million, registered under other sectors and emanated from a combination of reduced foreign assets and increased foreign liabilities by the private sector during 2014. Conversely, capital outflows of local commercial banks increased mainly due to the repayment of their foreign liabilities during the year under review, in relation to the preceding year.

INTERNATIONAL RESERVES

The stock of international reserves held by the Bank of Namibia declined in 2014 due to high net outflows of funds abroad. The international reserves declined by 13.9 percent to N$13.5 billion in 2014, mainly due to both the net purchase of Rand by resident banks for imports and investments, coupled with high net government payments abroad. Over the same period, imports of goods and services increased significantly, resulting in a reduced import cover from 2.4 months in 2013 to 1.9 months in 2014. At the latest level of N$13.5 billion, the international reserves were 3.3 times higher than the currency in circulation, supporting the adequacy of reserves required to maintain the currency peg to the Rand.

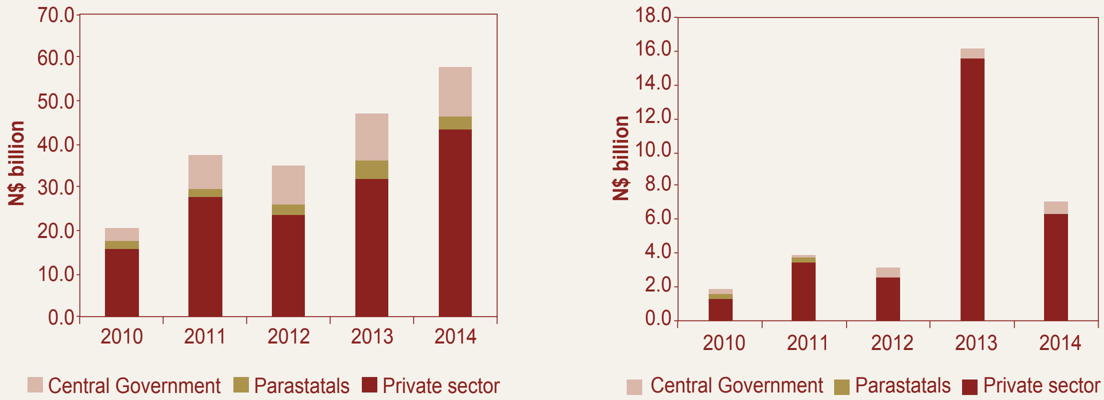
27 This category consists of loans with the original contractual maturity of more than one year or with no stated maturity (e.g. equity securities), while the category short-term investments are those that are payable on demand (e.g. currency), or which have an original contractual maturity of one year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

EXTERNAL DEBT[28]

Figure C.21: External debt

Namibia's external debt stock rose at the end of 2014, largely due to increased borrowing by the private sector.

External debt servicing, however, declined in 2014, mainly as a result of the base effect of the debt/ equity swap in 2013.



Namibia's total external debt stock rose at the end of 2014, mainly due to increased borrowings by the private sector. The total debt outstanding rose by 23.8 percent to N$58.1 billion at the end of 2014, compared to the stock at the end of the previous year (Figure C.21). The rise was mainly due to increased borrowing by the *private sector,* coupled with the depreciation of the national currency during 2014. As a result, external debt stock as a percentage of GDP stood at 40.7 percent in 2014, compared to 37.0 percent registered in the previous year.

Table C.14: Namibia's external debt

		2010	2011	2012	2013	2014
Total external debt stock (N$ billion)						
Central Gov.		3.1	7.9	9.0	10.9	11.4
Parastatals		1.5	2.1	2.2	4.1	3.2
Private sector		15.7	27.5	23.8	31.9	43.5
Total external debt		20.3	37.5	35.0	46.9	58.1
(As a percentage of total external debt)						
Central Gov.		15.0	21.0	25.8	23.2	20.7
Parastatals		7.5	5.7	6.2	8.8	5.2
Private sector		77.5	73.3	68.0	68.0	74.1
Total external debt		**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
(As a percentage of GDP)						
Central Gov.		3.7	8.8	8.4	8.6	8.0
Parastatals		1.8	2.4	2.0	3.2	2.2
Private sector		19.1	30.6	22.3	25.2	30.4
Total external debt		**24.6**	**41.8**	**32.7**	**37.0**	**40.7**

28 The data on external debt levels for Namibia, as carried out by the Bank of Namibia through surveys, have been revised due to the reclassification of certain items.

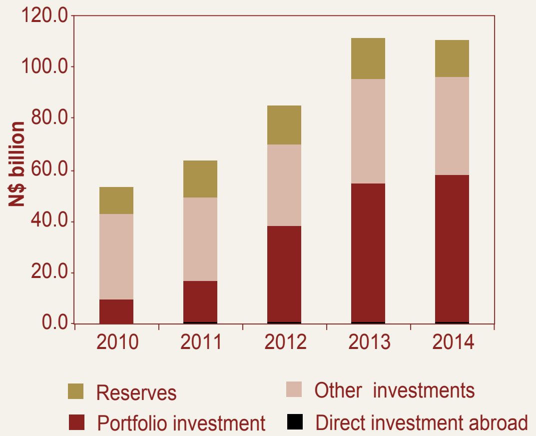
In relation to 2013, Namibia's external debt servicing declined significantly in 2014, mainly as a result of decreased loan repayments by the private sector. In this regard, the private sector's loan repayments declined by 59.4 percent to N$6.3 billion when compared to the previous year. The decline was mainly reflected in the repayments of loans by the mining and energy sectors coupled with the effect of the debt/equity swap in 2013. In contrast, *Central Government* debt servicing increased by 9.5 percent to N$664.3 million, while parastatals more than doubled their debt servicing from N$105 million in 2013 to N$281 million in 2014.

In 2014, the ratio of debt servicing to exports declined when compared to 2013. This ratio declined to 15.1 percent in 2014 from 36.3 percent in the previous year. This decline was mainly attributed to the reversal from the debt-equity swap that took place in 2013. As a result, the ratio fell within the international benchmark of 15.0-25.0 percent.

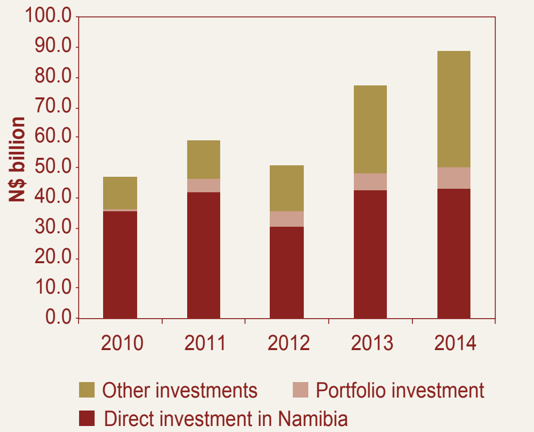
INTERNATIONAL INVESTMENT POSITION (IIP)

Figure C.22: International Investment Position: Foreign assets and liabilities

The country's foreign assets depicted a slight decrease mainly attributed to declines in other investment assets and international reserves.



Foreign liabilities increased significantly, as mirrored in all major liabilities, mostly due to a rise in borrowed funds by local entities from foreign investors.



At the end of 2014, Namibia's foreign investments recorded a net asset position in 2014, albeit lower than in 2013, due to higher liabilities than foreign invested assets. The net asset position stood at N$22.4 billion, declining by 34.4 percent, as a result of the faster growth in foreign liabilities than the foreign assets invested at the end of the year under review.

Namibia's foreign assets declined marginally at the end of 2014, due to decreased other investment abroad and foreign reserves. The stock of foreign assets slowed by 0.3 percent to N$111.3 billion at the end of 2014, when compared to N$111.7 billion reported in the previous year (Figure C.22). The decline was mostly reflected in *other investment* and *foreign reserves*[29], which declined by 6.6 percent and 10.9 percent to N$38.3 billion and N$14.3 billion, respectively. In this regard, the aforementioned declines resulted from decreased level of *currency and deposits* held by resident banks and a rising import bill. Portfolio investment, which is Namibia's major investment asset increased by 6.8 percent to N$58.0 billion, influenced

29 The International Reserves in the International Investment Position include: Reserve position in the fund and other Assets, hence will slightly differ from the international reserve figures stipulated elsewhere.

mostly by the positive valuation adjustments in equity securities. In addition, direct investments abroad also rose over the same period. Despite the increase in portfolio investment and direct investment abroad, the large declines in both *other investment and foreign reserves*, attributed to the marginal decline in the country's foreign assets.

Namibia's foreign liabilities rose at the end of 2014, owing mainly to a significant increase in other investments. In this regard, foreign liabilities increased by 14.6 percent to N$88.9 billion at the end of 2014, mainly due to a rise in *other investments* from N$29.2 billion in the previous year to N$39.1 billion at the end of 2014. The rise in *other investments* was primarily driven by increased borrowings by *resident non-bank companies*, mainly in the mining sector that increased their borrowings by N$9.4 billion to N$17.0 billion over the same period coupled with revaluation adjustments. *Direct investment*, which is Namibia's major liability also rose slightly by 2.1 percent to N$43.1 billion, as reflected mostly in slower growth in invested *equity capital* in 2014 when compared to the previous year.

EXCHANGE RATE DEVELOPMENTS

During 2014, the Rand weakened against the US Dollar, British Pound and Euro, mainly due to capital outflows from emerging markets as a result of the US Federal Reserve tapering off its bond-buying program. In this regard, the Rand depreciated by 12.4 percent against the US Dollar, 18.2 percent against the Pound and 12.3 percent against the Euro during 2014. Other contributors to the Rand's depreciation included weak development in the South African economy as a result of labour market disruptions in the mining sector, widening current account and fiscal deficits and the downgrade of the four South African largest banks by Moody's.

TRADE-WEIGHTED INDEX

During 2014, both the Nominal Effective Exchange Rate and the Real Effective Exchange Rate depreciated and as a result, the latter contributed to Namibia's improved external competitiveness in the international market. In 2014, the NEER index depreciated by 11.2 percent from 77.9 recorded in the previous year. Similarly, the REER index depicted a declined trade-weighted index of 10.0 percent. The depreciation of the REER implies that Namibia's export products became more competitive in the international market during 2014.

Part D

Banking Supervision

D

Content

INTRODUCTION

The Bank continues to promote its primary objective to ensure the safety and soundness of the banking system. This is achieved while promoting confidence in the financial system through the implementation of policies and standards that are in line with the international best practices for banking supervision. The Bank's responsibilities expanded, following the gazetting of the Credit Bureau Regulations, which empowers the Bank to license and regulate credit bureaus.

The performance of the domestic banking groups and banking sector continues to be sound during 2014. The domestic banks remain resilient and maintained capital and liquidity at higher levels than the minimum set by the Bank. The Bank requires the banking institutions to maintain a risk-weighted capital ratio (RWCR) of 10 percent, of which 7.0 percent should be Tier 1 risk-weighted capital. A minimum Tier 1 leverage ratio of 6.0 percent should also be kept at all times. Namibia's RWCR and Tier 1 risk-weighted capital requirements are set conservatively at 2 percent and 3 percent buffer above the Basel II required minimum capital requirements. The banking institutions have shown strong aggregate balance sheet growth, positive profitability and satisfactory liquidity levels. Asset quality remained good with very low levels of non-performing loans (NPLs). This performance is expected to continue in future with banking institutions projecting an increase in balance sheet growth.

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DEVELOPMENTS RELATING TO BANKING LEGISLATION

During 2014, the Bank continued with its exercise to consolidate the Banking Institutions Act, 1998 (Act No. 2 of 1998) (hereinafter referred to as the Act) and the Banking Institutions Amendment Act, 2010 (Act No. 14 of 2010), as well as to incorporate additional regulatory amendments that were considered necessary. Following the completion of successful stakeholder consultations in 2014, the revisions to the 1998 Banking Institutions Act by way of the proposed Banking Institutions Bill, will be forwarded to Cabinet Committee on Legislation for consideration and thereafter tabled in Parliament. The Bill is expected to be enacted in 2015.

In addition to the above legislative changes, the Bank issued the following secondary legislation in terms of the Banking Institutions Act:

- The Determination on the Requirements for Registration as a Controlling Company (BID-27) which sets out guidelines with regard to the application for registration of controlling companies of banking institutions or microfinance banking institutions; and
- The amended Determination on Liquid Assets (BID-6) intends to ensure that banks maintain effective and on-going liquidity management systems.

Despite that, the Bank is also in the process of issuing Regulations on the Requirements Relating to the Citizenship and Place of Residence of Members of the Board of Directors and Executive Officers of Banking Institutions and Controlling Companies of Banking Institutions, after having concluded the stakeholder consultation process and obtaining the necessary sign-off.

LICENSING OF NEW BANKING INSTITUTIONS

Namibia has become a destination of choice for investors, due to the favourable economic environment and the stability and soundness of the banking system. This resulted in the Bank issuing one full banking license and three provisional licences in 2014. The Bank granted EBank Limited a certificate of authorization to conduct business as a banking institution in Namibia. EBank Limited has since commenced operations. The Bank also granted a provisional banking licence to Letshego Bank Namibia Limited and Banco BIC Namibia Limited to establish banking institutions in Namibia. Both provisional licences were valid for six months. Upon the request by the applicant, Letshego Bank Namibia Limited, the Bank extended the provisional authorization by an additional six months. Another entity, Banco Privado Atlantico Europa, SA, obtained provisional authorization from the Bank to establish a branch of a foreign banking institution in Namibia. Similarly, the Bank has granted extension of the provisional banking licence application for a period of six months. At the end of the provisional licence period for any applicant, the Bank may issue certificates of authorization to such entities, provided they satisfactorily fulfill the provisional licence conditions and readiness requirements.

An acquisition has also been approved by the Bank in 2014 to a non-bank financial institution to acquire a micro-finance banking institution. In consultation with the Namibian Competition Commission, the Bank granted approval to Trustco Group Holdings Limited, subject to certain conditions, to acquire Fides Bank Namibia Limited and change its name to Trustco Bank Namibia Limited. This post-merger entity will operate under the on-going supervision and regulation of the Bank as a micro-finance banking institution.

REGISTRATION OF CREDIT BUREAUS

Credit Bureau Regulations were drafted in terms of the Bank of Namibia Act, 1997 (Act No. 15 of 1997) and Gazetted in July 2014. The purpose of these Regulations is to provide for the registration and supervision of credit bureaus in Namibia. The Bank has since received three applications for registration of credit bureaus and has started processing these applications.

SUPERVISION OF THE BANKING GROUPS

The banking groups existing in the financial system of Namibia are supervised in line with the Basel Core Principles for Banking Supervision. The Basel Core Principles expect supervisors to supervise the banking groups on a consolidated basis and adequately monitor and apply prudential standards to all aspects of the business conducted by banking groups worldwide. Thus, in order to conduct an overall evaluation of their performance, the Bank interacted extensively with the Boards of Directors of the various bank' controlling companies as well as the chief executive officers and executive management teams of banking groups by way of dialogue during off-site monitoring and on-site examinations. This exercise included an evaluation of both quantitative and qualitative factors of the strength of a group to which a banking institution belongs, in order to assess the potential impact of other group companies on the banking institutions.

During the year under review, a number of off-site monitoring activities on banking groups as well as on-site examinations were conducted. These exercises were conducted in accordance with international best practices that conform to the recommendations of the Basel Committee on Banking Supervision. As at 31 December 2014, the results from the financial analyses performed on banking groups and parent companies of banking institutions indicated that the local banking groups continue to minimise the risk of contagion from non-bank financial institution activities. The non-bank financial institutions therefore did not pose any significant risk during 2014 to the reputation and financial soundness of the banking institutions they are associated with.

The three consolidated supervision on-site examinations conducted, confirmed that the banking groups remained financially sound and risk management practices were satisfactory. The Bank, through its off-site monitoring, evaluated all material risks to which the banking groups are exposed to, including transactions with related parties (intra-group exposures). It further assessed whether the integrity of the capital and reserves of banking groups was preserved by eliminating the double counting of capital. Weaknesses identified during consolidated supervision examinations were reported to the respective Executive Management teams and Board of Directors of bank controlling companies to ensure timely remedial action is taken.

ON-SITE EXAMINATIONS AND OFF-SITE ANALYSES

The Bank continued to implement the Basel Core Principles with the specific focus on a forward looking supervisory approach. Principle 8 of the Core Principles for effective banking supervision emphasizes that "adopting a forward looking approach to supervision through early interventions can prevent an identified weakness from developing into a threat to safety and soundness". To this end, the Bank's interaction with the Board of Directors, Chief Executive Officers and Executive Management Teams of banking institutions focused on their future strategies, risk management practices and risk appetite, in order to assess their adequacy and sustainability. The Bank further held annual meetings with the internal auditors of the commercial banks to discuss the scope of their activities, issues of common concern and topical issues as required by the Basel Core Principles.

During the year under review, both the compliance based and risk based examinations have been conducted. This consisted of the off-site analyses and on-site examinations of the banking institutions in accordance with internationally accepted best practices, and as recommended by the Basel Committee on Banking Supervision. As at 31 December 2014, the financial analyses performed on banking institutions confirmed that the domestic banking industry remained financially sound and stable. The on-site examinations carried out 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 analysis monitored the financial soundness of the domestic banking institutions and assessed compliance with the prescribed prudential standards and limits based on these institutions' submissions of statutory returns. The assessments carried out during these examinations confirmed that the overall performance of the examined banking institutions was fundamentally sound.

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SPECIALISED INSTITUTIONS

Amongst the supervised banking institutions, Trustco Bank (previously known as Fides Bank), EBank and Absa Namibia Representative Office are considered specialised institutions. The business models of these institutions comprise mainly of micro-finance activities, mobile banking combined with commercial banking activities and that of a representative office, respectively.

FIDES Bank was the only banking institution in Namibia specialising in micro-finance activities and was acquired by the Trustco Group Holdings. Subsequently, the name of the banking institution was changed to Trustco Bank Namibia Limited. The branch network remained at 5. Although, Fides Bank was closely monitored, the Bank did not conduct a risk based examination as it was already evaluating the acquisition transaction.

EBank Limited is a banking institution that utilises mobile technology to provide banking and financial transactional services. EBank was granted a full banking licence during 2014. However, prior to opening its doors for business, the Bank conducted a pre-opening inspection to confirm that it was ready to commence operations.

Absa Namibia is a representative office established in Namibia by the South African entity, Absa Bank Limited, in October 2009. The office serves to facilitate services between its Namibian corporate clients and Absa Bank in South Africa. The representative office continues to provide information to the Bank on a semi-annual basis.

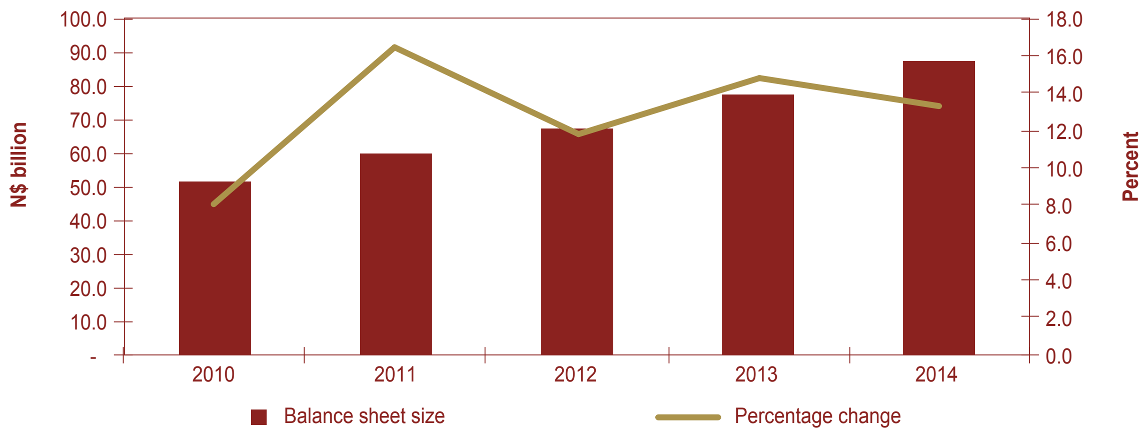
PERFORMANCE OF THE BANKING SECTOR

This section analyses the performance and financial condition of banking institutions, and comprises banking institutions in the retail sector. The banking sector remains sound, profitable and adequately capitalized. Although, the NPLs increased slightly during the past financial year, it remainsed comfortably low compared to the benchmark level of 4 percent. There were no major changes observed in the sector's structure and the four larger banking institutions continue to dominate the sector. Going forward, the banking institutions' financial condition remains sound and healthy.

BALANCE SHEET STRUCTURE

During 2014, the banking sector's balance sheet continued to record healthy levels of growth. Total banking sector balance sheet[30] amounted to N$87.2 billion at 31 December 2014 representing a year-on-year increase of 13.2 percent (Figure D.1). The growth in the balance sheet was mainly boosted by the increases in the non-bank funding (deposits) on the liability side and in the total loans on the asset side.

Figure D.1: Aggregated balance sheet

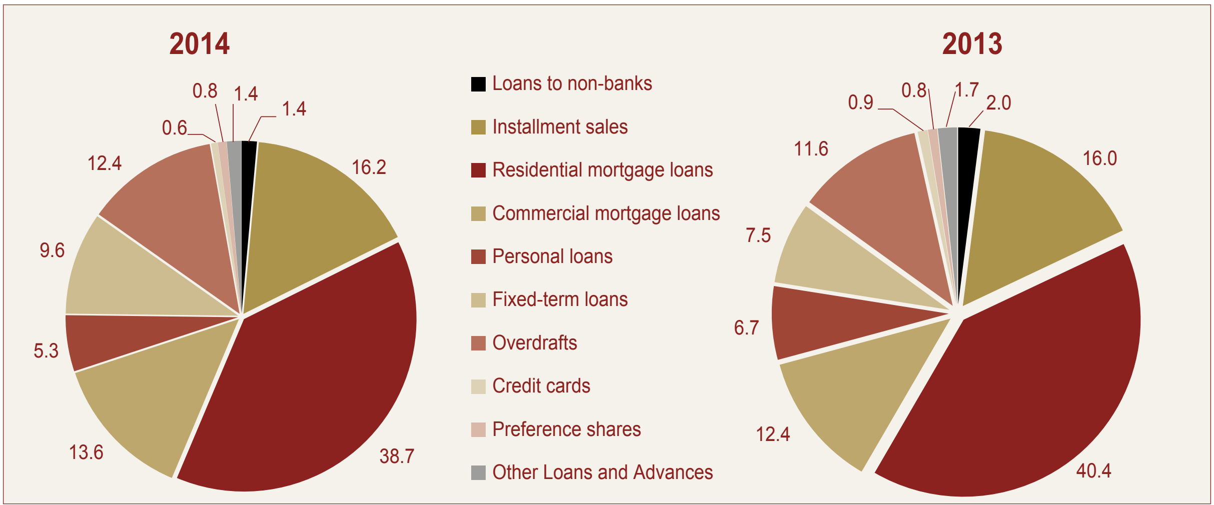


ASSET STRUCTURE

The domestic banking sector business model continues to be traditional, characterized mainly by credit extension to households and businesses. Total loans and advances accounted for 78.0 percent of the banking sector's total assets, showing an increase of 3.5 percentage points from 74.5 percent in 2013. Cash and balances accounted for 9.3 percent during 2013, increasing slightly to 9.5 percent in 2014. The remaining 12.5 percent was shared among the total of all other assets showing a decrease compared to the 16.2 percent during 2013. Further analysis of the composition of loans and advances, as depicted in the loan portfolio shows a concentration in respect of mortgage loans, making up 52.3 percent of the total loan book, compared to 52.8 percent in 2013. Instalment sales followed at 16.2 percent, increased from 16.0 percent held in 2013, while the composition of overdrafts increased by 0.8 percentage points to 12.4 percent as at 31 December 2014. The remaining share of 19.1 percent was shared among all the other loans and advances products (Figure D.2).

30 The balance sheet covers the four main banking institutions in Namibia.

Figure D.2: Composition of total loans and advances



The growth in residential and commercial mortgage loans remains the major driver of growth in loans and advances. The total loans and advances increased by N$9.8 billion to N$68.0 billion during 2014. Mortgage loans in total grew by N$4.8 billion, while fixed term loans rose by N$2.2 billion. Overdrafts and instalment sales grew by N$1.7 billion during the reporting year. Personal loans, credit cards and interbank loans retracted in total by less than N$1.0 billion.

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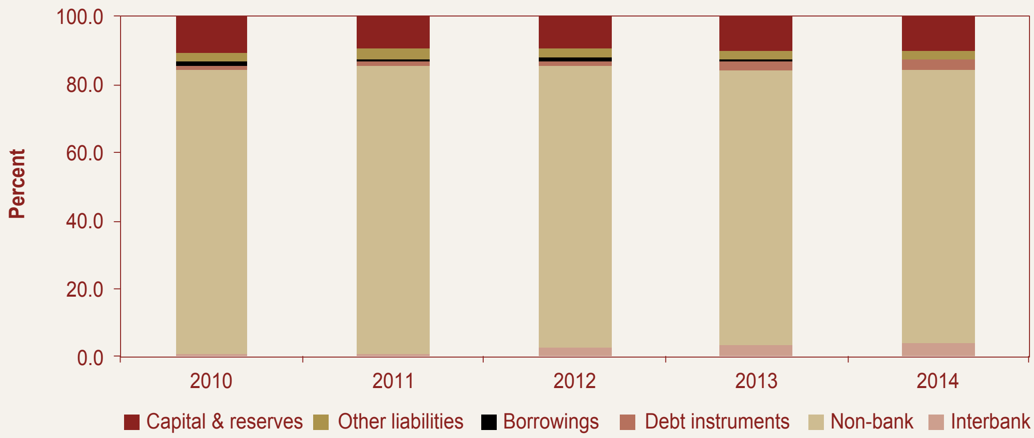
FUNDING STRUCTURE

On the capital and liabilities side of the balance sheet, growth was primarily driven by non-bank funding; mainly demand, fixed and notice deposits. Demand deposits grew by N$4.1 billion to N$37.7 billion whilst fixed and notice deposits increased by N$2.1 billion. The non-bank funding (deposits) comprised 79.9 percent of the banking sector's total funding[31], while equity capital and bank funding represented 10.3 percent and 4.0 percent of total funding, respectively (Figure D.3). All other liabilities accounted for the remaining 5.8 percent.

31 Total funding comprises all liabilities to the public, including capital and reserves; the classification is also known as liabilities and capital.

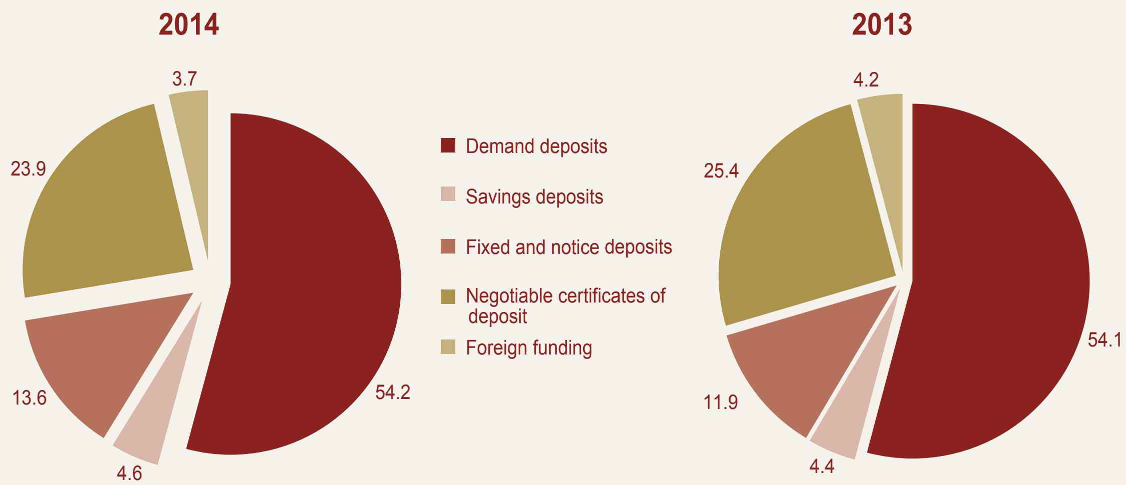
Figure D.3: Funding structure

Composition of total liabilities and capital



The main source of funding for banks continues to stem from non-bank funding and equity capital…

Composition of non-bank funding (deposits)



A breakdown of total deposits shows that the main funding source remains short-term deposits. Demand Deposits remained the largest component of non-bank funding representing 54.2 percent of total deposits, (Figure D.3). As a result, the maturity funding structure of bank deposits continue to be skewed towards short-term rather than long-term deposits. Negotiable Certificate Deposits and Fixed and Notice Deposits, followed with a share of 23.9 percent and 13.6 percent, respectively, while the remaining 8.3 percent represented savings deposits and foreign funding.

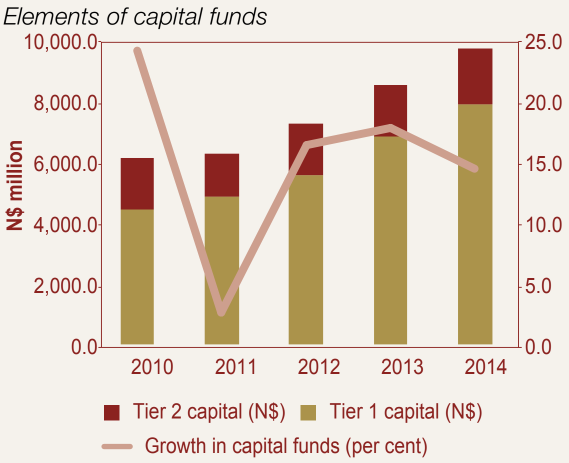
D

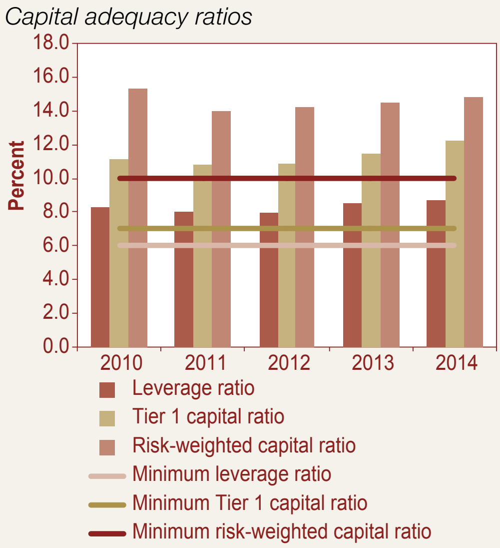
CAPITAL ADEQUACY

The banking industry remained adequately capitalized, maintaining capital positions well above the prudential requirements[32]. In fact, the total qualifying capital of the banking industry increased during the year. Total qualifying capital grew from N$8.3 billion to N$9.6 billion between 31 December 2013 and 31 December 2014. The growth in qualifying capital was mirrored by the significant growth in Tier 1 capital, which increased by N$1.2 billion to N$7.8 billion during 2014 (Figure D.4).

Figure D.4: Capital Adequacy

The banking sector remained well capitalised, supported by quality core Tier 1 capital to absorb losses.





The banks were able to maintain high levels of capital compared to risk weighted assets over the past reporting year. Risk Weighted Capital Ratio (RWCR) for the banking sector increased from 14.4 percent at the end of 2013 to 14.7 during 2014 (Figure D.4). The industry was able to grow capital by 16.0 percent to counter the growth of 14.2 percent in the risk-weighted assets to maintain the capital ratio 4.7 percentage points above the required statutory level. Both the Tier 1 capital ratio and tier 1 leverage ratio improved slightly during the year under review. This was as a result of the 18.0 percent growth in the denominator, tier 1 capital, which outpaced the growth of 13.3 percent in gross assets as well as risk weighted assets.

32 The prevailing supervisory floors for the Risk Weighted Capital Ratio and Tier-1 capital are 10.0 percent and 7.0 percent, respectively, while the minimum Tier 1 leverage ratio is 6.0 percent.

D

CREDIT RISK[33]

ANALYSIS OF NON-PERFORMING LOANS

Despite the slight increase in the non-performing loan ratio, it remains low and poses no threat to stability in the banking sector. Non-performing loans (NPLs) increased to N$987.8 million compared to N$747.9 million a year ago. The increase in NPLs resulted mainly from an increase of N$144 million observed under mortgages. The composition of NPL's show that non-performing mortgages continue to top the list as it constitutes 55.3 percent of total NPLs followed by overdrafts and installment sales and leases at 12.5 percent and 12.6 percent, respectively, (Figure D.5).

The ratio of non-performing loans (NPLs) to total loans increased slightly during the past reporting year. As at 31 December 2014, the banking sector recorded NPLs of 1.5 percent, which is slightly above the 1.3 percent recorded at 31 December 2013. The comparison of NPLs to total loans and advances is reflected in Figure D.5. Nonetheless, the asset quality of the banking sector, however, remained satisfactory during the year under review underpinned by the relatively low NPL ratio.

Adequacy of provisions

The banking sector adequately provided for delinquent loans throughout 2014. In absolute terms, specific provisions cover increased to N$256.4 million at the end of the reporting year compared to N$221 million in 2013. Expressed as a percentage of non-performing loans, specific provisions declined from 29.5 percent to 26.0 percent as the majority of the new NPLs are secured by residential mortgage properties.

D

LOAN DIVERSIFICATION AND STATUTORY LARGE EXPOSURES

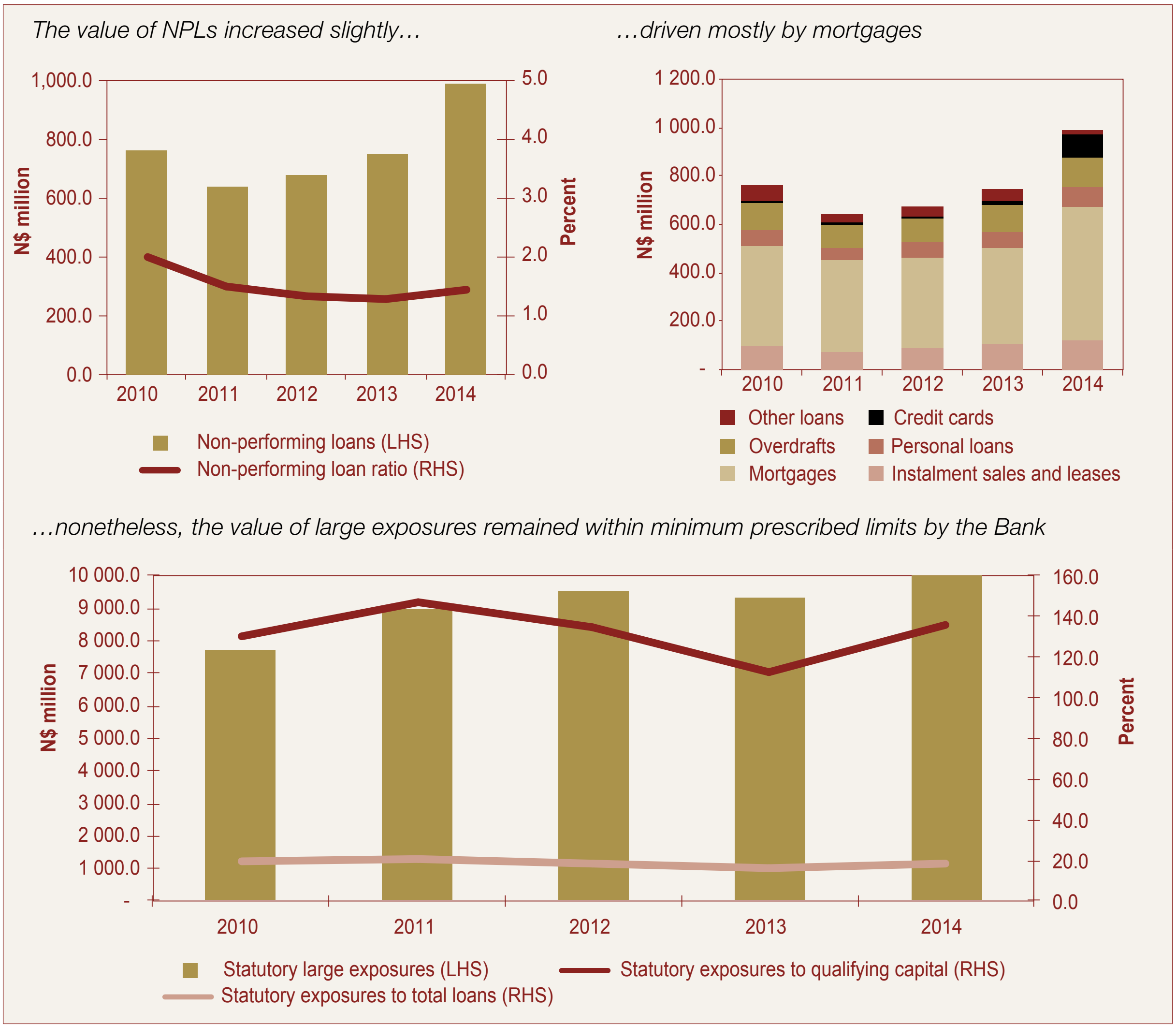
The banking sector credit risk has been well spread through loan diversification across various sectors and counterparties. This is necessary to mitigate the probability of default risk in one particular industry or sector. In terms of sectoral distribution of loans as at 31 December 2014, individuals accounted for the majority of the banking sector credit at 44 percent of total loans and advances, followed by the trade and accommodation sector at 20.4 percent and real estate and business services sector at 12.1 percent.

Despite an increase in the value of large exposures[34], it still remained well within the prescribed limits. The value of large exposures increased by 37.3 percent during 2014 and stood at N$12.8 billion as opposed to N$9.3 billion recorded for the previous year. As a result, the ratio of large exposures to total loans increased from 15.9 percent to 18.8 percent as at 31 December 2014. Expressed as a percentage of qualifying capital, large exposures increased to 135.7 percent compared to 112.5 percent recorded the previous year, and is well within the permissible limit of 800 percent of capital funds (Figure D.5).

33 Credit risk is defined as the potential risk that a banking institution's borrower or counterparty will fail to meet their obligations in accordance with agreed terms of the credit agreement.

34 Large exposure refers to any exposure to a single person or group of related persons which, in aggregate, equals or exceeds 10 percent of a banking institution's capital funds. All individual large exposures are limited to 30 percent of the capital funds of a banking institution, while the aggregate of all large exposures of a banking institution is limited to 800 percent of capital funds.

Figure D.5: Credit Risk

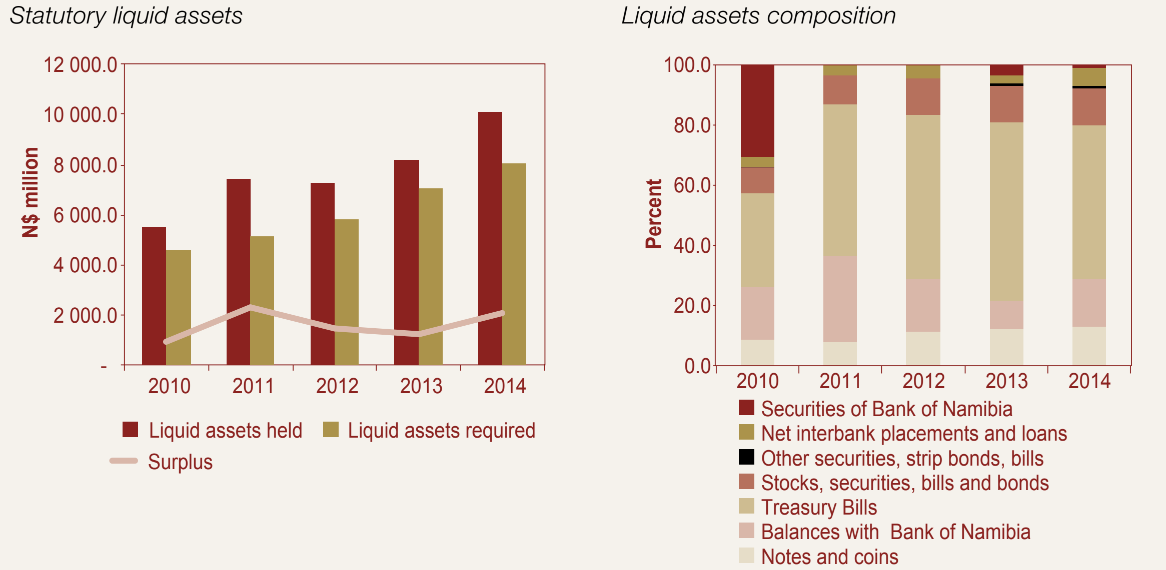


LIQUIDITY

The banking industry was relatively liquid during 2014 and continued to maintain liquid assets in excess of the statutory requirements. Overall the banking industry held liquid assets well in excess of the 10 percent statutory limit (Figure D.6).

Figure D.6: Liquidity

The Banking sector complies with minimum statutory liquid assets, dominated by Treasury bills.



The liquid assets held by the banking sector on aggregate as at 31 December 2014 remained sufficient and above the minimum amount required. The sector held liquid assets amounting to N$10.1 billion, with a surplus of N$2.1 billion over the minimum required limit of N$8.0 billion. The liquid assets portfolio increased by 23.0 percent during the year under review, and consequently, compared to total liabilities, the ratio increased to 12.6 percent from 12.2 percent recorded in the previous year (Figure D.6).

The loan-to-asset ratio increased during the review period and remained slightly above the international benchmark. The loan-to-asset ratio increased to 78.0 percent at the end of 2014, rising above 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 lower levels of liquid assets. Similarly, the loans-to-deposits ratio increased from 93.5 percent to 97.6 percent, emanating from a higher percentage increase in net loans and advances compared to the percentage increase in deposits.

The composition of the banking sector's liquid assets was dominated by Government Treasury Bills. The Government Treasury Bills had a share of 51.0 percent of the total liquid assets, while clearing account balances with the Bank had a share of 15.9 percent. Notes and coins accounted for 13.1 percent, while Government bonds accounted for 12.4 percent. Net interbank placements and loans, and other securities, including strip bonds and public-sector entities (PSEs) made up the remaining 7.6 percent (Figure D.6).

The holding of Government Treasury Bills increased marginally during the year under review. Government Treasury Bills increased from N$4.8 billion to N$5.2 billion. The share of clearing account balances with the Bank in liquid assets increased from 9.7 percent recorded at the end of 2013 to 15.7 percent at the same date in 2014.

Regarding the concentration of funding sources in the banking sector, the ten largest depositors constituted 26.7 percent of total funding-related liabilities. Funding from the largest depositors due in 1- 7 days, stood at N$9.3 billion, constituting 13.3 percent of total funding-related liabilities during 2014.

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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. However, the industry may be at risk if the currency depreciates. Despite that, the banking sector generally employs hedging strategies to manage the risk of any depreciation in currency. The most-traded foreign currencies remained the USD and the EUR.

INTEREST RATE RISK

The banking industry's interest rate risk exposures increased as at 31 December 2014 compared to the corresponding period in 2013. Variable rate liabilities increased by 12.2 percent to N$57.7 billion, while the variable rate assets increased by a lesser percentage of 9.8 percent to N$76.2 billion. This shows that banking institutions would profit from interest rate increases, while they are marginally exposed to interest rate decreases.

Liabilities subjected to variable interest rates dominated the funding side of the balance sheet during 2014. Variable rate liabilities constituted 66.1 percent of total liabilities and capital, while fixed rate liabilities equaled 14.5 percent, with the remainder shared by capital and non-rate sensitive items. However, bulk of the total assets (87.4 percent) remained subjected to variable interest rates resulting in an asset sensitive net repricing gap of N$14.7 billion in the short term.

PROFITABILITY AND EARNINGS

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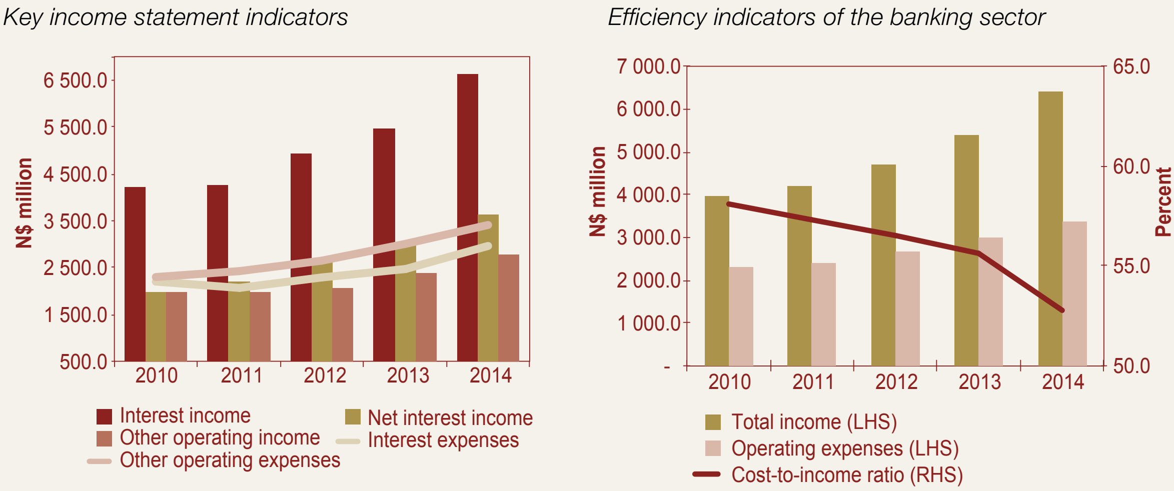
Banking institutions' profitability remained healthy with good returns during 2014. The banking industry total income (net interest income and non-interest income) increased by 19.0 percent, to reach N$6.4 billion, up from N$5.4 billion reported in 2013. The significant growth in total income from banking institutions was from the growth in net interest income (NII) and other operating income. NII increased by 21.3 percent to N$3.6 billion, while other operating income increased by 16.0 percent to N$2.8 billion during the year (Figure D.7). The NII remained the largest contributor to total income, accounting for 56.8 percent.

Figure D.7: Profitability and Earnings

The banks' income increased and cost efficiency improved.



The banking sector's operating expenses increased during 2014 in comparison to the preceding year. The major contributors to the increase of 12.8 percent in operating expenses were the expansion in staff costs and administration and overhead expenses. Staff costs increased by N$180 million, while the administration and overhead cost increased by N$88.6 million for the year. In terms of the composition of operating expenses, staff costs continued to dominate operating expenses at 51.6 percent, followed by administration and overhead at 26.1 percent, occupancy expenses at 7.1 percent, consulting and other overheads expenses at 6.5 percent and depreciation and amortization costs of 4.7 percent. The remainder of other expenses constituted a share of 5 percent. Provision charges increased by 46.7 percent to N$214.4 million recorded in the previous year.

The banking sector continued to improve in managing cost, as the cost-to-income ratio improved during 2014. The cost-efficiency ratio, (operating expenses/total income) stood at 52.8 percent in 2014, lower than the ratio of 55.7 percent recorded in 2013 (Figure D.7). Although, the ratio still remained slightly above the international benchmark of 50.0 percent, it is well below the Bank's internal threshold of 65.0 percent.

The banking industry's after tax profits increased during the year boosted by the general increases in income. The banking industry's after tax profits amounted to N$1.9 billion, representing an annual increase of 23.0 percent. The high growth in profits also boosted the profitability ratios. The return on assets (ROA) ratio increased from 2.2 percent to 2.3 percent (Table D.1), while the return on equity (ROE) ratio also increased from 20.9 percent to 22.8 percent. This development signifies the sound and healthy position of the banking industry.

Table D.1: Return-on-assets and return-on-equity ratios (%)

Earnings (percent)	2010	2011	2012	2013	2014
Return on Assets ratio (ROA)	2.5	2.1	2.0	2.2	2.3
Return on Equity ratio (ROE)	21.6	20.9	21.0	20.9	22.8

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During the year the banking industry expanded the service points to enable more coverage of banking services throughout the country. Six branches were established during 2014, bringing the banking sector's branch network to 111 branches, while agencies remained the same as the previous year (Table D.2).

Table D.2: Bank branch network

Description	2009	2010	2011	2012	2013	2014
Branches	96	100	99	99	105	111
Agencies	66	66	72	72	73	73
Total	**162**	**166**	**171**	**171**	**178**	**184**

The banking sector's staffs complement, especially temporary personnel increased during the year. The total number of personnel employed by the banking industry as at 31 December 2014 was 5588, which represented an increase of 4.92 percent. Temporary personnel grew by 75 percent to 357 while permanent personnel only increased marginally by 2.1 percent during 2014 (Table D.3). This fluctuation in the number of temporary personnel at banking institutions was ascribed to the industry needs for filing records, data migration on IT Systems and other short-term projects.

Table D.3: Bank staffing levels

Description (Number of Employees)	2010	2011	2012	2013	2014
Permanent Personnel	4 608	4 663	4 858	5 122	5 231
Temporary Personnel	224	322	301	204	357
Total	**4 832**	**4 985**	**5 159**	**5 326**	**5 588**

BOX ARTICLE

PYRAMID SCHEMES

OBJECTIVES

As part of its broader mandate of protecting the interest of the public and maintaining stability in the financial system, the Bank of Namibia has a responsibility to inform and educate the public about pyramid schemes and other illegal banking business in Namibia. By understanding how these schemes operate, Namibians can protect themselves from falling victim to these illegal activities.

WHAT ARE PYRAMID SCHEMES?

Illegal schemes or pyramid schemes, as they are also known, are illegal money-making ventures for individuals at the top of a hierarchical group of people who recruit participants who, in turn, recruit others to offer something of value, usually money or other benefits. Recruits are offered the promise of money or other privileges if they successfully bring in others to pay money to join the scheme. A typical pyramid scheme would focus on the exchange of money and usually, there is no legitimate product being sold. In other words, there are no underlying assets involved in the transaction. In some cases, pyramid schemes are disguised as charity organisations receiving 'donations' from members of the public, and entice charities and other organisations to accept these 'donations'.

HOW DO PYRAMID SCHEMES WORK?

A single promoter (or small group of promoters) collects money from a certain number of 'friends' and 'relatives', instructs them to collect more money from more of their 'friends' with a promise of better returns on their own initial deposit or 'investment' based on the number of people that participant recruits. The cycle goes on from there.

Recruits are often promised money if they successfully bring in others to pay money to join the pyramid. Usually, but not always, most pyramid schemes give certificates of participation to the participant, at once after he or she has paid the required amount and sometimes they promise all expenses-paid holidays in exchange for "investments" in the scheme. As many people join and the pyramid grow, the number of people involved becomes too large to sustain the pyramid. Some people will fail to deposit their money or to recruit the required number of 'friends' and 'relatives' and the pyramid collapses. Most people end up at the 'bottom' of the pyramid and inevitably lose their initial 'investment', which is generally enjoyed only by the few who are on top of the pyramid - usually those who started the scheme. The people at the bottom of the pyramid would not get their money back because there is no one beneath them in the pyramid adding new money to the scheme.

It needs to be understood and recognised that losses are inherent in pyramid schemes, and the majority of the participants lose money at the end of the day. The losses will be substantial to the individual concerned, to their families and more importantly to the whole society. The Bank recognises the hardships and other social challenges that many Namibians face every day. However, the end result of a pyramid is that the poor becomes even poorer, while benefiting few who started the schemes. It should be noted that those involved in recruiting others are also guilty of the illegal conduct, as they are contributing towards the impact that pyramid schemes could have on the rest of the community.

HOW TO IDENTIFY A PYRAMID SCHEME?

Pyramid schemes can take various forms aiming to deceive the public to fall victim to the 'investment' scams, by giving valuables, usually money, as part of the promised returns and masking the deposits as loans to the company. Pyramid schemes are different from multi-level

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marketing schemes, which are marketing strategies in which participants are compensated not only for sales they generate, but also for the sales of the other sales people that they recruit. Pyramid schemes often look like multi-level marketing schemes whose activities do not contravene the law and are generally allowed to operate freely in Namibia. However, pyramid schemes and multi-level marketing schemes can be differentiated by considering the following key factors:

- Multi-level schemes offer rewards based on products sales and services;
- The products sold through multi-level marketing schemes are often tangible products of real value at realistic prices;
- Unlike multi-level marketing schemes, pyramid schemes do not offer tangible products and often promise high or unrealistic rates of interest or return over a short period of time;
- The survival of pyramid schemes is dependent upon the recruitment of new members (i.e. new funds obtained will be used in paying the 'returns' to the existing members). These schemes generally do not last long, as there are not enough people or enough money to keep them going, and
- Initially, members of the pyramid schemes may be paid their promised returns. However, the operators who started them would eventually abscond with the money collected when they feel that the scheme is about to fail; thus leaving the members at the losing end.

Tips on how to protect you against pyramid schemes

- Remember the golden rule - if it sounds too good to be true, it usually is (too good to be true).
- Deal only with authorised financial institutions.
- Don't be pressured or rushed to invest.
- Check the legitimacy of an entity with relevant authorities such as Bank of Namibia and the Namibia Financial Institutions Supervisory Authority.
- Be extra careful with investments over the internet.
- Be sceptical of any investment opportunity that is not in writing and that offer excessive interest rates; and
- In case an investment has been made, keep copies of all the investment information and communications in order to assist the authorities in apprehending the criminals who mastermind these schemes.

WHY ARE PYRAMID SCHEMES ILLEGAL?

Pyramid schemes are illegal because they violate section 55A of the Banking Institutions Act, 1998 (Act No. 2 of 1998, as amended). That section prohibits business practices involving obtaining money from members of the public with specific prospect of participating members receiving payments or other money-related benefits on or after the introduction of other members to the business practice. This means that, no person is allowed to conduct a business practice which, as a regular feature of a business, introduces members to a scheme specifically in return for payment of money or other related benefits such as all-paid-expenses holidays. Violation of section 55A of the Act constitutes an offence which carries a fine of N$1 000 000.00 or ten years imprisonment or both the fine and the period of imprisonment, depending on the facts of the case.

CONCLUSION

The Bank of Namibia warns the public against these "get-rich quick schemes" and other schemes meeting the definition of a pyramid scheme. Furthermore, charities and other organisations are cautioned not to accept donations from illegal schemes, since any involvement with these schemes may present them with reputational and legal challenges. The public is requested to report such illegal activities to the Bank of Namibia as soon as they become aware of them.

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

	2010	2011	2012	2013	2014
Interbank Funding	493,289	557,176	1,931,426	2,524,918	3,513,308
Non-bank Funding:	**42,885,051**	**50,525,687**	**55,334,033**	**62,214,004**	**69,661,708**
Demand	23,300,184	27,527,215	28,605,507	33,676,364	37,745,044
Savings	1,855,210	2,238,175	2,375,776	2,738,872	3,200,052
Fixed & notice deposits	5,961,519	7,909,775	9,904,067	7,411,996	9,474,329
Negotiable Certificate of Deposits	10,054,312	11,794,018	12,922,602	15,822,443	16,631,306
Foreign Funding	1,713,826	1,056,504	1,526,081	2,564,329	2,610,978
Loans under repurchase agreement	-	-	-	-	-
Debt Instruments issued	686,788	885,568	1,010,527	1,783,257	3,028,686
Other borrowings	518,703	389,258	655,172	664,552	4,070
Other liabilities	1,461,905	1,834,995	1,609,038	2,024,140	1,999,034
Capital & Reserves	5,455,463	5,778,759	6,528,521	7,778,365	8,962,590
TOTAL FUNDING	**51,501,199**	**59,971,443**	**67,068,717**	**76,989,236**	**87,169,395**
Cash and Balances	4,435,965	7,767,489	6,568,885	7,112,890	8,271,422
Short term negotiable securities	3,043,583	6,266,118	6,979,012	7,362,334	6,431,131
Interbank Loans and Advances	9	11	1	-	-
Foreign currency loans and advances	39,953	136,034	636,005	1,170,564	968,216
Instalment debtors and leases	6,202,258	7,193,255	8,038,539	9,283,690	11,027,937
Mortgage loans	20,237,838	23,755,059	27,248,392	30,738,321	35,541,479
Other fixed term loans	2,801,169	3,025,506	3,724,441	4,342,456	6,521,757
Personal loans	2,169,560	2,526,187	2,912,261	3,897,957	3,578,410
Overdraft	5,531,256	4,795,467	6,321,038	6,723,390	8,454,621
Credit card debtors	248,058	265,975	314,855	522,619	420,135
Acknowledgement of debts discounted	-	-	-	-	-
Loans granted under resale agreement	-	83,342	-	-	-
Investment in Preference Shares	229,030	283,531	317,121	485,585	551,317
Other loans and advances	1,266,039	1,073,944	1,038,375	1,015,915	917,427
Total loans and advances	38,725,170	43,138,311	50,551,028	58,180,498	67,981,300
Less: Specific provisions	230,386	213,774	198,430	220,985	256,406
Less: General provisions	367,565	389,165	420,833	473,130	556,555
Less: Interest- in- suspense	135,281	102,464	91,105	106,367	118,632
Investment portfolio	4,186,500	1,723,518	1,857,418	2,416,589	2,609,096
Trading securities	1,161,824	1,218,321	1,446,986	2,003,945	1,704,269
Available for sale securities	2,839,522	283,504	220,670	268,533	352,896
Held to maturity securities	167,234	204,994	169,078	121,215	538,033
Unconsolidated subsidiaries, associates	17,920	16,699	20,684	22,896	13,899
Property, plant and equipment	655,150	718,060	745,658	1,033,290	1,410,365
Other assets	1,188,063	1,063,350	1,077,084	1,684,118	1,397,674
TOTAL ASSETS	**51,501,199**	**59,971,443**	**67,068,717**	**76,989,236**	**87,169,395**
Average Assets	**49,599,928**	**55,736,321**	**63,520,080**	**72,028,977**	**82,079,315**
Average Equity	**5,192,629**	**5,705,175**	**6,405,980**	**7,403,069**	**8,370,477**

Table D.5 Capital adequacy - N$ '000

	2010	2011	2012	2013	2014
Tier 1 capital	**4,325,408**	**4,703,073**	**5,395,064**	**6,596,005**	**7,781,426**
Paid up shares	23,822	23,822	23,841	23,861	23,861
Share premium	1,791,099	1,791,099	1,912,574	2,112,553	2,112,553
Retained profits/(accumulated losses)	1,194,217	1,163,479	1,346,202	3,013,465	2,682,069
General Reserves	1,628,187	2,065,925	2,285,721	1,612,070	3,111,760
Current Unaudited losses	-	-	-	-	-
Less: Intangible Asset	311,917	341,252	173,274	165,943	148,817
Tier 2 capital	**1,615,596**	**1,387,384**	**1,658,628**	**1,677,599**	**1,812,803**
Hybred Debt*	-	-	-	-	4,201
Subordinated-term Debt	672,140	572,565	705,126	705,320	743,241
Current Unaudited losses*	543,836	334,698	411,237	339,330	357,589
General Provisions	380,658	459,298	523,589	613,367	634,801
Revaluation Reserves	18,962	20,823	18,676	19,582	72,963
Less: Investment in unconsolidated subsidiaries	-	-	-	-	-
Total Qualifying capital	**5,941,004**	**6,090,457**	**7,053,692**	**8,273,604**	**9,594,229**
Aggregated Risk-weighted Assets	**38,847,413**	**43,483,180**	**49,619,097**	**57,311,215**	**65,451,395**
Total Risk-weighted amount for Credit Risk	34,096,259	38,324,043	43,804,645	50,606,374	57,477,992
Calibrated Risk-weighted amount for Operational Risk	4,582,293	4,945,028	5,558,083	6,269,197	7,141,645
Calibrated Risk-weighted amount for Market Risk	168,861	214,109	256,368	435,644	831,758
Gross Assets*	**51,951,134**	**60,574,381**	**67,511,723**	**77,517,409**	**87,833,538**

*** Hybred debt is an addition under the new Basel II Capital accord.**

*** Current unaudited losses are part of Tier 2 capital under the new Basel II capital accord.**

Table D.6 Analysis of overdue and non-performing loans - N$ '000

		2010	2011	2012	2013	2014
Overdue loans*		**1,652,510**	**1,531,232**	**1,809,549**	**2,400,758**	**2,331,947**
Amounts overdue:	<1 month	373,458	589,378	376,347	544,499	616,547
Amounts overdue:	1 to < 3 months	518,208	300,670	757,160	1,108,313	727,599
Amounts overdue:	3 to < 6 months	182,756	183,127	129,771	215,771	345,488
Amounts overdue:	6 to <12 months	112,335	85,712	151,074	160,890	106,004
Amounts overdue:	12 to <18 months	376,498	291,368	332,747	324,709	536,309
Amounts overdue:	18 months and above	89,255	80,977	62,450	46,576	0**
Total Non-performing loans		**760,844**	**641,186**	**676,046**	**747,946**	**987,801**
Instalment sales		97,486	70,106	85,476	102,875	124,702
Mortgages		411,165	381,754	380,203	402,043	546,215
Personal loans/ Other fixed loans		66,220	49,748	63,955	65,994	81,647
Overdraft		112,944	95,701	93,755	111,422	123,418
Other loans & advances		67,130	34,378	43,106	51,714	95,736
Credit cards		5,899	9,499	9,551	13,899	16,083
Realizable Security		489,091	334,066	391,822	441,116	508,057
Specific Provisions		230,386	213,776	241,074	263,571	256,405

***Before 2004 BoN did not require banks to report an ageing analysis of overdues.**

**** Since 2014 loans above 12 months are grouped together.**

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Table D.7 Sectoral distribution of loans and advances - N$ '000

	2010	2011	2012	2013	2014
Total loans and advances	**38,725,171**	**43,138,313**	**50,551,028**	**58,180,497**	**67,981,300**
Agriculture and Forestry	1,332,828	1,331,272	2,059,280	2,409,188	2,759,006
Fishing	982,577	767,316	928,336	618,205	707,357
Mining	668,325	407,614	1,102,948	1,135,565	1,188,487
Manufacturing	902,789	1,154,429	1,260,633	1,256,908	1,589,895
Construction	1,114,058	980,296	1,642,809	2,179,852	3,558,795
Electricity , Gas and Water	191,160	244,982	410,283	472,872	488,006
Trade and Accommodation	6,468,010	10,412,803	10,790,577	12,694,213	13,900,011
Transportand Communication	867,346	889,241	1,166,495	1,223,429	1,140,782
Finance and Insurance	1,019,361	907,101	1,102,760	1,368,515	1,515,682
Real Estate and Business Services	6,828,118	5,577,534	5,627,413	6,092,015	8,220,319
Government Services	511,383	582,903	511,232	1,399,121	1,568,213
Individuals	17,084,843	18,664,141	22,843,338	26,157,065	29,919,664
Other	754,373	1,218,681	1,104,924	1,173,548	1,425,083

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Table D.8 Composition of income statement - N$ ‘000

	2010	2011	2012	2013	2014
Interest Income	**4,201,216**	**4,256,731**	**4,931,535**	**5,478,392**	**6,609,787**
Balances with banks	171,868	127,498	141,610	140,875	194,419
Installment debtors, hire purchase, etc	622,166	629,164	733,886	806,162	974,622
Mortgage loans: Residential	1,604,511	1,645,592	1,850,599	2,040,725	2,365,134
Mortgage Loans: Commercial	360,434	428,835	508,165	591,686	708,089
Personal loans	302,253	299,323	341,568	388,668	455,802
Fixed term loans	267,156	263,513	310,443	356,372	500,304
Overdraft	590,493	535,663	598,997	668,338	805,181
Other interest related income	282,335	327,143	446,267	485,567	606,235
Interest Expenses	**2,213,269**	**2,055,540**	**2,291,295**	**2,472,612**	**2,964,368**
Demand deposits	582,317	573,537	587,275	615,187	668,778
Current Accounts	336,783	268,249	298,843	318,449	401,613
Savings deposits	29,985	27,700	30,940	33,261	45,563
Fixed and notice deposits	390,291	345,175	466,656	408,042	462,396
Negotiable certificates of deposits	746,504	662,146	751,262	871,304	1,062,159
Debt instruments issued	57,896	78,058	77,068	89,377	159,370
Other interest related expenses	69,493	100,675	79,251	136,992	164,488
Interest Margin	**1,987,947**	**2,201,191**	**2,640,240**	**3,005,780**	**3,645,419**
Less: Provisions	56,543	36,151	60,990	146,196	214,429
Total operating Income	1,968,860	1,988,965	2,073,005	2,391,510	2,775,799
Trading Income	261,781	285,642	341,997	382,123	379,086
Investment Income	221,651	96,517	56,929	59,561	73,571
Transaction-based Fee Income	1,225,736	1,360,361	1,453,897	1,710,953	2,098,591
Knowledge-based Fee Income	77,424	98,587	81,344	93,182	124,468
Other income	182,268	147,858	138,838	145,691	100,083
Total Income	**3,956,807**	**4,190,156**	**4,713,245**	**5,397,290**	**6,421,218**
Total Operating Expenses	**2,297,349**	**2,403,057**	**2,666,424**	**3,004,450**	**3,389,534**
Staff costs	1,144,906	1,252,817	1,438,525	1,568,785	1,748,754
Administration & Overheads	665,169	630,274	659,927	794,425	882,992
Depreciation and amortisation	138,770	113,633	118,750	138,777	159,410
Occupancy expenses	136,196	167,896	190,855	216,320	241,022
Other operating expenses	212,308	238,437	258,367	286,144	357,356
Net Income Before Tax	**1,602,915**	**1,750,948**	**1,985,831**	**2,246,643**	**2,817,255**
Taxation	480,312	556,057	642,389	697,862	911,969
Net Income After Tax	**1,122,603**	**1,194,891**	**1,343,442**	**1,548,782**	**1,905,286**

Table D.9 Selected key ratios

	2010	2011	2012	2013	2014
Capital					
Tier 1 Leverage	8.3%	7.8%	8.0%	8.5%	8.9%
Tier 1 Risk-weighted Capital	11.1%	10.8%	10.9%	11.5%	11.9%
Total Risk-weighted Capital	15.3%	14.0%	14.2%	14.4%	14.7%
Asset Quality					
Non-performing loans to Total loans	2.0%	1.5%	1.3%	1.3%	1.5%
Overdue loans to Total loans	4.3%	3.6%	3.6%	4.1%	3.4%
Total Provisions to Total loans	1.5%	1.4%	1.2%	1.2%	1.0%
Specific Provisions to Non-performing loans	33.3%	33.3%	29.4%	29.5%	26.0%
Earnings					
Return on Assets	2.5%	2.1%	2.1%	2.4%	2.3%
Return on Equity	21.6%	20.9%	21.0%	24.0%	22.8%
Net Interest Margin	4.0%	3.9%	4.2%	5.6%	5.6%
Other Operating Income: Total Assets	3.8%	3.3%	3.1%	3.1%	3.2%
Other Operating Income: Total Income	49.8%	47.5%	44.0%	40.6%	43.2%
Other Exp: Total Income	58.1%	57.4%	56.6%	55.8%	52.8%
Liquidity					
Liquid Assets / Total Assets	10.7%	23.7%	21.2%	10.7%	11.6%
Liquid Assets / Average total liabilities	12.0%	14.2%	12.5%	11.7%	12.6%
Total Loans / Total Assets	75.2%	71.9%	75.4%	74.8%	78.0%
Total Loans / Total Deposits	90.3%	85.4%	91.4%	93.5%	97.6%
Growth Rates					
Total Assets	8.0%	16.4%	11.8%	14.8%	13.2%
Total Qualifying Capital	23.4%	2.5%	15.8%	17.3%	16.0%
Tier 1 Capital	15.3%	8.7%	14.7%	22.3%	18.0%
Total Loans	9.3%	11.4%	17.2%	15.1%	16.8%
Total Deposits	7.9%	17.8%	9.5%	12.4%	12.0%
Overdue loans	-41.1%	-7.3%	18.2%	32.7%	-2.9%
Non-performing loans	-21.3%	-15.7%	5.4%	10.6%	32.1%

Part E

Statistical Tables

Content

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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.

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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 percent 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.

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.

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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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Table 1.1 Aggregate economic indicators

	2009	2010	2011	2012	2013
Current prices					
GDP (N$ mil.)	75,212	82,598	90,128	107,037	126,608
% Change	7.3	9.8	9.1	18.8	18.3
GNI (N$ mil.)	73,639	78,824	87,242	103,973	125,418
% Change	7.0	7.0	10.7	19.2	20.6
GDP per capita (N$)	36,671	39,677	42,654	49,957	58,276
% Change	5.7	8.2	7.5	17.1	16.7
GNI per capita (N$)	35,904	37,864	41,288	48,527	57,728
% Change	5.4	5.5	9.0	17.5	19.0
Constant 2010 prices					
GDP (N$ mil.)	77,893	82,598	86,827	91,302	95,981
% Change	0.3	6.0	5.1	5.2	5.1
GNI (N$ mil.)	77,797	78,824	85,213	92,560	101,346
% Change	0.0	1.3	8.1	8.6	9.5
GDP per capita (N$)	37,978	39,677	41,092	42,613	44,178
% Change	-1.2	4.5	3.6	3.7	3.7
GNI per capita (N$)	37,931	37,864	40,328	43,200	46,648
% Change	-1.5	-0.2	6.5	7.1	8.0

Source: NSA

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Table I.2 Gross Domestic Product and Gross National Income

	2009	2010	2011	2012	2013
Current prices - N$ million					
Compensation of employees	31,329	34,666	38,394	45,737	53,265
Consumption of fixed capital	7,791	8,361	9,531	10,380	11,626
Net operating surplus	29,409	32,489	34,422	42,200	51,525
Gross domestic product at factor cost	**68,530**	**75,516**	**82,346**	**98,317**	**116,416**
Taxes on production and imports	6,682	7,081	7,782	8,720	10,192
Gross domestic product at market prices	**75,212**	**82,598**	**90,128**	**107,037**	**126,608**
Primary incomes					
- receivable from the rest of the world	2,002	1,305	1,690	1,488	1,888
- payable to rest of the world	-3,575	-5,078	-4,576	-4,551	-3,079
Gross national income at market prices	**73,639**	**78,824**	**87,242**	**103,973**	**125,418**
Current transfers					
- receivable from the rest of the world	10,671	9,535	8,910	13,839	16,219
- payable to rest of the world	-632	-640	-573	-865	-1,006
Gross national disposable income	**83,678**	**87,719**	**95,578**	**116,947**	**140,631**
Current prices - N$ per capita					
Gross domestic product at market prices	36,671	39,677	42,654	49,957	58,276
Gross national income at market prices	35,904	37,864	41,288	48,527	57,728
Constant 2010 prices - N$ millions					
Gross domestic product at market prices	**77,893**	**82,598**	**86,827**	**91,302**	**95,981**
- Annual percentage change	0.3	6.0	5.1	5.2	5.1
Real gross national income	**77,797**	**78,824**	**85,213**	**92,560**	**101,346**
- Annual percentage change	0.0	1.3	8.1	8.6	9.5
Constant 2010 prices - N$ per capita					
Gross domestic product at market prices	**37,978**	**39,677**	**41,092**	**42,613**	**44,178**
- Annual percentage change	-1.2	4.5	3.6	3.7	3.7
Real gross national income	**37,931**	**37,864**	**40,328**	**43,200**	**46,648**
- Annual percentage change	-1.5	-0.2	6.5	7.1	8.0

Source: NSA

Table I.3 NATIONAL DISPOSABLE INCOME AND SAVINGS

Current prices - N$ million	2009	2010	2011	2012	2013
Disposable income and saving					
Gross national disposable income	**83,678**	**87,719**	**95,578**	**116,947**	**140,631**
Consumption of fixed capital	7,791	8,361	9,531	10,380	11,626
Net national disposable income	**75,886**	**79,357**	**86,048**	**106,567**	**129,005**
All other sectors	55,547	59,531	65,832	82,498	98,946
General government	20,340	19,827	20,216	24,069	30,059
Final consumption expenditure	**70,352**	**73,329**	**80,736**	**96,018**	**118,499**
Private	52,407	52,221	59,841	68,519	83,570
General government	17,945	21,107	20,895	27,498	34,929
Saving, net	**5,534**	**6,029**	**5,312**	**10,549**	**10,506**
All other sectors	3,140	7,309	5,991	13,978	15,376
General government	2,395	-1,281	-679	-3,430	-4,870
Financing of capital formation					
Saving, net	5,534	6,029	5,312	10,549	10,506
Capital transfers receivable from abroad	628	878	1,426	1,293	1,321
Capital transfers payable to foreign countries	-69	-69	-73	-74	-75
Total	**6,093**	**6,837**	**6,665**	**11,768**	**11,752**

Source: NSA

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Table I.4 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Current prices - N$ Million

Industry	2009	2010	2011	2012	2013
Agriculture and forestry	3,265	4,214	4,496	5,278	3,590
Livestock farming	1,538	2,496	2,846	3,227	1,852
Crop farming and forestry	1,728	1,718	1,650	2,051	1,737
Fishing and fish processing on board	2,942	2,871	2,921	3,329	3,627
Mining and quarrying	8,177	8,598	7,832	13,412	16,492
Diamond mining	2,616	4,741	4,255	8,148	10,810
Uranium	3,250	1,778	1,505	2,084	2,146
Metal Ores	1,351	1,144	909	1,066	1,308
Other mining and quarrying	961	934	1,162	2,114	2,228
Primary industries	**14,385**	**15,683**	**15,249**	**22,018**	**23,709**
Manufacturing	9,801	10,306	12,303	13,027	15,451
Meat processing	404	368	426	492	617
Diamond processing	564	570	698	814	917
Basic non-ferrous metals	1,608	1,528	1,635	1,552	2,223
Fabricated Metals	1,126	1,351	1,661	1,930	2,205
Beverages	378	452	451	511	721
Grain Mill products	72	81	93	116	116
Other food products	298	270	276	284	324
Textile and wearing apparel	192	163	208	188	215
Leather and related products	694	768	916	1,027	1,125
Publishing and Printing	260	274	292	282	317
Rubber and Plastics products	208	230	408	445	442
Non-metallic minerals products	2,615	2,731	3,555	3,613	4,333
Wood and Wood product	427	462	482	563	652
Chemical and related products	475	634	770	722	699
Other manufacturing	479	424	431	488	544
Electricity and water	1,497	1,538	1,818	2,022	2,406
Construction	2,429	2,618	3,127	3,554	4,835
Secondary industries	**13,727**	**14,462**	**17,248**	**18,603**	**22,693**
Wholesale and retail trade, repairs	8,355	9,284	10,305	11,439	14,212
Hotels and restaurants	1,258	1,421	1,590	1,787	2,068
Transport, and communication	3,891	4,238	4,606	5,011	5,648
Transport	1,581	1,685	1,637	1,806	2,232
Storage	555	706	835	867	903
Post and telecommunications	1,755	1,846	2,133	2,339	2,513
Financial intermediation	3,737	4,602	4,692	5,437	8,166
Real estate and business services	6,518	7,126	8,039	8,767	9,385
Real estate activities	4,733	5,350	5,896	6,525	7,044
Other business services	1,785	1,776	2,142	2,242	2,342
Community, social and personal service activities	2,071	2,236	2,626	2,269	2,415
Public administration and defence	7,624	9,100	8,769	12,119	15,325
Education	5,546	5,872	7,403	8,829	10,462
Health	2,225	2,531	2,923	3,202	3,713
Private household with employed persons	749	853	972	1,126	1,110
Tertiary industries	**41,975**	**47,263**	**51,925**	**59,986**	**72,505**
Less: Financial intermediation services indirectly measured	795	1,011	1,100	1,315	1,462
All industries at basic prices	**69,292**	**76,396**	**83,323**	**99,292**	**117,444**
Taxes less subsidies on products	5,920	6,202	6,805	7,745	9,164
GDP at market prices	**75,212**	**82,598**	**90,128**	**107,037**	**126,608**

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Table I.4 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Percentage Contribution to GDP

Industry	2009	2010	2011	2012	2013
Agriculture and forestry	4.3	5.1	5.0	4.9	2.8
Livestock farming	2.0	3.0	3.2	3.0	1.5
Crop farming and forestry	2.3	2.1	1.8	1.9	1.4
Fishing and fish processing on board	3.9	3.5	3.2	3.1	2.9
Mining and quarrying	10.9	10.4	8.7	12.5	13.0
Diamond mining	3.5	5.7	4.7	7.6	8.5
Uranium	4.3	2.2	1.7	1.9	1.7
Metal Ores	1.8	1.4	1.0	1.0	1.0
Other mining and quarrying	1.3	1.1	1.3	2.0	1.8
Primary industries	**19.1**	**19.0**	**16.9**	**20.6**	**18.7**
Manufacturing	13.0	12.5	13.7	12.2	12.2
Meat processing	0.5	0.4	0.5	0.5	0.5
Diamond processing	0.8	0.7	0.8	0.8	0.7
Basic non-ferrous metals	2.1	1.8	1.8	1.4	1.8
Fabricated Metals	1.5	1.6	1.8	1.8	1.7
Beverages	0.5	0.5	0.5	0.5	0.6
Grain Mill products	0.1	0.1	0.1	0.1	0.1
Other food products	0.4	0.3	0.3	0.3	0.3
Textile and wearing apparel	0.3	0.2	0.2	0.2	0.2
Leather and related products	0.9	0.9	1.0	1.0	0.9
Publishing and Printing	0.3	0.3	0.3	0.3	0.3
Rubber and Plastics products	0.3	0.3	0.5	0.4	0.3
Non-metallic minerals products	3.5	3.3	3.9	3.4	3.4
Wood and Wood product	0.6	0.6	0.5	0.5	0.5
Chemical and related products	0.6	0.8	0.9	0.7	0.6
Other manufacturing	0.6	0.5	0.5	0.5	0.4
Electricity and water	2.0	1.9	2.0	1.9	1.9
Construction	3.2	3.2	3.5	3.3	3.8
Secondary industries	**18.3**	**17.5**	**19.1**	**17.4**	**17.9**
Wholesale and retail trade, repairs	11.1	11.2	11.4	10.7	11.2
Hotels and restaurants	1.7	1.7	1.8	1.7	1.6
Transport, and communication	5.2	5.1	5.1	4.7	4.5
Transport	2.1	2.0	1.8	1.7	1.8
Storage	0.7	0.9	0.9	0.8	0.7
Post and telecommunications	2.3	2.2	2.4	2.2	2.0
Financial intermediation	5.0	5.6	5.2	5.1	6.5
Real estate and business services	8.7	8.6	8.9	8.2	7.4
Real estate activities	6.3	6.5	6.5	6.1	5.6
Other business services	2.4	2.2	2.4	2.1	1.8
Community, social and personal service activities	2.8	2.7	2.9	2.1	1.9
Public administration and defence	10.1	11.0	9.7	11.3	12.1
Education	7.4	7.1	8.2	8.2	8.3
Health	3.0	3.1	3.2	3.0	2.9
Private household with employed persons	1.0	1.0	1.1	1.1	0.9
Tertiary industries	**55.8**	**57.2**	**57.6**	**56.0**	**57.3**
Less: Financial intermediation services indirectly measured	1.1	1.2	1.2	1.2	1.2
All industries at basic prices	**92.1**	**92.5**	**92.4**	**92.8**	**92.8**
Taxes less subsidies on products	7.9	7.5	7.6	7.2	7.2
GDP at market prices	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table I.5 (a) GROSS DOMESTIC PRODUCT BY ACTIVITY

Constant 2010 Prices - N$ millions

Industry	2009	2010	2011	2012	2013
Agriculture and forestry	3,816	4,214	4,258	4,603	3,337
Livestock farming	2,204	2,496	2,648	2,806	1,713
Crop farming and forestry	1,612	1,718	1,610	1,797	1,624
Fishing and fish processing on board	2,941	2,871	2,733	2,525	2,589
Mining and quarrying	7,033	8,598	8,135	10,175	10,231
Diamond mining	3,291	4,741	4,580	5,176	5,556
Uranium	1,691	1,778	1,335	1,697	1,579
Metal Ores	1,164	1,144	1,021	1,352	938
Other mining and quarrying	887	934	1,199	1,950	2,159
Primary industries	**13,791**	**15,683**	**15,126**	**17,304**	**16,158**
Manufacturing	9,587	10,306	10,892	10,147	10,342
Meat processing	348	368	358	354	410
Diamond processing	526	570	607	598	641
Basic non-ferrous metals	1,304	1,528	1,371	1,141	1,188
Fabricated Metals	1,326	1,351	1,357	1,561	1,664
Beverages	436	452	473	502	526
Grain Mill products	73	81	92	102	87
Other food products	300	270	268	255	265
Textile and wearing apparel	176	163	180	158	166
Leather and related products	716	768	860	896	925
Publishing and Printing	254	274	287	265	257
Rubber and Plastics products	228	230	397	399	404
Non-metallic minerals products	2,416	2,731	3,156	2,431	2,290
Wood and Wood product	423	462	429	459	509
Chemical and related products	513	634	668	623	577
Other manufacturing	546	424	389	404	435
Electricity and water	1,503	1,538	1,586	1,868	1,854
Construction	2,451	2,618	3,035	3,297	4,279
Secondary industries	**13,541**	**14,462**	**15,512**	**15,313**	**16,475**
Wholesale and retail trade, repairs	8,635	9,284	9,827	10,245	11,729
Hotels and restaurants	1,335	1,421	1,555	1,681	1,761
Transport, and communication	3,973	4,238	4,444	4,800	5,268
Transport	1,682	1,685	1,854	2,039	2,320
Storage	667	706	765	823	845
Post and telecommunications	1,624	1,846	1,826	1,938	2,103
Financial intermediation	4,202	4,602	4,863	5,194	5,790
Real estate and business services	7,008	7,126	7,529	7,883	8,161
Real estate activities	5,149	5,350	5,487	5,852	6,134
Other business services	1,859	1,776	2,042	2,030	2,027
Community, social and personal service activities	2,201	2,236	2,488	2,049	2,086
Public administration and defence	8,850	9,100	9,579	9,860	10,742
Education	5,882	5,872	6,894	7,202	7,442
Health	2,311	2,531	2,674	2,828	3,077
Private household with employed persons	785	853	926	1,005	938
Tertiary industries	**45,182**	**47,262**	**50,779**	**52,747**	**56,994**
Less: Financial intermediation services indirectly measured	820	1,011	1,119	1,169	1,279
All industries at basic prices	**71,694**	**76,396**	**80,299**	**84,195**	**88,348**
Taxes less subsidies on products	6,198	6,202	6,529	7,108	7,633
GDP at market prices	**77,893**	**82,598**	**86,827**	**91,302**	**95,981**

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Table I.5 (b) GROSS DOMESTIC PRODUCT BY ACTIVITY

Annual Percentage Changes

Industry	2009	2010	2011	2012	2013
Agriculture and forestry	6.7	10.4	1.0	8.1	-27.5
Livestock farming	9.0	13.2	6.1	6.0	-39.0
Crop farming and forestry	3.6	6.6	-6.3	11.6	-9.6
Fishing and fish processing on board	36.0	-2.4	-4.8	-7.6	2.5
Mining and quarrying	-31.7	22.2	-5.4	25.1	0.6
Diamond mining	-52.2	44.1	-3.4	13.0	7.3
Uranium	8.2	5.2	-24.9	27.1	-6.9
Metal Ores	1.1	-1.8	-10.7	32.4	-30.7
Other mining and quarrying	26.9	5.3	28.3	62.7	10.7
Primary industries	**-14.0**	**13.7**	**-3.6**	**14.4**	**-6.6**
Manufacturing	2.0	7.5	5.7	-6.8	1.9
Meat processing	4.1	5.6	-2.7	-1.1	15.8
Diamond processing	16.3	8.4	6.5	-1.6	7.2
Basic non-ferrous metals	6.7	17.2	-10.3	-16.8	4.2
Fabricated Metals	15.2	1.9	0.4	15.0	6.6
Beverages	-1.1	3.6	4.7	6.1	4.7
Grain Mill products	-35.9	11.6	12.7	11.3	-14.7
Other food products	-3.8	-10.0	-1.0	-4.5	3.7
Textile and wearing apparel	-7.4	-7.7	10.9	-12.6	5.2
Leather and related products	5.9	7.3	12.0	4.1	3.3
Publishing and Printing	-0.2	7.9	4.6	-7.6	-3.3
Rubber and Plastics products	-2.1	1.2	72.3	0.6	1.1
Non-metallic minerals products	11.7	13.0	15.5	-23.0	-5.8
Wood and Wood product	-10.9	9.1	-7.1	7.0	10.9
Chemical and related products	-44.2	23.4	5.5	-6.8	-7.3
Other manufacturing	19.2	-22.4	-8.1	3.8	7.6
Electricity and water	-16.4	2.4	3.1	17.8	-0.7
Construction	-17.5	6.8	15.9	8.7	29.8
Secondary industries	**-4.4**	**6.8**	**7.3**	**-1.3**	**7.6**
Wholesale and retail trade, repairs	10.0	7.5	5.8	4.3	14.5
Hotels and restaurants	5.5	6.5	9.5	8.1	4.7
Transport, and communication	16.0	6.7	4.9	8.0	9.8
Transport	5.8	0.2	10.0	10.0	13.8
Storage	1.1	5.8	8.3	7.7	2.7
Post and telecommunications	38.3	13.6	-1.1	6.2	8.5
Financial intermediation	-2.5	9.5	5.7	6.8	11.5
Real estate and business services	7.6	1.7	5.7	4.7	3.5
Real estate activities	3.6	3.9	2.6	6.7	4.8
Other business services	20.5	-4.5	15.0	-0.6	-0.2
Community, social and personal service activities	-0.5	1.6	11.2	-17.6	1.8
Public administration and defence	5.3	2.8	5.3	2.9	8.9
Education	3.0	-0.2	17.4	4.5	3.3
Health	5.5	9.5	5.7	5.7	8.8
Private household with employed persons	8.6	8.6	8.6	8.6	-6.7
Tertiary industries	**6.0**	**4.6**	**7.4**	**3.9**	**8.1**
Less: Financial intermediation services indirectly measured	-7.3	23.4	10.6	4.5	9.4
All industries at basic prices	**-0.3**	**6.6**	**5.1**	**4.9**	**4.9**
Taxes less subsidies on products	8.0	0.0	5.3	8.9	7.4
GDP at market prices	**0.3**	**6.0**	**5.1**	**5.2**	**5.1**

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Table I.6 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Current prices - N$ million

Expenditure category	2009	2010	2011	2012	2013
Final consumption expenditure	70,352	73,329	80,736	96,018	118,499
Private	52,407	52,221	59,841	68,519	83,570
General government	17,945	21,107	20,895	27,498	34,929
Gross fixed capital formation	21,025	20,884	20,453	27,636	32,525
Changes in inventories	-529	-958	-291	1,043	-1,558
Gross domestic expenditure	**90,848**	**93,255**	**100,898**	**124,696**	**149,466**
Exports of goods and services	39,372	39,447	41,023	46,390	54,453
Imports of goods and services	55,005	50,102	51,789	64,051	77,314
Discrepancy	-4	-3	-3	1	3
Gross domestic product at market prices	75,212	82,598	90,128	107,037	126,608

Source: NSA

Table I.6 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Current prices - Percent

Expenditure category	2009	2010	2011	2012	2013
Final consumption expenditure	93.5	88.8	89.6	89.7	93.6
Private	69.7	63.2	66.4	64.0	66.0
General government	23.9	25.6	23.2	25.7	27.6
Gross fixed capital formation	28.0	25.3	22.7	25.8	25.7
Changes in inventories	-0.7	-1.2	-0.3	1.0	-1.2
Gross domestic expenditure	**120.8**	**112.9**	**111.9**	**116.5**	**118.1**
Exports of goods and services	52.3	47.8	45.5	43.3	43.0
Imports of goods and services	73.1	60.7	57.5	59.8	61.1
Discrepancy	-0.0	-0.0	-0.0	0.0	0.0
Gross domestic product at market prices	100.0	100.0	100.0	100.0	100.0

Source: NSA

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Table I.7 (a) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Constant 2010 prices - N$ million

Expenditure category	2009	2010	2011	2012	2013
Final consumption expenditure	75,548	73,329	79,393	84,689	94,666
Private	54,651	52,221	56,877	61,426	69,400
General government	20,897	21,107	22,516	23,263	25,266
Gross fixed capital formation	21,137	20,884	19,973	26,320	29,881
Changes in inventories	-1,334	-958	-950	387	-2,000
Gross domestic expenditure	**95,351**	**93,255**	**98,416**	**111,395**	**122,547**
Exports of goods and services	38,385	39,447	38,151	38,540	42,256
Imports of goods and services	55,798	50,102	49,677	58,726	68,999
Discrepancy	-46	-3	-62	93	178
Gross domestic product at market prices	77,893	82,598	86,827	91,302	95,981

Source: NSA

Table I.7 (b) EXPENDITURE ON GROSS DOMESTIC PRODUCT

Constant 2010 Prices - Percent

Expenditure category	2009	2010	2011	2012	2013
Final consumption expenditure	10.6	-2.9	8.3	6.7	11.8
Private	13.5	-4.4	8.9	8.0	13.0
General government	3.8	1.0	6.7	3.3	8.6
Gross fixed capital formation	14.5	-1.2	-4.4	31.8	13.5
Changes in inventories	-3.9	0.5	0.0	1.5	-2.6
Gross domestic expenditure	7.8	-2.2	5.5	13.2	10.0
Exports of goods and services	1.8	2.8	-3.3	1.0	9.6
Imports of goods and services	15.4	-10.2	-0.8	18.2	17.5
Discrepancy	0.2	0.1	-0.1	0.2	0.1
Gross domestic product at market prices	**0.3**	**6.0**	**5.1**	**5.2**	**5.1**

Source: NSA

Table I.8 Gross Fixed Capital Formations by Activity

Current prices - N$ Million

Industry	2009	2010	2011	2012	2013
Agriculture	1,353	1,089	663	1,706	695
Fishing	261	706	45	1,985	115
Mining and quarrying	4,731	4,754	6,499	6,461	13,937
Manufacturing	3,506	3,141	1,944	3,101	3,210
Electricity and water	849	1,342	1,869	1,252	433
Construction	808	791	694	839	674
Wholesale and retail trade; hotels, restaurants	1,525	1,210	844	849	668
Transport, and communication	1,888	2,863	2,660	3,903	3,594
Finance, real estate, business services	2,961	1,991	2,201	3,817	3,595
Community, social and personal services	142	141	91	166	177
Producers of government services	3,002	2,857	2,944	3,556	5,427
Total	**21,025**	**20,884**	**20,453**	**27,636**	**32,526**
Percent of GDP	28.0	25.3	22.7	25.8	26.3

Source: NSA

Table I.9 Gross Fixed Capital Formations by Activity

Constant 2010 prices - N$ million

Industry	2009	2010	2011	2012	2013
Agriculture	1,351	1,089	661	1,636	797
Fishing	262	706	45	1,919	105
Mining and quarrying	4,672	4,754	6,383	6,325	13,206
Manufacturing	3,520	3,141	1,878	2,874	2,834
Electricity and water	850	1,342	1,827	1,186	394
Construction	809	791	684	841	615
Wholesale and retail trade; hotels, restaurants	1,657	1,210	819	790	591
Transport, and communication	1,893	2,863	2,593	3,723	3,175
Finance, real estate, business services	2,983	1,991	2,119	3,493	3,074
Community, social and personal services	142	141	89	164	161
Producers of government services	2,998	2,857	2,878	3,368	4,932
Total	**21,137**	**20,884**	**19,973**	**26,320**	**29,883**
Annual change, percent	14.5	-1.2	-4.4	31.8	13.5

Source: NSA

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Table I.10 Gross Fixed Capital Formations by the Type of Asset

Current prices - N$ million

Type of Asset	2009	2010	2011	2012	2013
Buildings	4,395	5,711	6,121	7,725	7,511
Construction works	4,806	4,067	5,097	4,998	9,011
Transport equipment	3,856	4,641	3,002	6,019	5,342
Machinery and other equipment	7,147	5,454	4,987	5,892	7,509
Mineral exploration	820	1,011	1,246	3,002	3,153
Total	**21,025**	**20,884**	**20,453**	**27,636**	**32,526**

Source: NSA

Table I.11 Gross Fixed Capital Formations by the Type of Asset

Constant 2010 prices - N$ million

Type of Asset	2009	2010	2011	2012	2013
Buildings	4,439	5,711	5,890	7,066	6,418
Construction works	4,847	4,067	4,979	4,700	8,121
Transport equipment	3,879	4,641	2,990	5,935	4,887
Machinery and other equipment	7,144	5,454	4,904	5,675	7,381
Mineral exploration	828	1,011	1,209	2,944	3,074
Total	**21,137**	**20,884**	**19,973**	**26,320**	**29,883**

Source: NSA

Table I.12 Gross Fixed Capital Formations by type of Ownership

Current prices - N$ million

Ownership	2009	2010	2011	2012	2013
Public	4,439	5,959	7,431	7,694	8,384
Producers of government services	3,002	2,857	2,944	3,556	5,427
Public corporations and enterprises	1,437	3,102	4,487	4,138	2,957
Private	16,586	14,925	13,022	19,942	24,142
Total	**21,025**	**20,884**	**20,453**	**27,636**	**32,526**

Source: NSA

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Table I.13 Gross Fixed Capital Formations by type of Ownership

Constant 2010 prices - N$ million

Ownership	2009	2010	2011	2012	2013
Public	4,442	5,959	7,244	7,263	7,535
Producers of government services	2,998	2,857	2,878	3,368	4,932
Public corporations and enterprises	1,444	3,102	4,367	3,894	2,603
Private	16,696	14,925	12,729	19,057	22,348
Total	**21,137**	**20,884**	**19,973**	**26,320**	**29,883**

Source: NSA

Table I.14 Fixed Capital Stock by Activity

Current prices - N$ million

Industry	2009	2010	2011	2012	2013
Agriculture	8,344	8,447	8,684	8,906	9,370
Fishing	1,920	1,858	1,923	1,895	1,901
Mining and quarrying	23,140	25,920	34,408	38,460	48,949
Manufacturing	13,051	14,737	16,462	18,461	20,620
Electricity and water	11,587	12,134	13,725	14,866	15,377
Construction	2,499	2,780	3,407	3,815	4,326
Wholesale and retail trade; hotels, restaurants	6,807	7,514	8,227	8,552	8,855
Transport, and communication	16,832	18,237	20,412	23,337	26,617
Finance, real estate, business services	30,673	31,887	34,165	38,455	43,350
Community, social and personal services	929	968	1,027	1,100	1,198
Producers of government services	30,709	32,737	35,771	39,484	45,336
Total	**146,491**	**157,217**	**178,212**	**197,332**	**225,899**

Source: NSA

Table I.15 Fixed Capital Stock by Activity

Constant 2010 prices - N$ million

Industry	2009	2010	2011	2012	2013
Agriculture	8,348	8,447	8,556	8,696	8,810
Fishing	1,869	1,858	1,855	1,826	1,824
Mining and quarrying	23,098	25,920	33,268	36,690	45,593
Manufacturing	13,149	14,737	15,804	16,857	17,821
Electricity and water	11,659	12,134	13,396	13,968	13,850
Construction	2,510	2,780	3,339	3,642	3,855
Wholesale and retail trade; hotels, restaurants	7,102	7,514	7,914	7,940	7,771
Transport, and communication	16,963	18,237	19,782	21,685	23,022
Finance, real estate, business services	30,970	31,887	32,902	35,216	37,075
Community, social and personal services	936	968	999	1,032	1,067
Producers of government services	30,902	32,737	34,828	37,014	40,638
Total	**147,506**	**157,217**	**172,644**	**184,567**	**201,325**

Source: NSA

Table 1.16 (a) National Consumer Price Index (December 2012 = 100)

	Food & non alcoholic beverages	Alcoholic Beverages & 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	
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	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
2014														
Jan-14	107.3	108.5	104.0	104.0	105.4	106.2	106.9	99.5	105.2	112.3	109.4	103.9	105.9	4.9
Feb-14	108.2	108.5	104.4	104.9	106.1	106.4	108.2	99.7	106.4	112.3	110.4	104.2	106.6	5.2
Mar-14	110.1	109.4	105.3	104.9	106.0	104.6	109.4	100.0	106.4	112.4	110.8	105.1	107.3	5.2
Apr-14	110.8	112.6	104.6	105.1	106.4	104.8	111.8	100.0	108.7	112.4	110.7	105.2	108.3	5.9
May-14	112.1	113.0	104.7	105.1	106.3	105.0	112.2	99.8	109.2	112.4	110.8	105.2	108.6	6.1
Jun-14	112.6	113.8	104.1	105.2	107.1	104.9	112.5	99.9	109.6	112.4	111.2	105.7	108.9	6.1
Jul-14	111.6	114.4	104.8	105.9	107.4	104.8	112.6	99.7	109.7	112.4	111.6	105.9	109.1	5.6
Aug-14	111.9	115.1	105.7	106.0	108.7	105.0	112.5	99.8	109.9	112.4	112.1	105.9	109.4	5.4
Sep-14	112.2	115.4	106.5	106.1	109.1	105.1	112.4	99.8	109.9	112.4	112.1	106.2	109.6	5.3
Oct-14	112.4	115.6	107.0	106.2	109.1	105.2	112.4	99.8	110.5	112.4	112.3	106.8	109.7	5.0
Nov-14	113.0	116.5	107.1	106.5	109.7	105.5	111.5	99.7	110.6	112.4	112.5	107.1	109.9	5.0
Dec-14	113.5	116.1	107.4	106.6	109.3	105.5	110.0	100.1	110.6	112.4	110.2	107.1	109.8	4.6
Average	111.3	113.2	105.5	105.5	107.5	105.3	111.0	99.8	108.9	112.4	111.2	105.7	108.6	5.4

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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
2008	**75.2**	**0.5**	**0.8**	**76.3**	**1.1**	**14.1**
2009	**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
Average	**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**
2014						
Jan-14	104.2	1.7	2.6	107.2	0.4	6.7
Feb-14	104.7	0.5	3.0	108.1	0.8	6.9
Mar-14	104.8	0.1	3.0	109.1	1.0	6.9
Apr-14	105.6	0.7	3.8	110.4	1.1	7.5
May-14	105.6	0.1	3.8	110.9	0.5	7.8
Jun-14	105.7	0.0	3.4	111.4	0.5	7.9
Jul-14	106.1	0.4	4.0	111.4	(0.0)	6.8
Aug-14	106.2	0.1	4.0	111.8	0.4	6.5
Sep-14	106.2	0.0	3.7	112.1	0.3	6.4
Oct-14	106.2	0.0	3.8	112.3	0.2	5.9
Nov-14	106.3	0.0	3.7	112.7	0.4	5.9
Dec-14	106.3	(0.0)	3.7	112.4	(0.3)	5.3
Average	**105.7**	**0.3**	**3.5**	**110.8**	**0.4**	**6.7**

Table II.1(a) Central bank survey (end of period in N$ million)

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

Assets	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Net foreign assets	16690.6	14699.8	12652.8	15900.9	13515.3	13607.2	12989.2	11977.0	14567.1	13028.5	10978.2	11453.0
Claims on nonresidents	18 916.5	16 826.0	14 756.3	17 998.3	15 810.1	16 099.7	15107.4	14087.5	16819.9	15463.0	13606.1	14279.2
Monetary gold and SDR holdings	92.0	93.0	94.0	95.0	96.0	97.0	98.0	99.0	100.0	101.0	102.0	103.0
Foreign currency	91.0	158.3	103.2	119.9	135.8	4.6	113.3	109.6	102.3	106.9	6.7	52.1
Deposits	6 458.1	4 705.9	4 330.4	5 797.4	5 249.3	4 803.2	4774.6	5139.0	4605.8	4622.6	3557.5	3657.1
Securities other than shares	12 030.4	11 815.8	10 144.9	11 871.3	10 179.2	11 007.9	9913.2	8511.3	11747.8	10328.8	9594.4	10077.7
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	245.0	53.0	83.8	114.8	149.9	187.0	208.4	228.5	264.0	303.8	345.6	389.4
less: Liabilities to nonresidents	2225.8	2126.2	2103.5	2097.4	2294.8	2492.4	2118.3	2110.5	2252.8	2434.5	2628.0	2826.2
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	2225.8	2126.2	2103.5	2097.4	2294.8	2492.4	2,118.26	2,110.50	2,252.84	2,434.52	2,627.97	2,826.24
Claims on other depository corporations	46.8	47.0	47.2	47.4	47.2	47.8	48.0	48.2	48.4	48.6	48.8	407.4
Net claims on central government	- 8 036.5	- 6 097.0	- 3 362.9	- 6 988.0	- 4 987.9	- 4 861.8	-2675.8	-957.7	-847.8	-2662.6	-308.8	-945.8
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	8 036.5	6 097.0	3 362.9	6 988.0	4 987.9	4 861.8	2675.8	957.7	847.8	2662.6	308.8	945.8
Deposits	8 036.5	6 097.0	3 362.9	6 988.0	4 987.9	4 861.8	2675.8	957.7	847.8	2662.6	308.8	945.8
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	41.3	56.6	56.0	41.8	40.5	41.5	41.0	41.4	41.7	41.2	41.0	39.2
Other financial corporations	0.0	14.7	14.7	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	41.3	42.0	41.4	41.8	40.5	41.5	41.0	41.4	41.7	41.2	41.0	39.2

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Table II.1(b) Central bank survey (end of period in N$ million)

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
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

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
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

Liabilities	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Monetary base	4583.0	4935.7	5434.5	5252.9	5154.3	5011.8	6018.1	6167.3	8721.9	6098.1	6655.7	6707.3
Currency in circulation	3031.9	3032.6	3082.9	3146.5	3191.7	3290.4	3388.7	3540.0	3477.8	3589.5	3717.4	4118.0
Liabilities to other depository corporations	1551.2	1903.1	2351.5	2106.5	1962.6	1721.4	2629.4	2627.3	5244.1	2508.6	2938.3	2589.3
Reserve deposits	1551.2	1903.1	2351.5	2106.5	1962.6	1721.4	2629.4	2627.3	5244.1	2508.6	2938.3	2589.3
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	0.0	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	4315.2	4050.1	4013.6	3985.5	3911.7	4068.7	4146.9	4122.6	4535.3	4283.0	4662.2	5073.3
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	34.0	32.6	32.6	0.0	0.0	0.0	30.7	30.7	0.0	0.0	0.0	0.0
General and special reserves	4166.6	3850.6	3774.4	3774.0	3666.7	3783.3	3824.0	3769.3	4160.4	3900.7	4250.0	4629.7
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	74.6	126.9	166.6	171.5	205.0	245.5	252.2	282.5	334.9	342.2	372.3	403.6
Other items (net)	-297.1	-279.7	-155.2	-237.2	-451.7	-595.4	-212.0	-260.1	-337.6	-568.6	-740.7	-829.3
Unclassified Assets	-595.1	-610.3	-502.7	-608.0	-605.6	-602.9	-598.9	-632.3	-642.1	-622.2	-603.2	-616.3
Unclassified Liabilities	298.0	330.6	347.5	370.7	153.9	7.5	386.9	372.2	304.5	53.6	-137.4	-213.0

Table II.2(a) Other depository corporations survey (end of period in N$ million)

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	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Assets																		
Net foreign assets	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
Claims on nonresidents	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
Foreign currency	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
Deposits	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
Securities other than shares	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
Loans	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
Financial derivatives	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
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	0.0	0.0	0.0	0.0	0.0	0.0
less: Liabilities to nonresidents	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
Deposits	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
Securities other than shares	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	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
Financial derivatives	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
Other	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
Claims on central bank	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
Currency	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
Reserve deposits	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
Other claims	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
Net claims on central government	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
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	6877.7	6897.0	7078.2	7125.3	7071.1	6871.8
Securities other than Shares	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
less: Liabilities to central government	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
Deposits	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
Claims on other sectors	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
Other financial corporations	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
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	56.8	32.0	31.8	29.5	30.3	56.6
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	1274.8	1135.9	1499.6	1618.5	1693.9	1603.5
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	20427.6	20122.0	20537.8	20635.8	20847.0	21176.8
Other resident sectors	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

Description	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Assets																		
Net foreign assets	9440.4	10611.1	10471.1	12873.8	11670.2	9432.3	8825.4	9311.9	9274.3	9536.0	11578.2	10231.8	12474.2	13572.8	11510.2	9984.9	9770.1	7825.7
Claims on nonresidents	11667.3	12878.4	12985.2	15036.5	14384.8	12586.2	12403.4	12293.6	12416.7	13128.9	13868.7	13053.9	14766.0	15933.9	13740.0	12494.0	12528.5	10744.2
Foreign currency	140.7	247.1	227.3	199.4	195.1	206.5	210.3	185.6	173.1	189.0	157.1	152.4	150.8	183.6	178.7	159.1	163.5	140.4
Deposits	6235.3	7183.0	6746.7	8709.7	7862.4	6219.9	6047.0	5874.9	6569.0	7041.3	7430.3	6653.7	8482.6	9055.1	6798.1	7231.1	7316.5	5608.6
Securities other than shares	5052.9	5196.9	5746.3	5883.2	6065.5	5888.2	5869.9	5952.4	5390.9	5607.6	5978.3	5940.5	5816.5	6368.5	6438.9	4749.4	4690.6	4622.1
Loans	214.1	223.3	242.0	228.3	247.5	254.5	259.1	271.2	275.4	282.0	288.4	299.5	294.2	301.3	312.9	323.7	328.9	338.2
Financial derivatives	24.4	28.0	22.9	16.0	14.3	17.0	17.2	9.5	8.2	9.0	14.6	7.9	7.5	10.9	11.5	30.7	29.0	34.9
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	14.3	14.5	0.0	0.0	0.0	0.0
less: Liabilities to nonresidents	2227.0	2267.3	2514.1	2162.7	2714.6	3153.9	3578.0	2981.8	3142.3	3592.9	2290.5	2822.2	2291.9	2361.1	2229.8	2509.1	2758.5	2918.4
Deposits	2007.7	2023.2	2272.0	1944.5	2511.2	2933.7	3137.1	2441.7	2926.3	3383.2	1916.2	2253.5	1807.6	1992.6	1694.4	2155.5	2218.5	2681.5
Securities other than shares	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	20.5	20.4	26.6	26.8	24.9	25.8	25.0	22.7	22.8	22.9	23.1	23.2	21.4	20.4	16.2	16.3	16.4	16.5
Financial derivatives	105.7	130.7	122.5	98.3	85.5	101.4	167.1	132.0	100.3	93.7	73.3	100.1	88.1	88.5	99.6	118.4	86.2	127.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	155.8	292.3	0.0	0.0	185.0	352.4	281.8	166.7	326.6	126.0	344.4	0.0
Claims on central bank	4094.5	4341.7	3608.6	3554.6	3597.3	3684.2	3375.2	3682.3	3915.9	3954.7	3848.1	3486.0	4923.0	5171.7	7540.5	4747.4	5026.4	5209.9
Currency	956.0	1053.8	974.4	1039.7	884.3	1236.2	938.9	949.3	967.5	1009.5	997.8	1036.8	1045.0	1002.0	1090.7	1156.1	1010.0	1574.0
Reserve deposits	2403.2	2533.0	1863.0	1730.6	1900.4	1433.7	1432.4	1821.3	2024.0	2034.6	1926.8	1381.1	2568.4	2715.5	5051.1	2543.1	2939.5	2524.0
Other claims	735.4	754.8	771.2	784.2	812.6	1014.2	1003.9	911.8	924.4	910.7	923.6	1068.1	1309.6	1454.2	1398.8	1048.2	1076.9	1111.8
Net claims on central government	4925.1	4853.8	5491.5	5616.5	5446.7	5598.5	5432.9	5775.2	5688.5	5658.9	5199.4	5053.8	4470.5	4507.9	4550.7	4842.3	4655.1	4948.1
Claims on central government	6931.1	6962.0	7325.9	7230.8	7251.9	7340.6	7182.7	7208.7	7219.4	7091.1	6938.3	7026.1	6833.3	6964.4	6886.0	7252.2	6801.8	7134.1
Securities other than Shares	6931.1	6962.0	7325.9	7230.8	7251.9	7340.6	7182.7	7208.7	7219.4	7091.1	6938.3	7026.1	6833.3	6964.4	6886.0	7252.2	6801.8	7134.1
less: Liabilities to central government	2006.0	2108.2	1834.4	1614.2	1805.2	1742.1	1749.7	1433.5	1530.9	1432.2	1738.9	1972.3	2362.8	2456.5	2335.3	2409.9	2146.7	2186.0
Deposits	2006.0	2108.2	1834.4	1614.2	1805.2	1742.1	1749.7	1433.5	1530.9	1432.2	1738.9	1972.3	2362.8	2456.5	2335.3	2409.9	2146.7	2186.0
Claims on other sectors	58564.9	58950.3	59427.3	60121.6	61489.8	62557.2	63929.7	64460.0	64624.8	65871.1	66730.7	67351.6	67800.1	68437.3	69232.4	70477.1	72297.0	73020.0
Other financial corporations	1558.9	1705.6	1876.7	1648.6	1659.9	1706.9	2037.5	1865.2	1743.5	2180.1	2136.9	2176.3	2280.9	2219.6	2297.6	2329.6	2447.4	1820.1
State and local government	90.7	152.3	131.8	130.0	143.6	163.6	157.7	160.5	160.2	188.0	172.4	180.5	158.4	151.2	177.8	176.9	175.7	184.9
Public nonfinancial corporations	1647.1	1374.4	1131.6	1097.0	953.1	1240.2	1564.5	1512.0	1581.0	1443.7	1559.0	1517.9	1599.4	1394.1	1322.2	1338.1	1584.1	1776.0
Other nonfinancial corporations	21118.0	21117.2	21367.6	21748.1	22711.8	22783.9	23130.1	23670.8	23364.9	23928.9	24618.7	24961.0	24753.4	25222.2	25689.1	26432.1	27280.0	27675.6
Other resident sectors	34150.3	34600.7	34919.7	35497.9	36021.4	36662.7	37040.0	37251.5	37775.2	38130.4	38243.6	38515.8	39008.0	39450.2	39745.7	40200.4	40809.8	41563.4

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Table II.2(b) Other depository corporations survey (end of period in N$ million)

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

Liabilities	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Liabilities to central bank	48.0	48.2	48.4	48.6	47.2	47.8	48.0	48.2	48.4	48.6	48.8	49.0
Deposits included in broad money	65484.7	66113.2	65902.0	66416.4	67314.7	67284.9	70574.2	71389.5	73133.0	71114.8	73450.5	71822.5
Transferable deposits	30916.0	31814.8	32241.3	32867.7	33562.4	33470.3	36147.7	35822.7	37993.0	34724.9	36509.2	34172.2
Other financial corporations	2715.5	2856.4	3061.1	2600.4	3099.4	3017.9	2612.4	3303.0	5324.9	3300.8	3237.5	2181.6
State and local government	935.9	937.7	943.9	1007.9	1008.2	875.5	997.7	1277.5	1177.2	1109.3	1009.6	985.2
Public nonfinancial corporations	1734.6	2043.7	1957.0	2138.3	1928.8	1834.7	3359.0	2231.7	1833.0	2227.4	2673.4	3230.1
Other nonfinancial corporations	18541.6	18613.3	18790.0	19586.2	20130.1	20072.4	20802.2	20761.6	21479.9	19693.5	21387.4	20120.3
Other resident sectors	6988.4	7363.6	7489.3	7534.9	7395.9	7669.7	8376.5	8248.9	8177.9	8393.9	8201.2	7655.0
Other deposits	34568.7	34298.4	33660.7	33548.7	33752.3	33814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
Other financial corporations	3905.4	3582.8	3048.0	2826.1	3048.2	3119.6	2818.2	3126.9	3563.8	3854.0	3818.7	3799.4
State and local government	379.9	390.8	384.3	356.0	303.3	431.8	350.2	451.4	500.0	489.8	474.5	726.3
Public nonfinancial corporations	1894.3	1486.7	1540.7	1550.4	1526.0	864.0	1243.8	1147.7	1140.7	1144.4	1047.9	1461.8
Other nonfinancial corporations	6943.6	7561.9	7159.9	7211.4	7326.5	8376.2	7663.1	8686.6	7664.3	8880.7	8992.2	9187.9
Other resident sectors	21445.5	21276.1	21527.8	21604.7	21548.3	21022.9	22351.1	22154.1	22271.1	22021.0	22607.9	22474.8
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	1306.2	937.1	1182.8	1048.1	1338.2	1070.4	1098.2	1398.8	1166.7	1410.2	1366.9	1360.4
Securities other than shares, excluded from broad money	16772.6	16764.7	16724.3	16388.7	16481.1	16506.5	16462.6	16620.9	16750.2	17223.5	17025.3	17360.7
Of which: Other financial corporations	15575.8	15560.5	15523.3	15195.1	15279.0	15443.9	15403.6	15363.6	15494.5	15634.1	15554.2	15881.8
Loans	50.2	51.9	50.1	52.0	53.1	51.9	51.5	51.5	51.5	40.0	40.0	40.0
Financial derivatives	114.6	48.0	43.4	37.6	55.9	39.3	51.6	37.2	34.4	71.0	67.0	89.5
Shares and other equity	10574.1	10653.1	10836.9	10923.3	11065.3	11253.6	11445.0	11459.1	11564.0	12079.5	12306.4	12129.3
Funds contributed by owners	2898.7	3083.3	3084.1	3084.1	3084.1	3304.1	3304.1	3304.1	3304.1	3422.2	3422.2	3422.2
Retained earnings	4436.0	4436.9	4448.9	4462.5	4485.0	4492.2	4880.6	4889.3	4900.6	5033.6	5060.3	5092.1
General and special reserves	2375.3	2371.4	2381.8	2378.9	2370.4	2385.0	2720.0	2718.2	2728.0	2732.1	2774.9	2775.5
Valuation adjustment	28.7	30.3	33.6	34.2	35.8	29.1	22.0	36.1	29.3	35.2	42.4	33.9
Current Year Result	835.4	731.2	888.4	963.5	1090.0	1043.2	518.3	511.3	602.1	856.4	1006.6	805.5
Other items (net)	-12787.1	-11386.7	-11284.3	-9893.9	-8999.1	-10131.2	-10063.3	-9315.5	-9914.3	-11936.0	-12556.3	-11847.5
Consolidation adjustment	13095.7	12365.7	12057.1	10400.2	10446.7	10914.9	10781.3	10919.0	11069.3	12671.2	13028.6	12492.7
Unclassified Assets	-2909.2	-2539.7	-2843.9	-3735.8	-2721.8	-3249.0	-3284.3	-3011.5	-3267.9	-3254.8	-4373.7	-2900.2
Unclassified liabilities	3217.8	3518.6	3616.6	4242.1	4169.4	4032.7	4002.3	4615.0	4422.9	3990.1	4846.0	3545.4

Table II.3 Depository corporations survey (end of period in N$ million)

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)

Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Net foreign assets	**25516.1**	**24011.7**	**21927.2**	**25436.9**	**25093.5**	**23839.0**	**25463.4**	**25549.7**	**26077.3**	**23013.3**	**20748.2**	**19278.7**
Claims on nonresidents	31319.9	29119.6	27173.0	31127.2	29678.8	29153.6	29873.5	30021.4	30559.9	27957.0	26134.7	25023.4
less: Liabilities to nonresidents	5803.8	5108.0	5245.8	5690.3	4585.3	5314.6	4410.1	4471.6	4482.6	4943.6	5386.4	5744.7
Domestic claims	**61367.5**	**64194.9**	**67006.4**	**64583.8**	**66982.7**	**67585.1**	**69635.8**	**72028.9**	**72977.0**	**72698.0**	**76684.4**	**77061.5**
Net claims on central government	-2603.6	-321.8	2325.6	-1329.0	211.5	192.0	1794.7	3550.2	3702.9	2179.6	4346.3	4002.3
Claims on central government	7182.7	7208.7	7219.4	7091.1	6938.3	7026.1	6833.3	6964.4	6886.0	7252.2	6801.8	7134.1
less: Liabilities to central government	9786.3	7530.4	4893.8	8420.1	6726.8	6834.1	5038.6	3414.3	3183.1	5072.6	2455.5	3131.8
Claims on other sectors	63971.1	64516.6	64680.8	65912.8	66771.2	67393.1	67841.1	68478.7	69274.1	70518.3	72338.0	73059.2
Other financial corporations	2037.5	1879.8	1758.1	2180.1	2136.9	2176.3	2280.9	2219.6	2297.6	2329.6	2447.4	1820.1
State and local government	157.7	160.5	160.2	188.0	172.4	180.5	158.4	151.2	177.8	176.9	175.7	184.9
Public nonfinancial corporations	1564.5	1512.0	1581.0	1443.7	1559.0	1517.9	1599.4	1394.1	1322.2	1338.1	1584.1	1776.0
Other nonfinancial corporations	23130.1	23670.8	23364.9	23928.9	24618.7	24961.0	24753.4	25222.2	25689.1	26432.1	27280.0	27675.6
Other resident sectors	37081.4	37293.5	37816.6	38172.2	38284.1	38557.3	39049.1	39491.7	39787.4	40241.6	40850.8	41602.6
Broad money liabilities	**67,578**	**68,196**	**68,017**	**68,553**	**69,509**	**69,538**	**72,918**	**73,927**	**75,520**	**73,548**	**76,158**	**74,366**
Currency outside depository corporations	2093.0	2083.3	2115.4	2137.0	2194.0	2253.6	2343.7	2538.0	2387.1	2433.4	2707.4	2543.9
Transferable deposits	30916.0	31814.8	32241.3	32867.7	33562.4	33470.3	36147.7	35822.7	37993.0	34724.9	36509.2	34172.2
Other financial corporations	2715.5	2856.4	3061.1	2600.4	3099.4	3017.9	2612.4	3303.0	5324.9	3300.8	3237.5	2181.6
State and local government	935.9	937.7	943.9	1007.9	1008.2	875.5	997.7	1277.5	1177.2	1109.3	1009.6	985.2
Public nonfinancial corporations	1734.6	2043.7	1957.0	2138.3	1928.8	1834.7	3359.0	2231.7	1833.0	2227.4	2673.4	3230.1
Other nonfinancial corporations	18541.6	18613.3	18790.0	19586.2	20130.1	20072.4	20802.2	20761.6	21479.9	19693.5	21387.4	20120.3
Other resident sectors	6988.4	7363.6	7489.3	7534.9	7395.9	7669.7	8376.5	8248.9	8177.9	8393.9	8201.2	7655.0
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	34568.7	34298.4	33660.7	33548.7	33752.3	33814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
Other financial corporations	3905.4	3582.8	3048.0	2826.1	3048.2	3119.6	2818.2	3126.9	3563.8	3854.0	3818.7	3799.4
State and local government	379.9	390.8	384.3	356.0	303.3	431.8	350.2	451.4	500.0	489.8	474.5	726.3
Public nonfinancial corporations	1894.3	1486.7	1540.7	1550.4	1526.0	864.0	1243.8	1147.7	1140.7	1144.4	1047.9	1461.8
Other nonfinancial corporations	6943.6	7561.9	7159.9	7211.4	7326.5	8376.2	7663.1	8686.6	7664.3	8880.7	8992.2	9187.9
Other resident sectors	21445.5	21276.1	21527.8	21604.7	21548.3	21022.9	22351.1	22154.1	22271.1	22021.0	22607.9	22474.8
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	1306.2	937.1	1182.8	1048.1	1338.2	1070.4	1098.2	1398.8	1166.7	1410.2	1366.9	1360.4
Securities other than shares, excluded from broad money	16772.6	16764.7	16724.3	16388.7	16481.1	16506.5	16462.6	16620.9	16750.2	17223.5	17025.3	17360.7
Loans	50.2	51.9	50.1	52.0	53.1	51.9	51.5	51.5	51.5	40.0	40.0	40.0
Financial derivatives	114.6	48.0	43.4	37.6	55.9	39.3	51.6	37.2	34.4	71.0	67.0	89.5
Shares and other equity	14889.3	14703.2	14850.5	14908.8	14977.0	15322.3	15591.9	15581.6	16099.3	16362.5	16968.7	17202.6
Other items (net)	**-13827.0**	**-12494.9**	**-11934.9**	**-10967.9**	**-10337.7**	**-11104.7**	**-11074.6**	**-10039.0**	**-10568.0**	**-12944.1**	**-14193.1**	**-14079.4**
Consolidation adjustment	-742.8	-828.4	-495.4	-836.7	-886.9	-378.2	-799.3	-463.3	-316.1	-439.5	-896.2	-1402.5
OIN	-297.1	-279.7	-155.2	-237.2	-451.7	-595.4	-212.0	-260.1	-337.6	-568.6	-740.7	-829.3
OIN	(12,787.09)	(11,386.75)	(11,284.33)	(9,893.92)	(8,999.06)	(10,131.20)	(10,063.30)	(9,315.54)	(9,914.32)	(11,935.96)	(12,556.28)	(11,847.53)

Table II.4 Other depository corporations' claims on private sectors (end period in N$ million)

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

Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Loans	**61 766.5**	**62 366.4**	**62 834.2**	**63 710.1**	**64 606.8**	**65 174.4**	**65 568.2**	**66 407.4**	**67 152.7**	**68 367.9**	**70 194.2**	**70 630.7**
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	10.4	18.9	27.3	28.6	30.8	14.7	27.8	28.1	28.5	26.3	26.5	26.3
Other financial corporations	491.8	401.8	419.7	455.9	481.8	502.6	591.2	623.1	681.4	703.7	782.6	213.5
Central government	10.9	11.4	10.5	10.5	7.4	10.6	18.7	10.4	9.9	10.5	10.0	10.0
State and local government	157.7	160.5	160.2	188.0	172.4	180.5	158.4	151.2	177.8	176.9	175.7	184.9
Public non-financial corporations	916.5	744.2	912.5	774.5	872.3	814.5	846.6	724.8	633.8	660.8	896.5	799.3
Other non-financial corporations (Businesses)	**22 968.7**	**23 545.7**	**23 290.2**	**23 874.2**	**24 550.2**	**24 871.1**	**24 669.3**	**25 142.6**	**25 587.0**	**26 308.8**	**27 204.9**	**27 550.8**
Loans and Advances	16 564.5	16 829.2	16 639.4	17 099.6	17 531.2	17 634.9	16 964.7	17 341.1	17 567.5	17 713.4	18 551.1	18 743.6
Farm mortgage loans	24.2	24.3	24.4	24.6	24.6	22.3	22.4	22.6	22.7	22.9	23.0	23.2
Other mortgage loans	6 549.5	6 842.5	6 714.3	7 012.9	6 860.9	6 979.7	7 132.1	7 303.4	7 381.5	7 570.6	7 824.3	8 033.4
Dwellings	526.7	534.5	534.0	564.1	624.0	624.3	630.8	621.2	617.2	625.6	615.3	611.3
Other	6 022.8	6 308.0	6 180.3	6 448.9	6 236.9	6 355.4	6 501.3	6 682.3	6 764.2	6 944.9	7 209.0	7 422.1
Overdrafts	5 856.3	6 067.9	5 886.3	5 979.6	6 494.2	6 390.2	6 134.3	6 344.1	6 302.6	6 406.4	6 906.7	6 877.0
Other loans and advances	4 134.5	3 894.5	4 014.4	4 082.6	4 151.5	4 242.7	3 675.9	3 671.0	3 860.8	3 713.5	3 797.1	3 810.0
Leasing	152.9	162.5	156.5	162.1	161.7	187.6	206.3	222.2	254.0	284.9	283.4	280.8
Instalment credit	3 207.0	3 396.0	3 308.1	3 337.6	3 342.7	3 422.0	3 465.8	3 501.2	3 562.8	3 651.6	3 703.9	3 763.7
Other	3 044.3	3 157.9	3 186.1	3 274.9	3 514.6	3 626.6	4 032.6	4 078.2	4 202.7	4 658.9	4 666.6	4 762.7
Other resident sectors (Individuals)	**36 951.5**	**37 212.8**	**37 738.2**	**38 096.5**	**38 203.6**	**38 480.9**	**38 961.9**	**39 425.8**	**39 721.3**	**40 157.2**	**40 769.1**	**41 507.8**
Loans and Advances	29 422.4	29 744.5	29 967.3	30 262.5	30 439.7	30 666.0	30 878.3	31 261.0	31 500.3	31 897.0	32 379.4	32 901.3
Farm mortgage loans	1 080.1	1 099.6	1 100.1	1 105.2	1 104.8	1 116.1	1 108.7	1 131.9	1 123.3	1 126.1	1 192.2	1 292.9
Other mortgage loans	23 276.9	23 545.4	23 740.3	23 980.8	24 082.3	24 242.7	24 468.5	24 743.4	24 959.4	25 224.6	25 530.2	25 897.5
Dwellings	23 276.9	23 545.4	23 740.3	23 980.8	24 082.3	24 242.7	24 468.5	24 743.4	24 959.4	25 224.6	25 530.2	25 897.5
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	2 204.8	2 276.3	2 234.1	2 252.6	2 293.9	2 331.8	2 351.4	2 416.2	2 401.8	2 423.6	2 432.3	2 442.5
Other loans and advances	2 860.6	2 823.2	2 892.7	2 923.9	2 958.7	2 975.3	2 949.6	2 969.6	3 015.9	3 122.7	3 224.7	3 268.5
Leasing	4.3	4.8	4.2	4.5	4.4	4.5	4.4	4.2	4.4	4.2	4.2	4.3
Instalment credit	5 827.9	5 736.1	5 984.6	6 010.2	6 080.1	6 214.5	6 317.6	6 416.8	6 517.0	6 578.7	6 692.8	6 871.6
Other	1 696.9	1 727.4	1 782.1	1 819.3	1 679.4	1 595.9	1 761.6	1 743.9	1 699.5	1 677.3	1 692.6	1 730.7
Nonresidents	**259.1**	**271.2**	**275.4**	**282.0**	**288.4**	**299.5**	**294.2**	**301.3**	**312.9**	**323.7**	**328.9**	**338.2**
Loans and Advances	258.9	271.1	275.4	281.9	288.3	299.5	294.2	301.2	312.8	323.6	328.8	338.1
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	156.6	164.0	167.9	172.3	178.0	188.3	182.4	188.7	198.4	207.2	210.4	218.3
Dwellings	156.6	164.0	167.9	172.3	178.0	188.3	182.4	188.7	198.4	207.2	210.4	218.3
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	95.7	98.6	98.5	99.2	99.2	99.9	100.7	102.4	104.2	105.8	107.8	109.1
Other loans and advances	6.6	8.4	8.9	10.4	11.2	11.2	11.0	10.2	10.2	10.6	10.6	10.7
Leasing	0.1	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Other loans and advances comprises personal loans for businesses and individuals and nonresidents.

Table II.5 Deposits of other depository corporations (end period in N$ million)

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	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
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	69 691.9	68 919.5	68 479.0	67 227.1	68 207.8	68 677.2
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	60 476.8	59 747.9	59 677.5	61 818.7	62 282.5	63 076.3
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	24 943.2	24 261.2	24 516.0	26 618.2	26 989.7	27 925.5
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	24 556.7	23 905.1	24 231.1	26 275.7	26 761.8	27 756.9
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	2 347.8	2 368.9	2 427.0	2 640.1	2 323.2	2 458.0
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	882.0	874.3	851.7	828.2	865.5	838.9
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	2 466.4	2 447.9	2 368.5	2 220.6	2 171.5	1 739.3
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	13 569.6	12 727.5	12 932.8	14 750.6	15 631.3	16 469.1
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	5 290.8	5 486.5	5 651.1	5 836.1	5 770.2	6 251.6
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	386.5	356.1	284.8	342.5	227.9	168.6
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	35 533.6	35 486.7	35 161.6	35 200.5	35 292.8	35 150.8
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	35 533.6	35 486.7	35 161.6	35 200.5	35 292.8	35 150.8
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	4 127.2	3 986.2	4 297.2	4 542.2	4 724.1	4 523.8
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	434.8	380.5	360.7	385.7	371.4	389.2
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	2 287.1	1 694.7	2 101.3	1 975.8	1 811.1	1 577.8
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	8 111.5	8 628.1	7 934.2	7 855.6	7 522.4	7 756.8
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	20 573.0	20 797.3	20 468.1	20 441.2	20 863.8	20 903.1
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	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	9 215.1	9 171.6	8 801.5	5 408.3	5 925.3	5 600.9
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	5 828.6	6 123.8	6 311.1	3 383.7	3 526.9	3 410.5
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	3 700.8	3 489.9	4 231.7	1 652.1	1 784.2	1 846.8
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	2 127.8	2 634.0	2 079.4	1 731.6	1 742.6	1 563.7
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	3 386.5	3 047.7	2 490.4	2 024.6	2 398.4	2 190.4
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	2 603.4	2 291.6	1 792.3	1 407.4	1 566.8	1 433.1
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	783.1	756.1	698.0	617.3	831.6	757.3

Description	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Total Deposits	70 707.5	72 031.9	71 803.0	74 287.8	73 880.6	73 486.5	72 957.8	72 091.6	72 572.6	73 391.0	73 435.0	74 156.8	76991.2	78462.1	79430.4	78035.0	80245.6	79535.0
Deposits included in broad money	64 243.0	66 091.0	65 804.1	68 162.2	67 195.6	66 820.8	65 484.7	66 113.2	65 902.0	66 416.4	67 314.7	67 284.9	70574.2	71389.5	73133.0	71114.8	73450.5	71822.5
Transferable deposits	30 067.7	31 739.5	31 225.0	33 665.9	32 897.0	31 743.1	30 916.0	31 814.8	32 241.3	32 867.7	33 562.4	33 470.3	36147.7	35822.7	37993.0	34724.9	36509.2	34172.2
In national currency	29 686.7	30 900.5	30 824.4	30 785.6	31 720.4	30 495.9	29 821.0	31 031.8	31 631.9	31 980.8	32 605.3	32 463.2	35199.6	34612.5	37300.7	33937.1	35789.6	33222.2
Other financial corporations	2 321.8	2 425.0	2 822.4	2 552.2	2 514.9	2 461.2	2 715.5	2 856.4	3 061.1	2 600.4	3 099.4	3 017.9	2612.4	3303.0	5324.9	3300.8	3237.5	2181.6
State and local government	915.3	884.3	961.8	911.0	1 056.9	875.6	935.9	937.7	943.9	1 007.9	1 008.2	875.5	997.7	1277.5	1177.2	1109.3	1009.6	985.2
Public non-financial corporations	2 297.3	2 371.0	2 354.1	2 248.9	2 368.3	2 250.3	1 734.6	2 043.7	1 957.0	2 138.3	1 928.8	1 834.7	3359.0	2231.7	1833.0	2227.4	2673.4	3230.1
Other non-financial corporations	17 554.7	18 248.8	17 730.0	18 096.4	18 606.0	17 854.9	17 446.6	17 830.4	18 180.6	18 699.2	19 173.0	19 065.3	19854.0	19551.4	20787.7	18905.7	20667.7	19170.3
Other resident sectors	6 597.6	6 971.4	6 956.0	6 977.2	7 174.2	7 053.9	6 988.4	7 363.6	7 489.3	7 534.9	7 395.9	7 669.7	8376.5	8248.9	8177.9	8393.9	8201.2	7655.0
In foreign currency	381.0	839.0	400.6	2 880.3	1 176.7	1 247.1	1 095.0	783.0	609.4	886.9	957.1	1 007.1	948.1	1210.2	692.3	787.9	719.6	950.0
Other deposits	34 175.3	34 351.5	34 579.1	34 496.2	34 298.6	35 077.7	34 568.7	34 298.4	33 660.7	33 548.7	33 752.3	33 814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
In national currency	34 175.3	34 351.5	34 579.1	34 496.2	34 298.6	35 077.7	34 568.7	34 298.4	33 660.7	33 548.7	33 752.3	33 814.6	34426.5	35566.8	35140.0	36389.9	36941.3	37650.3
Other financial corporations	4 520.9	4 482.9	4 382.9	4 467.4	4 210.0	4 239.6	3 905.4	3 582.8	3 048.0	2 826.1	3 048.2	3 119.6	2818.2	3126.9	3563.8	3854.0	3818.7	3799.4
State and local government	383.0	381.2	439.2	427.8	336.2	369.3	379.9	390.8	384.3	356.0	303.3	431.8	350.2	451.4	500.0	489.8	474.5	726.3
Public nonfinancial corporations	1 571.6	1 338.5	1 722.9	1 718.3	1 767.3	1 873.2	1 894.3	1 486.7	1 540.7	1 550.4	1 526.0	864.0	1243.8	1147.7	1140.7	1144.4	1047.9	1461.8
Other nonfinancial corporations	7 058.4	7 401.5	6 907.5	6 899.6	6 654.0	6 886.6	6 943.6	7 561.9	7 159.9	7 211.4	7 326.5	8 376.2	7663.1	8686.6	7664.3	8880.7	8992.2	9187.9
Other resident sectors	20 641.3	20 747.4	21 126.7	20 983.1	21 331.2	21 709.0	21 445.5	21 276.1	21 527.8	21 604.7	21 548.3	21 022.9	22351.1	22154.1	22271.1	22021.0	22607.9	22474.8
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	0.0	0.0	0.0	0.0	0.0	0.0
Deposits excluded from broad money	6 464.4	5 940.9	5 998.9	6 125.6	6 685.0	6 665.7	7 473.1	5 978.4	6 670.7	6 974.7	6 120.3	6 871.9	6417.0	7072.6	6297.4	6920.2	6795.2	7712.5
Transferable deposits	4 037.0	3 749.2	3 789.1	3 704.4	3 738.3	4 026.3	4 350.5	3 312.0	3 798.6	4 294.0	3 206.9	3 879.9	3688.9	4091.4	3562.7	4182.5	4054.2	4734.6
In national currency	2 109.9	2 071.3	1 860.4	2 130.1	2 149.0	1 961.5	2 152.9	1 772.3	1 712.9	2 367.8	1 950.8	2 898.9	2752.1	2964.7	2690.9	2810.7	2616.9	2880.7
In foreign currency	1 927.1	1 677.9	1 928.7	1 574.3	1 589.2	2 064.8	2 197.6	1 539.7	2 085.7	1 926.1	1 256.2	981.0	936.7	1126.7	871.8	1371.8	1437.3	1853.9
Other deposits	2 427.5	2 191.7	2 209.8	2 421.2	2 946.7	2 639.5	3 122.7	2 666.3	2 872.1	2 680.7	2 913.3	2 992.0	2728.1	2981.2	2734.7	2737.7	2741.0	2977.9
In national currency	1 530.0	1 300.8	1 278.1	1 538.6	1 176.8	1 202.4	1 384.8	1 203.0	1 267.1	1 094.1	1 201.9	1 414.2	1137.5	1168.5	1089.3	970.1	971.8	992.1
In foreign currency	897.4	890.9	931.7	882.6	1 769.9	1 437.1	1 737.9	1 463.3	1 604.9	1 586.6	1 711.4	1 577.8	1590.6	1812.7	1645.4	1767.6	1769.2	1985.8

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Table II.6 Monetary Aggregates (end of period in N$ million)

		Currency in circulation 1	Transferable deposits 2	Narrow money (M1) 3	Other deposits 4	Securities included in M2 5	Broad money supply (M2) 6
				1+2 = 3			3+4+5=6
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
2014	**Jan**	**2 093.0**	**30 916.0**	**33 009.0**	**34 568.7**	**-**	**67 577.7**
	Feb	2 083.3	31 814.8	33 898.1	34 298.4	-	68 196.5
	Mar	2 115.4	32 241.3	34 356.7	33 660.7	-	68 017.4
	Apr	2 137.0	32 867.7	35 004.7	33 548.7	-	68 553.4
	May	2 194.0	33 562.4	35 756.3	33 752.3	-	69 508.7
	Jun	2 253.6	33 470.3	35 723.9	33 814.6	-	69 538.5
	Jul	2 343.7	36 147.7	38 491.4	34 426.5	-	72 917.9
	Aug	2 538.0	35 822.7	38 360.7	35 566.8	-	73 927.5
	Sep	2 387.1	37 993.0	40 380.2	35 140.0	-	75 520.1
	Oct	2 433.4	34 724.9	37 158.3	36 389.9	-	73 548.2
	Nov	2 707.4	36 509.2	39 216.6	36 941.3	-	76 157.9
	Dec	2 543.9	34 172.2	36 716.1	37 650.3	-	74 366.4

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Table II.7 Monetary analysis (end of period in N$ million)

			Determinants of money supply						
				Claims on the Central Government					
		Broad money supply (M2)	Net foreign assets (cumulative flow)	Gross claims	Government deposits	Other liabilities	Net claims on Government	Claims on private sectors	Other items net
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**	**23 054.3**	**6 833.5**	**10 270.5**	**-82.1**	**-3 436.9**	**47 484.3**	**-11 200.9**
	Feb	55 979.1	20 878.3	6 780.6	8 874.3	-51.1	-2 093.7	47 856.0	-12 954.2
	Mar	57 183.4	19 832.7	6 717.8	6 672.7	-131.6	45.1	48 912.4	-12 496.0
	Apr	56 822.9	21 694.3	6 748.7	10 418.4	-126.7	-3 669.7	49 895.6	-13 112.4
	May	58 376.4	21 840.7	6 632.0	8 154.1	-116.6	-1 522.1	49 859.6	-12 942.9
	Jun	60 538.2	21 174.1	6 689.9	7 724.0	-80.6	-1 034.1	49 661.8	-14 495.5
	Jul	58 579.7	23 300.8	6 765.0	10 090.5	-80.6	-3 325.5	50 471.6	-12 183.6
	Aug	60 491.1	21 887.0	7 110.2	8 933.8	-80.6	-1 823.7	50 749.9	-13 768.9
	Sep	61 249.5	21 863.5	6 984.3	8 027.2	-80.6	-1 042.9	51 772.0	-12 812.3
	Oct	61 032.9	22 775.3	6 785.5	9 190.4	0.0	-2 404.9	52 392.8	-12 583.0
	Nov	60 891.8	21 354.0	6 825.9	9 184.8	0.0	-2 358.9	54 099.3	-12 618.8
	Dec	61 330.1	20 938.7	6 825.2	8 130.9	0.0	-1 305.6	54 465.3	-12 568.1
2013	**Jan**	**62 120.7**	**25 828.0**	**6 877.7**	**11 033.1**	**0.0**	**-4 155.4**	**55 399.0**	**-11 787.3**
	Feb	61 443.3	23 624.0	6 897.0	10 010.0	0.0	-3 112.9	55 241.1	-12 450.8
	Mar	61 565.1	21 361.3	7 078.2	8 186.5	0.0	-1 108.4	56 238.4	-12 289.6
	Apr	63 581.9	23 895.5	7 125.3	11 526.7	0.0	-4 401.4	56 772.5	-14 650.4
	May	64 054.5	23 272.5	7 071.1	9 489.9	0.0	-2 418.8	57 487.1	-14 956.7
	Jun	65 080.0	23 017.6	6 871.8	8 517.4	0.0	-1 645.6	58 451.4	-14 436.4
	Jul	66 119.1	25 827.3	6 931.1	10 287.5	0.0	-3 356.4	58 602.4	-14 963.7
	Aug	68 217.9	25 737.3	6 962.0	8 184.2	0.0	-1 222.2	58 988.3	-14 454.3
	Sep	67 978.6	23 277.6	7 325.9	6 479.0	0.0	846.9	59 466.5	-14 608.6
	Oct	70 057.2	27 064.5	7 230.8	7 976.7	0.0	- 746.0	60 162.1	-14 098.1
	Nov	69 381.9	24 610.7	7 251.9	6 367.9	0.0	884.0	61 530.1	-13 760.7
	Dec	68 957.8	23 376.9	7 340.6	7 071.2	0.0	269.4	62 597.1	-14 707.5
2014	**Jan**	**67 577.7**	**25 516.1**	**7 182.7**	**9 786.3**	**0.0**	**-2 603.6**	**63 971.1**	**-13 827.0**
	Feb	68 196.5	24 011.7	7 208.7	7 530.4	0.0	- 321.8	64 516.6	-12 494.9
	Mar	68 017.4	21 927.2	7 219.4	4 893.8	0.0	2 325.6	64 680.8	-11 934.9
	Apr	68 553.4	25 436.9	7 091.1	8 420.1	0.0	-1 329.0	65 912.8	-10 967.9
	May	69 508.7	25 093.5	6 938.3	6 726.8	0.0	211.5	66 771.2	-10 118.0
	Jun	69 538.5	24 220.0	7 026.1	6 834.1	0.0	192.0	67 393.1	-10 723.8
	Jul	72 917.9	25 463.4	6 833.3	5 038.6	0.0	1 794.7	67 841.1	-11 074.6
	Aug	73 927.5	25 549.7	6 964.4	3 414.3	0.0	3 550.2	68 478.7	-10 039.0
	Sep	75 520.1	26 077.3	6 886.0	3 183.1	0.0	3 702.9	69 274.1	-10 568.0
	Oct	73 548.2	23 013.3	7 252.2	5 072.6	0.0	2 179.6	70 518.3	-12 944.1
	Nov	76 157.9	20 748.2	6 801.8	2 455.5	0.0	4 346.3	72 338.0	-14 193.1
	Dec	74 366.4	19 278.7	7 134.1	3 131.8	0.0	4 002.3	73 059.2	-14 079.4

Table II.8 Changes in determinants of money supply (end of period in N$ million)

		Broad money supply (M2)	Determinants of money supply						
			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		
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**	**-117.5**	**-135.5**	**2 747.6**	**50.1**	**-2 883.0**	**565.0**	**-493.6**
	Feb	1 267.6	-2 175.9	-52.9	-1 396.2	31.0	1 343.2	371.7	-1 753.3
	Mar	1 204.3	-1,045.6	-62.8	-2 201.6	-80.5	2 138.8	1 056.4	458.3
	Apr	-360.5	1 861.6	30.8	3 745.6	4.9	-3 714.8	983.3	-616.4
	May	1 553.5	146.4	-116.7	-2 264.2	10.1	2 147.6	-36.0	169.5
	Jun	2,161.8	- 666.6	57.9	-430.1	36.1	488.0	-197.8	-1 552.7
	Jul	-1 958.6	2 126.7	75.1	2 366.4	-0.0	-2 291.3	809.8	2 311.9
	Aug	1 911.5	-1 413.8	345.2	-1 156.6	-0.0	1 501.8	278.3	-1 585.3
	Sep	758.3	-23.5	-125.8	-906.6	-0.0	780.8	1 022.1	956.6
	Oct	-216.6	911.8	-198.8	1 163.2	80.6	-1 362.0	620.8	229.3
	Nov	-141.1	-1 421.3	40.4	-5.6	0.0	46.0	1 706.5	-35.7
	Dec	438.4	-415.3	-0.7	-1 053.9	0.0	1 053.3	366.0	50.7
2013	**Jan**	**790.5**	**4,889.3**	**52.4**	**2 902.2**	**0.0**	**-2 849.8**	**933.7**	**780.8**
	Feb	- 677.3	-2 204.0	19.4	-1 023.1	0.0	1 042.5	-157.8	- 663.5
	Mar	121.7	-2,262.8	181.1	-1 823.4	0.0	2 004.5	997.3	161.2
	Apr	2,016.8	2 534.3	47.1	3 340.2	0.0	-3 293.1	534.1	-2360.8
	May	472.7	-623.0	-54.2	-2 036.8	0.0	1 982.6	714.5	-306.3
	Jun	1,025.5	- 255.0	-199.2	-972.5	0.0	773.3	964.3	520.3
	Jul	1 039.1	2 809.7	59.2	1 770.1	0.0	-1 710.8	151.0	- 527.3
	Aug	2 098.8	- 90.0	30.9	-2 103.3	0.0	2 134.2	385.9	509.3
	Sep	-239.3	-2,459.7	363.9	-1,705.2	0.0	2,069.1	478.1	- 154.3
	Oct	2,078.6	3,786.9	-95.2	1 497.7	0.0	-1 592.9	695.6	510.5
	Nov	-675.3	-2,453.8	21.2	-1,608.9	0.0	1,630.0	1,368.0	337.4
	Dec	-424.0	-1,233.9	88.7	703.3	0.0	-614.6	1,067.0	-946.8
2014	**Jan**	**-1,380.2**	**2,139.2**	**157.9**	**-2,715.0**	**0.0**	**2,873.0**	**-1,374.0**	**-880.5**
	Feb	618.8	-1,504.4	-26.0	2,255.8	0.0	-2,281.8	-545.6	1,332.2
	Mar	-179.1	-2,084.5	-10.7	2,636.6	0.0	-2,647.4	-164.2	559.9
	Apr	536.0	3,509.7	128.3	-3,526.3	0.0	3,654.7	-1,232.0	967.0
	May	955.3	-123.7	152.8	1,693.4	0.0	-1,540.6	-858.4	849.9
	Jun	29.8	-1,093.2	87.8	107.3	0.0	19.5	621.9	605.8
	Jul	3,379.4	1,243.4	-192.8	-1,795.5	0.0	1,602.6	448.0	-350.8
	Aug	1,009.5	86.4	131.1	-1,624.3	0.0	1,755.5	637.6	1,035.6
	Sep	1,592.7	527.5	-78.4	-231.1	0.0	152.7	795.4	-529.0
	Oct	-1,971.9	-3,063.9	366.2	1,889.4	0.0	-1,523.3	1,244.2	-2,376.1
	Nov	2,609.7	-2,265.1	-450.4	-2,617.1	0.0	2,166.7	1,819.7	-1,249.0
	Dec	-1,791.5	-1,469.5	332.2	676.3	0.0	-344.1	721.1	113.8

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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
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
2014	**Jan**	**9.25**	**8.54**	**8.16**	**8.54**	**5.78**	**5.22**	**3.96**	**5.26**	**5.50**	**5.50**
	Feb	9.25	9.00	8.38	9.00	5.78	5.56	4.02	5.68	5.50	5.50
	Mar	9.25	9.00	8.47	9.00	5.99	5.73	4.18	5.72	5.50	5.50
	Apr	9.25	9.00	8.62	9.00	5.97	5.74	4.20	5.76	5.50	5.50
	May	9.25	9.00	8.62	9.00	5.89	5.74	4.17	5.79	5.50	5.50
	Jun	9.50	9.00	8.55	9.00	5.93	5.79	4.23	5.81	5.75	5.50
	Jul	9.50	9.25	8.59	9.25	6.01	6.03	4.11	5.89	5.75	5.75
	Aug	9.75	9.25	8.73	9.25	6.08	6.01	4.33	6.06	6.00	6.00
	Sep	9.75	9.25	8.89	9.25	6.15	6.00	4.41	6.13	6.00	6.00
	Oct	9.75	9.25	9.13	9.25	6.21	5.90	4.41	6.08	6.00	6.00
	Nov	9.75	9.25	9.32	9.25	6.21	5.84	4.42	6.08	6.00	6.00
	Dec	9.75	9.25	8.93	9.25	6.25	6.04	4.54	6.09	6.00	6.00

Table III.1(a) Treasury bills auction - N$ million

	Period	Offer	Tendered	Surplus(+) Deficit (-)	Effective Yield %
91 days	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
	2014				
	Jan	200.0	311.1	111.1	5.7
	Jan	250.0	389.0	139.0	5.7
	Mar	250.0	341.1	91.1	6.0
	Apr	210.0	525.3	315.3	6.0
	May	250.0	707.7	457.7	5.9
	Jun	260.0	487.9	227.9	5.9
	Jul	210.0	258.1	48.1	6.0
	Aug	260.0	336.7	76.7	6.1
	Sep	270.0	500.6	230.6	6.2
	Oct	220.0	340.0	120.0	6.2
	Oct	270.0	257.8	-12.3	6.2
	Dec	290.0	171.7	-118.3	6.3
182 days	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
	2014				
	Jan	270.0	319.6	49.6	5.9
	Jan	250.0	310.8	60.8	6.4
	Feb	250.0	451.4	201.4	6.4
	Mar	290.0	245.5	-44.5	6.5
	Apr	270.0	605.0	335.0	6.5
	May	270.0	508.1	238.1	6.1
	May	210.0	323.2	113.2	6.4
	Jun	160.0	440.3	280.3	6.4
	Jul	270.0	305.6	35.6	6.5
	Aug	260.0	485.5	225.5	6.6
	Aug	260.0	672.2	412.2	6.6
	Sep	290.0	420.3	130.3	6.8
	Oct	280.0	415.3	135.3	6.8
	Oct	280.0	490.1	210.1	6.7
	Dec	250.0	338.7	88.7	6.8
	Dec	210.0	324.3	114.3	6.8
273 days	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
	2014				
	Jan	220.0	461.0	241.0	5.9
	Feb	220.0	373.8	153.8	6.7
	Apr	220.0	467.2	247.2	6.6
	May	220.0	426.0	206.0	6.6
	June	220.0	306.4	86.4	6.7
	Jul	220.0	505.1	285.1	6.7
	Aug	230.0	555.3	325.3	6.8
	Sep	220.0	361.7	141.7	6.9
	Oct	280.0	518.6	238.6	6.9
	Nov	250.0	437.2	187.2	6.9
	Dec	250.0	266.4	16.4	6.9
365 days	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
	2014				
	Jan	270.0	203.3	-66.7	6.2
	Jan	270.0	566.0	296.0	6.6
	Feb	270.0	468.0	198.0	7.0
	Apr	280.0	657.4	377.4	6.8
	May	260.0	448.3	188.3	6.8
	May	220.0	484.7	264.7	6.8
	May	330.0	533.0	203.0	6.8
	Jun	280.0	348.2	68.2	6.9
	Jul	230.0	519.6	289.6	6.8
	Aug	250.0	604.4	354.4	6.8
	Sep	440.0	992.1	552.1	6.8
	Oct	230.0	455.3	225.3	7.0
	Nov	270.0	495.9	225.9	7.0
	Dec	260.0	398.6	138.6	7.0
	Dec	240.0	348.5	108.5	7.2

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Table III.1 (b) Allotment of Government of Namibia Treasury Bills - N$ '000

Date issued	Date due	Deposit Money	Other Banking	Banking Sector	Financial	Other Public	Private Sector	TOTAL	Amount Outstanding
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
Sep	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
2014									
Jan	05/14	207,460.0	0.0	207,460.0	42,540.0	0.0	0.0	250,000.0	8,182,320.0
Jan	04/14	167,000.0	0.0	167,000.0	33,000.0	0.0	0.0	200,000.0	8,174,210.0
Jan*	07/14	210,000.0	0.0	210,000.0	59,380.0	0.0	620.0	270,000.0	8,184,210.0
Jan*	08/14	165,000.0	55,000.0	220,000.0	30,000.0	0.0	0.0	250,000.0	8,184,210.0
Jan***	10/14	205,000.0	0.0	205,000.0	15,000.0	0.0	0.0	220,000.0	8,194,210.0
Jan**	01/15	105,000.0	0.0	105,000.0	87,770.0	0.0	500.0	193,270.0	8,137,480.0
Jan**	01/15	220,000.0	0.0	220,000.0	50,000.0	0.0	0.0	270,000.0	8,158,720.0
Feb*	08/14	189,000.0	40,000.0	229,000.0	21,000.0	0.0	0.0	250,000.0	8,158,720.0
Feb***	11/14	180,000.0	40,000.0	220,000.0	0.0	0.0	0.0	220,000.0	8,192,720.0
Feb**	02/15	231,860.0	0.0	231,860.0	38,140.0	0.0	0.0	270,000.0	8,212,720.0
Mar	06/14	234,370.0	0.0	234,370.0	10,500.0	5,130.0	0.0	250,000.0	8,212,720.0
Mar*	09/14	170,000.0	30,000.0	200,000.0	40,530.0	0.0	0.0	240,530.0	8,173,250.0
Apr	07/14	165,000.0	0.0	165,000.0	45,000.0	0.0	0.0	210,000.0	8,183,250.0
April*	10/14	254,000.0	5,000.0	259,000.0	11,000.0	0.0	0.0	270,000.0	8,193,250.0
April***	01/15	180,000.0	0.0	180,000.0	40,000.0	0.0	0.0	220,000.0	8,193,250.0
April**	04/15	274,800.0	0.0	274,800.0	5,200.0	0.0	0.0	280,000.0	8,203,250.0
May	08/14	247,790.0	0.0	247,790.0	2,210.0	0.0	0.0	250,000.0	8,203,250.0
May*	10/14	170,000.0	0.0	170,000.0	100,000.0	0.0	0.0	270,000.0	8,203,250.0
May*	11/14	190,330.0	80.0	190,410.0	19,590.0	0.0	0.0	210,000.0	8,213,250.0
May***	02/15	219,000.0	0.0	219,000.0	1,000.0	0.0	0.0	220,000.0	8,223,250.0
May**	05/15	218,940.0	0.0	218,940.0	40,000.0	0.0	1,060.0	260,000.0	8,233,250.0
May**	05/15	67,560.0	0.0	67,560.0	152,440.0	0.0	0.0	220,000.0	8,233,250.0
May**	05/15	291,980.0	0.0	291,980.0	38,020.0	0.0	0.0	330,000.0	8,245,120.0
Jun	09/14	208,170.0	0.0	208,170.0	46,710.0	0.0	5,120.0	260,000.0	8,255,120.0
Jun*	12/14	114,730.0	0.0	114,730.0	45,270.0	0.0	0.0	160,000.0	8,263,020.0
Jun***	03/15	188,100.0	0.0	188,100.0	31,900.0	0.0	0.0	220,000.0	8,263,020.0
Jun**	06/15	139,760.0	0.0	139,760.0	138,970.0	0.0	1,270.0	280,000.0	8,273,020.0
Jul	10/14	210,000.0	0.0	210,000.0	0.0	0.0	0.0	210,000.0	8,273,020.0
Jul*	01/15	266,070.0	0.0	266,070.0	3,930.0	0.0	0.0	270,000.0	8,273,020.0
Jul***	04/15	159,900.0	40,000.0	199,900.0	20,000.0	0.0	100.0	220,000.0	8,333,020.0
Jul**	07/15	200,000.0	0.0	200,000.0	30,000.0	0.0	0.0	230,000.0	8,343,020.0
Aug	10/14	145,000.0	0.0	145,000.0	19,730.0	95,270.0	0.0	260,000.0	8,353,020.0
Aug*	01/15	237,170.0	20,000.0	257,170.0	2,830.0	0.0	0.0	260,000.0	8,363,020.0
Aug*	02/15	226,820.0	20,000.0	246,820.0	3,180.0			250,000.0	8,363,020.0
Aug***	04/15	195,000.0	0.0	195,000.0	35,000.0	0.0	0.0	230,000.0	8,383,020.0
Aug**	08/15	208,850.0	0.0	208,850.0	41,150.0	0.0	0.0	250,000.0	8,393,020.0
Sep	12/14	254,410.0	0.0	254,410.0	10,450.0	0.0	5,150.0	270,010.0	8,403,030.0
Sep*	03/15	219,730.0	30,000.0	249,730.0	40,270.0	0.0	0.0	290,000.0	8,452,500.0
Sep***	06/15	148,340.0	0.0	148,340.0	71,660.0	0.0	0.0	220,000.0	8,453,280.0
Sep**	09/15	270,000.0	0.0	270,000.0	120,000.0	50,000.0	0.0	440,000.0	8,453,280.0
Oct	01/15	220,000.0	0.0	220,000.0	0.0	0.0	0.0	220,000.0	8,463,280.0
Oct	01/15	236,000.0	0.0	236,000.0	21,750.0	0.0	0.0	257,750.0	8,461,030.0
Oct*	04/15	274,160.0	0.0	274,160.0	5,840.0	0.0	0.0	280,000.0	8,471,030.0
Oct*	04/15	213,340.0	30,000.0	243,340.0	36,660.0	0.0	0.0	280,000.0	8,481,030.0
Oct***	07/15	180,000.0	0.0	180,000.0	24,500.0	0.0	30.0	204,530.0	8,465,560.0
Oct**	10/15	189,730.0	0.0	189,730.0	39,740.0	0.0	530.0	230,000.0	8,475,560.0
Nov***	08/15	202,370.0	20,000.0	222,370.0	27,630.0	0.0	0.0	250,000.0	8,505,560.0
Nov**	11/15	234,060.0	0.0	234,060.0	35,340.0	0.0	600.0	270,000.0	8,525,560.0
Dec	03/15	146,600.0	0.0	146,600.0	20,000.0	5,140.0	0.0	171,740.0	8,427,290.0
Dec*	04/15	152,840.0	20,000.0	172,840.0	37,120.0	0.0	40.0	210,000.0	8,427,290.0
Dec*	05/15	172,010.0	20,000.0	192,010.0	57,990.0	0.0	0.0	250,000.0	8,517,290.0
Dec***	09/15	213,570.0	20,000.0	233,570.0	16,430.0	0.0	0.0	250,000.0	8,767,290.0
Dec**	12/15	216,520.0	0.0	216,520.0	22,910.0	0.0	570.0	240,000.0	8,757,290.0
Dec**	11/15	192,100.0	0.0	192,100.0	66,800.0	0.0	1,100.0	260,000.0	8,797,290.0

*** 182 days**
**** 365 days**
***** 274 days**

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Table III. 2 (a) Internal Registered Stock auction - N$ million

Bond (coupon rate)	Period	Offer	Amount Tendered	Surplus (+) Deficit (-)	Weighted YTM %
GC17 (8.00%)	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
	2014				
	Jan	40.0	179.6	139.6	7.7
	Feb	40.0	95.5	55.5	8.3
	Mar	40.0	61.0	21.0	8.2
	Apr	40.0	207.3	167.3	8.0
	May	40.0	163.0	123.0	7.7
	Jun	40.0	187.5	147.5	7.9
	Jul	200.0	461.0	261.0	7.8
	Aug	40.0	75.0	35.0	7.6
	Sep	40.0	62.1	22.1	7.5
	Oct	50.0	36.2	-13.8	7.5
	Nov	50.0	121.5	71.5	7.4
	Dec	50.0	86.5	36.5	7.2
GC18 (9.50%)	2013				
	Apr	40.0	148.3	108.3	6.8
	May	40.0	120.0	80.0	6.5
	June	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
	2014				
	Jan	40.0	136.6	96.6	7.8
	Feb	40.0	145.7	105.7	8.6
	Mar	40.0	67.0	27.0	8.4
	Apr	30.0	138.2	108.2	8.4
	May	30.0	93.0	63.0	7.9
	Jun	30.0	123.5	93.5	8.1
	Jul	150.0	533.4	383.4	7.8
	Aug	30.0	133.4	103.4	7.8
	Sep	30.0	88.0	58.0	7.8
	Oct	50.0	88.0	38.0	7.9
	Nov	50.0	74.0	24.0	8.0
	Dec	50.0	29.5	-20.5	8.2
GC21 (7.75%)	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
	2014				
	Feb	10.0	37.7	27.7	9.21
GC24 (10.50%)	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
	2014				
	Jan	20.0	85.0	65.0	8.9
	Feb	20.0	44.6	24.6	9.4
	Mar	20.0	42.3	22.3	9.2
	Apr	20.0	86.0	66.0	9.1
	May	20.0	55.0	35.0	8.7
	Jun	20.0	58.5	38.5	9.1
	Jul	150.0	318.4	168.4	8.9
	Aug	20.0	37.8	17.8	8.9
	Sep	20.0	17.4	-2.6	8.9
	Oct	23.0	99.0	76.0	8.7
	Nov	20.0	29.5	9.5	8.7
	Dec	20.0	50.7	30.7	8.4
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
	2014				
	Jan	30.0	84.5	54.5	9.2
	Feb	30.0	95.2	65.2	9.5
	Mar	30.0	47.5	17.5	9.3
	Apr	40.0	97.0	57.0	9.3
	May	40.0	55.0	15.0	8.9
	Jun	40.0	88.0	48.0	9.0
	Jul	200.0	184.2	-15.8	9.0
	Aug	40.0	2.0	-38.0	9.0
	Sep	50.0	20.0	-30.0	9.1
	Oct	60.0	86.0	26.0	9.0
	Nov	55.0	86.0	31.0	8.8
	Dec	55.0	27.2	-27.8	9.1
GC27 (8.00%)	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
	June	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
	2014				
	Jan	20.0	66.2	46.2	9.2
	Feb	20.0	58.9	38.9	9.8
	Mar	20.0	23.5	3.5	9.5
	Apr	20.0	36.0	16.0	9.5
	May	20.0	64.0	44.0	9.0
	Jun	20.0	53.5	33.5	9.4
	Jul	60.0	34.5	-25.5	9.3
	Aug	20.0	46.5	26.5	9.3
	Sep	30.0	37.2	7.2	9.2
	Oct	30.0	30.8	0.8	9.0
	Nov	25.5	81.2	55.7	9.0
	Dec	20.0	46.6	26.6	8.7
GC30 (8.00%)	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
	2014				
	Jan	15.0	36.0	21.0	10.2
	Feb	15.0	45.0	30.0	10.3
	Mar	15.0	15.9	0.9	10.2
	Apr	20.0	41.0	21.0	10.2
	May	20.0	39.5	19.5	9.9
	Jun	20.0	45.2	25.2	9.9
	Aug	20.0	60.1	40.1	9.7
	Sep	20.0	30.8	10.8	9.7
	Oct	20.0	38.5	18.5	9.5
	Nov	20.0	20.0	0.0	9.5
	Dec	20.0	24.7	4.7	9.3
GC32 (9.00%)	2014				
	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
	2014				
	Jan	10.0	16.0	6.0	10.2
	Feb	10.0	17.0	7.0	10.4
	Mar	10.0	10.5	0.5	10.2
	Apr	10.0	27.0	17.0	10.1
	May	10.0	53.0	43.0	9.7
	Jun	10.0	38.6	28.6	10.1
	Jul	50.0	34.0	-16.0	9.9
	Aug	10.0	32.2	22.2	9.8
	Sep	20.0	23.2	3.2	9.7
	Oct	16.0	28.5	12.5	9.5
	Nov	10.0	26.5	16.5	9.5
	Dec	10.0	14.9	4.9	9.2
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
	2014				
	Jan	10.0	25.0	15.0	10.3
	Feb	10.0	30.0	20.0	10.5
	Mar	10.0	17.7	7.7	10.3
	Apr	10.0	44.5	34.5	10.4
	May	10.0	32.2	22.2	10.1
	Jun	10.0	35.0	25.0	10.1
	Jul	50.0	24.0	-26.0	10.1
	Aug	10.0	41.9	31.9	10.0
	Sep	20.0	31.0	11.0	9.9
	Oct	20.0	22.2	2.2	9.7
	Nov	16.0	30.5	14.5	9.5
	Dec	10.0	15.5	5.5	9.9
GC37 (9.50%)	2014				
	Jul	30.0	86.0	56.0	10.2
	Sep	10.0	15.5	5.5	10.0
	Nov	10.0	20.2	10.2	9.8
GC40 (9.80%)	2014				
	Jul	20.0	79.5	59.5	10.3
	Aug	10.0	45.2	35.2	10.1
	Oct	10.0	16.6	6.6	9.9
	Dec	10.0	4.1	-5.9	10.1

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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	Other Banking	Banking Sector	Non-bank Financial	Other Public	Private Sector	TOTAL	Amount Outstanding
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	01/35	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	10/17	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	10/17	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	10/17	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	10/17	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	10/17	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
2014										
Jan	10/17	8.00	30,000.0	0.0	30,000.0	10,000.0	0.0	0.0	40,000.0	10,931,040.0
Jan	07/18	9.50	0.0	0.0	0.0	39,500.0	0.0	500.0	40,000.0	10,971,040.0
Jan	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	10,991,040.0
Jan	04/25	8.50	20,000.0	0.0	20,000.0	10,000.0	0.0	0.0	30,000.0	11,021,040.0
Jan	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	11,041,040.0
Jan	01/30	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	11,056,040.0
Jan	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,066,040.0
Jan	07/35	9.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,076,040.0
Feb	10/17	8.00	20,000.0	0.0	20,000.0	19,500.0	0.0	500.0	40,000.0	11,116,040.0
Feb	07/18	9.50	0.0	0.0	0.0	39,890.0	0.0	110.0	40,000.0	11,156,040.0
Feb	10/21	7.75	0.0	0.0	0.0	10,000.0		0.0	10,000.0	11,166,040.0
Feb	10/24	10.50	0.0	0.0	0.0	18,660.0	0.0	1,340.0	20,000.0	11,186,040.0
Feb	04/25	8.50	14,060.0	0.0	14,060.0	15,940.0	0.0	0.0	30,000.0	11,216,040.0
Feb	01/27	8.00	1,000.0	0.0	1,000.0	19,000.0	0.0	0.0	20,000.0	11,236,040.0
Feb	01/30	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	11,251,040.0
Feb	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,261,040.0
Feb	07/35	9.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,271,040.0
Mar	10/17	8.00	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	11,311,040.0

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Table III.2 (b) Allotment of Government of Namibia Internal Registered Stock - N$ ‘000

... continued

Date issued	Date due	Coupon rate	Deposit Money	Other Banking	Banking Sector	Non-bank Financial	Other Public	Private Sector	TOTAL	Amount Outstanding
Mar	07/18	9.50	4,000.0	0.0	4,000.0	36,000.0	0.0	0.0	40,000.0	11,351,040.0
Mar	10/24	10.50	4,000.0	0.0	4,000.0	16,000.0	0.0	0.0	20,000.0	11,371,040.0
Mar	04/25	8.50	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	11,401,040.0
Mar	01/27	8.00	3,500.0	0.0	3,500.0	16,500.0	0.0	0.0	20,000.0	11,421,040.0
Mar	01/30	8.00	0.0	0.0	0.0	15,000.0	0.0	0.0	15,000.0	11,436,040.0
Mar	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,446,040.0
Mar	07/35	9.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,456,040.0
Apr	10/17	8.00	1,000.0	0.0	1,000.0	39,000.0	0.0	0.0	40,000.0	11,496,040.0
Apr	07/18	9.50	0.0	0.0	0.0	29,700.0	0.0	300.0	30,000.0	11,526,040.0
Apr	10/24	10.50	3,500.0	2,500.0	6,000.0	14,000.0	0.0	0.0	20,000.0	11,546,040.0
Apr	04/25	8.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	11,586,040.0
Apr	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	11,606,040.0
Apr	01/30	8.00	20,000.0	0.0	20,000.0	0.0	0.0	0.0	20,000.0	11,626,040.0
Apr	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,636,040.0
Apr	07/35	9.50	7,620.0	0.0	7,620.0	2,380.0	0.0	0.0	10,000.0	11,646,040.0
May	10/17	8.00	5,000.0	0.0	5,000.0	35,000.0	0.0	0.0	40,000.0	11,686,040.0
May	07/18	9.50	0.0	8,000.0	8,000.0	22,000.0	0.0	0.0	30,000.0	11,716,040.0
May	10/24	10.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	11,736,040.0
May	04/25	8.50	0.0	0.0	0.0	40,000.0	0.0	0.0	40,000.0	11,776,040.0
May	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	11,796,040.0
May	01/30	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	11,816,040.0
May	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,826,040.0
May	07/35	9.50	0.0	0.0	0.0	9,600.0	0.0	400.0	10,000.0	11,836,040.0
Jun	10/17	8.00	20,000.0	0.0	20,000.0	20,000.0	0.0	0.0	40,000.0	11,876,040.0
Jun	07/18	9.50	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	11,906,040.0
Jun	10/24	10.50	1,000.0	0.0	1,000.0	19,000.0	0.0	0.0	20,000.0	11,926,040.0
Jun	04/25	8.50	0.0	10,000.0	10,000.0	30,000.0	0.0	0.0	40,000.0	11,966,040.0
Jun	01/27	8.00	7,000.0	0.0	7,000.0	13,000.0	0.0	0.0	20,000.0	11,986,040.0
Jun	01/30	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	12,006,040.0
Jun	04/32	9.00	3,900.0	0.0	3,900.0	6,100.0	0.0	0.0	10,000.0	12,016,040.0
Jun	07/35	9.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	12,026,040.0
Jul	10/17	8.00		57,500.0	57,500.0	128,500.0	14,000.0	0.0	200,000.0	12,226,040.0
Jul	07/18	9.50	2,740.0	97,260.0	100,000.0	50,000.0	0.0	0.0	150,000.0	12,376,040.0
Jul	10/24	10.50	5,000.0	60,000.0	65,000.0	57,200.0	27,800.0	0.0	150,000.0	12,526,040.0
Jul	04/25	8.50	48,500.0		48,500.0	135,700.0	0.0	0.0	184,200.0	12,710,240.0
Jul	01/27	8.00	1,000.0	0.0	1,000.0	33,500.0	0.0	0.0	34,500.0	12,744,740.0
Jul	01/30	8.00	4,300.0	0.0	4,300.0	55,700.0	0.0	0.0	60,000.0	12,804,740.0
Jul	04/32	9.00	5,000.0	0.0	5,000.0	29,000.0	0.0	0.0	34,000.0	12,838,740.0
Jul	07/35	9.50	4,000.0	0.0	4,000.0	20,000.0	0.0	0.0	24,000.0	12,862,740.0
Jul	07/37	9.50	14,500.0	0.0	14,500.0	15,500.0	0.0	0.0	30,000.0	12,892,740.0
Jul	10/40	9.80	17,500.0	0.0	17,500.0	2,500.0	0.0	0.0	20,000.0	11,421,930.0
Aug	10/17	8.00	10,000.0	0.0	10,000.0	30,000.0	0.0	0.0	40,000.0	11,461,930.0
Aug	07/18	9.50	10,000.0	0.0	10,000.0	20,000.0	0.0	0.0	30,000.0	11,491,930.0
Aug	10/24	10.50	5,200.0	0.0	5,200.0	14,800.0	0.0	0.0	20,000.0	11,511,930.0
Aug	04/25	8.50	2,000.0	0.0	2,000.0	0.0	0.0	0.0	2,000.0	11,513,930.0
Aug	01/27	8.00	2,000.0	0.0	2,000.0	18,000.0	0.0	0.0	20,000.0	11,533,930.0
Aug	01/30	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	11,553,930.0
Aug	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,563,930.0
Aug	07/35	9.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	11,573,930.0
Aug	10/40	9.80	5,000.0	0.0	5,000.0	5,000.0	0.0	0.0	10,000.0	11,592,650.0
Sept	10/17	8.00	200.0	0.0	200.0	39,800.0	0.0	0.0	40,000.0	11,632,650.0
Sept	07/18	9.50	2,140.0	0.0	2,140.0	15,000.0	12,860.0	0.0	30,000.0	11,662,650.0
Sept	10/24	10.50	1,890.0	0.0	1,890.0	15,500.0	0.0	0.0	17,390.0	11,680,040.0
Sept	04/25	8.50	10,000.0	0.0	10,000.0	10,000.0	0.0	0.0	20,000.0	11,700,040.0
Sept	01/27	8.00	0.0	0.0	0.0	30,000.0	0.0	0.0	30,000.0	11,730,040.0
Sept	01/30	8.00	5,000.0	0.0	5,000.0	15,000.0	0.0	0.0	20,000.0	11,750,040.0
Sept	04/32	9.00	14,000.0	0.0	14,000.0	6,000.0	0.0	0.0	20,000.0	11,770,040.0
Sept	07/35	9.50	4,000.0	0.0	4,000.0	16,000.0	0.0	0.0	20,000.0	11,790,040.0
Sept	07/37	9.50	10,000.0	0.0	10,000.0	0.0	0.0	0.0	10,000.0	11,800,040.0
Oct	10/17	8.00	10,000.0	10,000.0	20,000.0	16,170.0	0.0	0.0	36,170.0	11,836,210.0
Oct	07/18	9.50	15,000.0	20,000.0	35,000.0	15,000.0	0.0	0.0	50,000.0	11,886,210.0
Oct	10/24	10.50	0.0	0.0	0.0	16,000.0	7,000.0	0.0	23,000.0	11,909,210.0
Oct	04/25	8.50	29,000.0	0.0	29,000.0	31,000.0	0.0	0.0	60,000.0	11,969,210.0
Oct	01/27	8.00	14,220.0	0.0	14,220.0	15,780.0	0.0	0.0	30,000.0	11,999,210.0
Oct	01/30	8.00	500.0	0.0	500.0	19,500.0	0.0	0.0	20,000.0	12,019,210.0
Oct	04/32	9.00	10,000.0	0.0	10,000.0	6,000.0	0.0	0.0	16,000.0	12,035,210.0
Oct	07/35	9.50	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	12,055,210.0
Oct	10/40	9.80	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	12,067,570.0
Nov	10/17	8.00	0.0	0.0	0.0	50,000.0	0.0	0.0	50,000.0	12,117,570.0
Nov	07/18	9.50	6,000.0		6,000.0	44,000.0	0.0	0.0	50,000.0	12,167,570.0
Nov	10/24	10.50	0.0	0.0	0.0	9,500.0	0.0	0.0	9,500.0	12,177,070.0
Nov	04/25	8.50	8,000.0	0.0	8,000.0	47,000.0	0.0	0.0	55,000.0	12,232,070.0
Nov	01/27	8.00	0.0	0.0	0.0	5,000.0	0.0	0.0	5,000.0	12,237,070.0
Nov	01/30	8.00	8,000.0	0.0	8,000.0	12,000.0	0.0	0.0	20,000.0	12,257,070.0
Nov	04/32	9.00	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	12,267,070.0
Nov	07/35	9.50	0.0	0.0	0.0	16,000.0	0.0	0.0	16,000.0	12,283,070.0
Nov	10/40	9.80	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	12,294,220.0
Dec	10/17	8.00	9,090.0	0.0	9,090.0	40,910.0	0.0	0.0	50,000.0	12,344,220.0
Dec	07/18	9.50	10,500.0	0.0	10,500.0	19,000.0	0.0	0.0	29,500.0	12,373,720.0
Dec	10/24	10.50	10,000.0	0.0	10,000.0	10,000.0	0.0	0.0	20,000.0	12,393,720.0
Dec	04/25	8.50	0.0	0.0	0.0	27,200.0	0.0	0.0	27,200.0	12,420,920.0
Dec	01/27	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	12,440,920.0
Dec	01/30	8.00	0.0	0.0	0.0	20,000.0	0.0	0.0	20,000.0	12,460,920.0
Dec	04/32	9.00	1,100.0	0.0	1,100.0	8,500.0	0.0	400.0	10,000.0	12,470,920.0
Dec	07/35	9.50	0.0	0.0	0.0	10,000.0	0.0	0.0	10,000.0	12,480,920.0
Dec	10/40	9.80	4,000.0	0.0	4,000.0		0.0	100.0	4,100.0	12,485,020.0

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Table IV.A Major balance of payments aggregates (a) (N$ million)

	2010	2011	2012(p)	2013(p)	2014(p)
Merchandise trade balance	**-8,187**	**-8,199**	**-17,753**	**-19,281**	**-25,983**
Exports fob	29,364	31,944	35,835	44,724	47,943
Imports fob	-37,551	-40,143	-53,588	-64,005	-73,926
Services (net)	**-348**	**-276**	**2,888**	**-129**	**-588**
Credit	4,982	5,375	8,838	8,905	10,760
Debit	-5,330	-5,651	-5,950	-9,034	-11,348
Compensation of employees (net)	**-112**	**-102**	**-56**	**-57**	**-31**
Credit	67	67	67	67	67
Debit	-178	-168	-123	-123	-97
Investment income (net)	**-3,057**	**-2,327**	**-4,223**	**-773**	**-1,197**
Credit	1,904	2,135	2,164	2,969	2,839
Debit	-4,961	-4,462	-6,386	-3,742	-4,037
Current transfers in cash and kind (net)	**8,885**	**8,336**	**12,973**	**15,212**	**18,165**
Credit	9,525	8,909	13,838	16,217	19,170
Debit	-640	-573	-865	-1,006	-1,005
Current Account Balance	**-2,820**	**-2,568**	**-6,171**	**-5,028**	**-9,634**
Net capital transfers	**808**	**1,353**	**1,218**	**1,246**	**1,495**
Credit	878	1,426	1,293	1,321	1,570
Debit	-70	-74	-75	-75	-75
Direct investment	**5,773**	**5,886**	**9,397**	**7,856**	**4,861**
Abroad	-33	-39	92	127	371
In Namibia	5,806	5,925	9,305	7,729	4,490
Portfolio investment	**-4,633**	**204**	**-4,880**	**-4,751**	**-3,800**
Assets	-4,675	-3,767	-5,804	-4,914	-3,997
Liabilities	42	3,971	924	163	197
Other investment - long term	**-149**	**1,463**	**858**	**4,823**	**9,263**
Assets	-439	-560	-178	-649	159
Liabilities	290	2,022	1,037	5,472	9,104
Other investment - short term	**-541**	**-890**	**3,809**	**-2,350**	**-1,285**
Assets	451	-359	2,383	-2,296	-746
Liabilities	-993	-531	1,426	-55	-539
Capital and financial account excluding reserves	**1,257**	**8,016**	**10,403**	**6,825**	**10,534**
Net errors and omissions	**-2,232**	**-1,334**	**-4,001**	**-1,199**	**-2,668**
Overall balance	**-3,794**	**4,114**	**231**	**598**	**-1,768**
Reserve assets (including valuation adjustment)	**3,794**	**-4,114**	**-231**	**-598**	**1,768**

(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)

	2010	2011	2012 (p)	2013 (p)	2014 (p)
Net	**-349**	**-276**	**2,888**	**-129**	**-588**
Credit	**4,982**	**5,375**	**8,838**	**8,905**	**10,760**
Transportation	995	1,058	1,075	1,323	1,412
Travel	3,206	3,751	3,981	3,945	4,436
Insurance	42	43	9	8	12
Communication	105	107	108	98	36
Construction	0	0	0	0	0
Financial	17	21	25	46	13
Computer and information	9	4	3	3	1
Royalties and license fees	0	0	0	0	0
Administrative and business	0	1	1	1	45
Professional and technical	35	61	18	39	572
Others, not included elsewhere	435	191	3,482	3,305	4,098
Government	136	136	136	136	136
Debit	**-5,330**	**-5,651**	**-5,950**	**-9,034**	**-11,348**
Transportation	-1,674	-1,839	-2,180	-4,041	-4,669
Travel	-1,061	-1,501	-1,259	-1,194	-1,629
Insurance	-240	-245	-643	-697	-789
Communication	-1	-2	-2	-1	2
Construction	-385	-293	-47	-528	-1,037
Financial	-115	-24	-19	-42	-24
Computer and information	-230	-223	-210	-279	-246
Royalties and license fees	-56	-52	-38	-40	-92
Administrative and business	-360	-691	-216	-298	-325
Professional and technical	-750	-458	-712	-839	-1,470
Others, not included elsewhere	-398	-264	-566	-1,015	-1,010
Government	-59	-59	-59	-59	-59

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Table IV.C Supplementary table: balance of payments- investment income (N$ million)

	2010	2011	2012 (p)	2013 (p)	2014 (p)
Compensation of employees, net	**-112**	**-102**	**-56**	**-57**	**-31**
Credit	67	67	67	67	67
Debit	-178	-168	-123	-123	-97
					0
Investment income, net	**-3,057**	**-2,327**	**-4,223**	**-773**	**-1,197**
Credit	**1,904**	**2,135**	**2,164**	**2,969**	**2,839**
Direct investment	18	-7	-78	16	-71
Portfolio investment	1,054	1,449	1,700	2,262	2,101
Other investment	831	693	541	691	810
Debit	**-4,961**	**-4,462**	**-6,386**	**-3,742**	**-4,037**
Direct investment	-4,594	-4,074	-5,140	-2,862	-3,021
Portfolio investment	-231	-224	-256	-344	-370
Other investment	-136	-164	-990	-536	-646

Table IV.D Supplementary table: balance of payments- transfers (N$ million)

	2010	2011	2012 (p)	2013 (p)	2014 (p)
Net current transfers	**8,884**	**8,336**	**12,973**	**15,212**	**18,165**
Credit	**9,525**	**8,909**	**13,838**	**16,217**	**19,170**
Government	9,379	8,757	13,670	16,025	19,001
Grants from foreign governments, etc	2,229	1,751	1,201	1,221	1,231
SACU receipts	6,861	6,638	12,131	14,494	17,269
Witholding taxes	143	212	174	146	337
Other transfers received	147	156	164	164	164
Private	145	153	167	193	169
Grants received by NGO's	24	32	46	71	48
Other transfers received	121	121	121	121	121
Debit	**-640**	**-573**	**-865**	**-1,006**	**-1,005**
Government	-609	-542	-834	-975	-259
Grants to foreign governments, etc	-17	-17	-17	-17	-17
SACU receipts	-592	-525	-817	-958	-957
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	**808**	**1,353**	**1,218**	**1,246**	**1,495**
Credit	878	1,426	1,293	1,321	1,570
Government	852	1,400	1,267	1,295	1,544
Private	26	26	26	26	26
Debit	**-70**	**-74**	**-75**	**-75**	**-75**
Government	-66	-70	-71	-71	-71
Private	-3	-3	-3	-3	-3

Table IV.E Supplementary table: balance of payments-direct investment (N$ million)

	2010	2011	2012 (p)	2013 (p)	2014 (p)
Direct investment abroad	**-33**	**-39**	**92**	**127**	**371**
Equity capital	-21	-31	26	59	-92
Reinvested earnings	-9	18	85	25	130
Other capital	-3	-25	-18	43	334
Direct investment in Namibia	**5,806**	**5,925**	**9,305**	**7,729**	**4,490**
Equity capital	66	220	4,145	13,985	903
Reinvested earnings	3,256	1,895	3,235	1,838	1,461
Other capital	2,484	3,809	1,925	-8,094	2,125

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Table IV.F Supplementary table: balance of payments-portfolio investment (N$ million)

	2010	2011	2012(p)	2013(p)	2014(p)
Portfolio investment, net	**-4,633**	**204**	**-4,880**	**-4,751**	**-3,800**
Equity	**-2,771**	**-2,166**	**-1,800**	**-2,001**	**-3,025**
Assets	-2,802	-2,197	-1,832	-2,124	-3,186
Liabilities	31	31	31	123	161
Debt	**-1,862**	**2,370**	**-3,080**	**-2,749**	**-775**
Assets	-1,873	-1,570	-3,972	-2,790	-811
Liabilities	10	3,940	893	40	37

Table IV.G Supplementary table: balance of payments-other investment (N$ million)

	2010	2011	2012 (p)	2013 (p)	2014 (p)
Long-term, net	**-149**	**1,463**	**858**	**4,823**	**9,263**
General Government	128	221	-64	-14	-74
Assets	-40	-40	-40	-40	-40
Liabilities	168	260	-24	25	-34
Of which: Drawings	381	413	224	304	260
Repayments	-213	-153	-248	-279	-294
Monetary authorities	-497	275	99	336	671
Assets	-132	-109	61	-69	-83
Liabilities	-364	384	37	404	754
Banks	22	13	-2	-53	-66
Assets	21	13	-2	-53	-66
Liabilities	1	0	0	0	0
Other sectors	197	954	826	4,555	8,732
Assets	-289	-424	-198	-488	347
Liabilities	485	1,378	1,024	5,042	8,384
Short-term, net	**-541**	**-890**	**3,809**	**-2,350**	**-1,285**
General Government	0	0	0	0	0
Assets	0	0	0	0	0
Liabilities	0	0	0	0	0
Banks	-361	-318	3,714	-1,550	-1,787
Assets	119	-259	2,203	-2,209	-1,072
Liabilities	-480	-60	1,511	659	-715
Other sectors	-180	-571	95	-801	502
Assets	332	-100	180	-87	326
Liabilities	-513	-471	-85	-714	177

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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	2014
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	18,605
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	16,642
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	14,595
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	17,791
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	15,549
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	15,934
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	14,788
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	13,749
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	16,457
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	15,051
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	13,250
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	13,527

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Table IV.I (a) International investment position - N$ million

	2012 (p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN ASSETS	53,087	13,272	66,358	53,685	13,421	67,106	60,113	15,028	75,141	68,438	17,110	85,548
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	16,202	8,882	25,084	15,769	9,078	24,847	16,525	16,525	33,050	26,534	11,224	37,758
2.1 Equity securities	15,633	8,313	23,946	15,352	8,661	24,013	15,812	15,812	31,624	6,934	10,149	17,083
2.2 Debt securities	569	569	1,138	417	417	834	713	713	1,426	19,600	1,075	20,675
Other investment	22,822	5,705	28,576	21,770	5,442	27,309	22,275	5,569	27,989	25,606	6,401	32,201
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	3,398	850	4,248	1,317	329	1,646	1,544	386	1,930	4,430	1,107	5,537
3.7.1 Other-eg., re-insurance and bonds	3,398	850	4,248	1,317	329	1,646	1,544	386	1,930	4,430	1,107	5,537
Reserve Assets	9,734	2,433	12,313	11,418	2,854	14,448	10,904	2,726	13,853	11,848	2,962	15,081
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	73	0	0	77	0	0	76	0	0	80
4.3 Reserve position in the IMF	0	0	1	0	0	1	0	0	1	0	0	1
4.4 Foreign exchange	9,734	2,433	12,167	11,418	2,854	14,272	10,904	2,726	13,631	11,848	2,962	14,810
4.5 Other assets	0	0	72	0	0	97	0	0	146	0	0	190

	2013 (p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN ASSETS	79,776	19,944	99,720	84,212	21,053	105,265	85,427	21,357	106,783	89,333	22,333	111,666
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	38,762	12,907	51,669	40,326	13,578	53,904	41,682	14,829	56,511	44,687	9,595	54,282
2.1 Equity securities	18,669	11,844	30,513	19,253	12,534	31,787	20,186	13,736	33,922	21,811	8,703	30,514
2.2 Debt securities	20,093	1,063	21,156	21,073	1,044	22,117	21,496	1,093	22,589	22,876	892	23,768
Other investment	26,062	6,515	32,577	27,732	6,933	34,665	28,087	7,022	35,109	32,827	8,207	41,034
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	17,089	4,272	21,361	18,414	4,604	23,018	18,622	4,656	23,278	18,702	4,675	23,377
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	11,881	2,970	14,990	12,838	3,210	16,244	11,633	2,908	14,794	12,566	3,141	16,017
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	83	0	0	86	0	0	89	0	0	91
4.3 Reserve position in the IMF	0	0	1	0	0	1	0	0	1	0	0	1
4.4 Foreign exchange	11,881	2,970	14,851	12,838	3,210	16,048	11,633	2,908	14,541	12,566	3,141	15,707
4.5 Other assets	0	0	55	0	0	109	0	0	163	0	0	218

	2014 (p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN ASSETS	86,322	21,580	107,902	92,833	23,208	116,042	98,639	24,660	123,299	89,032	22,258	111,290
Direct investment	383	56	479	490	63	612	552	74	690	560	83	700
1.1 Equity capital	199	50	249	212	53	266	257	64	321	293	73	366
1.2 Other capital	183	6	229	277	10	347	295	10	369	267	10	334
Long-term	123	31	154	196	49	245	199	50	249	201	50	251
Short-term	61	15	76	82	20	102	96	24	121	66	17	83
Portfolio investment	44,568	9,512	52,380	46,107	10,000	56,107	48,886	10,801	59,687	47,707	10,287	57,994
2.1 Equity securities	22,076	8,702	30,778	23,404	9,175	32,579	24,087	9,895	33,982	24,019	9,564	33,582
2.2 Debt securities	22,492	810	21,602	22,704	825	23,529	24,799	906	25,705	23,689	723	24,412
Other investment	32,230	8,057	40,287	34,586	8,647	43,233	36,882	9,220	46,102	30,653	7,663	38,316
3.1 Claims of resident non-bank companies	782	195	977	848	212	1,060	573	143	716	715	179	893
3.1.1 Short-term loans and trade finance	540	135	675	727	182	909	429	107	537	445	111	556
3.1.2 Long-term loans	241	60	302	121	30	151	144	36	180	270	67	337
3.2 Claims of resident banks	4,775	1,194	5,969	5,229	1,307	6,536	5,462	1,365	6,827	4,564	1,141	5,705
3.2.1 Short-term loans	4,533	1,133	5,667	4,772	1,193	5,965	4,981	1,245	6,226	4,030	1,007	5,037
3.2.2 Long-term loans	242	60	302	457	114	571	481	120	601	534	134	668
3.3 Claims of resident parastatal companies	68	17	85	68	17	85	4	1	6	21	5	26
3.3.1 Short-term loans and trade finance	68	17	85	68	17	85	4	1	6	21	5	26
3.3.2 Long-term loans	0	0	0	0	0	0	0	0	0	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	17,542	4,385	21,927	19,071	4,768	23,839	20,862	5,215	26,077	15,423	3,856	19,279
3.7 Other assets	9,063	2,266	11,329	9,370	2,342	11,712	9,981	2,495	12,476	9,930	2,483	12,413
3.7.1 Other-eg., re-insurance and bonds	9,063	2,266	11,329	9,370	2,342	11,712	9,981	2,495	12,476	9,930	2,483	12,413
Reserve Assets	11,663	2,916	14,756	12,653	3,163	16,090	13,165	3,291	16,820	11,423	2,856	14,279
4.1 Monetary gold	0	0	0	0	0	0	0	0	0	0	0	0
4.2 Special drawing rights	0	0	94	0	0	97	0	0	100	82	21	103
4.3 Reserve position in the IMF	0	0	22	0	0	54	0	0	80	115	29	144
4.4 Foreign exchange	11,663	2,916	14,579	12,653	3,163	15,816	13,165	3,291	16,456	11,029	2,757	13,787
4.5 Other assets	0	0	61	0	0	123	0	0	184	196	49	245

(p) Provisional, except for the reserve assets.

Table IV.I (b) International investment position - (N$ million)

	2012 (p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN LIABILITIES	41,480	13,366	56,404	40,812	13,467	55,930	37,948	12,707	52,291	36,093	12,949	50,723
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	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	2,647	14,319	9,237	2,456	13,345	9,366	2,478	13,480	10,512	2,739	14,932
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 Long-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	0	1,558	0	0	1,651	0	0	1,636	0	0	1,680
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	0	1,558	0	0	1,651	0	0	1,636	0	0	1,680
Net Foreign Assets (+)/Liabilities(-)	11,607	-95	9,954	12,873	-46	11,176	22,165	2,321	22,850	32,345	4,160	34,825

	2013 (p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN LIABILITIES	49,686	16,662	66,348	43,006	15,255	58,261	50,227	19,213	69,440	56,455	21,146	77,601
Direct investment	34,723	8,681	43,404	28,266	7,066	35,332	31,461	7,865	39,327	33,768	8,442	42,210
1.1 Equity capital	16,838	4,210	21,048	8,280	2,070	10,350	20,080	5,020	25,100	20,273	5,068	25,341
1.2 Other capital	17,885	4,471	22,356	19,986	4,997	24,983	11,381	2,845	14,226	13,496	3,374	16,869
Long-term	16,681	4,170	20,851	18,684	4,671	23,355	9,883	2,471	12,354	11,926	2,981	14,907
Short-term	1,204	301	1,505	1,302	326	1,628	1,498	374	1,872	1,570	392	1,962
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	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	13,792	3,588	17,380	13,497	3,509	17,006	17,517	6,645	24,161	21,394	7,824	29,218
3.1 Liabilities of resident non-bank companies	3,244	811	4,055	1,941	485	2,427	4,542	1,136	5,678	6,143	1,536	7,679
3.1.1 Short-term loans	568	142	710	304	76	380	476	119	595	994	248	1,242
3.1.2 Long-term loans	2,676	669	3,345	1,637	409	2,047	4,066	1,017	5,083	5,149	1,287	6,437
3.2 Liabilities of resident banks	2,018	504	2,522	1,696	424	2,121	2,132	533	2,665	3,224	806	4,030
3.2.1 Short-term loans	1,921	480	2,401	1,397	349	1,746	1,840	460	2,300	2,494	623	3,117
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	3,289	822	4,111
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	3,087	772	3,859
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 Long-term loans	229	57	287	229	57	287	229	57	287	229	57	287
3.5 Liabilities of central government	3,233	808	4,041	3,477	869	4,346	3,696	924	4,620	3,841	960	4,802
3.5.1 Long-term loans	3,233	808	4,041	3,477	869	4,346	3,696	924	4,620	3,841	960	4,802
3.6 Currency and deposits reported by Namibian banks	1,758	439	2,197	1,542	386	1,928	1,818	454	2,272	2,347	587	2,934
3.7 Liabilities of EPZ companies	37	149	187	36	143	179	604	2,417	3,021	660	2,641	3,301
3.7.1 Short-term loans and trade finance	30	119	148	27	110	137	262	1,049	1,311	264	1,058	1,322
3.7.2 Long-term loans	8	31	39	8	34	42	342	1,368	1,710	396	1,583	1,978
3.8 Other liabilities	1,465	366	1,831	1,595	399	1,994	1,590	398	1,988	1,658	414	2,072
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	1,595	399	1,994	1,590	398	1,988	1,658	414	2,072
Net Foreign Assets (+)/Liabilities(-)	30,089	3,282	33,371	41,206	5,798	47,004	35,200	2,144	37,344	32,877	1,188	34,065

	2014 (p)											
	Q1			Q2			Q3			Q4		
	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total	South Africa	Others	Total
FOREIGN LIABILITIES	54,738	20,045	74,783	57,022	21,709	78,732	59,524	22,791	82,315	64,725	24,209	88,934
Direct investment	32,928	8,232	41,160	32,737	8,184	40,921	33,670	8,418	42,088	34,482	8,621	43,103
1.1 Equity capital	20,393	5,098	25,492	21,058	5,265	26,323	19,981	4,995	24,977	20,003	5,001	25,004
1.2 Other capital	12,535	3,134	15,668	11,679	2,920	14,598	13,689	3,422	17,111	14,480	3,620	18,099
Long-term	11,505	2,876	14,381	10,651	2,663	13,313	11,808	2,952	14,760	12,243	3,061	15,303
Short-term	1,030	257	1,287	1,028	257	1,285	1,880	470	2,350	2,237	559	2,796
Portfolio investment	1,309	4,941	6,250	1,308	4,940	6,248	1,374	5,202	6,576	1,405	5,324	6,729
2.1 Equity securities	78	20	98	78	20	98	78	20	98	78	20	98
2.2 Debt securities	1,230	4,922	6,152	1,230	4,920	6,150	1,296	5,182	6,478	1,326	5,305	6,631
Other Investment	20,501	6,872	27,373	22,977	8,586	31,563	24,480	9,171	33,652	28,838	10,264	39,102
3.1 Liabilities of resident non-bank companies	6,743	1,686	8,428	9,099	2,275	11,374	11,619	2,905	14,524	13,636	3,409	17,046
3.1.1 Short-term loans	818	205	1,023	1,047	262	1,309	1,052	263	1,315	990	247	1,237
3.1.2 Long-term loans	5,925	1,481	7,406	8,052	2,013	10,065	10,567	2,642	13,209	12,647	3,162	15,808
3.2 Liabilities of resident banks	2,617	654	3,271	3,046	761	3,807	2,333	583	2,916	3,391	848	4,238
3.2.1 Short-term loans	1,909	477	2,386	2,352	588	2,940	1,636	409	2,044	2,699	675	3,374
3.2.2 Long-term loans	708	177	885	694	173	867	697	174	871	692	173	864
3.3 Liabilities of resident parastatal companies	2,475	619	3,093	2,440	610	3,050	2,403	601	3,003	2,519	630	3,149
3.3.1 Short-term loans and trade finance	167	42	209	185	46	231	223	56	279	343	86	429
3.3.2 Long-term loans	2,307	577	2,884	2,255	564	2,819	2,179	545	2,724	2,176	544	2,720
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 Long-term loans	229	57	287	229	57	287	229	57	287	229	57	287
3.5 Liabilities of central government	3,906	976	4,882	3,919	980	4,899	3,922	981	4,903	3,839	960	4,799
3.5.1 Long-term loans	3,906	976	4,882	3,919	980	4,899	3,922	981	4,903	3,839	960	4,799
3.6 Currency and deposits reported by Namibian banks	2,341	585	2,926	1,803	451	2,253	1,356	339	1,694	2,145	536	2,681
3.7 Liabilities of EPZ companies	466	1,863	2,329	758	3,031	3,788	814	3,255	4,068	814	3,258	4,072
3.7.1 Short-term loans and trade finance	29	117	146	239	957	1,196	212	848	1,060	213	851	1,064
3.7.2 Long-term loans	437	1,746	2,183	518	2,074	2,592	602	2,406	3,008	602	2,406	3,008
3.8 Other liabilities	1,723	431	2,153	1,681	420	2,101	1,802	451	2,253	2,261	565	2,826
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	1,723	431	2,153	1,681	420	2,101	1,802	451	2,253	2,261	565	2,826
Net Foreign Assets (+)/Liabilities(-)	31,583	1,535	33,119	35,811	1,499	37,310	32,787	8,197	40,984	17,885	4,471	22,356

(p) Provisional.

E

Table IV.J Foreign exchange rates Foreign currency per Namibia Dollar

Period averages

Period		US Dollar	UK Pound	Japan Yen	Switzerland Franc	EU ECU
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
2014	Jan	0.092	0.056	9.569	0.083	0.068
	Feb	0.091	0.055	9.285	0.081	0.067
	Mar	0.093	0.056	9.524	0.082	0.067
	Apr	0.095	0.057	9.728	0.084	0.069
	May	0.096	0.057	9.785	0.086	0.070
	Jun	0.094	0.055	9.560	0.084	0.069
	Jul	0.094	0.055	9.542	0.084	0.069
	Aug	0.094	0.056	9.653	0.085	0.070
	Sep	0.091	0.056	9.785	0.085	0.071
	Oct	0.090	0.056	9.756	0.086	0.071
	Nov	0.090	0.057	10.811	0.087	0.072
	Dec	0.087	0.056	10.417	0.085	0.071

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	115.6	124.5	121.9
	Feb	95.5	93.9	94.6	118.0	128.5	125.5
	Mar	96.0	94.6	95.1	118.2	129.5	126.2
	Apr	94.1	91.8	92.6	116.3	125.8	123.0
	May	92.3	89.3	90.2	114.8	122.8	120.4
	Jun	91.3	88.1	89.1	113.3	121.1	118.8
	Jul	92.6	90.0	90.8	115.8	124.9	122.1
	Aug	92.1	89.3	90.1	115.3	123.8	121.2
	Sep	91.1	87.7	88.7	114.6	122.3	120.0
	Oct	88.5	84.0	85.3	112.4	118.2	116.5
	Nov	87.8	83.1	84.5	112.3	117.9	116.2
	Dec	88.3	83.7	85.1	112.3	117.8	116.2
2013	Jan	87.3	82.3	83.8	113.8	120.1	118.1
	Feb	87.0	82.1	83.6	125.0	122.4	122.9
	Mar	86.1	81.0	82.5	123.7	121.1	121.6
	Apr	86.2	81.1	82.6	123.9	121.4	121.9
	May	84.7	79.2	80.8	122.2	118.6	119.3
	Jun	80.5	73.6	75.5	116.6	110.6	111.9
	Jul	81.5	75.0	76.9	118.2	113.2	114.3
	Aug	80.0	73.0	75.0	116.3	110.4	111.8
	Sep	80.2	73.1	75.1	116.5	110.5	111.9
	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
2014	Jan	74.8	66.3	68.5	110.4	101.8	103.8
	Feb	74.1	65.5	67.8	109.6	100.9	103.0
	Mar	75.0	66.5	68.8	110.9	102.7	104.7
	Apr	75.9	67.6	69.8	112.4	104.8	106.5
	May	76.7	68.5	70.7	113.6	106.3	108.0
	Jun	75.4	66.9	69.2	111.9	104.0	105.8
	Jul	75.4	66.8	69.1	111.7	104.0	105.8
	Aug	75.9	67.6	69.8	112.5	105.3	107.0
	Sep	75.3	67.1	69.2	111.7	104.5	106.1
	Oct	75.3	67.1	69.2	111.8	104.7	106.2
	Nov	75.6	67.6	69.7	112.2	105.4	106.9
	Dec	74.2	66.0	68.1	111.0	103.6	105.2

LIST OF ABBREVIATIONS

A	
AACB	Association of African Central Banks
ADLAs	Authorised Dealers with Limited Authority
AMCP	African Monetary Cooperation Programme
AML	Anti-money laundering
AML/CFT	Anti-Money Laundering and Combatting the Financing of Terrorism
ATM	Automated teller machine
B	
BCM	Business Continuity Management
BoN	Bank of Namibia
BPM6	Balance of Payments Manual 6th Edition
C	
CCBG	Committee of Central Bank Governors (in SADC)
CDIS	Coordinated Direct Investment Survey
CFLC	Catalytic First Loss Capital
CFT	Combatting of the Financing Terrorism
CGS	Credit Guarantee Scheme
CMA	Common Monetary Area
CMS	Capital Monitoring System
COBIT	Control Objectives for Information and Related Technology
CPF	Combatting of the Proliferation Financing
CPI	Consumer Price Index
CPIS	Coordinated Portfolio Investment Survey
CPS	Cheque Processing System
CSD	Central Securities Depository
D	
DNFBPs	Designated Non-Financial Businesses and Professions
DBN	Development Bank of Namibia
DR	Disaster Recovery
E	
ECB	European Central Bank
EFT	Electronic Funds Transfer
ELF	Employee Liaison Forum

EMV	Europay, MasterCard and Visa
EU	European Union
EUR	Euro/European Union currency
F	
FATF	Financial Action Task Force
FDI	Foreign direct investment
FIA	Financial Intelligence Act
FIC	Financial Intelligence Centre
FICAB	Financial Institutions Fraud and Security Committee
FTA	Free Trade Agreement
FSSC	Financial Sector Stability Committee
G	
GAP	Graduate Accelerated Programme
GBP	British Pound Sterling
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
GC25	Government internal registered stock maturing in 2025
GC27	Government internal registered stock maturing in 2027
GC30	Government internal registered stock maturing in 2030
GC32	Government internal registered stock maturing in 2032
GC35	Government internal registered stock maturing in 2035
GC37	Government internal registered stock maturing in 2037
GC40	Government internal registered stock maturing in 2040
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
GRN	Government Republic of Namibia
H	
HAN	Hospitality Association of Namibia

I	
IC	Investment Committee
ICT	Information Communication Technology
IDR	Issuer Default Rating
IIP	International Investment Position
IMF	International Monetary Fund
IRS	Internal Registered Stock
IRSRA	Internal Registered Stock Redemption Account
IT	Information Technology
J	
JPY	Japanese Yen
JSE	Johannesburg Stock Exchange
L	
LCA	Use of Local Currency
LEAs	Law Enforcement Agencies
LHS	Left-hand side
M	
M1	Narrow money
M2	Money supply
MC	Management Committee
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MIGA	Multilateral Investment Guarantees Agency
ML	Money Laundering
MME	Ministry of Mines and Energy
MoF	Ministry of Finance
MOU	Memorandum of Understanding
MPC	Monetary Policy Committee
N	
NAD/N$	Namibia Dollar
NAMFISA	Namibia Financial Institutions Supervisory Authority
NAMSWITCH	Namibia Card Switching System
NBIC	Namibia Business Innovation Centre
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
NHIES	Namibia Household Income and Expenditure Survey
NII	Net Interest Income
NISS	Namibia Interbank Settlement System
NPLs	Non-Performing Loans
NPS	National Payment System
NSA	Namibian Statistic Agency
NSX	Namibian Stock Exchange
O	
ODCs	Other Depository Corporations
OPEC	Organization of the Petroleum Exporting Countries
P	
PACOTAPAA	Prevention and Combatting of Terrorist and Proliferation Activities Act
PAN	Payment Association of Namibia
PF	Proliferation Financing
PhD	Doctor of Philosophy
PSCE	Private sector credit extension
PSEs	Public Sector Enterprises
POS	Point-of-sale
PPP	Public-Private Partnership
R	
RA	Revenue Authorities
REER	Real effective exchange rate
RFIs	Requests for Information
RHS	Right-hand side
RISDP	Regional Indicative Strategic Development Plan
RRFI	Responses to Request for Information
ROA	Return on assets
ROE	Return on equity
RTGS	Real-time Gross Settlement
RWA	Risk-weighted assets
RWCR	Risk-weighted capital ratio

S	
SAA	Strategic Asset Allocation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAP	Enterprise Resource Planning
SARB	South African Reserve Bank
SARs	Suspicious Activity Reports
SDR	Special Drawings Rights
SIRESS	SADC Integrated Regional Settlement System
SMEs	Small-Medium Enterprises
SOEs	State-owned enterprises
STP	Straight Through Processing
STR	Suspicious Transaction Report
T	
TBs	Treasury Bills
TF	Terrorism financing
TORs	Terms of Reference
U	
UK	United Kingdom
UN	United Nations
UNAM	University of Namibia
US	United States
USA	United States of America
USD/US$	United States Dollar
UPS	Uninterruptible Power Supply
W	
WBG	World Bank Group
WIBAR	Windhoek Interbank Agreed Rate
Z	
ZAR/Rand	South African Rand

Notes:

E

Notes:

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