



**Bank of Namibia**

# **ANNUAL REPORT LAUNCH**

**31 March 2025**





# PRESENTATION OUTLINE

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**LOOKING AHEAD**

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**MR JOHANNES  
!GAWAXAB**

**GOVERNOR &  
CHAIRPERSON**



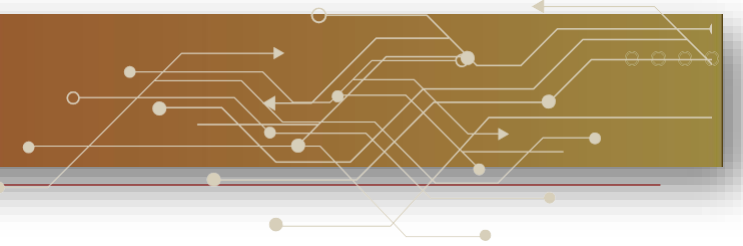
This milestone publication not only reflects on a year of solid delivery but also signals the close of an ambitious three-year strategic cycle that has repositioned our institution for the future.

# 1. ECONOMIC OUTLOOK

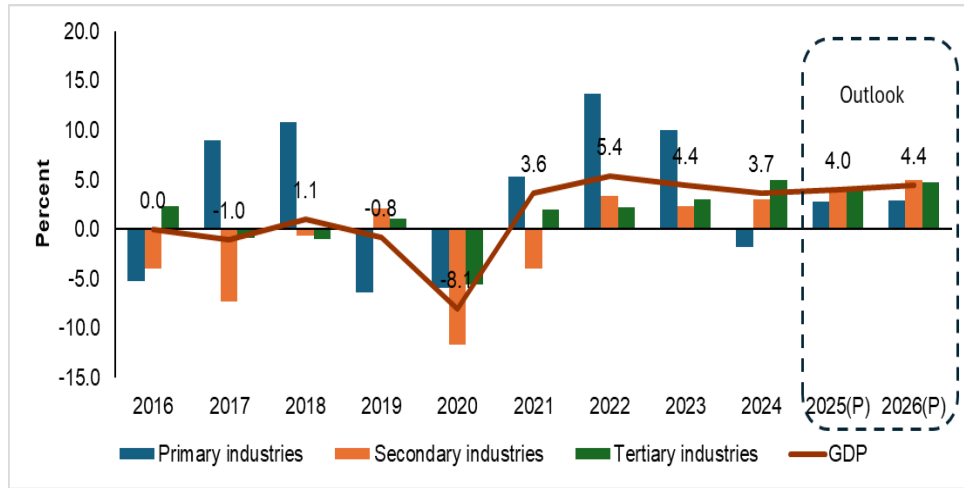




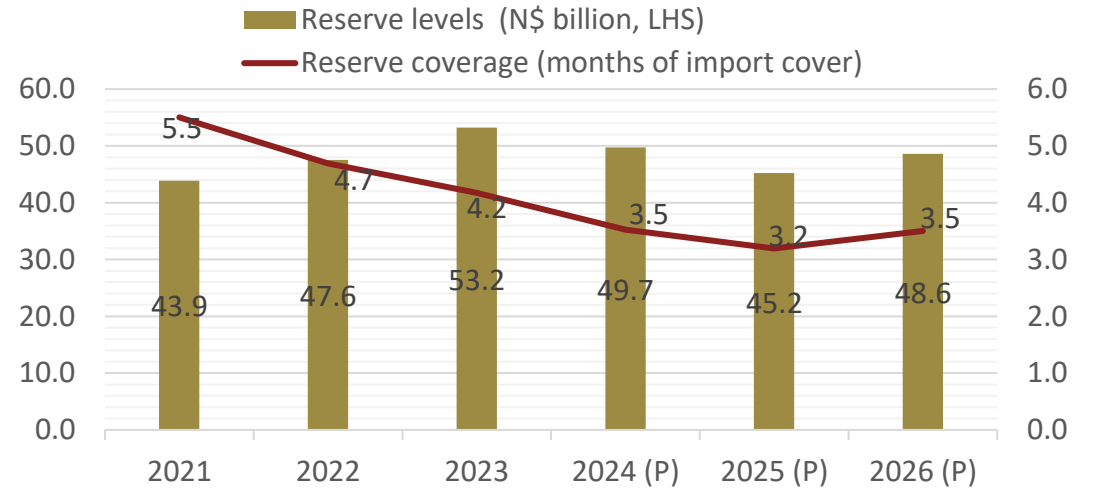
# ECONOMIC OUTLOOK



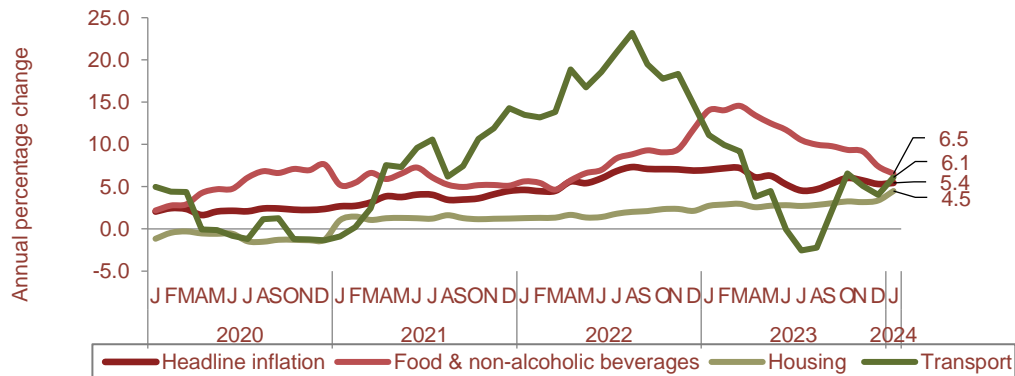
### Economic Growth



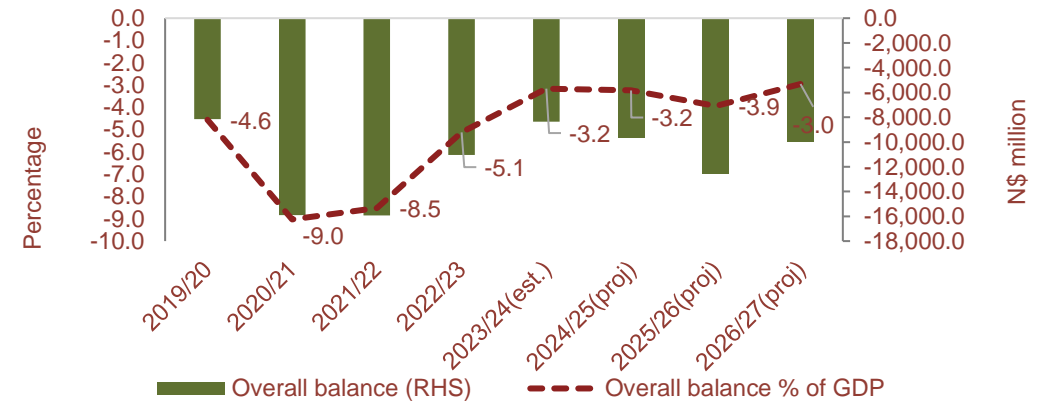
### Foreign Reserves



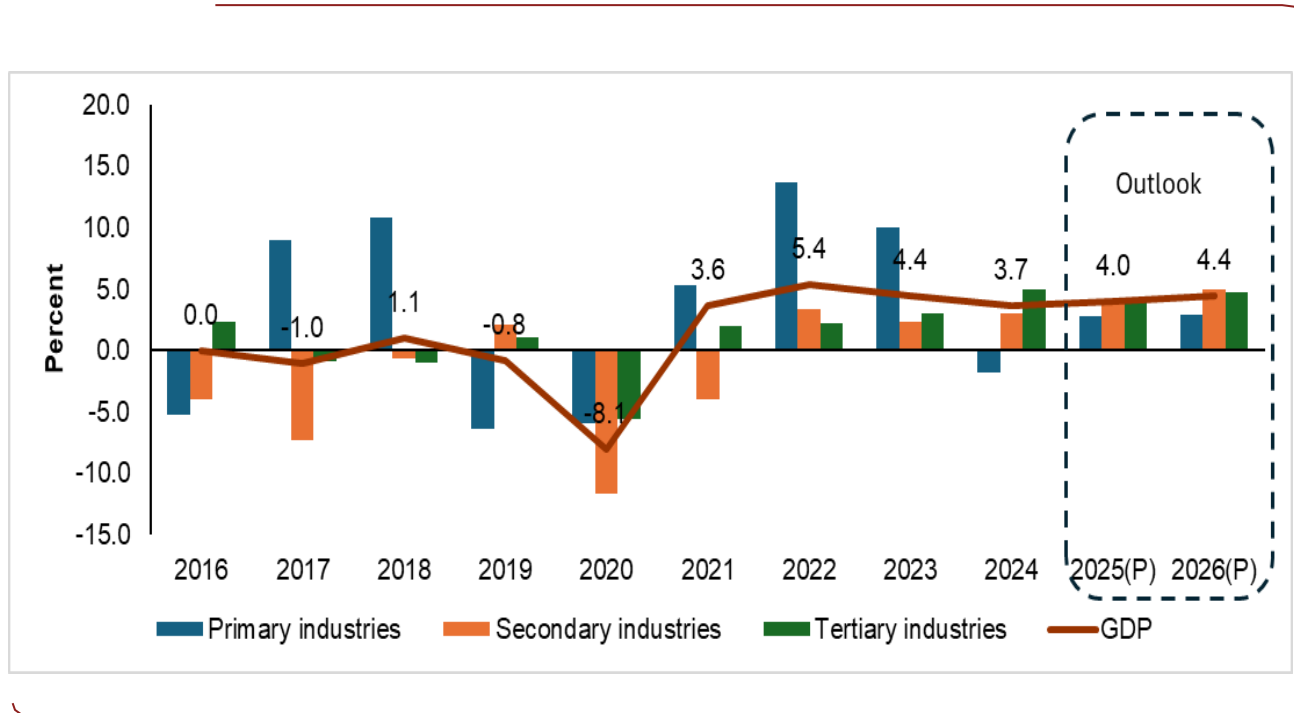
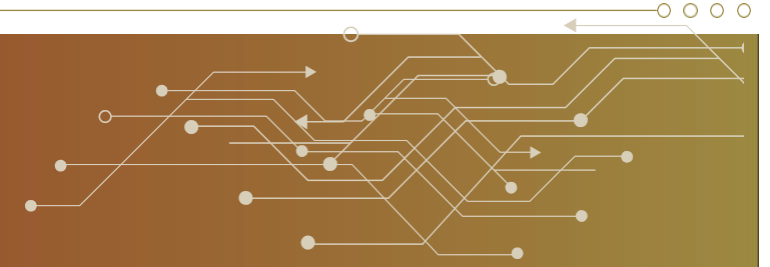
### MP Stance & Inflation Developments



### Public Finance



# NAMIBIAN ECONOMIC GROWTH



**Real growth moderated to 3.7 percent in 2024, from 4.4 percent in 2023**



**Growth is projected to increase to 4.0 percent and 4.4 percent in 2025 and 2026, respectively.**

## Key risks to the outlook

- Depressed diamond prices
- Potential weaker global demand
- Adverse weather conditions

## 2. MANDATE OF THE BANK





# MANDATE OF THE BANK

1

**PRICE  
STABILITY**

2

**FINANCIAL  
STABILITY**



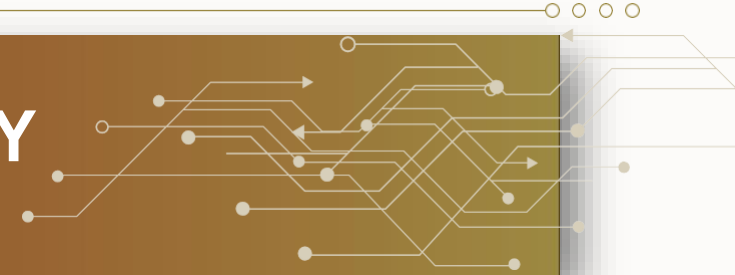
To implement  
monetary policy and  
promote  
price stability







# CONCLUSIONS DRAWN FROM MONETARY POLICY



The year 2024 was characterized by declining inflation and monetary policy easing.



Inflation continued to abate in 2024 from its peak levels in 2022.



The repo rate was slashed by 75 basis points in 2024 in line with declining inflation.



Economic growth continued to expand, albeit at a slower pace in 2024 than the preceding year.

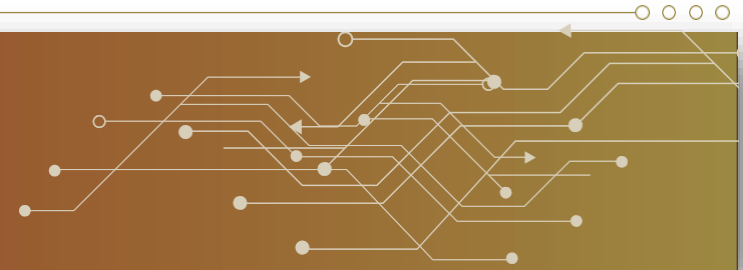


International reserves remained healthy and adequate to meet the country's international obligations.

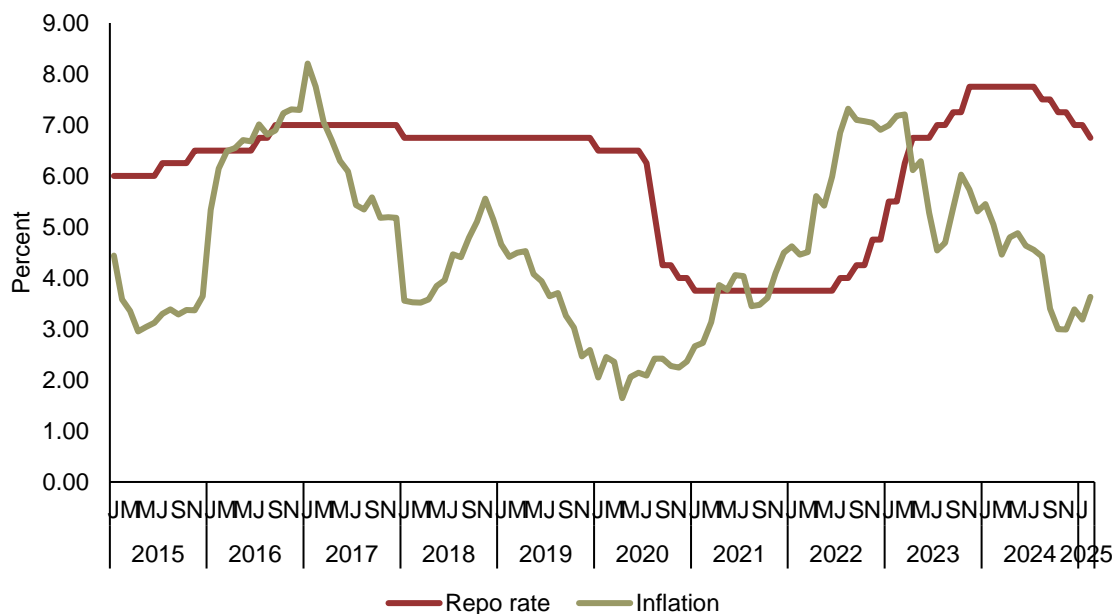
# 3. INFLATION



# REPO RATE vs. INFLATION



Overall monetary policy restraint has subsided, with inflation having receded from its Post-Pandemic highs



The Bank of Namibia MPC reduced the Repo rate by a cumulative 75bps to 7.00 percent during 2024

This stance was necessary to continue supporting domestic economic activity while safeguarding the one-to-one link between the Namibia Dollar and the South African Rand.

Inflation generally slowed in 2024, relative to 2023

Renewed price pressures, however, have emerged, with inflation picking up since late 2024.



**4. FINANCIAL  
STABILITY &  
MACROPRUDENTIAL  
OVERSIGHT**

# FINANCIAL STABILITY & MACROPRUDENTIAL OVERSIGHT



The Namibian financial sector remained stable, sound, and resilient amidst moderate economic conditions.



The banking sector maintained strong capital and adequate liquid asset holdings.



Non-banking sector saw significant asset expansion due to favourable global financial markets.



The retirement funds and long-term insurance subsectors achieved returns exceeding inflation whilst maintaining sound capital reserves and solvency.



Maintaining this stability within our financial system will be essential for fostering sustainable growth and prosperity for the Namibian people.



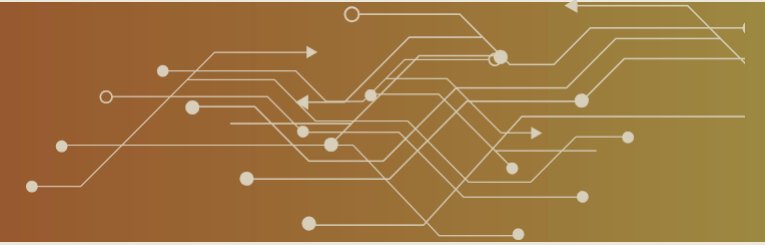
# 5. STRATEGY EXECUTION

# BANK OF NAMIBIA'S TRUE NORTH

By the end of 2024, the Bank had made noteworthy progress, completing 98% of the comprehensive three-year plan and meeting 96% of the specific goals set for 2024.



# TOP ACHIEVEMENTS



## Monetary Policy & Price Stability

- The Bank maintained inflation below the 7% SADC target, as well as 4.5% target by the SARB.
- Developed forecasting and policy analysis systems (FPAS) and nowcasting GDP models.

## Regulatory Oversight

- Ensured banks meet early warning indicators for capital adequacy, liquidity ratio, and NPLs.
- Completion of resolution framework and development of resolution strategies for DSIBs and second-tier banks.

## Currency & Banking

- Successfully launched and issued the most recent family of banknotes – N\$20, N\$100 and N\$200 denominations.

## Stakeholder Engagement

- Enhanced stakeholder relations and improved awareness of the Bank and its role in the economy through targeted nationwide engagements.

## Talent and Transformation Pillar

- Strengthening Employee Value Proposition (EVP), resulting in the retention of an average of 98% of critical skills and an increase in internal promotions from 30% to 45%.

## Digital Transformation

- **Documentation and automation of key business processes:** 96 processes were redesigned, 69 out of 96 have been implemented and 34 automated.
- The establishment of the Bank of Namibia **Automation Centre of Excellence (ACoE)**, whereby we were able to automate key business processes.
- Usage of data to build **forecasting models** to predict **Non-Performing Loans** and Board packs assessments making use of Artificial Intelligence and Machine Learning capability.
- **RTGS Version 7 upgrade.**
- **Local and Foreign Government Payments:** (Foreign payments: N\$ 16.8 billion; Local Payments: N\$ 39.9 billion).

## Awards

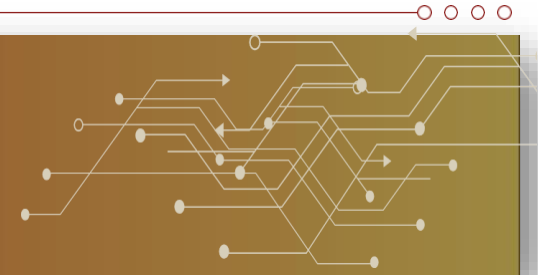
- Bank received the prestigious Pioneer Award at the Central Banking FinTech & RegTech Global Awards, recognising our outstanding contribution to advancing cutting-edge technology for the public good.





**6. FINANCIAL RESULTS**

# FINANCIAL MARKETS AND FINANCIAL MANAGEMENT



## 2024 Reserves Management

Foreign exchange reserves rose by 18.4% to N\$63.009 billion.

### RESERVES MANAGEMENT

## Net Interest income

Increased by 24% from N\$990.52 million in 2023 to N\$1.22 billion in 2024 due to higher average investment balances.

## Currency Composition

Major reserve currencies: ZAR (50.9%) and USD (37.9%), with the remainder in SDRs and other international currencies.

## Operating expenses

Increased by N\$148.64 million (25%) from N\$592.51 million in 2023 to N\$741.15 million in 2024.

## Reserve Adequacy

Adequate reserve levels maintained, with import coverage and other metrics exceeding threshold levels, supporting the ZAR peg.

### EFFECTIVE FINANCIAL MANAGEMENT

## Amount available for distribution

Increased by N\$150.3 million (16%) from N\$956.89 million in 2023 to N\$1.11 billion in 2024.

## Outlook and Challenges

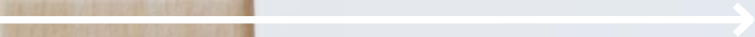
Pressure on the reserve levels due to upcoming Redemption and lower SACU income but reserve adequacy to be maintained amidst volatile conditions.

## Assets of the Bank

The Bank's assets increased by 15% from N\$61.92 billion in 2023 to N\$71.25 billion in 2024.



# 7. NEW GAME PLAN



# NEW GAME PLAN

The 2025 – 2027 strategy reflects the Bank's vision for a forward-thinking and adaptive institution, poised to support Namibia's economic transformation. At the heart of this strategy are three key outcomes:

1

## Building a Smart Central Bank

- Invest in digital transformation and automation to create an agile, data driven and efficient institution.
- Build a future-ready workforce focused on continuous learning and collaboration, improving policy formation and execution.

63%

2

## Fostering an Inclusive and Resilient Financial System

- Ensure financial stability , inclusion and modernised payment systems.
- Strengthen regulatory frameworks to support a stable and accessible financial sector working for Namibia.

29%

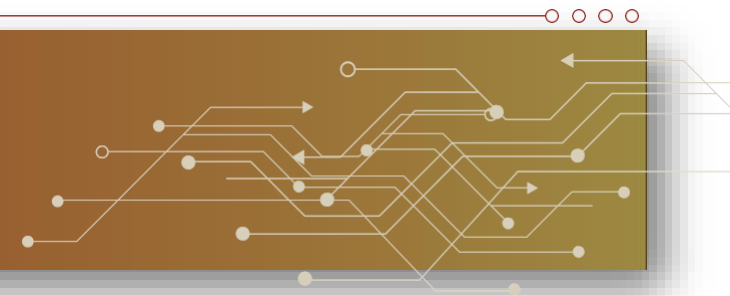
3

## Embracing a New Economy

- Prepare for Namibia's economic transformation by laying a foundation for a diversified new economy.

3%

# TOP STRATEGIC PROJECTS



1

**Review of the Monetary Policy Framework**

2

**Namibia Financial Sector Development & Transformation Strategy**

3

**Instant Payment Platform**

4

**New Series Currency**

5

**Integrating BoN to the CSD platform**

6

**New Head Office**

7

**BoN Museum**

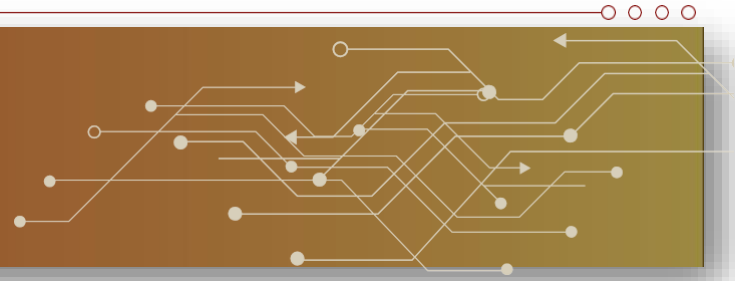
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**Investment Management System Overhaul (IMSO)**



# 8. LOOKING AHEAD

# LOOKING AHEAD



**AI and other intelligent technologies are reshaping our operations and our supervisory and regulatory frameworks.**



**Prepare for a wave of cybersecurity threats that may catch unsuspecting institutions off guard.**



**Reimagine banking in the context of the ever-present challenge of climate change.**



**Namibians are calling out for a responsive financial sector that empowers them to become productive citizens.**



**MR JOHANNES  
!GAWAXAB  
GOVERNOR**



“ All credit for this sterling performance over the past five years, and in particular during 2024, must go to our employees, management, and the Board of Directors.

Thank you.



**THANK  
YOU**

