# Annual Report 2011

Bank of Namibia

This is the Bank of Namibia Annual Report and Financial Statements for the financial year ended 31 December 2011, which are prepared pursuant to section 52(1) of the Bank of Namibia Act, 1997 (No. 15 of 1997).

# Bank of Namibia

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# CONTENT

# MESSAGE FROM THE GOVERNOR

After recovery in 2010, the global economy remained weak and fragmented in 2011. Key sources of the weakness in global growth, among others, were the ongoing sovereign debt crisis in the Euro area, fiscal and labour-market challenges in the US, as well as capacity constraint in Japan caused by the Fukushima incident. These uncertainties have brought forth a concern that the key economies of the world may again enter into recession mode.

In line with global growth, activity in the Namibian economy remained somewhat subdued in 2011. Growth is estimated to remain below 4.0 percent for 2011, held back in part by some difficulties in the mining sector earlier in the year, and the weak global outlook. While inflation has been on the rise, it has remained low and has not posed a threat to price stability. Against this background, the Bank decided to maintain an accommodative monetary policy stance to continue supporting the slow recovery of the domestic economy.

On the fiscal front, the Government adopted an expansionary fiscal policy primarily aimed at financing a special programme, namely the "Targeted Intervention Programme for Employment and Economic Growth" (TIPEEG). In this regard, the Bank, in conjunction with the Ministry of Finance, devised a comprehensive borrowing strategy to cater for the increasing Government borrowing needs. This strategy culminated in the first issuance of the Eurobond by Namibia to the value of US$500 million.

Regarding reserves management, the Bank's strategic asset allocation continued to serve its objective well, in line with the investment objective of the Bank. This strategy, coupled with the issuance of the Eurobond by the Government, has helped to maintain an adequate level of reserves despite the pressure of low SACU transfers. The level of reserves improved at the end of the year, recording N$14.6 billion compared to N$10.2 billion at the end of 2010. This level continued to be more than adequate to maintain the peg and remained above the international benchmark of three months of import cover.

As regards financial and economic stability, despite the weaknesses in the international financial system, the domestic financial system remained sound and well capitalised. This could partly be attributed to prudent and regulatory measures implemented by the Bank. In addition, efforts are underway to strengthen the system and improve access to banking and financial services for poor rural communities. In this context, the Bank has embarked, among other things, on a process to amend the existing banking law to cater for another breed of deposit-taking institutions that could fulfil this role.

Further, the Bank, the Namibia Financial Institutions Supervisory Authority (NAMFISA) and the Ministry of Finance (MOF) have carried out a crisis-simulation exercise to test the robustness and effectiveness of the policy framework, as well as the response of the regulators and relevant authorities in handling a banking crisis. Another aspect of this exercise was to test the strength of the tripartite guidelines of cooperation between the three authorities in the field of financial stability, a framework that will guide this cooperative relationship between the parties in the event of a banking crisis. This exercise resulted in a comprehensive report with actionable recommendations presented for consideration and further action to the Bank, NAMFISA and MOF.

During 2011, the Bank finalised the drafting of the Determination for Banking Groups that will guide the prudential aspects which will have to be adhered to by the controlling companies of such groups. The year also saw the finalisation of the statutory returns and instructions for completion for Consolidated Banking Groups that will drive the reporting by these groups.

I am also pleased to share with you the good progress made by the Bank on the financial inclusion agenda. During 2011, the Bank has created appropriate policy frameworks and structures to support the implementation of this important agenda point in the period ahead. Among others, an inter-ministerial Financial Inclusion Council chaired by Right Honourable Prime Minister was established. In addition, a wide consultation was held with the industry to consolidate the Financial Sector Strategy. The Strategy has been finalised and is expected to be launched during the first half of 2012. The Bank also co-funded the FinScope 2011/12 Survey, aimed at measuring the extent of financial exclusion in Namibia, among others. Preliminary results from this survey indicate that the percentage of the financial excluded population has come down significantly in 2011/12 compared to 2007. This is a sign that the country's efforts to reduce financial exclusion are starting to yield positive results, but a lot still needs to be done.

As part of its services to the Government, the Bank introduced Electronic Funds Transfer (EFT) as a mode of payment to be used by Government. Government, as well as its clients, is currently able to use online electronic payment up to the amount of N$5 million. In line with these technological advances, the commercial banks changed their internet banking system to facilitate payments to government by their clients. With these changes in place, the Bank is confident that more people will begin to make use of EFT in the period ahead, thereby reducing the number of cheques in use.

Transparent communication remains a fundamental element of the Bank's operational activities. The Bank considers strategic communication with its stakeholders to be an important aspect of engagement with them, in order to ensure that they understand, share and make the necessary contributions to key development policy issues and challenges. This year, the Bank has had to address the thorny question of the housing situation in Namibia and how best it can enhance access to finance in the country through an improved land tenure system. Recommendations arising from these engagements will be followed up for implementation in order to address these development bottlenecks.

The Bank continued to appreciate the critical role of public education in creating greater awareness and understanding of the Namibian economy. To this end, the Bank's annual National High School Competition, aimed at educating learners about the role of the Central Bank as well as the economy, was successfully concluded in September 2011, which resulted in more learners enhancing their knowledge in this regard.

As a responsible corporate citizen, the Bank continued to invest in Namibian communities through appropriate corporate social investment projects, mainly in the areas of education and information technology. In March 2011, a five-year agreement was signed (2012-2016) with an additional two secondary schools, and a total amount of N$1 million was committed to support the Government's efforts to promote computer literacy in Namibian schools.

During the course of 2011, the Bank introduced a new Performance Management System, called !Nâ!Nâ (Khoekhoegowab for "enlightenment" or "providing light"). This system should help the Bank to further improve its talent-management and organisational practices. Further, various organisational policies and practices were revised and updated, and a new Benchmarking Framework was adopted to build and promote organisational best practices. The new Bank of Namibia five-year plan (2012-2016) was crafted and finalised, with specific Areas of Concentration for 2012.

Sound and stringent measures were put in place to manage the Bank's existing facilities and resources. In addition, and in line with sound risk management, the Bank started to construct a Disaster Recovery facility, which is expected to become functional by November 2012.

Finally, I would like to extend my thanks and sincere appreciation to staff, senior managers and the Board for their contributions to laying stronger foundations for the Bank and for the future of our nation. In addition, I would like to thank the Bank's stakeholders for their support and cooperation, without which our efforts would have been in vain.

Ipumbu Shiimi
Governor
16 March 2012

# Part A

## Operations and Affairs of the Bank

Report prepared pursuant to section 52(1) (b) of the Bank of Namibia Act

# Content

## OPERATIONS AND AFFAIRS OF THE BANK

# THE ORGANISATION OF THE BANK OF NAMIBIA

## Members of the Board (As at 31 December 2011)

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

Mr Ipumbu Shiimi
Governor and Chairperson of the Board since 26 March 2010
Current term ends 31 December 2011
(Chairperson of the Board)

Dr Omu Kakujaha-Matundu
Member since 1 November 2008
Current term ends 31 October 2013
(Member of the Remuneration Committee)

Ms Ophelia Netta
Member since 1 February 2007
Current term ends 31 January 2012
(Chairperson of the Remuneration Committee)

Mr Veston Malango
Member since 1 April 2008
Current term ends 31 March 2013
(Member of the Audit Committee and the Remuneration Committee)

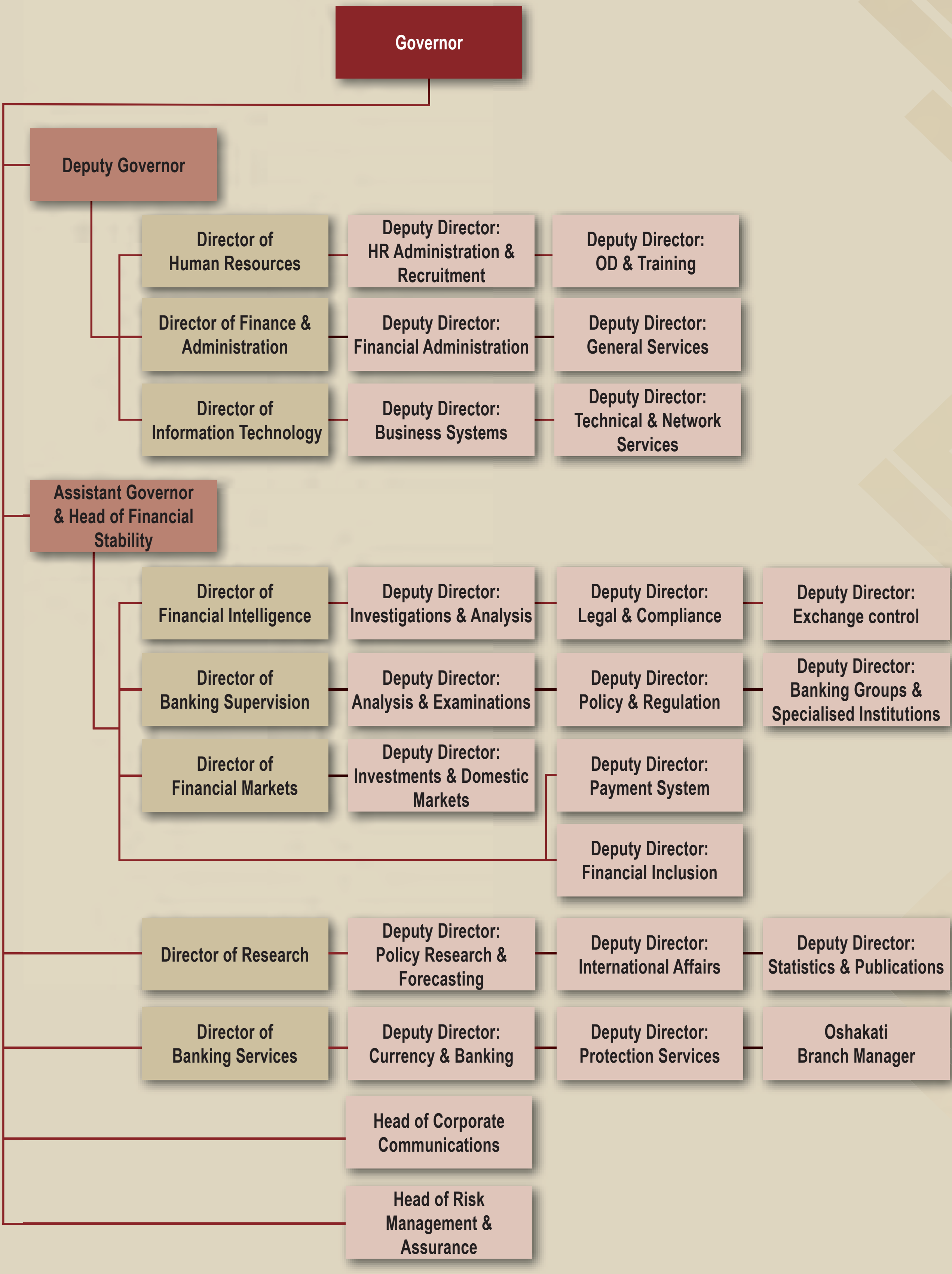
Mr Faniel Kisting
Member since 14 July 1998
Current term ends 31 July 2013
(Chairperson of the Audit Committee)

Dr Nashilongo Shivute
Member since 1 August 2007
Current term ends 31 July 2012
(Member of the Audit Committee)

Mr Paul Hartmann
Deputy Governor and Member of the Board since 1 August 2002
Current term ends 31 December 2011

# THE BANK'S ORGANISATIONAL STRUCTURE

Bank of Namibia - Management Structure
31 December 2011




A

# THE BANK'S SENIOR MANAGEMENT TEAM

Leoni Dunn
Director:
Financial
Intelligence

Michael Mukete
Assistant
Governor

Ben Biwa
Director:
Financial
Markets

Barbara Gowaseb
Director:
Human Resources

Estelle Tjipuka
Director:
Finance &
Administration

Paul Hart-
mann
Deputy
Governor

Ebson Uanguta
Director: Research

Romeo Nel
Director:
Banking Supervision

Lea Namoloh
Director:
Banking Services

Ipumbu Shiimi
Governor

Manfred Rittmann
Head of Risk
Management &
Assurance

Marsorry Ickua
Director:
Information
Technology

Ndangi Katoma
Head of Corporate
Communications


# MIDDLE MANAGEMENT AS AT END OF 2011

## *Financial Markets*

Titus Ndove
**Investments & Domestic Markets**

## *Financial Intelligence Centre*

Barry Zenobia
**Legal & Compliance**

Gerrit Eiman
**Investigations & Analysis**

Sylvia Shikongo
**Exchange Control**

## *Human Resources*

Shirene Bampton
**HR Administration & Recruitment**

Henny van Rensburg
**Organisation Development & Training**

## *Information Technology*

Martha Dama
**Business Systems**

Gerhardt Cloete
**Technical & Network Services**

## *Banking Services*

Sam Shivute
**Currency & Banking**

Bryan Eiseb
**Protection Services**

Phillip Ndjendja
**Oshakati Branch Manager**

## *Banking Supervision*

Ismael Naukosho
**Analysis & Examinations**

Urbans Karumendu
**Policy & Regulation**

Ancois Plaatjie
**Banking Groups & Specialised Institutions**

## *Finance & Administration*

Kuruvilla Mathew
**Financial Administration**

Indileni Kandele
**General Services**

## *Research*

Abed Iyambo
**International Affairs**

Evangelina Nailenge
**Policy Research & Forecasting**

Florette Nakusera
**Statistics & Publications**

## *Payment System*

Brian Geikhoibeb

## *Financial Inclusion*

Emma Haiyambo

# EMPLOYEE PROFILE

## *As at 31 December 2011*

| | |
|---|---|
| Total staff | 307 |
| By gender | |
| Women | 150 |
| Men | 157 |
| By age (years) | |
| Under 25 | 7 |
| 25-35 | 108 |
| 36-45 | 130 |
| 46-55 | 56 |
| 56-65 | 6 |
| Over 65 | 0 |
| By educational level | |
| Ph.D | 0 |
| Professional | 198 |
| Administrative | 109 |
| Average years of service | 8.17 |
| Annual turnover | 6.2% |

# GOVERNANCE

## OBJECTIVES AND ACCOUNTABILITY OF THE BANK

The Bank of Namibia is the Central Bank of the Republic of Namibia, created under Article 128(1) of the Constitution of the Republic of Namibia. The Constitution mandates the Bank to serve as the State's principal instrument to control the money supply, the currency and the institutions of finance. The following statutory objectives of the Bank are recorded in Section 3 of the Bank of Namibia Act, 1997 (Act No. 15 of 1997 as amended):

- 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

Further, the Bank is entrusted to carry out three additional functions:

- Banking supervision
- Administration of exchange control, and
- Combating of money laundering.

In line with Section 3B of the Act, the Bank performs its functions independently, with the provision in place for regular consultations between the Minister and the Governor. There are also six other laws administered by the Bank, which are as follows:

- The Currency and Exchanges Act, 1933 (Act No. 9 of 1933)
- The Prevention of Counterfeiting of Currency Act, 1965 (Act No. 16 of 1965)
- The Building Societies Act, 1986 (Act No. 2 of 1986)
- The Banking Institutions Act, 1998 (Act No. 2 of 1998 as amended)
- The Payment System Management Act, 2003 (Act No. 18 of 2003 as amended), and
- The Financial Intelligence Act, 2007 (Act No. 3 of 2007).

The stated objectives of the Bank, as well as the relevant legislation, empower the Bank with some policy and regulatory authority which allows it to be responsible for carrying out numerous multifaceted functions.

Besides the national laws, the Bank is also expected to comply with and implement specific international obligations resulting from regional and international treaties, to which Namibia is a party. These are the African Union (AU), the Common Monetary Area (CMA), the Southern African Development Community (SADC), the International Monetary Fund (IMF), the World Bank, and the Eastern and Southern African Anti-money Laundering Group (ESAAMLG).

The relationship between the Government and the Bank is broadly defined in the Bank of Namibia Act. The specific obligations of the Bank are clearly defined in a Memorandum of Understanding (MOU) entered into between the Ministry of Finance and the Bank. This MOU covers the terms and conditions of banking services rendered to Government, public debt-management arrangements, as well as the nature and frequency of consultations.

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## CORPORATE CHARTER

A Corporate Charter guides the Bank's actions and the way it carries out its mandate. This Charter is not a voluntary guideline but is provided for in the Bank of Namibia Act, in order for the Bank to have a Mission Statement which clearly spells out its main purpose and vision, based on its objectives.

The Bank's **vision** portrays its desired or intended future state in terms of its fundamental objectives and strategic direction. The Bank's **mission** defines its fundamental purpose, describing why it exists and the importance of achieving its **vision**. The Bank's **values** essentially express the beliefs shared by the stakeholders of the Bank. These values drive the Bank's culture and priorities, and articulate the code of conduct used by the Bank to mobilise all its resources in pursuit of its vision. All the Bank's stakeholders are expected to assimilate and identify with these required standards and principles towards ethical behaviour and excellence.

It is important to emphasise that the Charter strives to promote a sense of shared expectations among all levels and generations of employees towards ethical behaviour and excellence.



# BANK OF NAMIBIA 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.
- We care for each other's well-being.

# STRATEGIC OBJECTIVES

The Bank's strategic objectives are linked to its functional priorities and essentially refer to what the Bank is aspiring to achieve. Seven principal objectives were derived from the vision and mission, which reflect the Bank's desire to meet its statutory mandate. The following seven strategic objectives have been laid down to be pursued during the planning period:

1. Safeguard and enhance financial stability
2. Promote price stability
3. Promote sustainable economic growth
4. Manage reserves prudently
5. Promote a positive reputation
6. Promote financial market development, and
7. Develop and manage resources sustainably.

When pursuing these strategic objectives, it is not only important to design strategies that can be engaged, but also to clearly describe the strategic outcomes that would reveal whether or not each objective has been achieved. To ensure successful strategy implementation, the said objectives have been transformed into areas of concentration with clear, measurable targets. Progress reporting is provided on the areas of concentration and the achievement of the targets on a quarterly basis. The entire plan is reviewed and refreshed on an annual basis.

To promote ownership of the strategic objectives 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 charted by means of performance agreements and recognised quality standards.

The section of this report entitled "The Year in Review" explains the activities and progress during the review period as regards each of the seven strategic objectives.

# ACCOUNTABILITY

The Bank, like most central banks around the globe, is unique in terms of its institutional configuration and functions. It enjoys a fair degree of operational autonomy and is not profit driven. Its actions have implications for the performance of the Namibian economy and the welfare of its citizens.

Against this background, it is of paramount importance that the Bank always maintains accountability to the public at large by adhering to good corporate governance principles. 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 services, and
- To be flexible and forward-looking in its approach, but to avoid undue risks.

The Bank's legislation, Corporate Charter and strategic plan are some of the tools that guide it to achieve its aims of good governance. The Bank also strives to be transparent through a concrete communication strategy that is in place to enable open and clear communication regarding its operations.

## THE GOVERNOR

The Governor, assisted by a Deputy Governor and an Assistant Governor, serves the Bank as Chief Executive and is accountable for the Bank's actions. In monetary policy, as in most other matters, the decision-making authority resides with the Governor. However, comprehensive and Board-approved delegations of power are in place to guide the decision-making powers of the Governor and his/her delegates. The Governor is appointed for a five-year term. The Act sets specific criteria for the appointment, reappointment and dismissal of a Governor. The term of the current incumbents, i.e. Governor, Mr Ipumbu Shiimi, and Deputy Governor, Mr Paul Hartmann, expired at the end of December 2011. The Governor was appointed for a new five-year term, after taking over from Mr Tom Alweendo in 2010. A new Deputy Governor, Mr Ebson Uanguta, was appointed for the same period, with effect from 1 January 2012.



## THE BOARD OF THE BANK OF NAMIBIA

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

The Board consists of Executive and Non-executive Members. The Governor (Chairperson) and the Deputy Governor are Executive Members of the Board, while the Non-executive Members include the Permanent Secretary of the Ministry of Finance (who is an *ex officio* member), one staff member from the Public Service, and four other persons. The President of the Republic of Namibia appoints all Board Members. The Assistant Governor also attends Board meetings in an advisory capacity. Throughout the year under review, the Board operated at full strength as there were no vacancies. Board Members who served during the year under review are listed on page 8 of this report.

The Board meets regularly – at least four times a year – with the main purpose of overseeing and monitoring the finances, operations and policies of the Bank. During 2011, four Ordinary Board meetings were held. Table A.1 sets out the frequency and attendance of Board meetings.

**Table A.1: Frequency and attendance of Board meetings during 2011**

| | 03-Mar | 26-May | 2-5Aug | 24-Nov |
|---|---|---|---|---|
| Mr I Shiimi | ✓ | ✓ | ✓ | ✓ |
| Mr P Hartmann | ✓ | ✓ | ✓ | ✓ |
| Ms E Shafudah | ✓ | ✓ | ✗ | ✓ |
| Mr F Kisting | ✓ | ✓ | ✓ | ✓ |
| Ms O Netta | ✗ | ✗ | ✗ | ✗ |
| Dr N Shivute | ✓ | ✓ | ✗ | ✓ |
| Mr V Malango | ✓ | ✓ | ✓ | ✓ |
| Dr O Kakujaha-Matundu | ✓ | ✓ | ✓ | ✓ |

The sub-committees of the Board, namely the Audit Committee and the Remuneration Committee, both of which provide the channel for effective communication between the Board and management, had several meetings during the period under review.

The **Audit Committee** is responsible for evaluating the adequacy and efficiency of the Bank's corporate governance practices, including 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 for considering all audit plans and the scope of the external and internal audits to ensure that the coordination of the audit effort is maximised. The committee is also responsible for introducing 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**, on the other hand, is responsible for overseeing and coordinating the Bank's remuneration function and for ensuring that remuneration is fair and equitable in order to attract and retain quality staff and Board Members. This committee also comprises three Non-executive Board Members. The Remuneration Committee establishes and maintains a Board membership continuity programme which involves the following activities:

1. Measures to ensure the continuity of non-executive Board members
2. A regular review of the composition of skills, experience and other qualities required for the effectiveness of the Board, and
3. An annual assessment of the Board as a whole, and of the contribution of each Non-executive Board Member.

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 2011

| Audit Committee | 24-Feb | 23-May | 18-Aug | 17-Nov |
|---|---|---|---|---|
| Mr FKisting (Chair) | ✓ | ✓ | ✓ | ✓ |
| Dr N Shivute | ✗ | ✓ | ✗ | ✓ |
| Mr V Malango | ✓ | ✓ | ✓ | ✓ |
| **Remuneration Committee** | **15-Feb** | **02-Aug** | **07-Oct** | **03-Nov** |
| (Special) | | | | |
| Ms O Netta (Chair) | ✓ | ✓* | ✓* | ✓* |
| Mr V Malango | ✓ | ✓ | ✓ | ✓ |
| Dr O Kakujaha-Matundu | ✓ | ✓ | ✓ | ✓ |

* Attendance via conference call

## MANAGEMENT STRUCTURE

The Bank's senior management team is made up of the Governor, the Deputy Governor, the Assistant Governor, and the Directors of the Bank's various Departments, as outlined on page 10. The positions of Governor and Deputy Governor are required by Statute. The Assistant Governor also takes on the responsibility of Head of Financial Stability. There are four committees that characterise the Bank's management structure, namely the Monetary Policy Committee, the Investment Committee, the Management Committee, and the Financial System Stability Committee.

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

The **Investment Committee (IC)** consists of the Governor, Deputy Governor, Assistant Governor, Directors of Research and Financial Markets, and the Head of Corporate Communications. The IC is responsible for reviewing the level and adequacy of Namibia's foreign exchange reserves. While the Board approves the International Reserves Management

Policy, the IC may review the investment guidelines for final approval by the Governor. The IC is also expected to ensure that investments comply with the approved policy.

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

The **Financial System Stability Committee** (**FSSC**) consists of the Assistant Governor, who is the Chairperson of the committee as the Head of Financial Stability, and the Director of Research, the Director of Banking Supervision, the Director of Finance and Administration, the Director of Financial Markets, the Director of Payment and Settlement Systems, the Director of Communications & Financial Inclusion, the Deputy Director of Investments & Domestic Markets, the Deputy Director of Analysis and Examinations, the Deputy Director of Policy Research & Forecasting, the Deputy Director of Statistics & Publications, the Deputy Director of Banking Groups & Special Institutions, the Deputy Director of Payment Systems Oversight and Projects, and a representative from NAMFISA. The committee meets quarterly and chiefly concerns itself to matters relating to the soundness of the financial system of the country.



## REPORTING OBLIGATIONS

The Bank of Namibia Act obliges the Bank to submit a copy of this Annual Report to the Minister of Finance within three months after the end of each financial year. The Minister, in turn, is obliged to table the Annual Report to the National Assembly within 30 days after having received it. The Annual 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 Financial Statements, the Bank is required to submit a monthly Balance Sheet to the Minister, to be published in the *Government Gazette* every month.

In accordance with Section 40 of the Bank of Namibia Act, the Bank renders advice and furnishes reports to the Minister of Finance on any economic or financial matter that the Minister may refer to the Bank for investigation and advice, and on any matter that may prevent the Bank from achieving its objectives, or hinder the performance of its functions.

When the Government or any governmental body or institution intends to borrow from any source in a foreign country, they are required in terms of the Act, to seek the Bank's opinion regarding the timing, terms and conditions, and financial expediency of the intended borrowing.

Although the Governor is not obliged to appear before any Parliamentary Committee, the Bank initiates regular briefings and consultations with appropriate Standing Committees of the National Assembly and National Council on a variety of policy-related subjects.

## COMMUNICATION

Transparency remains a fundamental element of the operational activities of the Bank. As a result, the Bank ensures that effective communication processes are undertaken with its various clients. This results in positive perceptions with regard to the functions and operations of the Central Bank.

During 2011, the Bank undertook numerous outreach communication activities aimed at engaging targeted stakeholders. These included events such as the Bank of Namibia's 13th Annual Symposium and the Governor's Annual Address. The Symposium was held under the theme: *Housing in Namibia: Has the situation changed 21 years after independence?* The Governor's Annual Address focussed on the forward-looking theme: *Enhancing Access to Finance in Namibia through an improved Land-tenure System.* In addition, other stakeholder events were held to address specific issues, including media conferences, a media training workshop and other consultative meetings.

These activities strengthened strategic relationships with the Bank's external and internal stakeholders. Communication channels, such as the Bank's corporate website, discussion papers, media statements/releases and responses to various enquiries, were effectively used for external stakeholders. Internally, the intranet, internal newsletter and regular staff meetings were effectively utilised to create conducive working relationships in the Bank.

The Bank produced a wide range of publications during 2011 to keep the public informed about policy decisions, economic developments, and other


relevant issues. The following publications were issued during the reporting period:

- The Bank of Namibia's *Quarterly Bulletin* contains comprehensive data covering the real sector, monetary and financial developments, public finance, and the balance of payments.

- The *Monetary Policy Review*, which forms part of the *Quarterly Bulletin*, aims at providing a brief account of the state of the economy, inflation determinants, and the reasons for the Bank's monetary policy decisions. It is issued on a six-monthly basis.

- The *Financial Stability Review*, published every six months, gives a detailed assessment of the overall condition of Namibia's financial system, and highlights potential risks and vulnerabilities that could threaten the stability of the system.

- The Bank of Namibia's statutory Annual Report reports on the Bank's annual financial statements, gives information about the Bank's operations and affairs, as well as information on the state of the economy.

# THE YEAR IN REVIEW

The Bank's activities are guided by seven strategic objectives to be pursued during the five-year period from 2007 to 2011.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 objective.

In this section, for the sake of presentation and clarity, each of the seven strategic objectives are highlighted, followed by the initiatives and strategies agreed upon to accomplish these objectives, as well as the strategic outcomes that indicate the success or failure of these strategies. This is followed by key actions and activities undertaken during the course of the year.



## SAFEGUARD AND ENHANCE FINANCIAL STABILITY

### Strategic objective 1

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

### Initiatives and strategies

- Promote financial integrity
- Supervise deposit-taking institutions
- Oversee the domestic payment and settlement system
- Combat money laundering
- Provide sufficient quality, quantity and security of currency to meet demand in the economy
- Regularly assess the stability of the financial sector

### Strategic outcomes

- A banking system that is free of illegal banking and deposit-taking activities
- A stable banking sector underpinned by a comprehensive prudential regulatory framework based, where feasible, on international standards
- The ability to anticipate weaknesses in the banking sector, and a robust mechanism to correct such weaknesses
- A safe and reliable national payment system, where all banking and financial transactions are processed in accordance with national laws
- A robust anti-money laundering system that is capable of detecting and preventing incidences of money laundering
- A comprehensive currency management system, where the correct amount and quality of currency is available at all times, and where the currency is acquired in the most cost-effective manner
- A financial system that is free of macro-economic disturbances
- Protection of depositors in case of a bank failure

The Bank is tasked with the responsibility of promoting and maintaining the stability of the financial system in Namibia. In order to carry out this statutory responsibility, the Bank regularly monitors and assesses the soundness of the various components of the financial system, including the financial markets and the payments infrastructure. The Bank shares this assessment on a regular basis with the other relevant stakeholders and continues to emphasise financial-system stability by examining the banking system from a macro-prudential perspective. This approach takes many forms, including regularly assessing the stability of the financial system, ensuring that the banking system is prudently managed through dedicated supervision, safeguarding the integrity and efficiency of the national payment system, and instituting rigorous anti-money laundering practices, including ways of combating the financing of terrorism.


## FINANCIAL STABILITY ASSESSMENT

The Bank published two Financial Stability reports in 2011. The main aim of issuing these reports was to inform the public on the state of financial stability in Namibia, and the supervisory and regulatory initiatives taken to enhance it. Banking institutions play a key intermediary role in the financial system. Consequently, shocks to the banking sector could be transmitted to the rest of the financial sector and to the real economy, with possible harmful effects. Therefore, much of financial stability assessment focuses on the banking sector and its ability to absorb unexpected shocks.

The latest Financial Stability report highlighted the possible negative influence of the uncertain global financial conditions on the Namibian financial system and real sector in the first half of 2011. The impact on the local banking sector remained limited owing to the sector's insulation to afflicted international financial markets. However, domestic economic activity slowed in keeping with the global economic slowdown. The latter was due to depressed global consumer demand resulting from high and persistent unemployment. The primary industry was the most badly affected, with mining and quarrying and agriculture outputs negatively affected by adverse weather conditions. Conversely, the tertiary industry recorded improvements during the review, reflecting in the wholesale and retail trade as well as the tourism and water-transport sectors.

## BANKING SUPERVISION

The Bank is tasked with the mandate of being the licensor and supervisor of all banking institutions in Namibia as per the amended Banking Institutions Act, 1998. In the period under review, the bank conducted on-site examinations and off-site analyses of all banking institutions. The analyses confirmed that the Namibian banking system was largely resilient to external shocks throughout the global financial crisis and continued to remain stable and sound during 2011. The banking sector remained well capitalised, with all banking institutions reporting capital in excess of minimum regulatory requirements, and conforming to all other regulatory limits.

The Bank completed and adopted the Consolidated Supervision Determination, directives, and instructions for completion of statutory returns during the period under review.

The Bank also extended the provisional licence granted to the SME Bank to enable it to address outstanding issues. The SME Bank is expected to commence its banking business prior to the expiration of the extended provisional licence in 2012.

The Minister of Finance, on the recommendation of the Bank, by notice in the Gazette, removed Nampost Savings Bank from the list of the exempted institutions under Section 2(2) of the Banking Institutions Act. As a result, the Nampost Savings Bank will in future be regulated and supervised by the Bank under the Banking Institutions Act.

In conjunction with the above, a Crisis Simulation Exercise was successfully carried out and a comprehensive report with actionable recommendations has been presented to the respective authorities for consideration and further action.

## PAYMENT SYSTEM OVERSIGHT

There are two cardinal principles for overseeing the payment systems. Firstly, to promote the smooth functioning of payment systems and secondly, to protect the financial system from possible domino effects which may occur when one or more participants in the payment system incur credit or liquidity problems. Payment systems oversight focuses on a given system rather than on individual participants.

The Bank, through oversight, ensures the efficient operation of one large value and time-critical customer payment system (NISS). Other systems administered by the Bank are retail payment systems, the Electronic Fund Transfer (EFT), Code Line Clearing (CLC), NamSwitch (domestic debit, hybrid and credit cards), MasterCard and VisaNet (international debit, hybrid and credit cards), SmartCard and electronic money-payment systems.

In the oversight of payment systems it is essential to distinguish between systemically important systems, systems of prominent importance, and other systems. The decisive attribute that defines a systemically important payment system is whether the system can give rise to, or transmit, liquidity and solvency problems between members of the payment system or to the country's wider financial system (systemic risk).

The main factor in assessing the aforementioned attributes is the value of the payments that the system possesses (in either individual or aggregate terms) relative to the liquidity and capital strength of its members or, in a broader context, to those of the country's financial system. Another important attribute in ruling on the systemic importance of a payment system is the type of payments that the system possesses. In this context, all systems via which the positions of net settlement systems are settled, or transactions concluded on the financial markets are settled, are classified as systemically important. Payment systems of prominent importance are those that do not give rise to systemic risk but that nevertheless, as a result of their widespread use, have a major impact on a specific economy, so that problems in the system undermine public confidence in payment systems. Other payment systems are those that have a lesser impact on other financial infrastructure and on the economy as a whole.

In 2011, the Bank performed oversight of Namibia's payment systems. This oversight has continued to reduce the probability of systemic risk in the infrastructure of Namibia's payment systems and promote the smooth operation of payment systems. A day-to-day oversight of the systemically important payment system, system of prominent importance and other systems was conducted by the Bank in compliance with "The Bank of Namibia's National Payment System Oversight Framework". In this process, the Bank analysed the incidents and statistical data of the NISS, EFT, CLC, NamSwitch, MasterCard, VisaNet and other systems, within the framework of the day-to-day oversight. Within the framework of payment system oversight, the Bank also cooperated with institutions, ensuring operation of the clearing and payment systems (NamClear, Card Associations, Payments Association of Namibia, Financial Institutions Fraud and Security Committee, and banking institutions) and providing its advice and opinion on payment-system issues. To this effect, a Memorandum of Agreement (MOA) was signed between the Bank and the Payment Association of Namibia (PAN), spelling out the roles and responsibilities of the parties concerned. This MOA aims to help facilitate an effective working relationship and thereby promote an efficient, stable and competitive payment system in Namibia.

The National Payment System (NPS) Vision 2015 was launched in April 2011 and provides a high-level strategic direction for the Namibian payment system. Further, the Financial Institutions Fraud and Security Committee (FIFSC), the voice of the financial services industry on financial fraud matters, was established to coordinate fraud-prevention activities and present a united front against financial fraud and its effects. The Bank devised a cheque and card fraud return, used to compile industry statistics and to better combat this kind of fraud in Namibia. In future, the Bank will publish the latest industry card and cheque fraud statistics, in conjunction with PAN and FIFSC.

The Bank conducted its regular annual on-site visits on NamClear, EFT, CLC and NamSwitch payment systems, and on MobiPay, the only authorized e-money issuer. A Banking Institution number 19 (BID 19) compliance assessment review, pertaining to the localisation of core banking systems, was conducted on three banking institutions. The detailed assessment results and recommendations will be communicated to the banking institutions concerned during the first quarter of 2012. The Bank participates in the SADC Payment System Integration Project in an effort to promote integration of Namibia's payment systems into the CMA and SADC payments initiatives.

In 2011, the Bank drafted amendments to the Payment System Determination number 1 (PSD-1) on the issuing of a payment instrument, which will pave the way for the gazetting of a new electronic money (e-money) regulation. These amendments will take effect at the end of the first quarter of 2012. There has been a surge in interest from institutions, both banking and non-banking, to issue e-money, as highlighted by the number of applications submitted for assessment. The e-money regulations will give clear guidance and requirements to interested e-money issuers while protecting the interests and funds of the public. These initiatives are expected to make a significant impact in reaching the unbanked community.

The promulgation of the Payment System Management Amendment Act, 2010, gave the Bank the function to oversee fees and charges. As part of this mandate, the Bank will be focusing on setting standards for various fees and charges, including but not limited to fees and charges for a basic bank account, cash deposit fees, dormant account fees, and ATM pricing.

## FINANCIAL INTELLIGENCE

The Financial Intelligence Centre (FIC) at the Bank is responsible for administering the Financial Intelligence Act, 2007 (Act No. 3 of 2007) (FIA), Namibia's main anti-money laundering preventative law. In particular, the FIA mandates the FIC to:

- Receive and analyse Suspicious Transaction Reports (STRs) from accountable institutions and supervisory bodies designated in the FIA, and Requests for Information (RFIs) from Law Enforcement Agencies (LEAs) national, as well as foreign Financial Intelligence Units, pertaining to money laundering (ML) and terrorism financing (TF)
- Disseminate intelligence reports produced from analysis conducted on STRs and RFIs, to LEAs nationally and foreign Financial Intelligence Units, in order to combat ML and TF in the country and abroad; and
- Ensure that accountable institutions and supervisory bodies comply with their obligations under the FIA.

An important development in 2011 was the targeted review performed by the Financial Action Task Force (FATF), an inter-governmental body whose main objective is the development and promotion of policies, both at national and international level, to combat money laundering and terrorism financing. During this targeted review, the FATF identified some areas that need to be strengthened in Namibia's National Anti-Money laundering and Combatting the Financing of Terrorism regime, to bring it in line with international standards and best practice.

The Bank and the Government agreed on an action plan of legislative reform and development to address concerns raised in the FATF report. These reforms are expected to be implemented in 2012.

Table A.3 sets out the number of STRs and RFIs submitted to the FIC during 2011, compared to 2010. The number of STRs increased from 88 in 2010 to 148 in 2011. This translates into an overall annual increase of 68 percent in reported suspicious activities pertaining to ML and TF. The increase in STRs can mainly be attributed to measures put in place to bring about compliance, which include:

a) In-depth FIA compliance training given by the FIC to Accountable Institutions whose products and services pose a high risk for ML and TF abuse;
b) Continuous engagement with and training provided to Anti-Money Laundering Compliance Officers (AMLCOs) of Accountable Institutions on detection of ML and TF activities and submission of quality STRs to the FIC;
c) Feedback provided to AMLCOs on the quality of information submitted in STRs to the FIC; and
d) Members of the public who have become more vigilant of money-laundering activities and the FIA provisions, including the reporting of STRs.

## Table A.3: Suspicious Transaction Reports (STRs) received per source

| Source of STR | January - December 2010 | | January - December 2011 | |
|---|---|---|---|---|
| | Number of reports | Percentage | Number of reports | Percentage |
| Internally generated | 1 | 1.1 | 1 | 0.7 |
| Public members | 2 | 2.3 | 9 | 6.1 |
| Financial service providers | 62 | 70.5 | 121 | 81.8 |
| Asset managers | 2 | 2.3 | 3 | 2.0 |
| Supervisory authorities | 2 | 2.3 | - | - |
| Legal practitioners | 6 | 6.8 | 5 | 3.4 |
| Government ministries | 2 | 2.3 | 1 | 0.7 |
| Accounting firms | 1 | 1.1 | - | - |
| Money remitters | 9 | 10.2 | 6 | 4.1 |
| Insurance | - | - | 1 | 0.7 |
| Motor vehicle dealers | 1 | 1.1 | - | - |
| Casino/gambling house | - | - | 1 | 0.7 |
| Total | 88 | 100% | 148 | 100% |

While the majority of the STRs reported during 2011 were from the banking sector, a sharp increase was noted in STRs filed by members of the public.

During 2011, one hundred and sixty five (165) intelligence reports were disseminated to local law-enforcement agencies for the purposes of investigating suspected activities of ML and TF in Namibia and to facilitate the seizing, freezing and confiscation of suspected proceeds of crime within Namibia. The FIC also disseminated a total of twenty (20) intelligence reports to foreign Financial Intelligence Units for purposes of investigating suspected activities of ML and TF and to facilitate the seizing, freezing and confiscation of suspected proceeds of crime occurring in such foreign jurisdictions. Possible offences identified during analyses were, among others, corruption, fraud, diamond smuggling, drug trafficking, tax evasion, financing of terrorism and human trafficking. A few of these cases are pending in court, either for prosecution, asset freezing or confiscation, and as such have not been finalised. No convictions relating to money laundering were obtained during 2011.

During the course of 2011, the Anti-Money Laundering Advisory Council (AMLAC) also considered a National Law Enforcement Plan aimed to strengthen the capacity and cooperation between the various LEAs in Namibia to ensure effective and efficient investigations of ML and TF offences. The AMLAC also commissioned a National Crime Threat Assessment during the second half of 2011, to better understand threats posed by criminal activities that are not investigated, especially those identified and disseminated by the FIC. The AMLAC noted that empirical data emanating from this exercise could be used to further substantiate and motivate key reform areas proposed in the National Law Enforcement Action Plan.

During 2011, the FIC also offered capacity building to Financial Intelligence Units in countries within Eastern and Southern Africa, as well as to countries falling within the Inter Governmental Action Group against Money Laundering in West Africa. In this regard, the FIC provided training, advice and guidance to the Governments of Angola, Botswana, Lesotho, Liberia, Uganda and Zambia. Through these exercises, the FIC contributed to strengthening the regional Anti-Money Laundering and Combatting the Financing of Terrorism regimes and capacities.

Below the revenue and expenditure of the operations of the FIC during 2011 is highlighted.

### Funding of the Financial Intelligence Centre

| Income and expenditure as at 31 December 2011 | N$ |
|---|---|
| Government grant - FIC funding | 6 140 759 |
| Total revenue | **6 140 759** |
| Operating expenditure | 9 815 529 |
| Capital expenditure | 16 789 |
| Total expenditure | **9 832 318** |
| Surplus/(deficit) for the year | **(3 691 559)** |



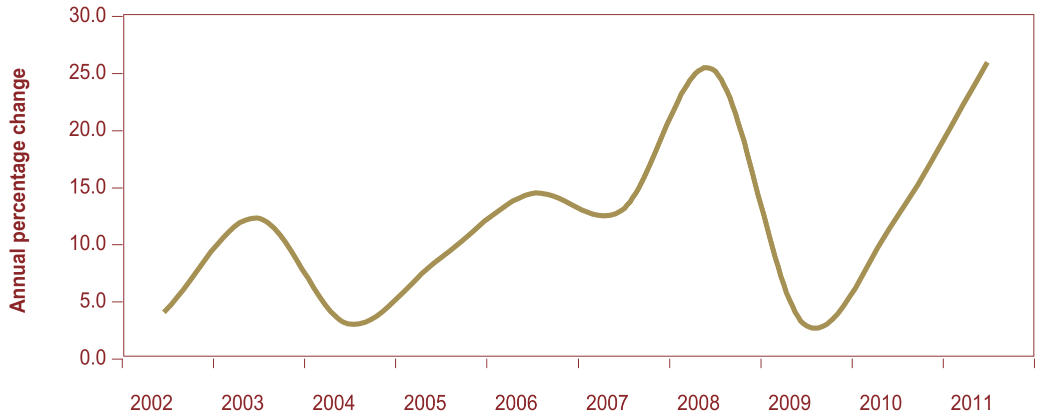
## CURRENCY OPERATIONS

Currency management and issuance is one of the strategic functions of the Bank. This function requires the Bank to arrange for the printing of banknotes and the minting of coins, and to ensure sufficient quantity, acceptable quality, and security of the national currency. In 2011, a new family of banknote designs was finalised. These new banknotes are currently being printed and will be launched on 21 March 2012.

Chart A.1 depicts the annual change in currency in circulation between 2002 and 2011. The annual growth in the value of currency in circulation outside the Central Bank increased to 25.6 percent at the end of 2011 from 11.9 percent at the end of 2010. The increased demand for cash could primarily be attributed to the following factors:

a) The issuance of high volumes of new banknotes to the commercial banks to ensure the availability of good-quality banknotes in circulation
b) Increased credit demand during the year, and
c) The increase in Government spending.

Chart A.1: Currency in circulation




All banknotes deposited at the Bank by commercial banks are subject to authentication and sorting into quality categories, such as Unfit, Fit and ATM-fit. Banknotes that no longer meet the Bank's fitness criteria are withdrawn from circulation and destroyed. In 2011, a total of 36.9 million banknote pieces were withdrawn from circulation and destroyed compared with 32.9 million pieces in 2010. Although there was an increase in the amount of currency deposited from commercial banks, the Bank was able to sort most of the notes. The number of unsorted notes was reduced by 67.6 percent in 2011, compared to 39.0 percent in 2010. The respective values and volumes of currency in circulation at the end of 2010 and 2011, respectively, are shown in Table A.4.

### Table A.4: Composition of currency in circulation (outside the Bank of Namibia) at the end of 2011

| Denomination | 2010 | | 2011 | | Change in value (percent) |
|---|---|---|---|---|---|
| | Value (N$ million) | Volume (million) | Value (N$ million) | Volume (million) | |
| **5c coin** | 5.7 | 113.4 | 6.4 | 128.4 | 13.2 |
| **10c coin** | 9.7 | 96.8 | 10.7 | 107.1 | 10.6 |
| **50c coin** | 9.1 | 18.2 | 10.1 | 20.1 | 10.3 |
| **N$1 coin** | 64.9 | 64.9 | 72.9 | 72.9 | 12.3 |
| **N$5 coin** | 35.0 | 7.0 | 37.9 | 7.6 | 8.1 |
| **N$10 coin** | 9.0 | 0.9 | 11.3 | 1.1 | 25.8 |
| **All coins** | 133.4 | 301.3 | 149.2 | 337.2 | 11.9 |
| **N$10 notes** | 49.2 | 4.9 | 108.3 | 10.8 | 120.1 |
| **N$20 notes** | 115.8 | 5.8 | 38.5 | 1.9 | -66.8 |
| **N$50 notes** | 198.9 | 4.0 | 231.4 | 4.6 | 16.4 |
| **N$100 notes** | 1 171.3 | 11.7 | 1 448.5 | 14.5 | 23.7 |
| **N$200 notes** | 240.8 | 1.2 | 422.3 | 2.1 | 75.4 |
| **All notes** | 1 776.0 | 27.6 | 2 249.0 | 34.0 | 26.6 |
| **TOTAL** | **1 909.4** | **328.9** | **2 398.2** | **371.2** | **25.6** |

There was an increase in the value and volume of both notes and coins between 2010 and 2011, hence the growth in the number of notes and coins in circulation. At the end of 2011, the number of coins in circulation rose to 337.2 million pieces from 301.3 million pieces the previous year, while the number of notes rose to 34.0 million pieces from 27.6 million pieces over the same period. In 2011, the N$20 banknote decreased in circulation, while all other notes and coins increased in circulation. The decrease in circulation of the N$20 note is attributed to limited stock, while the Bank has reduced its level of issuance of those notes until the launch of the new N$20 note in March 2012.

During 2011, the Bank launched a campaign to have better-quality notes in circulation. This campaign yielded good results as most unfit banknotes were deposited at the Bank. As a result of this campaign, together with the limited stock of N$20 notes, the issuance of brand new N$10 and N$100 notes increased sharply. The N$100 note remains the most popular among the notes, with a circulation of 14.5 million pieces. These notes account for 42.6 percent of the volume and 64.4 percent of the value of all notes in circulation. The 5 cent coin has the highest circulation among the coins, with more than 128.4 million pieces in circulation. This represents 38.1 percent of the volume and 4.3 percent of the value of all coins in circulation at the end of 2011.

In accordance with the Bilateral Monetary Agreement with South Africa, the Bank is required to repatriate South African Rand notes that are deposited at the Bank back to South Africa. Rand notes continue to come into circulation in Namibia, mainly as a result of foreign trade and tourism. 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 and repatriated by the Bank of Namibia (in the case of Rand notes) and by banking institutions (in the case of Rand coins). Rand repatriation and the Namibia Dollar in circulation are presented in Table A.5. In 2011, there was a decrease of 21.1 percent in the value of Rand notes repatriated to South Africa, compared to an increase of 18.8 percent in 2010.

### Table A.5: Rand repatriation versus Namibia Dollars in circulation

| Calendar year | Value of Rand repatriation | | N$ in circulation | |
|---|---|---|---|---|
| | Rand million | Change in value (percent) | N$ million | Change (percent) |
| 2007 | 1 125.0 | 50.1 | 1 323.7 | 15.0 |
| 2008 | 974.8 | -13.4 | 1 657.0 | 25.2 |
| 2009 | 1 200.0 | 23.1 | 1 705.4 | 2.9 |
| 2010 | 1 425.0 | 18.8 | 1 909.3 | 12.0 |
| 2011 | 1 125.0 | -21.1 | 2 398.2 | 25.6 |

## COUNTERFEIT NAMIBIA DOLLARS DETECTED

As indicated in Table A.6, the number of counterfeit Namibia Dollar banknotes increased considerably, from 96 pieces in 2010 to 211 pieces in 2011. The ratio of counterfeits per million of notes in circulation has also increased, specifically in N$20, N$50 and N$100 notes. There was, however, a decrease in counterfeit N$10 and N$200 notes, respectively. These counterfeits are analysed and catalogued in Table A.6 for record and reference purpose.

Table A.6 indicates that the number of counterfeit Namibia Dollar banknotes has increased to 211. The N$50 bill continues to be the most targeted note, followed by the N$100 bill. The number of counterfeit notes is expressed in relation to the volumes of Namibia Dollar issued. The domestic incidence of counterfeit presently stands at 6 pieces of counterfeits to 1 million pieces of Namibia Dollar issued. The increase in the number of counterfeit notes can largely be ascribed to the single biggest seizure of counterfeits, where approximately 85 000 counterfeits of N$50 and N$100 denominations were confiscated. Despite the incidence of counterfeits, the Bank embarked constantly on various interventions to curb and lessen counterfeits. These interventions, among others, included awareness campaigns and upgrading security features.

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### Table A.6: Counterfeit Namibia Dollar banknotes and coins

| Denomination | Number of counterfeit banknotes and coins detected | | | | | Counterfeits per million notes in 2011 |
|---|---|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 | 2011 | |
| N$10 | 0 | 16 | 5 | 2 | 0 | 0 |
| N$20 | 5 | 12 | 9 | 5 | 3 | 2 |
| N$50 | 23 | 38 | 126 | 49 | 80 | 17 |
| N$100 | 7 | 34 | 84 | 33 | 119 | 8 |
| N$200 | 48 | 18 | 41 | 7 | 9 | 4 |
| Total | 83 | 118 | 265 | 96 | 211 | |
| Counterfeits per million notes in circulation | 4 | 5 | 10 | 4 | 6 | |



# PROMOTE PRICE STABILITY

## Strategic objective 2

Promote price stability

## Initiatives and strategies

- Improve economic data management and statistical analyses
- Pursue monetary policy in accordance with Monetary Policy Framework

## Strategic outcomes

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

The primary objective of monetary policy is to protect the value of the currency in order to obtain balanced and sustainable economic growth in the country. This objective is articulated in the Bank of Namibia Act, 1997. To achieve financial stability requires both stable prices and stable conditions in the financial sector as a whole.

Price stability is achieved when changes in the general price level no longer influence economic decision-making processes in a material way. Although relative price movements may still affect decisions on production, consumption, saving and investment, the rate of inflation or deflation should be so insignificant that it is no longer an important factor in economic decision making.

Stable conditions in the financial sector are achieved when there is a high degree of confidence that financial institutions and financial markets are able to meet contractual obligations without interruption or recourse to external support. Such stable conditions do not preclude the failure of individual financial institutions. A financial institution can fail and be allowed to fail even under stable financial conditions. It is only when the whole or an important part of the financial sector is at risk that the situation can be described as financially unstable.

## MONETARY POLICY STANCE DURING 2011

The monetary policy stance during 2011 was challenged by the slowing pace of recovery, coupled with fears of a second recession. In contrast to the years 2009 and 2010, in which mild signs of recovery were visible, the global economic landscape took a turn for the worse in 2011. Private consumption as well as public spending particularly in the advanced economies were highly constrained during the year under review. Owing to the openness of the Namibian economy, the slump in global demand adversely affected the performance of the domestic real sector. In this regard, domestic economic indicators have not shown sustained growth during the year.

Against that background, the MPC of the Bank continued the accommodative monetary policy stance, which began in December 2008. In this context, the MPC maintained the repo rate unchanged at 6.00 percent during the six meetings held in 2011. The neutral stance was sustained with a view of allowing the domestic economy room to gain momentum for growth amidst these uncertainties.

In reviewing the global trend in monetary policy, most central banks, especially in the advanced economies, maintained accommodative monetary policy stances during the year, in line with the heightened uncertainties. On the contrary, some central banks in emerging market economies tightened their policy stances with a view of avoiding overheating and minimising inflationary pressures.

On the domestic economy front, the MPC also considered price developments during the year and noted that they remained within tolerable levels. In this regard, the inflation rate averaged 5.0 percent during 2011, a moderate increase from an average of 4.5 percent recorded in 2010. At the same time, the MPC also maintained a keen eye on the level of international reserves as a measure of the sustenance of the currency peg. The stock of reserves increased from N$10.2 billion at the end of December 2010, to reach N$14.6 billion at the end of the year. During all six meetings, the MPC reiterated confidence that the reserves remained sufficient to support the currency peg as they were more than five times the level of the currency in circulation.

Notwithstanding the set monetary policy stance, the MPC continued to regularly monitor local and international economic developments and hence stood ready to adjust the policy stance should economic conditions so demand.

# CONTRIBUTE TO ECONOMIC POLICY FORMULATION

## Strategic objective 3
Contribute to national economic policy-making

## Initiatives and strategies
Deliver relevant and quality policy advice

## Strategic outcomes
- A public recognition of the Bank as the leading economic research centre where our research influences public policies
- An up-to-date regional negotiation strategy articulating Namibia's position, which is shared with key Government departments. The strategy must describe how to minimise potential costs and how to maximise potential benefits



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

## POLICY RESEARCH AND ADVICE

The Bank continues to fulfil its role as an advisor to the Government by providing policy advice on economic and fiscal issues. In this regard, a number of research activities and other projects were undertaken, including Improving Competitiveness in Namibia, Evaluating the Namibian Housing Market: Opportunities and Constraints, Fiscal Position Paper, participation in the formulation of the National Development Plan (NDP4) and MTEF, and Monetary Policy reviews.

A study entitled *Improving Competitiveness in Namibia* was conducted, the objective of which was to assess whether Namibia has been rated fairly by the World Competitive Report (WCR), and to make recommendations in that regard. According to the WCR, Namibia's competitiveness fell nine places, to rank 83$^{rd}$in the world. This was due to a particular weakening of the macroeconomic environment since last year, caused in large part by a significant Government budget deficit during 2011. Accordingly, the study revealed that most of the Namibian competitiveness indicators show room for improvement. The study therefore recommended that steps be undertaken to improve in the areas where weak indicators of competitiveness were identified, also as regards doing business in Namibia, in order to encourage entrepreneurship and investment and thereby create employment and contribute to economic growth.

Another study carried out, entitled *Evaluating the Namibian Housing Market: Opportunities and Constraints*, had the objective of looking at the reasons for the significant increase in house prices and assessing whether this was accompanied by similar changes in the underlying economic fundamentals. The increase in house prices raised concern among policy-makers as it could have far-reaching consequences. As such, the majority of the Namibian population (70 percent) cannot access formal housing (National Housing Policy, 2009), partially due to continuous surges in residential property prices. The study suggested ways in which access to housing could be enhanced among low and ultra-low income groups, and also suggested that stress testing should be carried out. This study was supported by the Bank's 13$^{th}$ Annual Symposium, which took place on 29 September 2011, during which an opportunity was provided to deliberate further on the findings and recommendations of the study. The Symposium proceedings were published on the Bank's website.

### 13$^{th}$ Annual Symposium 2011 on Housing in Namibia

*From left to right: Mr Ebson Uanguta, Director of Research Department, Bank of Namibia; Ms Kecia Rust, Coordinator of Housing Finance Projects, FinMark Trust; Mr Paul Hartmann, Deputy Governor, Bank of Namibia; Hon. Jerry Ekandjo, Minister of Regional and Local Government, Housing and Rural Development; Prof Aloysius C. Mosha, Head of Urban Planning Programme, Department of Architecture and Planning, University of Botswana; Dr. Mark Napier, Program Director of Urban LandMark, South Africa; Mr Ndangi Katoma, Head of Corporate Communications, Bank of Namibia.*


As an advisor to the Government, the Bank also wrote a fiscal position paper, the theme of which was *A revenue authority for Namibia*. The aim of this paper was to assess the advantages of having an independent revenue-collection authority, and the findings of the paper were shared with the Ministry of Finance. The paper showed that the advantages of having an independent revenue-collection authority outweighed the disadvantages of not having one. It was therefore recommended that the establishment of an independent revenue-collection authority would be appropriate to address the shortcomings of the current tax administration in Namibia.

The Bank also contributed to the Medium-Term Expenditure Framework (MTEF), which intends to serve as a medium through which the Macroeconomic Working Group (MEWG) can provide an overview of the economic outlook for the ensuing three years, as well as the possible implications of this outlook for the fiscal position.

To assist in the formulation of NDP4, two Bank staff members became members of the NDP4 formulation core team. These staff members have contributed to planning the approach of NDP4 formulation, have performed desk and field research, and have helped to devise the first draft of NDP4 by January 2012.

The Bank has been releasing monetary policy reviews since 2009 and continued to do so in 2011. The fourth and fifth monetary policy reviews were published as sections in the June and December *Quarterly Bulletins*. In line with the Bank's aim of clarifying and communicating its decisions to affected parties, the reviews provided a comprehensive framework for the sources of inflation in Namibia, and explained the reasons for the monetary policy decisions taken over the review periods.

## INTERNATIONAL FINANCIAL COOPERATION

During the year under review, the Bank cooperated with various international and regional institutions, such as the IMF, the World Bank Group, the African Development Bank, international and regional central banks, MEFMI, CMA, SACU and SADC. In the following sections, the nature of some of this cooperation and interaction is outlined.

### WORLD BANK AND THE IMF

On the international front, the Bank participated in the annual meetings of the IMF and the World Bank in Washington in October 2011. During the year under review, the World Bank maintained its support for building technical capacity for detailed economic analysis, especially in the economy wide policy impact analysis. As such, a workshop on Computable Generalised Equilibrium (CGE) modelling was hosted to solidify the impact of training efforts that have been undertaken in the past. The annual Article IV consultation between Namibia and the IMF took place in November 2011 during which the Bank provided the necessary information and views on economic developments in Namibia.

The Bank benefitted during 2011 from technical assistance from the IMF to implement improvements in monetary and financial statistics (MFS). This was undertaken under the Enhanced Data Dissemination Initiative (EDDI) project for Africa. Further, the IMF's Independent Evaluation Office engaged the Bank to provide its candid views on the role of the IMF as a trusted advisor. The Bank was also one of the institutions consulted by the African Development Bank mission during the year to provide information on economic performance and the outlook for the Namibian economy.

### SADC

Regionally, the Bank continued to participate in the meetings of the Committee of Central Bank Governors (CCBG) in SADC, attending two meetings held in April and September 2011, in Malawi and South Africa, respectively. During these meetings, the Governors discussed economic and financial developments in SADC. They also discussed the good progress being made towards the realisation of the macroeconomic convergence targets. In this regard, the Governors noted that most SADC countries have managed to reduce inflation to single digit levels and curtail budget deficits. Also, most countries have managed to maintain current accounts and public debt at sustainable levels. This has been partly due to prudent fiscal policies and accommodative monetary policies, which have contributed to sound macroeconomic stability and growth in the region. Going forward, the committee recommended that convergence targets should be taken into account when formulating national macroeconomic policies, including the formulation of the national budget. With respect to possible review and/or changing of the targets, the Governors decided to maintain all the convergence targets, as outlined in Table A.7.

**Table A.7: SADC macroeconomic convergence targets**

| Variable | Agreed target |
|---|---|
| Inflation | < 10.0% |
| Budget deficit | ≤ -5.0% of GDP |
| Public debt | ≤ 60.0% of GDP |
| Real GDP growth | 7.0% per annum |

Source: Regional Indicative Strategic Development Plan 2001 SADC Secretariat

The Bank also benefitted in 2011 from technical assistance through the SADC Secretariat to improve its medium to long-term inflation forecasts. This improvement mainly focussed on the reduction of forecasting errors.

The Bank also participated in the validation workshop on the SADC Finance and Investment Protocol (FIP). The purpose of this workshop was to present and validate the findings of the Baseline Study, including the proposed Matrix of Commitments/Indicators to representatives of Member States. In addition, the workshop formulated recommendations to the SADC Committee of Ministers of Finance and Investment (COMFI) regarding the adoption of the Indicators and their future monitoring.

The Bank participated in the various SADC Regional Payments Systems Integration Project workshops held during the year, where the project team presented the roadmap for the integration strategy, and the implementation timeline was aligned with the schedule outlined in the SADC integration plan. The plan indicates that the legal frameworks between SADC countries will be harmonised by 2014, to allow for regional payments to occur safely. Moreover, regional retail, settlement and securities systems should be developed by 2014, with the activation of these systems occurring in selected SADC countries by 2018. The project team will be guided by decisions made by the CCBG as the SADC plan unfolds.

## CMA AND SACU

During the year under review, the Bank continued to participate in the meetings of CMA. In this respect, the Bank participated in the meetings of senior officials, as well as the Governors' meetings held in Maseru, Mbabane and Pretoria, respectively. At these meetings, the Governors discussed and exchanged views on economic developments in their respective countries. The Bank also participated in the meetings of SACU, where it provided technical support and advice on issues pertaining to the revenue-sharing arrangement throughout 2011. 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.

## ASSOCIATION OF AFRICAN CENTRAL BANK GOVERNORS

The Bank attended the 35th Ordinary meeting of the Assembly of Governors of the Association of African Central Banks (AACB) held in Lilongwe, Malawi in August 2011. Among other issues discussed, the Governors noted the progress made regarding the implementation of the African Monetary Cooperation Programme (AMCP) in 2011. This programme envisions the establishment of the Continental Central Bank and a single African currency by 2021. In their deliberations, the Governors noted with concern the deterioration in the economic performance under the AMCP criteria and encouraged member states to pursue efforts aimed at promoting and accelerating progress towards the achievement of the agreed targets.

## OTHER COOPERATION

During the period under review, the Governor of the Bank also paid an official visit to his counterpart at the National Bank of Angola to discuss and strengthen mutual cooperation. A specific issue discussed was cross-border payments between the two countries and how this could be strengthened to facilitate financial transactions and increase bilateral trade. In this regard, the two Governors discussed a proposal to establish trade facilitation infrastructure between the Bank of Namibia (BoN) and the National Bank of Angola (BNA). The proposal would be implemented through two agreements, namely *The Agreement on the currency exchange protocol and repatriation of banks notes*[1]" and the *Payments Accord* between BoN and BNA[2]. The two Governors agreed to establish a technical team from the BoN and the BNA to further explore these ideas and make the necessary recommendations regarding the way forward.

[1] This agreement would allow for limited currency convertibility, whereby informal traders and Small and Medium Enterprises (SMEs) would be allowed to exchange their Kwanzas for Namibia Dollars, and vice versa, at authorised foreign exchange dealers in Oshikango and Santa Clara and then be able to buy their goods and services without using the USD.

[2] This agreement entails BoN and BNA granting each other credit facilities which could be used by businesses to complement the existing correspondent banking relationships between the two countries

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# FOREIGN EXCHANGE RESERVE MANAGEMENT



### Strategic objective 4
Manage reserves prudently

### Initiatives and strategies
- Manage reserves actively to optimise returns
- Manage liquidity proactively

### Strategic outcomes
Levels of international reserves proportionate with economic activities, the management of which is underpinned by a comprehensive reserve-management policy and by proactive management of liquidity in the money market

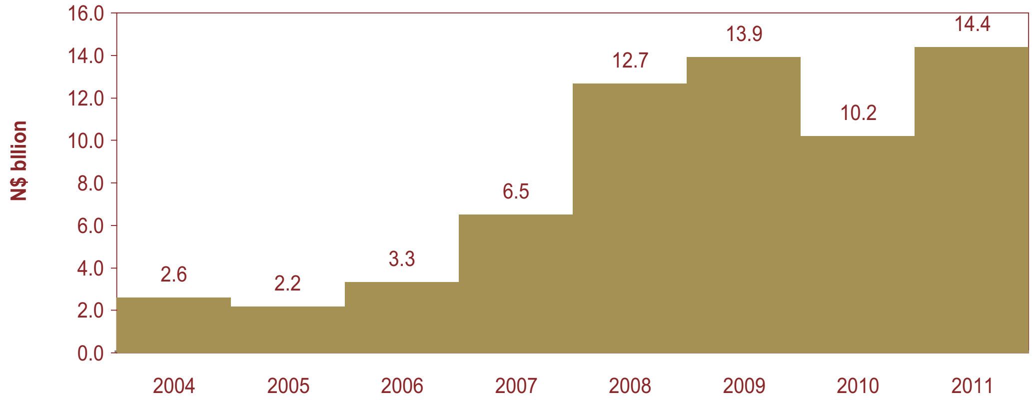
This section highlights the developments in the foreign exchange reserve management function of the Bank between December 2010 and December 2011. The changes in the Strategic Asset Allocation (SAA) between September 2010 and September 2011 will also be discussed. The composition of different currencies on the total reserves as at 31 December 2011 is also highlighted.

## FOREIGN EXCHANGE RESERVE DEVELOPMENTS DURING THE YEAR

Foreign exchange reserves increased by 41.1 percent, from N$10.2 billion at the end of December 2010 to N$14.4 billion at the end of December 2011 (Chart A.2). The increase in reserves is mainly attributed to the issuance of the Eurobond to the tune of US$500 million (N$3.9 billion) in November 2011, SACU revenue received of N$6.6 billion, ZAR notes repatriated to South Africa of N$675 million, Rand compensation of N$183.8 million, and interest income of N$228.3 million. In addition, the Namibia Dollar weakened by an average of 16 percent against other reserve currencies during the period under review.

The level of N$14.4 billion is considered to be adequate as it is well above the currency in circulation figure of N$2.3 billion and threshold figure for invoking Section 28 of the Bank of Namibia Act of N$4.2 billion.

**Chart A.2:Official foreign exchange reserves stock**




Portfolio managers met the risk objectives of the Bank during the SAA version 3, which ended in August 2011, despite the challenges in the global financial markets which persisted throughout the year, with no tangible solution offered by policy makers. The risk objectives were the minimum return allowed on the Investment Portfolios, being -1 percent over a one-year period, with no negative returns allowed on the Liquidity Portfolios over a one-year period. In addition, the deviation of portfolio performance from the benchmark returns should fall within the minimum tracking error budgets. The EUR investment tranche has underperformed its benchmark returns, having generated negative returns for the 12-month period (September 2010 to August 2011), but within the minimum -1 percent return. On the other hand, the USD investment tranche generated positive returns and outperformed its benchmark returns.

The main SAA is reviewed annually, with the objective of determining whether the current portfolios still satisfy the Bank's risk tolerance and identifying which portfolios the Bank should hold in an effort to meet its long-term investment objectives, taking into account global market developments. The SAA version 4, which was implemented with effect from September 2011, does not differ much from the SAA version 3. The major change that is worth highlighting is the shortening of the duration for both the liquidity and investment tranches. This was necessitated by the current unfavourable global economic developments. The view that the yield curves will shift upwards in 2012 further strengthened the decision to reduce the duration in order to minimise realised gains that may be generated from the portfolios as a result of the expected increase in yields.

The asset allocation of the liquidity tranche for the USD remained unchanged, at 30.0 percent. For the ZAR, the allocation increased from 25.0 percent to 35.0 percent, while for the EUR it decreased to 35.0 percent from 45.0 percent. These changes were necessitated by the change in the weights of the EUR and the ZAR in the total foreign debt repayments, and in other Government payments composition due within the year. The allocation for the investment tranche remained unchanged for the EUR, at 70.0 percent, and 30.0 percent for the USD.

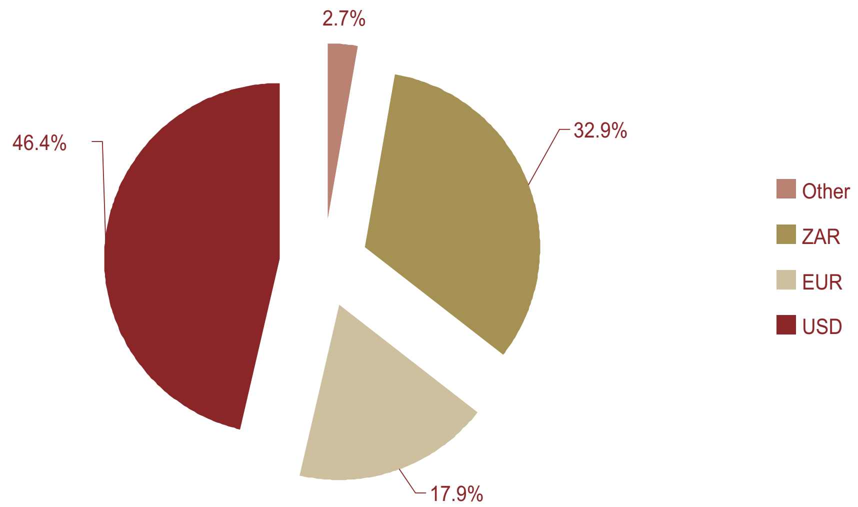


### Table A.8: Types of tranches and their sizes (SAA)

| | Working capital | | Liquidity tranche | | Investment tranche | |
|---|---|---|---|---|---|---|
| | Old (since Sep-10 to Aug-11) | New (since Sep-11 to Aug-12) | Old (Percent) | New (Percent) | Old (Percent) | New (Percent) |
| **ZAR** | 500 million -2.5 billion | Unchanged | 25.0 | 35.0 | 0.0 | Unchanged |
| **USD** | 0-10 million | Unchanged | 30.0 | 30.0 | 30.0 | Unchanged |
| **EUR** | 0-5 million | Unchanged | 45.0 | 35.0 | 70.0 | Unchanged |
| **TOTAL** | | | **100.0** | **100.0** | **100.0** | |

The composition of the investment currencies at the end of 2011 are depicted in Chart A.3, which shows that the majority of reserves were invested in USD assets. In contrast, at the end of 2010, about 62.0 percent of total reserves were invested in ZAR assets. The huge change in the currency allocation can be explained by the fact that the Bank sold the SDR-denominated portfolio into the benchmark currencies, namely, EUR, USD, GBP and JPY. In addition, the proceeds from the Eurobond do form part of the USD-denominated reserves, which explains the higher USD currency allocation of 46.4 percent in 2011, compared to 11.0 percent in 2010.

### Chart A.3: Currency mix of foreign exchange reserves as at 31 December 2011



# SERVICE DELIVERY AND STAKEHOLDER RELATIONSHIPS



## Strategic objective 5

Promote a positive reputation through efficient service delivery and sound stakeholder relationships

## Initiatives and strategies

- Deliver excellent service to stakeholders
- Promote good corporate citizenship

## Strategic outcomes

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

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

## BANKING SERVICES

As part of its mandate, the Bank continues to provide banking services to the commercial banks and to Government for State Account. All domestic transfers exceeding N$5 million are made through the Namibia Interbank Settlement System (NISS), to ensure timely and irrevocable payment. During 2011, the number of domestic transfers from Government decreased by 30.0 percent to 1 198 and those from commercial banks over NISS decreased by 22.0 percent to 2 946. These decreases resulted from the introduction of the Electronic Fund Transfers (EFT), which process all Government payments up to N$5 million. During 2011, the number of foreign transfers from Government, on the other hand, increased by 17.0 percent to 1 311.

The Bank has a special arrangement with the Ministry of Finance to clear special presentations of State Account cheques, where the holder wishes to have immediate value. Such clearances are undertaken on request from the payee. There has been a sharp reduction of 32.0 percent in the number of special clearances to 1 145 compared to 1 674 in 2010. This occurred as a result of the introduction of EFT, and the reduced issuing of cheques.

All cash and cheque payments to Government are deposited at the Bank of Namibia. These cheques are then forwarded to Namclear for processing and clearing, and credited to the State Account. Government cheques issued by the respective Ministries/Offices and Agencies are deposited at commercial banks by beneficiaries. These cheques are in turn forwarded to Namclear for processing and thereafter returned to the Bank. The Bank authenticates the cheques to ensure that they are not forged or stopped. The cheques are then cleared, and bank statements are prepared and submitted with the cleared cheques to the Ministry of Finance. During 2011, 435 954 cheques were processed, indicating a sharp decrease of 37.0 percent due to the introduction of EFT.

As has been mentioned, the Bank has implemented an EFT in its endeavour to provide Government with improved and modern services. Government, as well as its clients, is now able to use electronic payment online up to N$5.0 million. The commercial banks were able to change their internet banking system to enable payments to Government by their clients. Although there was a sharp decrease in the number of cheques issued, the Bank is positive that more people will use EFT in the years to come, thereby further reducing the number of cheques issued. During 2011, the Bank received inflow payments to the value of N$3.9 billion from commercial banks, and processed transactions from the State Account to various beneficiaries to the value of N$6.2 billion.

## 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 NISS. High and low value inter-bank payments are made through NISS. Values originating from the retail payment systems, EFT, Cheque, and Card, operated by Namclear, are also settled in NISS. NISS availability was high during 2011 and is broadly in line with that reported for large value and retail payment systems in other countries. NISS received high priority to ensure uninterrupted availability of NISS operations.

In 2011, the total value settled in NISS was N$454.1 billion (Table A.9). Approximately 65 percent of the total value settled in NISS emanated from gross settlement, as opposed to bulk transactions originating mainly from Namclear. The total number of transactions settled was 50 315, which is, on average, 167 transactions per settlement day. There was a 3.7 percent decrease in inter-bank transactions, and a 15.6 percent increase in retail payment transactions. This amounted in an increase in total value settled in NISS to 2 percent compared to 2010, while the volumes increased by 0.4 percent over the same period. This is an overall positive trend, since more transactions are occurring in NISS in real time and irrevocably, thus decreasing systemic risk.



### Table A.9: NISS transactions

| Year | Number of settlement days | Value settled (N$ billion) | | | Total number for settlement transactions |
|---|---|---|---|---|---|
| | | Total value settled | Value settled gross[3] | Value settled bulk[4] | |
| 2007 | 301 | 342.7 | 239.7 | 103.1 | 27 805 |
| 2008 | 304 | 455.5 | 328.5 | 127 | 32 587 |
| 2009 | 301 | 453.1 | 311.5 | 141.6 | 40 437 |
| 2010 | 301 | 443.9 | 306.5 | 137.4 | 50 100 |
| 2011 | 301 | 454.1 | 295.1 | 158.9 | 50 315 |

The Bank provides sufficient collateralised liquidity to the participants through the seven-day and overnight repo facilities in NISS. The value of overnight credit extended in 2011 decreased to N$632.7 million from N$824.8 million in 2010. This can be attributed to the penalties imposed for using this credit facility. Additionally, excess liquidity in the market caused by Government spending meant that banks often had very high settlement account balances throughout the year. The excess liquidity meant that the participant banks no longer needed to borrow as much from the Bank to meet their settlement obligations. The participant banks earn interest on the balance they keep in their settlement accounts, thus giving them further incentive to maintain higher balances at the Bank.

Apart from the seven-day and overnight repos, the Bank provides interest-free intraday credit to the participants. As interbank payments are made throughout the day, this facility is a valuable avenue for participants to fund intraday commitments to each other. The use of the facility decreased due to the same reasons mentioned above.

The total settlement value for retail payment system (EFT, Cheque, and Card) operated by Namclear was N$158.9 billion in 2011 (Table A.9). This amounted to 35.0 percent of the total value settled in NISS. Retail payment systems are considered to be systematically important because they represent a significant proportion of the daily settlement.

[3] Value settled gross is inter-bank transactions that are settled in NISS

[4] Value settled bulk is transactions that originate from Namclear and are settled in NISS. These are EFT, Card, and Cheque transactions

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**Table A.10: Namclear transactions**

| Year | Cheque transactions | | EFT transactions | | Card transactions | | Total Value Cleared |
|---|---|---|---|---|---|---|---|
| | Value (N$ million) | Volume ('000) | Value (N$ million) | Volume ('000) | Value (N$ million)[5] | Volume ('000) | Value (N$ million) |
| 2006 | 72 796 | 5 490 | 27 377 | 4 382 | - | - | 100 173 |
| 2007 | 76 172 | 5 163 | 36 582 | 4 928 | - | - | 112 754 |
| 2008 | 81 653 | 4 534 | 49 179 | 7 085 | - | - | 130 832 |
| 2009 | 76 650 | 3 721 | 63 060 | 7 910 | 674 | 2 484 | 140 384 |
| 2010 | 59 427 | 3 753 | 82 851 | 8 977 | 37 913 | 11 454 | 180 191 |
| 2011 | 41 012 | 3 240 | 119 891 | 11 156 | 75 581 | 12 408 | 236 484 |
| Annual percentage | | | | | | | |
| 2007 | 12.3 | -7.5 | 33.6 | 12.5 | - | - | 12.6 |
| 2008 | 7.2 | -12.2 | 34.4 | 43.8 | - | - | 16.0 |
| 2009 | -6.1 | -17.9 | 28.2 | 11.6 | - | - | 7.3 |
| 2010 | -22.5 | 0.9 | 31.4 | 13.5 | 5 525.1 | 361.1 | 28.4 |
| 2011 | -31 | -14 | 44.7 | 24.3 | 99.4 | 8.3 | 31.2 |

During 2011, Namclear processed 3.2 million cheques to the total value of N$41 billion. The value of cheques processed decreased significantly by 31.0 percent in 2011. This is a continuing trend due to the reduction of the cheque item limit from N$5 million to N$500 000. This also contributed to a rise in volumes through NISS and EFT as substitutes for previously issued cheque payments of more than N$500 000.

Namclear processed 11.2 million EFT transactions to the value of N$119.9 billion in 2011, which is a 44.7 percent increase in value from 2010. This was due mostly to the reduction of the cheque item limit which lead to EFT transactions being used as an alternative for payments between N$500 001 and N$5.0 million. This allowed for greater efficiency and security in the national payment system as EFT transactions are safer and are cleared faster than cheque transactions.

A total of 12.4 million cards transactions were processed through Namclear to the value of N$ 75.6 billion in 2011. This is almost a 100 percent increase in card transactions switched through Namswitch. The increase in card transactions can be attributed to the reduction in the cheque limit which encouraged the public to use alternative payment streams. Additionally, cheque and cash payments are significantly riskier in terms of safety and security than card transactions, and public awareness campaigns have made the public much more aware of the benefits of using electronic payment methods.

Overall, the total value of retail payments cleared through Namclear has increased by 31.2 percent from 2010 to 2011. This shows a significant increase in retail payments being processed in the National Payment System. This was most likely due to an increased spending within the economy combined with an increased confidence in the retail payment system.

## ADMINISTRATION OF EXCHANGE CONTROL

Namibia has always maintained a liberal exchange control administration policy. The foreign exchange administration policy in Namibia supports the monitoring of capital flows into and out of the country through the Cross Border Foreign Exchange Transaction Reporting System. This system aims to preserve financial and economic stability. A further purpose of the exchange control administration rules is to support and facilitate investments of non-residents into Namibia. As part of Namibia's continuous efforts to increase efficiency and reduce the cost of doing business, the exchange control administration policy has been gradually liberalised and simplified.

As an Article VIII member state of the International Monetary Fund, Namibia agrees not to place any restrictions on current account transactions, such as payment for imports. In fact, in its efforts to better facilitate the needs of the general public, the Bank has delegated some of its administrative functions to Authorised Dealers to act on its behalf.

Notably, the Bank has dispensed with the limit on domestic borrowing by foreign investors. Foreign owned companies are now permitted to borrow in

[5] Before Namswitch was established in late 2008, card transactions were switched through Saswitch in South Africa, and settled via correspondent agreements. For this reason, there was no data captured on card transactions before 2009.

the local market to finance *bona fide* foreign direct investment into Namibia or for domestic working capital requirements. However, non-residents who want to borrow locally and use the funds for financial transactions or to acquire residential properties are still subject to the ratio of 1:1, i.e. own funds to borrowed funds.

There are no restrictions on the repatriation of capital and profits earned in Namibia. Non- residents are also free to convert foreign currency into Namibia Dollar, and vice versa. Similarly, the foreign exposure limit applicable to institutional investors has been increased from 30% to 35% of total assets under management.

Further, during the course of 2011 the Bank received and licenced the following Authorised Dealers with Limited Authority (ADLA):

- Magnet Bureau de Change (Pty) Ltd
- Casa de Cambio Forex (Pty) Ltd
- United Bureau de Change, and
- Oshikango Bureau de Change (Pty) Ltd

Authorised Dealers with Limited Authority (ADLA) have expanded their operations by opening various branches in different parts of the country. This development further contributes to the restriction of trade of foreign currency on the black market. It facilitates trade in forex under a well regulated environment, i.e. the formal banking system and Authorised Dealers.

In its effort to curb illegal trade in foreign currency, the Bank has embarked on a vigorous campaign to inform all stakeholders about the danger of illegal trade in foreign currency. In addition, the Bank has also emphasised that export declaration forms should be properly completed and monitored by Customs and Excise officials so that export proceeds are optimally realised in the country.



## PUBLIC EDUCATION SIGHT

Public education plays a critical role in creating greater awareness and understanding of the Namibian economy. Knowledge about the economy enables ordinary citizens to make better-informed decisions regarding their personal finances, ultimately leading to a better quality of life. Educating the Namibian people on the economy therefore remains a crucial task for the Bank.

During 2011, the Bank continued to publish its quarterly educational articles featured in the local daily newspapers and geared towards addressing specific topics relevant to the economy. The Bank's well received National High School Competition, aimed at educating learners about the role of the Central Bank and the economy, was successfully concluded on 9 September 2011. Secondary school learners from Grades 8 to 12 from all 13 regions of Namibia were invited to take part in the regional competitions. The winners representing their respective regions competed in the finals in Windhoek. A total of 197 schools participated in the competition, compared to 170 schools in 2010. As a result, approximately 790 learners significantly enhanced their knowledge of the economy and the role of the Central Bank, compared to 680 learners in 2010, which represents a 14 percent increase. Combined prizes worth N$92 590 were given to the winning schools.

Putuavanga Senior Secondary School from Kunene Region emerged as the overall winner and walked away with N$50 000. Jan Mohr Secondary School from Khomas Region came second, winning N$30 000, while Etosha Secondary School from Oshikoto Region claimed the third prize of N$10 000. Fourth place winner was Mariental High School from Hardap Region, which was awarded a printer for the school.

During the period under review, the Bank regularly hosted various schools, giving learners the rare opportunity to visit the Central Bank and familiarise themselves with the role and functions of the Bank. A total of seven schools visited the Bank as part of this programme.

The last quarter of 2011 witnessed a currency campaign aimed at educating the public on the quality of banknotes. The campaign, rolled out under the theme *Our Money – Our Pride!*, encouraged the public, including retailers, to exchange unfit banknotes at the Bank or at any commercial bank.

**Overall winners of N$50 000.00 during the Bank of Namibia National High School Competition 2011**

*From left to right: Mr Michael Mukete, Assistant Governor, Bank of Namibia; Learners of Putuavanga Senior Secondary School, Kunene region; Mr Charles Kabajani, Under Secretary of Formal Education; Mr Josia Udjombala, Director of Education, Khomas region.*

# CORPORATE SOCIAL INVESTMENT AND RESPONSIBILITY

As a responsible corporate citizen, the Bank invests in Namibian communities through relevant corporate social responsibility/investment projects and activities, mainly in the area of education and information technology.

Following the completion in May 2010 of a five-year computer laboratory project (2005-2010) at selected secondary schools, the Bank signed a five-year agreement (2011-2016) in March 2011 with two new schools, namely Hans Daniel Namuhuya Senior Secondary School (Oshikoto Region) and P K de Villiers Secondary School (Karas Region). A total amount of N$1 million has been committed for the five-year period to support the Government's efforts to promote computer literacy at these two schools. This entailed the Bank establishing a funding relationship with the respective schools for the purpose of developing information technology skills over the next five years. To that end, fully fledged laboratories were equipped with the latest laptop computers, with an interactive learning system installed at the two schools.

In addition, and in line with the objective of creating a knowledge-based society, the Bank supported other community activities in the form of donations and sponsorships to initiatives. Table A.11 shows the activities towards which the Bank contributed financially in 2011.



### Table A.11: Donations and sponsorships by the Bank during 2011

| Nature of the sponsorship | Beneficiary | Amount (N$) | Percent |
|---|---|---|---|
| Bank of Namibia Computer Project 2011 | Deployment of computer laboratories: Hans Daniel Namuhuya and P K de Villiers Secondary Schools | 500 000 | 47.2 |
| National Disaster Fund | Flood victims | 200 000 | 18.9 |
| Donation to Namibia Business Innovation Centre | NBIC Entrepreneurship programmes | 250 000 | 23.6 |
| Financial assistance to the University of Namibia | UNAM Economic Society, UNAM Geology Students Society, Best Commerce Student | 30 000 | 2.8 |
| Financial Assistance to the Polytechnic of Namibia | Polytechnic Economic Society and Best Commerce Student | 25 000 | 2.4 |
| Donation to Media Institute Southern Africa (MISA) | Prize awarded to MISA Namibia (Best Community Journalist) | 30 000 | 2.8 |
| Others (support given to project activities of non-profit-driven organisations) | Ongwediva Trade Fair, Junior Achievement, Women of Substance Association | 25 000 | 2.4 |
| **TOTAL** | | **1 060 000** | **100.0** |

**Launch of Bank of Namibia Computer Project 2011 – 2016**

*From left to right: Mr Tinus Nel, Principal, P K De Villiers Secondary School, Karas Region; Mr Ipumbu Shiimi, Governor, Bank of Namibia; Mr Eliud Shipena, Principal, Hans Daniel Namuhuya Secondary School, Oshikoto Region.*

# SERVICE DELIVERY AND STAKEHOLDER RELATIONS

Central to the Bank's mandate is the need to build meaningful working relationships with all stakeholders because only once stakeholders understand the Bank's mandate can they support the Bank to achieve its objectives. To this end, the Governor regularly engages stakeholders from both the private and public sector. During such engagements, the latest information on the economic outlook is shared and stakeholders are given the opportunity to share their views on issues of common economic interest within the Bank's mandate. During the reporting period, the following events were held:

- In February 2011, the Bank hosted a Financial Inclusion workshop in Windhoek, attended by 110 stakeholders from the public and private sectors in Namibia, as well as from various other countries. The workshop formed part of the process of Namibia crafting a financial-sector strategy with a view to ensuring an inclusive financial system.

- In April 2011, the Governor undertook a regional stakeholder engagement, meeting with the Karas regional leadership in Keetmanshoop to share views on relevant economic issues.

- Meetings were also held with economic societies from various tertiary institutions, youth organisations, and Members of Parliament through the National Council Standing Committee on Public Accounts and Economy.

- The Bank introduced and facilitated the first-ever Economic Round Table Forum in June 2011, attended by various market players from the private sector. This Forum enabled participants to share views and expectations with regard to the economic management of the country.

Going forward, the Bank will continue to engage relevant economic players and stakeholders with the objective of encouraging open dialogue on common development issues. In so doing, the Bank seeks to garner market views on relevant economic and monetary policy issues.



**Bank of Namibia Board Lunch with invited stakeholders**

*From left to right: Mr Paul Hartmann, Deputy Governor; Mr Ipumbu Shiimi, Governor; Mr Faniel Kisting, Board member; Dr Omu Kakujaha – Matundu, Board member; Dr Nashilongo Shivute, Board member; Mr Veston Malango, Board member; Dr. Abraham Iyambo, Minister of Education; Mr Haddis Tilahun, Executive Director, United Africa Group; Mr Ndangi Katoma, Head of Corporate Communications*

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**Bank of Namibia Board Lunch with invited guests**

*From left to right: Mr Veston Malango, Board member; Dr Omu Kakujaha – Matundu, Board member; Mr Ipumbu Shiimi, Governor; Mr Mark Dawe, President of Chamber of Mines (back);Mr Paul Hartmann, Deputy Governor; Mr Koos Ferreira, Managing Director, Namib Mills (back); Mr Ndangi Katoma, Head of Corporate Communications; Faniel Kisting, Board member; Mr Michael Mukete, Assistant Governor*

# FINANCIAL SECTOR DEVELOPMENTS

## Strategic objective 6

Promote financial sector development

## Initiatives and strategies

- Promote the deepening of the financial market
- Promote wider access to financial services

## Strategic outcomes

- An active financial market characterised by all financial instruments that are found in other comparable markets
- A financial system which excludes no person from financial services



An efficient and diversified financial market is necessary to support real economic activity. The advantages of sound financial markets are well known as they play a critical role in mobilising savings and allocating them to productive investment. Moreover, strong local markets can also provide a more stable source of financing for the public and private sectors, thus insulating them to some extent from volatile global capital flows.

The Bank of Namibia is not the only institution responsible for financial market development. However, given its position as manager of the Government's debt portfolio, as well as a major participant in the domestic money market, the Bank is in a unique position to take initiatives and to provide advice to stakeholders in order to develop a strong, broad and deep financial market in Namibia.

## THE NAMIBIAN INTERBANK MARKET ACTIVITIES

The Bank, in consultation with the market, embarked on various initiatives during 2011 as part of its strategic objective to develop, deepen and broaden the financial market in Namibia and develop a robust interbank market for commercial banks. These initiatives included, among others, the envisaged establishment of the Namibian interbank reference rates, the secondary repo market, the increasing of interbank exposure limits, and earlier settlement operations of the Namibia Interbank Settlement System.

One of the notable developments in the interbank market during 2011 was the introduction of the Windhoek Interbank Agreed Rate (WIBAR). The recommendations arising from these initiatives were shared with the Bankers Association of Namibia (BAN). The BAN Treasury sub-committee established credible overnight and three-month benchmark rates that provide the Namibian market with truly Namibian reference rates. This initiative was officially launched during May 2011. The WIBAR serves as a local money market benchmark rate for banks, borrowers and investors, and could be used to price Namibian assets and liabilities. The Namibian Stock Exchange (NSX) was appointed as an independent entity that collates daily rates and publishes them on a daily basis.

The flow of funds in the interbank market increased significantly during 2011. The volume of interbank market transactions for 2011 was the highest ever recorded. Chart A.4 highlights the total volume of interbank market transactions during 2011. As indicated in the Chart, the volume of interbank market transactions was significantly higher during the first half of the year than during the corresponding period of the previous year. The first half of the year witnessed a substantial volume of N$32.6 billion in interbank transactions. The interbank transactions during the second half of the year totalled N$23.7 billion, a decline of 27 percent from the volume of the first six months.

During 2011, the weighted average rate in the interbank market was 5.61 percent in January, increasing to 6.0 percent towards mid-year. The interbank rate then declined to its lowest level of 5.27 percent during November, before rising again during December. The trend in the interbank market rate was in keeping with the movements in the money market rates both in Namibia and South Africa.

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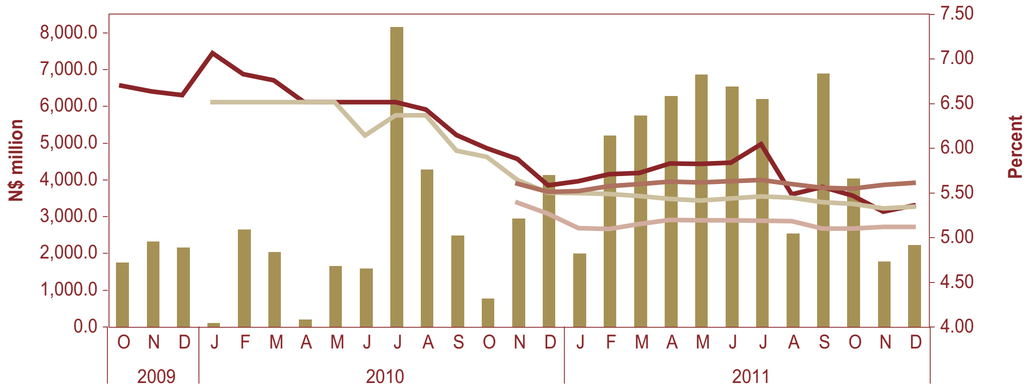
**Chart A.4: Interbank trading activities and settlement rate**

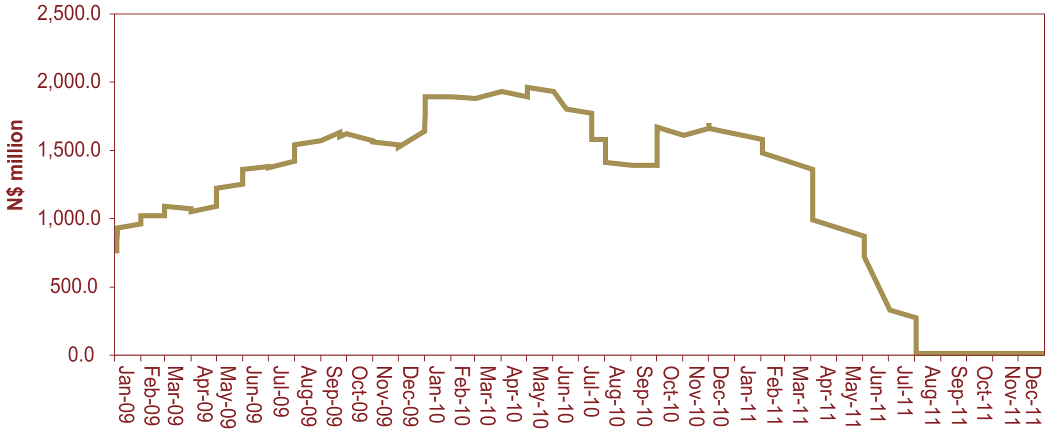



## BANK OF NAMIBIA BILL

The Bank of Namibia bill (BoN bill), a 56-day instrument issued in terms of Section 55 of the Bank of Namibia Act, No. 15 of 1997 as amended, was introduced in July 2007. The BoN bill was solely issued to help commercial banks meet their minimum liquid asset requirements; hence the holding of this instrument was limited to commercial banks. The Bank last issued the BoN bill in June 2011.

The volume of eligible liquid asset securities outstanding in the market increased significantly, following a substantial increase in the net issuance of Government debt securities to fund the budget deficit for the central Government for the 2011/12 financial year. This made it easier for commercial banks to acquire short-term papers to conform to the statutory liquid asset requirements. For this reason, the Bank decided to discontinue the issuance of BoN bill. All the BoN bills were redeemed by the end of August 2011. The issuance of the BoN bill will be reintroduced should it become necessary.

**Chart A.5: BoN bills outstanding (N$)**




## GOVERNMENT CREDIT RATING

The Fitch Rating Agency has confirmed the Namibian investment grade for the fifth time since December 2005, when the first initial rating was assigned. The Fitch rating confirmed Namibia's investment grade of BBB- (minus) for the long-term, foreign-currency Issuer Default Rate (IDR), the rating for long-term local currency of BBB and short-term foreign currency of F3. The country ceiling was again affirmed at A, due to strong fiscal external positions and fiscal expansion, which support growth. Although the Namibian investment grade was again confirmed, the outlook was revised from positive to stable mainly due to social challenges such as high employment and higher income disparities.

During September 2011, Moody Rating Agency also assigned a first-time rating of Baa3 to the Government of Namibia. The rating reflects the government's track record of responsible budget management and low public debt as well as maintaining an investor-friendly environment. Other drivers behind the Moody's rating include sound management of the country's abundant mineral and other natural resources, which have been used effectively to grow the economy at a moderate and relatively consistent pace, expansion of the infrastructure, and provision of adequate social services. These were balanced against structural legacy challenges, being wide income disparities, a very high level of unemployment, and dependence upon the mining sector for foreign-exchange earnings. Moody's also rated the Namibian Government's outlook stable, similar to the Fitch rating.

## FINANCIAL INCLUSION

Following the Bank's announcement of its envisaged strategic focus at its Annual Stakeholder Address in October 2010, the Bank committed itself to seriously look at the aspect of financial inclusion in Namibia starting with the year 2011. This came as a result of the Bank realizing the major role of financial inclusion in facilitating the efforts, policies, and strategies of achieving the ideals of an industrialised Nation by 2030 as per the National Vision. As such, the Bank embarked upon a financial inclusion agenda in 2011 which aims to ensure that the Namibian financial system provides access to finance to the bottom of the pyramid and SMEs. This financial inclusion agenda is being pursued as part of the development of a wider Financial Sector Reform Strategy.

The following milestones were achieved in 2011:

- The Bank of Namibia made financial inclusion as one of its key strategic objectives for 2011 and beyond; and created a dedicated Division to coordinate related activities. An internal Financial Inclusion Forum was also created in the Bank, in recognition of the fact that various departments within the Bank deal with issues relating to financial inclusion; and in an effort to better coordinate those issues and have synergy within the Bank. This was viewed as particularly important given the fact that the Bank had placed itself to be the lead institution in driving the financial inclusion agenda of the country.
- A workshop on the theme of "Coordinated Policy Making for Financial Inclusion in Namibia" was hosted by the Bank of Namibia in conjunction with the Bank Negara Malaysia during February 2011. The workshop involved participation by other partners, such as Smart Partnership Movement, Alliance for Financial Inclusion, First Initiative, FinMark Trust and a number of central banks in the region. It was aimed to create a dialogue and kick-start the process of formulating a coordinated national strategy on financial inclusion. As such, the workshop saw sharing of experiences and ideas in the area of financial inclusion on an international level. The Malaysian experience served as the main case study, in addition to other international and local experiences.
- To ensure policy coordination and harmonisation of the financial inclusion agenda, Cabinet approved the establishment of an inter-ministerial Financial Inclusion Council in May 2011, chaired by the Prime Minister of the Republic of Namibia. The Council is made up of Ministries that are in one way or another running programs aimed at providing funding and development support to vulnerable groups of society, micro enterprises and SMEs. The Council is supported by an Advisory Body, chaired by the Governor of Bank of Namibia and made up of some development finance institutions, private sector, and NGOs. The Council held two meetings during the year in accordance with its terms of reference. Members of the Advisory Body also attended the meetings in an observatory capacity. In addition, a wide consultation was held with the industry to consolidate the Financial Sector Strategy, which is expected to be launched during the first half of 2012. The Bank also co-funded the FinScope 2011/12 Survey, aimed at measuring the extent of financial exclusion in Namibia, among others. Preliminary results from this survey indicate that the percentage of the financial excluded population has come down significantly in 2011/12 compared to 2007.

**Financial Inclusion Workshop 2011**

*Presenters & Delegates who attended the Financial Inclusion Workshop hosted on 21 & 22 February 2011 in Windhoek.*

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# RESOURCE MANAGEMENT

## Strategic objective 7

Develop and manage resources sustainably

## Initiatives and strategies

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

## Strategic outcomes

- Internal control systems which are effective in managing the Bank's operations
- An environment where no risk translates into an incident due to the fact that it was not anticipated, and where such incidences do occur, a risk management system with effective mechanisms to minimise such risks
- A knowledge-based institution where all employees are exposed to the latest knowledge in their field of work, where such knowledge is put to use to improve their productivity
- An effective performance management system that is capable of assessing performance and rewarding employees accordingly
- A comprehensive financial management system, inclusive of budget, where all the Bank's financial transactions are recorded and monitored in accordance with international accounting standards, except where the Bank's legal requirements dictate otherwise
- A comprehensive procurement system, where the correct goods and services are procured in the most cost-effective manner and are made available on a timely basis
- An enabling physical working environment and an up-to-date assets register, where all assets are well maintained and kept in good working condition at all times
- A comprehensive security management system, where no loss of currency or any other assets occurs or, where it occurs, a system that is robust enough to identify the offender(s)
- The correct number of employees with the ability and willingness to promote the Bank's corporate culture of being a centre of excellence
- Reliable hardware and software IT infrastructure that contributes to the Bank's productivity, acquired in the most cost-effective manner
- An IT system that is available at all times and is accessed only by those who are authorised to do so

# RISK MANAGEMENT

### RISK OVERVIEW

The Bank views risk management as an essential element of good corporate governance and has fully integrated risk management into its strategy and daily operations. The Bank aims to establish a culture of ownership of risk management whereby every Bank employee takes responsibility for risk management on a daily basis. To this end, risk management is integrated into the culture of the Bank to ensure that all levels of employees manage risks within the parameters determined by the Board. However, management is ultimately accountable for the effective management of risks.

The core tool of the Bank's risk management approach is its risk logs. Risk logs are drawn up annually, after the strategic review session, and are reviewed at various intervals during the course of the year. Oversight of the Bank's arrangements for risk management rests with the Risk Management Committee. This is a senior management committee responsible for ensuring that all non-policy risks facing the Bank are properly assessed and managed.

## RISK MANAGEMENT POLICY AND STRATEGY

The policy and strategy is aligned with internationally accepted risk management practices and aims to ensure that all types of risks that could hinder the Bank from achieving its strategic objectives are systematically and comprehensively managed.

The policy specifies the Bank's risk appetite and tolerance levels, risk management governance structures, general principles, frameworks and processes, as well as the roles and responsibilities of stakeholders. It regulates the risk management activities in such a way as to ensure that they are aligned with the Bank's strategic objectives, i.e. regular risk assessments are conducted, risks are prioritised, treatment strategies are devised and implemented, and all risk activities are closely monitored and reported.

## RISK MANAGEMENT GOVERNANCE

The Board is responsible for the total process of risk management. The Audit Committee carries out the Board's responsibilities, including reviewing, monitoring, and overseeing the Bank's risk management process as a whole. The Committee reports the results of these activities to the Board. Oversight of the Bank's arrangements for risk management rests with the Risk Management Committee (RMC), which is chaired by the Governor. The committee comprises of the Deputy Governor, Assistant Governor, all departmental Directors, the Head of Corporate Communications and the Head of Risk Management & Assurance. The RMC meets every quarter and reports to the Audit Committee.

The RMC meets to discuss the top residual, strategic and operational risks facing the Bank. During these discussions, consideration is given to the strategic objectives of the Bank, the risk logs, the quarterly departmental risk management reports, the quarterly departmental progress reports, and other relevant information. The top strategic and operational residual and inherent high-risk areas are then reported to the Audit Committee. All other identified risks are continuously tracked by the relevant departments, in consultation with the Risk Management Section.

The RMC is assisted in carrying out its responsibilities by the Risk Management Section, which is supervised by the Head of Risk Management & Assurance and assisted by the Chief Risk Officer (CRO). The Head is accountable to the Board for designing, implementing, communicating and monitoring the risk management process and activities, while the CRO ensures that all formal and procedural requirements of the risk management policy and procedures/plans are carried out.

## RISK PROCESSES

The Bank's risk management approach requires risks to be formally assessed through a facilitated workshop session, at least annually, subsequent to the Bank's annual strategic review sessions. Business areas are required to identify all risks that can inhibit them from achieving their objectives and rate them on an inherent and residual basis according to likelihood of occurrence and potential impact. The impact ratings are categorised according to type, e.g. financial, reputational, operational, strategic, etc. Risk prioritisation then takes place to identify the key risks that require focus on a strategic level, as well as those requiring attention on a business-area (departmental) level. Risk-mitigating strategies are then devised for risk areas that require attention. The Bank's Risk Management Section monitors the entire process, including ensuring that risk-mitigating strategies are being implemented. Formal risk reporting is carried out quarterly by departments to the RMC, and by the RMC to the Audit Committee.

## BUSINESS CONTINUITY

It is essential that the Bank, by virtue of its unique and critical role/services, is able to continue normal business in the event of an emergency or crisis. The overarching Business Continuity (BC) Plan, templates for the Bank's Business Continuity and Recovery Plans have been finalised and awaits the approval of the RMC in the first quarter of 2012. Further, a construction company was awarded a tender for the construction of the Disaster Recovery facility, the building of which has since commenced.

The Bank has further developed a BC Coordination Plan to ensure that all the different BC Plans are kept up-to-date, that regular BC tests are conducted, and that the necessary training is provided to relevant staff members to enable them to effectively carryout their Business Continuity Management (BCM) responsibilities.

In addition, initiatives aimed at decreasing risk exposure were finalized resulting in full replication of all critical systems within the Bank to the interim Disaster Recovery facility. This arrangement offers disaster recovery options with limited business continuity facilities such as seating arrangements.

## COMPLIANCE POLICY AND PROCEDURE MANAGEMENT

Compliance management processes – with particular reference to compliance with legislation – as well as policy and procedures management activities are essential to minimise exposure to legal, financial and reputational risks, such as penalties, negative publicity and litigation. The Bank's departments have made satisfactory progress in implementing compliance and policy and procedures management action plans.



## STAFFING AND PERSONNEL DEVELOPMENTS

As at 31 December 2011, the Bank's actual staff complement was 307 employees, which is 15 staff members less than the approved establishment of 322 positions. The number of vacancies was caused by the creation of new positions, retirements and resignations during the year, as follows:

During 2011, the Bank recorded a staff turnover of 19 terminations (inclusive of one retirement), which represents 6.2 percent of the actual staff complement of 307.

**Table A.12: Staff numbers at the Bank at year-end**

| Staff category | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| General staff | 251 | 264 | 266 | 274 | 274 |
| Management (excl. Executive Management) | 27 | 29 | 28 | 29 | 30 |
| Executive Management | 3 | 3 | 3 | 3 | 3 |
| Total employed | 281 | 296 | 297 | 306 | 307 |

## EMPLOYMENT EQUITY

The Bank consistently upholds its commitment to employment equity and continuously meets and exceeds its employment equity targets as set out in its three-year employment equity plan. The Bank is committed to internal progression, and consequently 19 employees from the designated groups were internally promoted, with an almost equal balance between male and female. It is worth noting that of the four managerial promotions, three were female employees. Further, a concerted effort has been made to promote persons with disabilities, and one racially disadvantaged male with disability at a specialized level was appointed during 2011. A total number of 26 new employees were recruited during the period under review, of which 46 percent were female. Of the total management in 2011 (Directors and Deputy Directors, excluding Governors), 40 percent were female employees.

**Table A.13: A synopsis of the Bank's employment equity data over a five-year period (2007-2011)**

| WORKFORCE | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Male | 147 | 154 | 157 | 162 | 156 |
| Female | 134 | 146 | 147 | 148 | 151 |
| Racially disadvantaged | 261 | 280 | 288 | 296 | 293 |
| Racially advantaged | 14 | 13 | 9 | 9 | 9 |
| Persons with disabilities | 3 | 5 | 4 | 2 | 3 |
| Non-Namibians | 3 | 2 | 3 | 3 | 2 |
| TOTAL | 281 | 300* | 304* | 310* | 307 |

* These figures include temporary staff which are not reflected in Table A.12

The Bank not only focuses on equity internally, but is committed to improve the skills of Namibian women in particular. In this regard, the Bank provided bursaries to 20 female recipients in the areas of IT, Accounting, Economics, Finance and Banking. The Bank awarded a total of 8 bursaries during the year under review, of which 62.5 percent were awarded to female recipients. It is expected that a total of two undergraduate students will graduate at the end of 2011. The table below shows the number of students per field and their academic year:

**Table A.14: Composition of bursary holders of the Bank in 2011**

| 2011 undergraduate profile | 1st year | 2nd year | 3rd year | 4th year | Total |
|---|---|---|---|---|---|
| Accounting/Finance | 4 | 4 | 5 | 1 | 14 |
| Economics | 1 | 2 | 4 | - | 7 |
| Computer Science | 2 | - | - | 1 | 3 |
| B-Juris Law | - | 1 | 1 | - | 2 |
| Education: Maths & Science | 1 | - | - | - | 1 |
| Total | 8 | 7 | 10 | 2 | 27 |

NB: Note that one Law student and one Economics student, both in their 2nd year, were inactive due to non-registration and de-registration, respectively, in 2011.



## CAPACITY DEVELOPMENT AND VISION BUILDING

Performance management plays an important role in the Bank's mission to promote excellence and establish a high performance culture. To ensure that employees live up to the Bank's mission and values, the Bank hosts quarterly vision building sessions to inculcate the core values, improve the organisational climate, strengthen cultural diversity, and offer a platform for engagement.

The Bank is committed to continuously improve the skills of its employees through further studies. To this end, the Bank has sponsored three employees and one external person to pursue full-time studies abroad. Three are pursuing PhD fellowships, while one staff member completed a Master programme during 2011. The Bank financially assisted a further 34 employees by giving them an interest-free loan to pursue part-time studies at various institutions. In addition, the Graduate Accelerated Programme (GAP) has been adopted, and the first four candidates to participate in an 18-month rotation programme to build capacity were selected during 2011.

Various in-house courses were offered to enhance internal capacity during 2011, and 307 employees participated in these short courses, which includes training of staff regarding the new Performance Management System. The leadership pipeline was rolled out during 2011 to familiarise staff with their key accountabilities and activities, as per their levels of work. All staff have been initiated into the Bank's leadership pipeline methodology, and all have successfully completed the training for their particular level of work.

## HEALTH, SAFETY AND WELLNESS

The Bank follows a holistic wellness approach. In this regard, various wellness interventions were conducted with the view to prevent socio-economic problems before they arise, as well as to encourage Bank employees to become health conscious and financially prudent. In collaboration with Bankmed, a Bank wide wellness day was organised to inform staff on wellness issues and to determine the physical wellness level of staff in general.

The Occupational Health & Safety Policy was reviewed and updated during the course of the year to reflect new labour realities. Not only have the activities and functions of the Occupational Health & Safety Committee been elevated, but the revised Policy now also provides for environmental issues and for managing the Bank's future ecological footprint. The Bank presented financial wellness interventions and provided personal finance management coaching to staff.

## ORGANISATIONAL DEVELOPMENT

Not only was the leadership pipeline methodology thoroughly deployed Bank wide, but a deepening of the pipeline, as well as that of the performance culture, continues to be a priority at the Bank. Employees are encouraged to take responsibility for their own careers, and the pipeline helps them to develop a personal portfolio of evidence of their progress, as well as to track their development. The Bank provides succession planning through the pipeline, and sound organisational structuring as per job evaluations and descriptions.

During the course of 2011, the new Performance Management System was deployed and implemented successfully. Not only are the existing organisational practices and policies enhanced with the rollout of the new !Nâ!Nâ system (Khoekhoegowab for"enlightenment" or "providing light"), but the system should enhance the organisation further as regards to its talent management practices and organisational culture toward excellence. Further, various organisational policies and practices have been revised and updated, and a new Benchmarking Framework has been adopted to build and promote organisational best practices. The Bank's new five-year plan (2012-2016) has been crafted and finalised, with the Areas of Concentration for 2012 for the various departments in place. The following seven strategic objectives have been laid down to be pursued during the 2012-2016 period:

a. Safeguard and enhance financial stability
b. Promote price stability
c. Manage reserves prudently
d. Promote a positive reputation
e. Promote financial sector development
f. Optimise organisational efficiency and cost-effectiveness
g. Enhance contribution towards sustainable economic growth

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### Table A.15: Human resources metrics for 2011

| METRICS | |
|---|---|
| Employee productivity (average performance rating) | 3.3 - aligned |
| Turnover | 6.2% |
| Absenteeism rate | 2.5% |
| Average training spent of operating cost (2011) | 2.0% |
| Average length of employment | Management: 8.4<br>General staff: 8.4 |
| Average age of employees (Management) | Male:41<br>Female:39 |
| Average age of employees (General staff) | Male:39<br>Female:37 |

## FINANCIAL MANAGEMENT

An examination of the Bank's liabilities gives a good indication of the sources of funds with which it sustains its operations. These funds are reflected in Table A.16.

### Table A.16: Composition of monthly average liabilities of the Bank of Namibia

| Financial year<br>N$ million | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Capital and reserves | 1,021 | 2,237 | 2,156 | 1,211 | 1,389 |
| Currency in circulation | 1,126 | 1,366 | 1,560 | 1,688 | 2,010 |
| Government deposits | 4,648 | 6,403 | 8,267 | 5,106 | 4,669 |
| Bank deposits | 400 | 569 | 775 | 1,433 | 1,698 |
| Other | 529 | 993 | 2,258 | 3,476 | 2,346 |
| **Total** | **7,724** | **11,568** | **15,016** | **12,914** | **12,112** |
| **Percentage composition** | | | | | |
| Capital and reserves | 13.2 | 19.3 | 14.4 | 9.4 | 11.5 |
| Currency in circulation | 14.6 | 11.8 | 10.4 | 13.1 | 16.6 |
| Government deposits | 60.2 | 55.3 | 55.1 | 39.5 | 38.5 |
| Bank deposits | 5.2 | 4.9 | 5.2 | 11.1 | 14.0 |
| Other | 6.8 | 8.6 | 15.0 | 26.9 | 19.4 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

The sources of Bank funds declined marginally between 2010 and 2011. The main contributing factors to this decline can be attributed to the decline in Government Deposits and Other Deposits. The Government Deposits decreased from N$5.1 billion to N$4.6 billion between 2010 and 2011. As a percentage of liabilities, average Government Deposits declined from 39.5 percent to 38.5 percent, a marginal 1 percentage point decrease. Other Deposits decline can be attributed mainly to the redemption of the Bonds issued by the Bank.

Table A.17 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 2007, the share of foreign investments as a percentage of total assets steadily increased with the exception of year 2010 and 2011. Although the value of foreign investments fell from 2010 to 2011, its share as a percentage of total assets still remains above 95 percent.



### Table A.17: Composition of Bank assets per monthly average

| Financial year N$ million | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Foreign investments | 6,051 | 10,498 | 14,372 | 12,313 | 11.526 |
| Loans and advances | 1,248 | 686 | 187 | 72 | 61 |
| Fixed assets | 142 | 157 | 165 | 173 | 207 |
| Other assets | 283 | 227 | 293 | 356 | 318 |
| TOTAL | 7,724 | 11,568 | 15,016 | 12,914 | 12,112 |
| Percentage composition | | | | | |
| Foreign investments | 78.3 | 90.8 | 91.6 | 95.3 | 95.2 |
| Loans and advances | 16.2 | 5.9 | 1.2 | 0.6 | 0.5 |
| Fixed assets | 1.8 | 1.4 | 1.1 | 1.3 | 1.7 |
| Other assets | 3.7 | 2.0 | 6.1 | 2.8 | 2.6 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

As outlined in Table A.18, the Bank's income declined steadily from 2009 to 2011. Traditionally, Interest Revenue on the Bank's investments is the most important source of income. However, for the years 2009 to 2011 there has been a constant decline in Interest Revenue. The main reason for this decline is the recessionary conditions prevailing in global markets as well the impact of exchange rates movements on foreign investment earnings. The Bank also incurred losses on our Portfolio Investments during the current year. It is to be noted that Rand seigniorage income makes up the second largest source of income for the Bank.

### Table A.18: Sources of Bank income[6]

| Income component | 2009 | | 2010 | | 2011 | |
|---|---|---|---|---|---|---|
| | N$ million | Percent | N$ million | Percent | N$ million | Percent |
| Interest received | 595.1 | 136.2 | 401.8 | 110.4 | 329.7 | 90.4 |
| less: Interest paid | -357.3 | -81.8 | -248.5 | -68.3 | -158.2 | -43.4 |
| Net interest earned | 237.8 | 54.4 | 153.3 | 42.1 | 171.5 | 47.0 |
| Net realised gain/(loss) | 6.4 | 1.5 | 31.1 | 8.5 | -24.2 | -6.6 |
| Rand seigniorage | 164.4 | 37.6 | 161.4 | 44.4 | 183.9 | 50.4 |
| Other income | 28.4 | 6.5 | 18.0 | 4.9 | 33.7 | 9.2 |
| **Total income** | **437.0** | **100.0** | **363.8** | **100.0** | **364.9** | **100.0** |
| **Annual % change** | **n/a** | **-34.8** | **n/a** | **-16.8** | **n/a** | **0.3** |

[6] Excluding unrealized net foreign exchange gains and losses

Because 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.19). As expected, staff costs remain the Bank's largest expenditure item followed by other operating expenses. Staff costs in relation to total operating expenses fell from 62 percent in 2010 to close to 53 percent in 2011, mainly due to certain once off costs incurred in year 2010 not being incurred in the current year. Other components of the Bank's operating costs maintain a steady ratio, except for depreciation, which is quite unsteady because of the residual value and useful life exercise performed on an annual basis.

**Table A.19: Composition of the Bank's operating costs**

| Cost component | 2009 | | 2010 | | 2011 | |
|---|---|---|---|---|---|---|
| | N$ million | Percent | N$ million | Percent | N$ million | Percent |
| Staff costs | 109.5 | 54.8 | 132.9 | 62.6 | 126.9 | 53.8 |
| Currency expenses | 26.0 | 13.0 | 26.2 | 12.3 | 28.8 | 12.2 |
| Depreciation charges | 20.8 | 10.4 | 1.7 | 0.8 | 21.3 | 9.1 |
| Other operating expenses | 43.5 | 21.8 | 51.5 | 24.3 | 58.8 | 24.9 |
| Total operating expenses | **199.8** | **100.0** | **212.3** | **100.0** | **235.8** | **100.0** |
| Annual % change | **n/a** | **18.6** | **n/a** | **6.3** | **n/a** | **11.1** |

## FACILITIES MANAGEMENT

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

During the year under review, the Bank commenced with the construction of the Business Continuity and Disaster Recovery facility. This project is of strategic importance to the Bank. The Business Continuity component is aimed at keeping all aspects of the Bank's business functioning in the midst of disruptive events, while the Disaster Recovery component focuses on the technology systems that support business functions. The Bank takes the preparation for continuation or recovery of its core business systems very seriously. For this reason it made a significant investment of time and money into this project, with the aim of ensuring minimal losses in the event of a disruptive event. This is an 18 months project, which aims at completion by December 2012.

*DR Site Construction*

*DR Site Preparation*

During the year under review, the Bank undertook another capital project of upgrading the air-conditioning system in the vault and basement areas of the Head Office. This project, scheduled for completion by mid-2012, was necessary to enhance the air ventilation in these confined areas.

*Old Vault Air-handling Units to be replaced*

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The year under review also saw the completion of Phase II of the refurbishment project, which brought its own unique challenges and opportunities. The Bank refurbished the old historical monument adjacent to the Bank's Head Office, which is currently used as its Training Centre. The primary aim of the project was to give this historical monument a facelift while still maintaining is historic facet. The project was successfully completed during the period under review.

*Phase II Refurbishment Project (Training Centre)*

*Phase II Refurbishment Project (Training Centre- new Garden)*

## INFORMATION TECHNOLOGY

With the development of the Bank's new five-year Corporate Strategy during the year under review, a subsequent deliverable for an IT roadmap was required, culminating in the drafting of a new five-year IT Master Plan. The Plan, which will come into effect from 2012 and extend to 2016, will be reassessed on an annual basis by Executive Management. The exercise took into account internal initiatives and input to drive the Central Banking mandate, external input through industry specialists, and synergies through Benchmarking initiatives, particularly with the Bundesbank (German Central Bank).

Challenging as it was, the Bank has managed to achieve its strategic objective of enhancing business processes by maximising the use of technology and existing frameworks. This objective was realised through the effective execution of the IT Governance project. To this end, the majority of the IT processes vital for compliance and quality assurance were accomplished. IT Governance is a recent and key addition to ensure sound Corporate Governance.

A notable achievement during the year under review was the replacement of the Performance Management System in accordance with the Bank's Performance Appraisal policy and the desire to enable a performance-driven culture in the Bank. The Bank further witnessed the finalisation of enhancements for the Research Management System. This System enables institutions to submit surveys online for different sectors and industries. In addition, the look and feel of the Bank's website was improved and new features were introduced, namely content management, search functionality, links to social media, and ease of navigation. The site is scheduled to be launched in the first half of 2012 to coincide with other national initiatives.


The availability of systems with national significance remains a high priority to the Bank, necessitating the implementation of network resilience and storage at the heart of the Data Centre. This project has enabled the availability of critical systems, such as the NISS, EFT, and Enterprise Resource Planning solution, namely SAP. These initiatives enhanced the redundancy of systems in a controlled environment. Furthermore, an investment into the acquisition of an Enterprise Monitoring System was made to show system bottlenecks in order to aid in proactive problem identification and rectification.

# FIVE-YEAR HISTORICAL FINANCIAL OVERVIEW

## Table A.20: Balance Sheet comparisons, 2007–2011 – N$'000

| | 31-Dec-07 | 31-Dec-08 | 31-Dec-09 | 31-Dec-10 | 31-Dec-11 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | **206,638** | **212,967** | **244,936** | **306,355** | **317,099** |
| Property, plant and equipment | 156,945 | 155,595 | 153,990 | 187,662 | 203,898 |
| Intangible assets - computer software | 1,205 | 11,865 | 14,274 | 15,883 | 13,512 |
| Currency inventory - notes and coins | 26,926 | 20,853 | 52,054 | 71,793 | 61,985 |
| Loans and advances | 21,562 | 24654 | 24,618 | 31,017 | 37,704 |
| **Current assets** | **7,696,801** | **13,048,996** | **14,143,151** | **10,459,522** | **14,727,531** |
| Investments | 6,547,819 | 12,712,264 | 12,322,101 | 8,876,115 | 14,303,307 |
| Loans and advances | 889,560 | 136,453 | 8,166 | 951 | 938 |
| Rand Deposits | 108,658 | 43,770 | 127,781 | 72,889 | 101,907 |
| Other inventory - stationary and spares | 1,982 | 1,917 | 2,369 | 2,464 | 2,424 |
| SDR and other receivables | 148,782 | 154,592 | 1,682,734 | 1,507,103 | 318,955 |
| **TOTAL ASSETS** | **7,903,439** | **13,261,963** | **14,388,087** | **10,765,877** | **15,044,630** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Capital and reserves** | **1,189,455** | **3,142,927** | **1,702,963** | **960,192** | **1,854,698** |
| Share capital | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| General reserve | 367,432 | 595,699 | 698,378 | 736,256 | 790,082 |
| Foreign Currency revaluation reserve | 722,023 | 2,427,228 | 821,218 | 15,755 | 826,491 |
| Distribution state revenue fund | 0 | 0 | 43,367 | 8,181 | 22,865 |
| Building fund reserve | 60,000 | 80,000 | 100,000 | 150,000 | 150,000 |
| Development fund reserve | 0 | 0 | 0 | 10,000 | 20,000 |
| Unrealised gain reserve | 0 | 0 | 0 | 0 | 5,260 |
| **Non-Current Liabilities** | **16,991** | **21,302** | **24,210** | **35,451** | **39,433** |
| Provision for post-employment benefits | 16,991 | 21,302 | 24,210 | 35,451 | 39,433 |
| **Current Liabilities** | **6,696,993** | **10,097,734** | **12,660,914** | **9,770,234** | **13,150,499** |
| Notes and coins in circulation | 1,323,749 | 1,656,928 | 1,705,358 | 1,909,341 | 2.398,164 |
| Deposits | 5,334,479 | 8,405,284 | 10,930,573 | 7,841,786 | 10,727,160 |
| Provision for post-employment benefits | 477 | 634 | 748 | 789 | 840 |
| Trade and other payables | 38,288 | 34,888 | 24,235 | 18,318 | 24.335 |
| **TOTAL EQUITY AND LIABILITIES** | **7,903,439** | **13,261,963** | **14,388,087** | **10,765,877** | **15,044,630** |

A

A

## Table A.21: Income Statement comparisons, 2007–2011 – N$'000

| | 31-Dec-07 | 31-Dec-08 | 31-Dec-09 | 31-Dec-10 | 31-Dec-11 |
|---|---|---|---|---|---|
| Interest income | 327,574 | 599,578 | 595,126 | 401,839 | 329,686 |
| Interest expense | (159,075) | (360,752) | (357,323) | (248,534) | (158,188) |
| Net interest income | 168,499 | 238,826 | 237,803 | 153,305 | 171,498 |
| Net gains/(loss) on portfolio investments | 19,111 | 260,808 | 6,373 | 31,133 | (24,172) |
| Net foreign exchange gains/(losses) | 134,642 | 1,705,205 | (1,606,010) | (805,463) | 810,736 |
| Rand compensation | 132,590 | 145,969 | 164,421 | 161,354 | 183,880 |
| Other income | 7,520 | 24,379 | 28,375 | 17,998 | 33,713 |
| Total income | **462,362** | **2,375,187** | **(1,169,038)** | **(441,673)** | **1,175,655** |
| | | | | | |
| Operating expenses | **146,598** | **168,365** | **199,764** | **212,277** | **235,815** |
| | | | | | |
| Net income for the year | **315,764** | **2,206,822** | **(1,368,802)** | **(653,950)** | **939,840** |
| Transfer from/(to) revaluation reserve | (134,642) | (1,705,205) | 1,606,010 | 805,463 | (810,736) |
| Unrealised gain reserve | 0 | 0 | 0 | 0 | (5,260) |
| Net income available for distribution | **181,122** | **501,617** | **237,208** | **151,513** | **123,844** |
| | | | | | |
| Appropriations: | | | | | |
| General Reserve | 61,122 | 228,267 | 102,679 | 37,878 | 53,826 |
| Building Reserve | 50,000 | 20,000 | 20,000 | 50,000 | 0 |
| Development Fund Reserve | 0 | 0 | 0 | 10,000 | 10,000 |
| Distribution to State Revenue Fund | 70,000 | 253,350 | 71,162 | 45,454 | 37,153 |
| Distribution to State Revenue Fund (retained) | 0 | 0 | 43,367 | 8,181 | 22,865 |

# Part B

## Annual Financial Statements for the Financial year ended 31 December 2011

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

# Content

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

# 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.

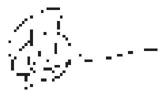
2. The Board has overall responsibility for the system of internal financial control in the Bank, which is designed to safeguard the assets of the Bank, prevent and detect fraud and other irregularities. To discharge this responsibility an appropriate organisational structure has been established. In 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 57 to 93 were approved by the Board and are signed on its behalf by:



Chairman
16 March 2012

Board Member
16 March 2012

B

# 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 2011, and the statements of comprehensive income, 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 57 to 93.

*Board members' Responsibility for the Financial Statements*

The Bank of Namibia's Board members are responsible for the preparation and fair presentation of these 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 directors 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 financial statements present fairly, in all material respects, the financial position of the Bank of Namibia as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Bank of Namibia Act, 1997.

PricewaterhouseCoopers

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

Windhoek
16 March 2012

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

| | Notes | 2011 N$'000 | 2010 N$'000 |
|---|---|---|---|
| **Net interest income** | | **171 498** | **153 305** |
| Interest income | 2 | 329 686 | 401 839 |
| Interest expense | | (158 188) | (248 534) |
| | | **217 593** | **179 352** |
| Government Grant – FIC funding | 2 | 9 832 | 7 267 |
| Rand Compensation Income | | 183 880 | 161 354 |
| Other income | 2 | 23 881 | 10 731 |
| **Total income** | | **389 091** | **332 657** |
| Operating expenses | 2 | (235 815) | (212 277) |
| Net (loss)/gain on investment portfolio | | (24 172) | 31 133 |
| Net foreign exchange revaluation gains/(losses) | 14 | 810 736 | (805 463) |
| Total Comprehensive Profit/(Loss) for the Year | | **939 840** | **(653 950)** |
| **Profits/(Losses) attributable to:** | | | |
| Revaluation Reserve | 14 | 810 736 | (805 463) |
| Unrealised Gain Reserve | 1.23 | 5 260 | - |
| Amount Available for Distribution | 1.2 | 123 844 | 151 513 |
| | | **939 840** | **(653 950)** |

B

# STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

B

| | Notes | 2011 N$'000 | 2010 N$'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current Assets** | | **317 099** | **306 355** |
| Property and equipment | 3 | 203 898 | 187 662 |
| Intangible assets – computer software | 4 | 13 512 | 15 883 |
| Currency costs – notes and coins | 5 | 61 985 | 71 793 |
| Loans and advances | 6 | 37 704 | 31 017 |
| **Current Assets** | | **14 727 531** | **10 459 522** |
| Investments | 7 | 14 303 307 | 8 876 115 |
| Loans and advances | 8 | 938 | 951 |
| Rand deposits | 9 | 101 907 | 72 889 |
| Other inventory – stationery and spares | 10 | 2 424 | 2 464 |
| SDR and Other receivables | 11 | 318 955 | 1 507 103 |
| **TOTAL ASSETS** | | **15 044 630** | **10 765 877** |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and Reserves** | | **1 854 698** | **960 192** |
| Share capital | 12 | 40 000 | 40 000 |
| General reserve | 13 | 790 082 | 736 256 |
| Foreign currency revaluation reserve | 14 | 826 491 | 15 755 |
| Distribution state revenue fund | 1.2 | 22 865 | 8 181 |
| Building fund reserve | 15 | 150 000 | 150 000 |
| Development fund reserve | 16 | 20 000 | 10 000 |
| Unrealised gain reserve | 1.23 | 5 260 | - |
| **Non-Current Liabilities** | | **39 433** | **35 451** |
| Provision for post employment benefits | 17 | 39 433 | 35 451 |
| **Current Liabilities** | | **13 150 499** | **9 770 234** |
| Notes and coins in circulation | 18 | 2 398 164 | 1 909 341 |
| Deposits | 19 | 10 727 160 | 7 841 786 |
| Provision for post employment benefits | 17 | 840 | 789 |
| Trade and other payables | 20 | 24 335 | 18 318 |
| **TOTAL EQUITY AND LIABILITIES** | | **15 044 630** | **10 765 877** |

IPUMBU W. SHIIMI
GOVERNOR
16 MARCH 2012

ESTELLE TJIPUKA
CHIEF FINANCIAL OFFICER
16 MARCH 2012

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

| | Share Capital N$'000 | Accumulated Profit & loss account N$'000 | General Reserve N$'000 | Revaluation Reserve N$'000 | Unrealised Gain Reserve Fund N$'000 | Distribution State Revenue Fund N$'000 | Development Fund Reserve N$'000 | Building Fund Reserve N$'000 | Total N$'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2010** | **40 000** | **-** | **698 378** | **821 218** | **-** | **43 367** | **-** | **100 000** | **1 702 963** |
| Profit for the year | - | (653 950) | - | - | - | - | - | - | (653 950) |
| Transfer to Revaluation reserve | - | 805 463 | - | (805 463) | - | - | - | - | - |
| Appropriation of net profit for the year | - | (151 513) | 37 878 | - | - | 53 635 | 10 000 | 50 000 | - |
| Dividends distribution | - | - | - | - | - | (88 821) | - | - | (88 921) |
| **Balance at 31 December 2010** | **40 000** | **-** | **736 256** | **15 755** | **-** | **8 181** | **10 000** | **150 000** | **960 192** |
| Profit for the year | - | 939 840 | - | - | - | - | - | - | 939 840 |
| Transfer to Revaluation reserve | - | (810 736) | - | 810 736 | - | - | - | - | - |
| Transfer to Unrealised Gain reserve | - | (5 260) | - | - | 5 260 | - | - | - | - |
| Appropriation of net profit for the year | - | (123 844) | 53 826 | - | - | 60 018 | 10 000 | - | - |
| Dividends distribution (prior year) | - | - | - | - | - | (8 181) | - | - | (8 181) |
| Dividend distribution (current year) | - | - | - | - | - | (37 153) | - | - | (37 153) |
| **Balance at 31 December 2011** | **40 000** | **-** | **790 082** | **826 491** | **5 260** | **22 865** | **20 000** | **150 000** | **1 854 698** |

B

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

B

| | Notes | 2011 N$'000 | 2010 N$'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash utilised by operations | A | ( 368 792) | 4 075 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | **(66 396)** | **(93 529)** |
| Proceeds on disposals of property & equipment and intangible assets | | 203 | 376 |
| Purchase of property & equipment | | (37 855) | (35 563) |
| Purchase of currency inventory | | (18 960) | (45 966) |
| Purchase of other inventory | | (525) | (752) |
| Purchase of intangible asset – computer software | | (2 572) | (5 225) |
| (Increase)/Decrease in loans and advances | | (6 687) | (6 399) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | **435 188** | **89 454** |
| Distribution to the State revenue fund | B | (53 635) | (114 529) |
| Notes and coins issued | | 488 823 | 203 983 |
| | | - | - |

**NOTE:**

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

| | 2011 | 2010 |
|---|---|---|
| Profit/(Loss) for the year | 129 104 | 151 513 |
| Adjusted for: | | |
| Depreciation | 21 277 | 1 744 |
| Currency inventory amortisation cost | 28 768 | 26 228 |
| Other inventory issuance cost | 565 | 658 |
| Provision post employment benefits | 4 033 | 11 282 |
| Amortisation of computer software | 4 943 | 3 447 |
| Loss/(Profit) on disposal of property & equipment | 139 | (62) |
| Operating cash flows before movements in working capital | **188 829** | **194 810** |
| Decrease in loans and advances | 13 | 7 215 |
| (Increase)/Decrease in Rand cash | (29 018) | 54 892 |
| Decrease/(Increase) in other receivables | 1 188 148 | 175 631 |
| Increase/(Decrease) in deposits | 2 893 675 | (3 063 079) |
| Increase/(Decrease) in trade, other payables | 6 017 | (5 917) |
| (Increase)/Decrease in investments | (4 616 456) | 2 640 523 |
| | **(368 792)** | **4 075** |

**B. DISTRIBUTION TO STATE REVENUE FUND**

| | 2011 | 2010 |
|---|---|---|
| Opening balance included in deposits | (53 635) | (114 529) |
| Appropriations of net profit for the year | 37 153 | 45 454 |
| Closing balance included in deposits | (37 153) | (45 454) |
| Paid for the year | **(53 635)** | **(114 529)** |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 2011

## 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 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 1.3. 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, amendments and interpretations effective for the first time for December 2011 year-end:*

| Number | Title | Effective date |
|---|---|---|
| IAS 24 - Amendments | *Related Party Disclosures* | 1 January 2011 |
| N/a | *Improvements to IFRSs (issued May 2010)* | Unless otherwise specified the amendments are effective for annual periods beginning on or after 1 January 2011 |
| IFRIC 14 - Amendments | *Pre-payments of a Minimum Funding Requirement* | 1 January 2011 |
| IFRIC 19 | *Extinguishing Financial Liabilities with equity Instruments* | 1 July 2010 |

*International Financial Reporting Standards, amendments and interpretations issued but not effective for December 2011 year-end:*

| Number | Title | Effective date |
|---|---|---|
| IFRS 1 – Amendments | *'First time adoption' on hyperinflation and fixed dates* | 1 July 2011 |
| IFRS 7 – Amendments | *Financial Instruments: Disclosures – Transfer of financial assets* | 1 July 2011 |
| IFRS 7 – Amendments | *Financial Instruments: Disclosure* | 1 January 2013 |
| IAS 12 – Amendments | *'Income taxes' on deferred tax* | 1 January 2012 |
| IAS 1 – Amendments | *'Presentation of Financial Statements', on presentation of items OCI* | 1 July 2012 |
| IAS 19 – Amendments | *"Employee benefits"* | 1 January 2013 |
| IFRS 9 | *Financial Instruments (2009)* | 1 January 2013 |
| IFRS 9 | *Financial Instruments (2010)* | 1 January 2013 |
| IFRS 9 – Amendments | *Financial Instruments (2011)* | 1 January 2015 |
| IFRS 10 | *Consolidated Financial Statements* | 1 January 2013 |
| IFRS 11 | *Joint Arrangements* | 1 January 2013 |
| IFRS 12 | *Disclosures of interests in other entities* | 1 January 2013 |
| IFRS 13 | *Fair value measurement* | 1 January 2013 |
| IAS 27 (Revised 2011) | Separate financial statements | 1 January 2013 |
| IAS 28 (Revised 2011) | *Associates and joint ventures* | 1 January 2013 |
| IAS 32 – Amendments | *Financial Instruments: Presentation* | 1 January 2014 |
| IFRIC 20 | *Stripping costs in the production phase of a surface mine* | 1 January 2013 |

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.1 ANNUAL IMPROVEMENTS ISSUED MAY 2010

*Improvements to IFRSs (Issued May 2010) was issued by the IASB as part the 'annual improvements process' resulting in the following amendments to standards issued, effective for the first time for 31 December 2011 year-ends:*

| Number | Title | Effective date |
|---|---|---|
| IFRS 1 | *First-Time Adoption of International Financial Reporting Standards* | 1 January 2011 |
| IFRS 3 | *Business Combinations* | 1 July 2010 |
| IFRS 7 | *Financial Instruments: Disclosures* | 1 January 2011 |
| IAS 1 | *Presentation of Financial Statements* | 1 January 2011 |
| IAS 27 | *Consolidated and Separate Financial Statements* | 1 July 2010 |
| IAS 34 | *Interim Financial Reporting* | 1 January 2011 |
| IFRIC 13 | *Customer Loyalty Programmes* | 1 January 2011 |

*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 APPROPRIATION OF PROFITS IN TERMS OF THE BANK OF NAMIBIA ACT, 1997

| | Notes | 2011 N$ `000 | 2010 N$ `000 |
|---|---|---|---|
| **Total Comprehensive Gain/(Loss) for the Year** | | **939 840** | **(653 950)** |
| Unrealised Gains transfer to Reserve | | (5 260) | - |
| Exchange Rate Gains/Losses transferred to the Revaluation Reserve | | (810 736) | 805 463 |
| **Net Profit for the Year** | | **123 844** | **151 513** |
| | | | |
| **Appropriation of Profits** | | **123 844** | **151 513** |
| General reserve | 13 | 53 826 | 37 878 |
| Building fund reserve | 15 | - | 50 000 |
| Development fund reserve | 16 | 10 000 | 10 000 |
| Distribution to State Revenue Fund | | 37 153 | 45 454 |
| Distribution to State Revenue Fund (Retained) | | 22 865 | 8 181 |

The IFRS gain reflected on the Statement of Comprehensive Income includes Revaluation Gains for the year that has been charged to the Income Statement to comply with the requirements of IAS 21 – Effect of changes in Foreign Exchange Rates. In terms of section 31 of the Bank of Namibia Act, 1997, gains and losses arising based on changes in the book or realised value of assets or liabilities, denominated in currencies other than the domestic currency, are to be transferred to the Revaluation Reserve. The Net Profit for the year in line with the compliance requirements of the Bank of Namibia Act, 1997 would therefore amount to N$ 123.8 million. Appropriations of profits are based on this Net Profit figure.

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

1. Provision for post employment benefits disclosed under note 17.

   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 3.

   The residual value and useful life evaluation exercise was performed by internal staff members who had technical knowledge of specific classes of assets. Market information with regards to pricing was also obtained to ensure the required level of objectivity was maintained in the whole evaluation process. The depreciation charge increase adjustment as a result of the change in useful lives amounted to N$ 6.3 million.

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.

## 1.4 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.

## 1.5 FINANCIAL INSTRUMENTS

Financial instruments as reflected on the Bank's balance sheet 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.

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.5 FINANCIAL INSTRUMENTS (CONTINUED)

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

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



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

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

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

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

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

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.5 FINANCIAL INSTRUMENTS (CONTINUED)

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***
- 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 52 day Bills
- Notes and coins issued
- Amounts due to the Government
- Commercial bank deposits
- Accounts payable

**Recognition**

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

**Measurement**

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

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.5 FINANCIAL INSTRUMENTS (CONTINUED)

***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.

**Reclassification**

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

**Impairment of financial assets**

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

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.5 FINANCIAL INSTRUMENTS (CONTINUED)

**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.

**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 2011 there were no overnight repo's granted to commercial banks.

**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.

**Defaults and breaches**

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

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.5 FINANCIAL INSTRUMENTS (CONTINUED)

**Income statement net gains or losses**

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| **Financial assets – at fair value through profit or loss** | | |
| *Designated* | | |
| External portfolio investments – net (loss)/gains | (24 172) | 31 133 |
| | **(24 172)** | **31 133** |



**Impairment**

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

## 1.6 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.

## 1.7 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. ACCOUNTING POLICIES (CONTINUED)

## 1.8 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 the reserve so created will be released to the General Reserve.

## 1.9 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 income statement during the financial period in which they are incurred.

## 1.10 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 depreciation 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.

## 1.11 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.

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.11 INVENTORY (CONTINUED)

**Stationery and spares**

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

## 1.12 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.



## 1.13 IMPAIRMENT OF NON FINANCIAL ASSETS

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

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

## 1.14 POST- EMPLOYMENT MEDICAL BENEFITS

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

## 1.15 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 balance sheet.

## 1.16 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.

## 1.17 TRANSACTIONS ON BEHALF OF GOVERNMENT

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

# 1. ACCOUNTING POLICIES (CONTINUED)

## 1.18 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.

## 1.19 IAS 20 – ACCOUNTING FOR GOVERNMENT GRANTS

The Bank accounts for grants received from the Government as income in the period in which the monies are received and are matched against related costs on a systematic basis. Surpluses are carried forward and released to the income statement of the following year, however deficits are carried forward as assets and Government funding received in the following year is used to off-set the asset.



## 1.20 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.

## 1.21 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.

## 1.22 LENT OUT SECURITIES

The Bank derives income from securities lending activity. The counter parties involved in these transactions are 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.

## 1.23 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 Income Statement as they arise. Unrealised gains when realised become available for distribution.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

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## 2. RESULTS FOR THE YEAR

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

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| **Interest Income** | | |
| **Namibia Dollar & Rand Currency** | **228 320** | **292 098** |
| Debt securities – fair value through profit or loss | 80 562 | 97 432 |
| Money market instruments – fair value through profit or loss | 114 201 | 156 128 |
| Money market instruments – held to maturity | 33 557 | 38 538 |
| **Other Currency** | **99 431** | **107 596** |
| Debt securities – fair value through profit or loss | 79 570 | 99 457 |
| Money market instruments – fair value through profit or loss | 15 229 | 2 363 |
| Money market instruments – held to maturity | 4 632 | 5 776 |
| Unwinding of present value adjustments | 1 935 | 2 145 |
| | **329 686** | **401 839** |
| **Other Income** | | |
| Rand compensation income | 183 880 | 161 354 |
| Sundry income | 23 881 | 10 731 |
| | **207 761** | **172 085** |
| Government Grant – Financial Intelligence Centre Funding* | 9 832 | 7 267 |
| **Operating Expenses** | | |
| Depreciation | 21 277 | 1 744 |
| Amortisation of computer software | 4 943 | 3 447 |
| Currency inventory amortisation costs | 28 768 | 26 228 |
| Other inventory expensed | 565 | 657 |
| Salaries and related personnel costs | 126 869 | 132 917 |
| Staff training and development | 2 626 | 2 302 |
| Social responsibility | 3 843 | 3 735 |
| Board members' fees - for services as board members | 262 | 363 |
| Auditors' remuneration - audit fees | 669 | 742 |
| Membership fees | 142 | 119 |
| Building and other maintenance costs | 10 209 | 9 636 |
| Loss on disposal of property, equipment and intangible assets | 342 | 147 |
| Amortisation of prepaid long-term employee benefit | 1 935 | 2 145 |
| Other expenditure | 33 365 | 28 095 |
| **Total operational expenditure** | **235 815** | **212 277** |
| **Number of employees** | **310** | **306** |

*The Financial Intelligence Centre (FIC) was established in terms of the Financial Intelligence Act, 2007 (No 3 of 2007) and its operations commenced in May 2009. The Act prescribes that the Bank of Namibia shall host the FIC and will be responsible and accountable for all its operational and administrative activities. The operations of the FIC are funded by an annual grant by the Government of the Republic of Namibia to Bank of Namibia. Unutilised Funding surpluses are carried forward and released to the income statement of the following year, however Funding deficits are carried forward as assets and Government funding received in the following year is used to off-set the asset.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

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# 3. PROPERTY AND EQUIPMENT

| 2011<br>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 2011 | 169 172 | 17 794 | 81 020 | 2 622 | 270 608 |
| Additions | 29 739 | 5 643 | 2 179 | 294 | 37 855 |
| Disposals | - | (1 494) | (2 148) | (722) | (4 364) |
| Transfers | - | - | - | - | - |
| **At 31 December 2011** | **198 911** | **21 943** | **81 051** | **2 194** | **304 099** |
| **Accumulated depreciation** | | | | | |
| At 1 January 2011 | 29 804 | 11 487 | 40 248 | 1 407 | 82 946 |
| Current year charge | 3 203 | 2 491 | 8 780 | 472 | 14 946 |
| Disposals/write-offs | - | (1 473) | (1 882) | (667) | (4 022) |
| Depreciation Adjustments | - | (299) | 6 886 | (256) | 6 331 |
| **At 31 December 2011** | **33 007** | **12 206** | **54 032** | **956** | **100 201** |
| **Carrying value** | | | | | |
| **At 1 January 2011** | **139 368** | **6 307** | **40 772** | **1 215** | **187 662** |
| **At 31 December 2011** | **165 904** | **9 737** | **27 019** | **1 238** | **203 898** |
| **2010** | | | | | |
| **Cost** | | | | | |
| At 1 January 2010 | 144 381 | 16 853 | 73 404 | 2 009 | 236 647 |
| Additions | 14 426 | 1 986 | 18 538 | 613 | 35 563 |
| Disposals/write-offs | - | (1 045) | (557) | - | (1 602) |
| Transfers | 10 365 | - | (10 365) | - | - |
| **At 31 December 2010** | **169 172** | **17 794** | **81 020** | **2 622** | **270 608** |
| **Accumulated depreciation** | | | | | |
| At 1 January 2010 | 26 915 | 10 542 | 43 865 | 1 335 | 82 657 |
| Current year charge | 2 889 | 2 216 | 6 225 | 356 | 11 686 |
| Disposals/write-offs | - | (1 028) | (427) | - | (1 455) |
| Depreciation Adjustments | - | (243) | ( 9 415) | (284) | (9 942) |
| **At 31 December 2010** | **29 804** | **11 487** | **40 248** | **1 407** | **82 946** |
| **Carrying value** | | | | | |
| **At 1 January 2010** | **117 466** | **6 311** | **29 539** | **674** | **153 990** |
| **At 31 December 2010** | **139 368** | **6 307** | **40 772** | **1 215** | **187 662** |

In line with the requirements of IAS 16: *Property, Plant & Equipment* the Bank reviewed the residual value and useful life of all classes of Assets. As required by the Statement, adjustments were processed prospectively and charged to the current year's Income Statement.

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

Included in the asset class Property, Plant and Equipment is Capital Work in Progress amounting to N$ 39.3 million. Costs incurred relates primarily to the Building refurbishment, Security System replacement and Disaster Recovery Building project.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011



## 3. PROPERTY AND EQUIPMENT (CONTINUED)

Transfers relate to assets that were transferred from Capital Work in Progress upon completion of the project to the respective asset classes. Adjustments relate to debits or credits posted to accumulated depreciation as a result of the year end residual value/useful life evaluation exercise.

## 4. INTANGIBLE ASSETS - COMPUTER SOFTWARE

| | N$'000 |
|---|---|
| **2011** | |
| **Cost** | |
| At 1 January 2011 | 41 627 |
| Additions | 2 572 |
| Disposals | - |
| **At 31 December 2011** | **44 199** |
| **Amortisation** | |
| At 1 January 2011 | 25 744 |
| Adjustment | (8) |
| Current year charge | 4 951 |
| **At 31 December 2011** | **30 687** |
| **Carrying value** | |
| **At 1 January 2011** | **15 883** |
| **At 31 December 2011** | **13 512** |
| **2010** | |
| **Cost** | |
| At 1 January 2010 | 36 571 |
| Additions | 5 225 |
| Disposals/transfers | (169) |
| **At 31 December 2010** | **41 627** |
| **Amortisation** | |
| At 1 January 2010 | 22 297 |
| Adjustment | (668) |
| Current year charge | 4 115 |
| **At 31 December 2010** | **25 744** |
| **Carrying value** | |
| **At 1 January 2010** | **11 865** |
| **At 31 December 2010** | **15 883** |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| **5. CURRENCY COSTS - NOTES AND COINS** | | |
| Opening Balance | 71 793 | 52 054 |
| Purchases current year | 18 960 | 45 967 |
| Amortisation current year | (28 768) | (26 228) |
| **Closing Balance** | **61 985** | **71 793** |
| **6. LOANS AND ADVANCES** | | |
| Staff loans | 26 473 | 23 148 |
| **Less: Present value adjustment for off-market loans** | **(2 578)** | **(2 626)** |
| Opening balance – 1 January | (2 625) | (3 283) |
| Current year fair value adjustment of new loans | (1 888) | (1 488) |
| Amortised to Income statement | 1 935 | 2 145 |
| **Add: Staff Long term benefit** | **2 578** | **2 626** |
| Opening balance – 1 January | 2 625 | 3 283 |
| Current year Fair value adjustment of new loans | 1 888 | 1 488 |
| Amortised to Income statement | (1 935) | (2 145) |
| **Net staff loans** | **26 473** | **23 148** |
| Other loans | 12 169 | 8 820 |
| Short-term portion of loans (Note 8) | (938) | (951) |
| **Closing Balance** | **37 704** | **31 017** |
| **7. INVESTMENTS** | | |
| **Rand currency** | | |
| **Fair value through profit or loss** | | |
| Designated | | |
| Debt securities & Money Market Investments | 4 141 704 | 6 029 961 |
| **Held to maturity** | | |
| Money market instruments | 592 402 | 315 512 |
| | **4 734 106** | **6 345 473** |
| **Other currencies** | | |
| **Fair value through profit or loss** | | |
| Designated | | |
| Debt Securities & Money Market Investments | 6 182 433 | 2 414 454 |
| **Held to maturity** | | |
| Money market instruments | 3 386 768 | 116 188 |
| | **9 569 201** | **2 530 642** |
| **Total Investments** | **14 303 307** | **8 876 115** |

### 7.1 LENT OUT SECURITIES

As at 31st December 2011, the value of lent out securities from our Investment Portfolio, managed by our custodians, nominal value amounted to Euro – 91 million; NAD equivalent 1.101 billion (2010: Euro 135 million; NAD equivalent 1.213 billion) and US Dollar – 80 million; NAD equivalent 665 million (2010: US Dollar 94 million; NAD equivalent 625 million) respectively. The counter parties involved in these transactions are rated institutions and a cash collateral has been deposited with the custodians as guarantee for the lent out securities. The income generated from the lent out securities activity, has been recorded in the books of the Bank accordingly.

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### 7.2 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 2011**

| Financial Assets | Level 1 | Level 2 | Total |
|---|---|---|---|
| At Fair value through Profit or Loss | N$'000 | N$'000 | N$'000 |
| Designated Debt Securities & Money Market Investments | 3 010 672 | 7 313 465 | 10 324 137 |
| | 3 010 672 | 7 313 465 | 10 324 137 |

| Financial Liabilities | Level 1 | Level 2 | Total |
|---|---|---|---|
| At Fair value through Profit or Loss | N$'000 | N$'000 | N$'000 |
| Government-Euro Bond Issue | - | 2 631 405 | 2 631 405 |
| | - | 2 631 405 | 2 631 405 |

**As at 31st December 2010**

| | Level 1 | Level 2 | Total |
|---|---|---|---|
| At Fair value through Profit or Loss | N$'000 | N$'000 | N$'000 |
| Designated Debt Securities & Money Market Investments | 2 247 377 | 6 197 038 | 8 444 415 |
| | 2 247 377 | 6 197 038 | 8 444 415 |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011



## 8. LOANS AND ADVANCES

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Repurchase agreements – local banks | - | - |
| Add: Short-term portion of long-term loans (Note 6) | 938 | 951 |
| | **938** | **951** |

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.

## 9. RAND DEPOSITS

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| **Closing Balance** | 101 907 | 72 889 |
| | **101 907** | **72 889** |

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.

## 10. OTHER INVENTORY - STATIONERY AND SPARES

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Opening Balance | 2 464 | 2 369 |
| Purchases current year | 525 | 752 |
| Issues current year | (314) | (657) |
| Adjustments | (251) | - |
| **Closing Balance** | **2 424** | **2 464** |

## 11. OTHER RECEIVABLES

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Rand compensation receivable – Government | 183 992 | 161 466 |
| Accounts receivable | 58 404 | 14 052 |
| IMF – special drawing rights | 76 559 | 1 331 585 |
| | **318 955** | **1 507 103** |

## 12. SHARE CAPITAL & CAPITAL MANAGEMENT

| | 2011 N$'000 | 2010 N$'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.

## 13. GENERAL RESERVE

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Opening Balance | 736 256 | 698 378 |
| Appropriation of net profit for the year | 53 826 | 37 878 |
| **Closing Balance** | **790 082** | **736 256** |

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.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**
**31 DECEMBER 2011**

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|

## 14. FOREIGN CURRENCY REVALUATION RESERVE

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Opening Balance | 15 755 | 821 218 |
| Net foreign exchange gains/(losses) | 810 736 | (805 463) |
| **Closing Balance** | **826 491** | **15 755** |

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.

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## 15. BUILDING FUND RESERVE

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Opening Balance | 150 000 | 100 000 |
| Appropriation of net profit for the year | - | 50 000 |
| **Closing Balance** | **150 000** | **150 000** |

This reserve has been created to provide funds for the construction of the Bank's Disaster Recovery and Business Continuity Facility.

## 16. DEVELOPMENT FUND RESERVE

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Opening Balance | 10 000 | - |
| Appropriation of net profit for the year | 10 000 | 10 000 |
| **Closing Balance** | **20 000** | **10 000** |

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.

## 17. 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 2010/2011.

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| Opening Liability | 36 240 | 24 958 |
| Interest costs | 2 914 | 2 708 |
| Current service costs | 1 908 | 2 640 |
| Benefit payments | (789) | (691) |
| Actuarial gain | - | 6 625 |
| Closing Liability | 40 273 | 36 240 |
| Current portion of post employment benefits obligation | (840) | (789) |
| **Non-current portion of post employment benefits obligation** | **39 433** | **35 451** |

| **Key assumptions** | **2011** | **2010** |
|---|---|---|
| Discount rate | 8.13 % p.a. | 8.13 % p.a. |
| Medical inflation | 6.42 % p.a. | 6.42 % p.a. |
| Valuation date | 31 December 2010 | 31 December 2010 |

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)**
**31 DECEMBER 2011**

## 17. PROVISION FOR POST EMPLOYMENT BENEFITS (CONTINUED)

| 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 | 1 104 | 859 |
| Effect on the defined benefit obligation | 41 377 | 39 414 |

| At 31 December | 2011 N$'000 | 2010 N$'000 | 2009 N$'000 | 2008 N$'000 | 2007 N$'000 |
|---|---|---|---|---|---|
| Present value of post retirement benefit obligation | 40 273 | 36 240 | 24 958 | 21 936 | 17 468 |

The Banks post retirement plan is unfunded.

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| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| **18. NOTES AND COINS IN CIRCULATION** | | |
| **Notes** | 2 248 953 | 1 775 978 |
| **Coins** | 149 211 | 133 363 |
| | **2 398 164** | **1 909 341** |
| **19. DEPOSITS** | | |
| Government of the Republic of Namibia | 3 315 838 | 3 468 744 |
| Government – Euro Bond Issue | 2 631 405 | - |
| Domestic bankers' reserve account | 511 392 | 459 431 |
| Domestic bankers' settlement account | 2 599 467 | 874 488 |
| Bank of Namibia 52 day Bills measured at amortised cost | - | 1 639 296 |
| SDR Allocation account | 1 637 139 | 1 331 390 |
| Other – Pre-funded donor funds at cost | 31 919 | 68 437 |
| | **10 727 160** | **7 841 786** |

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

Interest is payable to the Government of the Republic of Namibia on deposits in excess of N$250 million (2010: N$250 million) at the 91 day Treasury Bill rate less a discount of 4.5%.

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

The Bank used to issue 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. As at 31 December 2011 there were no 52 day bills in issue.

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.

| | 2011 N$'000 | 2010 N$'000 |
|---|---|---|
| **20. TRADE AND OTHER PAYABLES** | | |
| Sundry Creditors | 24 335 | 18 318 |

## 21. 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$13,869,021.50 (31 December 2010: N$13,058,547.01).



## 22. 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.

## 23. 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 starting from the level of the Board and down to the Financial Markets Department (FMD). The Board defines the investment guidelines and the Bank's strategic asset allocation. The Executive Committee formulates the investment mandate for the portfolio managers and monitors compliance with the investment guidelines. The FMD is responsible for managing the reserves and has a Risk & Analytics section that monitors compliance to assigned risk measures on a daily basis. The types of risk that the foreign currency reserves are exposed to and the Bank's risk management approaches are stated below:

### 23.1 MARKET RISK

Market price risk is the risk of loss resulting from changes in market conditions and prices. In extending credit to banking institutions, this risk is substantially reduced by a rigorous repurchase agreement, by applying a hair-cut to the valuation of purchased securities and by using modern technology and appropriate organisational structures and procedures. The Bank follows a combination of portfolio indexation and enhanced indexation which is a passive portfolio (which aims to construct a portfolio whose risk and return follows those of a defined benchmark) and active management strategy respectively.

#### 23.1.1 INTEREST RATE RISK

Since FX reserves are invested in fixed income instruments, the Bank is exposed to interest rate risk, which is the risk that the market value of the securities will decline due to changes in market interest rates. Modified duration is the key measure for interest rate risk and quantifies the sensitivity of the value of a fixed income instrument to changes in interest rates. The Bank uses the investment benchmark's target duration as a means of managing the interest rate risk. As at 31 December 2011, the modified durations of the EUR and USD portfolio were 1.418 years and 0.891 years as opposed to 0.301 years and 1.871 years for the respective benchmarks. The USD portfolio represent a close tracking of the benchmark characteristics which reflect the objective of portfolio indexation (or index replication) of creating a portfolio that matches the risk and return characteristics of the index. On the other hand, the EUR portfolio's duration was long off the benchmark duration by 0.386 years.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.1.1 INTEREST RATE RISK (CONTINUED)

The sensitivity analysis tables below measure the impact of a 100 basis points increase in interest rates on both the EUR and USD portfolios for 2011 and compares with portfolio holdings of 2010. Please note that this analysis does not include the Working Capital for both portfolios and Liquidity Tranche for the EUR portfolio. This is because the EUR liquidity tranche did not have investments on bonds during the period under review. Furthermore, the fixed deposits and call accounts on which the working capital and liquidity tranche are exposed to are not affected by movements in yields.

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### IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2011

| Instrument | Amount invested N$'000 | Actual Portfolio Weight | Interest Rate | Duration | Duration Contribution | Yield after 1% Shock | Estimate Total Return | Incremental Return | Return Contribution | Effect on Income Statement N$'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| Liquidity Tranche | - | 0% | 0.095% | 0.000 | 0.000 | 1.095% | 1.095% | 1.000% | 0.000% | – |
| Investment Tranche | 130 168 | 100% | 0.330% | 0.006 | 0.006 | 1.330% | 11.324% | 0.994% | 0.994% | 13 684 |
| | **130 168** | **100%** | **0.330%** | **0.006** | **0.006** | **–** | **1.324%** | **0.994%** | **0.994%** | **13 684** |

### IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2011

| Instrument | Amount invested N$'000 | Actual Portfolio Weight | Interest Rate | Duration | Duration Contribution | Yield after 1% Shock | Estimate Total Return | Incremental Return | Return Contribution | Effect on Income Statement N$'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| Liquidity Tranche | 33 723 | 35% | 0.03% | 0.000 | 0.000 | 1.034% | 1.034% | 1.000% | 0.352% | 2 748 |
| Investment Tranche | 62 188 | 65% | 0.13% | 0.004 | 0.003 | 1.129% | 1.125% | 0.996% | 0.646% | 5 047 |
| | **95 911** | **100%** | **0.096%** | **0.003** | **0.003** | **–** | **1.093%** | **0.997%** | **0.997%** | **7 795** |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.1.1 INTEREST RATE RISK (CONTINUED)

#### IMPACT OF 100 BASIS POINTS SHOCK ON EUR PORTFOLIO - 2010

| Instrument | Amount invested N$'000 | Actual Portfolio Weight | Interest Rate | Duration | Duration Contribution | Yield after 1% Shock | Estimate Total Return | Incremental Return | Return Contribution | Effect on Income Statement N$'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| Working Capital | 10 297 | 6% | 0.280% | 0.000 | 0.000 | 1.280% | 1.280% | 1.000% | 0.059% | 909 |
| Liquidity Tranche | 21 396 | 12% | 1.571% | 0.086 | 0.011 | 1.571% | 1.485% | 0.914% | 0.112% | 1 727 |
| Investment Tranche | 142 265 | 82% | 0.830% | 1.782 | 1.457 | 1.830% | 0.049% | -0.782% | -0.639% | (9 819) |
| | **173 958** | **100%** | **0.766%** | **1.468** | **1.468** | **–** | **0.298%** | **-0.468%** | **-0.468%** | **(7 183)** |

#### IMPACT OF 100 BASIS POINTS SHOCK ON USD PORTFOLIO - 2010

| Instrument | Amount invested N$'000 | Actual Portfolio Weight | Interest Rate | Duration | Duration Contribution | Yield after 1% Shock | Estimate Total Return | Incremental Return | Return Contribution | Effect on Income Statement N$'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| Working Capital | 6 502 | 6% | 0.13% | 0.000 | 0.000 | 1.131% | 1.131% | 1.000% | 0.057% | 430 |
| Liquidity Tranche | 28 520 | 25% | 0.22% | 0.291 | 0.073 | 1.216% | 1.925% | 0.709% | 0.178% | 1 337 |
| Investment Tranche | 78 754 | 69% | 0.51% | 1.539 | 1.065 | 1.506% | -0.033% | -0.539% | -0.373% | (2 809) |
| | **113 776** | **100%** | **0.412%** | **1.138** | **1.138** | **–** | **0.274%** | **-0138%** | **-0138%** | **(1 042)** |

The sensitivity analysis above for 2011 indicates that the portfolios were invested at relatively lower average interest rates for 2011 compared to the rates that prevailed in 2010. EUR and USD rates were on average at 0.330 percent and 0.096 percent, respectively, in 2010. These lower yields explains why the portfolios recorded lower realized losses of NAD24.28 million in 2011 compared to realized gains of NAD31.14 million recorded in 2010. Lower yields across the German and US Government benchmark yield curves prevailed in 2011 in contrast to slightly higher yields prevailed during 2010.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
# 31 DECEMBER 2011

### 23.1.1 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 2011

| N$'000 | 0 – 3 Months | 3 – 12 Months | 1 - 5 Years | Non Interest Bearing | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Property, equipment and intangible assets | - | - | - | 217 410 | 217 410 |
| Inventory | - | - | - | 64 409 | 64 409 |
| Loans and advances - non current | - | - | 37 704 | - | 37 704 |
| Investment | 9 707 318 | 4 003 588 | 592 401 | - | 14 303 307 |
| Loans and advances - current | - | - | 938 | - | 938 |
| Rand deposits | - | - | - | 101 907 | 101 907 |
| Other receivables | 318 955 | - | - | - | 318 955 |
| **Total Assets** | **10 026 273** | **4 003 588** | **631 043** | **383 726** | **15 044 630** |
| **Equity and Liabilities** | | | | | |
| Shareholders' equity | - | - | - | 1 854 698 | 1 854 698 |
| Post employment benefits | - | - | - | 40 273 | 40 273 |
| Note and coins in circulation | - | - | - | 2 398 164 | 2 398 164 |
| Deposits | 10 183 849 | - | - | 543 311 | 10 727 160 |
| Trade and other payables | - | - | - | 24 335 | 24 335 |
| **Total Equity and Liabilities** | **10 183 849** | **-** | **-** | **4 860 781** | **15 044 630** |
| **Interest rate reprising gap** | **(157 576)** | **4 003 588** | **631 043** | **(4 477 055)** | **-** |

## AS AT YEAR ENDED 31 DECEMBER 2010

| N$'000 | 0 – 3 Months | 3 – 12 Months | 1 - 5 Years | Non Interest Bearing | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Property, equipment and intangible assets | - | - | - | 203 545 | 203 545 |
| Inventory | - | - | - | 74 257 | 74 257 |
| Loans and advances - non current | - | - | 31 017 | - | 31 017 |
| Investment | 6 561 052 | 204 296 | 2 110 767 | - | 8 876 115 |
| Loans and advances - current | - | - | 951 | - | 951 |
| Rand deposits | - | - | - | 72 889 | 72 889 |
| Other receivables | 1 507 103 | - | - | - | 1 507 103 |
| **Total Assets** | **8 068 155** | **204 296** | **2 142 735** | **350 691** | **10 765 877** |
| **Equity and Liabilities** | | | | | |
| Shareholders' equity | - | - | - | 960 192 | 960 192 |
| Post employment benefits | - | - | - | 36 240 | 36 240 |
| Note and coins in circulation | - | - | - | 1 909 341 | 1 909 341 |
| Deposits | 7 313 918 | - | - | 527 868 | 7 841 786 |
| Trade and other payables | - | - | - | 18 318 | 18 318 |
| **Total Equity and Liabilities** | **7 313 918** | **-** | **-** | **3 451 959** | **10 765 877** |
| **Interest rate repricing gap** | **754 237** | **204 296** | **2 142 735** | **(3 101 268)** | **-** |

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### 23.1.2 CURRENCY RISK

FX 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 FX reserves reflects the currency distribution of the country's short-term external debt, imports and other contingent liabilities. The bank revised its Strategic Asset Allocation (SAA) in 2008 and as a result of that revision foreign reserves were divided into three tranches namely: Working capital, Liquidity and Investment Tranche which in return are composed of different currencies. The following is the benchmark portfolio used to manage this risk.



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

#### Risk-return preferences per tranche

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

- With ZAR portfolio parameters are arrived at, using the 12 month investment horizon, with a worst case return requirement of 0 percent and a maximum duration of 45 days.
- The maximum maturity of any instrument is restricted to 5 years and not more.
- A 10 percent depreciation of the Namibia dollar to other convertible currencies would result in the Namibia Dollar equivalent of our foreign currency investments increasing to N$9.3 billion and in the same vein a 10 percent appreciation of our currency would result in a decline in our foreign currency investments balances to N$7.6 billion.
- The Namibia Dollar is pegged to the South African Rand at one is to one parity and hence there is no currency risk.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.1.2 CURRENCY RISK (CONTINUED)

### AT 31 DECEMBER 2011 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 | 217 410 | - | - | - | - | 217 410 |
| Currency inventory – notes and coins | 61 985 | - | - | - | - | 61 985 |
| Loans and advances - non current | 37 704 | - | - | - | - | 37 704 |
| Investment | - | 4 734 106 | 2 834 194 | 6 412 260 | 322 747 | 14 303 307 |
| Loans and advances - current | 938 | - | - | - | - | 938 |
| Rand deposits | - | 101 907 | - | - | - | 101 907 |
| Other inventory – stationery & spares | 2 424 | - | - | - | - | 2 424 |
| Other receivables | 58 516 | 183 880 | - | - | 76 559 | 318 955 |
| **Total Assets** | **378 977** | **5 019 893** | **2 834 194** | **6 412 260** | **399 306** | **15 044 630** |
| **Liabilities** | | | | | | |
| Post employment benefits | 40 273 | - | - | - | - | 40 273 |
| Note and coins in circulation | 2 398 164 | - | - | - | - | 2 398 164 |
| Deposits | 9 062 828 | 19 | 173 | 27 001 | 1 637 139 | 10 727 160 |
| Trade and other payables | 24 335 | - | - | - | - | 24 335 |
| **Total Liabilities** | **11 525 600** | **19** | **173** | **27 001** | **1 637 139** | **13 189 932** |
| **Net Balance Sheet position** | **(11 146 623)** | **5 019 874** | **2 834 021** | **6 385 259** | **(1 237 833)** | **1 854 698** |

### AT 31 DECEMBER 2010 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 | 203 545 | - | - | - | - | 203 545 |
| Currency inventory – notes and coins | 71 793 | - | - | - | - | 71 793 |
| Loans and advances - non current | 31 017 | - | - | - | - | 31 017 |
| Investment | - | 6 348 235 | 1 432 611 | 1 095 173 | 96 | 8 876 115 |
| Loans and advances - current | 951 | - | - | - | - | 951 |
| Rand deposits | - | 72 889 | - | - | - | 72 889 |
| Other inventory – stationery & spares | 2 464 | - | - | - | - | 2 464 |
| Other receivables | 14 164 | 161 354 | - | - | 1 331 585 | 1 507 103 |
| **Total Assets** | **323 934** | **6 582 478** | **1 432 611** | **1 095 173** | **1 331 681** | **10 765 877** |
| **Liabilities** | | | | | | |
| Post employment benefits | 36 240 | - | - | - | - | 36 240 |
| Note and coins in circulation | 1 909 341 | - | - | - | - | 1 909 341 |
| Deposits | 6 446 692 | 30 846 | 4 434 | 28 424 | 1 331 390 | 7 841 786 |
| Trade and other payables | 18 318 | - | - | - | - | 18 318 |
| **Total Liabilities** | **8 410 591** | **30 846** | **4 434** | **28 424** | **1 331 390** | **9 805 685** |
| **Net Balance Sheet position** | **( 8 086 657)** | **6 551 632** | **1 428 177** | **1 066 749** | **291** | **960 192** |

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.2 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 FX 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 2011, 90 percent of investments could be liquidated within two working days, reflecting the highly liquid nature of the portfolio. In addition to what has been disclosed in the liquidity risk table below, cash outflows of capital commitments amounting to N$ 127 million are expected to be incurred during year 2012.

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#### LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2011

| N$'000 | 0 – 3 Months | 4 – 12 Months | 1 - 5 Years | No maturity | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Property, equipment and intangible assets | - | - | - | 217 410 | 217 410 |
| Inventory | - | - | - | 64 409 | 64 409 |
| Loans and advances - non current | - | - | 37 704 | - | 37 704 |
| Investment | 9 707 318 | 4 003 588 | 592 401 | - | 14 303 307 |
| Loans and advances - current | - | 938 | - | - | 938 |
| Rand deposits | - | - | - | 101 907 | 101 907 |
| SDR Holdings - IMF | - | - | - | 76 559 | 76 559 |
| Other receivables | - | - | - | 242 396 | 242 396 |
| **Total Assets** | **9 707 318** | **4 004 526** | **630 105** | **702 681** | **15 044 630** |
| **Equity and Liabilities** | | | | | |
| Shareholders' equity | - | - | - | 1 854 698 | 1 854 698 |
| Post employment benefits | - | - | - | 40 273 | 40 273 |
| Note and coins in circulation | - | - | - | 2 398 164 | 2 398 164 |
| Deposits | 8 546 710 | - | - | 543 311 | 9 090 021 |
| SDR Allocation - IMF | - | - | - | 1 637 139 | 1 637 139 |
| Trade and other payables | 24 335 | - | - | - | 24 335 |
| **Total Equity and Liabilities** | **8 571 045** | **-** | **-** | **6 473 585** | **15 044 630** |
| **Liquidity sensitivity gap** | **1 136 273** | **4 004 526** | **630 105** | **(5 770 904)** | **-** |
| **Cumulative liquidity sensitivity gap** | **1 136 273** | **5 140 799** | **5 770 904** | **-** | **-** |

#### LIQUIDITY/OBLIGATIONS RISK ANALYSIS STATEMENT AS AT YEAR ENDED 31 DECEMBER 2011

| N$'000 | 0 – 3 Months | 4 – 12 Months | 1 - 5 Years | No maturity | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Property, equipment and intangible assets | - | - | - | 203 545 | 203 545 |
| Inventory | - | - | - | 74 257 | 74 257 |
| Loans and advances - non current | - | - | 31 017 | - | 31 017 |
| Investment | 6 561 052 | 204 296 | 2 110 767 | - | 8 876 115 |
| Loans and advances - current | - | 951 | - | - | 951 |
| Rand deposits | 161 466 | - | - | 72 889 | 234 355 |
| SDR Holdings - IMF | - | - | - | 1 331 585 | 1 331 585 |
| Other receivables | - | - | - | 14 052 | 14 052 |
| **Total Assets** | **6 722 518** | **205 247** | **2 141 784** | **1 696 328** | **10 765 877** |
| **Equity and Liabilities** | | | | | |
| Shareholders' equity | - | - | - | 960 192 | 960 192 |
| Post employment benefits | - | - | - | 36 240 | 36 240 |
| Note and coins in circulation | 1 909 341 | - | - | - | 1 909 341 |
| Deposits | 5 982 528 | - | - | 527 868 | 6 510 396 |
| SDR Allocation - IMF | - | - | - | 1 331 390 | 1 331 390 |
| Trade and other payables | 18 318 | - | - | - | 18 318 |
| **Total Equity and Liabilities** | **7 910 187** | **-** | **-** | **2 855 690** | **10 765 877** |
| **Liquidity sensitivity gap** | **(1 187 669)** | **205 247** | **2 141 784** | **(1 159 362)** | **-** |
| **Cumulative liquidity sensitivity gap** | **(1 187 669)** | **( 982 422)** | **1 159 362** | **-** | **-** |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.3 CREDIT RISK

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

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

| Correspondent Bank | Country of Origin | Currency | Country Ceiling | Long term Rating | Short term Rating |
|---|---|---|---|---|---|
| ABN Amro Bank | Netherland | EUR/USD/ZAR | AAA | F1+ | A+ |
| Absa Bank Johannesburg | South Africa | ZAR | A | F1 | A |
| Bank of international settlement | Switzerland | EUR | AAA | F1 | A- |
| Bank of New York Mellon | USA | USD/EUR/GBP/JPY | AAA | F1+ | AA- |
| Bank of Tokyo - Mitsubishi | Japan | USD/EUR/GBP/JPY | AAA | F1 | A |
| Barclays Bank London | United Kingdom | USD/EUR/GBP/JPY | AAA | F+ | AA- |
| BNP Paribus | France | USD/EUR/GBP/JPY | AAA | F1+ | AA- |
| Cadiz fund manager | South Africa | ZAR | A | N/A | N/A |
| Citibank New York | USA | USD/EUR/GBP/JPY | AAA | F1+ | A+ |
| Citibank South Africa | South Africa | USD/EUR/GBP/JPY | A | F1+ | A+ |
| Clearstream-EUR Security Clearing account | Luxembourg | USD/EUR/GBP/JPY | AAA | F1+ | AA |
| CPD | South Africa | ZAR | A | F2 | BBB+ |
| Credit Agricole Indosuez Johannesburg | France | ZAR | AAA | F1+ | AA- |
| Crown Agents Bank | United Kingdom | USD/EUR/GBP/JPY | AAA | F2 | BBB+ |
| Deutsche Bank London | Germany | USD/EUR/GBP/JPY | AAA | F1+ | AA- |
| Dresdner Bank Frankfurt | Germany | USD/EUR/GBP/JPY | AAA | F1+ | AA- |
| Federal Reserve Bank New York | USA | USD | AAA | F1 | AA- |
| First National Bank of South Africa | South Africa | ZAR | A | F2 | BBB+ |
| Fortis Bank | Belgium | USD/EUR/GBP/JPY | AAA | F1+ | A+ |
| Government of SA Treasury Bills | South Africa | ZAR | A | A | A |
| HSH Nordbank | Germany | USD/EUR/GBP/JPY | AAA | F1 | A- |
| Investec Asset Management | South Africa | ZAR | A | N/A | N/A |
| Investec Bank Johannesburg | South Africa | ZAR | A | F3 | BBB |
| JP Morgan Chase & Co. | USA | USD/EUR/GBP/JPY | AAA | F1+ | AA- |
| Landesbank Baden Wurttemberg Stuttgardt | Germany | USD/EUR/GBP/JPY | AAA | F1+ | A- |
| Morgan Stanley | USA | USD/EUR/GBP/JPY | AAA | F1 | A |
| Nedbank Johannesburg | South Africa | ZAR | A | F2 | BBB |
| Nordeutsche Landesbank | Germany | USD/EUR/GBP/JPY | AAA | F1 | A |
| Rabobank London | Netherland | USD/EUR/GBP/JPY | AAA | F1+ | AA+ |
| World Bank (Reserves and Assets Management Program) | USA | USD | AAA | F1+ | AAA |
| Rand Merchant Bank | South Africa | ZAR | A | F1+ | BBB |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.3 CREDIT RISK (CONTINUED)

| Correspondent Bank | Country of Origin | Currency | Country Ceiling | Long term Rating | Short term Rating |
|---|---|---|---|---|---|
| Royal Bank of Canada | Canada | USD/EUR/GBP/JPY | AAA | F1+ | AA |
| Royal Bank of Scotland PLC (The) | United Kingdom | USD/EUR/GBP/JPY | AAA | F1 | A |
| IMF (SDR Holding Account) | USA | SDR | AAA | F1+ | AAA |
| Standard Chartered Bank London | United Kingdom | USD/EUR/GBP/JPY | AAA | F1+ | AA- |
| Standard Corporate Merchant Bank | South Africa | ZAR | A | F1+ | A- |
| Svenska Handelbanken Stockholm | Sweden | USD/EUR/GBP/JPY | AAA | F1+ | A- |
| UBS Zurich Switzerland | Switzerland | USD/EUR/GBP/JPY | AAA | F1+ | A- |
| US Government | USA | USD/EUR/GBP/JPY | AAA | F1+ | AAA |
| West Deutsche Landesbanken London | Germany | USD/EUR/GBP/JPY/ZAR | AAA | F1 | A- |
| WestPac Banking Corporation | Australia | AUD | AAA | F1+ | AA |
| Royal Bank of Scotland PLC (The) | United Kingdom | USD/EUR/GBP/JPY | AAA | F1 | A |
| IMF (SDR Holding Account) | USA | SDR | AAA | F1+ | AAA |

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.3 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

| | Credit rating | 2011 N$'000 | 2010 N$'000 |
|---|---|---|---|
| **NON – RAND CURRENCY** | | | |
| BIS Euro Sight a/c | AAA | 23 932 | 90 886 |
| Crown Agents | - | - | 88 308 |
| Swift Shares – Euro | A+ | 258 | 215 |
| Bank of England – GBP Current | AAA | 779 | 127 |
| Fed Reserve – Auto Investment | AAA | 1 837 494 | 76 419 |
| Barclays Capital – GBP | AA- | 177 100 | - |
| SBSA Bon Ramp | AAA | 851 643 | 355 526 |
| SBSA Bon Cash | BBB+ | 119 | 97 |
| Standard Chartered Bank London – Euro F/D | AA- | 546 939 | - |
| Standard Chartered Bank London – Current | F+ | 11 | 9 |
| Dresdner Bank AG | AA- | - | - |
| Landesbank Baden –Wurttemberg - JPY | A+ | 139 505 | - |
| Credit Agricole | AA- | 423 258 | - |
| European Investment Bank | AAA | 263 391 | - |
| Royay Bank of Scotland | AA | 358 012 | - |
| Commerz Bank AG – Current Euro | A+ | 406 | - |
| Commerz Bank AG – USD CD'S | A+ | 819 626 | - |
| Norddeutsche Landesbanken | A | 724 667 | - |
| HSH Nordbank AG | A- | 815 020 | - |
| Bank of Tokyo Mitsubishi - Current – JPY | A | 2 311 | 100 |
| Nordbanken Current | A | 92 | 20 |
| UBS AG Zurich Current | A | 327 | 23 |
| Citibank New York Current | AAA | 60 | 257 |
| German Government | AAA | 1 578 104 | 1 255 073 |
| USA Government | AAA | 883 366 | 635 735 |
| Bank of Tokyo Mitsubishi Settlement – JPY | A | 71 | 55 |
| Westpac Banking Corp - AUD | AA | 51 | 9 |
| ABN Amro Bank Fixed Deposit | A+ | - | - |
| Bank of Tokyo London Fixed Deposit | A | - | - |
| West LB London Fixed Deposit | A- | 122 659 | 27 783 |
| **TOTAL NON-RAND INVESTMENTS** | | **9 569 201** | **2 530 642** |

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

### 23.3 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.

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### INSTITUTIONAL CREDIT RISK RATING ANALYSIS

| | Credit rating | 2011 N$'000 | 2010 N$'000 |
|---|---|---|---|
| **RAND CURRENCY** | | | |
| Rand Currency – CPD | A+ | 1 811 972 | 3 102 611 |
| ABN Amro ZAR Call account | A+ | - | - |
| Calyon Coporate | AA- | - | - |
| Cadiz ZAR account | NR | 154 847 | 669 309 |
| Investec ZAR account | NR | 154 660 | 668 134 |
| West LB SA | A- | - | 162 366 |
| Absa Call | A | - | - |
| Barclays Bank | AA- | - | - |
| First Nat Bank SA | AA | 51 | 6 |
| Investec Bank | BBB | - | - |
| IRS Red – CADIZ ZAR | NR | 1 010 565 | 794 723 |
| IRS Red – INVESTEC ZAR | NR | 1 010 648 | 795 170 |
| SBSA Bon – ZAR | NR | 8 | 8 |
| SARB – Main | BBB | (1 047 ) | - |
| Standard Chartered London | AA- | 212 402 | - |
| Rand Merchant Bank | BBB+ | 200 000 | - |
| Crown Agents | BBB+ | 180 000 | 153 146 |
| **TOTAL RAND INVESTMENTS** | | **4 734 106** | **6 345 473** |

### 23.3 CREDIT RISK (CONTINUED)

The Bank invests/buys securities in reputable institutions who are rated by Fitch, Moody's and Standard & Poor rating agencies. The Bank's exposure to credit risk 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.

### 23.4 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% of maximum counterparty limit.



### 23.5 OPERATIONAL RISK

Like any other institutions, the Bank is exposed to operational risk; this 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.

### 23.6 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.

## 24. CAPITAL COMMITMENTS

| | 2011 N$' 000 | 2010 N$' 000 |
|---|---|---|
| Contracted | 127 464 | 2 500 |

These capital commitments will be funded from internal resources.

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## 25. 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 1.17 of this report. Notes 1.19 and 2 provide more information on the Financial Intelligence Centre.

| **Gross Emoluments** | Salaries N$'000 | Retirement Benefit N$'000 | Medical Aid Benefit N$'000 | Total 2011 N$'000 | Total 2010 N$'000 |
|---|---|---|---|---|---|
| **Executive Management** | | | | | |
| Governors' | 4 737 | 650 | 124 | 5 511 | 9 202 |
| Senior Management | 5 928 | 834 | 244 | 7 007 | 7 120 |
| **Non-Executive Board** | | | | | |
| Mr V Malango | | | | 97 | 88 |
| Mr F Kisting | | | | 78 | 94 |
| Ms O Netta | | | | 15 | 60 |
| Dr NK Shivute | | | | - | - |
| Dr O Kakujaha - Matundu | | | | 73 | 86 |
| Ms EB Shafudah | | | | - | - |

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)
## 31 DECEMBER 2011

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011 (IN COMPLIANCE WITH THE BANK OF NAMIBIA ACT, 1997)

| | Notes | 2011 N$'000 | 2010 N$'000 |
|---|---|---|---|
| **Net interest income** | | **171 498** | **153 305** |
| Interest income | 2 | 329 686 | 401 839 |
| Interest expense | | (158 188) | (248 534) |
| | | **217 593** | **179 352** |
| Government Grant – FIC funding | 2 | 9 832 | 7 267 |
| Rand Compensation Income | | 183 880 | 161 354 |
| Other income | 2 | 23 881 | 10 731 |
| **Total income** | | **389 091** | **332 657** |
| Operating expenses | 2 | (235 815) | (212 277) |
| Net (loss)/gain on investment portfolio | | (24 172) | 31 133 |
| **Total Comprehensive Profit/Loss for the Year** | | **129 104** | **151 513** |
| Transfer to Unrealised Gain Reserve | | (5 260) | - |
| **Net Profit for the Year** | | **123 844** | **151 513** |
| **Profits available for Distribution** | | **123 844** | **151 513** |
| State revenue fund | 1.2 | 60 018 | 53 635 |
| General reserve | 13 | 53 826 | 37 878 |
| Building fund reserve | 15 | - | 50 000 |
| Development fund reserve | 16 | 10 000 | 10 000 |

# Part C

## Economic and Financial Developments in 2011

# Content

## ECONOMIC AND FINANCIAL DEVELOPMENTS IN 2011

C

# SELECTED FINANCIAL AND ECONOMIC INDICATORS

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| | Actual | | | | Estimates |
| | (Annual percentage change, unless otherwise stated) | | | | |
| GDP at constant 2004 prices | 5.4 | 3.4 | -0.4 | 6.6 | 3.8 |
| GDP deflator | 125.7 | 142.9 | 148.9 | 150.5 | 158.8 |
| GDP at current market prices (N$ million) | 62 081 | 72 946 | 75 679 | 81 509 | 89 317 |
| Consumer price index (period average) | 6.7 | 10.3 | 8.8 | 4.5 | 5.0 |
| Consumer price index (end-of-period) | 7.1 | 10.9 | 7.0 | 3.1 | 7.2 |
| Exports (nominal) | 14.6 | 28.1 | -0.3 | 11.8 | 7.9 |
| Imports (nominal) | 25.8 | 46.0 | 15.2 | -2.0 | 13.3 |
| Real effective exchange rate | -3.5 | -4.0 | 4.2 | 4.3 | 0.2 |
| Private-sector credit | 13.6 | 11.3 | 10.0 | 10.9 | 9.8 |
| Broad money supply (M2) | 10.1 | 17.9 | 70.0 | 9.5 | 11.7 |
| | (As a percent of GDP, unless otherwise stated) | | | | |
| Gross investment | 23.7 | 24.5 | 23.6 | 22.3 | 23.2 |
| Public | 4.7 | 4.0 | 5.4 | 5.2 | 4.6 |
| Private | 19.0 | 20.4 | 18.3 | 17.1 | 18.5 |
| Gross savings | 31.3 | 32.4 | 26.9 | 22.5 | 24.0 |
| Public | 7.1 | 8.4 | 7.3 | 4.3 | 5.6 |
| Private | 24.2 | 24.0 | 19.6 | 18.3 | 19.6 |
| Public Finance | | | | | |
| Revenue and grants* | 28.4 | 29.0 | 31.2 | 27.8 | 29.1 |
| Expenditure and net lending* | 27.5 | 30.5 | 32.3 | 33.0 | 40.3 |
| Primary balance* | 0.9 | -1.5 | -1.1 | -5.2 | -11.2 |
| Public debt outstanding | 18.7 | 18.1 | 17.8 | 15.9 | 26.8 |
| Public and publicly guaranteed debt | 5.3 | 4.3 | 3.5 | 3.0 | 2.9 |
| Current account balance | 8.6 | 3.1 | -0.4 | 0.3 | -1.8 |
| excluding official transfers | -2.8 | -9.6 | -14.4 | -10.8 | -12.5 |
| Gross official reserves | | | | | |
| in millions of N$ | 6,499.8 | 12,712.6 | 13,828.0 | 10,208.2 | 14,508.0 |
| in months of imports | 3.1 | 5.7 | 4.0 | 3.0 | 3.8 |
| External debt | 17.3 | 19.3 | 21.0 | 24.7 | 35.3 |
| Exchange rate to USD (end-of-period) | 6.8271 | 9.9456 | 7.4894 | 6.8294 | 8.1745 |
| Exchange rate to USD (period average) | 7.0544 | 8.2517 | 8.4371 | 7.3303 | 7.2531 |

*Fiscal year data, starting from 2007/08

# SUMMARY OF ECONOMIC DEVELOPMENTS

The global economy was characterised by unprecedented challenges during 2011. Not only was it recovering from the deepest recession since World War II, but there were concerns of financial turmoil and a possible second recession. Since the beginning of the year, most economies around the globe showed lackluster performance, resulting in an estimated global growth of 3.8 percent during 2011 from 5.2 percent in 2010. This was due to the impact of the Japanese tsunami, the sovereign debt crisis, and banking-sector problems in the Euro Area, as well as sluggish demand in the advanced economies. Moreover, global aggregate demand had already been affected by persistent unemployment and austerity measures undertaken in major developed economies. Looking ahead, projections by the IMF and the World Bank indicate that global growth will remain slow for 2012, especially if the problems affecting advanced economies are not resolved.

Growth in the advanced economies slowed during the year under review. The recovery of the US economy was sluggish, while Europe continued to head towards a recession. The Japanese economy contracted in 2011 due to the impact of the tsunami, combined with the effects of slow global growth. Likewise, economic growth in emerging market economies was lower, but remained relatively stable when compared to the advanced economies. In this context, GDP growth for China, India and Brazil slowed, while those of South Africa and Russia improved in 2011 compared to 2010.

Key central banks in the advanced economies, such as the Banks of Canada, England and Japan, as well as the Federal Reserve Board, broadly maintained an accommodative monetary policy stance during the year under review. The reason for the expansionary monetary policy stance was to provide the necessary accommodative space for economic activities, as well as to mitigate the impact of the recession. On the contrary, a number of emerging market economies, such as Brazil, India and China, implemented monetary policy tightening during most part of 2011. These restrictive monetary policy stances were aimed at curbing inflationary pressures which emerged from increased international food and fuel prices. Nonetheless, due to weak economic activities, most central banks in the selected emerging market economies reversed monetary policy tightening towards the end of 2011.

The prices for the majority of commodities increased during 2011 compared to 2010. In this context, on average, the IMF's food price index grew by 20.8 percent during 2011 compared to 11.7 percent in the previous year. This is a result of robust demand from the emerging market economies, increasing world population, and the demand for food intended for use in biofuel production. Similarly, the index for energy increased, on average, by 32.2 percent for 2011 compared to 29.2 percent in the previous year, underpinned by the increase in crude oil prices. The metal price index also grew by an average of 38.1 percent during 2011 compared to 2010 due to significant growth in uranium and copper prices.

Namibia's economic performance was somewhat influenced by the global slowdown during 2011, with the domestic economy estimated to have slowed to 3.8 percent in 2011 from a higher growth of 6.6 percent in the previous year. The lower growth in overall GDP is estimated to have been driven by the contraction in the primary industry, mainly due to a reduction in mining sector output. Meanwhile, the secondary and tertiary industries are estimated to have grown faster in 2011, as a result of upbeat construction activities and manufacturing products within the secondary industry. The wholesale and retail trade, as well as transport and communication sectors within the tertiary industry, also contributed to the growth in GDP due to rising consumer demand and improved domestic economic conditions. Looking ahead in 2012, the domestic economy is projected to improve, supported by increased uranium production, infrastructural development, increased production at the Ohorongo cement factory, and the reopening of copper mines.

Namibia's annual inflation for all items displayed an upward trend during 2011 and averaged 5.0 percent, higher than the 4.5 percent of the previous year. The acceleration of overall inflation during the year under review was underpinned by rising inflation rates, mainly for food, transport and housing. Higher inflation rates for food and transport were largely influenced by developments in the global markets, while that for housing was due to increased rental payments for dwellings.

The overall balance of payments recorded a noticeable surplus during 2011. This was a turnaround from the significant deficit of the previous year. The improvement in the balance of payments was largely attributed to a huge surplus in the capital and financial account from a deficit during the previous year. Namibia has always experienced a position of excess savings over investment, reflected by consistent surpluses in the current account. As a ratio of GDP, savings are estimated at the level of 24.0 percent in 2011, and are expected to improve slightly in 2012.

On the other hand, Namibia's external debt increased considerably at the end of 2011, compared to the end of 2010. Despite this increased level of external debt, the country retains a comfortable level of foreign assets abroad mainly in the form of portfolio investment. Furthermore, the stock of international reserves held by the Bank recorded a substantial increase of 42.5 percent, to N$14.6 billion at the end of 2011, compared to the level of the previous year.


Developments with regard to the foreign exchange market in 2011 indicated that, on average, the Namibia Dollar appreciated against the US Dollar, while it depreciated against the British Pound and the Euro.

Growth in the monetary and credit aggregates during the 12 months of 2011 remained positive and continued to provide important ongoing support to the economic expansion. In this regard, growth in M2 increased, driven by the rise in net foreign assets of the banking sector. Likewise, private sector credit extension remained robust, although its growth was slightly below the level of 2010. The increase in lending activity was due in part to the prevailing accommodative monetary policy pursued by the Bank throughout 2011. In this regard, the Bank decided to leave the repo rate unchanged at 6.0 percent during the period under review, to support the fragile economic recovery.

On the fiscal front, Government continued to pursue an expansionary policy, borrowing more from both domestic and international markets in order to stimulate economic growth and job creation. In this regard, the combined stock of domestic and foreign debt increased significantly by 84.7 percent to N$23.9 billion at the end of 2011. The increase in external debt was largely attributed to the issuance of the Eurobond, totalling US$500 million in 2011. The Eurobond was issued on the back of diversifying the country's funding sources by establishing an international pricing benchmark and raising the country's profile among the international investment community. Total debt stock of the Government as a percentage of GDP increased by 10.9 percentage points, to 26.8 percent over the same period. However, this ratio remained within the Government's medium-term debt target of 35 percent of GDP.

Going forward, the downside risks owing to the expected slowdown in the world economy could threaten the outlook of the domestic economy. This could hurt Namibia's export driven sectors, such as agriculture, fishing, mining and tourism. However, if the projected improvement in South Africa's real GDP growth materialises, it will have a positive impact on Namibia's agricultural and manufacturing sectors and on the country's revenue receipts from the SACU common revenue pool.

# THE GLOBAL ECONOMY

The global economy is estimated to have slowed to 3.8 percent in 2011 from 5.2 percent in 2010. This was due to the impact of the Japanese tsunami, the sovereign debt crisis, and banking sector problems in the Euro Area, as well as sluggish demand in the US. Moreover, political unrest in the Middle East and North Africa (MENA) region also contributed to an increase in oil prices, which dampened global growth (Table C.1). Apart from these dynamics, global aggregate demand has already been affected by persistent unemployment and weak consumer and business confidence. All these factors constituted risks for the global economy, which is facing the danger of further financial turmoil and possibly another recession. Policy procrastination in the Euro Area and political impasse in the US delayed the taking of decisive action regarding the debt problems in these major economies. In addition, fears of debt risks seemed to have weakened the effectiveness of expansionary policies that helped the world economy out of the recession in 2009. Similarly, growth in emerging market and developing economies slowed because of weak external demand.

Advanced economies experienced a slower growth than had been anticipated during the year under review. The recovery of the US economy was lackluster, while Europe continued to head towards a recession. The Japanese economy also contracted in 2011 due to the impact of the tsunami, combined with the effects of weak global growth. Emerging and developing countries have fared better but have also witnessed slowing growth. China, India and the rest of the emerging market economies did not have the same scope to implement credit and fiscal measures similar to those which helped the global recovery in 2009, when they increased the flow of credit substantially and eased fiscal and monetary policies. Emerging and developing countries were only able to do enough to support their own economies instead of their fiscal and monetary policy actions, having a significant impact on the global economy. Looking ahead, projections by the IMF and the World Bank indicate that global growth will remain weak for 2012, especially if the problems affecting advanced economies are not resolved.



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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 (proj) | 2013 (proj) |
|---|---|---|---|---|---|---|---|
| World output | 5.4 | 2.8 | -0.7 | 5.2 | 3.8 | 3.3 | 3.9 |
| Advanced economies | 2.8 | 0.1 | -3.7 | 3.2 | 1.6 | 1.2 | 1.9 |
| USA | 1.9 | -0.3 | -3.5 | 3.0 | 1.8 | 1.8 | 2.2 |
| Euro Area | 3.0 | 0.4 | -4.3 | 1.9 | 1.6 | -0.5 | 0.8 |
| Germany | 3.4 | 0.8 | -5.1 | 3.6 | 3.0 | 0.3 | 1.5 |
| Spain | 3.6 | 0.9 | -3.7 | -0.1 | 0.7 | -1.7 | -0.3 |
| UK | 2.7 | -0.1 | -4.9 | 2.1 | 0.9 | 0.6 | 2.0 |
| Japan | 2.4 | -1.2 | -6.3 | 4.4 | -0.9 | 1.7 | 1.6 |
| Other advanced economies | 4.9 | 1.7 | -1.1 | 5.8 | 3.3 | 2.6 | 3.4 |
| Emerging market economies | 8.9 | 6.0 | 2.8 | 7.3 | 6.2 | 5.4 | 5.9 |
| Sub-Saharan Africa | 7.1 | 5.6 | 2.8 | 5.3 | 4.9 | 5.5 | 5.3 |
| Angola | 22.6 | 13.8 | 2.4 | 3.4 | 3.7 | 10.8 | 6.7 |
| Botswana | 4.8 | 3.0 | -4.9 | 7.2 | 6.2 | 5.3 | 7.1 |
| South Africa | 5.6 | 3.6 | -1.5 | 2.9 | 3.1 | 2.7 | 3.6 |
| Zambia | 6.2 | 5.7 | 6.4 | 7.6 | 6.7 | 6.7 | 7.3 |
| Zimbabwe | -3.7 | -17.7 | 6.0 | 9.0 | 6.0 | 3.1 | 3.0 |
| Developing Asia | 11.5 | 7.7 | 7.2 | 9.5 | 7.9 | 7.3 | 7.8 |
| Russia | 8.5 | 5.2 | -7.8 | 4.0 | 4.1 | 3.3 | 3.5 |
| China | 14.2 | 9.6 | 9.2 | 10.4 | 9.2 | 8.2 | 8.8 |
| India | 10.0 | 6.2 | 6.8 | 9.9 | 7.4 | 7.0 | 7.3 |
| Brazil | 6.1 | 5.2 | -0.6 | 7.5 | 2.9 | 3.0 | 4.0 |
| Middle East | 6.7 | 4.6 | 2.6 | 4.3 | 3.1 | 3.2 | 3.6 |
| Latin America and the Caribbean | 5.8 | 4.3 | -1.7 | 6.1 | 4.6 | 3.6 | 3.9 |

Source: IMF World Economic Outlook, September 2011, IMF World Economic Outlook Update, January 2012 and National Treasury, South Africa. 2009-2011 Actual, 2012 and 2013 are projections.



# OUTPUT GROWTH AND OUTLOOK BY MAIN REGIONS/ ECONOMIC BLOCS

Real GDP growth in the **United States** (US) is estimated to have slowed to 1.8 percent during 2011 from 3.0 percent in 2010 due to weak private investment and consumption as well as low State and local Government expenditure. Unemployment remained persistently high for most of the year but declined in December 2011 to 8.5 percent, the lowest since 2009. The improvement in employment was as a result of gains in transportation, warehousing, retail trade, manufacturing, health care and mining. Growth is projected to remain at 1.8 percent in 2012, underpinned by private investment.

The IMF estimated that growth in the **Euro Area** slowed to 1.6 percent for 2011 from 1.9 percent for the previous year. Real GDP was affected by the weakening global demand, which had negative effects on exports from the Euro Area's economies, complemented by a decline in domestic consumption. Similarly, the debt crisis in some Euro Area countries have dented confidence, thereby increasing investment costs for businesses. Going forward, the IMF expects growth to contract to 0.5 percent in 2012 on the back of the sovereign debt crisis.

Although **Germany**, one of Namibia's major trading partners in the Euro Area, showed more resilience than other advanced economies, growth slowed to 3.0 percent in 2011 from 3.6 percent in 2010. This was mainly due to weak foreign demand for its exports and the sovereign debt crisis in the Euro Area, which had a negative impact on consumption and investment. Looking forward, Germany remains at risk from the debt crisis challenges which also distressed other Euro Area members and which may further unfavourably affect its exports due to weakening global demand and inflationary pressures from high commodity prices. Based on the above-mentioned factors, projections indicate that economic growth will slow to 0.3 percent in 2012.

Real GDP growth in **Spain** was estimated at 0.7 percent in 2011 from a contraction of 0.1 percent in 2010, driven by the export of travel-related services. Political instability in MENA prompted tourists to seek alternative holiday destinations, and Spain benefitted from this development. Notwithstanding positive growth, the unemployment rate for Spain was estimated at 21.5 percent during 2011. This implies that austerity measures by the new Government to bring the budget deficit of 9.2 percent under control will be hard to implement and could prolong Spain's recovery process. Growth in Spain is forecast to contract to 1.7 percent in 2012. The weak economic outlook for Spain is likely to negatively affect Namibia's fish exports.

Growth for the **United Kingdom** (UK) economy was estimated at 0.9 percent during 2011 from 2.1 percent in 2010. The slow growth in the UK was a combination of unfavourable domestic conditions and the sovereign debt crisis in the Euro Area. In addition, subdued purchasing power, fiscal policy tightening and weak business investment delayed economic recovery. The current account deficit, the highest recorded in history, reflected the impact of weakened global growth and the turmoil of financial markets.

The economy of **Japan** is estimated to have contracted by about 0.9 percent in 2011 due to the strong Yen and the persistent debt crisis in the Euro Area. The appreciation of the Yen has eroded the competitiveness of Japan's exports and weakened its recovery. Similarly, the sovereign debt crisis in the Euro Area has dampened growth in that region and as a result the demand for goods produced in Japan has decreased. Looking ahead, Japan's economic recovery, which relies largely on exports, will be determined by developments in the world economy. As a result of reconstruction efforts, the Japanese economy is projected to register growth of 1.7 percent in 2012.

Economic growth in **Brazil** slowed to 2.9 percent in 2011 from 7.5 percent in 2010. The slowdown was largely attributed to subdued consumer spending, weak global growth, and fiscal policy tightening. Looking forward, Brazil's growth is expected to be about 3.0 percent in 2012, underpinned by plans to boost investment and credit. In this context, the Brazilian Government plans to invest US$26.9 billion to boost investment and US$23.0 billion in state-controlled banks to increase the amount of credit extension in the economy.

Growth in **Russia** was estimated to have improved slightly to 4.1 percent during 2011 from 4.0 percent in 2010. Real GDP growth was mainly ascribed to high crude oil prices, which is one of Russia's key export commodities. On average, the international crude oil price rose by 30.9 percent in 2011 compared to the previous year. The IMF projects that growth of the Russian economy will slow to 3.3 percent in 2012 due to the global economic slowdown. Moreover, global risk aversion may elicit capital outflow from Russia and further exacerbate growth during 2012.

In **India**, the third largest Asian economy, real GDP growth slowed to 7.4 percent in 2011 from 9.9 percent in 2010. The slowdown in economic performance was attributed to a decline in private consumption. It is expected that growth will reduce further to 7.0 percent during 2012, as a result of sluggish investment, renewed global uncertainty, and a less favourable external financing environment.

Growth in **China** is expected to be at 9.2 percent during 2011 from 10.4 percent recorded for 2010. This is due to the impact of monetary policy tightening and reduced demand for exports by its major trading partners. Going forward, economic growth in China is projected to slow to 8.2 percent in 2012 due to restrictions placed on overheating sectors, such as housing, decreasing external demand and decelerating investment.

Similarly, real GDP in the **Middle East** decelerated to 3.1 percent during 2011 from 4.3 percent in the previous year. The economic performance of several economies in the Middle East was unfavourably affected by political turmoil and social unrest, with negative consequences for tourism receipts, capital inflows and investment. Looking ahead, growth is projected to at 3.2 percent during 2012, primarily constrained by domestic social unrest and an associated slow recovery in tourism receipts and remittances. The slow recovery in investment will also contribute to a slow growth.

Economic growth in **Sub-Saharan Africa** (SSA) was estimated to have slowed slightly to 4.9 percent in 2011 from 5.3 percent in 2010. This could predominantly be ascribed to a deterioration of the global economic environment, particularly prompted by the sovereign debt crisis in the Euro Area and debt problems in the US. As a result, exports, remittances, and private and official capital flows to SSA were adversely affected, thereby impacting on growth. Nonetheless, growth prospects for SSA are expected to remain robust at 5.5 percent for 2012 due to the vibrant performance in private and public consumption. The expected rosy economic performance of SSA can only be achieved if the financial and economic instability in major advanced economies is well contained.

Real GDP growth for **Angola** rose to 3.7 percent during 2011 from 3.4 percent in 2010, on the back of high international oil prices. Also contributing to growth was the implementation of the public investment programme, especially in the construction sector. According to projections by the IMF, Angola's growth should increase to a robust 10.8 percent during 2012. This is driven by vigorous public consumption and good prospects for oil production, agriculture, and the oil-related manufacturing and diamond sectors, respectively.

On the other hand, the real GDP growth for **Botswana** is estimated to be lower at 6.2 percent in 2011 from 7.2 percent in 2010. The slowdown in 2011 was largely attributed to sluggish global growth, which contributed to reduced demand for diamond exports. It is projected that growth will slow further to 5.3 percent during 2012 against the backdrop of restrained performance of Botswana's key trading partners. However, the downside risk could be slightly reduced by a recovery in domestic private investment in the energy and non-diamond mineral sectors.

In **South Africa**, growth was estimated to have improved to 3.1 percent in 2011 from 2.9 percent in the previous year due to solid domestic demand. The improvement in domestic expenditure contributed to an increase in real GDP growth during the year under review. Consequently, South Africa's imports surged causing the trade surplus to narrow as export proceeds failed to keep up with rising outlays on imports. At the same time, dividend payments to non-resident investors also rose considerably in the third quarter of the year, resulting in a widening of the deficit on the current account of the balance of payments to 3.8 percent of GDP. Despite the relatively low interest rates, credit extension to the private sector in South Africa remained generally hesitant in the year under review. On the demand side, this was largely due to sluggish consumer and business confidence. Conservative lending standards maintained by lenders, who are careful of the still-high level of impaired advances on their balance sheets and poor risk-adjusted returns on some types of lending, restrained credit extension from the supply side. Consequently, growth in mortgage advances was slow, confirming the weakness in house prices and real-estate activity. Although unsecured lending activity, such as the extension of personal loans, gained significant momentum over the past year, its contribution to overall credit extension remained fairly small.

With international investors becoming more risk averse and withdrawing investment from emerging market economies, the exchange rate of the Rand depreciated significantly from September 2011. This contributed to upward inflationary pressures, alongside adverse developments in the prices of food and fuel. As a result, South Africa's annual inflation increased, on average, to 5.0 percent in 2011 from 4.3 percent in the previous year. However, underlying measures of inflation, which exclude the more volatile items in the consumer price basket, remained fairly subdued compared with the headline inflation rate. Looking ahead, real GDP growth is projected to slow to 2.7 percent in 2012 due to poor performance of the European economies, which are South Africa's major trading partners.



# KEY MONETARY POLICY STANCES AND INTEREST-RATE DEVELOPMENTS OF CENTRAL BANKS

Monetary policy continued to provide the necessary accommodative space to economic activities during 2011. In this connection, key central banks in advanced economies broadly maintained an accommodative monetary policy stance during the year under review. The US, the UK and Canada retained their policy rates unchanged, while Japan reduced its call rate by 0.03 percent in 2011 to 0.00 percent (Table C.2). Apart from pursuing accommodative monetary policy stances, the Banks of Canada, England and Japan, the European Central Bank, the Federal Reserve Board, and the Swiss National Bank announced coordinated actions to enhance their capacity to provide liquidity support to the global financial system during November 2011. The purpose of the interventions was to ease pressures in financial markets and mitigate the effects of such strains on the supply of credit to households and businesses, and to help nurture economic activities. In this regard, these central banks have agreed to lower the pricing on the existing temporary US Dollar liquidity swap arrangements by 50.0 basis points.

In the US, the **Federal Reserve Board** continued its policy of reinvesting principal payments from its securities holdings and completed its programme of purchasing US$600 billion of longer-term treasury securities by the end of June 2011. These actions were induced by the need to promote a stronger pace of economic recovery. The objective of this programme was to exert downward pressure on longer-term interest rates and help make broader financial conditions more accommodative. For the whole of 2011, the Federal Open Market Committee (FOMC) kept the federal funds rate unchanged in the range of zero to 0.25 percent. The FOMC further pronounced that it anticipates economic conditions, including low rates of resource utilisation and a subdued outlook for inflation over the medium term, to warrant exceptionally low levels of the federal funds rate at least until the middle of 2013.

Similarly, the **Bank of England** pursued a stimulatory monetary policy stance during 2011 by keeping the bank rate at 0.50 percent. Further, it also increased the ceiling of the asset purchase programme by £75 billion to £275 billion during October 2011. The objective of the asset purchase programme was to boost the money supply through large-scale asset purchases and, in so doing, bring about a level of nominal demand consistent with meeting the inflation target in the medium term. Under this policy approach, the Monetary Policy Committee (MPC) of the Bank of England uses the quantity of reserves, as well as the rate earned on them at the Bank of England, directly as a tool of monetary policy. The MPC sets a target for the stock of asset purchases financed by the creation of reserves.

Among the advanced resource-based economies, the **Bank of Canada** maintained its policy rate unchanged for 2011. This was because the outlook for the Canadian economy weakened in 2011 due to a less favourable external environment that affects Canada through financial and trade channels. The accommodative monetary policy stance of the Bank of Canada was also underpinned by the slowed underlying economic momentum and was expected to remain modest until the middle of 2012. The Reserve Bank of Australia, an advanced resource-based economy, also reduced its cash rate by a combined 50 basis points, to 4.25 percent during 2011, as a result of restrained growth. In addition, the decision to reduce the cash rate was also based on subdued consumer and business confidence that prevailed in that country.

In 2011, despite increasing its refinancing rate by 25 basis points at each of its meetings in April and July, the European Central Bank reversed this trend at its November and December meetings by reducing the rate by 25 basis points at each meeting. This was done to support sluggish economic activities. By reducing the refinancing rate to 1.00 percent at the end of 2011, the ECB remained convinced that accommodative monetary policy would contribute to economic growth.

A number of emerging market economies implemented monetary policy tightening (e.g. Brazil, India and China) during most part of 2011. The restrictive monetary policy stance was aimed at curbing inflationary pressures which emerged from international food and fuel prices. Although Brazil and India pursued restrictive monetary policies during most of 2011, the central banks of these countries reversed this approach at the end of the year, with a view to promoting economic activities. Economic activities in Brazil and India were adversely affected by the deterioration in the international economic climate. As a result, the **Bank of Brazil** reduced its policy rate by 50 basis points to 11.0 percent at the end of 2011. Similarly, the **Reserve Bank of India** reduced the repo rate by 1.0 percentage points in December 2011 to 7.5 percent. In contrast, the **People's Bank of China** and the **Bank of Russia** raised their policy rate cumulatively by 0.50 percentage points and 0.25 percentage points, respectively, with a view to taming inflationary pressures.

Within the Common Monetary Area (CMA), the **South African Reserve Bank** (SARB) retained the repo rate at 5.5 percent for the whole of 2011. SARB's monetary policy stance was aimed at providing support to feeble economic activities.

Although inflation in South Africa increased on average to 5.0 percent in 2011 from 4.3 percent in 2010, it was largely driven by exogenous factors, especially increases in food and fuel prices. In this regard, it might have been complex to contain inflationary pressures emanating from these sources by increasing the repo rate. **Central Banks in Lesotho and Swaziland** also retained accommodative monetary policy stances to stimulate economic activities in their respective countries during the period under review.

### Table C.2: Selected economies latest policy rates

| Countries | Policy rate | Current rate (%) | Policy rate % ∆ | Last meeting | December inflation | Real interest |
|---|---|---|---|---|---|---|
| Advanced | | | | | | |
| USA | Fed funds rate | 0.00-0.25 | 0.00 | December | 3.0 | -2.8 |
| Canada | Overnight rate | 1.00 | 0.00 | December | 2.3 | -1.3 |
| Australia | Cash rate | 4.25 | -0.50 | November | 3.1 | 1.2 |
| Euro Area | Refinance rate | 1.00 | -0.50 | December | 2.7 | -1.7 |
| UK | Base rate | 0.50 | 0.00 | December | 4.2 | -3.7 |
| Japan | Call rate | 0.00 | -0.03 | December | 0.2 | -0.2 |
| BRICS | | | | | | |
| Brazil | Short-term interest rate | 11.00 | -0.50 | November | 6.5 | 4.5 |
| Russia | Refinancing rate | 8.00 | +0.25 | December | 8.0 | 0.0 |
| India | Repo rate | 7.50 | -1.00 | December | 6.5 | 1.0 |
| China | Lending rate | 6.56 | +0.50 | July | 4.1 | 2.5 |
| South Africa | Repo rate | 5.50 | 0.00 | November | 6.1 | -0.6 |
| Lesotho | Repo rate | 5.50 | 0.00 | December | 3.1 | 2.4 |
| Swaziland | Discount rate | 5.50 | 0.00 | December | 7.8 | -2.3 |

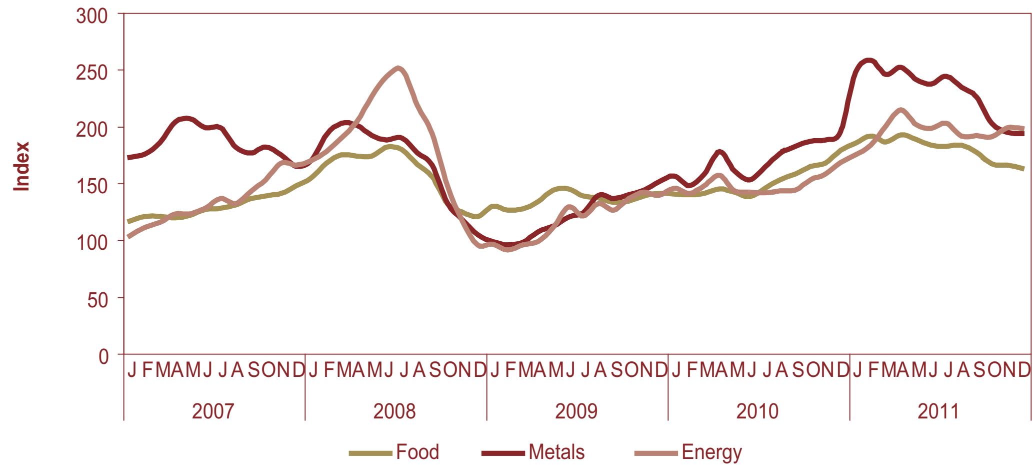
Source: Respective Central /Reserve Banks

C

## COMMODITY PRICE DEVELOPMENTS AND PROSPECTS

Overall, the prices for the majority of commodities increased during 2011, compared to 2010. In this context, the IMF's food price index grew on average by 20.8 percent during 2011 compared to 11.7 percent the previous year (Chart C.1). The increase in the food price index could be explained by robust demand from the emerging market economies, increasing world population and the demand for food intended for usage in biofuel production.

### Chart C.1: Selected commodity price indices



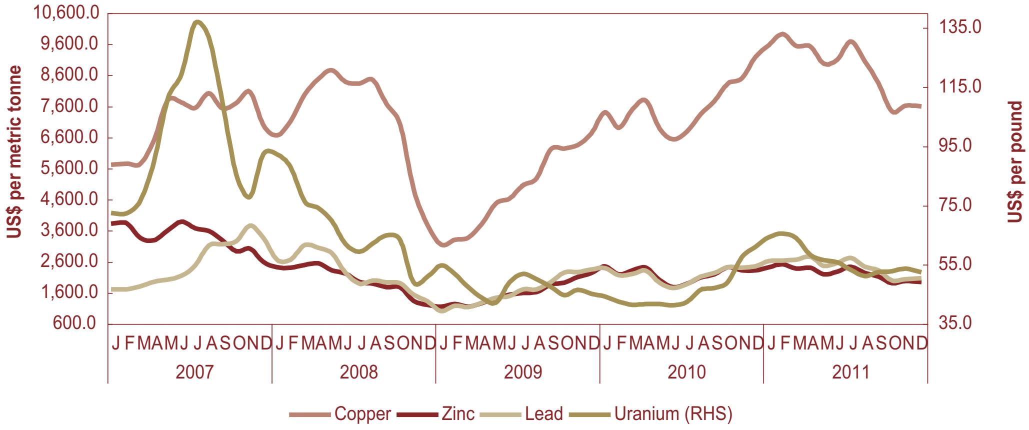

Source: IMF

On the other hand, growth of the metal price index slowed on average to 38.1 percent during 2011 compared to 2010. The key commodities, which contributed to this growth in the metal price index during 2011, were uranium and copper. In this context, the prices of uranium and copper grew by 22.3 percent and 17.0 percent in 2011, respectively, underpinned by robust demand from China and India (Chart C.2).

The outlook for metal demand would continue to depend on growth prospects in China, given its fast-growing economy and consequent demand for commodities. The expected tight monetary policy, continued declines in fiscal stimulus, and the recessionary pressures in the Euro Area are expected to have an inhibiting effect on demand for metals. Overall, metal prices can be expected to decline slightly but should maintain similar levels to those of 2011 due to China's growth, which is estimated to ease to 8.2 percent in 2012.

Growth in the energy price index increased on average to 32.2 percent for 2011 compared to 29.2 percent in the previous year (Chart C.1). Underpinning the increase in the energy price index was mostly the political instability in the Middle East, combined with significant demand for crude oil from the emerging market economies.

## Chart C.2: Selected commodity prices

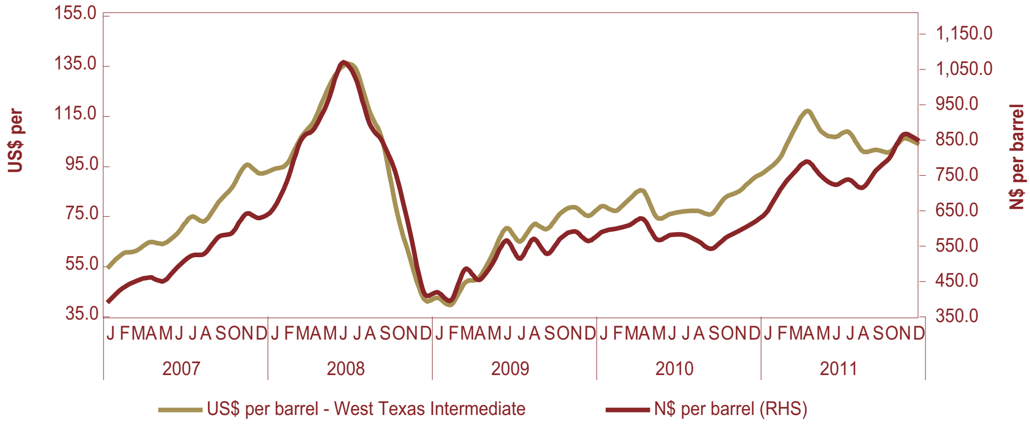



Source: IMF

**Crude oil** continued the upward trend that started during 2010, with the spot price of crude oil in the world market averaging US$104 per barrel in 2011 and reaching a peak of US$116 in April 2011 (Chart C.3). The price of crude oil increased more than expected in 2011, primarily due to the instability that swept through the MENA countries, including some of the key oil-producing countries, especially Libya. The sustained growth in emerging markets, namely, China, India and Brazil, helped sustain the demand for crude oil and contributed to the high crude oil prices. In the near future, the demand for oil is expected to be sustained by growth in emerging markets, although political instability in the Middle East and in some other oil-producing countries is also expected to continue exerting upward pressure on crude oil prices. Of particular concern would be Iran's threat to block the channel of Hormuz, an important supply route for crude oil exports from the Gulf[7].

[7] The passage of Hormuz is an important strait between the Gulf of Oman and the Persian Gulf in which about 20 percent of the world's oil exports passes through.

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

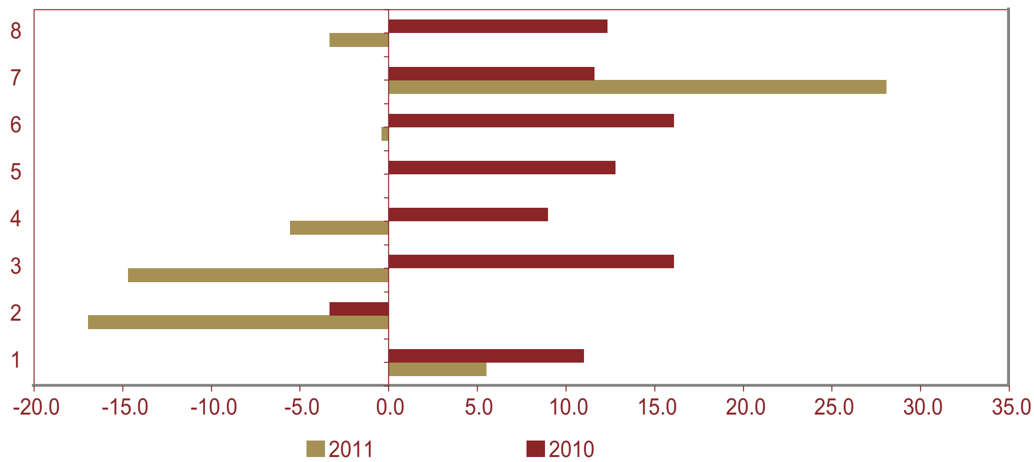



Source: IMF

## DEVELOPMENTS IN FINANCIAL MARKETS

The global economy remained largely in a precarious situation during 2011. The sovereign debt concerns that dominated financial markets during the year under review had a stifling effect on growth in the global economy. Furthermore, the limited effects of monetary and fiscal policies as regards to rekindling the global economy added to fears of the Euro Area sovereign debt crisis spreading further, from Greece, Ireland and Portugal to Italy and Spain. The polarised political environment in the USA, which caused policy procrastination, also contributed to sovereign debt risks and concerns. These developments resulted in general declines in stocks and increased flows into safe-haven assets. Most equity markets continued to decline in 2011 on the back of poor performance in 2010. The weakest performance was recorded for the French CAC and the German DAX Indices, which registered contractions of 17.0 percent and 14.7 percent, respectively. The UK's FTSE Index also recorded a contraction of 5.5 percent in 2011. The NSX Overall, the JSE All Share and S&P Indices registered negative performances too, although to a lesser extent. The US's Dow and NSX Local Indices recorded positive performances of 5.5 percent and 28.1 percent, respectively (Chart C.4).

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




Source: Bloomberg

C

## WORLD TRADE DEVELOPMENTS

According to the IMF, growth in world trade volume was lower at 7.5 percent in 2011 from 12.8 percent the previous year. The slowdown was particularly noticeable in imports of the advanced economies, which reduced to 5.9 percent. This could be attributed to weak economic growth in the Euro Area and the US. Growth was subdued in 2011 in these economies as a result of the sovereign debt crisis in the Euro Area and fiscal challenges in the US. Imports of emerging and developing economies also slowed to 11.1 percent in 2011 compared to 14.9 percent in the previous year due to restrained global growth (Table C.3). Developments in exports were not different from those in imports. In this regard, exports by advanced economies slowed to 6.2 percent during the year under review from a much higher growth rate of 12.3 percent in the previous year. Similarly, exports of the emerging markets and developing economies was also lower at 9.4 percent in 2011, relative to a growth of 13.6 percent in 2010. Projections by the IMF indicate that world trade volume will slow to 5.8 percent during 2012 against the backdrop of insipid global growth.

**Table C.3: Growth in the volume of world (goods and services) 2007-2010 (annual percentage change)[8]**

| | Actual | | | | Estimates | Projections |
|---|---|---|---|---|---|---|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| World trade volume (goods and services) | 7.3 | 2.9 | -10.7 | 12.8 | 7.5 | 5.8 |
| Imports | | | | | | |
| Advanced economies | 4.7 | -0.4 | -12.4 | 11.7 | 5.9 | 4.0 |
| Emerging markets and developing economies | 13.8 | 9 | -8 | 14.9 | 11.1 | 8.1 |
| Exports | | | | | | |
| Advanced economies | 6.3 | 1.9 | -11.9 | 12.3 | 6.2 | 5.2 |
| Emerging markets and developing economies | 9.8 | 4.6 | -7.7 | 13.6 | 9.4 | 7.8 |

Source: IMF

## IMPLICATIONS OF GLOBAL DEVELOPMENTS FOR NAMIBIA

The global economy was lackluster during 2011 mainly as a result of the sluggish performance by advanced economies, especially the Euro Area, the US and Japan. Economic growth in emerging market economies also slowed but remained relatively solid when compared to advanced economies. Looking ahead, the downside risks to global growth remain elevated and entail possible intensification of the sovereign debt crisis in the Euro Area, fiscal challenges in the US, a weak US housing market, and high unemployment. In addition, signs of overheating and volatile commodity prices, particularly for oil and food, as well as underlying inflationary pressures in emerging and developing economies, may hurt growth prospects in the short to medium term[9]. Namibia's performance would be significantly influenced by global growth, as well as economic developments in South Africa. The projected slowdown on the global front could hurt Namibia's export-driven sectors, such as agriculture, fishing, mining, as well as, tourism. If the projected mild growth in South Africa's real GDP materialises, it could have a positive, but limited impact on Namibia's agricultural and manufacturing sectors, as well as on the country's revenue receipts from the SACU common revenue pool.

[8] These figures refer to growth in the volume of world trade, i.e. trade in real terms, adjusted for changes in prices and exchange rates.

[9] According to the IMF's World Economic Outlook, the probability of occurrence for global growth of less than 2.0 percent is more than 10 percent.

# DOMESTIC ECONOMIC DEVELOPMENTS AND OUTLOOK[10]

Namibia's performance was somewhat influenced by global growth during 2011. In this connection, the domestic economy is estimated to have slowed to 3.8 percent in 2011 from a higher growth of 6.6 percent in the previous year. The estimated slowdown in overall GDP growth is mainly due to the contraction in the primary industry at 7.8 percent in 2011, owing to a reduction in output by the mining sector. Meanwhile, the secondary and tertiary industries are estimated to have grown by 4.2 percent and 5.9 percent in 2011, respectively. Construction activities and other manufacturing products were the drivers of the growth in the secondary industry. Similarly, the growth in the tertiary industry is estimated to have been led by the growth in the wholesale and retail trade, as well as in the transport and communication sectors. This was due to rising consumer demand and improved domestic economic conditions.

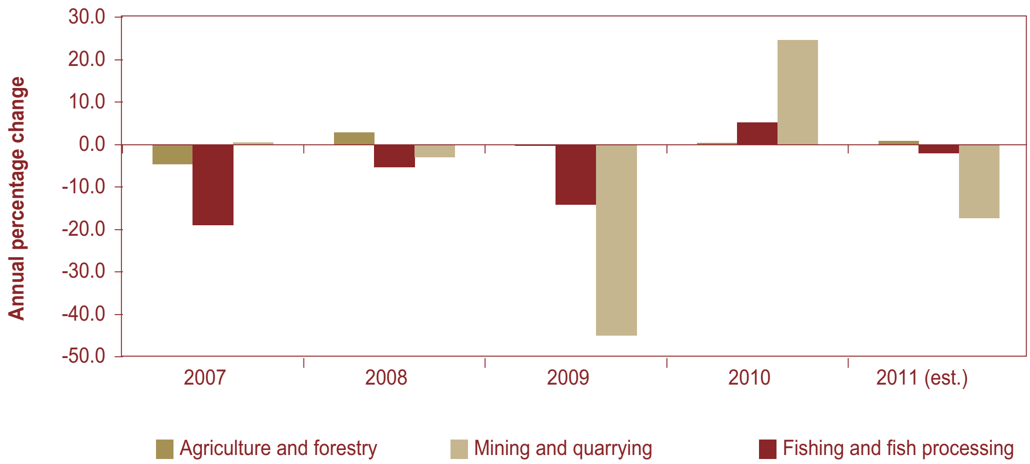
Looking ahead, the domestic economy is forecasted to pick up in 2012 supported by increased uranium production, infrastructural development (owing partly to TIPEEG), increased production at Ohorongo cement factory and the re-opened copper mines. However the increase in downside risks, owing to the expected slowdown in the world economy continues to threaten the outlook of the domestic economy.

## PRIMARY INDUSTRY



After a remarkable recovery in 2010 following a devastating economic crisis in 2009, the performance of the primary industry was weak in 2011. As a result, the industry's growth is estimated to have declined by 7.8 percent in 2011. This is primarily attributed to the weakening of the mining sector, resulting mainly from the depletion of onshore diamond mining, heavy rainfall and industrial actions experienced during the year under review. The industry is, however, projected to recover slightly in 2012. Over the past three years, the contribution of the primary industry to GDP has declined to an average of 8.8 percent from an average of 13.1 percent during the 2006-2008 period. This decline was partly impacted by the global economic crisis, which saw a decline in demand for mineral exports.

### Chart C.5: Primary industry real growth rates




Source: Central Bureau of Statistics for, 2007-2010, Bank of Namibia for 2011 estimates

The **agriculture and forestry** sector is estimated to have grown by 0.7 percent in 2011 due to the increase in crop production, especially maize. Furthermore, the sector is also projected to expand in 2012 driven by anticipated increased activities in the livestock and crop farming and the expectations of favourable weather conditions would drive growth during 2012.

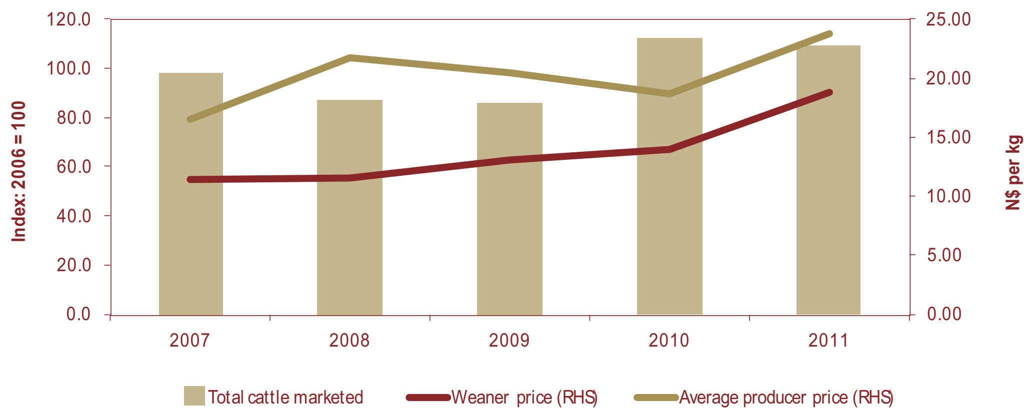
**Crop farming** improved in 2011, driven by the increase in the production of maize irrigation schemes which were not affected by the floods. Meanwhile, a poor mahangu harvest was experienced in 2011, especially in the north and north-east regions of the

[10] Value added figures for 2011 used in this section are estimates, while volume and values indicators are actuals.

country as a result of flooding in these areas. This was nevertheless offset by the production of maize, hence the improvement in total crop production. Looking ahead, crop production is expected to improve further in 2012 due to the expansion of land under irrigation and the construction of silos in rural areas for mahangu storage.

**Livestock marketing** performed poorly in 2011, compared to the previous year. This is reflected in the decline in both number of cattle and small stock marketed during the year under review. In this regard, the total number of cattle marketed declined by 2.1 percent in 2011 to 347 155 head of cattle, compared to the previous year (Chart C.6). The decline was reflected in the number of cattle marketed locally which decreased by 7.3 percent to 146 919 possibly due the ban of cattle marketed from Omaheke and Otjozondjupa Regions during some months in 2011, which resulted from the suspicions of the foot and mouth disease in those regions. Meanwhile, live weaners exported to the South African market increased slightly by 3.0 percent to 200 236. Average producer price (in local currency) increased by 27.8 percent to N$23.80 per kilogram in 2011, while average prices for weaners increased by 34.4 percent to N$18.80 per kilogram in the same year.

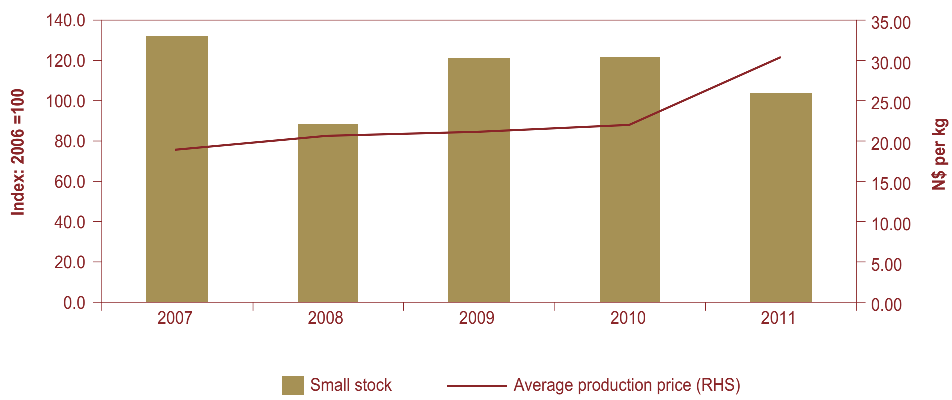
## Chart C.6: Cattle marketed




Source: Meat Board of Namibia

Similarly, the number of **small stock** marketed decreased by 14.8 percent in 2011 (Chart C.7). The average prices for small stock increased by 38.2 percent during the year under review. Despite the increase in prices, Government restrictions on the export of small stock, which limited farmers to scale down the number of live stock exports to one sheep for every six sheep slaughtered locally, partly contributed to the decline. The reasoning behind the restrictions was to increase value added in Namibia and hence to create employment and generate income. The fall in the total number of small stock marketed was reflected in both the small stock exported to the South African market, as well as those marketed domestically, as they decreased by 12.5 percent and 16.7 percent, respectively.

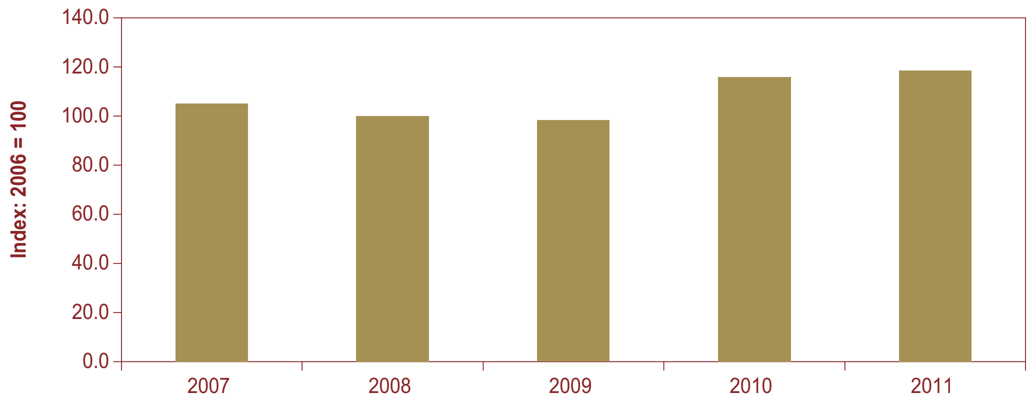
## Chart C.7: Small stock marketed




Source: Meat Board of Namibia

**Milk production** increased by 2.3 percent to 22.0 million litres during the year under review (Chart C.8). In fact, milk production has shown significant improvements over the past two years, owing to the opening of the !Aimab Superfarm near Mariental in 2009.

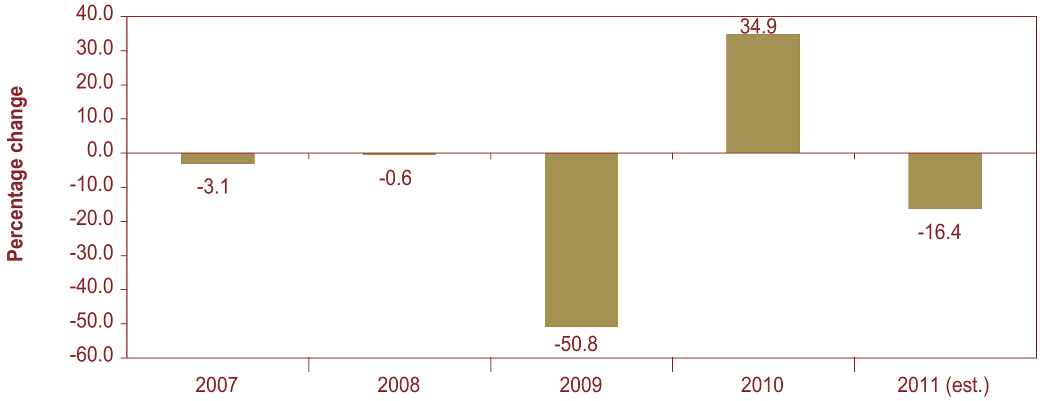
## Chart C.8: Milk production




Source: Agricultural Union of Namibia



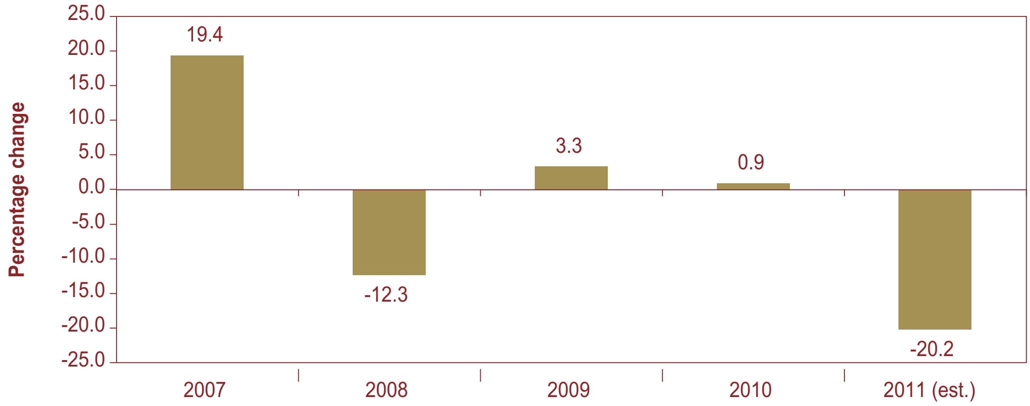
## Chart C.9: Diamond mining: Value-added growth




Source: Central Bureau of Statistics for, 2007-2010, Bank of Namibia for 2011 estimates

After a good recovery in 2010, output of **diamond mining** is estimated to have declined by 16.4 percent in 2011 (Chart C.9). The decline in 2011 was attributed to prolonged industrial actions which resulted in production losses of 29 000 carats of diamonds. In addition, production was disrupted by maintenance activities and the temporal suspension of mining operations due to two cases of fatalities which occurred at a mine early in 2011. Diamond-mining activities are forecasted to contract further during 2012, partly due to the diminishing onshore diamond deposits, which have a lifespan only until 2015. The company is, therefore, planning future investments to extend the mine's lifespan to 2050.

## Chart C.10: Other mining: Value-added growth

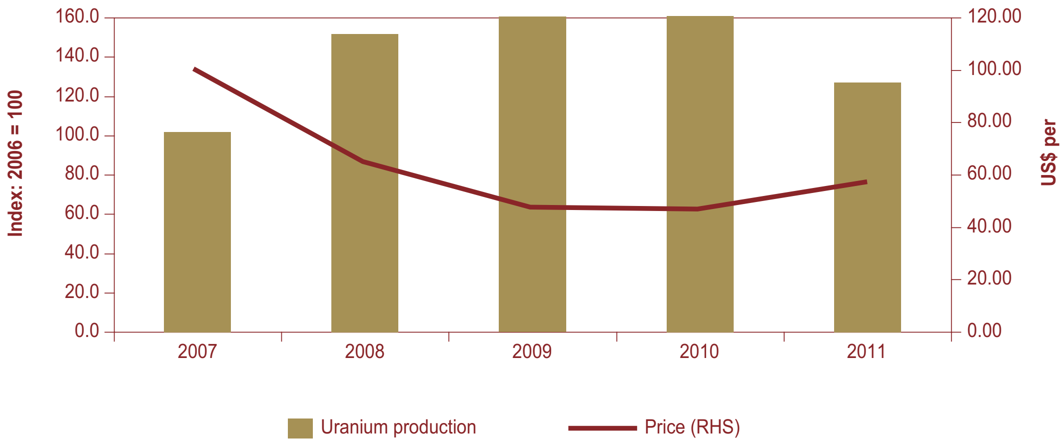



Source: Central Bureau of Statistics for, 2007-2010, Bank of Namibia for 2011 estimates



Output of other mining is estimated to have declined by 20.2 percent in 2011 (Chart C.10) and is projected to improve in 2012. **Uranium** production, after improving significantly over the past three years, declined by about 28.0 percent to 4 229 tonnes in 2011 (Chart C.11). The decline can be attributed to the heavy rainfall during the first half of the year as well as the industrial actions. Following the Japanese Fukushima Daiichi Nuclear Power Plant disaster in 2011, some countries have undertaken a preliminary review of their nuclear programmes. Almost every country is maintaining its nuclear programme; only Germany has decided to revert back to its previous nuclear power phase-out policy.

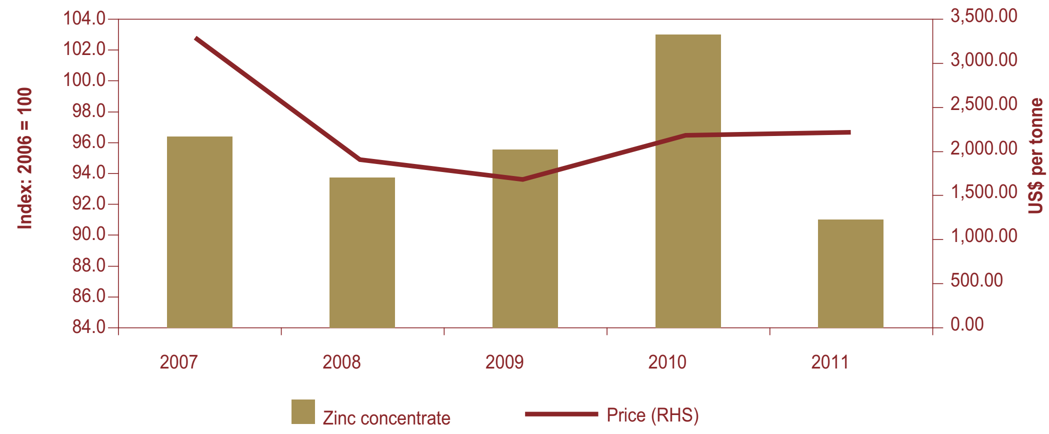
## Chart C.11: Uranium production




Source: Langer Heinrich, Rio Tinto and IMF

The production of **zinc concentrate** declined by 11.7 percent to 89 236 tonnes in 2011 (Chart C.12). This is a reversal of the trend for the three-year period between 2008 and 2010. It is also in contrast to the growth of 7.6 percent recorded in 2010. The decline in 2011 can mostly be attributed to operational problems experienced during most part of the year.

### Chart C.12: Production of zinc concentrate




Source: Rosh Pinah Zinc Corporation and IMF



The year 2011 saw a decline in the production of **gold** by 23.1 percent to 2 063 kilograms (Chart C.13). This is in contrast to the 33.2 percent growth in gold production during 2010. The decline can be attributed to factors such as heavy rains during the first half of the year as the mines were flooded as well as technical problems experienced in June. On price developments, gold prices have been on the rise for the entire year, hitting a record high of over US$1 800 per ounce in August 2011. Amidst uncertainties and volatilities in the global commodity markets, the commodity was considered to be the safe haven for global investors.

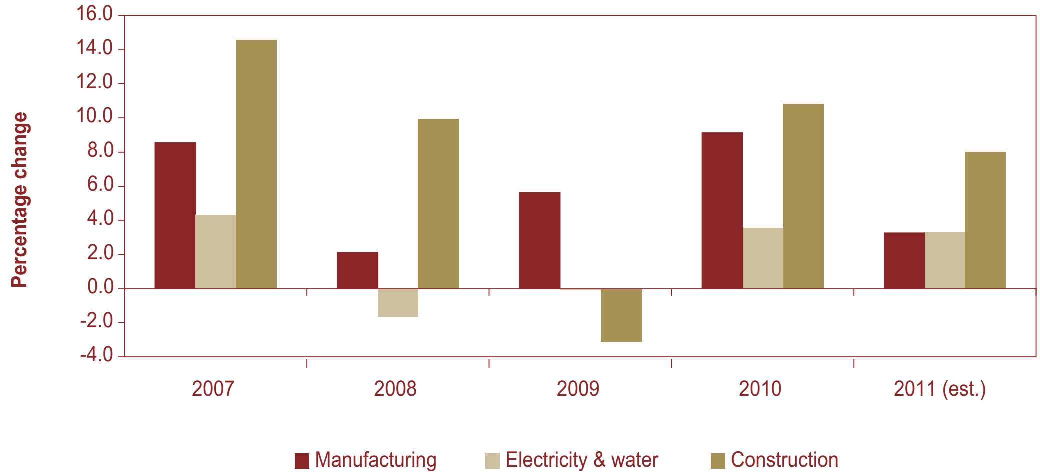
### Chart C.13: Gold production


Source: Navachab Mine and World Gold Council

## SECONDARY INDUSTRY

Growth in the **secondary industry** is estimated to have slowed to 4.2 percent in 2011 compared to 8.8 percent in 2010 (Chart C.14). The reduced growth was partly ascribed to lacklustre growth in the minerals production for further processing. Moreover, the high base set in 2010, owing to the rebound in minerals activities, also contributed to this slowdown. Looking ahead, the secondary industry is projected to expand during 2012, driven by the construction, manufacturing and electricity and water sectors.

## Chart C.14: Secondary industry real growth rates




Source: Central Bureau of Statistics for 2007-2010, Bank of Namibia for 2011, estimates

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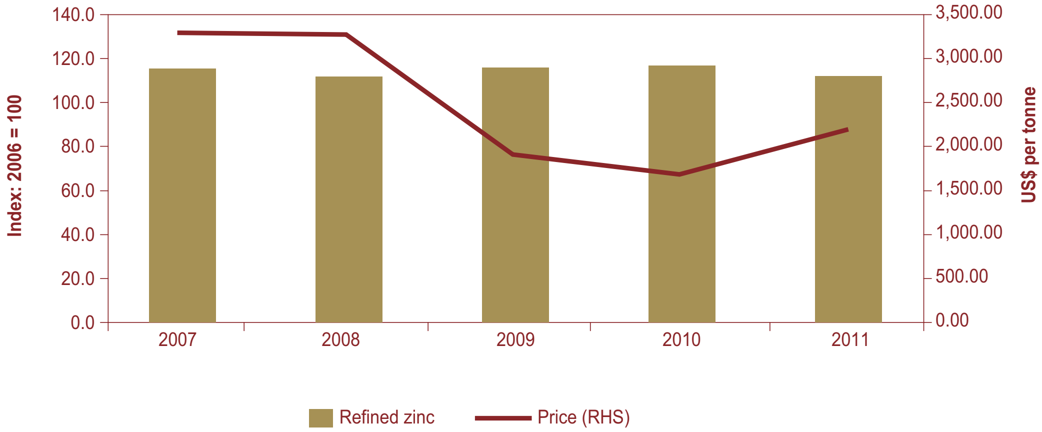
Growth in the **manufacturing sector** is estimated to have slowed to 3.3 percent in 2011, compared with a growth of 9.1 percent during 2010 (Chart C.14). This slowdown was mainly due to poor performance of the other manufacturing sub-sector[11]. Going forward, the sector is projected to expand in 2012, led by the other manufacturing and other food products and beverages sub-sectors as well as cement production.

## Chart C.15: Production of refined zinc

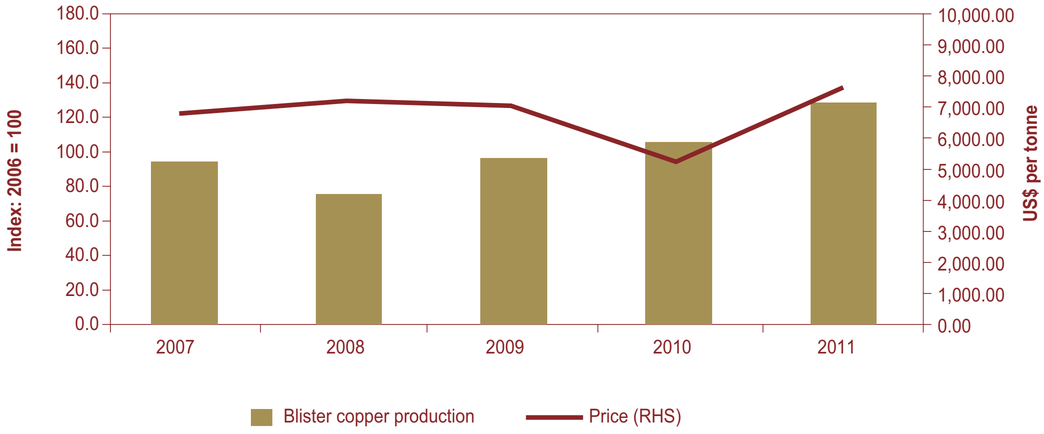



Source: NamZinc and IMF

The **refined zinc** production decreased by 4.0 percent in 2011, compared to the level attained in the previous year (Chart C.15). This decline was attributed to operational problems encountered at the mining site during the review period. Zinc prices, however, improved by 1.6 percent in 2011 to an average of US$2 196 per tonne. Looking ahead, the expected slowdown in economic growth in 2012 in some key emerging market economies, such as China and India, and the ongoing unresolved sovereign debt problems in the Euro Area could impact negatively on the production of refined zinc.

[11] Other manufacturing sub-sector among others includes textile and clothing, leather and chemical products, publishing and printing, cutting and polishing of diamond as well as smelting.

## Chart C.16: Blister copper production




Source: Namibia Custom Smelter and IMF

The production of **blister copper** rose remarkably by 48.5 percent in 2011 compared to its 2010 level (Chart C.16). The increase was mainly attributed to the sustained supply of imported copper concentrate, compounded by enhancements in the production technology of copper smelting. Furthermore, favourable copper prices, which improved by 17.1 percent to an average of US$8 823 per tonne, helped to sustain the global demand for copper. Looking ahead, unresolved sovereign debt issues in the Euro Area and the expected real growth slowdown in key emerging market economies could pose threats to the demand for copper.

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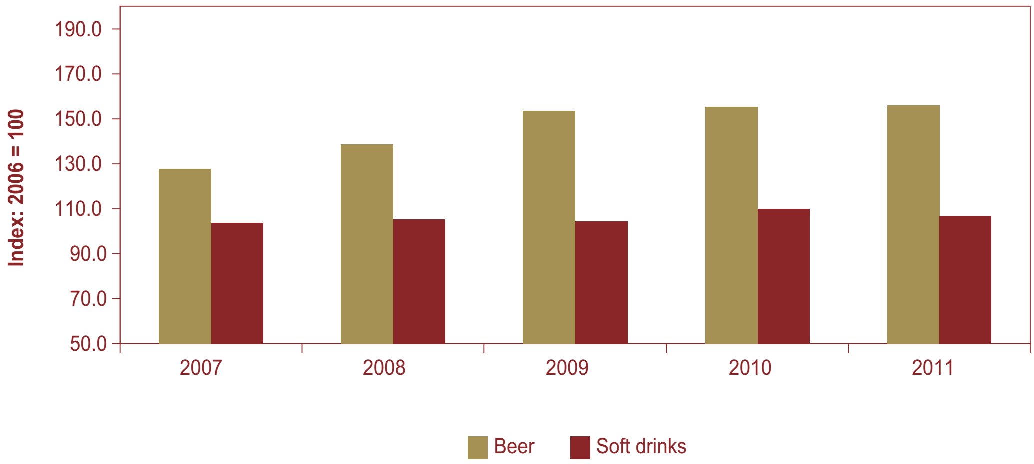
## Chart C.17: Production of beer and soft drinks

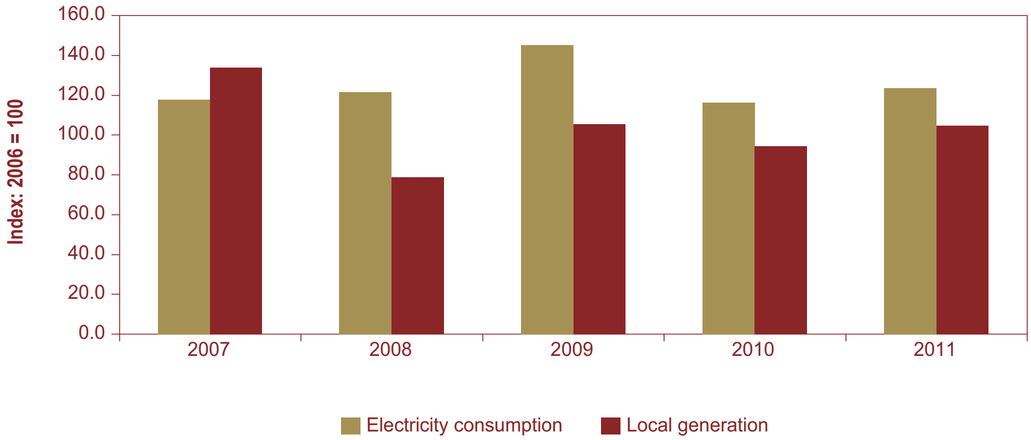



Source: Namibia Breweries, Camelthorn Brewing and Namibia Beverages

The production of **soft drinks** decreased by 2.8 percent, while that of **beer** rose slightly by 0.5 percent during 2011 (Chart C.17). The subdued production for both soft drinks and beer could be partly attributed to heavy rainfall experienced during the earlier part of 2011, which resulted in severe flooding in the northern parts of Namibia. This aggravated disturbances in the distribution channels since some markets were inaccessible, resulting in lower production.

Production in the **water and electricity** sector expanded in 2011, as reflected by increased growth in locally generated electricity. Equally, electricity consumption rose during the year under review, mainly driven by demand from the mining sector (two copper mines reopened in 2011) and other industries. Water consumption, however, decreased due to the slowdown in uranium-mining activities over the same period. In this regard, the water and electricity sector is estimated to have grown by 3.3 percent in 2011 compared to a growth of 3.5 percent in 2010 (Chart C.18). The generation of electricity rose by 11.0 percent in 2011, which resulted in a reduction of imported electricity over the same period. Similarly, the consumption of electricity increased by 6.0 percent, owing to the continued rising demand for electricity. Looking ahead, the electricity and water sector is expected to grow, partly due to the anticipated increase in the activities of the mining industry during 2012. This will be further enhanced by the foreseeable commissioning of the Ruacana 4th turbine during 2012 to augment the hydropower generation electricity capacity.

### Chart C.18: Electricity production and consumption

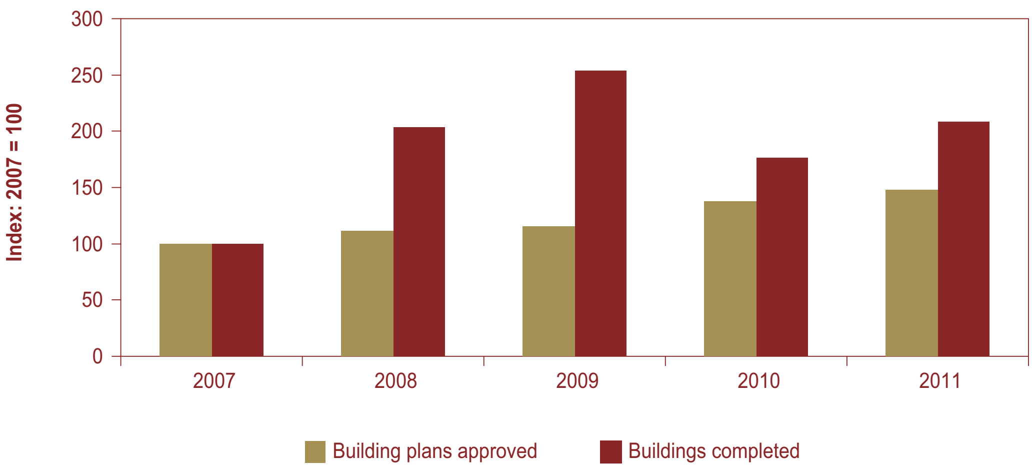



Source: Nampower



Growth in real value addition in the **construction sector** is estimated to have slowed to around 8.0 percent in 2011, compared to 10.8 percent in 2010 (Chart C.14). The slowdown in 2011 was due to the high base set in the previous year emanated from major private and public construction projects undertaken in 2010. On the other hand, the value of buildings completed in the surveyed towns rose by 18.3 percent, contributing to the growth experienced in this sector in 2011 (Chart C.19). This was mostly driven by residential and commercial properties, including additions and alterations. The sector is projected to expand in 2012 due to the anticipated increase in construction activities in housing, road, water supply and airport developments. Further, the value of building plans in the surveyed towns, which is an indicator of future construction activities, rose by 6.9 percent during 2011.

### Chart C.19: Value of building plans approved and buildings completed

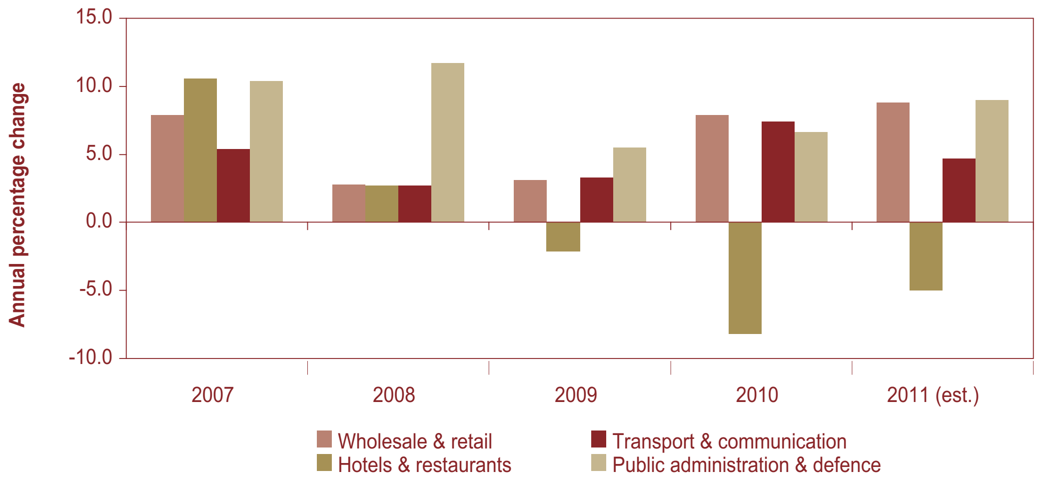



Source: Various municipalities and town councils

## TERTIARY INDUSTRY

The **tertiary industry** is estimated to have expanded in 2011. This can mostly be attributed to the continued accommodative monetary policy and expansionary fiscal policy pursued over the past three years. In this context, real value-added growth in the tertiary industry is estimated at 5.9 percent in 2011 compared to a growth 4.9 percent in the previous year. This was reflected in sectors such as wholesale and retail trade, transport and communication, and public administration and defence, which improved in 2011 in relation to the previous year. This growth is expected to continue in 2012, supported by the expected increase in activities of almost all sectors in the tertiary industry (Chart C.20).

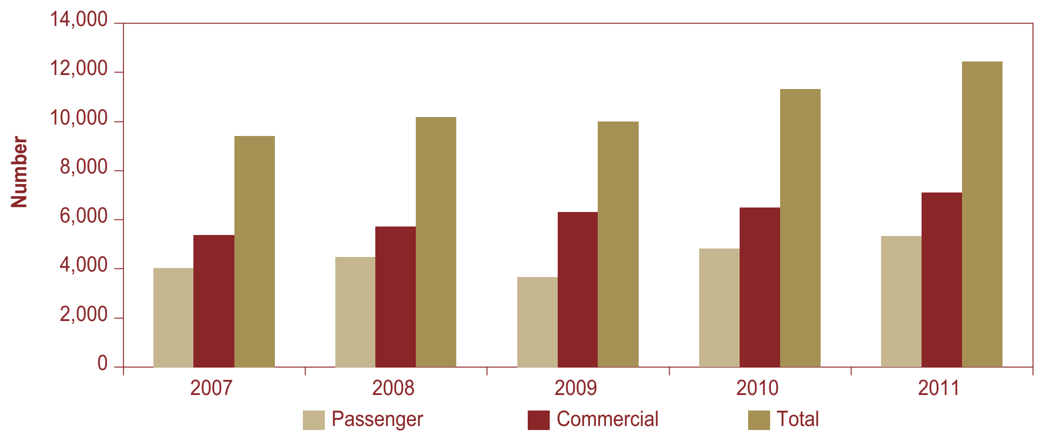
### Chart C.20: Tertiary industry real growth rates




Source: Central Bureau of Statistics for 2007-2010, Bank of Namibia for 2011 estimates

The **wholesale and retail trade** sector is estimated to have expanded by 8.8 percent in 2011 compared to 7.9 percent in the previous year. This could be attributed to sustained consumer demand that arose from the favourable macroeconomic policies pursued during the last three years. It was furthermore reflected in increased activities in all the sub-categories of the wholesale and retail trade sector in terms of real turnover during the period under review. This was compounded by the increased number of new vehicles sold, which rose by 9.9 percent to 12 429 units in 2011 (Chart C.21). The growth in new vehicle sales was driven by both new commercial and passenger vehicles sold, although the units of commercial vehicles sold was more significant than that of passenger vehicles. Looking ahead, the wholesale and retail trade sector is expected to expand in 2012 due to sustained consumer demand envisaged during this period.

### Chart C.21: Total number of new vehicles sold

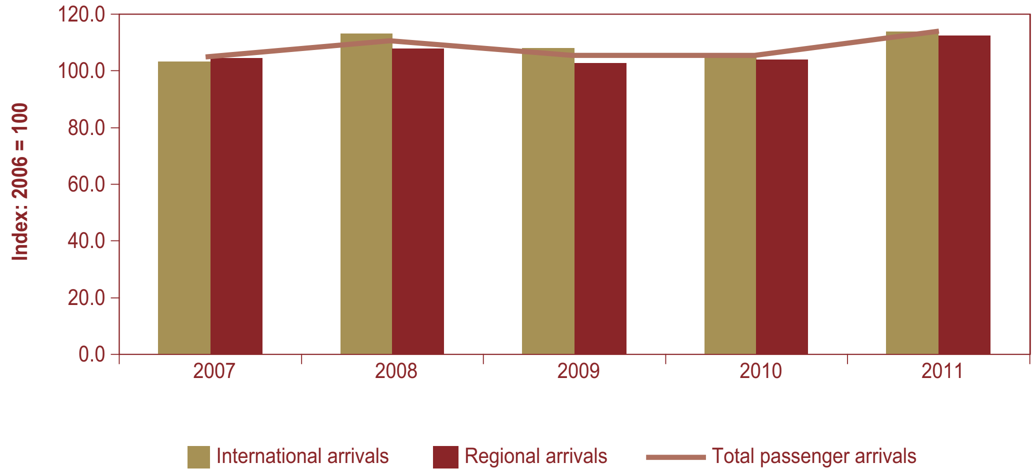



Source: Simonis Storm Securities

The **tourism** sector is measured by using the hotel and restaurant sector, as well as arrival statistics, as proxy indicators. This sector is estimated to have recovered slightly from the contraction of 8.2 percent in 2010 to a contraction of 5.0 percent in 2011. The decline was mainly attributed to uncertainties in the Euro Area and a change in preference, where tourists are using cheaper accommodation facilities.

The number of total arrivals and room occupancy nevertheless improved during the period under review, and is reflected in the improved contraction of the tourism sector. In this regard, total passenger arrivals rose by 8.1 percent in 2011 compared to the previous year, which includes both international and regional arrivals (Chart C.22).

### Chart C.22: Arrival statistics

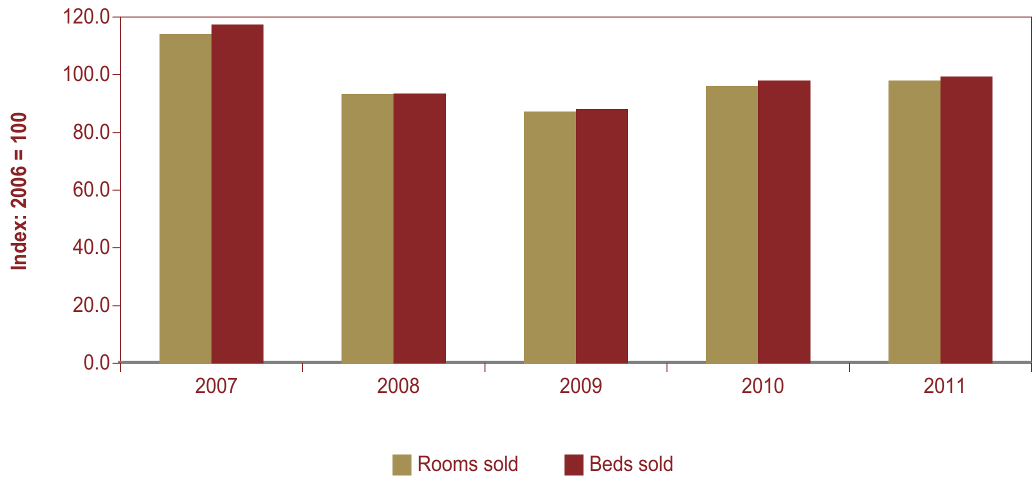



Source: Namibia Airports Company (NAC)



Similarly, room occupancy statistics[12], as indicated by rooms and beds sold, improved slightly in 2011 by 2.0 percent and 1.5 percent, respectively, compared to the previous year (Chart C.23). Looking ahead, the sector is projected to further improve in 2012. However, downside risks in most part of the world due to the continuing sovereign debt crisis in the Euro Area, could negatively impact the domestic tourism sector via trade links.

### Chart C.23: Occupancy rates

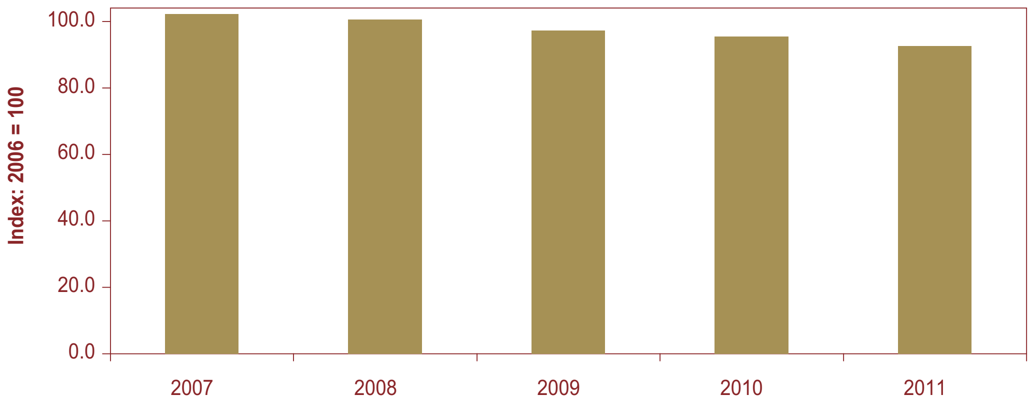



Source: Hospitality Association of Namibia (HAN)

The **transport and communication** sector is estimated to have slowed to 4.7 percent in 2011 from 7.4 percent in 2010, as reflected in the lower activities of the transport sector during the period under review (Chart C.24). This was due to lower cargo volumes during the first two quarters of 2011 in both rail and road operations, mainly attributable to the heavy rainfall experienced during the earlier part of 2011. Total rail and road freight declined by 3.1 percent in 2011 compared to 2010, also due to the above-mentioned reason (Chart C.24).

[12] This data should, however, be treated with caution due to the low response rates from data providers.

## Chart C.24: Transnamib freight




Source: Transnamib

Unlike the total rail and road cargo volumes which declined, total cargo volumes handled at the Lüderitz and Walvis Bay harbours improved during 2011. In this regard, landed, shipped and transhipped cargo rose by 10.6 percent, 7.5 percent and 16.2 percent, respectively (Chart C.25). The increase in landed cargo could be ascribed to increased import of consumables, such as sulphuric acid for mining companies, fuel, coal, wheat, vehicles destined for neighbouring countries, and fish landed for processing purposes. Similarly, the improved shipped cargo could largely be attributed to increased export of commodities, such as minerals, salt and fish. On the transhipment front, the rise in cargo volumes can mainly be explained by congestions experienced at ports in some neighbouring countries and those on the West African coast. This led to some vessels being diverted to Walvis Bay for the cargo to be loaded into smaller ships for onward delivery. Looking forward to 2012, the transport and communication sector is projected to expand, derived from the expected increase in the activities of the mining and manufacturing sectors.

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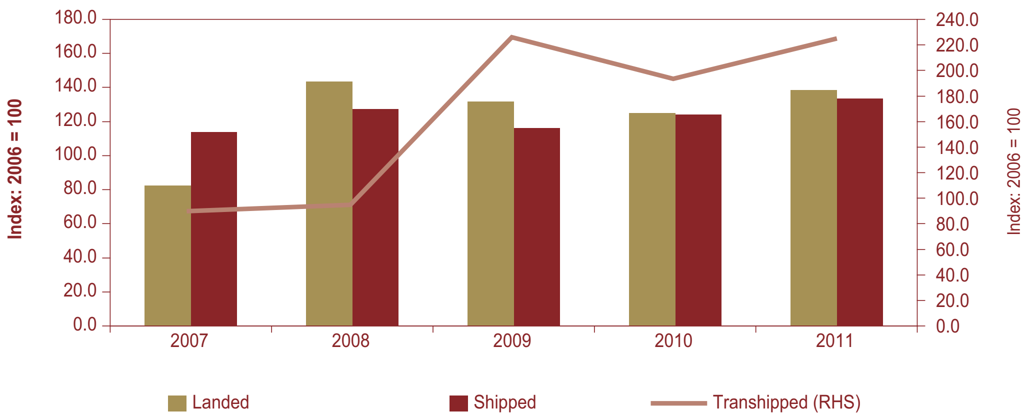
## Chart C.25: Namport operations




Source: Namport

The **public administration and defence** sector is estimated to have expanded in 2011, mainly due to increased financial-resources allocation in the Government 2011/12 budget. This was done to fund activities to be undertaken during the current Medium Term Expenditure Framework (MTEF) 2011/12-2013/14. The real value added from the services provided by the Government is expected to generate a number of direct and indirect jobs over the MTEF period. The sector is estimated to have expanded by 9.0 percent in 2011, higher than the 6.6 percent in 2010. Looking ahead, the sector is projected to grow further in 2012 on account of Government's expansionary fiscal policy.

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# GROSS NATIONAL INCOME AND GROSS NATIONAL DISPOSABLE INCOME

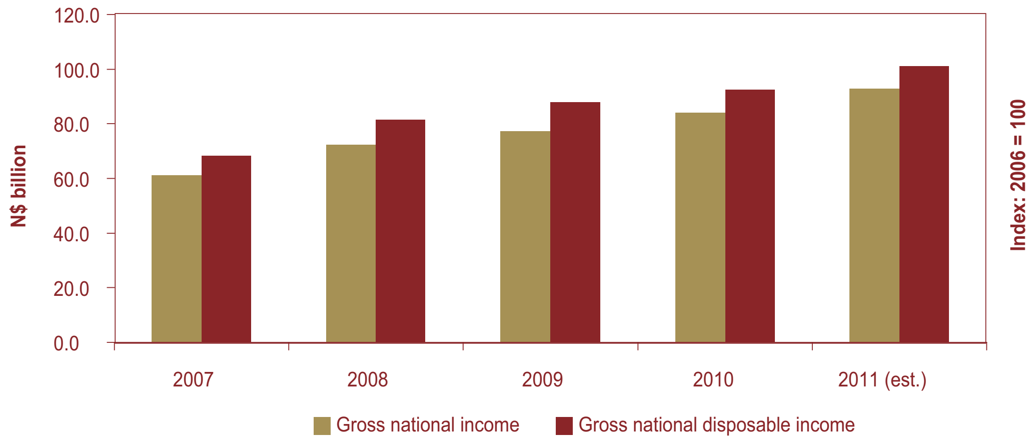
In line with domestic economic developments discussed in the previous section, Namibia's nominal Gross Domestic Product (GDP) is estimated to have increased by 9.6 percent to N$88.4 billion in 2011 and is expected to increase further in 2012.

In 2010, **Gross National Income** (GNI) and **Gross National Disposable Income** (GNDI) stood at N$78.4 billion and N$87.4 billion, respectively. GNDI, in turn, was greater than GNI, which mainly reflects the substantial net foreign transfer receipts, notably payments received from the SACU revenue pool.

As in the past, GNDI (N$87.4 billion) was higher than GDP (N$81.5 billion), implying that Namibia received more income from the rest of the world than that earned by foreigners in Namibia. This trend is expected to continue in the medium term.

GNI and GNDI are, therefore, estimated to have grown by 10.2 percent and 8.4 percent in 2011, respectively (Chart C.26). Looking ahead, the situation is likely to continue for both GNI and GNDI in 2012.

**Chart C.26: GNI and GNDI (current market prices)**




Source: Central Bureau of Statistics for 2007-2010, Bank of Namibia for 2011 estimates

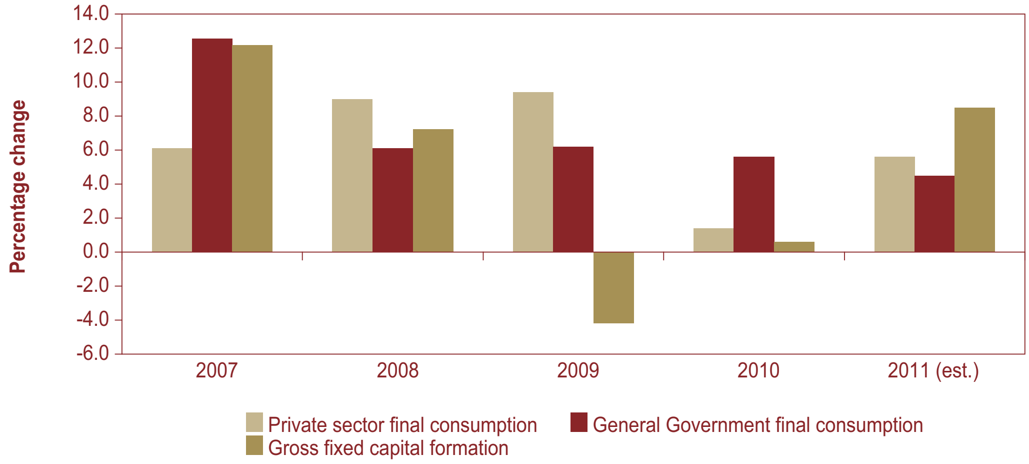
# GROSS DOMESTIC EXPENDITURE (GDE)

Aggregate **Gross Domestic Expenditure** (GDE) is estimated to have risen to N$96.2 billion in 2011 from N$86.4 billion in the previous year. The growth was mainly driven by Gross Fixed Capital Formation (GFCF), which is estimated to have increased by 12.6 percent in 2011. It was further supported by a rise in final consumption by both private and general Government, which are estimated to have increased in 2011 by 9.8 percent and 8.4 percent, respectively. This trend is likely to continue in 2012, mainly on the back of the low interest-rate environment, as well as increased public spending.

As a percentage of GDP, GFCF is estimated to have slowed down by 4.0 percentage points to 21.9 percent in 2011. Final consumption by private and general Government, as a percentage of GDP, is also estimated to have slowed by 2.6 percentage points and 1.2 percentage points in 2011, to 59.3 percent and 21.6 percent, respectively. However, slight improvements in these ratios are expected in both private consumption and general Government in 2012.

In real terms, the aggregate GDE rose by 1.9 percent to N$66.2 billion in 2010 and is estimated to have increased by 7.0 percent in 2011, supported by both GFCF and total final consumption expenditure (Chart C.27). In 2011, real GFCF and total final consumption expenditure are estimated to have increased by 8.5 percent and 5.6 percent, respectively.

### Chart C.27: Components of real GDE




Source: Central Bureau of Statistics for 2007-2010, Bank of Namibia for 2011 estimates

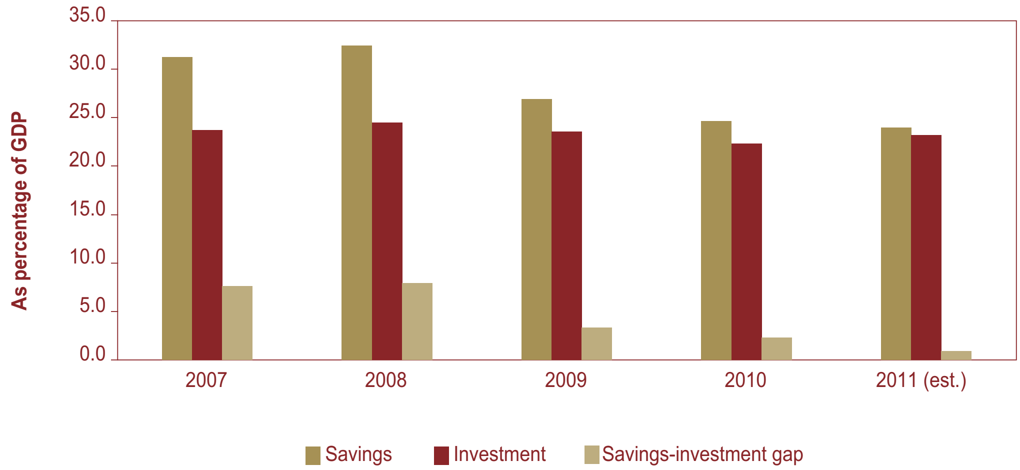
## SAVINGS AND INVESTMENT BALANCE



Namibia has always experienced a position of excess savings over investment, reflected by consistent surpluses on its external current account. After contracting by 13.8 percent and 1.6 percent in 2009 and 2010, respectively, Namibia's gross domestic savings position is estimated to have increased by 6.1 percent to N$21.3 billion in 2011 (Chart C.28). Similarly, investment is estimated to have increased by 12.6 percent to N$20.5 billion in 2011 and is projected to increase further in 2012, mainly due to an envisaged increase in public investment, as well as investment in the mining sector.

As a ratio of GDP, savings are estimated at the level of 24.0 percent in 2011 and are expected to improve slightly in 2012.

### Chart C.28: Savings-investment gap

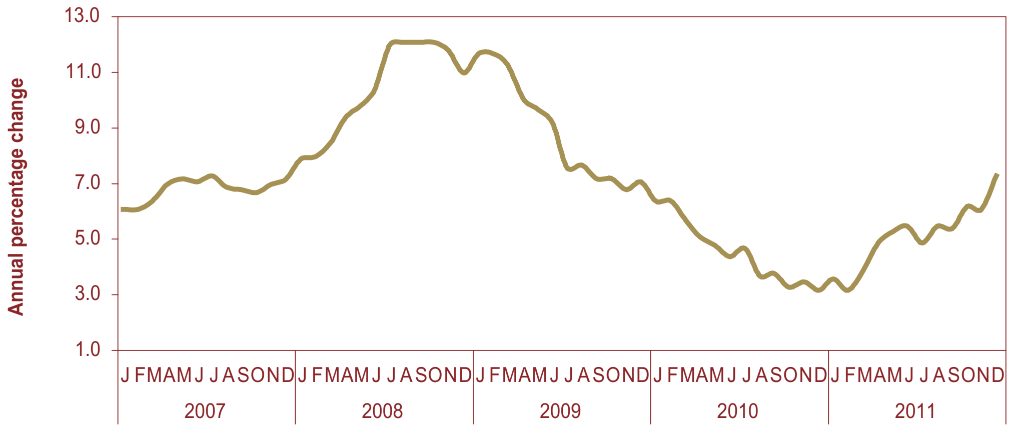



Source: Central Bureau of Statistics for 2007-2010, Bank of Namibia for 2011 estimates

# PRICE DEVELOPMENTS

Namibia's **annual inflation** for all items displayed an upward trend during 2011 from 3.5 percent in January to 7.2 percent in December (Chart C.29). The acceleration in overall inflation during the year was underpinned by rising inflation rates for *food and non-alcoholic beverages; transport; and housing, water, electricity, gas and other fuels*. Higher inflation rates for food and transport were largely influenced by developments in the global markets, while rental payments for dwelling was the largest contributor to the rise in inflation for the *housing, water, electricity, gas and other fuels* category. The overall inflation rate averaged 5.0 percent during 2011, compared to the 4.5 percent of the previous year. Nevertheless, the average inflation for 2011 is still below the equivalent rates experienced during 2008 and 2009, when annual inflation averaged 10.3 percent and 8.8 percent, respectively.

**Chart C.29: Overall inflation**



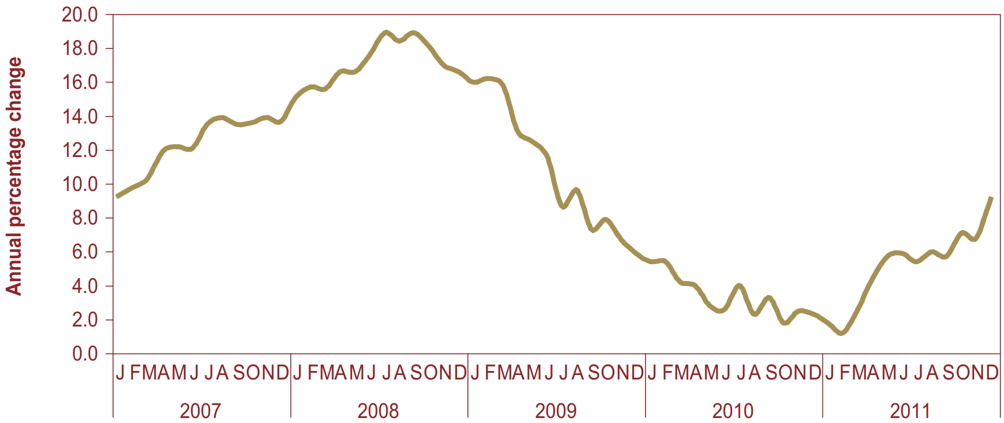

Source: Central Bureau of Statistics

## INFLATION FOR FOOD AND NON-ALCOHOLIC BEVERAGES

Annual inflation for **food and non-alcoholic beverages** rose to an average of 5.0 percent in 2011 from the corresponding average of 3.3 percent in the previous year (Chart C.30). Inflation for this category displayed a strong upward trend throughout 2011, starting at 1.7 percent in January and ending at 9.0 percent in December. Namibia is a net importer of food items, and food constitutes the largest weight in the country's inflation basket. In this regard, Namibia's inflation is largely affected by conditions prevailing on international markets for food commodities. According to the International Monetary Fund (IMF), global inflation for food averaged 20.9[13] percent in 2011 compared to 11.6 percent in 2010. Food commodities, such as maize and wheat, led the surge in global inflation after recording annual inflation rates in 2011 of 63.0 percent and 48.7 percent, respectively. The corresponding inflation rates in 2010 for these commodities were 12.9 percent and 2.5 percent, respectively. On the local front, annual inflation rates for food accelerated during the first half of 2011, mainly due to tight supply conditions in international markets, which resulted in the imposition of grain export bans by major exporters from late 2010.

[13] This figure is computed as an average of month-on-month annual inflation rates, the same way national inflation rates are computed. The same method is applied for other rates as well.

## Chart C.30: Inflation for food and non-alcoholic beverages




Source: Central Bureau of Statistics

Higher annual inflation for the *food and non-alcoholic beverages* category experienced during 2011 was reflected in inflation rates for its sub-categories of *meat*; *bread and cereals; sugar, jam, honey*, *syrups*, *chocolate and confectionary*, *and oils and fats* (Table C.4). All these sub-categories recorded substantially higher inflation rates during 2011 than in the previous year. The *sugar, jam, honey syrups, chocolate & confectionary* sub-category displayed stable annual inflation rates during the first quarter of 2011 following a VAT-zero rating that came into effect during May 2010. However, annual inflation rates for this sub-category rose significantly during the remainder of the year 2011.

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## Table C.4: Food and non-alcoholic beverages

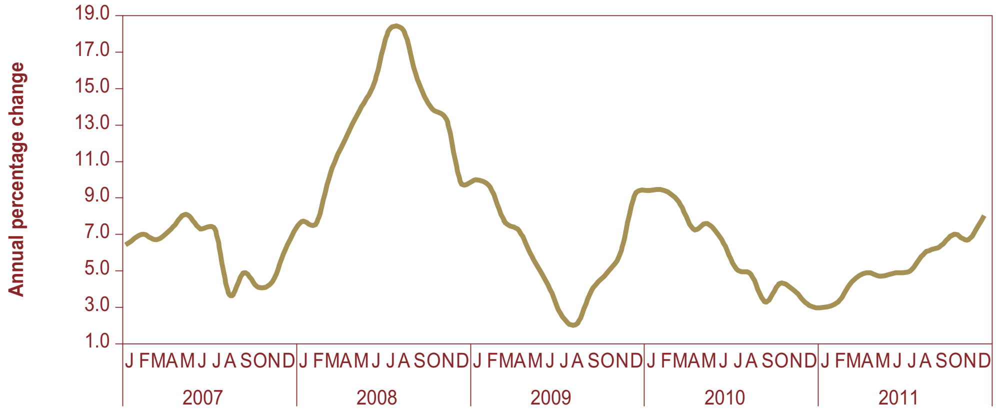
| | Weight | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Food and Non-alcoholic Beverages** | **29.6** | **12.2** | **17.0** | **10.8** | **3.3** | **5.0** |
| **Food** | **27.1** | **12.8** | **17.4** | **10.5** | **3.2** | **5.1** |
| Bread and cereals | 8.7 | 10.9 | 20.1 | 7.7 | 2.4 | 5.8 |
| Meat | 7.6 | 14.3 | 13.6 | 9.1 | 2.2 | 8.2 |
| Fish | 0.9 | 16.7 | 14.4 | 11.7 | 2.5 | 1.3 |
| Milk, cheese & eggs | 3.3 | 16.8 | 23.5 | 8.9 | 2.3 | 1.0 |
| Oils and fats | 1.0 | 12.6 | 29.3 | 2.5 | -2.1 | 5.9 |
| Fruit | 1.1 | 16.6 | 19.4 | 16.4 | 5.7 | 0.3 |
| Vegetables | 2.9 | 18.1 | 18.3 | 17.5 | 5.3 | 3.2 |
| Sugar, jam, honey syrups etc. | 1.8 | 7.6 | 12.8 | 10.9 | 2.7 | 7.7 |
| Food products | 0.7 | 4.2 | 13.1 | 13.5 | 6.2 | 5.1 |
| **Non-alcoholic beverages** | **2.5** | **5.0** | **12.0** | **15.8** | **5.1** | **4.1** |
| Coffee, tea, and cocoa | 0.7 | 4.3 | 13.1 | 22.9 | 3.2 | 4.0 |
| Mineral waters, soft drinks & juices | 1.8 | 5.4 | 11.3 | 12.0 | 5.3 | 4.0 |

Source: Central Bureau of Statistics

## TRANSPORT INFLATION

The annual average inflation for **transport** subsided to 5.2 percent in 2011 from 6.0 percent in the previous year (Chart C.31). Transport inflation, however, displayed an increasing trend throughout 2011, having started at 2.9 percent in January and closing at 7.8 percent in December.

### Chart C.31: Transport inflation




Source: Central Bureau of Statistics



The slowdown in transport inflation in 2011 was explained by lower inflation rates for the *purchases of vehicles and public transportation services* sub-categories (Table C.5). Lower inflation rates for the purchases of vehicles reflect smaller price increases for new vehicles during 2011, relative to similar price increases in the previous year. This could be attributed to increased price competition among vehicle dealers and manufacturers.

Conversely, an upward trend in transport inflation during 2011 was in line with rising inflation for the *operation of personal transport equipment* sub-category. This sub-category, which includes petrol and diesel as major items, experienced rising inflation rates from 8.7 percent in the first quarter to 21.3 percent in the final quarter of the year.

### Table C.5: Transport inflation

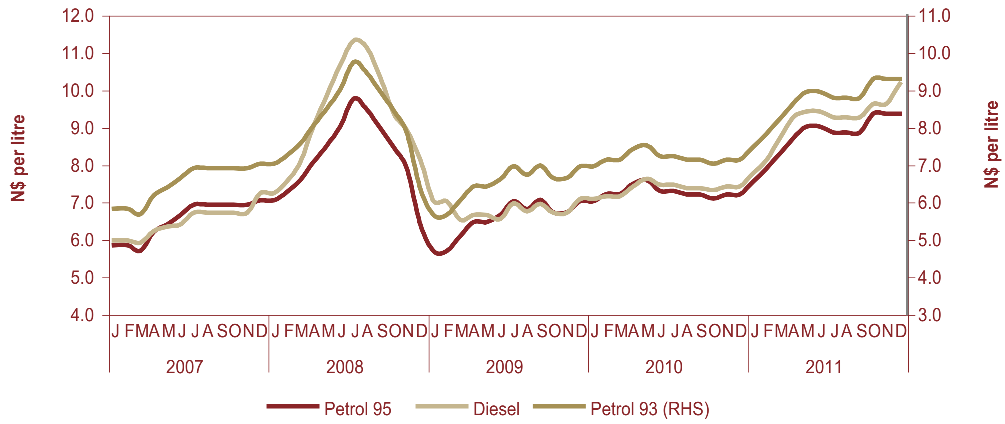
| | Weight | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Transport** | **14.8** | **6.0** | **12.9** | **6.0** | **6.0** | **5.2** |
| Purchases of vehicles | 10.2 | 3.8 | 8.0 | 14.1 | 5.1 | 2.0 |
| Operation of personal transport equipment | 3.4 | 10.4 | 24.3 | -11.4 | 9.2 | 15.4 |
| Public transportation services | 1.3 | 8.5 | 13.4 | 6.0 | 5.5 | 2.9 |

Source: Central Bureau of Statistics

Domestic pump prices for the three controlled products, i.e. petrol 93, petrol 95 and diesel, were increased by 32.5 percent on average in 2011 compared to an average increase of just 3.2 percent in the previous year (Chart C.32). These prices are taken at Walvis Bay where fuel imports are landed, while equivalent prices prevailing in other towns include inland transport costs. The rise in and volatility of crude oil prices on international markets, as well as the weakening of the Namibia Dollar during the year, made fuel imports expensive, and hence necessitated frequent upward adjustments in domestic pump prices.

Pump prices were increased for the greater part of 2011, except in June and November when there were no price adjustments, and in July when the only fuel price reduction for the year was implemented. Crude oil prices rose by an average of 31.9 percent in 2011, slightly lower than the 33.4 percent rise in 2010. However, the volatility of crude oil prices was more pronounced in 2011, especially during the first quarter, following the intensification of the political uprising in North Africa. Furthermore, the Namibia Dollar lost about 20.0 percent of its value against the US Dollar during the year under review. Other developments that also contributed to higher pump prices during the year 2011 include an increment in trading margins[14], road-user charge, and Motor Vehicle Accident Fund levy. At the end of December 2011, pump prices at Walvis Bay stood at N$9.27 per litre for petrol 93, N$9.34 per litre for petrol 95, and N$10.14 per litre for diesel.

**Chart C.32: Coastal pump prices**




Source: Ministry of Mines and Energy

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

Annual inflation for **housing, water, electricity, gas and other fuels** averaged 9.8 percent in 2011, which is 4.0 percentage points above the equivalent rate for the previous year. The acceleration in inflation for this category came mainly from the *rental payments for dwelling* sub-category, the annual inflation of which rose by 8.2 percentage points from the 2010 level to 12.0 percent in 2011 (Table C.6). The *rental payments for dwelling* sub-category represents the largest single item in the Namibia Consumer Price Index (NCPI), with a basket weight of 15.3 percent. In addition, the *water supply, sewerage service and refuse collection* sub-category also contributed significantly to the overall inflation for this category during the year under review. In this regard, the City of Windhoek agreed on tariff increases for this sub-category, which are to average about 10.0 percent during its financial year, which started from 1 July 2011.

**Table C.6: Housing, water, electricity, gas and other fuels**

| | Weight | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Housing, water, Electricity, Gas and other fuels** | **20.6** | **3.4** | **4.0** | **7.8** | **5.8** | **9.8** |
| Rental payments for dwelling | 15.3 | 2.1 | 1.1 | 5.4 | 3.8 | 12.0 |
| Regular maintenance and repair of dwelling | 0.2 | 8.4 | 28.9 | 27.5 | 1.8 | -0.4 |
| Water supply, sewerage service etc. | 2.0 | 6.7 | 7.3 | 6.2 | 5.3 | 7.6 |
| Electricity gas and other fuels | 3.1 | 5.2 | 8.1 | 11.5 | 10.3 | 8.0 |

Source: Central Bureau of Statistics

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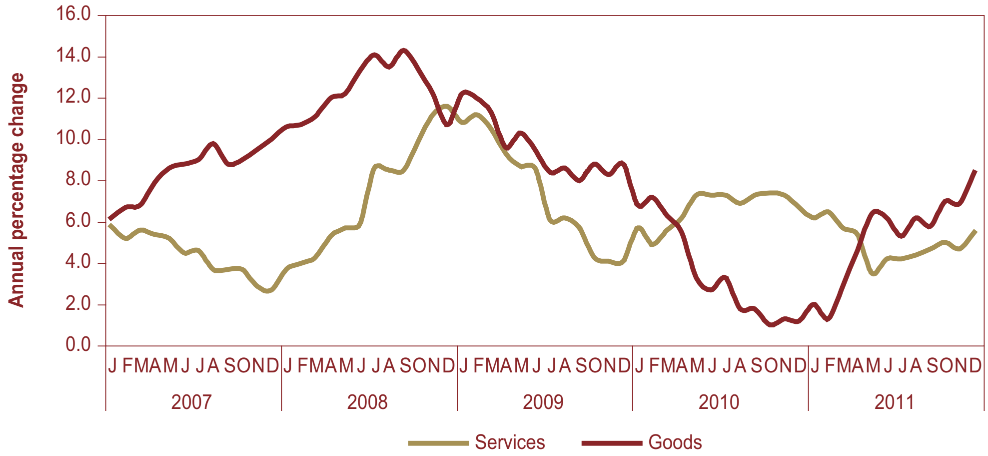
[14] Trading margins include industry margins, which are the unit profits (per litre) for oil companies, and dealers' margins, which are the unit profits for fuel stations.




## GOODS AND SERVICES INFLATION

The average annual inflation for **goods** rose to 5.2 percent in 2011 from 3.4 percent in the previous year. Inflation for this group maintained an upward movement during the year under review, largely mimicking the trend in inflation for *food and non-alcoholic beverages*, which is also a goods item. Conversely, annual inflation for **services** trended downwards in 2011 from 6.1 percent in January to 5.4 percent in December, although that trend switched towards the end of the year. The downward trend in services inflation mirrored the movements in inflation rates for the *hotels, cafes & restaurants* and *public transportation services* sub-categories. Chart C.33 shows that services inflation was more stable during the year under review compared to that of goods. Overall, annual inflation for services averaged 4.9 percent in 2011 compared to 6.6 percent in the previous year.

### Chart C.33: Goods and services inflation

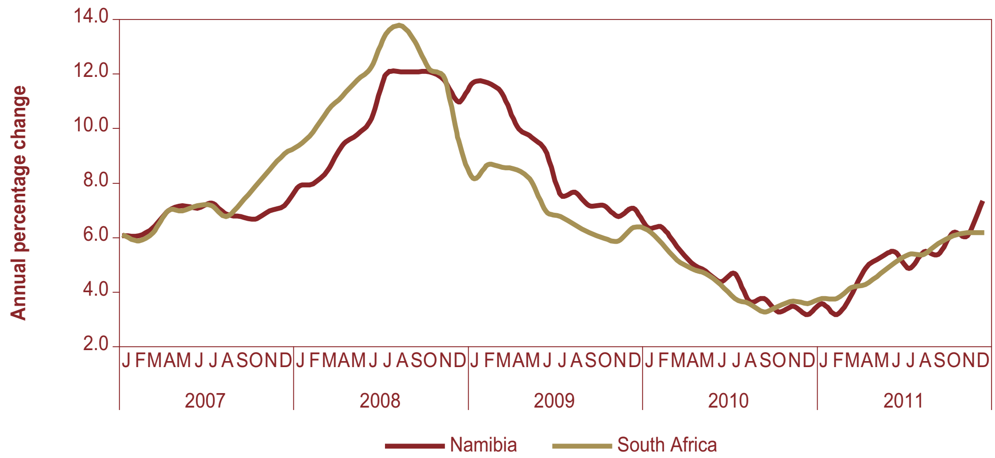



Source: Central Bureau of Statistics

# NAMIBIA'S INFLATION VERSUS THAT OF SOUTH AFRICA

Namibia's inflation continued to move closely together with that of South Africa in 2011, as was the case in the previous year. The two economies experienced similar inflation rates in 2011, indicating a high degree of inflation pass-through from South Africa to Namibia via trade links (Chart C.34). Although inflation differentials between the two rates varied between 0.1 and 0.6 percentage points from one month to the next, that gap tended to narrow over time, as Namibia appears to import inflation from South Africa with a time lag. Inflation was largely driven by the same set of factors in both economies during the year under review, i.e. rising international prices for food and crude oil.

**Chart C.34: Namibia's inflation versus that of South Africa**




Source: CBS and STATSSA

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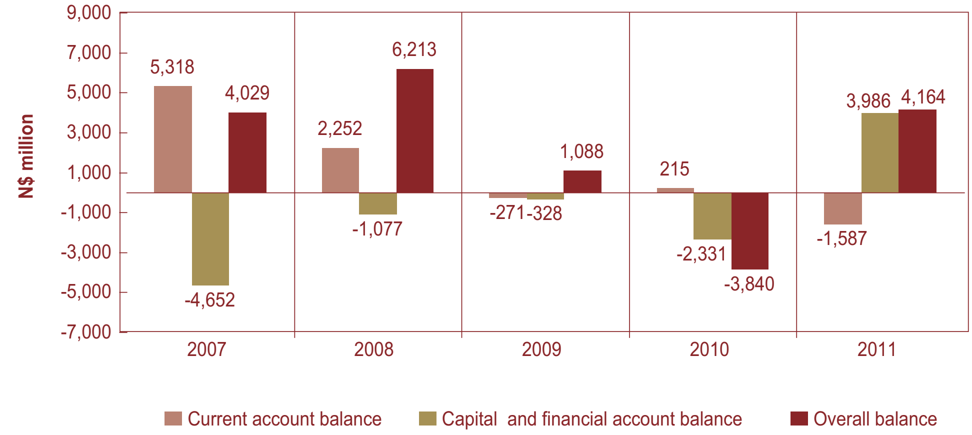
# FOREIGN TRADE AND PAYMENTS[15]

The overall balance of payments (BOP) recorded a noticeable surplus during 2011. This was a turnaround from the significant deficit during the previous year. In this regard, the country's external balance recorded a surplus of N$4.2 billion in 2011 compared to a deficit of N$3.8 billion in the previous year (Chart C.35). The improvement in the BOP was largely attributed to a huge surplus in the capital and financial account from a deficit during the previous year. Furthermore, Namibia's International Investment Position (IIP) remained relatively stable in 2011. In this regard, the net surplus was higher than in the previous year, increasing to N$30.3 billion from a level of N$23.7 billion at the end of 2010. This was a result of increased reserve assets, following the issuance of the Euro bond, coupled with improvement in other investment assets. Developments with regard to the foreign exchange market in 2011 indicated that, on average, the Namibia Dollar appreciated against the US Dollar, while it depreciated against the British Pound and Euro[16].

**Chart C.35: Balance of payments, major accounts**




Source: Central Bureau of Statistics

## CURRENT ACCOUNT

Contrary to the previous year, the current account recorded a significant deficit of N$1.6 billion in 2011 from a surplus of N$215 million a year ago. As a percentage of GDP, this deficit represents 1.8 percent, while the surplus recorded in 2010 constituted 0.3 percent of GDP. The realisation of the current account deficit was mainly attributed to the deterioration in the merchandise trade, caused largely by higher imports relative to exports. This was partly supported by constantly high investment income payments, mostly in the form of direct investment. Exports, however increased during this period and higher net inflows in services were also recorded, albeit not enough to counteract the above developments.

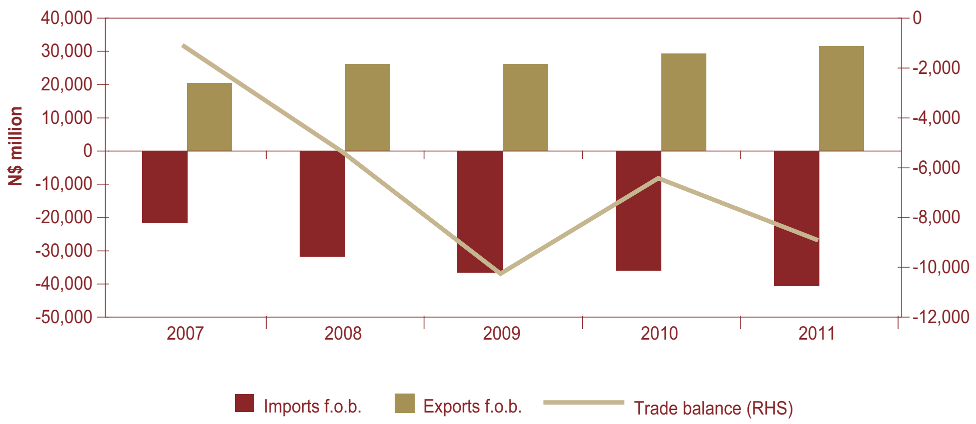
[15] Data for both 2010 and 2011 are provisional

[16] The exchange rate used for BOP transactions and referred to in the exchange rate development section are direct average rates for the year for the respective currencies, while the exchange rates used for the IIP, external debt and public finance sections are as at the end of period rates.

## MERCHANDISE TRADE BALANCE

During 2011, the overall depreciation of the local currency contributed to a rise in export earnings relative to the previous year. In this regard, exports increased by 7.9 percent to N$31.7 billion. Likewise, import payments rose, but at a faster rate of 13.3 percent to N$40.7 billion due to increased imported consumer and capital goods. The increased imports was partially due to risings domestic demand arising from expansionary fiscal stance and eased monetary conditions in the local economy. Consequently, the deficit on the trade balance rose remarkably by 37.9 percent to N$9.0 billion (Chart C.36).

### Chart C.36: Merchandise trade




Source: Central Bureau of Statistics

## EXPORTS

As cited above, during 2011 Namibia's export earnings rose when compared to the previous year and were mainly driven by *non-mineral products*, supported by the depreciation of the local currency against that of major trading partners. The overriding positive force arose mainly from the categories *other commodities, manufactured products, and food and live animals. Diamond* exports also contributed to the increased export earnings, suggesting a steady improvement in prices alongside the weaker Namibia Dollar. Poor performance was, however, experienced in *other minerals* export receipts, mainly due to heavy rainfall, technical constraints experienced at some mines, industrial strikes, market sentiments and the slow pace of recovery of the global market. As a result, the overall contribution of mineral export earnings to total exports decreased by 2.6 percentage points in 2011 from 44.0 percent in the previous year. However, mineral exports still remain the highest contributor to the total export earnings, followed by other commodities and manufacturing products that represented 23.5 percent and 22.4 percent respectively, while food and live animals accounted for 12.6 percent (Table C.7).

### Table C.7: Major export receipts (percentage of total exports)

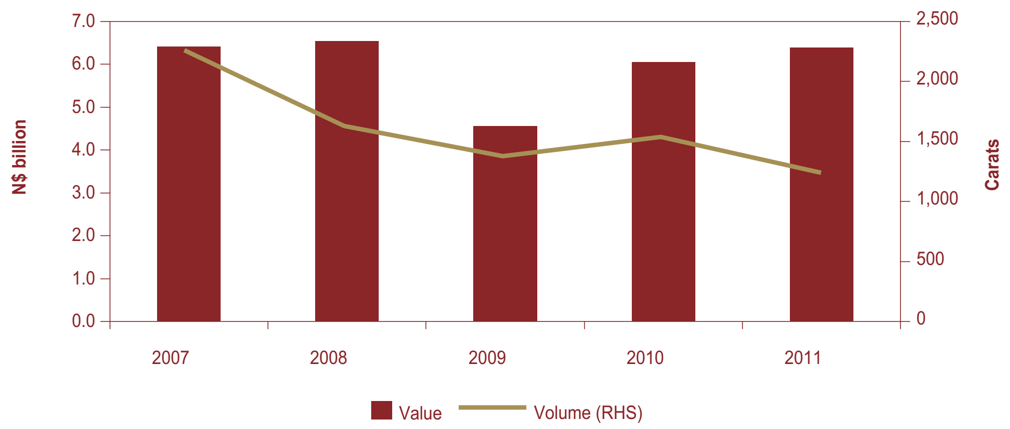
| Export receipts | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Minerals | 58.8 | 54.3 | 40.7 | 44.0 | 41.4 |
| Diamonds | 31.2 | 24.8 | 17.3 | 20.6 | 20.2 |
| Uranium | 19.1 | 19.6 | 17.8 | 17.2 | 15.7 |
| Other minerals | 8.5 | 9.8 | 5.6 | 6.2 | 5.5 |
| Food and live animals | 9.7 | 11.4 | 12.0 | 12.3 | 12.6 |
| Manufactured products | 30.5 | 27.1 | 23.7 | 22.2 | 22.4 |
| Other commodities | 1.0 | 7.2 | 23.6 | 21.4 | 23.5 |

# MINERAL EXPORTS

## DIAMONDS

Despite inhibiting factors, such as the local industrial strikes, traditional summer breaks and liquidity challenges locally and from some key diamond-trading markets, the overall prices of **diamonds** remained relatively attractive during the year under review. The underlying demand from China and India continues to drive growth in the diamond industry. To that effect, diamond export earnings increased by 5.6 percent to N$6.4 billion, year-on-year, during 2011 (Chart C.37).

**Chart C.37: Diamond exports**

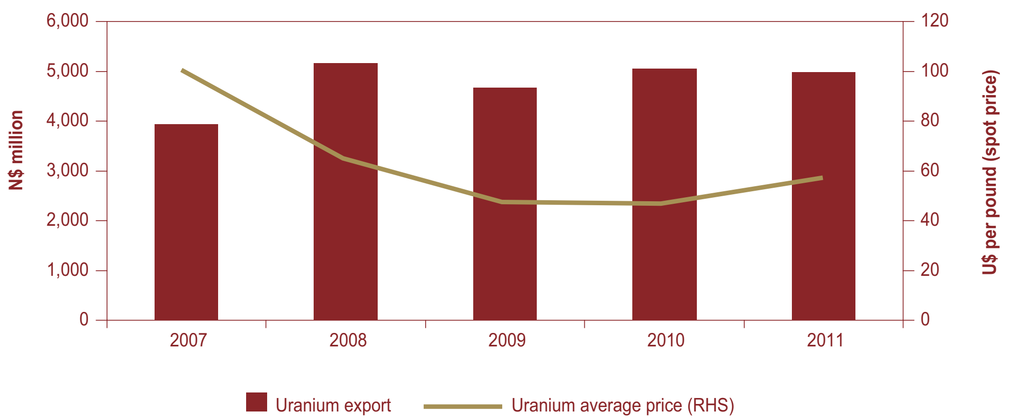



Source: Ministry of Mines and Energy

## URANIUM

Namibia's **uranium** export performance was weak during 2011 compared to 2010. The decline was mainly attributed to the lower volume produced, following industrial actions, heavy rainfall and technical problems experienced at one of the major mines. This, in turn, resulted in declined export earnings of 1.3 percent to N$5.0 billion during 2011, compared to the previous year (Chart C.38). However, the outlook for uranium export receipts remained positive in the medium term, as demand from China, India, the Russian Federation and the Republic of Korea was expected to more than offset lower consumption in Japan and Germany, following the closure of nuclear facilities in these countries. This sentiment was partly supported by the increase in the average uranium price of 22.4 percent to US$52.0 per pound during 2011.

**Chart C.38: Uranium – export earnings**

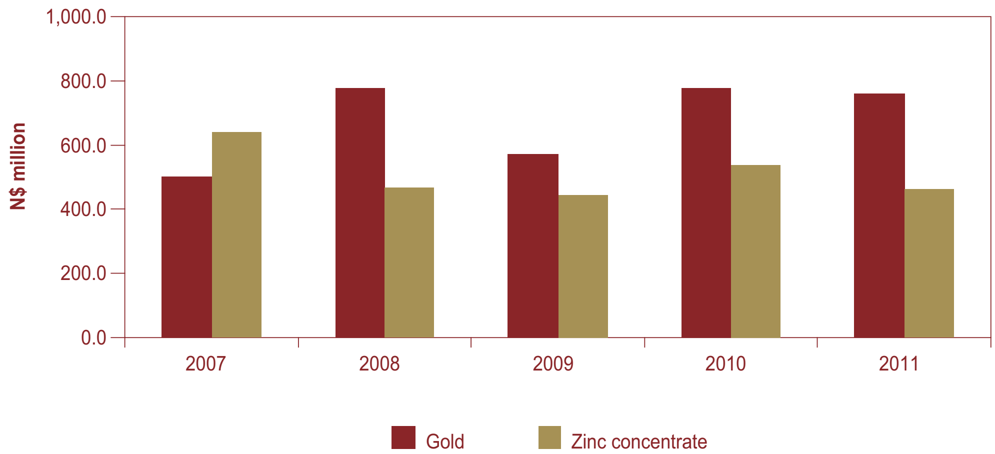



Source: Ministry of Mines and Energy

## OTHER MINERALS

*Other minerals* category – which comprise predominantly of unprocessed **zinc** and **gold** – experienced a marginal decline during the period under review. In this regard, the export earnings of N$16.7 billion were recorded for the *other minerals* category, representing a decline of 2.1 percent, year-on-year, during 2011 (Chart C.39). For most cases, the causes for the decline in the export earnings for these commodities were ascribed to "other" factors, such as changes in company-ownership structure and operational/technical factors, which in turn, resulted in decreased exported volumes. However, prices for most minerals surged, year-on-year, during 2011, reaffirming a steady recovery in the global demand for minerals during 2011. Going forward, it is nevertheless expected that the overall performance of minerals will be sluggish, in view of the growing uncertainty and volatility in the global economy.

**Chart C.39: Other minerals – export earnings***




Source: Ministry of Mines and Energy

*This category includes gold, silver, lead, zinc and other industrial minerals but the Chart is based on gold and zinc as they are the largest components in terms of weight.

## NON-MINERAL EXPORTS

## FOOD AND LIVE ANIMALS

Since 2007, the demand for **food and live animals** sourced from Namibia has risen and this trend continued in 2011. The earnings from these products, consisting mainly of *live animals*, *meat and meat preparations* and *fish, lobster and crab*, surged substantially by 10.3 percent to N$4.0 billion in 2011 (Chart C.40). This was partly due to an increased number of live animals exported to South Africa as a result of rising demand in that country. The depreciation of the local currency, which caused Namibian exports (especially to the EU) to be relatively more competitive, coupled with the diversification of fish products to other non-traditional markets, also contributed to the rise in earnings for this category.

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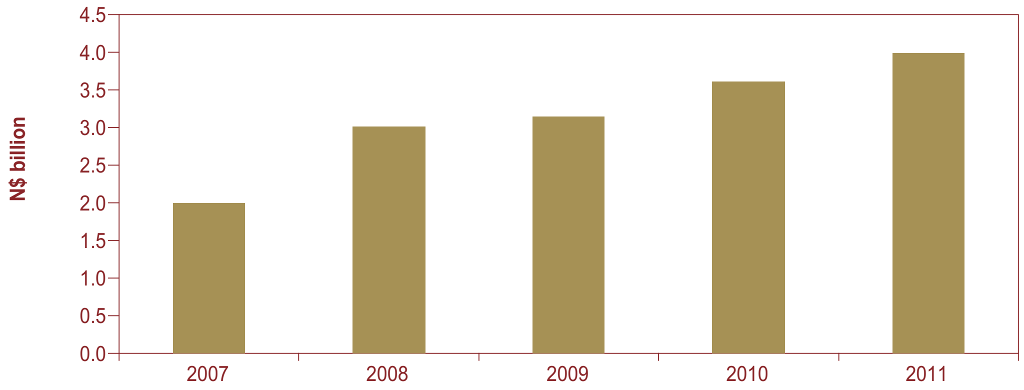
## Chart C.40: Food and live animals – export value




Source: Meat Board of Namibia

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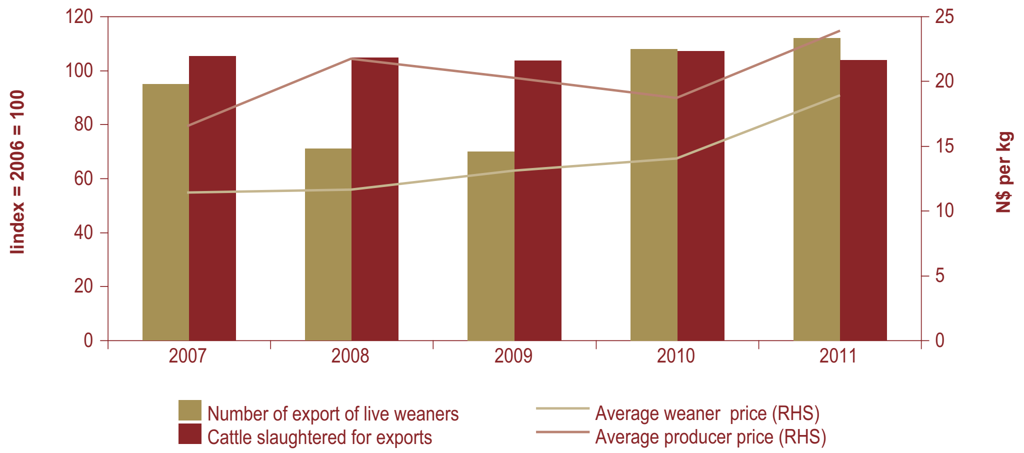
During 2011, export receipts in the sub-category *meat and meat preparations* increased substantially by 29.1 percent to N$1.4 billion. Similarly, the export earnings of live animals, predominantly live weaners, rose markedly by 14.3 percent to N$1.3 billion in 2011, when compared to 2010 (Chart C.41). In this regard, the average beef producer price increased substantially, year-on-year, by 27.8 percent from N$18.62 per kilogram in the previous year (Chart C.41). Year-on-year, the price for weaners also rose by 34.4 percent to N$18.80 per kilogram over the same period. A complementary force emerged from the sub-category *fish, lobster and crab* that recorded a rise of 5.8 percent to N$1.1 billion during 2011, when compared to the previous year. This was achieved, despite economic volatility experienced in the Euro Area, Namibia's traditional fish-market destination.

## Chart C.41: Cattle slaughtered and live weaners for export

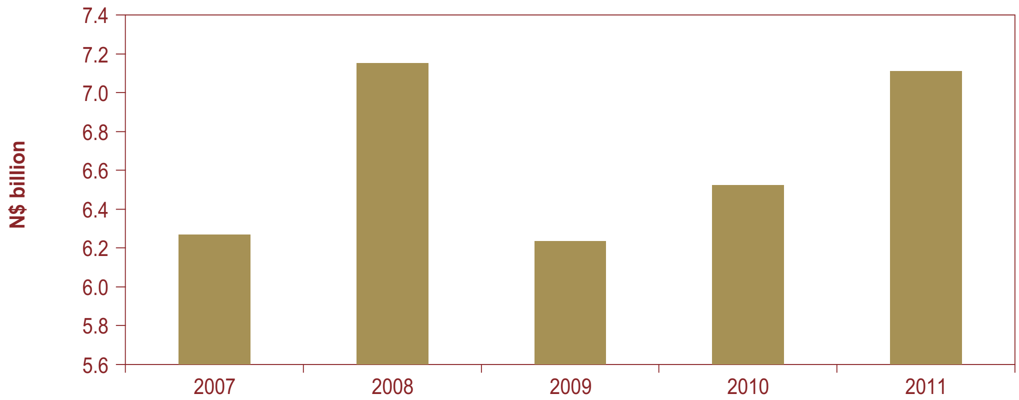



Source: Meat Board of Namibia

## MANUFACTURED PRODUCTS

**Manufactured products**, consisting of polished diamonds, processed fish, refined zinc, textiles and beverages, displayed an increase during 2011. In this regard, export receipts for manufactured products registered an increase of 9.0 percent to N$7.1 billion during the period under review (Chart C.42). The increase primarily from *beer* and *fish products*, which rose by 23.7 percent and 21.8 percent to N$1.4 billion and N$2.1 billion, respectively. The rise, particularly for *processed fish products,* was partly due to established complementary export markets in addition to those in the Euro Area. These were, however, counteracted mainly by declining export earnings of items such as *polished diamonds* and *soft drinks*.

**Chart C.42: Manufactured products – export value**




## IMPORTS

During 2011, the value of merchandise imports increased substantially by 13.3 percent to N$40.7 billion in comparison with 2010. This transpired, despite the depreciation of the local currency against major trading partners. Fuel remained the leading imported commodity in terms of value, followed by motor vehicles. In this respect, the values for fuel rose by 7.5 percent to N$3.3 billion and by 4.9 percent to N$2.7 billion for motor vehicles during 2011, compared to the previous year. The volume for motor vehicles also rose by 9.0 percent, while that of fuel declined marginally by 2.9 percent over the same period, reflecting a rise in prices. The high import bill was further attributed to the increased importation of machinery, helicopters and fishing vessels, while declines in the value of cement and fishing vessels, partly offset pressure on import payments.

## SERVICES TRADE BALANCE

Namibia's net services registered an increased inflow of N$1.6 billion in 2011 from N$1.4 billion in 2010 (Chart C.43). The net inflow arose largely from the ever-dominant *travel* sub-account, which is a mirror image of tourism activities. In this connection, *net travel services* rose by 4.9 percent to N$2.3 billion during 2011. The depreciation of the local currency against the Euro and the Pound, coupled with the lower base resulting from the 2010 FIFA World Cup and the Iceland volcanic ash eruption, contributed to the rise in 2011. However, net outflows of N$905 million and N$202 million on *transportation* and *insurance services* exerted downward pressure on the inflows over the same period, respectively.

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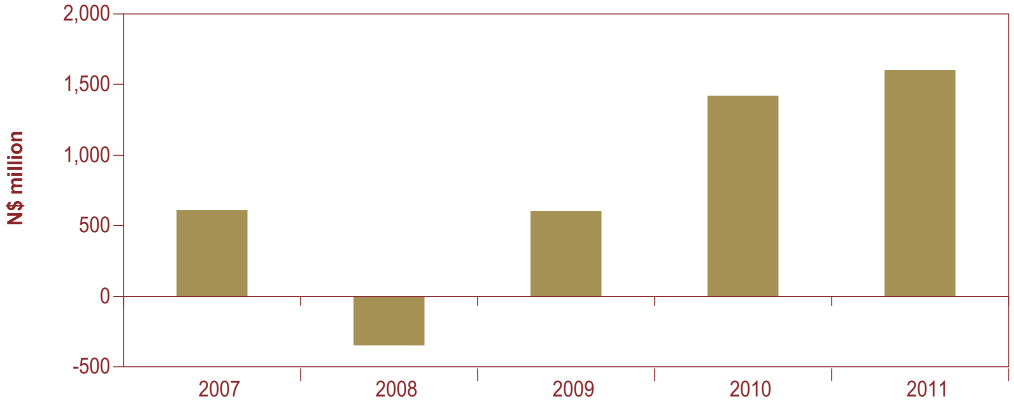
### Chart C.43: Net trade in services




## INVESTMENT INCOME

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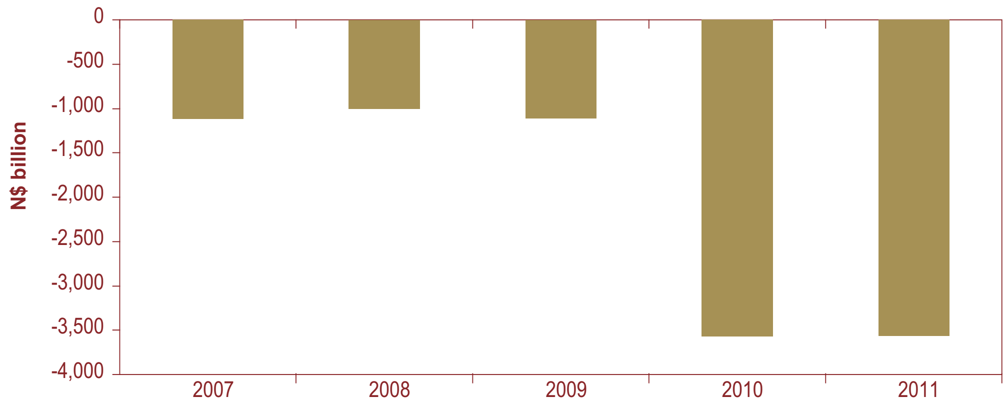
**Net investment income** remained largely unchanged, albeit high net outflows of N$3.6 billion was registered in 2011. This represented a rise of 0.3 percent when compared to the previous year (Chart C.44). The reduced outflow was a result of a slowdown in the usual payments for retained earnings, boosted by a substantial loss made by one of the local mining companies. An increased borrowing by resident entities from their parent companies further contributed to this development. In this connection, payments made to direct investors rose marginally by 3.8 percent to N$4.7 billion in 2011 when compared to 2010. In contrast, *net portfolio investment income* recorded a net inflow of N$1.2 billion during 2011 and partly reduced the outflows in the overall category.

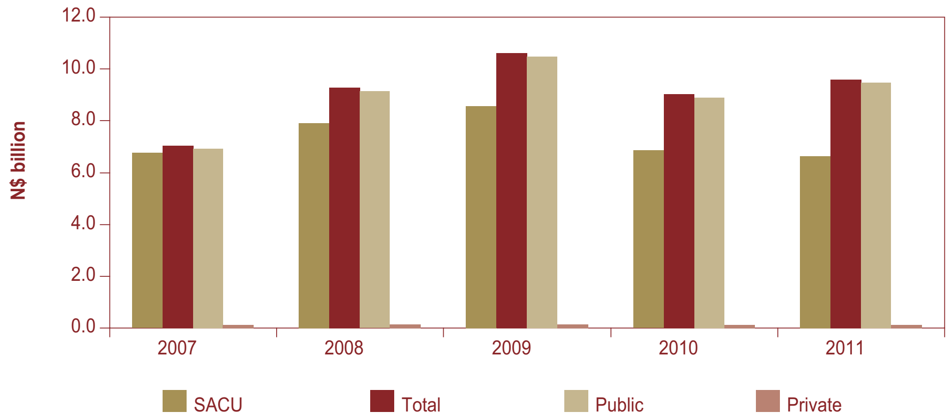
### Chart C.44: Net investment income



## CURRENT TRANSFERS

**Current transfers** rose by 6.3 percent to N$9.6 billion in 2011, despite the reduced *SACU receipts,* which is the major contributor to this category. *Development assistance* and *withholding taxes* rose and contributed to the overall rise in this category. During 2011, *SACU receipts* decreased slightly by 3.3 percent to N$6.6 billion, mainly due to the corresponding drop in trade from outside SACU's member countries since the advent of the global economic downturn. As a percentage of GDP, *current transfers* declined slightly from 11.1 percent in 2010 to 10.7 percent in 2011. Moreover, the share of *SACU transfer receipts* to the total *current transfers* dropped to 69.4 percent in 2011 from 76.1 percent in 2010 (Chart C.45).

### Chart C.45: Current account transfers

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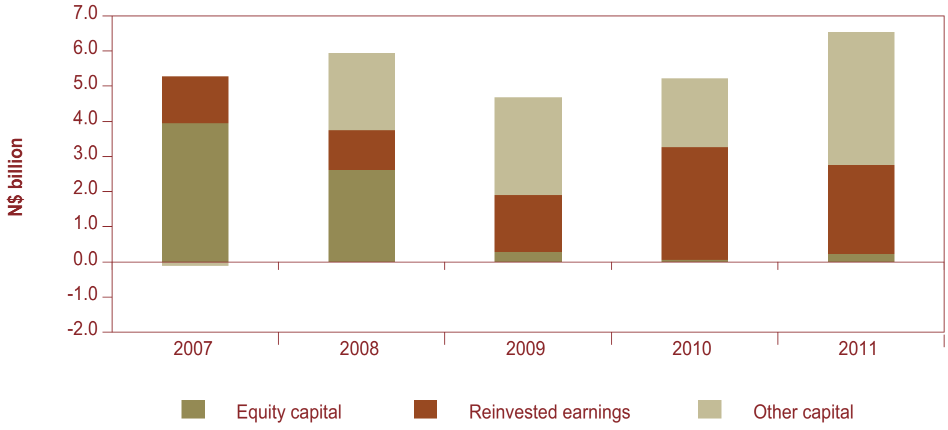
## CAPITAL AND FINANCIAL ACCOUNT

The **capital and financial account** recorded a surplus of N$4.0 billion in 2011, compared to a deficit of N$2.3 billion in the previous year (Chart C.35). The improvement arose mainly from significantly increased inflows of *direct investment* into Namibia, supported by *other investment – long term* and a remarkable reduction in the net outflows from *portfolio investment*, following the issuance of the Euro bond during the period under review. Outflows in *other investment – short term,* however, remained high mainly due to excess liquidity experience by the local commercial banks.

## FOREIGN DIRECT INVESTMENT (FDI)

**Foreign direct investment** into Namibia rose substantially by 25.3 percent to N$6.5 billion during 2011 when compared to 2010 (Chart C.46). The substantial increase was largely ascribed to the remarkable inflows in *other capital*, by N$1.8 billion to N$3.8 billion. This represented an increased borrowing by the local entities from their parent companies abroad during the year under review. *Reinvested earnings* also displayed substantial inflows, which amounted to N$ 2.5 billio*n. This, however,* represents a substantial decline of 20.8 percent, when compared to 2010 due to a loss incurred by one of the local mining entities.

### Chart C.46: Foreign Direct Investment (FDI)

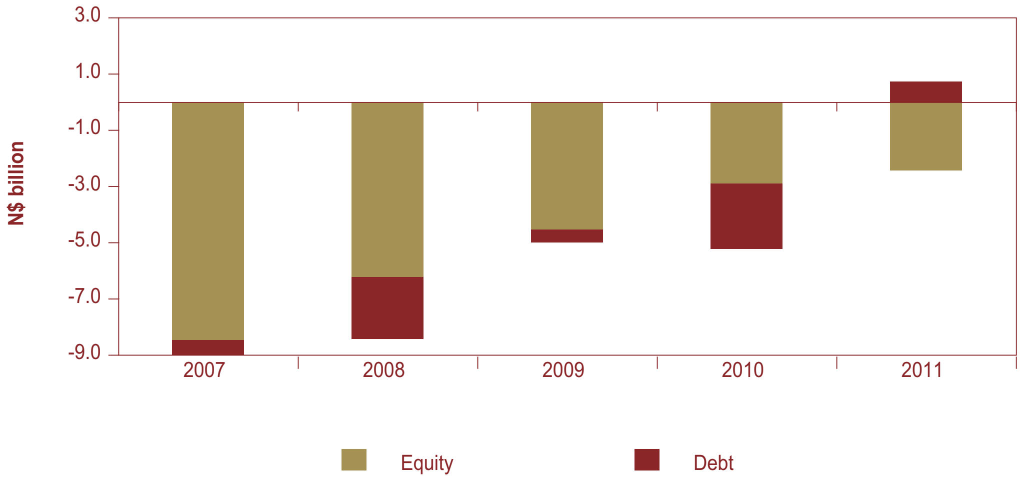



## PORTFOLIO INVESTMENTS



**Portfolio investment** outflows reduced remarkably during 2011 when compared to the previous year. To this effect, the capital outflow on portfolio investment stood at N$1.7 billion in 2011, less than the N$5.2 billion invested abroad during 2010 (Chart C.47). The decline in these outflows was mainly reflected in Namibia's increased liability in the form of debt securities, which rose sharply in 2011 to N$3.9 billion from only N$10 million in the previous year. This reflected capital inflows from the issuance of the Euro bond. Moreover, investment in equity instruments slowed over the same period and further reduced the overall outflows.

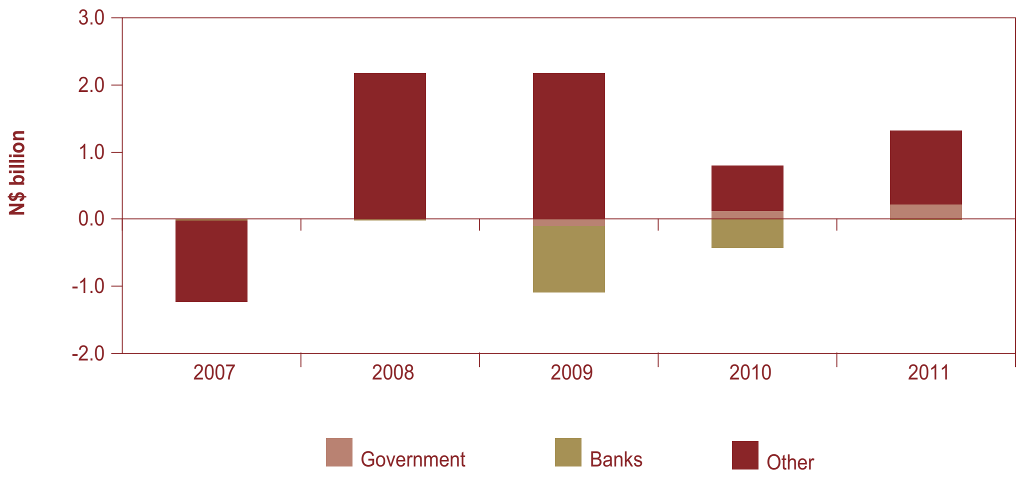
### Chart C.47: Portfolio investments



## OTHER INVESTMENTS

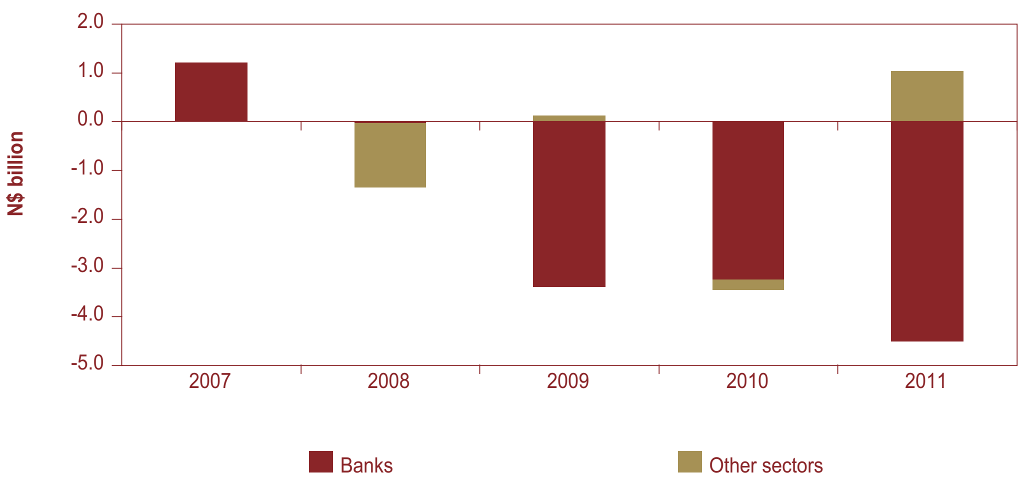
During 2011, *other investment – long term*, mainly consisting of loans extended between unrelated enterprises with repayment periods of longer than a year, recorded net inflows of N$1.2 billion. This was an improvement over lower inflows of only N$336 million in 2010 (Chart C.48). The rise came mainly from increased borrowing by local private entities (other sectors) from abroad during the period under review.

### Chart C.48: Other investment – long term




*The outflows on other investment – short term,* consisting of loan contracts maturing within a year, rose slightly on an annual basis in 2011. In this regard, capital outflows in this category increased by a meagre 0.5 percent to N$3.5 billion in 2011 in relation to 2010 (Chart C.49). The main source for the rise in outflows were the local *banks* that increased their foreign assets to N$4.5 billion during the period under review from N$3.6 billion in 2010. On the other hand, private sector decreased their assets with foreign entities over the same period to N$1.6 million from N$301 million in 2010, and weighed down on the overall outflows, as income earnings remained low in the global market.

### Chart C.49: Other investment – short term

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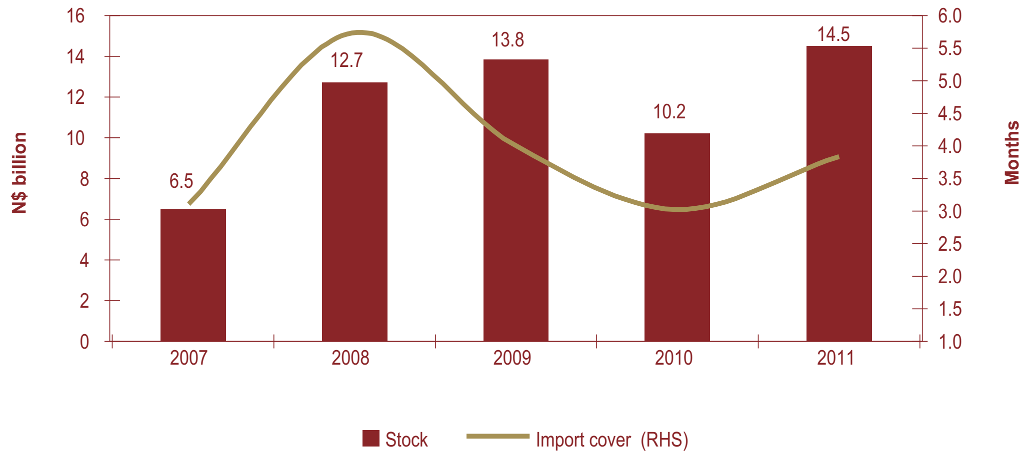
## INTERNATIONAL RESERVES

Despite the decline in the SACU receipts, the *stock of international reserves* held by the Bank recorded a substantial increase of 42.5 percent to N$14.5 billion at the end of 2011, compared to the level of the previous year (Chart C.50). The increase was mostly ascribed to the net capital inflows following the issuance of the Eurobond, as referred to above. The increased *international reserves* in 2011 gave rise to an import cover of 3.8 months, which is higher than the 3 months for 2010. This constitutes a positive development, as 3.8 months of imports exceeds the international requirement of 3 months.

### Chart C.50: Stock of international reserves

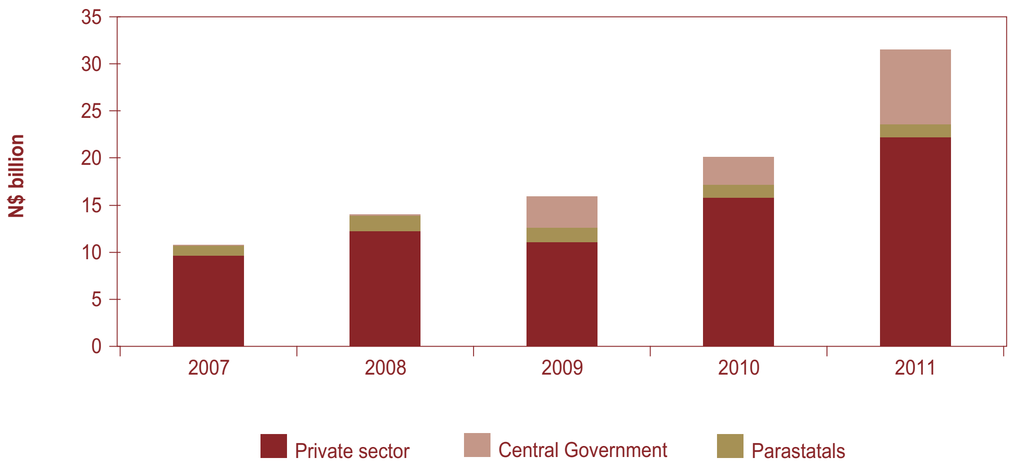



## EXTERNAL DEBT[17]

The **external debt** outstanding for Namibia increased remarkably to N$31.5 billion in 2011, an increase of 56.6 percent from the stock level at the end of 2010. Overall, the issuance of the Eurobond together with the depreciation of the local currency against major foreign currencies led to the increase in external debt. On a unilateral basis, private sector debt, which constitutes the largest portion, rose to N$22.2 billion in 2011, a significant increase of 41.1 percent compared to the stock level at the end of 2010. Increased borrowing requirements by corporations were one of the reasons for this rise. Central Government debt more than doubled and rose to N$7.9 billion due to its expansionary fiscal policy to support real activity in the face of global and regional slowdown. However, debt for parastatals decreased marginally by 0.9 percent to N$1.4 billion over the same period (Chart C.51).

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

## Chart C.51: External debt outstanding




At the end of 2011, Namibia's external debt service also more than doubled, rising to N$3.7 billion in 2011 from N$1.6 billion in the previous year. The weaker stance of the Namibia Dollar was the main contributing factor to this increase, coupled with the private sector making substantial repayments on its loan obligations. These loan repayments rose to N$3.5 billion in 2011 from N$1.3 billion in 2010. However, *Central Government* decreased its loan repayments by 33.5 percent to N$203 million (Chart C.52).

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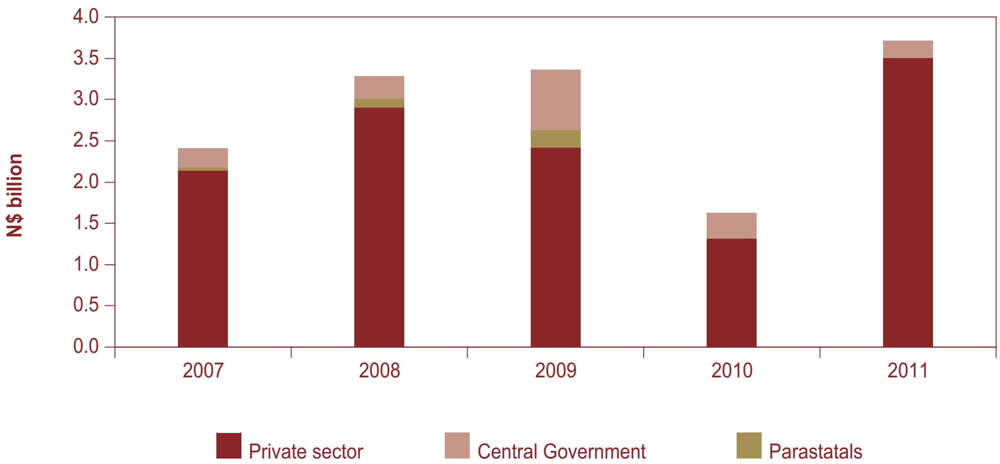
## Chart C.52: External debt servicing

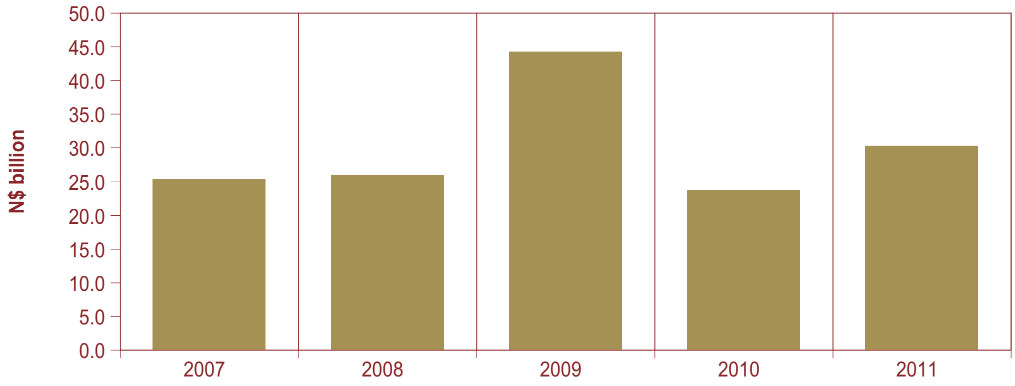



In 2011, the ratio of debt servicing to exports was 11.7 percent when compared to a much lower ratio of 5.5 percent at the end of 2010. The rise in the ratio was due to higher external debt servicing. This ratio was, however, below the international benchmark of 15-25 percent, an indication that the country still meets its debt-service obligations and, as such, has a low risk of default.

# INTERNATIONAL INVESTMENT POSITION

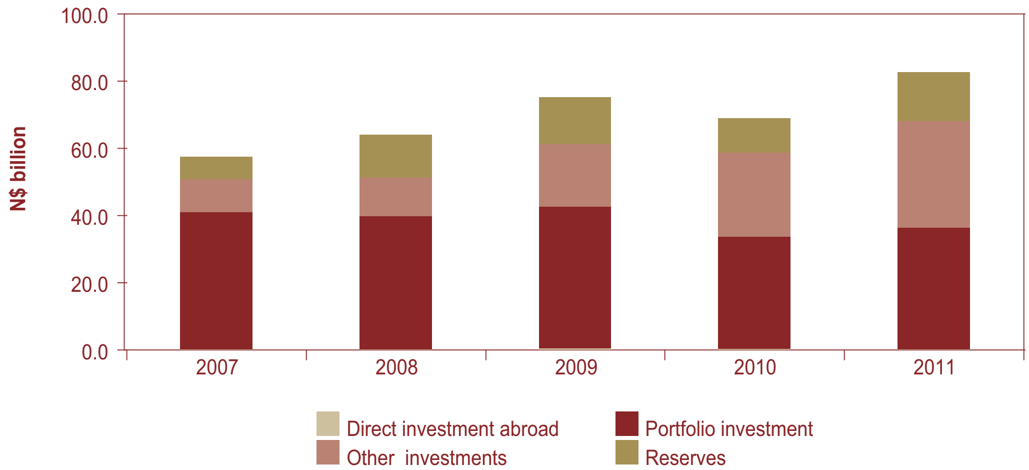
Although the year 2011 was characterised by renewed global challenges in most of the advanced economies as well as the political unrest in the MENA, the net asset position of Namibia strengthened significantly in 2011, registering an increase of 28.0 percent to N$30.3 billion (Chart C.53). Owing to this rise, were predominantly the higher international reserves, coupled with an increase in *other investment* assets. As a result of these developments, Namibia's foreign asset position improved when compared to 2010.

### Chart C.53: Net international investment position



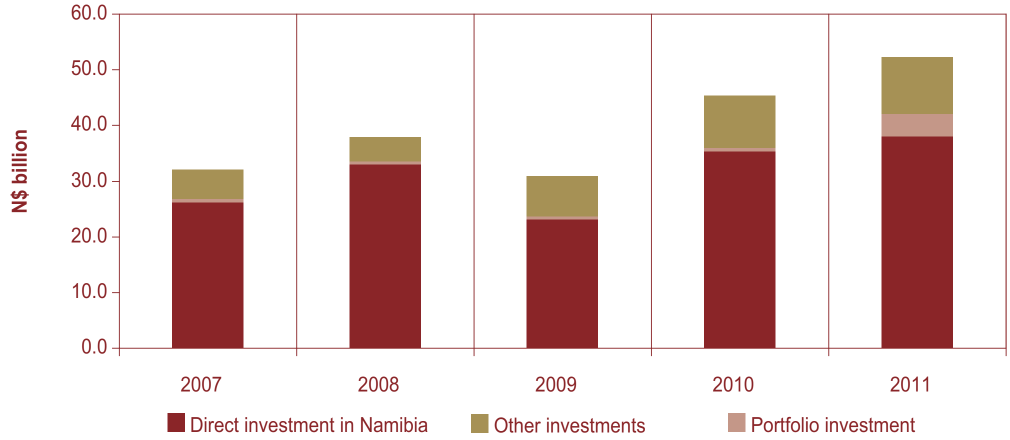

Namibia's foreign assets rose to N$82.6 billion at the end of 2011 from N$69.0 billion at the end of the previous year (Chart C.54). The key contributing components were *international reserves* and *other investments,* which rose by 42.1 percent to N$14.5 billion and 26.6 percent to N$31.6 billion at the end of 2011, respectively. In addition, *Portfolio investment* rose by 8.3 percent to N$36.3 billion. This increase was due to the rise in investment abroad in the form of equity securities, which rose by 0.8 percent to N$22.2 billion, respectively. The impact of liberalising the exchange control on foreign investment by institutional investors, from 30.0 percent to 35.0 percent in 2010 aided the rise. Furthermore, the depreciation of the Namibia Dollar against most of the denominated investment currencies, especially the Euro and the Pound, also contributed to the above developments.

### Chart C.54: International investment position – assets



As was the case with foreign assets, an increase of 15.5 percent was also recorded for foreign liabilities in 2011, from N$45.3 billion at the end of 2010. Even though *foreign direct investment* into Namibia is a welcomed development due to its positive impact on the local economy, it, however, remained the country's main liability and registered a rise of 7.5 percent to N$38.0 billion over the same period (Chart C.55). Furthermore, substantial increases emanated from the *Portfolio investment* category, which rose to N$4.1 billion. This was due to the introduction of the Eurobond, coupled with the fact that resident bank companies and EPZ companies increased their liabilities with foreign companies.

**Chart C.55: International investment position – liabilities**

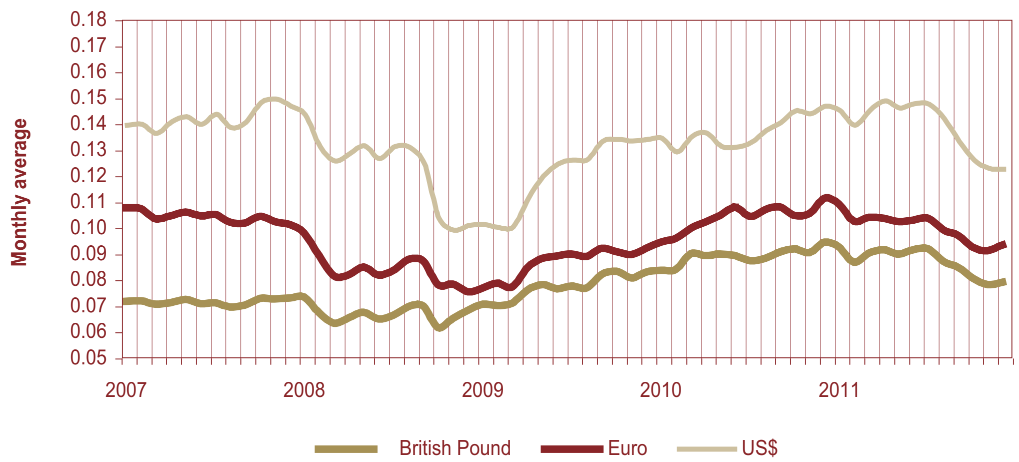



The above developments emanating from a stronger asset position coupled with the relatively weaker local currency contributed to a higher net asset position in 2011 compared to 2010.

## EXCHANGE RATE DEVELOPMENTS

The performance of the foreign exchange market was mixed in 2011 as economic turbulences both in the advanced economies and in the MENA shaped the global economic outlook. In the advanced economies, economic performance was characterised by slow economic growth, weak labour markets and soaring sovereign debt in the Euro Area. These circumstances affected the performance of the exchange market. In this connection, on average, the South African Rand and inherently the Namibia Dollar appreciated against the US Dollar in 2011, while it depreciated against the British Pound and the Euro (Chart C.56).

**Chart C.56: Selected foreign currency against the Namibia Dollar**

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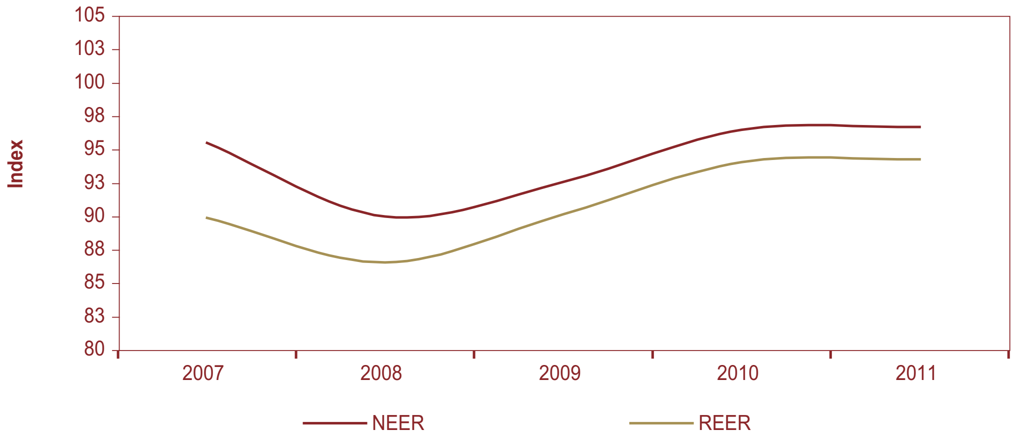
In 2011, the Namibia Dollar appreciated by 1.1 percent against the US Dollar, while it depreciated by 2.7 percent and 3.8 percent against the British Pound and the Euro, respectively. The appreciation of the Namibia Dollar against the US Dollar was essentially due to the uncertainty which surrounded US public-debt affairs, the delay by the US Congress to raise the debt ceiling of US$14.3 trillion, slowed economic growth, and relatively high unemployment rates. With regard to the British Pound, relatively positive stable growth, coupled with high interest rates, enhanced the Pound during the year. The Euro's strength arose from ongoing deliberations towards a more flexible funding facility for the indebted economies. Further, the European Central Bank's impeccable record in managing low inflation expectations during the year also contributed to the positive performance of the Euro.

## TRADE-WEIGHTED INDEX

As opposed to the previous year, the performance of the trade-weighted effective exchange rate indices (the Nominal and Real Effective Exchange Rate index) was mixed in 2011 (Chart C.57). To this effect, the Nominal Effective Exchange Rate (NEER) index[18] declined to 95.6 in 2011 from 96.4 in 2010, representing a depreciation of 0.8 percent. In contrast, the Real Effective Exchange Rate (REER) index[19] increased slightly to 94.2 from 94.0 during the same period, representing a trade-weighted appreciation of 0.2 percent. An appreciation of the REER is an unfavourable development for trade as it implies that Namibian products lost competitiveness on the international markets.

**Chart C.57: Trade-weighted effective exchange rate indices**




[18] The NEER index is a trade-weighted index of the bilateral nominal exchange rate of the Namibia Dollar against the currencies of six major trading economies, namely the Euro, Pound Sterling, Rand, US Dollar and Yen.

[19] The REER index is the deflation of the NEER with the relative consumer price indices, that is, the ratios of Namibia's CPI and that of the six afore-mentioned major trading economies

# MONETARY AND FINANCIAL MARKET DEVELOPMENTS

## MONETARY AND CREDIT AGGREGATES

The annual growth in monetary and credit aggregates during the last 12 months remained positive and continued to provide important ongoing support to economic expansion. During the period under review, growth in broadly defined money supply (M2) increased, driven by the rise in the Net Foreign Assets (NFA) of the banking sector. The increase in the NFA was led by the expansion in foreign reserves of the Central Bank, which reflected the increase in the reserves due to the issuance of the US$500 million Eurobond, as well as the quarterly SACU inflows. Private sector credit extension remained robust at the end of 2011, although it was slightly below the level of 2010. The increase in lending activity over this period was owed in part to the prevailing accommodative monetary policy pursued by the Bank throughout 2011.

## MONEY SUPPLY

The annual growth of M2 rose to 11.7 percent at the end of 2011 from 9.0 percent at the end of 2010 (Table C.9). The expansion in M2 was largely driven by the growth in the NFA of the banking sector. The NFA rebounded by 15.5 percent to reach N$25.3 billion at the end of 2011 from a contraction at the end of 2010. The year-on-year growth in narrow money (M1) increased to 15.8 percent at the end of 2011 from 15.1 percent at the end of the previous year. The minor change in growth in M1 during the period under review may suggest that the preference for liquidity on the part of the public remained largely unchanged during the year.

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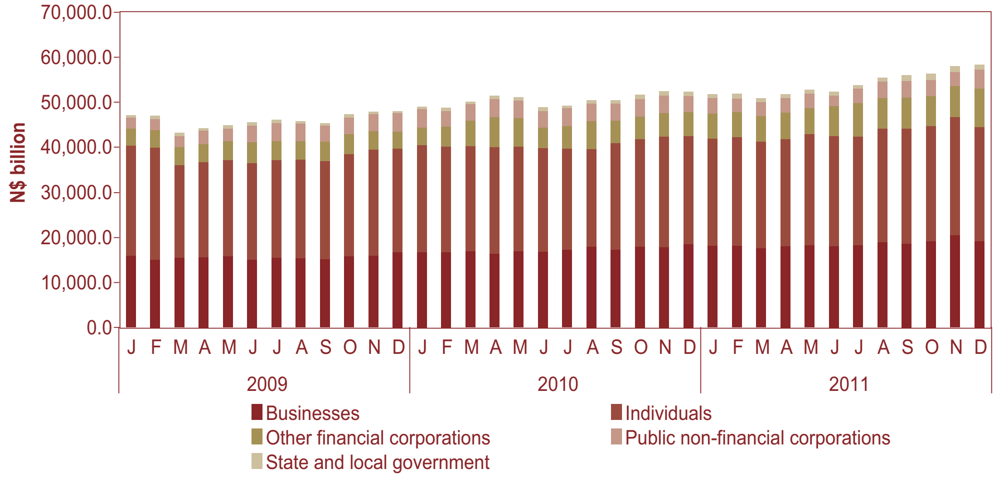
**Table C.8: Annual growth in monetary aggregates**

| Monetary aggregates | 2010 | 2011 |
|---|---|---|
| Broad money (M2) | **9.0** | **11.7** |
| Narrow money (M1) | 15.1 | 15.8 |
| Currency in circulation | **11.7** | **31.4** |
| Transferable deposits | 11.9 | 12.5 |
| Other deposits | **4.2** | **10.7** |

## DEPOSIT HOLDING OF INSTITUTIONAL SECTORS

The composition of deposits by various institutions in Namibia remains virtually unchanged at the end of 2011 from the position at the end of 2010. Deposits mobilised from the household sector remain the largest component of the total deposits, representing 44.9 percent, followed by deposits from the business sector, which constituted 35.4 percent at the end of 2011. Over the same period, deposits from households totalled N$25.3 billion, which represents a growth of 5.5 percent when compared to the level at the end of the previous year. Deposits from businesses also expanded by 4.0 percent to N$19.2 billion at the end of 2011 from the level recorded at the end of the previous year. There were notable improvements in the annual growth rates in deposits of other financial corporations as it rose to 59.2 percent at the end of 2011, from 40.8 percent at the end of previous year. However, the growth in deposits from the State and Local Government slowed to 25.0 percent from 90.0 percent over the same period the previous year (Chart C.58).

**Chart C.58: Deposit holding of institutional sectors**

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# DETERMINANTS OF MONEY SUPPLY

The strengthening in the main determinants of M2 during the period under review exerted expansionary pressures on the broad money supply. The main driver of M2 during this period was the NFA of the depository corporations, which grew by 15.5 percent to N$25.3 billion at the end of 2011 from the level at the end of the previous year. The increase in the NFA of the depository corporations emanated from a strong growth in the NFA of the Central Bank, which grew by 41.5 percent to N$14.7 billion over the same period of the previous year. The expansion in M2 was also supported by the increase in the claims of the banking sector on the domestic sector. In this regard, claims on the domestic sector grew by 8.2 percent to N$46.3 billion at the end of 2011 from the level at the end of the previous year (Table C.9).

**Table C.9: Determinants of money supply (N$ million)**

| | 2010 | 2011 | Annual percent-age | Contribution to M2 |
|---|---|---|---|---|
| Total domestic credit | **42 747.4** | **46 268.4** | **8.2** | **76.4** |
| Claims on the private sector | *44 488.6* | *46 917.4* | *5.5* | *77.5* |
| Net claims on the Central Government | *-1 741.2* | *-648.9* | *-62.7* | *-1.1* |
| Net foreign assets of the banking system | **21 938.4** | **25 349.7** | **15.5** | **41.9** |
| Other items (net) | **-10 503.4** | **-11 089.0** | **-5.6** | **-18.3** |
| Broad money supply | **54 182.4** | **60 529.1** | **11.7** | **100.0** |

The growth in total claims on other sectors of the economy, excluding Central Government, slowed to 5.5 percent at the end of 2011 from 12.0 percent at the end of the previous year. Total outstanding claims continued to be dominated by claims on the other sectors, which stood at N$46.9 billion. Claims on other nonfinancial corporations followed thereafter, growing by 5.6 percent to N$15.9 billion. Similarly, claims on Central Government grew substantially by 126.3 percent and stood at N$7.0 billion. Meanwhile claims on other financial corporations, i.e. pension funds, insurance companies, etc., rose to N$1.4 billion over the same period. This figure, however, represents a contraction of 54.5 percent from N$3.1 billion at the end of the previous year. Claims on public non-financial corporations (parastatals) and State and Local Government increased by 32.3 percent and 51.0 percent, respectively, at the end of 2011. Nonetheless, the combined value of the total outstanding claims on public non-financial corporations, as well as State and Local Government, remain relatively small, at N$1.1 billion.

**Table C.10: Claims by institutional sectors (N$ million)**

| Institutional sectors | 2010 | 2011 | Percentage change |
|---|---|---|---|
| Claims on Central Government | 3 080.0 | 6 969.0 | 126.3 |
| Claims on other sectors | 44 488.6 | 46 917.4 | 5.5 |
| Claims on other financial corporations | 3 067.2 | 1 397.1 | -54.5 |
| Claims on public non-financial corporations | 682.6 | 903.0 | 32.3 |
| Claims on State and Local Government | 116.5 | 175.9 | 51.0 |

## PRIVATE SECTOR CREDIT EXTENSION (PSCE)

Credit extended to the private sector remained healthy despite a reduction at the end of 2011 as a result of significant repayments by businesses. Year-on-year, credit extended to the private sector slowed to 9.8 percent from 10.9 percent at the end of 2010. Nevertheless, corporations in the retail and construction sectors borrowed extensively, in addition to the robust demand from individuals for credit in response to the expansionary monetary policy conditions that prevailed (Chart C.59). The positive growth momentum observed in the first half of 2011 was partly the result of corporations who used overdraft facilities to finance major building and construction activities. Evidence of the recovery in credit extended emerged from February 2011, with an annual growth of 12.2 percent, followed by 12.9 percent recorded at the end of June 2011, the highest growth reached in 2011. The average over the 12 months of 2011 rose to 11.3 percent, higher than the 9.7 percent and 10.1 percent averages in 2010 and 2009, respectively.

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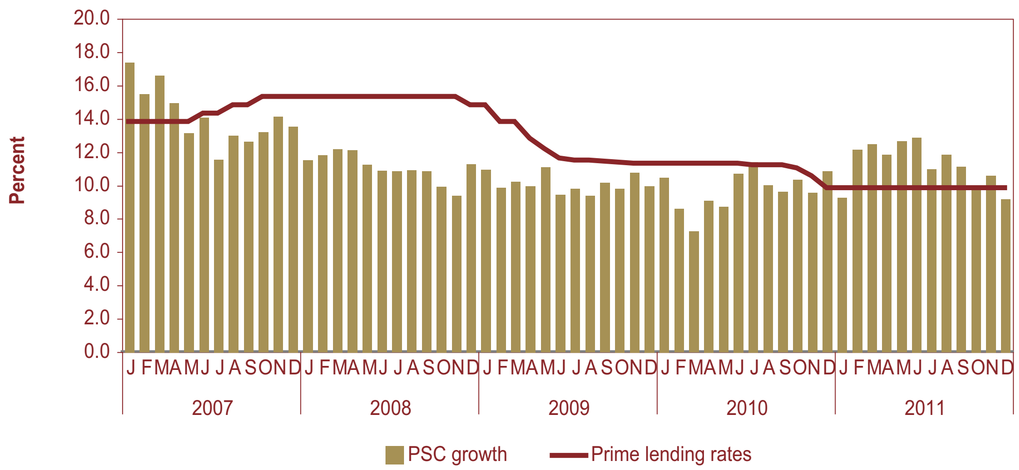
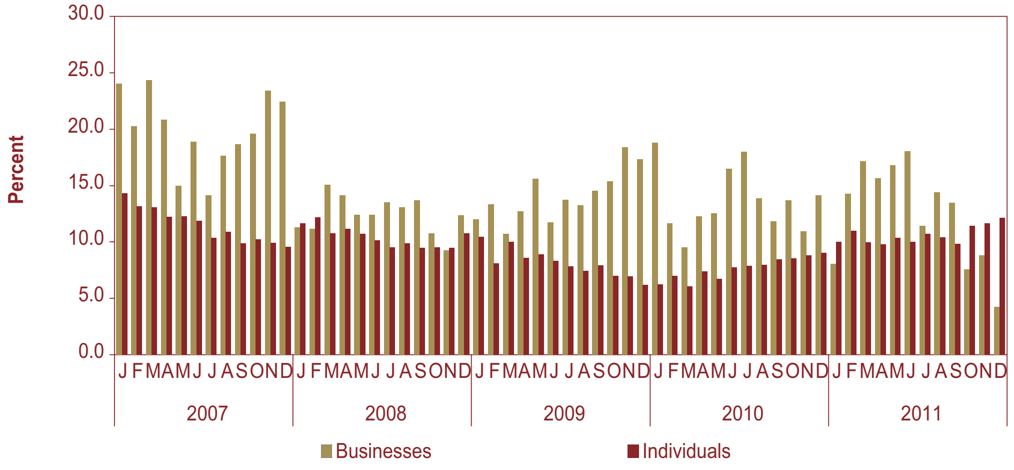
**Chart C.59: Private sector credit extended**




## CREDIT EXTENDED TO BUSINESSES

The annual growth of credit extended to the corporate sector slowed significantly to 5.8 percent at the end of 2011, compared to 14.1 percent at the end of the previous year. This growth is the lowest in five years, a reflection of the volatile borrowing pattern of the corporate sector. The period under review was characterized by high levels of usage of overdraft facilities to finance working capital as well as construction activities but for short periods of time. Disintermediation and restructuring of balance sheets have also contributed to the movements in total credit extended to businesses, as well as the various subcategories.

**Chart C.60: Credit extended to corporations and households (percentage change over 12 months)**

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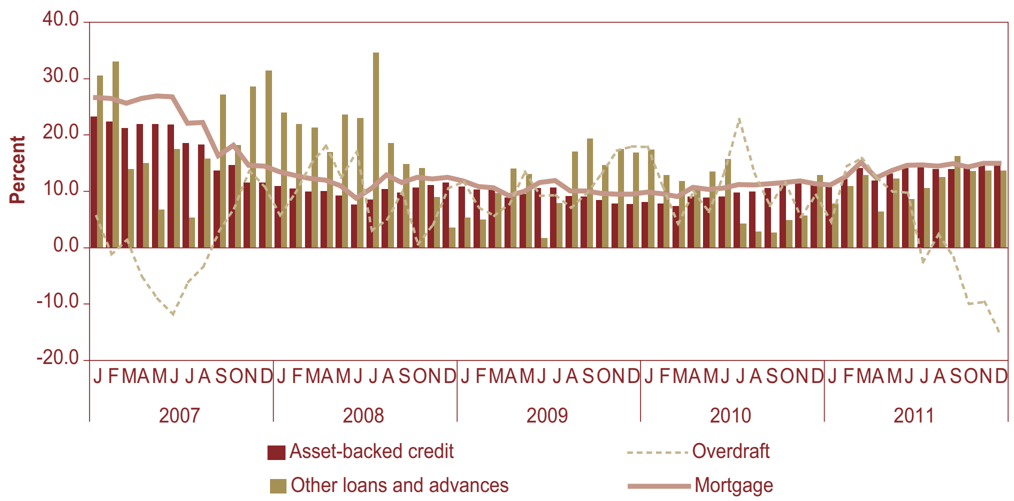
## CREDIT EXTENDED TO INDIVIDUALS

Although total private sector credit slowed, credit extended to individuals rose at the end of 2011. Credit advanced to individuals stood at N$28.5 billion at the end of 2011 compared to N$25.4 billion at the end of the previous year, resulting in a growth of 12.2 percent. This development reveals that households responded positively to the favourable monetary conditions that prevailed throughout the year. This increase was driven largely by the growth in instalment sales, which rose to 21.8 percent at the end of 2011 from 9.7 percent at the end of the previous year. The increase was further supported by the growth in mortgage lending, which grew to 11.6 percent at the end of 2011 from 8.4 percent at the end of the previous year.

**Chart C.61: Mortgage, overdraft lending and other loans and advances (percentage change over 12 months)**




Although most credit categories increased at the end of 2011, overdraft lending went into negative territory from September 2011, contributing significantly to the slowed growth in overall credit extended to the private sector. At the end of 2011, overdraft lending contracted by 14.7 percent from a positive growth of 9.2 percent at the end of 2010. Growth in other loans and advances also slowed to 9.6 percent at the end of 2011 from 12.8 percent at the end of the previous year, contributing to the overall subdued growth in PSCE.

Mortgage loans remained the dominant form of credit to the private sector, and rose at the end of 2011. The annual growth of mortgage loans grew to 15.6 percent at the end of 2011 from 11.1 percent at the end of the previous year. This rise was, however, not large enough to offset the contraction in overdraft lending.

**Table C.11: Credit aggregates (N$ million)**

| Component | December 2010 | December 2011 | Percentage change |
|---|---|---|---|
| Asset-backed credit | 26 619.6 | 30 868.2 | 16.0 |
| Mortgage advances | 20 744.5 | 23 990.9 | 15.6 |
| Instalment | 5 875.1 | 6 877.3 | 17.1 |
| Overdraft lending | 7 010.8 | 5 982.3 | -14.7 |
| Other loans and advances | 4 936.0 | 5 407.6 | 9.6 |
| Total loans and advances | 38 566.4 | 46 177.0 | 10.4 |

## BANKING SYSTEM LIQUIDITY

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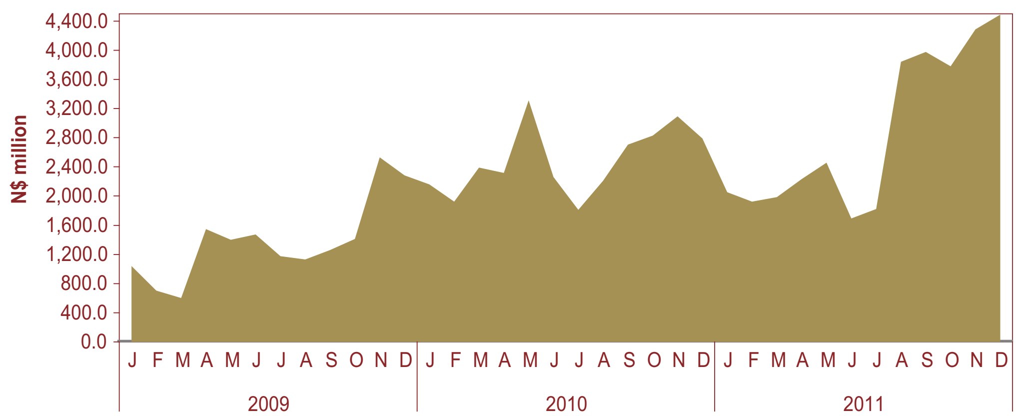
The Namibian banking industry recorded the highest liquidity position ever during 2011. The overall liquidity for 2011 averaged N$2.8 billion, 14 percent above the average of N$2.5 billion experienced during 2010. The overall daily liquidity position of the banking industry averaged about N$2.1 billion during the first half of 2011, slightly lower than the N$2.4 billion observed during the same period in 2010. The liquidity position increased significantly during the second half of 2011, to an average of N$3.7 billion, compared to N$2.6 billion in the corresponding period in 2010. The overall daily liquidity condition reached the highest monthly average level of N$4.5 billion during December 2011, being the highest monthly average level ever recorded. The lowest monthly average overall liquidity position observed during 2011 was N$1.7 billion during June 2011.

Relatively higher Government spending during 2011, particularly the second half of the year, generally explained the higher levels of the banking industry's liquidity position. The increased Government spending is in line with the projected spending in the budget for the fiscal year 2011/12, increased by the TIPEEG programme. The total Government domestic spending alone during 2011 was around N$27.0 billion. Government domestic spending during the first half of the year totalled about N$8.6 billion. This amount increased significantly to N$18.5 billion during the second half of 2011. Chart C.62 indicates the developments in the liquidity position of the Namibian banking industry during 2011.

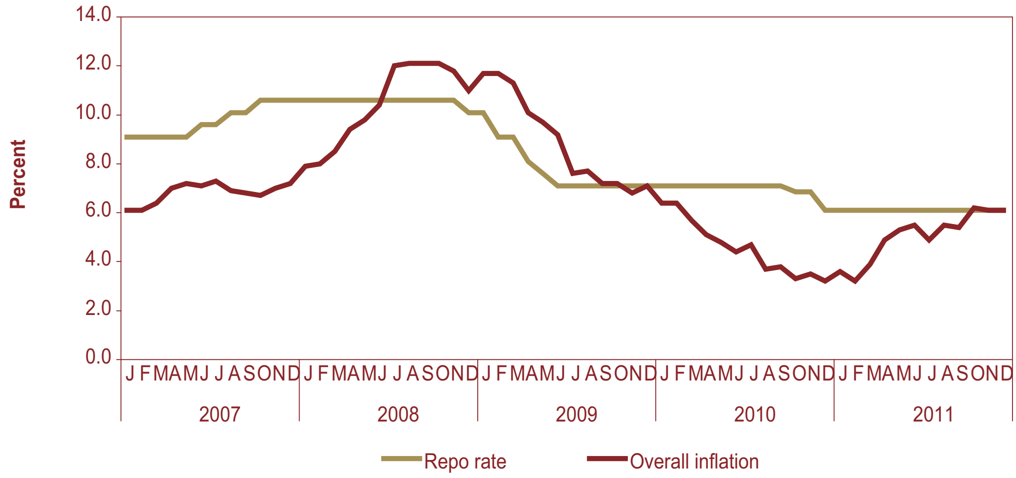
**Chart C.62: Overall liquidity of the banking industry**



# MONEY MARKET DEVELOPMENTS

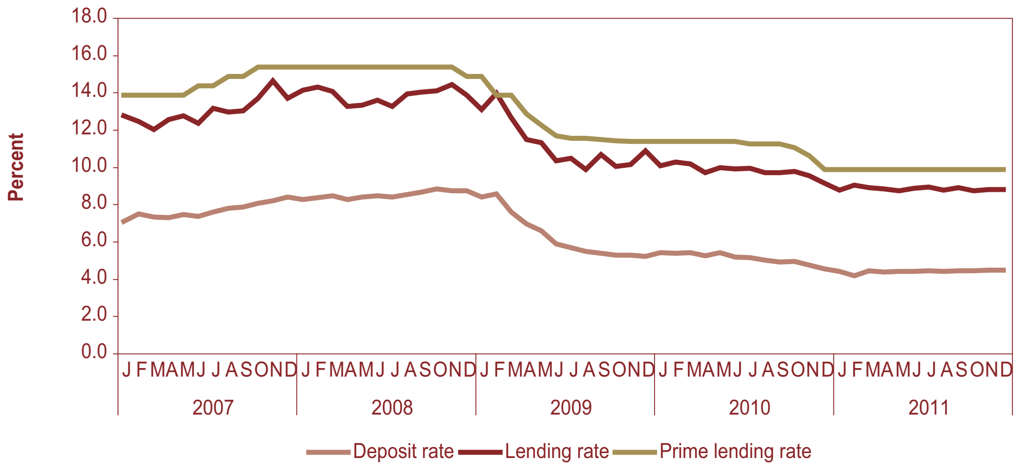
During the period under review, the Bank decided to leave the repo rate – the rate at which the Bank lends money to commercial banks – unchanged at 6.0 percent (Chart C.63). This decision was largely based on the need to support the fragile economic recovery, since inflation was subdued for the most part of the year and the level of international reserves was deemed adequate to sustain the currency peg. The implication of this decision was evident in the stability of short-term market rates during the year.

### Chart C.63: Bank of Namibia repo rate and overall inflation




The decision to leave the repo rate unchanged was a welcome development for the money market as it provided further stability and confidence in the money market. Average deposit rates hovered around 4.28 percent for much of the year, closing at 4.22 percent at the end of 2011 compared to 4.41 percent at the end of 2010. The average lending rate hovered around 8.70 percent for much of the year, closing at 8.67 percent at the end of 2011 compared to 9.01 percent at the end of 2010.

### Chart C.64: Average lending and deposit rates

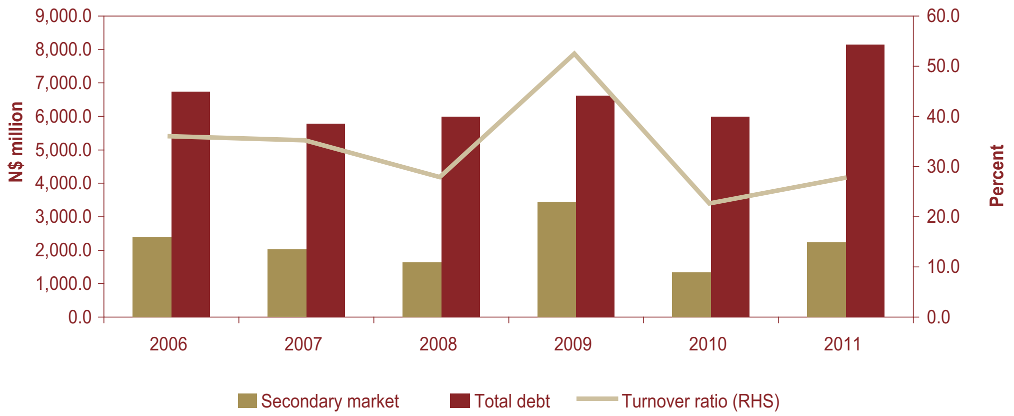


# BOND MARKET DEVELOPMENTS

## SECONDARY MARKET TRADING FOR GOVERNMENT BONDS

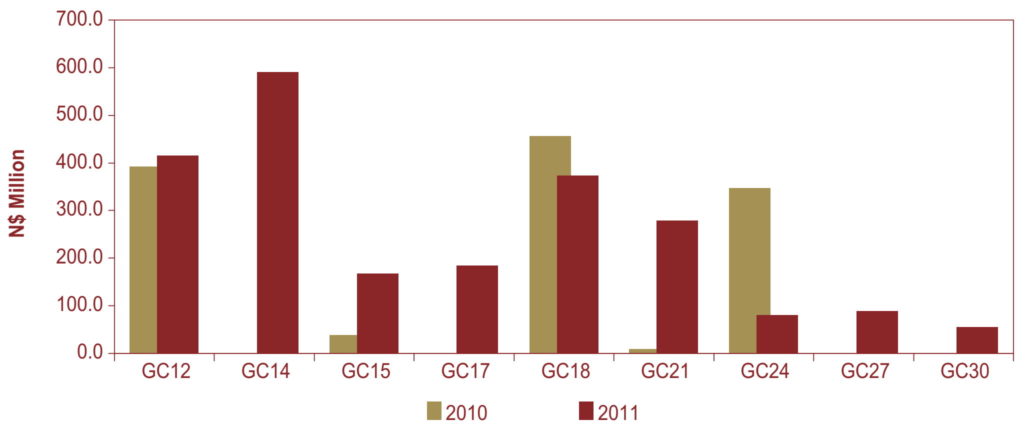
As part of the budget deficit funding strategy, and due to the market demand for shorter-term bonds, the Namibian Government listed two new shorter-term bonds in the domestic market during 2011. The new bonds are the 7.50 percent GC14 and the 8.00 percent GC17, maturing on 15 July 2014 and 15 October 2017, respectively. The GC14 and GC17 bonds were first issued to the market in April 2011 to complement the existing available bonds. At the end of 2011, the Government also listed two longer term bonds, the 8.00 percent GC27 and the 8.00 percent GC30, which were only issued for the first time during January 2011. This brought the total number of Government bonds issued in the primary auction during 2011 to nine, from five at the end of the previous year. The increased issuance of bonds to the market has increased the volume of the outstanding Government bonds from N$6.0 billion in December 2010 to N$7.9 billion at the end of December 2011.

**Chart C.65: Turnover ratio of Namibian Government bonds**




The secondary market trading for Government bonds was notably higher during 2011 compared to the previous year. A total of N$2.2 billion in Government bonds traded on the secondary market during 2011, up from N$1.3 billion during 2010. Subsequently, the turnover ratio of Government bonds during 2011 increased to 27.4 from a ratio of 22.2 in 2010. The notable increase in the secondary market trading during the year under review was mainly influenced by the newly issued Government bonds. The GC14 and GC12 traded relatively more than the other bonds. A total of secondary trade to the value of N$590.8 million and N$415.1 million was recorded for the GC14 and the GC12, respectively. On the other hand, the GC24 traded the least, with only N$80.3 million or 4 percent turnover, compared with N$346.8 million during 2010. Although the GC27 and the GC30 were first issued during January 2011, proportionally the secondary market trading on these instruments was relatively higher compared to other bonds. Chart C.66 illustrates the secondary market trading for Government bonds in 2011.

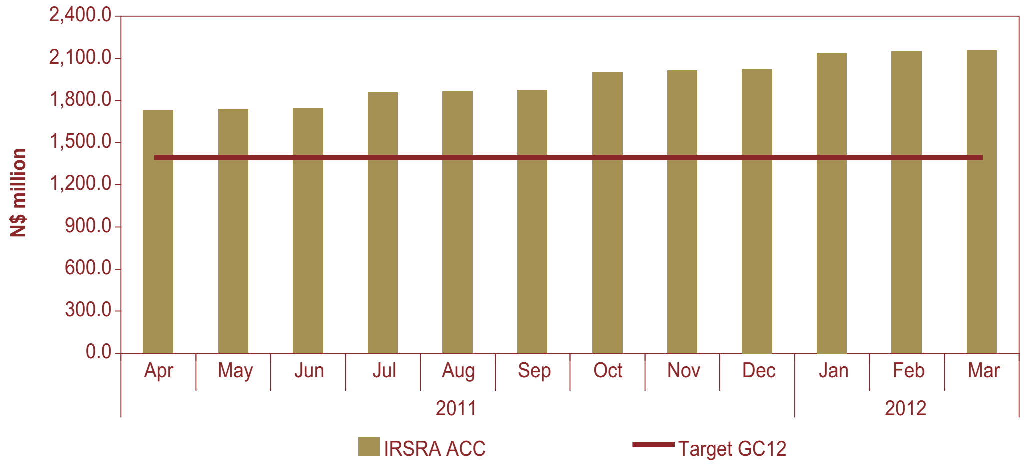
**Chart C.66: Secondary market trading for Government bonds in 2011**



## INTERNAL REGISTERED STOCK REDEMPTION ACCOUNT (IRSRA)

The balance on the IRSRA[20] was N$2.0 billion during December 2011. This account earned a monthly average of about N$7.7 million, calculated at STEFI index return[21]. The Government transferred an amount of N$109.7 million every quarter during the 2011/12 financial year for the preparation of upcoming maturing bonds, transferring N$328.9 million during the year under review. Thus, the IRSRA is projected to grow to above N$2.2 billion by the end of this fiscal year.

**Chart C.67: Internal Registered Stock Redemption Account for 2011/12**




The next Government bond that will mature, on 15 October 2012, is the GC12. The amount outstanding in this bond is N$1.38 billion. Following that, the next Government bonds to mature will be the GC14 and GC15 in 2014 and 2015, respectively. The outstanding balances in these bonds are currently N$800 million for the GC14 and N$1.64 billion for the GC15. The funds invested in the IRSRA thus far will be able to cover the full redemption of the GC12. The Government will continue to invest funds in this account to cover for the redemption of the GC14 and GC15 when they mature in 2014 and 2015, respectively.

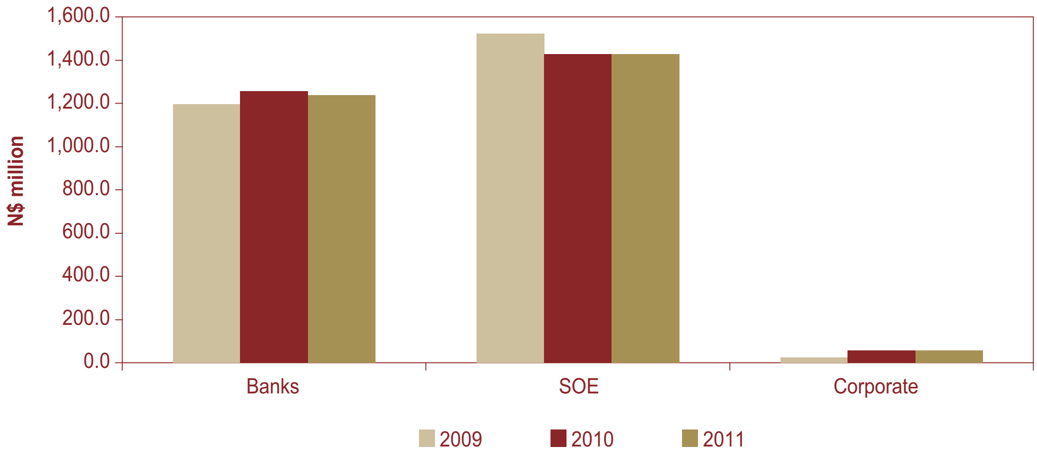
## CORPORATE BONDS

The year under review witnessed the issuance of only one corporate bond, issued by one of the commercial banks. Bank Windhoek Limited listed a N$1.0 billion programme on the NSX to issue bonds on the domestic market. This bank issued a N$100 million floating note under this programme on 23 November 2011, which brought the total bonds issued to N$600 million in 2011. Also in 2011, two bonds issued by Bank Windhoek Limited and Standard Bank Limited matured. The SBWK11 and SBN2016 matured in July and November 2011, with maturity levels of N$216 million and N$150 million, respectively. This reduced the total number of corporate bonds outstanding to 18 from 19 reported in 2010. The State Owned Enterprises (SOEs), commercial banks and other corporate, constituted 17.8 percent of the total bonds trading in the market during 2011. This represents a significant decrease when compared with the 31.4 percent in 2010 of the non-Central Government bond's share of the total volume of bonds traded in the market.

[20] The IRSRA is an account in which the Government invests money for the purpose of redeeming Government bonds.

[21] STEFI Composite Index is a benchmark index constructed by Alexander Forbes, calculated and published daily by the South African Futures Exchange (SAFEX). It has become the industry benchmark for cash-equivalent investments.

**Chart C.68: Outstanding non-Central Government bonds**

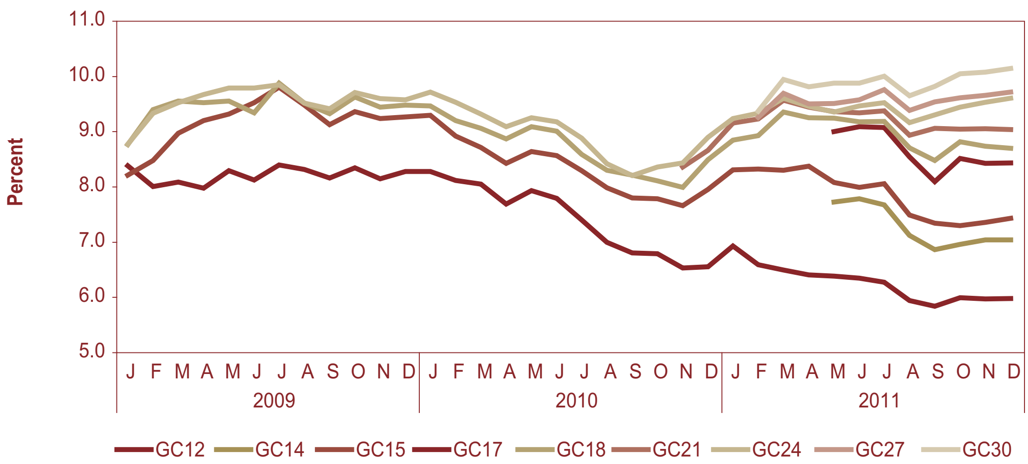



## GOVERNMENT BOND YIELDS

Overall, the movements in the yields on Government debt instruments were mixed during 2011. The rates on shorter to medium-term bonds continued to decline, similar to what was observed during 2010. The yields on longer dated bonds, on the other hand, increased in line with the yields on the South African benchmark bonds. With less than one year left before maturity, the GC12, traded at a yield of 5.90 percent at the end of the December 2011, equivalent to a 365-day Treasury Bill. This represents a decline of 60 basis points when compared to the closing yield of December 2010. The yield on the GC14 and GC17, which are also shorter-dated bonds, also declined by 74 and 64 basis points, respectively, from the level observed in May 2011 when they were first issued. The yield on the GC15 also declined by 58 basis points during the year under review.

Although the yields on the medium-term bonds declined slightly during 2011, the yields on the longer-dated bonds picked up significantly. Since December 2010, the yields on the GC18, GC21 and GC24 increased by 14, 32 and 63 basis points, respectively. Similarly, the yields on the GC27 and GC30 increased by 138 and 170 basis points, respectively, since January 2011, when these instruments were first issued. The increased supply of bonds, coupled with lower demand for longer-maturity bonds, contributed to the increase in bond yields during the year under review, which is in line with global risk appetite.

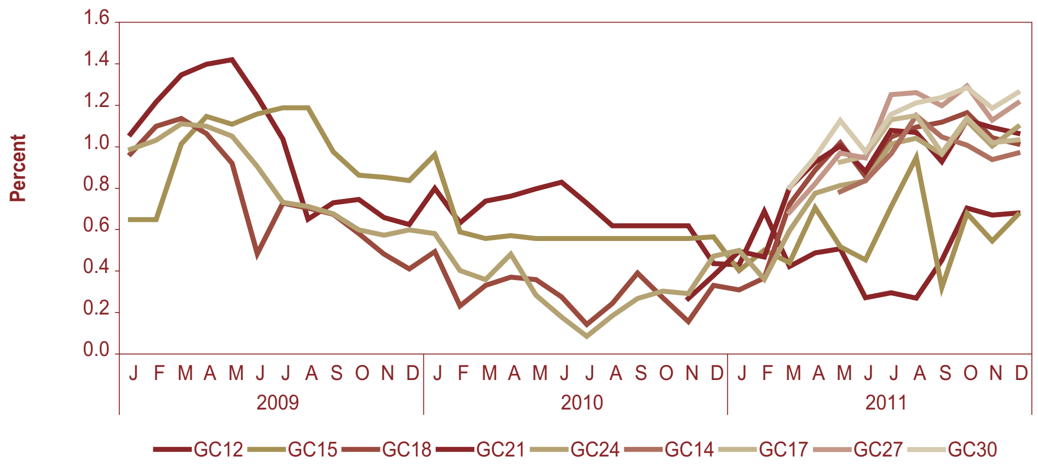
**Chart C.69: Namibian Government bond yields**



## YIELD SPREADS

The average spread between the Namibian bonds and the equivalent South African bonds widened significantly during 2011 compared to 2010. The spreads increased with the same magnitude across all bonds throughout the year. The yield spread on the shorter-term bonds, i.e. the GC12 and GC14, recorded an annual average spread of 46 and 95 basis points, respectively, above the R155 and R206, correspondingly. The yield spreads expanded significantly in the medium to long-term bonds during 2011. The yields on the GC15, GC17 and GC18 averaged 56, 103 and 87 basis points above the RSA benchmarks, the R157, R203 and R204, correspondingly. The average spreads for the GC21, GC24, GC27 and GC30 were 89, 81, 105 and 110 basis points, respectively. The relatively widening spread between the Namibian Government bonds and their respective benchmarks could be attributed to the increased supply of bonds intended to fund the Government budget deficit from the domestic market.

**Chart C.70: Spreads between Namibian Government bonds and SA benchmark bonds**

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# NAMIBIA ISSUES ITS FIRST EUROBOND: AN AWARD-WINNING DEAL

## Background

On 3 November 2011, the Republic of Namibia issued a debut US$500 million 10-year sovereign bond in the international capital markets. A Eurobond is a term given to a bond issued in a currency other than the currency of the country or market in which it is issued. The Namibian Eurobond was issued in US Dollar, and will mature on 3 November 2021. Namibia became the 8th African government to issue a Eurobond. Other African countries that have issued Eurobonds so far include the Republic of Congo, Arab Republic of Egypt, Republic of Gabon, Republic of Ivory Coast, Republic of Nigeria, Republic of Senegal and the Republic of South Africa.

The primary financing objective behind the Eurobond transaction was to diversify the country's funding sources by establishing an international pricing benchmark and raising the country's profile among the international investment community. In the current world of uncertainty and market turmoil it is prudent for the country to diversify funding sources and optimise its mix of funding asset classes. Furthermore, accessing the international market directly allows the country to implement a reform agenda aimed at tackling social challenges with less conditionality attached. As an upper middle income country, Namibia does not qualify for concessional loans from agencies such as IMF and the World Bank and therefore has to secure commercial loans from the market.

The 144A/RegS[22] Eurobond issued by the Namibian Government has a coupon of 5.5 percent per annum, payable semi-annually, and was issued at a price of 98.119 percent. The Republic of Namibia's inaugural issue priced with a yield of 336 basis points over the ten-year US Treasury bond and 140 basis points over the South African yield curve.

## The Eurobond issuance process

The Eurobond issuance begun with the compilation of the Prospectus, prepared to provide detailed information to potential investors. A due diligence process to ascertain that all material information relating to the Republic of Namibia and the circumstances of the issuance of the Eurobond was held prior to the compilation of the Prospectus. All relevant public and private institutions participated in the due diligence meetings.

A five-day road show was held with fixed-income investors in the US (New York, Boston, Los Angeles and San Francisco) and Europe (London, Zurich, Geneva, Frankfurt and Munich).The road show, which was a two-team approach, was led by the Minister of Finance and the Governor of the Bank of Namibia and was completed on 3 October 2011. However, given the heightened market volatility at the time, the country decided to continue monitoring the market for an appropriate issuance window. Over 90 investment institutions participated in the road show.

## Pricing and outcome

A positive market backdrop emerged on 27 October, following the EU Summit, and Namibia decided to launch its debut issuance. The intra-day execution approach was adopted to minimise the impact of market volatility and to take advantage of positive market sentiment following the EU Summit.

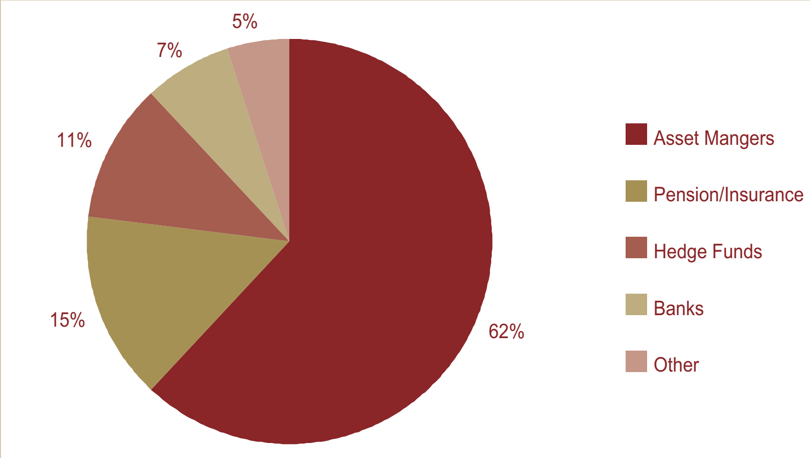
Due to strong investor's demand, the book-building was completed in one day. Investor bids totalled US$2.7 billion, about N$22 billion in terms of the prevailing exchange rate at the time. This means that investor demand amounted to approximately five and a half times the principal amount of the Eurobond.

[22] The issue format of 144A/RegS implies that the Eurobond was issued directly into the US market, complying with US security regulations. The bond was also issued to other global investors.


The order-book included over 160 leading US, European and Asian institutional investors. Fund managers and asset managers represented over 60 percent of allocations. US accounts represented 47 percent of allocations, UK 27 percent, continental Europe 19 percent and Asia, Middle East and Africa 7 percent.

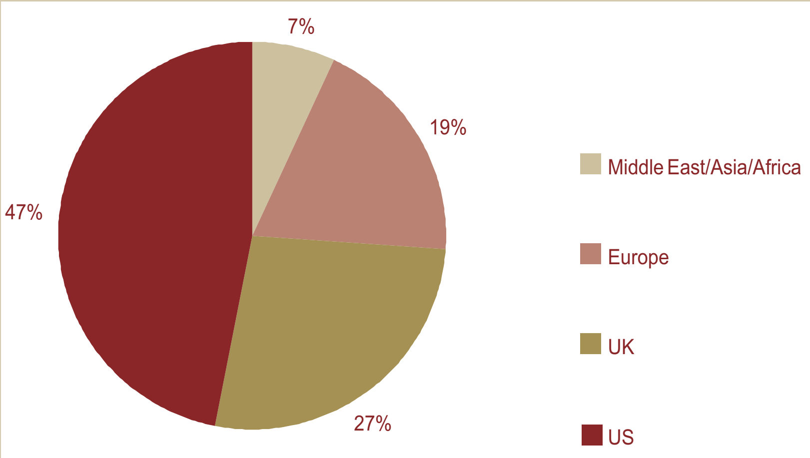
The Eurobond achieved a broad geographic distribution, with US and UK institutions representing approximately 75 percent of final investor allocations. Investors from continental Europe, the Middle East, Asia and Africa accounted for approximately 25 percent of the remaining allocation. Namibia's second international credit rating of Baa3 by Moody's only weeks before the issuance, helped to lay the foundation for a successful debut Eurobond.

### Chart 1: Investor distribution




The issuance of the Eurobond brought the Namibian external debt to about 8 percent from 3.4 percent as a percent of GDP. The total debt for the country is projected to increase to 26 percent of GDP at the end of the 2011/12 fiscal year. Although total debt has increased and the projected debt is expected to rise in the current MTEF, these levels are still sustainable within the set benchmarks. Namibia remains one of the few less-indebted countries in the world.

### Chart 2: Investor distribution: geography



### The winning deal

The Namibian Eurobond deal has since won two awards, the Euromoney's Middle East & Africa Deal of the Year for 2011 and EMEA Finance Magazine's Award for the best sovereign bond deal in Africa for 2011. Euromoney is a leading financial markets publication which follows key developments in international capital markets and publishes annual awards, surveys and polls. Similarly, the EMEA Finance Magazine is an Emerging Markets publication, focusing on the emerging Europe, Middle East and Africa region. Both awards are designed to recognise financings which not only defined the capital markets in the context of a difficult market backdrop for 2011 but also exhibited innovation and exemplary execution.

### Secondary market performance

The Namibian Eurobond is listed on the London Stock Exchange. The Namibian bond with a coupon of 5.50 percent was yielding 5.33 percent during December 2011. Having launched at a yield of 5.75 percent, the bond has traded in a tight price range with a maximum yield to maturity of 5.63 percent and a minimum of 5.24 percent. In the same period, the South African bond with a coupon of 5.875 percent, maturing in 2022, has proved more volatile, trading between 3.95 percent and 4.69 percent yield. The benchmark ten-year US Treasury has rallied over the past three months by 11 basis points, with the benchmark currently yielding 1.97 percent.

The Namibian Eurobond launched at a spread of 336 basis points to US Treasury and has traded as wide as 367 basis points, but the spread narrowed back to 336 basis points at the end of December 2011. The consistency of the spread to US Treasury demonstrates how well the bond has performed in a difficult trading environment.

Overall, the Namibian Eurobond has been very well received by the market. Investors continue to show great interest in this bond, and they like the diversification it offers. Trading volumes are light, and reflect the fact that the majority of investors who bought the bond at launch remain holders.

# EQUITY MARKET DEVELOPMENTS

Developments on the Namibia Stock Exchange in 2011 continued to be affected by developments in the global financial markets. These markets were largely influenced by the implementation of unconventional monetary policies in major advanced economies in response to a number of shocks on the global economy. For instance, the increasing concern regarding the double-dip recession in the US prompted the Federal Reserve to introduce another round of quantitative easing. In Europe there were growing signs that sovereign debt problems were spilling over to banks all over Europe and beyond.

The implications of such developments were subsequently reflected in some of the performance indicators of the NSX over the same period. The Overall Index dropped by 29 points at the end of 2011, to close at 838.2 points compared with 867.2 at the end of 2010. Consequently, market capitalisation at the end of 2011 declined to N$1.1 trillion. This represents a decline of 2.5 percent when compared to the closing amount at the end of 2010. The weak performance was further reflected in the decline in the number of deals concluded at the NSX during the period under review, which were lowered at 2 751 at the end of 2011 from 2 987 at the end of 2010.

The Local Index, on the other hand, displayed a favourable performance during the period under review. The strength of the local component of the NSX emanated from the requirement to keep local assets. Domestic asset requirement stipulates that each fund should at least invest 35 percent of its total funds in Namibia. The Local Index gained 49 points at the end of 2011, to close at 221.2 points from 172.7 points at the end of 2010. Local stock-market capitalisation rose by 19.6 percent to N$9.3 billion from N$7.8 billion at the end of the previous year.

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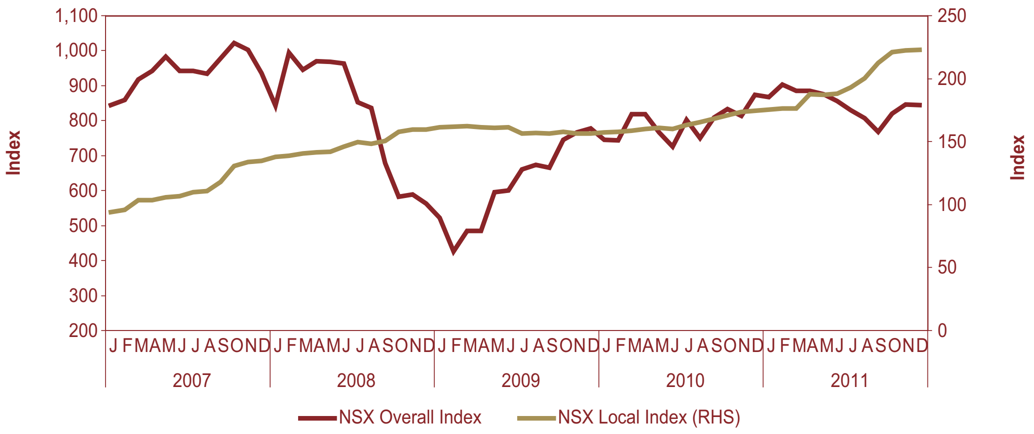
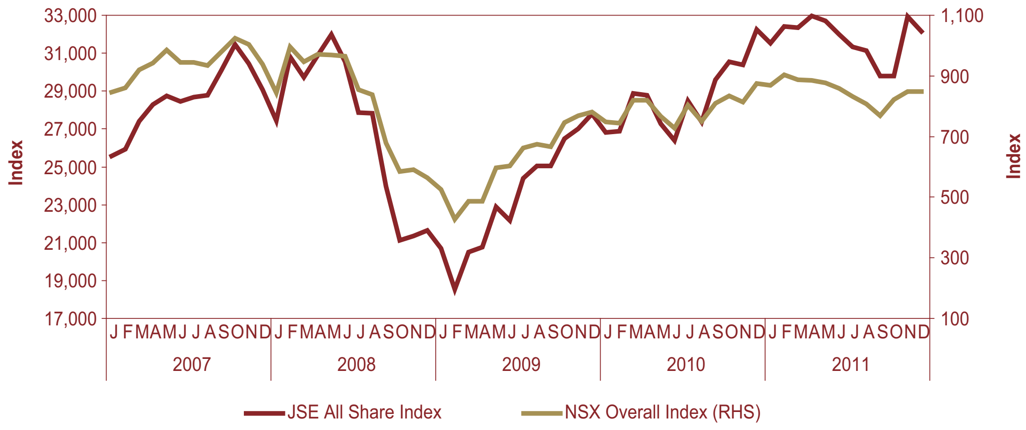
**Chart C.71: Namibia Stock Exchange**




Source: NSX

The weaknesses in global growth and the volatile share markets placed tremendous pressure on the JSE All Share Index during the period under review. The JSE All Share Index closed at 32 003 points at the end of the period under review, 116 points below the 32 119 points at the end of 2010. Due to the dual listing of some South African listed companies on the NSX, this development largely influenced the NSX Overall Index, resulting in co-movement of the two indices.

## Chart C.72: NSX Overall Index and JSE All Share Index

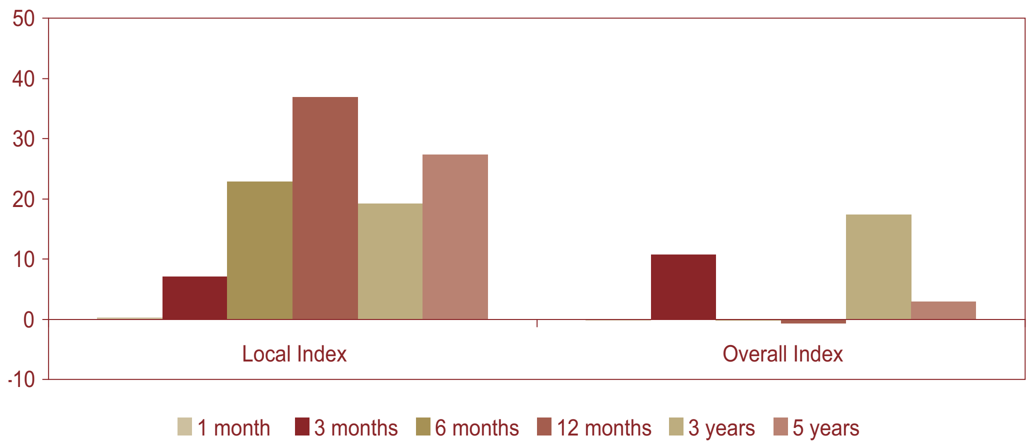



Source: NSX and JSE

The total index returns on the Local Index outperformed the returns on the Overall Index for all periods. The highest return differential was observed in the period over the full 12 months, where the NSX Local Index returned 36.83 percent compared to a negative return of 0.64 percent for the NSX Overall Index (Chart C.73).



## Chart C.73: Index total returns, December 2011




Source: IJG

The NSX posted its lowest turnover in seven years, at the end of 2011, following a turnover of N$2.8 billion recorded in 2004. The turnover stood at N$3.3 billion at the end of 2011 from N$7.6 billion at the end of 2010 (Table C.12). Number of shares traded reached its lowest level in 15 years when it recorded a volume of 96.5 million. The reduced trades could be explained by the changes in asset management structures as well as risk aversion.

## Table C.12: NSX summary statistics

| Category | 2010 | 2011 | Percentage change |
|---|---|---|---|
| Overall | | | |
| Index (end of year) | 867.23 | 838.24 | -3.34 |
| Market capitalisation (N$ million) (end of year) | 1 151 487 | 1 122 452 | -2.52 |
| Free-float market capitalisation (N$ million) (end of year) | 1 096 701 | 1 063 932 | -2.99 |
| Number of shares traded ('000) | 214 460 | 96 512 | -55.00 |
| Value traded (N$ '000) | 7 575 861 | 3 265 614 | -56.89 |
| Number of deals | 3 060 | 2 751 | -10.10 |
| Number of new listings (DevX) | 1 | 2 | 100.00 |
| Local | | | |
| Index (end of year) | 172.72 | 221.19 | 28.06 |
| Market capitalisation (N$ million) (end of year) | 7 782 | 9 304 | 19.56 |
| Number of shares traded ('000) | 16 797 | 11 129 | -33.74 |
| Value traded (N$ '000) | 134 135 | 102 909 | -23.28 |
| Number of deals | 401 | 322 | -19.70 |
| Number of new listings | 0 | 1 | 100.00 |

Source: NSX

# THE BANK OF NAMIBIA'S 13TH ANNUAL SYMPOSIUM – *HOUSING IN NAMIBIA: HAS THE SITUATION CHANGED 21 YEARS AFTER INDEPENDENCE?*[23]

## Background

This article provides a synopsis of the main issues which emerged from the 2011 annual symposium. The main objective of the symposium was to provide an overview of the developments in the housing market since independence. The discussions focussed on the issue of access to housing, with a particular emphasis on enhancing access among low- to ultra-low income households. Moreover, the symposium covered facets relating to Government policies and programmes to enhance access to housing, the constraints in addressing the housing needs of low-income earners, and ways to address the identified challenges. Papers focussing on the topic of discussion were presented by local and international speakers. Furthermore, various stakeholders from the private and public sectors participated in the discussions. The countries which formed part of the case studies included Namibia, South Africa, China, the United States of America and Japan.

While the symposium covered multiple topics, this article will focus on four aspects: the importance of housing as an asset, Government policies and programmes to enhance access to housing among low and ultra low income earners, constraints in delivering affordable housing, and policy recommendations to boost access to housing.

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## The importance of housing as an asset

The importance of housing in Namibia and elsewhere emanates from the multiple role property ownership plays in the economy and society. In this regard, housing serves as an asset in three ways: as a social asset, a financial asset, and an economic asset. As a social asset, housing fulfills a basic need as a shelter. As a financial asset, it constitutes a significant part of the wealth of a household or an individual, given that a house can be used to generate an income if used for rental purposes or when it is traded. As an economic asset, housing plays a significant role in the broader economy due to its backward and forward linkages to other sectors of the economy.

## Government policies and programmes to promote access to housing

Given the importance of housing as a basic need, national Governments have intervened through policy interventions aimed at promoting access to housing, chiefly among low-income earners. Some of the noticeable policy measures introduced in the countries of reference include the provision of direct subsidies and the use of taxation to make housing affordable. With the exception of China, the housing-policy landscape has mainly focussed on identifying Government as a facilitator in the housing market, and the private sector as being responsible for housing delivery.

While such policy interventions have had positive results in assisting people to access affordable homes, some weaknesses have been identified. These pertain to the preference for home ownership over rental accommodation. Additionally, with particular reference to the USA, Japan and China, reduced mortgage rates and favourable repayment terms contributed largely to the "bubbles" experienced in the housing markets of these countries, as cheap home loans encouraged reckless behaviour among housing market players, which in turn pushed up house prices to unsustainable levels. The subsequent bursting of the housing bubble has adversely affected economic growth. A case in point is the 2008 global economic crisis, which started in the US housing market and trickled to other sectors of the US economy, then spilling over into the global economy.

[23] For details on all the presentations and symposium papers, see Bank of Namibia, 2011, 13th Annual Symposium Publication, 2011.





In addition to policies, Governments also introduced programmes to promote and facilitate access to housing among low-income and ultra-low-income households. In Namibia, a number of programmes by Government and Non-Governmental Organisations (NGOs) were introduced, e.g. the Build Together Programme (BTP) and the Shack Dwellers Federation (SDF). In addition, the Government established the National Housing Enterprise (NHE) to provide affordable housing finance. Since the inception of these programmes in the early 1990s, a combined estimated 21 494 houses have been delivered, against a backlog of 80 000 in 2007.

The South African housing programme has been positive in terms of housing delivery. It is estimated that between 1994 and 2011, three million housing units were built, against a backlog of 1.5 million in 1994. Nonetheless, South Africa still faces a backlog which is estimated to be growing at 178 000 units per year. Moreover, the housing delivery programme faces constraints with respect to the location of houses, which were mainly built far away from workplaces, as well as the poor quality of houses and service delivery in these communities. As regards service delivery, it is argued that because subsidy beneficiaries in South Africa do not pay rates and taxes to the municipality, local authorities are deprived of income which could be used to improve service delivery to such communities.

## Constraints contributing to the low delivery of affordable housing

As the housing sector plays an important role and contributes significantly to the economy, providing affordable housing remains a key challenge in both developed and developing countries. Two cases in point are Namibia and South Africa, where despite the intervention in the housing market by these countries Governments to provide affordable housing, the housing challenge still persists, i.e. the demand continues to outstrip the supply of affordable housing.

The above situation can be attributed to a number of identified supply and demand factors. Demand factors include increasing urbanisation trends and the impact of high-income earners. Supply factors include unavailability and/or shortage of serviced land in the face of increasing demand, increases in the cost of building materials, and the use of auctions by local authorities to distribute land. All these elements contribute to increases in house prices, which make housing unaffordable for low and ultra low income households.

## Policy measures to address the constraints in the housing market

Numerous concerns regarding housing delivery include the policy and legislation framework within the housing market, affordability of available houses, availability of serviced land, and inadequate housing stock. These concerns call for specific measures targeting various aspects of the housing market, such as:

- **National housing policy** – There is a general policy disconnect in the housing market because the existing set of policies are not holistically designed to meet the needs of individuals from different income groups.

- **Provision of housing** – Government could provide targeted subsidies and assist in servicing land for housing purposes, while local authorities could focus on housing construction and administer house sales and rentals.

- **Provision of rental housing** – There is a need to consider high density developments and rentals as an alternative to the prevailing tendency towards home ownership.

- **Need to consider incremental housing** – To deal with the challenges of affordability, it was proposed at the symposium that Namibia should consider a system whereby borrowers could access microloans to build houses in various stages.

- **Regulating the housing market** – The housing market needs regulatory oversight and assistance for the provision of social housing.

- **Removing bureaucratic bottlenecks in the acquisition of virgin land for housing purposes**

Notwithstanding the fact that most of the key stakeholders attended and participated in the symposium, the Bank published an annual symposium booklet which was uploaded on its website. The rationale is to ensure that all relevant stakeholders and the public are able to access the main issues discussed at the symposium. Further, to ensure implementation, the Bank intends to consult with relevant stakeholders to discuss the main policy recommendations which emerged from the symposium.

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# PUBLIC FINANCE

## FISCAL DEVELOPMENTS

To stimulate economic growth and job creation, the Government continued its expansionary fiscal policy during the 2011/12 fiscal year, resulting in an expanded expenditure of above 40 percent of GDP. On the other hand, Government revenue is expected to grow slower than expenditure, resulting in a higher budget deficit, the highest ever recorded, of 11.2 percent during 2011/12. In order to finance this deficit, Government has been borrowing more from both domestic and international markets and thus the combined stock of domestic and foreign debt increased over this period. As a result, Namibia's debt levels as a percentage of GDP increased significantly during 2011, although it remained within the fiscal benchmark of 35 percent. Similarly, the Central Government loan guarantees to both domestic and foreign creditors increased during 2011. Moreover, the Central Government loan guarantees as a percentage of GDP increased over the period under review however remained well within the set target band of 10 percent.

## GOVERNMENT EXPENDITURE

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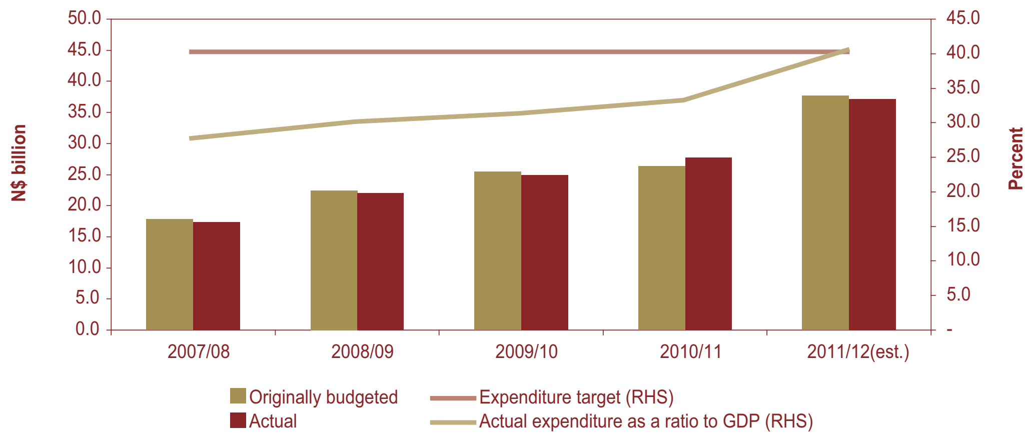
Expansionary fiscal policy pursued during the 2011/12 fiscal year resulted in an expanded expenditure. Much of the expenditure was predominantly geared toward investments in priority sectors identified in TIPEEG in order to speed up government's effort in job creation and promote economic growth. In addition, the rise in the civil servant's wage bill has contributed to the increase in total expenditure. In this context, Namibia's wage bill has risen by 75 percent since 2008/09 and currently absorbs almost half of the Government revenue. It is estimated that the current public sector wage bill stands at 14.5 percent of GDP. In the 2012/13 budget, the government has expressed concern over the increasing wage bill and is exploring ways of moderating this trend going forward. Given this expansionary stance, expenditure as a ratio of GDP rose from 33.0 percent in 2010/11 to an estimated 40.3 percent in 2011/12 (Chart C.74). Expenditure as a ratio of GDP is slightly higher than the government's 40 percent target. This increases in expenditure resulted in an increased estimated budget deficit of 11.2 percent of GDP, from a lower level of 5.2 percent recorded in 2010/11.

**Chart C.74: Government expenditure**

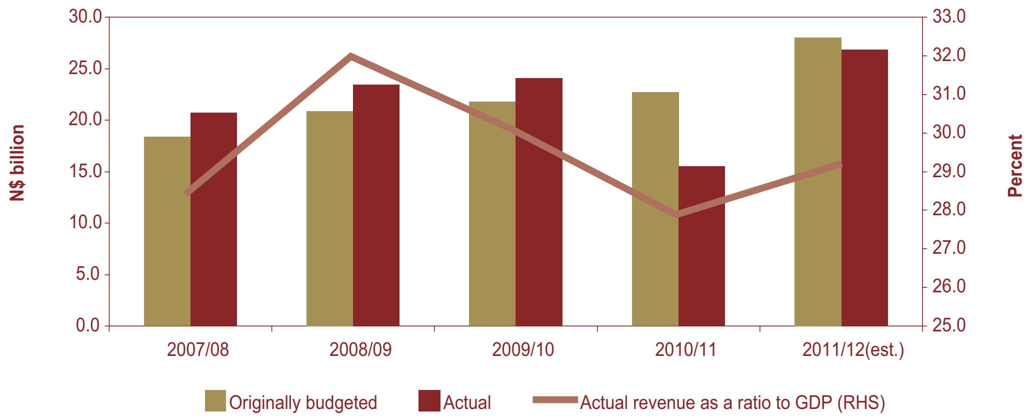



Source: MoF

## REVENUES AND GRANTS

On the back of domestic revenue mobilization strategy implemented during the 2011/12 fiscal year, Namibia's overall revenues performed well. In this regard, total revenue is estimated at N$26.9 billion during 2011/12 from N$23.2 billion during 2010/11. The actual revenue is, however, expected to be lower than originally estimated revenue of N$28.0 billion, driven by the weaker performance of the global economy. The growth in revenue outturn can mainly be attributed to the contribution of domestic taxes, particularly Individual Income Tax and Value Added Tax (VAT). Overall, revenue as a percentage of GDP is estimated to have increased from 27.8 percent in 2010/11 to 29.1 percent in 2011/12 (Chart C.75). Furthermore, the government is exploring ways of improving tax administration and revenue base-broadening and deepening, which could increase revenue going forward.

### Chart C.75: Government revenue




Source: MoF

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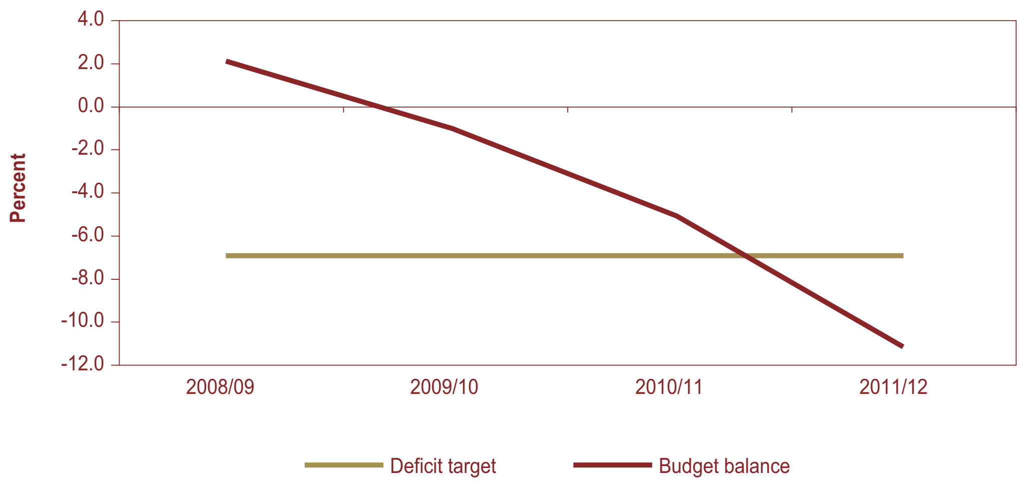
## BUDGET DEFICIT

The expansionary fiscal policy undertaken during the 2011/12 fiscal year has resulted into a significant budget deficit. Since the introduction of this expansionary policy during the 2009/10 fiscal year, the budget is estimated to have moved into a deficit of 11.2 percent during the 2011/12 (Chart C.76). Going forward, with the pursuance of the 2012/13 budget, which focuses more on fiscal consolidation, the government projected that the budget deficit will be reduced by the end of 2013/14 and projected to slowdown even further to about 0.4 percent by the end of MTEF (2012/13 – 2014/15).

### Chart C.76: Budget balance and deficit target as a percentage of GDP

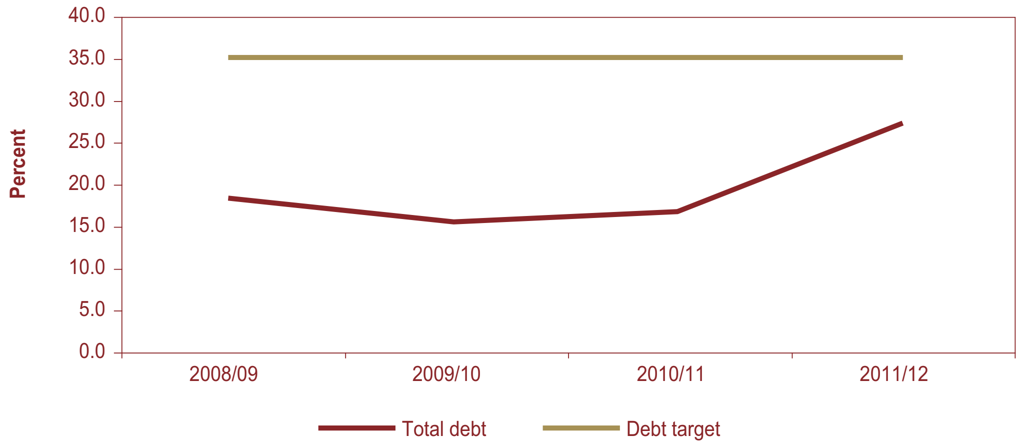



Source: MoF

## CENTRAL GOVERNMENT DEBT

During the 2011/12 fiscal year, the government continued with its borrowing plans lending from both local and international markets. In this connection, the government issued its inaugural US$500 million ten year bond at 5.5 percent coupon in the international market in November 2011. This issuance has contributed significantly to the increase in the Central Government debt during the review period. As a result, Namibia's debt levels as a percentage of GDP increased by 10.9 percentage points to 26.8 percent at the end of 2011 (Table C.13). It is expected to increase slightly to 27.0 percent by end of 2011/12 fiscal year (Chart C.77). This ratio, however, remained within the Government debt target of 35 percent of GDP. By global standards, Namibia's debt level is still sustainable. The total debt level has remained lower than most countries, including advanced economies, making Namibia still one of the less-indebted countries in the world.

**Chart C.77: Total debt and debt target as a percentage of GDP**




Source: MoF

## DOMESTIC DEBT

As at the end of December 2011, domestic debt outstanding constituted 17.9 percent of GDP, which is 5.7 percentage points higher than that of the previous year (Table C.13). As a proportion of total borrowing by the Central Government, domestic debt constituted about 66.9 percent, 10.1 percentage points lower than the levels at the end of the previous year. In nominal terms, however, the total domestic debt stock increased substantially from N$9.9 billion at the end of 2010 to N$16.0 billion at the end of 2011. In terms of the composition of the domestic debt stock, 50.8 percent was in the form of Internal Registered Stocks (IRS), while Treasury Bills (TBs) constituted the remaining 49.2 percent.

### Table C.13: Central Government debt as at 31 December 2011 (N$ million)

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| GDP | **62 081** | **72 946** | **75 679** | **81 509** | **89 317** |
| Total export of goods and services | **21,178** | **26,008** | **26,875** | **30,785** | **33,273** |
| Foreign debt stock | **2 873.3** | **3 690.2** | **3 322.0** | **2 986.1** | **7 917.4** |
| Bilateral | 1 092.3 | 1 536.2 | 1 425.4 | 980.3 | 1 293.5 |
| As % of total | 38.0 | 41.6 | 42.9 | 32.8 | 16.3 |
| Multilateral | 1 781.0 | 2 154.0 | 1 896.6 | 2 005.8 | 6 623.9 |
| As % of total | 62.0 | 58.4 | 57.1 | 67.2 | 83.7 |
| Foreign debt service | 237.0 | 266.2 | 730.8 | 305.6 | 203.6 |
| As % of export | 1.1 | 1.0 | 2.7 | 1.0 | 0.6 |
| Domestic debt stock | **8 782.0** | **9 489.7** | **10 177.0** | **9 982.6** | **16 029.4** |
| Treasury bills | 3 000.0 | 3 505.0 | 3 510.4 | 3 994.1 | 7 882.0 |
| As % of total | 34.2 | 36.9 | 34.5 | 40.0 | 49.2 |
| Internal registered stock | 5 782.0 | 5 984.7 | 6 666.7 | 5 988.5 | 8 147.4 |
| As % of total | 65.8 | 63.1 | 65.5 | 60.0 | 50.8 |
| Total Central Government debt | **11 655.3** | **13 179.9** | **13 499.0** | **12 968.7** | **23 946.8** |
| Proportion of total debt | | | | | |
| Foreign debt stock | 24.7 | 28.0 | 24.6 | 23.0 | 33.1 |
| Domestic debt stock | 75.3 | 72.0 | 75.4 | 77.0 | 66.9 |
| As % of GDP | | | | | |
| Foreign debt stock | 4.6 | 5.1 | 4.4 | 3.7 | 8.9 |
| Domestic debt stock | 14.1 | 13.0 | 13.4 | 12.2 | 17.9 |
| Total debt | **18.7** | **18.1** | **17.8** | **15.9** | **26.8** |

Source: MoF, BoN and CBS



During the period under review, both the stock outstanding of TBs and IRS recorded increases. In this regard, TBs increased by 97.3 percent to N$7.9 billion at the end of 2011. Moreover, IRS increased by 36.1 percent to N$8.1 billion at the end of 2011. New bond issuances of GC14 and GC17 in May 2011, as well as the introduction of TB 273 in April 2011, were mainly responsible for the increases. However, the share of IRS to total domestic debt stock declined by 9.2 percentage points from 60.0 percent at the end of December 2011, while that of TBs increased by the same percentage points at the end of the same period. This will not only assist in developing and strengthening domestic financial markets but also enable the Government budget financing and other development activities geared towards economic growth and job creation.

## FOREIGN DEBT

The Central Government's total external debt increased significantly from N$3.0 billion to N$7.9 billion at the end of December 2011. This significant increase was largely attributed to the issuance of the Government's Eurobond on 3 November 2011, totalling US$500 million at a 5.7 percent yield (see box article on the Eurobond). As a result, the Government's external debt as a percentage of GDP increased by 5.2 percentage points to 8.9 percent at the end of the review period.

Over the same period, the portfolio of multilateral loans continued to dominate the Government's external debt when compared to bilateral loans. In fact, multilateral loans have been higher than bilateral loans for the past five years. Multilateral loans increased substantially from N$2.0 billion at the end of December 2010 to N$6.6 billion at the end of the following year. Again, this substantial increase in multilateral loans was driven by the issuance of the Eurobond. Similarly, bilateral loans increased by 31.9 percent to N$1.3 billion at the end of December 2011.

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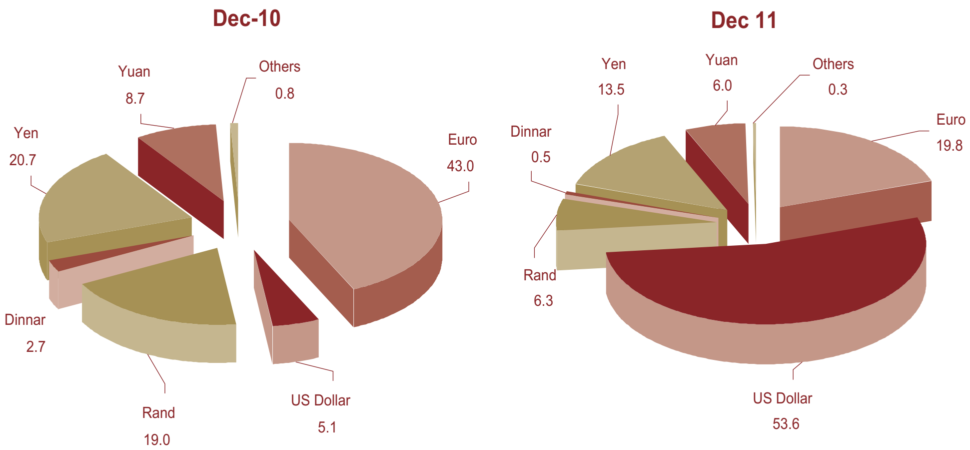
## CURRENCY COMPOSITION

The US Dollar was the most dominant currency in the total external debt portfolio at the end of the review period compared to the other currencies. Loans denominated in the US Dollar accounted for 53.6 percent at the end of December 2011 (Chart C.78). This increase is driven mainly by the issuance of the Eurobond which is denominated in the said currency. This is significantly higher than 5.1 percent at the end of the previous period. The Central Government's loans dominated in Euro accounted for 19.8 percent of the total external debt by the end of the period under review, a decline from 43.0 percent at the end of 2010.

**Chart C.78: External debt currency composition (Percentage share)**




Source: MoF

The Japanese Yen accounted for 13.5 percent, lower than the 20.7 percent at the end of 2010. Moreover, the South African Rand-denominated loans accounted 6.3 percent at the end of December 2011, declining by 12.7 percentage points compared to the proportion at the end of 2010. Loans denominated in the Chinese Yuan accounted for 6.0 percent.

## CENTRAL GOVERNMENT LOAN GUARANTEES

Between December 2010 and December 2011, Namibia recorded an increase in loan guarantees driven by a significant increase in domestic loan guarantees, although a slight decline was recorded in foreign guarantees. As a result, Central Government's loan guarantees increased by 5.9 percent to N$2.6 billion, compared to the level at the end of December 2010. However, the overall Central Government loan guarantees as a percentage of GDP declined by 0.1 percentage point to 2.9 percent at the end of the review period. The decline in the proportion of total loan guarantees as a percentage of GDP is mainly due to the fact that GDP growth increased relatively more than the increases in domestic loan guarantees.

**Table C.14: Central Government loan guarantees as at 31 December 2011 (N$ million)**

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| GDP | 62 081 | 72 946 | 75 679 | 81 509 | 89 317 |
| Domestic guarantees | 1 231.5 | 1 106.5 | 1 095.6 | 1 081.4 | 1 563.1 |
| As % of GDP | 2.0 | 1.5 | 1.4 | 1.3 | 1.6 |
| As % of total guarantees | 37.6 | 35.6 | 41.9 | 44.5 | 60.8 |
| Foreign guarantees | 2 039.6 | 1 999.4 | 1 519.4 | 1 346.2 | 1 008.7 |
| As % of GDP | 3.3 | 2.7 | 2.0 | 1.7 | 1.1 |
| As % of total guarantees | 62.4 | 64.4 | 58.1 | 55.5 | 39.2 |
| Total guarantees | **3 271.1** | **3 106.0** | **2 615.1** | **2 427.6** | **2 571.8** |
| As % of GDP | 5.3 | 4.3 | 3.5 | 3.0 | 2.9 |

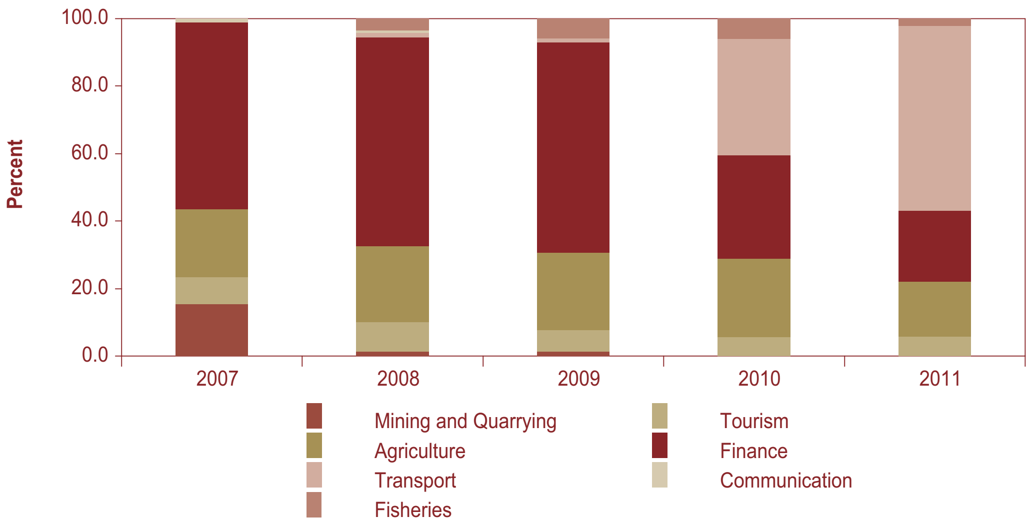
Source: MoF, BoN and CBS



## DOMESTIC LOAN GUARANTEES

During the review period, domestic loan guarantees committed by the Central Government increased, compared to the previous year. In this regard, domestic loan guarantees increased year-on-year by 44.5 percent to N$1.6 billion. This increase can be attributed to the issuance of new guarantees in the agricultural and transport sectors. As is evident from Chart C.79, the largest portion of domestic loan guarantees was allocated to the transport sector, which rose by 20.3 percentage points to 54.7 percent. This increase is driven by loan guarantees to farmers to purchase land. This was followed by loan guarantees to the finance sector and the agricultural sector, which made up 21.2 percent and 16.1 percent, respectively while the tourism and fishing sectors made up 5.4 percent and 2.2 percent respectively (Chart C.79). As a ratio to GDP, domestic loan guarantees increased slightly by 0.3 percentage point to 1.6 percent at the end of December 2011 (Table C.14).

**Chart C.79: Proportion of Government domestic loan guarantees by sector**

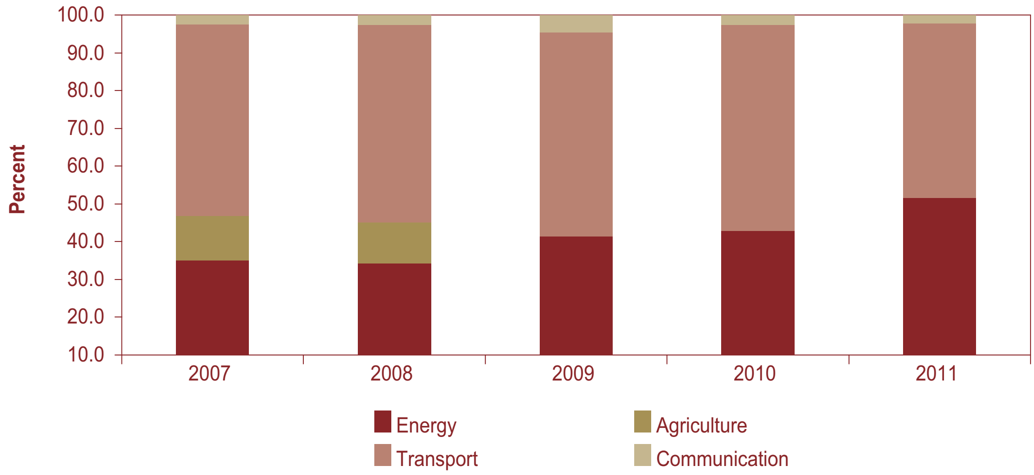



Source: MoF

## FOREIGN LOAN GUARANTEES

The stock of foreign loan guarantees declined by 25.1 percent to N$1.0 billion at the end of 2011, compared to levels recorded at the end of 2010 (Table C.14). The decline in foreign loan guarantees was due to repayment of foreign loans denominated in US Dollar. As a share of GDP, foreign loan guarantees consequently declined on an annual basis by 0.6 percentage point to 1.0 percent. Similarly, foreign loan guarantees as a percentage of total loan guarantees declined by 16.2 percentage points, year-on-year, to 39.2 percent at the end of 2011.

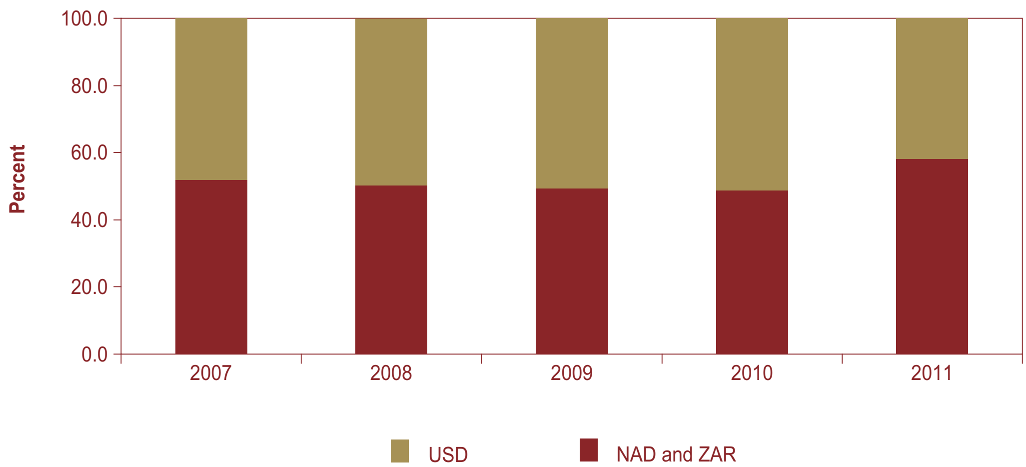
### Chart C.80: Proportion of Government foreign loan guarantees by sector




Source: MoF

Moreover, total loan guarantees issued to foreign creditors continued to be dominated by the energy sector, which made up 51.6 percent at the end of 2011 (Chart C.80). This is closely followed by foreign loan guarantees to the transport sector, which represented 46.2 percent of the total foreign loan guarantees. The share of foreign loan guarantees to the energy sector was mostly denominated in Namibia Dollar and South African Rand, at the end of 2011, while the share of foreign loan guarantees to the transport sector was mostly denominated in US Dollar.

### Chart C.81: Currency composition of Government foreign loan guarantees




Source: MoF

The share of Namibia Dollar and South African Rand denominated loan guarantees increased by 9.3 percentage points to 58.0 percent at the end of 2011 (Chart C.81). Meanwhile, the share of US Dollar-denominated loan guarantees declined by the same magnitude, to 42.0 percent over the same period. The decrease observed in the US Dollar denominated loan guarantees was due to the repayment made on existing loans denominated in US Dollar. This is a welcome development as it minimises foreign exchange exposure risks to the Central Government.

# Theme Chapter

## Enhancing Access To Finance Through An Improved Land-Tenure System In The Communal Areas Of Namibia


# ENHANCING ACCESS TO FINANCE THROUGH AN IMPROVED LAND TENURE SYSTEM IN THE COMMUNAL AREAS OF NAMIBIA

## INTRODUCTION

The FinScope 2011/12 survey indicates that 31 percent of the Namibian population is unbanked and excluded from financial services. The majority of those excluded reside in communal areas, where about 60 percent of the population lives under a subsistence setup. Increasing access to financial services by the poor will accelerate poverty alleviation and reduce income inequality. It is therefore imperative to enhance the financial inclusion of people living in communal areas and integrate them into the formal economy. A well developed financial sector provides affordable financial services that facilitate generation of savings, access to loans and insurance to all its citizens.

The level of exclusion to financial services of people in the communal areas in Namibia can be explained by lack of confidence in the demarcation and protection of property rights. To attain the objectives of Vision 2030, financial intermediation will be required to grow, on average, by 6.3 percent over the next 10 years.  This will only be possible if the financial sector reaches those segments of the population currently not served by it.  Land reform can play an important role in achieving this target and in facilitating the financial inclusion of those who are currently excluded.

In his book entitled '*The Mystery of Capital*', De Soto (2000) – according to *Time Magazine* one of the five leading Latin American innovators of the twentieth century - demonstrates with startling research findings from Asia, Africa, Latin America and the former socialist countries that a major problem in developing countries is their inability to use land rights to produce capital.  A typical example of this is a house built on land, the ownership rights of which are not adequately recorded and not tradable.  In such an environment, this asset cannot be turned into capital and cannot be used as collateral.

The problem described above resonates with the situation in communal areas in Namibia, where the tenure rights are inadequate and hence they are not tradable. This situation is contrary to what is generally happening in advanced countries, where every building and every piece of land is legally documented, which essentially activates that asset as a resource to potentially participate in economic activities.  By De Soto's calculations, the total value of the real estate held in a "defective" form by the poor in developing countries and former socialist nations is estimated to be around US$9.3 trillion.

In Namibia, these assets could amount to N$20 billion, representing about 25 percent of GDP in 2010. If we imagine a situation where only 30 percent of the communal land is turned into productive capital, it may potentially unlock a sizable investment equivalent to 7 percent of GDP, almost equal to the current contribution of the mining sector to GDP. The question is, what would be the impact of 80 percent of the communal land? This would go a long way to create much needed employment, stimulate growth, and reduce poverty in the rural communal areas.

Various research results have identified the tradability of property rights as a challenge in Namibia (Christensen, 2005; Kaakunga & Ndalikokule, 2006; and Wolfgand & Odendaal, 2010). However, the success of the Affirmative Action Loan Scheme (AALS) for resettled commercial farms, where tenure rights are fully tradable, makes a compelling case for fully tradable tenure rights in communal areas. Under the AALS, emerging previously disadvantaged farmers are granted loans to purchase farms, stock and develop the farm, against the security of the mortgage bond. On the contrary, the government resettlement scheme, where land is provided to the beneficiaries on leasehold rights has been less successful. This is to a degree on account of ambiguities in the leasehold rights. Although tenure-right reforms are in progress in the communal areas, implementation has been slow and the proposed tenure rights are still not in a requisite form for them to be fully tradable.

This theme chapter presents an overview of the current tenure system in Namibia as well as ways to improve the system and enhance access to finance. Furthermore, a list of practical recommendations aimed at addressing the current tenure system and lack of access to finance are laid out.

## THE TENURE SYSTEMS IN NAMIBIA

Immediately after independence in 1990, Namibia embarked upon land reforms with the National Conference on Land Reform and the Land Question. The primary objectives of land reform were to address past injustices brought about by large-scale land dispossession and to reduce poverty and inequality (Wolfgang, 2003). The land-reform programme has four main components:

- Redistributive land reform;
- Tenure reform;
- Development of un-utilised communal land; and
- The Affirmative Action Loan Scheme (AALS).

Several laws have been enacted to achieve the objectives of land reform. These include:

- The *Agricultural (Commercial) Land Reform Act of 1995*, which makes provision for the government to acquire agricultural land for purposes of land reform and redistribution
- The *Married Persons Equality Act of 1996*, which gives women equal as well as independent land-ownership rights
- The *Land Policy of 1998*, which deals with a variety of land rights, including freehold titles, leaseholds, customary grants, licences, certificates and permits, and state ownership of specific classifications of land
- The *Communal Land Reform Act of 2002*, which legalizes the powers of traditional authorities over communal land and institutes Regional Communal Land Boards that oversees the allocation of customary land rights by traditional authorities
- The *Traditional Authorities Act of 2000*, which identifies the traditional authorities (chiefs, headmen) as legal units and provides for their designation and powers
- The *National Resettlement Policy of 2001*, which is set up to resettle landless households on land acquired under the Agricultural Commercial Land Reform Act of 1995, and
- The *Affirmative Action Loan Scheme (AALS)*, which was established in 1992 to provide subsidised loans to previously disadvantaged Namibians to acquire large scale commercial farms under freehold title.

These laws, policies and schemes are intended to provide the mechanism to realise land reform.

There are three types of tenures in Namibia, namely, customary, leasehold and freehold, which are based on the classification of land, being State land, commercial land and communal land. State land belongs to the State, while communal land is owned by the State on behalf of the people. Commercial land is owned by individuals who bought such land under a freehold tenure, which is fully tradable. In communal areas, the tenure system is governed by the Communal Land Reform Act of 2002, which provides for customary and leasehold land rights. Currently, land rights in communal areas are primarily customary land rights. The Act allows for the transfer of land rights in both cases, but the holders can only ask for compensation for the improvements on the land. Broadly, the two types of tenures are defined as follows:

- Customary land rights, which cover the right to a residential unit and a right to a farming unit, last for the natural life of the right-holder and are governed according to customary law, and
- Right of leasehold covers situations that are generaly outside customary allocations of communal land and gives the holder the right to carry out specific activities on the land in designated areas for a maximum period of 99 years.

The Communal Land Reform Act of 2002 is intended to improve the communal land tenure system by ensuring an appropriate land administration system. The Act provides for the establishment of a Communal Land Boards (CLBs), specifically to oversee land in communal areas, including allocation, registration and cancellation of land rights. The registration of the land rights gives the legal security of tenure to the right holder.

## THE CURRENT TENURE SYSTEM AND ACCESS TO FINANCE IN COMMUNAL AREAS

An inadequate tenure system has impeded communal areas from attracting finance to develop and to modernize. The situation in the communal areas resonates with the ‘Tragedy of the Commons” or


"Hardin's Commons Theory" (Hardin, 1968), which argues that communities that share resources inevitably pave the way for their own demise and that instead of wealth for all, there is wealth for none. The resources in communal areas are overused, as evidenced by overgrazing, soil erosion, desertification, and declining production and productivity in subsistence activities. The theory postulates ensuring secure property rights as the ideal mechanism to deal with problems that arise from common ownership of resources.

Secure land tenure requires that legal rights to land be adequately defined and documented. The process of registration provides documentary evidence of land ownership, which in turn can prove legal possession of land. Since customary land rights are governed by customary law, which views the rights in the context of family, including the extended family, such rights are enmeshed in uncertainty and ambiguity. This prohibits the tradability of the customary land rights and consequently the development of the communal areas. Therefore, there is a need for further review and reform of land tenure to facilitate financial inclusion.

While the Communal Land Reform Act of 2002 provides for the processes to register land rights in communal areas, it is not clear whether such process is practical and will ensure an appropriate registration process required for tenure security.  For instance, the allocation of customary land rights is carried out by traditional authorities, who do not have the necessary supportive structures and capacity to facilitate such a registration process that includes highly technical issues such as mapping and surveying.  Currently, land rights allocations are carried out based on mapping without actual surveying, which creates opportunities for disputes over land ownership and associated transactions. These translate into risks and insecurities that affect the tradability of land rights in communal areas.

The slow pace of registering land rights in communal areas, especially leasehold rights, is another hindering factor. While the tradability of leasehold rights is regarded as more promising than that of customary rights, tenure rights in communal areas are mainly customary. There are very few leasehold rights allocated in communal areas. One of the main factors responsible for the slow pace of registering land rights in communal areas is surveying and mapping, which requires a high and complex level of expertise in a magnitude that is not adequately available in Namibia (Christensen, 2005), especially if sufficient budgetary resources are not provided. Since the enactment of the Act in 2002, only about 50 000 of an estimated 236 000 land parcels have been registered in the communal areas. In recognition of the slow pace of registration, the government has significantly increased the budgetary allocations for communal development over the next MTEF period (Table 1).

**Table 1 Development of Communal Area Budget Allocations**

| | Amount N$ |
|---|---|
| 2010/11 | 2 678 000 |
| 2011/12 | 24 355 000 |
| 2012/13 | 28 964 000 |
| 2013/14 | 29 390 000 |
| 2014/15 | 17 701 000 |

Source: Ministry of Lands, Resettlement and Rehabilitation

Nevertheless, it has also been observed that, in general, financial institutions are equally reluctant to accept such leasehold rights as collateral (Wolfgang & Odendaal, 2010) mainly because land as a property cannot be attached as collateral.  Another prohibitive challenge is the registration process of customary and leasehold rights currently being implemented in communal areas.  The establishment of CLBs in respect of any region or a defined part of a region implies a defragmented land registration system, which in turn implies insecurity.

The registration of land ought to show the actual state of ownership rather than only provide evidence of ownership (Hanstad, 1998). The success of land-reform efforts will depend on ongoing reform that ensures an appropriate land registration system.  Conversely, the efforts of land reform will be in vain if there are ambiguities with the registration of land rights. Such uncertainties make the Communal

Land Reform Act of 2002 ineffective in facilitating tradability of land rights in communal areas and is thus unlikely to lead to development in communal areas.

Tenure reforms alone will not be adequate to address financial inclusion and the development of a financial system in the rural communal areas. In order for tenure reforms to unlock growth potential in these areas, communally entrenched constraints need to be addressed, in tandem with the tenure-reform efforts. These constraints include, among others:

- Dispersed demand for financial services due to lower levels of economic activities and low population densities
- High information and transaction costs linked to poor infrastructure and lack of client information
- Weak institutional capacity of financial services providers for economic activities in the rural communal areas
- Seasonality of many agricultural activities, and
- Risks linked specifically to farming, such as variable rainfall, droughts, floods, pests, diseases, price fluctuations, and poor access to inputs, advice and markets by small farmers

These factors, combined with insecure tenure rights, impede the development of the rural communal areas and keep people locked into subsistence activities. Further, they distort economic activities which ensure that people in rural communal areas are disadvantage compared to commercial areas. Similarly, the financial system does not cater for investment in rural areas; instead it transfers rural savings to facilitate investment in commercial areas. These issues demonstrate the many risks that characterise property rights in communal areas and which prevent the development of a well functioning financial system and financial inclusion.

Although the Communal Land Act of 2002 is a substantial change to enhance tenure security, it still falls short of enabling fully tradable land rights in the communal areas. The ownership of land by the state and other attached provisions, make the tradability of land unattractive. As a result, customary land rights and leasehold rights are unlikely to enhance economic activities in communal areas. In addition, there is also general resistance to the proposal for tradable land rights in communal areas, on the basis that this may have unintended consequences, e.g. people selling their properties for quick financial gains.

These concerns are legitimate as the development of a land market for communal land can potentially lead to dispossessions instead of relieving the poor if owners of land rights become interested in short-term monetary gains from trading their land rights. Although it is essential that precaution be taken to protect the land rights of the poor from speculation and market based land grabbing, ways to manage those problems can be found.

It is important to note that similar concerns were present when today's advanced economies were reforming their land tenure system at around the 16th century, although to a large extent they have overcome these challenges. In the UK during the 17th century, calls for land reform were not monolithic. Tenant farmers, some of whose family had lived on the same land for hundreds of years, were divided regarding the desired social and economic reforms (Bronstein, 2010). However, they were united in their approval of the land question, i.e. that land should not be worked in common but rather by small proprietors who would be responsible citizens as a result of their property ownership.

The lesson from history is that those countries which have made their land rights tradable have made progress in reducing poverty. For instance, Vietnamese land-tenure policy reforms were a central part of its wider economic reforms under the Doi Moi programme in 1986, which has steered the country towards a market-based economy (Kirk & Do Anh Tuan, 2009). Improved land-tenure security is cited to have played a critical role in accelerating agricultural growth, increasing food security, and reducing poverty throughout Vietnam, where the poverty rate fell from over 70 percent of the population in the mid-80s to around 29 percent in 2002 and down to 10 percent in 2010. This is one of the sharpest declines in the poverty rate ever to have been recorded.

THEME

## MEASURES TO IMPROVE THE TENURE SYSTEM AND ENHANCE ACCESS TO FINANCE

The high level of financial exclusion in Namibia is revealed by the low level of economic activities in communal areas. Land reforms will support financial inclusion as they have potential to widen and deepen the base of the financial sector. Furthermore, the trickledown effects of constructing land ownership in such a way as to allow trade and leverage will impact on issues of poverty, entrepreneurship, financial literacy and economic growth.

Access to financial products and services plays an important role in economic growth and development of countries as it contributes to, among other things, the reduction of poverty and inequality. Thus, lack of access to financial products and services has the potential to retard growth and development if not addressed and corrected, as is evident in communal areas. Some Non-Governmental Organisations and saving and credit cooperatives have been trying to improve access to finance for people living in rural communal areas by running programmes, especially in the microfinance field. However, these programmes have met with limited success as financial exclusion in communal areas is widespread and requires a more concerted effort across various domains of development. An appropriate tenure rights system will go a long way to improve financial inclusion and promote development in these areas.

Tenure reforms need to include a proper and effective registration system that will facilitate greater access to credit, reliable and expeditious dealings in land, establishment of a land market, improvement of land administration and public administration, improvement of land taxation, and a reduction in land disputes. Secure property rights would result in more participants in the financial sector and, as most communal land is inhabited by previously disadvantaged Namibians (i.e. former “homelands”), this participation in the financial sector would better reflect the demographics of the country. The resultant equitable distribution of wealth would be in keeping with the spirit of the Financial Sector Strategy and Vision 2030.

Secure land tenure rights would allow for investment in rural areas and in technologies that would improve productivity in rural and communal areas and ensure food security. These investments are even more indispensable when we consider the climate change challenge, which requires investment in innovation and technologies to counteract its unfavourable effects. An inclusive financial system would ensure stable income flows and enable rural entrepreneurs to be better prepared for adversities. Similarly, it can relieve the stresses placed on urban centres by a lack of economic activities in rural areas. These stresses manifest in various ways, including a rapid increase in illegal occupation of land and informal settlements, where migrants live in shelters made of unsuitable materials that present health risks. Further, as the hope of securing employment fades, migrants tend to turn to crime, and illegal activities and other social problems escalate.

An important measure that needs to be taken as regards tenure security is to educate the public and make them aware of tenure rights. Education holds the key to the successful implementation of tradable tenure rights. Education and public awareness are not only necessary for the rural community but for financial sector players generally as they will ensure that the potential risks to communal communities are minimised through responsible and accountable conduct that in turn minimises predatory and speculative behaviour. Education of the public will also need to address the risk aversion characteristic of the rural communities. Similarly, training will play an important role in ensuring that people are able to engage in viable economic activities, which will further mitigate the risk of attaching the land as collateral.

In view of the importance of land, clear, rigorous rules and regulations will need to be drawn up to combat rogue behaviour and minimise the possibilities for unnecessary loss of land by people living in communal areas. This is important since the risk of loss of land is normally cited to justify insecure tenure types.

## CONCLUSION AND RECOMMENDATIONS

The exclusion of communal areas from financial services is unacceptable and requires action. If Namibia is to attain the development targets outlined in Vision 2030, it is vital to develop communal areas. Financial-sector development is crucial to the development of communal areas, and land rights play an important role in the development of the financial sector. Land rights in communal areas are not in a requisite format that can stimulate financial services and unleash the development potential of these areas. The transformation of land rights to facilitate the conversion of "dead capital" into productivity therefore holds much potential for the social and economic development of Namibia.

What is needed to remedy the status quo is to expediently transform the current land tenure system in the communal areas to a tenure system that is freely tradable. The current situation is unsustainable and a burden on the economic system. However, such proposals are rejected due to people's fear that they will lose their land. While such concerns are legitimate, the current situation perpetuates poverty in the rural communal areas. The potential exists in these areas to improve the living standards of communities, therefore, it is necessary for people to accept conditions and take the risks inherent in tradable land rights in order for Namibia to become a developed country. The best case scenario would be for reform to be carried out in a monitored and regulated environment to ensure that these risks are minimised.

It is thus recommended that a multi-disciplinary team be set up to map out a land-reform approach that is integrated into wider development policies and programmes in Namibia. This team could be tasked with:

- Coordinating all actions required, such as the amendment of particular current land laws required in order to reflect this ideal;
- Ensuring that the management of land in communal areas under the proposed tenure system, is strengthened to enhance security and promote confidence in the proposed tenure rights;
- Developing rules and guidelines to minimise the risks that can emanate from fully tradable land rights;
- Ensuring education of people in the communal areas, as well as stakeholders in the financial sector, of their rights and obligations that would result from a secure and tradable land tenure;
- Ensuring that all citizens benefit fully from the economic value of the land that is governed by tradable land rights without falling prey to dishonest behaviour which could lead them to lose their most valuable possession;
- Ensuring that land rights in the rural communal areas is made tradable within a specific time period, e.g. 10 years.

THEME

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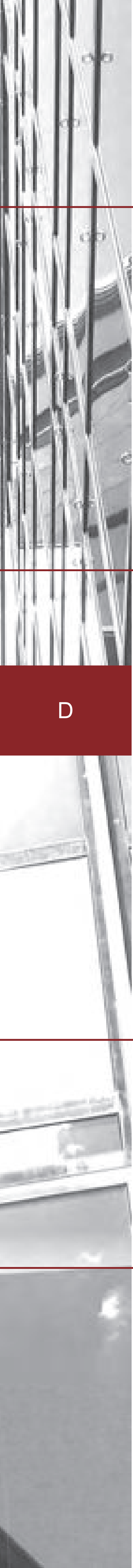
# Part D

## Banking Supervision

# Content

## BANKING SUPERVISION



D

# INTRODUCTION

Despite the global economic slowdown, the Namibian banking sector remained sound during 2011. This resilience of the banking sector was supported by strong capital levels throughout 2011, together with strong aggregate balance sheet growth, and improved profitability and liquidity. Moreover, the low interest-rate environment continued to be favourable towards borrowers, with non-performing loans expected to remain at their lowest.

Although uncertainties remain a challenge globally, no immediate fears exist locally for a weakening in the asset quality, profitability or capital position of domestic banking institutions. The outlook for the Namibian banking system therefore remains positive, with strong balance-sheet growth prospects expected to be driven by the retail loan book, stronger and more robust product offerings, and possible increased Government spending due to domestic infrastructure developments.

# DEVELOPMENTS IN THE LEGAL AND REGULATORY FRAMEWORK

## CONSOLIDATED SUPERVISION PROJECT

Consolidated supervision is an essential tool for supervising banking institutions on a group basis. It allows regulators to evaluate the soundness of an entire banking group by identifying all the risks that may affect a stand alone banking institution, whether such risks are inherent in the banking institution's books or in the books of other entities related to the banking institution.

The year under review witnessed significant progress towards the finalisation of the consolidated supervision project. In this regard, the Bank achieved the sign-off by the industry that signified the completion and adoption of the consolidated supervision by-laws and the directives and instructions for completion of the statutory returns. All stakeholders involved lived up to the expectations detailed in the project charter, hence the Bank is confident that consolidated supervision will ensure that other companies and related parties within the entire corporate group will be appropriately regulated. The implementation of this project saw the Bank following the direction of regulators such as the South African Reserve Bank and the Bank of Indonesia as well as international standard setters like the Basel Committee on Banking Supervision (BCBS).

# DEVELOPMENTS IN THE BANKING INDUSTRY

## LICENSING OF BANKING INSTITUTIONS

During the year under review, the Bank did not receive any new applications for banking licences. In turn, the provisional licence granted to the SME Bank during 2010 was extended until May 2012.

# ON-SITE EXAMINATIONS AND OFF-SITE ANALYSES

The Bank continued to carry out its supervisory function, as mandated by the amended Banking Institution Act of 1998. The Bank conducted risk-based, on-site examinations at the five banking institutions licenced with it. Three of the five were full-scope, risk-based examinations and two were follow-up examinations. The objective was to assess the adequacy of the banking institutions' risk management systems and allocation of adequate capital for the identified risks, as well as to ascertain their compliance with laws, regulations, prudential guidelines and supervisory recommendations.

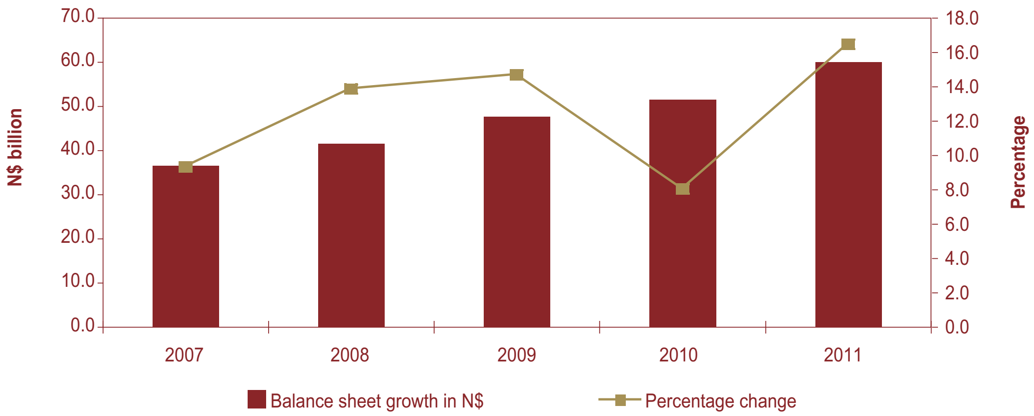
Overall, capital adequacy, earnings, and liquidity components of the banking institutions were satisfactory and complied with set prudential and regulatory requirements. No additional capital add-ons were required during 2011. From an off-site perspective, the Bank continued to monitor the supervised banking institutions on an ongoing basis to ensure financial soundness and compliance with Basel II regulations.

# PERFORMANCE OF THE BANKING SECTOR

## BALANCE SHEET STRUCTURE

The size of the banking sector's balance sheet, as depicted in Chart D.1, grew by 16.4 percent compared to 8.0 percent a year ago, and amounted to N$60.0 billion at 31 December 2011 compared to N$51.5 billion a year ago. This was mainly due to the increase of loans and advances on the asset side, and non-bank funding on the liability side.

### Chart D.1: Aggregated balance sheet growth

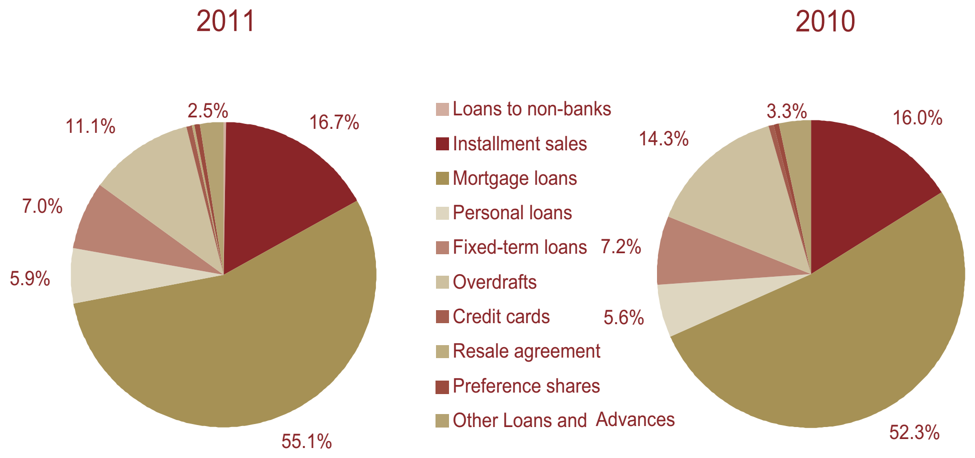



## ASSETS STRUCTURE

The growth in the balance sheet assets increased from N$51.5 billion to N$60.0 billion, and was mainly due to an upsurge of N$4.4 billion to N$43.1 billion in total loans and advances, which was largely contributed by the residential and commercial real estate mortgages loans. The other significant contributor to the positive assets growth was the increase in short-term-negotiable securities, which rose by N$3.2 billion to N$6.3 billion. Cash and balances with banking institutions increased by N$3.3 billion to N$7.8 billion, while the investment portfolio dropped by N$2.5 billion.

Loans and advances remained the largest portion of total assets, constituting 71.9 percent at the end of December 2011. The remaining 28.1 percent was shared among the short-term negotiable securities, cash and balances with banking institutions, and other assets and investments.

**Chart D.2: Composition of total loans and advances**



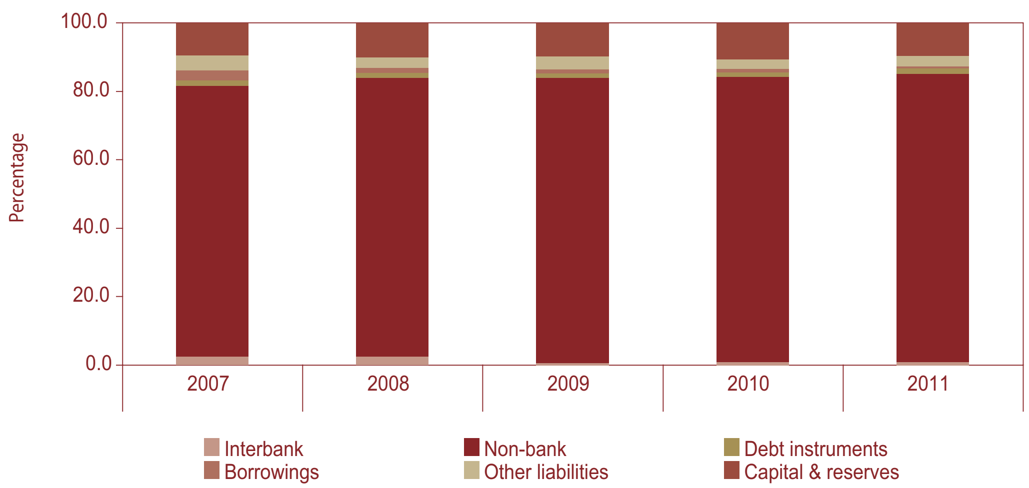

Further analysis of the composition of loans and advances, as depicted in Chart D.2, shows that mortgage loans represented the largest portion of loans and advances, accounting for 55.1 percent of the total loan book. Installment sales and overdraft loans followed, at 16.7 percent and 11.1 percent, respectively. Fixed term loans and personal loans accounted for 7.0 percent and 5.9 percent, respectively, while preference shares, credit cards, loans payable in foreign currencies and loans under resale agreement constituted an insignificant share of less than 1.0 percent, respectively.

## FUNDING STRUCTURE

On the capital and liabilities side, the major driver of the balance-sheet growth was non-bank funding, which grew by 17.8 percent to N$50.5 billion, which stemmed mainly from demand deposits.

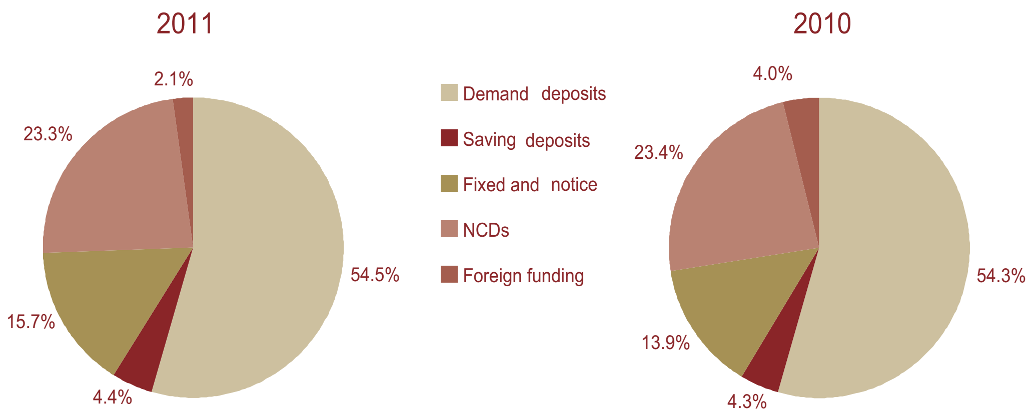
In terms of composition of funding, non-bank funding continued to constitute a significant portion of the balance sheet, at 84.2 percent (Chart D.3). Shareholders' funds (capital and reserves) accounted for only 9.6 percent, while debt instruments issued, other borrowing and other liabilities represented the residual share.

**Chart D.3: Composition of liabilities and capital**




A breakdown of total deposits shows that demand deposits remained a large component of funding, representing 54.5 percent of the total deposits (Chart D.4). As a result, the maturity structure of bank deposits is more skewed towards short-term than long-term deposits, which is indicative of the practice of short-term funding supporting long-term lending.

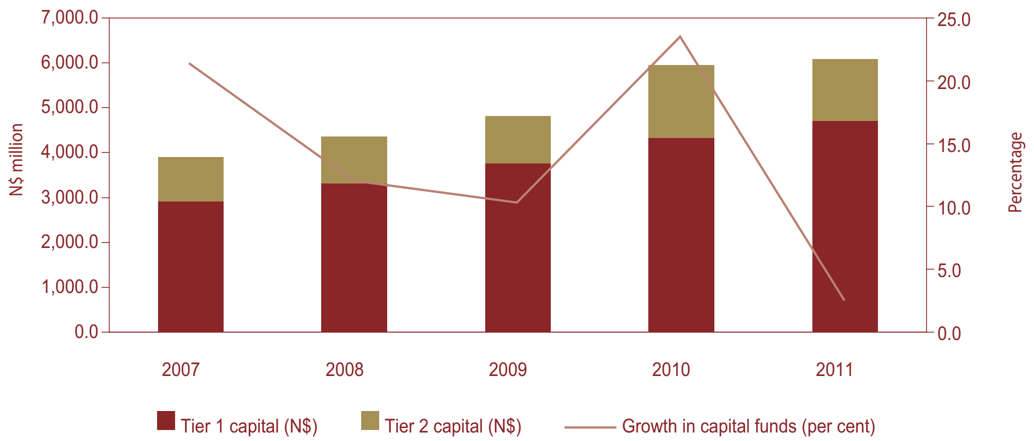
### Chart D.4: Composition of non-bank deposits




## CAPITAL ADEQUACY

In terms of the Measurement and Calculation of Capital Charges for Credit Risk, Operational Risk and Market Risk (BID-5), banking institutions are required to hold sufficient capital and reserves to support the risks that arise from their operations. Adequate capital levels provide banking institutions with a cushion against the risks embedded in their assets. During the period under review, the banking sector remained well capitalised, with all banking institutions reporting well in excess of all minimum regulatory capital requirements.

### Chart D.5: Elements of capital funds



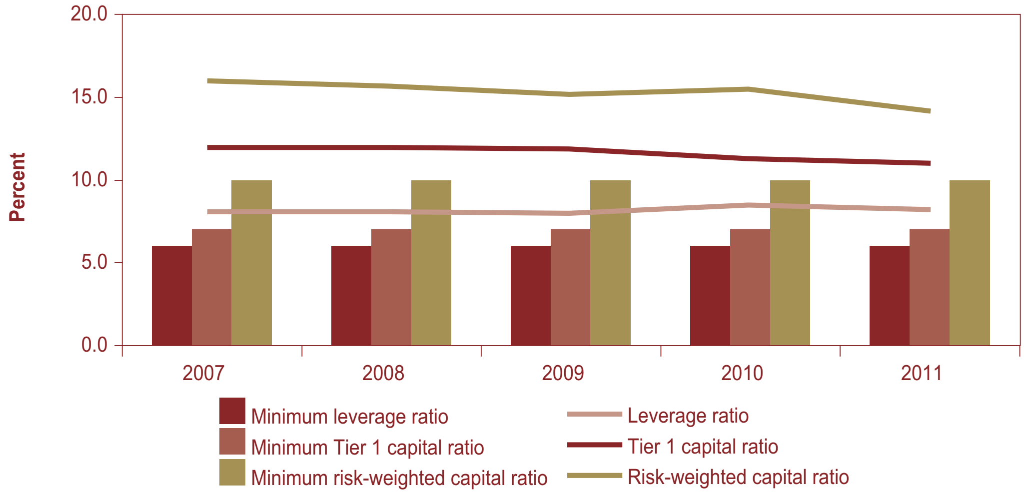

The composition of capital funds, also referred to as the qualifying capital, is reflected in Chart D.5. The growth in the capital funds was merely 2.5 percent as at the end of December 2011 due to dividend payments during the year and which was much lower than the 23.4 percent increase as at 31 December 2010 caused by a higher growth in tier 2 capital.

During the year, tier 1 capital, also known as primary capital, increased by 8.7 percent to N$6.1 billion, which is attributed to the increase in the reserve funds. Tier 2 capital, on the other hand, declined by 14.1 percent to N$1.4 billion due to the reduction in the unaudited profits and redemption of tier 2 debt instruments. The net result in the tier 1 and tier 2 capital movements caused the total qualifying capital to marginally increase by 2.5 percent to N$6.1 billion.

Both tier 1 capital ratio and the leverage ratio were above the regulatory requirements of 7.0 percent and 6.0 percent, respectively.

While the risk weighted capital ratio (RWCR) declined to 14.0 percent at the end of December 2011, from 15.3 percent in December 2010, it remained well in excess of the 10 percent minimum requirement. The decrease in the ratio came as a result of the higher increase of 11.9 percent in the risk-weighted assets (RWA), which outpaced the 2.5 percent growth in qualifying capital. Both tier 1 leverage ratio and tier 1 capital ratio declined, as the growth in tier 1 capital was less than the growth in RWA and gross assets. All capital adequacy ratios as discussed here are depicted in Chart D.6.

**Chart D.6: Capital adequacy ratios**




## CREDIT RISK

The main purpose of credit risk management is to maximise banking institutions' risk adjusted rate of return by maintaining credit risk exposure within acceptable parameters. The effective management of credit risk is a critical component of a comprehensive approach to risk management and is essential to the long-term success of banking institutions.

The overall rate of credit risk showed an improvement in the quality of banking assets, as evidenced by the reduction in non-performance loans (NPLs)[24] and total provisions, while some debts were written-off during 2011.

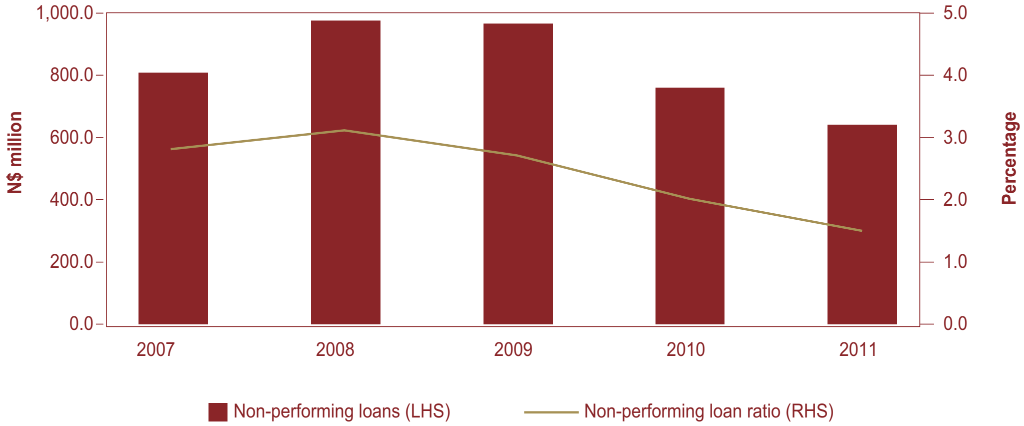
## ANALYSIS OF NPLS

The level and trend of NPLs in the entire credit portfolio is a crucial indicator in assessing the quality of assets in banking institutions. The aggregate amount of NPLs in the banking industry declined by 15.7 percent during the year under review, amounting to N$641.2 million.

NPLs as a percentage of total loans and advances reduced to 1.5 percent from 2.0 percent in December 2010. The growth in loans and advances, in tandem with the reduction in NPLs, is an indication of the adequacy of the existing credit risk management processes in the banking institutions. The industry NPL ratio has remained well below the benchmark of 4.0 percent over the last five years, as is depicted in Chart D.7.

[24] NPLs refer to loans that have been overdue for a period longer than 90 days.

## Chart D.7: Non-performing loans

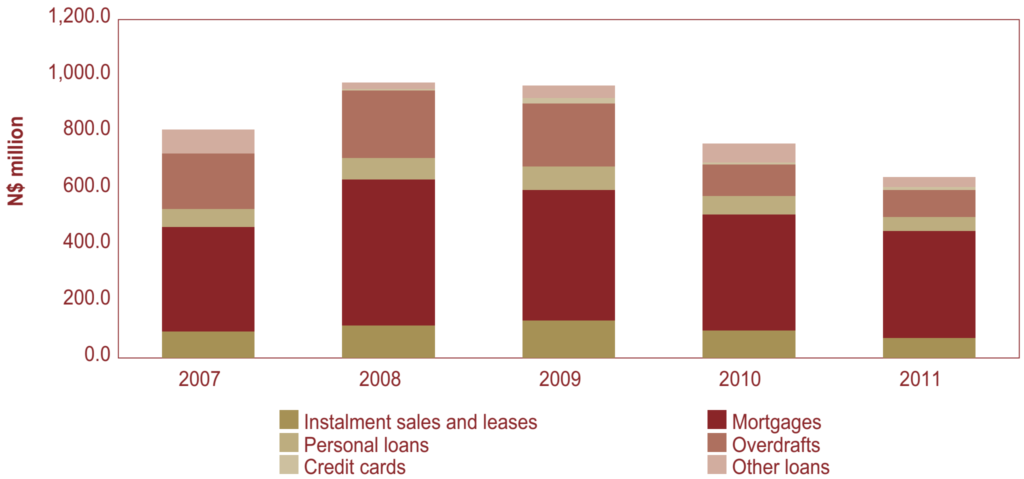



The NPL component per product, as depicted in Chart D.8, shows that with the exception of credit cards, all product types declined during the year under review, which led to the overall reduction in NPLs. Mortgage loans, other loans, and personal loans represented the highest decline in this regard.

Mortgage loans constituted a share of 55.1 percent as at 31 December 2011 compared to 54.0 percent in 2010, followed by overdrafts and installment sales, at 14.9 percent and 10.9 percent, respectively. The remaining 14.7 percent was accounted for by personal loans, other loans and advances, and credit cards.



## Chart D.8: Non-performing loans per product




## ADEQUACY OF PROVISIONS

Provisions made for possible loan losses by the banking sector remained adequate throughout 2011, and were in line with the minimum regulatory provisioning requirements as outlined in the Determination on Asset classification, Suspension of Interest and Provisioning (BID-2).

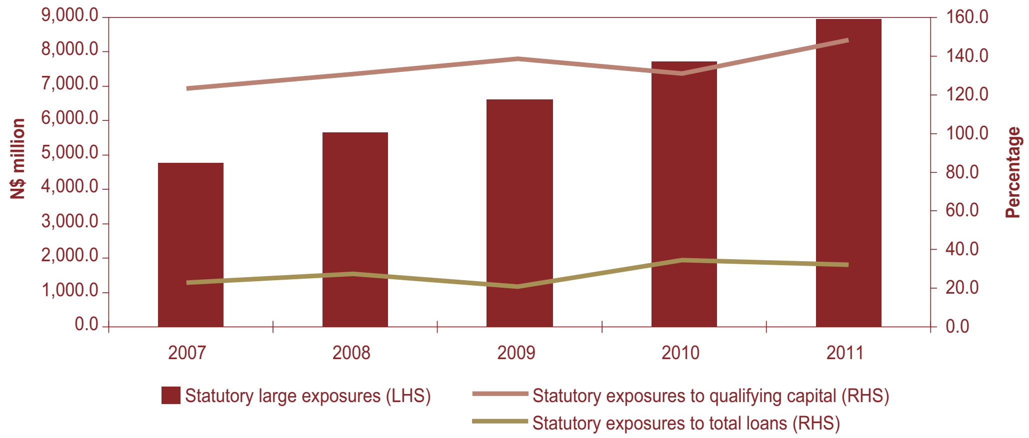
Total provisions increased by N$5.0 million to N602.9 million during 2011, contrary to the N$41.6 million decrease recorded in 2010. During the year, contrasting movements were observed in general provisions, which increased by 5.9 percent to N$389.2 million, while specific provisions declined by 7.2 percent to N$213.8 million.

As a percentage of total loans, total provisions dropped slightly to 1.4 percent from 1.5 percent reported at 31 December 2010, while the ratio of specific provisions to NPLs remained static at 33.3 percent since December 2010.

## STATUTORY LARGE EXPOSURES

Large exposures[25] by a banking institution can create a concentration of risk and thereby increase the potential for bad debts, resulting in solvency problems for banking institutions. Since such risks cannot be eliminated they can be contained by limiting the extent of large exposures. All banking institutions maintained the ratio of large exposures to capital funds far below the required 800.0 percent prudential ratio. The aggregate ratio for the banking industry, as depicted in Chart D.9, increased from 129.9 percent to 147.0 percent during 2011.

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






## LIQUIDITY

Liquidity is the ability of a bank to meet its financial obligations as they come due at acceptable costs and is vital for the continued existence of any banking institution. The importance of liquidity goes beyond the individual bank, as a liquidity shortfall at an individual bank can have systemic repercussions. Therefore, liquidity management is carried out in terms of the requirements of the Determination on Minimum Liquid Assets (BID-6). This ensures that banking institutions comply with statutory minimum liquidity requirements and employ good liquidity risk management techniques.

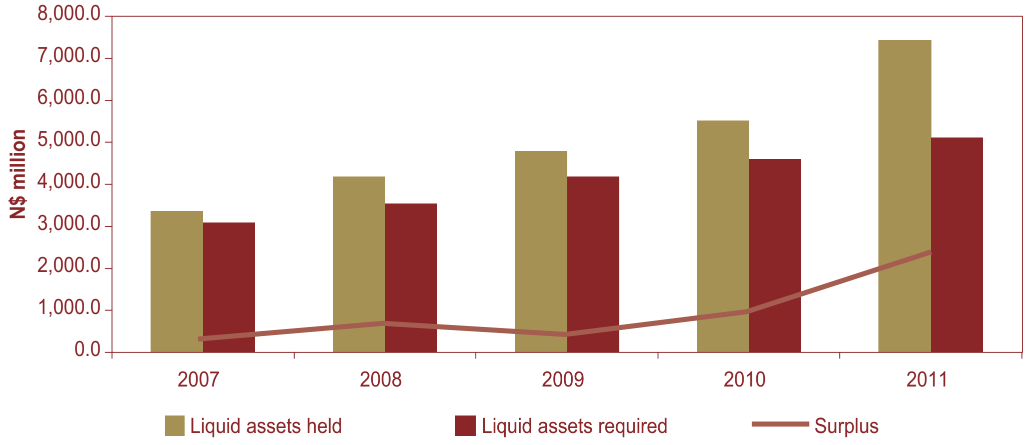
During 2011, the banking sector continued to hold liquid assets in excess of the statutory requirements as part of its liquidity risk management. Chart D.10 depicts the average liquid assets held as a percentage of liquid assets required to be held.

Liquid assets held exceeded the liquid assets required throughout the year under review, recording a growth of 12.9 percent at the end of December 2011. Liquid assets held by the banking sector stood at N$7.4 billion, while the minimum required limit was N$5.1 billion, resulting in a surplus of N$2.3 billion as depicted in Chart D.10. Liquid assets increased in tandem to total assets, causing the ratio of liquid assets held as a percentage of average total liabilities to increase from 12.0 percent in December 2010 to 14.5 percent in December 2011.

Over the past five years, the banking sector continued to maintain its liquid assets above the prudential requirement. The increase in liquid assets was mainly due to increases in the settlement account balance with the Bank and Treasury Bills. The ratio of liquid assets as a percentage of total assets increased to 12.4 percent in December 2011 from 10.7 percent in December 2010. The ratio loans-to-assets declined by 3.1 percent to 71.0 percent, while loans-to-deposits decreased by 4.5 percent to 82.1 percent, as at the end of December 2011. Both these liquidity ratios compared favourably with international benchmarks.

[25] Large exposures refers to a single person (or group of related persons) who, in aggregate, equals or exceeds 10 percent of a banking institution's capital funds.

## Chart D.10: Statutory liquid assets

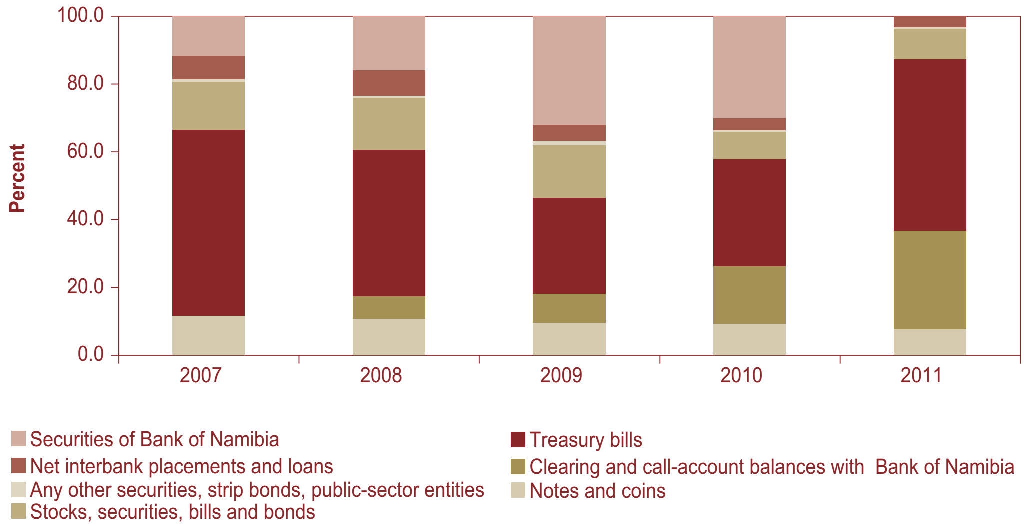



As depicted in Chart D.11, the banking sector's liquid assets were dominated by Treasury Bills, with a share of 50.6 percent. This was followed by settlement account balances with the Bank at 28.8 percent, Government stocks, securities, bills and bonds at 9.2 percent, notes and coins at 7.8 percent, net interbank placements and loans at 3.2 percent, and other securities at 0.4 percent. Other securities include Separate Trading of Registered Interest, Principal of Securities of Namibian Government Securities (Strips), and Public Sector Enterprises (PSEs). Treasury Bills increased from N$1.7 billion to N$3.7 billion at 31 December 2011, reflecting a significant increase in liquid assets.

The share in liquid assets of settlement account balances increased significantly, from 17.1 percent to 28.8 percent at the end of 2011. The share in liquid assets of stocks, securities, bills and bonds increased from 8.1 percent to 9.2 percent, while the share of net interbank placements and loans decreased from 3.5 percent to 3.2 percent. In contrast, Securities of the Bank was liquidated, while the share of notes and coins decreased from 9.3 percent to 7.8 percent at the end of 2011. The share of other securities, Strip bonds and PSEs also declined slightly during 2011, from 0.6 percent to 0.4 percent.



## Chart D.11: Liquid assets composition




The banking sector's negative net funding commitments for the short-term bucket of (1-31) days decreased from N$6.2 billion to N$4.3 billion. This decrease is ascribed to bigger increase in cash inflows and smaller increase in cash outflows, from N$9.9 billion to N$15.0 billion and N$16.2 billion to N$19.5 billion, respectively.

The banking institutions conducted a stress test, which projected that for the first 30 days a cumulative



funding shortage of N$4.4 billion could be anticipated as at 31 December 2011. However, the industry's actual funding sources amounted to N$12.1 billion, which was sufficient to cover this estimated shortage, as depicted by the internal stress-test simulation exercise. This comprised mainly of available-for-sale investment securities and draw-down capacity in respect of loans that will mature for the purpose of offering contingent funding. Therefore, the banking sector is sound and continued to hold adequate funding to honour commitments, even under stressful conditions in the (1-7) days maturity time band, as well as in the longer term.

Regarding the concentration of funding sources of the banking sector, the ten largest depositors constituted 36.6 percent of total funding liabilities. In the time band of (1-7) days, funding from large depositors stood at N$7.4 billion, constituting 14.2 percent of total funding liabilities of the banking sector at the end of December 2011. This suggests that the wholesale funding portfolio, has slightly increased when compared to the position of 12.6 percent a year ago. However, the banking sector still relies largely on core deposits. In terms of foreign exchange exposure, the sector showed liability and asset sensitive positions for short and long-term time bands, respectively. This scenario indicates that earnings would be negatively impacted in the short term, while in the long term they would show a positive influence when the Namibia Dollar appreciates against other foreign currencies. It was further noted that the most traded foreign currencies are the USD and the Euro.

## INTEREST RATE RISK

In terms of interest rate risk exposures, the short-term (0-30) days variable rate liabilities amounted to N$34.7 billion, while the short-term variable rate assets amounted to N$49.7 billion. The majority of variable rate assets continued to be concentrated in the short-term band and constituted 82.9 percent of total assets. In contrast, variable rate liabilities constituted 57.9 percent of total liabilities and capital, also concentrated in the shorter-term bands. The variable rate liabilities continued to be well spread over all the time bands.

The mixture of liabilities is well balanced because fixed rate liabilities only constituted 14.7 percent of the liabilities and capital, while variable rate liabilities comprised a 57.9 percent share. In contrast, fixed rate assets constituted 3.0 percent of total assets, while variable rate assets constituted 82.9 percent of total assets, with the bulk of variable-rate assets present in the (0-30) days time band. Overall, the banking sector continued to fund its short-term (0-30) days variable and fixed rate assets with a mixture of variable and fixed rate liabilities. In summary, earnings of the banking sector may improve as the bulk of the assets that are concentrated in the variable short-term bucket of (0-30) days, will re-price faster in the event of interest rate hikes, as opposed to re-pricing of liabilities.

An interest rate risk stress test on the sector banking book revealed that an upward parallel shift of 200 basis points in banking sector interest rates over a 12-month period will cause net interest income to increase by N$130.7 million. Furthermore the impact of an upward rate shock of 200 basis points will cause an insignificant 1.0 percent shift in the economic value of capital.

## PROFITABILITY AND EARNINGS

Profitability allows banking institutions to be sustainable and solvent. Profitability in the form of retained earnings is an indicator of a banking institution's capacity to strengthen its capital base. It allows banking institutions to maintain certain risk profiles and provides a cushion against short-term problems. The competitive position of banking institutions in the market and the quality of their management practices are mainly signified by the levels of earnings being achieved. The analysis of earnings looks at the banking institution's ability to generate income and efficiently manage related expenditure items.

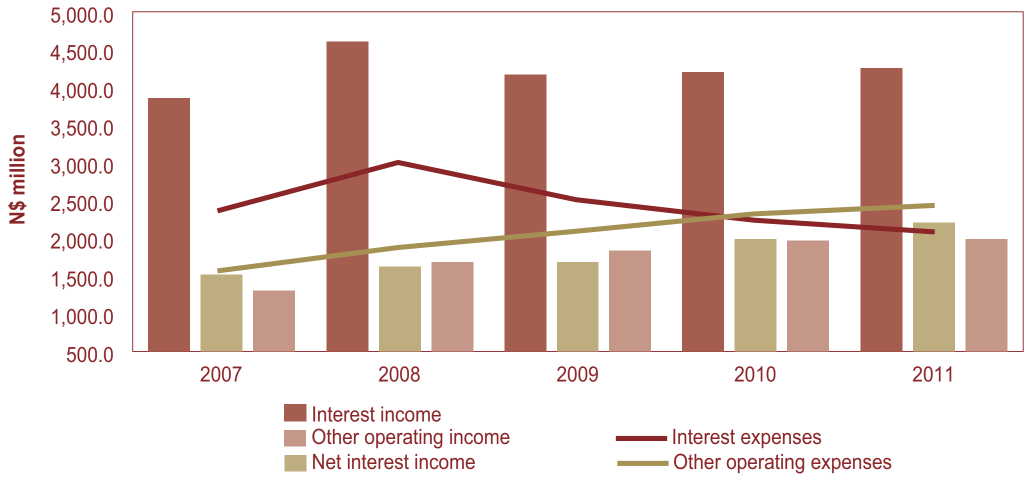
The banking sector's profitability continued to improve as a result of the increase in total income. Total income increased slightly by 5.9 percent from N$4.0 billion in 2010 to settle at N$4.1 billion in 2011. The growth in total income was mainly caused by the increase in net interest income. The lower non-performing loan ratio, which declined from 2.0 percent in 2010 to 1.5 percent in 2011, supported the banking sector's profitability results, despite the low interest-rate environment which prevailed in 2011.

During 2011, the banking sector interest rates (prime rate of 9.75 percent) remained constant, which brought interest margins under pressure; however, interest income declined marginally by 1.3 percent to N$4.2 billion, while interest expenses declined more, by 7.1 percent from N$2.2 billion in 2010 to N$2.0 billion in 2011. The decline in interest income was observed in lower interest earned from balances with banking institutions, instalment debtors, hire purchase, personal loans, fixed-term loans and overdrafts.

Interest expenses declined, as reflected by decreases in interest paid on demand deposits, current accounts, savings deposits, fixed and notice deposits, and negotiable certificates of deposits (NCDs). The low interest rates experienced by the banking sector during 2011 caused interest expenses as a percentage of non-bank funding liabilities to fall from 5.2 percent to 4.0 percent, while interest income in relation to total assets declined from 8.2 percent to 7.3 percent.

As a result of interest expenses declining at a faster pace than interest income, the net interest income grew by 10.7 percent to N$2.2 billion, as depicted in Chart D.12. However, net interest income dominated total income and accounted for 52.5 percent, compared to 50.2 percent a year ago. Over the five-year period, net interest income showed an increase from N$1.3 billion to N$2.2 billion.

## Chart D.12: Key income statement indicators






The total operating income of the banking sector increased slightly by 1 percent to N$2.0 billion in 2011 from N$1.9 billion in 2010, spearheaded by increases in trading income, fee income and other income. Total operating income constituted 46.0 percent of total income during 2011, compared to 49.8 percent during 2010. Operating expenses increased by 4.6 percent to N$2.4 billion as at 31 December 2011, compared to the 11.1 percent upsurge to N$2.2 million at the end of December 2010.

The increase in operating expenses mainly resulted from increases in staff costs, occupancy expenses, and other expenses, which increased by 9.4 percent, 23.3 percent and 12.8 percent, respectively. Staff costs continued to dominate operating expenses, with a share of 52.3 percent, followed by administration and other overheads at 26.2 percent, other operating costs at 10.0 percent, occupancy costs at 6.9 percent, and depreciation and amortisation costs at 4.7 percent. Provision charges decreased from N$56.5 million to N$36.1 million, year-on-year, while non-performing loans decreased by 15.7 percent.

The banking sector's total income increased by 5.9 percent from N$4.0 billion to N$4.1 billion, however operating expenses increased by 4.6 percent from N$2.3 billion to N$2.4 billion, causing the net profit after tax to decline by 6.5 percent to N$1.1 billion. Consequently, return on assets and return on equity declined from 2.5 percent and 21.6 percent to 2.0 percent and 20.9 percent, respectively.

Chart D.13 depicts the efficiency of the banking sector as measured by the cost-to-income ratio, which expresses total operating expenses as a percentage of total income. The cost-to-income ratio rose from 57.3 percent to 57.4 percent and remained above the international benchmark of 50.0 percent.

## Chart D.13: Efficiency indicators of the banking sector

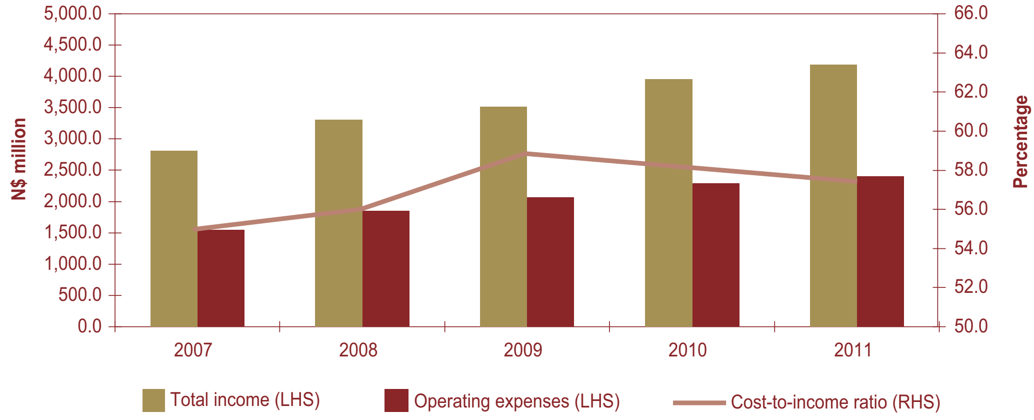
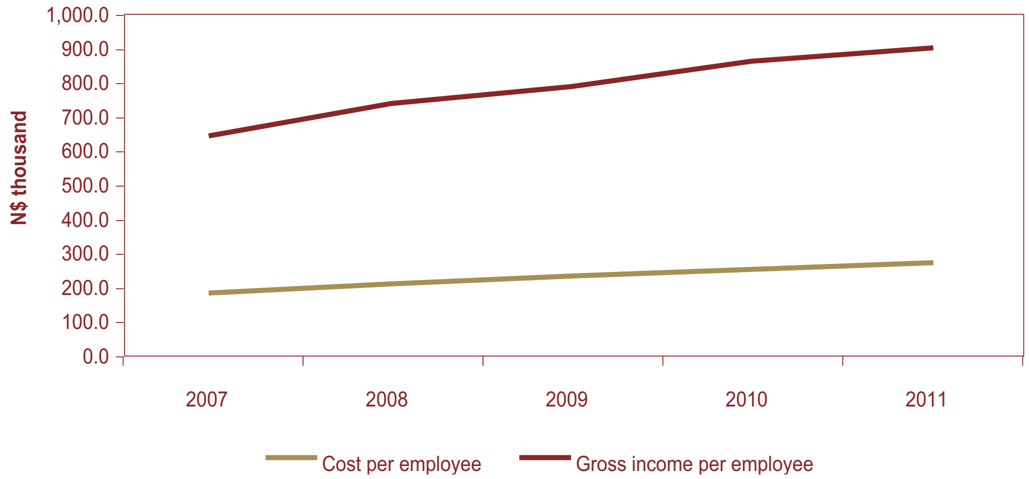



Chart D.14 depicts the productivity of the banking sector, measured by comparing the expenditure on employees to the amount of income generated. The gross income per employee increased by 1.8 percent to N$873 572, as a result of total income that increased by 5.9 percent to N$4.1 billion, with the number of permanent employees also increasing by 1.4 percent to 4 673. The cost per employee increased by 7.9 percent to N$268 097 as a result of increases in both staff costs and staff complement of 9.4 percent to N$1.3 billion and 1.4 percent to 4 673, respectively.

## Chart D.14: Productivity




For the period ended 31 December 2011, the total branch network of the banking sector grew slightly by 3.0 percent to a total number of 171 branches and agencies, as depicted in Table D.1. The number of branches increased by 1.0 percent to 101, while the number of agencies increased by 6.1 percent to 70. Four new agencies opened in the Khomas, Kavango, Erongo and Omaheke Regions. Banking institutions continued to make use of ATMs and mini ATMs to expand provision of their services in a more effective and efficient manner. As a result, the number of ATMs and mini ATMs increased by 35, from 658 in December 2010 to 693 in December 2011, representing a growth of 5.3 percent.

## Table D.1: Branch network

| Description | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Branches | 87 | 94 | 96 | 100 | 101 |
| Agencies | 66 | 64 | 66 | 66 | 70 |
| Total branches and agencies | 153 | 158 | 162 | 166 | 171 |
| ATMs and mini ATMs[26] | na | na | na | 658 | 693 |

[26] Information on ATM data has only been collected since 2010.

Employment in the banking sector continued to grow during 2011 and increased by 2.3 percent to 4 995 staff members compared to 4 832 in 2010. The increase in the staff complement was reflected in both permanent and temporary personnel categories, as depicted in Table D.2.

### Table D.2: Staffing levels

| Description | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|
| Permanent personnel | 4 224 | 4 293 | 4 486 | 4 608 | 4 673 |
| Temporary personnel | 169 | 210 | 134 | 224 | 322 |
| Total | 4 393 | 4 503 | 4 620 | 4 832 | 4 995 |

## SUSPENSION OF CHEQUE ACCOUNT FACILITIES

As per the requirements of the Determinations on the Compulsory Suspension of Cheque Accounts by Banking Institutions (BID-12), a cheque account needs to be suspended if a client issues five or more cheques over a period of three months, of which all are dishonoured by the banking institution. The Bank therefore required banking institutions to suspend non-performing cheque account facilities of particular customers in order to maintain and uphold the credibility of the payment system in Namibia.

The value of cheques returned declined from N$7.0 million in 2010 to N$4.6 million in 2011, while the number of cheque facilities suspended increased from 136 to 164, during the same period. This situation is largely attributed to the strict application of BID-12 by banking institutions towards non-complying customers, and is also due to the increasing use of electronic payment devices.

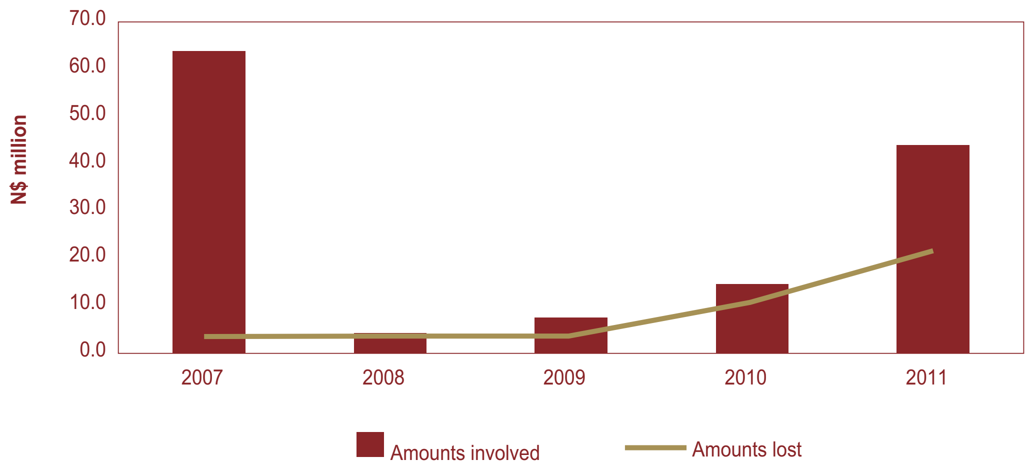
## FRAUD

Given the growing incidence of fraud and economic crime in the global perspective, banking institutions are expected to be continuously vigilant against such undesirable activities. They are therefore required to strengthen their surveillance systems and institute adequate and appropriate internal controls in an effort to combat fraud.

The level of fraud and other economic crime increased in 2011 by 176.0 percent in comparison with 2010. The amounts of money involved in these fraudulent activities increased significantly by N$29.0 million to N$43.9 million, while the actual total amount lost also increased by N$10.7 million to N$21.1 million (Chart D.15).

These figures suggest that the banking institutions' control mechanisms to prevent and combat fraud and other economic crimes may require improvement in order to more effectively combat these crimes. The types of economic crimes experienced by the banking sector were mainly ATM fraud, credit-card fraud, cheque fraud and theft of cash.

### Chart D.15: Fraud




D



# ILLEGAL FINANCIAL SCHEMES

## Introduction

There are various types of illegal financial schemes, with the mode of operation differing from scheme to scheme. These schemes are also commonly referred to as “get-rich-quick” schemes, whereby an amount of money is deposited or invested with the operator of the scheme on terms that state that it will be repaid, with or without interest. Such schemes usually promise interest rates, returns, profits or bonuses which are much higher than the interest offered by licenced financial institutions for similar deposits.

The promise of high returns attracts participants. However, there is no assurance that the scheme operators can continue to pay the high returns in the long run. At the beginning of such schemes, the operators are able to use the deposits they receive from later participants to pay high returns or to pay a promised amount to earlier participants. However, the scheme operators cannot invest the money received in similar or more lucrative ventures or investments and therefore cannot sustain the high returns or repayments promised to participants. The schemes therefore usually fail once there are no new deposits being received by the operators, at which time the scheme collapses and the participants lose their money.

Common illegal schemes include Ponzi schemes, pyramid schemes and chain letters. The most common of these experienced in Namibia are pyramid schemes.

## Overview of the operation of illegal schemes

Generally, illegal schemes are operations whereby a participant pays another for the opportunity to receive compensation, which is derived primarily from that participant’s introduction of new recruits into the scheme, rather than from the sale of products or services. There are so many varieties of these illegal schemes that they may be difficult to recognise unless an in-depth analysis is carried out. They do, however, usually all share one common characteristic – they promise the participants large profits based primarily on recruiting others to join the scheme and not based on real profits from any real investment or real sale of products or services. How it usually works is that participants are promised that for each person they introduce, they will receive a monetary reward or bonus, based on their advancement up the ladder within the pyramid structure.

The marketing of a product or service, if done at all, is only of secondary importance and is often performed as an attempt to disguise the true nature of the operation or scheme. Often there is not even an established market for the product or service, so the “sale” of the product or service is used as a front for the transactions which occur only among and between the operation’s distributors. Therefore, the earning potential of the participants depends primarily on how many new recruits they introduce, and not on whether a product or service is sold to end users. Some pointers that a product or service is simply being used to disguise the operations of an illegal scheme are inventory loading and a lack of retail sales. Inventory loading occurs when a company’s incentive programme forces recruits to buy more products that they could ever sell, often at inflated prices.

On close analysis, an illegal scheme forces participants to pay money in return for two things:

- the right to sell a product or service, and
- the right to receive rewards or bonuses in return for recruiting other participants into the scheme, which in most cases is unrelated to the sale of products or services to end users.

Illegal schemes, therefore, focus on the exchange of money and recruitment. At the heart of each illegal scheme is typically a representation that participants can recoup their original investment by inducing two or more new recruits to make the same investment.

## Danger of illegal schemes

Illegal schemes have severe negative consequences on the economy of a country. In this regard, among the core mandates vested in the Bank of Namibia through the Bank of Namibia Act 15 of 1997 and the Banking Institutions Act 2 of 1998, as amended, are to:

- protect the interests of depositors' funds, and
- maintain the soundness and stability of the financial system.

These functions form the basis upon which banking institutions are regulated and supervised by the Bank of Namibia. Licenced banks are in the business of receiving/accepting funds (deposits) from the public and utilise it for their own account and at their own risk. However, as these funds belong to the depositors, banking institutions are obliged to repay them on demand, or as per agreement. Therefore, the Bank of Namibia's obligation as the regulator is to ensure that banking institutions remain safe and sound financially in order to be able to repay their depositors.

Since illegal schemes that receive/accept money from the public are unregulated, their financial status, and hence their ability to repay this money, cannot be ascertained. When they eventually collapse or disappear (which most of them do), the participants lose their investment. Experience shows that the participants who join the scheme early on, and are placed at top of the pyramid, usually do make money, but the majority, who enter the scheme at a later stage, usually lose a lot of money. As most of these schemes originate from outside the country, money received from participants in Namibia is usually transferred out of the country, making it difficult to recover. Hence, the loss is not only suffered by the individual participants but also extends to the economy of the country as whole.

The above is a discussion of the direct consequences of illegal schemes. In addition to this, they also have an indirect impact on the economy, i.e. when an economy is infested with illegal schemes which cause members of the public to lose their money, this can dampen their confidence in the financial sector as a whole, and in the banking system in particular. As a result, and considering the important role the banking industry plays in the economy, this may reflect negatively on the economy. The economy needs a stable and safe financial system, of which the banking institutions are the key players.

Namibia has experienced an influx of illegal schemes in previous years. During the first half of 2010, the Bank received information on a possible illegal deposit-taking scheme. After carrying out investigations in terms of the provisions of the Banking Institutions Act 2 of 1998, the Bank ordered the illegal deposit-taker to repay all monies received from members of the public within a specified period, which he failed to do. In response, the Bank brought an urgent application before the High Court to declare the illegal deposit-taker's estate insolvent, as stipulated by the Act. Furthermore, several members of the public who invested in this scheme signed affidavits informing the Court that they did not want the Bank to take action against him as they wanted him to be given more time to repay their money.

Thereafter, the Bank launched another application for the sequestration of the estate in the normal course. The illegal deposit-taker initially opposed the second sequestration application, but his defence was abandoned after he fled the country. During the last quarter of 2011, the High Court finally sequestrated his estate. In terms of the court order, the said estate was placed into the hands of the Master of the High Court, who would have to appoint a liquidator to trace the assets belonging to the illegal deposit-taker and redistribute the liquidated assets to his creditors.

Activities such as that described above further compel the Bank to intensify its awareness campaigns against illegal schemes and illegal banking activities in order to ensure the integrity of Namibia's financial system. Thus the Bank of Namibia continues to advise members of the public to refrain from participating in any financial activity that they suspect could be an illegal financial scheme.

## Table D.3 Composition of the balance sheet

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| Interbank Funding | 928 008 | 919 015 | 1 084 909 | 267 830 | 493 289 | 557 176 |
| **Non-bank Funding** | **26 406 160** | **28 877 379** | **33 834 963** | **39 761 640** | **42 885 051** | **50 525 687** |
| Demand | 13 477 286 | 13 965 306 | 16 885 676 | 19 778 437 | 23 300 184 | 27 527 215 |
| Savings | 1 155 552 | 1 292 557 | 1 568 755 | 1 618 314 | 1 855 210 | 2 238 175 |
| Fixed & notice deposits | 7 364 749 | 8 354 293 | 8 810 661 | 7 604 343 | 5 961 519 | 7 909 775 |
| Negotiable Certificate of Deposits | 3 650 012 | 4 210 709 | 5 953 675 | 9 882 954 | 10 054 312 | 11 794 018 |
| Foreign Funding | 758 561 | 1 054 514 | 616 196 | 877 592 | 1 713 826 | 1 056 504 |
| Loans under repurchase agreement | - | - | - | - | - | - |
| Debt Instruments issued | 351 047 | 607 472 | 618 760 | 620 174 | 686 788 | 885 568 |
| Other borrowings | 1 502 370 | 1 027 722 | 548 617 | 551 188 | 518 703 | 389 258 |
| Other liabilities | 1 148 059 | 1 603 654 | 1 329 148 | 1 859 039 | 1 461 905 | 1 834 995 |
| Capital & Reserves | 3 061 660 | 3 469 551 | 4 146 311 | 4 609 321 | 5 455 463 | 5 778 759 |
| **TOTAL FUNDING** | **33 397 304** | **36 504 793** | **41 562 708** | **47 669 192** | **51 501 199** | **59 971 443** |
| Cash and Balances | 3 480 774 | 2 585 519 | 3 221 665 | 4 080 625 | 4 435 965 | 7 767 489 |
| Short term negotiable securities | - | - | - | - | 3 043 583 | 6 266 118 |
| Interbank Loans and Advances | 534 | 2 479 | 4 667 | - | 9 | 11 |
| Foreign currency loans and advances | 245 883 | 21 426 | 69 379 | 12 253 | 39 953 | 136 034 |
| Instalment debtors and leases | 4 664 794 | 4 970 883 | 5 492 819 | 5 639 406 | 6 202 258 | 7 193 255 |
| Mortgage loans | 12 363 452 | 14 054 262 | 15 733 111 | 17 464 902 | 20 237 838 | 23 755 059 |
| Other fixed term loans | 1 400 953 | 2 056 216 | 2 115 341 | 2 752 972 | 2 801 169 | 3 025 506 |
| Personal loans | 1 681 771 | 1 631 226 | 1 915 746 | 2 062 542 | 2 169 560 | 2 526 187 |
| Overdraft | 4 308 664 | 4 932 251 | 5 656 801 | 6 709 764 | 5 531 256 | 4 795 467 |
| Credit card debtors | - | - | 231 142 | 238 630 | 248 058 | 265 975 |
| Acknowledgement of debts discounted | 13 499 | 9 496 | 4 756 | 1 082 | - | - |
| Loans granted under resale agreement | - | - | - | - | - | 83 342 |
| Investment in Preference Shares | 279 087 | 311 582 | 325 638 | 270 320 | 229 030 | 283 531 |
| Other loans and advances | 234 555 | 472 564 | 426 146 | 266 949 | 1 266 039 | 1 073 944 |
| **Total loans and advances** | **25 193 192** | **28 462 385** | **31 975 546** | **35 418 820** | **38 725 170** | **43 138 311** |

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| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| Less: Specific provisions | 300 292 | 299 614 | 285 241 | 276 900 | 230 386 | 213 774 |
| Less: General provisions | 293 980 | 302 444 | 346 605 | 362 658 | 367 565 | 389 165 |
| Less: Interest- in- suspense | 169 228 | 202 408 | 252 212 | 258 018 | 135 281 | 102 464 |
| Investment portfolio | 3 804 670 | 4 377 890 | 5 263 757 | 6 816 000 | 4 186 500 | 1 723 518 |
| Trading securities | 1 676 184 | 1 586 081 | 1 812 178 | 2 927 754 | 1 161 824 | 1 218 321 |
| Available for sale securities | 1 071 344 | 1 792 624 | 3 260 328 | 3 715 015 | 2 839 522 | 283 504 |
| Held to maturity securities | 1 046 340 | 969 454 | 163 297 | 157 223 | 167 234 | 204 994 |
| Unconsolidated subsidiaries associates | 10 802 | 29 731 | 27 954 | 16 008 | 17 920 | 16 699 |
| Property plant and equipment | 360 571 | 470 877 | 519 567 | 576 974 | 655 150 | 718 060 |
| Other assets | 1 321 597 | 1 412 590 | 1 466 231 | 1 674 349 | 1 188 062 | 1 063 350 |
| **TOTAL ASSETS** | **33 397 304** | **36 504 795** | **41 562 708** | **47 669 192** | **51 501 198** | **59 971 443** |
| **Average Assets** | **30 787 746** | **36 331 599** | **40 968 062** | **45 472 529** | **49 599 927** | **58 064 394** |
| **Average Equity** | **2 899 308** | **3 349 615** | **4 047 128** | **4 476 445** | **5 192 629** | **5 705 175** |

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## Table D.4 Capital adequacy

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Tier 1 capital** | **2 514 952** | **2 908 162** | **3 317 663** | **3 750 305** | **4 325 408** | **4 703 073** |
| Paid up shares | 23 672 | 23 822 | 23 822 | 23 822 | 23 822 | 23 822 |
| Share premium | 1 641 249 | 1 791 099 | 1 791 099 | 1 791 099 | 1 791 099 | 1 791 099 |
| Retained profits/(accumulated losses) | - | - | - | 871 763 | 1 194 217 | 1 163 479 |
| Reserves | 1 175 972 | 1 389 436 | 1 803 218 | 1 491 120 | 1 628 187 | 2 065 925 |
| Current Unaudited losses | - | - | 28 325 | 177 220 | - | - |
| Less: Intangible Asset | 325 941 | 296 195 | 272 151 | 250 279 | 311 917 | 341 252 |
| **Tier 2 capital** | **688 176** | **1 041 902** | **1 048 428** | **973 178** | **1 615 596** | **1 387 384** |
| Hybrid Debt* | - | - | - | - | - | - |
| Subordinated-term Debt | 375 473 | 635 478 | 635 878 | 546 264 | 672 140 | 572 565 |
| Current Unaudited losses** | - | - | - | 177 220 | 543 836 | 334 698 |
| General Provisions | 293 980 | 376 315 | 376 315 | 401 028 | 380 658 | 459 298 |
| Revaluation Reserves | 18 723 | 30 109 | 36 235 | 25 886 | 18 962 | 20 823 |
| Less: Investment in unconsolidated subsidiaries | - | - | - | - | - | - |
| **Total Qualifying capital** | **3 203 128** | **3 950 064** | **4 366 091** | **4 723 483** | **5 941 004** | **6 090 457** |
| | | | | | | |
| **Aggregated Risk-weighted Assets** | **20 223 954** | **24 674 887** | **28 225 790** | **32 087 728** | **38 847 413** | **43 483 180** |
| 10% risk-weighted | 33 701 | 36 102 | 70 841 | 78 638 | - | - |
| 20% risk-weighted | 484 760 | 481 175 | 494 135 | 865 417 | - | - |
| 50% risk-weighted | 3 198 448 | 6 139 432 | 6 655 921 | 7 326 073 | - | - |
| 100% risk-weighted | 16 507 046 | 18 018 178 | 21 004 894 | 23 817 600 | - | - |
| Total Risk-weighted amount for Credit Risk | - | - | - | - | 34 096 259 | 38 324 043 |
| Calibrated Risk-weighted amount for Operational Risk | - | - | - | - | 4 582 293 | 4 945 028 |
| Calibrated Risk-weighted amount for Market Risk | - | - | - | - | 168 861 | 214 109 |
| **Gross Assets*** | **33 683 346** | **36 861 109** | **41 989 827** | **48 134 947** | **51 951 134** | **60 574 381** |

* Hybrid 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.5 Analysis of overdue and non-performing loans

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Overdue loans** | **850 767** | **1 115 118** | **1 809 172** | **2 803 247** | **1 652 510** | **1 531 232** |
| Amounts overdue: <1 month | 53 937 | 59 690 | 450 706 | 1 411 571 | 373 458 | 589 378 |
| Amounts overdue: 1 to < 3 months | 170 317 | 323 235 | 381 928 | 425 385 | 518 208 | 300 670 |
| Amounts overdue: 3 to < 6 months | 118 413 | 158 931 | 149 151 | 213 194 | 182 756 | 183 127 |
| Amounts overdue: 6 to <12 months | 160 425 | 223 759 | 199 538 | 128 048 | 112 335 | 85 712 |
| Amounts overdue: 12 to <18 months | 256 622 | 267 145 | 465 359 | 471 003 | 376 498 | 291 368 |
| Amounts overdue: 18 months and above | 91 053 | 82 358 | 162 490 | 154 046 | 89 255 | 80 977 |
| **Total Non-performing loans** | **657 827** | **810 095** | **976 537** | **966 296** | **760 844** | **641 186** |
| Instalment sales | 128 047 | 93 782 | 114 794 | 131 782 | 97 486 | 70 106 |
| Mortgages | 259 574 | 371 694 | 518 799 | 462 485 | 411 165 | 381 754 |
| Personal loans/ Other fixed loans | 68 081 | 61 653 | 77 235 | 85 255 | 66 220 | 49 748 |
| Overdraft | 174 276 | 198 459 | 238 338 | 223 248 | 112 944 | 95 701 |
| Other loans & advances | 27 849 | 84 507 | 21 384 | 44 701 | 67 130 | 34 378 |
| Credit cards | - | - | 5 987 | 18 825 | 5 899 | 9 499 |
| Realizable Security | 351 473 | 441 102 | 477 079 | 459 037 | 489 091 | 334 066 |
| Specific Provisions | 300 292 | 299 613 | 285 240 | 276 900 | 230 386 | 213 776 |

## Table D.6 Sectoral distribution of loans and advances

| | 2 006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Total loans and advances** | **25 193 188** | **28 462 384** | **31 975 547** | **35 418 822** | **38 725 171** | **43 138 313** |
| Agriculture and Forestry | 744 748 | 811 131 | 1 051 586 | 1 188 120 | 1 332 828 | 1 331 272 |
| Fishing | 797 751 | 662 100 | 808 697 | 877 412 | 982 577 | 767 316 |
| Mining | 166 526 | 566 428 | 575 092 | 967 554 | 668 325 | 407 614 |
| Manufacturing | 601 237 | 613 671 | 968 699 | 705 983 | 902 789 | 1 154 429 |
| Construction | 396 782 | 470 839 | 557 510 | 542 582 | 1 114 058 | 980 296 |
| Electricity Gas and Water | 78 656 | 95 599 | 144 382 | 201 994 | 191 160 | 244 982 |
| Trade and Accommodation | 1 288 730 | 1 786 713 | 1 967 230 | 1 589 353 | 6 468 010 | 10 412 803 |
| Transport and Communication | 779 530 | 390 415 | 392 869 | 647 337 | 867 346 | 889 241 |
| Finance and Insurance | 1 380 935 | 1 551 461 | 1 984 716 | 2 361 067 | 1 019 361 | 907 101 |
| Real Estate and Business Services | 2 605 206 | 3 853 406 | 4 994 871 | 6 339 497 | 6 828 118 | 5 577 534 |
| Government Services | 236 981 | 661 899 | 537 774 | 552 595 | 511 383 | 582 903 |
| Individuals | 14 207 044 | 16 506 560 | 17 439 194 | 18 357 267 | 17 084 843 | 18 664 141 |
| Other | 1 909 062 | 492 162 | 552 927 | 1 088 061 | 754 373 | 1 218 681 |

## Table D.7 Composition of income statement

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Interest Income** | **2 938 521** | **3 852 097** | **4 600 899** | **4 168 666** | **4 201 216** | **4 256 731** |
| Balances with banks | 98 705 | 189 954 | 238 521 | 172 005 | 171 868 | 127 498 |
| Installment debtors, hire purchase etc. | 521 495 | 664 243 | 749 596 | 649 662 | 622 166 | 629 164 |
| Mortgage loans: Residential | 1 223 975 | 1 737 606 | 2 068 699 | 1 879 012 | 1 604 511 | 1 645 592 |
| Mortgage Loans: Commercial | - | - | - | - | 360 434 | 428 835 |
| Personal loans | 265 432 | 293 930 | 329 927 | 305 546 | 302 253 | 299 323 |
| Fixed term loans | 141 874 | 221 974 | 312 484 | 262 023 | 267 156 | 263 513 |
| Overdraft | 600 274 | 674 524 | 773 501 | 744 638 | 590 493 | 535 663 |
| Other interest related income | 86 766 | 69 866 | 128 171 | 155 780 | 282 335 | 327 143 |
| **Interest Expenses** | **1 668 204** | **2 340 088** | **2 977 801** | **2 483 067** | **2 213 269** | **2 055 540** |
| Demand deposits | 692 139 | 948 455 | 1 225 716 | 976 530 | 582 317 | 573 537 |
| Current Accounts | - | - | - | - | 336 783 | 268 249 |
| Savings deposits | 25 586 | 43 014 | 57 725 | 38 080 | 29 985 | 27 700 |
| Fixed and notice deposits | 459 689 | 661 686 | 855 585 | 634 244 | 390 291 | 345 175 |
| Negotiable certificates of deposits | 282 278 | 409 793 | 563 329 | 657 711 | 746 504 | 662 146 |
| Debt instruments issued | 37 628 | 55 664 | 67 747 | 61 403 | 57 896 | 78 058 |
| Other interest related expenses | 170 884 | 221 476 | 207 699 | 115 099 | 69 493 | 100 675 |
| **Interest Margin** | **1 270 317** | **1 512 009** | **1 623 098** | **1 685 599** | **1 987 947** | **2 201 191** |
| Less: Provisions | 222 492 | 122 232 | 145 062 | 136 417 | 56 543 | 36 151 |
| Total operating Income | 1 143 845 | 1 305 083 | 1 684 148 | 1 833 199 | 1 968 860 | 1 988 965 |
| Trading Income | 94 284 | 115 569 | 207 724 | 182 849 | 261 781 | 285 642 |
| Investment Income | 251 877 | 356 148 | 464 180 | 375 704 | 221 651 | 96 517 |
| Transaction-based Fee Income | 662 504 | 714 924 | 845 094 | 1 008 629 | 1 225 736 | 1 360 361 |
| Knowledge-based Fee Income | 47 343 | 48 551 | 67 694 | 72 080 | 77 424 | 98 587 |
| Other income | 87 837 | 69 891 | 99 456 | 193 937 | 182 268 | 147 858 |
| **Total Income** | **2 414 162** | **2 817 092** | **3 307 246** | **3 518 798** | **3 956 807** | **4 190 156** |
| **Total Operating Expenses** | **1 405 661** | **1 546 392** | **1 849 510** | **2 068 006** | **2 297 349** | **2 403 057** |
| Staff costs | 657 140 | 789 299 | 933 934 | 1 028 111 | 1 144 906 | 1 252 817 |
| Administration & Overheads | 341 133 | 342 256 | 512 985 | 586 592 | 665 169 | 630 274 |
| Depreciation and amortisation | 127 222 | 113 203 | 81 937 | 104 336 | 138 770 | 113 633 |
| Occupancy expenses | 113 468 | 125 639 | 132 302 | 140 589 | 136 196 | 167 896 |
| Other operating expenses | 166 698 | 175 995 | 188 352 | 208 378 | 212 308 | 238 437 |
| **Net Income Before Tax** | **786 009** | **1 148 468** | **1 312 674** | **1 314 375** | **1 602 915** | **1 750 948** |
| Taxation | 244 848 | 353 191 | 399 799 | 405 050 | 480 312 | 556 057 |
| **Net Income After Tax** | **541 161** | **795 277** | **912 875** | **909 325** | **1 122 603** | **1 194 891** |

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## Table D.8 Selected key ratios

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|
| **Capital** | | | | | | |
| Tier 1 Leverage | 7.5 | 7.9 | 7.9 | 7.8 | 8.3 | 7.8 |
| Tier 1 Risk-weighted Capital | 11.2 | 11.8 | 11.8 | 11.7 | 11.1 | 10.8 |
| Total Risk-weighted Capital | 14.2 | 15.8 | 15.5 | 14.7 | 15.3 | 14.0 |
| **Asset Quality** | | | | | | |
| Non-performing loans to Total loans | 2.6 | 2.8 | 3.1 | 2.7 | 2.0 | 1.5 |
| Overdue loans to Total loans | 3.4 | 3.9 | 5.7 | 8.0 | 4.3 | 3.6 |
| Total Provisions to Total loans | 2.4 | 2.1 | 2.0 | 1.8 | 1.5 | 1.4 |
| Specific Provisions to Non-performing loans | 45.6 | 37.0 | 29.2 | 28.7 | 33.3 | 33.3 |
| **Earnings** | | | | | | |
| Return on Assets | 1.8 | 2.2 | 2.2 | 2.1 | 2.5 | 2.1 |
| Return on Equity | 18.7 | 23.7 | 22.6 | 20.4 | 21.6 | 20.9 |
| Net Interest Margin | 4.1 | 4.2 | 4.0 | 3.8 | 4.0 | 3.8 |
| Other Operating Income: Total Assets | 3.4 | 3.6 | 4.1 | 4.1 | 3.8 | 3.3 |
| Other Operating Income: Total Income | 47.4 | 46.3 | 50.9 | 52.1 | 49.8 | 47.5 |
| Total Operating Expenses: Total Income | 58.2 | 54.9 | 55.9 | 58.8 | 58.1 | 57.4 |
| **Liquidity** | | | | | | |
| Liquid Assets / Total Assets | 9.1 | 9.3 | 10.1 | 9.5 | 10.7 | 12.4 |
| Liquid Assets / Average total liabilities | 10.7 | 10.9 | 11.8 | 11.0 | 12.0 | 14.2 |
| Total Loans / Total Assets | 75.4 | 78.0 | 76.9 | 74.3 | 75.2 | 71.9 |
| Total Loans / Total Deposits | 98.2 | 98.6 | 94.5 | 94.3 | 90.3 | 85.4 |
| **Growth Rates** | | | | | | |
| Total Assets | 18.5 | 9.3 | 13.9 | 14.7 | 8.0 | 16.4 |
| Total Qualifying Capital | 12.9 | 23.3 | 10.5 | 8.2 | 25.8 | 2.5 |
| Tier 1 Capital | 15.1 | 15.6 | 14.1 | 13.0 | 15.3 | 8.7 |
| Total Loans | 14.4 | 13.0 | 12.3 | 10.8 | 9.3 | 11.4 |
| Total Deposits | 25.3 | 9.4 | 17.2 | 17.5 | 7.9 | 17.8 |
| Overdue Loans | 5.3 | 31.1 | 62.2 | 54.9 | -41.1 | -7.3 |
| Non-performing Loans | 28.4 | 23.1 | 20.5 | -1.0 | -21.3 | -15.7 |
| Liquid Assets | 13.5 | -2.3 | 40.6 | 14.4 | 15.3 | 34.7 |
| Large Exposures | 19.1 | 0.2 | 18.6 | 17.0 | 16.6 | 16.0 |
| Off-Balance Sheet Items | 278.7 | 29.1 | -1.9 | 22.4 | 19.2 | 167.9 |

D

# Part E

## Statistical Appendix

# Content

## STATISTICAL APPENDIX

# STATISTICAL APPENDIX

## METHODS AND CONCEPTS

### Balance of Payments

Accrual accounting basis
This applies where an international transaction is recorded at the time when ownership changes hands, and not necessarily at the time when payment is made. This principle governs the time of recording for transactions; transactions are recorded when economic value is created, transformed, exchanged, transferred or extinguished.

Balance of Payments
The balance of payments (BOP) is a statistical statement that systematically summarizes, for a specific time period, the economic transactions of an economy with the rest of the world. Transactions, for the most part between residents and non residents, consist of those involving goods, services, and income; those involving financial claims and liabilities to the rest of the world; and those (such as gifts) classified as transfers. It has two main accounts viz, the current account, capital and financial account. Each transaction in the balance of payments is entered either as a credit/asset or a debit/liability. A credit/asset transaction is one that leads to the receipts of payment from non-residents. Conversely, the debit/liability leads to a payment to non-residents.

Current Account
The current account of the balance of payments covers all transactions (other than those in financial account) that involve economic values, (i.e.; real transactions) and occur between residents and non-resident entities. Also covered are offsets to current economic values provided or acquired without a quid pro quo. Included are goods, services, income and current transfers. The balance on goods, services, income and current transfers is commonly referred to as the "current balance" or "current account balance".

Capital and Financial Account
In the balance of payments, the capital account covers capital transfers and the acquisition or disposal of non-produced non-financial items such as patents. The financial account of the balance of payments consists of the transactions in foreign financial assets and liabilities of an economy. The foreign financial assets of an economy consist of holdings of monetary gold, IMF Special Drawing Rights and claims on non-residents. The foreign financial liabilities of an economy consist of claims of non-residents on residents. The primary basis for classification of the financial account is functional: direct, portfolio, other investment and reserve assets.

Current Transfers
Current transfers are all transfers of real resources or financial items without a quid pro quo and exclude transfers of funds directed for capital investments. Included are gifts of goods and money to or from non-residents viz, governments and private individuals. Current transfers directly affect the level of disposable income and should influence the consumption of goods and services.

Capital Transfers
Capital transfers in kind consists of the transfers without a quid pro quo of the (1) ownership of a fixed asset or (2) the forgiveness, by mutual agreement between creditor and debtor, of the debtor's financial liability when no counterpart is received in return by the creditor. Capital transfer in cash, on the other hand, is linked to or conditional on, the acquisition or disposal of a fixed asset by one or both parties to the transaction (e.g., an investment grant).

Direct Investment
Direct investment refers to a lasting interest of an entity resident in one economy (the director investor) in an entity resident in another economy (the direct investment enterprise), with an ownership of 10 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.

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### 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.

### 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 seven financial intermediaries classified as financial intermediaries in Namibia, i.e. First National Bank of Namibia, Standard Bank of Namibia, Nedbank Namibia, Bank Windhoek, Agribank of Namibia, National Housing Enterprise and the Namibia Post Office Savings Bank.

### 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

## I National Accounts



## II Monetary and Financial Developments



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## III Public Finance



## IV Balance of Payments

## Table I.1 AGGREGATE ECONOMIC INDICATORS

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| **Current prices** | | | | | |
| GDP (N$ mil.) | 54 028 | 62 081 | 72 946 | 75 679 | 81 509 |
| % Change | 17.0 | 14.9 | 17.5 | 3.7 | 7.7 |
| GNI (N$ mil.) | 53 676 | 60 836 | 71 149 | 74 989 | 78 403 |
| % Change | 18.1 | 13.3 | 17.0 | 5.4 | 4.6 |
| GDP per capita (N$) | 27 122 | 30 612 | 35 325 | 35 986 | 38 035 |
| % Change | 14.9 | 12.9 | 15.4 | 1.9 | 5.7 |
| GNI per capita (N$) | 26 946 | 29 998 | 34 455 | 35 658 | 36 586 |
| % Change | 16.0 | 11.3 | 14.9 | 3.5 | 2.6 |
| **Constant 2004 prices** | | | | | |
| GDP (N$ mil.) | 46 853 | 49 371 | 51 037 | 50 816 | 54 170 |
| % Change | 7.1 | 5.4 | 3.4 | -0.4 | 6.6 |
| GNI (N$ mil.) | 50 161 | 54 743 | 57 573 | 57 503 | 58 909 |
| % Change | 13.0 | 9.1 | 5.2 | -0.1 | 2.4 |
| GDP per capita (N$) | 23 521 | 24 345 | 24 715 | 24 164 | 25 277 |
| % Change | 5.2 | 3.5 | 1.5 | -2.2 | 4.6 |
| GNI per capita (N$) | 25 181 | 26 993 | 27 880 | 27 343 | 27 489 |
| % Change | 11.0 | 7.2 | 3.3 | -1.9 | 0.5 |

Source: Central Bureau of Statistics

## TABLE I.2 GROSS DOMESTIC PRODUCT AND GROSS NATIONAL INCOME

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| **Current prices - N$ million** | | | | | |
| Compensation of employees | 21 508 | 24 835 | 28 480 | 31 030 | 33 536 |
| Consumption of fixed capital | 6 020 | 7 251 | 8 776 | 9 735 | 10 498 |
| Net operating surplus | 22 366 | 25 329 | 29 813 | 28 546 | 30 318 |
| **Gross domestic product at factor cost** | **49 894** | **57 415** | **67 070** | **69 312** | **74 352** |
| Taxes on production and imports | 4 133 | 4 666 | 5 877 | 6 367 | 7 157 |
| Subsidies | | | | | |
| **Gross domestic product at market prices** | **54 028** | **62 081** | **72 946** | **75 679** | **81 509** |
| **Primary incomes** | | | | | |
| - receivable from the rest of the world | 1 310 | 1 449 | 1 870 | 1 752 | 1 185 |
| - payable to rest of the world | -1 661 | -2 693 | -3 666 | -2 442 | -4 291 |
| **Gross national income at market prices** | **53 676** | **60 836** | **71 149** | **74 989** | **78 403** |
| **Current transfers** | | | | | |
| - receivable from the rest of the world | 6 733 | 7 421 | 9 762 | 11 245 | 9 668 |
| - payable to rest of the world | -306 | -369 | -484 | -632 | -640 |
| **Gross national disposable income** | **60 103** | **67 888** | **80 428** | **85 602** | **87 431** |
| **Current prices - N$ per capita** | | | | | |
| Gross domestic product at market prices | 27 122 | 30 612 | 35 325 | 35 986 | 38 035 |
| Gross national income at market prices | 26 946 | 29 998 | 34 455 | 35 658 | 36 586 |
| **Constant 2004 prices - N$ millions** | | | | | |
| **Gross domestic product at market prices** | **46 853** | **49 371** | **51 037** | **50 816** | **54 170** |
| - Annual percentage change | 7.1 | 5.4 | 3.4 | -0.4 | 6.6 |
| **Real gross national income** | **50 161** | **54 743** | **57 573** | **57 503** | **58 909** |
| - Annual percentage change | 13.0 | 9.1 | 5.2 | -0.1 | 2.4 |
| **Constant 2004 prices - N$ per capita** | | | | | |
| Gross domestic product at market prices | 23 521 | 24 345 | 24 715 | 24 164 | 25 277 |
| - Annual percentage change | 5.2 | 3.5 | 1.5 | -2.2 | 4.6 |
| **Real gross national income** | **25 181** | **26 994** | **27 880** | **27 343** | **27 489** |
| - Annual percentage change | 11.0 | 7.2 | 3.3 | -1.9 | 0.5 |

Source: Central Bureau of Statistics

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## Table I.3 NATIONAL DISPOSABLE INCOME AND SAVINGS

| Current prices - N$ million | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| | | | | | |
| **Disposable income and saving** | | | | | |
| Gross national disposable income | 60 103 | 67 888 | 80 428 | 85 602 | 87 431 |
| Consumption of fixed capital | 6 020 | 7 251 | 8 776 | 9 735 | 10 498 |
| **Net national disposable income** | **54 083** | **60 637** | **71 651** | **75 867** | **76 932** |
| All other sectors | 39 334 | 44 758 | 52 348 | 54 943 | 56 826 |
| General government | 14 749 | 15 879 | 19 303 | 20 925 | 20 106 |
| **Final consumption expenditure** | **40 867** | **48 471** | **56 797** | **65 234** | **69 073** |
| Private | 30 340 | 35 637 | 41 946 | 48 019 | 50 490 |
| General government | 10 526 | 12 834 | 14 851 | 17 215 | 18 583 |
| **Saving net** | **13 216** | **12 167** | **14 854** | **10 633** | **7 859** |
| All other sectors | 8 994 | 9 122 | 10 402 | 6 923 | 6 337 |
| General government | 4 223 | 3 045 | 4 452 | 3 710 | 1 523 |
| **Financing of capital formation** | | | | | |
| Saving net | 13 216 | 12 167 | 14 854 | 10 633 | 7 859 |
| Capital transfers receivable from abroad | 602 | 590 | 633 | 628 | 878 |
| Capital transfers payable to foreign countries | -3 | -3 | -3 | -3 | -3 |
| **Total** | **13 815** | **12 753** | **15 484** | **11 258** | **8 734** |
| **Capital formation** | | | | | |
| Gross fixed capital formation | 11 686 | 14 696 | 17 838 | 17 871 | 18 169 |
| All other sectors | 9 905 | 11 796 | 14 915 | 13 816 | 13 957 |
| General government | 1 781 | 2 900 | 2 923 | 4 055 | 4 213 |
| **Consumption of fixed capital** | **-6 020** | **-7 251** | **-8 776** | **-9 735** | **-10 498** |
| All other sectors | -4 991 | -5 901 | -7 137 | -7 890 | -8 547 |
| General government | -1 029 | -1 350 | -1 640 | -1 845 | -1 952 |
| Changes in inventories | 342 | 32 | 661 | 229 | -843 |
| **Net lending (+) / Net borrowing(-)** | **7 808** | **5 276** | **5 761** | **2 893** | **1 906** |
| All other sectors | 4 602 | 4 189 | 3 129 | 2 104 | 3 759 |
| General government | 3 206 | 1 086 | 2 633 | 789 | -1 853 |
| Discrepancy on GDP 1) | 979 | 304 | 1 277 | 1 663 | 606 |
| Net lending/borrowing in external transactions 2) | 8 786 | 5 580 | 7 038 | 4 555 | 2 513 |
| **Total** | **13 815** | **12 753** | **15 484** | **11 258** | **8 734** |

Source: Central Bureau of Statistics

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

### Current prices - N$ million

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture and forestry | 3 275 | 3 045 | 2 969 | 2 988 | 3 362 |
| Livestock farming | 1 836 | 1 765 | 1 540 | 1 525 | 1 808 |
| Crop farming and forestry | 1 439 | 1 280 | 1 428 | 1 462 | 1 554 |
| Fishing & fish processing on board | 1 948 | 2 330 | 2 411 | 2 523 | 2 177 |
| Mining and quarrying | 6 654 | 6 816 | 11 772 | 8 063 | 7 174 |
| Diamond mining | 4 591 | 3 535 | 5 500 | 2 749 | 3 992 |
| Other mining and quarrying | 2 063 | 3 281 | 6 272 | 5 314 | 3 182 |
| **Primary industries** | **11 878** | **12 191** | **17 151** | **13 573** | **12 713** |
| Manufacturing | 7 792 | 9 775 | 9 405 | 10 119 | 11 725 |
| Meat processing | 175 | 206 | 145 | 229 | 230 |
| Fish processing on shore | 657 | 903 | 993 | 950 | 785 |
| Other food products and beverages | 2 518 | 2 930 | 3 678 | 4 189 | 4 316 |
| Other manufacturing | 4 441 | 5 736 | 4 588 | 4 751 | 6 394 |
| Electricity and water | 1 012 | 1 562 | 1 590 | 1 928 | 2 089 |
| Construction | 1 826 | 2 286 | 2 880 | 2 915 | 3 243 |
| **Secondary industries** | **10 630** | **13 622** | **13 875** | **14 961** | **17 057** |
| Wholesale and retail trade repairs | 5 879 | 6 769 | 7 682 | 8 610 | 9 708 |
| Hotels and restaurants | 940 | 1 115 | 1 283 | 1 399 | 1 382 |
| Transport and communication | 2 535 | 2 955 | 3 395 | 3 708 | 4 334 |
| Transport and storage | 794 | 1 146 | 1 442 | 1 626 | 2 083 |
| Post and telecommunications | 1 741 | 1 809 | 1 953 | 2 083 | 2 252 |
| Financial intermediation | 2 201 | 2 534 | 2 849 | 3 619 | 4 205 |
| Real estate and business services | 4 479 | 4 990 | 5 415 | 5 987 | 6 435 |
| Real estate activities | 3 231 | 3 564 | 3 778 | 4 166 | 4 468 |
| Other business services | 1 247 | 1 426 | 1 637 | 1 820 | 1 967 |
| Community social and personal services | 1 840 | 1 979 | 2 193 | 2 455 | 2 531 |
| Public administration and defence | 4 423 | 5 157 | 6 143 | 7 047 | 7 209 |
| Education | 3 703 | 4 570 | 5 202 | 5 944 | 6 613 |
| Health | 1 647 | 1 859 | 2 229 | 2 441 | 2 719 |
| Private household with employed persons | 384 | 424 | 492 | 559 | 598 |
| **Tertiary industries** | **28 031** | **32 352** | **36 884** | **41 770** | **45 735** |
| Less: Financial intermediation services indirectly measured | 644 | 750 | 840 | 993 | 1 153 |
| **All industries at basic prices** | **49 894** | **57 415** | **67 070** | **69 312** | **74 352** |
| Taxes less subsidies on products | 4 133 | 4 666 | 5 877 | 6 367 | 7 157 |
| **GDP at market prices** | **54 028** | **62 081** | **72 946** | **75 679** | **81 509** |

Source: Central Bureau of Statistics

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

### Percentage contribution

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture and forestry | 6.1 | 4.9 | 4.1 | 3.9 | 4.1 |
| Livestock farming | 3.4 | 2.8 | 2.1 | 2.0 | 2.2 |
| Crop farming and forestry | 2.7 | 2.1 | 2.0 | 1.9 | 1.9 |
| Fishing & fish processing on board | 3.6 | 3.8 | 3.3 | 3.3 | 2.7 |
| Mining and quarrying | 12.3 | 11.0 | 16.1 | 10.7 | 8.8 |
| Diamond mining | 8.5 | 5.7 | 7.5 | 3.6 | 4.9 |
| Other mining and quarrying | 3.8 | 5.3 | 8.6 | 7.0 | 3.9 |
| **Primary industries** | **22.0** | **19.6** | **23.5** | **17.9** | **15.6** |
| Manufacturing | 14.4 | 15.7 | 12.9 | 13.4 | 14.4 |
| Meat processing | 0.3 | 0.3 | 0.2 | 0.3 | 0.3 |
| Fish processing on shore | 1.2 | 1.5 | 1.4 | 1.3 | 1.0 |
| Other food products and beverages | 4.7 | 4.7 | 5.0 | 5.5 | 5.3 |
| Other manufacturing | 8.2 | 9.2 | 6.3 | 6.3 | 7.8 |
| Electricity and water | 1.9 | 2.5 | 2.2 | 2.5 | 2.6 |
| Construction | 3.4 | 3.7 | 3.9 | 3.9 | 4.0 |
| **Secondary industries** | **19.7** | **21.9** | **19.0** | **19.8** | **20.9** |
| Wholesale and retail trade repairs | 10.9 | 10.9 | 10.5 | 11.4 | 11.9 |
| Hotels and restaurants | 1.7 | 1.8 | 1.8 | 1.8 | 1.7 |
| Transport and communication | 4.7 | 4.8 | 4.7 | 4.9 | 5.3 |
| Transport and storage | 1.5 | 1.8 | 2.0 | 2.1 | 2.6 |
| Post and telecommunications | 3.2 | 2.9 | 2.7 | 2.8 | 2.8 |
| Financial intermediation | 4.1 | 4.1 | 3.9 | 4.8 | 5.2 |
| Real estate and business services | 8.3 | 8.0 | 7.4 | 7.9 | 7.9 |
| Real estate activities | 6.0 | 5.7 | 5.2 | 5.5 | 5.5 |
| Other business services | 2.3 | 2.3 | 2.2 | 2.4 | 2.4 |
| Community social and personal services | 3.4 | 3.2 | 3.0 | 3.2 | 3.1 |
| Public administration and defence | 8.2 | 8.3 | 8.4 | 9.3 | 8.8 |
| Education | 6.9 | 7.4 | 7.1 | 7.9 | 8.1 |
| Health | 3.0 | 3.0 | 3.1 | 3.2 | 3.3 |
| Private household with employed persons | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| **Tertiary industries** | **51.9** | **52.1** | **50.6** | **55.2** | **56.1** |
| Less: Financial intermediation services indirectly measured | 1.2 | 1.2 | 1.2 | 1.3 | 1.4 |
| **All industries at basic prices** | **92.3** | **92.5** | **91.9** | **91.6** | **91.2** |
| Taxes less subsidies on products | 7.7 | 7.5 | 8.1 | 8.4 | 8.8 |
| **GDP at market prices** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

Source: Central Bureau of Statistics

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

## Constant 2004 prices - N$ million

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture and forestry | 2 687 | 2 564 | 2 101 | 2 114 | 2 121 |
| Livestock farming | 1 219 | 1 253 | 803 | 837 | 848 |
| Crop farming and forestry | 1 468 | 1 311 | 1 298 | 1 276 | 1 273 |
| Fishing & fish processing on board | 1 308 | 1 059 | 1 003 | 1 047 | 993 |
| Mining and quarrying | 4 718 | 4 742 | 4 606 | 2 694 | 3 357 |
| Diamond mining | 3 962 | 3 840 | 3 815 | 1 877 | 2 533 |
| Other mining and quarrying | 756 | 902 | 791 | 817 | 824 |
| **Primary industries** | **8 712** | **8 365** | **7 710** | **5 855** | **6 471** |
| Manufacturing | 5 897 | 6 401 | 6 537 | 6 904 | 7 535 |
| Meat processing | 162 | 169 | 155 | 163 | 171 |
| Fish processing on shore | 494 | 640 | 617 | 821 | 705 |
| Other food products and beverages | 2 297 | 2 413 | 2 654 | 2 861 | 2 945 |
| Other manufacturing | 2 944 | 3 178 | 3 111 | 3 059 | 3 714 |
| Electricity and water | 1 182 | 1 234 | 1 214 | 1 213 | 1 256 |
| Construction | 1 600 | 1 833 | 2 015 | 1 953 | 2 164 |
| **Secondary industries** | **8 680** | **9 467** | **9 766** | **10 071** | **10 955** |
| Wholesale and retail trade repairs | 5 473 | 5 904 | 6 072 | 6 259 | 6 752 |
| Hotels and restaurants | 846 | 936 | 961 | 941 | 864 |
| Transport and communication | 2 999 | 3 161 | 3 243 | 3 351 | 3 600 |
| Transport and storage | 1 253 | 1 328 | 1 498 | 1 583 | 1 715 |
| Post and telecommunications | 1 746 | 1 833 | 1 746 | 1 768 | 1 885 |
| Financial intermediation | 2 024 | 2 267 | 2 488 | 2 800 | 3 010 |
| Real estate and business services | 4 339 | 4 667 | 4 874 | 5 166 | 5 325 |
| Real estate activities | 3 221 | 3 447 | 3 613 | 3 780 | 3 907 |
| Other business services | 1 118 | 1 221 | 1 260 | 1 387 | 1 418 |
| Community social and personal services | 1 703 | 1 716 | 1 727 | 1 780 | 1 755 |
| Public administratin and defence | 3 816 | 4 213 | 4 668 | 4 925 | 5 248 |
| Education | 3 175 | 3 365 | 3 559 | 3 702 | 3 793 |
| Health | 1 461 | 1 545 | 1 727 | 1 751 | 1 844 |
| Private household with employed persons | 358 | 370 | 389 | 406 | 416 |
| **Tertiary industries** | **26 194** | **28 145** | **29 708** | **31 081** | **32 607** |
| Less: Financial intermediation secvices indirectly measured | 593 | 652 | 670 | 666 | 724 |
| **All industries at basic prices** | **42 993** | **45 324** | **46 514** | **46 340** | **49 309** |
| Taxes less subsidies on products | 3 860 | 4 047 | 4 523 | 4 476 | 4 861 |
| **GDP at market prices** | **46 853** | **49 371** | **51 037** | **50 816** | **54 170** |

Source: Central Bureau of Statistics

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

### Annual percentage changes

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture and forestry | 3.8 | -4.6 | -18.1 | 0.6 | 0.4 |
| Livestock farming | -7.3 | 2.8 | -35.9 | 4.3 | 1.2 |
| Crop farming and forestry | 15.2 | -10.7 | -1.0 | -1.7 | -0.2 |
| Fishing and fish processing on board | -8.8 | -19.0 | -5.3 | 4.4 | -5.2 |
| Mining and quarrying | 27.6 | 0.5 | -2.9 | -41.5 | 24.6 |
| Diamond mining | 38.0 | -3.1 | -0.6 | -50.8 | 34.9 |
| Other mining and quarrying | -8.5 | 19.4 | -12.3 | 3.3 | 0.9 |
| **Primary industries** | **12.8** | **-4.0** | **-7.8** | **-24.1** | **10.5** |
| Manufacturing | 2.7 | 8.5 | 2.1 | 5.6 | 9.1 |
| Meat processing | -8.5 | 4.3 | -8.4 | 4.9 | 5.1 |
| Fish processing on shore | -31.7 | 29.6 | -3.6 | 33.1 | -14.2 |
| Other food products and beverages | 3.0 | 5.1 | 10.0 | 7.8 | 2.9 |
| Other manufacturing | 12.7 | 8.0 | -2.1 | -1.7 | 21.4 |
| Electricity and water | 5.7 | 4.3 | -1.6 | -0.1 | 3.6 |
| Construction | 37.2 | 14.5 | 10.0 | -3.1 | 10.8 |
| **Secondary industries** | **8.1** | **9.1** | **3.2** | **3.1** | **8.8** |
| Wholesale and retail trade  repairs | 7.6 | 7.9 | 2.9 | 3.1 | 7.9 |
| Hotels and restaurants | 7.4 | 10.6 | 2.7 | -2.0 | -8.2 |
| Transport  and communication | 14.2 | 5.4 | 2.6 | 3.3 | 7.4 |
| Transport and storage | 34.5 | 6.0 | 12.8 | 5.7 | 8.3 |
| Post and telecommunications | 3.0 | 4.9 | -4.7 | 1.3 | 6.6 |
| Financial intermediation | 4.3 | 12.0 | 9.7 | 12.5 | 7.5 |
| Real estate and business services | 3.6 | 7.6 | 4.4 | 6.0 | 3.1 |
| Real estate activities | 5.3 | 7.0 | 4.8 | 4.6 | 3.4 |
| Other business services | -0.9 | 9.2 | 3.2 | 10.0 | 2.2 |
| Community  social and personal services | 2.9 | 0.8 | 0.6 | 3.1 | -1.4 |
| Public administratin and defence | 3.9 | 10.4 | 10.8 | 5.5 | 6.5 |
| Education | 3.5 | 6.0 | 5.8 | 4.0 | 2.5 |
| Health | 1.0 | 5.8 | 11.7 | 1.4 | 5.3 |
| Private household with employed persons | 2.2 | 3.4 | 5.2 | 4.4 | 2.3 |
| **Tertiary industries** | **5.5** | **7.4** | **5.6** | **4.6** | **4.9** |
| Less: Financial intermediation secvices indirectly measured | 14.2 | 10.1 | 2.7 | -0.6 | 8.7 |
| **All industries at basic prices** | **7.3** | **5.4** | **2.6** | **-0.4** | **6.4** |
| Taxes less subsidies on products | 4.1 | 4.8 | 11.8 | -1.1 | 8.6 |
| **GDP at market prices** | **7.1** | **5.4** | **3.4** | **-0.4** | **6.6** |

Source: Central Bureau of Statistics

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

### Current prices - N$ million

| Expenditure category | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Final consumption expenditure | 40 867 | 48 471 | 56 797 | 65 234 | 69 073 |
| Private | 30 340 | 35 637 | 41 946 | 48 019 | 50 490 |
| General government | 10 526 | 12 834 | 14 851 | 17 215 | 18 583 |
| Gross fixed capital formation | 11 686 | 14 696 | 17 838 | 17 871 | 18 169 |
| Changes in inventories | 342 | 32 | 661 | 229 | -843 |
| **Gross domestic expenditure** | **52 895** | **63 199** | **75 296** | **83 334** | **86 399** |
| Exports of goods and services | 24 566 | 31 496 | 38 777 | 35 663 | 36 363 |
| Imports of goods and services | 22 454 | 32 310 | 39 850 | 41 656 | 40 647 |
| Discrepancy | -979 | -304 | -1 277 | -1 663 | -606 |
| **Gross domestic product at market prices** | **54 028** | **62 081** | **72 946** | **75 679** | **81 509** |

Source: Central Bureau of Statistics

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

### Current prices - Percent

| Expenditure category | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Final consumption expenditure | 75.6 | 78.1 | 77.9 | 86.2 | 84.7 |
| Private | 56.2 | 57.4 | 57.5 | 63.5 | 61.9 |
| General government | 19.5 | 20.7 | 20.4 | 22.7 | 22.8 |
| Gross fixed capital formation | 21.6 | 23.7 | 24.5 | 23.6 | 22.3 |
| Changes in inventories | 0.6 | 0.1 | 0.9 | 0.3 | -1.0 |
| **Gross domestic expenditure** | **97.9** | **101.8** | **103.2** | **110.1** | **106.0** |
| Exports of goods and services | 45.5 | 50.7 | 53.2 | 47.1 | 44.6 |
| Imports of goods and services | 41.6 | 52.0 | 54.6 | 55.0 | 49.9 |
| Discrepancy | -1.8 | -0.5 | -1.8 | -2.2 | -0.7 |
| **Gross domestic product at market prices** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

Source: Central Bureau of Statistics

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

### Constant 2004 prices - N$ million

| Expenditure category | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Final consumption expenditure | 37 469 | 40 346 | 43 673 | 47 446 | 48 602 |
| Private | 28 392 | 30 128 | 32 833 | 35 930 | 36 436 |
| General government | 9 077 | 10 218 | 10 840 | 11 516 | 12 165 |
| Gross fixed capital formation | 10 651 | 11 945 | 12 809 | 12 265 | 12 337 |
| Changes in inventories | 228 | 401 | -106 | -463 | -539 |
| **Gross domestic expenditure** | **48 348** | **52 691** | **56 376** | **59 248** | **60 399** |
| Exports of goods and services | 19 436 | 20 675 | 21 740 | 19 850 | 20 000 |
| Imports of goods and services | 21 083 | 27 784 | 30 441 | 31 569 | 30 081 |
| Discrepancy | 151 | 3 788 | 3 362 | 3 287 | 3 851 |
| **Gross domestic product at market prices** | **46 853** | **49 371** | **51 037** | **50 816** | **54 170** |

Source: Central Bureau of Statistics

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

### Constant 2004 prices - Percent

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Final consumption expenditure | 9.2 | 7.7 | 8.2 | 8.6 | 2.4 |
| Private | 8.7 | 6.1 | 9.0 | 9.4 | 1.4 |
| General government | 11.0 | 12.6 | 6.1 | 6.2 | 5.6 |
| Gross fixed capital formation | 29.8 | 12.1 | 7.2 | -4.2 | 0.6 |
| Changes in inventories | -0.5 | 0.4 | -1.0 | -0.7 | -0.1 |
| **Gross domestic expenditure** | **12.5** | **9.0** | **7.0** | **5.1** | **1.9** |
| Exports of goods and services | 15.3 | 6.4 | 5.2 | -8.7 | 0.8 |
| Imports of goods and services | 16.3 | 31.8 | 9.6 | 3.7 | -4.7 |
| Discrepancy | -4.4 | 7.8 | -0.9 | -0.1 | 1.1 |
| **Gross domestic product at market prices** | **7.1** | **5.4** | **3.4** | **-0.4** | **6.6** |

Source: Central Bureau of Statistics

## Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY

### Current prices - N$ million

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture | 495 | 540 | 649 | 720 | 757 |
| Fishing | 71 | 162 | 195 | 234 | 281 |
| Mining and quarrying | 3 842 | 3 367 | 4 274 | 3 270 | 4 297 |
| Manufacturing | 1 068 | 1 376 | 2 164 | 2 674 | 2 431 |
| Electricity and water | 364 | 387 | 680 | 762 | 953 |
| Construction | 307 | 334 | 601 | 577 | 626 |
| Wholesale and retail trade; hotels restaurants | 432 | 1 213 | 1 147 | 1 074 | 1 304 |
| Transport and communication | 1 498 | 2 296 | 2 808 | 1 302 | 1 261 |
| Finance real estate business services | 1 840 | 2 084 | 2 456 | 2 814 | 2 117 |
| Community social and personal services | 41 | 47 | 42 | 47 | 42 |
| Producers of government services | 1 728 | 2 889 | 2 821 | 3 948 | 4 101 |
| **Total** | **11 686** | **14 696** | **17 838** | **17 871** | **18 169** |
| Percent of GDP | 21.6 | 23.7 | 25.4 | 23.6 | 22.3 |

Source: Central Bureau of Statistics

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## Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVITY

### Constant 2004 prices - N$ million

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture | 466 | 484 | 503 | 523 | 544 |
| Fishing | 70 | 158 | 181 | 205 | 246 |
| Mining and quarrying | 3 510 | 2 623 | 2 970 | 2 498 | 2 851 |
| Manufacturing | 965 | 1 075 | 1 524 | 1 794 | 1 617 |
| Electricity and water | 329 | 308 | 486 | 524 | 655 |
| Construction | 294 | 307 | 468 | 418 | 451 |
| Wholesale and retail trade; hotels restaurants | 405 | 1 078 | 858 | 772 | 914 |
| Transport and communication | 1 410 | 1 906 | 2 069 | 935 | 893 |
| Finance real estate business services | 1 598 | 1 629 | 1 698 | 1 847 | 1 340 |
| Community social and personal services | 39 | 41 | 32 | 34 | 30 |
| Producers of government services | 1 565 | 2 335 | 2 018 | 2 713 | 2 795 |
| **Total** | **10 651** | **11 945** | **12 809** | **12 265** | **12 337** |
| Annual change percent | 29.8 | 12.1 | 7.2 | -4.2 | 0.6 |

Source: Central Bureau of Statistics

## Table I.10 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

### Current prices - N$ million

| Type of Asset | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Buildings | 2 571 | 3 460 | 4 176 | 4 517 | 4 169 |
| Construction works | 3 625 | 4 224 | 5 530 | 6 011 | 6 705 |
| Transport equipment | 1 724 | 1 338 | 1 602 | 1 578 | 1 463 |
| Machinery and other equipment | 3 284 | 5 135 | 5 925 | 5 088 | 5 075 |
| Mineral exploration | 482 | 540 | 605 | 677 | 758 |
| **Total** | **11 686** | **14 696** | **17 838** | **17 871** | **18 169** |

Source: Cental Bureau of Statistics

## Table I.11 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET

### Constant 2004 prices - N$ million

| Type of Asset | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Buildings | 2 202 | 2 631 | 2 799 | 2 885 | 2 636 |
| Construction works | 3 211 | 3 477 | 3 949 | 4 131 | 4 570 |
| Transport equipment | 1 704 | 1 301 | 1 491 | 1 384 | 1 283 |
| Machinery and other equipment | 3 096 | 4 090 | 4 136 | 3 383 | 3 317 |
| Mineral exploration | 437 | 446 | 433 | 482 | 530 |
| **Total** | **10 651** | **11 945** | **12 809** | **12 265** | **12 337** |

Source: Central Bureau of Statistics



## Table I.12 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

### Current prices - N$ million

| Ownership | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Public | 2 986 | 4 673 | 4 748 | 5 369 | 5 574 |
| Producers of government services | 1 728 | 2 889 | 2 821 | 3 948 | 4 101 |
| Public corporations and enterprises | 1 258 | 1 784 | 1 927 | 1 421 | 1 473 |
| Private | 8 700 | 10 023 | 13 090 | 12 502 | 12 595 |
| **Total** | **11 686** | **14 696** | **17 838** | **17 871** | **18 169** |

Source: Central Bureau of Statistics

## Table I.13 GROSS FIXED CAPITAL FORMATION BY OWNERSHIP

### Constant 2004 prices - N$ million

| Ownership | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Public | 2 738 | 3 806 | 3 433 | 3 710 | 3 819 |
| Producers of government services | 1 565 | 2 335 | 2 018 | 2 713 | 2 795 |
| Public corporations and enterprises | 1 173 | 1 471 | 1 415 | 997 | 1 024 |
| Private | 7 913 | 8 139 | 9 376 | 8 555 | 8 518 |
| **Total** | **10 651** | **11 945** | **12 809** | **12 265** | **12 337** |

Source: Central Bureau of Statistics

## Table I.14 FIXED CAPITAL STOCK BY ACTIVITY
## Current prices - N$ million

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture | 9 621 | 10 266 | 11 688 | 12 158 | 12 156 |
| Fishing | 1 547 | 1 660 | 1 954 | 2 212 | 2 392 |
| Mining and quarrying | 14 131 | 17 726 | 22 167 | 24 774 | 27 146 |
| Manufacturing | 6 741 | 8 392 | 10 766 | 12 986 | 14 382 |
| Electricity and water | 8 235 | 8 659 | 9 568 | 9 832 | 10 009 |
| Construction | 1 365 | 1 481 | 1 940 | 2 297 | 2 572 |
| Wholesale and retail trade; hotels restaurants | 3 803 | 4 968 | 6 214 | 6 981 | 7 600 |
| Transport and communication | 11 317 | 13 347 | 16 538 | 17 141 | 16 937 |
| Finance real estate business services | 19 606 | 23 339 | 27 963 | 31 131 | 32 573 |
| Community social and personal services | 687 | 736 | 825 | 848 | 832 |
| Producers of government services | 26 202 | 30 168 | 35 748 | 39 348 | 41 834 |
| **Total** | **103 253** | **120 743** | **145 371** | **159 708** | **168 432** |

Source: Central Bureau of Statistics

E

## Table I.15 FIXED CAPITAL STOCK BY ACTIVITY
## Constant 2004 prices - N$ million

| Industry | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Agriculture | 8 655 | 8 569 | 8 481 | 8 397 | 8 316 |
| Fishing | 1 504 | 1 566 | 1 643 | 1 736 | 1 861 |
| Mining and quarrying | 13 050 | 14 552 | 16 302 | 17 492 | 18 933 |
| Manufacturing | 5 908 | 6 465 | 7 389 | 8 508 | 9 333 |
| Electricity and water | 7 323 | 7 094 | 6 796 | 6 734 | 6 785 |
| Construction | 1 300 | 1 345 | 1 555 | 1 707 | 1 876 |
| Wholesale and retail trade; hotels restaurants | 3 377 | 4 091 | 4 543 | 4 858 | 5 260 |
| Transport and communication | 10 219 | 11 132 | 12 142 | 11 955 | 11 672 |
| Finance real estate business services | 16 871 | 17 891 | 18 932 | 20 070 | 20 677 |
| Community social and personal services | 618 | 612 | 597 | 582 | 563 |
| Producers of government services | 23 037 | 24 303 | 25 160 | 26 622 | 28 104 |
| **Total** | **91 864** | **97 620** | **103 540** | **108 661** | **113 381** |

Source: Central Bureau of Statistics

## Table I.16(a) NATIONAL CONSUMER PRICE INDEX (December 2001 = 100)

| | | Food & non alcoholic beverages | Alcoholic beverages & tabacco | Clothing and footwear | 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 | | 29.63 | 3.26 | 5.13 | 20.59 | 5.61 | 1.51 | 14.79 | 0.9 | 2.5 | 7.36 | 1.62 | 7.11 | 100 | |
| | 2006 | 132.5 | 139.7 | 105.0 | 128.3 | 116.9 | 110.1 | 143.0 | 109.2 | 113.9 | 149.9 | 134.0 | 114.8 | 129.1 | 5.1 |
| | 2007 | 148.7 | 149.9 | 108.5 | 132.7 | 121.7 | 115.2 | 151.5 | 110.8 | 119.1 | 158.9 | 143.3 | 117.1 | 137.7 | 6.7 |
| 2008 | | | | | | | | | | | | | | | |
| Jan | | 161.7 | 153.9 | 111.0 | 134.6 | 125.2 | 117.0 | 157.5 | 113.8 | 122.0 | 168.7 | 151.3 | 117.7 | 144.1 | 7.8 |
| Feb | | 162.7 | 154.2 | 111.0 | 134.7 | 125.7 | 117.0 | 158.6 | 113.8 | 123.1 | 168.7 | 152.2 | 117.9 | 144.6 | 7.9 |
| Mar | | 164.8 | 161.7 | 111.6 | 134.8 | 126.3 | 117.1 | 162.2 | 113.8 | 124.1 | 168.7 | 154.1 | 118.1 | 146.2 | 8.4 |
| Apr | | 168.9 | 165.2 | 112.3 | 135.0 | 129.0 | 117.2 | 166.9 | 113.8 | 125.9 | 168.7 | 155.3 | 119.2 | 148.6 | 9.3 |
| May | | 170.6 | 165.8 | 111.6 | 135.4 | 130.9 | 117.3 | 170.6 | 113.8 | 126.3 | 168.7 | 157.1 | 119.5 | 149.8 | 9.7 |
| Jun | | 172.7 | 166.4 | 111.8 | 135.6 | 132.3 | 117.9 | 173.9 | 113.8 | 125.0 | 168.7 | 158.9 | 121.4 | 151.2 | 10.3 |
| Jul | | 176.7 | 166.7 | 112.4 | 140.2 | 133.3 | 118.0 | 180.3 | 114.0 | 125.6 | 168.7 | 162.1 | 124.7 | 154.7 | 11.9 |
| Aug | | 178.1 | 170.5 | 113.0 | 141.1 | 135.3 | 118.5 | 180.6 | 114.3 | 127.9 | 168.7 | 163.6 | 125.3 | 155.8 | 12.0 |
| Sep | | 180.8 | 172.2 | 114.1 | 140.8 | 138.4 | 118.5 | 178.7 | 114.2 | 127.9 | 168.7 | 165.4 | 126.0 | 156.5 | 12.0 |
| Oct | | 182.3 | 173.4 | 114.8 | 141.3 | 140.7 | 118.7 | 176.6 | 123.2 | 130.9 | 168.7 | 166.1 | 128.9 | 157.2 | 12.0 |
| Nov | | 184.2 | 173.2 | 115.3 | 141.5 | 142.4 | 118.9 | 176.1 | 123.1 | 132.6 | 168.7 | 166.5 | 129.0 | 158.0 | 11.7 |
| Dec | | 184.6 | 173.9 | 115.8 | 141.5 | 142.5 | 119.0 | 171.7 | 123.1 | 133.0 | 168.7 | 166.9 | 129.1 | 157.4 | 10.9 |
| Average | 2008 | 174.0 | 166.4 | 112.9 | 138.0 | 133.5 | 117.9 | 171.1 | 116.2 | 127.0 | 168.7 | 160.0 | 123.1 | 152.0 | 10.3 |
| 2009 | | | | | | | | | | | | | | | |
| Jan | | 187.5 | 174.8 | 115.8 | 146.7 | 144.8 | 120.5 | 173.0 | 123.0 | 136.5 | 174.6 | 171.6 | 132.8 | 160.8 | 11.6 |
| Feb | | 188.9 | 175.1 | 115.9 | 146.6 | 145.4 | 122.2 | 173.7 | 123.1 | 136.6 | 174.6 | 171.6 | 133.3 | 161.4 | 11.6 |
| Mar | | 190.6 | 183.6 | 119.4 | 146.6 | 147.6 | 123.5 | 174.5 | 123.1 | 137.0 | 174.6 | 172.5 | 133.3 | 162.6 | 11.2 |
| Apr | | 190.9 | 185.3 | 119.3 | 146.5 | 147.2 | 124.5 | 178.7 | 123.1 | 137.7 | 174.6 | 172.6 | 134.4 | 163.5 | 10.0 |
| May | | 191.8 | 185.5 | 119.8 | 146.6 | 147.9 | 124.8 | 180.0 | 123.1 | 136.6 | 174.6 | 174.3 | 134.7 | 164.2 | 9.6 |
| Jun | | 192.5 | 186.4 | 121.9 | 146.8 | 149.1 | 125.0 | 181.0 | 123.1 | 138.1 | 174.6 | 174.9 | 135.4 | 164.9 | 9.1 |
| Jul | | 192.0 | 187.9 | 124.3 | 150.7 | 148.7 | 125.7 | 184.5 | 123.1 | 140.8 | 174.6 | 179.0 | 135.9 | 166.3 | 7.5 |
| Aug | | 195.0 | 191.9 | 125.0 | 150.7 | 148.7 | 125.2 | 184.3 | 123.1 | 142.4 | 174.6 | 178.5 | 135.9 | 167.7 | 7.6 |
| Sep | | 193.9 | 192.1 | 126.5 | 151.1 | 149.4 | 125.6 | 185.5 | 123.2 | 141.0 | 174.6 | 180.9 | 136.3 | 167.6 | 7.1 |
| Oct | | 196.5 | 193.8 | 126.7 | 151.2 | 149.6 | 125.7 | 184.9 | 124.7 | 141.1 | 174.6 | 181.1 | 137.0 | 168.3 | 7.1 |
| Nov | | 196.3 | 194.6 | 128.5 | 151.3 | 150.4 | 125.7 | 186.4 | 124.6 | 142.1 | 174.6 | 181.0 | 136.5 | 168.6 | 6.7 |
| Dec | | 195.3 | 195.6 | 128.5 | 151.3 | 148.9 | 125.8 | 187.4 | 124.6 | 143.1 | 174.6 | 181.3 | 136.6 | 168.4 | 7.0 |
| Average | 2009 | 192.6 | 187.2 | 122.6 | 148.8 | 148.2 | 124.5 | 181.2 | 123.5 | 139.4 | 174.6 | 176.6 | 135.2 | 165.4 | 8.8 |
| 2010 | | | | | | | | | | | | | | | |
| Jan | | 197.5 | 196.3 | 128.1 | 154.2 | 150.6 | 128.9 | 189.2 | 124.9 | 141.7 | 183.8 | 185.6 | 139.6 | 170.9 | 6.3 |
| Feb | | 199.0 | 197.0 | 127.5 | 154.3 | 150.6 | 128.8 | 189.9 | 124.6 | 142.5 | 183.8 | 186.0 | 140.1 | 171.6 | 6.3 |
| Mar | | 198.5 | 203.4 | 127.3 | 154.3 | 151.3 | 128.9 | 189.7 | 124.9 | 142.6 | 183.8 | 186.7 | 139.6 | 171.8 | 5.6 |
| Apr | | 198.3 | 204.1 | 125.7 | 153.9 | 150.1 | 129.4 | 191.6 | 124.9 | 143.2 | 183.8 | 189.7 | 140.4 | 171.7 | 5.0 |
| May | | 197.1 | 206.4 | 127.6 | 154.5 | 150.8 | 129.5 | 193.6 | 124.9 | 144.4 | 183.8 | 189.5 | 139.7 | 171.9 | 4.7 |
| Jun | | 197.4 | 207.0 | 127.8 | 154.6 | 151.8 | 130.5 | 193.0 | 125.0 | 145.0 | 183.8 | 190.2 | 139.6 | 172.0 | 4.3 |
| Jul | | 199.4 | 208.8 | 128.0 | 160.5 | 151.6 | 130.8 | 193.8 | 124.9 | 146.5 | 183.8 | 191.7 | 140.1 | 174.0 | 4.6 |
| Aug | | 199.2 | 208.4 | 127.1 | 160.5 | 150.9 | 131.1 | 192.9 | 124.9 | 144.6 | 183.8 | 193.8 | 141.4 | 173.7 | 3.6 |
| Sep | | 200.1 | 208.9 | 125.6 | 160.5 | 151.4 | 131.7 | 191.3 | 124.9 | 144.1 | 183.8 | 193.9 | 142.2 | 173.8 | 3.7 |
| Oct | | 199.9 | 209.0 | 125.0 | 160.6 | 150.7 | 131.7 | 192.7 | 125.4 | 144.7 | 183.8 | 193.8 | 142.3 | 173.7 | 3.2 |
| Nov | | 201.1 | 209.9 | 125.2 | 160.5 | 149.7 | 131.7 | 193.6 | 125.6 | 144.9 | 183.8 | 194.3 | 142.4 | 174.3 | 3.4 |
| Dec | | 199.6 | 209.8 | 124.9 | 160.6 | 150.3 | 131.6 | 193.1 | 125.9 | 144.0 | 183.8 | 195.4 | 142.4 | 173.6 | 3.1 |
| Average | 2010 | 198.9 | 205.8 | 126.7 | 157.4 | 150.8 | 130.4 | 192.0 | 125.1 | 144.0 | 183.8 | 190.9 | 140.8 | 172.7 | 4.5 |
| 2011 | | | | | | | | | | | | | | | |
| Jan | | 200.9 | 209.8 | 125.9 | 171.5 | 151.4 | 136.6 | 194.7 | 126.4 | 144.5 | 193.2 | 196.4 | 144.9 | 176.8 | 3.5 |
| Feb | | 201.3 | 209.4 | 127.0 | 170.6 | 151.2 | 136.7 | 196.0 | 126.4 | 147.0 | 193.2 | 195.6 | 144.3 | 176.9 | 3.1 |
| Mar | | 203.6 | 215.3 | 126.3 | 170.8 | 151.3 | 137.4 | 197.8 | 126.5 | 147.1 | 193.2 | 200.6 | 144.6 | 178.3 | 3.8 |
| Apr | | 206.8 | 218.8 | 126.9 | 170.7 | 152.2 | 137.6 | 200.9 | 126.5 | 148.4 | 193.2 | 200.3 | 144.2 | 180.0 | 4.8 |
| May | | 208.0 | 219.3 | 126.4 | 171.0 | 152.8 | 138.2 | 202.4 | 126.5 | 149.2 | 193.2 | 198.6 | 147.0 | 180.8 | 5.2 |
| Jun | | 208.9 | 220.4 | 126.9 | 171.0 | 154.3 | 138.0 | 202.2 | 126.7 | 148.7 | 193.2 | 198.8 | 147.1 | 181.2 | 5.4 |
| Jul | | 209.9 | 220.8 | 126.9 | 173.4 | 154.8 | 138.0 | 203.3 | 126.6 | 149.7 | 193.2 | 199.9 | 147.5 | 182.3 | 4.8 |
| Aug | | 211.0 | 221.6 | 128.4 | 173.7 | 154.5 | 137.9 | 204.3 | 126.6 | 150.4 | 193.2 | 199.4 | 147.3 | 183.1 | 5.4 |
| Sep | | 211.4 | 221.7 | 128.6 | 175.0 | 154.4 | 138.5 | 203.1 | 126.7 | 150.7 | 193.2 | 200.5 | 147.2 | 183.0 | 5.3 |
| Oct | | 213.9 | 221.6 | 130.4 | 175.3 | 155.6 | 138.2 | 205.9 | 127.1 | 152.1 | 193.2 | 201.4 | 147.4 | 184.4 | 6.1 |
| Nov | | 214.6 | 223.2 | 131.0 | 175.5 | 155.6 | 138.2 | 206.3 | 127.1 | 151.7 | 193.2 | 202.1 | 147.6 | 184.7 | 6.0 |
| Dec | | 217.7 | 223.5 | 130.4 | 175.4 | 156.9 | 138.2 | 208.1 | 127.1 | 154.2 | 193.2 | 202.5 | 147.5 | 186.1 | 7.2 |
| Average | 2011 | 209.0 | 218.8 | 127.9 | 172.8 | 153.8 | 137.8 | 202.1 | 126.7 | 149.5 | 193.2 | 199.7 | 146.4 | 181.5 | 5.1 |
| 2012 | | | | | | | | | | | | | | | |
| Jan | | 219.2 | 223.9 | 129.1 | 180.7 | 158.8 | 142.0 | 208.2 | 127.2 | 156.2 | 200.1 | 204.2 | 149.5 | 188.5 | 6.6 |
| Feb | | 221.1 | 227.6 | 129.7 | 180.4 | 158.7 | 142.5 | 211.9 | 127.2 | 160.0 | 200.1 | 204.2 | 154.5 | 190.1 | 7.4 |

E

## Table I.16(b) NATIONAL CONSUMER PRICE INDEX (December 2001 = 100)

| | Services | | | Goods | | |
|---|---|---|---|---|---|---|
| | Index | Monthly infl. rate | Annual infl. rate | Index | Monthly infl. rate | Annual infl. rate |
| **2005** | **123.7** | **0.3** | **3.3** | **122.3** | **0.3** | **1.4** |
| **2006** | **129.7** | **0.5** | **4.8** | **128.7** | **0.5** | **5.2** |
| **2007** | **135.3** | **0.2** | **4.3** | **139.4** | **0.8** | **8.3** |
| **2008** | | | | | | |
| Jan | 138.7 | 2.3 | 3.6 | 147.5 | 1.1 | 10.5 |
| Feb | 139.2 | 0.3 | 3.9 | 148.1 | 0.4 | 10.6 |
| Mar | 140.3 | 0.8 | 4.2 | 149.9 | 1.2 | 11.0 |
| Apr | 141.5 | 0.8 | 5.2 | 153.1 | 2.2 | 11.9 |
| May | 142.0 | 0.4 | 5.6 | 154.7 | 1.1 | 12.1 |
| Jun | 142.4 | 0.3 | 5.8 | 156.7 | 1.3 | 13.2 |
| Jul | 147.5 | 3.6 | 8.5 | 159.2 | 1.6 | 14.0 |
| Aug | 147.8 | 0.2 | 8.4 | 160.8 | 1.0 | 13.4 |
| Sep | 148.0 | 0.1 | 8.4 | 161.9 | 0.7 | 14.2 |
| Oct | 150.1 | 1.4 | 9.8 | 161.7 | -0.1 | 13.3 |
| Nov | 150.9 | 0.5 | 11.1 | 162.5 | 0.5 | 12.1 |
| Dec | 151.1 | 0.1 | 11.5 | 161.4 | -0.7 | 10.6 |
| **Average 2008** | **145.0** | **0.9** | **7.2** | **156.5** | **0.8** | **12.2** |
| **2009** | | | | | | |
| Jan | 153.6 | 1.6 | 10.7 | 165.3 | 2.5 | 12.1 |
| Feb | 154.7 | 0.7 | 11.1 | 165.6 | 0.2 | 11.9 |
| Mar | 155.0 | 0.2 | 10.4 | 166.6 | 0.6 | 11.2 |
| Apr | 154.5 | -0.3 | 9.2 | 167.6 | 0.6 | 9.5 |
| May | 154.2 | -0.2 | 8.6 | 170.6 | 1.8 | 10.2 |
| Jun | 154.5 | 0.3 | 8.5 | 171.5 | 0.5 | 9.4 |
| Jul | 156.4 | 1.2 | 6.0 | 172.5 | 0.6 | 8.3 |
| Aug | 156.9 | 0.3 | 6.1 | 174.6 | 1.2 | 8.5 |
| Sep | 156.4 | -0.3 | 5.6 | 174.8 | 0.1 | 7.9 |
| Oct | 156.4 | 0 | 4.2 | 175.8 | 0.6 | 8.7 |
| Nov | 157.0 | 0.4 | 4.0 | 175.9 | 0.1 | 8.2 |
| Dec | 157.2 | 0.1 | 4.0 | 175.5 | -0.3 | 8.7 |
| **Average 2009** | **156.0** | **0.3** | **7.4** | **171.4** | **0.7** | **9.6** |
| **2010** | | | | | | |
| Jan | 162.2 | 3.2 | 5.6 | 176.4 | 0.5 | 6.7 |
| Feb | 162.2 | 0 | 4.8 | 177.4 | 0.6 | 7.1 |
| Mar | 163.5 | 0.8 | 5.5 | 177.0 | -0.3 | 6.2 |
| Apr | 164.0 | 0.3 | 6.1 | 176.6 | -0.2 | 5.4 |
| May | 165.3 | 0.8 | 7.2 | 176.1 | -0.3 | 3.2 |
| Jun | 165.7 | 0.2 | 7.2 | 175.9 | -0.1 | 2.6 |
| Jul | 167.7 | 1.2 | 7.2 | 177.9 | 1.1 | 3.2 |
| Aug | 167.5 | -0.1 | 6.8 | 177.6 | -0.2 | 1.7 |
| Sep | 167.6 | 0.0 | 7.2 | 177.8 | 0.1 | 1.7 |
| Oct | 167.8 | 0.1 | 7.3 | 177.4 | -0.2 | 0.9 |
| Nov | 168.3 | 0.3 | 7.2 | 178.0 | 0.3 | 1.2 |
| Dec | 167.6 | -0.4 | 6.6 | 177.4 | -0.3 | 1.1 |
| **Average 2010** | **165.8** | **0.5** | **6.6** | **177.1** | **0.1** | **3.4** |
| **2011** | | | | | | |
| Jan | 172.2 | 2.7 | 6.1 | 179.7 | 1.3 | 1.9 |
| Feb | 172.7 | 0.3 | 6.4 | 179.6 | -0.1 | 1.2 |
| Mar | 172.6 | -0.03 | 5.6 | 181.9 | 1.3 | 2.8 |
| Apr | 172.7 | 0.1 | 5.3 | 184.6 | 1.5 | 4.5 |
| May | 170.9 | -1.1 | 3.4 | 187.1 | 1.4 | 6.3 |
| Jun | 172.5 | 1.0 | 4.1 | 186.6 | -0.3 | 6.1 |
| Jul | 174.5 | 1.2 | 4.1 | 187.2 | 0.3 | 5.2 |
| Aug | 174.7 | 0.1 | 4.3 | 188.3 | 0.6 | 6.1 |
| Sep | 175.3 | 0.4 | 4.6 | 187.8 | -0.3 | 5.7 |
| Oct | 176.0 | 0.4 | 4.9 | 189.7 | 1.0 | 6.9 |
| Nov | 176.1 | 0.03 | 4.6 | 190.1 | 0.2 | 6.8 |
| Dec | 176.6 | 0.3 | 5.4 | 192.1 | 1.1 | 8.3 |
| **Average 2011** | **165.8** | **0.5** | **6.6** | **177.1** | **0.1** | **3.4** |
| **2012** | | | | | | |
| Jan | 179.1 | 1.4 | 4.0 | 194.5 | 1.2 | 8.2 |
| Feb | 179.5 | 0.3 | 4.0 | 196.7 | 1.1 | 9.5 |

E

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

| | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | | | | | | | | | |
| **Net foreign assets** | **15104.9** | **14570.6** | **12800.9** | **14443.6** | **14023.3** | **13541.9** | **14362.6** | **15204.9** | **14923.6** | **16082.0** | **14575.9** | **14075.5** | **14642.2** | **14551.6** | **12955.3** | **13393.4** | **12950.3** | **12539.1** |
| **Claims on nonresidents** | **15225.7** | **14690.8** | **13990.5** | **14556.6** | **14134.7** | **13651.5** | **14442.5** | **15281.8** | **15005.2** | **16164.4** | **14657.3** | **14156.3** | **14723.3** | **14635.4** | **13037.1** | **13475.3** | **13034.8** | **12577.9** |
| Monetary gold and SDR holdings | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 1231.3 | 1519.5 | 1604.5 | 1547.8 | 1505.9 | 1529.3 | 1547.4 | 1459.0 | 1442.7 | 1472.3 | 1473.8 |
| Foreign currency | 128.0 | 99.1 | 68.3 | 87.3 | 208.7 | 371.4 | 168.2 | 56.8 | 120.3 | 156.6 | 111.8 | 127.8 | 152.1 | 109.9 | 85.6 | 136.4 | 163.1 | 148.4 |
| Deposits | 9066.5 | 8609.4 | 7853.1 | 14410.8 | 13851.6 | 13193.5 | 14172.0 | 13876.6 | 13235.9 | 14260.3 | 12839.1 | 12357.6 | 13028.0 | 12951.9 | 11451.2 | 11843.8 | 11334.0 | 10876.7 |
| Securities other than shares | 6016.3 | 5953.2 | 6024.0 | 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 |
| 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 14.6 | 28.8 | 44.7 | 58.3 | 74.2 | 86.4 | 102.0 | 117.1 | 129.5 | 143.0 | 158.6 | 164.9 | 13.9 | 26.2 | 41.3 | 52.4 | 65.4 | 79.0 |
| less: Liabilities to nonresidents | -120.8 | -120.2 | -1189.5 | -113.0 | -111.4 | -109.7 | -79.9 | -76.9 | -81.6 | -82.4 | -81.4 | -80.7 | -81.1 | -83.8 | -81.8 | -81.9 | -84.5 | -38.8 |
| Deposits | -40.2 | -39.1 | -39.5 | -35.5 | -35.2 | -34.6 | -4.8 | -4.8 | -5.4 | -5.5 | -5.4 | -5.4 | -5.4 | -6.6 | -6.5 | -6.5 | -6.4 | -8.5 |
| 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 | 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | -80.6 | -81.0 | -1150.0 | -77.5 | -76.3 | -75.0 | -75.1 | -72.1 | -76.2 | -76.9 | -75.9 | -75.3 | -75.7 | -77.1 | -75.3 | -75.4 | -78.0 | -30.4 |
| **Claims on other depository corporations** | **304.1** | **415.9** | **391.5** | **74.0** | **156.7** | **145.2** | **254.3** | **35.8** | **122.5** | **253.0** | **115.7** | **38.0** | **37.4** | **37.6** | **37.7** | **136.3** | **333.0** | **117.4** |
| **Net claims on central government** | **-8808.5** | **-8600.9** | **-7233.5** | **-9126.5** | **-8903.4** | **-8362.8** | **-9285.5** | **-8226.3** | **-8002.6** | **-8685.3** | **-7186.6** | **-6966.5** | **-7477.7** | **-6875.0** | **-5135.3** | **-5982.2** | **-5148.0** | **-5562.5** |
| 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 | 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| less: Liabilities to central government | -8808.5 | -8601.0 | -7233.5 | -9126.6 | -8903.4 | -8362.9 | -9285.6 | -8226.3 | -8002.6 | -8685.4 | -7186.7 | -6966.6 | -7477.8 | -6875.1 | -5135.4 | -5982.2 | -5148.1 | -5562.6 |
| Deposits | -8802.6 | -8595.1 | -7227.7 | -9120.7 | -8897.6 | -8360.0 | -9282.7 | -8223.5 | -7999.8 | -8682.5 | -7183.8 | -6963.7 | -7474.9 | -6872.2 | -5132.5 | -5979.4 | -5145.2 | -5559.7 |
| Other liabilities | -5.9 | -5.9 | -5.9 | -5.9 | -5.9 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 |
| **Claims on other sectors** | **22.8** | **22.7** | **23.2** | **23.1** | **22.3** | **22.0** | **21.7** | **21.1** | **21.6** | **22.1** | **21.2** | **21.4** | **21.5** | **21.4** | **22.2** | **21.7** | **21.9** | **22.0** |
| 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 | 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 | 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other resident sectors | 22.8 | 22.7 | 23.2 | 23.1 | 22.3 | 22.0 | 21.7 | 21.1 | 21.6 | 22.1 | 21.2 | 21.4 | 21.5 | 21.4 | 22.2 | 21.7 | 21.9 | 22.0 |

| | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | | | | | | | | | |
| **Net foreign assets** | **12446.5** | **12126.4** | **11683.2** | **12014.0** | **10564.6** | **10428.9** | **11408.7** | **10731.7** | **9444.3** | **10915.6** | **10989.1** | **11035.0** | **11961.0** | **11357.8** | **10912.3** | **12036.8** | **14938.4** | **14753.4** |
| **Claims on nonresidents** | **12522.3** | **12202.6** | **11759.2** | **12089.4** | **10640.3** | **10483.3** | **11464.8** | **10777.6** | **9485.6** | **11008.1** | **11062.7** | **11108.1** | **11998.3** | **11399.6** | **10955.0** | **12074.1** | **14943.0** | **14759.4** |
| Monetary gold and SDR holdings | 1459.5 | 1454.0 | 1410.0 | 1438.2 | 1427.5 | 1331.6 | 1437.9 | 1434.2 | 1404.3 | 1401.3 | 1433.1 | 1412.4 | 64.6 | 69.5 | 76.8 | 76.8 | 79.8 | 76.6 |
| Foreign currency | 140.4 | 185.0 | 154.6 | 279.3 | 296.3 | 73.2 | 162.4 | 80.1 | 181.4 | 118.1 | 90.7 | 53.9 | 181.6 | 120.3 | 72.5 | 160.5 | 111.4 | 101.9 |
| Deposits | 10831.2 | 10459.3 | 10064.6 | 10228.4 | 8760.2 | 8909.6 | 9849.0 | 9236.0 | 7858.2 | 9434.2 | 9471.8 | 9561.2 | 11658.2 | 11102.5 | 10685.4 | 11702.9 | 14604.1 | 14420.2 |
| 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 | 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 91.2 | 104.3 | 130.0 | 143.5 | 156.4 | 168.9 | 15.5 | 27.3 | 41.7 | 54.6 | 67.2 | 80.7 | 93.9 | 107.2 | 120.4 | 133.8 | 147.7 | 160.7 |
| less: Liabilities to nonresidents | -75.8 | -76.2 | -76.0 | -75.5 | -75.6 | -54.3 | -56.1 | -45.9 | -41.4 | -92.5 | -73.6 | -73.1 | -37.2 | -41.8 | -42.7 | -37.2 | -4.7 | -6.0 |
| Deposits | -8.6 | -8.4 | -8.5 | -8.6 | -8.4 | -8.3 | -8.7 | -8.7 | -4.8 | -4.8 | -4.8 | -4.8 | -4.8 | -4.9 | -4.9 | -4.9 | -4.9 | -4.9 |
| 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 | 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | -67.3 | -67.7 | -67.5 | -66.8 | -67.2 | -46.1 | -47.4 | -37.2 | -36.6 | -87.7 | -68.8 | -68.3 | -32.4 | -36.9 | -37.8 | -32.3 | 0.2 | -1.1 |
| **Claims on other depository corporations** | **38.8** | **38.9** | **39.1** | **39.2** | **39.3** | **39.6** | **40.3** | **40.2** | **40.3** | **40.5** | **139.3** | **138.1** | **41.2** | **160.7** | **41.6** | **41.3** | **41.5** | **41.9** |
| **Net claims on central government** | **-5603.9** | **-5447.5** | **-4307.7** | **-4240.3** | **-2812.2** | **-3481.0** | **-4658.0** | **-4116.2** | **-2442.8** | **-4514.3** | **-4222.6** | **-5247.9** | **-5651.1** | **-4327.3** | **-3623.9** | **-4782.7** | **-7198.5** | **-5948.9** |
| 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 | 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| less: Liabilities to central government | -5603.9 | -5447.6 | -4307.8 | -4240.3 | -2812.3 | -3481.0 | -4658.1 | -4116.2 | -2442.8 | -4514.4 | -4222.7 | -5247.9 | -5651.1 | -4327.4 | -3624.0 | -4782.7 | -7198.5 | -5949.0 |
| Deposits | -5601.1 | -5444.7 | -4304.9 | -4237.5 | -2809.4 | -3478.2 | -4658.1 | -4116.2 | -2442.8 | -4514.4 | -4222.7 | -5247.9 | -5651.1 | -4327.4 | -3624.0 | -4782.7 | -7198.5 | -5949.0 |
| Other liabilities | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | -2.8 | 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** | **22.0** | **21.6** | **21.4** | **21.5** | **21.4** | **21.9** | **21.8** | **22.3** | **23.0** | **23.8** | **24.3** | **24.5** | **24.3** | **23.3** | **23.8** | **23.9** | **24.5** | **24.6** |
| 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 | 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 | 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 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other resident sectors | 22.0 | 21.6 | 21.4 | 21.5 | 21.4 | 21.9 | 21.8 | 22.3 | 23.0 | 23.8 | 24.3 | 24.5 | 24.3 | 23.3 | 23.8 | 23.9 | 24.5 | 24.6 |

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

| | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | | |
| **Monetary base** | **3220.4** | **3121.7** | **2584.5** | **3310.2** | **3407.4** | **3548.5** | **3522.7** | **3861.1** | **3884.1** | **3952.5** | **4165.2** | **4060.0** |
| Currency in circulation | 1526.7 | 1497.0 | 1531.8 | 1562.9 | 1538.9 | 1508.8 | 1505.8 | 1586.3 | 1548.1 | 1558.2 | 1652.2 | 1705.4 |
| Liabilities to other depository corporations | 1693.7 | 1624.7 | 1052.6 | 1747.3 | 1868.5 | 2039.7 | 2017.0 | 2274.8 | 2336.0 | 2394.3 | 2513.0 | 2354.6 |
| Reserve deposits | 597.9 | 466.3 | 422.7 | 508.4 | 543.2 | 518.8 | 480.1 | 475.4 | 452.5 | 766.4 | 971.5 | 851.0 |
| Other liabilities | 1095.8 | 1158.4 | 629.9 | 1238.9 | 1325.3 | 1520.9 | 1536.9 | 1799.4 | 1883.6 | 1628.0 | 1541.5 | 1503.6 |
| 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** | **909.5** | **1001.2** | **0.0** | **1032.3** | **1199.8** | **1342.7** | **1351.8** | **1520.0** | **1552.6** | **1581.8** | **1541.5** | **1503.6** |
| 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 |
| **Trade credit and advances** | **7.5** | **7.9** | **8.2** | **11.6** | **7.0** | **20.1** | **6.0** | **33.2** | **4.5** | **7.5** | **7.9** | **9.5** |
| 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** | **3544.8** | **3421.5** | **3453.6** | **2240.4** | **2031.3** | **1932.5** | **1978.3** | **3326.0** | **3357.6** | **3893.1** | **3538.9** | **3291.3** |
| 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 | 500.8 | 501.6 | 501.6 | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 | -0.0 |
| General and special reserves | 427.4 | 427.4 | 427.4 | 675.7 | 675.7 | 675.7 | 675.7 | 675.7 | 675.7 | 675.7 | 675.7 | 675.7 |
| SDR allocations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1231.0 | 1519.3 | 1604.2 | 1577.1 | 1505.7 |
| Valuation adjustment | 2577.6 | 2382.2 | 2370.1 | 1388.6 | 1186.9 | 1060.5 | 1069.8 | 1165.4 | 891.8 | 1339.7 | 989.7 | 832.7 |
| Current year result | -1.1 | 70.2 | 114.5 | 136.1 | 128.7 | 156.3 | 192.7 | 213.8 | 230.9 | 233.5 | 256.4 | 237.2 |
| **Other items (net)** | **-149.2** | **-142.9** | **-64.2** | **-148.1** | **-146.8** | **-154.8** | **-154.9** | **-184.7** | **-181.2** | **-181.4** | **-185.8** | **-192.5** |
| Other liabilities | 45.1 | 46.1 | 47.2 | 47.2 | 47.3 | 49.8 | 50.3 | 48.8 | 48.9 | 45.8 | 43.5 | 38.1 |
| less: Other assets | -194.3 | -189.1 | -111.3 | -195.3 | -194.0 | -204.6 | -205.1 | -233.5 | -230.0 | -227.2 | -229.3 | -230.6 |

| | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | | |
| **Monetary base** | **4210.3** | **4434.3** | **5029.2** | **5002.8** | **5534.9** | **4459.8** | **4333.8** | **4208.1** | **5038.2** | **5325.1** | **5376.7** | **4881.9** |
| Currency in circulation | 1526.7 | 1506.6 | 1590.6 | 1595.2 | 1649.8 | 1652.3 | 1668.8 | 1798.1 | 1738.6 | 1758.1 | 1857.0 | 1909.3 |
| Liabilities to other depository corporations | 2683.6 | 2927.7 | 3438.6 | 3407.6 | 3885.1 | 2807.5 | 2665.1 | 2409.9 | 3299.6 | 3566.9 | 3519.7 | 2972.6 |
| Reserve deposits | 815.0 | 1052.6 | 1580.2 | 1499.5 | 1944.7 | 1026.8 | 1131.3 | 1046.6 | 1925.0 | 1917.2 | 1924.3 | 1334.2 |
| Other liabilities | 1868.6 | 1875.1 | 1858.4 | 1908.1 | 1940.4 | 1780.6 | 1533.8 | 1363.3 | 1374.6 | 1649.7 | 1595.5 | 1638.4 |
| 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** | **1868.6** | **1875.1** | **1858.4** | **1908.1** | **1940.4** | **1780.6** | **1533.8** | **1363.3** | **1374.6** | **1649.7** | **1595.5** | **1638.4** |
| 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 |
| **Trade credit and advances** | **5.7** | **5.0** | **4.4** | **7.3** | **5.1** | **2.5** | **1.9** | **9.7** | **2.7** | **3.8** | **2.6** | **7.3** |
| 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** | **3227.3** | **3514.9** | **2967.0** | **2782.4** | **2849.4** | **2888.5** | **2799.8** | **2754.1** | **2626.6** | **2739.5** | **2662.1** | **2339.4** |
| 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 | 237.2 | 237.2 | 237.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| General and special reserves | 675.7 | 675.7 | 675.7 | 798.4 | 798.4 | 798.4 | 798.4 | 798.4 | 798.4 | 798.4 | 798.4 | 798.4 |
| SDR allocations | 1529.1 | 1547.1 | 1458.8 | 1442.5 | 1472.1 | 1473.6 | 1459.3 | 1453.8 | 1409.8 | 1438.0 | 1427.2 | 1331.4 |
| Valuation adjustment | 864.3 | 937.5 | 473.3 | 400.1 | 403.3 | 433.8 | 360.5 | 291.5 | 206.6 | 297.8 | 230.1 | 25.2 |
| Current year result | -119.1 | 77.3 | 82.1 | 101.4 | 135.6 | 142.7 | 141.5 | 170.4 | 171.9 | 165.2 | 166.3 | 144.5 |
| **Other items (net)** | **-219.9** | **-218.5** | **-120.8** | **-223.3** | **-232.2** | **-234.7** | **-232.2** | **-232.6** | **-231.5** | **-233.8** | **-228.1** | **-219.2** |
| Other liabilities | 35.1 | 34.7 | 34.5 | 34.2 | 34.1 | 34.1 | 33.9 | 33.9 | 33.7 | 33.7 | 33.6 | 44.9 |
| less: Other assets | -255.0 | -253.3 | -155.3 | -257.5 | -266.3 | -268.8 | -266.1 | -266.5 | -265.2 | -267.5 | -261.8 | -264.1 |

| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | | | | | | |
| **Monetary base** | **4492.6** | **4216.0** | **4537.1** | **4018.6** | **4457.9** | **3513.0** | **3899.0** | **4596.6** | **4099.4** | **4242.7** | **4448.8** | **5508.8** |
| Currency in circulation | 1777.8 | 1793.6 | 1840.9 | 1934.3 | 1902.3 | 1877.4 | 1940.2 | 2140.0 | 2105.4 | 2156.4 | 2253.6 | 2398.2 |
| Liabilities to other depository corporations | 2714.8 | 2422.4 | 2696.3 | 2084.3 | 2555.5 | 1635.6 | 1958.8 | 2456.6 | 1994.1 | 2086.3 | 2195.2 | 3110.6 |
| Reserve deposits | 1069.5 | 961.9 | 1229.0 | 1109.7 | 1576.5 | 929.0 | 1639.3 | 2456.6 | 1994.1 | 2086.3 | 2195.2 | 3110.6 |
| Other liabilities | 1645.2 | 1460.5 | 1467.3 | 974.6 | 979.1 | 706.6 | 319.5 | 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** | **0.1** | **0.1** | **0.1** | **0.2** | **0.2** | **0.2** | **0.2** | **0.2** |
| 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** | **1645.2** | **1460.5** | **1467.3** | **974.6** | **979.1** | **706.6** | **319.5** | **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 |
| **Trade credit and advances** | **4.0** | **3.4** | **3.6** | **3.5** | **3.0** | **22.2** | **3.5** | **3.4** | **3.4** | **3.5** | **7.7** | **11.0** |
| 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** | **2572.4** | **2722.5** | **2692.8** | **2683.4** | **2712.1** | **2654.3** | **2710.9** | **2877.3** | **3505.4** | **3327.1** | **3612.2** | **3621.5** |
| 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 | 159.0 | 151.4 | 151.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| General and special reserves | 798.4 | 798.4 | 798.4 | 896.3 | 896.3 | 896.3 | 896.3 | 896.3 | 896.3 | 896.3 | 896.3 | 896.3 |
| SDR allocations | 1437.6 | 1434.0 | 1404.1 | 1401.1 | 1432.9 | 1412.2 | 1416.3 | 1486.6 | 1641.6 | 1641.6 | 1706.9 | 1637.1 |
| Valuation adjustment | 133.9 | 289.1 | 286.0 | 326.8 | 310.1 | 264.9 | 300.8 | 379.2 | 838.3 | 655.0 | 839.0 | 941.9 |
| Current year result | 3.6 | 9.6 | 12.9 | 19.2 | 32.8 | 40.9 | 57.5 | 75.3 | 89.2 | 94.2 | 130.0 | 106.2 |
| **Other items (net)** | **-256.3** | **-264.0** | **-168.7** | **-240.0** | **-243.0** | **-239.7** | **-237.9** | **-263.1** | **-254.6** | **-254.1** | **-263.0** | **-270.5** |
| Other liabilities | 48.0 | 45.2 | 44.6 | 44.4 | 44.3 | 44.4 | 44.3 | 44.2 | 44.0 | 43.9 | 43.6 | 47.2 |
| less: Other assets | -304.3 | -309.2 | -213.3 | -284.4 | -287.4 | -284.2 | -282.2 | -307.3 | -298.6 | -298.0 | -306.6 | -317.7 |

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

| Assets | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net foreign assets** | 11186.6 | 10843.9 | 10248.3 | 11404.8 | 11320.6 | 11378.8 | 11527.3 | 11642.7 | 10927.5 | 13039.3 | 12966.6 | 12765.6 |
| **Claims on nonresidents** | 12250.5 | 12206.8 | 11264.9 | 12490.4 | 12438.6 | 12472.6 | 12426.3 | 12579.6 | 12123.0 | 13865.7 | 13837.1 | 13175.2 |
| Foreign currency | 315.1 | 224.0 | 277.7 | 273.3 | 240.3 | 176.9 | 191.9 | 182.7 | 150.3 | 207.1 | 199.7 | 144.2 |
| Deposits | 5908.7 | 5922.6 | 5413.5 | 6913.0 | 7212.4 | 6760.7 | 6425.8 | 6794.6 | 6179.4 | 7867.7 | 7460.1 | 7169.9 |
| Securities other than shares | 5927.3 | 5962.7 | 5471.1 | 5197.8 | 4882.7 | 5423.1 | 5704.5 | 5494.9 | 5685.3 | 5678.2 | 6066.2 | 5743.4 |
| Loans | 80.4 | 81.4 | 85.3 | 84.9 | 86.5 | 101.6 | 93.1 | 95.4 | 96.8 | 100.1 | 98.2 | 103.8 |
| Financial derivatives | 8.2 | 5.3 | 5.9 | 9.6 | 5.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 10.8 | 10.8 | 11.3 | 11.8 | 11.6 | 10.3 | 11.0 | 11.9 | 11.2 | 12.6 | 12.9 | 13.8 |
| less: Liabilities to nonresidents | -1063.9 | -1362.9 | -1016.5 | -1085.5 | -1118.0 | -1093.8 | -899.0 | -936.9 | -1195.5 | -826.4 | -870.5 | -409.6 |
| Deposits | -269.8 | -562.6 | -231.8 | -303.2 | -339.0 | -303.5 | -299.4 | -361.8 | -626.1 | -323.2 | -376.6 | -309.0 |
| Securities other than shares | -571.2 | -573.7 | -568.3 | -571.1 | -575.1 | -569.3 | -572.2 | -575.1 | -569.4 | -491.1 | -493.9 | -100.6 |
| Loans | -222.9 | -226.6 | -216.4 | -211.2 | -203.9 | -221.0 | -27.4 | 0.0 | 0.0 | -12.1 | 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 | 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 central bank** | 2080.0 | 2049.5 | 2534.9 | 2173.1 | 2319.2 | 2418.4 | 2468.3 | 2654.9 | 2883.8 | 2616.0 | 2850.2 | 3041.8 |
| Currency | 309.1 | 262.2 | 303.9 | 314.9 | 303.9 | 375.9 | 296.5 | 406.0 | 463.3 | 412.8 | 447.8 | 548.7 |
| Reserve deposits | 667.1 | 576.8 | 902.8 | 653.3 | 647.6 | 623.2 | 643.5 | 729.8 | 717.2 | 652.4 | 653.6 | 418.4 |
| Other claims | 1103.8 | 1210.5 | 1328.2 | 1204.9 | 1367.7 | 1419.3 | 1528.3 | 1519.1 | 1703.2 | 1550.8 | 1748.8 | 2074.7 |
| **Net claims on central government** | 2110.6 | 2076.4 | 1908.5 | 1885.0 | 1738.1 | 1869.4 | 1854.8 | 1469.0 | 1515.8 | 1727.4 | 1683.0 | 1766.8 |
| Claims on central government | 2706.5 | 2610.5 | 2589.0 | 2507.3 | 2409.5 | 2519.4 | 2659.8 | 2653.9 | 2534.2 | 2760.0 | 2731.6 | 2814.0 |
| Securities other than Shares | 2686.0 | 2589.6 | 2568.1 | 2486.5 | 2388.8 | 2472.8 | 2612.5 | 2557.2 | 2482.7 | 2710.0 | 2676.2 | 2760.3 |
| Other claims | 20.5 | 20.9 | 20.9 | 20.8 | 20.8 | 46.6 | 47.4 | 96.7 | 51.5 | 50.0 | 55.4 | 53.6 |
| less: Liabilities to central government | -595.9 | -534.2 | -680.5 | -622.2 | -671.4 | -650.0 | -805.0 | -1184.9 | -1018.4 | -1032.5 | -1048.6 | -1047.1 |
| Deposits | -548.9 | -486.5 | -525.3 | -454.9 | -491.1 | -526.3 | -755.8 | -1135.8 | -969.2 | -983.4 | -999.5 | -1015.3 |
| Other liabilities | -47.0 | -47.6 | -155.2 | -167.3 | -180.3 | -123.7 | -49.1 | -49.1 | -49.1 | -49.1 | -49.1 | -31.8 |
| Claims on other sectors | 36710.5 | 36688.3 | 37366.2 | 37612.0 | 37689.1 | 37626.9 | 37794.2 | 38467.5 | 39016.9 | 38497.9 | 39101.2 | 39708.5 |
| Other financial corporations | 2470.9 | 2270.2 | 2586.5 | 2638.2 | 2528.9 | 2531.3 | 2416.9 | 2649.9 | 2845.2 | 2058.1 | 2142.4 | 2363.1 |
| State and local government | 89.3 | 78.1 | 76.5 | 69.5 | 83.0 | 93.1 | 82.4 | 96.1 | 81.9 | 93.6 | 83.7 | 86.2 |
| Public nonfinancial corporations | 736.7 | 714.1 | 666.1 | 702.8 | 773.5 | 844.8 | 853.7 | 857.0 | 749.9 | 776.3 | 779.9 | 689.0 |
| Other nonfinancial c orporations | 11301.8 | 11691.2 | 11724.2 | 11938.6 | 11794.1 | 11675.2 | 12006.5 | 12205.8 | 12465.9 | 12675.7 | 12995.4 | 13248.1 |
| Other resident sectors | 22107.1 | 21929.7 | 22308.1 | 22258.1 | 22504.8 | 22477.1 | 22429.2 | 22653.3 | 22868.5 | 22888.8 | 23094.5 | 23319.7 |
| Unclassified shares and other equity | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 5.4 | 5.4 | 5.4 | 5.4 | 5.4 | 5.4 | 2.4 |

| Assets | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net foreign assets** | 13897.0 | 13713.4 | 13524.2 | 13569.5 | 12837.9 | 11413.7 | 11557.3 | 12765.0 | 11746.3 | 12302.6 | 12382.2 | 11509.5 |
| **Claims on nonresidents** | 14366.7 | 14348.8 | 14133.1 | 14287.8 | 13621.3 | 12128.6 | 12531.9 | 13763.9 | 12627.3 | 13296.6 | 13134.3 | 12399.2 |
| Foreign currency | 235.6 | 141.8 | 129.9 | 94.5 | 176.8 | 137.5 | 119.5 | 197.5 | 120.7 | 132.3 | 157.7 | 77.2 |
| Deposits | 8021.6 | 7863.0 | 7644.2 | 7155.8 | 7832.8 | 6334.3 | 7014.3 | 8340.0 | 7595.5 | 8048.1 | 7594.7 | 7078.1 |
| Securities other than shares | 5990.7 | 6223.0 | 6236.1 | 6916.7 | 5491.6 | 5533.1 | 5276.2 | 5100.1 | 4787.2 | 4979.5 | 5242.9 | 5101.6 |
| Loans | 105.6 | 106.8 | 108.6 | 106.6 | 108.2 | 112.2 | 110.4 | 115.5 | 112.8 | 125.0 | 127.5 | 132.3 |
| 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 | 13.3 | 14.1 | 14.3 | 14.2 | 11.9 | 11.6 | 11.5 | 10.9 | 11.1 | 11.6 | 11.5 | 10.0 |
| less: Liabilities to nonresidents | -469.8 | -635.4 | -608.9 | -718.3 | -783.4 | -714.8 | -974.6 | -998.9 | -881.0 | -994.0 | -752.1 | -889.7 |
| Deposits | -355.4 | -525.0 | -508.3 | -617.7 | -660.7 | -614.2 | -799.4 | -827.6 | -763.0 | -864.9 | -632.6 | -789.1 |
| Securities other than shares | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 | -100.6 |
| Loans | -13.7 | -9.9 | 0.0 | 0.0 | -22.1 | 0.0 | -74.6 | -70.8 | -17.4 | -28.5 | -18.9 | 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 | 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 central bank** | 3173.6 | 3210.4 | 3813.6 | 3662.8 | 3995.7 | 3219.2 | 2995.8 | 2987.4 | 3776.6 | 4022.1 | 4104.3 | 3490.8 |
| Currency | 399.1 | 388.9 | 537.8 | 450.1 | 519.1 | 516.8 | 439.0 | 564.7 | 520.7 | 485.2 | 541.0 | 617.0 |
| Reserve deposits | 598.2 | 715.2 | 547.6 | 868.7 | 1784.8 | 881.6 | 1059.2 | 864.2 | 1765.0 | 1843.3 | 1751.9 | 1127.4 |
| Other claims | 2176.3 | 2106.2 | 2728.2 | 2344.1 | 1691.8 | 1820.9 | 1497.6 | 1558.4 | 1490.9 | 1693.7 | 1811.4 | 1746.4 |
| **Net claims on central government** | 1307.2 | 1546.7 | 1532.0 | 1876.4 | 1893.4 | 1352.5 | 1573.7 | 1626.5 | 1527.3 | 1469.2 | 1310.5 | 1739.8 |
| Claims on central government | 2392.8 | 2780.4 | 2843.6 | 3026.1 | 3003.9 | 2620.1 | 2721.2 | 2800.5 | 2861.9 | 2835.3 | 2854.9 | 3080.0 |
| Securities other than Shares | 2343.0 | 2731.0 | 2794.5 | 2976.1 | 2956.3 | 2569.3 | 2669.1 | 2749.4 | 2808.5 | 2770.7 | 2806.1 | 3031.4 |
| Other claims | 49.8 | 49.3 | 49.1 | 50.0 | 47.6 | 50.9 | 52.1 | 51.1 | 53.3 | 64.7 | 48.8 | 48.6 |
| less: Liabilities to central government | -1085.6 | -1233.6 | -1311.7 | -1149.7 | -1110.5 | -1267.7 | -1147.5 | -1173.9 | -1334.6 | -1366.1 | -1544.4 | -1340.2 |
| Deposits | -1053.8 | -1179.8 | -1257.9 | -1106.2 | -1066.9 | -1224.0 | -1115.7 | -1136.8 | -1302.8 | -1334.3 | -1512.6 | -1308.4 |
| Other liabilities | -31.8 | -53.8 | -53.8 | -43.5 | -43.6 | -43.7 | -31.8 | -37.1 | -31.8 | -31.8 | -31.8 | -31.8 |
| Claims on other sectors | 40054.5 | 39733.0 | 39882.0 | 40700.1 | 40499.8 | 41157.5 | 41804.0 | 41763.6 | 42202.7 | 42806.4 | 43308.7 | 44466.7 |
| Other financial corporations | 2438.9 | 2551.8 | 2653.3 | 2719.3 | 2709.8 | 2710.2 | 2744.5 | 2696.0 | 2689.3 | 2849.6 | 2889.6 | 3067.2 |
| State and local government | 85.0 | 70.6 | 24.4 | 62.1 | 57.3 | 92.7 | 27.0 | 50.0 | 67.5 | 74.4 | 88.8 | 116.5 |
| Public nonfinancial corporations | 702.9 | 689.8 | 735.1 | 713.5 | 597.0 | 718.7 | 715.2 | 690.0 | 683.8 | 505.2 | 677.5 | 682.6 |
| Other nonfinancial c orporations | 13422.8 | 13041.8 | 12851.0 | 13346.6 | 13201.5 | 13512.6 | 14163.7 | 13931.1 | 13969.7 | 14465.5 | 14459.4 | 15060.0 |
| Other resident sectors | 23402.5 | 23376.6 | 23616.0 | 23856.3 | 23931.7 | 24120.7 | 24151.1 | 24393.9 | 24789.6 | 24908.8 | 25190.5 | 25537.2 |
| Unclassified shares and other equity | 2.4 | 2.4 | 2.4 | 2.4 | 2.6 | 2.6 | 2.6 | 2.6 | 2.8 | 2.9 | 2.9 | 3.3 |

| Assets | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net foreign assets** | 11533.3 | 10633.4 | 10800.4 | 10768.7 | 10317.2 | 9354.8 | 10202.6 | 9869.6 | 10436.2 | 11119.3 | 11381.5 | 10596.3 |
| **Claims on nonresidents** | 12483.5 | 11878.2 | 11608.2 | 11455.2 | 11023.1 | 10192.1 | 10908.3 | 10596.5 | 11218.9 | 11883.3 | 12083.8 | 11495.8 |
| Foreign currency | 111.8 | 123.2 | 102.3 | 95.9 | 158.0 | 121.9 | 93.6 | 132.4 | 118.9 | 201.1 | 132.6 | 179.4 |
| Deposits | 6929.0 | 6500.4 | 5988.0 | 6078.0 | 5906.7 | 5305.2 | 6292.5 | 6265.0 | 6679.2 | 6690.0 | 7187.3 | 6783.8 |
| Securities other than shares | 5293.1 | 5109.9 | 5370.1 | 5132.1 | 4803.4 | 4606.9 | 4310.7 | 3929.7 | 4170.7 | 4758.2 | 4572.2 | 4276.0 |
| Loans | 138.9 | 133.8 | 137.1 | 138.2 | 143.1 | 145.8 | 199.1 | 245.9 | 219.2 | 221.5 | 179.2 | 247.4 |
| Financial derivatives | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.2 | 16.0 | 12.4 | 12.5 | 9.1 |
| Other | 10.8 | 10.9 | 10.7 | 11.0 | 11.9 | 12.3 | 12.3 | 13.2 | 14.9 | 0.0 | 0.0 | 0.0 |
| less: Liabilities to nonresidents | -950.2 | -1244.8 | -807.8 | -686.5 | -705.9 | -837.2 | -705.7 | -726.9 | -782.7 | -764.0 | -702.4 | -899.5 |
| Deposits | -849.6 | -947.6 | -653.7 | -574.0 | -561.4 | -731.6 | -601.3 | -599.0 | -660.7 | -619.6 | -558.6 | -764.1 |
| Securities other than shares | -100.6 | -100.6 | -105.7 | -100.6 | -100.6 | -100.6 | -93.0 | -93.0 | -93.0 | -93.0 | -93.0 | -93.0 |
| Loans | 0.0 | -196.6 | -48.4 | -11.9 | -43.9 | -5.0 | -11.4 | -11.4 | -11.5 | -27.8 | -30.4 | -15.1 |
| Financial derivatives | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -23.5 | -17.5 | -23.6 | -20.4 | -27.2 |
| 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 |
| **Claims on central bank** | 3291.9 | 2984.4 | 3232.5 | 2747.7 | 3168.6 | 2281.0 | 2600.2 | 3601.2 | 3100.4 | 3234.5 | 3366.1 | 4539.9 |
| Currency | 495.8 | 427.0 | 449.7 | 517.2 | 512.4 | 425.4 | 416.4 | 579.9 | 463.7 | 459.1 | 580.8 | 700.5 |
| Reserve deposits | 928.0 | 797.1 | 1003.1 | 886.0 | 1355.3 | 797.1 | 1427.1 | 1647.7 | 1657.6 | 1533.6 | 1716.4 | 1945.5 |
| Other claims | 1868.1 | 1760.2 | 1779.7 | 1344.5 | 1300.9 | 1058.4 | 756.7 | 1373.6 | 979.1 | 1241.8 | 1068.8 | 1893.9 |
| **Net claims on central government** | 1662.7 | 1784.9 | 1924.6 | 2505.2 | 3017.1 | 3491.8 | 3641.1 | 3916.6 | 4506.8 | 4601.0 | 4837.4 | 5300.0 |
| Claims on central government | 3205.7 | 3314.4 | 3394.4 | 3876.0 | 4473.2 | 4865.3 | 5054.1 | 5392.8 | 5976.8 | 6314.5 | 6509.8 | 6969.0 |
| Securities other than Shares | 3157.6 | 3264.5 | 3329.9 | 3812.2 | 4420.5 | 4813.4 | 5002.7 | 5340.9 | 5925.3 | 6262.5 | 6497.6 | 6956.6 |
| Other claims | 48.1 | 49.9 | 64.5 | 63.8 | 52.7 | 51.9 | 51.5 | 51.9 | 51.5 | 52.0 | 12.2 | 12.4 |
| less: Liabilities to central government | -1543.0 | -1529.5 | -1469.8 | -1370.8 | -1456.1 | -1373.5 | -1413.1 | -1476.2 | -1469.9 | -1713.5 | -1672.4 | -1669.0 |
| Deposits | -1511.2 | -1497.7 | -1438.0 | -1326.6 | -1375.4 | -1270.5 | -1308.1 | -1357.3 | -1358.7 | -1594.5 | -1601.3 | -1536.8 |
| Other liabilities | -31.8 | -31.8 | -31.9 | -44.2 | -80.7 | -103.0 | -104.9 | -118.9 | -111.3 | -119.1 | -71.1 | -132.2 |
| Claims on other sectors | 44130.7 | 44761.3 | 44733.2 | 43955.8 | 43873.5 | 44686.3 | 44648.5 | 44963.2 | 45581.3 | 45906.4 | 46211.5 | 46892.8 |
| Other financial corporations | 3049.4 | 3130.7 | 3248.6 | 1530.9 | 1350.2 | 1366.9 | 1473.8 | 1347.1 | 1423.8 | 1413.4 | 1499.7 | 1397.1 |
| State and local government | 113.5 | 59.7 | 16.6 | 16.9 | 16.1 | 16.9 | 61.3 | 107.4 | 111.3 | 111.5 | 128.9 | 175.9 |
| Public nonfinancial corporations | 664.2 | 673.2 | 504.8 | 839.4 | 712.6 | 833.8 | 689.6 | 747.5 | 1099.1 | 1222.2 | 843.0 | 903.0 |
| Other nonfinancial c orporations | 14486.2 | 14896.6 | 15011.7 | 15395.0 | 15379.9 | 15927.0 | 15715.6 | 15855.0 | 15785.2 | 15481.5 | 15675.9 | 15900.2 |
| Other resident sectors | 25813.9 | 25997.6 | 25947.7 | 26169.6 | 26411.7 | 26539.9 | 26706.3 | 26904.3 | 27159.9 | 27675.8 | 28062.1 | 28514.6 |
| Unclassified shares and other equity | 3.5 | 3.6 | 3.8 | 3.9 | 3.0 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 | 1.9 | 2.0 |

E

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

| Liabilities | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities to central bank** | 231.8 | 413.2 | 389.0 | 70.5 | 152.8 | 141.7 | 250.8 | 32.6 | 119.4 | 250.1 | 112.7 | 33.6 | 34.3 | 34.5 | 34.7 | 133.4 | 330.5 | 35.5 |
| **Deposits included in broad money** | 47742.0 | 47618.0 | 43735.2 | 44878.7 | 45347.2 | 46036.6 | 46658.4 | 46335.7 | 45934.1 | 47727.6 | 48512.5 | 48556.4 | 49557.3 | 49288.3 | 50630.9 | 51878.0 | 51753.7 | 49151.4 |
| **Transferable deposits** | 17746.6 | 17683.6 | 18608.4 | 18473.1 | 18650.6 | 19033.6 | 19004.0 | 18817.2 | 18409.8 | 19550.4 | 19624.4 | 19741.5 | 20936.5 | 20888.5 | 21780.8 | 22178.0 | 22391.6 | 19929.4 |
| Other financial corporations | 1666.0 | 1778.5 | 1927.0 | 1675.9 | 1749.3 | 2095.2 | 1770.2 | 1829.9 | 2087.5 | 2149.0 | 1974.3 | 1733.1 | 1859.3 | 1754.3 | 2779.1 | 4202.7 | 3756.8 | 2056.3 |
| State and local government | 249.5 | 264.9 | 257.0 | 265.8 | 261.9 | 286.1 | 254.2 | 276.5 | 266.3 | 345.3 | 317.0 | 248.4 | 300.1 | 247.2 | 272.9 | 320.0 | 271.9 | 330.5 |
| Public nonfinancial corporations | 658.4 | 910.1 | 939.0 | 1269.0 | 1098.4 | 1638.7 | 1958.2 | 1804.0 | 1700.8 | 1524.0 | 1915.3 | 1923.8 | 2349.2 | 1952.4 | 2096.3 | 1929.6 | 1903.4 | 1781.3 |
| Other nonfinancial corporations | 10873.9 | 10306.9 | 10526.7 | 10722.0 | 10983.3 | 10496.1 | 10877.3 | 10340.2 | 9856.8 | 10756.6 | 10741.0 | 11141.4 | 11517.6 | 12076.2 | 11871.6 | 11110.2 | 11695.0 | 10961.5 |
| Other resident sectors | 4298.8 | 4423.3 | 4958.8 | 4540.4 | 4557.8 | 4517.5 | 4144.2 | 4566.6 | 4498.4 | 4775.6 | 4676.8 | 4694.7 | 4910.3 | 4858.4 | 4760.8 | 4615.3 | 4764.4 | 4799.3 |
| Unclassified | 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 | 0.1 | 0.2 | 0.4 |
| **Other deposits** | 29995.4 | 29934.4 | 25126.8 | 26405.6 | 26696.7 | 27003.0 | 27654.4 | 27518.5 | 27524.3 | 28177.2 | 28888.1 | 28814.9 | 28620.9 | 28399.8 | 28850.1 | 29700.0 | 29362.1 | 29222.0 |
| Other financial corporations | 2037.1 | 2188.0 | 1989.5 | 2215.4 | 2507.1 | 2573.8 | 2560.3 | 2266.4 | 2202.4 | 2338.6 | 2081.5 | 2085.1 | 2061.3 | 2609.8 | 2843.5 | 2522.8 | 2576.9 | 2611.4 |
| State and local government | 307.5 | 315.7 | 354.0 | 367.6 | 420.3 | 405.1 | 430.0 | 319.2 | 288.1 | 273.1 | 303.0 | 245.1 | 241.0 | 353.6 | 355.1 | 339.5 | 464.9 | 410.8 |
| Public nonfinancial corporations | 1759.2 | 1621.7 | 1539.5 | 1697.7 | 1599.3 | 2089.2 | 2040.6 | 1947.9 | 1911.7 | 2110.8 | 1896.5 | 2079.2 | 1824.2 | 1682.4 | 1492.0 | 2034.9 | 2047.7 | 1754.2 |
| Other nonfinancial corporations | 5084.3 | 4757.3 | 4854.3 | 4907.4 | 4878.3 | 4512.3 | 4528.7 | 4986.3 | 5273.9 | 5083.8 | 5249.6 | 5476.8 | 5156.1 | 4640.9 | 5088.5 | 5326.3 | 5293.1 | 5844.1 |
| Other resident sectors | 20240.7 | 20480.7 | 15815.6 | 16671.0 | 16756.4 | 16914.4 | 17574.3 | 17495.8 | 17346.2 | 17889.5 | 18881.7 | 18406.7 | 18855.4 | 18569.5 | 18658.5 | 19028.2 | 18400.1 | 18158.2 |
| Unclassified | 566.6 | 571.2 | 573.9 | 546.5 | 535.2 | 508.2 | 520.6 | 502.9 | 502.0 | 481.3 | 475.7 | 522.0 | 482.8 | 543.6 | 412.5 | 448.3 | 579.3 | 443.4 |
| **Securities other than shares included in broad money** | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 4.0 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 |
| **Deposits excluded from broad money** | 975.4 | 972.8 | 748.5 | 870.3 | 875.9 | 1051.9 | 917.0 | 1081.5 | 1049.4 | 1047.3 | 927.2 | 1055.6 | 1310.0 | 583.2 | 576.0 | 194.2 | 241.8 | 295.9 |
| **Securities other than shares excluded from broad money** | 6440.2 | 6060.0 | 6796.1 | 7179.0 | 6905.5 | 6979.8 | 6950.9 | 7998.2 | 8347.8 | 9286.0 | 10159.6 | 10553.0 | 10440.6 | 10466.1 | 10579.7 | 10152.6 | 9791.4 | 10369.3 |
| Of which: Other financial corporations | 5536.5 | 5196.2 | 5945.9 | 6321.6 | 6018.4 | 6070.6 | 6156.5 | 7189.5 | 7613.7 | 8431.9 | 8960.6 | 9369.5 | 9187.5 | 9168.9 | 9286.6 | 8896.9 | 8525.2 | 9325.2 |
| **Loans** | 7.0 | 5.9 | 7.7 | 5.1 | 15.5 | 15.5 | 36.5 | 36.7 | 36.9 | 35.2 | 35.4 | 34.7 | 34.9 | 35.0 | 33.2 | 33.1 | 33.3 | 33.5 |
| **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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Trade credit and advances** | 111.8 | 91.1 | 124.6 | 116.5 | 128.5 | 29.3 | 80.2 | 81.6 | 55.6 | 4.4 | 31.3 | -16.9 | 97.2 | 108.3 | 94.4 | 94.4 | 94.5 | 94.6 |
| **Shares and other equity** | 6073.5 | 5848.5 | 6047.6 | 6086.6 | 6166.3 | 6234.3 | 6247.8 | 6327.2 | 6435.7 | 6554.9 | 6563.0 | 6469.4 | 6565.1 | 6588.9 | 6717.0 | 6690.1 | 6767.0 | 6801.3 |
| Funds contributed by owners | 1850.3 | 1722.2 | 1850.3 | 1850.3 | 1850.3 | 1850.3 | 1850.3 | 1881.3 | 1881.3 | 1881.3 | 1881.3 | 1881.3 | 1881.3 | 1929.8 | 1976.0 | 1975.9 | 1975.9 | 1975.9 |
| Retained earnings | 2041.3 | 1994.9 | 2027.1 | 2041.4 | 2174.0 | 2363.2 | 2382.6 | 2376.0 | 2376.4 | 2376.4 | 2376.2 | 2377.2 | 2346.9 | 2759.6 | 2749.7 | 2761.4 | 2769.5 | 2822.3 |
| General and special reserves | 1646.2 | 1650.7 | 1662.1 | 1669.6 | 1682.9 | 1734.5 | 1803.4 | 1809.2 | 1822.2 | 1837.2 | 1846.1 | 1861.5 | 1872.2 | 1417.7 | 1418.2 | 1419.7 | 1418.2 | 1568.1 |
| Valuation adjustment | 15.0 | 13.2 | 12.4 | 14.0 | 12.7 | 10.2 | 11.4 | 15.4 | 13.7 | 15.2 | 14.6 | 16.7 | 16.2 | 19.2 | 22.7 | 22.3 | 19.8 | 17.7 |
| Current Year Result | 520.7 | 467.5 | 495.6 | 511.3 | 446.2 | 276.0 | 200.0 | 245.2 | 342.0 | 444.8 | 444.8 | 332.7 | 448.5 | 462.7 | 550.4 | 510.8 | 583.6 | 417.2 |
| **Other items (net)** | -9497.9 | -9355.5 | -5794.8 | -6135.4 | -6528.6 | -7199.6 | -7500.8 | -7663.4 | -7638.8 | -9028.7 | -9744.6 | -9406.9 | -9610.9 | -8904.8 | -9918.0 | -9370.9 | -9788.9 | -9642.0 |
| Other liabilities | 1956.7 | 2079.6 | 2221.2 | 2365.2 | 2100.5 | 2050.8 | 2370.2 | 2377.2 | 2387.4 | 2602.5 | 2846.4 | 2747.2 | 2707.5 | 2808.6 | 2823.1 | 2731.4 | 2802.4 | 2134.6 |
| **less: Other assets** | -2099.6 | -2248.2 | -2406.7 | -2430.2 | -2191.3 | -2528.9 | -2446.7 | -2599.9 | -2536.0 | -2594.5 | -3063.2 | -3181.0 | -3288.6 | -2980.6 | -3328.5 | -2906.3 | -2928.7 | -2499.7 |
| **plus: Consolidation adjustment** | -9354.9 | -9186.9 | -5609.2 | -6070.3 | -6437.7 | -6721.5 | -7424.4 | -7440.8 | -7490.2 | -9036.8 | -9527.8 | -8973.2 | -9029.8 | -8732.7 | -9412.6 | -9196.0 | -9662.6 | -9277.0 |

| Liabilities | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Liabilities to central bank** | 36.2 | 36.4 | 36.6 | 36.8 | 36.9 | 36.7 | 37.4 | 38.1 | 38.3 | 38.5 | 137.5 | 136.1 | 39.6 | 159.1 | 40.0 | 40.2 | 40.9 | 40.6 |
| **Deposits included in broad money** | 49751.1 | 50883.1 | 50948.8 | 52111.2 | 52942.1 | 52889.6 | 52354.3 | 52421.3 | 51380.3 | 52222.9 | 53237.8 | 52890.1 | 54225.5 | 56079.9 | 56560.1 | 56774.4 | 58418.9 | 58831.5 |
| **Transferable deposits** | 20331.0 | 21579.2 | 21835.3 | 21597.6 | 22342.5 | 22761.3 | 22470.1 | 22765.9 | 22444.8 | 23419.6 | 23610.6 | 22410.9 | 22873.1 | 24118.3 | 24085.8 | 24012.3 | 25087.3 | 26152.8 |
| Other financial corporations | 1852.8 | 2032.3 | 2100.2 | 2035.0 | 2083.1 | 1997.5 | 2035.3 | 2025.3 | 2080.3 | 2012.4 | 2170.2 | 2242.6 | 2687.4 | 2538.4 | 2732.0 | 2807.0 | 2769.4 | 3276.7 |
| State and local government | 233.6 | 228.6 | 201.6 | 353.6 | 341.7 | 415.7 | 366.3 | 363.3 | 365.8 | 348.5 | 414.4 | 387.0 | 313.4 | 393.1 | 794.6 | 873.6 | 729.9 | 652.9 |
| Public nonfinancial corporations | 2167.1 | 1954.7 | 1953.6 | 2005.0 | 2084.2 | 1817.4 | 1725.9 | 1653.6 | 1653.9 | 1847.0 | 1579.0 | 1451.3 | 1687.7 | 1967.5 | 1745.1 | 1504.5 | 1713.0 | 2068.0 |
| Other nonfinancial corporations | 11722.7 | 12555.6 | 12484.1 | 12191.2 | 12610.7 | 13332.2 | 13406.4 | 13531.3 | 13126.2 | 13831.8 | 13868.3 | 13016.8 | 13367.0 | 14155.5 | 13582.4 | 13732.9 | 14495.7 | 14554.2 |
| Other resident sectors | 4354.7 | 4807.9 | 5095.8 | 5012.8 | 5222.8 | 5198.5 | 4936.3 | 5192.4 | 5186.9 | 5379.9 | 5578.7 | 5313.3 | 4817.6 | 5063.8 | 5231.8 | 5094.4 | 5379.3 | 5600.9 |
| Unclassified | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 31.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Other deposits** | 29420.1 | 29303.9 | 29113.5 | 30513.6 | 30599.7 | 30128.3 | 29884.2 | 29655.4 | 28935.5 | 28803.3 | 29627.2 | 30479.2 | 31352.4 | 31961.7 | 32474.2 | 32762.1 | 33331.5 | 32678.7 |
| Other financial corporations | 3081.7 | 4159.6 | 2813.0 | 2971.9 | 3203.8 | 3379.6 | 3359.8 | 3580.0 | 3705.1 | 3886.4 | 3784.2 | 4452.3 | 4786.3 | 4289.4 | 4163.6 | 3930.9 | 4087.2 | 5285.4 |
| State and local government | 379.7 | 388.6 | 498.3 | 517.1 | 584.6 | 522.2 | 509.5 | 669.4 | 409.7 | 466.6 | 418.0 | 417.8 | 461.5 | 362.6 | 444.7 | 458.1 | 459.7 | 494.2 |
| Public nonfinancial corporations | 1854.0 | 2064.0 | 1948.9 | 1891.7 | 1821.7 | 1751.2 | 1829.2 | 1441.1 | 1351.2 | 1432.6 | 1488.7 | 927.9 | 1456.9 | 1787.3 | 1993.8 | 2103.4 | 1516.1 | 2036.6 |
| Other nonfinancial corporations | 5491.1 | 5287.4 | 4748.0 | 5777.5 | 5291.5 | 5115.1 | 4770.9 | 4719.4 | 4537.0 | 4279.1 | 4487.3 | 5096.7 | 5013.2 | 4814.5 | 5056.9 | 5423.9 | 6050.5 | 4609.8 |
| Other resident sectors | 18149.7 | 16928.1 | 18625.7 | 18862.7 | 19208.3 | 18874.1 | 18927.3 | 18772.9 | 18450.0 | 18292.7 | 18936.8 | 19081.6 | 19164.8 | 20132.5 | 20354.0 | 20414.1 | 20768.4 | 19786.1 |
| Unclassified | 464.0 | 476.2 | 479.6 | 492.7 | 489.7 | 486.0 | 487.5 | 472.6 | 482.5 | 445.9 | 512.2 | 502.9 | 469.8 | 575.4 | 461.2 | 431.6 | 449.6 | 466.6 |
| **Securities other than shares included in broad money** | 3.9 | 3.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Deposits excluded from broad money** | 284.3 | 100.5 | 192.7 | 174.6 | 369.9 | 30.7 | 226.9 | 241.7 | 673.0 | 927.8 | 576.5 | 754.8 | 816.5 | 697.0 | 627.6 | 597.7 | 637.2 | 642.0 |
| **Securities other than shares excluded from broad money** | 11224.1 | 11227.0 | 11321.1 | 11341.3 | 11243.9 | 10798.9 | 10782.4 | 10406.8 | 11114.7 | 10700.2 | 10467.3 | 10499.2 | 10360.8 | 10865.1 | 10763.1 | 11342.3 | 11968.8 | 11906.5 |
| Of which: Other financial corporations | 10199.9 | 10150.6 | 10247.7 | 10221.5 | 10275.4 | 9821.3 | 9800.7 | 9557.1 | 10037.0 | 9673.9 | 9446.5 | 9472.4 | 9356.6 | 9755.7 | 9847.4 | 10433.6 | 11056.7 | 10902.8 |
| **Loans** | 33.5 | 30.7 | 33.6 | 33.6 | 33.6 | 32.3 | 32.3 | 32.1 | 32.1 | 31.7 | 31.7 | 31.7 | 30.8 | 28.9 | 28.9 | 27.6 | 27.6 | 27.7 |
| **Financial derivatives** | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 48.2 | 30.9 | 41.5 | 51.9 | 61.5 | 133.8 | 94.8 | 126.4 | 103.8 |
| **Trade credit and advances** | 94.7 | 94.8 | 94.9 | 95.0 | 95.2 | 95.3 | 95.4 | 95.5 | 135.8 | 135.9 | 136.1 | 136.3 | 134.4 | 134.5 | 134.6 | 134.6 | 134.4 | 133.3 |
| **Shares and other equity** | 6917.6 | 6913.6 | 7051.6 | 7020.1 | 7129.1 | 7308.7 | 7477.3 | 7524.6 | 7103.8 | 7367.4 | 7316.0 | 7348.4 | 7506.5 | 7539.2 | 7623.5 | 7792.2 | 7899.1 | 7824.0 |
| Funds contributed by owners | 1975.9 | 1975.9 | 1975.9 | 1975.9 | 1975.9 | 2036.1 | 2036.1 | 2036.1 | 1992.1 | 2023.1 | 2023.1 | 2023.1 | 2068.2 | 2068.2 | 2109.3 | 2109.3 | 2114.2 | 2114.2 |
| Retained earnings | 3054.5 | 3006.8 | 3064.0 | 3065.8 | 3075.2 | 3111.3 | 3432.5 | 3438.6 | 3474.2 | 3535.8 | 3545.0 | 3553.8 | 3425.6 | 3437.8 | 3437.7 | 3454.5 | 3472.1 | 3462.5 |
| General and special reserves | 1560.5 | 1561.1 | 1561.1 | 1499.5 | 1498.2 | 1500.8 | 1563.2 | 1563.2 | 1563.4 | 1564.0 | 1566.4 | 1567.9 | 1738.9 | 1761.3 | 1764.2 | 1765.5 | 1766.2 | 1784.3 |
| Valuation adjustment | 21.1 | 22.8 | 18.5 | 25.3 | 23.5 | 20.8 | 19.4 | 17.5 | 15.7 | 15.3 | 18.5 | 20.0 | 22.8 | 27.5 | 25.3 | 22.0 | 19.9 | 20.8 |
| Current Year Result | 305.6 | 347.0 | 432.2 | 453.6 | 556.2 | 639.6 | 426.1 | 469.1 | 58.3 | 229.2 | 163.0 | 183.6 | 250.9 | 244.4 | 287.0 | 440.8 | 526.6 | 442.2 |
| **Other items (net)** | -10414.5 | -10147.4 | -10426.3 | -10212.2 | -10745.0 | -9985.5 | -10387.5 | -10596.0 | -9755.4 | -11495.3 | -11557.3 | -12024.1 | -12073.5 | -13214.6 | -12286.7 | -11942.5 | -13456.4 | -12179.7 |
| Other liabilities | 2204.0 | 2166.1 | 2236.3 | 2516.0 | 2705.9 | 2313.0 | 2418.4 | 2505.8 | 2959.3 | 2902.3 | 2443.4 | 2591.2 | 2285.7 | 2738.6 | 2979.1 | 3197.8 | 2765.1 | 2529.3 |
| **less: Other assets** | -2342.8 | -2374.3 | -2587.3 | -2288.0 | -2540.4 | -2180.0 | -2698.2 | -2767.7 | -2546.3 | -2571.0 | -2437.3 | -2715.7 | -2476.6 | -2770.8 | -2729.5 | -2467.5 | -3034.7 | -2496.1 |
| **plus: Consolidation adjustment** | -10275.7 | -9939.1 | -10075.4 | -10440.2 | -10910.6 | -10118.5 | -10107.8 | -10334.1 | -10168.4 | -11826.6 | -11563.4 | -11899.6 | -11882.6 | -13182.5 | -12536.2 | -12672.8 | -13186.8 | -12212.9 |

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

| | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net foreign assets** | **26291.5** | **25414.5** | **23049.2** | **25848.4** | **25343.9** | **24920.7** | **25889.9** | **26847.6** | **25851.0** | **29121.2** | **27542.5** | **26841.2** |
| Claims on nonresidents | 27476.2 | 26897.7 | 25255.3 | 27047.0 | 26573.3 | 26124.1 | 26868.9 | 27861.4 | 27128.2 | 30030.0 | 28494.4 | 27331.5 |
| *less: Liabilities to nonresidents* | -1184.7 | -1483.1 | -2206.1 | -1198.6 | -1229.4 | -1203.5 | -979.0 | -1013.8 | -1277.1 | -908.8 | -951.9 | -490.3 |
| **Domestic claims** | **30035.5** | **30186.4** | **32064.4** | **30393.6** | **30546.1** | **31155.5** | **30385.1** | **31731.3** | **32551.7** | **31562.1** | **33618.8** | **34530.1** |
| **Net claims on central government** | **-6697.8** | **-6524.6** | **-5325.0** | **-7241.5** | **-7165.3** | **-6493.4** | **-7430.7** | **-6757.3** | **-6486.8** | **-6957.9** | **-5503.6** | **-5199.7** |
| Claims on central government | 2706.6 | 2610.6 | 2589.1 | 2507.3 | 2409.5 | 2519.4 | 2659.8 | 2653.9 | 2534.2 | 2760.0 | 2731.7 | 2814.0 |
| *less: Liabilities to central government* | -9404.4 | -9135.1 | -7914.0 | -9748.8 | -9574.8 | -9012.8 | -10090.6 | -9411.3 | -9021.0 | -9717.9 | -8235.3 | -8013.7 |
| Claims on other sectors | 36733.3 | 36710.9 | 37389.3 | 37635.1 | 37711.4 | 37648.9 | 37815.8 | 38488.6 | 39038.5 | 38520.0 | 39122.4 | 39729.9 |
| Other financial corporations | 2470.9 | 2270.2 | 2586.5 | 2638.2 | 2528.9 | 2531.3 | 2416.9 | 2649.9 | 2845.2 | 2058.1 | 2142.4 | 2363.1 |
| State and local government | 89.3 | 78.1 | 76.5 | 69.5 | 83.0 | 93.1 | 82.4 | 96.1 | 81.9 | 93.6 | 83.7 | 86.2 |
| Public nonfinancial corporations | 736.7 | 714.1 | 666.1 | 702.8 | 773.5 | 844.8 | 853.7 | 857.0 | 749.9 | 776.3 | 779.9 | 689.0 |
| Other nonfinancial corporations | 11301.8 | 11691.2 | 11724.2 | 11938.6 | 11794.1 | 11675.2 | 12006.5 | 12205.8 | 12465.9 | 12675.7 | 12995.4 | 13248.1 |
| Other resident sectors | 22129.9 | 21952.4 | 22331.3 | 22281.2 | 22527.1 | 22499.1 | 22450.9 | 22674.4 | 22890.2 | 22910.9 | 23115.6 | 23341.1 |
| **Unclassified shares and other equity** | **4.9** | **4.9** | **4.9** | **4.9** | **4.9** | **5.4** | **5.4** | **5.4** | **5.4** | **5.4** | **5.4** | **2.4** |
| **Broad money liabilities** | **48963.6** | **48856.9** | **44967.1** | **46130.8** | **46586.6** | **47173.7** | **47866.6** | **47516.3** | **47020.8** | **48878.7** | **49722.5** | **49717.3** |
| Currency outside depository corporations | 1217.6 | 1234.8 | 1227.9 | 1248.0 | 1235.0 | 1133.0 | 1209.2 | 1180.3 | 1084.9 | 1145.4 | 1204.4 | 1156.7 |
| Transferable deposits | 17746.7 | 17683.8 | 18608.5 | 18473.2 | 18651.0 | 19033.8 | 18999.1 | 18813.5 | 18407.6 | 19552.1 | 19626.1 | 19741.7 |
| Other financial corporations | 1666.0 | 1778.5 | 1927.0 | 1675.9 | 1749.3 | 2095.2 | 1770.2 | 1829.9 | 2087.5 | 2149.0 | 1974.3 | 1733.1 |
| State and local government | 249.5 | 264.9 | 257.0 | 265.8 | 261.9 | 286.1 | 254.2 | 276.5 | 266.3 | 345.3 | 317.0 | 248.4 |
| Public nonfinancial corporations | 658.4 | 910.1 | 939.0 | 1269.0 | 1098.4 | 1638.7 | 1958.2 | 1804.0 | 1700.8 | 1524.0 | 1915.3 | 1923.8 |
| Other nonfinancial corporations | 10873.9 | 10306.9 | 10526.7 | 10722.0 | 10983.3 | 10496.1 | 10877.3 | 10340.2 | 9856.8 | 10756.6 | 10741.0 | 11141.4 |
| Other resident sectors | 4298.8 | 4423.3 | 4958.8 | 4540.4 | 4557.8 | 4517.5 | 4144.2 | 4566.6 | 4498.4 | 4775.6 | 4676.8 | 4694.7 |
| Unclassified | 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: Central bank float* | 0.1 | 0.1 | 0.2 | 0.1 | 0.4 | 0.2 | -4.9 | -3.6 | -2.2 | 1.7 | 1.7 | 0.3 |
| Other deposits | 29995.4 | 29934.4 | 25126.8 | 26405.6 | 26696.7 | 27003.0 | 27654.4 | 27518.5 | 27524.3 | 28177.2 | 28888.1 | 28814.9 |
| Other financial corporations | 2037.1 | 2188.0 | 1989.5 | 2215.4 | 2507.1 | 2573.8 | 2560.3 | 2266.4 | 2202.4 | 2338.6 | 2081.5 | 2085.1 |
| State and local government | 307.5 | 315.7 | 354.0 | 367.6 | 420.3 | 405.1 | 430.0 | 319.2 | 288.1 | 273.1 | 303.0 | 245.1 |
| Public nonfinancial corporations | 1759.2 | 1621.7 | 1539.5 | 1697.7 | 1599.3 | 2089.2 | 2040.6 | 1947.9 | 1911.7 | 2110.8 | 1896.5 | 2079.2 |
| Other nonfinancial corporations | 5084.3 | 4757.3 | 4854.3 | 4907.4 | 4878.3 | 4512.3 | 4528.7 | 4986.3 | 5273.9 | 5083.8 | 5249.6 | 5476.8 |
| Other resident sectors | 20240.7 | 20480.7 | 15815.6 | 16671.0 | 16756.4 | 16914.4 | 17574.3 | 17495.8 | 17346.2 | 17889.5 | 18881.7 | 18406.7 |
| Unclassified | 566.6 | 571.2 | 573.9 | 546.5 | 535.2 | 508.2 | 520.6 | 502.9 | 502.0 | 481.3 | 475.7 | 522.0 |
| **Securities other than shares included in broad money** | **3.9** | **3.9** | **3.9** | **3.9** | **3.9** | **3.9** | **3.9** | **4.0** | **3.9** | **3.9** | **3.9** | **3.9** |
| **Deposits excluded from broad money** | **975.4** | **972.8** | **748.5** | **870.3** | **875.9** | **1051.9** | **917.0** | **1081.5** | **1049.4** | **1047.3** | **927.2** | **1055.6** |
| **Securities other than shares excluded from broad money** | **6440.2** | **6060.0** | **6796.1** | **7179.0** | **6905.5** | **6979.8** | **6950.9** | **7998.2** | **8347.8** | **9286.0** | **10159.6** | **10553.0** |
| **Loans** | **7.0** | **5.9** | **7.7** | **5.1** | **15.5** | **15.5** | **36.5** | **36.7** | **36.9** | **35.2** | **35.4** | **34.7** |
| **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** |
| **Trade credit and advances** | **119.3** | **99.0** | **132.8** | **128.1** | **135.5** | **49.4** | **86.2** | **114.8** | **60.0** | **11.9** | **39.2** | **-7.4** |
| **Shares and other equity** | **9618.3** | **9270.1** | **9501.2** | **8327.0** | **8197.5** | **8166.7** | **8226.1** | **9653.2** | **9793.3** | **10448.0** | **10101.9** | **9760.7** |
| **Other items (net)** | **-9796.7** | **-9663.8** | **-7039.8** | **-6398.0** | **-6826.5** | **-7361.0** | **-7809.0** | **-7821.7** | **-7905.4** | **-9023.6** | **-9824.5** | **-9742.5** |
| Other liabilities (includes central bank float) | 2001.6 | 2125.6 | 2268.2 | 2412.2 | 2147.3 | 2100.4 | 2425.4 | 2429.7 | 2438.5 | 2646.7 | 2888.2 | 2785.1 |
| *less: Other assets* | -2293.9 | -2437.3 | -2518.0 | -2625.5 | -2385.3 | -2733.5 | -2651.8 | -2833.4 | -2766.0 | -2821.7 | -3292.5 | -3411.5 |
| plus: Consolidation adjustment | -9504.5 | -9352.2 | -6790.0 | -6184.8 | -6588.5 | -6727.8 | -7582.6 | -7418.0 | -7577.8 | -8848.6 | -9420.2 | -9116.1 |
| Memoranda: Central bank float | -0.1 | -0.1 | -0.2 | -0.1 | -0.4 | -0.2 | 4.9 | 3.6 | 2.2 | -1.7 | -1.7 | -0.3 |

| | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net foreign assets** | **28539.2** | **28265.0** | **26479.5** | **26962.9** | **25788.2** | **23952.8** | **24003.8** | **24891.3** | **23429.5** | **24316.6** | **22946.9** | **21938.4** |
| Claims on nonresidents | 29090.1 | 28984.2 | 27170.3 | 27763.1 | 26656.1 | 24706.5 | 25054.2 | 25966.5 | 24386.5 | 25386.0 | 23774.6 | 22882.4 |
| *less: Liabilities to nonresidents* | -550.9 | -719.2 | -690.7 | -800.2 | -867.9 | -753.7 | -1050.4 | -1075.1 | -957.0 | -1069.5 | -827.7 | -944.0 |
| **Domestic claims** | **33905.5** | **34426.1** | **36300.8** | **36616.0** | **37267.1** | **36969.4** | **37795.8** | **37964.2** | **39443.7** | **40056.8** | **41828.3** | **42747.4** |
| **Net claims on central government** | **-6170.5** | **-5328.3** | **-3603.4** | **-4105.8** | **-3254.6** | **-4210.1** | **-4030.2** | **-3821.0** | **-2780.5** | **-2771.0** | **-1501.8** | **-1741.2** |
| Claims on central government | 2392.9 | 2780.4 | 2843.7 | 3026.1 | 3004.0 | 2620.2 | 2721.3 | 2800.5 | 2861.9 | 2835.4 | 2854.9 | 3080.0 |
| *less: Liabilities to central government* | -8563.3 | -8108.7 | -6447.1 | -7131.9 | -6258.6 | -6830.2 | -6751.4 | -6621.5 | -5642.4 | -5606.4 | -4356.7 | -4821.2 |
| Claims on other sectors | 40076.0 | 39754.4 | 39904.2 | 40721.8 | 40521.7 | 41179.5 | 41825.9 | 41785.2 | 42224.2 | 42827.8 | 43330.1 | 44488.6 |
| Other financial corporations | 2438.9 | 2551.8 | 2653.3 | 2719.3 | 2709.8 | 2710.2 | 2744.5 | 2696.0 | 2689.3 | 2849.6 | 2889.6 | 3067.2 |
| State and local government | 85.0 | 70.6 | 24.4 | 62.1 | 57.3 | 92.7 | 27.0 | 50.0 | 67.5 | 74.4 | 88.8 | 116.5 |
| Public nonfinancial corporations | 702.9 | 689.8 | 735.1 | 713.5 | 597.0 | 718.7 | 715.2 | 690.0 | 683.8 | 505.2 | 677.5 | 682.6 |
| Other nonfinancial corporations | 13422.8 | 13041.8 | 12851.0 | 13346.6 | 13201.5 | 13512.6 | 14163.7 | 13931.1 | 13969.7 | 14465.5 | 14459.4 | 15060.0 |
| Other resident sectors | 23424.0 | 23398.0 | 23638.1 | 23878.0 | 23953.6 | 24142.6 | 24173.0 | 24415.5 | 24811.0 | 24930.3 | 25211.9 | 25559.1 |
| **Unclassified shares and other equity** | **2.4** | **2.4** | **2.4** | **2.4** | **2.6** | **2.6** | **2.6** | **2.6** | **2.8** | **2.9** | **2.9** | **3.3** |
| **Broad money liabilities** | **50689.1** | **50410.1** | **51687.9** | **53027.8** | **52888.7** | **50291.2** | **50985.2** | **52123.3** | **52167.4** | **53384.9** | **54258.8** | **54182.5** |
| Currency outside depository corporations | 1127.6 | 1117.6 | 1052.8 | 1145.1 | 1130.7 | 1135.5 | 1229.7 | 1233.4 | 1217.9 | 1272.9 | 1315.9 | 1292.4 |
| Transferable deposits | 20936.7 | 20888.8 | 21781.1 | 22178.7 | 22392.0 | 19929.7 | 20331.3 | 21582.0 | 21835.9 | 21598.3 | 22343.2 | 22761.8 |
| Other financial corporations | 1859.3 | 1754.3 | 2779.1 | 4202.7 | 3756.8 | 2056.3 | 1852.8 | 2032.3 | 2100.2 | 2035.0 | 2083.1 | 1997.5 |
| State and local government | 300.1 | 247.2 | 272.9 | 320.0 | 271.9 | 330.5 | 233.6 | 228.6 | 201.6 | 353.6 | 341.7 | 415.7 |
| Public nonfinancial corporations | 2349.2 | 1952.4 | 2096.3 | 1929.6 | 1903.4 | 1781.3 | 2167.1 | 1954.7 | 1953.6 | 2005.0 | 2084.2 | 1817.4 |
| Other nonfinancial corporations | 11517.6 | 12076.2 | 11871.6 | 11110.2 | 11695.0 | 10961.5 | 11722.7 | 12555.6 | 12484.1 | 12191.2 | 12610.7 | 13332.2 |
| Other resident sectors | 4910.3 | 4858.4 | 4760.8 | 4615.3 | 4764.4 | 4799.3 | 4354.7 | 4807.9 | 5095.8 | 5012.8 | 5222.8 | 5198.5 |
| Unclassified | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *Less: Central bank float* | 0.3 | 0.3 | 0.3 | 0.7 | 0.4 | 0.3 | 0.4 | 2.8 | 0.7 | 0.8 | 0.7 | 0.5 |
| Other deposits | 28620.9 | 28399.8 | 28850.1 | 29700.0 | 29362.1 | 29222.0 | 29420.1 | 29303.9 | 29113.5 | 30513.6 | 30599.7 | 30128.3 |
| Other financial corporations | 2061.3 | 2609.8 | 2843.5 | 2522.8 | 2576.9 | 2611.4 | 3081.7 | 4159.6 | 2813.0 | 2971.9 | 3203.8 | 3379.6 |
| State and local government | 241.0 | 353.6 | 355.1 | 339.5 | 464.9 | 410.8 | 379.7 | 388.6 | 498.3 | 517.1 | 584.6 | 522.2 |
| Public nonfinancial corporations | 1824.2 | 1682.4 | 1492.0 | 2034.9 | 2047.7 | 1754.2 | 1854.0 | 2064.0 | 1948.9 | 1891.7 | 1821.7 | 1751.2 |
| Other nonfinancial corporations | 5156.1 | 4640.9 | 5088.5 | 5326.3 | 5293.1 | 5844.1 | 5491.1 | 5287.4 | 4748.0 | 5777.5 | 5291.5 | 5115.1 |
| Other resident sectors | 18855.4 | 18569.5 | 18658.5 | 19028.2 | 18400.1 | 18158.2 | 18149.7 | 16928.1 | 18625.7 | 18862.7 | 19208.3 | 18874.1 |
| Unclassified | 482.8 | 543.6 | 412.5 | 448.3 | 579.3 | 443.4 | 464.0 | 476.2 | 479.6 | 492.7 | 489.7 | 486.0 |
| **Securities other than shares included in broad money** | **3.9** | **3.9** | **3.9** | **3.9** | **3.9** | **3.9** | **3.9** | **3.9** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Deposits excluded from broad money** | **1310.0** | **583.2** | **576.0** | **194.2** | **241.8** | **295.9** | **284.3** | **100.5** | **192.7** | **174.6** | **369.9** | **30.7** |
| **Securities other than shares excluded from broad money** | **10440.6** | **10466.1** | **10579.7** | **10152.6** | **9791.4** | **10369.3** | **11224.1** | **11227.0** | **11321.1** | **11341.3** | **11243.9** | **10798.9** |
| **Loans** | **34.9** | **35.0** | **33.2** | **33.1** | **33.3** | **33.5** | **33.5** | **30.7** | **33.6** | **33.6** | **33.6** | **32.3** |
| **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** |
| **Trade credit and advances** | **102.9** | **113.3** | **98.8** | **101.8** | **99.6** | **97.1** | **96.6** | **104.5** | **97.5** | **98.8** | **97.8** | **102.6** |
| **Shares and other equity** | **9792.3** | **10103.8** | **9684.1** | **9472.5** | **9616.4** | **9689.8** | **9717.3** | **9667.7** | **9678.2** | **9759.5** | **9791.1** | **9648.1** |
| **Other items (net)** | **-9925.1** | **-9020.4** | **-9879.3** | **-9402.9** | **-9615.5** | **-9854.0** | **-10541.4** | **-10398.1** | **-10617.3** | **-10419.2** | **-11019.8** | **-10109.4** |
| Other liabilities (includes central bank float) | 2742.3 | 2843.0 | 2857.3 | 2764.9 | 2836.1 | 2168.4 | 2237.6 | 2197.1 | 2269.4 | 2548.9 | 2738.8 | 2357.3 |
| *less: Other assets* | -3543.6 | -3233.9 | -3483.8 | -3163.7 | -3195.0 | -2768.5 | -2609.0 | -2640.8 | -2852.4 | -2555.5 | -2802.1 | -2444.1 |
| plus: Consolidation adjustment | -9123.9 | -8629.5 | -9252.8 | -9004.1 | -9256.6 | -9254.0 | -10170.0 | -9954.4 | -10034.2 | -10412.7 | -10956.5 | -10022.6 |
| Memoranda: Central bank float | -0.3 | -0.3 | -0.3 | -0.7 | -0.4 | -0.3 | -0.4 | -2.8 | -0.7 | -0.8 | -0.7 | -0.5 |

| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net foreign assets** | **22942.0** | **21365.1** | **20244.7** | **21684.3** | **21306.3** | **20389.9** | **22163.6** | **21227.3** | **21348.5** | **23156.1** | **26319.8** | **25349.7** |
| Claims on nonresidents | 23948.3 | 22655.8 | 21093.8 | 22463.3 | 22085.7 | 21300.2 | 22906.6 | 21996.1 | 22173.9 | 23957.3 | 27026.9 | 26255.2 |
| *less: Liabilities to nonresidents* | -1006.3 | -1290.8 | -849.2 | -779.0 | -779.5 | -910.3 | -742.9 | -768.7 | -825.4 | -801.2 | -707.0 | -905.5 |
| **Domestic claims** | **41157.2** | **42452.3** | **44238.0** | **41970.4** | **42692.4** | **42954.7** | **42662.9** | **44575.8** | **46487.9** | **45748.6** | **43874.9** | **46268.4** |
| **Net claims on central government** | **-2995.3** | **-2331.3** | **-518.2** | **-2009.2** | **-1205.5** | **-1756.1** | **-2010.0** | **-410.7** | **882.9** | **-181.7** | **-2361.1** | **-648.9** |
| Claims on central government | 3205.8 | 3314.4 | 3394.5 | 3876.0 | 4473.2 | 4865.3 | 5054.2 | 5392.9 | 5976.8 | 6314.5 | 6509.8 | 6969.0 |
| *less: Liabilities to central government* | -6201.1 | -5645.7 | -3912.7 | -5885.2 | -5678.8 | -6621.4 | -7064.2 | -5803.6 | -5093.9 | -6496.2 | -8870.9 | -7618.0 |
| Claims on other sectors | 44152.5 | 44783.7 | 44756.3 | 43979.6 | 43897.9 | 44710.8 | 44672.9 | 44986.5 | 45605.1 | 45930.3 | 46236.0 | 46917.4 |
| Other financial corporations | 3049.4 | 3130.7 | 3248.6 | 1530.9 | 1350.2 | 1366.9 | 1473.8 | 1347.1 | 1423.8 | 1413.4 | 1499.7 | 1397.1 |
| State and local government | 113.5 | 59.7 | 16.6 | 16.9 | 16.1 | 16.9 | 61.3 | 107.4 | 111.3 | 111.5 | 128.9 | 175.9 |
| Public nonfinancial corporations | 664.2 | 673.2 | 504.8 | 839.4 | 712.6 | 833.8 | 689.6 | 747.5 | 1099.1 | 1222.2 | 843.0 | 903.0 |
| Other nonfinancial corporations | 14486.2 | 14896.6 | 15011.7 | 15395.0 | 15379.9 | 15927.0 | 15715.6 | 15855.0 | 15785.2 | 15481.5 | 15675.9 | 15900.2 |
| Other resident sectors | 25835.8 | 26019.9 | 25970.8 | 26193.5 | 26436.1 | 26564.4 | 26730.6 | 26927.7 | 27183.7 | 27699.7 | 28086.6 | 28539.2 |
| **Unclassified shares and other equity** | **3.5** | **3.6** | **3.8** | **3.9** | **3.0** | **1.8** | **1.8** | **1.9** | **1.9** | **1.9** | **1.9** | **2.0** |
| **Broad money liabilities** | **53636.8** | **53788.2** | **52771.8** | **53640.3** | **54628.0** | **54324.5** | **55749.8** | **57640.5** | **58202.1** | **58472.0** | **60092.1** | **60529.7** |
| Currency outside depository corporations | 1282.0 | 1366.6 | 1391.2 | 1417.1 | 1389.9 | 1452.0 | 1523.8 | 1560.2 | 1641.7 | 1697.3 | 1672.8 | 1697.7 |
| Transferable deposits | 22470.5 | 22766.2 | 22445.1 | 23419.8 | 23611.0 | 22393.2 | 22873.6 | 24118.7 | 24086.2 | 24012.6 | 25087.7 | 26153.4 |
| Other financial corporations | 2035.3 | 2025.3 | 2080.3 | 2012.4 | 2170.2 | 2242.6 | 2687.4 | 2538.4 | 2732.0 | 2807.0 | 2769.4 | 3276.7 |
| State and local government | 366.3 | 363.3 | 365.8 | 348.5 | 414.4 | 387.0 | 313.4 | 393.1 | 794.6 | 873.6 | 729.9 | 652.9 |
| Public nonfinancial corporations | 1725.9 | 1653.6 | 1653.9 | 1847.0 | 1579.0 | 1451.3 | 1687.7 | 1967.5 | 1745.1 | 1504.5 | 1713.0 | 2068.0 |
| Other nonfinancial corporations | 13406.4 | 13531.3 | 13126.2 | 13831.8 | 13868.3 | 13016.8 | 13367.0 | 14155.5 | 13582.4 | 13732.9 | 14495.7 | 14554.2 |
| Other resident sectors | 4936.3 | 5192.4 | 5186.9 | 5379.9 | 5578.7 | 5313.3 | 4817.6 | 5063.8 | 5231.8 | 5094.4 | 5379.3 | 5600.9 |
| Unclassified | 0.0 | 0.0 | 31.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| *Less: Central bank float* | 0.4 | 0.3 | 0.3 | 0.2 | 0.3 | -17.6 | 0.5 | 0.4 | 0.4 | 0.3 | 0.4 | 0.5 |
| Other deposits | 29884.2 | 29655.4 | 28935.5 | 28803.3 | 29627.2 | 30479.2 | 31352.4 | 31961.7 | 32474.2 | 32762.1 | 33331.5 | 32678.7 |
| Other financial corporations | 3359.8 | 3580.0 | 3705.1 | 3886.4 | 3784.2 | 4452.3 | 4786.3 | 4289.4 | 4163.6 | 3930.9 | 4087.2 | 5285.4 |
| State and local government | 509.5 | 669.4 | 409.7 | 466.6 | 418.0 | 417.8 | 461.5 | 362.6 | 444.7 | 458.1 | 459.7 | 494.2 |
| Public nonfinancial corporations | 1829.2 | 1441.1 | 1351.2 | 1432.6 | 1488.7 | 927.9 | 1456.9 | 1787.3 | 1993.8 | 2103.4 | 1516.1 | 2036.6 |
| Other nonfinancial corporations | 4770.9 | 4719.4 | 4537.0 | 4279.1 | 4487.3 | 5096.7 | 5013.2 | 4814.5 | 5056.9 | 5423.9 | 6050.5 | 4609.8 |
| Other resident sectors | 18927.3 | 18772.9 | 18450.0 | 18292.7 | 18936.8 | 19081.6 | 19164.8 | 20132.5 | 20354.0 | 20414.1 | 20768.4 | 19786.1 |
| Unclassified | 487.5 | 472.6 | 482.5 | 445.9 | 512.2 | 502.9 | 469.8 | 575.4 | 461.2 | 431.6 | 449.6 | 466.6 |
| **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** | **226.9** | **241.7** | **673.0** | **927.8** | **576.6** | **754.9** | **816.6** | **697.2** | **627.7** | **597.9** | **637.3** | **642.2** |
| **Securities other than shares excluded from broad money** | **10782.4** | **10406.8** | **11114.7** | **10700.2** | **10467.3** | **10499.2** | **10360.8** | **10865.1** | **10763.1** | **11342.3** | **11968.8** | **11906.5** |
| **Loans** | **32.3** | **32.1** | **32.1** | **31.7** | **31.7** | **31.7** | **30.8** | **28.9** | **28.9** | **27.6** | **27.6** | **27.7** |
| **Financial derivatives** | **0.0** | **0.0** | **0.0** | **48.2** | **30.9** | **41.5** | **51.9** | **61.5** | **133.8** | **94.8** | **126.4** | **103.8** |
| **Trade credit and advances** | **99.4** | **98.9** | **139.4** | **139.4** | **139.1** | **158.5** | **137.9** | **137.9** | **137.9** | **138.1** | **142.1** | **144.2** |
| **Shares and other equity** | **10049.8** | **10247.1** | **9796.6** | **10050.8** | **10028.2** | **10002.7** | **10217.4** | **10416.6** | **11128.9** | **11119.3** | **11511.2** | **11445.5** |
| **Other items (net)** | **-10728.4** | **-10997.3** | **-10012.9** | **-11883.7** | **-11903.1** | **-12468.2** | **-12538.5** | **-14044.4** | **-13185.9** | **-12887.1** | **-14310.4** | **-13180.8** |
| Other liabilities (includes central bank float) | 2466.0 | 2550.7 | 3003.7 | 2946.5 | 2487.4 | 2653.3 | 2329.5 | 2782.4 | 3022.7 | 3241.4 | 2808.4 | 2576.0 |
| *less: Other assets* | -3002.5 | -3076.9 | -2759.6 | -2855.4 | -2724.7 | -2999.8 | -2758.8 | -3078.1 | -3028.1 | -2765.5 | -3341.3 | -2813.8 |
| plus: Consolidation adjustment | -10192.0 | -10471.1 | -10256.9 | -11974.8 | -11665.9 | -12121.6 | -12109.2 | -13748.7 | -13180.4 | -13363.0 | -13777.5 | -12943.0 |
| Memoranda: Central bank float | -0.4 | -0.3 | -0.3 | -0.2 | -0.3 | 17.6 | -0.5 | -0.4 | -0.4 | -0.3 | -0.4 | -0.5 |

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

| | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loans** | 34321.5 | 34534.8 | 35106.6 | 35121.0 | 35359.5 | 35338.6 | 35724.4 | 36217.6 | 36673.3 | 36912.2 | 37542.6 | 37750.6 |
| Central bank | 50.3 | 50.3 | 150.4 | 50.4 | 50.3 | 50.2 | 50.2 | 50.3 | 50.2 | 0.2 | 0.0 | 0.0 |
| Other depository corporations | 8.9 | 8.4 | 7.9 | 7.4 | 6.9 | 6.5 | 10.3 | 5.6 | 5.2 | 6.2 | 17.0 | 26.0 |
| Other financial corporations | 347.9 | 383.3 | 439.5 | 429.3 | 486.1 | 478.0 | 541.9 | 526.1 | 674.5 | 597.3 | 690.9 | 570.7 |
| Central government | 4.2 | 4.5 | 4.5 | 4.4 | 4.4 | 46.6 | 47.4 | 96.7 | 51.5 | 50.0 | 55.4 | 53.6 |
| State and local government | 89.3 | 78.1 | 76.5 | 69.5 | 83.0 | 93.1 | 82.4 | 96.1 | 81.9 | 93.6 | 83.7 | 86.2 |
| Public nonfinancial corporations | 495.9 | 473.3 | 476.1 | 511.2 | 583.5 | 654.8 | 663.7 | 667.0 | 559.9 | 586.3 | 589.9 | 499.0 |
| **Other nonfinancial corporations (Businesses)** | 11270.2 | 11656.5 | 11683.5 | 11839.0 | 11687.8 | 11570.0 | 11933.4 | 12162.6 | 12420.2 | 12646.3 | 12957.8 | 13155.3 |
| Loans and Advances | 8457.2 | 8784.7 | 8868.1 | 8999.7 | 8841.1 | 8708.2 | 9054.0 | 9297.9 | 9575.8 | 9715.9 | 9949.3 | 10109.7 |
| 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 | 2565.0 | 2688.0 | 2680.2 | 2703.5 | 2744.4 | 2797.4 | 2841.1 | 2901.0 | 2903.9 | 2972.3 | 2993.0 | 3060.8 |
| Dwellings | 238.1 | 244.8 | 214.1 | 212.3 | 211.7 | 210.4 | 235.1 | 254.6 | 254.1 | 251.0 | 256.5 | 263.6 |
| Other | 2326.9 | 2443.2 | 2466.1 | 2491.2 | 2532.7 | 2587.0 | 2606.0 | 2646.4 | 2649.8 | 2721.3 | 2736.6 | 2797.1 |
| Overdrafts | 4216.6 | 4280.2 | 4341.2 | 4432.8 | 4371.7 | 4230.7 | 4193.3 | 4352.9 | 4652.1 | 4684.9 | 4926.7 | 5103.2 |
| Other loans and advances | 1675.5 | 1816.5 | 1846.7 | 1863.4 | 1725.0 | 1680.1 | 2019.6 | 2044.0 | 2019.7 | 2058.7 | 2029.6 | 1945.7 |
| Leasing | 66.0 | 63.2 | 59.2 | 59.2 | 57.9 | 62.7 | 64.1 | 62.6 | 62.9 | 63.4 | 63.1 | 68.2 |
| Instalment credit | 1811.3 | 1879.1 | 1904.6 | 1920.2 | 1923.8 | 1938.9 | 1955.9 | 1960.9 | 1927.6 | 1948.9 | 1937.7 | 1973.7 |
| Other | 935.7 | 929.6 | 851.6 | 859.9 | 865.0 | 860.4 | 859.3 | 841.2 | 853.8 | 918.1 | 1007.7 | 1003.7 |
| **Other resident sectors (Individuals)** | 21974.5 | 21798.8 | 22182.9 | 22125.0 | 22371.0 | 22337.8 | 22301.9 | 22517.9 | 22733.1 | 22832.2 | 23049.6 | 23256.0 |
| **Loans and Advances** | 17998.1 | 17781.7 | 18092.8 | 18072.3 | 18324.4 | 18358.7 | 18382.0 | 18609.0 | 18787.9 | 18897.8 | 19089.3 | 19259.5 |
| Farm mortgage loans | 987.1 | 755.3 | 948.1 | 772.3 | 795.4 | 756.7 | 756.7 | 828.7 | 754.6 | 754.6 | 754.6 | 787.1 |
| Other mortgage loans | 13571.9 | 13672.5 | 13695.0 | 13806.2 | 13958.1 | 13987.6 | 14059.5 | 14166.3 | 14324.1 | 14461.9 | 14627.1 | 14769.4 |
| Dwellings | 13421.7 | 13557.7 | 13609.5 | 13715.0 | 13825.1 | 13858.5 | 13935.4 | 14042.3 | 14195.2 | 14342.8 | 14452.8 | 14672.2 |
| Other | 150.2 | 114.8 | 85.5 | 91.2 | 133.0 | 129.1 | 124.1 | 123.9 | 128.9 | 119.1 | 174.3 | 97.2 |
| Overdrafts | 1311.8 | 1293.7 | 1295.2 | 1256.4 | 1354.7 | 1329.0 | 1217.2 | 1200.0 | 1249.4 | 1267.5 | 1283.9 | 1277.7 |
| Other loans and advances | 2127.3 | 2060.2 | 2154.5 | 2237.3 | 2216.1 | 2285.4 | 2348.7 | 2414.1 | 2459.9 | 2413.9 | 2423.7 | 2425.3 |
| Leasing | 93.8 | 93.0 | 89.7 | 84.9 | 83.9 | 78.5 | 74.1 | 88.5 | 89.5 | 86.9 | 91.5 | 90.4 |
| Instalment credit | 3295.1 | 3282.9 | 3331.3 | 3294.3 | 3285.6 | 3285.9 | 3224.9 | 3238.5 | 3268.1 | 3232.9 | 3270.3 | 3295.5 |
| Other | 587.6 | 641.3 | 669.1 | 673.5 | 677.2 | 614.7 | 620.9 | 581.8 | 587.6 | 614.5 | 598.5 | 610.6 |
| **Nonresidents** | 80.4 | 81.4 | 85.3 | 84.9 | 86.5 | 101.6 | 93.1 | 95.4 | 96.8 | 100.1 | 98.2 | 103.8 |
| **Loans and Advances** | 77.6 | 81.0 | 82.0 | 84.5 | 85.6 | 90.4 | 93.0 | 95.4 | 96.8 | 98.5 | 98.1 | 103.8 |
| 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 | 45.7 | 48.3 | 50.2 | 52.2 | 52.9 | 53.5 | 55.3 | 57.2 | 57.6 | 57.6 | 56.4 | 61.1 |
| Dwellings | 45.7 | 48.3 | 50.2 | 52.2 | 52.9 | 53.5 | 55.3 | 57.2 | 57.6 | 57.6 | 56.4 | 61.1 |
| 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 | 28.7 | 29.4 | 30.3 | 30.7 | 31.2 | 35.5 | 36.3 | 36.9 | 38.0 | 35.8 | 36.7 | 38.4 |
| Other loans and advances | 3.2 | 3.2 | 1.6 | 1.5 | 1.4 | 1.4 | 1.4 | 1.2 | 1.2 | 5.0 | 5.0 | 4.2 |
| 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** | 2.8 | 0.4 | 3.2 | 0.4 | 0.9 | 11.1 | 0.1 | 0.0 | 0.0 | 1.6 | 0.1 | 0.0 |

| | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loans** | 38133.6 | 37702.2 | 37831.2 | 38557.0 | 38366.2 | 39074.5 | 39559.7 | 39535.2 | 39928.1 | 40557.3 | 40984.4 | 41838.3 |
| 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 | 20.7 | 20.2 | 26.1 | 24.6 | 25.0 | 20.9 | 21.7 | 20.9 | 20.0 | 24.4 | 24.8 | 25.5 |
| Other financial corporations | 624.0 | 703.0 | 836.9 | 829.3 | 783.0 | 802.5 | 771.8 | 785.9 | 811.4 | 794.2 | 930.6 | 831.6 |
| Central government | 49.8 | 49.3 | 49.1 | 50.0 | 47.6 | 50.9 | 52.1 | 51.1 | 53.3 | 64.7 | 48.8 | 48.6 |
| State and local government | 85.0 | 70.6 | 24.4 | 62.1 | 57.3 | 92.7 | 27.0 | 50.0 | 67.5 | 74.4 | 88.8 | 116.5 |
| Public nonfinancial corporations | 512.9 | 414.8 | 458.3 | 430.7 | 316.2 | 449.6 | 434.4 | 347.1 | 317.7 | 315.2 | 307.1 | 316.1 |
| **Other nonfinancial corporations (Businesses)** | 13388.8 | 13013.5 | 12794.8 | 13288.2 | 13153.7 | 13474.8 | 14084.4 | 13851.1 | 13888.7 | 14377.9 | 14379.7 | 15012.6 |
| Loans and Advances | 10352.4 | 9931.7 | 9682.6 | 10196.3 | 10014.9 | 10292.4 | 10814.4 | 10592.0 | 10569.9 | 11048.0 | 10987.8 | 11596.7 |
| 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 | 3077.3 | 3154.0 | 3230.9 | 3249.8 | 3339.6 | 3341.1 | 3470.1 | 3556.9 | 3577.0 | 3714.4 | 3827.7 | 3811.7 |
| Dwellings | 212.0 | 362.2 | 379.7 | 319.3 | 318.0 | 344.7 | 372.0 | 405.1 | 432.9 | 469.4 | 511.1 | 545.9 |
| Other | 2865.3 | 2791.8 | 2851.2 | 2930.5 | 3021.6 | 2996.4 | 3098.1 | 3151.8 | 3144.1 | 3245.1 | 3316.6 | 3265.8 |
| Overdrafts | 5225.6 | 4726.4 | 4402.4 | 4840.4 | 4666.2 | 4874.1 | 5243.7 | 4903.7 | 4938.2 | 5239.7 | 5118.0 | 5577.4 |
| Other loans and advances | 2049.5 | 2051.3 | 2049.3 | 2106.1 | 2009.1 | 2077.2 | 2100.7 | 2131.4 | 2054.8 | 2093.9 | 2042.0 | 2207.6 |
| Leasing | 67.5 | 67.9 | 67.9 | 67.3 | 65.8 | 64.8 | 65.6 | 65.6 | 67.5 | 66.9 | 70.5 | 71.3 |
| Instalment credit | 1969.8 | 2006.8 | 2034.1 | 2088.0 | 2076.6 | 2104.0 | 2132.3 | 2148.6 | 2171.4 | 2189.4 | 2241.3 | 2259.6 |
| Other | 999.1 | 1007.1 | 1010.2 | 936.7 | 996.4 | 1013.7 | 1072.1 | 1045.0 | 1079.8 | 1073.6 | 1080.1 | 1085.0 |
| **Other resident sectors (Individuals)** | 23346.9 | 23323.9 | 23532.9 | 23765.7 | 23875.2 | 24071.0 | 24057.8 | 24313.6 | 24656.6 | 24781.6 | 25077.0 | 25355.1 |
| **Loans and Advances** | 19348.6 | 19281.9 | 19472.0 | 19643.5 | 19773.8 | 19941.1 | 19959.1 | 20085.4 | 20322.6 | 20510.3 | 20746.4 | 20969.0 |
| Farm mortgage loans | 832.4 | 754.6 | 754.6 | 754.6 | 754.6 | 754.6 | 754.6 | 754.6 | 754.6 | 754.6 | 754.6 | 754.6 |
| Other mortgage loans | 14826.0 | 14767.2 | 14839.1 | 15053.7 | 15145.9 | 15271.7 | 15354.7 | 15507.4 | 15630.5 | 15759.2 | 15902.5 | 16093.8 |
| Dwellings | 14780.7 | 14767.2 | 14839.1 | 15053.7 | 15145.9 | 15271.7 | 15354.7 | 15507.4 | 15630.5 | 15759.2 | 15902.5 | 16093.8 |
| Other | 45.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Overdrafts | 1276.2 | 1436.5 | 1453.6 | 1400.3 | 1407.7 | 1402.0 | 1392.8 | 1365.9 | 1388.3 | 1389.8 | 1417.1 | 1387.8 |
| Other loans and advances | 2414.0 | 2323.7 | 2424.7 | 2435.0 | 2465.6 | 2512.7 | 2457.0 | 2457.6 | 2549.2 | 2606.8 | 2672.2 | 2732.8 |
| Leasing | 89.0 | 84.8 | 86.9 | 83.8 | 92.0 | 102.4 | 98.8 | 99.4 | 99.8 | 101.8 | 108.5 | 126.4 |
| Instalment credit | 3283.8 | 3316.4 | 3342.1 | 3357.9 | 3372.7 | 3385.3 | 3364.2 | 3415.5 | 3482.1 | 3508.6 | 3576.6 | 3615.5 |
| Other | 625.5 | 640.8 | 631.9 | 680.4 | 636.7 | 642.3 | 635.8 | 713.3 | 752.2 | 660.8 | 645.5 | 644.3 |
| **Nonresidents** | 105.6 | 106.8 | 108.6 | 106.6 | 108.2 | 112.2 | 110.4 | 115.5 | 112.8 | 125.0 | 127.5 | 132.3 |
| **Loans and Advances** | 105.6 | 106.4 | 108.6 | 105.0 | 106.4 | 112.1 | 109.6 | 115.0 | 112.8 | 125.0 | 127.5 | 132.3 |
| 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 | 61.3 | 62.5 | 63.5 | 61.3 | 61.8 | 62.1 | 64.0 | 68.5 | 65.9 | 76.8 | 80.9 | 84.4 |
| Dwellings | 61.3 | 62.5 | 63.5 | 61.3 | 61.8 | 62.1 | 64.0 | 68.5 | 65.9 | 76.8 | 80.9 | 84.4 |
| 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 |
| Overdrafts | 40.0 | 39.8 | 41.0 | 42.4 | 43.4 | 48.8 | 44.1 | 45.0 | 45.4 | 46.7 | 45.0 | 45.7 |
| Other loans and advances | 4.3 | 4.2 | 4.1 | 1.2 | 1.2 | 1.2 | 1.4 | 1.5 | 1.6 | 1.5 | 1.6 | 2.3 |
| Leasing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Instalment credit | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Other** | 0.0 | 0.3 | 0.0 | 1.6 | 1.8 | 0.1 | 0.8 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |

| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loans** | 41698.2 | 42318.3 | 42360.3 | 43084.9 | 43250.6 | 44061.7 | 44186.8 | 44480.9 | 44892.4 | 45247.8 | 45430.8 | 46177.0 |
| Central bank | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other depository corporations | 24.1 | 24.5 | 21.4 | 22.7 | 24.4 | 23.8 | 157.7 | 27.2 | 24.1 | 30.3 | 31.7 | 21.4 |
| Other financial corporations | 918.0 | 977.5 | 971.3 | 964.3 | 1002.2 | 1014.6 | 1133.8 | 1062.4 | 983.7 | 975.4 | 1040.6 | 939.7 |
| Central government | 48.1 | 49.9 | 64.5 | 63.8 | 52.7 | 51.9 | 51.5 | 51.9 | 51.5 | 52.0 | 12.2 | 12.4 |
| State and local government | 113.5 | 59.7 | 16.6 | 16.9 | 16.1 | 16.9 | 61.3 | 107.4 | 111.3 | 111.5 | 128.9 | 175.9 |
| Public nonfinancial corporations | 304.3 | 313.2 | 279.9 | 425.2 | 294.6 | 415.8 | 247.1 | 296.0 | 657.6 | 775.5 | 398.2 | 453.1 |
| **Other nonfinancial corporations (Businesses)** | 14464.6 | 14872.9 | 14986.5 | 15366.5 | 15363.7 | 15909.2 | 15696.1 | 15842.2 | 15763.3 | 15465.3 | 15647.8 | 15876.3 |
| Loans and Advances | 11118.3 | 11471.4 | 11488.0 | 11748.0 | 11748.6 | 12217.2 | 11953.8 | 12064.6 | 12095.4 | 11797.9 | 11956.8 | 12105.3 |
| 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 | 3746.6 | 3840.8 | 3790.4 | 3936.3 | 4300.2 | 4464.9 | 4599.8 | 4662.6 | 4705.5 | 4733.0 | 4959.6 | 5094.8 |
| Dwellings | 429.0 | 450.8 | 446.6 | 445.3 | 454.5 | 454.4 | 452.4 | 446.7 | 444.8 | 455.5 | 468.2 | 467.2 |
| Other | 3317.7 | 3390.0 | 3343.8 | 3491.1 | 3845.7 | 4010.5 | 4147.4 | 4215.9 | 4260.7 | 4277.5 | 4491.4 | 4627.6 |
| Overdrafts | 5285.3 | 5532.8 | 5402.8 | 5495.0 | 5113.9 | 5391.1 | 4987.0 | 4931.6 | 4759.6 | 4484.5 | 4426.4 | 4427.1 |
| Other loans and advances | 2086.3 | 2097.9 | 2294.7 | 2316.6 | 2334.5 | 2361.2 | 2367.1 | 2470.5 | 2630.3 | 2580.4 | 2570.8 | 2583.4 |
| Leasing | 69.4 | 69.0 | 71.6 | 74.0 | 72.1 | 74.2 | 80.4 | 81.3 | 86.8 | 96.1 | 106.6 | 109.8 |
| Instalment credit | 2212.9 | 2261.1 | 2292.2 | 2315.2 | 2323.3 | 2351.1 | 2361.7 | 2378.0 | 2394.1 | 2403.7 | 2422.4 | 2472.1 |
| Other | 1064.0 | 1071.5 | 1134.7 | 1229.3 | 1219.8 | 1266.7 | 1300.2 | 1318.2 | 1187.0 | 1167.6 | 1162.1 | 1189.1 |
| **Other resident sectors (Individuals)** | 25686.8 | 25886.8 | 25883.0 | 26087.2 | 26353.8 | 26483.8 | 26640.2 | 26847.8 | 27081.7 | 27616.3 | 27992.2 | 28450.7 |
| **Loans and Advances** | 21231.1 | 21405.1 | 21361.7 | 21531.6 | 21752.3 | 21776.1 | 21908.6 | 22082.4 | 22311.1 | 22543.3 | 22795.3 | 23111.4 |
| Farm mortgage loans | 754.6 | 754.6 | 754.6 | 754.6 | 723.6 | 723.6 | 723.6 | 723.6 | 723.6 | 723.6 | 723.6 | 723.6 |
| Other mortgage loans | 16239.7 | 16378.8 | 16592.3 | 16664.8 | 16782.6 | 16930.5 | 17047.6 | 17226.4 | 17436.3 | 17609.3 | 17822.0 | 18079.6 |
| Dwellings | 16239.7 | 16378.8 | 16592.3 | 16664.8 | 16782.6 | 16930.5 | 17047.6 | 17226.4 | 17436.3 | 17609.3 | 17822.0 | 18079.6 |
| 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 | 1498.8 | 1508.9 | 1374.1 | 1502.3 | 1550.4 | 1492.8 | 1459.3 | 1466.2 | 1439.4 | 1460.3 | 1455.1 | 1490.4 |
| Other loans and advances | 2738.0 | 2762.8 | 2640.8 | 2609.9 | 2695.7 | 2629.2 | 2678.1 | 2666.2 | 2711.8 | 2750.2 | 2794.5 | 2817.9 |
| Leasing | 126.6 | 124.6 | 120.3 | 115.3 | 113.5 | 108.8 | 105.7 | 102.8 | 93.8 | 94.6 | 91.8 | 88.6 |
| Instalment credit | 3671.7 | 3686.4 | 3718.7 | 3743.6 | 3789.2 | 3883.0 | 3893.4 | 3920.8 | 3916.6 | 4192.8 | 4247.4 | 4405.2 |
| Other | 657.4 | 670.7 | 682.2 | 696.8 | 698.9 | 715.9 | 732.4 | 741.8 | 760.2 | 785.5 | 857.7 | 845.6 |
| **Nonresidents** | 138.9 | 133.8 | 137.1 | 138.2 | 143.1 | 145.8 | 199.1 | 245.9 | 219.2 | 221.5 | 179.2 | 247.4 |
| **Loans and Advances** | 138.8 | 133.8 | 136.7 | 138.2 | 143.1 | 145.8 | 144.7 | 173.9 | 151.6 | 152.6 | 155.1 | 164.1 |
| 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 | 86.9 | 82.3 | 85.2 | 85.9 | 90.1 | 90.2 | 90.3 | 102.8 | 90.0 | 90.6 | 91.0 | 92.9 |
| Dwellings | 86.9 | 82.3 | 85.2 | 85.9 | 90.1 | 90.2 | 90.3 | 102.8 | 90.0 | 90.6 | 91.0 | 92.9 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Overdrafts | 49.8 | 49.5 | 49.5 | 50.4 | 51.1 | 52.2 | 51.1 | 59.6 | 55.3 | 55.7 | 57.8 | 64.7 |
| Other loans and advances | 2.1 | 2.1 | 2.0 | 1.9 | 1.9 | 3.3 | 3.4 | 11.5 | 6.3 | 6.3 | 6.3 | 6.4 |
| Leasing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Instalment credit | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Other** | 0.1 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 | 54.4 | 72.0 | 67.6 | 68.9 | 24.2 | 83.4 |

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

| | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Deposits | 51000.7 | 51315.9 | 47244.0 | 47897.8 | 48597.0 | 49290.6 | 50148.6 | 50338.2 | 49927.8 | 51723.1 | 52311.7 | 52215.0 |
| Deposits included in broad money | 47742.0 | 47618.0 | 43735.2 | 44878.7 | 45347.2 | 46036.6 | 46658.4 | 46335.7 | 45934.1 | 47727.6 | 48512.5 | 48556.4 |
| Transferable deposits | 17746.6 | 17683.6 | 18608.4 | 18473.1 | 18650.6 | 19033.6 | 19004.0 | 18817.2 | 18409.8 | 19550.4 | 19624.4 | 19741.5 |
| In national currency | 17746.6 | 17683.6 | 18608.4 | 18473.1 | 18650.6 | 19033.6 | 19004.0 | 18817.2 | 18409.8 | 19550.4 | 19624.4 | 19741.5 |
| Other financial corporations | 1666.0 | 1778.5 | 1927.0 | 1675.9 | 1749.3 | 2095.2 | 1770.2 | 1829.9 | 2087.5 | 2149.0 | 1974.3 | 1733.1 |
| State and local government | 249.5 | 264.9 | 257.0 | 265.8 | 261.9 | 286.1 | 254.2 | 276.5 | 266.3 | 345.3 | 317.0 | 248.4 |
| Public nonfinancial corporations | 658.4 | 910.1 | 939.0 | 1269.0 | 1098.4 | 1638.7 | 1958.2 | 1804.0 | 1700.8 | 1524.0 | 1915.3 | 1923.8 |
| Other nonfinancial corporations | 10873.9 | 10306.9 | 10526.7 | 10722.0 | 10983.3 | 10496.1 | 10877.3 | 10340.2 | 9856.8 | 10756.6 | 10741.0 | 11141.4 |
| Other resident sectors | 4298.8 | 4423.3 | 4958.8 | 4540.4 | 4557.8 | 4517.5 | 4144.2 | 4566.6 | 4498.4 | 4775.6 | 4676.8 | 4694.7 |
| Unclassified | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| In foreign currency | 545.7 | 281.4 | 56.3 | 349.1 | 314.5 | 121.1 | 156.8 | 228.5 | 217.0 | 207.3 | 164.3 | 266.2 |
| Other deposits | 29995.4 | 29934.4 | 25126.8 | 26405.6 | 26696.7 | 27003.0 | 27654.4 | 27518.5 | 27524.3 | 28177.2 | 28888.1 | 28814.9 |
| In national currency | 29995.4 | 29934.4 | 25126.8 | 26405.6 | 26696.7 | 27003.0 | 27654.4 | 27518.5 | 27524.3 | 28177.2 | 28888.1 | 28814.9 |
| Other financial corporations | 2037.1 | 2188.0 | 1989.5 | 2215.4 | 2507.1 | 2573.8 | 2560.3 | 2266.4 | 2202.4 | 2338.6 | 2081.5 | 2085.1 |
| State and local government | 307.5 | 315.7 | 354.0 | 367.6 | 420.3 | 405.1 | 430.0 | 319.2 | 288.1 | 273.1 | 303.0 | 245.1 |
| Public nonfinancial corporations | 1759.2 | 1621.7 | 1539.5 | 1697.7 | 1599.3 | 2089.2 | 2040.6 | 1947.9 | 1911.7 | 2110.8 | 1896.5 | 2079.2 |
| Other nonfinancial corporations | 5084.3 | 4757.3 | 4854.3 | 4907.4 | 4878.3 | 4512.3 | 4528.7 | 4986.3 | 5273.9 | 5083.8 | 5249.6 | 5476.8 |
| Other resident sectors | 20240.7 | 20480.7 | 15815.6 | 16671.0 | 16756.4 | 16914.4 | 17574.3 | 17495.8 | 17346.2 | 17889.5 | 18881.7 | 18406.7 |
| Unclassified | 566.6 | 571.2 | 573.9 | 546.5 | 535.2 | 508.2 | 520.6 | 502.9 | 502.0 | 481.3 | 475.7 | 522.0 |
| In foreign currency | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 4.0 | 3.9 | 3.9 | 3.9 | 3.9 |
| Unclassified | 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** | **3258.7** | **3697.9** | **3508.8** | **3019.1** | **3249.7** | **3254.1** | **3490.2** | **4002.5** | **3993.6** | **3995.5** | **3799.2** | **3658.6** |
| Transferable deposits | 2335.6 | 2490.1 | 2706.1 | 2295.2 | 2497.6 | 2371.5 | 2476.2 | 2949.9 | 2852.3 | 2904.8 | 2866.6 | 2676.5 |
| In national currency | 1850.6 | 2024.4 | 2380.1 | 1924.7 | 2128.5 | 1988.9 | 2144.6 | 2360.8 | 2261.0 | 2571.7 | 2409.0 | 2244.3 |
| In foreign currency | 485.0 | 465.8 | 326.0 | 370.5 | 369.1 | 382.6 | 331.5 | 589.1 | 591.3 | 333.1 | 457.6 | 432.2 |
| Other deposits | 923.1 | 1207.8 | 802.7 | 723.9 | 752.1 | 882.5 | 1014.1 | 1052.6 | 1141.3 | 1090.7 | 932.6 | 982.1 |
| In national currency | 641.1 | 636.7 | 616.5 | 513.0 | 544.2 | 498.0 | 746.6 | 801.8 | 801.2 | 763.8 | 709.1 | 739.3 |
| In foreign currency | 282.0 | 571.1 | 186.2 | 210.9 | 207.9 | 384.5 | 267.5 | 250.8 | 340.1 | 326.9 | 223.4 | 242.8 |

| | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Deposits | 53703.9 | 53133.1 | 54316.3 | 55488.9 | 54346.5 | 51842.7 | 52745.7 | 53854.8 | 54103.2 | 55127.0 | 56495.1 | 56132.3 |
| Deposits included in broad money | 49557.3 | 49288.3 | 50630.9 | 51878.0 | 51753.7 | 49151.4 | 49751.1 | 50883.1 | 50948.8 | 52111.2 | 52942.1 | 52889.6 |
| Transferable deposits | 20936.5 | 20888.5 | 21780.8 | 22178.0 | 22391.6 | 19929.4 | 20331.0 | 21579.2 | 21835.3 | 21597.6 | 22342.5 | 22761.3 |
| In national currency | 20936.5 | 20888.5 | 21780.8 | 22178.0 | 22391.6 | 19929.4 | 20331.0 | 21579.2 | 21835.3 | 21597.6 | 22342.5 | 22761.3 |
| Other financial corporations | 1859.3 | 1754.3 | 2779.1 | 4202.7 | 3756.8 | 2056.3 | 1852.8 | 2032.3 | 2100.2 | 2035.0 | 2083.1 | 1997.5 |
| State and local government | 300.1 | 247.2 | 272.9 | 320.0 | 271.9 | 330.5 | 233.6 | 228.6 | 201.6 | 353.6 | 341.7 | 415.7 |
| Public nonfinancial corporations | 2349.2 | 1952.4 | 2096.3 | 1929.6 | 1903.4 | 1781.3 | 2167.1 | 1954.7 | 1953.6 | 2005.0 | 2084.2 | 1817.4 |
| Other nonfinancial corporations | 11517.6 | 12076.2 | 11871.6 | 11110.2 | 11695.0 | 10961.5 | 11722.7 | 12555.6 | 12484.1 | 12191.2 | 12610.7 | 13332.2 |
| Other resident sectors | 4910.3 | 4858.4 | 4760.8 | 4615.3 | 4764.4 | 4799.3 | 4354.7 | 4807.9 | 5095.8 | 5012.8 | 5222.8 | 5198.5 |
| Unclassified | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| In foreign currency | 426.0 | 393.8 | 278.0 | 670.5 | 159.5 | 142.1 | 1002.0 | 1186.1 | 706.7 | 647.7 | 487.8 | 1044.6 |
| Other deposits | 28620.9 | 28399.8 | 28850.1 | 29700.0 | 29362.1 | 29222.0 | 29420.1 | 29303.9 | 29113.5 | 30513.6 | 30599.7 | 30128.3 |
| In national currency | 28620.9 | 28399.8 | 28850.1 | 29700.0 | 29362.1 | 29222.0 | 29420.1 | 29303.9 | 29113.5 | 30513.6 | 30599.7 | 30128.3 |
| Other financial corporations | 2061.3 | 2609.8 | 2843.5 | 2522.8 | 2576.9 | 2611.4 | 3081.7 | 4159.6 | 2813.0 | 2971.9 | 3203.8 | 3379.6 |
| State and local government | 241.0 | 353.6 | 355.1 | 339.5 | 464.9 | 410.8 | 379.7 | 388.6 | 498.3 | 517.1 | 584.6 | 522.2 |
| Public nonfinancial corporations | 1824.2 | 1682.4 | 1492.0 | 2034.9 | 2047.7 | 1754.2 | 1854.0 | 2064.0 | 1948.9 | 1891.7 | 1821.7 | 1751.2 |
| Other nonfinancial corporations | 5156.1 | 4640.9 | 5088.5 | 5326.3 | 5293.1 | 5844.1 | 5491.1 | 5287.4 | 4748.0 | 5777.5 | 5291.5 | 5115.1 |
| Other resident sectors | 18855.4 | 18569.5 | 18658.5 | 19028.2 | 18400.1 | 18158.2 | 18149.7 | 16928.1 | 18625.7 | 18862.7 | 19208.3 | 18874.1 |
| Unclassified | 482.8 | 543.6 | 412.5 | 448.3 | 579.3 | 443.4 | 464.0 | 476.2 | 479.6 | 492.7 | 489.7 | 486.0 |
| In foreign currency | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unclassified | 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** | **4146.6** | **3844.8** | **3685.4** | **3610.9** | **2592.9** | **2691.3** | **2994.5** | **2971.7** | **3154.4** | **3015.8** | **3553.0** | **3242.7** |
| Transferable deposits | 2826.4 | 2858.4 | 2669.5 | 2960.1 | 2016.7 | 1798.0 | 2153.0 | 2056.2 | 2245.4 | 2257.1 | 2478.1 | 2328.3 |
| In national currency | 2442.9 | 2447.5 | 2223.8 | 2527.3 | 1576.1 | 1319.7 | 1464.7 | 1316.0 | 1594.4 | 1549.1 | 1926.5 | 1613.6 |
| In foreign currency | 383.5 | 410.9 | 445.7 | 432.8 | 440.6 | 478.3 | 688.3 | 740.3 | 651.1 | 708.0 | 551.6 | 714.7 |
| Other deposits | 1320.2 | 986.4 | 1015.9 | 650.8 | 576.1 | 893.3 | 841.5 | 915.4 | 909.0 | 758.7 | 1074.8 | 914.5 |
| In national currency | 740.0 | 495.2 | 553.7 | 336.7 | 318.7 | 648.5 | 457.7 | 647.8 | 609.8 | 554.4 | 701.2 | 710.1 |
| In foreign currency | 580.2 | 491.2 | 462.2 | 314.1 | 257.4 | 244.7 | 383.8 | 267.7 | 299.2 | 204.3 | 373.7 | 204.3 |

| | Jan-11 | Feb-11 | Mar-11 | Apr-11 | May-11 | Jun-11 | Jul-11 | Aug-11 | Sep-11 | Oct-11 | Nov-11 | Dec-11 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Deposits | 56192.4 | 56504.8 | 55674.6 | 56130.5 | 57466.5 | 57099.8 | 59053.6 | 60300.8 | 60734.5 | 60777.6 | 62141.0 | 62592.5 |
| Deposits included in broad money | 52354.3 | 52421.3 | 51380.3 | 52222.9 | 53237.8 | 52890.1 | 54225.5 | 56079.9 | 56560.1 | 56774.4 | 58418.9 | 58831.5 |
| Transferable deposits | 22470.1 | 22765.9 | 22444.8 | 23419.6 | 23610.6 | 22410.9 | 22873.1 | 24118.3 | 24085.8 | 24012.3 | 25087.3 | 26152.8 |
| In national currency | 22470.1 | 22765.9 | 22444.8 | 23419.6 | 23610.6 | 22410.9 | 22873.1 | 24118.3 | 24085.8 | 24012.3 | 25087.3 | 26152.8 |
| Other financial corporations | 2035.3 | 2025.3 | 2080.3 | 2012.4 | 2170.2 | 2242.6 | 2687.4 | 2538.4 | 2732.0 | 2807.0 | 2769.4 | 3276.7 |
| State and local government | 366.3 | 363.3 | 365.8 | 348.5 | 414.4 | 387.0 | 313.4 | 393.1 | 794.6 | 873.6 | 729.9 | 652.9 |
| Public nonfinancial corporations | 1725.9 | 1653.6 | 1653.9 | 1847.0 | 1579.0 | 1451.3 | 1687.7 | 1967.5 | 1745.1 | 1504.5 | 1713.0 | 2068.0 |
| Other nonfinancial corporations | 13406.4 | 13531.3 | 13126.2 | 13831.8 | 13868.3 | 13016.8 | 13367.0 | 14155.5 | 13582.4 | 13732.9 | 14495.7 | 14554.2 |
| Other resident sectors | 4936.3 | 5192.4 | 5186.9 | 5379.9 | 5578.7 | 5313.3 | 4817.6 | 5063.8 | 5231.8 | 5094.4 | 5379.3 | 5600.9 |
| Unclassified | 0.0 | 0.0 | 31.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| In foreign currency | 652.5 | 546.0 | 430.8 | 564.0 | 294.5 | 377.5 | 549.9 | 399.6 | 246.8 | 266.4 | 405.4 | 253.9 |
| Other deposits | 29884.2 | 29655.4 | 28935.5 | 28803.3 | 29627.2 | 30479.2 | 31352.4 | 31961.7 | 32474.2 | 32762.1 | 33331.5 | 32678.7 |
| In national currency | 29884.2 | 29655.4 | 28935.5 | 28803.3 | 29627.2 | 30479.2 | 31352.4 | 31961.7 | 32474.2 | 32762.1 | 33331.5 | 32678.7 |
| Other financial corporations | 3359.8 | 3580.0 | 3705.1 | 3886.4 | 3784.2 | 4452.3 | 4786.3 | 4289.4 | 4163.6 | 3930.9 | 4087.2 | 5285.4 |
| State and local government | 509.5 | 669.4 | 409.7 | 466.6 | 418.0 | 417.8 | 461.5 | 362.6 | 444.7 | 458.1 | 459.7 | 494.2 |
| Public nonfinancial corporations | 1829.2 | 1441.1 | 1351.2 | 1432.6 | 1488.7 | 927.9 | 1456.9 | 1787.3 | 1993.8 | 2103.4 | 1516.1 | 2036.6 |
| Other nonfinancial corporations | 4770.9 | 4719.4 | 4537.0 | 4279.1 | 4487.3 | 5096.7 | 5013.2 | 4814.5 | 5056.9 | 5423.9 | 6050.5 | 4609.8 |
| Other resident sectors | 18927.3 | 18772.9 | 18450.0 | 18292.7 | 18936.8 | 19081.6 | 19164.8 | 20132.5 | 20354.0 | 20414.1 | 20768.4 | 19786.1 |
| Unclassified | 487.5 | 472.6 | 482.5 | 445.9 | 512.2 | 502.9 | 469.8 | 575.4 | 461.2 | 431.6 | 449.6 | 466.6 |
| In foreign currency | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Unclassified | 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** | **3838.1** | **4083.5** | **4294.3** | **3907.6** | **4228.7** | **4209.7** | **4828.1** | **4220.8** | **4174.4** | **4003.2** | **3722.1** | **3760.9** |
| Transferable deposits | 2888.9 | 2965.9 | 2688.4 | 2159.7 | 2856.0 | 2576.5 | 3263.0 | 2642.3 | 2560.3 | 2410.0 | 2116.2 | 2063.9 |
| In national currency | 2108.6 | 2101.6 | 2129.5 | 1648.0 | 2350.6 | 1998.1 | 2828.3 | 2151.0 | 2034.6 | 1926.2 | 1739.9 | 1534.9 |
| In foreign currency | 780.3 | 864.3 | 558.9 | 511.7 | 505.4 | 578.4 | 434.6 | 491.3 | 525.7 | 483.9 | 376.3 | 529.0 |
| Other deposits | 949.2 | 1117.6 | 1605.9 | 1747.9 | 1372.7 | 1633.2 | 1565.1 | 1578.5 | 1614.1 | 1593.2 | 1605.9 | 1697.0 |
| In national currency | 754.0 | 830.3 | 997.4 | 961.6 | 972.7 | 1036.4 | 973.4 | 1120.2 | 1171.7 | 1192.9 | 1141.3 | 1236.1 |
| In foreign currency | 195.2 | 287.3 | 608.5 | 786.3 | 400.0 | 596.8 | 591.8 | 458.3 | 442.4 | 400.3 | 464.6 | 460.9 |

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

| | | Currency in circulation<br>1 | Transferable deposits<br>2 | Narrow money (M1)<br>3<br>1+2 = 3 | Other deposits<br>4 | Securities included in M2<br>5 | Broad money supply (M2)<br>6<br>3+4+5=6 |
|---|---|---|---|---|---|---|---|
| 2004 | | 632.7 | 9,146.8 | 9,779.5 | 5,816.3 | 170.4 | 15,766.1 |
| 2005 | | 680.0 | 9,096.6 | 9,776.6 | 7,261.7 | 31.4 | 17,069.6 |
| 2006 | | 763.4 | 12,937.7 | 13,701.0 | 8,833.3 | 5.9 | 22,540.2 |
| 2007 | Jan | 739.1 | 13,791.9 | 14,531.1 | 8,707.6 | 5.9 | 23,244.6 |
| | Feb | 731.3 | 13,916.8 | 14,648.1 | 8,400.5 | 5.9 | 23,054.5 |
| | Mar | 797.4 | 14,029.6 | 14,827.1 | 7,756.7 | 5.9 | 22,589.7 |
| | Apr | 744.5 | 14,126.1 | 14,870.6 | 8,193.0 | 5.9 | 23,069.5 |
| | May | 777.4 | 14,154.3 | 14,931.6 | 8,562.0 | 5.9 | 23,499.5 |
| | Jun | 814.5 | 12,547.1 | 13,361.6 | 9,129.7 | 5.9 | 22,497.2 |
| | Jul | 794.8 | 14,869.9 | 15,664.7 | 9,183.9 | 5.9 | 24,854.5 |
| | Aug | 883.1 | 15,021.7 | 15,904.8 | 9,026.7 | 5.9 | 24,937.4 |
| | Sep | 861.8 | 14,373.6 | 15,235.4 | 10,459.9 | 5.9 | 25,701.2 |
| | Oct | 806.5 | 14,269.3 | 15,075.9 | 9,910.3 | 6.0 | 24,992.1 |
| | Nov | 806.0 | 15,193.9 | 15,999.9 | 10,194.4 | 6.0 | 26,200.2 |
| | Dec | 820.3 | 13,815.9 | 14,636.2 | 10,166.1 | 6.0 | 24,808.3 |
| 2008 | Jan | 782.5 | 14,728.2 | 15,510.7 | 10,391.8 | 6.0 | 25,908.5 |
| | Feb | 882.0 | 16,645.4 | 17,527.4 | 10,184.0 | 3.9 | 27,715.4 |
| | Mar | 928.2 | 16,362.1 | 17,290.3 | 9,735.3 | 3.9 | 27,029.5 |
| | Apr | 937.8 | 16,717.4 | 17,655.2 | 10,127.0 | 3.9 | 27,786.1 |
| | May | 960.0 | 16,419.8 | 17,379.8 | 10,390.7 | 3.9 | 27,774.4 |
| | Jun | 957.3 | 17,270.4 | 18,227.7 | 9,772.6 | 3.9 | 28,004.2 |
| | Jul | 986.0 | 18,716.2 | 19,702.2 | 10,070.2 | 3.9 | 29,776.3 |
| | Aug | 1,059.4 | 17,761.9 | 18,821.3 | 9,350.1 | 3.9 | 28,175.3 |
| | Sep | 1,076.4 | 17,977.1 | 19,053.5 | 9,931.9 | 3.9 | 28,989.4 |
| | Oct | 1,234.3 | 16,394.6 | 17,628.8 | 11,543.3 | 3.9 | 29,176.1 |
| | Nov | 1,221.0 | 17,243.6 | 18,464.6 | 11,214.6 | 3.9 | 29,683.2 |
| | Dec | 1,140.4 | 17,430.2 | 18,570.7 | 10,666.4 | 3.9 | 29,240.9 |
| 2009 | Jan | 1,217.6 | 17,746.4 | 18,964.0 | 29,079.3 | 3.9 | 48,047.2 |
| | Feb | 1,234.8 | 17,683.9 | 18,918.7 | 28,888.5 | 3.9 | 47,811.1 |
| | Mar | 1,227.9 | 18,608.3 | 19,836.2 | 24,147.5 | 3.9 | 43,987.5 |
| | Apr | 1,248.0 | 18,473.3 | 19,721.3 | 25,464.5 | 3.9 | 45,189.8 |
| | May | 1,235.0 | 18,651.1 | 19,886.1 | 25,716.8 | 3.9 | 45,606.8 |
| | Jun | 1,133.0 | 19,036.4 | 20,169.4 | 26,072.5 | 3.9 | 46,245.8 |
| | Jul | 1,209.2 | 18,999.0 | 20,208.2 | 26,718.8 | 3.9 | 46,930.9 |
| | Aug | 1,180.3 | 18,813.3 | 19,993.6 | 26,448.8 | 4.0 | 46,446.3 |
| | Sep | 1,084.9 | 18,406.8 | 19,491.7 | 26,488.0 | 3.9 | 45,983.6 |
| | Oct | 1,145.4 | 19,551.2 | 20,696.7 | 27,120.2 | 3.9 | 47,820.8 |
| | Nov | 1,204.4 | 19,624.8 | 20,829.2 | 27,616.5 | 3.9 | 48,449.7 |
| | Dec | 1,156.7 | 19,740.1 | 20,896.8 | 27,642.1 | 3.9 | 48,542.9 |
| 2010 | Jan | 1,127.6 | 20,935.0 | 22,062.6 | 27,460.4 | 3.9 | 49,527.0 |
| | Feb | 1,117.6 | 20,886.9 | 22,004.5 | 27,292.2 | 3.9 | 49,300.7 |
| | Mar | 1,053.0 | 21,778.2 | 22,831.2 | 27,888.5 | 3.9 | 50,723.6 |
| | Apr | 1,145.2 | 22,175.3 | 23,320.5 | 28,569.5 | 3.9 | 51,894.0 |
| | May | 1,130.8 | 22,388.1 | 23,518.9 | 28,213.2 | 3.9 | 51,736.1 |
| | Jun | 1,135.6 | 19,925.5 | 21,061.1 | 28,244.6 | 3.9 | 49,309.6 |
| | Jul | 1,229.9 | 20,327.3 | 21,557.1 | 28,289.1 | 3.9 | 49,850.2 |
| | Aug | 1,233.5 | 21,581.2 | 22,814.7 | 28,148.2 | 3.9 | 50,966.9 |
| | Sep | 1,218.1 | 21,832.0 | 23,050.1 | 28,021.8 | - | 51,071.9 |
| | Oct | 1,273.3 | 21,595.3 | 22,868.6 | 29,245.3 | - | 52,113.9 |
| | Nov | 1,316.1 | 22,341.1 | 23,657.3 | 29,453.1 | - | 53,110.4 |
| | Dec | 1,292.7 | 22,760.4 | 24,053.1 | 29,116.0 | - | 53,169.0 |
| 2011 | Jan | 1,282.3 | 22,470.5 | 23,752.5 | 29,884.2 | - | 53,636.8 |
| | Feb | 1,366.9 | 22,766.2 | 24,132.8 | 29,655.4 | - | 53,788.2 |
| | Mar | 1,391.5 | 22,413.4 | 23,804.6 | 28,935.5 | - | 52,740.1 |
| | Apr | 1,417.4 | 23,419.8 | 24,837.0 | 28,903.3 | - | 53,740.3 |
| | May | 1,390.2 | 23,611.0 | 25,000.9 | 29,627.2 | - | 54,628.0 |
| | Jun | 1,452.4 | 22,393.2 | 23,845.2 | 30,479.2 | - | 54,324.5 |
| | Jul | 1,523.8 | 22,873.6 | 24,397.4 | 31,252.4 | - | 55,649.8 |
| | Aug | 1,560.2 | 24,118.7 | 25,678.8 | 31,961.7 | - | 57,640.5 |
| | Sep | 1,641.7 | 24,086.2 | 25,727.9 | 32,474.2 | - | 58,202.1 |
| | Oct | 1,697.3 | 24,012.6 | 25,709.9 | 32,762.1 | - | 58,472.0 |
| | Nov | 1,672.8 | 25,087.7 | 26,760.5 | 33,331.5 | - | 60,092.1 |
| | Dec | 1,697.7 | 26,153.4 | 27,851.0 | 32,678.7 | - | 60,529.7 |

## Table II.7 Monetary analysis (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 private sectors | Other items net |
| | | | | Gross claims | Government deposits | Other liabilities | Net claims on Government | | |
| **2007** | **Jan** | **23,244.6** | **6,128.2** | **2,785.2** | **-4,984.8** | **64.5** | **7,705.5** | **28,889.3** | **-9,579.3** |
| | Feb | 23,054.5 | 6,058.1 | 2,914.4 | -4,745.9 | 64.5 | 7,595.8 | 29,447.2 | -10,625.2 |
| | Mar | 22,589.7 | 6,888.5 | 3,098.8 | -5,779.3 | 67.3 | 8,810.8 | 29,990.7 | -11,615.0 |
| | Apr | 23,069.5 | 8,415.2 | 3,099.4 | -6,514.6 | 51.2 | 9,562.8 | 30,040.4 | -11,976.9 |
| | May | 23,499.5 | 8,256.2 | 3,012.1 | -5,747.6 | 52.4 | 8,707.3 | 30,345.8 | -12,372.8 |
| | Jun | 22,497.2 | 6,949.8 | 3,270.2 | -6,162.7 | 52.7 | 9,380.2 | 30,685.8 | -12,251.8 |
| | Jul | 24,854.5 | 9,292.8 | 3,265.5 | -5,905.7 | 52.7 | 9,118.5 | 30,762.6 | -12,566.5 |
| | Aug | 24,937.4 | 8,339.2 | 2,966.9 | -4,719.9 | 52.7 | 7,634.1 | 30,998.6 | -12,653.2 |
| | Sep | 25,701.2 | 7,825.5 | 2,957.3 | -4,133.0 | 52.7 | 7,037.6 | 31,395.3 | -12,349.6 |
| | Oct | 24,992.1 | 7,265.1 | 2,915.6 | -5,061.2 | 52.8 | 7,923.9 | 32,528.8 | -12,662.2 |
| | Nov | 26,200.2 | 7,689.4 | 2,925.3 | -4,790.2 | -50.2 | -1,864.9 | 32,752.7 | -12,383.2 |
| | Dec | 24,808.3 | 7,461.7 | 2,981.3 | -5,242.6 | -50.2 | -2,261.2 | 32,374.8 | -12,772.9 |
| **2008** | **Jan** | **25,908.5** | **10,362.4** | **2,598.5** | **-6,266.5** | **-50.2** | **-3,668.0** | **32,659.7** | **-13,451.4** |
| | Feb | 27,715.4 | 10,542.6 | 2,321.3 | -5,779.4 | -66.1 | -3,458.1 | 33,638.2 | -13,011.1 |
| | Mar | 27,029.5 | 10,770.7 | 2,416.5 | -5,473.1 | -66.1 | -3,056.6 | 33,850.1 | -14,538.3 |
| | Apr | 27,786.1 | 12,432.2 | 2,441.9 | -7,084.8 | -66.1 | -4,642.9 | 34,297.4 | -14,235.8 |
| | May | 27,774.4 | 11,964.6 | 2,465.9 | -6,539.4 | -66.2 | -4,073.5 | 33,922.5 | -14,042.8 |
| | Jun | 28,004.2 | 11,254.8 | 2,578.5 | -6,728.8 | -67.0 | -4,150.3 | 34,468.5 | -13,577.8 |
| | Jul | 29,776.3 | 14,588.0 | 2,701.1 | -8,385.8 | -67.0 | -5,684.7 | 34,684.2 | -13,823.8 |
| | Aug | 28,175.3 | 11,638.4 | 2,915.9 | -7,534.5 | -67.0 | -4,618.6 | 35,037.7 | -13,885.6 |
| | Sep | 28,989.4 | 12,578.7 | 2,848.5 | -7,128.9 | -67.0 | -4,280.4 | 35,520.7 | -14,833.1 |
| | Oct | 29,176.1 | 16,518.0 | 2,762.4 | -8,593.3 | -64.4 | -5,830.8 | 35,573.0 | -17,087.6 |
| | Nov | 29,683.2 | 15,672.4 | 2,617.5 | -7,365.9 | -64.4 | -4,748.4 | 35,700.1 | -16,944.2 |
| | Dec | 29,240.9 | 13,584.2 | 2,631.8 | -7,269.5 | -63.6 | -4,637.7 | 36,610.2 | -16,319.2 |
| **2009** | **Jan** | **48,047.2** | **22,870.6** | **2,877.4** | **-9,404.4** | **-52.8** | **-6,527.0** | **39,227.9** | **-7,367.3** |
| | Feb | 47,811.1 | 21,356.8 | 2,681.4 | -9,135.1 | -53.5 | -6,453.7 | 39,575.1 | -6,747.9 |
| | Mar | 43,987.5 | 19,461.0 | 2,689.1 | -7,914.0 | -161.1 | -5,225.0 | 39,787.3 | -10,150.4 |
| | Apr | 45,189.8 | 21,711.7 | 2,507.3 | -9,748.8 | -173.2 | -7,241.5 | 41,839.8 | -10,115.4 |
| | May | 45,606.8 | 21,118.2 | 2,409.5 | -9,574.8 | -186.2 | -7,165.3 | 41,830.1 | -9,307.3 |
| | Jun | 46,245.8 | 21,324.7 | 2,519.4 | -9,012.8 | -126.6 | -6,493.4 | 41,761.4 | -8,906.4 |
| | Jul | 46,930.9 | 22,636.0 | 2,659.8 | -10,181.1 | -142.5 | -7,521.3 | 41,877.3 | -8,411.5 |
| | Aug | 46,446.3 | 22,640.2 | 2,653.9 | -9,525.5 | -166.2 | -6,871.5 | 42,916.8 | -11,066.6 |
| | Sep | 45,983.6 | 21,570.1 | 2,534.2 | -9,144.7 | -175.7 | -6,610.5 | 43,267.6 | -11,385.9 |
| | Oct | 47,820.8 | 24,988.0 | 2,760.0 | -9,859.9 | -194.0 | -7,099.9 | 43,534.0 | -11,808.6 |
| | Nov | 48,449.7 | 23,143.6 | 2,731.7 | -8,390.4 | -207.1 | -5,658.7 | 44,735.1 | -11,442.7 |
| | Dec | 48,542.9 | 22,682.0 | 2,814.0 | -8,109.3 | -130.2 | -5,295.3 | 44,784.7 | -11,657.9 |
| **2010** | **Jan** | **49,527.0** | **24,580.5** | **2,392.9** | **-8,672.2** | **-143.5** | **-6,279.4** | **45,122.6** | **-11,759.5** |
| | Feb | 49,300.7 | 24,502.0 | 2,780.4 | -8,235.2 | -183.2 | -5,454.8 | 44,168.8 | -12,284.9 |
| | Mar | 50,723.6 | 22,717.3 | 2,843.7 | -6,586.7 | -201.6 | -3,743.1 | 43,614.3 | -11,096.4 |
| | Apr | 51,894.0 | 23,171.6 | 3,026.1 | -7,300.1 | -214.5 | -4,274.0 | 44,829.1 | -10,555.2 |
| | May | 51,736.1 | 21,542.5 | 3,004.0 | -6,430.3 | -218.1 | -3,426.3 | 44,676.7 | -10,170.8 |
| | Jun | 49,309.6 | 19,926.1 | 2,620.2 | -6,913.2 | -129.5 | -4,293.0 | 45,037.3 | -10,635.5 |
| | Jul | 49,850.2 | 20,668.3 | 2,721.3 | -6,852.4 | -135.6 | -4,131.1 | 45,974.9 | -10,818.4 |
| | Aug | 50,966.9 | 21,128.6 | 2,800.5 | -6,753.7 | -172.1 | -3,953.1 | 46,048.3 | -10,736.3 |
| | Sep | 51,071.9 | 19,367.5 | 2,861.9 | -5,781.2 | -173.5 | -2,919.3 | 46,178.7 | -10,705.9 |
| | Oct | 52,113.9 | 20,238.0 | 2,835.4 | -5,770.0 | -198.2 | -2,934.6 | 47,277.8 | -10,988.5 |
| | Nov | 53,110.4 | 19,138.9 | 2,854.9 | -4,531.5 | -209.4 | -1,676.5 | 48,223.7 | -10,516.4 |
| | Dec | 53,169.0 | 18,006.9 | 3,080.0 | -4,918.9 | -132.4 | -1,838.9 | 48,698.6 | -10,503.4 |
| **2011** | **Jan** | **53,636.8** | **22,942.0** | **3,205.8** | **-6,201.1** | **-31.8** | **-2,995.3** | **44,152.5** | **-10,462.4** |
| | Feb | 53,788.2 | 21,365.1 | 3,314.4 | -5,645.7 | -31.8 | -2,331.3 | 44,783.7 | -10,029.3 |
| | Mar | 52,740.1 | 20,244.7 | 3,394.5 | -3,912.7 | -31.9 | -518.2 | 44,756.3 | -11,742.7 |
| | Apr | 53,740.3 | 21,684.3 | 3,876.0 | -5,885.2 | -44.2 | -2,009.2 | 43,979.6 | -10,014.5 |
| | May | 54,628.0 | 21,306.3 | 4,473.2 | -5,678.8 | -80.7 | -1,205.5 | 43,897.9 | -9,370.7 |
| | Jun | 54,324.5 | 20,389.9 | 4,865.3 | -6,621.4 | -103.0 | -1,756.1 | 44,710.8 | -9,020.3 |
| | Jul | 55,649.8 | 22,163.6 | 5,054.2 | -7,064.2 | -104.9 | -2,010.0 | 44,672.9 | -9,076.8 |
| | Aug | 57,640.5 | 21,227.3 | 5,392.9 | -5,803.6 | -118.9 | -410.7 | 44,986.5 | -8,162.8 |
| | Sep | 58,202.1 | 21,348.5 | 5,976.8 | -5,093.9 | -111.3 | 882.9 | 45,605.1 | -9,634.4 |
| | Oct | 58,472.0 | 23,156.1 | 6,314.5 | -6,496.2 | -119.1 | -181.7 | 45,930.3 | -10,432.9 |
| | Nov | 60,092.1 | 26,319.8 | 6,509.8 | -8,870.9 | -71.1 | -2,361.1 | 46,236.0 | -10,103.0 |
| | Dec | 60,529.7 | 25,349.7 | 6,969.0 | -7,618.0 | -132.2 | -648.9 | 46,917.4 | -11,089.0 |

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

| | | | Determinants of money supply | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Broad money supply (M2) | Net foreign assets (cumulative flow) | Claims on the Central Government | | | | Claims on other sectors | Other items net |
| | | | | Gross claims | Government deposits | Other liabilities | Net claims on Government | | |
| **2007** | **Jan** | **757.0** | **1,283.7** | **17.9** | **2,330.7** | **0.1** | **-2,312.9** | **605.1** | **1,181.1** |
| | Feb | -230.8 | -70.1 | 129.2 | -238.9 | 0.1 | 368.0 | 557.9 | -1,086.6 |
| | Mar | -448.5 | 830.4 | 184.4 | 1,030.6 | 2.7 | -848.9 | 543.5 | -973.5 |
| | Apr | 480.0 | 1,526.7 | 0.6 | 751.4 | -16.1 | -734.7 | 49.8 | -361.9 |
| | May | 419.5 | -392.2 | -87.3 | -768.2 | 1.2 | 679.7 | 305.4 | -406.4 |
| | Jun | -993.4 | -1,073.3 | 258.1 | 414.8 | 0.3 | -157.0 | 340.0 | 129.9 |
| | Jul | 2,350.2 | 2,343.1 | -4.7 | -257.0 | 0.0 | 252.2 | 76.8 | -456.3 |
| | Aug | 88.1 | -956.3 | -298.6 | -1,185.9 | 0.0 | 887.3 | 236.0 | 53.1 |
| | Sept | 768.5 | -511.0 | -9.6 | -586.8 | 0.0 | 577.2 | 396.7 | 308.2 |
| | Oct | -710.8 | -560.4 | -41.7 | 928.0 | 0.2 | -969.8 | 1,133.5 | -314.2 |
| | Nov | 1,206.8 | 424.4 | 9.7 | -268.4 | 0.0 | 278.0 | 207.8 | 296.5 |
| | Dec | -1,390.6 | -227.7 | 56.1 | 452.3 | 0.1 | -396.3 | -380.7 | -385.8 |
| **2008** | **Jan** | **1,100.1** | **2,900.7** | **-382.8** | **-1,023.9** | **0.0** | **-1,406.8** | **285.0** | **-678.5** |
| | Feb | 1,806.9 | 180.2 | -277.2 | 487.1 | -15.9 | 209.9 | 978.5 | 438.3 |
| | Mar | -685.8 | 228.1 | 95.2 | 306.3 | 0.0 | 401.5 | 211.8 | -1,527.3 |
| | Apr | 756.6 | 1,661.5 | 25.4 | -1,611.7 | 0.0 | -1,586.3 | 447.4 | 302.5 |
| | May | -11.7 | -467.6 | 24.0 | 545.5 | -0.1 | 569.5 | -374.9 | 193.0 |
| | Jun | 229.8 | -709.8 | 112.6 | -189.4 | -0.8 | -76.8 | 546.0 | 465.0 |
| | Jul | 1,772.1 | 3,333.2 | 122.5 | -1,657.0 | 0.0 | -1,534.5 | 215.7 | -246.0 |
| | Aug | -1,601.0 | -2,949.6 | 214.9 | 851.3 | 0.0 | 1,066.1 | 353.5 | -61.8 |
| | Sep | 814.1 | 940.3 | -67.4 | 405.6 | 0.0 | 338.2 | 483.0 | -947.5 |
| | Oct | 186.7 | -3,939.3 | -86.1 | -1,464.4 | 2.7 | -1,550.5 | 52.3 | -2,254.5 |
| | Nov | 507.1 | 845.6 | -144.9 | 1,227.3 | 0.0 | 1,082.5 | 127.0 | 143.4 |
| | Dec | -442.3 | 2,088.2 | 14.2 | 96.4 | 0.8 | 110.6 | 910.2 | 625.0 |
| **2009** | **Jan** | **18,806.3** | **9,286.4** | **245.7** | **-2,134.9** | **10.7** | **-1,889.2** | **123.1** | **8,951.9** |
| | Feb | -236.1 | -1,513.8 | -196.0 | 269.2 | -0.6 | 73.2 | -22.4 | 619.5 |
| | Mar | -3,823.6 | -1,895.8 | 7.7 | 1,221.1 | -107.6 | 1,228.8 | 678.4 | -3,402.5 |
| | Apr | 1,202.2 | 2,250.7 | -181.8 | -1,834.8 | -12.1 | -2,016.6 | 245.8 | 35.0 |
| | May | 417.1 | -593.5 | -97.7 | 174.0 | -13.0 | 76.3 | 76.3 | 808.1 |
| | Jun | 638.9 | 206.6 | 109.9 | 562.0 | 59.6 | 671.9 | -62.5 | 400.9 |
| | Jul | 685.1 | 1,311.3 | 140.4 | -1,168.3 | -16.0 | -1,027.9 | 167.0 | 494.9 |
| | Aug | -484.6 | 4.2 | -5.9 | 655.7 | -23.6 | 649.8 | 672.8 | -2,655.1 |
| | Sep | -462.7 | -1,070.1 | -119.7 | 380.8 | -9.5 | 261.0 | 549.9 | -319.2 |
| | Oct | 1,837.2 | 3,417.9 | 225.8 | -715.2 | -18.4 | -489.4 | -518.5 | -422.7 |
| | Nov | 628.9 | -1,844.4 | -28.4 | 1,469.5 | -13.1 | 1,441.2 | 602.4 | 365.8 |
| | Dec | 93.2 | -461.7 | 82.4 | 281.1 | 76.9 | 363.4 | 607.5 | -215.2 |
| **2010** | **Jan** | **984.1** | **1,898.5** | **-421.2** | **-562.9** | **-13.3** | **-984.1** | **346.1** | **-101.5** |
| | Feb | -226.3 | -78.5 | 387.5 | 437.0 | -39.7 | 824.5 | -321.6 | -525.4 |
| | Mar | 1,423.0 | -1,784.7 | 63.3 | 1,648.5 | -18.3 | 1,711.8 | 149.8 | 1,188.5 |
| | Apr | 1,170.3 | 454.3 | 182.4 | -713.3 | -12.9 | -530.9 | 817.6 | 541.2 |
| | May | -157.9 | -1,629.1 | -22.1 | 869.8 | -3.6 | 847.6 | -200.1 | 384.4 |
| | Jun | -2,426.5 | -1,616.4 | -383.8 | -482.9 | 88.7 | -866.7 | 657.8 | -464.6 |
| | Jul | 540.6 | 742.2 | 101.1 | 60.8 | -6.2 | 161.9 | 646.4 | -182.9 |
| | Aug | 1,116.7 | 460.2 | 79.3 | 98.8 | -36.5 | 178.0 | -40.7 | 82.1 |
| | Sep | 105.0 | -1,761.1 | 61.4 | 972.5 | -1.4 | 1,033.9 | 438.9 | 26.5 |
| | Oct | 1,042.0 | 870.6 | -26.5 | 11.2 | -24.8 | -15.4 | 603.7 | -282.7 |
| | Nov | 996.5 | -1,099.2 | 19.6 | 1,238.6 | -11.2 | 1,258.1 | 502.2 | 472.1 |
| | Dec | 58.6 | -1,132.0 | 225.1 | -387.5 | 77.0 | -162.4 | 1,158.6 | 13.1 |
| **2011** | **Jan** | **-545.7** | **1,003.6** | **125.7** | **-1,379.9** | **100.5** | **-1,254.1** | **-336.1** | **41.0** |
| | Feb | 151.4 | -1,576.9 | 108.6 | 555.4 | 0.0 | 664.0 | 631.1 | 433.1 |
| | Mar | -1,016.4 | -1,120.4 | 80.1 | 1,733.0 | -0.0 | 1,813.1 | -27.4 | -1713.4 |
| | Apr | 868.5 | 1,439.7 | 481.5 | -1,972.5 | -12.3 | -1,490.9 | -776.7 | 1728.2 |
| | May | 987.7 | -378.1 | 597.2 | 206.4 | -36.5 | 803.6 | -81.7 | 643.9 |
| | Jun | -303.6 | -916.4 | 392.1 | -942.7 | -22.4 | -550.5 | 812.9 | 350.4 |
| | Jul | 1,425.3 | 1,773.8 | 188.8 | -442.8 | -1.9 | -253.9 | -37.9 | -56.5 |
| | Aug | 1,890.7 | -936.3 | 338.7 | 1,260.6 | -13.9 | 1,599.3 | 313.6 | 914.0 |
| | Sep | 561.6 | 121.2 | 583.9 | 709.7 | 7.6 | 1,293.6 | 618.6 | -1471.7 |
| | Oct | 269.8 | 1,807.6 | 337.7 | -1,402.3 | -7.8 | -1,064.6 | 325.2 | -798.5 |
| | Nov | 1,620.1 | 3,163.7 | 195.3 | -2,374.7 | 47.9 | -2,179.4 | 305.7 | 329.9 |
| | Dec | 437.6 | -970.2 | 459.2 | 1,252.9 | -61.1 | 1,712.1 | 681.4 | -986.0 |

## Table II.9 Selected interest rates: Namibia and South Africa

| | | Prime lending rate | | Average lending rate | | Treasury bill rate (3 month) | | Deposit rates | | Repo rate | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Namibia | SA | Namibia | SA | Namibia | SA | Namibia | SA | Namibia | SA |
| 2007 | Jan | 13.75 | 12.50 | 12.63 | 12.50 | 8.36 | 8.87 | 6.98 | 9.00 | 9.00 | 9.00 |
| | Feb | 13.75 | 12.50 | 12.32 | 12.50 | 8.22 | 8.41 | 7.38 | 8.99 | 9.00 | 9.00 |
| | Mar | 13.75 | 12.50 | 11.90 | 12.50 | 8.06 | 8.26 | 7.22 | 8.93 | 9.00 | 9.00 |
| | Apr | 13.75 | 12.50 | 12.44 | 12.50 | 8.00 | 8.32 | 7.18 | 9.22 | 9.00 | 9.00 |
| | May | 13.75 | 12.50 | 12.65 | 12.50 | 8.11 | 8.68 | 7.34 | 9.23 | 9.00 | 9.00 |
| | Jun | 14.25 | 13.00 | 12.22 | 12.88 | 8.03 | 9.10 | 7.24 | 9.59 | 9.50 | 9.50 |
| | Jul | 14.25 | 13.00 | 13.03 | 13.00 | 8.66 | 8.86 | 7.49 | 9.93 | 9.50 | 9.50 |
| | Aug | 14.75 | 13.50 | 12.85 | 13.25 | 8.98 | 9.26 | 7.68 | 10.15 | 10.00 | 10.00 |
| | Sep | 14.75 | 13.50 | 12.89 | 13.50 | 9.24 | 9.43 | 7.74 | 10.11 | 10.00 | 10.00 |
| | Oct | 15.25 | 14.00 | 13.56 | 13.81 | 9.16 | 9.96 | 7.95 | 10.39 | 10.50 | 10.50 |
| | Nov | 15.25 | 14.00 | 14.53 | 14.00 | 9.19 | 10.43 | 8.08 | 10.65 | 10.50 | 10.50 |
| | Dec | 15.25 | 14.50 | 13.59 | 14.39 | 9.80 | 10.52 | 8.28 | 10.92 | 10.50 | 11.00 |
| 2008 | Jan | 15.25 | 14.50 | 14.01 | 14.50 | 9.70 | 10.37 | 8.13 | 10.82 | 10.50 | 11.00 |
| | Feb | 15.25 | 14.50 | 14.18 | 14.50 | 9.24 | 10.24 | 8.23 | 10.32 | 10.50 | 11.00 |
| | Mar | 15.25 | 14.50 | 13.93 | 14.50 | 9.20 | 10.04 | 8.35 | 10.99 | 10.50 | 11.00 |
| | Apr | 15.25 | 15.00 | 13.14 | 14.82 | 9.15 | 10.46 | 8.14 | 11.05 | 10.50 | 11.50 |
| | May | 15.25 | 15.00 | 13.20 | 15.00 | 9.36 | 11.55 | 8.29 | 11.51 | 10.50 | 11.50 |
| | Jun | 15.25 | 15.50 | 13.49 | 15.29 | 10.19 | 11.38 | 8.33 | 11.20 | 10.50 | 12.00 |
| | Jul | 15.25 | 15.50 | 13.13 | 15.50 | 10.74 | 11.35 | 8.28 | 12.02 | 10.50 | 12.00 |
| | Aug | 15.25 | 15.50 | 13.80 | 15.50 | 10.79 | 11.16 | 8.40 | 11.91 | 10.50 | 12.00 |
| | Sep | 15.25 | 15.50 | 13.91 | 15.50 | 10.89 | 11.11 | 8.54 | 11.99 | 10.50 | 12.00 |
| | Oct | 15.25 | 15.50 | 13.99 | 15.50 | 11.22 | 10.93 | 8.70 | 12.00 | 10.50 | 12.00 |
| | Nov | 15.25 | 15.50 | 14.32 | 15.50 | 11.26 | 10.85 | 8.62 | 11.95 | 10.50 | 12.00 |
| | Dec | 14.75 | 15.00 | 13.74 | 15.21 | 11.29 | 10.77 | 8.60 | 11.61 | 10.00 | 11.50 |
| 2009 | Jan | 14.75 | 15.00 | 12.96 | 15.00 | 11.16 | 10.66 | 8.27 | 11.32 | 10.00 | 11.50 |
| | Feb | 13.75 | 14.00 | 13.84 | 14.17 | 10.90 | 9.22 | 8.46 | 10.49 | 9.00 | 10.50 |
| | Mar | 13.75 | 13.00 | 12.55 | 13.76 | 9.68 | 8.62 | 7.47 | 10.11 | 9.00 | 9.50 |
| | Apr | 12.75 | 13.00 | 11.35 | 13.00 | 9.33 | 8.28 | 6.84 | 9.43 | 8.00 | 9.50 |
| | May | 12.13 | 11.00 | 11.19 | 11.96 | 8.67 | 7.68 | 6.48 | 8.85 | 7.50 | 7.50 |
| | Jun | 11.56 | 11.00 | 10.21 | 11.00 | 7.63 | 7.23 | 5.78 | 8.29 | 7.00 | 7.50 |
| | Jul | 11.44 | 11.00 | 10.35 | 11.00 | 7.68 | 7.39 | 5.55 | 8.22 | 7.00 | 7.50 |
| | Aug | 11.44 | 10.50 | 9.75 | 10.70 | 7.48 | 7.16 | 5.35 | 8.00 | 7.00 | 7.00 |
| | Sep | 11.38 | 10.50 | 10.55 | 10.50 | 7.27 | 6.94 | 5.27 | 7.75 | 7.00 | 7.00 |
| | Oct | 11.31 | 10.50 | 9.91 | 10.50 | 7.34 | 6.95 | 5.15 | 7.68 | 7.00 | 7.00 |
| | Nov | 11.25 | 10.50 | 10.01 | 10.50 | 7.37 | 7.01 | 5.15 | 7.44 | 7.00 | 7.00 |
| | Dec | 11.25 | 10.50 | 10.75 | 10.50 | 7.42 | 7.07 | 5.11 | 7.40 | 7.00 | 7.00 |
| 2010 | Jan | 11.25 | 10.50 | 9.95 | 10.50 | 7.38 | 7.11 | 5.31 | 7.31 | 7.00 | 7.00 |
| | Feb | 11.25 | 10.50 | 10.15 | 10.50 | 7.26 | 7.08 | 5.27 | 7.42 | 7.00 | 7.00 |
| | Mar | 11.25 | 10.00 | 10.06 | 10.40 | 7.24 | 6.95 | 5.31 | 7.23 | 7.00 | 6.50 |
| | Apr | 11.25 | 10.00 | 9.60 | 10.00 | 7.02 | 6.59 | 5.12 | 7.10 | 7.00 | 6.50 |
| | May | 11.25 | 10.00 | 9.87 | 10.00 | 6.93 | 6.58 | 5.29 | 6.87 | 7.00 | 6.50 |
| | Jun | 11.25 | 10.00 | 9.78 | 10.00 | 6.92 | 6.54 | 5.06 | 6.88 | 7.00 | 6.50 |
| | Jul | 11.13 | 10.00 | 9.82 | 10.00 | 6.77 | 6.48 | 5.04 | 6.66 | 7.00 | 6.50 |
| | Aug | 11.13 | 10.00 | 9.60 | 10.00 | 6.59 | 6.42 | 4.88 | 6.60 | 7.00 | 6.50 |
| | Sep | 11.13 | 9.50 | 9.59 | 9.66 | 6.59 | 6.08 | 4.81 | 6.36 | 7.00 | 6.00 |
| | Oct | 10.94 | 9.50 | 9.66 | 9.50 | 6.37 | 5.97 | 4.84 | 6.17 | 6.75 | 6.00 |
| | Nov | 10.50 | 9.00 | 9.42 | 9.31 | 5.94 | 5.65 | 4.62 | 5.97 | 6.75 | 5.50 |
| | Dec | 9.75 | 9.00 | 9.14 | 9.00 | 5.68 | 5.59 | 4.41 | 6.37 | 6.00 | 5.50 |
| 2011 | Jan | 9.75 | 9.00 | 8.65 | 9.00 | 5.64 | 5.54 | 4.29 | 6.05 | 6.00 | 5.50 |
| | Feb | 9.75 | 9.00 | 8.93 | 9.00 | 5.68 | 5.53 | 4.07 | 5.98 | 6.00 | 5.50 |
| | Mar | 9.75 | 9.00 | 8.77 | 9.00 | 5.74 | 5.50 | 4.33 | 5.92 | 6.00 | 5.50 |
| | Apr | 9.75 | 9.00 | 8.72 | 9.00 | 6.95 | 5.46 | 4.27 | 5.85 | 6.00 | 5.50 |
| | May | 9.75 | 9.00 | 8.63 | 9.00 | 5.95 | 5.45 | 4.29 | 5.83 | 6.00 | 5.50 |
| | Jun | 9.75 | 9.00 | 8.74 | 9.00 | 5.96 | 5.46 | 4.29 | 5.82 | 6.00 | 5.50 |
| | Jul | 9.75 | 9.00 | 8.81 | 9.00 | 5.99 | 5.49 | 4.33 | 5.79 | 6.00 | 5.50 |
| | Aug | 9.75 | 9.00 | 8.65 | 9.00 | 5.70 | 5.49 | 4.28 | 5.75 | 6.00 | 5.50 |
| | Sep | 9.75 | 9.00 | 8.79 | 9.00 | 5.74 | 5.49 | 4.32 | 5.71 | 6.00 | 5.50 |
| | Oct | 9.75 | 9.00 | 8.60 | 9.00 | 5.83 | 5.49 | 4.34 | 5.67 | 6.00 | 5.50 |
| | Nov | 9.75 | 9.00 | 8.67 | 9.00 | 5.84 | 5.45 | 4.36 | 5.65 | 6.00 | 5.50 |
| | Dec | 9.75 | 9.00 | 8.80 | 9.00 | 5.86 | 5.47 | 4.22 | 5.65 | 6.00 | 5.50 |

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

| | Period | Offer | Tendered | Surplus(+) Deficit (-) | Effective Yield % |
|---|---|---|---|---|---|
| **91 days** | | | | | |
| | **2010** | | | | |
| | Jan | 120.4 | 161.2 | 40.9 | 7.4 |
| | Feb | 150.0 | 273.0 | 123.0 | 7.3 |
| | Mar | 160.0 | 156.6 | -3.4 | 7.2 |
| | Apr | 120.0 | 189.9 | 69.9 | 7.0 |
| | May | 150.0 | 206.5 | 56.5 | 6.9 |
| | June | 160.0 | 199.5 | 39.5 | 6.9 |
| | July | 150.0 | 269.2 | 119.2 | 6.8 |
| | Aug | 150.0 | 288.5 | 138.5 | 6.6 |
| | Sep | 200.0 | 240.6 | 40.6 | 6.6 |
| | Oct | 150.0 | 117.3 | -32.7 | 6.4 |
| | Nov | 150.0 | 295.0 | 145.0 | 5.9 |
| | Dec | 200.0 | 220.8 | 20.8 | 5.7 |
| | **2011** | | | | |
| | Jan | 150.0 | 257.1 | 107.1 | 5.6 |
| | Feb | 200.0 | 229.7 | 29.7 | 5.7 |
| | Mar | 200.0 | 195.0 | -5.0 | 5.7 |
| | Apr | 200.0 | 231.7 | 31.7 | 6.0 |
| | May | 200.0 | 239.0 | 39.0 | 6.0 |
| | June | 150.0 | 280.1 | 130.1 | 6.0 |
| | July | 220.0 | 444.4 | 224.4 | 6.0 |
| | Aug | 250.0 | 619.7 | 369.7 | 5.7 |
| | Sep | 200.0 | 180.0 | -20.0 | 5.7 |
| | Oct | 250.0 | 298.7 | 48.7 | 5.8 |
| | Nov | 250.0 | 331.6 | 81.6 | 5.8 |
| | Dec | 250.0 | 407.2 | 157.2 | 5.9 |
| | **2012** | | | | |
| | Jan | 250.0 | 211.8 | -38.2 | 5.9 |
| | Feb | 250.0 | 394.5 | 144.5 | 5.9 |
| **182 days** | | | | | |
| | **2010** | | | | |
| | Jan | 100.0 | 238.4 | 138.4 | 7.5 |
| | Feb | 150.0 | 329.2 | 179.2 | 7.5 |
| | Feb | 200.0 | 477.1 | 277.1 | 7.5 |
| | Mar | 150.0 | 202.3 | 52.3 | 7.5 |
| | May | 150.0 | 201.2 | 51.2 | 7.0 |
| | June | 200.0 | 285.7 | 85.7 | 7.0 |
| | July | 150.0 | 343.5 | 193.5 | 6.9 |
| | Aug | 150.0 | 435.0 | 285.0 | 6.6 |
| | Aug | 200.0 | 522.7 | 322.7 | 6.6 |
| | Sep | 150.0 | 266.3 | 116.3 | 6.2 |
| | Nov | 150.0 | 313.3 | 163.3 | 6.0 |
| | Dec | 200.0 | 624.8 | 424.8 | 5.7 |
| | Dec | 250.0 | 626.5 | 376.5 | 5.9 |
| | **2011** | | | | |
| | Jan | 200.0 | 385.8 | 185.8 | 5.8 |
| | Feb | 200.0 | 376.1 | 176.1 | 5.9 |
| | Feb | 250.0 | 578.6 | 328.6 | 5.9 |
| | Mar | 200.0 | 300.3 | 100.3 | 6.0 |
| | Apr | 150.0 | 528.2 | 378.2 | 6.0 |
| | May | 250.0 | 316.5 | 66.5 | 6.0 |
| | June | 200.0 | 359.3 | 159.3 | 6.1 |
| | June | 250.0 | 624.3 | 374.3 | 6.1 |
| | July | 250.0 | 256.0 | 6.0 | 6.2 |
| | Aug | 250.0 | 630.4 | 380.4 | 6.1 |
| | Aug | 250.0 | 700.8 | 450.8 | 5.9 |
| | Sep | 270.0 | 521.7 | 251.7 | 5.8 |
| | Oct | 250.0 | 688.1 | 438.1 | 5.9 |
| | Nov | 270.0 | 357.5 | 87.5 | 5.8 |
| | Dec | 270.0 | 434.9 | 164.9 | 5.9 |
| | Dec | 250.0 | 472.1 | 222.1 | 5.9 |
| | **2012** | | | | |
| | Jan | 250.0 | 254.1 | 4.1 | 6.0 |
| | Feb | 250.0 | 522.4 | 272.4 | 6.1 |
| | Feb | 250.0 | 284.1 | 34.1 | 6.0 |
| **273 days** | | | | | |
| | **2011** | | | | |
| | Apr | 200.0 | 597.5 | 397.5 | 6.2 |
| | May | 200.0 | 287.0 | 87.0 | 5.2 |
| | June | 200.0 | 635.0 | 435.0 | 6.2 |
| | July | 150.0 | 384.2 | 234.2 | 6.2 |
| | Aug | 200.0 | 793.8 | 593.8 | 6.0 |
| | Sep | 200.0 | 562.0 | 362.0 | 5.8 |
| | Oct | 200.0 | 509.0 | 309.0 | 5.8 |
| | Nov | 200.0 | 571.0 | 371.0 | 5.8 |
| | Dec | 0.0 | 0.0 | 0.0 | 0.0 |
| | **2012** | | | | |
| | Jan | 200.0 | 412.5 | 212.5 | 6.0 |
| | Feb | 200.0 | 475.2 | 275.2 | 6.1 |
| **365 days** | | | | | |
| | **2010** | | | | |
| | Feb | 100.0 | 399.8 | 299.8 | 7.9 |
| | Mar | 100.0 | 174.7 | 74.7 | 7.8 |
| | Apr | 150.0 | 292.4 | 142.4 | 7.3 |
| | May | 150.0 | 275.2 | 125.2 | 7.4 |
| | May | 100.0 | 273.3 | 173.3 | 7.4 |
| | Jun | 130.0 | 205.2 | 75.2 | 7.3 |
| | Jun | 200.0 | 152.2 | -47.8 | 7.3 |
| | Jul | 150.0 | 360.3 | 210.3 | 7.2 |
| | Jul | 100.0 | 209.4 | 109.4 | 7.1 |
| | Aug | 150.0 | 341.6 | 191.6 | 6.9 |
| | Sep | 150.0 | 296.8 | 146.8 | 6.5 |
| | Sep | 150.0 | 249.3 | 99.3 | 6.5 |
| | Oct | 150.0 | 304.5 | 154.5 | 6.4 |
| | Nov | 250.0 | 713.4 | 463.4 | 6.0 |
| | Dec | 200.0 | 618.7 | 418.7 | 5.8 |
| | Dec | 250.0 | 448.8 | 198.8 | 6.0 |
| | **2011** | | | | |
| | Jan | 100.0 | 290.3 | 190.3 | 6.1 |
| | Feb | 150.0 | 386.4 | 236.4 | 6.2 |
| | Mar | 200.0 | 289.9 | 89.9 | 6.3 |
| | Apr | 250.0 | 417.6 | 167.6 | 6.4 |
| | May | 250.0 | 405.5 | 155.5 | 6.4 |
| | May | 200.0 | 373.0 | 173.0 | 6.4 |
| | June | 400.0 | 539.8 | 139.8 | 6.5 |
| | July | 250.0 | 655.4 | 405.4 | 6.5 |
| | July | 200.0 | 510.3 | 310.3 | 6.5 |
| | Aug | 220.0 | 704.0 | 484.0 | 6.2 |
| | Sep | 220.0 | 562.6 | 342.6 | 5.8 |
| | Oct | 200.0 | 497.2 | 297.2 | 5.9 |
| | Nov | 250.0 | 659.1 | 409.1 | 5.9 |
| | Dec | 230.0 | 343.2 | 113.2 | 5.9 |
| | Dec | 200.0 | 326.1 | 126.1 | 6.0 |
| | **2012** | | | | |
| | Jan | 250.0 | 479.8 | 229.8 | 6.0 |
| | Feb | 250.0 | 378.0 | 128.0 | 6.1 |

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## Table III.1 (b) Allotment of Government of Namibia treasury bills - N$ '000

| Date issued | Date due | Deposit Money Banks | Other Banking Institutions | Banking Sector | Non-banking Financial Institutions | Other Public Enterprises | Private Sector | TOTAL | Amount Outstanding |
|---|---|---|---|---|---|---|---|---|---|
| **2010** | | | | | | | | | |
| Jan | 04/10 | 96,120.0 | 0.0 | 96,120.0 | 22,930.0 | 0.0 | 1,310.0 | 120,360.0 | 3,510,360.0 |
| Jan* | 07/10 | 100,000.0 | 0.0 | 100,000.0 | 0.0 | 0.0 | 0.0 | 100,000.0 | 3,510,360.0 |
| Feb | 05/10 | 150,000.0 | 0.0 | 150,000.0 | 0.0 | 0.0 | 0.0 | 150,000.0 | 3,510,360.0 |
| Feb* | 08/10 | 85,840.0 | 0.0 | 85,840.0 | 63,630.0 | 0.0 | 530.0 | 150,000.0 | 3,510,360.0 |
| Feb* | 08/10 | 179,950.0 | 0.0 | 179,950.0 | 19,520.0 | 0.0 | 530.0 | 200,000.0 | 3,510,360.0 |
| Feb** | 02/11 | 83,060.0 | 0.0 | 83,060.0 | 16,940.0 | 0.0 | 0.0 | 100,000.0 | 3,510,360.0 |
| Mar | 06/10 | 140,000.0 | 0.0 | 140,000.0 | 16,640.0 | 0.0 | 0.0 | 156,640.0 | 3,507,000.0 |
| Mar* | 09/10 | 137,670.0 | 0.0 | 137,670.0 | 10,890.0 | 0.0 | 1,440.0 | 150,000.0 | 3,507,000.0 |
| Mar** | 03/11 | 75,170.0 | 0.0 | 75,170.0 | 24,830.0 | 0.0 | 0.0 | 100,000.0 | 3,507,000.0 |
| Apr | 07/10 | 95,120.0 | 0.0 | 95,120.0 | 23,560.0 | 0.0 | 1,320.0 | 120,000.0 | 3,506,640.0 |
| Apr** | 04/11 | 145,000.0 | 0.0 | 145,000.0 | 5,000.0 | 0.0 | 0.0 | 150,000.0 | 3,506,640.0 |
| May | 08/10 | 125,000.0 | 0.0 | 125,000.0 | 25,000.0 | 0.0 | 0.0 | 150,000.0 | 3,506,640.0 |
| May* | 11/10 | 94,730.0 | 0.0 | 94,730.0 | 55,270.0 | 0.0 | 0.0 | 150,000.0 | 3,506,640.0 |
| May** | 05/11 | 136,770.0 | 0.0 | 136,770.0 | 13,130.0 | 0.0 | 100.0 | 150,000.0 | 3,506,640.0 |
| May** | 05/11 | 100,000.0 | 0.0 | 100,000.0 | 0.0 | 0.0 | 0.0 | 100,000.0 | 3,506,640.0 |
| Jun | 09/10 | 159,470.0 | 0.0 | 159,470.0 | 530.0 | 0.0 | 0.0 | 160,000.0 | 3,510,000.0 |
| Jun* | 12/10 | 164,320.0 | 0.0 | 164,320.0 | 35,000.0 | 0.0 | 680.0 | 200,000.0 | 3,510,000.0 |
| Jun** | 06/11 | 130,000.0 | 0.0 | 130,000.0 | 0.0 | 0.0 | 0.0 | 130,000.0 | 3,440,000.0 |
| Jun** | 06/11 | 145,000.0 | 0.0 | 145,000.0 | 6,770.0 | 0.0 | 450.0 | 152,220.0 | 3,462,220.0 |
| Jul | 10/10 | 142,390.0 | 0.0 | 142,390.0 | 7,380.0 | 0.0 | 230.0 | 150,000.0 | 3,492,220.0 |
| Jul* | 01/11 | 149,490.0 | 0.0 | 149,490.0 | 0.0 | 0.0 | 510.0 | 150,000.0 | 3,542,220.0 |
| Jul** | 07/11 | 150,000.0 | 0.0 | 150,000.0 | 0.0 | 0.0 | 0.0 | 150,000.0 | 3,542,220.0 |
| Jul** | 07/11 | 83,900.0 | 0.0 | 83,900.0 | 16,100.0 | 0.0 | 0.0 | 100,000.0 | 3,592,220.0 |
| Aug | 11/10 | 76,500.0 | 0.0 | 76,500.0 | 73,000.0 | 0.0 | 500.0 | 150,000.0 | 3,592,220.0 |
| Aug* | 02/11 | 145,590.0 | 0.0 | 145,590.0 | 4,410.0 | 0.0 | 0.0 | 150,000.0 | 3,592,220.0 |
| Aug* | 02/11 | 199,460.0 | 0.0 | 199,460.0 | 0.0 | 0.0 | 540.0 | 200,000.0 | 3,592,220.0 |
| Aug** | 08/11 | 128,400.0 | 0.0 | 128,400.0 | 21,600.0 | 0.0 | 0.0 | 150,000.0 | 3,592,220.0 |
| Sept | 12/10 | 149,400.0 | 0.0 | 149,400.0 | 50,000.0 | 0.0 | 600.0 | 200,000.0 | 3,632,220.0 |
| Sept* | 03/11 | 143,730.0 | 0.0 | 143,730.0 | 4,800.0 | 0.0 | 1,470.0 | 150,000.0 | 3,632,220.0 |
| Sept** | 09/11 | 63,200.0 | 0.0 | 63,200.0 | 86,800.0 | 0.0 | 0.0 | 150,000.0 | 3,632,220.0 |
| Sept** | 09/11 | 105,660.0 | 0.0 | 105,660.0 | 44,340.0 | 0.0 | 0.0 | 150,000.0 | 3,632,220.0 |
| Oct | 01/11 | 90,000.0 | 0.0 | 90,000.0 | 27,040.0 | 0.0 | 230.0 | 117,270.0 | 3,599,490.0 |
| Oct** | 10/11 | 145,000.0 | 0.0 | 145,000.0 | 5,000.0 | 0.0 | 0.0 | 150,000.0 | 3,649,490.0 |
| Nov | 02/11 | 130,000.0 | 0.0 | 130,000.0 | 20,000.0 | 0.0 | 0.0 | 150,000.0 | 3,649,490.0 |
| Nov* | 05/11 | 149,130.0 | 0.0 | 149,130.0 | 360.0 | 0.0 | 510.0 | 150,000.0 | 3,649,490.0 |
| Nov** | 11/11 | 118,010.0 | 0.0 | 118,010.0 | 131,990.0 | 0.0 | 0.0 | 250,000.0 | 3,649,490.0 |
| Dec | 03/11 | 144,780.0 | 0.0 | 144,780.0 | 55,220.0 | 0.0 | 0.0 | 200,000.0 | 3,649,490.0 |
| Dec* | 06/11 | 60,590.0 | 0.0 | 60,590.0 | 139,410.0 | 0.0 | 0.0 | 200,000.0 | 3,649,490.0 |
| Dec* | 06/11 | 165,000.0 | 0.0 | 165,000.0 | 46,010.0 | 0.0 | 0.0 | 211,010.0 | 4,060,500.0 |
| Dec** | 12/11 | 200,000.0 | 0.0 | 200,000.0 | 0.0 | 0.0 | 0.0 | 200,000.0 | 4,060,500.0 |
| Dec** | 12/11 | 110,000.0 | 0.0 | 110,000.0 | 23,550.0 | 0.0 | 0.0 | 133,550.0 | 3,994,050.0 |
| **2011** | | | | | | | | | |
| Jan | 04/11 | 132,880.0 | 0.0 | 132,880.0 | 16,520.0 | 0.0 | 600.0 | 150,000.0 | 4,026,780.0 |
| Jan* | 07/11 | 189,240.0 | 0.0 | 189,240.0 | 10,000.0 | 0.0 | 760.0 | 200,000.0 | 4,076,780.0 |
| Jan** | 01/12 | 84,670.0 | 0.0 | 84,670.0 | 15,330.0 | 0.0 | 0.0 | 100,000.0 | 4,176,780.0 |
| Feb | 05/11 | 197,000.0 | 0.0 | 197,000.0 | 3,000.0 | 0.0 | 0.0 | 200,000.0 | 4,226,780.0 |
| Feb* | 08/11 | 189,300.0 | 0.0 | 189,300.0 | 10,700.0 | 0.0 | 0.0 | 200,000.0 | 4,276,780.0 |
| Feb* | 08/11 | 238,450.0 | 0.0 | 238,450.0 | 11,550.0 | 0.0 | 0.0 | 250,000.0 | 4,326,780.0 |
| Feb** | 02/12 | 125,160.0 | 0.0 | 125,160.0 | 24,840.0 | 0.0 | 0.0 | 150,000.0 | 4,376,780.0 |
| Mar | 06/11 | 120,000.0 | 0.0 | 120,000.0 | 0.0 | 0.0 | 0.0 | 120,000.0 | 4,296,780.0 |
| Mar* | 09/11 | 177,750.0 | 0.0 | 177,750.0 | 20,760.0 | 0.0 | 1,490.0 | 200,000.0 | 4,346,780.0 |
| Mar** | 03/12 | 166,400.0 | 0.0 | 166,400.0 | 33,600.0 | 0.0 | 0.0 | 200,000.0 | 4,446,780.0 |
| Apr | 07/11 | 193,260.0 | 0.0 | 193,260.0 | 0.0 | 0.0 | 6,740.0 | 200,000.0 | 4,496,780.0 |
| Apr* | 10/11 | 150,000.0 | 0.0 | 150,000.0 | 0.0 | 0.0 | 0.0 | 150,000.0 | 4,646,780.0 |
| Apr*** | 01/12 | 198,850.0 | 0.0 | 198,850.0 | 360.0 | 0.0 | 790.0 | 200,000.0 | 4,846,780.0 |
| Apr** | 04/12 | 207,440.0 | 0.0 | 207,440.0 | 42,560.0 | 0.0 | 0.0 | 250,000.0 | 4,946,780.0 |
| May | 08/11 | 200,000.0 | 0.0 | 200,000.0 | 0.0 | 0.0 | 0.0 | 200,000.0 | 4,946,780.0 |
| May* | 11/11 | 243,230.0 | 0.0 | 243,230.0 | 6,250.0 | 0.0 | 520.0 | 250,000.0 | 5,046,780.0 |
| May*** | 02/12 | 200,000.0 | 0.0 | 200,000.0 | 0.0 | 0.0 | 0.0 | 200,000.0 | 5,246,780.0 |
| May** | 05/12 | 164,990.0 | 0.0 | 164,990.0 | 35,010.0 | 0.0 | 0.0 | 200,000.0 | 5,296,780.0 |
| May** | 05/12 | 200,000.0 | 0.0 | 236,500.0 | 13,500.0 | 0.0 | 0.0 | 250,000.0 | 5,446,780.0 |
| Jun | 09/11 | 123,000.0 | 0.0 | 123,000.0 | 27,000.0 | 0.0 | 0.0 | 150,000.0 | 5,476,780.0 |
| Jun* | 12/11 | 191,440.0 | 0.0 | 191,440.0 | 1,080.0 | 6,990.0 | 490.0 | 200,000.0 | 5,476,780.0 |
| Jun* | 12/11 | 208,710.0 | 0.0 | 208,710.0 | 40,880.0 | 0.0 | 410.0 | 250,000.0 | 5,515,770.0 |
| Jun*** | 03/11 | 199,040.0 | 0.0 | 199,040.0 | 950.0 | 0.0 | 10.0 | 200,000.0 | 5,715,770.0 |
| Jun** | 06/12 | 293,060.0 | 0.0 | 293,060.0 | 106,920.0 | 0.0 | 20.0 | 400,000.0 | 5,833,550.0 |
| Jul | 10/11 | 209,400.0 | 0.0 | 209,400.0 | 10,000.0 | 0.0 | 600.0 | 220,000.0 | 5,853,550.0 |
| Jul* | 01/11 | 224,400.0 | 0.0 | 224,400.0 | 25,000.0 | 0.0 | 600.0 | 250,000.0 | 5,903,550.0 |
| Jul*** | 04/11 | 133,010.0 | 0.0 | 133,010.0 | 16,770.0 | 0.0 | 220.0 | 150,000.0 | 6,053,550.0 |
| Jul** | 07/11 | 189,340.0 | 0.0 | 189,340.0 | 60,220.0 | 0.0 | 440.0 | 250,000.0 | 6,153,550.0 |
| Jul** | 07/11 | 90,000.0 | 0.0 | 90,000.0 | 110,000.0 | 0.0 | 0.0 | 200,000.0 | 6,253,550.0 |
| Aug | 11/11 | 223,870.0 | 0.0 | 223,870.0 | 20,000.0 | 0.0 | 6,130.0 | 250,000.0 | 6,303,550.0 |
| Aug* | 02/11 | 221,740.0 | 0.0 | 221,740.0 | 27,860.0 | 0.0 | 400.0 | 250,000.0 | 6,353,550.0 |
| Aug* | 02/12 | 250,000.0 | 0.0 | 250,000.0 | 0.0 | 0.0 | 0.0 | 250,000.0 | 6,353,550.0 |
| Aug*** | 02/11 | 200,000.0 | 0.0 | 200,000.0 | 0.0 | 0.0 | 0.0 | 200,000.0 | 6,553,550.0 |
| Aug** | 08/11 | 151,400.0 | 0.0 | 151,400.0 | 68,600.0 | 0.0 | 0.0 | 220,000.0 | 6,623,550.0 |
| Sept | 12/11 | 165,000.0 | | 165,000.0 | 15,000.0 | 0.0 | 0.0 | 180,000.0 | 6,653,550.0 |
| Sept* | 03/12 | 228,310.0 | 0.0 | 228,310.0 | 40,180.0 | 0.0 | 1,510.0 | 270,000.0 | 6,723,550.0 |
| Sept*** | 06/12 | 198,000.0 | | 198,000.0 | 2,000.0 | 0.0 | 0.0 | 200,000.0 | 6,923,550.0 |
| Sept** | 09/12 | 220,000.0 | 0.0 | 220,000.0 | | 0.0 | 0.0 | 220,000.0 | 6,993,550.0 |
| Sept** | 09/12 | 140,350.0 | 0.0 | 140,350.0 | 59,650.0 | 0.0 | 0.0 | 200,000.0 | 7,043,550.0 |
| Oct | 01/12 | 211,300.0 | | 211,300.0 | 38,100.0 | 0.0 | 600.0 | 250,000.0 | 7,073,550.0 |
| Oct* | 04/12 | 246,930.0 | 0.0 | 246,930.0 | 2,570.0 | 0.0 | 500.0 | 250,000.0 | 7,173,550.0 |
| Oct*** | 07/12 | 200,000.0 | 0.0 | 200,000.0 | 0.0 | 0.0 | 0.0 | 200,000.0 | 7,373,550.0 |
| Oct** | 10/12 | 141,860.0 | 0.0 | 141,860.0 | 58,140.0 | 0.0 | 0.0 | 200,000.0 | 7,423,550.0 |
| Nov | 02/12 | 233,420.0 | 0.0 | 233,420.0 | 9,600.0 | 0.0 | 6,980.0 | 250,000.0 | 7,523,550.0 |
| Nov* | 05/12 | 257,460.0 | 0.0 | 257,460.0 | 11,760.0 | 0.0 | 780.0 | 270,000.0 | 7,643,550.0 |
| Nov*** | 08/12 | 198,000.0 | 0.0 | 198,000.0 | 2,000.0 | 0.0 | 0.0 | 200,000.0 | 7,593,550.0 |
| Nov** | 11/12 | 228,190.0 | 0.0 | 228,190.0 | 21,810.0 | 0.0 | 0.0 | 250,000.0 | 7,643,550.0 |
| Dec | 03/13 | 225,000.0 | 0.0 | 225,000.0 | 25,000.0 | 0.0 | 0.0 | 250,000.0 | 7,713,550.0 |
| Dec* | 06/12 | 240,000.0 | 0.0 | 240,000.0 | 29,530.0 | 0.0 | 470.0 | 270,000.0 | 7,783,550.0 |
| Dec* | 06/12 | 223,580.0 | 0.0 | 223,580.0 | 26,000.0 | 0.0 | 420.0 | 250,000.0 | 7,783,550.0 |
| Dec*** | 11/12 | 221,800.0 | 0.0 | 221,800.0 | 10,200.0 | 0.0 | 0.0 | 232,000.0 | 8,015,550.0 |
| Dec** | 12/12 | 149,920.0 | 0.0 | 149,920.0 | 50,080.0 | 0.0 | 0.0 | 200,000.0 | 8,015,550.0 |
| Dec** | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7,882,000.0 |
| **2012** | | | | | | | | | |
| Jan | 04/12 | 190,000.0 | 0.0 | 190,000.0 | 11,200.0 | 0.0 | 600.0 | 201,800.0 | 7,833,800.0 |
| Jan* | 07/12 | 185,890.0 | 0.0 | 185,890.0 | 63,500.0 | 0.0 | 610.0 | 250,000.0 | 7,833,800.0 |
| Jan*** | 01/13 | 200,230.0 | 0.0 | 200,230.0 | 49,770.0 | 0.0 | 0.0 | 250,000.0 | 7,883,800.0 |
| Jan** | 10/12 | 158,340.0 | 0.0 | 158,340.0 | 41,660.0 | 0.0 | 0.0 | 200,000.0 | 7,983,800.0 |
| Feb | 05/12 | 211,650.0 | 0.0 | 211,650.0 | 31,600.0 | 0.0 | 6,750.0 | 250,000.0 | 7,983,800.0 |
| Feb* | 08/12 | 221,000.0 | 0.0 | 221,000.0 | 29,000.0 | 0.0 | 0.0 | 250,000.0 | 7,983,800.0 |
| Feb* | 08/12 | 220,910.0 | 0.0 | 220,910.0 | 27,030.0 | 0.0 | 2,060.0 | 250,000.0 | 7,983,800.0 |
| Feb*** | 01/13 | 199,770.0 | 0.0 | 199,770.0 | 230.0 | 0.0 | 0.0 | 200,000.0 | 7,983,800.0 |
| Feb** | 10/12 | 218,330.0 | 0.0 | 218,330.0 | 31,670.0 | 0.0 | 0.0 | 250,000.0 | 8,083,800.0 |

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

E

## Table III.2 (a) Internal registered stock auction - N$ million

| | | Offer | Amount Tendered | Surplus (+) Deficit (-) | Weighted YTM % |
|---|---|---|---|---|---|
| GC12 (10.50%) | | | | | |
| | 2010 | | | | |
| | Jan | 100.0 | 403.4 | 303.4 | 8.2 |
| | Feb | 10.0 | 14.0 | 4.0 | 8.1 |
| GC14 (7.50%) | | | | | |
| | 2011 | | | | |
| | May | 50.0 | 119.4 | 69.4 | 7.7 |
| | Jun | 50.0 | 206.3 | 156.3 | 7.7 |
| | Jul | 50.0 | 125.0 | 75.0 | 7.8 |
| | Aug | 100.0 | 373.2 | 273.2 | 7.3 |
| | Sep | 100.0 | 344.1 | 244.1 | 6.8 |
| | Oct | 100.0 | 269.0 | 169.0 | 6.9 |
| | Nov | 150.0 | 344.5 | 194.5 | 6.8 |
| | Dec | 150.0 | 205.0 | 55.0 | 6.9 |
| | 2012 | | | | |
| | Jan | 150.0 | 392.6 | 242.6 | 7.0 |
| | Feb | 150.0 | 348.2 | 198.2 | 7.0 |
| GC15 (13.00%) | | | | | |
| GC17 (8.00%) | | | | | |
| | 2011 | | | | |
| | May | 50.0 | 60.8 | 10.8 | 9.0 |
| | Jun | 50.0 | 37.6 | -12.4 | 9.0 |
| | Jul | 50.0 | 138.2 | 88.2 | 9.4 |
| | Aug | 50.0 | 176.3 | 126.3 | 8.7 |
| | Sep | 50.0 | 109.0 | 59.0 | 8.1 |
| | Oct | 50.0 | 140.5 | 90.5 | 8.5 |
| | Nov | 80.0 | 23.0 | -57.0 | 8.2 |
| | Dec | 80.0 | 64.0 | -16.0 | 8.3 |
| | 2012 | | | | |
| | Jan | 80.0 | 57.5 | -22.5 | 8.5 |
| | Feb | 80.0 | 107.0 | 27.0 | 8.2 |
| GC18 (9.50%) | | | | | |
| | 2010 | | | | |
| | Jan | 200.0 | 381.6 | 181.6 | 9.5 |
| | Feb | 20.0 | 71.0 | 51.0 | 9.3 |
| | Apr | 20.0 | 88.6 | 68.6 | 8.9 |
| | May | 20.0 | 72.0 | 52.0 | 9.1 |
| | June | 20.0 | 77.8 | 57.8 | 8.9 |
| | July | 20.0 | 62.5 | 42.5 | 8.5 |
| | Aug | 20.0 | 23.0 | 3.0 | 8.3 |
| | Sep | 20.0 | 61.0 | 41.0 | 8.1 |
| | Oct | 20.0 | 74.5 | 54.5 | 8.1 |
| | Nov | 20.0 | 98.0 | 78.0 | 7.9 |
| | Dec | 80.0 | 130.5 | 50.5 | 8.7 |
| | 2011 | | | | |
| | Feb | 100.0 | 34.0 | -66.0 | 9.0 |
| | Mar | 100.0 | 84.9 | -15.2 | 9.6 |
| | Apr | 50.0 | 100.1 | 50.1 | 9.4 |
| | May | 50.0 | 84.5 | 34.5 | 9.2 |
| | Jun | 50.0 | 75.0 | 25.0 | 9.1 |
| | Jul | 50.0 | 98.3 | 48.3 | 9.2 |
| | Aug | 50.0 | 99.2 | 49.2 | 8.9 |
| | Sep | 50.0 | 55.5 | 5.5 | 8.5 |
| | Oct | 50.0 | 206.1 | 156.1 | 8.8 |
| | Nov | 80.0 | 49.8 | -30.2 | 8.5 |
| | Dec | 80.0 | 31.0 | -49.0 | 8.5 |
| | 2012 | | | | |
| | Jan | 80.0 | 117.2 | 37.2 | 8.7 |
| | Feb | 80.0 | 111.0 | 31.0 | 8.5 |
| GC21 (7.75%) | | | | | |
| | 2010 | | | | |
| | Nov | 20.0 | 118.0 | 98.0 | 8.2 |
| | Dec | 80.0 | 114.0 | 34.0 | 8.8 |
| | 2011 | | | | |
| | Jan | 100.0 | 41.0 | -59.0 | 8.9 |
| | Feb | 100.0 | 32.0 | -68.0 | 9.3 |
| | Mar | 100.0 | 102.0 | 2.0 | 9.7 |
| | Apr | 50.0 | 41.0 | -9.0 | 9.5 |
| | May | 50.0 | 89.5 | 39.5 | 9.3 |
| | Jun | 50.0 | 38.8 | -11.2 | 9.2 |
| | Jul | 50.0 | 35.1 | -14.9 | 9.4 |
| | Aug | 20.0 | 37.6 | 17.6 | 8.9 |
| | Sep | 20.0 | 31.9 | 11.9 | 9.03 |
| | Oct | 20.0 | 14.7 | -5.3 | 8.93 |
| | Nov | 20.0 | 27.6 | 7.6 | 9.1 |
| | Dec | 0.0 | 0.0 | 0.0 | 0.0 |
| | 2012 | | | | |
| | Jan | 20.0 | 30.3 | 10.3 | 8.9 |
| | Feb | 20.0 | 61.2 | 41.2 | 8.8 |
| GC24 (10.50%) | | | | | |
| | 2010 | | | | |
| | Jan | 200.0 | 114.0 | -86.0 | 9.7 |
| | Feb | 20.0 | 82.0 | 62.0 | 9.5 |
| | Apr | 20.0 | 57.1 | 37.1 | 8.9 |
| | May | 20.0 | 77.7 | 57.7 | 9.1 |
| | June | 20.0 | 86.2 | 66.2 | 9.0 |
| | July | 20.0 | 55.6 | 35.6 | 8.9 |
| | Aug | 20.0 | 30.6 | 10.6 | 8.4 |
| | Sep | 20.0 | 83.0 | 63.0 | 8.1 |
| | Oct | 20.0 | 65.4 | 45.4 | 8.1 |
| | Nov | 20.0 | 64.4 | 44.4 | 8.3 |
| | Dec | 80.0 | 84.0 | 4.0 | 9.1 |
| | 2011 | | | | |
| | Jan | 100.0 | 22.0 | -78.0 | 9.0 |
| | Apr | 20.0 | 17.5 | -2.5 | 9.6 |
| | May | 20.0 | 17.1 | -3.0 | 9.5 |
| | Jun | 20.0 | 11.5 | -8.5 | 9.6 |
| | Jul | 20.0 | 29.6 | 9.6 | 9.5 |
| | Aug | 10.0 | 20.2 | 10.2 | 8.1 |
| | Sep | 20.0 | 30.0 | 10.0 | 9.3 |
| | Oct | 20.0 | 26.0 | 6.0 | 9.3 |
| | Nov | 20.0 | 27.3 | 7.3 | 9.5 |
| | Dec | 0.0 | 0.0 | 0.0 | 0.0 |
| | 2012 | | | | |
| | Jan | 20.0 | 65.0 | 45.0 | 9.4 |
| GC27 (8.00%) | | | | | |
| | 2011 | | | | |
| | Feb | 100.0 | 20.0 | -80.0 | 9.2 |
| | Mar | 80.0 | 11.0 | -69.0 | 10.0 |
| | Apr | 20.0 | 42.5 | 22.5 | 9.8 |
| | May | 20.0 | 5.0 | -15.0 | 9.6 |
| | Jun | 20.0 | 16.7 | -3.3 | 9.8 |
| | Jul | 20.0 | 11.0 | -9.0 | 9.7 |
| | Aug | 10.0 | 10.0 | 0.0 | 9.3 |
| | Sep | 10.0 | 22.0 | 12.0 | 9.5 |
| | Oct | 10.0 | 4.4 | -5.6 | 9.5 |
| | Nov | 10.0 | 10.0 | 0.0 | 9.6 |
| | Dec | 0.0 | 0.0 | 0.0 | 0.0 |
| | 2012 | | | | |
| | Jan | 20.0 | 25.0 | 5.0 | 9.5 |
| GC30 (8.00%) | | | | | |
| | 2011 | | | | |
| | Feb | 100.0 | 23.0 | -77.0 | 9.3 |
| | Mar | 80.0 | 5.0 | -75.0 | 10.1 |
| | Apr | 20.0 | 22.7 | 2.7 | 10.0 |
| | May | 20.0 | 5.1 | -14.9 | 9.9 |
| | Jun | 20.0 | 7.5 | -12.5 | 0.0 |
| | Jul | 20.0 | 10.1 | -10.0 | 10.0 |
| | Aug | 10.0 | 10.0 | 0.0 | 9.7 |
| | Sep | 10.0 | 11.0 | 1.0 | 9.8 |
| | Oct | 10.0 | 7.4 | -2.6 | 9.9 |
| | Nov | 10.0 | 13.0 | 3.0 | 10.1 |
| | Dec | 0.0 | 0.0 | 0.0 | 0.0 |
| | 2012 | | | | |
| | Jan | 10.0 | 26.1 | 16.1 | 10.0 |

E

## Table III.2 (b) Allotment of Government of Namibia internal registered stock - N$ '000

| Date issued | Date due | Coupon Rate. rate [%] | Deposit Money Banks | Other Banking Institutions | Banking Sector | Non-bank Financial Institutions | Other Public Enterprises | Private Sector | TOTAL | Amount Outstanding |
|---|---|---|---|---|---|---|---|---|---|---|
| **2010** | | | | | | | | | | |
| Jan | 10/12 | 10.50 | 99,420.0 | 0.0 | 99,420.0 | 580.0 | 0.0 | 0.0 | 100,000.0 | 6,766,677.2 |
| Jan | 07/18 | 9.50 | 174,940.0 | 0.0 | 174,940.0 | 8,600.0 | 0.0 | 16,460.0 | 200,000.0 | 6,966,677.2 |
| Jan* | 10/24 | 10.50 | 97,160.0 | 0.0 | 97,160.0 | 0.0 | 0.0 | 4,800.0 | 101,960.0 | 5,318,990.0 |
| Feb | 10/12 | 10.50 | 10,000.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 0.0 | 10,000.0 | 5,328,990.0 |
| Feb | 07/18 | 9.50 | 20,000.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 5,348,990.0 |
| Feb | 10/24 | 10.50 | 20,000.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 5,368,990.0 |
| Apr | 07/18 | 9.50 | 4,720.0 | 14,720.0 | 19,440.0 | 0.0 | 0.0 | 560.0 | 20,000.0 | 5,388,990.0 |
| Apr | 10/24 | 10.50 | 0.0 | 20,000.0 | 20,000.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 5,408,990.0 |
| May | 07/18 | 9.50 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 20,000.0 | 5,428,990.0 |
| May | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 20,000.0 | 5,448,990.0 |
| June | 07/18 | 9.50 | 0.0 | 13,330.0 | 13,330.0 | 6,670.0 | 0.0 | 0.0 | 20,000.0 | 5,468,990.0 |
| June | 10/24 | 10.50 | 0.0 | 20,000.0 | 20,000.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 5,488,990.0 |
| July | 07/18 | 9.50 | 0.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 20,000.0 | 5,508,990.0 |
| July | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 20,000.0 | 5,528,990.0 |
| Aug | 07/18 | 9.50 | 20,000.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 5,548,990.0 |
| Aug | 10/24 | 10.50 | 19,400.0 | 0.0 | 19,400.0 | 0.0 | 0.0 | 600.0 | 20,000.0 | 5,568,990.0 |
| Sep | 07/18 | 9.50 | 15,000.0 | 0.0 | 15,000.0 | 0.0 | 5,000.0 | 0.0 | 20,000.0 | 5,588,990.0 |
| Sep | 10/24 | 10.50 | 5,460.0 | 0.0 | 5,460.0 | 0.0 | 14,540.0 | 0.0 | 20,000.0 | 5,608,990.0 |
| Oct | 07/18 | 9.50 | 15,000.0 | 0.0 | 15,000.0 | 5,000.0 | 0.0 | 0.0 | 20,000.0 | 5,628,990.0 |
| Oct | 10/24 | 10.50 | 15,000.0 | 0.0 | 15,000.0 | 5,000.0 | 0.0 | 0.0 | 20,000.0 | 5,648,990.0 |
| Nov | 07/18 | 9.50 | 5,000.0 | 10,000.0 | 15,000.0 | 5,000.0 | 0.0 | 0.0 | 20,000.0 | 5,668,990.0 |
| Nov | 10/21 | 7.75 | 10,670.0 | 0.0 | 10,670.0 | 9,330.0 | 0.0 | 0.0 | 20,000.0 | 5,688,990.0 |
| Nov | 10/24 | 10.50 | 10,000.0 | 5,870.0 | 15,870.0 | 3,730.0 | 0.0 | 400.0 | 20,000.0 | 5,708,990.0 |
| Dec | 07/18 | 9.50 | 58,000.0 | 0.0 | 58,000.0 | 26,500.0 | 35,000.0 | 0.0 | 119,500.0 | 5,828,490.0 |
| Dec | 10/21 | 7.75 | 41,000.0 | 0.0 | 41,000.0 | 14,000.0 | 25,000.0 | 0.0 | 80,000.0 | 5,908,490.0 |
| Dec | 10/24 | 10.50 | 26,000.0 | 0.0 | 26,000.0 | 14,000.0 | 40,000.0 | 0.0 | 80,000.0 | 5,988,490.0 |
| **2011** | | | | | | | | | | |
| Jan | 10/21 | 7.75 | 24,000.0 | 0.0 | 24,000.0 | 0.0 | 0.0 | 0.0 | 24,000.0 | 6,012,490.0 |
| Jan | 10/24 | 10.50 | 10,000.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 0.0 | 10,000.0 | 6,022,490.0 |
| Feb | 07/18 | 9.50 | 14,000.0 | 15,000.0 | 29,000.0 | 0.0 | 0.0 | 0.0 | 29,000.0 | 6,051,490.0 |
| Feb | 10/21 | 7.75 | 24,000.0 | 0.0 | 24,000.0 | 3,000.0 | 0.0 | 0.0 | 27,000.0 | 6,078,490.0 |
| Feb | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 20,000.0 | 6,098,490.0 |
| Feb | 01/30 | 8.00 | 0.0 | 0.0 | 0.0 | 23,000.0 | 0.0 | 0.0 | 23,000.0 | 6,121,490.0 |
| Mar | 07/18 | 9.50 | 14,000.0 | 0.0 | 14,000.0 | 8,000.0 | 0.0 | 300.0 | 22,300.0 | 6,143,790.0 |
| Mar | 10/21 | 7.75 | 23,000.0 | 0.0 | 23,000.0 | 11,000.0 | 0.0 | 0.0 | 34,000.0 | 6,177,790.0 |
| Mar | 01/27 | 8.00 | 10,000.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 0.0 | 10,000.0 | 6,187,790.0 |
| Mar | 01/30 | 8.00 | 5,000.0 | 0.0 | 5,000.0 | 0.0 | 0.0 | 0.0 | 5,000.0 | 6,192,790.0 |
| Apr | 07/28 | 9.50 | 28,870.0 | 0.0 | 28,870.0 | 21,000.0 | 0.0 | 130.0 | 50,000.0 | 6,242,790.0 |
| Apr | 10/21 | 7.75 | 0.0 | 0.0 | 0.0 | 14,950.0 | 5,000.0 | 0.0 | 19,950.0 | 6,262,740.0 |
| Apr | 10/24 | 10.50 | 15,000.0 | 0.0 | 15,000.0 | 2,500.0 | 0.0 | 0.0 | 17,500.0 | 6,280,240.0 |
| Apr | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 20,000.0 | 6,300,240.0 |
| Apr | 01/30 | 8.00 | 7,000.0 | 0.0 | 7,000.0 | 10,000.0 | 0.0 | 700.0 | 17,700.0 | 6,317,940.0 |
| May | 07/14 | 7.50 | 0.0 | 0.0 | 0.0 | 50,000.0 | 0.0 | 0.0 | 50,000.0 | 6,367,940.0 |
| May | 10/17 | 8.00 | 36,340.0 | 0.0 | 36,340.0 | 13,410.0 | 0.0 | 250.0 | 50,000.0 | 6,417,940.0 |
| May | 07/18 | 9.50 | 50,000.0 | 0.0 | 50,000.0 | 0.0 | 0.0 | 0.0 | 50,000.0 | 6,467,940.0 |
| May | 10/21 | 7.75 | 40,000.0 | 0.0 | 40,000.0 | 10,000.0 | 0.0 | 0.0 | 50,000.0 | 6,517,940.0 |
| May | 10/24 | 10.50 | 5,000.0 | 0.0 | 5,000.0 | 10,550.0 | 0.0 | 0.0 | 15,550.0 | 6,533,490.0 |
| May | 01/27 | 8.00 | 5,000.0 | 0.0 | 5,000.0 | 0.0 | 0.0 | 0.0 | 5,000.0 | 6,538,490.0 |
| May | 01/30 | 8.00 | 5,000.0 | 0.0 | 5,000.0 | 0.0 | 0.0 | 100.0 | 5,100.0 | 6,543,590.0 |
| Jun | 07/14 | 7.50 | 50,000.0 | 0.0 | 50,000.0 | 0.0 | 0.0 | 0.0 | 50,000.0 | 6,593,590.0 |
| Jun | 10/17 | 8.00 | 17,600.0 | 10,000.0 | 27,600.0 | 10,000.0 | 0.0 | 0.0 | 37,600.0 | 6,631,190.0 |
| Jun | 07/18 | 9.50 | 40,670.0 | 0.0 | 40,670.0 | 9,330.0 | 0.0 | 0.0 | 50,000.0 | 6,681,190.0 |
| Jun | 10/21 | 7.75 | 35,000.0 | 0.0 | 35,000.0 | 3,510.0 | 0.0 | 300.0 | 38,810.0 | 6,720,000.0 |
| Jun | 10/24 | 10.50 | 5,000.0 | 0.0 | 5,000.0 | 5,000.0 | 0.0 | 500.0 | 10,500.0 | 6,730,500.0 |
| Jun | 01/27 | 8.00 | 10,000.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 0.0 | 10,000.0 | 6,740,500.0 |
| Jun | 01/30 | 8.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6,740,500.0 |
| Jul | 10/17 | 8.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6,790,500.0 |
| Jul | 07/18 | 9.50 | 8,000.0 | 0.0 | 8,000.0 | 8,260.0 | 0.0 | 0.0 | 16,260.0 | 6,806,760.0 |
| Jul | 10/21 | 7.75 | 0.0 | 0.0 | 0.0 | 17,090.0 | 0.0 | 0.0 | 17,090.0 | 6,823,850.0 |
| Jul | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 19,400.0 | 0.0 | 600.0 | 20,000.0 | 6,843,850.0 |
| Jul | 01/27 | 9.00 | 0.0 | 0.0 | 0.0 | 5,000.0 | 0.0 | 0.0 | 5,000.0 | 6,848,850.0 |
| Jul | 01/30 | 8.00 | 0.0 | 0.0 | 0.0 | 5,000.0 | 0.0 | 50.0 | 5,050.0 | 6,853,900.0 |
| Aug | 07/14 | 7.50 | 60,000.0 | 1,000.0 | 61,000.0 | 10,000.0 | 29,000.0 | 0.0 | 100,000.0 | 6,953,900.0 |
| Aug | 07/18 | 9.50 | 20,000.0 | 0.0 | 20,000.0 | 0.0 | 30,000.0 | 0.0 | 50,000.0 | 7,003,900.0 |
| Aug | 10/21 | 7.75 | 42,000.0 | 0.0 | 42,000.0 | 0.0 | 8,000.0 | 0.0 | 50,000.0 | 7,053,900.0 |
| Aug | 10/24 | 10.50 | 10,000.0 | 0.0 | 10,000.0 | 10,000.0 | 0.0 | 0.0 | 20,000.0 | 7,073,900.0 |
| Aug | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 9,800.0 | 0.0 | 200.0 | 10,000.0 | 7,083,900.0 |
| Aug | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 10,000.0 | | 0.0 | 10,000.0 | 7,093,900.0 |
| Aug | 01/30 | 8.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7,093,900.0 |
| Sep | 07/14 | 7.50 | 55,000.0 | 0.0 | 55,000.0 | 12,080.0 | 32,920.0 | 0.0 | 100,000.0 | 7,193,900.0 |
| Sep | 10/17 | 8.00 | 50,000.0 | 0.0 | 50,000.0 | 0.0 | 0.0 | 0.0 | 50,000.0 | 7,243,900.0 |
| Sep | 07/18 | 9.50 | 10,000.0 | 0.0 | 10,000.0 | 15,000.0 | 25,000.0 | 0.0 | 50,000.0 | 7,293,900.0 |
| Sep | 10/21 | 7.75 | 20,000.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 0.0 | 20,000.0 | 7,313,900.0 |
| Sep | 10/24 | 10.50 | 2,500.0 | 0.0 | 2,500.0 | 7,500.0 | 0.0 | 0.0 | 10,000.0 | 7,323,900.0 |
| Sep | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 10,000.0 | 7,333,900.0 |
| Sep | 01/30 | 8.00 | 4,000.0 | 0.0 | 4,000.0 | 0.0 | 0.0 | 0.0 | 4,000.0 | 7,337,900.0 |
| Oct | 07/14 | 7.50 | 53,000.0 | 0.0 | 53,000.0 | 97,000.0 | 0.0 | 0.0 | 150,000.0 | 7,487,900.0 |
| Oct | 10/17 | 8.00 | 35,000.0 | 0.0 | 35,000.0 | 44,760.0 | 0.0 | 240.0 | 80,000.0 | 7,567,900.0 |
| Oct | 07/18 | 9.50 | 38,070.0 | 0.0 | 38,070.0 | 38,650.0 | 0.0 | 3,280.0 | 80,000.0 | 7,647,900.0 |
| Oct | 10/21 | 7.75 | 4,700.0 | 0.0 | 4,700.0 | 3,000.0 | 0.0 | 0.0 | 7,700.0 | 7,655,600.0 |
| Oct | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 20,000.0 | 7,675,600.0 |
| Oct | 01/27 | 8.00 | 2,400.0 | 0.0 | 2,400.0 | 0.0 | 0.0 | 0.0 | 2,400.0 | 7,678,000.0 |
| Oct | 01/30 | 8.00 | 4,000.0 | 0.0 | 4,000.0 | 1,000.0 | 0.0 | 420.0 | 5,420.0 | 7,683,420.0 |
| Nov | 07/14 | 7.50 | 125,000.0 | 0.0 | 125,000.0 | 20,000.0 | 0.0 | 5,000.0 | 150,000.0 | 7,833,420.0 |
| Nov | 10/17 | 8.00 | 10,000.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 0.0 | 10,000.0 | 7,843,420.0 |
| Nov | 07/18 | 9.50 | 28,000.0 | 0.0 | 28,000.0 | 0.0 | 0.0 | 0.0 | 28,000.0 | 7,871,420.0 |
| Nov | 10/21 | 7.75 | 9,540.0 | 0.0 | 9,540.0 | 10,460.0 | 0.0 | 0.0 | 20,000.0 | 7,891,420.0 |
| Nov | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 20,000.0 | 7,911,420.0 |
| Nov | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 10,000.0 | 7,921,420.0 |
| Nov | 01/30 | 8.00 | 0.0 | 0.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 10,000.0 | 7,931,420.0 |
| Dec | 07/14 | 7.50 | 125,000.0 | 0.0 | 125,000.0 | 25,000.0 | 0.0 | 0.0 | 150,000.0 | 8,081,420.0 |
| Dec | 10/17 | 8.00 | 37,000.0 | 0.0 | 37,000.0 | 10,000.0 | 0.0 | 0.0 | 47,000.0 | 8,128,420.0 |
| Dec | 07/18 | 9.50 | 18,000.0 | 0.0 | 18,000.0 | 0.0 | 0.0 | 1,000.0 | 19,000.0 | 8,147,420.0 |
| Dec | 10/21 | 7.75 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,147,420.0 |
| Dec | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,147,420.0 |
| Dec | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,147,420.0 |
| Dec | 01/30 | 8.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,147,420.0 |
| **2012** | | | | | | | | | | |
| Jan | 07/14 | 7.50 | 50,000.0 | | 50,000.0 | 100,000.0 | 0.0 | | 150,000.0 | 8,297,420.0 |
| Jan | 10/17 | 8.00 | 32,500.0 | 0.0 | 32,500.0 | 25,000.0 | 0.0 | 0.0 | 57,500.0 | 8,354,920.0 |
| Jan | 07/18 | 9.50 | 28,500.0 | 0.0 | 28,500.0 | 51,500.0 | 0.0 | 0.0 | 80,000.0 | 8,434,920.0 |
| Jan | 10/21 | 7.75 | 12,100.0 | 0.0 | 12,100.0 | 7,900.0 | 0.0 | 0.0 | 20,000.0 | 8,454,920.0 |
| Jan | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 20,000.0 | 0.0 | 0.0 | 20,000.0 | 8,474,920.0 |
| Jan | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 10,000.0 | 0.0 | 0.0 | 10,000.0 | 8,484,920.0 |
| Jan | 01/30 | 8.00 | 100.0 | 0.0 | 100.0 | 9,900.0 | 0.0 | 0.0 | 10,000.0 | 8,494,920.0 |
| Feb | 07/14 | 7.50 | 121,000.0 | 0.0 | 121,000.0 | 9,000.0 | 20,000.0 | 0.0 | 150,000.0 | 8,644,920.0 |
| Feb | 10/17 | 8.00 | 10,000.0 | 0.0 | 10,000.0 | 16,000.0 | 10,000.0 | 0.0 | 36,000.0 | 8,680,920.0 |
| Feb | 07/18 | 9.50 | 40,000.0 | 0.0 | 40,000.0 | 17,500.0 | 20,000.0 | 2,500.0 | 80,000.0 | 8,760,920.0 |
| Feb | 10/21 | 7.75 | 7,000.0 | 0.0 | 7,000.0 | 13,000.0 | 0.0 | 0.0 | 20,000.0 | 8,780,920.0 |
| Feb | 10/24 | 10.50 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,780,920.0 |
| Feb | 01/27 | 8.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,780,920.0 |
| Feb | 01/30 | 8.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8,780,920.0 |

*Redemption of GC10

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## Table III.3: Central Government revenue and expenditure - N$ million

| | | | Estimates | | | Projections | |
|---|---|---|---|---|---|---|---|
| | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
| **Revenue** | | | | | | | |
| Tax on income and profits | 7,354.0 | 8,136.6 | 9,910.4 | 10,412.1 | 11,593.8 | 13,282.9 | 15,687.2 |
| Taxes on properties | 167.0 | 221.9 | 138.5 | 233.1 | 282.4 | 307.2 | 333.9 |
| Domestic taxes on goods and services | 3,712.0 | 5,162.3 | 5,284.7 | 7,393.9 | 7,850.7 | 8,642.3 | 9,872.3 |
| Tax on international trade (SACU) | 8,501.8 | 8,585.2 | 5,975.9 | 7,137.0 | 13,795.8 | 11,036.4 | 11,661.6 |
| Other taxes | 150.0 | 166.7 | 208.4 | 229.8 | 288.5 | 318.0 | 349.6 |
| **Total tax revenue** | **19,884.8** | **22,272.7** | **21,518.0** | **25,405.8** | **33,811.2** | **33,586.8** | **37,904.6** |
| **Total non-tax revenue** | **1,348.6** | **1,568.5** | **1,697.9** | **1,402.4** | **1,564.5** | **1,624.4** | **1,724.0** |
| **Return on capital from lending & equity partc.** | **33.5** | **4.6** | **4.2** | **20.4** | **19.7** | **20.3** | **17.1** |
| **Total revenue (own sources)** | **21,233.4** | **23,841.2** | **23,220.1** | **26,828.6** | **35,395.4** | **35,231.5** | **39,645.7** |
| **Grants** | **82.9** | **200.8** | **23.5** | **24.2** | **24.9** | **25.7** | **26.5** |
| **Total revenue and grants** | **21,316.3** | **24,042.0** | **23,243.6** | **26,852.8** | **35,420.4** | **35,257.2** | **39,672.2** |
| **Expenditure** | | | | | | | |
| **Operational expenditure** | **17,994.0** | **19,411.0** | **22,411.0** | **27,801.1** | **31,045.0** | **31,167.4** | **29,363.7** |
| **Development expenditure** | **2,646.7** | **4,147.6** | **4,143.1** | **8,070.0** | **6,715.7** | **7,150.9** | **7,040.9** |
| **Statutory Excluding Interests** | **255.8** | **154.0** | **33.2** | **14.8** | **202.0** | **202.0** | **202.0** |
| Domestic Interest Payments | 952.1 | 1,063.0 | 880.2 | 1,117.1 | 1,810.2 | 2,034.5 | 3,114.9 |
| Foreign Interest Payments | 158.2 | 133.3 | 85.2 | 162.7 | 384.1 | 446.3 | 468.6 |
| **Interest Payments** | **1,110.3** | **1,196.4** | **965.5** | **1,279.8** | **2,194.3** | **2,480.8** | **3,583.5** |
| **Total expenditure** | **22,006.8** | **24,908.9** | **27,552.7** | **37,165.8** | **40,157.0** | **41,001.1** | **40,190.1** |
| **Budget balance** | **-690.5** | **-867.0** | **-4,309.1** | **-10,313.0** | **-4,736.6** | **-5,743.9** | **-517.9** |
| **Domestic Debt Stock** | **9,761.7** | **8,875.0** | **10,639.5** | **17,240.0** | **19,376.6** | **25,120.5** | **25,638.4** |
| **Foreign Debt Stock (est.)** | **3,733.8** | **3,046.5** | **3,253.9** | **7,681.7** | **8,925.8** | **9,372.1** | **9,840.7** |
| **Total debt** | **13,495.4** | **11,921.5** | **13,893.4** | **24,921.7** | **28,302.4** | **34,492.6** | **35,479.1** |

Source: Mininistry of Finance

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

| | 2007 | 2008 | 2009 | 2010(p) | 2011(p) |
|---|---|---|---|---|---|
| **Merchandise trade balance** | **-1 214** | **-5 434** | **-10 338** | **-6 510** | **-8 979** |
| Exports fob | 20 571 | 26 355 | 26 276 | 29 364 | 31 674 |
| Imports fob | -21 780 | -31 789 | -36 614 | -35 874 | -40 653 |
| **Services (net)** | **607** | **-346** | **601** | **1 421** | **1 599** |
| Credit | 4 217 | 4 572 | 5 446 | 6 534 | **6 830** |
| Debit | -3 610 | -4 918 | -4 845 | -5 113 | **-5 231** |
| **Compensation of employees (net)** | **-16** | **-241** | **-34** | **-139** | **-233** |
| Credit | 67 | 67 | 67 | 67 | 67 |
| Debit | -83 | -308 | -101 | -206 | -300 |
| **Investment income (net)** | **-1 115** | **-1 004** | **-1 111** | **-3 574** | **-3 565** |
| Credit | 1 850 | 2 367 | 1 935 | 1 275 | 1 484 |
| Debit | -2 965 | -3 371 | -3 046 | -4 850 | -5 049 |
| **Current transfers in cash and kind (net)** | **7 052** | **9 282** | **10 618** | **9 022** | **9 595** |
| Credit | 7 417 | 9 762 | 11 245 | 9 659 | 10 169 |
| Debit | -365 | -480 | -628 | -636 | -575 |
| **Current Account Balance** | **5 318** | **2 252** | **-271** | **215** | **-1 587** |
| **Net capital transfers** | **586** | **629** | **558** | **808** | **1 353** |
| Credit | 590 | 633 | 628 | 878 | 1 426 |
| Debit | -3 | -3 | -70 | -70 | -74 |
| **Direct investment** | **5 144** | **5 908** | **4 700** | **5 183** | **6 556** |
| Abroad | -20 | -42 | 24 | -33 | 23 |
| In Namibia | 5 164 | 5 950 | 4 676 | 5 216 | 6 533 |
| **Portfolio investment** | **-10 372** | **-8 427** | **-4 984** | **-5 210** | **-1 706** |
| Assets | -10 417 | -8 470 | -5 028 | -5 252 | -5 663 |
| Liabilities | 44 | 42 | 44 | 42 | 3 957 |
| **Other investment - long term** | **-1 223** | **2 156** | **2 653** | **336** | **1 249** |
| Assets | -42 | -27 | -398 | -156 | 172 |
| Liabilities | -1 181 | 2 183 | 3 051 | 492 | 1 077 |
| **Other investment - short term** | **1 213** | **-1 344** | **-3 793** | **-3 448** | **-3 466** |
| Assets | 942 | -621 | -2 659 | -3 298 | -2 864 |
| Liabilities | 270 | -723 | -1 134 | -150 | -602 |
| **Capital and financial account excluding reserves** | **-4652** | **-1 077** | **-328** | **-2 331** | **3 986** |
| **Net errors and omissions** | **1 999** | **-1 175** | **1 687** | **-1 725** | **1 764** |
| **Overall balance** | **4 029** | **6 213** | **1 088** | **-3 840** | **4 164** |
| **Reserve assets** | **-4 029** | **-6 213** | **-1 088** | **3 840** | **-4 164** |

(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)

| | 2007 | 2008 | 2009 | 2010 (p) | 2011 (p) |
|---|---|---|---|---|---|
| **Services, net** | **607** | **-346** | **601** | **1 421** | **1 599** |
| **Credit** | **4 217** | **4 572** | **5 446** | **6 534** | **6 830** |
| Transportation | 843 | 960 | 973 | 995 | 1 040 |
| Travel | 3 058 | 3 121 | 3 374 | 3 206 | 3 751 |
| Insurance | 36 | 26 | 24 | 42 | 43 |
| Communication | 105 | 105 | 105 | 105 | 105 |
| Construction | 0 | 0 | 0 | 0 | 0 |
| Financial | 0 | 154 | 21 | 21 | 20 |
| Computer and information | 9 | 1 | 11 | 9 | 4 |
| Royalties and license fees | 0 | 0 | 0 | 0 | 0 |
| Administrative and business | 4 | 10 | 2 | 0 | 1 |
| Professional and technical | 10 | 22 | 6 | 35 | 39 |
| Others not included elsewhere | 15 | 38 | 795 | 1 983 | 1 690 |
| Government | 136 | 136 | 136 | 136 | 136 |
| **Debit** | **-3 610** | **-4 918** | **-4 845** | **-5 113** | **-5 231** |
| Transportation | -1 696 | -1 933 | -1 640 | -1 597 | -1 945 |
| Travel | -931 | -933 | -997 | -1 052 | -1 492 |
| Insurance | -182 | -110 | -214 | -240 | -245 |
| Communication | -2 | -2 | -2 | -1 | -2 |
| Construction | -64 | -201 | -880 | -385 | -293 |
| Financial | -35 | -41 | 8 | -109 | -16 |
| Computer and information | -110 | -155 | -249 | -230 | -221 |
| Royalties and license fees | -14 | -143 | -47 | -56 | -52 |
| Administrative and business | -214 | -293 | -208 | -235 | -190 |
| Professional and technical | -221 | -371 | -380 | -750 | -457 |
| Others not included elsewhere | -83 | -677 | -333 | -398 | -259 |
| Government | -59 | -59 | -59 | -59 | -59 |

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

| | 2007 | 2008 | 2009 | 2010 (p) | 2011 (p) |
|---|---|---|---|---|---|
| **Compensation of employees, net** | **-16** | **-241** | **-34** | **-139** | **-233** |
| Credit | 67 | 67 | 67 | 67 | 67 |
| Debit | -83 | -308 | -101 | -206 | -300 |
| **Investment income, net** | **-1 115** | **-1 004** | **-1 111** | **-3 574** | **-3 565** |
| **Credit** | **1 850** | **2 367** | **1 935** | **1 275** | **1 484** |
| Direct investment | 6 | 45 | 2 | 18 | -12 |
| Portfolio investment | 1 432 | 1 673 | 1 484 | 1 053 | 1 385 |
| Other investment | 413 | 648 | 449 | 203 | 111 |
| **Debit** | **-2 965** | **-3 371** | **-3 046** | **-4 850** | **-5 049** |
| Direct investment | -2 612 | -2 996 | -2 643 | -4 544 | -4 715 |
| Portfolio investment | -170 | -170 | -170 | -170 | -170 |
| Other investment | -184 | -206 | -233 | -136 | -164 |

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

| | 2007 | 2008 | 2009 | 2010 (p) | 2011 (p) |
|---|---|---|---|---|---|
| **Current transfers, net** | **7 052** | **9 282** | **10 618** | **9 022** | **9 595** |
| **Credit** | **7 415** | **9 762** | **11 245** | **9 659** | **10 169** |
| | | | | | |
| Government | 7 254 | 9 594 | 11 078 | 9 513 | 10 021 |
| Grants from foreign governments etc | 264 | 1 352 | 591 | 2 363 | 3 015 |
| SACU receipts | 6 752 | 7 920 | 8 564 | 6 861 | 6 638 |
| Witholding taxes | 122 | 189 | 168 | 143 | 212 |
| Other transfers received | 117 | 133 | 146 | 147 | 156 |
| | | | | | |
| Private | 161 | 168 | 168 | 145 | 148 |
| Grants received by NGO's | 40 | 47 | 46 | 24 | 27 |
| Other transfers received | 121 | 121 | 121 | 121 | 121 |
| | | | | | |
| **Debit** | **-365** | **-480** | **-628** | **-636** | **-575** |
| | | | | | |
| Government | -338 | -453 | -601 | -609 | -548 |
| Grants to foreign governments etc | -19 | -17 | -17 | -17 | -17 |
| SACU receipts | -320 | -436 | -584 | -592 | -531 |
| 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 |
| | | | | | |
| **Capital transfers, net** | **586** | **629** | **558** | **808** | **1 353** |
| **Credit** | **590** | **633** | **628** | **878** | **1 426** |
| | | | | | |
| Government | 564 | 607 | 602 | 852 | 1 400 |
| Private | 26 | 26 | 26 | 26 | 26 |
| | | | | | |
| **Debit** | **-3** | **-3** | **-70** | **-70** | **-74** |
| | | | | | |
| Government | 0 | 0 | -66 | -66 | -70 |
| Private | -3 | -3 | -3 | -3 | -3 |

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

| | 2007 | 2008 | 2009 | 2010 (p) | 2011 (p) |
|---|---|---|---|---|---|
| **Direct investment abroad** | **-20** | **-42** | **24** | **-33** | **23** |
| Equity capital | -20 | 2 | 2 | -21 | 29 |
| Reinvested earnings | 3 | -20 | 10 | -9 | 18 |
| Other capital | -3 | -24 | 12 | -3 | -24 |
| **Direct investment in Namibia** | **5 164** | **5 950** | **4 676** | **5 216** | **6 533** |
| Equity capital | 3 952 | 2 623 | 275 | 66 | 220 |
| Reinvested earnings | 1 318 | 1 115 | 1 627 | 3 205 | 2 538 |
| Other capital | -106 | 2 213 | 2 774 | 1 944 | 3 774 |

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

| | 2007 | 2008 | 2009 | 2010(p) | 2011(p) |
|---|---|---|---|---|---|
| **Portfolio investment, net** | **-10 372** | **-8 427** | **-4 984** | **-5 210** | **-1 706** |
| **Equity** | **-8 453** | **-6 226** | **-4 536** | **-2 884** | **-2 425** |
| Assets | -8 485 | -6 258 | -4 567 | -2 915 | -2 456 |
| Liabilities | 32 | 32 | 31 | 31 | 31 |
| | | | | | |
| **Debt** | **-1 919** | **-2 201** | **-448** | **-2 326** | **719** |
| Assets | -1 931 | -2 211 | -461 | -2 337 | -3 207 |
| Liabilities | 12 | 10 | 13 | 10 | 3 926 |

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

| | 2007 | 2008 | 2009 | 2010 (p) | 2011 (p) |
|---|---|---|---|---|---|
| **Long-term, net** | **-1 223** | **2 156** | **2 653** | **336** | **1 249** |
| General Government | 8 | 8 | -99 | 128 | 221 |
| Assets | -40 | -40 | -40 | -40 | -40 |
| Liabilities | 48 | 47 | -59 | 168 | 260 |
| Of which: Drawings | 183 | 196 | 521 | 381 | 413 |
| Repayments | -135 | -149 | -580 | -213 | -153 |
| Monetary authorities | 0 | 0 | 1 564 | -38 | -61 |
| Assets | 0 | 0 | 80 | 0 | 0 |
| Liabilities | 0 | 0 | 1 483 | -38 | -61 |
| Banks | -14 | -22 | -994 | -428 | -10 |
| Assets | 3 | -15 | -523 | -430 | -10 |
| Liabilities | -17 | -6 | -471 | 1 | 0 |
| Other sectors | -1 218 | 2 170 | 2 182 | 674 | 1 099 |
| Assets | -5 | 28 | 85 | 314 | 221 |
| Liabilities | -1 212 | 2 142 | 1 798 | 361 | 878 |
| **Short-term, net** | **1 213** | **-1 344** | **-3 255** | **-3 448** | **-3 466** |
| General Government | 0 | 0 | 0 | 0 | 0 |
| Assets | 0 | 0 | 0 | 0 | 0 |
| Liabilities | 0 | 0 | 0 | 0 | 0 |
| Banks | 1 213 | -37 | -3 378 | -3 236 | -4 499 |
| Assets | 1 284 | -129 | -2 705 | -3 599 | -4 504 |
| Liabilities | -71 | 92 | -673 | 362 | 5 |
| Other sectors | 0 | -1 307 | 123 | -211 | 1 033 |
| Assets | -342 | -492 | 66 | 301 | 1 640 |
| Liabilities | 342 | -815 | 57 | -513 | -607 |

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## Table IV.H International foreign exchange reserves stock (N$ million)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January | 2 078 | 2 320 | 3 258 | 2 907 | 2 614 | 2 164 | 2 521 | 4 545 | 8 266 | 14 841 | 14 521 | 11 252 |
| February | 1 938 | 2 005 | 3 054 | 2 454 | 1 935 | 1 874 | 2 571 | 4 248 | 8 592 | 14 516 | 14 462 | 10 635 |
| March | 1 638 | 1 923 | 2 705 | 2 081 | 1 751 | 1 786 | 2 253 | 5 603 | 8 696 | 13 832 | 12 875 | 9 183 |
| April | 2 136 | 2 189 | 2 566 | 2 183 | 2 276 | 2 213 | 2 934 | 6 216 | 9 730 | 14 370 | 13 495 | 10 721 |
| May | 1 948 | 1 880 | 2 396 | 1 959 | 1 787 | 1 957 | 2 785 | 5 659 | 9 254 | 13 814 | 12 770 | 10 870 |
| June | 1 865 | 1 950 | 2 317 | 2 032 | 1 678 | 1 744 | 2 494 | 5 312 | 9 470 | 13 156 | 12 314 | 10 939 |
| July | 2 347 | 2 664 | 3 373 | 2 016 | 1 881 | 2 240 | 3 111 | 7 074 | 11 556 | 14 135 | 12 255 | 11 793 |
| August | 1 865 | 2 281 | 3 220 | 1 798 | 1 853 | 2 001 | 2 593 | 6 276 | 10 499 | 15 070 | 11 878 | 11 219 |
| September | 2 069 | 1 962 | 2 905 | 2 080 | 1 731 | 1 617 | 2 877 | 5 679 | 10 781 | 14 720 | 11 634 | 10 708 |
| October | 2 141 | 2 303 | 2 834 | 2 198 | 2 075 | 2 070 | 3 883 | 6 481 | 13 629 | 15 827 | 11 605 | 11 885 |
| November | 1 936 | 2 382 | 2 392 | 2 015 | 1 891 | 1 762 | 3 392 | 6 008 | 12 801 | 14 351 | 10 152 | 14 954 |
| December | 1 976 | 2 699 | 2 797 | 2 044 | 1 847 | 1 861 | 2 939 | 6 500 | 12 713 | 13 828 | 10 208 | 14 508 |

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

| | 2010 (p) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | | | Q2 | | | Q3 | | | Q4 | | |
| | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total |
| **Foreign assets** | **55,457** | **13,864** | **69,321** | **56,022** | **14,006** | **70,028** | **58,346** | **14,586** | **72,932** | **55,218** | **13,804** | **69,022** |
| **Direct investment** | **422** | **105** | **527** | **226** | **57** | **283** | **257** | **64** | **322** | **268** | **67** | **335** |
| 1.1 Equity capital | 124 | 31 | 155 | 126 | 32 | 158 | 160 | 40 | 200 | 171 | 43 | 214 |
| 1.2 Other capital | 297 | 74 | 372 | 100 | 25 | 125 | 98 | 24 | 122 | 97 | 24 | 121 |
| Long-term | 166 | 42 | 208 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-term | 131 | 33 | 164 | 100 | 25 | 125 | 98 | 24 | 122 | 97 | 24 | 121 |
| **Portfolio investment** | **30,214** | **4,556** | **34,770** | **30,424** | **3,325** | **33,749** | **32,682** | **4,034** | **36,717** | **28,997** | **4,490** | **33,487** |
| 2.1 Equity securities | 13,649 | 3,858 | 17,507 | 13,750 | 2,612 | 16,362 | 15,455 | 3,281 | 18,735 | 11,801 | 3,667 | 15,468 |
| 2.2 Debt securities | 16,565 | 698 | 17,263 | 16,674 | 713 | 17,386 | 17,228 | 754 | 17,981 | 17,196 | 823 | 18,019 |
| **Other investment** | **16,919** | **4,230** | **21,149** | **18,945** | **4,736** | **23,682** | **19,408** | **4,852** | **24,260** | **19,994** | **4,998** | **24,992** |
| 3.1 Claims of resident non-bank companies | 687 | 172 | 858 | 1,004 | 251 | 1,255 | 514 | 128 | 642 | 2,273 | 568 | 2,841 |
| 3.1.1 Short-term loans and trade finance | 396 | 99 | 495 | 877 | 219 | 1,096 | 400 | 100 | 500 | 2,197 | 549 | 2,746 |
| 3.1.2 Long-term loans | 290 | 73 | 363 | 127 | 32 | 159 | 114 | 28 | 142 | 77 | 19 | 96 |
| **3.2 Claims of resident banks** | **863** | **216** | **1,079** | **1,766** | **441** | **2,207** | **2,601** | **650** | **3,252** | **2,273** | **568** | **2,841** |
| 3.2.1 Short-term loans | 809 | 202 | 1,011 | 1,715 | 429 | 2,144 | 2,488 | 622 | 3,110 | 2,197 | 549 | 2,746 |
| 3.2.2 Long-term loans | 54 | 14 | 68 | 51 | 13 | 63 | 114 | 28 | 142 | 77 | 19 | 96 |
| **3.3 Claims of resident parastatal companies** | **74** | **18** | **92** | **74** | **18** | **92** | **73** | **18** | **92** | **73** | **18** | **92** |
| 3.3.1 Short-term loans and trade finance | 71 | 18 | 88 | 71 | 18 | 88 | 70 | 18 | 88 | 70 | 18 | 88 |
| 3.3.2 Long-term loans | 3 | 1 | 4 | 3 | 1 | 4 | 3 | 1 | 4 | 3 | 1 | 4 |
| **3.4 Claims of local government authorities** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| 3.4.1 Short-term loans and trade finance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.4.2 Long-term loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **3.5 Claims of central government** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| 3.5.1 Long-term loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **3.6 Currency and deposits reported by Namibian banks** | **12,442** | **3,110** | **15,552** | **10,456** | **2,614** | **13,070** | **10,637** | **2,659** | **13,296** | **9,388** | **2,347** | **11,736** |
| **3.7 Other assets** | 2,854 | 713 | 3,567 | 5,646 | 1,412 | 7,058 | 5,582 | 1,396 | 6,978 | 5,986 | 1,496 | 7,482 |
| 3.7.1 Other assets NES* | 2,854 | 713 | 3,567 | 5,646 | 1,412 | 7,058 | 5,582 | 1,396 | 6,978 | 5,986 | 1,496 | 7,482 |
| **Reserve Assets** | **10,300** | **2,575** | **12,875** | **9,851** | **2,463** | **12,314** | **9,307** | **2,327** | **11,634** | **8,167** | **2,042** | **10,208** |
| 4.1 Monetary gold | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.2 Special drawing rights | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reserve position in the IMF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Foreign exchange | 10,300 | 2,575 | 12,875 | 9,851 | 2,463 | 12,314 | 9,307 | 2,327 | 11,634 | 8,167 | 2,042 | 10,208 |
| 4.5 Other assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | 2011 (p) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | | | Q2 | | | Q3 | | | Q4 | | |
| | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total |
| **Foreign assets** | **56,541** | **14,135** | **70,677** | **57,831** | **14,458** | **72,289** | **60,736** | **15,184** | **75,920** | **66,119** | **16,530** | **82,649** |
| **Direct investment** | **237** | **59** | **296** | **252** | **63** | **314** | **254** | **64** | **318** | **108** | **47** | **237** |
| 1.1 Equity capital | 164 | 41 | 205 | 173 | 43 | 216 | 173 | 43 | 217 | 36 | 9 | 44 |
| 1.2 Other capital | 73 | 18 | 91 | 79 | 20 | 99 | 81 | 20 | 101 | 72 | 39 | 193 |
| Long-term | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-term | 73 | 18 | 91 | 79 | 20 | 99 | 81 | 20 | 101 | 154 | 39 | 193 |
| **Portfolio investment** | **30,682** | **4,827** | **35,509** | **29,772** | **4,636** | **34,408** | **30,915** | **8,778** | **39,693** | **28,061** | **8,206** | **36,267** |
| 2.1 Equity securities | 13,489 | 4,027 | 17,516 | 13,908 | 4,000 | 17,908 | 14,333 | 7,684 | 22,017 | 14,546 | 7,647 | 22,193 |
| 2.2 Debt securities | 17,193 | 800 | 17,993 | 15,864 | 636 | 16,500 | 16,582 | 1,094 | 17,676 | 13,515 | 559 | 14,074 |
| **Other investment** | **20,551** | **5,138** | **25,689** | **21,301** | **5,325** | **26,627** | **20,161** | **5,040** | **25,202** | **8,139** | **6,327** | **31,637** |
| 3.1 Claims of resident non-bank companies | 646 | 161 | 807 | 714 | 179 | 893 | 734 | 184 | 918 | 709 | 177 | 886 |
| 3.1.1 Short-term loans and trade finance | 468 | 117 | 584 | 552 | 138 | 690 | 586 | 146 | 732 | 504 | 126 | 630 |
| 3.1.2 Long-term loans | 178 | 45 | 223 | 163 | 41 | 203 | 148 | 37 | 185 | 205 | 51 | 256 |
| **3.2 Claims of resident banks** | **2,593** | **648** | **3,242** | **1,752** | **438** | **2,190** | **2,197** | **549** | **2,746** | **3,644** | **911** | **4,555** |
| 3.2.1 Short-term loans | 2,519 | 630 | 3,148 | 1,673 | 418 | 2,091 | 2,116 | 529 | 2,644 | 3,562 | 891 | 4,453 |
| 3.2.2 Long-term loans | 75 | 19 | 94 | 79 | 20 | 99 | 81 | 20 | 102 | 82 | 21 | 103 |
| **3.3 Claims of resident parastatal companies** | **74** | **18** | **92** | **74** | **18** | **92** | **73** | **18** | **92** | **73** | **18** | **92** |
| 3.3.1 Short-term loans and trade finance | 70 | 18 | 88 | 70 | 18 | 88 | 70 | 18 | 88 | 70 | 18 | 88 |
| 3.3.2 Long-term loans | 3 | 1 | 4 | 3 | 1 | 4 | 3 | 1 | 4 | 3 | 1 | 4 |
| **3.4 Claims of local government authorities** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| 3.4.1 Short-term loans and trade finance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.4.2 Long-term loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **3.5 Claims of central government** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| 3.5.1 Long-term loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **3.6 Currency and deposits reported by Namibian banks** | **11,224** | **2,806** | **14,030** | **11,920** | **2,980** | **14,900** | **14,045** | **3,511** | **17,556** | **18** | **4,297** | **21,485** |
| **3.7 Other assets** | 6,014 | 1,504 | 7,518 | 6,842 | 1,710 | 8,552 | 3,112 | 778 | 3,890 | 3,695 | 924 | 4,619 |
| 3.7.1 Other assets NES* | 6,014 | 1,504 | 7,518 | 6,842 | 1,710 | 8,552 | 3,112 | 778 | 3,890 | 3,695 | 924 | 4,619 |
| **Reserve Assets** | **7,346** | **1,837** | **9,183** | **8,751** | **2,188** | **10,939** | **8,566** | **2,142** | **10,708** | **11,606** | **2,902** | **14,508** |
| 4.1 Monetary gold | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.2 Special drawing rights | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reserve position in the IMF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Foreign exchange | 7,346 | 1,837 | 9,183 | 8,751 | 2,188 | 10,939 | 8,566 | 2,142 | 10,708 | 11,606 | 2,902 | 14,508 |
| 4.5 Other assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

| | 2010 (p) | | | | | | | | | | | | 2011 (p) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | | | Q2 | | | Q3 | | | Q4 | | | Q1 | | | Q2 | | | Q3 | | | Q4 | | |
| | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total | South Africa | Others | Total |
| **Foreign liabilities** | **26,431** | **8,952** | **35,383** | **27,924** | **9,247** | **37,171** | **20,887** | **7,545** | **28,432** | **34,434** | **10,884** | **45,318** | **35,825** | **11,419** | **47,244** | **38,339** | **12,018** | **50,357** | **39,774** | **12,991** | **52,765** | **36,999** | **15,321** | **52,320** |
| **Direct investment** | **22,310** | **5,578** | **27,888** | **23,866** | **5,967** | **29,833** | **16,442** | **4,111** | **20,553** | **28,298** | **7,074** | **35,372** | **29,897** | **7,474** | **37,371** | **32,203** | **8,051** | **40,254** | **33,419** | **8,355** | **41,773** | **30,420** | **7,605** | **38,025** |
| 1.1 Equity capital | 13,714 | 3,428 | 17,142 | 13,969 | 3,492 | 17,461 | 9,207 | 2,302 | 11,508 | 18,815 | 4,704 | 23,518 | 18,377 | 4,594 | 22,971 | 16,557 | 4,139 | 20,697 | 15,627 | 3,907 | 19,534 | 15,718 | 3,930 | 19,648 |
| 1.2 Other capital | 8,597 | 2,149 | 10,746 | 9,897 | 2,474 | 12,371 | 7,236 | 1,809 | 9,045 | 9,483 | 2,371 | 11,854 | 11,520 | 2,880 | 14,400 | 15,646 | 3,912 | 19,558 | 17,792 | 4,448 | 22,239 | 14,701 | 3,675 | 18,377 |
| Long-term | 7,714 | 1,928 | 9,642 | 8,713 | 2,178 | 10,891 | 6,414 | 1,603 | 8,017 | 8,571 | 2,143 | 10,714 | 10,610 | 2,653 | 13,263 | 10,828 | 2,707 | 13,535 | 13,004 | 3,251 | 16,255 | 13,523 | 3,381 | 16,904 |
| Short-term | 883 | 221 | 1,104 | 1,184 | 296 | 1,480 | 822 | 206 | 1,028 | 912 | 228 | 1,140 | 910 | 227 | 1,137 | 4,818 | 1,205 | 6,023 | 4,788 | 1,197 | 5,985 | 1,178 | 295 | 1,473 |
| **Portfolio investment** | **467** | **117** | **584** | **467** | **117** | **584** | **467** | **117** | **584** | **467** | **117** | **584** | **467** | **117** | **584** | **467** | **117** | **584** | **467** | **117** | **584** | **878** | **3,220** | **4,098** |
| 2.1 Equity securities | 78 | 20 | 98 | 78 | 20 | 98 | 78 | 20 | 98 | 78 | 20 | 98 | 78 | 20 | 98 | 78 | 20 | 98 | 78 | 20 | 98 | 78 | 20 | 98 |
| 2.2 Debt securities | 389 | 97 | 486 | 389 | 97 | 486 | 389 | 97 | 486 | 389 | 97 | 486 | 389 | 97 | 486 | 389 | 97 | 486 | 389 | 97 | 486 | 800 | 3,200 | 4,000 |
| **Other Investment** | **3,653** | **3,257** | **6,911** | **3,590** | **3,164** | **6,754** | **3,978** | **3,318** | **7,295** | **5,669** | **3,693** | **9,361** | **5,460** | **3,828** | **9,289** | **5,669** | **3,851** | **9,519** | **5,888** | **4,519** | **10,408** | **5,701** | **4,496** | **10,197** |
| 3.1 Liabilities of resident non-bank companies | 417 | 104 | 522 | 513 | 128 | 641 | 436 | 109 | 545 | 1,793 | 448 | 2,241 | 2,107 | 527 | 2,634 | 2,235 | 559 | 2,794 | 2,464 | 616 | 3,080 | 2,102 | 525 | 2,627 |
| 3.1.1 Short-term loans | 314 | 79 | 393 | 395 | 99 | 494 | 396 | 99 | 494 | 545 | 136 | 681 | 655 | 164 | 818 | 677 | 169 | 846 | 943 | 236 | 1,178 | 638 | 160 | 798 |
| 3.1.2 Long-term loans | 103 | 26 | 129 | 117 | 29 | 146 | 40 | 10 | 50 | 1,248 | 312 | 1,560 | 1,453 | 363 | 1,816 | 1,558 | 390 | 1,948 | 1,522 | 380 | 1,902 | 1,464 | 366 | 1,829 |
| 3.2 Liabilities of resident banks | 713 | 178 | 891 | 579 | 145 | 724 | 953 | 238 | 1,191 | 1,280 | 320 | 1,599 | 827 | 207 | 1,034 | 852 | 213 | 1,065 | 736 | 184 | 920 | 822 | 205 | 1,027 |
| 3.2.1 Short-term loans | 629 | 157 | 786 | 496 | 124 | 620 | 871 | 218 | 1,088 | 1,197 | 299 | 1,496 | 744 | 186 | 931 | 770 | 192 | 962 | 654 | 164 | 818 | 740 | 185 | 925 |
| 3.2.2 Long-term loans | 84 | 21 | 105 | 83 | 21 | 104 | 82 | 21 | 103 | 82 | 21 | 103 | 83 | 21 | 103 | 83 | 21 | 103 | 82 | 20 | 102 | 81 | 20 | 102 |
| 3.3 Liabilities of resident parastatal companies | 1,255 | 314 | 1,569 | 1,165 | 291 | 1,456 | 1,121 | 280 | 1,401 | 1,121 | 280 | 1,401 | 1,111 | 278 | 1,389 | 1,111 | 278 | 1,389 | 1,111 | 278 | 1,389 | 1,111 | 278 | 1,389 |
| 3.3.1 Short-term loans and trade finance | 155 | 39 | 194 | 169 | 42 | 211 | 169 | 42 | 211 | 169 | 42 | 211 | 155 | 39 | 194 | 155 | 39 | 194 | 155 | 39 | 194 | 155 | 39 | 194 |
| 3.3.2 Long-term loans | 1,100 | 275 | 1,375 | 996 | 249 | 1,245 | 952 | 238 | 1,190 | 952 | 238 | 1,190 | 956 | 239 | 1,195 | 956 | 239 | 1,195 | 956 | 239 | 1,195 | 956 | 239 | 1,195 |
| 3.4 Liabilities of local government authorities | 231 | 58 | 289 | 231 | 58 | 289 | 231 | 58 | 289 | 231 | 58 | 289 | 231 | 58 | 289 | 232 | 58 | 290 | 232 | 58 | 290 | 232 | 58 | 290 |
| 3.4.1 Short-term loans and trade finance | 2 | 1 | 3 | 2 | 1 | 3 | 2 | 1 | 3 | 2 | 1 | 3 | 2 | 1 | 3 | 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 | 229 | 57 | 287 | 229 | 57 | 287 | 229 | 57 | 287 | 229 | 57 | 287 |
| 3.5 Liabilities of central government | 609 | 2,437 | 3,047 | 586 | 2,344 | 2,930 | 609 | 2,438 | 3,047 | 597 | 2,389 | 2,986 | 647 | 2,590 | 3,237 | 639 | 2,556 | 3,195 | 781 | 3,125 | 3,906 | 783 | 3,134 | 3,917 |
| 3.5.1 Long-term loans | 609 | 2,437 | 3,047 | 586 | 2,344 | 2,930 | 609 | 2,438 | 3,047 | 597 | 2,389 | 2,986 | 647 | 2,590 | 3,237 | 639 | 2,556 | 3,195 | 781 | 3,125 | 3,906 | 783 | 3,134 | 3,917 |
| 3.6 Currency and deposits reported by Namibian banks | 412 | 103 | 515 | 498 | 125 | 623 | 617 | 154 | 772 | 638 | 159 | 797 | 527 | 132 | 659 | 589 | 147 | 736 | 532 | 133 | 666 | 615 | 154 | 769 |
| 3.7 Liabilities of EPZ companies | 16 | 63 | 79 | 18 | 74 | 92 | 10 | 40 | 51 | 10 | 38 | 48 | 9 | 38 | 47 | 10 | 39 | 49 | 31 | 125 | 157 | 35 | 142 | 177 |
| 3.7.1 Short-term loans and trade finance | 7 | 29 | 37 | 10 | 40 | 50 | 2 | 7 | 8 | 1 | 4 | 6 | 8 | 32 | 40 | 7 | 29 | 36 | 6 | 25 | 31 | 7 | 27 | 34 |
| 3.7.2 Long-term loans | 8 | 34 | 42 | 8 | 34 | 42 | 8 | 34 | 42 | 8 | 34 | 42 | 1 | 6 | 7 | 3 | 11 | 14 | 25 | 100 | 126 | 29 | 115 | 144 |
| 3.8 Other liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.8.1 Short-term loans and trade finance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.8.2 Long-term 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 |
| **Net Foreign Assets (+)/Liabilities(-)** | **27,150** | **6,788** | **33,938** | **26,285** | **6,571** | **32,857** | **35,600** | **8,900** | **44,500** | **18,963** | **4,741** | **23,704** | **20,717** | **2,716** | **23,433** | **19,492** | **2,439** | **21,931** | **20,962** | **2,193** | **23,155** | **29,120** | **1,209** | **30,330** |

* Not else where specified e.g. re-insurance,  bonds etc.



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## Table IV.J Foreign exchange rates - Foreign currency per Namibia Dollar
## Period averages

| Period | | US Dollar | UK Pound | Japan Yen | Switzerland Franc | EU ECU |
|---|---|---|---|---|---|---|
| 2005 | Jan | 0.168 | 0.089 | 17.301 | 0.197 | 0.128 |
| | Feb | 0.166 | 0.088 | 17.422 | 0.198 | 0.128 |
| | Mar | 0.166 | 0.087 | 17.483 | 0.195 | 0.126 |
| | Apr | 0.163 | 0.086 | 17.452 | 0.194 | 0.126 |
| | May | 0.158 | 0.085 | 16.835 | 0.192 | 0.124 |
| | Jun | 0.148 | 0.081 | 16.103 | 0.187 | 0.122 |
| | Jul | 0.149 | 0.085 | 16.694 | 0.193 | 0.124 |
| | Aug | 0.155 | 0.086 | 17.094 | 0.195 | 0.126 |
| | Sep | 0.157 | 0.087 | 17.452 | 0.199 | 0.128 |
| | Oct | 0.152 | 0.086 | 17.452 | 0.196 | 0.126 |
| | Nov | 0.150 | 0.087 | 17.794 | 0.197 | 0.127 |
| | Dec | 0.157 | 0.090 | 18.657 | 0.205 | 0.133 |
| 2006 | Jan | 0.164 | 0.093 | 18.939 | 0.210 | 0.135 |
| | Feb | 0.163 | 0.094 | 19.268 | 0.213 | 0.137 |
| | Mar | 0.160 | 0.092 | 18.762 | 0.209 | 0.133 |
| | Apr | 0.165 | 0.093 | 19.305 | 0.211 | 0.134 |
| | May | 0.158 | 0.085 | 17.668 | 0.193 | 0.124 |
| | Jun | 0.144 | 0.078 | 16.474 | 0.177 | 0.113 |
| | Jul | 0.141 | 0.077 | 16.313 | 0.175 | 0.111 |
| | Aug | 0.144 | 0.076 | 16.667 | 0.177 | 0.112 |
| | Sep | 0.135 | 0.072 | 15.798 | 0.168 | 0.106 |
| | Oct | 0.126 | 0.067 | 14.929 | 0.159 | 0.100 |
| | Nov | 0.117 | 0.063 | 14.060 | 0.150 | 0.094 |
| | Dec | 0.109 | 0.058 | 13.191 | 0.141 | 0.087 |
| 2007 | Jan | 0.139 | 0.071 | 16.750 | 0.173 | 0.107 |
| | Feb | 0.139 | 0.071 | 16.807 | 0.173 | 0.107 |
| | Mar | 0.136 | 0.070 | 15.949 | 0.166 | 0.103 |
| | Apr | 0.140 | 0.071 | 16.667 | 0.170 | 0.104 |
| | May | 0.142 | 0.072 | 17.212 | 0.174 | 0.105 |
| | Jun | 0.139 | 0.070 | 17.094 | 0.172 | 0.104 |
| | Jul | 0.143 | 0.071 | 17.422 | 0.173 | 0.105 |
| | Aug | 0.138 | 0.069 | 16.129 | 0.166 | 0.102 |
| | Sep | 0.140 | 0.070 | 16.129 | 0.166 | 0.101 |
| | Oct | 0.148 | 0.072 | 17.094 | 0.173 | 0.104 |
| | Nov | 0.149 | 0.072 | 16.584 | 0.168 | 0.102 |
| | Dec | 0.146 | 0.072 | 16.420 | 0.167 | 0.101 |
| 2008 | Jan | 0.143 | 0.073 | 15.456 | 0.158 | 0.097 |
| | Feb | 0.131 | 0.067 | 14.025 | 0.143 | 0.089 |
| | Mar | 0.125 | 0.063 | 12.642 | 0.127 | 0.081 |
| | Apr | 0.128 | 0.065 | 13.141 | 0.130 | 0.081 |
| | May | 0.131 | 0.067 | 13.661 | 0.137 | 0.084 |
| | Jun | 0.126 | 0.064 | 13.477 | 0.131 | 0.081 |
| | Jul | 0.131 | 0.066 | 13.966 | 0.134 | 0.083 |
| | Aug | 0.131 | 0.069 | 14.265 | 0.141 | 0.087 |
| | Sep | 0.124 | 0.069 | 13.263 | 0.138 | 0.087 |
| | Oct | 0.103 | 0.061 | 10.373 | 0.118 | 0.077 |
| | Nov | 0.099 | 0.064 | 9.579 | 0.118 | 0.078 |
| | Dec | 0.101 | 0.068 | 9.166 | 0.115 | 0.075 |
| 2009 | Jan | 0.101 | 0.070 | 9.132 | 0.114 | 0.076 |
| | Feb | 0.100 | 0.069 | 9.234 | 0.116 | 0.078 |
| | Mar | 0.100 | 0.070 | 9.775 | 0.116 | 0.077 |
| | Apr | 0.111 | 0.075 | 10.953 | 0.127 | 0.084 |
| | May | 0.119 | 0.077 | 11.547 | 0.132 | 0.088 |
| | Jun | 0.124 | 0.076 | 11.990 | 0.134 | 0.089 |
| | Jul | 0.126 | 0.077 | 11.891 | 0.136 | 0.089 |
| | Aug | 0.126 | 0.076 | 11.933 | 0.135 | 0.088 |
| | Sep | 0.133 | 0.081 | 12.151 | 0.138 | 0.091 |
| | Oct | 0.134 | 0.083 | 12.063 | 0.137 | 0.090 |
| | Nov | 0.133 | 0.080 | 11.848 | 0.135 | 0.089 |
| | Dec | 0.134 | 0.082 | 11.976 | 0.137 | 0.091 |
| 2010 | Jan | 0.134 | 0.083 | 12.255 | 0.139 | 0.094 |
| | Feb | 0.129 | 0.083 | 11.779 | 0.140 | 0.095 |
| | Mar | 0.135 | 0.089 | 12.195 | 0.144 | 0.099 |
| | Apr | 0.136 | 0.089 | 12.706 | 0.145 | 0.101 |
| | May | 0.131 | 0.089 | 12.077 | 0.148 | 0.104 |
| | Jun | 0.131 | 0.089 | 11.876 | 0.147 | 0.107 |
| | Jul | 0.133 | 0.087 | 11.614 | 0.140 | 0.104 |
| | Aug | 0.137 | 0.088 | 11.710 | 0.143 | 0.106 |
| | Sep | 0.140 | 0.090 | 11.820 | 0.141 | 0.107 |
| | Oct | 0.145 | 0.091 | 11.820 | 0.140 | 0.104 |
| | Nov | 0.143 | 0.090 | 11.820 | 0.141 | 0.105 |
| | Dec | 0.146 | 0.094 | 12.195 | 0.142 | 0.111 |
| 2011 | Jan | 0.145 | 0.092 | 11.962 | 0.139 | 0.109 |
| | Feb | 0.139 | 0.086 | 11.481 | 0.132 | 0.102 |
| | Mar | 0.145 | 0.090 | 11.834 | 0.133 | 0.103 |
| | Apr | 0.149 | 0.091 | 12.392 | 0.134 | 0.103 |
| | May | 0.146 | 0.089 | 11.834 | 0.127 | 0.102 |
| | Jun | 0.147 | 0.091 | 11.848 | 0.124 | 0.102 |
| | Jul | 0.147 | 0.091 | 11.682 | 0.121 | 0.103 |
| | Aug | 0.142 | 0.087 | 10.917 | 0.111 | 0.099 |
| | Sep | 0.133 | 0.084 | 10.204 | 0.116 | 0.096 |
| | Oct | 0.126 | 0.080 | 9.320 | 0.113 | 0.092 |
| | Nov | 0.123 | 0.078 | 9.506 | 0.111 | 0.090 |
| | Dec | 0.122 | 0.078 | 9.515 | 0.114 | 0.093 |

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## Table IV.K Effective exchange rate indices

| | | Nominal effective exchange rate indices | | | Real effective exchange rate indices | | |
|---|---|---|---|---|---|---|---|
| | | Import trade weighted | Export trade weighted | Total trade weighted | Import trade weighted | Export trade weighted | Total trade weighted |
| 1991 | | 106.5 | 234.1 | 152.4 | 41.0 | 108.6 | 63.9 |
| 1992 | | 106.1 | 228.1 | 150.3 | 42.5 | 115.8 | 67.0 |
| 1993 | | 105.6 | 227.2 | 149.6 | 41.9 | 119.9 | 67.6 |
| 1994 | | 104.9 | 213.0 | 144.8 | 42.5 | 118.9 | 67.9 |
| 1995 | | 104.4 | 204.4 | 141.7 | 43.0 | 120.0 | 68.6 |
| 1996 | | 103.6 | 187.2 | 135.6 | 43.1 | 113.9 | 67.0 |
| 1997 | | 103.4 | 178.4 | 132.6 | 100.7 | 157.3 | 123.3 |
| 1998 | | 102.4 | 159.7 | 125.3 | 99.2 | 144.4 | 117.6 |
| 1999 | | 101.8 | 150.2 | 121.5 | 100.4 | 142.9 | 117.9 |
| 2000 | | 100.7 | 119.3 | 108.3 | 101.1 | 119.5 | 108.6 |
| 2001 | | 99.1 | 91.1 | 95.3 | 102.3 | 96.9 | 99.7 |
| 2002 | | 97.8 | 61.2 | 78.8 | 103.3 | 89.2 | 96.6 |
| 2003 | | 99.1 | 90.4 | 95.3 | 119.2 | 107.2 | 102.4 |
| 2004 | | 99.6 | 93.2 | 97.2 | 135.5 | 113.1 | 100.3 |
| 2005 | Jan | 99.9 | 95.9 | 98.5 | 106.2 | 102.4 | 93.2 |
| | Feb | 99.9 | 95.4 | 98.3 | 106.1 | 101.9 | 93.0 |
| | Mar | 99.8 | 94.9 | 98.0 | 103.6 | 100.1 | 91.8 |
| | Apr | 99.8 | 94.1 | 97.7 | 103.7 | 99.2 | 91.4 |
| | May | 99.7 | 93.5 | 97.3 | 102.4 | 97.9 | 90.7 |
| | Jun | 99.4 | 91.1 | 96.1 | 102.6 | 95.7 | 89.8 |
| | Jul | 99.6 | 93.4 | 97.2 | 103.1 | 98.5 | 90.8 |
| | Aug | 99.7 | 94.2 | 97.7 | 104.1 | 99.8 | 91.4 |
| | Sep | 99.8 | 94.9 | 98.0 | 106.3 | 101.5 | 92.8 |
| | Oct | 99.7 | 94.4 | 97.7 | 105.0 | 100.4 | 91.7 |
| | Nov | 99.7 | 94.7 | 97.9 | 105.9 | 101.1 | 92.0 |
| | Dec | 99.9 | 97.2 | 99.0 | 107.0 | 104.2 | 94.0 |
| 2006 | Jan | 100.1 | 99.0 | 99.9 | 107.5 | 106.6 | 94.0 |
| | Feb | 100.2 | 99.4 | 100.1 | 107.5 | 107.1 | 94.2 |
| | Mar | 100.0 | 98.1 | 99.5 | 107.6 | 105.7 | 93.6 |
| | Apr | 100.1 | 99.1 | 100.0 | 107.3 | 106.6 | 94.0 |
| | May | 99.7 | 93.5 | 97.4 | 106.5 | 100.2 | 91.3 |
| | Jun | 99.1 | 88.2 | 94.8 | 105.9 | 94.5 | 88.8 |
| | Jul | 99.1 | 87.7 | 94.6 | 106.0 | 94.3 | 88.4 |
| | Aug | 99.1 | 87.6 | 94.5 | 107.6 | 94.8 | 88.7 |
| | Sep | 98.8 | 84.4 | 92.9 | 108.5 | 91.8 | 87.4 |
| | Oct | 98.6 | 83.0 | 92.2 | 109.2 | 90.6 | 86.9 |
| | Nov | 99.4 | 85.1 | 93.5 | 111.2 | 93.2 | 88.5 |
| | Dec | 98.9 | 85.2 | 93.4 | 110.0 | 93.0 | 88.4 |
| 2007 | Jan | 99.0 | 87.2 | 94.4 | 111.4 | 96.2 | 89.3 |
| | Feb | 98.8 | 84.8 | 93.1 | 111.4 | 93.5 | 88.3 |
| | Mar | 98.6 | 83.1 | 92.3 | 111.2 | 91.7 | 87.3 |
| | Apr | 98.8 | 84.8 | 93.2 | 111.4 | 93.7 | 87.9 |
| | May | 98.9 | 85.2 | 93.4 | 111.8 | 94.2 | 88.0 |
| | Jun | 98.8 | 84.3 | 93.0 | 111.6 | 93.3 | 87.5 |
| | Jul | 98.9 | 84.2 | 92.9 | 112.3 | 93.9 | 87.3 |
| | Aug | 98.7 | 82.6 | 92.1 | 113.1 | 92.5 | 86.7 |
| | Sep | 98.7 | 83.0 | 92.3 | 113.5 | 93.2 | 86.8 |
| | Oct | 98.9 | 60.4 | 93.4 | 113.6 | 67.7 | 87.6 |
| | Nov | 98.9 | 60.1 | 93.2 | 114.3 | 67.6 | 87.6 |
| | Dec | 98.8 | 60.1 | 93.2 | 113.5 | 67.5 | 87.4 |
| 2008 | Jan | 98.7 | 59.8 | 93.0 | 122.4 | 68.2 | 87.4 |
| | Feb | 98.2 | 56.5 | 90.6 | 121.3 | 64.3 | 85.1 |
| | Mar | 97.7 | 54.0 | 88.8 | 117.8 | 60.7 | 82.4 |
| | Apr | 97.9 | 55.1 | 89.7 | 123.2 | 63.2 | 84.0 |
| | May | 98.1 | 56.2 | 90.5 | 123.4 | 64.4 | 84.6 |
| | Jun | 97.9 | 54.9 | 89.5 | 123.6 | 63.1 | 83.6 |
| | Jul | 98.0 | 53.3 | 90.2 | 126.2 | 62.2 | 84.2 |
| | Aug | 98.2 | 57.2 | 91.4 | 127.1 | 66.7 | 85.2 |
| | Sep | 98.1 | 56.7 | 91.1 | 127.7 | 66.1 | 85.1 |
| | Oct | 97.2 | 51.4 | 87.5 | 127.8 | 60.3 | 81.9 |
| | Nov | 97.2 | 53.7 | 88.3 | 129.3 | 63.3 | 82.8 |
| | Dec | 97.1 | 54.5 | 89.0 | 129.3 | 64.4 | 83.8 |
| 2009 | Jan | 97.2 | 55.5 | 89.7 | 140.9 | 68.3 | 88.0 |
| | Feb | 97.3 | 55.5 | 89.7 | 139.5 | 67.9 | 87.5 |
| | Mar | 97.3 | 55.9 | 90.1 | 139.8 | 68.5 | 87.5 |
| | Apr | 97.8 | 58.7 | 92.1 | 141.4 | 72.1 | 89.5 |
| | May | 98.1 | 59.9 | 93.0 | 142.3 | 73.5 | 90.4 |
| | Jun | 98.2 | 59.5 | 92.7 | 142.6 | 73.1 | 90.2 |
| | Jul | 98.2 | 59.9 | 93.0 | 143.6 | 74.0 | 90.3 |
| | Aug | 98.2 | 59.6 | 92.8 | 145.2 | 74.0 | 90.5 |
| | Sep | 98.5 | 61.7 | 94.4 | 145.2 | 76.5 | 91.7 |
| | Oct | 98.5 | 62.0 | 94.6 | 146.2 | 77.1 | 92.2 |
| | Nov | 98.4 | 61.0 | 93.9 | 146.5 | 75.8 | 91.6 |
| | Dec | 98.5 | 61.9 | 94.5 | 144.9 | 76.5 | 92.0 |
| 2010 | Jan | 98.6 | 62.5 | 94.9 | 149.7 | 78.4 | 93.1 |
| | Feb | 98.5 | 62.6 | 94.9 | 149.3 | 78.5 | 93.0 |
| | Mar | 98.8 | 65.1 | 96.6 | 148.2 | 81.1 | 94.2 |
| | Apr | 98.9 | 65.1 | 96.7 | 147.6 | 80.8 | 94.1 |
| | May | 98.8 | 65.3 | 96.7 | 147.5 | 80.9 | 94.0 |
| | Jun | 98.9 | 65.2 | 96.5 | 147.5 | 80.8 | 94.0 |
| | Jul | 98.8 | 64.2 | 95.9 | 149.8 | 80.5 | 93.7 |
| | Aug | 98.9 | 64.7 | 96.2 | 149.0 | 80.6 | 93.9 |
| | Sep | 99.0 | 65.7 | 96.9 | 149.3 | 81.8 | 94.5 |
| | Oct | 99.0 | 65.8 | 97.1 | 148.7 | 81.8 | 94.6 |
| | Nov | 99.0 | 65.4 | 96.8 | 149.1 | 81.3 | 94.3 |
| | Dec | 99.2 | 67.3 | 98.0 | 146.5 | 82.7 | 95.1 |
| 2011 | Jan | 99.1 | 66.4 | 97.5 | 151.4 | 83.0 | 95.5 |
| | Feb | 98.8 | 63.9 | 95.7 | 149.1 | 79.3 | 93.4 |
| | Mar | 99.0 | 65.3 | 96.7 | 149.4 | 81.1 | 94.1 |
| | Apr | 99.1 | 65.8 | 97.2 | 151.3 | 82.0 | 95.0 |
| | May | 98.9 | 65.0 | 96.6 | 151.6 | 81.1 | 94.4 |
| | Jun | 99.0 | 65.6 | 97.0 | 151.7 | 82.0 | 94.7 |
| | Jul | 99.0 | 65.8 | 97.1 | 152.0 | 82.4 | 94.6 |
| | Aug | 98.7 | 63.6 | 95.6 | 152.3 | 79.7 | 93.3 |
| | Sep | 98.5 | 62.4 | 94.7 | 150.7 | 77.7 | 92.1 |
| | Oct | 98.2 | 60.2 | 93.2 | 151.7 | 75.4 | 90.7 |
| | Nov | 98.1 | 59.4 | 92.6 | 151.6 | 74.4 | 90.1 |
| | Dec | 98.1 | 59.9 | 92.8 | 152.7 | 75.3 | 90.7 |

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# BANK OF NAMIBIA PUBLICATIONS

## REGULAR PUBLICATIONS

| Title | Frequency |
|---|---|
| Quarterly Bulletin | Quarterly |
| Financial Stability Review | Bi-annually |
| Annual Report | Annually |

## OCCASIONAL PAPERS OF THE BANK OF NAMIBIA –OP

| Title | Authors | No and Year |
|---|---|---|
| Modeling Inflation in Namibia | Mihe Gaomab II | OP/1998 |
| Estimating the Demand for Money in Namibia | Silvanus Ikhide and Kava Katjomuise | OP 01/1999 |
| Savings and Investment in Namibia | Ipumbu Shiimi and Gerson Kadhikwa | OP 02/1999 |
| Efficiency of Commercial Banks in Namibia | Silvanus Ikhide | OP 01/2000 |
| Potential for Diversifying Namibia's Non- Mineral Exports | Bernie Zaaruka and Heinrich Namakalu | OP 01/2002 |
| The Structure and Nature of Savings in Namibia | Ebson Uanguta, Emma Haiyambo, Gerson Kadhikwa and Chimana Simana | OP 01/2004 |
| Viability of Commercial Bank branches in rural communities in Namibia | Esau Kaakunga, Bernie Zaaruka, Erna Motinga and John Steytler | OP 02/2004 |
| Namibia Macro-econometric Model | Tjiveze Tjipe, Hannah Nielsen and Ebson Uanguta | OP 01/2005 |
| Private Equity: Lessons for Namibia | Bernie Zaaruka, Ebson Uanguta and Gerson Kadhikwa | OP 02/2005 |
| Property Rights and Access to Credit | Esau Kaakunga and Vitalis Ndalikokule | OP 01/2006 |
| How can Namibia Benefits further from AGOA | Vitalis Ndalikokule, Esau Kaakunga and Ben Biwa | OP 02/2006 |
| Assessing the potential of the Manufacturing sector in Namibia | Gerson Kadhikwa and Vitalis Ndalikokule | OP 01/2007 |
| Unleashing the Potential of the Agricultural Sector in Namibia | Postrick Mushendami, Ben Biwa and Mihe Gaomab II | OP 01/2008 |
| The Viability of Export Credit Guarantee and Insurance Scheme | Bernie Zaaruka, Ebson Uanguta and Postrick Mushendami | OP 02/2008 |
| Enhancing the role of factoring and leasing companies in providing working capital to Small and Medium Enterprises (SMEs) in Namibia | Florette Nakusera, Gerson Kadhikwa and Postrick Mushendami | OP 03/2008 |
| Investigating the role securitisation could play in deepening the financial sector in Namibia | Postrick Mushendami and Kennedy Kandume | OP 04/2008 |

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## BANK OF NAMIBIA ANNUAL SYMPOSIUM

| Theme | Speakers | Year |
|---|---|---|
| Central banking issues and economic development | T.K. Alweendo – Governor, Bank of Namibia; J. Capria and P. Honoban – World Bank; C. C. Okeahalam – University of the Witwatersrand; B. Vollan – Bank of Namibia; W. G. Mason – IMF; C. C. Okeahalam and D. W. Adams – University of the Witwatersrand; D. J. J. Botha – University of the Witwatersrand and Pretoria | 1999 |
| The challenges of monetary policy within the context of the Common Monetary Area (CMA) arrangement | Dr.K.Jefferis – Deputy Governor, Bank of Botswana; Mr. Steven Xu- Hong Kong and Mr. Brian Kahn -SARB | 2000 |
| Optimal Financial Structure for Namibia | Dr. Norman Loayza -World Bank; Dr.Tekaligne Godana - Nepru and Dr. Jaafar bin Ahmad – Air Namibia | 2001 |
| Raising investment and growth in Namibia | Dr. Carolyn Jenkins, Oxford University, Dr.Patrick Asea, UNECA and Dr. Meschack Tjirongo, IMF | 2002 |
| Poverty, Income Inequality, and Economic Development in Namibia | Dr. Anne Epaulard, IMF, Dr.S.Wangweesrf - Tanzania, Dr.O.A.Akinboade, Unisa-RSA; Dr. W.Werner - Namibia | 2003 |
| The challenges for the developments of Namibian Government bonds market: Lessons from other countries | Phillip Shiimi - BoN; Mike Sandler - RSA; Tom Lawless – RSA and Nicholas Biekpe - RSA | 2004 |
| The benefits of Regional Integration for smaller economies | Paul Kalenga – SADC Secretariat, F.Di Mauro –EU and Prof. SKB Asante | 2005 |
| Foreign Direct investment versus Direct Investment in Namibia | Prof. S. I. Ikhide – University of Namibia; Dr. Oluyele Akinkugbe – University of Botswana; Mr. Rainer Ritter – NAMFISA; Mr. Robin Sherbourne – Economist; Mr. David Nuyoma – Development Bank of Namibia | 2006 |
| Broad-based Economic Empowerment : Lessons for Namibia | Dr. John Steytler - BoN, Dr. Just Faaland - Norway, Roger Southall - RSA | 2007 |
| Structural Transformation of the Namibian economy: Insight from other Countries | Prof. J.E. Odada - Unam, Mr. H.O. Jankee - Bank of Mauritius, Ms.P. Arora - World Bank, RSA, Prof. Ji Hong Kim-KDI School of Public Policy and Management, Mr. K. U. Katjomuise - UNECA | 2008 |
| Privatisation in Namibia | Dr. John Steytler - Bank of Namibia, Dr. Omu Kakujaha-Matundu - University of Namibia, Prof. Jin Park-KDI School of Public Policy and Management, Dr. Keith Jefferis - Econsult Botswana (Pty) Ltd, Mr. Sven Thieme - Ohlthaver and List Group, Mr. Robin Sherbourne - Old Mutual Namibia | 2009 |
| SME Development in Namibia | Dr. Christoph Stork - Research ICT Africa, Mr. Niel Ramsden - International Finance Corporation, Mr. Herber Jauch - Independent Consultant, Mr. David Nuyoma - Development Bank of Namibia | 2010 |
| Housing in Namibia: Has the situation changed 21 years after independence? | Mr. Ebson Uanguta - Bank of Namibia, Prof Aloysius Mosha - University of Botswana, Dr. Mark Napier - Urban LandMark, Ms Kecia Rust - FinMark Trust | 2011 |

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## PUBLICATION: THEME CHAPTERS ANNUAL REPORT

| Title | Contributors | Year |
|---|---|---|
| Socio-Economic Development: The Post Independence Decade | Policy Research | 2001 |
| Challenges of Economic Diversification | Policy Research | 2002 |
| Review of Namibia's Participation in Regional Integration Arrangements: Issues and Implications | Policy Research | 2003 |
| Unemployment and Employment Creation-Policy Options for Namibia | Policy Research | 2004 |
| Viability of second tier Banks | Extraction from Banking Supervision Study | 2005 |
| The Base Care Principles for Effective | Banking Supervision | 2007 |
| Financial Inclusion | Policy Research | 2010 |
| Enhancing access to finance through an improved land tenure system in the communal areas of Namibia | Policy Research | 2011 |

## LIST OF ABBREVIATIONS

| | |
|---|---|
| AACB | Association of African Central Banks |
| AALS | Affirmative Action Loan Scheme |
| ADLA | Authorised Dealers with Limited Authority |
| AMCP | African Monetary Cooperation Programme |
| AML | Anti-money Laundering |
| AMLAC | Anti-money Laundering Advisory Council |
| AMLCOs | Anti-Money Laundering Compliance Officers |
| ATM | Automated Teller Machine |
| BAN | Bankers Association of Namibia |
| BC | Business Continuity |
| BCM | Business Continuity Management |
| BDBS | Basel Committee on Banking Supervision |
| BNA | National Bank of Angola |
| BoN | Bank of Namibia |
| BOP | Balance of Payments |
| BTP | Build Together Project |
| CCBG | Committee of Central Bank Governors |
| CGE | Computable General Equilibrium |
| CLBs | Communal Land Boards |
| CLC | Code Line Clearing |
| CMA | Common Monetary Area |
| COMFI | Committee of Ministers of Finance and Investment |
| CRO | Chief Risk Officer |
| DR | Disaster Recovery |
| ECB | European Central Bank |
| EDDI | Enhanced Data Dissemination Initiative |
| EFT | Electronic funds transfer |
| EMEA | Euromoney's Middle & Eastern Africa Deal |
| ESAAMLG | Eastern and Southern African Anti-Money Laundering Group |
| EUR | Euro/European Union currency |
| FATF | Financial Action Task Force |
| FDI | Foreign Direct Investment |
| FIA | Financial Intelligence Act |
| FIC | Financial Intelligence Centre |
| FIP | Finance and Investment Protocol |
| FIFA | Fédération International de Football Association (Internal Federation of Association) |
| FIFSC | Financial Institutions Fraud and Security Committee |
| FOMC | Federal Open Market Committee |
| FSC | Financial Stability Committee |
| GAP | Graduate Accelerated Programme |
| GBP | British Pound |
| GC10 | Government internal registered stock maturing in 2010 |
| GC12 | Government internal registered stock maturing in 2012 |
| GC14 | Government internal registered stock maturing in 2014 |
| GC15 | Government internal registered stock maturing in 2015 |
| GC17 | Government internal registered stock maturing in 2017 |
| GC18 | Government internal registered stock maturing in 2018 |
| GC21 | Government internal registered stock maturing in 2021 |
| GC24 | Government internal registered stock maturing in 2024 |
| GC27 | Government internal registered stock maturing in 2027 |
| GC30 | Government internal registered stock maturing in 2030 |
| GDE | Gross Domestic Expenditure |
| GDP | Gross Domestic Product |
| GFCF | Gross Fixed Capital Formation |
| GNDI | Gross National Disposable Income |
| GNI | Gross National Income |
| HAN | Hospitality Association of Namibia |
| HR | Human Resources |
| IC | Investment Committee |
| IDR | Issuer Default Rate |
| IIP | International investment position |
| IMF | International Monetary Fund |
| IRS | Internal registered stock |

| | |
|---|---|
| IRSRA | Internal Registered Stock Redemption Account |
| IT | Information technology |
| JPY | Japanese Yen |
| JSE | Johannesburg Stock Exchange |
| LEAs | Law Enforcement Agencies |
| LHS | Left hand side |
| M2 | Money supply |
| M1 | Narrow money |
| MC | Management Committee |
| MEF | Macroeconomic Framework |
| MEFMI | Macroeconomic and Financial Management Institute of Eastern and Southern Africa |
| MENA | Middle East and North Africa |
| MEWG | Macroeconomic Working Group |
| MFS | Monetary and Financial Statistics |
| MISA | Media Institute Southern Africa |
| ML | Money Laundering |
| MOU | Memorandum of Agreement |
| MOU | Memorandum of Understanding |
| MPC | Monetary Policy Committee |
| MTEF | Medium-term Expenditure Framework |
| NAC | Namibia Airports Company |
| NAD/N$ | Namibia Dollar |
| NAMFISA | Namibia Financial Institutions Supervisory Authority |
| NCDs | Negotiable Certificates of Deposits |
| NCPI | National Consumer Price Index |
| NEER | Nominal effective exchange rate |
| NFA | Net Foreign Assets |
| NGOs | Non-Government Organization |
| NHE | National Housing Enterprise |
| NISS | Namibian Interbank Settlement System |
| NPLs | Non-performance loans |
| NPS | National Payment System |
| NSX | Namibian Stock Exchange |
| OP | Occasional Papers |
| PSE | Public Sector Enterprises |
| PAN | Payment Association of Namibia |
| PSCE | Private sector credit extended |
| REER | Real Effective Exchange Rate |
| RFIs | Requests for Information |
| RHS | Right hand side |
| RMC | Risk Management Committee |
| RSA | Republic of South Africa |
| RTGS | Real-time Gross Settlement System |
| RWA | Risk-weighted assets |
| RWCR | Risk-weighted capital ratio |
| SAA | Strategic Asset Allocation |
| SACU | Southern African Customs Union |
| SADC | Southern African Development Community |
| SAP | Enterprise Resource Planning |
| SARB | South African Reserve Bank |
| SDF | Shark Dwellers Federation |
| SDR | Special Drawings Rights |
| SME | Small-medium Enterprise |
| SOEs | State-owned enterprises |
| SSA | Sub-Sahara Africa |
| STR | Suspicious Transaction Report |
| TBs | Treasury Bills |
| TF | Terrorism Financing |
| TIPEEG | Targeted Intervention Programme for Employment and Economic Growth |
| UK | United Kingdom |
| US | United States |
| USA | United States of America |
| USD/US$ | United States Dollar |
| WCR | World Competitive Report |
| WIBAR | Windhoek Interbank Agreed Rate |
| ZAR/Rand | South African Rand |

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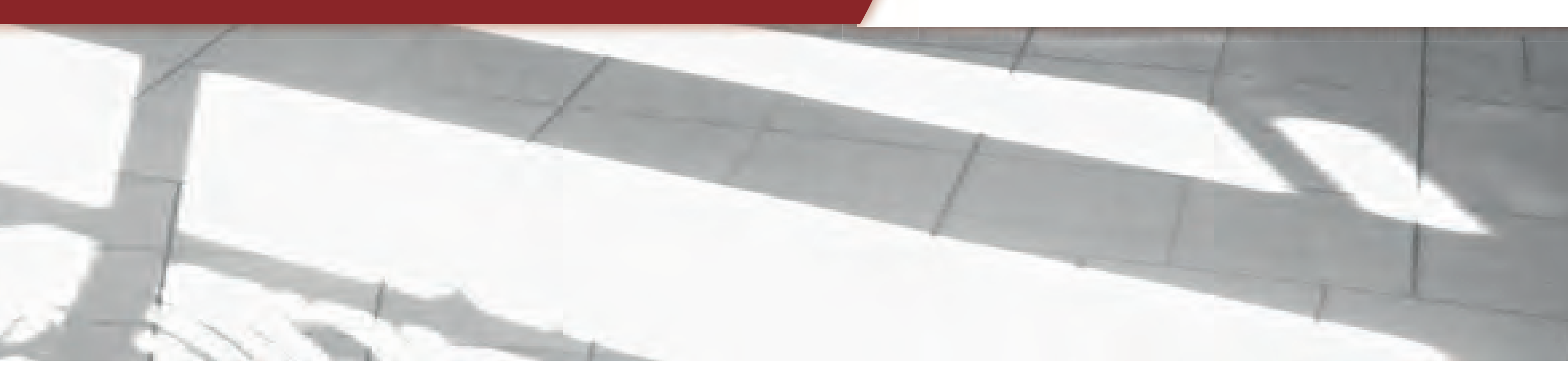
Bank of Namibia



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