

MEDIA RELEASE

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FOR IMMEDIATE RELEASE

**OFFICIAL RELEASE OF THE NAMIBIA DEPOSIT GUARANTEE AUTHORITY
2025 ANNUAL REPORT**

**THE NAMIBIA DEPOSIT GUARANTEE AUTHORITY INCREASES THE COVERAGE
LIMIT TO N\$50,000 AS THE FUND GREW TO N\$40.1 MILLION DURING AS AT 31
DECEMBER 2025**

1. **On 16 April 2026, the Namibia Deposit Guarantee Authority (NDGA) released its Annual Report for the financial year ended 31 December 2025.** The Report is prepared in terms of section 32 of the Deposit Guarantee Act, 2018 (No. 16 of 2018) and in line with standards of good corporate governance. It highlights information on the NDGA's governance and management, its operations and the performance of its established Deposit Guarantee Scheme. The Report also presents the Authority's independently audited Annual Financial Statements for the year ended 31 December 2025.
2. **The Namibia Deposit Guarantee Act, 2018 (No. 16 of 2018) established the NDGA with the primary goal of administering the Deposit Guarantee Scheme.** The Scheme aims to protect depositors from the loss of their deposits by compensating them in the unlikely event of a commercial bank failure. This ultimately enhances consumer protection while also improving financial stability.
3. **The report highlights the NDGA's key achievements during the year under review.** The NDGA Fund ended the year at N\$40,092,984 reflecting a growth of about 32 percent for the year under review. The growth is attributed to the Fund's deliberate

strategic objective to grow the fund. As such the fund benefited from the prudent management and investment strategy of the premiums received from member institutions. During the year under review the fund's investment portfolio outperformed its benchmark, the Alexander Forbes Short-term Fixed Interest 3-month Index (STeFI3) benchmark, delivering an excess return of 83.5 basis points. The portfolio delivered an annual return of 8.1 percent, outperforming its benchmark return of 7.3 percent, reflecting disciplined execution of the investment strategy and effective positioning within money market and short - duration fixed income instruments.

4. **The Scheme guaranteed coverage limit was increased during the year to provide a substantial and credible cover for the depositors.** The NDGA undertook an assessment that revealed that the initial coverage limit was too low and thus does not provide the Scheme with credibility in terms of providing a substantial coverage. Moreover, depositors (visited across the various regions in Namibia) have also expressed concerns that previous limit did not inspire confidence in the financial system. In 2025, the NDGA thus amended the Regulation by increasing the maximum coverage limit from N\$25,000 to N\$50,000 per depositor.

5. **The 2025 Annual Report is presented against the backdrop of an evolving global economic environment that remained broadly resilient during the review period, despite heightened uncertainty and increasingly divergent regional developments.** According to the International Monetary Fund (IMF) January 2026 World Economic Outlook Update, global output was estimated to have expanded by 3.3 percent in 2025, reflecting a balance between ongoing policy and geopolitical headwinds and sustained strength in technology-driven investment, particularly in artificial intelligence.

6. **On the domestic front, the Namibian economy slowed down during 2025.** Growth slowed down to 1.7 percent, compared to 3.8 percent recorded in 2024. The slow performance is attributed to the Primary industries, which recorded a decline of 7.2 percent in real value added compared to a decline of 3.2 percent noted the corresponding period of 2024. The main driver of the performance in the Primary industries is 'Mining and quarrying' as well as 'Agriculture, forestry and fishing' sectors that declined by 9.4 percent and 3.3 percent, respectively.

7. **The banking sector, which comprises the members of the Deposit Guarantee Scheme, remained profitable, liquid and well-capitalised during 2025.** Both the capital adequacy and the liquidity position of the banking sector improved and remained well above the statutory minimum requirements. The reporting year also saw profitability increase due to net interest and net-trading incomes, as reflected in both the return on assets and return on equity. Asset quality improved, with the Non-Performing Loans (NPL) ratio declining to 4.3 percent from 5.6 percent in 2024, supported by effective credit risk management and loan recoveries. Overall, the banking sector reported sound developments with adequate containment of threats to financial system stability.
8. **The year under review marked the third and final year of implementation of the Authority’s Strategic Plan (2023–2025).** Sustained effort, clear strategic focus and institutional commitment have yielded notable results over the three-year cycle, underscoring the effectiveness of the Authority’s approach in fulfilling its mandate. In this regard, the Authority achieved a strategy execution rate of 96.7 percent. Looking ahead, the NDGA will implement a new three-year Strategic Plan covering the period 2026–2028.

“The successful execution of our inaugural Strategic Plan, marked by tangible results, was made possible through strong collaboration and support from all our stakeholders and strategic partners. Going forward, the NDGA remains steadfast in pursuit of its mandate, guided by our current Strategic Plan, 2026 - 2028.”

– Petrus Shifotoka: Acting Head: Namibia Deposit Guarantee Authority

9. The Annual Report and the independently audited Financial Statements indicating the financial position of the NDGA as at 31 December 2025 is testimony of the sound governance architecture in place and the robust governance oversight executed by the Board of Directors. The media and the public at large are encouraged to read the entire report, which is available either in hard copy upon request or accessible online at: <https://www.ndga.com.na>.



Petrus Shifotoka
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