

BANK OF NAMIBIA

Annual Report 1999





Bank of Namibia

Annual Report

1999

Registered Office

Robert Mugabe Avenue
P. O. Box 2882
Windhoek
Namibia

Bank of Namibia Corporate Charter

MISSION

The mission of the Bank of Namibia is to promote monetary and financial stability in the interest of the Nation's sustainable economic growth and development.

VISION

Our vision is to be a centre of excellence – a professional and credible institution, a leader in the areas of economics, banking and finance, driven by competent and dedicated staff.

VALUES

We are committed to service excellence

We uphold integrity, impartiality, open communication and transparency.

We care for our staff, their well being and their contribution to the organisation.

We value teamwork.

MEMBERS OF THE BOARD



Back: Dr. O. Herrigal, Mr. P. Damaseb, Mr. R.L. Ritter, Ms. P. Elago, Mr. F. Kisting,
Mr. M. Gaomab II (Board Secretary)

Front: Mr. L.S. Ipangelwa (Deputy Governor), Mr. T.K. Alweendo (Governor)

Insert: Mr. U. Maamberua

BANK OF NAMIBIA MANAGEMENT

Governor	Mr T Alweendo
Deputy Governor	Mr L S Ipangelwa
Advisors	Dr S Ikhide Mr B Volla
General Manager	Mr U Davids
Internal Auditor	Mr C Britz
Board Secretary	Mr M Gaomab II
Chief Economist and Head of Research	Vacant
Principal Economist and Deputy Head of Research	Dr C Hoveka
Manager – Statistics	Mr M Mwinga
Manager - Monetary and Financial Analysis	Vacant
Manager - Modelling and Forecasting	Mr W Shiimi
Manager – International Economic Relations	Mr F Hengari
Senior Manager - Bank Supervision	Mr E Meroro
Manager - Regulations and Analysis	Mr B Masule
Manager – Bank Examinations	Mr P Mwangala
Manager – Financial Markets	Mr F Hangula
Senior Manager – Banking Services	Mr R Lawrence
Manager – Payment System	Mr F Guiseb
Manager – Currency and Banking	Ms R Metzler
Manager – Exchange Control	Mr W Mberirua
Senior Manager – Information Technology	Mr T Nehoya
Manager – Business Systems	Mr J v d Merwe
Senior Manager – Human Resources	Ms L Markus
Manager – Training and Development	Mr B Uirab
Senior Manager – Corporate Services	Mr F Hamunyela
Manager – Protection Services	Mr A Shikongo
Manager - Public Relations	Ms L Martin
Manager – Properties and General Services	Mr E Lehmann
Manager – Legal Services	Ms S Tjijorokisa
Manager – Finance	Mr H Theodore

Contents

1.	ECONOMIC OVERVIEW	1
2.	REAL SECTOR AND PRICE DEVELOPMENTS	2
2.1	DOMESTIC OUTPUT	2
2.2	SECTORAL ANALYSIS	2
2.3	DOMESTIC DEMAND CONDITIONS	3
2.4	SAVINGS AND INVESTMENT BALANCE	4
2.5	PRICE DEVELOPMENTS	4
3.	MONETARY AND FINANCIAL DEVELOPMENTS.....	6
3.1	MONETARY POLICY DEVELOPMENTS DURING 1999	6
3.2	MONEY SUPPLY SECTORAL ANALYSIS	6
3.2.1	BROAD MONEY SUPPLY AND ITS COMPONENTS	6
3.2.2	DETERMINANTS OF MONEY SUPPLY.....	7
BOX A	DEMAND FOR MONEY IN NAMIBIA.....	9
3.3	MONEY MARKETS.....	9
3.4	CAPITAL MARKETS	10
3.4.1	Debt Securities Market.....	10
3.4.2	Equity Securities Market	11
4.	PUBLIC FINANCE.....	12
4.1	FISCAL POLICY MEASURES	12
4.2	REVENUE	12
4.3	EXPENDITURE	12
4.4	FINANCING OF THE BUDGET DEFICIT	13
4.5	PUBLIC DEBT	13
5.	FOREIGN TRADE AND PAYMENTS	14
5.1	CURRENT ACCOUNT.....	14
5.2	CAPITAL AND FINANCIAL ACCOUNT, AND INTERNATIONAL RESERVES	17
5.3	EXCHANGE RATE DEVELOPMENTS.....	18
5.4	EXCHANGE CONTROLS IN NAMIBIA.....	19
5.5	REGIONAL INTEGRATION ISSUES	19
6.	REPORT ON BANKING SUPERVISION AND THE REGISTRAR'S REPORT ON THE BUILDING SOCIETY	21
6.1	OVERVIEW	21
6.2	INDUSTRY AND REGULATORY DEVELOPMENTS	21
6.2.1	Authorised institutions.....	21
6.2.2	Determinations issued	21
6.2.3	Offshore banking bill.....	23
6.2.4	Y2K readiness	23
6.3	ON-SITE EXAMINATION ACTIVITIES.....	23
6.4	INTERNATIONAL SUPERVISORY CO-OPERATION	24
BOX B	BANKING REFORM IN NAMIBIA	25
6.5	PERFORMANCE OF BANKING INSTITUTIONS.....	29
6.5.1	Asset Growth.....	29
6.5.2	Deposits.....	29
6.5.3	Capital Adequacy	30
6.5.4	Loan Quality.....	30
6.5.5	Liquidity	32
6.5.6	Profitability and earnings	32

6.6	PERFORMANCE OF BUILDING SOCIETY	33
6.6.1	LOANS AND ADVANCES	34
6.6.2	Deposits	34
6.6.3	Liquidity	34
6.6.4	Earnings	35
7.	OPERATIONS AND AFFAIRS OF THE BANK	36
7.1	BOARD ACTIVITIES	36
7.2	PROGRESS ON THE STRATEGIC PRIORITIES OF THE BANK.....	36
7.2.1	Globalisation	36
7.2.2	Financial Sector Activities	36
7.2.3	Organisational Culture and Shared Vision	37
7.2.4	Stakeholder and Client relationship.....	37
7.2.5	Staff Development.....	37
7.3	SOCIAL RESPONSIBILITY	37
7.4	NATIONAL AND INTERNATIONAL PARTICIPATION	38
7.5	OTHER ACTIVITIES.....	39
7.5.1	Inauguration of the New Bank Building.....	39
7.5.2	Governor's Annual Speech.....	39
	BOX C. REFORM OF NAMIBIA'S PAYMENT SYSTEM	40
	ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1999	42
	REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF THE BANK OF NAMIBIA	43
	DIRECTORS' STATEMENT	44
	BANK OF NAMIBIA INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 1999	45
	BANK OF NAMIBIA BALANCE SHEET AT 31 DECEMBER 1999.....	46
	BANK OF NAMIBIA NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 1999	47
	STATISTICAL APPENDIX	53
	NATIONAL ACCOUNTS	
	MONEY AND BANKING INDICATORS	
	FINANCIAL MARKET INDICATORS	
	PUBLIC FINANCE	
	BALANCE OF PAYMENTS	

1. ECONOMIC OVERVIEW

Economic prospects in Namibia improved during 1999, compared to the two previous years. Domestic growth for the year is estimated at 3 per cent. This is in line with overall growth expectations and represents an improvement on the 2.4 per cent and 2.6 per cent growth rates recorded in 1998 and 1997, respectively. Declining interest rates since the beginning of the year contributed to the improved domestic economic conditions. Despite falling interest rates, however, annual consumer price inflation remained at around 8 per cent.

With respect to monetary developments, the growth rate of both narrow money (M1) and broad money (M2) accelerated in line with the general decline in interest rates. Growth in money supply was driven by net foreign assets of the banking system and an increase in domestic credit, in particular, credit to the Central Government. The increase in the net foreign assets of the banking system is mainly attributable to an improvement in the net foreign assets position of commercial banks.

The positive market sentiment that prevailed in financial markets for most of 1999 was manifested in high share prices and market capitalisation, and increased activity on the Namibia Stock Exchange (NSX).

Global economic and financial conditions also improved markedly after the turbulence in emerging markets in 1997-98, which gave rise to fears of a global recession. Most economies began to recover. Financial market confidence returned to most of the emerging market economies affected by the crisis, allowing monetary conditions to ease and setting the stage for economic recovery. This recovery was sustained by continued positive market sentiment in the global economy and in emerging markets, in particular. However, this confidence received a slight blow with the political crises in Russia and fears of a possible devaluation of some currencies in Latin America. Positive market confidence, nevertheless, persisted as prospects for rapid economic growth continued and encouraging macroeconomic indicators for regional and international markets were continuously released.

Global growth of about 3.0 per cent is expected for 1999, under the impetus of continued growth in the United States and a recovery in Europe and Asia. Rising demand and consumer confidence in the Euro Zone, the promise of sustained recovery in Japan and most other crises-ridden nations of east Asia, and benign growth in Germany and France, represent a positive outlook for growth in world output. Indeed, growth in the US, Europe and Japan, which together

account for more than half of the world economy, would help keep global growth lively.

In industrialized economies, therefore, positive economic growth was recorded, with a 3.6 per cent economic growth in the US, reflecting a rebound, and a sustained recovery in Europe and Asia. In the UK, growth of 1.0 per cent was recorded while the German economy firmed most of 1999 with a low unemployment level of less than 10 per cent and defied pessimists with a 1.7 per cent economic growth. In Japan, growth of 1.1 per cent over 1999 indicated an upward turn. This improvement in the Japanese economy was due largely to strong exports and rising government expenditure as domestic demand remained depressed for much of the year.

Reflecting the improved economic outlook and recovery in investor confidence, the projection of growth for most emerging markets was revised significantly upward. Indeed, the decline in many commodity prices was arrested while domestic financial markets and asset prices continued their rebound through the year. In a number of countries, interest rates fell to near or below pre-crisis levels. A comparable narrowing in yield spreads in international credit markets did however, not parallel the rebound in domestic financial markets and asset prices.

Sub-Saharan Africa, severely affected by the crises through the decline in commodity prices, began to recover. Real GDP growth of about 2.1 per cent was expected.

South Africa, the only country south of the Sahara directly affected by the turmoil in the financial markets, showed signs of recovery. The economy performed better than market expectations, recording a 2.6 per cent real GDP growth. With most sectors, except mining, showing a stronger performance, the South Africa economy is set to sustain its recovery with a real GDP growth projection of 2.6 per cent for the year 2000.

The stock market has rallied since August while the rand showed resilience and appreciated against the USD over the fourth quarter. This stability is expected to persist in the year 2000, as the deficit on the current account in the US continues.

2. REAL SECTOR AND PRICE DEVELOPMENTS

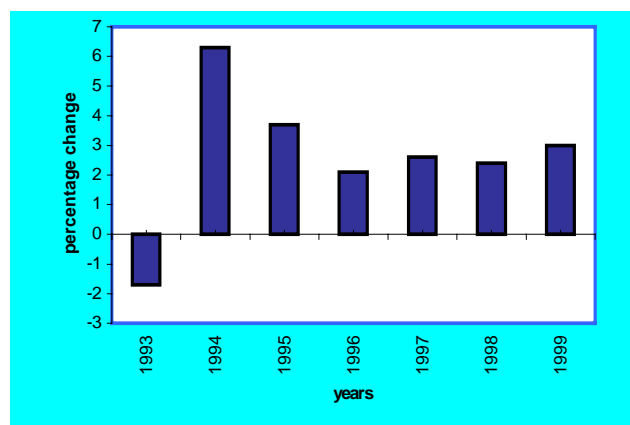
2.1 Domestic Output

The performance of the Namibian economy improved in 1999, supported mainly by a strong growth in value added in the construction, tourism, agricultural and mining sectors, as well as by an expansion in government consumption expenditure. The Bank of Namibia estimated the growth in the real gross domestic product (GDP) for 1999 at around 3 per cent representing an increase of about half a percentage point above the rate recorded in the preceding year.

There has, however, been an observable structural change in Namibia's sources of economic growth in recent years. While economic growth in the country has since independence been carried by export sectors, domestic demand is gradually gaining ground and accounted for a larger part of the overall growth in GDP in 1998 and 1999. Accordingly, the production of export goods and services, namely precious stones, agricultural products and manufactured goods, fell in those two years. The declining share of the export sectors in the overall growth rate was largely attributable to a shortage in the supply of export products such as fish and base metals and, to some extent, the slow down in the growth of world trade, prompted by declining demand.

The strong increase in domestic demand in 1999 was brought about by declining interest rates as well as by an increase in both public investment and consumption. This was supplemented by a one-off cash injection caused by the demutualisation of Old Mutual and Sanlam. Impacts from the liquidation of shares were particularly observable in the second half of the year when the retail sector showed substantial increases in sales volumes

Chart 2.1: Real Gross Domestic Product



Source: CBS and BON

2.2 Sectoral Analysis

A severely depressed construction sector in 1998 recovered in 1999. It was estimated that the sector's value added expanded by estimated 17.7 per cent in 1999. This was a brisk performance, especially when compared with a decline of 16.5 per cent in the previous year. The fall in interest rates during 1999 resulted in increased construction activity, particularly in the Oshana region. Further, the rise in civil works, boosted by an increase in the government development expenditure of 22 per cent announced in the 1999/000 budget, contributed to the buoyancy of this sector.

Although growth in tourist arrivals slowed when compared with the preceding year, it remained robust in 1999 and was estimated at 9.5 per cent. Strong impetus in this sector came mainly from overseas tourists and, to some extent, from South Africa. The number of Angolan visitors dropped due to instability along the common border. A worrisome development is that there are signs that tourists to Namibia are staying for shorter periods. This does not augur well with the development of the industry.

Government value added rose by around 7 per cent in 1999, compared with an expansion of 3.9 per cent in 1998. The increase in public consumption, particularly expenditure on personnel, was responsible for this expansion.

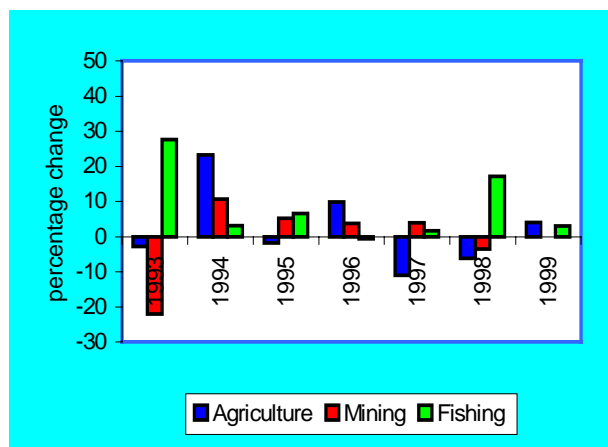
The agricultural sector made a remarkable turnaround in 1999 and registered a growth rate of 5 per cent after a decline of 6 per cent in 1998. The turnaround in the sector was spurred by a growth rate of 22 per cent in the ostrich industry. There was also an increase in the number of cattle slaughtered at local abattoirs. The buoyancy in output in these two sub-sectors was primarily due to the recovery in prices for ostrich meat on the international markets and those for cattle on the domestic and South African markets. The emerging cotton and table grape sub-sectors also made significant contributions to the overall growth in the agriculture sector.

The mining sector recovered moderately in 1999 after it had declined in 1998. Value added grew by about 3.3 per cent in 1999 compared with a decline of 3.5 per cent in 1998. The modest growth in the sector came mainly from the diamond industry, especially offshore mining. The rest of the sub-sector, especially zinc and uranium, made insignificant contributions.

Growth in fishing output declined substantially from 17.2 per cent in 1998 to 4.1 per cent in 1999. The reduced landing of some species, such as pilchard

and orange roughly, was the main factor behind the industry's modest performance.

Chart 2.2: Real Growth Rates, Primary Sectors

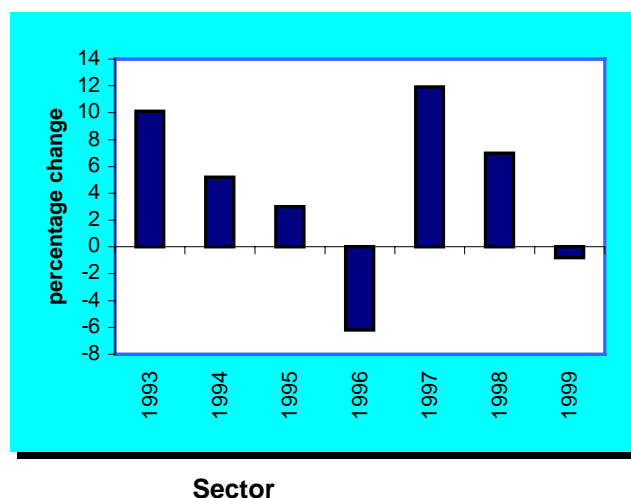


Source: CBS and BoN

Value added in the manufacturing industry is estimated to have declined by 12.5 per cent in the year 1999. This lustreless performance was mainly a result of increasing production costs and marketing problems, as fish processing has since independence constituted an average of 24.1 per cent of the manufacturing sector's total value added. Increased output by the much smaller meat processing industry could compensate only partly for some of the losses.

The beverages industry achieved a weak overall result as demand for non-alcoholic beverages suffered from the renewed civil war in Angola. Demand for Namibian alcoholic beverages, however, rose.

Chart 2.3: Real Growth in the Manufacturing



Source: CBS and BoN

The leather industry, switching gradually to the production of finished products, had a partial recovery in 1999. This is because international prices for finished products, which the local industry has started to produce, are less volatile than those for raw materials and semi-finished products. The construction-based manufacturing industry, including the cement and paint industries, posted a negative growth due to tough competition from South African producers.

Depressed consumer demand in the first half of 1999 and an improved cash situation during the second half of the year characterized the retail sector. Activity in most sub-sectors was weak in the first six months of 1999. This changed in the second half of the year. Overall, the sector grew by 4.5 per cent compared to a decline of 1.3 per cent in the previous year. However, some sub-sectors, for example motor vehicle sales, which fell in 1999, are yet to benefit from increased domestic demand.

2.3 Domestic Demand Conditions

The recovery in aggregate domestic expenditure that started in 1998 continued in 1999. In 1998, aggregate domestic expenditure grew by 3 per cent, an improvement from a decline of around the same rate recorded in the previous year. This recovery in the aggregate domestic expenditure was on account of an increase in the investment expenditure both the private and public sectors. The increase in the central government's consumption expenditure also added impetus to this recovery. The private sector's consumption expenditure, on the other hand, was weak. This was due mainly to the high interest rates prevailing at the time. With interest rates having fallen significantly in 1999, both investment and consumption expenditure were expected to improve and result in a further expansion of the aggregate domestic expenditure.

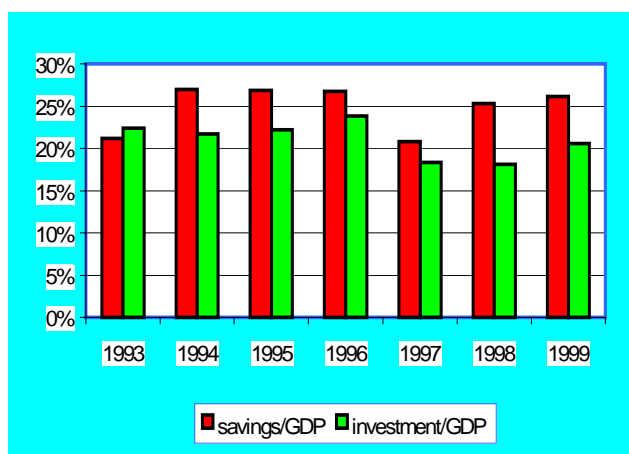
Private consumption was estimated to have increased by 2.9 per cent in 1999, primarily due to a rise in disposable income, estimated to have grown by 3.6 per cent. The one-off cash injection in excess of N\$ 350 million into the economy from the demutualisation of Old Mutual and Sanlam was partly responsible for this increase. There are also indications that around half of the funds were used to reduce bank debts. Private investment was expected to increase by about 5 per cent, in line with falling interest rates. In addition, public consumption expenditure was expected to rise by the same rate on account of an increase in personnel in the public service.

2.4 Savings and Investment Balance

Due to the unavailability of data at that time, the real effects of the 1997 financial crisis can be fully assessed only now. In 1999, gross savings as a percentage of GDP hit an all-time-low of 21 per cent due to sluggish economic growth and extremely high interest payments. An increase to 25 per cent of GDP in 1998 reflected a return to normality, helped by a rise in disposable income, largely due to the improvement in the terms of trade in that year. The gains from terms of trade were brought about by the strong depreciation of the Namibia dollar against the currencies of major trading partners.

For 1999, it was expected that gross savings would rise slightly to reach 26 per cent of GDP. Rising incomes combined with low private consumption expenditure during 1999 explain the expected increase in the savings ratio.

Chart 2.4: Savings and Investment as percentage of GDP



Source: CBS and BoN

As a percentage of GDP, growth in domestic investment declined sharply from 22.9 per cent in 1996 to 18.2 per cent in 1997, recovering slightly to 21.8 per cent in 1998. It was estimated that this ratio would rise marginally to 22.0 per cent in 1999. Of concern was that the positive gap between savings and investment, quite unusual for a developing economy, was not narrowing. This implied that surpluses on the current external account would continue and capital outflows to South Africa would persist. This indicated a lack of dynamism in the country, as these funds are needed to finance the much-needed investment in Namibia. Future investment could be stimulated by recent developments such as the reduction in corporate tax, the recovery of commodity prices, as well as the

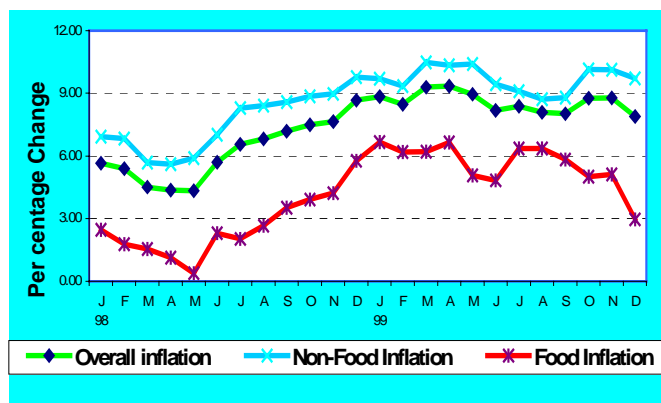
return of domestic and international investor confidence.

2.5 Price developments

Favourable macroeconomic conditions, a stable domestic currency and falling interest rates held consumer inflation at 8.7 per cent during 1999. Although this was the fourth successive year of a single digit increase in the index since 1996, Namibia's inflation rate remained significantly higher than those rates of her main trading partners. If this is allowed to continue for long, it could have negative implications for the country's international competitiveness.

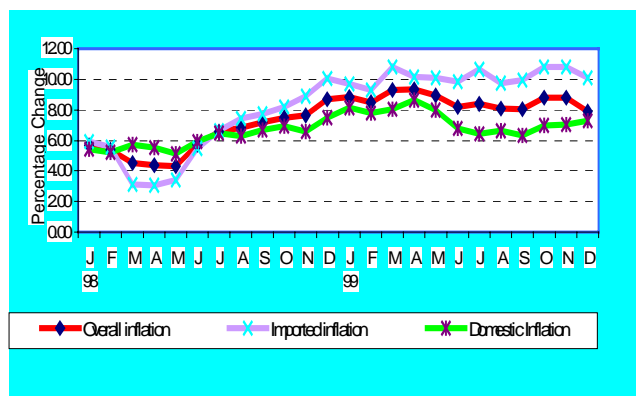
Consumer inflation for the corresponding period was at 5.6 per cent lower. The rise in the average inflation for 1999 was due largely to this low base in 1998 (especially in the first half of the year, before the depreciation of the domestic currency in the second half. It was also partly due to an increase in fuel prices in the world market that characterized the year under review. The increase had a profound impact on several major sub-indices, particularly those for transport & communications, housing, fuel & power (which collectively account for 40.61 per cent of the total Consumer Price Index or CPI).

Chart 2.5 Overall, Non-food and Food Inflation (Twelve Months Period)



Inflation grew throughout the first four months of the year, reaching a peak of 9.3 per cent in April (Chart 2.5). It then slowed down in the months up to September, with an exception of July. The rise in July was due mainly to an increase in municipal charges and the surge in the domestic fuel price. Although fuel prices on the world market were on the increase in 1999, their impact on the domestic CPI was delayed. In response to increases in world prices, a second domestic fuel price rise was effected in October.

Chart 2.6 Overall, Imported and Domestic Inflation: Twelve Months Period



The average annual inflation for domestic goods and services was generally stable at 7.3 per cent, while that for imported goods rose markedly to 10.1 per cent. Domestic and imported inflation stood at 6.1 per cent and 6.3 per cent, respectively, in 1998. (*Chart 2.6*).

Food inflation was stable, averaging 5.6 per cent during the year. The rate was 2.6 percent during the previous year. Non-food inflation stood at 9.7 percent, 1.1 percentage points higher than the overall inflation recorded during the period under review (*Chart 2.5*).

Inflation in South Africa fell from 8.9 percent in January to 7.3 percent in June 1999. It then dropped further, reaching 1.7 percent in October, the lowest

rate in South Africa in 31 years. The average annual inflation for the year 1999 stood at 5.2 per cent, the lowest inflation rate in South Africa since 1969, when it recorded 3.0 per cent. This decline followed a sharp drop in interest rates in the previous twelve months, coupled with other deflationary factors.

The overall producer price index recorded an increase of 5.8 per cent during the nine months to September 1999, compared to an increase of 3.5 per cent during the same period of the previous year. The increase in the international oil price was the main cause of the rise in the producer price index for imported goods.

The large difference between South Africa's inflation rate and that of Namibia was due mainly to the exclusion of interest rates in the Namibian CPI, the main force behind low inflation in South Africa since early 1999. This was evident in the relatively high inflation of the index excluding interest rates on mortgage bonds in South Africa, averaging about 7.7 per cent at the end of November compared with a substantially low overall or headline inflation.

Favourable macroeconomic conditions are expected to hold beyond the year 2000. These may continue to offset inflationary forces in both Namibia and South Africa.

3. MONETARY AND FINANCIAL DEVELOPMENTS

3.1 Monetary Policy Developments During 1999

Monetary policy in 1999 continued to be oriented towards exchange rate stabilisation through the maintenance of the fixed exchange rate between the Namibia Dollar and the South African Rand. This has been the objective of monetary policy in Namibia over the past seven years and has proved to be effective in attaining the ultimate objective of price stability, as reflected in the single digit inflation recorded in the country over the years.

The fixed exchange rate regime has also enabled the country to reduce nominal exchange rate misalignment. This has in turn allowed the Namibia Dollar's real exchange rate to remain consistent with economic fundamentals for a prolonged period of time and enabled the country to maintain its international competitiveness. While inflation in Namibia has since 1990 moved in tandem with that in South Africa, 1999 saw a divergence between the two countries as South Africa's inflation rate declined faster than Namibia's.

During 1999 inflation in South Africa reached its lowest level in 31 years and the Rand remained remarkably stable against the US dollar. Consequently, the monetary authorities in South Africa eased monetary policy, with the aim of stimulating investment and economic growth. South Africa's most important monetary policy tool, the Repo rate, declined from 18 per cent at the beginning of the year to 12 per cent by the end of 1999. It was eventually fixed at 12 per cent during the last month of the year to ensure a smooth transition from the old to the new millennium. Following these developments, banks in South Africa lowered their prime overdraft rate from 25 per cent at the end of 1998 to 16 per cent at the end of 1999.

Throughout 1999 the Bank of Namibia gradually lowered the bank rate, its main operational instrument of monetary management. This fell from 18.8 per cent in December 1998 to 11.5 per cent in December 1999, in nominal terms. The average prime-lending rate of commercial banks dropped from 23.6 per cent in December 1998 to 20.2 per cent in June and 16.7 per cent in December 1999.

3.2 Money Supply

The growth in broad money supply (M2) accelerated during the first half of 1999, on account of an

increase in the net foreign assets of the banking system and domestic credit, in particular credit to the Central Government. The increase in the net foreign assets of the banking system was most visible in the improvement of the net foreign assets position of domestic commercial banks. Despite the gradual relaxation of monetary policy and the general decline in interest rates, credit to the private sector remained low throughout the year.

3.2.1 Broad Money Supply and its Components

Broad money supply (M2), which comprises narrow money (M1) and quasi money, expanded substantially by N\$1.6 billion, or 20.4 per cent, over the year, compared to 10.9 per cent during 1998. The annual growth rate of M2 rose during the first half of 1999 from 9.1 per cent in January, to peak at 16.9 per cent in June. It then declined over the third quarter, before increasing again during the final quarter of 1999. The increase in M2 was reflected in increases in both M1 and quasi money of N\$858.9 million and N\$766.4 million, respectively.

Narrow money supply (M1), which consists of currency in the hands of the public and demand deposits, and is the more liquid component of broad money, expanded by 24.1 per cent in 1999, compared to 24.5 per cent recorded in 1998. M1 grew at a fast pace during the first two quarters of 1999, before it declined gradually at the beginning of the third quarter. However, at the end of the third quarter the growth rate for narrow money peaked at 29.7 per cent. The growth in M1 over the year is attributable to an increase both in demand deposits and currency in circulation of 25.6 per cent and 15.8 per cent, respectively.

Growth in **Quasi money (QM)**, comprising time and savings deposits, accelerated during the first half of 1999, reaching a peak of 11.9 per cent at the end of June. It then declined slightly at the beginning of the third quarter before it started to accelerate again in the final quarter of 1999. The increase in quasi money was reflected in increases in both time and savings deposits.

There was over the year, a gradual shift from time and savings deposits to demand deposits. The share of time and savings deposits to total deposits declined from 51.4 per cent at the end of 1998 to 49.2 per cent at the end of 1999. This shift can be attributed to the fall in interest rates throughout the year as the opportunity cost of maintaining a high liquidity position declines with falling interest rates.

3.2.2 Determinants of Money Supply

Domestic credit continued to be the principal determinant of money supply in 1999. However, in contrast with 1998, when government was a net creditor to the banking system, the main expansionary effect in 1999 came from growth in net foreign assets and net claims on the central government. These increased by N\$930 million and N\$400 million over the year, respectively. Private sector credit also had an expansionary effect on the money supply to the tune of N\$488 million, or 30 per cent, compared to N\$797 million in 1998. Other items net had a contractionary effect of N\$193 million on the money supply.

Table 3.1 Changes in the Determinants of Money Supply (N\$ million)

	96	97	98	99
Claims on the Private Sector	762	940	797	488
Claims on Central Government	-323	-47	28	400
Net Foreign Assets	1,279	-67	455	930
Other Items Net	414	317	511	193
Broad Money Supply (M2)	1,304	509	770	1,652

Source: BON

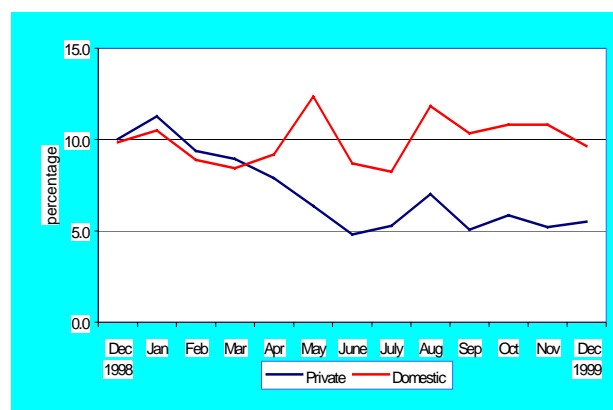
(i) Net Foreign Assets

Net foreign assets of the banking system, which amounted to N \$2.3 billion at the end of December 1999, compared to N\$1.3 one year earlier, exerted an expansionary effect on the growth of money supply during the year. This sharp increase was mainly attributable to an improvement in the net foreign assets position of the commercial banks. Due to low demand for private sector credit, as reflected in the declining credit to deposit, commercial banks managed to built up their foreign deposits by N\$329 million, whilst at the same time reducing their foreign liabilities by N\$263 million. Consequently, the net foreign asset position of commercial banks increased from negative N\$133 million at the end of 1998 to a positive N\$459 million at the end of 1999.

(ii) Domestic Credit

The annual growth rate of domestic credit, comprising primarily of private sector credit and credit to the central government, declined slightly from 9.8 per cent at the end of 1998 to 9.6 per cent at the end of 1999.

Chart 3.1 Domestic credit and private sector credit (year-on-year growth)



(iii) Claims on the Central Government

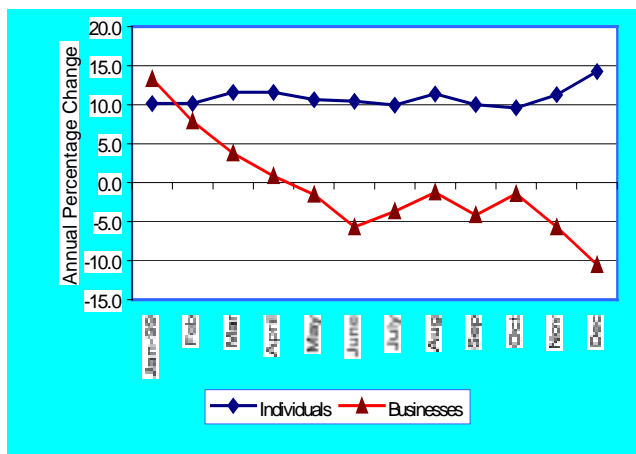
In contrast to 1998, when government was a net creditor to the banking system, it in 1999 became a net borrower from the system. Claims on the central government by banking institutions increased throughout the year. At the end of 1998 government was still a net creditor to the banking system to the tune of N\$218 million. However, by June 1999 this figure turned positive to N\$622 million and by December it stood at N\$668 million.

(iv) Claims on the Private Sector

Claims on the private sector continued to account for most of the increase in domestic credit. Despite the continuous fall in interest rates, growth in credit to the private sector was rather moderate throughout 1999. Annual growth in credit to the private sector declined from 10.0 per cent at the end of December 1998 to 5.5 per cent at the end of December 1999. The annual growth rate of private sector credit reached its lowest level in June when it stood at 4.8 per cent, before it started to stabilise at around 5 per cent in the second half of 1999.

Private sector credit, however, was characterised, as indicated by chart 3.3, by growth in credit to individuals. This growth rate was above 10 per cent throughout the year. Growth in credit to the business sector, on the other hand, showed no positive response to a downward movement in interest rates and declined from 13.6 per cent at the end of December 1998 to -10.6 per cent at the end of December 1999. The slow growth in business credit is reflected in the decline of amounts allocated to various categories of credit.

Chart 3.2 Credit to Individuals and to Businesses (Annual Changes)

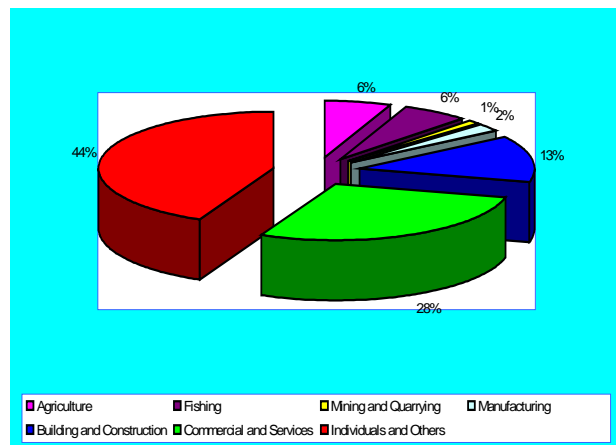


An analysis of private sector credit by type shows that loans and advances, had been declining gradually from January and had by September 1999 been replaced by mortgage loans as the major component (constituting 45.8 per cent) of total private sector credit. Whereas other loans and advances still accounted for 45.0 per cent of private sector credit in March they by September accounted for 38.1 per cent. Mortgage loans, which are largely credit to individuals, grew during the second half of the year. This can be attributed to falling mortgage rates during the same period. The share of instalment credit to total private sector credit remained virtually constant at 15 per cent throughout the year. The rest of private sector credit, about 2 per cent, went to leasing and bills discounted, respectively.

(v) Direction of Commercial Bank Credit

Credit to individuals continued to dominate the sectoral allocation of commercial bank credit to the private sector, constituting 43 per cent of total credit as at December 1999, compared to 42 per cent the previous year. The share of credit to the commercial and services sector declined slightly from 29 per cent to 28 per cent. The rise in commercial bank credit to individuals was caused mainly by a 17 per cent growth in mortgage loans during the period under review.

Chart 3.3 Direction of Commercial Bank Credit



The share of commercial bank credit extended to the agricultural and the fishing sectors increased slightly by 2 and 1 per cent, respectively. The total share of credit to these sectors, however, remained at 11 per cent of total commercial bank credit to the private sector.

The share of commercial bank credit to the mining and quarrying sectors declined from 3 per cent to 1 per cent, while that of building and construction remained unchanged at 13 per cent. The share of credit to individuals increased slightly from 41 per cent at the end of December 1998 to 43 per cent one year later. As a result, individuals and others remained the largest consumers of commercial bank credit.

BOX A DEMAND FOR MONEY IN NAMIBIA

The demand for money is a central issue in monetary economics. This is because a stable demand for money is essential to the conduct of monetary policy. Monetary policy, in turn, seeks to influence money, credit and prices through control of the liquidity positions of banks and related financial institutions. Because the demand for the money helps ascertain the liquidity needs of the economy, knowledge of the factors that determine this function, and the existence of a stable long-run relationship between these factors and the money stock, constitute legitimate areas of enquiry by the central bank.

In the context of BON, the stability of the demand for money function is also important as it helps to determine the amount of money people are willing to hold to undertake transactions at any particular time. In a currency board-like arrangement, such as the Bank of Namibia, foreign reserves are allocated into three accounts a liquid reserve account of high quality marketable securities of the reserve currency country that have early maturity; an investment reserve account that comprises higher yielding securities that constitute an important source of profit; and a surplus reserve account. A stable demand for money function could serve as a reasonable approximation of the fraction of money supply that is needed for transactions by the public and thus help to determine what goes into the different accounts once this demand is met.

A recent study¹ on the demand for money in Namibia found that:

- The level of income is a crucial variable in determining the amount of money people want to hold. Long run income elasticities are stronger for narrow money than for broad money.
- The various opportunity cost measures are also significant in explaining the demand for money. Specifically, the own rate of return on money is a very important variable in the demand for money. An increase in the deposit rate, for instance, will lead people to move away from holding currency

into time and savings deposits, other things being equal. The rate on alternative assets, as represented by the South African and Namibian Treasury bill rate, is also significant. An increase in this rate will shift people's attention away from holding idle funds into holding these alternative assets.

- The significance of the real exchange rate raises some issues as to the possibility of the existence of some degree of currency substitution between the Namibian dollar and the South African Rand. This will need further investigation.
- The existence of a positive cointegrating relationship and the significance of the CUSUM and CUSUM squares test confirm the existence of a stable demand for money function both for narrow and broad money.

Superior diagnostic and forecast error statistics for M2 confirm that it is, in Namibia, a better definition of money than M1. It was necessary to establish this relationship given the recent shifts in these two aggregates of money in favour of M1.

3.3 Money Markets

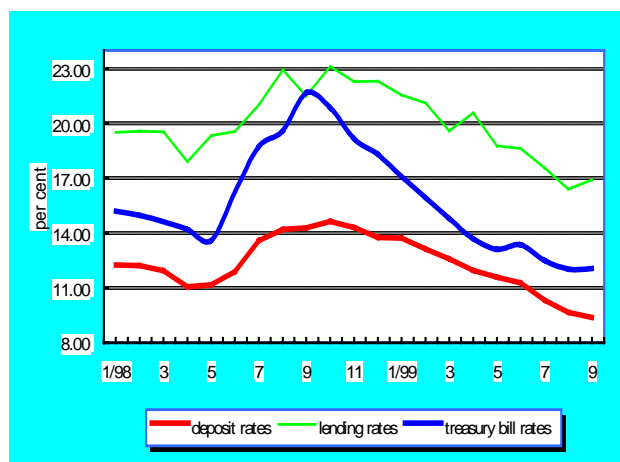
The cost of accommodation for commercial banks in Namibia declined consistently throughout the year. Through its link to the South African Repo rate, the Namibian Bank rate fell from 18.8 per cent in December 1998 to 11.5 per cent in December 1999. Reflecting this development, the inter-bank call rates at the shorter end of the money market declined from 18.1 per cent in December 1998 January to 11.4 per cent in December 1999. Monthly averages for deposit and lending rates displayed an uninterrupted downward trend during the period under review (*Chart 3.4*). The average deposit rate declined from 13.7 per cent in December 1998 to 11.3 per cent in June and to 8.6 per cent in December 1999. Favourable market conditions resulted in the decrease of the average lending rate from 22.3 per cent in December 1998 to 18.7 per cent in June 1999 and 17.5 per cent in December 1999.

Following these developments, the spread between deposit and lending rates declined from 8.6 percentage points in December 1998 to 7.4

¹ Ikhide & Katjomuisse, Estimating the Demand for Money in Namibia, Occasional paper No 3, 1999

percentage points in June 1999 before increasing to 8.9 percentage points.

Chart 3.4 Nominal Interest Rates



Reflecting market confidence in further improvements in market conditions, Negotiable Certificates of Deposit (NCD's) quarterly averages consistently maintained an inverse term structure throughout the year. The quarterly average for three-month NCD's (NCD3) rates declined from 16.2 per cent in the first quarter to 12.0 per cent in the third quarter and to 10.1 per cent during the fourth quarter. The corresponding NCD6 rate declined from 15.8 per cent to 11.9 per cent and on to 10.0 per cent. For the longer dated NCD's, the quarterly average for NCD12 declined from 15.8 per cent to 11.6 per cent and to 9.7 per cent during the same period.

Following these developments, commercial banks were able to cut their prime lending rates each quarter. The average prime-lending rate fell from 22.4 per cent during the first quarter to 18.2 per cent and 16.8 per cent during the third and fourth quarters, respectively. In real terms, this rate fell from 12.4 per cent to 9.2 and 7.6 per cent during the same period. The corresponding nominal (and real) average for mortgage rates recorded similar developments, declining from 20.8 (11.0) per cent to 17.3 (8.5) per cent and 16.5 (7.4) per cent.

Like other money market rates, nominal average discount rates for Treasury Bills (TB's) also saw a downward trend throughout 1999. The quarterly average for three-month TB effective yield declined from 17.7 in the first quarter to 12.5 per cent in the fourth quarter. The six-month TB effective yield discount rate average stood at 17.4 per cent in the first quarter and fell to 12.8 per cent in the fourth quarter.

3.4 Capital Markets

3.4.1 Debt Securities Market

The Namibian market for debt securities witnessed significant developments in the last decade. A number of government debt securities were introduced and listed on the Namibian Stock Exchange (NSX). Private and parastatal' debt instruments were also introduced and listed on the NSX.

In 1992, the Government of the Republic of Namibia introduced Internal Registered Stocks (IRS), first in maturities of 2 to 3 years and, subsequently, in maturities of 5 and 6 years. The objective was to promote the development of the local capital market and to diversify sources of government funding. During the year of their introduction, these securities were listed on the Namibian Stock Exchange to attract capital to the bourse and to enhance broader public participation. However, secondary trading in these bonds remained poor over the years and the lack of a price discovery process resulted in high government debt servicing costs. To alleviate this problem, some of the outstanding government stocks were consolidated into three; - GC02, GC05 and GC10 due in 2002, 2005 and 2010, respectively. The objective was to enhance liquidity in these bonds by benchmarking them to the most liquid South African bonds and to lengthen their maturity structure. Other measures such as the increased frequency of auctions for bonds and the pre-announcement of amounts in offer followed to accommodate cash-flow concerns by investors and to improve transparency in government debt management.

This process did not, however, yield desirable results and secondary auctions are thus being initiated. This initiative is aimed at enhancing liquidity and promoting continuous secondary trading in these bonds. Successful secondary auctions will not only benefit current consolidated government bondholders and their potential buyers, but will also allow for the development of a price discovery process that will be instrumental in pricing bonds in the primary market. Further, active secondary auctions in government bonds will prepare the market for a market-maker arrangement and primary dealer system.

The year 1995 saw a listing of a coupon interest debt-paying instrument, the First Derivative Redeemable Equity-linked Debt Instrument (FREDI) by First Derivatives. However, these instruments expired in March 1997. Returns and the redemption value of these instruments were based on the performance of the JSE All-Share Index, over the period.

Some parastatals, such as the Agricultural Bank of Namibia, the National Housing Enterprise (NHE) and Air Namibia, have listed debentures on the NSX (NHE bonds expired at the end of 1998). The Agricultural Bank and the NHE debentures were

issued at 15 per cent and 12 per cent coupon rates, respectively, while Air Namibia debentures were listed at a 15 per cent coupon rate and are due in 2004. All coupon interest on these bonds is paid half yearly.

3.4.2 Equity Securities Market

A positive market sentiment that prevailed in financial markets for most of 1999 manifested itself in high share prices and market capitalisation and in increased overall activity on the Namibian Stock Exchange (NSX). Shares on the NSX recorded substantial increases in value as the overall price index increased from 176 at the beginning of the year to 292 at the end of the year. The local share price index increased from 107 to 157. These increases in share prices were mirrored in market capitalisation. Overall market capitalisation increased from N\$159.4 billion at the beginning of the year to N\$333.9 billion at the end of December. Local market capitalisation increased from N\$2.5 billion to N\$4.3 billion.

The NSX saw 3 new listings in 1999 compared to 11 in 1998. Among the listed companies, two dual-listed in the financial sector while the third dual-listed in the mining sector. The year 1999 saw a mining company and the preference shares of a financial company de-listed from the NSX. Following these developments, the total listings on the NSX remained at 41 while local listings remained unchanged at 15.

4. PUBLIC FINANCE

4.1 Fiscal Policy Measures

Fiscal Policy in 1999/2000 was formulated and designed to help reverse the decline in the economy by providing incentives to the private sector, rekindling employment and easing the burden on the poor. As a result of the effort to stimulate the economy, the structural pressures that contributed to the increase in the fiscal deficit over the preceding years remained in evidence in 1999/2000, when the deficit stood at 4.5% of GDP, in excess of the target of 3 per cent stipulated in NDPI.

In the 1999/2000 budget the government introduced a project aimed at the employment of former combatants in the civil service. A number of fiscal policy measures were also announced in the 1999/2000 budget. These include, among others:

- The introduction of Value Added Tax (VAT) to replace the additional and general sales taxes. It is expected that this tax system will broaden the tax base and improve tax administration.
- A reduction in income tax from 40 per cent to 35 per cent for both companies and individuals. This measure will bring Namibia's tax system into line with those of its neighbouring countries. It is also expected to improve disposable income.
- The introduction of Value Added Tax (VAT) to replace the additional and general sales taxes. It is expected that this tax system will broaden the tax base and improve tax administration.
- An increase in fuel levies.
- Further improvement in the management of the public debt.

It was projected that these measures would bring improved efficiency to government operations, generate additional revenue and enhance the consolidation of fiscal policy.

4.2 Revenue

According to the 1999/2000 revised budget estimates, total government revenue and grants amounted to N\$7.1 billion, or 2.5 per cent above the original budget revenue, and 17 per cent above the actual revenue of N\$6.1 billion in the previous year (Chart 4.1). As a share of GDP, the revised estimated total revenue rose marginally to 36.8 per cent, compared with 36.5 per cent in the original budget.

Table 4.1: Government Revenue (N\$ millions)

	98/99	98/99	99/00	99/00
	original	actual	original	revised
Total Revenue & Grants	6,107.8	6,186.5	6,877.4	7,128.4
Tax revenue	5,382.6	5,497.5	6,252.6	6,390.8
Direct Taxes	1,785.7	2,031.5	1,988.0	2,059.0
Indirect Taxes	3,596.9	3,466.2	4,262.6	4,331.8
Non-tax revenue	651.0	597.3	617.5	598.0
Return on Capital	28.6	54.3	28.3	25.0
Grants	45.6	37.4	82.2	139.4

Source: Ministry of Finance

The increase in the estimated budget revenue for 1999/2000 over the actual budget estimate of previous year was largely brought about by the moderate growth in Namibia's share of SACU revenue and other tax receipts. SACU revenue increased by 24 per cent, from N\$1.8 billion in 1998/1999 to N\$2.2 billion in 1999/2000. For the fiscal year under review, customs revenues were expected to account for 32.2 per cent of total revenue, against the 29.6 per cent in the preceding year.

Total tax revenue was revised upwards and amounted to N\$6 391 million or 13.9 per cent more than the actual budget tax revenue in 1998/1999. As a percentage of gross domestic product, the estimated tax revenue was 33 per cent compared to the 31.6 per cent in the previous fiscal year.

4.3 Expenditure

The revised total government expenditure and net lending for 1999/2000 fiscal year amounted to N\$8 billion, up from N\$7.8 billion in the original budget. This brought the year-on-year increase in government expenditure to 13.5 per cent, lower than the rate of growth of 16.7 per cent in the previous fiscal year. In relation to gross domestic product, total expenditure increased marginally from 39.1 per cent in the previous fiscal year to 41.4 per cent in 1999/2000.

Total current expenditure during the period under review amounted to N\$6.3 billion, against the N\$6.1 billion budgeted for. Recurrent expenditure was expected to account for 85.1 per cent of total expenditure, an annual increase of 9.6 per cent, lower than the increase recorded in the preceding fiscal year. The increase in current expenditure was accounted for by mainly expenditure on personnel,

which registered an increase of 18.3 per cent over the 1998/99 level and accounted for 53.9 percent of total expenditure. Expenditure on goods and services, and subsidies and transfers accounted for 21.5 per cent and 16.9 per cent, respectively.

Capital expenditure, lending and equity participation, increased from N\$883 million in 1998/99 to N\$1.2 billion in 1999/2000. This increase of 35.4 per cent compares well with the decline of 12 per cent in the previous fiscal year. It also represents a development budget of N\$897 million, or 75.1 per cent of total capital expenditure. Further, it also includes N\$100 million for investment in public enterprises.

4.4 Financing of the budget deficit

The budgetary operations of government recorded a deficit of N\$882 million for fiscal year 1999/2000, up from the N\$799 million projected in the main budget. As a ratio of gross domestic product, the revised budget deficit amounts to 4.5 per cent, up from the 4.2 per cent in the original budget and from 4.3 per cent in the previous fiscal year.

The Government continued to finance the budget deficit through a net issue of treasury bills and government stock and drawing down of its cash balance at the Bank of Namibia.

The total issue of treasury bills amounted to N\$6.9 billion, of which 91 day TB's accounted for N\$5.4 billion, 182 day for N\$1.4 billion, and 365 days for N\$150 million. During the same period, TB's amounting to N\$6.3 billion were redeemed, resulting in a net issue of N\$500 million in TB's.

During the period under review Internal Registered Stocks (IRS) worth N\$125 million were issued. In May 1999, four-year and three year bonds worth N\$158 million and N\$134 million, respectively, matured. During November 1999, another lot of four-year bonds worth N\$95.6 million also fell due. This resulted in a total redemption of N\$387.9 million, making government a net redeemer of N\$262.9 million in bonds.

In relation to capital expenditure, the size of the budget deficit was less than total capital expenditure, which amounts to N\$1.2 billion. This implies that Government did not need to borrow to finance recurrent expenditure, as this fully covered from revenues and grants. The borrowing was, therefore, intended to finance capital expenditure, which contributed to capital formation.

4.5 Public Debt

The government's total indebtedness continued to increase substantially during the fiscal year under review. Total outstanding public debt increased from

N\$3.9 billion in the fiscal year 1998/99 to N\$4.5 billion in 1999/2000, or by 15 per cent. The large portion of this debt was in the form of short-term TB's and bonds at N\$2.3 billion and N\$1.9 billion, respectively. In relation to GDP, total domestic public debt increased from 22.6 per cent to 23.5 per cent over the same period. However, when government guaranteed loans to public enterprises are added, total public debt increased to N\$6.7 billion, or from 23.5 per cent of GDP to 36 percent of GDP.

External public debt stood at N\$729 million at the end of December 1999, an increase of 33.7 per cent over the preceding year. As a percentage of total public debt, it increased from 14 per cent in 1998 to 16 percent in 1999. As a ratio of GDP, it increased from 3.3 per cent in 1998 to 3.9 per cent in 1999.

The larger portion of Namibia's external debt was contracted on a multilateral and bilateral basis. The current level of public debt reflects the amount of deficits that have accumulated over the past years. While the total debt is still manageable and within international norms, the rate at which it has been increasing over the past years is of some concern.

Table 4.2 Disbursed Outstanding Debt (N\$ Million)

	1995	1996	1997	1998	1999
A. 1. Public External Debt	496.6	487.8	353.8	545.3	729.0
2. Bilateral Loans	138.9	133.8	199.6	335.4	448.3
3. Multilateral Loans	57.6	85.4	142.4	209.9	280.7
4. Financial Institutions	0.0	0.0	0.0	0.0	0.0
5. Other	300.1	268.6	11.8	0.0	0.0
B. 6. Public Domestic Debt	2,059.4	2,755.4	2,514.9	3,363.5	4,112.3
7. T-bills	405.2	946.9	1,393.6	1,764.8	2,496.5
8. I.R.S.	869.8	931.6	1,120.9	1,598.3	1,615.8
9. BON	783.7	876.5	0.0	0.0	0.0
10. Other	0.7	0.4	0.4	0.4	0.0
C. Total Public Debt (1+6)	2,026.5	2,556.0	3,243.2	2,868.7	3,3908.8
D. Public Debt as % of GDP	21.1%	23.7%	19.0%	24.0%	27.0%
E Government guaranteed loans					2.2
F Total Public sector debt as a percent of GDP					36%

Source: Ministry of Finance

5. FOREIGN TRADE AND PAYMENTS

Namibia's external current account was characterised in 1999 by a narrowing trade deficit and a strong increase in SACU receipts. Together, these factors boosted the current account surplus to N\$940 million, compared to N\$447 million in the previous year. As a percentage of GDP, this surplus widened substantially from 2.6 per cent in 1998 to 5.0 per cent in 1999. However, the continuing surplus on the current account also reflects the ongoing savings-investment gap that results in domestic capital being exported abroad, notably to South Africa. The policy challenge for the authorities, that of stimulating domestic investment and attracting foreign investment, remained in the period under review, as before.

The deficit on the capital and financial account widened significantly to N\$600 million in 1999 from N\$174 million in 1998. This deterioration represented 3.2 per cent of GDP, compared with 1 per cent in 1998, and was caused mainly by developments in the category of *other investments*. Outflows of short and long-term funds rose substantially. The slow growth in domestic credit demand caused commercial banks to invest their excess funds in South Africa. Further, corporates also reduced their net borrowing from abroad.

As a result of the strong performance on the current account, the overall surplus on the external accounts of Namibia rose to N\$349 million in the period under review, compared to a surplus of N\$309 million in 1998. The country's official reserves thus increased by a similar amount, to N\$1.9 billion at the end of 1999. This represented 8.3 weeks of import cover for goods and services, or three times the domestic currency issue.

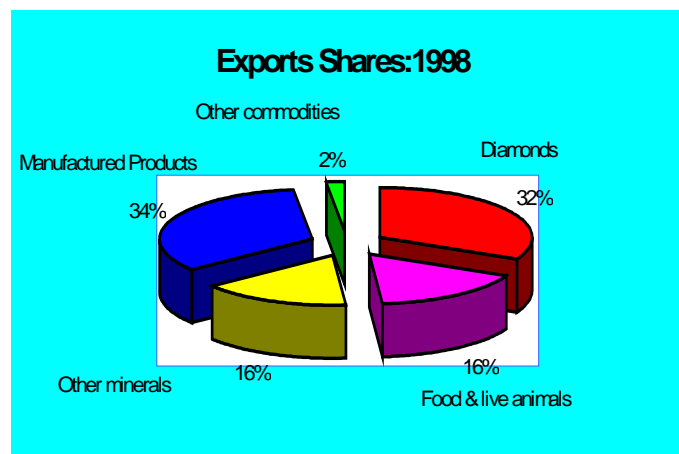
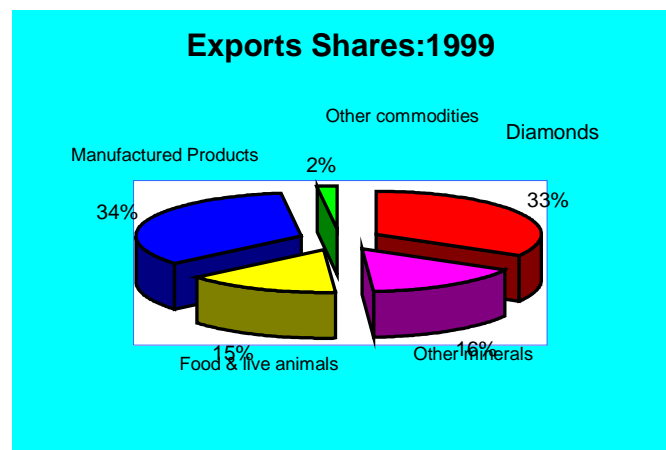
5.1 Current Account

The merchandise trade balance remained in deficit in 1999. Export values grew by 14.2 per cent against a slower rise in imports of 5.6 per cent, resulting in the trade deficit narrowing to N\$1.1 billion, from N\$1.6 billion in 1998.

The performance of the key export sectors in the Namibian economy during 1999 was mixed. The value of total merchandise exports was N\$7.6 billion in 1999 compared with N\$6.7 billion for 1998. The mining, manufacturing and agricultural² sectors remained the backbone of the export industry (Chart 5.1).

² Refers mainly to food and live animals in the current account (table V.I).

Chart 5.1: Exports Share by Type of Products (1998 and 1999)



The shares of each commodity in the total value of exports were constant with the exception of diamonds, food and live animals. Diamonds registered a one-percentage point increase while food and live animals saw declines. After a substantial decline in the previous year, the value of diamonds exported in 1999 rose significantly by 17.4 percent to N\$2.5 billion. This growth was due to, among other factors, better international market conditions. The increase in demand led to a 23.7 per cent rise in the volume of diamonds exported in 1999. A diamond price decrease³ of 5.2 per cent in 1999 was more than offset by the volume effect, causing the total value of diamonds exported to increase.

³The CSO usually maintains diamond prices at constant or increasing levels. However, the price decrease for Namibia is based on an average price received for an average carat exported. It may therefore reflect a slight deterioration in the quality of Namibian diamond sales in 1999.

After a decline of 6.1 percent in 1998, the total value of exports for other minerals increased by 8.3 per cent in 1999. This was a significant recovery, as copper and silver were not exported in 1999, following the closure of the TCL mines.

However, the total value of gold exported in 1999 increased by 10.7 percent over 1998 figures. This performance was despite an initial loss of confidence in gold on the international markets, due to news that the IMF wanted to sell some of its gold reserves to raise funds for debt relief. Some major central banks of the industrialised countries actually sold off gold. As the IMF and World Bank HIPC initiative concluded on a solution that did not affect the international supply of gold, its international price rose in the second half of 1999. A recovery of 11.5 per cent in the gold price therefore offset a marginal decline of 0.1 per cent in the quantity exported in 1999.

As for the exports of zinc, the growth of 10.9 per cent in value was due to the high quality content of ore and a 28.9 per cent price increase.

After a strong performance in 1998, the growth in the value of exports for the sub-category of *food and live animals* decreased to 8.2 per cent in 1999. This indicated that the amount of livestock marketed declined due to restocking that followed the good rains of the 1998/99 season. The value of exports of live animals (i.e. cattle, sheep, goats and game) thus declined by 14.2 per cent to N\$425 million, from N\$496 million in the previous year. The value of exports of meat products, however, increased by 40.0 per cent to N\$0.7 billion in 1999. A buoyant meat market caused farmers to shift their exports from live animals to more profitable value-added exports.

The sound performance in the export of manufactured products in 1999 was due mainly to the fishing sector. The total value of exports for canned fish, fish meal and fish oil increased by 15.9 per cent. Contributing to this growth, among other factors, were the increase in the exploitation of new markets and better market prices, especially for hake. An increase in the market share for Namibia's fish exports was also the result of the Argentine government's decision to reduce fishing quotas due to over fishing in its territorial waters. The successful marketing of Namibian fish in the Democratic Republic of Congo, which resumed in 1999, also raised exports. Increased sales to other African markets, such as Malawi and Mozambique, meant stockpiles of hensemackerel could be exported. The volume of fish exports increased by 12.3 per cent for processed fish and by 2.3 per cent for unprocessed fish.

In 1999 the Total Allowable Catch (TAC) for hake was increased but was lowered for pilchard and orange roughly, and kept constant for horse mackerel, crab, rock lobster and alfonsino. The TAC for hake was increased by 18.2 per cent to 195 000 metric tonnes and that for pilchard reduced by 15.4 per cent to 55 000 metric tonnes (Table 5.1). Despite the quotas, landings for orange roughly, pilchard and crab were poor in 1999. This was due to oceanic changes that reduced catches. Also, the pelagic fish stock was given time to recover by the reduction in their TAC. Indications are that, except for pilchard, the TAC's for the rest of the fish species should increase for the next season. This, coupled with the introduction of new species such as swordfish, should provide a much-needed boost to the fishing industry.

Table 5.1: Total Allowable Catches (TAC) (mt)

SPECIES	1998	1999
	TAC	TAC
Pilchard	65,000	55,000
Hake	165,000	195,000
Horse mackerel	375,000	375,000
Crab	2,000	2,000
Rock lobster	300	300
Orange roughly	12,000	9,000

Source: Ministry of Fisheries & Marine Resources

Despite the favourable local and global economic conditions in the second half of 1999, Namibia's merchandise imports are estimated to have grown by only 5.6 per cent to reach a level of N\$8.7 billion. Although South Africa remained the major source of imports for Namibia, countries such as Germany (machinery and vehicles), USA (vehicles, ships & boats, cereals) and Russia (arms and ammunition, miscellaneous manufactured articles, animal fodder) are gaining ground. Imports from non-SACU countries increased from 20.7 per cent to 24.0 per cent of total imports in 1998 and 1999, respectively. As in the past, food, machinery, transport equipment and manufacturing goods continued to be the major import commodities.

The net services deficit widened from N\$872 million in 1998, to N\$976 million in 1999. Transportation services continued to be the major cause of this

deficit, increasing to N\$864 million during the period under review (1998: N\$779 million). Freight and other costs increased in line with the value increases in Namibia's foreign trade. Outlays on the charter of fishing boats also rose for the first time since 1996. This was not because of a reduction in Namibian ownership of the fishing fleet but increased activity in the midwater fishing category.

As in the past, the tourism sector contributed strongly to Namibia's foreign exchange receipts and remained the third highest contributor to GDP, behind the mining and fishing sectors. According to the latest available information from the Ministry of Home Affairs, tourist arrivals increased by 10.3 per cent in 1998. Business and holiday arrivals declined by 6.4 per cent and 3.1 per cent, respectively. However, other arrivals, especially visitors to friends and cross-border traffic in the north, showed strong growth. In total, visitors arrived mainly from South Africa (29.8 per cent of the total), Germany (24.2 per cent), Angola (10.5 per cent) and the UK (5.1 per cent). Compared to 1997, arrivals from South Africa increased by 10.9 per cent while the number of Angolans visiting Namibia rose by 14.7 per cent.

Net investment income declined markedly to N\$222 million during 1999 as company directors and shareholders in mostly the mining sector resumed the more normal practice of adding to the capital base of their companies by reinvesting profits. In view of lower interest rates, the smooth rollover of computer systems to the year 2000, and a better international economic environment, business confidence could be restored and more investment and investment income is foreseen in the new millennium.

The main contributor to Namibia's current account surplus is net current transfer. This category is dominated by SACU receipts and foreign development assistance of a current nature (i.e., not linked to the build-up of fixed assets). Current aid decreased by 11.1 per cent in 1999, to N\$472 million. However, this decline was more than offset by SACU transfers. Current transfers from SACU grew robustly by 24.1 per cent in 1999 to N\$2.2 billion.

These receipts are based on a formula applied to the value of imports (on a customs basis) of the member countries of the Customs Union. The transfers are from the revenue sharing pool in South Africa and calculated with a two year time lag, in line with increases in imports⁴. The importance of these two

types of transfers is underlined in Table 5.2 below. This reflects their contribution to the economy of Namibia. Developments in foreign development assistance to Namibia are further analysed under net capital transfers in the Capital and Financial Account section of this chapter.

Table 5.2: SACU & Aid Receipts (N\$ million)

	1995	1996	1997	1998	1999
SACU	1092	1301	1560	1805	2241
As % of GDP	9.0	9.5	10.2	10.5	11.8
Current Aid	361	489	449	531	472
Capital Aid	146	181	154	249	269
Total Aid	507	670	603	780	741
As % of GDP	4.2	4.9	4.0	4.5	3.9

Source: MOF and BON

It is clear that Namibia's balance of payments depends heavily on the above components. The vulnerability and sustainability of the current account to the change in the SACU sharing formula, (currently under renegotiation by the member countries), globalisation (which reduces the overall significance of tariffs), and donor perceptions, call for reinforcement policies. Furthermore, the European Union-South African Free Trade Area agreement could also reduce the growth in receipts from SACU. There is, therefore, a need for alternative sources of revenue that could offset any adverse developments in SACU. Measures aimed at strengthening the export base, such as the promotion of manufacturing, should continue. The heavy reliance of the fiscus on SACU receipts should also be reduced through alternative sources of revenue and curbs on expenditure.

Table 5.3: Major Current Account Components (N\$ million)

	1998	1999
Balance on merchandise trade	-1,580	-1,091
Merchandise exports FOB	6,656	7,602
Merchandise imports FOB	-8,236	-8,693
Net services	-872	-976
Net income	493	222
Net current transfers	2,406	2,785
Balance on Current Account	447	940
As a % of GDP	2.6	5.0

⁴ However, as imports on a BOP basis takes customs data, and then adjusts it for timing, valuation and

ownership differences, imports on a BOP and customs basis are not directly comparable.

As a result of Namibia's external transactions in goods, services, income and current transfers, the current account surplus almost doubled to 5.0 per cent in 1999. This improvement was due to a narrowing trade deficit and a sterling performance on net current transfers, on account of strong increases in SACU receipts (Table 5.3).

5.2 Capital and Financial Account, and International Reserves

The deficit on the capital and financial account widened during 1999 to N\$600 million, or 3.2 per cent of GDP. Although capital transfers and foreign direct investment in Namibia increased, it was developments in other investments that dominated the financial account (Table 5.4). Outflows on short and long term transactions within this category rose substantially. In total, net transactions in pension and life assurance assets were relatively unchanged from 1998. Some companies reduced their borrowings from abroad. Commercial banks also invested excess funds in South Africa, thereby increasing their foreign assets and reducing their foreign liabilities. As a result of the external transactions on the current and the capital and financial account, Namibia's international reserves in 1999 increased strongly by a substantial N\$349 million.

Table 5.4: Major Capital & Financial Account Components (N\$ million)

	1998	1999
Net capital transfers	252	271
Direct investment, net	434	710
Portfolio investment, net	-56	-34
Other long term investment, net	-615	-1,042
Other short term investment, net	-190	-506
Capital & Financial Account	-174	-600
Balance, excluding Reserves		
Capital & Financial Account as % of GDP	-1.0	-3.2
Balancing item (net errors and omissions)	36	8
Overall Balance	309	349

Net capital transfers that had peaked in 1998 increased even further in 1999. Although expectations were that foreign development receipts would follow the worldwide decline in aid, this was not the case for Namibia. Due to continuing infrastructure projects in the northern and eastern regions, capital aid rose from N\$249 million in 1998, to N\$269 million in 1999. This was by far the highest level received by Namibia and came mainly from Germany, China, Sweden and the Netherlands. The major projects funded were the Trans-Caprivi highway; the northern tannery and leather project in Ondangwa; the provision of rural water supply; the upgrading of schools in the north; the Windhoek water reclamation project; low cost housing in secondary towns (excluding Windhoek) and the Oshivelo road rehabilitation project.

Direct investment into Namibia increased substantially in 1999 to N\$710 million (1998: N\$434 million). Although investments in equity capital decreased due to a decline in offshore oil exploration, the main impetus for the increased investment came from retained earnings⁵. This refers to the surplus funds of companies that are reinvested internally to expand their capital base. An estimated N\$300 million was retained in 1999, unlike 1998, which saw an outflow of N\$108 million, as some corporates in the mining sector declared dividends in excess of current profits (i.e., from accumulated past profits).

Portfolio investment in Namibia plays a relatively small role in the balance of payments. It reflects transactions in tradable equity and debt instruments. Equity refers to investments in shares on the local and foreign stock markets and includes unit trusts. Debt instruments are government and other bills and bonds. In 1999, transactions in equity were broadly the same as the year before.

The deficit on other investment – long term widened substantially in 1999, to N\$1.0 billion (1998: N\$0.6 billion). On the asset side, net transactions in pension and life assurance investments were unchanged from the year before although their composition changed. The outflow of pension funds increased to N\$850 million (1998: N\$722 million), mainly due to an increase of 9.6 per cent in contributions.

The net capital outflow on life assurance assets declined to N\$430 million compared to N\$562 million in 1998. This was due to a 13.3 per cent increase in benefits paid out to life assurance policyholders. On the liability side, an improved liquidity position in Namibia's banking sector, past debt burdens and

⁵ Retained earnings are operating profits less taxes, profits and dividends.

relatively flat business activity meant that most corporates utilised 1999 to repay some of their long-term debt. The net increase in their foreign liabilities therefore dropped substantially to N\$150 million (from N\$581 million in 1998).

Transactions between local banks and their non-resident head offices represent the bulk of the category other investment – short term. Subdued economic growth, as reflected in weak domestic credit demand, caused commercial banks to push excess funds to their parent companies in South Africa. This trend, which started in 1998, meant that banks increased their foreign assets by N\$329 million (1998: N\$11 million). They also reduced their foreign liabilities by N\$263 million (1998: N\$158 million). This dramatic change is best shown in the reduction in their stock of net foreign liabilities of N\$592 million in 1999, compared with a reduction of N\$169 million in 1998. As a result of these developments, the net foreign asset position of commercial banks was, at N\$0.5 billion, at its highest level since 1997.

Table 5.5: International Reserves and Import Cover (N\$ million)

	1995	1996	1997	1998	1999
Level of Official Reserves					
(as at 31 December of each period)	808	906	1219	1527	1877
Imports cover in weeks					
(of merchandise goods and services)	5.5	5.2	6.3	7.3	8.3
Level of Official Reserves and Commercial Banks' Foreign assets					
(as at 31 December of each period)	949	1256	1756	2075	2755
Imports cover in weeks					
(of merchandise goods and services)	6.5	7.1	9.1	9.9	12.3

As a result of Namibia's external transactions, the overall surplus on the balance of payments improved significantly. The country's reserves increased by N\$349 million, to represent 8.3 weeks of import cover for goods and services. The level of cover, maintained at 5 - 6 weeks over the period 1995 to 1997, increased to 7 - 8 weeks in 1998 and 1999 (Table 5.5). However, if one considers the situation in

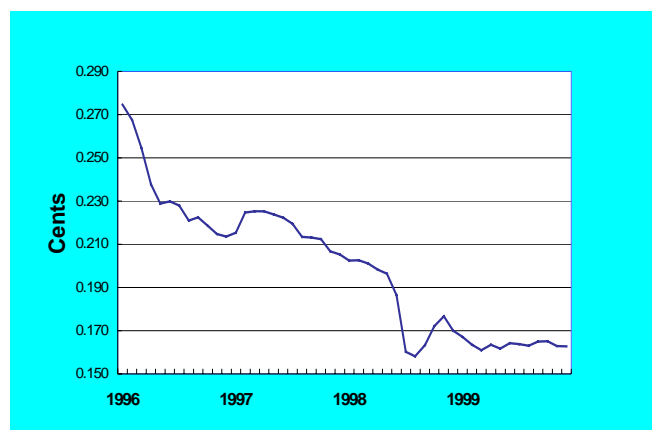
Namibia, where most of the trade is financed through commercial banks, the addition of their foreign assets to official reserves changes the above picture completely. The overall level of foreign assets available for trade transactions then increases to N\$2.8 billion in 1999, representing 12.3 weeks of import cover.

5.3 Exchange Rate Developments

After the turbulence due to the financial crisis in South-East Asia in 1997/8, the world economy picked up in 1999. This recovery was driven by better economic performances in the industrialised countries and emerging markets. This recovery eventually filtered through to the South African economy and some parts of Southern Africa, including Mozambique, Swaziland and Lesotho.

The growth in output in Asia resulted in higher effective demand for commodities and manufactured goods from South Africa. The subsequent rise in exports to Asia coincided with a weak demand for imports in South Africa and a significant net capital inflow. These developments, coupled with South Africa's effective monetary policy, stabilised the international value of the rand and the Namibia dollar.

Chart 5.2: US Dollar per Namibia Dollar

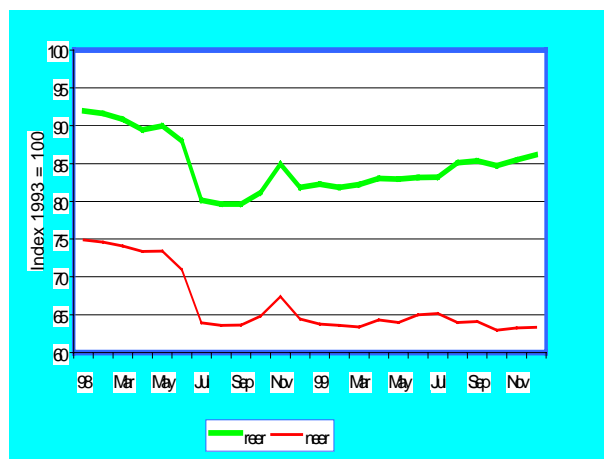


Against this background, the value of the Namibia dollar against the US dollar was stable in 1999 (Chart 5.2), depreciating by only 4.2 per cent to U\$0.16, year-on-year. It also depreciated by only 0.9 per cent against the British pound but appreciated by 10.8 per cent against the German mark.

On a trade-weighted basis, Namibia's Nominal Effective Exchange Rate (NEER) depreciated by 1.7 per cent while the Real Effective Exchange Rate (REER) appreciated by 5.3 per cent (chart 5.3). As a result of this appreciation, Namibia's exports were less competitive on international markets.

However, the monetary arrangement between Namibia and South Africa continued to achieve positive results, as measured by the low and stable domestic and external prices since the early 1990s. The annual inflation rate declined sharply from 17.9 per cent in 1992 to a single digit of 8.6 per cent in 1999. Also, the REER depreciated by a compounded average of 2.4 per cent over the 1992-1999 period.

Chart 5.3: Namibia Dollar NEER and REER



5.4 Exchange Controls in Namibia

The Bank of Namibia continued with the process of gradually liberalising exchange controls.

To allow broader investment by private individuals offshore and to facilitate a greater flow of funds, in line with the liberalisation process taking place in the CMA, the maximum allowable foreign investment by private Namibian residents abroad was increased from N\$350 000 to N\$500 000.

Institutional investors (i.e. long term insurers, pension funds, unit trust management companies and fund managers) regarded as a critical vehicles in the liberalisation process, were allowed to acquire foreign portfolio investments by way of asset swaps, of up to a maximum of 15 per cent of their total Namibian assets. The limit had previously been set at 10 per cent of the institutions' total assets.

In a similar vein, the travel allowance for Namibian residents travelling abroad was increased to a maximum of N\$120 000 per person of 12 years or older, and N\$35 000 per child, per calendar year. Previously, these limits were N\$100 000 and N\$30 000, respectively.

Study allowances for students studying outside the CMA were also increased from N\$100 000 to N\$120 000 per annum for a single student and from N\$200 000 to N\$240 000 for a student accompanied by a spouse who is not studying.

In an effort to demonstrate Namibia's commitment towards the free flow of funds and to enable emigrants to freely move their funds abroad, all emigrant funds blocked as at 13 July 1999 were released. In keeping with the Multilateral Monetary Agreement between the CMA member countries, this was done in consultation with the CMA members.

Finally, Namibia, together with the other CMA countries, has undertaken to gradually liberalise exchange controls within the region.

5.5 Regional Integration Issues

The RSA - EU Agreement on Trade, Development and Cooperation was signed on 11 October 1999 and is set to become operational by the year 2000. To effect the agreement South Africa sought the concurrence of other SACU¹ countries. The concurrence notes had by the end of December 1999, not yet, been obtained while the matter had been referred to the Ministers of Finance, Trade and Industry of the SACU countries.

Other matters still unresolved between SACU member countries included budgetary support, restructuring, the safeguard provision for small SACU economies in case of massive losses to the common revenue pool, or in case EU exports into the South African market cause displacements to exports from their countries.

Though there are short-term provisions within the South Africa – EU Free Trade Agreement to take care of these likely possibilities, South Africa was yet to make it clear of whether it would take care of these problems should they arise.

Substantial progress was, meanwhile, achieved on a common external tariff, rebates, drawbacks and refunds, trade negotiations with third parties, industrial and agricultural policy formulation, competition policy, and decision-making. A responsibility for tariff setting within SACU, management of the common revenue pool, location of the SACU secretariat, as well as a new revenue sharing formula.

¹ SACU comprises of the following countries: Botswana, Lesotho, Namibia, and South Africa, Swaziland.

Namibia ratified the SADC Trade Protocol in 1998. This calls for the reduction of tariffs within SADC². By the end of 1999, eight countries namely Botswana, Lesotho, Malawi, Mauritius, Namibia, Tanzania, Zimbabwe and South Africa had ratified the Protocol. The Protocol is ready for implementation because it had been ratified by at least two thirds of the member states, the Protocol was ready for implementation, and was expected to come into effect on 1 January 2000.

Namibia was, meanwhile, already benefiting from tariff reductions implemented by Comesa countries. Comesa had given Namibia and Swaziland derogation on tariff reductions up to the end of 1999. This was, however, extended to July 2000 when the two countries are expected to have to fulfill their Comesa Treaty obligation of reducing their tariffs to zero. The granting of tariff reductions by Namibia and Swaziland has been hampered by their membership in SACU. As with any agreement that a SACU member country enters into with a third country, Namibia and Swaziland's trade liberalization within Comesa has to be endorsed by other SACU members.

² SADC comprises Botswana, Angola, DRC, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.

6. REPORT ON BANKING SUPERVISION AND THE REGISTRAR'S REPORT ON THE BUILDING SOCIETY

6.1 Overview

As the 20th century came to an end, the Bank of Namibia (the Bank) took a critical review of the events that pre-occupied its Bank Supervision Department during the year 1999. The Bank placed particular emphasis on strengthening its supervisory capacity and the maintenance of stability in the banking system.

To this end, further provisions of the Banking Institutions Act, 1998 (Act No. 2 of 1998) were implemented through the issuance of determinations and regulations. A number of circulars were issued to provide clarity and directives to banking institutions on certain issues in the Banking Institutions Act, 1998, and the related determinations. The Bank also intensified its on-site examinations during the year under review. As a result, a full scope examination and limited examination reviews and follow-ups were conducted.

With regard to the Y2K problems, the Bank devoted its time and resources to ensure a smooth transition in the banking sector. In so doing, the Bank worked closely with the banking industry to ensure that all the necessary preparations were made in good time.

Furthermore, the Bank continued to contribute towards harmonised and co-ordinated supervisory activities in the East and Southern Africa Banking Supervision Group (ESAF).

6.2 Industry and Regulatory Developments

6.2.1 Authorised institutions

An application for authorisation to establish a banking institution in Namibia was lodged with the Bank by local businesspersons. This application did not, however, meet all the minimum requirements for authorisation. The number of authorised financial institutions under the supervision of the Bank thus remained unchanged and by 31 December 1999 comprised five commercial banks, namely: Bank Windhoek Ltd, City Savings and Investment Bank Ltd; Commercial Bank of Namibia Ltd; First National Bank of Namibia Ltd and Standard Bank of Namibia Ltd; as well as a building society, namely the South West Africa Building Society.

6.2.2 Determinations issued

The following determinations, some of which were issued during 1998, became effective during the year under review:

(i) Determinations on the Appointment, Duties and Responsibilities of Independent Auditors (BID-10)

In accordance with the provisions of section 43(6) of Namibia's Banking Institutions Act, 1998, the Bank issued these determinations to provide more specific rules and criteria on the appointment, duties and responsibilities of an independent auditor of a banking institution.

In sum, the duties and responsibilities of an independent auditor include the issuance of a report on statutory returns submitted by a banking institution to the Bank; providing the Bank with a report if there is reason to believe that in the conduct of the affairs of such a banking institution, a material irregularity has taken place, is still taking place, or is likely to cause financial loss to the banking institution or any of its members or creditors.

In order to be appointed as an independent auditor of a banking institution one should, among others, be a fit and proper person; be registered to act as an auditor under the Public Accountants and Auditors Act, 1951 (Act No. 51 of 1951); conduct him/herself in a proper manner by observing the laws of which it is his duty to comply with; be independent from the banking institution; be professionally competent to effectively perform the audit and observe the provisions of the Code of Professional Conduct published by the Public Accountants' and Auditors' Board.

The determinations further provide guidelines on the independence and professional competence of an independent auditor. The guidelines on the independence of an auditor, for instance, require the auditor to be free from any material obligation to or material interest in a banking institution. The guidelines also provide a list of professional competencies an auditor ought to have in order to be appointed as an independent auditor of a banking institution, e.g. sufficient and relevant knowledge, skills and disciplines, and relevant experience in auditing in the banking industry.

(ii) Determinations on Minimum Insurance for Banking Institutions (BID-14)

Banking institutions are required under the Banking Institutions Act, 1998, to contract an insurance policy or to maintain a special reserve account for the purpose of insuring themselves or their customers against any loss, which they may suffer as a result of negligence, dishonesty or fraud by any of their officers.

These determinations provide the main basis for calculating the minimum insurance cover, or the minimum balance of the special reserve account, which every banking institution must maintain at all times. The amount for the insurance cover, or balance in a reserve account, should be equal to at least 0.5 percent of the total assets, excluding fixed assets, as per the latest audited balance sheet return.

(iii) Determinations on Minimum Liquid Assets Requirements (BID-6)

These determinations were amended in order to widen the definition of liquid assets in order to include other instruments that satisfied the characteristics of a liquid asset. As a result, any other securities, bonds and bills fully guaranteed by the Government of Namibia, which form part of public issue, have been included in the composition of liquid assets.

(iv) Determinations on Fraud and Other Economic Crime (BID-9)

The increase in fraud and other economic crime committed against banking institutions and the impact that goes with it are causing great concern to many supervisors around the world.

In view of the above, the Bank issued determinations to require banking institutions to report to the Bank possible crime committed against them. Accordingly, banking institutions are required to have in place, as part of their risk management strategies, adequate internal controls to combat fraudulent activities and other economic crime.

Table 6.1 contains a summary of information on incidents of fraud and other economic crimes reported to the Bank during 1998 and 1999, respectively.

Table 6.1: Fraud and Crime Incidents Reported (Amounts in N\$')

	1998	1999
Cheque fraud	2,196,828	6,976,031
Armed robberies	2,996,141	562,159
Money transfers	275,850	70,838
Theft of cash	70,326	165,421
Others	746,445	869,936
Total	6,285,590	8,644,385
Amount Recovered	2,439,152	4,679,500

During 1999, the number of incidents of fraud and other economic crime reported to the Bank increased

from N\$ 6.3 million to N\$ 8.6 million. Although incidents involving cheques reported an increase of 217,6 per cent, 45,8 per cent have been recovered.

(iv) Determinations on the Compulsory Suspension of Cheque Accounts by Banking Institutions (BID-12)

A credible and efficient payment system is one of the important elements for sustainable economic growth. The growth of incidents of cheques being referred to drawer due to insufficient funds could hamper the development of a credible and efficient payment system in Namibia, and therefore warranted a regulatory measure to minimise such incidents.

Determinations were, thus, issued to require banking institutions to suspend cheque account facilities in respect of which five cheques were referred to drawer due to insufficient funds over a period of three months. Such cheque facilities may be restored after a suspension period has elapsed. Banking institutions are further expected to develop internal control systems that reduce the incidence of referred to drawer cheques due to insufficient funds.

During 1999 the Bank received, among others, the information contained in Table 6.2 regarding cheque accounts suspended in accordance with the provisions of these Determinations.

Table 6.2: Suspended Cheque Accounts

	Total for 1999
No of cheques returned	3,877
Value of cheques referred to drawers	7,826,916
No of Accounts suspended	487

As reported to the Bank, the number of cheques referred to drawers due to insufficient funds amounted to 3,887. The value of cheques referred to drawers decreased from N\$4.4 million to N\$3.5 million in the second semester. During the same period, the number of suspended accounts increased, which raised concern on whether customers fully understood the consequences of suspension of cheque accounts.

(vi) Determinations on the Disclosure of Bank Charges, Fees and Commissions (BID-13)

In order to ensure that customers are adequately informed of the costs of services rendered, banking institutions are required, in terms of these determinations, to disclose at their premises to the public, as a minimum requirement, the maximum bank charges levied with regard to services and/or transactions conducted with customers.

These determinations set out the minimum requirements, which the disclosure policies of the banking institutions should comply with regarding bank charges, fees and commissions.

6.2.3 Offshore banking bill

Through the working committee for the development of offshore infrastructure in Namibia, the Bank finalised the Offshore Banking Bill. It is anticipated that the Bill will be enacted during the course of year 2000. The Bill, when enacted, will mainly provide for the establishment of offshore banking businesses, the licensing of offshore banks, and their regulation and supervision.

6.2.4 Y2K readiness

Conscientious efforts by the banking industry to address the Y2K problem did not prove to be in vain as the change over into the new millennium occurred without a hitch or any disruption to normal banking services. The banks were very well prepared for the event and it was not necessary to activate any contingency action.

The dedication and commitment, not to mention the costs incurred by the banking system, to have all systems Y2K ready, was indeed noteworthy. The banks should be complimented for the competent manner in which they maintained the confidence of the public in the banking system amidst the hype created by pessimists.

During the year the Bank had engaged in an extensive exercise to ensure that the banking system was Y2K ready. This process involved close scrutiny of the progress reports submitted regularly to the Bank, on-site verification of progress reports, cash contingency arrangements and detailed contingency plans to address unforeseen possibilities.

The confidence in the banking system remained high, thanks to the very extensive media campaign by individual banks and the industry. Co-ordination with other national Y2K Project Managers and the efforts

of the National Y2K Co-ordinating Council enhanced the awareness of the Y2K problem at a broader national level. As the big day drew closer, a Joint Response Centre for the banking sector was set up to closely monitor the situation over the critical change over period. On the first day of the Year 2000, however, the reports from the banks were very encouraging and everything functioned normally.

The days 31 December 1999 and 3 January 2000 were declared public holidays in Namibia in order to dedicate time and attention to the change over period by institutions concerned about the Y2K issue.

Although there was a higher than normal demand for cash by the public over the long weekends during the festive season, the actual withdrawals did not reach the forecast levels of cash stockpiled in the banking system. The banks were also not threatened by a potentially severe liquidity risk that could have been caused by lack of confidence by the public.

6.3 On-site Examination Activities

During the year under review, the Bank Examinations Division carried out a series of limited scope examinations a full scope examination and follow-ups on previous year examinations in order to assess the financial condition and soundness of the banking institutions in Namibia.

These examinations, carried out in collaboration with off-site surveillance teams, focused mainly on appraisal of the quality of assets, deposit concentrations, capital adequacy, management quality, banking risks and compliance with statutory requirements.

Apart from the onsite examinations of banking institutions, the examiners also had to contend with, and respond expeditiously, to a totally different type of financial operation, the pyramid scheme.

Following an article in a local newspaper on 12 March 1999, the Bank secured a warrant to conduct a search on the business premises of a company that was believed to be engaged in illegal deposit taking. The aim of the investigation was to establish a possible violation of section 5 of the Banking Institutions Act, 1998, which states that no person shall conduct the business of a banking institution unless that person has been authorised to conduct a banking business. In accordance with the provisions of the Banking Institutions Act, 1998, the company was required to cease its business operations, surrender its monies, records and documents to the examiners while its bank account was also frozen.

Upon conclusion of the examination, the matter was referred to the police for further action.

On 13 October 1999, the Bank obtained a warrant to gain access to and search the business premises of another company, also believed to be engaged in illegal deposit taking activities. The investigation was carried out in terms of section 6 of the Banking Institutions Act, 1998, in order to establish whether section 5 of the said Act was again being violated.

The modus operandi here involved the owner of the business approaching members of the public directly to persuade them to participate in the scheme. For example, members of the public would be invited to invest an amount of N\$90.00 with the business. Upon payment of this amount, the payer became a member of the organisation and received a receipt book as well as three application forms for membership. The member would then introduce three other additional members to the scheme. Each new member would pay an amount of N\$90.00 and would, likewise, receive a receipt book with three application forms to introduce additional members to the scheme. Upon conclusion of the examination the matter was referred to the police for further action.

For the three years, including 1999, examinations on banking institutions were mainly in and around the capital city, Windhoek. With the On-site Examinations Division having increased its capacity, branches in other areas of the country will also be examined.

6.4 International supervisory co-operation

As expected of all members of the East and Southern Africa Banking Supervision Group (ESAF), the Bank continued its active participation in activities in the region.

The Bank served on the Information Technology System's task team of ESAF that was set up to develop a model for standard data collection mechanisms for supervisory authorities in the region and hosted a workshop in April 1999 for the task team. The other members of the Information Technology System's task team are: the Bank of Botswana, Reserve Bank of South Africa, the Bank of Mozambique and the Reserve Bank of Zimbabwe. The model for the standard data collection mechanism is one of the harmonisation efforts the ESAF region is currently working on.

The Bank is also currently working towards the full implementation of the 25 Core Principles for Effective Banking Supervision issued by the Basle Committee and the format for the publishing of banks' audited

financial statements. These are some of the issues that were identified necessary in order to ensure harmonisation of supervisory standards in the ESAF region.

For a few years, the Bank served as a member of the executive committee of the ESAF region, until its term ended in June 1999.

Bank staff attended various courses and workshops organised by the ESAF region and other international agencies including the Bank for International Settlements.

Box B BANKING REFORM IN NAMIBIA

The Bank was formed in 1990 following Namibia's independence from the Republic of South Africa on 21 March 1990. Upon its establishment, the Bank was charged with the responsibility of supervising Namibia's banking institutions and building societies, among other responsibilities. At that time, the Bank inherited a legal framework Basle on the Banks Act, 1965 (Act No. 23 of 1965) for the banking industry and Building Societies Act, 1986 (Act No. 2 of 1986) for building societies.

Some shortcomings were identified in the then legal framework for the banking industry, which was also considered to be outdated and out of line with the latest developments in banking supervision. In view of these shortcomings the Banking Institutions Act, 1998 (Act No. 2 of 1998) was introduced in April 1998 to bring the legal framework into line with international banking and supervisory standards, particularly the Core Principles for Effective Banking Supervision recommended by the Basle Committee. It is the aim of the Bank to keep its supervisory standards in line with international supervisory standards, particularly those adapted by the Basle Committee. Its legal framework will be reviewed regularly in order to take account of local and international developments.

Reform was effected in the following areas:

FLEXIBILITY OF THE LEGAL FRAMEWORK

The legal framework for Namibia's banking industry now comprises of the following levels:

- The Banking Institutions Act, 1998, that contains the broad framework for banking regulation and supervision.
- The Regulations issued by the Minister, which on recommendation of the Bank, regarding any matter required to be prescribed under the Act and all other matters the Minister considers necessary or expedient to prescribe in order to achieve the objectives and purposes of the Act.
- The Determinations issued by the Bank on any matter specifically required by the Act to be determined by the Bank and/or on any other matter, which the Bank considers necessary or expedient to determine to ensure the banking business is conducted in a prudent manner.
- The circulars issued by the Bank to provide clarity on the provisions of the Banking Institutions Act, 1998, and the related Regulations and Determinations.
- Guidelines and notices issued by the Bank for the purposes of promoting sound and prudential banking practices.

The rationale for having the different levels is mainly to ensure flexibility within the framework and to give legal clout to the Regulations issued by the Minister and the Determinations issued by the Bank without requiring to go through parliament. Under this framework, the Act contains only the broad framework whereas the detailed prudential requirements are provided for in the by-laws known as Determinations.

POWERS OF THE BANK

The Banking Institutions Act, 1998, has enhanced and set out clearly the following issues clearer than before:

• Investigations

The Bank is now empowered to freeze bank accounts, seize monies and investigate and/or suspend the business of a person suspected of conducting an illegal banking business. Further, the Bank may enter any premises and search for any information in connection with the suspected illegal banking business. Prior to the Banking Institutions Act, 1998, the Registrar of Banks could only, in writing, require or direct the person suspected of carrying out a banking business illegally to submit any information concerning such a business to him/her.

- **On-site Examinations**

Unlike under the Banks Act, 1965, the Bank may, under the Banking Institutions Act, 1998, examine or cause to be examined the affairs of a banking institution in order to determine its financial soundness or compliance with statutory requirements. For the purpose of conducting the examination of a banking institution, the Bank may call for or be furnished with information concerning the business of such a banking institution. In view of the foregoing, the Bank has the powers to carry out on-site examinations of a banking institution either through its own officers or any other person appointed by it.

- **Cancellation of authorisation to conduct banking business**

The Bank may, after consultation with the Minister and after a 30-day written notice has been served, cancel the authorisation to conduct a banking business, if a banking institution:

- (i) fails to commence business after having been authorised to do so;
- (ii) fails to comply with any conditions imposed in terms of the Banking Institutions Act, 1998;
- (iii) ceases to conduct the business for which it is authorised;
- (iv) is found guilty of an offence under any provision of the Banking Institutions Act, 1998; or
- (v) If, in the opinion of the Bank, the banking institution concerned conducts its business in a manner detrimental to the interest of the customers or general public.

The above is different from the position that existed under the Banks Act, 1965, which required the Registrar of Banks to apply to the High Court for an order cancelling or suspending the registration of a banking institution.

- **Measures against problem banking institutions**

Apart from the appointment of a curator to a banking institution, other measures or actions that the Bank could take against a banking institution experiencing problems were not clearly spelt out in the Banks Act, 1965. The Banking Institutions Act, 1998, spells out clearly what measures or actions the Bank may take regarding banking institutions experiencing problems and under what sort of conditions a particular action may be taken.

LICENSING CRITERIA

The new framework brought about improvements in the licensing process of banking institutions. Firstly, the provisional registration stage is no longer applicable. In other words, a successful applicant does not have to wait for a year or more before a full authorisation certificate is issued. Secondly, any person or group of persons who meet the minimum authorisation requirements may establish a banking institution without having to first establish a bank controlling company. The approval of the Minister of Finance in respect of the shareholding in a banking institution is no longer required. However, there is a provision in the Banking Institutions Act, 1998, for the Bank to approve any shareholding in a banking institution in excess of 20 per cent of the total nominal value of all issued vote-bearing shares.

Finally, the new framework contains more stringent entry requirements to ensure that only reputable applicants enter the market. The stringency is reflected in the increase in the start-up capital from N\$2 million to N\$10 million; the introduction of the fit and proper requirements for the proposed management, directors and shareholders; the need for the proposed bank to maintain adequate internal control systems and the need for its ability shareholders to be able to inject additional capital into the institution.

The Bank is the licensing authority but shall, before taking any decision relating to the application for authorisation to conduct a banking business, consult with the Minister of Finance.

PRUDENTIAL SUPERVISION

Prudential supervision has been strengthened with the introduction of prudential requirements in line with the international supervisory standards recommended by the Bank for International Settlements (BIS).

Capital adequacy requirement

A risk-based capital requirement, based on the Basle accord of 1988, was adopted on 1 July 1998. The new requirement departs from the one that existed under the Banks Act, 1965, which did not bear any relationship to the amount and levels of risk of the assets. The new requirement makes regulatory capital requirements more

sensitive to risk profiles in the different assets of a banking institution. It also factors credit risk related to off-balance sheet exposures into the assessment of capital adequacy.

Furthermore, not all types of capital qualify for inclusion in the calculation of the risk-weighted capital adequacy ratio. Primary (permanent) capital qualifies 100 per cent whereas the secondary (non-permanent) capital is limited to 50 per cent of the primary capital. The current capital adequacy ratio is eight (8) percent. For the purpose of this prudential requirement, primary capital includes permanent shareholders' equity, namely fully paid ordinary shares, share premium, preference shares and reserves (e.g. retained profits, general reserves and statutory reserves). Secondary capital comprises of revaluation reserves, general provisions, hybrid capital instruments and eligible subordinated term debt.

Liquidity requirement

In line with international standards, the new measure requires banking institutions to have written policies on liquidity management, which ensure daily compliance with the statutory liquid assets requirements. These policies should address the cash flow management of the banking institution to ensure the short-term matching of outgoing commitments and inflow of funds, management of marketable assets to ensure an adequate stock of liquid assets, and the borrowing capacity of the banking institution to ensure its ability to borrow funds from the market at short notice.

In addition to the above, banking institutions are required to hold 10% of their total liabilities to the public in the form of liquid assets. Under the Banks Act, 1965, the minimum amount required was equal to 20% of short-term liabilities, 15% of medium-term liabilities, and 10% of long-term liabilities. This method was found cumbersome, open to abuse and inconsistent with regard to the application of set-off of amounts and other adjustments.

These shortcomings, however, have been overcome under the new requirement under which a single percentage is applied to the total average daily liabilities of a banking institution while clear instructions have also been provided with regard to set-off of amounts and other adjustments.

Large exposure to a single person or group of related persons

Another prudential requirement, introduced by the Banking Institutions Act, 1998, is the limit on the exposure of a banking institution to a single person or to a group of related persons. A large exposure means an exposure that equals to or is more than 10 per cent of the capital funds of a banking institution. The limit imposed with regard to a large exposure is that an exposure to any person or group of related persons shall be 30 percent of a banking institution's capital funds.

Further, the large exposures granted shall not, in aggregate, exceed 800 percent of the total capital funds of a banking institution. The significance of this limit is that it minimises excessive concentration of risk exposure to a single person or group of related persons who would have a devastating effect on a banking institution should they experience financial problems and be unable to service their debts.

The absence of such limits under the old framework resulted in some banks being excessively exposed to a single borrower or a group of related persons. As a result banks were given a two-year grace period, from the date of the introduction of these limits, to reduce these exposures to a level in line with the new statutory limits.

Non-performing loans

No guidelines on the treatment of non-performing loans existed before. Though some banks applied stringent rules internally, the absence of guidelines led to inconsistent treatment of non-performing loans, making it difficult to make comparisons of such information. In some instances, the internal policies of banking institutions were not adhered to and, for example, some non-performing loans were reported as performing, and inadequate provisions made.

The Banking Institutions Act, 1998, introduced standards that require banks to make specific and general provisions for bad and doubtful debts before any profit is declared, and to ensure that the provision is adequate. It also provides for uniform standards for the banking industry on the classification and treatment of non-performing loans and the treatment of interest earned on non-performing loans.

Connected lending

In order to prevent abuses, the Banking Institutions Act, 1998, determines the rules and requirements that need to be complied with when lending to shareholders, directors, managers, auditors of the banking institutions and related companies and individuals. These rules require that such exposure should be made with the prior approval of the board of directors of the banking institution concerned and should be fully secured. The terms and conditions of the exposures granted to such persons should also be more favourable than those extended to non-related borrowers under similar circumstances.

MISCELLANEOUS

Banking Business

The definition of a banking business has been widened to seal the loopholes on illegal deposit taking that existed under the old regulatory framework. Furthermore, the use of the word “bank”, or any derivatives thereof by an unauthorised person, is prohibited.

Money laundering

Money laundering undermines public confidence in the financial system and may also cause distortions in the economy through influence on key economic variables such as money supply. In the absence of appropriate legislation, the new regulatory framework provides guidelines for banks to deal with money laundering activities. Those include the requirement for banking institutions to report any suspicious transaction to the Bank.

Fraud and other economic crime

Because fraud and other economic crime cause financial loss to banking institutions as well as undermine public confidence in the banking system, banking institutions are required to bolster their surveillance systems and institute adequate and appropriate internal controls to combat fraud and other economic crime. Banking institutions are also required to report incidences of fraud and other economic crimes to the Bank.

RESTRICTION ON NON-BANKING ACTIVITIES

After the introduction of the Banking Institutions Act, 1998, a banking institution shall not conduct or have a direct interest in non-banking activities such as trade, merchandising, insurance, etc. The Bank may, upon written request from a banking institution and subject to certain conditions, grant exemption from this restriction.

FINANCIAL STATEMENTS

In order to enhance transparency and reporting, banking institutions are required to publish their financial statements, after their acceptance at the annual general meeting, in a newspaper approved and specified by the Bank. Banking institutions are also required to submit their audited financial statements to the Bank.

CORPORATE GOVERNANCE

The Banking Institutions Act, 1998, incorporates some of the principles of sound corporate governance, particularly those relating to the roles, duties, responsibilities and the appointment of directors, principal officers, audit committees, and external auditors. In this regard, banking institutions are required at all times to conduct their business prudently and in keeping with the best standards and practices of corporate governance and sound financial management.

STATUTORY RETURNS

Statutory returns were revised and new ones introduced. These returns, most of which are risk Basle, were modified in order to facilitate the capture the information required in managing banking risks and to increase the frequency of submission of some of the returns.

OFFENCES AND PENALTIES

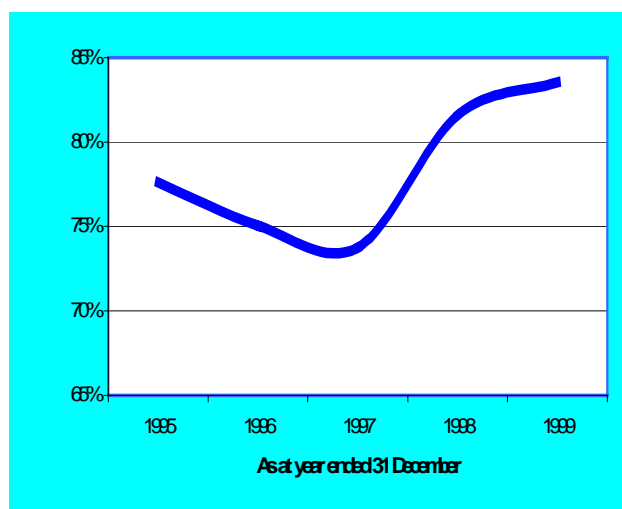
In order to enhance compliance with the provisions of the Act by banking institutions, the penalties imposed in the case of contravention of the stipulated provisions of the Act have now been increased and penalties imposed may extend to individual persons responsible for such contravention.

6.5 Performance of Banking Institutions

6.5.1 Asset Growth

Total assets of the banking sector amounted to N\$10.3 billion as at 31 December 1999, compared with N\$9.0 billion recorded a year earlier, representing an increase of 14.4 per cent. The annual average growth in total assets from 31 December 1995 to 31 December 1999 was 17.4 per cent.

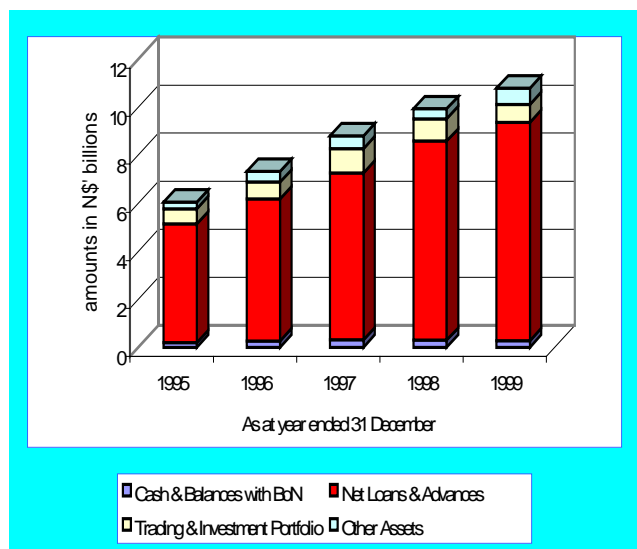
Chart 6.1 Ratio of net loans & advances to total assets



The ratio of net loans and advances to total assets have since 1997 shown an upward trend, due mainly to a higher growth rate in loans and advances relative to other assets.

Net loans and advances continued to constitute a major portion of total assets, with a proportion of 83.5 per cent as at the end of 1999.

Chart 6.2 Composition of Total Assets

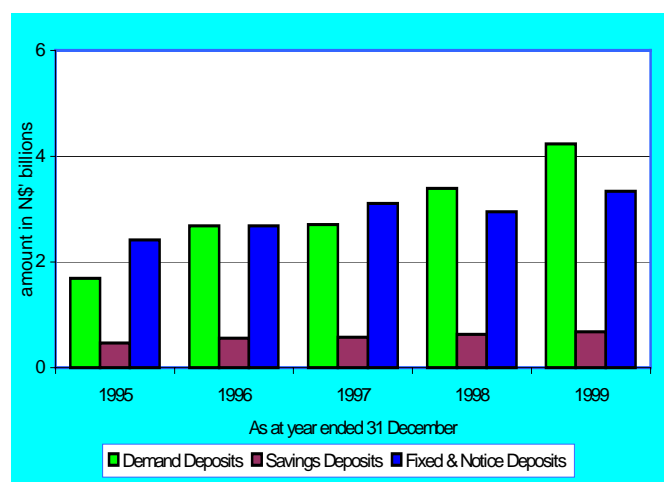


6.5.2 Deposits

Total deposits of the banking sector amounted to N\$8.3 billion as at 31 December 1999, compared with N\$6.9 billion reported at 31 December 1998, recording an increase of 20.3 per cent (or N\$1.4 billion).

At 31 December 1999, demand deposits constituted 51.3 per cent of total deposits, followed by fixed and notice deposits at 40.4 per cent and savings deposits at 8.2 per cent.

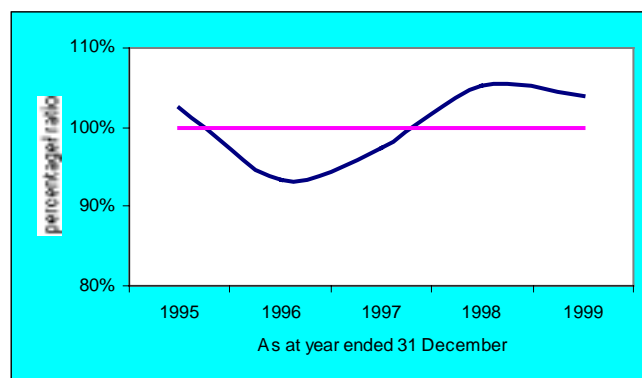
Chart 6.3 Composition of total deposits



For the year ended 31 December 1998, the composition of deposits was as follows: demand deposits stood at 48.6 per cent; fixed and notice deposits at 42.3 per cent and savings deposits at 9.1 per cent.

The Y2K had an insignificant impact on the levels of deposits during the last quarter of 1999, with a minimal decrease in total deposits of only 0.7 per cent (or N\$59.0 million).

Chart 6.4 Loan to Deposit Ratio as at 31 December



The loan to deposit ratio measures the extent to which the banking sector was able to mobilise deposits from the public to support its lending operations. As shown in Chart 6.4, the sector was not able to fully cover its lending operations through deposit funds, with the exception of years 1996 and 1997. For most of the period covering 1995 to 1999, lending operations had to be supplemented by other sources, including foreign funding, interbank loans, debt instruments and other borrowings.

6.5.3 Capital Adequacy

Total capital funds (qualifying capital) of the banking sector as at 31 December 1999 amounted to N\$959.2 million, an increase of 16.0 per cent from the amount of N\$826.7 million recorded a year earlier.

In line with the Determinations on Risk-Weighted Capital Adequacy (BID-5), all banking institutions are compelled to maintain a risk-weighted asset to capital ratio of at least 8 per cent. As at 31 December 1999, this ratio amounted to 14.4 per cent, compared with a 13.1 per cent recorded at 31 December 1998. Thus all banking institutions maintained the risk-weighted capital ratio above the minimum of 8 per cent.

Of the total capital funds, 88.0 per cent was derived from primary capital (Tier 1) comprising share capital and share premium, general reserves and retained income. The remaining 12.0 per cent of total capital funds were derived from secondary capital (Tier 2) comprising general provisions for bad and doubtful debts, hybrid capital instruments, subordinated term debts and revaluation reserves [Charts 6.5(a) and Chart 6.5(b)].

Chart 6.5(a): Composition of Qualifying Capital as at 31 December 1999

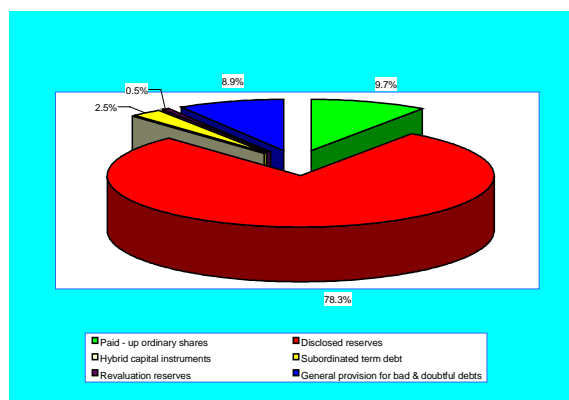
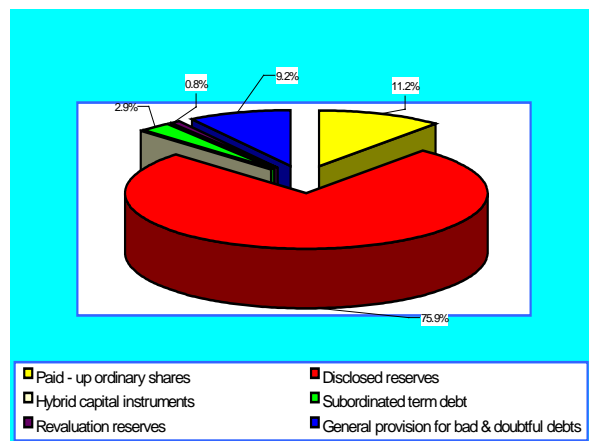


Chart 6.5(b): Composition of Qualifying Capital as at 31 December 1998



6.5.4 Loan Quality

Gross loans & advances of the banking sector increased by N\$959.0 million (or 11.8 per cent) since 31 December 1998, and amounted to N\$9.1 billion as at 31 December 1999. Over the 5-year period ended 31 December 1999, the loan book grew by an average of 19.7 per cent per annum.

Table 6.2: Loans & Advances, Overdue Amounts & Overdue Ratio

	1995	1996	1997	1998	1999
Gross Loans & Advances (N\$ m)	4,936.2	5,909.8	6,945.3	8,122.2	9,081.2
Overdue (N\$ m)	164.4	253.9	455.9	821.0	856.8
Overdue Ratio (%)	3.3%	4.3%	6.6%	10.1%	9.4%

- Overdue ratio = overdue amounts ÷ gross loans and advances

(i) Overdue amounts

The amounts of loans and advances overdue to the banking sector amounted to N\$856.8 million as at 31 December 1999, compared to N\$821.0 in the previous year.

The highest overdue amount recorded at 31 December 1999 was in respect of overdrafts, with 66.6 per cent of total overdue amounts, followed by

instalment debts with a share of 15.1 per cent. Mortgages took up 10.9 per cent of overdue amounts.

Over the 5-year period, the gross overdue amount increased substantially by N\$692.4 million. The overdue amounts grew at a faster rate than gross loans and advances, as reflected in the sharp increase in overdue ratio from 3.3 per cent in 1995 to 9.4 per cent in 1999.

(ii) Non-performing loans (NPL)⁶

In accordance with the Determinations on the Classification of Loans and the Suspension of Interest on Non-performing Loans and the Provision for Bad and Doubtful Debts (BID-2), banks are obliged to make provisions against the NPL.

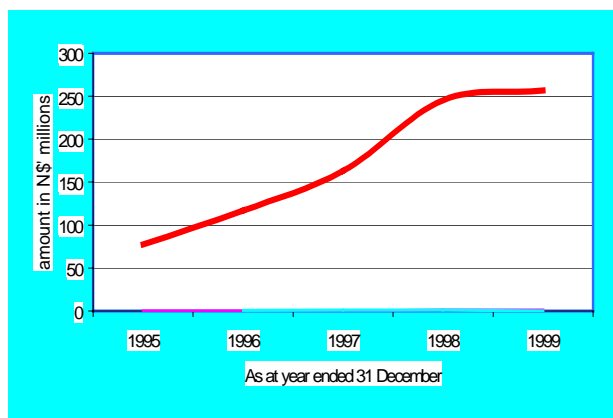
The amount of NPL decreased by N\$74.6 million (or 8.4 per cent) from N\$893.8 million as at 31 December 1998 to N\$819.2 million at 31 December 1999. The ratio of NPL to loans and advances decreased from 10.8 per cent in 1998 to 9.0 per cent in 1999.

(iii) Provisioning

As per BID-2, all banks are required to make specific provisions against doubtful and bad debts. The amount for specific provisions increased by 4.6 per cent to N\$256.9 million as at 31 December 1999, compared with an increase of 50.7 per cent at 31 December 1998 [Chart 6.6].

The amount written off against provisions increased substantially by 74.3 per cent during the year, from N\$15.3 million at 31 December 1998 to N\$26.7 million at 31 December 1999. Further, the amount written off against income increased from N\$740,000 at 31 December 1998 to N\$12.3 million at 31 December 1999.

Chart 6.6 Specific Provision Amounts



⁶ NPL refer to the amounts that are overdue for 6 months or more. However, for Bankers Acceptances, Bills of Exchange and similar instruments, they become non-performing if not honored by the due date.

The ratio of specific provisions to NPL amounts, which measures the amount of NPL covered by the specific provisions, increased during the year under review from 27.5 per cent to 31.4 per cent. The improved ratio can be attributed to the decrease in NPL as well as to the increase in specific provisions.

The BID-2 further compels banks to suspend all uncollected interest accruing to NPL and to credit the amount to the interest-in-suspense account. The amount of interest-in-suspense rose from N\$138.7 million as at 31 December 1998 to N\$152.2 million at 31 December 1999, an increase of 9.7 per cent.

Banking institutions complied with the requirement to maintain a general provision account of not less than 1.0 per cent of gross loans and advances, net of specific provisions and interest-in-suspense.

General provision serves as a cushion to absorb losses that could occur in the future. These could arise from growth in the loan portfolio, coupled with increases in non-performing loans.

(iv) Large exposures

Large exposures refer to an exposure (credit facility) to a single person or a group of related persons equal to or above 10 per cent of the capital funds of a banking institution. The exposure limit to any person or group of related persons is 30 per cent of a banks capital fund, whereas the aggregate limit of exposures is 800 per cent of capital funds.

Total large exposures of the banking system amounted to N\$3.0 billion as at 31 December 1999, compared with the amount of N\$3.2 billion recorded at 31 December 1998, and representing a decline in large exposure amounts of 6.3 per cent.

Total large exposure accounted for 33.4 per cent of gross loans & advances as at 31 December 1999, compared with 39.5 per cent of gross loans & advances as at 31 December 1998.

An amount of N\$258.3 million (or 8.5 per cent) of the large exposures was classified as non-performing loans. As at 31 December 1998, the NPL amount in respect of large exposure was N\$264.2 million (or 8.2 per cent), representing a decline in NPL amounts of 2.2 per cent.

Specific provisions in respect of the large exposures classified as non-performing amounted to N\$37.0 million as at 31 December 1999 compared with the amount of N\$27.8 million reported at 31 December 1998. Despite a reduction in NPL large exposure by

2.2 per cent, specific provisions increased by 33.3 per cent.

Banking institutions complied with the aggregate large exposure limit of 800 per cent of capital funds as per Determinations on Large Exposures to a Single Person or Group of Related Persons (BID-4).

It is expected that some banking institutions will increase their capital funds during the year 2000 to enable them to comply with the aggregate large exposure limit of 800 per cent of capital funds, as per BID-4.

6.5.5 Liquidity

Liquidity measures the extent to which the banking sector is able to meet the immediate cash requirements of its customers and creditors.

As per the Determinations on Minimum Liquid Assets Requirement (BID-6), all banks are required to hold at least 10% of their average liabilities to the public in the form of prescribed liquid assets.

Total liquid assets holding stood at N\$1.3 billion (or 14.5 per cent of the average total liabilities to the public) as at 31 December 1999 against the statutory requirement of N\$898.3 million.

All banking institutions managed to hold liquid assets in excess of the statutory requirement (Chart 6.7).

Chart 6.7: Statutory Liquid Assets

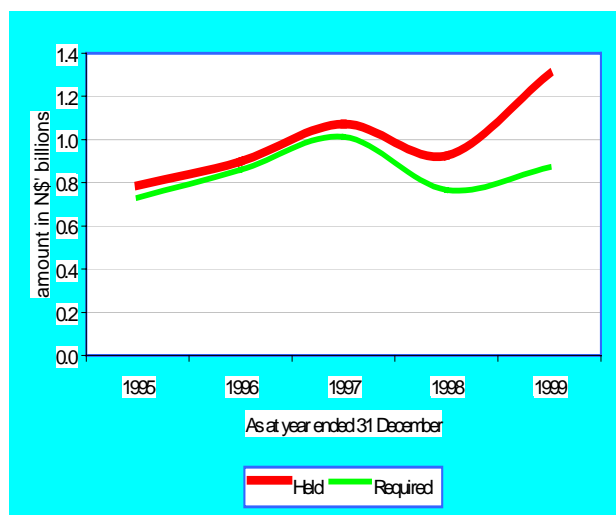
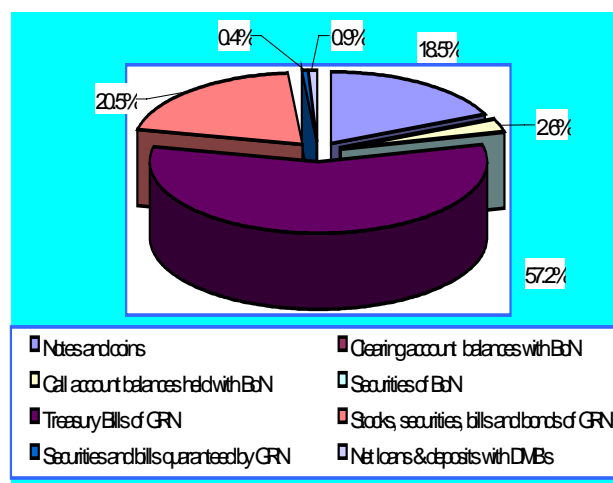
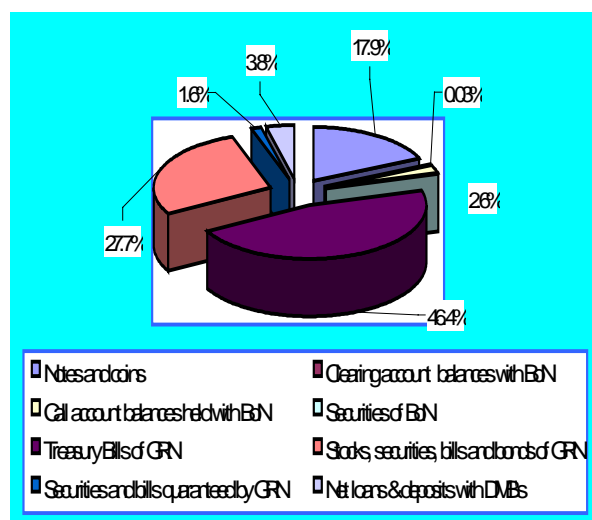


Chart 6.8(a): Composition of Liquid Assets as at 31 December 1999



Treasury Bills constituted about 57.2 per cent of the liquid assets, followed by stocks, securities, bills and bonds of the Government of Namibia with 20.5 per cent, while notes and coins took a share of 18.5 per cent as at 31 December 1999 [Chart 6.8(a) and Chart 6.8(b)].

Chart 6.8(b): Composition of Liquid Assets as at 31 December 1998



6.5.6 Profitability and earnings

The banking industry recorded a net income before taxation of N\$372.4 million for the year ended 31 December 1999, representing a 19.0 per cent increase.

Interest income, which constitutes the main source of income for the banking sector declined by 2.5 per cent during the year under review (Table 6.4). Such a decrease may be attributed to a fall in interest rates experienced during most part of the year 1999.

Interest expense also declined by 8.1 per cent during the same period.

The decrease in interest rates during the year under review marginally affected the profitability of the banking system, as evidenced by a decrease in interest spread from 8.6 per cent to 7.6 per cent, as well as a decrease in net interest margin from 6.2 per cent to 6.0 per cent. Non-interest income, which is derived from investments and trading activities, as well as fees, increased by 13.4 per cent during the year under review, compared with the increase of 32.5 per cent in the previous year.

Table 6.4: Key Income Statement Data for the year ended 31 December (all amounts in N\$' millions)

	1995	1996	1997	1998	1999
Interest Income	848.1	1,148.8	1,364.7	1,523.4	1,484.8
Interest Expense	540.0	763.6	891.2	987.3	907.7
Net Interest Income	308.1	385.2	473.5	536.2	577.1
Non Interest Income	183.1	225.7	266.3	352.9	400.1
Non Interest Expense	259.6	307.0	346.1	406.3	464.9
Provisions	44.7	88.2	116.4	169.8	139.8
Net Income Before Tax	187.0	215.8	277.3	313.0	372.4

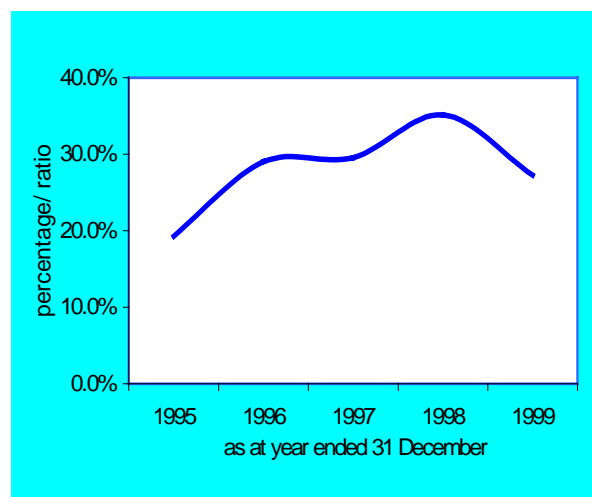
Table 6.5: Profitability ratio's for Commercial Bank's

	1995	1996	1997	1998	1999
Return on Assets	3.5	3.4	3.6	3.6	3.9
Return on Equity	38.8	42.3	44.8	41.0	40.4
Dividend Payout	0.0	9.4	19.6	19.1	25.4

Provisions made for loans and advances charged against income during the year ended 31 December 1999 amounted to N\$139.8 million, accounting for 27.3 per cent of net total income before provisions of the banking sector.

Provision charges for the year as a percentage of total income, which continued to grow from 1995, saw the start of a decline during the year 1999, mainly due to a decrease in non-performing loans (Chart 6.9).

Chart 6.9: Provisions to Income Ratio



Return on Assets (ROA) measures the ability of the banking sector to use its assets to generate profits. The banking sector recorded an ROA of 3.9 per cent, 0.3 percentage points higher than the ROA recorded during the previous year.

As shown in Table 6.5, the ROA maintained since the year ended 31 December 1995 shows that there was improvement in the banking sector's generation of profits, due mainly to an increase in both income and assets.

The banking sector recorded a Return on Equity (ROE) of 40.4 per cent, which is lower than the ratio of 41.0 recorded ago. This indicates that there has been a decline in the return on equity of the banking system.

During the year the sector paid out 25.4 per cent of its net income, after taxation, as dividends, indicating that some 74.6% of net income was reinvested in the sector.

6.6 Performance of Building Society

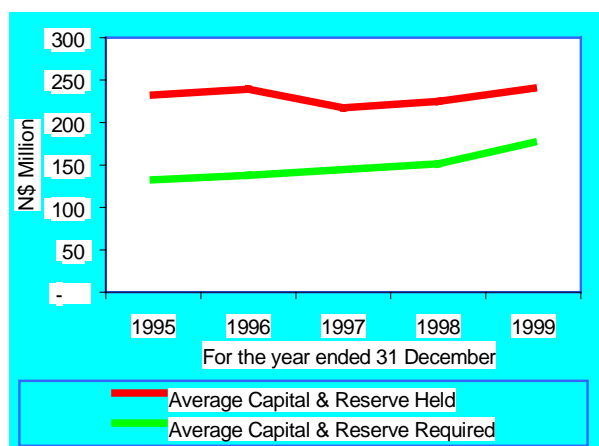
The building society's operating performance has improved since 1997 and has resulted in a growth in profits. The society was adequately funded throughout the year and was able to contribute to income through the profitable investment of surplus funds. The society is also now well poised to focus on growth and has a sound and stable financial position.

Table 6.5 Key Balance Sheet Data as at 31 December

	1997	%	1998	%	1999	%
	N\$	Change	N\$	Change	N\$	Change
	Million	e	Million		Million	
Total Assets	1,000.5	5.3	1,069.7	6.9	1,240.4	16.0
Total Loans & Advances	741.4	3.4	809.6	9.2	928.6	14.7
Total Deposits	663.6	14.9	722.3	8.9	862.6	19.4
Average Total Assets	975.2	3.9	1,035.1	6.1	1,155.0	11.6
Total Capital & Reserves	244.1	8.3	246.5	1.0	282.3	14.5

Chart 6.10 shows the amount of average statutory indefinite share capital and reserves required and held for the last five years.

Chart 6.10: Statutory Indefinite Share Capital & Reserves



It is evident from chart 6.9 that the Building Society complied with the capital and reserve requirements over the last five years.

6.6.1 Loans and Advances

During the year under review, loans and advances increased from N\$ 809.6 million to N\$928.6 million, representing an increase of 14.7 per cent. The growth

in loans and advances was due mainly to an increase of 14.5 per cent in loans secured through mortgages. At 31 December 1999, loans and advances constituted 74.9 per cent of total assets, compared to 75.7 per cent as at 31 December 1998.

6.6.2 Deposits

Total deposits of the building society increased by 19.4 per cent, from N\$722.3 million as at 31 December 1998 to N\$862.6 million as at 31 December 1999. The increase was due mainly to the growth of 30.0 per cent in transmission deposits.

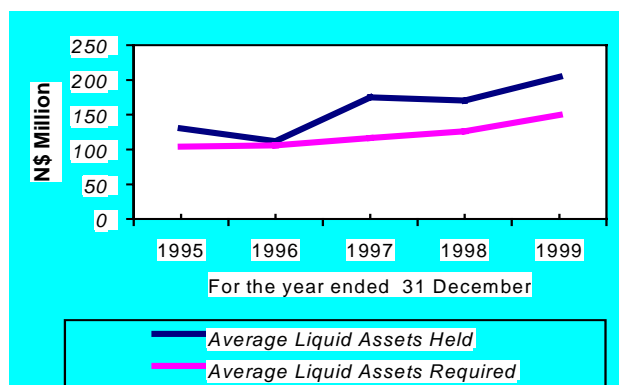
Table 6.7 Deposits by Type as at 31 December

	1997	%	1998	%	1999	%
	N\$	Change	N\$	Change	N\$	Change
	Million	e	Million		Million	
Fixed	153.5	12.0	176.6	15.0	166.6	-5.7
Savings	25.9	0.8	22.6	-12.7	17.9	-20.8
Transmission	477.2	17.0	515.4	8.0	670.1	30.0
Collateral	7.0	4.5	7.7	10.0	8.1	5.2
Total	663.6	14.9	722.3	8.9	862.6	19.4

6.6.3 Liquidity

The building society's total liquid assets increased by 26.7 per cent from N\$168.4 million as at 31 December 1998 to N\$213.2 million as at 31 December 1999.

This was mainly the result of an increase of 37.9 per cent in Government Stock and Treasury Bills from N\$151.9 million as at 31 December 1998 to N\$ 209.5 million as at 31 December 1999.

Chart 6.11: Statutory Liquid Assets

As shown in chart 6.11, the annual average liquid assets held by the building society have in the last five years exceeded the statutory annual average liquid asset requirement.

The loan to deposit ratio decreased to 107.7 per cent at the end of December 1999, from 112.1 per cent in the previous year. This indicates that the society was able to mobilise more deposits than the previous year to fund loans and advances. There was only a small portion of loans and advances funded by other borrowings.

6.6.4 Earnings

The society's net income before tax increased from N\$20.3 million for the year ended 31 December 1998 to N\$34.5 million for the year ended 31 December 1999. This represents a growth rate of 70.0 per cent, higher than the 42.3 per cent increase recorded during the previous year.

Table 6.8 ROA & ROE (after tax) for the year ended 31 December

Period	ROA	ROE
1995	0.6%	2.3%
1996	-0.7%	-3.0%
1997	1.0%	4.0%
1998	1.2%	5.1%
1999	2.0%	8.6%

The increase in both the ROA and ROE was due to the 93.6 per cent increase in net income after taxes. This rose from N\$12.5 million during the year ended 31 December 1998 to N\$24.4 million for the year ended 31 December 1999.

7. OPERATIONS AND AFFAIRS OF THE BANK

7.1 Board activities

The Board met five times during 1999 and was briefed on the regular status of Namibia's economic and financial sector developments as well as the Bank's internal financial performance, its foreign reserves, and examinations of the commercial banks and the building society.

The Board also gave special attention to internal matters related to the Y2K problem, amendments to investment policy, and personnel related matters. The Board furthermore gave advice on fiscal policy.

The Board participated in the annual strategic planning meeting in February 1999 at which the Bank discussed important issues of strategic interest.

The Audit Committee, a sub-committee of the Board, met two times during 1999. The purpose of these meetings was to discuss the management report of the external auditors for the year ended December 1998 and the approval of the terms of reference of the committee itself. The meetings also took note of the Internal Audit Charter, the audit plan of the Internal Audit Division, and internal audit reports on key departments of the Bank.

During 1999, the Board also established a Remuneration Committee. This will oversee and co-ordinate remuneration in the Bank. The overall objective of the committee is to ensure that the Bank remunerates staff and Board members fairly and equitably in order to attract and retain quality staff and Board members. The committee, chaired by a non-executive member of the Board, met twice in 1999. At its first meeting, it discussed its *modus operandi* while its second meeting reviewed and approved the recommendations of the pay policy and benefit proposal for 2000.

7.2 Progress on the strategic priorities of the Bank

In its Corporate Strategic Framework for 1999-2002, the Bank has identified several strategic priorities. Progress made in these priorities during the year under review is discussed below.

7.2.1 Globalisation

The main focus of this priority during the year under review was the gradual removal of exchange controls, the development and implementation of an

external web site, and the enhancement of the Bank's e-mail facilities.

The Bank identified exchange control areas to be liberalized and some of them were actually liberalized. The Bank also became more influential regarding Namibia's position on globalisation by virtue of its representation on Regional liberalization committees.

During the year under review, the Bank redirected its efforts towards the implementation of the SAP/R3 system (financial suite) instead of developing the web site and enhancing the e-mail facilities, due to the operational importance of this system.

7.2.2 Financial Sector Activities

In an attempt to address this strategic priority, the vision and strategic framework document for the development of an effective payment system was finalized. The draft bill on the National Payment System was also been circulated for comments from various stakeholders.

The Bank reached the end of the first phase of the payment system reform process. A twin – track approach was adopted as a means of finding interim solutions for short-term issues, whilst guided by the macro implementation action plan of having an electronic clearinghouse ultimately.

More information on the tender results for government securities is now published and the frequency of advertisement has increased from one to two appearances per issue per paper. A new instrument in the form of a One – Year Treasury Bill was also introduced.

The Money and Capital Market Section was established within the Financial Markets Division to pay special attention to the development of the domestic financial market. Groundwork was done on the book – entry system and a framework to put the system in place is now being drafted.

The Bank is in the advanced stage of completing the Secondary Auction Procedures, which will shed more light on the desirability of market making and stimulating liquidity in government securities. The Bank's Call Account is also functioning successfully on a new benchmark (call rates in SA).

The investment instrument basket was enriched, resulting in better returns, even though yields in SA, where the Bank holds roughly 45% of its reserves, declined during the year under review.

Major progress was made with regard to on-site inspections. During 1999 the Bank carried out a series of limited scope examinations to provide supervisory assurance on the financial condition and soundness of Namibia's Banking System.

These examinations were carried out in conjunction with the off-site surveillance operations and focused mainly on the appraisal of lending portfolios, non-performing loans, deposit concentration, capital adequacy, and management quality.

To ensure sound banking practices and compliance with the Banking Institution Act, the Bank also issued a series of Determinations, which became effective during 1999.

At the regional level, the Bank actively participated in the harmonisation of supervisory standards through the East and Southern Africa Banking Supervision Group (ESAF).

7.2.3 Organisational Culture and Shared Vision

Most of the activities envisaged for the year 1999 were completed successfully. The mission, vision and value statements are now on display throughout the Bank. Quarterly meetings were held successfully and the Culture Change Day held at the Heja Lodge was a great success.

7.2.4 Stakeholder and Client relationship

The Bank continues to be represented in the various structures of several organisations in which it holds a stake. These include, among others, the Institute of Bankers of Namibia and Bankmed. The Bank's viewpoints are strongly articulated in these fora. The Bank also continues to facilitate effective cooperation with the various commercial banks.

7.2.5 Staff Development

During the year under review, several measures were put in place to demonstrate the Bank's commitment to developing the capacity of its human resources. One such measure was the adoption of a comprehensive Human Resources Development Strategy by the Board at its last session of the year on 25 November 1999. Among other concerns, the strategy provides for Bank employees to attend post-graduate or specialised studies and the recruitment of specialist contract personnel who would transfer skills to the Bank employees. It also provides for the attachment of Bank employees to sister central/reserve banks and other financial institutions of high standing, including the IMF and the World

Bank. The strategy further emphasises the development of management and leadership skills.

A total of 119 employees attended various technical and soft-skills training courses during 1999. While most of the formal training took place externally, several in-house courses were also conducted on the Bank premises. Examples of such courses included Introduction to Central Banking for new employees and junior staff, "Coaching and Mentoring Skills" for management and SAP/R3 End-User Training for all prospective users of the newly installed SAP/R3 system in the Bank. A group of 26 employees attended a four-month English course at the Polytechnic of Namibia. It is anticipated that more staff will attend similar courses in the years to come.

One employee graduated with a Ph.D. degree in economics in January 1999 from the New School University in the U.S., while four employees completed a MSc degree in Financial Economics through the University of London. Two employees obtained a CAIB (SA) from the Institute of Bankers while another entered his first year of a 2-year Master's degree course in economics at the University of Warwick in the UK. The enrolment of Bank staff on part-time and distance education courses increased significantly during the year.

During the year under review, the Bank also undertook a Career Management and Succession Planning Project aimed at improving individual and organisational effectiveness. Through this project, the Bank strives to build its internal capacity to achieve its strategic goals, create an internal pool of qualified employees, and provide meaningful career progression for staff. Most of the year was spent on finalising the job/person profiles for input to the career paths development plan and succession plan.

The individual employee and his/her supervisor are both partners of Human Resources in this project. The success of the project shall be determined by a clearly identified strategy and process as well as the co-operation between the parties involved.

7.3 Social responsibility

As a conscious corporate citizen, the Bank continued to make an active contribution towards projects and initiatives aimed at improving the lives of the broader Namibian society. As part of this effort, the Bank awarded 3 undergraduate bursaries for studies at the University of Namibia in 1999. This brought to six the total number of students sponsored by the Bank. The Banks Bursary scheme was started in 1997 and it is expected that two bursary holders will graduate at the end of 2000. The undergraduate bursary scheme

makes provision for studies at a recognised tertiary institution in any country in Southern Africa in the areas of economics, finance, banking, accounting and auditing.

The Bank of Namibia/ University of Namibia joint Economic Capacity Building Project also became fully operational during 1999. The primary objective of the Project is to build economic capacity within the Republic of Namibia. Specific terms of reference for the project are:

- a) Define appropriate curricula for the teaching of Finance, Monetary Economics and Economic Policy Analysis to students of Economics at UNAM and relevant staff of the Bank, National Planning Commission, and the Ministry of Finance.
- b) Undertake thorough research studies in collaboration with the Bank, the National Planning Commission and the Ministry of Finance to generate information that could guide policy and programme interventions in Namibia.
- c) In collaboration with the Bank, the National Planning Commission and the Ministry of Finance, design an integrated system for monitoring the impacts of national policy and programme interventions on growth and socio-economic development in Namibia.
- d) Involve undergraduate and postgraduate students of Economics at UNAM in policy-oriented economic researches whose findings could enhance the processes of planning and implementation of national development strategies.

A highly experienced and respected academic has been appointed to co-ordinate the project. A Namibian student has also been sponsored to undertake studies towards a Master's degree in economics at the University of Cape Town in South Africa. The "Economic Capacity Building Project" is a 4-year programme and was formally signed into effect in 1999.

In recognition of the fact that its social responsibilities are not limited to only economic issues, the Bank sponsored the successful participation of 26 local journalists in a Business and Economics Journalism course. The main idea behind the sponsorship was to provide an avenue for media practitioners to gain the necessary skills and enable them to properly research and analyse the information they publish.

The World Bank, the African Virtual University and the University of Namibia conducted the course.

The Bank also sponsored the fundraising activities of Women in Business for the SADC Fair to be held in the year 2000. Along the same line, the Bank sponsored the Businesswoman of the Year Award of the National Youth Council. The Bartimeus Project for the Blind and the Children with Handicaps Action in Namibia (Chain) also received nominal monetary sponsorships.

As its contribution towards the 1999 election process, the Bank availed its old building to the Electoral Commission for its use during the period October 1999 to January 2000. The building was used as the Elections Results Centre during the Presidential and National Assembly elections that took place from November 30 to December 01, 1999. The Bank also donated 913 pieces of its old furniture to, among others, needy schools identified by the Ministry of Basic Education and Culture, needy public health facilities under the Ministry of Health and Social Services, and to the Directorate of Elections.

7.4 National and International participation

The Bank continued to strengthen its participation within the SADC Committee of Central Bank Governors. Participation was strengthened significantly during 1999 because the Bank was a member of the Committee's Working Group. The Bank's participation in this committee has always been a priority and the Governor attended both its meetings in 1999. Participation in other regional bodies like SACU was also strengthened. The Bank participated in both the SACU Commission meetings as well as the renegotiation process of SACU.

On the international scene, the Bank continued to play an active role in the IMF and other relevant international institutions. It constantly reviewed and commented on documents and papers from the IMF and also attended the Annual Meetings of both the IMF and the World Bank.

On the domestic front, the Bank organised the first Bankers' Conference under the theme Banking and Economic Development in October 1999. The purpose was to address issues pertinent to the sound functioning of the Namibia's financial system. Several issues affecting the financial system both on the domestic and global levels were discussed. These included the international financial crisis that started in 1997 and its impacts on developing economies, bank supervision, and micro lending. Another issue that featured prominently at the conference was the

need for a well-developed financial market as Namibia enters the new millennium.

7.5 Other activities

7.5.1 Inauguration of the New Bank Building

After 39 months of construction, the New Bank Building was finally completed in March 1999. The New Bank Building has become a landmark in the city and a national symbol that displays an image of confidence, stability and permanency.

The completion of the New Bank Building also made it possible for the Bank's entire staff complement to be accommodated under the same roof. This has led to enhanced co-ordination of various departments and an increased sense of coherence. This should serve as a source of increased productivity and efficiency. Most importantly, the Bank is already realising substantial savings in rent for the various buildings that used to house its different departments.

The Bank marked the inauguration of the New Bank Building with colourful celebrations. These started with a staff party on 30 April 1999 and closed with the inauguration ceremony on 23 June 1999. The President of the Republic of Namibia, H.E. President Sam Nujoma, officially opened the New Bank Building and described it as a "magnificent building". The President also hailed the inauguration of the New Bank Building as a giant step in the development of the economic life of Namibia. Prominent national leaders and foreign dignitaries also attended the inauguration ceremony.

7.5.2 Governor's Annual Speech

The Governor of the Bank of Namibia delivered his Inaugural Annual Speech on November 17, 1999. The Governor put special emphasis on the CMA arrangements and outlined a comprehensive overview of the current exchange arrangement and its implications for monetary policy in Namibia.

While the CMA arrangement is perceived as the most appropriate given Namibia's structural and historical economic links with South Africa, it was pointed out that there is a need to ensure that this arrangement is managed in a way that promotes economic development in Namibia. To this effect, a closer co-ordination of economic policy and consultations will be required. The Governor's speech will be made an annual event.

BOX C REFORM OF NAMIBIA'S PAYMENT SYSTEM

Payment systems come in many forms, but their purpose is always the same – to enable people to transfer funds from an account at one bank to an account at another bank. The payer and the payee have the choice of either using cash or other payment instruments to settle their obligations. In a nutshell, payment systems comprise a means of authorising and initiating payments, a means of transmitting and exchanging the payment instruction, and a means of settlement between the banks involved.

Central banks' basic concerns are financial and monetary stability, where their involvement is more direct mindful of the systemic risks faced if they are unable to contain various risks.

It is also customary, nowadays, that central banks move away from direct control of the economy and focus more on indirect management by concentrating on managing interest rates and reserves balances. These balances are channelled through the payment system mechanisms, hence the attention accorded to modernising the payment system.

Efforts towards the formation of regional trading blocks have also put tremendous pressure on national governments and monetary authorities to improve efficiency and risk containment in the payment systems. SADC as a region has initiated a payment system reform project through the Committee of SADC Governors in support of the SADC vision of a Free Trade Area by 2005. The aim is to harmonise reform in order to ensure internationally compatible payment systems.

Namibia has become an active participant in these developments and the Bank of Namibia, in conjunction with the commercial banks has been driving the modernisation of the country's payment system. This process is a national initiative aimed at curbing systemic risk by improving the efficiency of payments and settlements and reducing the abnormally long floating times in the clearing and settlement process.

Since 1996, a steering committee comprising the Bank of Namibia and the banking institutions has held discussions on the modernisation initiative. The results of the committee's analyses formed the basis of the Bank's contribution towards the publication of the Green Book, a record of the current payment systems in the SADC countries. The Green Book is formatted along the G-10 countries' Red Book and the Bank made its publication possible for International Settlements.

However, in June 1998 the Governor of the Bank of Namibia found it necessary to assign greater resources to the modernisation project by appointing a Project Team to set the process in motion.

Mindful of the passage of time and a number of important changes both at home and abroad, and to give impetus to the modernisation process, the Project Team was restructured into a Payment Systems Division and its staff compliment strengthened.

Meanwhile, ratification of the Terms of Reference, the inter-bank steering committee was transformed into a National Payment Council (NPC), which is the umbrella body in the management of the National Payment System.

The NPC is responsible for the establishment of the various Payment Stream Committees responsible for specific streams used in the payment system. As a first step, the NPC in July 1999 appointed a Payment Stream Committee responsible for the paper stream. This committee is now reviewing Namibia's cross-border as well as domestic clearing arrangements. The other

committees identified are for the electronic stream, the card stream (POS & ATM), the interbank stream and the cash stream.

The NPC has now completed a vision and strategy formulation document, which the Bank intends to publish during the first course of year. The document lists the critical success factors, fundamental principles and stakeholder roles in the payment system.

Considerable progress has been made in the preparation of a Draft Payment System Management Bill that outlines the necessary legal framework for the management, administration, operation, regulation and supervision of clearing and settlement systems in Namibia. Stakeholder consultation will be invited from local as well as international agencies before the Bill is finally presented for passage.

The following conceptual framework underlies the strategic thinking of the National Payment Council.

The NPC is expected to develop a model that outlines a payment system in keeping with Namibia's needs. It is also expected that the model will comply with international best practise such as the core Principles recommended by the Bank for International Settlements;

- Review of the financial market practices from a National Payment System perspective;
- Introduction of mechanisms to relay information associated with a payment to the beneficiary
- And review of cross-border / foreign currency market practices from a National Payment System perspective.

The envisaged settlement system for Namibia should provide banks with a range of settlement options, including the ability to settle their obligations on a real-time basis, netting, or concurrent settlement. The system should also be able to allow banks to effect inter-bank fund transfers, and may later be developed for utilisation by other service providers such as the Namibian Stock Exchange (NSX). The aim is that with this type of system the various service providers would be encouraged to develop enough variety of credit push instruments (credit transfers) as well as electronic fund transfer instruments to allow end users to select appropriate payment methods.

The key to establishing the envisaged architecture would be to create a highly secure and efficient settlement network between the Bank of Namibia and the banking institutions.

The NPC envisages establishing a forum at which all stakeholders will be invited to participate. At such a forum, key players, including Telecom and NamPower as utility providers, will discuss the strategic framework in the reform process and outline action plans from a payment system needs perspective.

**ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 1999**

	Page
REPORT OF INDEPENDENT AUDITORS	43
DIRECTORS' STATEMENT	44
INCOME STATEMENT	45
BALANCE SHEET	46
NOTES TO THE ANNUAL FINANCIAL STATEMENT	47-52

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF THE BANK OF NAMIBIA

Introduction

We have audited the annual financial statements of the Bank of Namibia set out on pages 44 to 52 for the year ended 31 December 1999. These financial statements are the responsibility of the Board of Directors of the Bank. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of Namibian Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Bank of Namibia at 31 December 1999 and the results of its operations for the financial year then ended in accordance with Namibian generally accepted accounting practice and in the manner required by the Bank of Namibia Act, 1997.

Deloitte & Touche
Chartered Accountants (Namibia)
WINDHOEK
31 March 2000

DIRECTORS' STATEMENT

Pursuant to Section 8(1) of the Bank of Namibia Act, 1997, we confirm that:

1. We are responsible for the preparation of the annual financial statements and for the judgements used therein;
2. We are responsible for establishing and maintaining the systems of internal control designed to provide assurance as to the integrity and reliability of the Bank's financial reporting;
3. In our opinion, the annual financial statements for the financial year ended 31 December 1999 fairly present the financial position of the Bank and the results of its operations.

The annual financial statements on pages 45 to 52 were approved by the Board of Directors and are signed on its behalf by:

CHAIRMAN
31 March 2000

BOARD MEMBER
31 March 2000

**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 1999**

		12 Months ended 31 December 1999 N\$'000	11 Months ended 31 December 1998 N\$'000
	Notes		
Net interest received		116 290	132 913
Interest received		119 000	133 794
Interest paid		(2 710)	(881)
Net foreign exchange gains		1 048	172 983
Net unrealised foreign exchange gains		856	169 940
Net realised foreign exchange gains		192	3 043
Other income		582	2 370
Total income		117 920	308 266
Operating expenses		49 450	41 086
Administration expenses		34 744	28 572
Currency expenses		3 021	4 017
Depreciation		3 140	1 641
Other operating costs		8 545	6 856
Net profit for the year before transfers to reserves	2	68 470	267 180
Transfer to reserves		27 760	218 560
General reserve	4	16 904	24 310
Revaluation reserve	5	856	169 940
Building reserve	6	10 000	24 310
Distribution to State Revenue Fund		40 710	48 620

BALANCE SHEET AT 31 DECEMBER 1999

	Notes	<u>31 December 1999</u> N\$'000	<u>31 December 1998</u> N\$'000
CAPITAL EMPLOYED			
Share capital	3	40 000	40 000
General reserve	4	93 301	76 397
Revaluation reserve	5	353 720	352 864
Building reserve	6	100 243	90 243
Special reserve	7	2 535	2 535
Capital and reserves		<u>589 799</u>	<u>562 039</u>
Notes and coins in circulation	8	696 075	522 562
Deposits	9	761 067	572 949
Other liabilities		8 124	12 565
		<u>2 055 065</u>	<u>1 670 115</u>
EMPLOYMENT OF CAPITAL			
Property, plant and equipment	10	126 333	112 433
Investments	11	1 845 272	1 506 387
Loans and advances		45 548	36 756
Rand cash		28 002	3 008
Other assets	12	9 910	11 531
		<u>2 055 065</u>	<u>1 670 115</u>

TOM K. ALWEENDO
31 March 2000

UBAIDULLAH DAVIDS – CHIEF FINANCIAL OFFICER
31 March 2000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 31 DECEMBER 1999

1. ACCOUNTING POLICIES

The Bank's annual financial statements are prepared on a historical cost basis. The annual financial statements have also been prepared to comply with the requirements of the Bank of Namibia Act, 1997. The principal accounting policies, which have been consistently applied in all material respects, are set out below.

1.1 **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 therein.

1.2 **Revaluation reserve**

In terms of Section 31 of the Bank of Namibia Act, 1997 foreign assets and liabilities are translated at year-end exchange rates and any gains and losses are transferred to the Revaluation Reserve Account, until realised.

1.3 **Property, plant and equipment**

Property, plant and equipment are stated at cost and are depreciated on the straight line method over their estimated useful lives at the following rates:

Freehold buildings	2%
Computer hardware	50%
Computer software	50%
Motor vehicles	25%
Furniture, fittings and equipment	20%

1.4 **Investments**

Investments are stated at market value and include realised and unrealised capital appreciation, or depreciation, which is taken into account to reflect changes in market value. Unrealised gains and losses are credited to a revaluation reserve until realised.

Investments are adjusted to take account of discounts earned or premiums paid, over their remaining life, so that book value at maturity equals the redemption value.

Interest from investments is accounted for on the accruals basis.

1.5 **Currency inventory**

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.

1.6 **Foreign currency transactions**

Transactions in foreign currencies are accounted for at the rate of exchange ruling on the date of transaction. Where the transaction is covered by a forward exchange contract the rate specified in the contract is used.

1.7 **Pension fund**

It is the policy of the bank to provide retirement benefits for employees. Contributions to the pension fund are charged against income in the year in which they become payable.

**NOTES TO THE ANNUAL
FINANCIAL STATEMENTS (continued)
31 DECEMBER 1999**

	12 Months ended <u>31 December 1999</u> N\$'000	11 Months ended <u>31 December 1998</u> N\$'000
2. NET PROFIT FOR THE YEAR BEFORE TRANSFERS TO RESERVES		
The net profit for the year is arrived at after taking the following items into account:		
Net foreign exchange gains	1 048	172 983
Auditor's remuneration - audit fees	113	105
- other fees	247	310
Depreciation	3 140	1 641
(Loss)/profit on disposal of property, plant & equipment	(31)	57
	<u>31 December 1999</u> N\$'000	<u>31 December 1998</u> N\$'000
3. SHARE CAPITAL		
Authorised capital		
40 000 000 ordinary shares of N\$1 each	40 000	40 000
Issued capital		
40 000 000 ordinary shares of N\$1 each	<u>40 000</u>	<u>40 000</u>
4. GENERAL RESERVE		
Opening balance	76 397	52 087
Transfer from net profit	16 904	24 310
Closing balance	<u>93 301</u>	<u>76 397</u>

**NOTES TO THE ANNUAL
FINANCIAL STATEMENTS (continued)
31 DECEMBER 1999**

	<u>31 December 1999</u> N\$'000	<u>31 December 1998</u> N\$'000
5. REVALUATION RESERVE		
Opening balance	352 864	182 924
Transfer from net profit	<u>856</u>	<u>169 940</u>
Closing balance	<u>353 720</u>	<u>352 864</u>
6. BUILDING RESERVE		
Opening balance	90 243	65 933
Transfer from net profit	<u>10 000</u>	<u>24 310</u>
Closing balance	<u>100 243</u>	<u>90 243</u>
This reserve has been created to meet the costs of building the new headquarters for the Bank of Namibia. (Note 10).		
7. SPECIAL RESERVE		
Reserve established to meet the costs of replacing and producing the national currency.	2 535	2 535
8. NOTES AND COINS IN CIRCULATION		
Notes	653 983	487 963
Coins	<u>42 092</u>	<u>34 599</u>
	<u>696 075</u>	<u>522 562</u>

**NOTES TO THE ANNUAL
FINANCIAL STATEMENTS (continued)
31 DECEMBER 1999**

	<u>31 December 1999</u> N\$'000	<u>31 December 1998</u> N\$'000
9. DEPOSITS		
Government	512 559	449 038
Domestic bankers' current account	35	1 641
Domestic bankers' reserve account	121 515	76 547
Domestic bankers' call account	79 768	8 326
Other	<u>47 190</u>	<u>37 397</u>
	<u>761 067</u>	<u>572 949</u>

10. PROPERTY, PLANT AND EQUIPMENT

	<u>Freehold Buildings</u> N\$'000	<u>Computer software & hardware</u> N\$'000	<u>Furniture, fittings & equipment</u> N\$'000	<u>Motor vehicles</u> N\$'000	<u>Total</u> N\$'000
Cost					
At 1 January 1999	110 677	3 135	7 284	933	122 029
Additions	8 453	6 435	5 957	58	20 903
Disposals/write-off	<u>(3 791)</u>	<u>(250)</u>	<u>(576)</u>	<u>(32)</u>	<u>(4 649)</u>
At 31 December 1999	<u>115 339</u>	<u>9 320</u>	<u>12 665</u>	<u>959</u>	<u>138 283</u>
Depreciation					
At 1 January 1999	--	2 709	6 522	365	9 596
Current period charge	1 636	224	1 070	210	3 140
Disposals/write-off	<u>--</u>	<u>(247)</u>	<u>(516)</u>	<u>(23)</u>	<u>(786)</u>
At 31 December 1999	<u>1 636</u>	<u>2 686</u>	<u>7 076</u>	<u>552</u>	<u>11 950</u>
Book value					
At 1 January 1999	<u>110 677</u>	<u>426</u>	<u>762</u>	<u>568</u>	<u>112 433</u>
At 31 December 1999	<u>113 703</u>	<u>6 634</u>	<u>5 589</u>	<u>407</u>	<u>126 333</u>

**NOTES TO THE ANNUAL
FINANCIAL STATEMENTS (continued)
31 DECEMBER 1999**

**31 December 1999
N\$'000**

**31 December 1998
N\$'000**

11. INVESTMENTS

Rand currency	659 194	420 668
Other currencies	<u>1 186 078</u>	<u>1 085 719</u>
	<u>1 845 272</u>	<u>1 506 387</u>

12. OTHER ASSETS

Currency inventory	5 655	4 161
Accounts receivable	4 136	7 256
IMF - special drawing rights	<u>119</u>	<u>114</u>
	<u>9 910</u>	<u>11 531</u>

13. COMMITMENTS

13.1 Capital expenditure

Contracted:

Bank of Namibia building	<u>2 254</u>	<u>3 409</u>
--------------------------	--------------	--------------

13.2 Guarantees

The bank guarantees a percentage of housing loans granted to employees by certain financial institutions. Half of the guarantee is given by way of collateral security in the form of deposits at the respective financial institutions and the balance by way of written obligation from the bank.

**NOTES TO THE ANNUAL
FINANCIAL STATEMENTS (continued)
31 DECEMBER 1999**

14. PENSION FUND

A separate Pension Fund, known as the Bank of Namibia Pension Fund, provides pensions for employees to which the Bank contributes. The Pension Fund Act governs the Pension Fund. The Pension Fund is in the nature of a defined benefit plan where the retirement benefits are determined with reference to the employee's pensionable remuneration and years of service. All employees contribute to the Pension Fund. Total Bank contributions for the year amounted to N\$3 057 014 (31 December 1998: N\$2 322 312)

The Fund is subject to an actuarial valuation every three years. Any shortfall will be made good by the Bank as recommended by the actuaries. A valuation was undertaken on 1st March 1998 and no adjustments were recommended.

15. 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, No. 15 of 1997.

16. CASH FLOW STATEMENT

A cash flow statement has not been prepared because it is considered inappropriate in view of the Bank's role, as the central bank, in the creation and withdrawal of money.

Statistical Appendix

National Accounts

Table I.1	Aggregate Economic Indicators
Table I.2	Gross Domestic product and National Income
Table I.3	National Disposable Income and Saving
Table I.4	Gross Domestic Product by Activity, at Current Prices
Table I.5	Gross Domestic Product by Activity, at Constant Prices
Table I.6	Expenditure on GDP, at Current Prices
Table I.7	Expenditure on GDP, at Constant Prices
Table I.8	Gross Fixed Capital Formation by Activity, at Current Prices
Table I.9	Gross Fixed Capital Formation by Activity, at Constant Prices
Table I.10	Gross Fixed Capital Formation by Type of Asset, at Current Prices
Table I.11	Gross Fixed Capital Formation by Type of Asset, at Constant Prices
Table I.12	Gross Fixed Capital Formation by Type of Ownership, at Current Prices
Table I.13	Gross Fixed Capital Formation by Type of Ownership, at Constant Prices
Table I.14	Fixed Capital Stock by Activity, at Current Prices
Table I.15	Fixed Capital Stock by Activity, at Constant Prices
Table I.16(a)	Interim Consumer Price Index
Table I.16(b)	Interim Consumer Price Index: Windhoek

Money and Banking Indicators

Table II.1(a)	Bank of Namibia: Detailed Account
Table II.1(b)	Bank of Namibia: Detailed Account (continued)
Table II.2(a)	Deposit Money Banks: Detailed Account
Table II.2(b)	Deposit Money Banks: Detailed Account (continued)
Table II.3	Monetary Survey
Table II.4(a)	Other Banking Institutions: Detailed Account
Table II.4(b)	Other Banking Institutions: Detailed Account (continued)
Table II.5	Banking Survey
Table II.6	Types of Deposit Money Banks' Deposits
Table II.7	Sources of Deposit Money Banks' Deposits
Table II.8	Sectoral Distribution of Deposit Money Banks' Deposits
Table II.9	Sources of Other Banking Institutions' Deposits
Table II.10	Sectoral Distribution of Other Banking Institutions' Deposits
Table II.11	Commercial Banks' Claims on Private Sector
Table II.12	Other Banking Institutions' Claims on Private Sector

Financial Market indicators

Table III.1	Interest Rates
-------------	----------------

Public Finance

Table IV.1	Holdings of Government of Namibia Treasury Bills
Table IV.2	Holdings of Government of Namibia Internal Registered Stock
Table IV.3	Government Revenue and Expenditure

Balance of Payments

Table V.1	Current Account
Table V.2	Capital and Financial Account
Table V.3	Foreign Aid to Namibia
Table V.4	Foreign Exchange Rates

Table I.1 AGGREGATE ECONOMIC INDICATORS

	1994	1995	1996	1997	1998
Current Prices					
GDP (N\$ millions)	10576	11694	13421	14901	16826
% Change	23.2	10.6	14.8	11.0	12.9
GNI (N\$ millions)	10768	12198	13723	15230	17162
% Change	22.7	13.3	12.5	11.0	12.7
GDP per capita (N\$ millions)	6841	7337	8169	8786	9615
% Change	19.4	7.3	11.3	7.6	9.4
GNI per capita (N\$ millions)	6965	7652	8352	8980	9807
% Change	19.0	9.9	9.1	7.5	9.2
Constant 1990 Prices					
GDP (N\$ millions)	7335	7607	7770	7975	8165
% Change	6.4	3.7	2.1	2.6	2.4
GNI (N\$ millions)	7456	7896	7930	8135	8319
% Change	6.1	5.9	0.4	2.6	2.3
GDP per capita (N\$ millions)	4744	4772	4729	4702	4666
% Change	3.1	0.6	-0.9	-0.6	-0.8
GNI per capita (N\$ millions)	4823	4953	4827	4797	4754
% Change	2.9	2.7	-2.5	-0.6	-0.9

Source: Central Bureau of Statistics

Table I.2 GROSS DOMESTIC PRODUCT AND GROSS NATIONAL INCOME

	1994	1995	1996	1997	1998
Current prices - N\$ millions					
Compensation of employees	4335	4831	5610	6217	6915
Consumption of fixed capital	1475	1686	2089	2234	2302
Net operating surplus	3438	3643	4113	4598	5597
Gross domestic product at factor cost	9248	10161	11812	13049	14813
Taxes on production and imports	1430	1689	1809	2017	1935
Subsidies	-102	-156	-199	-164	-151
Gross domestic product at market prices	10576	11694	13421	14901	16598
Primary incomes					
- receivable from the rest of the world	763	1568	1359	1026	1014
- payable to rest of the world	571	987	1036	706	521
Gross national income at market prices	10833	12341	13804	15356	17091
Current transfers					
- receivable from the rest of the world	1242	1569	1939	2164	2492
- payable to rest of the world	81	87	90	83	86
Gross national disposable income	11994	13823	15653	17438	19497
Current prices - N\$ per capita					
Gross domestic product at market prices	6883	7378	8205	8866	9485
Gross national income at market prices	7007	7742	8402	9054	9766
Constant 1990 prices - N\$ millions					
Gross domestic product at market prices	7372	7611	7771	7970	8212
- Annual percentage change	6.2%	3.2%	2.1%	2.6%	3.0%
Real gross national income	7493	7945	7943	8126	8439
- Annual percentage change	6.0%	6.0%	0.1%	2.3%	3.8%
Constant 1990 prices - N\$ per capita					
Gross domestic product at market prices	4769	4775	4730	4699	4693
- Annual percentage change	-4.6%	0.1%	-0.9%	-0.6%	-0.1%
Real gross national income	4847	4984	4834	4791	4822
- Annual percentage change	2.7%	2.8%	-3.0%	0.9%	0.6%

Source: Central Bureau of Statistics

Table I.3 NATIONAL DISPOSABLE INCOME AND SAVING

Current prices - N\$ millions	1994	1995	1996	1997	1998
<i>Disposable income and saving</i>					
Gross national disposable income	11994	13823	15653	17438	19497
Consumption of fixed capital	1475	1686	2089	2234	2302
Net national disposable income	10519	12137	13563	15204	17195
All other sectors	7260	8454	9122	9840	11102
General government	3259	3683	4441	5363	6093
Final consumption expenditure	9077	10507	11739	14205	15542
Private	5771	6770	7314	9317	10219
General government	3307	3738	4425	4888	5323
Saving, net	1441	1630	1824	999	1652
All other sectors	2587	2940	3167	2015	2647
General government	-1146	-1310	-1343	-1016	-995
<i>Financing of capital formation</i>					
Saving, net	1441	1630	1824	999	1652
Capital transfers receivable from abroad	156	148	183	156	254
Capital transfers payable to foreign countries	-2	-2	-2	-2	-2
Total	1595	1775	2005	1153	1904
<i>Capital formation</i>					
Gross fixed capital formation	2298	2599	3201	2731	3002
All other sectors	1644	1890	2467	1974	2122
General government	654	709	734	757	880
Consumption of fixed capital	-1475	-1686	-2089	-2234	-2302
All other sectors	-1004	-1155	-1491	-1587	-1612
General government	-471	-531	-598	-647	-690
Changes in inventories	227	-115	-137	-72	315
Net lending (+) / Net borrowing(-)	455	821	832	498	648
All other sectors	1652	2192	2204	1554	1670
General government	-1198	-1372	-1372	-1056	-1022
Total	1595	1775	2005	1153	1904

Source: Central Bureau of Statistics

Table I.4 GROSS DOMESTIC PRODUCT BY ACTIVITY
Current Prices – N\$ Millions

Industry	1994	1995	1996	1997	1998
Agriculture and forestry products	869	900	1029	968	874
Commercial	561	535	651	560	555
Subsistence	308	365	378	408	319
Fishery products	349	376	476	481	675
Mining and quarrying	1268	1146	1654	1783	1875
Diamond mining	872	763	1169	1251	1371
Other mining and quarrying	396	383	485	532	504
Primary industries	2486	2422	3159	3232	3424
Manufacturing	1452	1625	1550	1851	2368
Meat processing	77	85	85	96	85
Fish processing	494	550	354	495	884
Other manufacturing	880	989	1111	1260	1398
Electricity and water	192	225	265	261	326
Construction	304	343	404	319	337
Secondary industries	1948	2193	2218	2431	3031
Wholesale and retail trade, repairs	724	833	916	1054	1105
Hotels and restaurants	178	223	226	309	371
Transport, and communication	423	496	438	604	529
Transport and storage	230	283	181	302	254
Post and telecommunications	192	213	257	302	275
Finance, real estate, business services	871	979	1129	1319	1480
Financial intermediation	314	385	536	666	774
Financial services indirectly measured	-280	-352	-457	-554	-634
Real estate and business services	837	946	1049	1207	1340
Owner-occupied dwellings	515	580	642	751	841
Other real estate and business services	323	366	407	456	499
Community, social and personal services	110	127	148	164	187
Producers of government services	2404	2738	3333	3688	4018
Other producers	238	267	294	319	351
Tertiary industries	4947	5663	6484	7457	8040
All industries at basic prices	9381	10278	11861	13120	14495
Import duties	64	89	99	152	168
Other taxes on products	1131	1327	1462	1765	1935
GDP at market prices	10576	11694	13421	15037	16598

Source: Central Bureau of Statistics

Table I.5 GROSS DOMESTIC PRODUCT BY ACTIVITY
Constant 1990 Prices – N\$ Millions

Industry	1994	1995	1996	1997	1998
Agriculture and forestry products	531	521	573	509	477
Commercial	332	304	352	294	307
Subsistence	199	217	221	215	170
Fishery products	286	305	303	308	370
Mining and quarrying	1,227	1,291	1,339	1,391	1,342
Diamond mining	845	904	940	939	955
Other mining and quarrying	383	386	400	452	388
Primary industries	2,044	2,117	2,215	2,208	2,189
Manufacturing	917	944	886	972	1,008
Meat processing	49	50	51	53	53
Fish processing	258	261	175	228	243
Other manufacturing	609	634	659	692	711
Electricity and water	83	103	85	56	76
Construction	215	221	238	175	153
Secondary industries	1,215	1,269	1,209	1,222	1,237
Wholesale and retail trade, repairs	457	478	487	515	508
Hotels and restaurants	113	128	120	151	171
Transport, and communication	357	394	422	469	497
Transport and storage	210	238	240	253	259
Post and telecommunications	146	156	182	216	237
Finance, real estate, business services	550	562	600	645	681
Financial intermediation	223	230	262	291	309
Financial services indirectly measured	-202	-211	-220	-235	-244
Real estate and business services	529	543	558	589	616
Owner-occupied dwellings	325	333	341	367	387
Other real estate and business services	204	210	216	223	229
Community, social and personal services	65	65	66	65	63
Producers of government services	1,687	1,685	1,717	1,768	1,846
Other producers	150	153	156	159	161
Tertiary industries	3,379	3,466	3,569	3,771	3,925
All industries at basic prices	6,638	6,852	6,993	7,181	7,351
Import duties	55	45	32	26	71
Other taxes on products	642	710	767	763	790
GDP at market prices	7,335	7,607	7,771	7,970	8,212

Source: Central Bureau of Statistics

Table I.6 EXPENDITURE ON GROSS DOMESTIC PRODUCT (Current Prices - N\$ Million)

Expenditure category	1994	1995	1996	1997	1998
Final consumption expenditure	9077	10519	11919	14172	15133
Private	5771	6781	7494	9285	9840
General government	3307	3738	4425	4887	5293
Gross fixed capital formation	2298	2599	3201	2731	3043
Changes in inventories	227	-115	-137	-72	301
Gross domestic expenditure	11625	13022	15015	16861	18498
Exports of goods and services	5608	6288	7485	7942	8875
Imports of goods and services	6656	7615	9080	9901	10547
Gross domestic product at market prices	10576	11694	13421	14901	16826

Table I.7 EXPENDITURE ON GROSS DOMESTIC PRODUCT (Current Prices - N\$ Million)

Expenditure category	1994	1995	1996	1997	1998
Final consumption expenditure	5559	6177	6351	6445	6363
Private	3301	3918	4053	4091	3930
General government	2257	2259	2298	2354	2433
Gross fixed capital formation	1639	1696	1834	1493	1612
Changes in inventories	200	-70	-57	-44	169
Gross domestic expenditure	7416	7818	8141	7906	8153
Exports of goods and services	4313	4788	5013	5075	5029
Imports of goods and services	4395	5000	5384	5007	5017
Gross domestic product at market prices	7335	7607	7770	7975	8165

Table I.8 GROSS FIXED CAPITAL FORMATION BY ACTIVITY (Current Prices - N\$ Million)

Industry	1994	1995	1996	1997	1998
Agriculture	114	126	139	158	156
Fishing	11	12	13	15	17
Mining and quarrying	219	304	569	439	502
Manufacturing	148	136	128	134	132
Fish processing	58	33	19	11	6
Other manufacturing	90	103	109	123	125
Electricity and water	80	67	163	147	263
Construction	113	124	135	152	156
Wholesale and retail trade; hotels, restaurants	173	331	227	199	183
Transport, and communication	235	205	213	252	265
Finance, real estate, business services	518	562	848	455	525
Community, social and personal services	33	22	33	22	33
Producers of government services	654	709	734	757	810
Total	2298	2599	3201	2731	3043

Table I.9 GROSS FIXED CAPITAL FORMATION BY ACTIVITY (Constant 1990 Prices - N\$ Million)

Industry	1994	1995	1996	1997	1998
Agriculture	82	85	87	90	94
Fishing	7	7	7	7	8
Mining and quarrying	161	197	240	213	239
Manufacturing	108	93	84	79	79
Fish processing	42	22	12	6	4
Other manufacturing	67	72	72	73	75
Electricity and water	56	43	97	81	137
Construction	82	85	88	89	91
Wholesale and retail trade; hotels, restaurants	121	215	137	111	99
Transport, and communication	162	128	123	134	133
Finance, real estate, business services	369	366	506	253	277
Community, social and personal services	25	15	22	13	20
Producers of government services	466	462	442	422	436
Total	1639	1696	1834	1493	1612

Source: Central Bureau of Statistics

Table I.10 GROSS FIXED CAPITAL FORMATION BY THE TYPE OF ASSET (Current prices - N\$ Million)

Type of Asset	1994	1995	1996	1997	1998
Buildings	919	1083	1300	881	981
Construction works	513	540	624	556	685
Transport equipment	316	331	394	481	504
Machinery and other equipment	509	548	763	714	748
Total exclusive of mineral exploration	2258	2502	3081	2632	2917
Mineral exploration	40	97	120	99	126
Total	2298	2599	3201	2731	3043

Source: Central Bureau of Statistics

Table I.11 GROSS FIXED CAPITAL FORMATION BY TYPE OF ASSET (Constant 1990 Prices - N\$ Million)

Type of Industry	1994	1995	1996	1997	1998
Buildings	656	704	776	489	517
Construction works	362	345	366	302	359
Transport equipment	196	196	209	223	217
Machinery and other equipment	397	387	411	424	451
Total exclusive of mineral exploration	1610	1633	1762	1438	1544
Mineral exploration	29	63	72	55	68
Total	1639	1696	1834	1493	1612

Source: Central Bureau of Statistics

Table I.12 GROSS CAPITAL FORMATION BY THE TYPE OF OWNERSHIP (Current prices - N\$ Million)

Industry	1994	1995	1996	1997	1998
Public	911	922	1097	1291	1563
Producers of government services	654	709	734	757	810
Public corporations and enterprises	257	213	364	534	753
Private	1387	1677	2104	1440	1480
Total	2298	2599	3201	2731	3043

Source: Central Bureau of Statistics

Table I.13 GROSS FIXED CAPITAL FORMATION BY THE OWNERSHIP (Constant 1990 Prices - N\$ Million)

Industry	1994	1995	1996	1997	1998
Public	648	603	661	720	830
Producers of government services	466	462	442	422	436
Public corporations and enterprises	183	141	219	298	394
Private	991	1093	1173	773	782
Total	1639	1696	1834	1493	1612

Source: Central Bureau of Statistics

Table I.14 FIXED CAPITAL STOCK BY ACTIVITY (Current Prices - N\$ Million)

Industry	1994	1995	1996	1997	1998
Agriculture	3296	3594	3903	4324	3835
Fishing	292	313	325	351	375
Mining and quarrying	2976	3171	4510	3806	3800
Manufacturing	881	1016	1132	1250	1299
Fish processing	306	346	372	390	391
Other manufacturing	576	670	760	860	908
Electricity and water	2282	2492	2783	3036	3319
Construction	237	331	425	543	610
Wholesale and retail trade; hotels, restaurants	933	1235	1434	1583	1666
Transport, and communication	2776	3071	3337	3613	3809
Finance, real estate, business services	4185	4995	6110	6816	7479
Community, social and personal services	220	246	277	303	318
General government	17697	19622	21523	23300	24621
Total	35776	40086	45759	48925	51129

Source: Central Bureau of Statistics

Table I.15 FIXED CAPITAL STOCK BY ACTIVITY Constant 1990 Prices - N\$ Million

Industry	1994	1995	1996	1997	1998
Agriculture	2360	2373	2387	2401	2416
Fishing	181	178	176	174	172
Mining and quarrying	2155	2064	1999	1915	1836
Manufacturing	635	675	699	712	717
Fish processing	219	228	226	219	209
Other manufacturing	415	447	473	493	508
Electricity and water	1608	1595	1633	1653	1725
Construction	172	226	275	317	354
Wholesale and retail trade; hotels, restaurants	663	803	858	879	880
Transport, and communication	1944	1953	1952	1955	1956
Finance, real estate, business services	2984	3251	3648	3786	3943
Community, social and personal services	159	163	172	172	177
General government	12514	12629	12709	12770	12835
Total	25375	25910	26507	26733	27011

Source: Central Bureau of Statistics

TABLE I.16(a) INTERIM CONSUMER PRICE INDEX (DECEMBER 1992=100)

	All Items	Food	Housing fuel and power	Transport and Communi- cations	House- hold Goods	Clothing and Footwear	Beverage and Tobacco	Re- creation	Medical Health Care	Misc Goods & Services	Inflation Rate (%) Annual
Weights	100.00	28.36	19.94	20.67	10.22	4.39	4.10	4.14	1.35	6.88	100.00
1994	116.29	115.78	118.77	112.36	104.95	117.37	120.07	131.07	127.25	125.75	10.76
1995	127.93	129.19	134.06	118.63	111.31	127.57	137.26	141.82	138.56	141.74	10.01
1996	138.17	137.84	143.44	129.28	118.44	132.82	153.17	159.98	149.22	159.39	8.01
1997	150.36	148.44	156.99	139.79	122.04	151.08	180.44	178.91	174.68	172.53	8.85
1998											
Jan	154.42	150.60	191.81	161.42	157.54	124.37	141.02	184.43	187.21	186.09	5.65
Feb	154.92	150.49	190.57	161.79	158.31	124.67	141.48	185.90	186.56	190.38	5.39
Mar	155.24	149.78	196.31	163.36	159.70	125.23	141.52	185.29	188.47	188.13	4.51
Q1	154.86	150.29	192.90	162.19	158.52	124.76	141.34	185.21	187.41	188.20	5.18
Apr	155.24	148.76	201.06	163.36	159.75	125.80	141.44	185.91	189.17	188.38	4.36
May	156.57	150.40	214.34	163.36	159.94	126.93	141.53	186.91	190.74	190.10	4.34
Jun	158.64	151.65	221.21	164.20	169.69	131.09	141.83	188.44	198.32	192.87	5.71
Q2	156.82	150.27	212.20	163.64	163.13	127.94	141.60	187.09	192.74	190.45	4.80
Jul	161.37	150.72	218.49	177.00	172.60	131.18	143.88	188.95	199.07	192.54	6.56
Aug	162.23	152.33	217.74	177.08	173.15	131.40	144.29	192.80	199.63	193.96	6.81
Sep	163.29	154.10	215.04	177.15	173.35	131.22	147.55	192.19	194.31	195.26	7.18
Q3	162.30	152.38	217.09	177.08	173.03	131.27	145.24	191.31	197.67	193.92	6.85
Oct	163.90	155.12	217.70	177.09	174.06	131.78	147.96	192.13	193.57	196.17	7.49
Nov	164.55	156.24	221.06	176.92	173.14	131.87	147.99	193.65	193.79	198.57	7.65
Dec	165.94	158.19	220.91	178.92	173.14	132.51	150.25	193.80	194.01	197.47	8.67
Q4	164.80	156.52	219.89	177.64	173.45	132.05	148.73	193.19	193.79	197.40	7.94
Annual	159.69	152.37	210.52	170.14	167.03	129.00	144.23	189.20	192.90	192.49	6.19

TABLE I.16(a) INTERIM CONSUMER PRICE INDEX (DECEMBER 1992=100) - Continued

	All Items	Food	Housing fuel and power	Transport and Commu- nications	House- hold Goods	Clothing and Footwear	Beverage and Tobacco	Re- reation	Medical Health Care	Misc Goods & Services	Inflation Rate (%) Annual
1999											
Jan	168.10	160.64	224.51	179.04	172.90	133.17	153.62	204.80	197.75	197.87	8.86
Feb	168.05	159.81	225.56	179.04	173.69	133.30	153.64	204.16	199.50	199.50	8.48
Mar	169.69	159.07	234.43	181.19	174.93	133.27	154.44	204.81	200.30	210.97	9.31
Q1	168.61	159.84	228.17	179.76	173.84	133.25	153.90	204.59	199.18	202.78	8.88
Apr	169.73	158.65	237.97	181.19	174.78	133.49	154.44	205.77	200.33	210.49	9.33
May	170.58	158.02	241.62	181.19	175.03	134.14	158.55	206.23	200.25	209.49	8.95
Jun	171.64	158.99	244.69	178.80	177.44	137.79	162.23	206.85	200.01	207.64	8.19
Q2	170.65	158.55	241.43	180.39	175.75	135.14	158.41	206.28	200.20	209.21	8.83
Jul	174.88	160.30	244.79	191.55	178.15	138.14	165.47	206.33	199.61	202.02	8.37
Aug	175.34	161.96	244.44	191.59	178.09	137.96	165.67	206.43	199.66	201.61	8.08
Sep	176.38	163.16	246.98	190.67	178.76	138.66	168.34	206.64	199.68	203.25	8.02
Q3	175.53	161.81	245.40	191.27	178.33	138.25	166.49	206.47	199.65	202.29	8.16
Oct	178.27	162.89	250.07	190.64	178.77	139.38	176.11	210.96	200.00	203.11	8.77
Nov	179.00	164.24	250.70	191.29	179.97	139.59	176.22	212.06	200.67	203.69	8.78
Dec	179.03	162.87	254.74	191.34	180.93	139.98	176.44	211.88	202.32	205.01	7.89
Q4	178.77	163.33	251.84	191.09	179.89	139.65	176.26	211.63	201.00	203.94	8.48
Annual	173.39	160.88	241.71	185.63	176.95	136.57	163.76	207.24	200.01	204.55	8.59

*. Calculated as a percentage change of the all items index for a given month in relation to that of the same month of the preceding year.

Source: Central Statistics Office

TABLE I.16(b) CONSUMER PRICE INFLATION

This table classifies goods and services in the index by source: imported tradable refers to imported goods, domestic tradable

	Monthly Index					Inflation Rate (%)*				
	Domestic			Imported Tradeables	All Items	Domestic			Imported Tradeables	All Items
	Non-Tradeables	Tradeables	Total			Non-Tradeables	Tradeables	Total		
Weights	32.00	20.11	52.11	47.89	100.00	32.00	20.11	52.11	47.89	100.00
1996 Jan	139.80	136.60	138.56	126.55	132.93	12.20	3.39	8.68	5.94	7.21
Feb	142.28	138.18	140.70	126.97	134.24	13.29	4.30	9.71	5.13	7.69
Mar	142.67	137.42	140.65	128.99	135.06	14.51	3.40	10.05	5.61	7.95
Q1	141.58	137.40	139.97	127.50	134.08	13.33	3.70	9.48	5.56	7.62
Apr	142.96	139.95	140.25	130.15	135.42	14.72	2.12	9.66	5.84	7.86
May	143.00	134.62	139.77	131.99	136.04	14.54	1.08	9.14	6.39	7.84
Jun	142.97	137.65	140.92	132.88	137.07	12.15	3.84	8.86	7.13	8.04
Q2	142.98	136.07	140.31	131.67	136.18	13.80	2.35	9.22	6.45	7.91
Jul	143.06	131.96	142.64	134.11	138.55	6.92	8.54	7.54	7.40	7.46
Aug	143.12	144.09	143.49	135.44	138.60	6.96	9.68	8.00	8.33	8.13
Sep	145.48	145.19	145.37	136.76	141.25	6.14	10.38	7.73	13.95	8.27
Q3	143.89	140.41	143.83	135.44	139.47	6.67	9.53	7.76	9.89	7.95
Oct	145.48	148.20	146.53	137.11	142.02	6.14	11.78	8.27	8.48	8.44
Nov	145.66	151.43	147.89	137.48	142.90	6.09	13.86	9.03	8.39	8.64
Dec	145.75	150.87	147.73	137.63	142.89	5.36	12.12	7.93	9.28	8.45
Q4	145.63	150.17	147.38	137.41	142.60	5.86	12.59	8.41	8.72	8.51
Annual	143.52	141.01	142.12	133.01	138.08	9.97	7.04	8.79	7.65	8.00
1997 Jan	152.57	151.25	152.06	139.74	146.16	9.14	10.72	9.74	10.42	9.95
Feb	153.25	151.65	152.63	140.87	147.00	7.71	9.75	8.48	10.94	9.50
Mar	153.66	150.56	152.46	144.27	148.54	7.70	9.56	8.40	11.85	9.98
Q1	153.16	151.15	152.38	141.63	147.23	8.18	10.01	8.87	11.07	9.81
Apr	153.70	150.24	152.36	144.83	148.76	7.51	10.51	8.64	11.28	9.85
May	153.86	153.26	153.63	146.19	150.07	7.59	13.85	9.92	10.76	10.31
Jun	154.56	151.31	153.31	146.56	150.08	8.11	9.92	8.79	10.30	9.49
Q2	154.04	151.60	153.10	145.86	149.64	7.74	11.43	9.12	10.78	9.88
Jul	160.01	150.78	156.45	145.98	151.43	11.85	6.21	9.68	8.85	9.30
Aug	160.32	152.40	157.26	146.03	151.88	12.02	5.77	9.60	7.82	8.77
Sep	160.19	153.09	157.45	146.80	152.35	10.11	5.44	8.31	7.34	7.86
Q3	160.17	152.09	157.05	146.27	151.89	11.33	5.81	9.20	8.00	8.64
Oct	160.22	152.35	157.18	147.35	152.47	10.13	2.80	7.27	7.47	7.36
Nov	160.31	154.07	157.90	147.38	152.86	10.06	1.74	6.77	7.20	6.97
Dec	159.87	153.90	157.57	147.42	152.71	9.69	2.01	6.66	7.11	6.87
Q4	160.13	153.44	157.55	147.38	152.68	9.96	2.18	6.90	7.26	7.07
Annual	156.88	152.07	155.02	145.29	150.36	9.30	7.36	8.52	9.28	8.85

TABLE I.16(b) CONSUMER PRICE INFLATION - Continued

This table classifies goods and services in the index by source: imported tradable refers to imported goods, domestic tradable

	Monthly Index					Inflation Rate (%)*				
	Domestic			Imported Tradeables	All Items	Domestic			Imported Tradeables	All Items
	Non-Tradeables	Tradeables	Total			Non-Tradeables	Tradeables	Total		
1998										
Jan	163.77	154.80	160.31	148.03	154.43	7.34	2.35	5.42	5.93	5.66
Feb	164.89	153.84	160.63	148.72	154.92	7.60	1.44	5.24	5.57	5.39
Mar	165.42	154.40	161.17	148.79	155.24	7.65	2.53	5.71	3.13	4.51
Q1	164.69	154.35	160.70	148.51	154.86	7.53	2.11	5.46	4.88	5.19
Apr	165.72	152.82	160.74	149.26	155.24	7.82	1.72	5.50	3.06	4.36
May	165.87	154.59	161.52	151.20	156.58	7.81	0.87	5.15	3.43	4.34
Jun	166.29	156.24	162.41	154.55	158.65	7.59	3.26	5.94	5.45	5.71
Q2	165.96	154.55	161.56	151.67	156.82	7.74	1.95	5.53	3.98	4.80
Jul	174.47	154.10	166.61	155.66	161.36	9.04	2.30	6.49	6.63	6.56
Aug	174.47	155.48	167.14	156.88	162.23	8.83	2.02	6.28	7.43	6.81
Sep	174.97	156.91	168.00	158.17	163.29	9.23	2.50	6.70	7.75	7.18
Q3	174.64	155.50	167.25	156.90	162.29	9.03	2.27	6.49	7.27	6.85
Oct	174.99	156.99	168.04	159.40	163.90	9.22	3.05	6.91	8.18	7.50
Nov	175.16	157.45	168.32	160.45	164.55	9.26	2.19	6.60	8.87	7.65
Dec	176.32	158.22	169.33	162.25	165.94	10.29	2.81	7.47	10.06	8.67
Q4	175.49	157.55	168.56	160.70	164.80	9.59	2.68	6.99	9.04	7.94
Annual	170.20	155.49	164.52	154.45	159.69	8.47	2.25	6.12	6.29	6.20
1999										
Jan	181.18	160.98	173.38	162.35	168.10	10.63	3.98	8.15	9.67	8.85
Feb	181.37	160.03	173.13	162.52	168.05	9.99	4.02	7.79	9.28	8.47
Mar	184.01	158.32	174.09	164.88	169.68	11.24	2.54	8.02	10.81	9.30
Q1	182.19	159.78	173.53	163.25	168.61	10.62	3.51	7.99	9.92	8.87
Apr	184.01	159.68	174.62	164.42	169.73	11.04	4.49	8.63	10.16	9.34
May	183.87	159.29	174.38	166.45	170.58	10.85	3.04	7.97	10.09	8.95
Jun	181.91	159.86	173.40	169.73	171.64	9.39	2.32	6.77	9.82	8.19
Q2	183.26	159.61	174.13	166.87	170.65	10.43	3.28	7.79	10.02	8.83
Jul	187.60	161.03	177.34	172.20	174.88	7.53	4.50	6.44	10.63	8.38
Aug	187.86	162.97	178.25	172.18	175.34	7.67	4.82	6.65	9.75	8.09
Sep	187.17	165.03	178.62	173.93	176.38	6.97	5.17	6.32	9.96	8.01
Q3	187.54	163.01	178.07	172.77	175.53	7.39	4.83	6.47	10.11	8.16
Oct	189.08	165.01	179.79	176.64	178.28	8.05	5.11	6.99	10.82	8.77
Nov	189.08	165.93	180.14	177.77	179.01	7.95	5.39	7.02	10.79	8.78
Dec	189.29	166.50	180.49	177.43	179.03	7.36	5.23	6.59	9.36	7.89
Q4	189.15	165.81	180.14	177.28	178.77	7.79	5.24	6.87	10.32	8.48
Annual	185.54	162.05	176.47	170.04	173.39	9.06	4.22	7.28	10.10	8.59

* Calculated as a percentage change of the all items index for a given month in relation to that of the same month of the preceding year.

Source: Central Statistics Office

TABLE II.1(a) BANK OF NAMIBIA: DETAILED ACCOUNT
(end of period in N\$ million)

ASSETS														
Period		Foreign Assets		SUB TOTAL	Claims on Domestic Sector								TOTAL ASSETS	
					ASSETS				Sub- Total	DMB's	OBI's	Other		Sub- Total
		Banks	Fund Accounts		Treasury Bills	Total Securities	Advances							
1994		718.4	1.2	719.6	0.0	0.0	0.0	720.0	720.0	0.0	0.5	0.0	720.5	1440.1
1995		808.1	1.2	809.3	0.0	0.0	0.0	783.7	783.7	0.0	0.7	0.0	784.4	1593.7
1996		906.5	1.2	907.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	908.4
1997	I	657.3	1.2	658.5	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	659.2
	II	671.9	1.2	673.1	0.0	0.0	0.0	0.0	0.0	0.5	0.7	0.0	1.2	674.3
	III	811.6	1.2	812.8	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	813.5
	IV	1217.8	1.2	1219.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1219.7
1998	Jan	1404.9	1.2	1406.1	0.0	0.0	0.0	0.0	0.0	1.5	0.7	0.0	2.2	1408.3
	Feb	1309.5	1.2	1310.7	0.0	0.0	0.0	0.0	0.0	0.4	0.7	0.0	1.1	1311.8
	Mar	1293.1	1.2	1294.3	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1295.0
	Apr	1463.5	1.2	1464.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1465.4
	May	1650.9	1.2	1652.1	0.0	0.0	0.0	0.0	0.0	6.4	0.6	0.0	7.0	1659.0
	June	1341.5	1.2	1342.7	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6	1343.3
	July	1714.1	1.2	1715.3	0.0	0.0	0.0	0.0	0.0	5.0	0.6	0.0	5.6	1720.8
	Aug	1663.0	1.2	1664.2	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6	1664.7
	Sep	1375.0	1.2	1376.2	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.6	1376.8
	Oct	1633.1	1.2	1634.2	0.0	0.0	0.0	0.0	0.0	5.2	0.5	0.0	5.7	1639.9
1999	Nov	1693.8	1.2	1694.9	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	1695.5
	Dec	1527.3	1.2	1528.4	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	1529.0
	Jan	1939.1	1.2	1940.3	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	1940.8
	Feb	1726.2	1.2	1727.4	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	1727.9
	Mar	1543.1	1.2	1544.2	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1544.9
	Apr	1569.4	1.2	1570.6	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1571.2
	May	1624.2	1.2	1625.4	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1626.0
	June	1314.8	1.2	1316.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1316.6
	July	1809.8	1.2	1811.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1811.7
	Aug	1450.9	1.2	1452.1	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1452.7
	Sep	1258.7	1.2	1259.9	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1260.6
	Oct	1561.8	1.2	1563.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1563.7
	Nov	1511.0	1.2	1512.2	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1512.8
	Dec	1875.9	1.2	1877.1	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	1877.8

TABLE II.1(b) BANK OF NAMIBIA: DETAILED ACCOUNT
(end of period in N\$ million)

LIABILITIES									
Period	Currency outside DMBs (a)	Banker's Reserves (b)	Reserve Money a+b	Other Deposits	Central Govt. dep.	Foreign Liabilities	Capital Accounts	Other items (net)	TOTAL
1994	217.4	148.9	366.3	0.0	291.2	712.9	71.2	-1.5	1440.1
1995	240.2	165.6	405.8	0.0	280.8	775.3	119.5	12.3	1593.7
1996	282.8	214.2	497.0	0.0	162.4	9.0	303.8	-63.8	908.4
1997	I	311.7	464.2	0.0	15.0	13.6	243.1	-76.7	659.2
	II	292.4	462.8	0.0	14.6	49.2	272.8	-125.1	674.3
	III	305.4	494.8	0.0	86.7	32.5	288.3	-88.8	813.5
	IV	335.6	591.2	0.2	374.4	25.5	316.5	-88.1	1219.7
1998	Jan	331.3	501.8	0.1	633.0	32.5	318.7	-77.8	1408.3
	Feb	340.9	518.0	0.1	512.1	29.6	323.1	-71.2	1311.8
	Mar	316.3	553.8	13.6	418.4	35.2	333.4	-59.4	1295.0
	Apr	321.0	557.4	11.5	587.9	34.5	368.6	-94.4	1465.4
	May	349.7	551.8	0.1	791.2	32.3	388.6	-105.0	1659.0
	June	329.8	567.5	0.1	338.6	35.8	495.9	-94.4	1343.4
	July	353.1	587.4	0.1	649.7	34.7	531.6	-82.6	1720.8
	Aug	356.1	587.2	0.1	510.3	39.3	596.1	-68.3	1664.7
	Sep	348.5	582.9	6.0	299.1	35.9	521.4	-68.5	1376.8
	Oct	364.7	567.3	0.0	591.4	32.3	492.8	-43.8	1640.0
	Nov	383.6	577.9	32.8	609.0	46.3	482.5	-53.0	1695.5
	Dec	364.9	600.6	8.3	416.1	40.2	513.4	-49.7	1529.0
1999	Jan	355.5	545.8	5.0	849.8	43.2	535.4	-38.4	1940.8
	Feb	367.9	530.7	0.0	643.0	41.6	541.6	-29.0	1727.9
	Mar	361.0	596.3	0.0	380.0	46.5	588.7	-66.7	1544.9
	Apr	375.3	584.2	0.0	520.3	43.6	562.4	-139.1	1571.4
	May	364.4	599.1	46.3	471.9	45.2	581.4	-118.0	1626.0
	June	359.3	584.5	94.0	163.9	40.6	545.4	-111.6	1316.8
	July	396.2	614.9	0.0	673.3	47.4	581.2	-105.1	1811.7
	Aug	403.2	653.9	0.0	296.0	39.5	562.8	-99.5	1452.7
	Sep	395.8	634.3	52.0	62.7	49.0	561.2	-98.7	1260.6
	Oct	412.5	627.0	0.0	408.5	46.7	579.0	-97.5	1563.7
	Nov	423.2	681.9	0.0	323.3	54.2	561.6	-108.1	1512.9
	Dec	422.7	897.4	0.0	471.8	48.7	562.9	-103.0	1877.8

Annual Report

TABLE II.2(a) DEPOSIT MONEY BANKS: DETAILED ACCOUNT
(end of period in N\$ million)

ASSETS																
Period	Reserves				Foreign Assets			CLAIMS ON DOMESTIC SECTOR								
	Namibian Currency	Rands	Deposit with BoN	Sub- Total	Of which banks	Non- banks	Sub- Total	Claims on Central Government					Regional Councils	Non-financial Public Enterprises	OBI's	Private Sector
								Treasury bills	Government Securities	Loans & Advances	Other	Sub- Total				
1994	115.3	7.3	33.6	156.2	193.0	1.5	194.5	156.6	76.5	2.6	3.0	238.7	17.2	42.1	95.1	3542.6
1995	140.3	9.8	25.3	175.4	137.6	3.1	140.7	201.9	50.6	0.0	3.6	256.1	19.2	72.1	74.6	4742.8
1996	169.6	11.2	45.5	226.3	346.5	3.2	349.7	377.8	77.9	0.0	5.2	460.9	18.6	72.2	7.0	5673.3
1997 I	99.0	9.7	53.5	162.2	393.6	3.0	396.6	436.6	68.3	0.1	0.0	505.0	17.5	70.9	1.0	5917.5
II	128.0	10.5	42.1	180.6	841.2	3.2	844.4	356.0	162.6	0.4	5.2	524.2	19.0	123.3	1.0	6001.0
III	144.4	9.1	45.0	198.5	884.1	4.4	888.5	340.2	184.2	0.1	5.2	529.7	17.0	133.8	0.0	6278.1
IV	193.7	17.8	64.2	275.7	533.3	3.7	537.0	452.2	198.7	2.6	6.4	659.8	17.4	148.8	23.6	6553.5
1998 Jan	127.9	11.3	48.8	188.0	559.0	3.9	562.9	468.2	204.3	0.1	6.3	678.9	15.0	135.7	24.1	6627.0
Feb	122.9	7.5	54.3	184.8	460.0	4.4	464.4	492.1	247.0	0.2	6.4	745.7	14.9	138.8	28.2	6636.0
Mar	172.5	9.8	78.5	260.9	302.9	6.9	309.8	521.2	247.0	0.3	6.4	774.9	15.3	149.4	20.4	6689.4
Apr	173.5	8.9	74.4	256.8	478.4	6.9	485.3	432.3	247.4	0.4	6.4	686.5	15.4	141.7	20.4	6762.7
May	146.8	8.4	55.4	210.6	374.8	6.7	381.6	381.7	250.7	0.5	6.4	639.3	15.9	150.3	14.9	6863.1
June	177.7	9.9	60.2	247.8	447.2	11.2	458.3	423.1	251.1	9.2	7.3	690.8	16.2	155.0	14.9	6897.0
July	143.2	11.1	91.2	245.5	524.9	15.1	540.0	370.8	250.6	5.5	7.3	634.3	13.2	156.6	0.8	6873.3
Aug	156.3	7.7	75.1	239.2	645.3	5.6	650.8	422.6	253.2	5.0	7.3	688.1	13.3	160.5	0.0	6854.4
Sept	158.6	7.9	86.8	253.3	604.8	6.2	610.9	476.8	253.5	2.9	7.3	740.4	13.8	173.8	10.6	6941.8
Oct	127.5	6.3	80.3	214.1	675.9	8.6	684.5	496.8	252.7	3.2	7.3	760.0	13.7	196.2	14.1	7018.5
Nov	117.7	6.5	114.0	238.2	407.6	6.6	414.2	492.1	253.4	7.6	7.3	760.4	18.5	191.9	16.2	7119.3
Dec	157.6	22.4	85.7	265.7	538.2	10.2	548.4	435.1	255.2	1.7	9.7	701.7	18.8	142.7	14.6	7129.3
1999 Jan	114.1	8.8	90.0	212.9	321.6	7.0	328.6	387.3	273.5	10.1	9.7	680.6	16.6	152.8	14.9	7309.9
Feb	87.4	7.8	79.3	174.6	420.0	4.5	424.5	403.6	272.7	11.2	13.8	701.4	19.1	221.6	11.2	7205.2
Mar	158.6	7.9	92.7	259.2	639.8	5.5	645.3	413.8	271.2	14.6	9.7	709.3	19.6	205.1	10.7	7208.6
Apr	130.5	9.7	87.5	227.6	603.6	5.5	609.1	431.3	271.6	8.5	6.9	718.3	19.7	189.3	10.9	7198.1
May	154.8	9.5	126.3	290.6	578.5	7.9	586.4	469.5	284.9	13.9	15.0	783.3	20.1	170.1	1.0	7190.2
June	144.4	8.2	176.3	329.0	938.1	5.8	943.9	507.6	277.6	8.5	22.7	816.4	21.4	176.7	1.6	7092.2
July	134.7	7.3	99.0	241.1	1066.8	8.7	1075.6	583.6	266.1	8.5	4.2	862.4	16.0	122.3	0.7	7113.8
Aug	167.0	7.0	83.6	257.7	976.5	4.0	980.5	557.6	268.6	8.5	0.8	835.6	16.0	131.2	8.7	7241.7
Sep	155.0	7.4	134.1	296.4	1361.8	11.4	1373.2	518.6	262.5	8.5	6.3	795.9	16.4	147.8	7.6	7188.7
Oct	125.3	6.5	89.2	221.0	1315.1	18.2	1333.3	626.9	257.6	8.5	10.3	903.2	16.2	152.6	11.0	7335.5
Nov	157.4	5.1	101.3	263.7	1083.4	9.9	1093.3	640.6	260.9	0.0	9.7	911.3	16.4	142.1	35.8	7385.3
Dec	273.4	9.4	227.8	510.5	872.0	5.8	877.8	730.1	265.5	9.3	15.1	1020.0	16.3	136.6	10.7	7434.2

Annual Report

TABLE II.2(b) DEPOSIT MONEY BANKS: DETAILED ACCOUNT
(end of period in N\$ million)

LIABILITIES													
Period	Demand Deposits	Time and Savings deposits			Bonds	Foreign liabilities			Central Govts Deposits	Credit from BoN	Capital Accounts	Other items (NET)	TOTAL
		Time dep.	Savings	Sub-total		Banks	Non-banks	Sub-total					
1994	1465.3	1660.8	425.3	2086.1	4.1	291.5	100.0	391.5	83.1	0.0	293.8	-37.5	4286.4
1995	1581.9	2459.5	466.0	2925.5	4.1	382.0	118.6	500.6	73.5	0.0	432.4	-37.1	5480.9
1996	2516.7	2692.4	558.3	3250.7	8.9	201.8	93.2	295.0	77.9	0.0	644.0	14.8	6808.0
1997 I	2439.4	2761.2	534.0	3295.2	7.8	291.3	90.1	381.4	71.4	0.0	670.0	205.5	7070.7
II	2689.4	3092.5	548.9	3641.4	3.9	197.2	63.0	260.2	172.0	0.0	703.5	223.1	7693.5
III	2652.1	2943.4	572.8	3516.2	5.9	626.9	84.6	711.5	212.8	0.0	735.1	212.0	8045.6
IV	2562.5	3026.5	576.5	3603.0	7.0	768.7	70.0	838.7	217.6	0.0	782.7	204.4	8215.9
1998 Jan	2578.6	2926.5	582.0	3508.5	6.5	638.2	72.1	710.3	365.0	0.0	806.1	256.6	8231.6
Feb	2712.5	2887.9	588.8	3476.7	6.6	555.7	72.8	628.5	305.3	1.4	823.8	258.1	8212.8
Mar	2556.5	3026.4	592.4	3618.8	6.3	694.3	79.5	773.7	250.1	0.0	827.2	187.6	8220.1
Apr	2691.7	3091.9	596.4	3688.3	6.4	648.4	79.6	728.0	253.3	7.9	814.2	179.1	8368.8
May	2626.3	2882.7	593.4	3476.1	6.5	902.1	101.9	1003.9	203.3	7.7	843.2	108.5	8275.5
June	2843.0	2945.0	594.0	3539.0	4.4	806.3	81.1	887.4	182.0	7.7	846.3	170.1	8479.9
July	2947.0	3118.0	608.1	3726.1	5.7	435.5	97.7	533.2	180.6	12.7	869.6	188.8	8463.7
Aug	2996.3	3139.6	613.9	3753.5	5.1	421.8	100.4	522.2	247.3	8.5	897.8	175.6	8606.2
Sept	2997.7	3121.6	628.2	3749.8	4.0	567.9	95.5	663.4	232.0	7.8	880.3	209.6	8744.6
Oct	3254.4	2959.1	614.4	3573.6	5.7	651.2	92.8	744.0	210.0	13.0	891.6	208.8	8901.1
Nov	3264.5	2897.1	640.2	3537.3	5.9	526.6	99.1	625.7	176.7	7.7	914.1	226.9	8758.7
Dec	3315.9	2902.0	622.9	3524.9	5.5	579.9	101.0	680.9	173.2	7.7	919.0	194.0	8821.1
1999 Jan	3209.8	2958.9	614.1	3573.0	6.8	607.4	85.3	692.7	187.6	7.7	951.8	86.8	8716.2
Feb	3196.7	3010.9	623.0	3633.9	4.7	463.2	78.3	541.5	201.8	9.8	947.6	221.5	8757.5
Mar	3306.7	3030.9	629.4	3660.4	0.0	590.3	102.7	693.0	246.5	9.9	967.2	174.3	9057.8
Apr	3451.1	2982.1	636.4	3618.5	13.5	351.4	104.1	455.6	259.5	9.9	997.6	167.1	8973.0
May	3386.8	3040.4	637.8	3678.2	15.1	407.3	104.9	512.2	194.7	0.0	996.3	258.4	9041.7
June	3679.1	3177.8	650.3	3828.1	9.4	301.8	114.9	416.7	184.3	10.0	987.9	265.5	9381.1
July	3627.5	3207.5	677.3	3884.8	7.0	321.0	104.0	425.0	182.8	15.0	1011.0	278.7	9431.8
Aug.	3507.2	3294.0	702.5	3996.5	7.8	338.7	111.8	450.5	180.8	97.9	1032.0	198.6	9471.3
Sep	4026.1	3340.2	695.7	4035.9	7.7	327.9	99.0	426.9	142.0	100.3	1040.1	47.3	9826.2
Oct	4133.2	3241.0	696.3	3937.3	8.4	349.1	129.6	478.7	147.5	107.1	1060.9	100.6	9973.5
Nov	3985.0	3249.0	706.4	3955.4	8.3	379.8	116.4	496.2	171.6	20.5	1082.5	128.3	9847.9
Dec	4166.2	3369.4	667.3	4036.7	8.3	280.9	137.5	418.4	89.2	120.3	1080.7	86.4	10006.2

TABLE II.3 MONETARY SURVEY
(N\$ million)

End of Period	Foreign Assets (Net)	Domestic Credit				TOTAL (1-5)	Currency in Circulation	Demand Deposits	Savings Deposits	Time Deposits	Other items (Net)	Broad Money M2	TOTAL	
		Central Gov't (Net)	Financial Sector	Private Sector	Other									
1994	-190.3	584.5	95.6	3542.6	59.3	4091.7	217.4	1465.3	425.3	1660.8	322.8	3768.9	4091.7	
1995	-325.9	685.6	75.2	4742.8	91.3	5269.0	240.2	1581.9	466.0	2459.5	521.4	4747.6	5269.0	
1996	953.5	220.5	17.8	5663.2	90.8	6945.8	282.8	2516.7	558.4	2692.4	895.5	6050.3	6945.8	
1997	I	660.1	418.7	12.2	5906.9	88.5	7086.4	311.7	2439.4	534.0	2761.2	1040.0	6046.3	7086.3
	II	1208.2	337.5	12.6	5990.2	142.3	7690.8	292.4	2689.4	548.9	3092.5	1067.6	6623.2	7690.8
	III	957.3	230.3	0.7	6278.1	150.8	7617.2	305.4	2652.1	572.8	2943.4	1143.5	6473.7	7617.2
	IV	891.8	67.8	24.3	6553.5	166.3	7703.7	335.6	2562.5	576.5	3026.5	1202.6	6501.1	7703.7
1998	Jan	1226.2	-319.0	24.8	6627.0	150.7	7709.7	331.3	2578.6	582.0	2926.5	1291.3	6418.4	7709.7
	Feb	1117.0	-71.7	28.9	6636.0	153.7	7864.0	340.9	2712.5	588.8	2887.9	1333.9	6530.1	7864.0
	Mar	795.2	106.4	21.1	6689.4	164.7	7776.8	316.3	2556.5	592.4	3026.4	1287.4	6491.5	7778.9
	Apr	1187.6	-154.7	21.0	6762.7	157.1	7973.7	321.0	2691.7	596.4	3091.9	1272.8	6700.9	7973.7
	May	997.4	-355.3	15.4	6863.1	166.2	7686.8	349.7	2626.3	593.4	2882.7	1234.6	6452.2	7686.8
	June	877.9	170.2	15.4	6897.0	171.2	8131.8	329.8	2843.0	594.0	2945.0	1420.1	6711.7	8131.8
	July	1687.4	-196.0	1.4	6873.3	169.9	8535.9	353.2	2947.0	608.1	3118.0	1509.6	7026.3	8535.9
	Aug	1753.6	-69.5	0.6	6854.4	173.7	8712.7	356.1	2996.3	613.9	3139.6	1606.9	7105.9	8712.7
	Sept	1288.0	209.4	11.1	6941.8	187.6	8637.9	348.5	2997.7	633.1	3116.7	1541.8	7096.1	8637.9
	Oct	1541.9	-40.8	14.6	7018.5	209.9	8744.1	364.7	3254.4	614.4	2959.1	1551.5	7192.6	8744.1
	Nov	1437.3	-25.3	16.7	7119.3	210.4	8758.5	383.6	3264.5	640.2	2897.1	1573.1	7185.4	8758.5
	Dec	1355.8	112.3	15.1	7129.3	161.5	8774.0	364.9	3315.9	622.9	2902.0	1568.3	7205.7	8774.0
1999	Jan	1533.0	-356.9	15.4	7309.9	169.4	8670.8	355.5	3209.8	614.1	2958.9	1532.5	7138.3	8670.8
	Feb	1568.9	-143.5	11.8	7205.2	240.7	8882.9	367.9	3196.7	623.0	3010.9	1684.5	7198.5	8882.9
	Mar	1450.1	82.8	11.4	7208.6	224.7	8977.6	361.0	3306.7	629.4	3030.9	1649.5	7328.1	8977.6
	Apr	1680.6	-61.5	11.6	7198.1	209.0	9037.7	375.3	3451.1	636.4	2982.1	1592.8	7444.9	9037.7
	May	1654.4	116.7	1.6	7190.2	190.2	9153.2	364.5	3386.8	637.8	3040.4	1723.8	7429.5	9153.2
	Jun	1802.6	468.2	6.4	7092.2	194.0	9563.4	359.3	3679.1	650.3	3177.8	1697.0	7866.4	9563.4
	Jul	2414.2	6.3	5.5	7113.8	134.1	9673.9	396.2	3627.5	677.3	3207.5	1765.5	7908.5	9673.9
	Aug	1942.6	358.8	15.7	7241.7	140.8	9699.6	403.2	3507.2	702.5	3294.0	1792.6	7907.0	9699.6
	Sep	2157.0	591.2	8.9	7188.7	164.3	10110.2	395.8	4026.1	695.7	3340.2	1652.5	8457.8	10110.2
	Oct	2371.0	347.2	12.4	7335.5	168.8	10234.8	412.5	4133.2	696.3	3241.0	1751.8	8483.0	10234.8
	Nov	2055.0	416.3	36.4	7385.3	158.6	10051.6	423.2	3985.0	706.4	3249.0	1688.0	8363.6	10051.6
	Dec	2287.8	459.0	11.4	7434.2	153.0	10345.3	422.7	4166.2	667.3	3369.4	1719.7	8625.6	10345.3

Note: Financial Sectors refers to: -Other Banking Institutions

-Non-bank Financial Institutions

Other refers to:

-Non-financial Public Enterprise

-Local Authority and Regional Councils

TABLE II.4(a) OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT
(end of period N\$ million)

ASSETS	1997				1998											
	I	II	III	IV	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1. RESERVES	150.9	216.2	209.3	161.7	149.6	145.4	121.6	111.6	102.0	97.0	87.9	90.2	96.7	97.4	94.0	120.2
2. CLAIM ON CENTRAL GOVERNMENT	120.0	133.2	136.5	166.4	178.3	180.5	175.0	129.6	131.2	116.7	118.4	129.7	32.9	108.0	128.5	151.9
a. Treasury bills	120.0	133.2	136.5	166.4	178.3	180.5	175.0	129.6	131.2	116.7	118.4	129.7	32.9	108.0	128.5	151.9
b. Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. CLAIMS ON LOCAL AUTHORITIES AND REGIONAL COUNCILS	5.3	5.2	5.2	5.2	5.1	5.1	5.2	5.1	5.1	5.1	5.0	5.1	5.1	5.0	5.1	5.1
4. CLAIMS ON NON-FIN.PUB. ENTERP.	8.6	9.2	7.5	4.7	5.2	5.2	6.1	6.2	6.5	6.4	6.5	6.6	7.1	7.5	6.3	7.5
a. 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
b. Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c. Leasing transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d. Other	8.6	9.2	7.5	4.7	5.2	5.2	6.1	6.2	6.5	6.4	6.5	6.6	7.1	7.5	6.3	7.5
5. CLAIMS ON NONBANK F. INST.	8.0	19.6	17.6	17.7	17.7	17.7	17.2	19.3	18.5	17.7	17.7	17.9	17.9	17.9	17.9	18.1
6. CLAIMS ON PRIVATE SECTOR	1356.2	1340.3	1367.1	1402.5	1406.7	1406.7	1462.5	1478.6	1492.7	1509.3	1529.5	1544.1	1575.2	1590.3	1602.1	1623.6
a. Individuals	1298.9	1293.2	1311.3	1356.2	1360.7	1360.7	1419.4	1435.3	1449.3	1465.9	1486.6	1501.7	1533.4	1548.5	1560.5	1582.2
b. Business	57.3	47.1	55.8	46.3	46.0	46.0	43.2	43.3	43.4	43.4	42.9	42.4	41.8	41.8	41.6	41.4
7. TOTAL ASSETS	1649.0	1723.7	1743.2	1758.2	1762.5	1760.6	1787.6	1750.3	1756.0	1752.3	1765.0	1793.5	1734.9	1826.1	1853.8	1926.4

TABLE II.4(a) OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT - Continued
(end of period N\$ million)

ASSETS	1999											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1. RESERVES	129.6	143.8	118.7	174.7	159.6	231.9	230.1	217.2	208.6	174.3	171.2	189.6
2. CLAIM ON CENTRAL GOVERNMENT	142.5	148.5	135.1	102.9	126.5	153.7	205.0	176.3	163.9	208.5	229.2	209.5
a. Treasury bills	133.5	139.4	126.0	93.9	103.6	112.3	153.8	134.6	122.2	91.7	108.8	89.4
b. Other	9.0	9.0	9.1	9.1	22.9	41.5	51.2	41.7	41.7	116.8	120.4	120.1
3. CLAIMS ON LOCAL AUTHORITIES AND REGIONAL COUNCILS	5.0	5.0	5.1	5.0	5.0	5.0	4.9	5.0	5.0	4.9	4.9	5.0
4. CLAIMS ON NON-FIN.PUB. ENTERP.	7.8	7.8	7.8	8.0	7.9	7.8	7.5	7.3	6.7	7.9	8.0	8.6
a. 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
b. Loans and advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
c. Leasing transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d. Other	7.8	7.8	7.8	8.0	7.9	7.8	7.5	7.3	6.7	7.9	8.0	8.6
5. CLAIMS ON NONBANK F. INST.	17.9	17.8	18.4	18.4	18.9	18.7	14.4	14.4	14.5	14.4	14.6	14.6
6. CLAIMS ON PRIVATE SECTOR	1628.0	1643.3	1671.0	1692.9	1697.6	1718.8	1732.6	1745.9	1759.8	1777.8	1788.7	1819.5
a. Individuals	1587.3	1602.8	1630.5	1653.5	1658.9	1679.9	1693.8	1707.4	1721.3	1739.3	1750.5	1780.3
b. Business	40.6	40.5	40.5	39.4	38.8	38.8	38.8	38.5	38.5	38.5	38.2	39.2
7. TOTAL ASSETS	1930.7	1966.2	1956.2	2001.9	2015.5	2135.9	2194.6	2166.0	2158.5	2187.8	2216.6	2246.8

TABLE II.4(b) OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT
(end of period N\$ million)

LIABILITIES	1997				1998											
	I	II	III	IV	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1. TIME, SAVINGS AND FOREIGN C. DEP.	760.9	813.8	794.5	845.4	836.6	901.2	841.1	831.3	831.0	818.7	818.9	863.6	870.8	888.4	882.0	868.8
a. Time Deposits	157.2	177.7	175.5	182.1	190.3	173.9	173.4	178.8	180.3	158.7	186.2	184.8	159.9	169.8	161.0	168.1
b. Savings Deposits	603.7	636.1	619.0	663.3	646.3	727.3	667.8	652.5	650.7	660.0	632.7	678.8	710.9	718.6	720.9	700.7
2. MONEY MARKET INSTRUMENTS	219.4	214.9	224.5	197.8	197.5	197.9	198.9	199.6	200.1	200.2	200.8	201.4	200.5	180.8	181.1	182.5
3. FOREIGN LIABILITIES	15.2	12.5	12.8	15.0	15.1	57.4	19.6	24.9	24.8	33.5	29.4	32.0	32.3	30.4	27.1	23.5
a. Nonbanks	15.2	12.5	12.8	15.0	15.1	57.4	19.6	24.9	24.8	33.5	29.4	32.0	32.3	30.4	27.1	23.5
4. CENTRAL GOVERNMENT DEPOSITS	4.9	4.2	4.2	3.4	3.4	3.4	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.7
5. CREDIT FROM CENTRAL BANK	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	19.1	7.9
6. CREDIT FROM DMBs	30.0	33.7	38.2	36.3	39.3	34.9	34.8	34.8	35.2	29.1	37.2	37.0	30.6	59.4	36.4	41.0
7. CAPITAL ACCOUNTS	823.9	856.2	876.7	894.7	899.7	902.4	916.0	908.0	916.0	923.2	930.6	937.9	940.0	924.2	940.4	960.2
8. OTHER ITEMS (NET)	-205.9	-212.1	-208.2	-234.8	-229.7	-289.3	-226.9	-252.4	-255.1	-256.4	-255.9	-282.6	-343.2	-261.3	-235.9	-161.2
a. Unclassified liabilities	83.6	91.7	106.2	103.3	99.1	101.3	103.4	96.6	98.5	92.2	104.9	110.7	138.7	157.4	179.1	204.8
b. Less: Unclassified assets	289.5	303.8	314.4	338.1	328.8	390.6	330.3	349.0	353.6	348.6	360.8	393.3	482.0	418.6	415.1	365.9
9. TOTAL LIABILITIES	1649.0	1723.7	1743.2	1758.3	1762.5	1808.4	1787.6	1750.3	1756.0	1752.3	1765.0	1793.5	1734.9	1826.1	1853.8	1926.4

TABLE II.4(b) OTHER BANKING INSTITUTIONS: DETAILED ACCOUNT - Continued

(end of period N\$ million)

LIABILITIES	1999											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1. TIME, SAVINGS AND FOREIGN C. DEP.	872.5	894.7	907.1	962.7	956.6	1046.8	1094.3	1173.7	1085.6	1117.1	1137.0	1123.3
a. Time Deposits	172.3	176.9	177.9	199.0	190.1	192.4	194.3	190.0	185.8	169.4	185.2	191.4
b. Savings Deposits	700.2	717.8	729.2	763.7	766.5	854.4	900.0	983.7	899.8	947.7	951.8	931.9
2. MONEY MARKET INSTRUMENTS	181.4	179.7	180.1	43.2	43.1	44.2	44.3	44.9	44.7	45.1	45.6	45.8
3. FOREIGN LIABILITIES	21.4	26.3	26.3	27.3	29.6	36.7	31.1	26.9	28.1	30.1	29.7	25.7
a. Nonbanks	21.4	26.3	26.3	27.3	29.6	36.7	31.1	26.9	28.1	30.1	29.7	25.7
4. CENTRAL GOVERNMENT DEPOSITS	3.6	3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. CREDIT FROM CENTRAL BANK	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
6. CREDIT FROM DMBs	38.4	38.9	39.2	41.8	42.7	46.5	41.5	42.0	41.4	36.4	36.4	38.0
7. CAPITAL ACCOUNTS	969.3	979.0	985.6	1007.4	1018.4	1027.9	1049.9	1059.4	1064.7	1079.9	1090.3	1099.9
8. OTHER ITEMS (NET)	-156.4	-156.3	-185.9	-80.9	-75.4	-66.6	-66.9	-106.1	-106.4	-122.7	-123.8	-126.4
a. Unclassified liabilities	205.3	208.4	180.9	305.3	295.1	328.9	352.1	335.3	322.8	64.3	311.6	323.1
b. Less: Unclassified assets	361.7	364.7	366.8	386.2	370.4	395.5	419.0	441.3	429.2	187.1	435.4	449.5
9. TOTAL LIABILITIES	1930.7	1966.2	1956.2	2001.9	2015.5	2135.9	2194.6	2241.2	2158.5	2186.2	2215.6	2206.7

Annual Report

TABLE II.5 BANKING SURVEY (end of period N\$ million)
(end of period N\$ million)

End of Period	Net Foreign Assets	Domestic Credit				Total	Money Supply				TOTAL
		To Gov't (Net)	Financial Sector	Private Sector	Other		Monetary Liabilities	Quasi-Monetary Liabilities	Total	Other Items (Net)	
1994	-208.0	599.0	8.7	4916.9	81.5	5398.1	1565.4	2787.8	4353.2	1044.9	5398.1
1995	-335.6	672.7	9.7	6262.3	104.4	6713.5	1651.1	3720.7	5371.8	1341.7	6713.5
1996	943.6	353.4	18.1	7016.2	100.6	8431.9	2707.1	3968.9	6676.0	1755.9	8431.9
1997	I 644.9	533.8	18.5	7263.1	102.3	8562.6	2600.3	4056.2	6656.5	1906.1	8562.6
	II 1195.6	466.5	30.4	7330.6	156.8	9179.9	2765.5	4455.3	7220.8	1959.1	9179.9
	III 944.6	362.5	28.9	7633.9	163.5	9133.4	2748.2	4310.7	7058.9	2074.5	9133.4
	IV 876.9	230.8	17.7	7956.1	176.2	9257.7	2736.3	4448.5	7184.8	2072.9	9257.7
1998	Jan 1211.1	-144.1	21.7	8033.7	161.0	9283.3	2760.4	4345.1	7105.4	2177.9	9283.3
	Feb 1059.6	105.3	17.6	8089.9	164.7	9437.2	2908.0	4377.9	7285.9	2151.4	9437.2
	Mar 775.6	277.8	17.2	8152.0	175.9	9398.6	2751.2	4459.9	7211.1	2187.5	9398.6
	Apr 1162.6	-28.6	19.3	8241.3	168.3	9563.0	2901.1	4519.5	7420.6	2142.4	9563.0
	May 972.0	-227.1	18.5	8355.8	177.7	9297.0	2874.1	4307.2	7181.2	2115.8	9297.0
	June 844.5	283.4	17.7	8406.3	182.7	9734.6	3075.7	4357.6	7433.3	2301.2	9734.6
	July 1658.0	-81.2	17.7	8402.8	181.4	10178.6	3212.3	4545.0	7757.3	2421.3	10178.6
	Aug 1721.6	56.5	17.9	8398.5	185.4	10379.9	3262.2	4617.1	7879.3	2500.5	10379.9
	Sept 1255.7	238.7	17.9	8517.0	199.8	10229.0	3249.6	4620.5	7870.1	2358.9	10229.0
	Oct 1511.5	63.5	17.9	8608.8	222.4	10424.1	3521.6	4462.0	7983.6	2440.5	10424.1
	Nov 1410.2	99.5	17.9	8721.4	221.8	10470.8	3554.1	4419.2	7973.4	2497.4	10470.8
	Dec 1332.3	260.5	18.1	8752.8	174.1	10537.8	3560.7	4393.6	7954.3	2583.5	10537.8
1999	Jan 1511.5	-218.0	17.9	8937.9	182.2	10431.5	3435.7	4445.5	7881.1	2550.4	10431.5
	Feb 1542.5	1.6	17.8	8848.4	253.5	10663.9	3420.8	4528.6	7949.4	2714.5	10663.9
	Mar 1423.8	214.5	18.4	8879.6	237.6	10773.9	3549.0	4567.4	8116.4	2657.5	10773.9
	Apr 1653.3	41.4	18.4	8891.0	221.9	10826.1	3651.7	4581.2	8232.9	2593.2	10826.1
	May 1624.9	243.2	18.9	8887.8	203.1	10977.8	3591.6	4634.8	8226.4	2751.4	10977.8
	June 1765.9	621.9	22.9	8810.9	206.8	11428.4	3806.4	4874.9	8681.3	2747.1	11428.4
	July 2383.1	211.3	18.6	8846.4	146.5	11605.9	3793.6	4979.1	8772.6	2833.3	11605.9
	Aug 1915.7	535.0	6.4	8987.5	153.0	11597.7	3693.3	5080.6	8773.9	2823.8	11597.7
	Sep 2128.9	755.1	22.0	8948.5	176.0	12030.6	4213.2	5121.5	9334.7	2695.9	12030.6
	Oct 2340.9	555.6	25.4	9113.3	181.6	12216.8	4371.4	5054.4	9425.8	2791.1	12216.8
	Nov 2025.3	643.7	49.6	9175.0	171.5	12065.1	4237.0	5092.5	9329.5	2735.5	12065.1
	Dec 2262.1	668.4	24.7	9233.7	166.5	12355.5	4419.3	5160.0	9579.4	2776.2	12355.5

Note: Other refers to claims on: - Non-financial Public Enterprises & - Local authority and Regional councils by both DMBs and OBIs
Financial sector refers to: - Other Banking Institutions & - Non-bank Financial Institutions

TABLE II.6 TYPES OF DEPOSIT MONEY BANKS' DEPOSITS
(in N\$ million)

		DEMAND DEPOSITS	SAVINGS DEPOSITS	TIME DEPOSITS				TOTAL
PERIOD				Short term	Medium term	Long term	Sub-Total	
1994		1552.5	425.3	495.7	867.1	295.0	1657.8	3635.6
1995		1641.6	466.0	673.8	1334.1	505.5	2513.4	4621.0
1996		2617.7	559.0	722.4	1589.0	433.2	2744.6	5921.3
1997	I	2497.8	534.0	849.9	1431.4	568.2	2849.5	5881.3
	II	2844.5	549.0	752.6	1645.1	779.6	3177.3	6570.8
	III	2886.9	572.8	838.8	1545.6	734.5	3118.9	6578.6
	IV	2929.1	592.8	674.3	1762.5	557.7	2994.5	6516.5
1998	Jan	2783.1	582.0	914.0	1726.8	516.4	3157.2	6522.3
	Feb	2854.4	588.8	941.1	1667.8	495.1	3104.0	6547.1
	Mar	2701.5	592.4	852.3	1624.5	707.7	3184.6	6478.6
	Apr	2824.8	596.4	918.2	1548.1	778.5	3244.7	6665.9
	May	2740.0	593.4	719.0	1432.8	859.0	3010.8	6344.2
	June	2937.5	594.0	589.3	1525.7	913.8	3028.8	6560.2
	July	3061.6	608.1	831.5	1471.8	880.8	3184.1	6853.8
	Aug	3116.6	613.9	737.9	1623.7	855.4	3216.9	6947.4
	Sept	3091.4	628.2	877.1	1633.6	715.1	3225.8	6945.4
	Oct	3308.2	614.4	835.2	1604.7	598.8	3038.7	6961.3
	Nov	3326.6	640.2	660.8	1807.7	479.9	2948.4	6915.2
	Dec	3376.7	622.9	696.2	1918.6	339.2	2954.0	6953.6
1999	Jan	3270.1	614.1	897.5	1764.6	351.6	3013.7	6897.8
	Feb	3299.3	623.0	927.2	1827.9	300.4	3055.5	6977.9
	Mar	3430.4	629.4	954.9	1802.3	379.0	3136.2	7196.1
	Apr	3632.1	636.4	861.4	1665.2	539.8	3066.4	7334.9
	May	3571.9	637.8	819.4	1594.9	700.5	3114.8	7324.5
	June	3830.7	650.3	635.6	1554.7	1060.8	3251.1	7732.1
	July	3767.4	678.0	676.0	1566.3	1053.0	3295.3	7740.7
	Aug	3702.3	702.5	711.7	1569.4	1094.9	3376.0	7780.8
	Sep	4254.3	695.7	729.6	1713.0	950.2	3392.8	8342.8
	Oct	4247.7	696.3	632.5	1731.6	944.9	3309.0	8253.1
	Nov	4139.6	706.4	610.2	1978.2	756.5	3344.9	8190.9
	Dec	4174.0	667.3	722.7	2207.1	444.4	3374.1	8215.5

Table II.7 SOURCES OF DEPOSIT MONEY BANKS' DEPOSITS

(in N\$ million)

	DEMAND DEPOSITS						SAVINGS DEPOSITS				TIME DEPOSITS						TOT	
	Private sector		Fin.	Centr.			Private sector				Private sector		Fin.	Centr.				
Period	Busin.	Indiv.	sector	Govt.	Other	Total	Busin.	Indiv.	Other	Total	Busin.	Indiv.	sector	Govt.	Other	Total		
1994	616.1	655.0	88.2	41.4	151.8	1552.5	5.3	420.0	0.0	425.3	597.2	645.8	44.5	19.9	350.4	1657.8	3635.6	
1995	713.5	651.4	119.1	34.6	123.0	1641.6	10.0	456.0	0.0	466.0	565.9	855.6	431.0	4.0	656.9	2513.4	4621.0	
1996	1182.2	908.7	294.0	44.1	188.7	2617.7	12.6	545	0.1	557.7	582.2	1115.1	274.7	23.7	748.9	2744.6	5920.0	
1997	I	1212.2	784.4	261.3	27.1	212.6	2497.6	6.3	527.7	0.0	534.0	579.6	1160.5	290.2	34.1	785.3	2849.7	5881.3
	II	1293.0	959.1	324.3	73.0	195.1	2844.5	7.9	541.0	0.0	548.9	657.3	1161.2	335.9	23.9	999.1	3177.3	6570.7
	III	1290.0	984.4	299.3	137.0	176.2	2886.9	8.3	564.4	0.0	572.8	648.1	1118.7	335.2	33.1	983.8	3118.9	6578.6
	IV	1091.3	992.8	329.7	116.9	171.7	2702.5	8.6	567.5	0.1	576.2	674.6	1147.3	339.2	63.6	865.4	3090.1	6368.8
1998	Jan	1067.2	1016.0	392.9	159.9	147.1	2783.1	7.0	563.0	0.0	570.0	581.5	1120.7	329.5	164.6	960.8	3157.1	6510.2
	Feb	1137.6	1213.1	294.7	117.1	91.9	2854.4	8.6	575.1	0.1	583.8	740.4	1081.4	265.6	145.1	871.5	3104.0	6542.1
	Mar	1040.3	1101.6	319.9	95.5	104.8	2662.1	8.6	575.1	0.1	583.8	740.4	1081.4	265.6	145.1	871.5	3104.0	6349.9
	Apr	1127.6	1096.5	364.8	101.7	134.1	2824.8	7.8	588.5	0.1	596.4	744.5	1099.1	326.9	101.8	972.4	3244.7	6665.9
	May	1098.7	1162.0	278.7	84.1	116.6	2740.0	8.9	584.4	0.1	593.4	620.7	1005.9	335.0	71.6	977.5	3010.8	6344.2
	June	1262.1	1182.1	292.0	75.8	125.4	2937.5	8.7	585.2	0.1	594.0	665.2	985.0	344.6	27.3	1006.7	3028.8	6560.2
	July	1391.8	1055.5	428.8	87.0	98.6	3061.6	7.2	600.8	0.1	608.1	716.6	1080.3	302.6	41.1	1043.4	3184.1	6853.9
	Aug	1386.9	1114.5	387.0	111.1	117.0	3116.6	7.4	606.3	0.1	613.9	742.5	1057.8	313.3	77.1	1026.2	3216.9	6947.4
	Sept	1289.3	1074.9	538.8	81.8	106.7	3091.4	6.7	621.4	0.1	628.2	694.5	1056.2	332.8	85.5	1056.8	3225.8	6945.4
	Oct	1315.5	1197.0	622.5	60.6	112.5	3308.1	7.2	607.2	0.1	614.4	653.4	1045.0	286.2	79.5	974.7	3038.8	6961.3
	Nov	1439.6	1124.3	599.9	57.2	105.7	3326.6	7.5	632.6	0.1	640.2	589.5	1053.8	287.0	49.7	968.4	2948.4	6915.2
	Dec	1482.2	1160.2	577.7	61.6	95.1	3376.7	8.5	614.3	0.1	622.9	613.0	1068.6	309.0	51.4	912.1	2954.0	6953.6
1999	Jan	1382.6	1104.9	595.8	70.2	116.5	3270.1	9.4	604.6	0.1	614.1	658.9	1085.3	302.9	53.0	912.8	3012.9	6897.0
	Feb	1433.8	1083.5	553.4	98.0	130.5	3299.3	7.9	615.0	0.1	623.0	693.2	1107.7	321.7	36.3	896.6	3055.5	6977.9
	Mar	1597.5	1073.7	561.4	103.3	94.5	3430.4	9.3	620.1	0.1	629.4	703.0	1141.6	345.8	73.7	872.1	3136.2	7196.1
	Apr	1614.7	1114.2	676.6	128.0	98.7	3632.1	10.1	626.2	0.1	636.4	696.6	1113.7	307.0	74.1	875.0	3066.4	7335.0
	May	1706.0	1034.1	579.5	121.2	131.2	3571.9	9.8	627.9	0.1	637.9	651.0	1155.5	287.0	73.2	948.1	3114.8	7324.6
	June	1955.2	1032.5	599.4	129.4	114.2	3830.7	9.3	640.9	0.0	650.3	687.7	1167.5	283.3	70.9	1041.7	3251.1	7732.0
	July	1731.7	1133.5	584.1	102.3	215.9	3767.4	9.4	667.8	0.8	678.0	680.5	1197.9	281.6	82.2	1053.1	3295.3	7740.8
	Aug	1578.5	1223.6	570.8	99.7	229.7	3702.3	10.3	692.1	0.1	702.5	695.4	1200.0	357.8	81.2	1041.5	3376.0	7780.8
	Sep	2011.2	1208.7	714.0	91.7	228.7	4254.3	10.3	685.3	0.1	695.7	774.0	1223.2	319.6	52.6	1023.4	3392.8	8342.8
	Oct	1883.3	1223.6	729.0	82.4	329.4	4247.7	10.2	686.0	0.1	696.3	738.9	1185.6	320.7	66.3	995.5	3307.0	8251.1
	Nov	1891.0	1175.0	738.7	79.9	255.0	4139.6	10.7	695.7	0.1	706.4	769.4	1203.2	296.4	94.6	981.3	3344.9	8190.9
	Dec	1785.6	1236.1	733.5	86.7	332.1	4174.0	10.3	657.0	0.0	667.3	887.5	1199.7	333.7	2.8	950.4	3374.1	8215.5

- Non-bank Financial Institutions

Other refers to:

- Non-financial Public Enterprises

- Local Authority and Regional councils

TABLE II.8 SECTORAL DISTRIBUTION OF DEPOSIT MONEY BANKS' DEPOSITS
(in N\$ million)

IN R\$ million)								
	PRIVATE SECTOR			Financial	Central		TOTAL	
Period		Bussn.	Indiv.	Total	Sector	Government	Other	
1994		1218.6	1720.8	2939.4	132.7	61.3	502.2	3635.6
1995		1289.4	1963.0	3252.4	550.1	38.6	779.9	4621.0
1996		1777.0	2568.8	4345.8	569.3	68.4	937.7	5921.3
1997	I	1135.5	2032.3	3167.8	606.8	33.3	848.8	4656.7
	II	1273.9	2121.8	3395.7	493.5	38.0	919.9	4847.1
	III	1531.8	2335.3	3867.1	503.6	67.7	990.7	5429.1
	IV	1777.0	2568.8	4345.8	569.3	68.4	937.7	5921.2
1998	Jan	1655.7	2699.7	4355.4	734.4	324.5	1107.9	6522.2
	Feb	1886.6	2869.6	4756.2	565.3	262.1	963.5	6547.1
	Mar	1789.3	2758.1	4547.4	590.5	240.6	976.5	6354.9
	Apr	1879.9	2784.1	4664.0	691.7	203.5	1106.6	6665.9
	May	1728.4	2752.3	4480.6	613.7	155.7	1094.2	6344.2
	June	1936.0	2752.2	4688.2	636.7	103.1	1132.2	6560.2
	July	2115.7	2736.6	4852.2	731.5	128.2	1142.0	6853.9
	Aug	2136.8	2778.7	4915.6	700.2	188.2	1143.4	6947.4
	Sept	1990.5	2752.5	4743.0	871.6	167.2	1163.6	6945.4
	Oct	1976.0	2849.2	4825.2	908.7	140.1	1087.3	6961.3
	Nov	2036.5	2810.7	4847.2	886.9	106.9	1074.2	6915.2
	Dec	2103.6	2843.0	4946.6	886.7	113.0	1007.3	6953.6
1999	Jan	2050.9	2794.8	4845.7	898.8	123.2	1029.4	6897.0
	Feb	2134.9	2806.2	4941.1	875.2	134.3	1027.3	6977.9
	Mar	2309.8	2835.3	5145.1	907.2	177.0	966.7	7196.1
	Apr	2321.4	2854.1	5175.5	983.6	202.1	973.8	7335.0
	May	2366.9	2817.5	5184.4	866.5	194.4	1079.3	7324.6
	June	2652.2	2840.9	5493.0	882.7	200.3	1156.0	7732.0
	July	2421.6	2999.2	5420.9	865.7	184.5	1269.8	7740.8
	Aug	2284.2	3115.7	5399.9	928.6	180.9	1271.3	7780.8
	Sep	2795.5	3117.2	5912.7	1033.7	144.3	1252.2	8342.8
	Oct	2632.5	3095.2	5727.7	1049.6	148.7	1325.0	8251.1
	Nov	2671.1	3073.9	5745.0	1035.1	174.5	1236.3	8190.9
	Dec	2683.4	3092.8	5776.2	1067.2	89.5	1282.6	8215.5

TABLE II.9 SOURCES OF OTHER BANKING INSTITUTIONS' DEPOSITS (in N\$ million)

		SAVINGS DEPOSITS						TIME DEPOSITS						TOT
Period		Private sector		Fin. sector	Centr. Govt.	Other	Total	Private sector		Fin. sector	Centr. Govt.	Other	Total	
		Busin.	Indiv.					Busin.	Indiv.					
1994		11.6	459.2	65.2	0.6	19.7	556.3	38.3	26.1	75.7	0.9	100.2	241.3	797.6
1995		4.7	481.4	73.7	0.5	18.0	578.3	41.2	19.9	131.1	3.4	77.4	273.0	851.3
1996		1.9	509.5	65.8	0.0	0.1	577.3	4.4	14.5	93.4	0.0	60.1	172.4	749.7
1997	I	2.0	530.5	71.1	0.0	0.1	603.7	4.2	13.8	88.9	0.0	61.6	168.5	772.2
	II	2.1	558.1	75.8	0.0	0.1	636.1	4.7	33.6	99.6	0.0	73.5	211.4	847.5
	III	2.1	543.6	73.2	0.0	0.1	619.0	5.3	26.9	112.9	0.0	68.5	213.7	832.7
	IV	2.2	584.7	76.4	0.0	0.1	663.4	5.0	21.6	107.4	0.0	84.4	218.4	881.8
1998	Jan	2.0	571.9	74.1	0.0	0.1	648.1	5.4	22.8	116.4	0.0	85.1	229.6	877.7
	Feb	2.5	638.0	86.7	0.0	0.1	727.3	4.8	20.5	103.2	0.0	80.3	208.8	936.1
	Mar	2.2	587.1	78.4	0.0	0.1	667.8	4.8	20.3	102.9	0.0	80.2	208.2	875.9
	Apr	2.1	574.3	75.9	0.0	0.1	652.5	4.8	19.5	102.9	0.0	86.4	213.6	866.1
	May	2.1	573.1	75.4	0.0	0.1	650.7	4.8	19.4	104.0	0.0	87.3	215.5	866.2
	June	2.2	581.4	76.3	0.0	0.1	660.0	4.0	16.2	86.1	0.0	81.4	187.8	847.8
	July	2.0	558.8	71.8	0.0	0.1	632.7	5.1	19.7	110.0	0.0	88.6	223.4	856.1
	Aug	2.2	597.2	79.2	0.0	0.1	678.8	5.1	19.2	109.5	0.0	88.1	221.8	900.6
	Sept	2.3	625.5	82.9	0.0	0.1	710.9	4.2	16.1	90.4	0.0	79.8	190.4	901.3
	Oct	2.4	631.9	84.2	0.0	0.1	718.6	4.9	18.4	106.0	0.0	76.3	205.6	924.3
	Nov	2.4	634.1	84.3	0.0	0.1	720.9	5.0	18.4	107.8	0.0	66.3	197.5	918.4
	Dec	2.3	615.9	81.4	0.0	0.1	699.7	5.6	20.5	202.6	0.0	61.7	290.4	990.1
1999	Jan	2.3	616.1	81.7	0.0	0.1	700.2	5.3	17.8	113.6	0.0	74.1	210.7	910.9
	Feb	2.4	631.0	84.3	0.0	0.1	717.8	5.4	18.0	115.2	0.0	77.3	215.9	933.7
	Mar	2.4	641.6	85.1	0.0	0.1	729.2	5.4	18.1	116.0	0.0	77.6	217.1	946.3
	Apr	2.5	672.0	89.1	0.0	0.1	763.7	5.8	19.3	123.7	0.0	92.0	240.8	1004.5
	May	2.5	676.1	87.8	0.0	0.1	766.5	5.9	19.7	126.2	0.0	81.0	232.8	999.3
	June	2.8	753.0	98.5	0.0	0.1	854.4	6.4	21.5	137.5	0.0	73.5	238.9	1093.3
	July	2.9	792.9	103.9	0.0	0.1	899.9	5.7	19.2	122.7	0.0	88.2	235.8	1135.8
	Aug	2.8	790.1	100.6	0.0	0.1	893.7	5.8	19.4	124.2	0.0	83.0	232.4	1126.1
	Sep	2.8	797.4	99.5	0.0	0.1	899.8	5.7	19.1	122.5	0.0	79.9	227.2	1127.0
	Oct	3.0	838.2	106.5	0.0	0.1	947.8	5.0	254.8	107.6	0.0	76.3	443.7	1391.6
	Nov	3.0	842.1	106.5	0.0	0.1	951.8	5.0	257.9	107.7	0.0	92.1	462.7	1414.5
	Dec	2.9	825.0	103.9	0.0	0.1	931.9	5.2	256.6	112.4	0.0	94.2	468.4	1400.3

TABLE II.10 SECTORAL DISTRIBUTION OF OBI DEPOSITS (N\$ Million)

Period		PRIVATE SECTOR			Financial Sector	Central Government	Other	TOTAL
		Bussn.	Indiv.	Total				
1994		49.9	485.3	535.2	140.9	1.5	119.9	797.5
1995		45.9	501.3	547.2	204.8	3.9	95.4	851.3
1996		6.3	524.0	530.3	159.2	0.0	60.2	749.7
1997	I	6.2	544.3	550.5	160.0	0.0	61.7	772.2
	II	6.8	591.7	598.5	175.4	0.0	73.6	847.5
	III	7.4	570.5	577.9	186.2	0.0	68.6	832.7
	IV	7.2	606.3	613.5	183.8	0.0	84.5	881.8
1998	Jan	7.4	594.7	602.1	190.5	0.0	85.2	877.7
	Feb	7.3	658.5	665.8	189.9	0.0	80.4	936.1
	Mar	7.0	607.3	614.4	181.3	0.0	80.3	875.9
	Apr	6.9	593.8	600.8	178.8	0.0	86.5	866.1
	May	6.9	592.5	599.4	179.4	0.0	87.4	866.2
	June	6.2	597.6	603.8	162.4	0.0	81.5	847.8
	July	7.2	578.5	585.6	181.8	0.0	88.7	856.1
	Aug	7.3	616.4	623.7	188.7	0.0	88.2	900.6
	Sept	6.6	641.6	648.2	173.3	0.0	79.9	901.3
	Oct	7.3	650.3	657.6	190.3	0.0	76.4	924.3
	Nov	7.4	652.5	659.9	192.1	0.0	66.4	918.4
	Dec	7.9	636.4	644.3	283.9	0.0	61.8	990.1
1999	Jan	7.6	633.8	641.4	195.3	0.0	74.2	910.9
	Feb	7.7	649.0	656.8	199.5	0.0	77.4	933.7
	Mar	7.8	659.7	667.5	201.1	0.0	77.7	946.3
	Apr	8.3	691.3	699.6	212.8	0.0	92.1	1004.5
	May	8.4	695.8	704.2	213.9	0.0	81.2	999.3
	June	9.2	774.5	783.6	236.0	0.0	73.6	1093.3
	July	8.7	812.1	820.8	226.7	0.0	88.3	1135.8
	Aug	8.6	809.5	818.1	224.8	0.0	83.2	1126.1
	Sep	8.5	816.5	825.0	222.0	0.0	80.0	1127.0
	Oct	8.0	1093.0	1101.1	214.1	0.0	76.4	1391.6
	Nov	8.0	1100.0	1108.0	214.3	0.0	92.2	1414.5
	Dec	8.2	1081.6	1089.7	216.2	0.0	94.4	1400.3

TABLE II.11 COMMERCIAL BANKS CLAIMS ON PRIVATE SECTOR
(end of period in N\$ million)

	1997				1998											
	Mar	June	Sept	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1. Individuals	3543.2	3607.1	3725.5	3854.1	3886.4	3915.6	3949.2	3960.6	3971.3	4002.7	4034.7	3979.7	4019.2	4145.7	4041.7	4080.0
a) Loans and Advances	2605.3	2656.0	2773.7	2883.8	2916.6	2943.4	2959.5	2985.6	2981.2	3012.2	3039.7	2979.4	2995.9	3125.8	3035.4	3058.9
(i) Mortgage loans	1528.2	1573.8	1626.971	1665.2	1673.6	1680.7	1683.0	1699.4	1716.8	1715.7	1739.2	1799.3	1763.9	1775.3	1798.6	1815.7
(ii) Other loans & advances	0.0	1082.2	1146.711	1218.6	1243.0	1262.7	1276.4	1286.3	1264.4	1296.5	1300.5	1180.1	1232.0	1350.6	1236.9	1243.3
b) Instalment credit	906	918.8	915.6	934.2	933.8	935.0	950.9	933.1	944.1	944.5	948.7	950.7	974.5	969.0	957.0	971.5
c) Leasing transaction	24.7	26.8	28.61	30.1	29.7	30.9	32.8	34.9	35.7	37.1	40.4	41.7	42.0	43.8	43.5	43.5
d) Bills discounted or purchased	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e) Other claims	7.2	5.5	7.656	6	6.3	6.3	6.0	7.0	10.3	8.9	5.9	7.9	6.8	7.1	5.8	6.0
2. Business	2363.6	2383.0	2541.3	2699.4	2740.6	2720.4	2740.2	2802.1	2891.8	2894.2	2838.5	2874.7	2922.6	2872.8	3077.5	3049.3
a) Loans and Advances	1890.0	1919.2	2119.9	2239.3	2284.4	2262.0	2293.7	2338.9	2423.1	2410.9	2348.5	2414.7	2459.7	2423.9	2605.0	2567.4
(i) Mortgage loans	74.4	85.2	86.1	92.3	95.3	100.5	106.2	106.2	111.4	130.2	132.3	212.7	198.5	209.4	221.5	224.9
(ii) Other loans & advances	1815.6	1834	2033.8	2147.043	2189.1	2161.5	2187.5	2232.8	2311.7	2280.7	2216.2	2202.0	2261.2	2214.5	2383.4	2342.5
b) Instalment credit	341.7	369.9	355.3	355.167	355.2	356.1	351.1	366.3	371.6	377.4	377.4	380.3	338.2	335.7	368.2	353.5
c) Leasing transaction	53	51.7	51	49.996	48.2	48.3	47.6	47.8	48.7	47.8	47.2	48.0	50.7	49.7	43.7	41.4
d) Bills discounted or purchased	73.5	36.2	9.8	17.889	17.1	18.3	11.9	10.9	9.8	21.2	28.1	27.8	34.2	30.8	31.5	59.6
e) Other claims	5.4	6	5.3	37.043	35.7	35.6	35.8	38.2	38.6	37.0	37.3	4.0	39.9	32.7	29.1	27.3
3. (1+2) TOTAL CLAIMS ON PRIVATE SECTOR																
a) Loans and advances	4495.3	4575.2	4893.6	5123.1	5201.0	5205.5	5253.2	5324.5	5404.3	5423.1	5388.2	5394.0	5455.5	5549.8	5640.4	5626.4
(i) Mortgage loans	1602.6	1659.0	1713.1	1757.5	1768.9	1781.3	1789.2	1805.5	1828.2	1845.9	1871.4	2012.0	1962.4	1984.7	2020.1	2040.6
(ii) Other loans and advances	2892.7	2916.2	3180.5	3365.6	3432.1	3424.2	3464.0	3519.0	3576.1	3577.2	3516.7	3382.0	3493.1	3565.1	3620.3	3585.8
b) Instalment credit	1247.7	1288.7	1270.9	1289.4	1289.0	1291.1	1302.0	1299.4	1315.8	1321.8	1326.1	1331.0	1312.7	1304.6	1325.2	1325.0
c) Leasing transaction	77.7	78.5	79.6	80.1	77.9	79.2	80.4	82.7	84.4	85.0	87.6	89.6	92.7	93.5	87.2	84.9
d) Bills discounted or purchased	73.5	36.2	9.8	17.9	17.1	18.3	11.9	10.9	9.8	21.2	28.1	27.8	34.2	30.8	31.5	59.6
e) Other claims	12.6	11.5	13.0	43.0	42.0	41.9	41.9	45.2	48.9	45.9	43.2	11.9	46.6	39.8	34.9	33.3
TOTAL	5906.8	5990.1	6266.8	6553.5	6627.0	6636.0	6689.4	6762.7	6863.1	6897.0	6873.2	6854.4	6941.8	7018.5	7119.3	7129.3

TABLE II.11 COMMERCIAL BANKS CLAIMS ON PRIVATE SECTOR - Continued
(end of period in N\$ million)

	1999										
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
1. Individuals	4193.4	4261.6	4360.3	4368.1	4339.5	4359.9	4377.4	4398.9	4386.0	4502.0	4483.1
a) Loans and Advances	3058.6	3131.8	3182.9	3192.1	3156.9	3180.9	3194.7	3206.5	3222.2	3293.7	3262.3
(i) Mortgage loans	1921.1	1957.7	1975.8	1971.2	1984.2	2013.1	2038.5	2063.0	2062.2	2119.8	2130.4
(ii) Other loans & advances	1137.5	1174.1	1207.1	1220.9	1172.6	1167.7	1156.2	1143.5	1160.0	1173.8	1131.9
b) Instalment credit	1075.1	1071.9	1115.2	1113.9	1118.0	1115.9	1115.5	1126.5	1101.3	1145.8	1153.1
c) Leasing transaction	51.3	51.5	53.8	54.5	54.1	53.1	52.1	53.8	53.4	53.5	55.0
d) Bills discounted or purchased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e) Other claims	8.4	6.4	8.4	7.6	10.5	10.1	15.1	12.1	9.1	9.1	12.6
2. Business	3116.5	2943.5	2848.3	2830.0	2850.7	2732.3	2736.4	2842.8	2802.5	2833.7	2902.1
a) Loans and Advances	2833.2	2611.9	2584.5	2581.2	2565.8	2499.1	2485.8	2566.6	2495.3	2506.2	2562.7
(i) Mortgage loans	211.1	206.7	207.9	236.2	232.0	236.3	235.2	240.2	251.6	241.4	271.6
(ii) Other loans & advances	2622.1	2405.3	2376.6	2345.0	2333.7	2262.8	2250.6	2326.4	2243.7	2264.9	2291.1
b) Instalment credit	198.1	252.6	202.2	197.1	193.0	170.4	166.7	168.9	199.3	159.0	154.8
c) Leasing transaction	32.0	32.1	29.7	28.9	29.9	28.8	29.5	27.8	28.9	28.0	26.5
d) Bills discounted or purchased	28.8	24.6	19.3	12.4	11.9	24.1	18.2	10.7	15.0	15.7	31.4
e) Other claims	24.3	22.4	12.7	10.4	50.1	9.9	36.1	68.8	64.0	124.8	126.7
3. (1+2) TOTAL CLAIMS ON PRIVATE SECTOR											
a) Loans and advances	5891.8	5743.7	5767.4	5773.3	5722.6	5679.9	5680.5	5773.1	5717.5	5799.9	5825.0
(i) Mortgage loans	2132.2	2164.3	2183.8	2207.4	2216.3	2249.4	2273.7	2303.2	2313.8	2361.2	2402.0
(ii) Other loans and advances	3759.6	3579.4	3583.6	3565.9	3506.4	3430.5	3406.8	3469.9	3403.7	3438.7	3423.0
b) Instalment credit	1273.3	1324.5	1317.4	1311.0	1311.1	1286.3	1282.2	1295.4	1300.6	1304.8	1308.0
c) Leasing transaction	83.3	83.6	83.5	83.3	84.0	81.9	81.6	81.6	82.3	81.5	81.5
d) Bills discounted or purchased	28.8	24.6	19.3	12.4	11.9	24.1	18.2	10.7	15.0	15.7	31.4
e) Other claims	32.8	28.8	21.1	18.0	60.6	19.9	51.2	80.9	73.1	133.9	139.3
TOTAL	7309.9	7205.2	7208.6	7198.1	7190.2	7092.2	7113.8	7241.7	7188.5	7335.7	7385.2

TABLE II.12 OTHER BANKING INSTITUTIONS CLAIMS ON PRIVATE SECTOR

(end of period in N\$ million)

	1997				1998											
	Mar	Jun	Sep	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1. Individuals	1298.9	1293.2	1311.3	1356.2	1360.7	1407.9	1419.3	1435.4	1449.3	1465.9	1486.6	1501.7	1533.4	1548.5	1560.5	1582.2
a) Loans and Advances	1298.5	1302.7	1320.8	1365.4	1369.7	1416.1	1427.6	1443.9	1457.6	1474.3	1495.1	1510.7	1532.3	1547.5	1559.5	1581.2
(i) Mortgage loans	1001.4	1005.2	1025.997	1062.3	1065.9	1072.177	1082.422	1094.648	1109.13	1239.773	1258.78	1275.42	1297.732	1314.126	1326.396	1349.973
(ii) Other loans & advances	297.1	297.5	294.824	303.1	303.8	343.951	345.198	349.217	348.478	234.483	236.357	235.326	234.607	233.343	233.09	231.194
b) Instalment credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c) Leasing transaction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d) Bills discounted or purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e) Other claims	0.4	-9.5	-9.51	-9.2	-9	-8.272	-8.272	-8.5	-8.356	-8.374	-8.563	-9.01	1.099	1.02	1.016	1.016
2. Business	57.4	47.1	55.7	46.3	45.9	46.0	43.2	43.3	43.4	43.4	42.9	42.4	41.8	41.8	41.6	41.4
a) Loans and Advances	44.6	38.9	38.6	38.3	38.3	38.3	37.1	37.2	37.5	37.5	36.9	36.4	36.2	36.2	35.9	35.7
(i) Mortgage loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(ii) Other loans & advances	44.6	38.9	38.6	38.321	38.3	38.3	37.141	37.216	37.507	37.507	36.883	36.446	36.15	36.15	35.942	35.658
b) Instalment credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c) Leasing transaction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d) Bills discounted or purchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e) Other claims	12.8	8.2	17.149	8	7.6	7.725	6.047	6.049	5.93	5.93	6.015	5.93	5.656	5.656	5.68	5.737
3. (1+2) TOTAL CLAIMS ON PRIVATE SECTOR																
a) Loans and advances	1343.1	1341.6	1359.4	1403.7	1408.0	1454.4	1464.8	1481.1	1495.1	1511.8	1532.0	1547.2	1568.5	1583.6	1595.4	1616.8
(i) Mortgage loans	1001.4	1005.2	1026.0	1062.3	1065.9	1072.2	1082.4	1094.6	1109.1	1239.8	1258.8	1275.4	1297.7	1314.1	1326.4	1350.0
(ii) Other loans and advances	341.7	336.4	333.4	341.4	342.1	382.3	382.3	386.4	386.0	272.0	273.2	271.8	270.8	269.5	269.0	266.9
b) 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	0.0	0.0	0.0	0.0
c) Leasing transaction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d) Bills discounted or purchased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e) Other claims	13.2	-1.3	7.6	-1.2	-1.4	-0.5	-2.2	-2.5	-2.4	-2.4	-2.5	-3.1	6.8	6.7	6.7	6.8
TOTAL	1356.3	1340.3	1367.1	1402.5	1406.6	1453.9	1462.5	1478.6	1492.7	1509.3	1529.5	1544.1	1575.2	1590.3	1602.1	1623.6

TABLE II.12 OTHER BANKING INSTITUTIONS CLAIMS ON PRIVATE SECTOR - Continued
(end of period in N\$ million)

	1999											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1. Individuals	1587.3	1602.8	1630.5	1653.5	1658.9	1679.9	1693.8	1707.4	1721.2	1739.3	1750.6	1760.3
a) Loans and Advances	1586.4	1601.8	1629.6	1652.4	1657.8	1678.9	1692.8	1706.4	1720.3	1738.2	1749.4	1759.0
(i) Mortgage loans	1351.476	1367.221	1256.993	1277.39	1292.545	1292.7	1307.491	1336.796	1716.9	1720.371	1731.512	1741.245
(ii) Other loans & advances	234.893	234.627	372.603	375	365.205	386.155	385.294	369.574	3.4	17.8	17.858	17.803
b) Instalment credit	0	0	0	0	0	0	0	0	0	0	0	0
c) Leasing transaction	0	0	0	0	0	0	0	0	0	0	0	0
d) Bills discounted or purchased	0	0	0	0	0	0	0	0	0	0	0	0
e) Other claims	0.971	0.948	0.948	1.126	1.108	1.066	1.042	1.016	0.9	1.153	1.19	1.284
2. Business	40.6	40.5	40.5	39.4	38.8	38.8	38.8	38.5	38.4	38.4	39.2	39.2
a) Loans and Advances	35.4	35.4	35.4	34.2	33.7	33.7	33.7	33.3	33.2	33.2	33.2	33.2
(i) Mortgage loans	0	0	0	0	0	0	0	0	33.2	33.227	33.157	33.157
(ii) Other loans & advances	35.397	35.397	35.397	34.218	33.656	33.656	33.656	33.336	0	0	0	0
b) Instalment credit	0	0	0	0	0	0	0	0	0	0	0	0
c) Leasing transaction	0	0	0	0	0	0	0	0	0	0	0	0
d) Bills discounted or purchased	0	0	0	0	0	0	0	0	0	0	0	0
e) Other claims	5.223	5.098	5.098	5.196	5.099	5.172	5.119	5.142	5.2	5.2	6	6.037
3. (1+2) TOTAL CLAIMS ON PRIVATE SECTOR												
a) Loans and advances	1621.8	1637.2	1665.0	1686.6	1691.4	1712.5	1726.4	1739.7	1753.5	1771.4	1782.5	1792.2
(i) Mortgage loans	1351.5	1367.2	1257.0	1277.4	1292.5	1292.7	1307.5	1336.8	1750.1	1753.6	1764.7	1774.4
(ii) Other loans and advances	270.3	270.0	408.0	409.2	398.9	419.8	419.0	402.9	3.4	17.8	17.9	17.8
b) 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
c) Leasing transaction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d) Bills discounted or purchased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e) Other claims	6.2	6.0	6.0	6.3	6.2	6.2	6.2	6.2	6.1	6.4	7.2	7.3
TOTAL	1628.0	1643.3	1671.0	1692.9	1697.6	1718.7	1732.6	1745.9	1759.6	1777.8	1789.7	1799.5

TABLE III.1 INTEREST RATES

Period		Prime rate	Bank rate	Treasury Bills	3-Months BA Rate (1)	Government Bonds (2)	Money Market Rates (3)	Deposit Rates	Lending Rates
1994		16.50	15.50	12.44	12.43	16.80	11.56	9.38	17.29
1995		19.00	17.50	14.10	15.11	14.56	14.84	11.99	19.03
1996		20.70	17.75	16.52	17.67	16.19	16.08	12.91	19.92
1997		20.00	16.00	15.12	17.17	14.23	14.50	12.13	19.50
1998	Jan	20.00	16.00	15.20	17.16	13.61	14.85	12.25	19.50
	Feb	20.00	16.00	14.97	17.04	13.49	14.52	12.23	19.59
	Mar	19.60	16.00	14.63	15.91	13.11	13.74	11.94	19.54
	Apr	19.20	16.00	14.20	15.40	12.92	13.37	11.05	17.92
	May	19.20	18.00	13.58	15.43	13.46	13.83	11.17	19.33
	Jun	19.70	18.00	16.24	16.63	14.60	17.21	11.88	19.56
	Jul	24.20	20.75	18.73	18.98	15.89	20.05	13.58	21.03
	Aug	24.20	21.25	19.60	20.19	16.95	20.26	14.21	22.93
	Sep	24.20	21.25	21.68	20.25	18.30	20.51	14.28	21.50
	Oct	24.20	20.25	20.87	19.88	16.51	20.29	14.65	23.12
	Nov	23.85	19.50	19.16	19.39	16.05	18.94	14.30	22.30
	Dec	23.55	18.75	18.32	19.17	16.36	18.12	13.76	22.31
1999	Jan	23.35	18.25	17.08	18.98	15.89	17.29	13.72	21.57
	Feb	22.50	17.00	15.93	18.82	14.88	16.55	13.13	21.11
	Mar	21.35	16.00	14.80	17.89	14.54	15.35	12.60	19.61
	Apr	20.75	15.25	13.69	16.64	14.58	14.32	11.95	20.58
	May	20.35	15.00	13.11	16.33	15.14	13.74	11.60	18.77
	Jun	20.15	14.50	13.35	15.98	14.93	13.58	11.26	18.65
	Jul	19.05	13.25	12.50	15.10	14.97	12.50	10.32	17.56
	Aug	17.70	13.00	12.04	14.13	15.28	11.68	9.65	16.42
	Sep	17.70	12.00	12.05	14.01	15.35	11.49	9.38	16.92
	Oct	16.90	11.75	11.58	13.39	15.00	10.52	8.98	16.72
	Nov	16.70	11.50	11.58	13.29	14.30	10.45	8.70	16.40
	Dec	16.70	11.50	11.53	13.25	13.96	10.43	8.57	17.51

(1) From January 1996: Namibian average

(2) South African Reserve Bank for South African government bonds

(3) until December 1995: South African Reserve Bank for South African interbank rates
from January 1996: Namibian average

TABLE IV.1 ALLOTMENT OF GOVERNMENT OF NAMIBIA TREASURY BILLS
N\$'000

Date issued	Date due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Instit.	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
1994		678,320.0	23,450.0	701,770.0	200.0	45,130.0	95,250.0	844,140.0	262,690.0
1995		841,490.0	23,190.0	864,680.0	135,880.0	20,000.0	181,940.0	1,202,500.0	420,000.0
1996		1,668,280.0	152,000.0	1,820,280.0	97,280.0	75,000.0	782,220.0	2,774,780.0	992,070.0
1997		2,785,930.0	483,550.0	3,269,480.0	319,850.0	111,000.0	1,328,980.0	5,029,310.0	1,678,160.0
1998		3,370,530.0	411,000.0	3,781,530.0	244,790.0	181,000.0	1,966,710.0	6,174,030.0	
1999									
Jan	4/99	53,000.0	20,000.0	73,000.0	3,500.0	10,000.0	173,500.0	260,000.0	1,526,990
Jan*	7/99	90,000.0	0.0	90,000.0	10,000.0	0.0	0.0	100,000.0	1,626,990
Jan	4/99	116,440.0	0.0	116,440.0	50.0	0.0	143,510.0	260,000.0	1,886,990
Feb	5/99	109,200.0	1,000.0	110,200.0	700.0	10,000.0	28,610.0	149,510.0	1,555,120
Feb*	8/99	84,250.0	0.0	84,250.0	10,000.0	0.0	5,750.0	100,000.0	1,655,120
Feb	5/99	44,000.0	0.0	44,000.0	0.0	0.0	186,000.0	230,000.0	1,885,120
Mar	6/99	110,320.0	0.0	110,320.0	0.0	10,000.0	49,680.0	170,000.0	1,569,510
Mar*	9/99	60,980.0	0.0	60,980.0	0.0	0.0	39,020.0	100,000.0	1,669,510
Mar	6/99	136,680.0	0.0	136,680.0	0.0	0.0	33,320.0	170,000.0	1,839,510
Apr	7/99	67,530.0	0.0	67,530.0	0.0	0.0	162,470.0	230,000.0	1,449,510
Apr*	10/99	69,000.0	27,790.0	96,790.0	0.0	10,000.0	13,210.0	120,000.0	1,569,510
Apr	7/99	113,100.0	0.0	113,100.0	8,000.0	0.0	108,900.0	230,000.0	1,799,510
May	8/99	125,490.0	780.0	126,270.0	0.0	0.0	53,730.0	180,000.0	1,500,000
May*	11/99	84,810.0	30,000.0	114,810.0	0.0	0.0	5,190.0	120,000.0	1,620,000
May	8/99	55,000.0	0.0	55,000.0	0.0	70,680.0	104,320.0	230,000.0	1,850,000

TABLE IV.1 ALLOTMENT OF GOVERNMENT OF NAMIBIA TREASURY BILLS - Continued
N\$'000

Date issued	Date due	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-banking Financial Instit.	Other Public Enterprises	Private Sector	TOTAL	Amount Outstanding
June	9/99	154,000.0	5,000.0	159,000.0	0.0	0.0	42,830.0	201,830.0	1,611,830
June*	12/99	80,000.0	10,000.0	90,000.0	0.0	0.0	7,210.0	97,210.0	1,709,040
June	9/99	124,000.0	0.0	124,000.0	0.0	11,840.0	64,160.0	200,000.0	1,909,040
July	10/99	47,620.0	3,000.0	50,620.0	0.0	0.0	179,380.0	230,000.0	1,579,040
July*	01/00	119,990.0	18,920.0	138,910.0	0.0	0.0	1,090.0	140,000.0	1,719,040
July	10/99	133,000.0	0.0	133,000.0	0.0	18,990.0	98,010.0	250,000.0	1,969,040
Aug	11/99	134,180.0	0.0	134,180.0	0.0	0.0	72,890.0	207,070.0	1,666,110
Aug*	02/00	55,000.0	0.0	55,000.0	0.0	0.0	15,680.0	70,680.0	1,736,790
Aug	11/99	64,470.0	0.0	64,470.0	0.0	25,000.0	160,530.0	250,000.0	1,986,790
Sept.	12/99	132,030.0	8,000.0	140,030.0	0.0	0.0	39,260.0	179,290.0	1,664,250
Sept.*	03/00	95,450.0	10,000.0	105,450.0	0.0	20,000.0	14,550.0	140,000.0	1,804,250
Sept.	12/99	134,840.0	0.0	134,840.0	0.0	30,000.0	43,900.0	208,740.0	2,012,990
Oct	01/00	116,000.0	0.0	116,000.0	0.0	0.0	154,000.0	270,000.0	1,682,990
Oct.*	05/00	130,500.0	21,760.0	152,260.0	0.0	0.0	7,740.0	160,000.0	1,842,990
Oct	01/00	174,470.0	0.0	174,470.0	0.0	0.0	115,530.0	290,000.0	2,132,990
Nov	02/00	129,500.0	17,000.0	146,500.0	0.0	25,000.0	129,090.0	300,590.0	1,856,510
Nov*	05/00	130,500.0	21,760.0	152,260.0	0.0	0.0	7,740.0	160,000.0	2,016,510
Nov	02/00	113,520.0	0.0	113,520.0	0.0	0.0	176,480.0	290,000.0	2,306,510
Dec	03/00	115,630.0	0.0	115,630.0	6,170.0	0.0	28,200.0	150,000.0	1,971,270
Dec*	06/00	104,980.0	0.0	104,980.0	15,020.0	20,000.0	0.0	140,000.0	2,111,270
Dec**	12/00	119,550.0	0.0	119,550.0	30,450.0	0.0	0.0	150,000.0	2,261,270
Dec	03/00	101,800.0	0.0	101,800.0	88,200.0	0.0	45,290.0	235,290.0	2,496,560
Sub-total		3,830,830.0	195,010.0	4,025,840.0	172,090.0	261,510.0	2,510,770.0	6,970,210.0	

*means 182 day treasury bills

**means 365 day treasury bills

TABLE IV.2 HOLDINGS OF GOVERNMENT OF NAMIBIA INTERNAL REGISTERED STOCK (N\$'000)

Date issued	Date due	Coupon rate [%]	Deposit Money Banks	Other Banking Institutions	Banking Sector	Non-bank Financial Institutions	Other Public Enterprises	Private Sector	TOTAL	Amount Outst.
1994										
Feb	02/97	11.50	5,000.0	0.0	5,000.0	64,000.0	0.0	0.0	69,000.0	488,400.0
Jun	06/97	12.00	0.0	0.0	0.0	26,000.0	0.0	0.0	26,000.0	514,400.0
Aug	08/96	12.00	2,000.0	13,500.0	15,500.0	64,000.0	2,000.0	1,100.0	82,600.0	597,000.0
Nov	11/97	12.00	12,500.0	0.0	12,500.0	25,500.0	2,000.0	10,000.0	50,000.0	597,000.0
Sub-total			19,500.0	13,500.0	33,000.0	179,500.0	4,000.0	11,100.0	227,600.0	
1995										
Jun	06/98	12.00	0.0	0.0	0.0	7,000.0	0.0	100,000.0	107,000.0	670,000.0
Sep	09/01	12.00	0.0	0.0	0.0	172,023.0	0.0	0.0	172,023.0	842,023.0
Dec	12/00	12.00	5,000.0	0.0	5,000.0	35,710.0	280.0	109,010.0	150,000.0	942,023.0
Sub-total			5,000.0	0.0	5,000.0	214,733.0	280.0	209,010.0	429,023.0	
1996										
May	05/99	12.00	120,000.0	1,000.0	121,000.0	27,000.0	10,000.0	330.0	158,330.0	1,100,353.0
Aug	08/02	12.00	145,000.0	0.0	145,000.0	5,000.0	0.0	0.0	150,000.0	1,020,053.0
Nov	11/99	12.00	40,000.0	0.0	40,000.0	24,100.0	0.0	31,470.0	95,570.0	1,044,623.0
Sub-total			305,000.0	1,000.0	306,000.0	56,100.0	10,000.0	31,800.0	403,900.0	
1997										
Feb	02/02	12.00	0.0	0.0	0.0	20,500.0	0.0	55,780.0	76,280.0	1,051,903.0
May	05/99	12.00	77,000.0	0.0	77,000.0	25,000.0	0.0	32,000.0	134,000.0	1,185,903.0
Jun	06/00	12.00	56,600.0	0.0	56,600.0	0.0	0.0	550.0	57,150.0	1,217,053.0
Aug	08/00	12.00	34,500.0	0.0	34,500.0	1,000.0	0.0	9,400.0	44,900.0	1,261,953.0
Sub-total			168,100.0	0.0	168,100.0	46,500.0	0.0	97,730.0	312,330.0	
1998*										
Aug	1/10	12.00	41,300.0	0.0	41,300.0	35,200.0	0.0	820.0	77,320.0	1,766,452.0
Oct	4/05	12.00	59,560.0	0.0	59,560.0	0.0	0.0	60.0	59,620.0	1,803,372.0
Nov	4/02	12.00	14,550.0	0.0	14,550.0	5,000.0	0.0	280.0	19,830.0	1,823,202.0
Nov	1/10	12.00	0.0	0.0	0.0	55,000.0	0.0	100.0	55,100.0	1,878,302.0
Sub-total			115,410.0	0.0	115,410.0	95,200.0	0.0	1,260.0	211,870.0	
1999										
Jan	4/02	12.00	25,000.0	10000.0	35,000.0	0.0	0.0	870.0	35,870.0	1,914,172.0
May	4/02	12.00	15,000.0	5000.0	20,000.0	0.0	0.0	60.0	20,060.0	1,641,902.0
June	4/02	12.00	1,500.0	0.0	1,500.0	0.0	0.0	1,800.0	3,300.0	1,645,202.0
Aug	4/02	12.00	9,000.0	0.0	9,000.0	0.0	0.0	350.0	9,350.0	1,654,552.0
Sept	4/02	12.00	0.0	15000.0	15,000.0	0.0	0.0	790.0	15,790.0	1,670,342.0
Nov	4/02	12.00	5,000.0	3220.0	8,220.0	21,780.0	0.0	0.0	30,000.0	1,604,772.0
Dec	4/02	12.00	5,000.0	0.0	5,000.0	5,000.0	0.0	1,040.0	11,040.0	1,615,812.0
Sub-total			60,500.0	33,220.0	93,720.0	26,780.0	0.0	4,910.0	125,410.0	

* In May 1998, consolidation of Government Internal Registered Stock was completed, including a total net additional issue of N\$477.2 million

TABLE IV.3 GOVERNMENT REVENUE AND EXPENDITURE

	1994/95		1995/96		1996/97		1997/98		1998/99		1999/00		1999/00	
N\$ Millions		% of total		% of total		% of total		% of total		% of total	Budget	% of total	REVISED	% of total
Total Revenue & Grants	3,663.20		4,069.70		4,648.40		5,389.50		6179.41		6952.3		7128.4	
Tax Revenue	3,104.70	84.8	3,548.20	87.2	4,113.40	86.2	4,663.40	86.5	5486	88.8	6252.6	90.9	6390.8	89.7
Direct taxes	1,016.00	27.7	1,080.70	26.6	1,353.80	28.4	1,501.00	27.9	1921	31.1	1988	28.9	2098	29.4
Personal Taxes	561.7	15.3	625	15.4	846.9	17.8	805	53.6	1050	54.7	1164	58.6	1280	61.0
Company Taxes	424.8	11.6	427	10.5	416.3	8.7	635	78.9	801	76.3	760	65.3	700	54.7
Other Taxes on Income and Profits	29.5	0.8	28.7	0.7	90.6	1.9	61	9.6	70	8.7	64	8.4	79	11.3
Indirect Taxes	2,088.70	57	2,467.50	60.6	2,759.60	57.8	3,162.40	58.7	3565	57.7	4262.6	62	4331.7	60.8
Domestic tax on goods and services	1,115.80	30.5	1,234.80	30.3	1,342.30	28.1	1,516.40	48	1675.8	47	1944.9	45.6	2010.1	46.4
Tax on property	38	1	40	1	32.9	0.7	44	2.9	39	2.3	37	1.9	39	0.9
Tax on int. trade & transactions	905.4	24.7	1,156.70	28.4	1,348.70	28.3	1,560.00	28.9	1805.2	29.2	2240.7	32.6	2240.7	51.7
Others	29.5	0.8	36	0.9	35.7	0.7	42	2.7	45	0.7	42	0.6	42	1.0
Non-tax revenue	513.4	14	469.5	11.5	488.2	10.2	525.1	9.7	589.7	9.5	589.3	8.6	573.2	8
Entrepreneurial & Property Income	199.3	5.4	220.2	5.4	303.5	6.4	308.8	58.8	341.4	57.9	331	56.2	329.9	57.6
Fines & Forfeitures	8.9	0.2	6	0.1	11.9	0.2	8.5	2.8	10	2.9	10	3	10	1.7
Administrative fees & charges	305.2	8.3	243.3	6	172.8	3.6	207.8	3.9	238.3	3.9	248.3	3.6	233.2	40.7
Return on capital	10.7	0.3	9.6	0.2	13.9	0.3	98.7	1.8	39.16	0.6	28.3	0.4	25	4.4
Grants	34.4	0.9	42.4	1	32.9	0.7	102.3	1.9	64.55	1	7.2	0.1	64.4	0.9
Total Expenditure & Net Lending	3,690.40		4,339.80		5,588.50		6,087.30		7127.33		7751		8009.4	
Current Expenditure	3,151.40	85.4	3,659.80	84.3	4,918.80	90.7	5,206.30	85.5	6219.53	91.7	6177.7	98.4	6299	78.6
Personnel Expenditure	1,717.40	46.5	2,027.20	46.7	2,649.60	48.9	2,766.10	45.4	3276	48.3	3610.9	53.2	3677.6	45.9
Goods and Other Services	827.7	22.4	984.6	22.7	1,151.20	21.2	1,285.30	21.1	1379.5	20.3	1389.6	20.5	1465.2	18.3
Subsidies and transfers	474.3	12.9	527.5	12.2	794.7	14.7	821	13.5	1080.4	15.9	1177	17.4	1156.2	14.4
Domestic Interest Payments	81.9	2.2	103.8	2.4	241.8	4.5	325.4	5.3	472.7	7	479.5	7.1	499	0.2
Foreign Interest Payments	19	0.5	15.9	0.4	1.3	0	4.4	0.1	7.7	0.1	12.5	0.2	0	0
Other	31.1	0.8	0.8	0	80.2	1.5	4.1	0.1	3.23	0	3.1	0	0	0
Capital Expenditure	506.3	13.7	645.8	14.9	648	12	836.2	13.7	834.7	11.7	1078.4	12.5	1195.4	14.9
Lending & Equity Participation	32.7	0.9	34.2	0.8	21.7	0.4	44.8	0.7	73.1	1	109.3	1.4	124.7	1.6
Overall Deficit	-27.2		-270.1		-940.1		-697.8		-947.92		-798.8		-881	

TABLE IV.3 GOVERNMENT REVENUE AND EXPENDITURE - Continued

	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	1999/00
N\$ Millions	% of total	% of total	% of total	% of total	% of total	Budget % of total	REVISED % of total
In per cent of GDP							
Revenue:							
Direct taxes	8.66	8.06	9.08	9.83	11.05	10.4	10.8
Personal Taxes	4.79	4.66	5.68	5.27	6.04	6.11	6.6
Company Taxes	3.62	3.18	2.79	4.16	4.61	3.99	3.6
Total tax revenue	26.45	26.46	27.58	30.55	31.57	32.8	33
Total revenue and grants	31.21	30.35	31.16	35.31	35.55	36.5	36.8
Expenditure:							
Current expenditure	26.85	27.29	32.98	34.11	35.78	32.4	32.5
Capital expenditure	4.31	4.82	4.34	5.48	4.8	5.7	6.2
Total expenditure	31.44	32.36	37.47	39.88	41	40.7	41.4
Overall deficit (-)/surplus (+)	-0.23	-2.01	-6.30	-4.57	-5.45	4.2	-4.5
GDP at market prices (N\$ million)	11738.00	13411.00	14916.00	15263.00	17380.3	19046	19363

TABLE V.1 CURRENT ACCOUNT (a) (N\$ Million)

	1994	1995	1996	1997	1998	1999(p)
1 Merchandise trade balance (2-3)	-304.7	-470.5	-390.3	-1285.2	-1579.8	-1090.6
2 Exports fob	4688.7	5144.8	6245.4	6281.2	6655.7	7602.0
Diamonds	1489.2	1766.6	2318.3	2494.8	2161.4	2523.6
Other mineral products	838.6	858.1	1069.3	1163.6	1092.5	1183.4
Food and live animals	928.9	959.8	1116.2	743.4	1059.3	1182.7
Manufactured products	1357.3	1450.2	1621.3	1775.8	2232.5	2584.7
Other commodities	74.7	110.1	120.3	103.6	110.0	127.6
3 Imports fob - excluding duty (b)	-4993.4	-5615.3	-6635.7	-7566.4	-8235.5	-8692.6
4 Services (net)	-743.3	-868.4	-1063.0	-721.8	-872.3	-976.2
Transportation (net)	-684.7	-712.9	-860.7	-830.1	-778.7	-863.7
Travel (net)	528.5	683.0	878.0	1073.7	1094.3	1200.8
Insurance (net)	-109.6	-184.6	-244.3	-330.4	-242.8	-256.0
Other private services* (net)	-482.2	-656.4	-837.1	-641.3	-961.1	-1081.3
Other government services (net)	4.8	2.5	1.1	6.3	16.0	24.0
5 Compensation of employees (net)	0.9	0.5	-3.8	-31.8	-13.0	-8.5
6 Investment income (net)	191.1	580.7	327.3	351.1	506.0	230.6
Income received	736.8	1540.3	1328.6	994.0	981.6	1083.4
Direct investment	-12.4	14.1	-5.5	3.3	-2.8	-4.0
Portfolio investment - portfolio investment	33.0	46.0	37.7	17.9	27.8	31.4
Other investment - other investment	716.2	1480.2	1296.4	972.8	956.6	1056.0
Income paid	-545.7	-959.6	-1001.3	-642.9	-475.6	-852.8
Direct investment	-404.2	-806.3	-828.0	-498.8	-323.2	-720.0
Portfolio investment - portfolio investment	-91.4	-74.1	-98.8	-75.8	-72.6	-74.7
Other investment - other investment	-50.1	-79.2	-74.5	-68.3	-79.8	-58.1
7 Total goods, services and income balance (2 to 6)	-855.9	-757.7	-1129.8	-1687.7	-1959.1	-1844.7
8 Transfers in cash and kind (net)	1161.2	1482.0	1848.6	2081.4	2405.7	2784.9
Government						
Grants from foreign govts, intl & NGOs - development assistance	203.0	266.0	365.5	343.1	444.6	401.0
SACU receipts - from SACU	868.2	1092.4	1300.5	1560.4	1805.2	2240.7
Withholding taxes - withholding taxes	27.9	31.1	57.9	59.9	48.8	45.2
Other transfers received - other transfers received	44.1	47.2	54.5	55.9	67.0	74.0
Transfer debits (mainly SACU) - transfer debits (mainly SACU)	-51.7	-58.8	-62.4	-54.7	-57.8	-59.3
Private						
Grants received by NGOs - grants received by NGO's	64.0	95.0	123.3	106.0	86.9	71.3
Other transfers (net) - other transfers (net)	5.7	9.1	9.4	10.8	11.0	12.0
9 CURRENT ACCOUNT BALANCE (7+8)	305.3	724.3	718.9	393.7	446.6	940.2

(a) Debit (negative) entries are used to record imports 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.

(b) Represents imports after adjustments made to place imports by SACU countries on a similar basis to imports by non-SACU countries. Estimated imports before adjustment were: 1994=N\$5 450 million;

1995=N\$5 980 million; 1996=N\$7 012 million; 1997=N\$8 022 million; 1998=N\$8 418 million and 1999=N\$9 218 million.

* Business, administrative, financial and communications services.

TABLE V.2 CAPITAL AND FINANCIAL ACCOUNT (a) (N\$ Million)

	1994	1995	1996	1997	1998	1999(p)
Net capital transfers	153.6	145.5	180.8	154.2	251.7	271.4
Direct investment abroad	21.7	12.8	93.2	-3.0	7.1	15.0
Equity capital	2.5	1.0	0.0	0.0	0.0	0.0
Reinvested earnings	17.2	5.5	12.7	1.1	2.8	5.0
Other capital	2.0	6.3	80.5	-4.1	4.3	10.0
Direct investment in Namibia	347.9	554.9	553.3	386.0	427.3	695.0
Equity capital	96.2	112.9	317.6	357.7	402.0	310.0
Reinvested earnings	181.6	358.6	340.4	63.0	-108.0	300.0
Other capital	70.1	83.5	-104.7	-34.7	133.3	85.0
Portfolio investment	168.0	279.7	134.1	85.7	-55.7	-34.0
Equity						
Assets	-17.5	-13.7	-33.8	-44.4	-96.6	-114.0
Liabilities	133.3	165.9	220.1	132.8	175.0	250.0
Debt						
Assets	-42.6	-4.8	-1.2	0.1	-10.0	-50.0
Liabilities	94.8	132.3	-51.0	-2.8	-124.1	-120.0
Other investment - long term	-1146.6	-1622.6	-1539.5	-991.6	-614.7	-1041.5
General Government	12.4	74.0	114.3	75.0	88.5	88.5
Assets	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0
Drawings on loans received	23.9	85.5	125.8	86.5	100.0	100.0
Repayments on loans received	-6.5	-6.5	-6.5	-6.5	-6.5	-6.5
Monetary authorities: Liabilities	101.6	63.7	73.2	0.0	0.0	0.0
Banks: Liabilities	-13.4	-28.6	-5.0	0.0	0.0	0.0
Other sectors	-1247.3	-1731.7	-1722.0	-1066.6	-703.2	-1130.0
Assets	-1055.6	-1633.3	-1742.3	-1098.2	-1284.1	-1280.0
Liabilities	-191.7	-98.4	20.3	31.6	580.9	150.0
Other investment - short term	348.1	73.5	-93.5	221.1	-189.8	-505.9
General Government: Assets	38.9	0.0	0.0	0.0	0.0	0.0
Banks	250.9	100.2	-414.6	349.4	-169.2	-591.9
Assets	0.5	53.8	-209.0	-187.3	-11.4	-329.4
Liabilities	250.4	46.4	-205.6	536.7	-157.8	-262.5
Other sectors	58.3	-26.7	321.1	-128.3	-20.6	86.0
Assets	-47.8	11.5	-24.0	-16.0	-14.0	-14.0
Liabilities	106.1	-38.2	345.1	-112.3	-6.6	100.0
Capital and Financial Account Balance, Excluding reserves (b)	-107.4	-556.1	-671.6	-147.7	-174.1	-600.0
Net errors and omissions (c)	68.5	-80.9	51.3	66.3	36.9	8.5
OVERALL BALANCE (d)	266.3	87.3	98.5	312.3	309.4	348.7
RESERVES	-266.3	-87.3	-98.5	-312.3	-309.4	-348.7

(a) Debit (negative) entries record an increase in foreign financial assets, a decrease in foreign financial liabilities, or a capital outflow (deficit). Credit (positive) entries record a reduction in foreign financial assets, an increase in foreign financial liabilities, or a capital inflow (surplus).

(b) Represents net identified capital transactions other than reserves.

(c) Represents net errors and omissions in the current and capital and financial accounts.

(d) Overall balance is equal to the current account balance, plus all identified capital transactions, excluding changes in reserves, plus net errors and omissions.

(p) Provisional.

Annual Report

TABLE V.3 BALANCE OF PAYMENTS ESTIMATES 1995 TO 1999(p): FOREIGN DEVELOPMENT ASSISTANCE (N\$ Million)

TYPE OF DEVELOPMENT ASSISTANCE	1995			1996			1997			1998			1999 (p)		
	ASSISTANCE PROVIDED TO:			ASSISTANCE PROVIDED TO:			ASSISTANCE PROVIDED TO:			ASSISTANCE PROVIDED TO:			ASSISTANCE PROVIDED TO:		
	NAM GOV'T	OTH	TOT	NAM GOV'T	OTH	TOT	NAM GOV'T	OTH	TOT	NAM GOV	OTH	TOT	NAM GOV	OTH	TOT
1. ALL GRANTS - CASH AND KIND (1+2)	411	96	507	562	127	689	493	112	605	688	92	780	667	74	741
1.1 CASH GRANTS	207	73	280	233	68	301	181	65	246	332	63	395	301	55	356
1.1.1 Budget Support to Government (ie channelled through State Revenue Fund)	136	8	144	165	0	165	97	0	97	213	0	213	207	0	207
1.1.1.1 For capital projects	94	0	94	111	0	111	66	0	66	173	0	173	182	0	182
1.1.1.2 Recurrent expenditure	25	8	33	44	0	44	25	0	25	40	0	40	25	0	25
1.1.1.3 Other purpose (not specified)	17	0	17	10	0	10	6	0	6	0	0	0	0	0	0
1.1.2 Non-budget support to Government: projects (ie financed outside of budget)	61	0	61	58	0	58	72	0	72	108	0	108	82	0	82
1.1.2.1 For capital expenditure	25	0	25	36	0	36	42		42	48	0	48	58	0	58
1.1.2.2 Recurrent expenditure	20	0	20	10	0	10	5		5	6	0	6	8	0	8
1.1.2.3 Other purpose (not specified)	16	0	16	12	0	12	25		25	53	0	53	15	0	15
1.1.3 Grants to Namibian Non-Government Organisations	10	65	75	10	68	78	12	65	77	11	63	74	12	55	67
1.2 IN KIND GRANTS	204	23	227	309	59	368	312	47	359	356	29	385	366	19	385
1.2.1 Goods															
1.2.1.1 Capital Goods	26	1	27	30	3	33	41	6	47	23	5	28	26	2	28
1.2.1.2 Other Goods	11	6	17	14	4	18	8	5	13	4	3	7	0	3	3
1.2.2 Services (including technical assistance)	156	16	172	259	51	310	260	35	295	313	20	333	299	14	313
1.2.3 Educational scholarships	11	0	11	6	1	7	3	1	4	16	1	17	41	0	41
1.3 LOANS	0	0	0	20	0	20	0	0	0	0	0	0	0	0	0

NOTE: (p) Provisional

Source: Bank of Namibia

TABLE V.4 FOREIGN EXCHANGE RATES
Period Averages

Period		US	British	German	Japanese	Swiss	Spanish
		Dollar	Pound	Mark	Yen	Franc	Peseta
1994		0.2818	0.1842	0.4577	28.4215	0.3857	37.7888
1995		0.2757	0.1750	0.3953	25.9388	0.3262	34.3790
1996	I	0.2655	0.1735	0.3898	28.0711	0.3161	32.8109
	II	0.2321	0.1523	0.3532	24.9512	0.2885	29.5588
	III	0.2238	0.1440	0.3351	24.3841	0.2736	28.3373
	IV	0.2157	0.1319	0.3300	24.3263	0.2774	27.8081
1997	I	0.2218	0.1360	0.3680	26.8743	0.3189	31.1001
	II	0.2238	0.1368	0.3831	26.7685	0.3232	32.3281
	III	0.2154	0.1326	0.3894	25.4049	0.3208	32.8298
	IV	0.2081	0.1254	0.3654	26.0698	0.2983	30.8738
1998	I	0.2021	0.1229	0.3675	25.8662	0.2981	31.1526
	II	0.1937	0.1172	0.3473	26.2710	0.2890	29.4985
	III	0.1606	0.0972	0.2831	22.2883	0.2361	24.0430
	IV	0.1729	0.1033	0.2877	20.6767	0.2353	24.4626
1999	I	0.1639	0.1004	0.2854	19.0952	0.2334	24.2804
	II	0.1632	0.1015	0.3019	19.6988	0.2469	25.6710
	III	0.1640	0.1025	0.3060	18.5971	0.2506	25.8222
	IV	0.1636	0.1000	0.3072	17.0502	0.2514	26.1421

Source: South African Reserve Bank