



**2025**  
ANNUAL  
REPORT





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# Abbreviations

<b>AGM</b>	01	Annual General Meeting
<b>ARIC</b>	02	Audit, Risk and Investment Committee
<b>CODI</b>	03	Corporation for Deposit Insurance
<b>GDP</b>	04	Gross domestic product
<b>IADI</b>	05	International Association of Deposit Insurers

<b>IMF</b>	06	International Monetary Fund
<b>Jibar</b>	07	Johannesburg Interbank Average Rate
<b>NDGA</b>	08	Namibia Deposit Guarantee Authority
<b>SARB</b>	09	South African Reserve Bank



# Chairperson's **Statement**

## Chairperson's Statement

**It is my pleasure to present the Namibia Deposit Guarantee Authority (NDGA) Annual Report for the year ended 31 December 2025.** This Report is submitted in accordance with section 32 of the Deposit Guarantee Act, 2018 (No. 16 of 2018) and provides relevant information to the Minister of Finance, the Bank of Namibia, our member institutions and all stakeholders. The Report is structured in three parts. Part A provides an overview of the Authority, including its mandate, organisational structure and management. Part B outlines developments in both international and domestic markets and reports on the performance of the Deposit Guarantee Fund during the year under review. Part C presents the Authority's Annual Financial Statements for the reporting year ended 31 December 2025.

**Since its establishment in 2020, the NDGA has continued to grow and mature as an institution, underpinned by a strong corporate governance framework and operational efficiency.** The Authority continues to operate with the support of the Bank of Namibia, while maintaining and safeguarding its independence as provided for by the Act. This arrangement has enabled the NDGA to optimise operational efficiencies and contain costs in the execution of its core mandate. The NDGA's day-to-day operations are carried out by a dedicated team seconded from the Bank of Namibia, while strategic direction and oversight are provided by a competent Board of Directors. The Board is responsible for the overall strategy execution, ensuring the adoption of appropriate rules and policies governing the Authority's administration, and reporting to the Minister on matters relevant to the Authority's mandate.

**This report is presented against the backdrop of an evolving global economic environment that remained broadly resilient during the review period, albeit characterised by heightened uncertainty and increasingly divergent regional developments.** According to the International Monetary Fund (IMF) January 2026 World Economic Outlook Update, global output was estimated to have expanded by 3.3 percent in 2025, reflecting a balance between ongoing policy and geopolitical headwinds and sustained strength in technology-driven investment, particularly in artificial intelligence. This resilience was underpinned by robust labour markets in several major economies, easing inflationary pressures, and a gradual shift toward more accommodative monetary policy settings, which supported economic activity despite elevated public debt levels and persistent geopolitical tensions. Global growth was projected to remain steady at 3.3 percent in 2026, before moderating slightly to 3.2 percent in 2027, remaining below long-term historical averages.

**According to the IMF update, growth dynamics continued to differ across regions.**

Advanced economies were expected to expand at a more modest pace, averaging 1.8 percent in 2026, as tight financial conditions and structural constraints weighed down on investment activity. In contrast, emerging market and developing economies were projected to maintain relatively stronger momentum, with growth remaining slightly above 4 percent over the medium term. This growth was reportedly being supported by robust domestic demand in selected large economies, gradual stabilisation in others through targeted policy measures, and improving prospects in regions benefiting from macroeconomic stabilisation, higher commodity production and ongoing reform efforts. At the same time, global inflationary pressures had continued to ease, enabling a gradual shift toward more accommodative monetary policy settings, although the pace of disinflation remained uneven, resulting in increasingly differentiated policy paths across jurisdictions.

**On the domestic front, the Namibian economy slowed during 2025.**

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

**The banking sector, which comprises of our members, remained profitable, liquid and well-capitalised during 2025.**

Both the capital adequacy and the liquidity position of the banking sector improved and remained well above the statutory minimum requirements. The reporting year also saw profitability increase due to net interest and net-trading incomes, as reflected in both the return on assets and return on equity. Asset quality improved, with the Non-Performing Loans (NPL) ratio declining to 4.3 percent from 5.6 percent in 2024, supported by effective credit risk management and loan recoveries. Overall, the banking sector reported sound developments with adequate containment of threats to financial system stability.

“

As the implementation of the 2023-2025 Strategic Plan comes to an end, the NDGA remains resolute in consolidating the gains in pursuit of its mandate.

”

**The year under review marked the third and final year of implementation of the Authority's Strategic Plan (2023–2025).** Building on the strong foundation established at the outset of the Strategic Plan period, the NDGA continued to make meaningful progress in advancing its strategic goals and objectives. Sustained effort, clear strategic focus and institutional commitment have yielded notable results over the three-year cycle, underscoring the effectiveness of the Authority's approach in fulfilling its mandate. The achievements realised during this period reflect the dedication of Management and staff and reinforce confidence in the strategic direction adopted. As the implementation of the 2023–2025 Strategic Plan comes to an end, the NDGA remains resolute in consolidating the gains in pursuit of its mandate. Looking ahead, the NDGA will implement a new three-year Strategic Plan covering the period 2026–2028. This new strategy, effective from 1 January 2026, will build on the progress achieved to date and position the Authority to respond proactively to emerging risks and developments within the financial sector.

**In closing, I wish to extend my sincere appreciation to all our stakeholders and partners whose commitment and unwavering support have contributed to the Authority's progress and achievements.** The successful completion of Year 3 of the Strategic Plan, marked by tangible results, was made possible through the strong collaboration between the Board, Management, staff, and our strategic stakeholders. I would also like to express my gratitude to the Board of Directors, Management and staff for their dedication and professionalism, not only during the year under review, but since the NDGA's establishment in 2020. Their collective efforts have laid a solid foundation for the Authority's continued growth and impact. The NDGA remains steadfast in its commitment to executing its mandate effectively and efficiently. We look forward to strengthening existing partnerships and fostering new collaborations in the years ahead, in the continued interest of financial stability and depositor protection.



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**Ebson Uanguta**

Board Chairperson





Report by the  
**Head of the  
Authority**

## Report by the **Head of the Authority**

**I am honoured to present the sixth Namibia Deposit Guarantee Authority Annual Report to our stakeholders and the public at large for the year ended 31 December 2025.** The report, which was prepared in terms of section 32 of the Deposit Guarantee Act, 2018 (No. 16 of 2018), provides an overview of the Authority's governance and management arrangements, operational activities, and the performance of the Deposit Guarantee Scheme during the review period. Furthermore, the report includes the Authority's independently audited Annual Financial Statements for the reporting year.

**The NDGA continued to manage and invest funds in line with the approved investment policy and guidelines.** Thus, the Deposit Guarantee Fund continued its positive growth trajectory, supported by sustained premium contributions from member institutions and a favourable investment performance. The Fund's market value rose from N\$30.3 million at the end of 2024 to N\$40.1 million as at 31 December 2025, representing an annual net increase of N\$9.7 million (see Figure 3 later herein). Premium contributions amounted to N\$6.4 million during the year, while portfolio returns further enhanced asset accumulation. The portfolio continued to outperform its benchmark, the Alexander Forbes Short-term Fixed Interest 3-month Index (STeFI3), delivered an excess return of 83.5 basis points in 2025. The portfolio delivered an annual return of 8.1 percent, outperforming its benchmark return of 7.3 percent (Figure 4). Consistent outperformance was recorded across all four quarters, reflecting disciplined execution of the investment strategy and effective positioning within money market and short-duration fixed income instruments. This performance underscores the effectiveness of the Fund's investment strategy and continued progress toward strengthening its capacity to meet its depositor protection mandate in a stable and sustainable manner.

**The year under review represented an important period of consolidation and strategic transition for the NDGA.** In this regard the Authority's collaboration with the Bank of Namibia still served the institution well. Furthermore, the year under review marked the conclusion of the NDGA's Strategic Plan (2023–2025), which had guided the Authority's activities and priorities over the three-year period in pursuit of its mandate. During the year, the Board undertook a comprehensive review of the Strategic Plan to assess progress against its set objectives and to inform forward-looking priorities. Building on the outcomes of this review, the NDGA developed a new Strategic Plan for the 2026–2028 period, which was subsequently approved by the Board. The new Plan provides a refreshed strategic direction to guide the Authority's operations and initiatives in the medium term.

**On the international front, the NDGA continued to participate and derive benefits from the International Association of Deposit Insurers (IADI) since joining the network in February 2023.**

The IADI is a global forum where deposit insurers as well as other financial safety-net participants and international financial institutions work together to promote best practices in the areas of depositor protection, bank resolution and financial stability. During the year under review, the NDGA participated in the IADI's Africa Regional Committee Annual General Meeting (AGM) and Conference held in Mombasa, Kenya, as well as the IADI's 24th AGM and Annual Conference in Lisbon, Portugal, held from 24 to 28 November 2025. Participation in these engagements enabled the Authority to strengthen its understanding of emerging global and regional policy developments, exchange practical experiences with peer deposit insurers, and draw lessons relevant to strengthening Namibia's deposit insurance and bank resolution frameworks. The year under review also saw the signing of the Memoranda of Understanding with two identified strategic partners, the Ghana Deposit Protection Corporation as well as South Africa's Corporation for Deposit Insurance. The MOUs aim to facilitate cooperation and strengthen collaboration in areas such as policy development, capacity building and information sharing on deposit insurance best practices.

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Building on the progress made in the implementation of our inaugural Strategic Plan, the NDGA has developed a new Strategic Plan for the 2026–2028 period.

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**The progress achieved during the year under review was made possible through the continued support and guidance of the Board, as well as the constructive cooperation of all NDGA stakeholders.**

I extend my sincere appreciation to the Board for its steadfast commitment and leadership, not only during the past year but right from the Authority's establishment. I also wish to acknowledge and thank the NDGA staff for their dedication and professionalism as we continue to build and strengthen the institution. The Bank of Namibia has remained a cornerstone of the NDGA since its inception, and I am deeply grateful to the Bank's Board, Management and staff for their indispensable support in ensuring the Authority's effective and seamless operation. I further express our thanks to all member institutions for their continued cooperation throughout the reporting period. As the NDGA embarks on the implementation of its 2026–2028 Strategic Plan, we reaffirm our commitment to strengthening the Authority, advancing our strategic priorities, and fulfilling our mandate in support of a stable and resilient financial system.

“

I extend my sincere appreciation to the Board for its steadfast commitment and leadership during the review period.

”



**Florette Nakusera**

Head of the Authority



# Corporate Charter

In pursuit of achieving its strategic objectives and mandate, the Namibia Deposit Guarantee Authority is guided by the principles of good corporate governance. In accordance with its establishing Act, the NDGA maintains and manages a Deposit Guarantee Scheme aimed at compensating depositors in a speedy, efficient and transparent manner in the event of member institutions' failure. On this legal and principled foundation, the NDGA aspires to be a credible entity in ensuring depositors are protected against the risk of losing their deposits. Therefore, the Authority's staff members, its Board and anyone else acting on its behalf are guided by a set of core values to actualise these aspirations and deliver on the NDGA's mandate.




<p><b>Service Excellence</b></p> <p>We commit to reimburse the depositors timeously.</p>	<p><b>Transparency</b></p> <p>We provide complete information when required and authorised to do so.</p>	<p><b>Collaboration</b></p> <p>We collaborate and engage with our stakeholders towards a common goal.</p>
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<p><b>Accountability</b></p> <p>We are accountable to the public and our stakeholders.</p>	<p><b>Integrity</b></p> <p>We are truthful, honest and professional.</p>
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## OUR ORGANISATIONAL CULTURE STATEMENT

In pursuit of our mission, we promote a culture that adapts to change and focuses on delivering results that exceed stakeholders' expectations.

<p><b>Adapt</b></p> <p>We are agile and embrace innovation.</p>	<p><b>Results</b></p> <p>Our efforts produce tangible and exceptional results.</p>	<p><b>Exceed</b></p> <p>We strive to perform beyond the expectations of our stakeholders.</p>
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The NDGA maintains and manages a Deposit Guarantee Scheme aimed at compensating depositors in a speedy, efficient and transparent manner in the event of member institutions' failure.

PART A

MANDATE AND  
**GOVERNANCE**  
**OF THE NDGA**



## > Mandate of the NDGA

**The existence of a deposit guarantee or deposit insurance scheme is a key component of any regulatory framework aimed at protecting bank depositors while maintaining financial stability.** Deposit insurance schemes have gained prominence globally since the 2008 financial crisis, being implemented in numerous countries to protect depositors, fully or partially, from losses arising from the failure of banks or similar financial institutions. By promoting depositor confidence and safeguarding financial stability, these schemes form a critical part of the financial system safety net. They also help prevent panic withdrawals by assuring depositors that their funds are secure, thereby reducing the risk and potential scale of systemic crises.

**In Namibia, the need for a safety net to protect small depositors was highlighted in the Namibia Financial Sector Strategy (NFSS) 2011–2021.** The strategy which was developed collaboratively by the country's financial authorities and key stakeholders. Following the NFSS recommendations, a comprehensive study proposed the establishment of a deposit guarantee scheme in line with international best practices and considering the growth of the Namibian banking sector. This led to the creation of the NDGA and the operationalisation of a dedicated Deposit Guarantee Scheme in 2020.

### This Scheme is designed to –

- Protect a high proportion of depositors against loss of their deposits by compensating them in the event of a member institution's failure, and
- Enhance financial stability in Namibia by insuring a portion of the total deposits held by banks and building societies.

**Globally, deposit protection schemes focus primarily on safeguarding small depositors, with coverage limits set to ensure that the majority of such depositors are fully protected.** In Namibia, the current coverage limit is N\$50,000 per depositor, which guarantees the deposits of over 90 percent of depositors. This coverage aligns with international best practice, reflecting the primary objective of deposit guarantee schemes, namely to protect small depositors.



## > Powers of the NDGA

**The Deposit Guarantee Act provides the NDGA with its mandate and empowers it to execute its functions.** To fulfil its mandate and achieve its strategic objectives, the NDGA is vested with specific powers that enable it to –

- ✓ provide insurance, in accordance with the provisions of the law, against the loss of deposits
- ✓ collect premiums from member institutions in accordance with the provisions of the law
- ✓ administer the Deposit Guarantee Fund
- ✓ assess claims made against the Fund by depositors and determine the eligibility and entitlement of claimants in accordance with the provisions of the law
- ✓ keep the public informed of the benefits and limitations of the Deposit Guarantee Scheme, and
- ✓ engage in public awareness programmes aimed at increasing financial literacy to ensure depositors are always well informed.

## Membership and coverage of the Deposit Guarantee Scheme

**Globally, many deposit insurance schemes have made it obligatory for deposit-taking institutions to participate as members of such schemes.** In Namibia, section 23 of the Deposit Guarantee Act outlines three categories of membership for the country's Deposit Guarantee Scheme, as follows:

01

A banking institution authorised under section 11 of the Banking Institutions Act, 2023 (No. 13 of 2023) to carry on banking business in Namibia

02

A branch of a foreign banking institution authorised under section 26 of the Banking Institutions Act to carry on banking business in Namibia, and

03

A building society registered to conduct the business of a building society under section 4 of the Building Societies Act, 1986 (No. 2 of 1986).

**At the end of 2025, Deposit Guarantee Scheme members comprised seven banking institutions, including one branch of a foreign banking institution operating in Namibia.** All member institutions are required to pay annual premiums to the Scheme, which are credited to the Deposit Guarantee Fund.

**The Scheme provides coverage for deposits in accordance with section 39 of the Deposit Guarantee Act.** It covers most types of deposits held by banks or building societies in Namibia in the normal course of business, including savings accounts and call or term deposits. Notable exclusions include foreign currency accounts, tradable debt and deposit instruments, negotiable certificates of deposit, and deposits held at institutions regulated and supervised by the Namibia Financial Institutions Supervisory Authority (NAMFISA). Additionally, deposits from institutions in which the Namibian Government holds a stake are not covered by the Scheme.

**The Scheme adopts a predetermined coverage limit per depositor in respect of the total of that individual's deposits at a member institution that has failed.** In cases where a depositor holds multiple deposits in a failed bank or building society, the value of all deposit accounts held there by that depositor will be consolidated and the claimant will be compensated up to the maximum coverage limit. The coverage limit is determined per depositor per member institution. Thus, where a depositor has several accounts in a given member institution, such accounts will be aggregated before compensation is effected. The Board regularly reviews this guaranteed coverage threshold, which was increased from N\$25,000 to N\$50,000, effective 10 February 2026. This threshold ensures that a substantial number of small depositors are covered in the event of a member institution's failure. By the end of 2025, the Deposit Guarantee Fund fully covered 94 percent of total depositors at the set threshold, representing an increase from 91.3 percent recorded for the end of the previous reporting year.

**The Scheme also provides partial coverage for depositors with deposit values exceeding the coverage limit.** These partially covered depositors are eligible to receive a reimbursement up to the threshold value. By the end of the review period, partially covered depositors constituted 6 percent of total depositors, a decrease from 8.7 percent recorded by the end of 2024.

## Note

### Notable exclusions include

- > Foreign currency accounts
- > Tradable debt and deposit instruments
- > Negotiable certificates of deposit
- > Deposits held at institutions regulated by NAMFISA

**Table 1: Summary estimates of deposits and depositor coverage, 31 December 2025**

At N\$50,000 coverage	Fully covered	Partially covered	Total
<b>Value of qualifying deposits (N\$)</b>	5,929,112,750	73,095,021,882	79,024,134,632
<b>Percentage of total qualifying deposits</b>	7.5%	92.5%	100%
<b>Number of depositors</b>	1,853,675	118,479	1,972,154
<b>Percentage of all depositors</b>	94.0%	6.0%	100%

Note: For estimation purposes, the guaranteed coverage threshold was presumed to apply as at 31 December 2025.

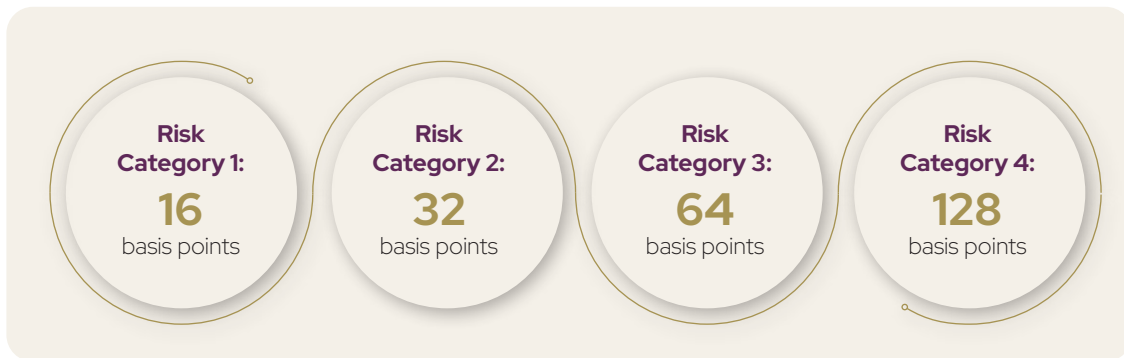
## Funding

**An appropriate funding model is essential for any deposit guarantee authority to ensure sufficient resources are available to compensate depositors in the event of a bank failure.** Globally, deposit guarantee schemes are typically funded primarily by member banking institutions, as both the institutions and their clients benefit directly from the protection provided. Funding models for such schemes generally take three forms: ex-ante, ex-post or hybrid.

- Ex-ante funding involves accumulating and maintaining funds to cover potential deposit guarantee claims prior to the failure of any bank or similar deposit-taking institution, primarily through member premiums.
- Ex-post funding collects funds only after a bank or deposit-taking institution fails.
- Hybrid funding combines the ex-ante approach with provisions to raise additional funds ex-post from members or through borrowing from the government or the market if a shortfall arises.

**The NDGA's Deposit Guarantee Scheme has adopted an ex-ante funding approach with borrowing powers.** This approach is considered the most equitable strategy as it spreads the cost of the deposit guarantee over time and prevents it from becoming overly burdensome.

**Premiums are calculated based on each member institution's deposit base and its risk score, as determined by the Bank of Namibia.** According to the Determination of premiums payable per risk category and interest rates payable by a member institution: Deposit Guarantee Act, 2018 (DGD-6 in Government Gazette No. 8787 of 19 November 2025) premiums payable per risk category by a member institution for the benefit of the Deposit Guarantee Fund are as follows:



**Furthermore, the 'double-up' principle applies in respect of premiums for institutions at highest risk.** Such premiums are eight times greater than those for institutions at lowest risk. These principles ensure that the NDGA sets premiums fairly, maintains sustainability, and is able to respond effectively and promptly to any member institution's failure. Compared with their lower-risk counterparts, higher-risk institutions contribute more due to a greater likelihood of their failure.



## Governance of the NDGA

**A robust governance structure, supported by effective management and oversight, is essential for any institution to fulfil its mandate successfully.**

Accordingly, the adoption of good governance principles is critical for the NDGA to operate efficiently and effectively. While the NDGA relies on the Bank of Namibia for its day-to-day administrative functions, an independent Board of Directors provides oversight and is responsible for formulating the Authority's policies. Furthermore, in line with section 32(1) of the Deposit Guarantee Act, the Authority is required to prepare and submit an annual report to the Minister of Finance for the relevant review period. Such reports need to include annual accounts certified by the auditors, a report on the Authority's activities, and a report on the operations of the Deposit Guarantee Fund. The Act further requires the Minister to table a copy of the annual report for each financial year in the National Assembly when it is due.



## > Board of Directors

**Oversight for the Authority is the responsibility of a competent Board of Directors appointed in terms of section 6 of the Deposit Guarantee Act.** The Board is responsible for formulating general policy for the Authority as well as for exercising control over its affairs. In addition, the Board is responsible for adopting rules for the Authority's proper administration and functioning, for fulfilling the functions and exercising the powers assigned to it in the said Act, and for advising the Minister on any relevant and related matters. In accordance with section 6(2) of the said Act, the Board consists of the following persons who are appointed by the Bank of Namibia subject to the Minister's approval:

- The Deputy Governor of the Bank of Namibia, as referred to in Article 128(2) of the Namibian Constitution and as appointed in terms of section 9(1)(b) of the Bank of Namibia Act, 2020 (No. 1 of 2020), who then serves as the Board Chairperson;
- A representative from the Ministry of Finance, who is nominated by the Minister;
- Two persons with relevant qualifications and experience in the fields of law, banking, finance, accounting or any other field relevant to the functions of the Board;
- A person representing the interests of consumers; and
- A Head of the Authority, who is an ex officio member of the Board with no voting rights.

The NDGA Board of Directors was comprised as follows during the year under review in respect of the portfolios specified:



**Ebson Uanguta**  
Chairperson, Non-executive  
Director  
(Macroeconomics,  
Regulation and Monetary  
Policy)



**Linda Dumba Chicalu**  
Deputy Chairperson, Non-  
executive Director  
**Member:** Audit, Risk and  
Investment Committee  
(Legal and Consumer  
Protection)



**Festus Nghifwenwa**  
Non-executive Director  
**Member:** Audit, Risk and  
Investment Committee  
(Macroeconomic and Fiscal  
Policy)



**Kenneth S Matomola**  
Non-executive Director  
(Finance and Banking,  
Regulation)



**Herman Shilongo**  
Non-executive Director  
Chairperson: Audit, Risk and  
Investment Committee  
(Accounting and Finance)



**Florette Nakusera**  
Executive Director  
(*Ex officio*)  
(Macroeconomic Policy,  
Central Banking and  
Financial Stability, Strategic  
Leadership)



**The Board convenes regularly to oversee and monitor the Authority's finances, operations, and policies.**

A key feature of the governance framework is the Board's ability to establish committees and delegate specific functions to them. Given the Authority's administrative structure, the establishment of a single committee was considered sufficient. Accordingly, the Audit, Risk and Investment Committee (ARIC) was established in line with section 14 of the Deposit Guarantee Act, which provides that the Board may form one or more committees composed of directors to assist and advise it in exercising its powers and fulfilling its functions.

“ The Board is responsible for formulating general policy for the Authority as well as for exercising control over its affairs. ”

## Audit, Risk and Investment Committee

**The Board's legal mandate to establish committees led to the founding of the Audit, Risk and Investment Committee (ARIC) in 2020 to support the effective discharge of its responsibilities.** Thus, the ARIC assists the Board by promoting sound policy implementation and effective planning in respect of audit, risk management, internal controls and investments, in line with the principles of the Corporate Governance Code for Namibia (the NamCode). The Committee's responsibilities include oversight of financial reporting processes, internal control systems, risk assessment and management, supervision of external audit functions, and the review of investment policies and activities, as well as the execution of any additional duties delegated to it by the Board. The ARIC also submits regular reports to the Board on matters within its mandate. However, notwithstanding these delegated responsibilities, the Board retains ultimate accountability for the Authority's corporate governance standards.

### Board and Committee meetings

**During 2025, all scheduled Board meetings were convened as planned.** The Board meets at least quarterly to oversee and monitor the Authority's policies, operations and financial performance, including the management of the Deposit Guarantee Fund. The reporting period saw four ordinary Board meetings being held. Table 2 provides details of the meeting dates and attendance.

**Table 2: Attendance of Board meetings, 2025**

Board Member	20 March	31 July	3 October	25 November
<b>Mr Ebson Uanguta (Chairperson)</b>	✓	✓	✓	✓
<b>Ms Linda Dumba Chicalu</b>	✓	✓	✓	✓
<b>Mr Festus Nghifewa</b>	✓	✓	✓	✓
<b>Mr Kenneth S Matomola</b>	✓	✓	✓	✓
<b>Mr Herman Shilongo</b>	✓	✓	✓	✓
<b>Ms Florette Nakusera (Ex officio)</b>	✓	✓	✓	✓

**The ARIC typically convenes four times a year, supporting the Board in implementing robust policies and frameworks for risk management and internal controls.** This oversight strengthens the Authority's capacity to achieve its strategic objectives and maintain sustainability. During the year under review, the Committee held four meetings. Table 3 provides details of the meeting dates and attendance.

**Table 3: Attendance of Audit, Risk and Investment Committee meetings, 2025**

Board Member	14 March	13 June	12 September	7 November
<b>Mr Herman Shilongo (Chairperson)</b>	✓	✓	✓	✓
<b>Ms Linda Dumba Chicalu</b>	✓	✓	✓	✓
<b>Mr Festus Nghifewa</b>	✓	✓	✓	✓

## Management and administration

**Effective management is critical to the success of any institution, including the NDGA.** To support its operations, a Service Level Agreement between the NDGA and the Bank of Namibia ensures the provision of essential human, financial, and other resources required for the Authority's efficient functioning. The NDGA's seconded staff for the year under review were as follows:



**Florette Nakusera**  
Head of the NDGA



**Petrus Shifotoka**  
Manager of Operations



**Rakotoka Zaire**  
Senior Financial Analyst



**Ndeyapo Msati**  
Financial Analyst



Management  
and Administration

## > Information Box

### The expanding role of deposit insurers beyond 'pay box' mandates

#### Introduction

Deposit insurance systems were historically established to operate under a narrow 'pay box' mandate, with the primary responsibility of reimbursing insured depositors in the event of a bank failure. The pay box model, in which the deposit insurer's role is primarily limited to collecting premiums from member institutions and compensating insured depositors when deposits become unavailable, remains a cornerstone of depositor protection and continues to be applied in many jurisdictions. However, international experience shows that the role of deposit insurers has gradually evolved, reflecting changes in financial system complexity, resolution frameworks and expectations regarding financial stability.

According to the International Association of Deposit Insurers (IADI), the global landscape of deposit insurance mandates has undergone a marked transformation over the past decade. An IADI report on deposit insurance in 2025 confirms that this evolution has accelerated in recent years, with deposit insurers increasingly embedded within broader financial safety net arrangements.

#### Evolution from pay box to broader mandates

Globally, deposit insurers are increasingly transitioning from traditional pay box models to enhanced frameworks. The existing enhanced models are characterised as pay box plus, loss minimiser or risk minimiser mandates. Under these expanded models, deposit insurers may contribute to resolution planning, participate in early intervention discussions and, in some cases, provide financial support to resolution measures aimed at minimising losses to the deposit insurance fund and the broader financial system.

This evolution recognises that deposit insurers possess valuable depositor data, funding mechanisms and operational capabilities that can support orderly bank resolution. Their involvement in resolution planning enhances coordination among safety-net participants and improves the effectiveness of crisis management frameworks.

For emerging deposit insurance systems, the gradual evolution toward broader mandates provides an opportunity to enhance institutional effectiveness while remaining aligned with international best practice. Nonetheless, any expansion of responsibilities should be carefully calibrated and be supported by appropriate legal frameworks, governance arrangements and operational capacity.

### **Implications for financial stability and institutional cooperation**

The expansion of deposit insurers' mandates has reinforced the importance of close cooperation between deposit insurers, prudential regulators, central banks and resolution authorities. Formalised information-sharing arrangements and clearly defined roles are essential to ensure timely decision-making during periods of financial stress.

By engaging earlier in the resolution continuum, deposit insurers can contribute to mitigating systemic risk, preserving depositor confidence and reducing the overall cost of bank failures. This integrated approach strengthens the resilience of the financial system while maintaining the core objective of depositor protection.

### **Global trends in deposit insurance mandates**

IADI survey data indicate a sustained decline in the prevalence of pure pay box mandates at the global level. As illustrated in Figure 1 of the IADI's 2025 report on global trends, the share of deposit insurers operating under a pay box mandate declined from 25 percent in 2014 to 11 percent in 2024, representing the lowest level recorded since the IADI began collecting such data. Over the same period, pay box plus mandates increased from 36 percent to 51 percent of deposit insurers globally. Meanwhile, loss minimiser and risk minimiser mandates together accounted for a further 38 percent of deposit insurers in 2024, with their combined share remaining broadly stable over time.

This shift reflects a growing tendency for deposit insurers, subject to their legal frameworks, to assume responsibilities beyond reimbursement, particularly in relation to bank resolution preparedness and funding.

### **Conclusion**

As global experience continues to shape best practice, deposit insurance systems are increasingly viewed as integral components of broader financial safety-net arrangements. International trends highlight enhanced coordination among deposit insurers, prudential regulators, central banks and resolution authorities, particularly in the areas of crisis preparedness, information-sharing and operational readiness. Within this context, the role of deposit insurers is increasingly recognised as extending beyond reimbursement functions toward a more comprehensive contribution to financial stability and the facilitation of orderly bank resolution, in a manner that remains firmly grounded in each jurisdiction's legal mandate and institutional design.

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PART B

THE YEAR  
**UNDER  
REVIEW**

## > Overview of macroeconomic and industry developments

**According to the IMF January 2026 World Economic Outlook Update, global economic growth remained broadly resilient during 2025 despite heightened uncertainty and increasingly divergent regional dynamics.** Global output was estimated to have expanded by 3.3 percent in 2025, with growth projected to remain steady at 3.3 percent in 2026 before moderating slightly to 3.2 percent in 2027. This steady performance reflected a balance between ongoing policy and geopolitical headwinds and sustained strength in technology-driven investment, particularly in artificial intelligence (AI), supported by accommodative fiscal and monetary conditions in key economies.

**Growth dynamics remained uneven across regions.** Advanced economies are expected to expand at a more modest pace in 2026, averaging 1.8 percent, while emerging market and developing economies are forecasted to maintain relatively stronger momentum, with growth remaining slightly above 4 percent over the medium term. This assessment was supported by robust domestic demand in India, gradual stabilisation in China driven by targeted policy measures, and improving prospects in sub-Saharan Africa and the Middle East amid macroeconomic stabilisation, higher commodity production, and ongoing reform efforts.

**Global inflationary pressures continued to ease over the reporting period, reinforcing a gradual shift toward more accommodative monetary policy settings.** The World Economic Outlook Update estimated that global headline inflation would decline from 4.1 percent in 2025 to 3.8 percent in 2026, and further to 3.4 percent in 2027, supported by easing demand conditions and lower energy prices. However, the pace of disinflation remained uneven across regions/economies. In the United States, inflation was expected to return to target more gradually due to persistent services inflation and elevated inflation expectations, while most other advanced and emerging economies were projected to converge more quickly. As a result, central banks had adopted increasingly differentiated policy paths, balancing support for economic activity against the need to preserve price stability.

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Emerging markets and developing economies are forecasted to maintain relatively stronger momentum.

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**On the domestic front, the Namibian economy slowed during 2025.** The domestic economy recorded a growth of 1.7 percent, compared to 3.8 percent recorded in 2024. The slow performance is attributed to the Primary industries, which recorded a decline of 7.2 percent in real value added compared to a decline of 3.2 percent noted the corresponding period of 2024. The main driver of the performance in the Primary industries is 'Mining and quarrying' as well as 'Agriculture, forestry and fishing' sectors that declined by 9.4 percent and 3.3 percent, respectively. Furthermore, the Secondary industries registered a slow growth in real value added of 2.1 percent compared to 3.6 percent recorded in 2024. The Tertiary industries, however, continued with positive results, posting a growth of 4.2 percent during the period under review.

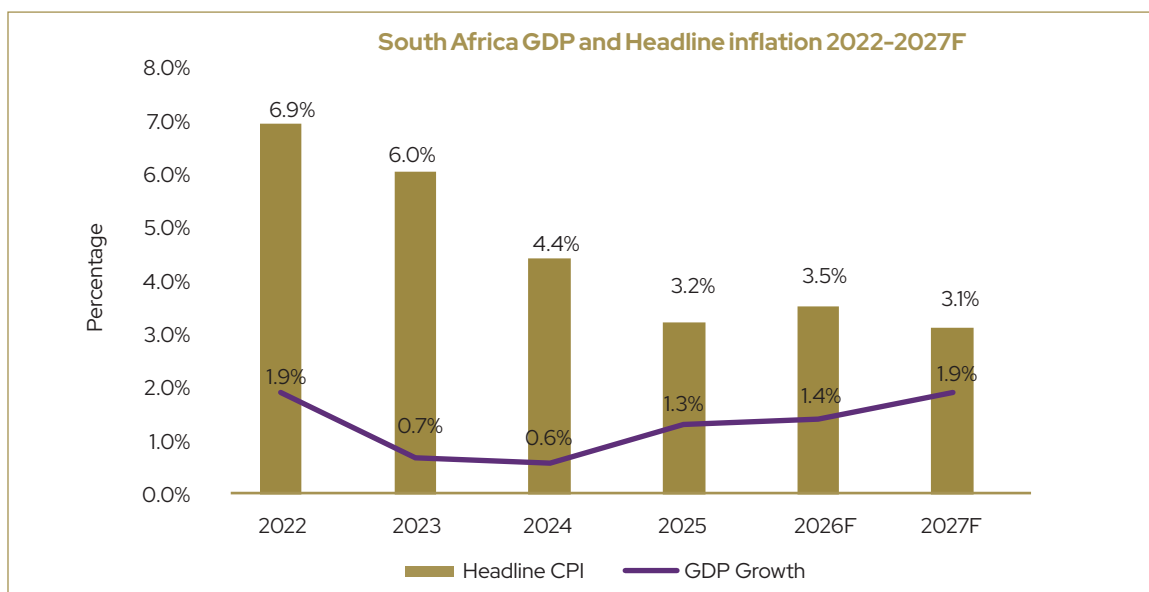
**The banking sector remained profitable, liquid and well-capitalised during 2025.** Both the capital adequacy and the liquidity position of the banking sector improved and remained well above the statutory minimum requirements. The reporting year also saw profitability increase due to net interest and net-trading incomes, as reflected in both the return on assets and return on equity. Asset quality improved, with the Non-Performing Loans (NPL) ratio declining to 4.3 percent from 5.6 percent in 2024, supported by effective credit risk management and loan recoveries. Overall, the banking sector reported sound developments with adequate containment of threats to financial system stability.

**With respect to the South African market, where the Deposit Guarantee Fund was fully invested, macroeconomic conditions showed a measurable improvement in 2025 relative to the weak growth environment of 2024.** According to the January 2026 South African Reserve Bank (SARB) Monetary Policy Committee statement, real GDP growth for 2025 was estimated at around 1.3 percent, with the economy recording four consecutive quarters of expansion during the reporting year – the longest continuous growth phase since 2018. This marked a transition from stagnation towards a more stable, though still modest, growth path. Growth in 2025 was driven primarily by household consumption, supported by lower inflation, easing interest rates, wealth effects, and withdrawals from the Two-Pot pension system. By contrast, fixed investment remained weak, contracting in the first half of the year before showing tentative signs of recovery in the third quarter. As a result, the improvement in growth remained consumption-led rather than investment-driven, leaving the economy vulnerable to shifts in income, confidence and credit conditions. Looking ahead, the SARB projects that economic growth will rise to about 1.4 percent in 2026 and 1.9 percent in 2027, supported by structural reforms that are expected to gradually lift economic performance. The outlook is underpinned by a recovery in investment, easing energy and logistics constraints, and firmer employment outcomes.

**Inflation dynamics improved significantly during 2025, providing an important anchor for both policy and financial markets.**

Supported by a stronger Rand and lower global oil prices, the average annual headline Consumer Price Index inflation declined to 3.2 percent in 2025, from an average of 4.4 percent in 2024 (Figure 1). Although inflation rose temporarily to 3.6 percent in December 2025, driven mainly by non-core items such as food (meat and vegetables), fuel, housing and insurance-related costs, the SARB assessed these pressures as temporary. Thus, inflation expectations declined to historically low levels during the year, reinforcing policy credibility. For 2026, the SARB expects inflation to remain contained within its target range, supported by moderating food and fuel prices, a relatively stable exchange rate, and weak underlying demand conditions, despite some upward pressure visible in the inflation profile over the forecast horizon.

**Figure 1: South Africa Gross Domestic Product and headline inflation, 2022–2027F**



Source: Statistics South Africa and South African Reserve Bank

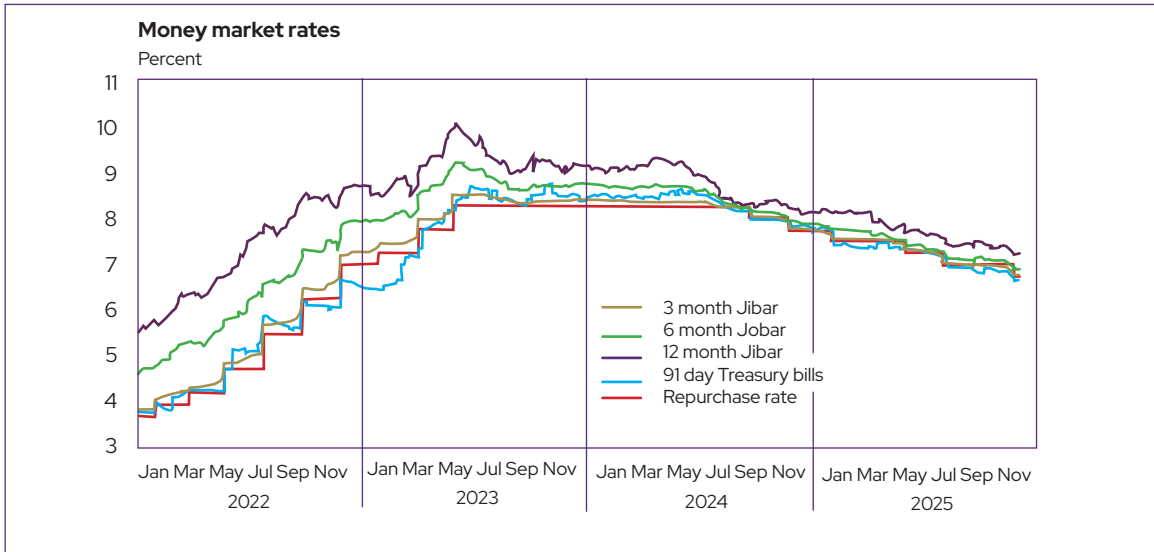
**Consistent with the improved inflation outlook in 2025, the monetary policy environment was more supportive of economic growth.**

The year began with the repo rate held at 7.50 percent, after which it was reduced gradually over the course of the reporting period, ending off the year at 6.75 percent. As a result, anchored inflation expectations and easing price pressures created scope for monetary policy to normalise gradually over time. For 2026 and 2027, the SARB projects a broadly stable interest rate environment, conditional on inflation remaining within the target band, fiscal and structural reform momentum being maintained.

**Money market rates and yield curves responded accordingly to the shift in policy and inflation dynamics during 2025.**

Short-term rates declined steadily over the course of the year, with the three-month Johannesburg Interbank Average Rate (Jibar) falling from 7.8% in December 2024 to around 7.6% by March 2025, before trending lower to about 6.8% by late 2025. Longer-dated Jibar tenors followed a similar trajectory, reflecting expectations of sustained policy easing and a benign inflation environment. The 2025 environment was characterised by improved liquidity conditions, lower funding costs and a downward shift in the yield curve.

**Figure 2: South Africa – Deposit curves**



Source: South African Reserve Bank

Note: Jibar = Johannesburg Interbank Average Rate

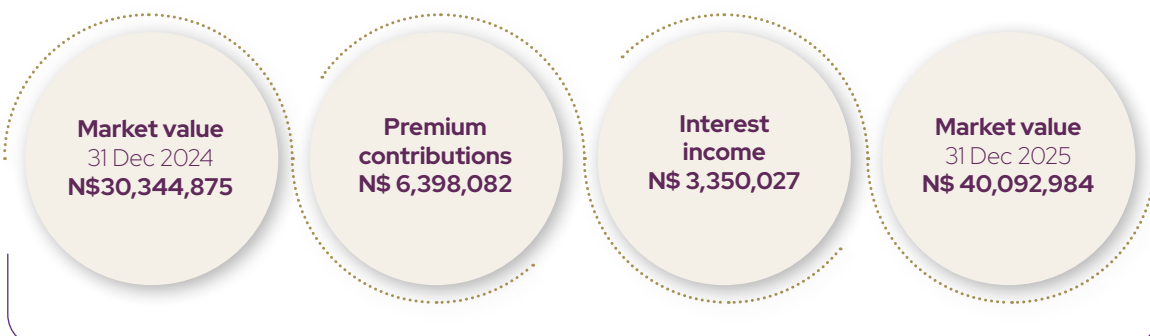
**Looking ahead, moderating inflation and easing price pressures in 2026 are expected to allow monetary policy to remain supportive of economic growth.**

Consistent with signals from the SARB’s Quarterly Projection Model and market expectations, the policy stance is likely to move gradually toward neutral, leading to lower short-term interest rates and money market yields and continued easing in broader financing conditions. This environment is expected to result in lower nominal investment return on money market holdings, including those within the NDGA’s Deposit Guarantee Fund’s portfolio.

## ➤ Fund investment performance overview

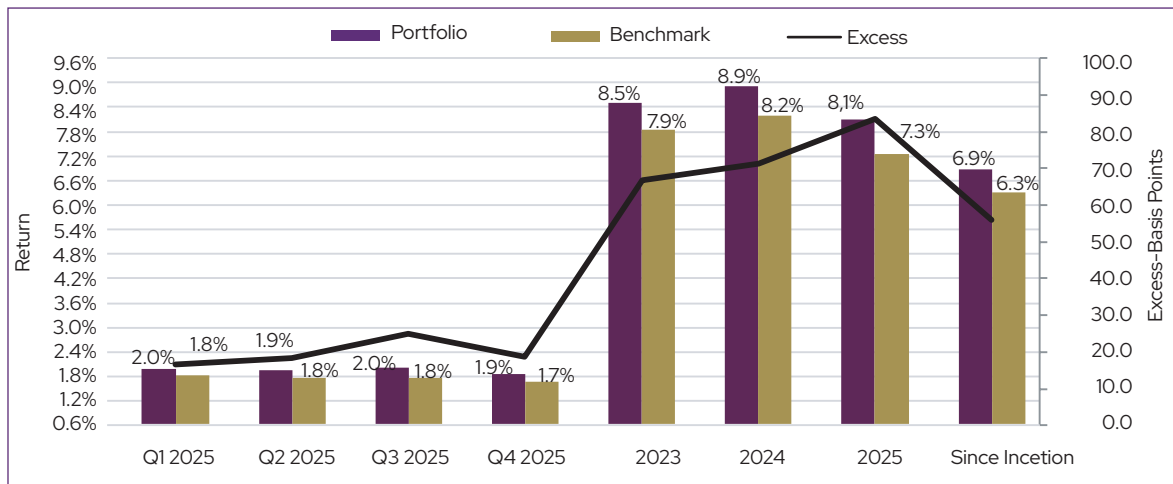
**In 2025, the Deposit Guarantee Fund continued its growth trajectory, supported by premium contributions from member institutions and favourable investment performance.** The Fund’s market value increased from N\$30.3 million at the end of 2024 to N\$40.1 million as at 31 December 2025, representing an annual net increase of N\$9.8 million. Premium contributions totalled N\$6.4 million during the year, while portfolio returns further enhanced asset accumulation (Figure 3). This outcome reflects the effectiveness of the Fund’s investment strategy as well as continued progress toward strengthening its capacity to meet the depositor protection mandate in a stable and sustainable manner.

**Figure 3: Portfolio contributions and their market value**



**The portfolio continued to outperform its benchmark during the year under review.** In this regard, the portfolio outperformed the Alexander Forbes Short-term Fixed Interest 3-month Index (STeF13) benchmark, delivering an excess return of 83.5 basis points in 2025. The portfolio delivered an annual return of 8.1 percent, outperforming its benchmark return of 7.3 percent (Figure 4). Consistent outperformance was recorded across all four quarters, reflecting disciplined execution of the investment strategy and effective positioning within money market and short-duration fixed income instruments.

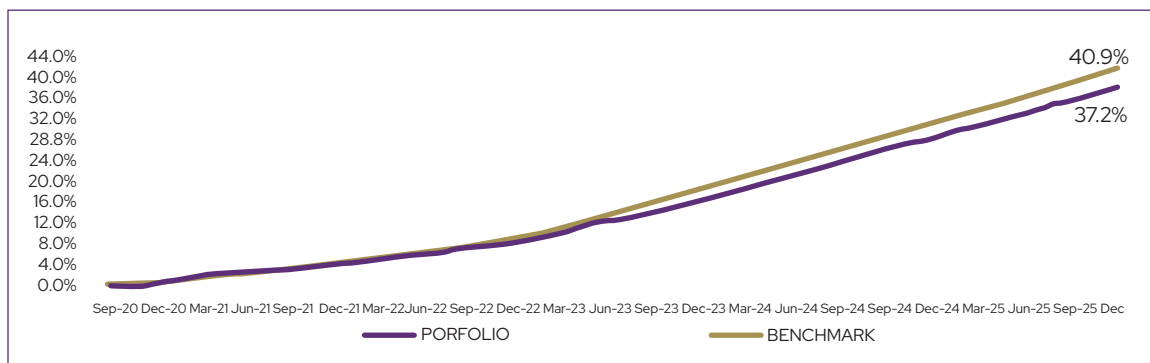
**Figure 4: Fund performance vs Benchmark, 2025**



Note: Benchmark = Alexander Forbes Short-term Fixed Interest 3-month Index (STeF13)

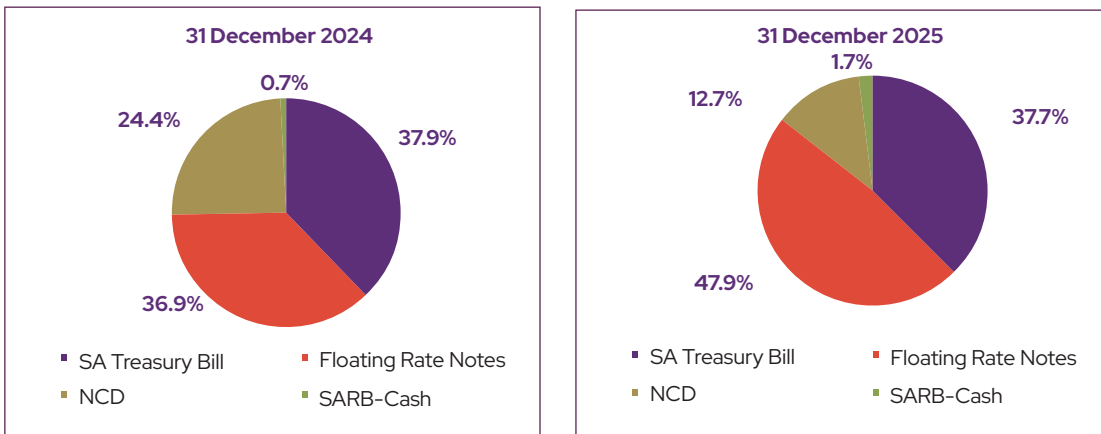
**Diversified exposure to floating rate notes and Treasury bills remained central to the performance of the Fund.** Notably floating rate notes benefiting from favourable spreads over Jibar and Treasury bills providing stability as yields adjusted to the evolving interest rate cycle. Cash balances invested in the SARB call account also contributed positively, earning an average rate of 7.2 percent during the reporting year. Since inception, the portfolio has achieved an annualised return of 6.9 percent against a benchmark return of 6.3 percent, resulting in cumulative excess performance of 60 basis points (Figure 5). The portfolio's longer effective duration of approximately 98.6 days relative to the benchmark's 47.5 days contributed meaningfully to return generation. As a result of the change, the portfolio could capture higher carry and roll-down benefits across the short end of the yield curve in an environment characterised by moderating inflation and easing policy.

**Figure 5: Fund vs Benchmark – Cumulative historical performance**



**As at 31 December 2025, the Deposit Guarantee Fund maintained a well-diversified portfolio across asset classes and counterparties, fully aligned with prescribed investment guidelines.** Relative to its December 2024 position, the year-end allocation for 2025 reflects deliberate point-in-time repositioning in response to declining inflation, evolving monetary policy expectations, and shifting yield opportunities. The most notable change during the reporting period was a material increase in exposure to floating rate notes, which rose to 47.9 percent from 36.9 percent at the end of 2024. This adjustment reflected the improved inflation outlook and cautious transition toward monetary easing, favouring instruments offering attractive spreads over Jibar while preserving flexibility amid uncertainty around the pace of future rate cuts. Holdings in South African Treasury bills remained broadly stable at approximately 38 percent at both year-ends, reaffirming their role as a core anchor for liquidity and capital preservation.

**Figure 6: Deposit Guarantee Fund – Asset allocation**



The portfolio delivered an annual return of 8.1 percent, outperforming its benchmark return of 7.3 percent.



## Milestones for 2025

### Review of the Coverage Limit and Risk Categories for Member Institutions

**During the period under review, the NDGA reviewed the coverage limit and risk categories for member institutions.** The Regulations relating to maximum coverage limits for guaranteed deposits published under Government Notice No. 24 of 23 January 2020, set the maximum coverage limit per depositor at N\$25,000 (Twenty-five thousand Namibia Dollars) per depositor. The NDGA undertook an assessment that revealed that the initial coverage limit was too low and thus does not provide the Scheme with credibility in terms of providing a substantial coverage. Moreover, depositors (visited across the various regions in Namibia) have also expressed concerns that the N\$25 000 does not inspire confidence in the financial system. In 2025, the NDGA thus received the approval of the Minister of Finance to amend the Regulation by increasing the maximum coverage limit from N\$25,000 to N\$50,000 per depositor. The main principles are to increase the limit for guaranteed deposits to further widen the safety net for depositors and to provide a substantial and credible cover for the depositors.

### Determination of risk categories for member institutions

**Member institutions pay premiums to the Deposit Guarantee Scheme based on their respective individual risk profiles.** During 2025, the risk categories for member institutions were calculated using data provided by the Bank of Namibia's Banking Supervision Department in line with the Memorandum of Agreement on sharing information between the Bank and the NDGA. The data is based on the following six variables: capital adequacy ratio, liquid asset ratio, asset quality (the ratio of performing to non-performing loans, or NPL ratio), deposit concentration, profitability (return on equity/ROE), and supervisory assessment. These variables are all relevant for determining the performance, governance standards and overall risk profile of each member institution. The average ratios for four consecutive quarters (Q3 of 2024, Q4 of 2024, Q1 of 2025 and Q2 of 2025) were applied to the risk scores and assigned weights of the selected variables to determine each member's risk category. Measuring performance, governance and risk over a longer period is regarded as more reliable than taking a single point in time as a reference. Moreover, analysing such trends mitigates the risk of attributing performance or risk to the effect of a single internal or external factor, thereby providing a more balanced and comprehensive view of each institution's risk position.

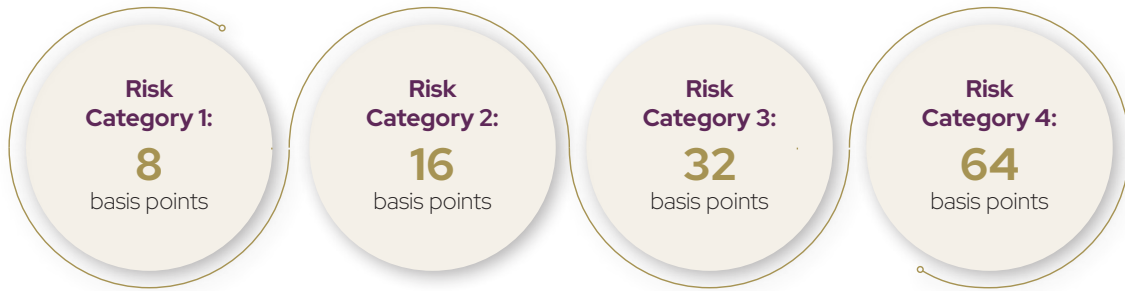


The NDGA revised the coverage limit from N\$25,000 to

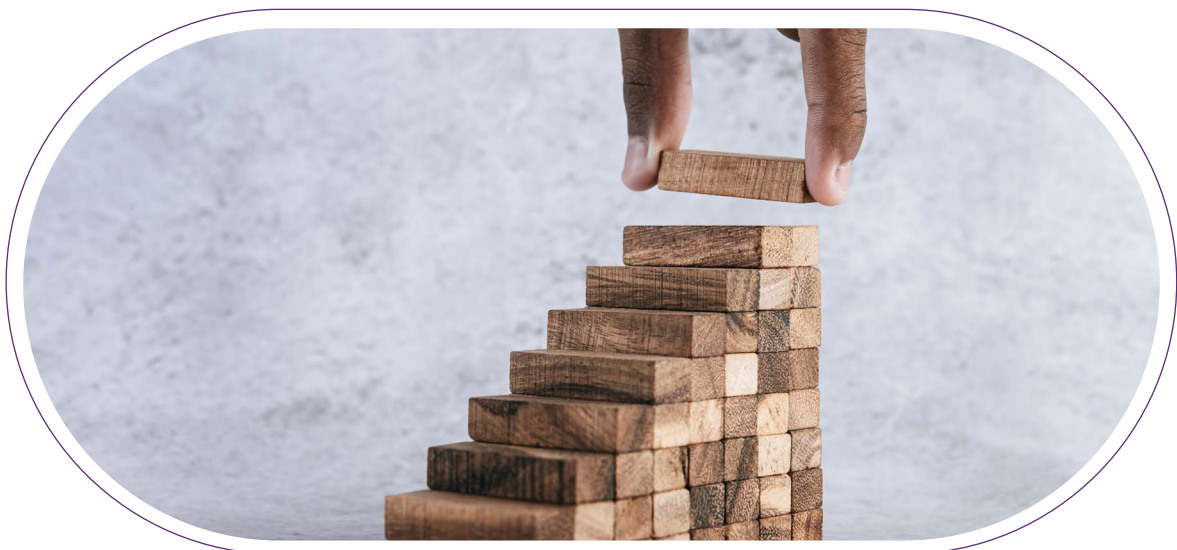
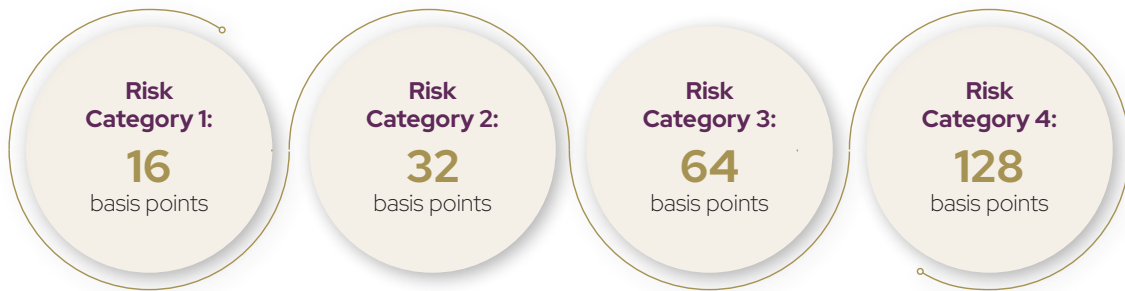
**N\$50,000**



**The adjustment coverage limit was done jointly with the adjustment of the risk categories.** This was done in order to ensure that the Deposit Insurance Scheme has sufficient funds to honour its obligation. The Determination on the premiums payable per risk category and the rate of interest payable on outstanding payments (DGD-6) gazetted on 1 April 2020 has determined the premiums rates for the various risk categories as follows:



The NDGA thus received approval from the Minister to make a double-up adjustments to the risk categories in order to ensure that the Scheme is able to honour its obligation in compensation of depositors at the proposed coverage limit. As such, the proposed risk categories rates were:





## Risk management

### Effective risk management is integral to sound governance and the long-term sustainability of the NDGA.

In accordance with its oversight mandate, the Board, through the ARIC, monitors the key risks facing the Authority and provides strategic guidance on appropriate mitigation measures. The Board-approved ARIC Charter formally assigns the Committee the responsibility of assisting the Board in discharging its risk oversight functions. In fulfilling its own risk management responsibilities during the reporting period, the ARIC achieved the following highlights:

- Reviewed Authority's progress and maturity in respect of embedding a risk-aware culture.
- Assessed the effectiveness of the NDGA's risk management activities.
- Evaluated the key risks facing the Authority together with Management's responses thereto.
- Considered and monitored the implementation of the Risk Management Policy and Plan and oversaw the integrity of the overall risk management process.
- Reviewed the Authority's adopted Risk Management Policy and its associated frameworks, processes and practices and recommended them for approval to the Board, ensuring that these are subject to annual review.
- Recommended appropriate risk tolerance levels to the Board to guide decision-making and strategic execution.
- Ensured that the Authority maintained a prudent balance between risk and reward in both ongoing operations and new initiatives.
- Evaluated significant risk exposures and assessed the adequacy and timeliness of Management's mitigation actions, including once-off interventions and ongoing measures such as business continuity planning, disaster recovery planning and related testing, and
- Reported to the Board on risk exposures and risk management activities through regular management reports, thereby supporting informed oversight and decision-making.

**During the year under review, the ARIC continued to monitor the effectiveness of internal controls and risk mitigation measures through the Authority's Risk Register and Risk Tracker.** The Risk Register identifies the key risks facing the institution, thereby enabling the development and implementation of appropriate mitigation plans and strategies. The Risk Tracker complements this process by providing a structured mechanism to monitor the progress, timeliness and effectiveness of Management's actions in addressing identified risks. Through these tools, the ARIC maintained continuous oversight of risk mitigation efforts and ensured that the Board remained appropriately informed of material risk exposures and the measures being implemented to manage them.

### **Fifth Anniversary Celebration and Signing of MOUs with Strategic Partners**

**The NDGA became fully operational in February 2020 and has been operating effectively over the past years.** On 11 April 2025, the Namibia Deposit Guarantee Authority hosted a 5th anniversary celebration joined with the public launch of the Institution's 2024 Annual Report. The event which took place in Windhoek also coincided with the signing of the Memoranda of Understanding (MOUs) with two identified International Strategic Partners. The NDGA recognises the significance of international collaboration in strengthening financial stability and enhancing the effectiveness of deposit guarantee systems. The 2023–2025 Strategic Plan advocated for the institution to identify and enter into strategic partnerships with reputable deposit insurers. In this regard, the NDGA signed MOUs on bilateral cooperation with the Ghana Deposit Protection Corporation as well as South Africa's Corporation for Deposit Insurance. The MOUs aim to facilitate cooperation in areas such as policy development, capacity building and information sharing on deposit insurance best practices. Similarly, the NDGA aims to strengthen collaboration with these two strategic partners in the areas of risk management and crisis preparedness.



## Participation in the national Crisis Simulation Exercise

**On 19 August 2025, the Authority participated in the national Crisis Simulation Exercise for Namibia as a safety-net participant within the Namibian financial system.** The exercise was specifically designed to reflect the unique characteristics of Namibia's financial sector, its institutional frameworks, and the crisis management powers and tools available to regulators. The national event provided an opportunity for financial sector regulators to assess the effectiveness of their existing crisis management frameworks under severe but plausible stress scenarios, with the objective of strengthening overall crisis preparedness.

Through the use of structured fictional scenarios, the exercise tested key components of the regulatory framework, including its crisis management tools, decision-making processes, coordination mechanisms and crisis communication strategies. The scenarios and supporting data were then aligned with the interconnectedness and complexity of the Namibian financial system, enabling participants to evaluate their readiness to manage the failure of a financial institution or broader systemic distress. The Authority's participation reinforced its commitment to maintaining financial stability and enhancing the resilience of Namibia's financial safety-net framework.



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The CSE enabled financial system safety-net players to rigorously test their crisis management tools and techniques and align them to the demands of the new era

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## Stakeholders Engagement

### Engagement with the International Association of Deposit Insurers

**The NDGA officially became a member of the International Association of Deposit Insurers (IADI) on 16 February 2023.** As the global standard-setting body for deposit insurance systems, the IADI plays a critical role in promoting financial stability by advancing effective deposit insurance frameworks and fostering international cooperation on deposit insurance and bank resolution arrangements. Established in May 2002 with 25 founding members, by the end of 2025, the IADI had grown to include 107 members and 10 associates. Members are entities that, under law or formal agreement, operate a deposit insurance system and have been admitted to the Association. Associates are institutions that do not meet all the criteria for membership but form part of the financial safety net and have a direct interest in the effectiveness of deposit insurance systems. Through its full membership, the NDGA continues to strengthen its position as a recognised authority in deposit insurance standards and evaluations. The NDGA remained a member during the reporting year and continued to leverage the associated benefits by gaining insights into global best practices, participating in capacity-building initiatives, and enhancing Namibia's deposit insurance framework through international collaboration.

### Attendance of the IADI Africa Regional Committee meetings

As an IADI member, the NDGA participated in its Africa Regional Committee (ARC) Annual General Meeting (AGM) and Conference in Mombasa, Kenya, from 16–19 June 2025. The year's theme was "Enhanced bank resolution frameworks and the vital role of deposit insurance systems in bank failure". This marked the third ARC meeting the Authority has attended since becoming an IADI member. The AGM was attended by the Authority's Management and staff.

The ARC Annual Conference featured distinguished speakers from various jurisdictions, who shared insights and experiences on emerging trends and challenges in bank resolution and deposit insurance. The Conference discussed key aspects of bank resolution and deposit insurance, fostering dialogue aimed at strengthening financial stability and enhancing crisis management frameworks.



#### Discussions focused on

- reforming resolution practices in the aftermath of the 2023 banking crisis;
- strengthening financial safety nets through effective coordination between resolution authorities and deposit insurance systems;
- strategies to foster and maintain public confidence during resolution processes; and
- tailored resolution approaches for small and medium-sized financial institutions.

## Attendance of the IADI 24th AGM and Annual Conference

The IADI held its 24th AGM and Annual Conference of Members in Lisbon, Portugal, from 24 to 28 November 2025. The NDGA was represented by the Head of the Authority Ms Florette Nakusera, Manager of Operations Mr Petrus Shifotoka and Senior Financial Analyst Mr Rakotoka Zaire. The Conference examined the evolving challenges confronting financial safety-net participants, particularly deposit insurers, in an environment characterised by heightened risk, uncertainty and increasing geopolitical and economic fragmentation. This marked the NDGA's third attendance at an IADI AGM and Annual Conference since becoming a member.

The Conference also addressed the transformative impact of digital innovation, which continues to reshape the global financial landscape and introduce new complexities for deposit insurance systems. Sessions explored how deposit insurers needed to adapt to the dual forces of fragmentation and digitisation, responding proactively to global developments while identifying opportunities to harmonise practices within an increasingly complex and divided financial environment. Discussions also focused on what these trends implied for deposit insurance frameworks and the strategic measures required to safeguard financial stability.

Another element emphasised at the Conference was the importance of international collaboration. Such collaboration was vital in developing practical solutions to strengthen deposit insurance systems, mitigate cross-border risks, and address the challenges arising from digital transformation, thereby contributing to a more resilient global financial system. Through its active participation in the IADI network, the Authority continues to maximise the benefits of its membership by leveraging opportunities for capacity development, knowledge exchange and enhanced international cooperation.



## Regional engagements

**Stakeholder engagement is pivotal to a successful deposit insurance system.** The IADI Core Principle 10 on public awareness stipulates that, in order to protect depositors as well as to contribute to the country's financial stability, the public has to be constantly informed about the benefits and limitations of an adopted deposit insurance system. Core Principle 10 requires the deposit insurer to continuously promote public awareness through a comprehensive and structured communication programme.

**Therefore, as part of the Authority's Strategic Plan (2023–2025), the NDGA continued conducting its regional stakeholder engagement sessions during 2025.**

This time, Kavango East, Kavango West and Oshikoto were targeted. The engagements commenced with courtesy visits to the offices of the respective Regional Governors, followed by engagements with commercial banks operating in those areas. In addition, educational and promotional materials were distributed to members of the public at designated venues to enhance outreach and visibility. The awareness programme focused on providing clarity on the following key aspects:



The scope of the Deposit Guarantee Scheme, including the types of financial instruments and depositors covered as well as those excluded from coverage



The applicable deposit insurance coverage limits, and



The identification of member banks and other deposit-taking institutions



The NDGA's mandate and other relevant information relating to depositor protection.

**The regional visits were highly successful.** The engagements provided members of the public with a valuable opportunity to interact directly with NDGA officials and gain a better understanding of the deposit insurance cover in place. Leveraging the progress achieved, the NDGA will broaden its stakeholder engagement programme to include the Khomas and Zambezi Regions, in 2026.





## Strategy execution update

**The year under review marked the final year of implementation of the NDGA's inaugural Strategic Plan (2023 – 2025).** In October 2025, the NDGA undertook a comprehensive strategic review of its Strategic Plan to assess progress, evaluate outcomes and identify areas for refinement. As the inaugural strategy approached its conclusion, the Authority developed and approved a new Strategic Plan for the period 2026–2028, which comes into effect on 1 January 2026.

**The strategic initiatives implemented over the past three years under the Authority's first Strategic Plan yielded positive and measurable results.** An overall execution rate of 96.7 per cent reflects the effectiveness of the governance structures, operational frameworks and performance monitoring mechanisms established during this foundational phase. This strong performance underscores the Authority's institutional maturity and readiness to build on the progress achieved.

**Key achievements realised over the past three years includes the following:**

- Prudent management of the Deposit Guarantee Fund, in line with the adopted Investment Policy and Guidelines.
- Integration of the institution into the global arena through joining the International Association of Deposit Insurers.
- Forging of strategic partnerships with identified deposit insurance institutions.
- Vigorous public education awareness initiatives.

During the Strategy Review session, the Board also approved amendments to the Corporate Charter. An update of the NDGA's Strengths–Weaknesses–Opportunities–Threats (SWOT) analysis as well enabled the Authority to remain aligned with the evolving financial sector.

### Growing the Deposit Guarantee Fund

**The Authority's main objective is to establish, maintain, administer and manage a Deposit Guarantee Scheme to protect depositors against the risk of losing their deposits.** For both the insured depositors and the Scheme's member institutions to have confidence in the Authority's ability to deliver on its mandate, the NDGA needs to demonstrate that it has the funds available to do so. The focus of this strategic objective, therefore, is on exploring ways to grow the Deposit Guarantee Fund. This is to be achieved by employing an enhanced investment strategy, maximising premium collection and managing operational costs. The strategic objective also highlights the need to consider entering into agreements with key institutions such as the Bank of Namibia and the Ministry of Finance for emergency funding facilities. Moreover, the need to secure seed capital for the Fund is emphasised.

**The reporting year saw the following milestones reached on the road to achieving this strategic objective:**

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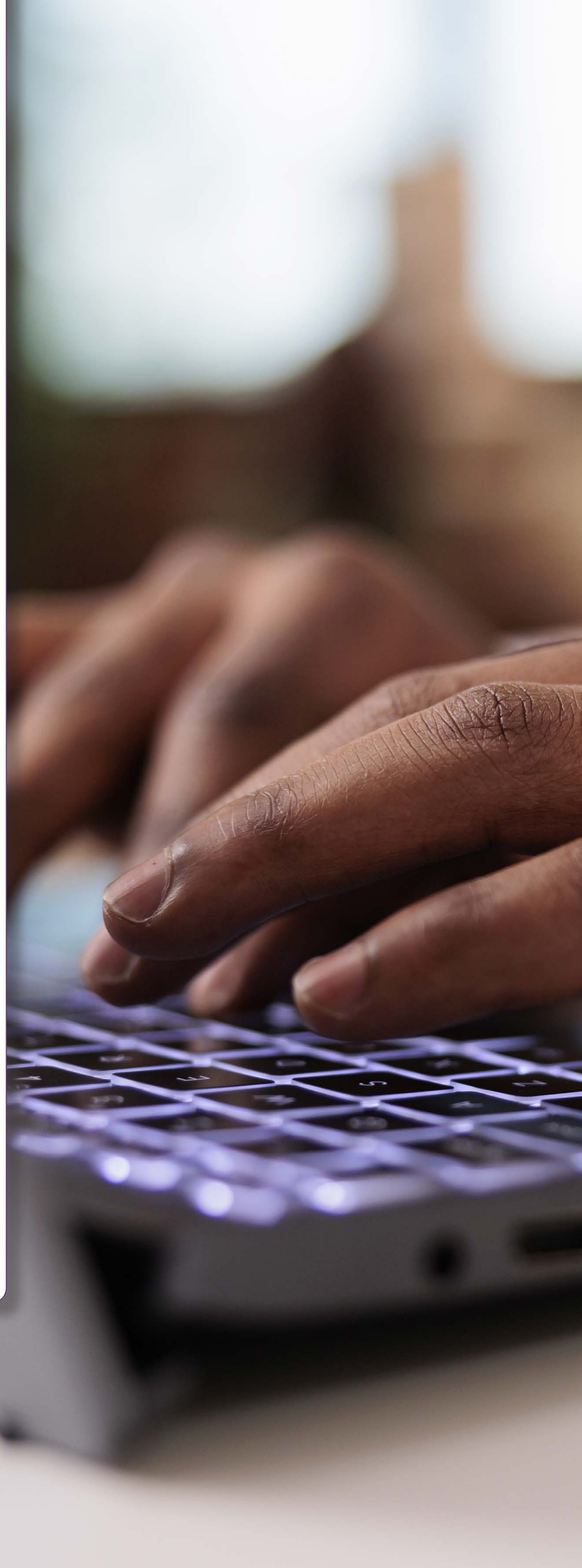
Approved revision of the determination on risk categories, amendment of the Regulation on the coverage limit, and revision of the determination on premiums payable per risk category and interest rates payable by a member institution.

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The amended regulation increased the maximum deposit coverage from N\$25,000 to N\$50,000 per depositor per bank, thereby enhancing depositor protection and strengthening public confidence in the Deposit Guarantee Scheme.

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The revised determination on risk categories introduced adjustments to the premium assessment framework, which doubled the basis points applicable to each risk category. Thus, Category 1 increased from 8 to 16 basis points, Category 2 from 16 to 32 basis points, Category 3 from 32 to 64 basis points, and Category 4 from 64 to 128 basis points.



## Establishing robust and seamless processes

**The success of any institution is largely dependent on its ability to deliver effective and efficient services to its stakeholders.** This entails having robust, reliable and seamless processes and systems in place. Operational efficiency is essential to ensuring that the institution functions optimally, manages risks effectively and achieves its strategic objectives. In this regard, the Authority's strategic focus is to maintain a smooth, accurate and timely pay-out process in the event that depositors must be compensated.

The NDGA's long-term strategy is therefore centred on continuously optimising its systems through advances in information technology. By investing in modern, secure and scalable IT infrastructure, the Authority aims to enhance operational resilience, improve data management capabilities and ensure readiness to execute its mandate efficiently under all circumstances.

### In this regard, the following were achieved in 2025:

**01** The automated Member Institutions Data Submission Portal was implemented successfully and is currently live, and

**02** Awareness and training sessions for member institutions were completed, allowing all members to be able to submit their data through the portal as from 2026.



## Engaging stakeholders effectively

**The identification of strategic stakeholders and engagement with them are crucial to the success of any organisation.** In line with the IADI Core Principle 10 on public awareness, the Authority remains committed to proactive and continuous engagement with stakeholders to foster mutual understanding and trust. To this end, the NDGA has adopted a comprehensive, consistent and inclusive stakeholder engagement approach and strategy.

### During the year, the Authority made significant progress in this regard:

✓ The Authority continued the implementation of its Stakeholder Engagement Strategy, which includes a structured programme of regional engagements across all of Namibia's Regions over a three-year period that commenced in 2023, and

✓ As part of this initiative, the NDGA conducted three regional outreach visits during 2025 to engage key stakeholders and strengthen public awareness and their understanding of the Deposit Guarantee Scheme.

## International collaboration and strategic partnerships

**The NDGA acknowledges the critical role of international collaboration in promoting financial stability and enhancing the effectiveness of deposit guarantee systems.** In line with its Strategic Plan (2023–2025), the Authority consistently prioritised the identification and establishment of strategic partnerships with reputable deposit insurers.

**During the year under review, the NDGA held discussions with the Ghana Deposit Protection Corporation (GDPC) and the SARB's Corporation for Deposit Insurance (CODI).** These discussions aimed at developing formal frameworks for cooperation and knowledge exchange through Memoranda of Understanding (MOUs). These partnerships reflect the NDGA's commitment to advancing its strategic objectives while strengthening international engagement and learning from global deposit insurance experiences.

**A major milestone achieved in this regard during the reporting period was the signing of bilateral MOUs with the GDPC and CODI on 11 April 2025.** The event coincided with the launch of the NDGA 2024 Annual Report and the celebration of the NDGA's 5th Anniversary. The MOU with the GDPC provides a platform for collaboration in policy development, capacity-building and sharing best practices in deposit insurance. Similarly, the draft MOU with CODI seeks to enhance cooperation in deposit protection, risk management and crisis preparedness.

## Promoting a reputable brand

**The Authority remains committed to building and sustaining a reputable corporate brand that fosters strong national awareness of its mandate and role within the financial safety net.** A well-established brand enhances public trust, strengthens stakeholder confidence, and reinforces the credibility of the Deposit Guarantee Scheme.

**The NDGA plans to conduct periodic awareness surveys to assess the level of public understanding of its mandate and the protection offered under the Scheme.**

The insights derived from these surveys are meant to inform the development of targeted communication and stakeholder engagement strategies devised to identify knowledge gaps and improve overall outreach effectiveness. In addition, the Authority continued to leverage emerging technologies and digital communication platforms to enhance stakeholder engagement, particularly with members of the public. By maintaining an active and accessible digital presence, the NDGA promotes transparency, disseminates timely information, and contributes to strengthening consumer confidence in the financial sector.

### The following key achievements were recorded during 2025:

- The NDGA continued to engage stakeholders through its official website, ensuring the availability of accurate, up-to-date information on its mandate, operations and the Deposit Guarantee Scheme
- The NDGA maintained active liaison with the public through its social media platforms throughout 2025, providing regular updates, educational content and awareness initiatives to enhance understanding of deposit protection and the Authority's role in that regard, and
- As part of ongoing outreach and capacity-building, the Authority's Management and staff participated in a resolution crisis management group hosted by the SARB as well as in a benchmarking visit by CODI.

Collectively, these initiatives contributed to the effective implementation of the NDGA's Strategic Plan, with the Authority achieving a strategy execution rate of 96.7 percent during the year under review. This reflects strong institutional focus, disciplined execution, and sustained progress toward the achievement of its strategic objectives. In parallel, the Authority successfully concluded the development of its new 2026–2028 Strategic Plan, ensuring continuity of strategic direction and a strong foundation for the next phase of institutional strengthening and mandate delivery.

“

The Authority  
achieved  
a strategy  
execution  
rate of

**96.7%**

”



PART C

ANNUAL  
FINANCIAL  
STATEMENTS  
**FOR THE  
YEAR ENDED  
31 DECEMBER  
2025**



## GENERAL INFORMATION

### Country of incorporation and domicile

01 Namibia

### Nature of business and principal activities

02 The Namibia Deposit Guarantee Authority (NDGA/The Authority) is an established body whose main responsibility is to manage the Deposit Guarantee Scheme.

The Deposit Guarantee Scheme was established in terms of section 22 of the Deposit Guarantee Act, 2018 (No. 16 of 2018) to protect depositors of member institutions by paying out compensation in the event of deposits held by a member institution becoming unavailable.

### Board of Directors

03 Mr Ebson Uanguta (Chairperson)\*  
Mr Festus Nghifenwa  
Ms Linda Dumba Chicalu  
Mr Herman Shilongo  
Mr Kenneth S Matomola  
Ms Florette Nakusera (*Ex officio* Board Member, NDGA: Head) \*\*

### Business address

04 71 Robert Mugabe Avenue  
Windhoek  
Namibia

### Postal address

05 PO Box 2882  
Windhoek  
Namibia

### Auditors

06 Grand Namibia  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)

### Secretary

07 Mr Rakotoka Zaire  
P.O.Box 2882  
Windhoek  
Namibia

\* NDGA Board Chairperson until 31 December 2025

\*\* NDGA: Head until 28 February 2026



# CONTENTS

The reports and statements set out below comprise the annual financial statements presented to the Board of Directors.

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## FINANCIAL STATEMENTS OVERVIEW

KEY POINTS		2025	2024
		N\$	N\$
<p>Surplus for the year increased by N\$3.1 million, 42% from the prior year owing to favourable interest earned on the investments and increase in Premium income received.</p>	Surplus for the year	10 269 686	7 218 717
<p>Operating expenses were well contained increasing by 1.66%, which is well below inflation.</p>	Operating expenses	2 463 062	2 422 958
<p>Deposit Guarantee Fund investments increased by N\$ 9.7 million (32%) primarily from premiums received for the year and favourable interest earned on these investments during the year.</p>	Total investments	40 092 984	30 344 875

## DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the Directors' responsibility to ensure that the annual financial statements fairly present the state of affairs of the Authority, as defined, as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the basis as set out in note 1. The external auditors are engaged to express an independent opinion on the annual financial statements. The annual financial statements are prepared in accordance with appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the Board of Directors to meet these responsibilities, it sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and the adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority, and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the Directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Authority's cash flow forecast for the year ended 31 December 2026 and, in the light of this review and the current financial position, they are satisfied that the Authority has access to adequate resources to continue in operational existence for the foreseeable future.

## > DIRECTORS' RESPONSIBILITIES **AND APPROVAL** (Continued)

The external auditors are responsible for independently auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors, and their report is presented on pages 61-63.

The annual financial statements set out on pages 66 to 76, which have been prepared on the going concern basis, were approved by the Board of Directors and were signed on its behalf by the following representatives:



**Linda Dumba Chicalu**

Acting Chairperson  
Windhoek  
30 March 2026



**Herman Shilongo**

Board Member  
Windhoek  
30 March 2026



# INDEPENDENT AUDITOR'S REPORT

## TO THE BOARD OF DIRECTORS OF NAMIBIA DEPOSIT GUARANTEE AUTHORITY

### Opinion

We have audited the annual financial statements of Namibia Deposit Guarantee Authority ("the Authority") set out on pages 65 to 76 which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the annual financial statements, which include a summary of material accounting policies and the Directors' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with in the basis of accounting set out in note 1 to the annual financial statements and the requirements of the Deposit Guarantee Act, 2018 (No. 16 of 2018).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable

to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Responsibilities and Approval, which we obtained prior to the date of this auditor's report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# > INDEPENDENT AUDITOR'S REPORT (Continued)

## **Responsibilities of the Board of Directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the basis of accounting set out in note 1 to the annual financial statements and the requirements of the Deposit Guarantee Act, 2018 (No. 16 of 2018), and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITOR'S REPORT (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grand Namibia

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**Grand Namibia**

Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Per: Petrus Nghipandulwa  
Partner

Windhoek  
31 March 2026



# DIRECTORS' REPORT

The Directors have pleasure in submitting their report on the annual financial statements of the Namibia Deposit Guarantee Authority for the year ended 31 December 2025.

## 1. Main business and operations

The main objective of the Authority in terms of Deposit Guarantee Act, 2018 (No.16 of 2018) is to establish and administer the Deposit Guarantee Scheme for the protection of depositors against the risk of loss of their deposits.

The surplus for the Authority for 2025 is N\$ 10 269 686 (2024: N\$ 7 218 717).

The Authority's operating results and state of affairs are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

## 2. Board of Directors

The members of the Board of Directors in office at the date of this report are as follows:

### Directors

Ms Linda Dumba Chicalu (Acting Chairperson)  
Mr Festus Nghifenwa  
Mr Herman Shilongo  
Mr Kenneth S Matomola  
Mr Petrus Shifotoka (*Ex officio* Board Member, Acting Head: NDGA)

## 3. Events after the reporting period

The Chairperson of the NDGA Board, Mr. Ebson Uanguta, was appointed as Governor of the Bank of Namibia effective 1 January 2026. As such, he ceased to be the Chairperson of the NDGA board as at 31 December 2025. This is in line with section 6.2 (a) (i) of the Deposit Guarantee Act, 2018 (No.16 of 2018). Ms Linda Dumba Chicalu, the Deputy Chairperson is currently acting as Chairperson of the Board.

Ms. Florette Nakusera, who served as the Head of the NDGA during the period under review vacated this position, effective 28 February 2026. Mr. Petrus Shifotoka is Acting Head of the NDGA as from 1 March 2026.

## 4. The Authority's governance

The Authority is managed by an independent Board of Directors appointed by the Governor of the Bank of Namibia with the approval of the Minister of Finance.

## 5. Going concern

The accumulated surplus as at 31 December 2025 amounted to N\$ 41 055 504 (2024: N\$ 30 785 817). The annual financial statements have been prepared on a going concern basis.

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note(s)	2025	2024
		N\$	N\$
<b>ASSETS</b>			
<b>Current assets</b>			
Investments	2	40 092 984	30 344 875
Cash and cash equivalents	3	1 036 514	697 391
<b>TOTAL ASSETS</b>		<b>41 129 498</b>	<b>31 042 266</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Accumulated surplus		41 055 504	30 785 817
<b>TOTAL EQUITY</b>		<b>41 055 504</b>	<b>30 785 817</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	73 994	256 449
<b>TOTAL LIABILITIES</b>		<b>73 994</b>	<b>256 449</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41 129 498</b>	<b>31 042 266</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note(s)	2025	2024
		N\$	N\$
Premiums received	4	6 398 082	5 389 112
Grant received	4	2 984 640	2 347 304
<b>Total revenue</b>		<b>9 382 722</b>	<b>7 736 416</b>
Operating expenses	5	(2 463 062)	(2 422 958)
<b>Operating surplus</b>		<b>6 919 660</b>	<b>5 313 458</b>
Investment revenue	2	3 350 027	1 905 259
<b>Surplus for the year</b>		<b>10 269 687</b>	<b>7 218 717</b>
<b>Total comprehensive income for the year</b>		<b>10 269 687</b>	<b>7 218 717</b>



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Accumulated Surplus	Total
	N\$	N\$
<b>Opening balance</b>	23 567 100	<b>23 567 100</b>
Surplus for the year	7 218 717	<b>7 218 717</b>
<b>Balance at 31 December 2024</b>	<b>30 785 817</b>	<b>30 785 817</b>
Surplus for the year	10 269 687	<b>10 269 687</b>
<b>Balance at 31 December 2025</b>	<b>41 055 504</b>	<b>41 055 504</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note(s)	2025	2024
		N\$	N\$
<b>Cash flows from operating activities</b>			
<b>Cash receipts from customers</b>			
Cash receipts from customers	4	9 382 722	7 736 416
Payments to suppliers and employees		(2 645 517)	(2 178 775)
<b>Cash generated from operations</b>	<b>A</b>	<b>6 737 205</b>	<b>5 557 641</b>
<b>Net cash flows from operating activities</b>		<b>6 737 205</b>	<b>5 557 641</b>
<b>Cash flow flows investing activities</b>			
Purchase of investments	2	(6 398 082)	(5 389 112)
<b>Net cash flows from investing activities</b>		<b>(6 398 082)</b>	<b>(5 389 112)</b>
<b>Total cash movement for the year</b>		<b>339 123</b>	<b>168 529</b>
Cash at the beginning of the year	3	697 391	528 862
<b>Total cash at end of the year</b>	<b>3</b>	<b>1 036 514</b>	<b>697 391</b>
<b>Note:</b>			
<b>A. Reconciliation of surplus for the year to cash generated from operations</b>			
Surplus for the year		10 269 687	7 218 717
Adjusted for:			
Interest received	2	(3 350 027)	(1 905 259)
Operating cash flows before movements in working capital		<b>6 919 660</b>	<b>5 313 458</b>
(Decrease)/Increase in trade & other payables		(182 455)	147 728
Decrease in other receivables		-	96 455
<b>Cash generated from operations</b>		<b>6 737 205</b>	<b>5 557 641</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 1. Accounting policies

### Presentation of annual financial statements

The annual financial statements have been prepared on the historical cost basis and in accordance with the accounting policies set out below.

#### 1.1 Basis of preparation

The preparation of the annual financial statements is in conformity with the Deposit Guarantee Act, and the Authority's accounting policies as set out in Note 1. The Deposit Guarantee Act, 2018 (No.16 of 2018) is not prescriptive of the accounting framework that the Authority should adopt, therefore, the Authority elected to apply the International Financial Reporting Standards (IFRS<sup>®</sup>) as a guide for appropriate accounting policies, and as a model for the presentation and disclosure framework in its financial statements. The Authority's accounting policies requires not only the use of certain critical accounting estimates, but also that management exercise their professional judgement in applying the Authority's accounting policies.

No significant estimates or judgements were used during the period under review.

#### 1.2 Revenue recognition

##### *Premiums received*

Premium income from member institutions is levied and recognised in terms of Section 34 of the Namibian Deposit Guarantee Act, 2018 (No.16 of 2018). Premiums are determined by the board based on the risk category and the total guaranteed deposits of each member institution.

Premium income is recognised in profit and loss in the period in which they are due. Any premiums not actually received when due are recognised and included in trade and other receivables.

##### *Grant received*

The grant received consists of the approved operational funding received from the Bank of Namibia. The funds will not be refunded to the Bank of Namibia.

##### *Interest received*

Interest received is recognised in profit or loss using the effective interest rate method and is recognised in the period to which it relates.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

### 1.3 Expenses

Expenses are recorded on an accrual basis.

### 1.4 Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables are classified as loans and receivables at amortised cost.

### 1.5 Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

### 1.6 Investments

Investments are initially measured at cost and are subsequently measured at amortised cost using the effective interest rate method. All interest received on the investments are recorded in the statement of comprehensive income.

### 1.7 Related Parties

Related parties include, but are not limited to, the Bank of Namibia (BON) and members of management who hold positions of responsibility within the Authority, including those charged with governance.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2025	2024
N\$	N\$

### 2. Investments

#### SARB - CPD

<b>Opening balance</b>	<b>30 344 875</b>	<b>23 050 504</b>
Premiums invested	6 398 082	5 389 112
Interest received	3 350 027	1 905 259
<b>Closing balance at 31 December 2025</b>	<b>40 092 984</b>	<b>30 344 875</b>

In terms of Section 29 of the Deposit Guarantee Act, 2018 (No.16 of 2018), the Authority may in a manner approved by the Board invest money standing to the credit of the Deposit Guarantee Fund which is not required for immediate use.

Premiums received were invested with the Bank of Namibia's Corporation for Public Deposits (CPD) account at the South African Reserve Bank to enable the Fund to earn interest at a low risk.

### 3. Cash and Cash Equivalents

Bank Account	<b>1 036 514</b>	<b>697 391</b>
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Section 25(2) of the Deposit Guarantee Act, 2018 (No.16 of 2018), requires the Authority to open a bank account with the Bank of Namibia.

### 4. Revenue

Premiums received	6 398 082	5 389 112
Grant received	2 984 640	2 347 304
<b>Total Revenue</b>	<b>9 382 722</b>	<b>7 736 416</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

### 5. Operating expenses

	2025	2024
	N\$	N\$
Audit fees	54 625	50 895
Conference hosted	237 098	-
Corporate identity costs	196 393	19 806
Directors' fees	331 380	321 634
Other operating costs	73 029	62 204
Printing & publications	153 947	258 039
Public relations events	174 592	141 235
Subscription costs	400 000	381 362
Training cost	254 060	449 979
Travel, subsistence & accommodation	587 938	737 804
	<b>2 463 062</b>	<b>2 422 958</b>

### 6. Trade and other payables

Sundry creditors	-	1 931
Accruals	9 788	195 173
Provision for audit fees	64 206	59 345
	<b>73 994</b>	<b>256 449</b>

Provision for audit fees is recognised based on the approved budget.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2025	2024
N\$	N\$

### 7. Related Parties

During the year, the Authority in its ordinary course of business entered into various transactions with its related parties. The directors' emoluments are paid in terms of Section 17 of the Deposit Guarantee Act, 2018 (No. 16 of 2018). The table below represents the emoluments of the Board members for the year, which are primarily sitting fees and the annual retainer fees.

#### Members of key management

Ms Linda Dumba Chicalu	Deputy Chairperson	88 111	85 455
Mr Festus Nghifenwa	Non-Executive Director	88 111	85 455
Mr Herman Shilongo	Non-Executive Director	96 900	93 863
Mr Kenneth S Matomola	Non-Executive Director	58 258	56 861
		<b>331 380</b>	<b>321 634</b>

Mr Ebson Uanguta and Ms Florette Nakusera are *ex-officio* directors and are therefore not entitled to any directors' remuneration.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

2025	2024
N\$	N\$

### 7. Related Parties continued...

#### Related Party Balances

The Bank of Namibia (the Bank) renders administrative support to the Authority. In terms of the Deposit Guarantee Act, 2018 (No.16 of 2018), section 19, the Bank is required to provide resources to the Authority for it to achieve its policy objectives and fulfil its mandate.

The table below represents the balances and transactions entered into with the Bank of Namibia:

#### Statement of Financial Position

##### Assets

Bank account	1 036 514	697 391
Investments	40 092 984	30 344 875
	<b>41 129 498</b>	<b>31 042 266</b>

#### Statement of Comprehensive Income

##### Income

Grant received	2 984 640	2 347 304
Interest received	3 350 027	1 905 259
	<b>6 334 667</b>	<b>4 252 563</b>

## > NOTES TO THE ANNUAL **FINANCIAL STATEMENTS** (Continued)

### **8. Going concern**

The annual financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available as detailed in the directors' report to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### **9. Subsequent events**

The Chairperson of the NDGA Board, Mr. Ebson Uanguta, was appointed as Governor of the Bank of Namibia effective 1 January 2026. As such, he ceased to be the Chairperson of the NDGA board as at 31 December 2025. This is in line with section 6.2(a) (i) of the Deposit Guarantee Act, 2018 (No.16 of 2018). Ms Linda Dumba Chicalu, the Deputy Chairperson is currently acting as Chairperson of the Board.

Ms. Florette Nakusera, who served as the Head of the NDGA during the period under review vacated this position, effective 28 February 2026. Mr. Petrus Shifotoka is Acting Head of the NDGA as from 1 March 2026.









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